

SERFF Tracking Number: BEUW-125710908 State: Arkansas
 Filing Company: StarNet Insurance Company State Tracking Number: EFT \$25
 Company Tracking Number: AR-HBPA-EAOTLP-RU-2008-01
 TOI: 17.2 Other Liability - Occurrence Only Sub-TOI: 17.2022 Other
 Product Name: Equine Association Owners and Trainers Liability Policy
 Project Name/Number: The National Horsemens Benevolent and Protective Association Risk Purchasing Group/AR-HBPA-EAOTLP-Ru-2008-01

Filing at a Glance

Company: StarNet Insurance Company

Product Name: Equine Association Owners and SERFF Tr Num: BEUW-125710908 State: Arkansas

Trainers Liability Policy

TOI: 17.2 Other Liability - Occurrence Only

SERFF Status: Closed

State Tr Num: EFT \$25

Sub-TOI: 17.2022 Other

Co Tr Num: AR-HBPA-EAOTLP-RU-2008-01

State Status: Fees verified and received

Filing Type: Rule

Co Status:

Reviewer(s): Betty Montesi, Edith Roberts

Authors: Ryan Boulware, Donald Harrison, Lawrence Whalley

Disposition Date: 09/02/2008

Date Submitted: 08/06/2008

Disposition Status: Filed

Effective Date Requested (New): 11/01/2008

Effective Date (New):

Effective Date Requested (Renewal): 11/01/2008

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: The National Horsemens Benevolent and Protective Association Risk Purchasing Group

Status of Filing in Domicile: Pending

Project Number: AR-HBPA-EAOTLP-Ru-2008-01

Domicile Status Comments: We are filing in Delaware simultaneously with this filing

Reference Organization: None

Reference Number: None

Reference Title: None

Advisory Org. Circular: Proprietary

Filing Status Changed: 09/02/2008

State Status Changed: 09/02/2008

Deemer Date:

Corresponding Filing Tracking Number: AR-HBPA-EAOTLP-Fm-2008-01

Filing Description:

Berkley Underwriting Partners, LLC is an underwriting manager for StarNet Insurance Company and is making this filing to correct the current National Horsemen's Benevolent and Protective Association Risk Purchasing Group (HBPA) policy form and rules to reflect the changes in the terrorism program.

<i>SERFF Tracking Number:</i>	<i>BEUW-125710908</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>StarNet Insurance Company</i>	<i>State Tracking Number:</i>	<i>EFT \$25</i>
<i>Company Tracking Number:</i>	<i>AR-HBPA-EAOTLP-RU-2008-01</i>		
<i>TOI:</i>	<i>17.2 Other Liability - Occurrence Only</i>	<i>Sub-TOI:</i>	<i>17.2022 Other</i>
<i>Product Name:</i>	<i>Equine Association Owners and Trainers Liability Policy</i>		
<i>Project Name/Number:</i>	<i>The National Horsemens Benevolent and Protective Association Risk Purchasing Group/AR-HBPA-EAOTLP-Ru-2008-01</i>		

The federal Terrorism Risk Insurance Program Reauthorization Act of 2007 (TRIPRA) made changes in how coverage is to be effected and what is covered under the federal reinsurance program. As the HBPA program includes coverage for certified acts of terrorism and as the program has an effective date of 1 November we must make these changes in anticipation of the renewal of the program. The federal rules permit the current policy to continue as it was effective before TRIPRA which was effective on 26 December 2007. There are no rate changes to this program.

We ask the insurance department to provide their responses quickly as this program must be in place not later than 1 November 2008.

Company and Contact

Filing Contact Information

Lawrence Whalley, Regulatory Compliance Director 215 Shuman Blvd., Suite 200 Naperville, IL 60563	lwhalley@bupllc.com (630) 210-0367 [Phone] (630) 210-0377[FAX]
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Filing Company Information

StarNet Insurance Company 215 Shuman Blvd., Suite 200 Naperville, IL 60563 (630) 210-0360 ext. [Phone]	CoCode: 40045 Group Code: 98 Group Name: W.R. Berkley Corporation FEIN Number: 22-3590451 -----	State of Domicile: Delaware Company Type: Stock State ID Number:
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Filing Fees

Fee Required?	Yes
Fee Amount:	\$25.00
Retaliatory?	No
Fee Explanation:	Rule change \$25.
Per Company:	No

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COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
StarNet Insurance Company	\$25.00	08/06/2008	21815232

SERFF Tracking Number: BEUW-125710908 State: Arkansas
Filing Company: StarNet Insurance Company State Tracking Number: EFT \$25
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	09/02/2008	09/02/2008

SERFF Tracking Number: *BEUW-125710908* *State:* *Arkansas*
Filing Company: *StarNet Insurance Company* *State Tracking Number:* *EFT \$25*
Company Tracking Number: *AR-HBPA-EAOTLP-RU-2008-01*
TOI: *17.2 Other Liability - Occurrence Only* *Sub-TOI:* *17.2022 Other*
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Disposition

Disposition Date: 09/02/2008

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: *BEUW-125710908* State: *Arkansas*
 Filing Company: *StarNet Insurance Company* State Tracking Number: *EFT \$25*
 Company Tracking Number: *AR-HBPA-EAOTLP-RU-2008-01*
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Item Type	Item Name	Item Status	Public Access
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Rate/Rule Filing Schedule	Filed	Yes
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	Rule manual comparison	Filed	Yes
Rate	StarNet Countrywide Rule and Rate Manual	Filed	Yes

SERFF Tracking Number: *BEUW-125710908* *State:* *Arkansas*
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Rate Information

Rate data does NOT apply to filing.

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	StarNet Countrywide Rule and Rate Manual	CW-EAOATLP-RR 2008-01	Replacement	AR-PC-06-020696 CW-EAOATLP-RaRu 06 08 Countrywide Manual.pdf

StarNet Insurance Company

Equine Association Owners and Trainers Liability Policy

Countrywide Rule and Rate Manual

INTRODUCTION:

StarNet has provided the National Horsemen's Benevolent and Protective Association (HBPA) a specialized liability insurance coverage for their members since 1 November 2006. Specifically, coverage for bodily injury, property damage, or personal and advertising injury from an occurrence or offense arising out of the ownership, maintenance, use, or entrustment to others of horses owned or trained by a member additional insured. For this purpose StarNet has developed the Equine Association Owners and Trainers Liability Policy (EAOTLP) **EL 70 10**. This is a master policy having a declarations page for HBPA **EL DS 77 10** and member additional insured endorsements **EL 75 08** issued to each member of HBPA buying the coverage.

HBPA has been written in approximately forty-six (46) jurisdictions of the United States as Risk Purchasing Group (RPG) for the initial purpose of offering EAOTLP to its members. While membership in the association is required to buy the coverage no member is required to buy the coverage to belong to the organization. HBPA may add other liability coverages to their RPG in the future.

COVERAGE:

The policy provides liability coverage with respect to the ownership or training of horses. Unlike the typical general liability policy no coverage for products or completed operations is included. Most of the horses will be race horses as HBPA is predominantly a horse racing body. HBPA members who own or train horses but have no owned premises where the horses are housed or trained are the market for this coverage. There is also coverage for "personal and advertising injury" and Medical Payments coverage arising out of the training or ownership of horses.

Members of HBPA who own premises where horses are housed or trained may obtain coverage for their property and liability exposures separately through StarNet's Equine Farm Program. The liability coverage in the Equine Farm Program differs from EAOTLP in the area of liability for those riding the horses. The Equine Farm Program specifically excludes bodily injury liability for any person arising out of their use of any horse while participating in or practicing for horse racing. EAOTLP excludes only employees of the insured while riding the owned or trained horses.

Coverage flows to members of HBPA who choose to buy the coverage by means of an endorsement naming the HBPA member as a member additional insured. Each member additional insured has their own each occurrence and general aggregate limits of insurance. Hence, as many members buy coverage then many occurrence and aggregate limits will exist.

Under EAOTLP there are certain exclusions that address hazards that are usually expected of most commercial insureds. Specifically in Section I Coverages in addition to the usual general liability exclusions we also exclude:

- Asbestos, lead, and silica are excluded in both Coverages A and B. We are not covering anyone with owned premises hence this premises and operations exposure is excluded.
- Discrimination is excluded for Coverages A and B. The persons or organizations buying this insurance are small business persons or individuals who need to decide whether to train a particular horse on the basis of the horse's characteristics and possibly the characteristics of the owner. It is possible the trainer's choice could be viewed as a form of discrimination regarding either the horse or the owner and we don't charge sufficient premium to cover this exposure.
- Products-completed operations hazard is excluded. The intent of this exclusion is to remove coverage for tack a trainer might sell or recommend to the owner of the horse. The exclusion states the defined term horse activities are not products-completed operations hazard to alleviate any concerns over this issue.
- Property damage to a horse that is in the insured's care, custody, or control. Separate coverage for animal mortality and liability for horses of others in the insured's care, custody, or control is available through StarNet's Animal Mortality and Equine Farm Program.
- Riding stables or riding schools – These are specific operations that involve ownership, rental, or permissive use of premises. This exposure can be covered in our Equine Farm Program.
- Sexual misconduct, sexual abuse, or molestation is excluded – There is a possibility of this exposure to bodily injury and personal and advertising injury since trainers and owners will often assist riders onto a horse. There is also the situation where personal relationships may develop between owners, trainers, and riders outside of the training or ownership of the horse. Our rates are too low for this exposure to be included.

Under Section I – Coverages we have included Coverage C – Cap on Losses from Certified Acts of Terrorism. The Association has requested that we include coverage for the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2007 in our policy form. Because of the changes made by the United States Congress in 2007 to the terrorism act we felt it appropriate to clearly and explicitly include the coverage for

StarNet Insurance Company

Equine Association Owners and Trainers Liability Policy

Countrywide Rule and Rate Manual

certified acts of terrorism by showing it as a separate coverage. By separating it we do not add limits to the policy but make certain the coverage is obvious. The definition of certified acts of terrorism is found in Section V – Definitions. The member additional insured may choose to opt out of the terrorism program for a premium reduction of \$1.00 per horse insured.

Section II of the policy, Who is an Insured covers persons or organizations under paragraph A., who are involved with horses. This is not a general business policy hence there is no general coverage for persons or organizations not involved in horse ownership or training. Other insureds described in paragraph B., are also limited to activities involving horses.

Section III of the policy Limits of Insurance, shows that each member additional insured has their own general aggregate and occurrence limit. In this way each member additional insured should not be concerned about other member additional insureds consuming a policy level aggregate or occurrence limits. The only premises liability coverage is for premises rented to the named insured on a broad all risk basis.

Section IV – Conditions – HBPA is based in Kentucky so the conditions of the master policy are Kentucky conditions, including cancellation and non-renewal. There is a conformity with statutes condition addressing the rules, statute, regulations applying in the place where activities covered by the policy occur. Since the owners or trainers do not have a fixed location or address where the horse or horse training activities occur we have no means to determine what rules, statutes, or regulations will apply at the time or a claim or “suit”. As the program is filed in almost all states a state exception endorsement has been prepared for each state where the an RPG is established by HBPA. These amendatory endorsements will be attached to the master policy and will inure to the benefit of the member additional insureds domiciled in each state under the home state rules.

Section V – Definitions includes all of the needed definitions for this policy including horse activities, certified acts of terrorism, and an expanded definition of employee.

This liability coverage is needed because homeowners and farmowners policies exclude any off premises use of animals and only specialty insurers such as StarNet write liability coverage for these specialized attractive nuisance exposures. Most HBPA members own race horses and frequently a track will require proof of liability insurance to allow the owner or trainer to stable a horse on the premises and/or run the horse in a race.

RULES:

Rule 1. ELIGIBILITY – For any HBPA member to obtain coverage they must complete an application form. The application is not attached to the policy. In order to qualify for this program the applicant cannot own or rent premises where horses are boarded or trained. Instead, owned horses will be boarded at a boarding or training stable where the owner of the horse pays a fee for the training or boarding of the horse. When a trainer works exclusively on other person’s or organization’s property and/or at a track she or he also qualifies for this program.

Rule 2. RATING – We use the number of owned and/or trained horses as the units of exposure to provide **\$1,000,000** Each Occurrence and **\$2,000,000** General Aggregate Limits of Insurance for each “member additional insured” (members of HBPA) who buys the coverage. We provide **\$1,000,000** in Personal and Advertising Injury Liability along with **\$50,000** for Damage to Premises Rented to You Limits of Insurance and **\$5,000** per person Medical Expense Limits of Insurance.

The number of owned and/or trained horses is determined from the application completed by the member additional insured. We accept the number of horses on the application, unless after the coverage is issued, a claim or “suit” reveals the member additional insured had at least two (2) or more horses than reported on the application. At that time we will bill additional premium for the correct number of horses owned and/or trained.

There are two rate schedules for this program. The first table includes federal Terrorism Risk Insurance Act (TRIPRA, see Rule 3 below) coverage for certified acts of terrorism and the other table excludes TRIA. Both charts have tables showing the premium per horse to be used depending on when the member additional insured buys coverage.

The two separate premium tables, within each chart, apply to when the member additional insureds buy coverage during the policy period. The two tables are for periods between 1 November and 30 April and separately after 1 May. Due to the small premium, eliminating pro rata premium computations is appropriate. The master policy period is for one year incepting on 1 November and expiring the next 1

StarNet Insurance Company Equine Association Owners and Trainers Liability Policy Countrywide Rule and Rate Manual

November. All member additional insured endorsements will expire at the same time as the policy. All members of HBPA will be offered an opportunity to buy the coverage, including TRIPRA, prior to 1 November 2008.

Rating including Federal Terrorism Risk Insurance Program Reauthorization Act premium amount:					
Rates per Horse for Coverage Bound between 1 Nov and 30 Apr:			Rates per Horse for Coverage Bound after 1 May:		
Horses Declared:	Premium Per Horse:		Horses Declared:	Premium Per Horse:	
One	\$ 90.00		One	\$ 50.00	
Two	\$ 180.00		Two	\$ 100.00	
Each Additional	\$ 90.00		Each Additional	\$ 50.00	
Minimum premium is \$180.00			Minimum premium is \$100.00		

Rule 3. CERTIFIED ACTS OF TERRORISM COVERAGE – (TRIPRA) – Since HBPA has requested that the federal terrorism coverage be included in the policy as Coverage C we have built in the rating for this coverage. The rate for each member additional insured is one (1) percent of the member additional insured's premium. This produces a rounded dollar amount of **\$1.00** per horse. The member additional insured can decline "certified act or terrorism" coverage by signing the declination on the application (see Exhibit A) and an exclusion of certified acts will be attached to their member additional insured endorsement **EL 75 20**. When TRIA is declined the premium amounts will be determined by the chart below.

Rating excluding Federal Terrorism Risk Insurance Program Reauthorization Act Coverage:					
Rates per Horse for Coverage Bound between 1 Nov and 30 Apr:			Rates per Horse for Coverage Bound after 1 May:		
Horses Declared:	Premium Per Horse:		Horses Declared:	Premium Per Horse:	
One	\$ 89.00		One	\$ 49.00	
Two	\$ 178.00		Two	\$ 98.00	
Each Additional	\$ 89.00		Each Additional	\$ 49.00	
Minimum premium is \$178.00			Minimum premium is \$98.00		

Rule 3.1 TRIPRA EXPIRATION – At the time of this filing TRIPRA is not expected to expire until 31 December 2014. As a result we do not anticipate filing any endorsements to respond to this distant event until approximately 2012.

Rule 4. IN TERM CANCELLATION BY A MEMBER ADDITIONAL INSURED – In the event a member additional insured chooses to cancel coverage after their endorsement is issued we will use the following short term cancellation chart:

Period in Force:	Minimum Premium:
One month or less	\$ 25.00
One month to two months	\$ 40.00
Two or more months	\$ 50.00

However, if the pro rata earned premium for the term of coverage exceeds the minimum premium amount shown in the chart above we will surcharge the pro rata earned premium by an amount of seven and one half (7½) percent and return the unearned portion of the premium.

Rule 5. IN TERM CANCELLATION BY US – In the unlikely event that we cancel a member additional insured endorsement we will pro rate the earned premium for the period coverage was in force and return to the member additional insured the unearned premium amount in excess of **\$10.00**. However, we will refund amounts between **\$0.99** and **\$9.99** upon request, unless local law requires us to refund all such sums.

Rule 6. PREMIUM ROUNDING:

A. Premium for the member additional insured endorsement is not pro rated therefore will be no rounding rule for new additional member insured endorsements.

B. For horses added to a member additional insured's endorsement during the policy term follow the premium tables shown in the rating page and use the dates to determine the per horse premium amount. A new "member additional insured" endorsement will be issued to reflect the change.

StarNet Insurance Company
Equine Association Owners and Trainers Liability Policy
Countrywide Rule and Rate Manual

C. For return premium when a member additional insured cancels coverage follow the short rate table.

D. When the Company cancels a member additional insured during the policy period follow the return premium rule on the rating page.

Rule 7. POLICY CHANGES – In the unlikely event of a change to the master policy declarations – Endorsement – Declarations Changes **EL 75 23** is to be used to make such a change.

Rule 7.1 MEMBER ADDITIONAL INSURED CHANGES – Changes for the “member additional insured(s)” will only affect their own coverage. Such changes will usually be changes to the number of horses, the mailing address, name of the “member additional insured”, and/or adding or deleting additional interests to the endorsement. As these changes may involve premium computations simply changing the “member additional insured” endorsement will not permit the computations needed to be shown. Therefore, use of Endorsement – HBPA Member Additional Insured Changes **EL 75 22** to carry the **EL 75 08** will be needed. **EL 78 22** is also used to compute and effect termination of a “member additional insured’s” endorsement.

Rule 8. APPLICATION FOR INSURANCE – The application form **EL 73 00** is not attached to the “member additional insured” endorsement but constitutes representations to us with respect to the exposures to loss. Each “member additional insured” will receive a copy of our privacy policy **IL 75 04**, which is not included in the policy.

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 Project Name/Number: The National Horsemens Benevolent and Protective Association Risk Purchasing Group/AR-HBPA-EAOTLP-Ru-2008-01

Supporting Document Schedules

Review Status:
Satisfied -Name: NAIC loss cost data entry document Filed 09/02/2008

Comments:

Please see the form attached. As there is no rate change and we do not have Arkansas numbers for this program we are also appending an explanatory memorandum to assist with your analysis.

Attachments:

FORM RF-1 Rate Filing Abstract.pdf
 HBPA EAOATLP Explanatory Memorandum.pdf

Review Status:
Bypassed -Name: Rate/Rule Filing Schedule Filed 09/02/2008

Bypass Reason: See the transmittal document below for the rate rule filing schedule.

Comments:

Review Status:
Satisfied -Name: Uniform Transmittal Document- Property & Casualty Filed 09/02/2008

Comments:

Please see the transmittal document attached below.

We were led to believe the transmittal document would be obsolete with version 5 and later versions of SERFF.

Attachment:

AR Rule Transmittal Document.pdf

Review Status:
Satisfied -Name: Rule manual comparison Filed 09/02/2008

Comments:

Attachment:

Rule Manual Comparison.pdf

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	AR-HBPA-EAOTLP-Ru-2008-01
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	No – This is a proprietary filing
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Company Name		Company NAIC Number	
3.	A.	StarNet Insurance Company	B. 40045

Product Coding Matrix Line of Business (i.e., Type of Insurance)		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)	
4.	A.	17.2000	B. 17.2022

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY			
			(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)
Horse activities	0.00	0.00				
TOTAL OVERALL EFFECT						

THE INFORMATION BELOW IS FOR 17.0000 LINE OF INSURANCE FROM ANNUAL STATEMENT AND IEEEs. THIS IS A PREMIUM NEUTRAL FILING.

6.	5 Year History		Rate Change History					
	Year	Policy Count	% of Change	Effective Date	CW Earned Premium (000)	Incurred Losses (000)	CW Loss Ratio	Countrywide Loss Ratio
	2003				2,437	1,644	67.5	67.5
	2004				7,076	4,718	66.7	66.7
	2005				9,057	5,543	61.2	61.2
	2006				10,762	5,793	53.0	53.0
	2007				13,895	7,071	51.0	51.0

7.	Expense Constants	Selected Provisions
	A. Total Production Expense	26.0
	B. General Expense	6.0
	C. Taxes, License & Fees	3.0
	D. Underwriting Profit & Contingencies	2.5
	E. Other (explain)	0.0
	F. TOTAL	37.5

8. N Apply Lost Cost Factors to Future filings? (Y or N)
9. 0.00 Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
10. 0.00 Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

**StarNet Insurance Company
Horsemen's Benevolent and Protective Association
Risk Purchasing Group Program
Explanatory Memorandum**

The purpose of this filing is to revise the current Risk Purchasing Group (RPG) program for the Horsemen's Benevolent and Protective Association (HBPA) to reflect the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA) of 2007.

The liability coverage covers bodily injury, property damage, and personal and advertising injury arising out of horse activities including ownership, use, and routine care of owned or trained horses. The activities typically contemplated by the coverage include breeding, sales, training, racing, and the attractive nuisance of an owned horse.

The base rates that have been in place for this program for the first two years will not be changing with this filing. Thus, this filing will have a rate neutral effect on existing policyholders. For informational purposes, the rate information that was presented in the original filing of this program has been included below. Through the first two years, the HBPA program has written \$1.0M of premium on a countrywide basis.

HBPA RATES:

There are two separate premium charts each containing two separate premium tables. One chart is for the liability policy with certified acts of terrorism coverage while the other chart is used when the HBPA member rejects the federal coverage. Within each chart two tables apply to when the member additional insureds buy coverage during the policy period. The two tables are for periods between 1 November and 30 April and separately after 1 May. Due to the small premium, eliminating pro rata premium computations has been appropriate. The master policy period is for one year incepting on 1 November and expiring the next 1 November. All member additional insured endorsements will expire at the same time as the policy. All members of HBPA will be offered an opportunity to renew or buy the coverage, including TRIA, prior to 1 November 2008 as approved by each state.

Rating including Federal Terrorism Risk Insurance Act premium amount:					
Rates per Horse for Coverage Bound between 1 November and 30 April:			Rates per Horse for Coverage Bound after 1 May:		
Horses Declared:	Premium Per Horse:		Horses Declared:	Premium Per Horse:	
One	\$	90.00	One	\$	50.00
Two	\$	180.00	Two	\$	100.00
Each Additional	\$	90.00	Each Additional	\$	50.00
Minimum premium is \$180.00			Minimum premium is \$100.00		

CERTIFIED ACTS OF TERRORISM COVERAGE – (TRIPRA):

Since HBPA has requested that the federal terrorism coverage be included in the policy, coverage for TRIPRA is included and the rate for each member additional insured is one (1) percent of the member additional insured's premium. This produces a rounded dollar amount of \$1.00 per horse. While, it is true that TRIPRA expanded the federal program to include a broader bundle of potential terrorist acts since the act does not include the former restriction to foreign terrorists or foreign sourced command and control of the terrorist act we feel there are not current grounds or support for any additional premium for the TRIPRA exposure. The member additional insured can decline "certified act or terrorism" coverage by signing the declination on the application and an exclusion of certified acts will be attached to their member additional insured endorsement. When TRIA is declined the premium amounts will be determined by the chart below.

Rating excluding Federal Terrorism Risk Insurance Act Coverage:					
Rates per Horse for Coverage Bound between 1 November and 30 April:			Rates per Horse for Coverage Bound after 1 May:		
Horses Declared:	Premium Per Horse:		Horses Declared:	Premium Per Horse:	
One	\$	89.00	One	\$	49.00
Two	\$	178.00	Two	\$	98.00
Each Additional	\$	89.00	Each Additional	\$	49.00
Minimum premium is \$178.00			Minimum premium is \$98.00		

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 60%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #

5. Company Tracking Number	
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail

7. Signature of authorized filer	
8. Please print name of authorized filer	

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: <input style="width: 100px;" type="text"/> Renewal: <input style="width: 100px;" type="text"/>
15. Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

22. Filing Fees (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #:
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

PC TD-1 pg 2 of 2

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	
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4a.	Rate Change by Company (As Proposed)
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

4b.	Rate Change by Company (As Accepted) For State Use Only
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Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5.	Overall Rate Information (Complete for Multiple Company Filings only)
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		COMPANY USE	STATE USE
5a	Overall percentage rate indication (when applicable)		
5b	Overall percentage rate impact for this filing		
5c	Effect of Rate Filing – Written premium change for this program		
5d	Effect of Rate Filing – Number of policyholders affected		

6.	Overall percentage of last rate revision	
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7.	Effective Date of last rate revision	
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

StarNet Insurance Company

Equine Association Owners and Trainers Liability Policy

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INTRODUCTION:

StarNet has ~~been asked by~~[provided](#) the National Horsemen's Benevolent and Protective Association (HBPA) ~~to provide~~ a specialized liability insurance coverage for their members ~~since 1 November 2006~~. Specifically, coverage for bodily injury, property damage, or personal and advertising injury from an occurrence or offense arising out of the ownership, maintenance, use, or entrustment to others of horses owned or trained by a member additional insured. For this purpose StarNet has developed the Equine Association Owners and Trainers Liability Policy ([EAOTLPEAOTLP](#)) **EL 70 10**. ~~There is a table of contents included in this filing EL TC 70 10.~~ This is a master policy having a declarations page for HBPA **EL DS 77 10** and member additional insured endorsements **EL 75 08** issued to each member of HBPA buying the coverage.

HBPA has ~~filed~~[been written](#) in approximately forty ~~four (44)~~^{six (46)} jurisdictions of the United States as Risk Purchasing Group (RPG) for the initial purpose of offering [EAOTLPEAOTLP](#) to its members. While membership in the association is required to buy the coverage no member is required to buy the coverage to belong to the organization. HBPA may add other liability coverages to their RPG in the future.

COVERAGE:

The policy provides liability coverage with respect to the ownership or training of horses. Unlike the typical general liability policy no coverage for products or completed operations is included. Most of the horses will be race horses as HBPA is predominantly a horse racing body. HBPA members who own or train horses but have no owned premises where the horses are housed or trained are the market for this coverage. There is also coverage for "personal and advertising injury" and Medical Payments coverage arising out of the training or ownership of horses.

Members of HBPA who own premises where horses are housed or trained may obtain coverage for their property and liability exposures separately through StarNet's ~~filed~~ Equine Farm Program. The liability coverage in the Equine Farm Program differs from [EAOTLPEAOTLP](#) in the area of [coverage liability](#) for those riding the horses. The Equine Farm Program specifically excludes bodily injury liability for any person arising out of their use of any horse while participating in or practicing for horse racing. [EAOTLPEAOTLP](#) excludes only employees of the insured while riding the owned or trained horses.

Coverage flows to members of HBPA who choose to buy the coverage by means of an endorsement naming the HBPA member as a member additional insured. Each member additional insured has their own each occurrence and general aggregate limits of insurance. Hence, as many members buy coverage then many occurrence and aggregate limits will exist.

Under [EAOTLPEAOTLP](#) there are certain exclusions that address hazards that are usually expected of most commercial insureds. Specifically in Section I Coverages in addition to the usual general liability exclusions we also exclude:

- Asbestos, lead, and silica are excluded in both Coverages A and B. We are not covering anyone with owned premises hence this premises and operations exposure is excluded.
- Discrimination is excluded for Coverages A and B. The persons or organizations buying this insurance are small business persons or individuals who need to decide whether to train a particular horse on the basis of the horse's characteristics and possibly the characteristics of the owner. It is possible the trainer's choice could be viewed as a form of discrimination regarding either the horse or the owner and we don't charge sufficient premium to cover this exposure.
- Products-completed operations hazard is excluded. The intent of this exclusion is to remove coverage for tack a trainer might sell or recommend to the owner of the horse. The exclusion states the defined term horse activities are not products-completed operations hazard to alleviate any concerns over this issue.
- Property damage to a horse that is in the insured's care, custody, or control. Separate coverage for animal mortality and liability for horses of others in the insured's care, custody, or control is available through StarNet's ~~filed~~ Animal Mortality and Equine Farm Program.
- Riding stables or riding schools – These are specific operations that involve ownership, rental, or permissive use of premises. This exposure can be covered in our Equine Farm Program.
- Sexual misconduct, sexual abuse, or molestation is excluded – There is a possibility of this exposure to bodily injury and personal and advertising injury since trainers and owners will often assist riders onto a horse. There is also the situation where personal relationships may develop between owners, trainers, and riders outside of the training or ownership of the horse. Our rates are too low for this exposure to be included.

[Under Section I – Coverages we have included Coverage C – Cap on Losses from Certified Acts of Terrorism. The Association has requested that we include coverage for the Terrorism Risk Insurance Program](#)

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Reauthorization Act (TRIPRA) of 2007 in our policy form. Because of the changes made by the United States Congress in 2007 to the terrorism act we felt it appropriate to clearly and explicitly include the coverage for certified acts of terrorism by showing it as a separate coverage. By separating it we do not add limits to the policy but make certain the coverage is obvious. The definition of certified acts of terrorism is found in Section V – Definitions. The member additional insured may choose to opt out of the terrorism program for a premium reduction of \$1.00 per horse insured.

Section II of the policy, Who is an Insured covers persons or organizations under paragraph ~~4.A.~~, who are involved with horses. This is not a general business policy hence there is no general coverage for persons or organizations not involved in horse ownership or training. Other insureds described in paragraph ~~2B.~~, are also limited to activities involving horses.

Section III of the policy Limits of Insurance, shows that each member additional insured has their own general aggregate and occurrence limit. In this way each member additional insured should not be concerned about other member additional insureds consuming a policy level aggregate or occurrence limits. The only premises liability coverage is for premises rented to the named insured on a broad all risk basis.

Section IV – Conditions – HBPA is based in Kentucky so ~~all of~~ the conditions of the master policy are Kentucky conditions, including cancellation and non-renewal. There is a conformity with statutes condition addressing the rules, statute, regulations applying in the place where activities covered by the policy occur. Since the owners or trainers do not have a fixed location or address where the horse or horse training activities occur we have no means to determine what rules, statutes, or regulations will apply at the time or a claim or “suit”. As the program is filed in almost all states a state exception endorsement has been prepared for each state where the an RPG is established by HBPA. These amendatory endorsements will be attached to the master policy and will inure to the benefit of the member additional insureds domiciled in each state under the home state rules.

Section V – Definitions includes all of the needed definitions for this policy including horse activities, certified acts of terrorism, and an expanded definition of employee.

This liability coverage is needed because homeowners and farmowners policies exclude any off premises use of animals and only specialty insurers such as StarNet write liability coverage for these specialized attractive nuisance exposures. Most HBPA members own race horses and frequently a track will require proof of liability insurance to allow the owner or trainer to stable a horse on the premises and/or run the horse in a race.

RULES:

Rule 1. ELIGIBILITY – For any HBPA member to obtain coverage they must complete ~~the an~~ application form which. The application is included as Exhibit A not attached to the policy. In order to qualify for this program the applicant cannot own or rent premises where horses are boarded or trained. Instead, owned horses will be boarded at a boarding or training stable where the owner of the horse pays a fee for the training or boarding of the horse. When a trainer works exclusively on other person’s or organization’s property and/or at a track she or he also qualifies for this program.

Rule 2. RATING – We use the number of owned and/or trained horses as the units of exposure to provide **\$1,000,000** Each Occurrence and **\$2,000,000** General Aggregate Limits of Insurance for each “member additional insured” (members of HBPA) who buys the coverage. We provide **\$1,000,000** in Personal and Advertising Injury Liability along with **\$50,000** for Damage to Premises Rented to You Limits of Insurance and **\$5,000** per person Medical Expense Limits of Insurance.

The number of owned and/or trained horses is determined from the application completed by the member additional insured. We accept the number of horses on the application, unless after the coverage is issued, a claim or “suit” reveals the member additional insured had at least two (2) or more horses than reported on the application. At that time we will bill additional premium for the correct number of horses owned and/or trained.

There are two rate schedules for this program. The first table includes federal Terrorism Risk Insurance Act (TRIA/~~TRIPRA~~, see Rule 3 below) coverage for certified acts of terrorism and the other table excludes TRIA. Both charts have tables showing the premium per horse to be used depending on when the member additional insured buys coverage.

The two separate premium tables, within each chart, apply to when the member additional insureds buy coverage during the policy period. The two tables are for periods between 1 November and 30 April and

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separately after 1 May. Due to the small premium, eliminating pro rata premium computations is appropriate. The master policy period is for one year incepting on 1 November and expiring the next 1 November. All member additional insured endorsements will expire at the same time as the policy. All members of HBPA will be offered an opportunity to buy the coverage, including [TRIA/TRIPRA](#), prior to 1 November [2006-2008](#).

Rating including Federal Terrorism Risk Insurance Program Reauthorization Act premium amount:					
Rates per Horse for Coverage Bound between 1 Nov and 30 Apr:			Rates per Horse for Coverage Bound after 1 May:		
Horses Declared:	Premium Per Horse:		Horses Declared:	Premium Per Horse:	
One	\$	90.00	One	\$	50.00
Two	\$	180.00	Two	\$	100.00
Each Additional	\$	90.00	Each Additional	\$	50.00
Minimum premium is \$180.00			Minimum premium is \$100.00		

Rule 3. CERTIFIED ACTS OF TERRORISM COVERAGE – ([TRIA/TRIPRA](#)) – Since HBPA has requested that the federal terrorism coverage be included in the policy, [as Coverage C we have built in the rating for this coverage for TRIA is included and the](#). The rate for each member additional insured is one (1) percent of the member additional insured's premium. This produces a rounded dollar amount of **\$1.00** per horse. The member additional insured can decline "certified act or terrorism" coverage by signing the declination on the application (see Exhibit A) and an exclusion of certified acts will be attached to their member additional insured endorsement **EL 75 20**. When TRIA is declined the premium amounts will be determined by the chart below.

Rating excluding Federal Terrorism Risk Insurance Program Reauthorization Act Coverage:					
Rates per Horse for Coverage Bound between 1 Nov and 30 Apr:			Rates per Horse for Coverage Bound after 1 May:		
Horses Declared:	Premium Per Horse:		Horses Declared:	Premium Per Horse:	
One	\$	89.00	One	\$	49.00
Two	\$	178.00	Two	\$	98.00
Each Additional	\$	89.00	Each Additional	\$	49.00
Minimum premium is \$178.00			Minimum premium is \$98.00		

~~**Rule 3.1 TRIA EXPIRATION – CONDITIONAL EXCLUSION OF TERRORISM** – Because the federal Terrorism Risk Insurance Act may not be renewed or extended after 31 December 2007 we will endorse the 1 November 2007 to 1 November 2008 policy with a conditional TRIA endorsement **EL 75 22**. If the act is not renewed, extended, or the terms of application the federal act change on 31 December 2007, the post TRIA chart will be used for any member additional insured endorsements bought after 1 January 2008. These endorsements will have a terrorism exclusion endorsement attached in all states where such exclusions are permitted.~~

~~**Rule 3.2 TRIA – EXPIRATION** – Should the federal Terrorism Risk Insurance Act not be renewed, extended, or replaced we are also filing for use after 31 December 2007 a terrorism exclusion endorsement. This endorsement would only be used if TRIA is not renewed, extended, or replaced at all **EL 75 21**.~~

~~For any member additional insured endorsements that were effective between 1 November up to 31 December 2007, if TRIA is indeed not renewed, extended, or the terms change such that the conditional endorsement's conditions are triggered; we will compute any return premium due to the member additional insured and refund any premium amount in excess of **\$10.00**. For premium refund amounts between **\$0.99** and **\$9.99** we will provide the premium refund to the member additional insured upon request, unless all such sums must be refunded by home state law. Amounts less than **\$0.99** will not be refunded.~~

~~**Rule 3.1 TRIPRA EXPIRATION** – At the time of this filing TRIPRA is not expected to expire until 31 December 2014. As a result we do not anticipate filing any endorsements to respond to this distant event until approximately 2012.~~

Rule 4. IN TERM CANCELLATION BY A MEMBER ADDITIONAL INSURED – In the event a member additional insured chooses to cancel coverage after their endorsement is issued we will use the following short term cancellation chart:

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Period in Force:	Minimum Premium:
One month or less	\$ 25.00
One month to two months	\$ 40.00
Two or more months	\$ 50.00

However, if the pro rata earned premium for the term of coverage exceeds the minimum premium amount shown in the chart above we will surcharge the pro rata earned premium by an amount of seven and one half (7½) percent and return the unearned portion of the premium.

Rule 5. IN TERM CANCELLATION BY US – In the unlikely event that we cancel a member additional insured endorsement we will pro rate the earned premium for the period coverage was in force and return to the member additional insured the unearned premium amount in excess of **\$10.00**. However, we will refund amounts between **\$0.99** and **\$9.99** upon request, unless local law requires us to refund all such sums.

Rule 6. PREMIUM ROUNDING:

- A. Premium for the member additional insured endorsement is not pro rated therefore will be no rounding rule for new additional member insured endorsements.
- B. For horses added to a member additional insured's endorsement during the policy term follow the premium tables shown in the rating page and use the dates to determine the per horse premium amount. A new "member additional insured" endorsement will be issued to reflect the change.
- C. For return premium when a member additional insured cancels coverage follow the short rate table.
- D. When the Company cancels a member additional insured during the policy period follow the return premium rule on the rating page.

~~E. When TRIA lapses, is extended on different terms, or does not apply to this line of insurance we will follow the rounding and return premium rule described above.~~

Rule 7. POLICY CHANGES – In the unlikely event of a change to the master policy ~~endorsement~~declarations – Endorsement – Declarations Changes EL 75 23 is to be used to make such a change.

Rule 7.1 MEMBER ADDITIONAL INSURED CHANGES – ~~Any changes with respect to a Changes for the "member additional insured(s)" will only affect their own coverage. Such changes will usually be accomplished by means of the changes to the number of horses, the mailing address, name of the "member additional insured", and/or adding or deleting additional interests to the endorsement. EL 75 08. Thus a change in the number of horses, name, address, or other change to the member additional insured's coverage will require the use of an other member additional insured endorsement to make the change. As these changes may involve premium computations simply changing the "member additional insured" endorsement will not permit the computations needed to be shown. Therefore, use of Endorsement – HBPA Member Additional Insured Changes EL 75 22 to carry the EL 75 08 will be needed. EL 78 22 is also used to compute and effect termination of a "member additional insured's" endorsement.~~

Rule 8. APPLICATION FOR INSURANCE – The application form **EL 73 00** ~~the contents of which follows,~~ is not attached to the "member additional insured" endorsement but ~~constitutes~~constitutes representations to us with respect to the exposures to loss. Each "member additional insured" will receive a copy of our privacy policy **IL 75 04**, which is not included in the policy ~~but included in the filing for informational purposes.~~