

SERFF Tracking Number: CNAC-125981935 State: Arkansas  
Filing Company: Continental Casualty Company State Tracking Number: EFT \$100  
Company Tracking Number: 08-R2254  
TOI: 17.1 Other Liability-Occ Only Sub-TOI: 17.1019 Professional Errors and Omissions Liability  
Product Name: Professional Liability & Pollution Incident Liability Insurance Program  
Project Name/Number: A&E Revision/2008R2254

## Filing at a Glance

Company: Continental Casualty Company

Product Name: Professional Liability & Pollution SERFF Tr Num: CNAC-125981935 State: Arkansas

Incident Liability Insurance Program

TOI: 17.1 Other Liability-Occ Only

SERFF Status: Closed

State Tr Num: EFT \$100

Sub-TOI: 17.1019 Professional Errors and Omissions Liability

Co Tr Num: 08-R2254

State Status: Fees verified and received

Filing Type: Rule

Co Status:

Reviewer(s): Betty Montesi, Edith Roberts

Author: John Lockhart

Disposition Date: 01/13/2009

Date Submitted: 01/09/2009

Disposition Status: Filed

Effective Date Requested (New): 02/09/2009

Effective Date (New):

Effective Date Requested (Renewal): 02/09/2009

Effective Date (Renewal):

State Filing Description:

## General Information

Project Name: A&E Revision

Status of Filing in Domicile: Authorized

Project Number: 2008R2254

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 01/13/2009

Deemer Date:

State Status Changed: 01/13/2009

Corresponding Filing Tracking Number:

Filing Description:

ule pages for use with the Professional Liability and Pollution Incident Liability Insurance Program currently on file with your department under Your Dept. No. AR-PC-07-024779.

Included in this submission for your review are:

A copy of the revised Company Manual Rule Pages changing under this filing;

A copy of the NetProtect Manual Page Addendum- CNA-PLPI-1-Addendum;

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An actuarial explanatory memorandum detailing the rate impact of the proposed rule changes; and  
 A document describing changes to the Company Manual Rule Pages being made in this filing.

## Company and Contact

### Filing Contact Information

John Lockhart, Regulatory Filings Technician john.lockhart@cna.com  
 40 Wall Street (877) 269-3277 [Phone]  
 New York, NY 10005 (212) 440-2877[FAX]

### Filing Company Information

Continental Casualty Company CoCode: 20443 State of Domicile: Illinois  
 40 Wall Street Group Code: 218 Company Type:  
 9th Floor  
 New York, NY 10005 Group Name: State ID Number:  
 (212) 440-3478 ext. [Phone] FEIN Number: 36-2114545  
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## Filing Fees

Fee Required? Yes  
 Fee Amount: \$100.00  
 Retaliatory? No  
 Fee Explanation: EFT  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Continental Casualty Company	\$100.00	01/09/2009	24924648

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	01/13/2009	01/13/2009

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## Disposition

Disposition Date: 01/13/2009  
 Effective Date (New):  
 Effective Date (Renewal):  
 Status: Filed  
 Comment:

Company Name:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):	Overall % Indicated Change:
Continental Casualty Company	-1.100%	\$-13,482	72	\$1,225,668	0.000%	-10.000%	-8.500%

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Rate	A&E revised Company Manual Changed Pages	Filed	Yes
Rate	NetProtect Manual Page Addendum	Filed	Yes

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## Rate Information

Rate data applies to filing.

**Filing Method:** File & Use  
**Rate Change Type:** Decrease  
**Overall Percentage of Last Rate Revision:** -2.280%  
**Effective Date of Last Rate Revision:** 05/30/2007  
**Filing Method of Last Filing:** File & Use

## Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Premium:	Maximum % Change (where required):	Minimum % Change (where required):
Continental Casualty Company	-8.500%	-1.100%	\$-13,482	72	\$1,225,668	0.000%	-10.000%

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## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Filing Attachments
Filed	A&E revised Company Manual Changed Pages	CNA-PLPI-2,3,4,15,16,18,20,25,29,31,32,33	Replacement	AR-PC-07-024779	AE Manual 2008 filing changes.(12-23-08).pdf
Filed	NetProtect Manual Page Addendum	CNA-PLPI-1	New		Manual page - Net Protect Addendum.pdf

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D. Extended Reporting Coverage

1. Automatic Extended Reporting Period

The Automatic 60 day Extended Reporting Period is provided at no additional charge.

2. Optional Extended Reporting Period

The additional premium for the Optional Extended Reporting Period shall be based on the rates for such coverage in effect on the date the Policy was issued or last renewed.

Available options:

<u>Year</u>	<u>% of Premium</u>
1	100% divided by the total number of policy years in the policy term.
3	190% divided by the total number of policy years in the policy term.
5	250% divided by the total number of policy years in the policy term.

3. Retired Professionals

- a. Coverage may be provided to retired professionals with respect to their prior acts. A separate policy will be issued and the policy term for such coverage will be five (5) years.
- b. Premium for such individuals, who have been insured by this Company for three consecutive years prior to retirement shall be as follows:
  - i. Sole Practice - a maximum of four times the average annual premium;
  - ii. Firm Member - a maximum of four times the retired partner's share of the average annual premium;
  - iii. All Other retired Professionals - a maximum of four times the retired professional's share of the average annual premium.for the three (3) prior years of coverage as developed in accordance with this manual.
- c. The minimum policy premium for the total five (5) year term shall be \$2,500.
- d. Premium may be paid in advance, or 50% in advance and 50% at the first anniversary.
- e. Subject to eligibility and Underwriting approval, coverage may be renewed for an additional term of five (5) or lesser years at 50% of the premium calculated above, or a minimum premium of \$2,500 for five (5) years or \$500 per year for a lesser term.

E. Employment Practices Liability Coverage

Coverage may be written to provide Wrongful Employment Practices Liability Insurance for the Named Insured. Optional Third Party Discrimination Coverage is available, if the Wrongful Employment Practices Liability Insurance is provided. Coverage will be provided on a shared limit basis which may apply to the full policy limit of liability or a portion thereof. The premium for such coverage will be (a) rated.

F. Additional Insured - Vicarious Liability for Pollution Incidents

Additional Insured status may be granted to clients for pollution incidents cover on either a scheduled project or blanket basis. There is no premium charge for such coverage if it is provided only until services are completed. If coverage is extended beyond the date when services are completed, the premium charge will be:

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1. 5% of the premium for billings associated with the project when provided on a scheduled project basis, subject to a minimum premium of \$50.00 and a maximum premium of \$250.00;
2. 5% of the policy premium when provided on a blanket basis, subject to a minimum premium of \$100.00 and a maximum premium of \$500.00.

**V. PREMIUM COMPUTATION**

- A. At policy inception, compute the premium using the rules, rates and rating plans in effect at that time. Unless the policy is issued for a two (2) or three (3) year term, at each renewal, compute the premium using the rules, rates and rating plans then in effect.
- B. Prorate the premium when a policy is issued for other than a whole Policy Year.
- C. Premiums are calculated as specified for the respective coverage(s). Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar manual rule, as opposed to rounding the final policy premium.

**VI. FACTORS OR MULTIPLIERS**

Wherever applicable, factors or multipliers are to be applied consecutively and not accumulatively.

**VII. WHOLE DOLLAR RULE**

In the event the application of any rating procedure applicable in accordance with this manual does not result in rates or premium which are evenly divisible by four (4), each rate or premium shall be adjusted as follows:

- A. the annual premium amount shall be divided by four (4);
- B. where the result is not a whole dollar amount:
  1. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
  2. any amount involving \$.49 or less shall be rounded to the next lowest whole dollar amount; and
  3. such whole dollar amount is then multiplied by four (4) to determine the annual rate.

**VIII. ADDITIONAL PREMIUM CHARGES**

- A. All changes requiring additional premium shall be computed prorata.
- B. Apply the rules, rates and rating plans that apply at the effective date of the current Policy Term. After computing the additional premium, charge the amount applicable from the effective date of change, regardless if the policy inception premium was less than the policy writing minimum premium.

**IX. RETURN PREMIUM**

- A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is cancelled.
- B. Compute return premium at the rates used to calculate the policy premium at the inception date of the current Policy Term.
- C. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.
- D. Unless otherwise requested by the Insured, waive return premium of \$15.00 or less. This waiver of return premium only applies to cash exchange due on an endorsement effective date.

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E. Retain the policy writing minimum premium.

**X. POLICY WRITING MINIMUM PREMIUM**

Unless otherwise specified for a specific coverage, the minimum basic limits premium shall be \$1,000 for the \$100,000 Limit of Liability / \$2,000 Cl. Deductible per annual or lesser period.

**XI. MINIMUM LIMITS OF LIABILITY**

Minimum Limits of Liability shall be \$100,000 unless otherwise specified on the respective State Rate Pages for a specific coverage or program.

**XII. PREMIUM PAYMENT PLAN**

The Company may, at its discretion, offer to the Named Insured various premium payment options ranging from monthly to annual payment plans.

**XIII. RESERVED FOR FUTURE USE**

**XIV. LOCATION OF PRACTICE**

The rates displayed in this manual contemplate the exposure as being derived from the principal professional practice location within the State. An exception will be allowed for those who derive 25% or more of their annual income from outside the State of domicile.

**XV. POLICY CANCELLATIONS**

- A. Compute return premium prorata in accordance with the Whole Dollar rule using the rules, rates and rating plans that apply at the effective date of the current Policy Term, when:
1. a policy is cancelled at the Company's request;
  2. a policy is cancelled and rewritten in the same company or company group.
- B. If cancellation is for any other reason than as stated above, compute the return premium at .90 of prorata of the unearned premium for the one (1) year term and round in accordance with the Whole Dollar rule.
- C. Retain the Policy Writing Minimum Premium when the Insured requests cancellation except when a policy is cancelled as of the policy inception date.

Deleted: **PARTICIPATING PROVISION**

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The first Named Insured may be entitled to participate in the Company's profits. The profit sharing amount will be calculated in accordance with an Experience Adjustment Plan developed by the Company and the then Commending Organizations, if any.¶

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h. If necessary, a firm's premium can be determined by averaging the annual fees reported over a specified time period to account for cyclical changes in a firm's business activity.

3. Deductible Credit

- a. Insureds receiving an experience modification credit under Rule XVI. D. shall receive a credit to their purchased deductible.
- b. Risks having an experience modification of 0%, or a debit, shall not be eligible for a deductible credit.

4. Coinsurance - Claim Payment Participation

The insured may participate in any claim payment and/or related claim expenses, above the deductible and within the first \$1,000,000 of limits, for a reduced premium. The credit for this option shall be applied to the first \$1,000,000 limit premium based upon the following:

<u>Coinsurance Percentage</u>	<u>Premium Discount Factor (%)</u>
10%	8%
20%	18%
30%	27%
40%	37%
50%	46%
above 50%	(a)

5. Experience Credits

These credits shall only be applied to premiums applicable to the first \$1,000,000 of limits. The maximum credits that may be applied under parts b. and c. of this rule is 10%.

a. Longevity / Experience Credit

a. Longevity / Experience Credit

(1) A 5% credit will be available for firms which have been continuously insured in the program for three (3) years and with incurred first \$1,000,000 limit loss ratio of 80% or less.

For firms that leave our program after being continuously insured in the program for three (3) years, a reduced longevity / experience credit will be available, provided the firm maintained an incurred first \$1,000,000 limit loss ratio of 80% or less while insured with us and while insured elsewhere. This credit will continue to apply to two subsequent policy years as long as coverage is continuously maintained with us and the loss ratio criteria continues to be met. For this credit to apply, firms must provide evidence of similar coverage continuous coverage since leaving our program, with a carrier rated A- or better by A. M. Best.

<u># Yrs Gone</u>	<u>Reduced Longevity / Experience Credit</u>
1	4%
2	3%
3	2%
4	1%

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(2) A 10% credit will be available for firms which have been continuously insured in the program for five (5) years and with incurred first \$1,000,000 limit loss ratio of 80% or less.

For firms that leave our program after being continuously insured in the program for five (5) years, a reduced longevity / experience credit will be available, provided the firm maintained an incurred first \$1,000,000 limit loss ratio of 80% or less while insured with us and while insured elsewhere. Such firms that left our program:

- (a) one (1) or two (2) years ago shall retain their reduced longevity / experience credit for up to 4 subsequent renewals;
- (b) three (3) or (4) years ago shall retain their reduced longevity / experience credit for up to 2 subsequent renewals;

provided coverage is continuously maintained with us and the loss ratio criteria continues to be met. For this credit to apply, firms must provide evidence of similar, continuous coverage since leaving our program, with a carrier rated A- or better by A. M. Best.

# Yrs Gone	Reduced Longevity / Experience Credit
1	8%
2	6%
3	4%
4	2%

b. Loss Prevention / Experience Credit

A 4% credit will be available for firms which place special emphasis on loss prevention activities and with incurred first \$1,000,000 limit loss ratios of 80% or less. To qualify for this credit, three (3) of the following criteria, or item iv. alone, must be applicable to the risk:

- i. AIA or EJCDC standard forms of agreement must be used between owner and architect or engineer on 50% or more of the projects; or if non-standard or modified AIA or EJCDC contract or "letter" agreements are used, they must be reviewed by the firm's legal counsel for liability implications prior to signing;
- ii. the firm must have an in-house quality control program or a peer review within the past five (5) years;
- iii. the firm must have an in-house program of continuing education for professional employees;
- iv. the firm must incorporate specification based on or derived from MASTERSPEC or SPECTEXT;
- v. at least one principal of the firm must have attended during the last twelve (12) months, a regional loss prevention seminar presented by Victor O. Schinnerer and sponsored by AIA & NSPE/PEPP as a service to the

**Deleted:** A 5% credit will be available for firms which have been continuously insured in the program for three (3) years and with incurred first \$1,000,000 limit loss ratios of 80% or less. ¶  
A 10% credit will be available under the same conditions described above for firms which have been continuously insured in the program for five (5) years.

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deliverables will satisfy the insured's client's objectives and would be in conformance with good professional practice.

- v. The insured engages with representatives of the project owner, entities responsible for construction, and any other project stakeholders deemed appropriate in a structured, contemporaneously documented, constructability review process that provides for timely integration of construction input in to project planning, design, and filed operations.
- vi. The insured maintains a contemporaneously documented construction phase submittal log indicating the as-planned and actual dates each submittal is received and responded to, and the action taken.

**6. Professional Society Membership Credit**

In recognition of an insured's commitment to professionalism and industry awareness, a 5% premium credit will be available to firms when:

- a. at least 50% of the total number of the insured's registered architects and professional engineers are members of either the American Institute of Architects (AIA) or the National Society of Professional Engineers (NSPE); and
- b. their loss ratio is 70% or better.

**B. Small Firm Coverage Program**

- 1. Insureds must have a loss ratio 70% or less for the previous ten (10) years, no more than one (1) paid claim or two (2) reported claims during the previous five (5) years, and no more than two (2) paid claims or four (4) reported claims during the previous ten (10) years.
- 2. Limits of Liability options are available on a split-limit basis as follows:

Deductible Option	Limits of Liability (\$,000)			
	\$100 per claim \$300 aggregate	\$250 per claim \$500 aggregate	\$500 per claim \$1,000 aggregate	\$1,000 per claim \$1,000 aggregate
\$0	1.17	1.75	2.24	2.68
\$1,000 BIII	1.10	1.68	2.17	2.61
\$3,000 BIII	1.06	1.64	2.13	2.57
\$5,000 BIII	1.02	1.60	2.10	2.54
\$8,000 BIII	0.99	1.56	2.05	2.50
\$10,000 BIII	0.97	1.53	2.02	2.47
\$1,000 CI	1.05	1.62	2.10	2.53
\$3,000 CI	1.02	1.58	2.06	2.49
\$5,000 CI	0.97	1.53	2.02	2.45
\$8,000 CI	0.94	1.49	1.97	2.41
\$10,000 CI	0.91	1.47	1.94	2.38
Annual Minimum Premium	\$1,000	1,350	1,500	1,850

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BIII – For all Claims - Not Applicable to Claim Expenses  
CI – For all Claims - Deductible Applies to all Claim and Claim Expenses

For higher limits of liability, refer to company for eligibility and rating consideration.

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- f. The insured maintains a contemporaneously documented construction phase submittal log indicating the as-planned and actual dates each submittal is received and responded to, and the action taken.

7. Environmental Engineers are not included in rule XIX.B, but are instead included in XXIII.D.

**XX. SPECIAL RULES - LAND SURVEYORS**

A. LIMITS OF LIABILITY

1. Rates displayed for Land Surveyors are for limits of \$100,000. Minimum Limits of Liability under this program are \$50,000 all claims.

2. When limits other than \$100,000 are desired, multiply the premiums otherwise determined by the following factors:

<u>Desired Limits</u>	<u>Factor</u>
\$ 50,000	0.77
75,000	0.90
150,000	1.25
200,000	1.42
250,000	1.55
500,000	2.11
750,000	2.44
1,000,000	2.66

B. Rates shown for Land Surveyors contemplate application of a minimum deductible of \$10,000. The factors shown in Tables A, B and C are to be added or subtracted from the Desired Limit Factors shown above. Rate modification for other deductible amounts are as follows:

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E. Small Firm Coverage Program

1. Insureds must have a loss ratio 70% or less for the previous ten (10) years, no more than one (1) paid claim or two (2) reported claims during the previous five (5) years, and no more than two (2) paid claims or four (4) reported claims during the previous ten (10) years.
2. Limits of Liability options are available on a split-limit basis as follows:

Deductible Option	Limits of Liability (\$,000)			
	\$100 per claim \$300 aggregate	\$250 per claim \$500 aggregate	\$500 per claim \$1,000 aggregate	\$1,000 per claim \$1,000 aggregate
\$0	1.17	1.75	2.24	2.68
\$1,000 BIII	1.10	1.68	2.17	2.61
\$3,000 BIII	1.06	1.64	2.13	2.57
\$5,000 BIII	1.02	1.60	2.10	2.54
\$8,000 BIII	0.99	1.56	2.05	2.50
\$10,000 BIII	0.97	1.53	2.02	2.47
\$1,000 CI	1.05	1.62	2.10	2.53
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\$5,000 CI	0.97	1.53	2.02	2.45
\$8,000 CI	0.94	1.49	1.97	2.41
\$10,000 CI	0.91	1.47	1.94	2.38
Annual Minimum Premium	\$1,000	1,350	1,500	1,850

BIII – For all Claims - Not Applicable to Claim Expenses  
CI – For all Claims - Deductible Applies to all Claims and Claim Expenses

For higher limits of liability, refer to company for eligibility and rating consideration.

3. The minimum premiums included above are for a \$1,000 BIII deductible that applies to all claims but not claim expenses.
4. After one (1) year of continuous coverage with this company, or another company providing similar coverage, and subject to this company's manual rules and underwriting guidelines, coverage may be extended to apply to acts happening prior to the inception date of the first policy issued by this company.
5. Land Surveyors Special Rule XX.D applies to this coverage

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their client, a documented, independent peer review is completed, internally or externally, by a qualified professional to assess the likelihood that such instruments or deliverables will satisfy the insured's client's objectives and would be in conformance with good professional practice.

- e. The insured engages with representatives of the project owner, entities responsible for construction, and any other project stakeholders deemed appropriate in a structured, contemporaneously documented constructability review process that provides for the timely integration of construction input into project planning, design, and field operations.
- f. The insured maintains a contemporaneously documented construction phase submittal log indicating the as-planned and actual dates each submittal is received and responded to, and the action taken.

**D. Small Firm Coverage Program**

- 1. Insureds must have a loss ratio 70% or less for the previous ten (10) years, no more than one (1) paid claim or two (2) reported claims during the previous five (5) years, and no more than two (2) paid claims or four (4) reported claims during the previous ten (10) years.
- 2. Limits of Liability options are available on a split-limit basis as follows:

Deductible Option	Limits of Liability (\$,000)			
	\$100 per claim \$300 aggregate	\$250 per claim \$500 aggregate	\$500 per claim \$1,000 aggregate	\$1,000 per claim \$1,000 aggregate
\$0	1.17	1.75	2.24	2.68
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Annual Minimum Premium	\$1,000	1,350	1,500	1,850

BIII – For all Claims - Not Applicable to Claim Expenses  
CI – For all Claims - Deductible Applies to all Claim and Claim Expenses

For higher limits of liability, refer to company for eligibility and rating consideration.

- 3. The minimum premiums included above are for a \$1,000 BIII deductible that applies to all claims but not claim expenses.
- 4. After one (1) year of continuous coverage with this company, or another company providing similar coverage, and subject to this company's manual rules and underwriting guidelines, coverage may be extended to apply to acts happening prior to the inception date of the first policy issued by this company.
- 5. Landscape Architects Special Rule XXI.C applies to this coverage.

**XXII. SPECIAL RULES - DESIGN/BUILD FIRMS**

First Reprint

CNA-PLPI-29

(11/08)

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**XXIII. SPECIAL RULES - RELATED MISCELLANEOUS DESIGN CLASSIFICATIONS**

A. Limits of Liability

1. Rates displayed are for minimum limits of \$100,000, the minimum Limits of Liability available.

B. Minimum premium

1. **The minimum basic limits premium for the following professional services shall be \$1,000 for the \$100,000 limit of liability/ \$5,000/CI. Deductible per annual or lesser period:**

acoustical consultants, agricultural engineers, air balancers, audio-visual consultants, certified planners, construction managers, drafting services, elevator consultants, engineering geologists, facilities/operations management consultants, food handling/kitchen consultants, forensic consultants, geologists, graphics consultants, instrumentation control engineers, interior designers, management consultants, modelers/renderers, photogrammetrists, roofing consultants, sprinkler designers, telecommunications consultants.

2. **The minimum basic limits premium for the following professional services shall be \$4,000 for the \$100,000 limit of liability/ \$5,000/CI deductible per annual or lesser period:**

Incidental contracting, geotechnical engineers, mining engineers, testing labs.

3. **The minimum basic limits premium for Environmental Consultants/Scientist shall follow Rule X.**

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C. Premium Calculation

1. The annual rates shown on the State Rate Page shall be applied to the annual gross billings of the insured.

2. Gross billings shall mean billings for the following:

feasibility studies; master planning; surveying; reports, opinions or environmental impact studies; site evaluation, soil mechanics, or foundation design as consultant; construction or project management; projects that are separately insured at a limit of liability of less than 10% of the project value; all other professional services.

3. The following billings can be subject to a 0.25 adjustment factor as stated:

feasibility studies, master planning, surveying, interior design, conceptual design without construction documents, reports, opinions, environmental impact studies or billings from Projects that are separately insured at a Limit of Liability of less than 10% of the project value.

4. The following billings can be subject to a 0.40 adjustment factor as stated:

Schematic design without construction documents, international, projects that are separately insured at a Limit of Liability of less than 7% of the project value and other non-design related billings not included under Item 3. above.

5. Premiums for insureds having gross billings of less than \$5,000,000 shall be rated in accordance with Table A. on the State Rate Page, subject to the following adjustments to premium:

	<u>Factor</u>
a. acoustical consultants, facilities/operations management consultants, sprinkler designers, telecommunications consultants, testing labs:	.60 - .75

**COMPANY PAGES**  
**for**  
**PROFESSIONAL LIABILITY and POLLUTION INCIDENT LIABILITY INSURANCE**

	<u>Factor</u>
b. agricultural engineers:	.75 - .90
c. contractor's incidental E&O:	.65 - .80
d. air balancers, audio-visual consultants, certified planners, drafting service, food handling, interior designers, kitchen consultants, forensic consultants, graphics consultants, modelers/renderers, photogrammetrists:	.15 - .30
e. engineering geologists, geologists, roofing consultants, elevator consultants:	1.00
f. management consultants and environmental scientists/consultants	.40 - 1.25
g. construction managers (professional services):	.40 - .60
h. instrumentation control engineers;	.40 - .65
i. geotechnical engineers, mining engineers:	1.50 - 1.75
j. all other professional services:	.25 - 1.50
6. Premiums for insureds having gross billings of \$5,000,000 or more shall be (a) rated.	
7. If the information necessary to compute the premium on the above basis is not readily available, the premium may be computed by use of data with respect to size of applicant's staff or number of dollars of construction values by converting the rates to such alternative basis. All available information that relates to the correlation of these bases shall be used.	

**COMPANY PAGES**  
for  
**PROFESSIONAL LIABILITY and POLLUTION INCIDENT LIABILITY INSURANCE**

D. Small Firm Coverage Program

1. Insureds must have a loss ratio 70% or less for the previous ten (10) years, no more than one (1) paid claim or two (2) reported claims during the previous five (5) years, and no more than two (2) paid claims or four (4) reported claims during the previous ten (10) years.
2. Limits of Liability options are available on a split-limit basis as follows:

Deductible Option	Limits of Liability (\$,000)			
	\$100 per claim \$300 aggregate	\$250 per claim \$500 aggregate	\$500 per claim \$1,000 aggregate	\$1,000 per claim \$1,000 aggregate
\$0	1.17	1.75	2.24	2.68
\$1,000 BIII	1.10	1.68	2.17	2.61
\$3,000 BIII	1.06	1.64	2.13	2.57
\$5,000 BIII	1.02	1.60	2.10	2.54
\$8,000 BIII	0.99	1.56	2.05	2.50
\$10,000 BIII	0.97	1.53	2.02	2.47
\$1,000 CI	1.05	1.62	2.10	2.53
\$3,000 CI	1.02	1.58	2.06	2.49
\$5,000 CI	0.97	1.53	2.02	2.45
\$8,000 CI	0.94	1.49	1.97	2.41
\$10,000 CI	0.91	1.47	1.94	2.38
Annual Minimum Premium	\$1,000	1,350	1,500	1,850

BIII – For all Claims - Not Applicable to Claim Expenses  
CI – For all Claims - Deductible Applies to all Claim and Claim Expenses

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For higher limits of liability, refer to company for eligibility and rating consideration.

3. The minimum premiums included above are for a \$1,000 CI deductible that applies to all claim and claim expenses.
4. After one (1) year of continuous coverage with this company, or another company providing similar coverage, and subject to this company's manual rules and underwriting guidelines, coverage may be extended to apply to acts happening prior to the inception date of the first policy issued by this company.
5. Miscellaneous Special Rule XXIII.C applies to this coverage.
6. The following firms are not eligible for the Small Firm Coverage Program:
  - a. Construction managers;
  - b. Contractors;
  - c. Geotechnical engineers;
  - d. Mining engineers;
  - e. Testing labs;
  - f. Environmental contracting operations

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**COMPANY PAGES**  
**for**  
**PROFESSIONAL LIABILITY and POLLUTION INCIDENT LIABILITY INSURANCE**

**ADDENDUM – Net Protect for Design Professionals**

Rate using filed Continental Casualty Company rates for Net Protect Essential.

A flat charge of \$300 will apply if coverage for laptop computers is selected.

SERFF Tracking Number: CNAC-125981935 State: Arkansas  
 Filing Company: Continental Casualty Company State Tracking Number: EFT \$100  
 Company Tracking Number: 08-R2254  
 TOI: 17.1 Other Liability-Occ Only Sub-TOI: 17.1019 Professional Errors and Omissions Liability  
 Product Name: Professional Liability & Pollution Incident Liability Insurance Program  
 Project Name/Number: A&E Revision/2008R2254

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty **Review Status:** Filed 01/13/2009

**Comments:**

**Attachment:**

ar naic p&c transmittal document r.pdf

**Bypassed -Name:** NAIC Loss Cost Filing Document for OTHER than Workers' Comp **Review Status:** Filed 01/13/2009

**Bypass Reason:** N/a

**Comments:**

**Satisfied -Name:** NAIC loss cost data entry document **Review Status:** Filed 01/13/2009

**Comments:**

**Attachments:**

Exhibits (Arkansas).pdf

AE 2008 Filing Memorandum - CW small firms (Dec 18).pdf

2008 Rate - Rule Changes 11-10-08.pdf

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: New Business Renewal Business f. State Filing #: g. SERFF Filing #: h. Subject Codes
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<b>3. Group Name</b>	<b>Group NAIC #</b>

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

<b>5. Company Tracking Number</b>	
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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 type="text"/> Renewal: <input 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

**Architects & Engineers**  
**Analysis of Total Limits as of June 30, 2008**  
**Rate Indication**

**Arkansas**

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Loss Year	Earned Premium	Incurred Loss & ALAE	Ultimate Loss & ALAE	Loss Ratio	Loss Trend Factor*	Trended Loss Ratio
2003	1,468,915	782,319	788,009	53.6%	1.153	61.8%
2004	1,692,036	603,696	613,210	36.2%	1.120	40.6%
2005	1,808,052	612,421	637,784	35.3%	1.089	38.4%
2006	1,748,465	439,219	497,953	28.5%	1.059	30.1%
2007	1,543,074	188,694	248,052	16.1%	1.029	16.5%
All Year Average				33.7%		37.2%
<b>(1) Selected</b>				<b>35.0%</b>		<b>40.0%</b>
<b>(2) Credibility</b>				<b>20.6%</b>		<b>20.6%</b>
<b>(3) Credibility Weighted Loss Ratio</b>				<b>61.2%</b>		<b>62.3%</b>
<b>(4) Permissible Loss Ratio</b>				<b>68.0%</b>		<b>68.0%</b>
<b>(5) Indicated Rate Change</b>				<b>-10.0%</b>		<b>-8.5%</b>
<b>(6) Proposed Rate Change</b>				<b>-1.1%</b>		<b>-1.1%</b>

(2) based on the square root method with a credibility standard of 1084 claims

(3) = {(1) \* (2)} + {(4) \* [1.0 - (2)]}

(4) from Exhibit 3

(5) = (3) / (4) - 1.0

**Architects & Engineers**  
**Analysis of Total Limits as of June 30, 2008**  
**Countrywide Incurred Loss & ALAE Development Factors**

<u>AGE</u>	<u>18</u>	<u>30</u>	<u>42</u>	<u>54</u>	<u>66</u>	<u>78</u>	<u>90</u>	<u>102</u>	<u>114</u>	<u>126</u>	<u>138</u>	<u>150</u>
1996	48,590,702	70,556,665	76,365,503	88,330,918	87,939,364	88,408,187	87,089,116	86,544,700	86,399,852	85,748,219	85,786,148	85,631,857
1997	49,619,023	66,813,769	84,557,426	93,581,092	94,088,266	96,430,248	97,996,200	100,071,674	100,105,081	100,329,250	100,284,989	
1998	53,161,352	87,214,125	105,195,271	113,848,000	118,029,192	120,576,122	121,863,580	121,532,449	121,258,501	121,693,455		
1999	62,890,869	99,267,231	115,224,299	121,532,199	125,582,464	129,713,122	129,900,542	129,275,186	129,456,288			
2000	75,198,028	107,048,657	117,151,596	137,615,820	142,314,373	143,123,648	144,500,746	146,911,469				
2001	74,778,986	103,801,283	127,246,543	136,968,147	139,816,069	137,706,112	138,972,122					
2002	69,414,662	108,576,836	133,712,264	139,634,698	141,207,980	138,905,114						
2003	81,377,561	121,295,260	135,080,758	138,573,143	147,553,931							
2004	77,334,531	102,055,428	112,461,296	121,022,691								
2005	74,820,288	97,186,985	108,165,287									
2006	65,600,028	89,428,862										
2007	73,148,946											
<u>AGE</u>	<u>18</u>	<u>30</u>	<u>42</u>	<u>54</u>	<u>66</u>	<u>78</u>	<u>90</u>	<u>102</u>	<u>114</u>	<u>126</u>	<u>138</u>	<u>150</u>
1996	1.452	1.082	1.157	0.996	1.005	0.985	0.994	0.998	0.992	1.000	0.998	
1997	1.347	1.266	1.107	1.005	1.025	1.016	1.021	1.000	1.002	1.000		
1998	1.641	1.206	1.082	1.037	1.022	1.011	0.997	0.998	1.004			
1999	1.578	1.161	1.055	1.033	1.033	1.001	0.995	1.001				
2000	1.424	1.094	1.175	1.034	1.006	1.010	1.017					
2001	1.388	1.226	1.076	1.021	0.985	1.009						
2002	1.564	1.231	1.044	1.011	0.984							
2003	1.491	1.114	1.026	1.065								
2004	1.320	1.102	1.076									
2005	1.299	1.113										
2006	1.363											
<b>Selected LDF</b>	<b>1.442</b>	<b>1.160</b>	<b>1.089</b>	<b>1.025</b>	<b>1.008</b>	<b>1.005</b>	<b>1.005</b>	<b>0.999</b>	<b>0.999</b>	<b>1.000</b>	<b>0.998</b>	<b>1.000</b>
<b>Cumulative LDF</b>	<b>1.896</b>	<b>1.315</b>	<b>1.134</b>	<b>1.041</b>	<b>1.016</b>	<b>1.007</b>	<b>1.002</b>	<b>0.997</b>	<b>0.998</b>	<b>0.998</b>	<b>0.998</b>	<b>1.000</b>
	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>	<b>1999</b>	<b>1998</b>	<b>1997</b>	<b>1996</b>
<b>Arkansas</b>												
Incurred Loss & ALAE	465,849	188,694	439,219	612,421	603,696	782,319	107,581	395,494	1,795,933	290,940	1,311,679	138,293
Selected Ultimate	883,277	248,052	497,953	637,784	613,210	788,009	107,784	394,341	1,791,678	290,417	1,309,320	138,293
<b>Countrywide</b>												
Incurred Loss & ALAE	73,148,946	89,428,862	108,165,287	121,022,691	147,553,931	138,905,114	138,972,122	146,911,469	129,456,288	121,693,455	100,284,989	85,631,857
Selected Ultimate	138,694,681	117,560,397	122,629,612	126,034,699	149,879,294	139,915,278	139,234,233	146,483,102	129,149,626	121,474,654	100,104,622	85,631,857

**Architects & Engineers**  
**Permissible Loss Ratio**

(1) Commission	20.0%
(2) Other Acquisition Expense	2.6%
(3) Underwriting Expense	4.6%
(4) ULAE	4.4%
(5) Profit/Contingencies	9.2%
(6) Total Expenses	40.8%
(7) Investment Income	8.9%
<b>(8) Permissible Loss Ratio, after including investment income</b>	<b>68.0%</b>

(6)	= Sum (1) through (5)
(7)	(7) from Exhibit 4
(8)	= 1-(6)+(7)

**Architects & Engineers**  
**Investment Income**

Month	Incremental Payout Pattern	4.0% Discount Factor	Discounted Payout
(1)	(2)	(3)	(4)
6	0.033	0.981	0.033
18	0.165	0.943	0.156
30	0.255	0.907	0.231
42	0.203	0.872	0.177
54	0.133	0.838	0.111
66	0.095	0.806	0.077
78	0.046	0.775	0.036
90	0.028	0.745	0.021
102	0.012	0.717	0.008
114	0.010	0.689	0.007
126	0.020	0.662	0.013
	1.00		86.9%
(5)	Permissible Loss Ratio, before investment income		59.2%
(6)	Discounted Permissible Loss Ratio		68.0%
(7)	Impact of Investment Income		8.9%
(3)	= $(1.04)^{-((1) / 12)}$		
(4)	= (3) x (2)		
(5)	1 - (6) from exhibit 3		
(6)	= (5) / Sum (4)		
(7)	= (6) - (5)		

**Continental Casualty Company**  
**Professional Liability and Pollution Incident Liability Program**  
**Actuarial Memorandum**

With this filing, the Continental Casualty Company proposes the following changes to the company pages:

An analysis was conducted on the Architects & Engineers Program (indications can be found on Exhibit I). Based on a combination of our analysis and underwriting and actuarial judgment for this program, we are proposing the following changes to the manual pages for Architects & Engineers:

1. Rule XIII Participating Provision – is deleted and will be replaced by Rule XIX.A.6, which provides a 5% premium credit for qualifying firms based on their memberships in professional societies and experience.
2. Rule XIX Longevity / Experience Credit – is expanded to allow use of a reduced credit if a firm leaves our program and returns.
3. Rule XIX.B.2 Small Firm Coverage Program – minimum premium for \$100k per claim \$300k aggregate is now \$1000.
4. Rule XX (Special Rules – Land Surveyors) is expanded to include a new paragraph E, which allows use of the ILF/deductible table of Rule XIX.B.2 for qualifying small firms.
5. Rule XXI (Special Rules – Landscape Architects) is expanded to include a new paragraph D, which allows use of the ILF/deductible table of Rule XIX.B.2 for qualifying small firms.
6. Rule XXIII (Special Rules – Related Miscellaneous Design Classifications) is expanded to include a new paragraph D, which allows use of the ILF/deductible table of Rule XIX.B.2 for qualifying small firms.

The impact of the above changes is approximately -1.1% overall.

In addition, we are making the following editorial/clarification changes to the manual pages:

1. Rule XIX.A.5.b – “or item 6. Alone” is corrected to read “or item vi. alone”.
2. Rule XIX.B is expanded to clarify the section which applies to Environmental Engineers.
3. Rule XXIII.B has been edited/expanded to clarify the limits and deductible to which the minimum premiums apply for certain miscellaneous design classes.
4. Rule XXIII.C.7 – “base not readily available...” is corrected to read “base is not readily available...”.

Finally, per the enclosed addendum to the manual pages, the Net Protect endorsement will use Continental Casualty Company filed rates for our standalone technology product. The standalone product, Net Protect Essential, was filed and approved under filing 06-2131. We are providing an additional coverage option to what has previously been filed, and that is coverage for compromise of a laptop computer. This coverage may be added for an additional charge of \$300, which was derived based on our frequency and severity assumptions about this new coverage.

# 2008 Rule Changes

The following changes are made:

1. **IV. COVERAGE OPTIONS** is added to provide rating rules for endorsements that extend additional insured status to clients for their vicarious liability for pollution incidents arising out of the named insured's activities.

F. Additional Insured - Vicarious Liability for Pollution Incidents

Additional Insured status may be granted to clients for pollution incidents cover on either a scheduled project or blanket basis. There is no premium charge for such coverage if it is provided only until services are completed. If coverage is extended beyond the date when services are completed, the premium charge will be:

1. 5% of the premium for billings associated with the project when provided on a scheduled project basis, subject to a minimum premium of \$50.00 and a maximum premium of \$250.00;
2. 5% of the policy premium when provided on a blanket basis, subject to a minimum premium of \$100.00 and a maximum premium of \$500.00.

2. **XIII. PARTICIPATING PROVISION** is deleted. The rule number is reserved for future use. The filing now reads:

**XIII. RESERVED FOR FUTURE USE**

3. An editorial correction is made to the introductory paragraph in rule **XIX.A.5.b.**: "or item 6. Alone" is corrected to "or item vi. Alone." and now reads as follows:

A 4% credit will be available for firms which place special emphasis on loss prevention activities and with incurred first \$1,000,000 limit loss ratios of 80% or less. To qualify for this credit, three (3) of the following criteria, or item vi. alone, must be applicable to the risk:

4. **XIX.A.5.a.** is expanded to allow use of a reduced longevity/experience credit if a firm leaves our program and returns:

a. Longevity / Experience Credit

- (1) A 5% credit will be available for firms which have been continuously insured in the program for three (3) years and with incurred first \$1,000,000 limit loss ratio of 80% or less.

For firms that leave our program after being continuously insured in the program for three (3) years, a reduced longevity / experience credit will be available, provided the firm maintained an incurred first \$1,000,000 limit loss ratio of 80% or less while insured with us and while insured elsewhere. This credit will continue to apply to two subsequent policy years as long as coverage is continuously maintained with us and the loss ratio criteria continues to be met. For

this credit to apply, firms must provide evidence of similar coverage continuous coverage since leaving our program, with a carrier rated A- or better by A. M. Best.

# Yrs Gone	Reduced Longevity / Experience Credit
1	4%
2	3%
3	2%
4	1%

- (2) A 10% credit will be available for firms which have been continuously insured in the program for five (5) years and with incurred first \$1,000,000 limit loss ratio of 80% or less.

For firms that leave our program after being continuously insured in the program for five (5) years, a reduced longevity / experience credit will be available, provided the firm maintained an incurred first \$1,000,000 limit loss ratio of 80% or less while insured with us and while insured elsewhere. Such firms that left our program:

- (a) one (1) or two (2) years ago shall retain their reduced longevity / experience credit for up to 4 subsequent renewals;
- (b) three (3) or (4) years ago shall retain their reduced longevity / experience credit for up to 2 subsequent renewals;

provided coverage is continuously maintained with us and the loss ratio criteria continues to be met. For this credit to apply, firms must provide evidence of similar, continuous coverage since leaving our program, with a carrier rated A- or better by A. M. Best.

# Yrs Gone	Reduced Longevity / Experience Credit
1	8%
2	6%
3	4%
4	2%

5. **XIX.A.** is expanded to include a new paragraph 6, which reads as follows:

6. Professional Society Membership Credit

In recognition of an insured's commitment to professionalism and industry awareness, a 5% premium credit will be available to firms when:

- a. at least 50% of the total number of the insured's registered architects and professional engineers are members of either the American Institute of Architects (AIA) or the National Society of Professional Engineers (NSPE); and
- b. their loss ratio is 70% or better.

6. In **XXI.B.2**, the annual minimum premium shown in the first column for limits of \$100,000 per claim and \$300,000 aggregate is reduced from \$1,250 to \$1,000.

7. **XIX.B.** is expanded to include a new paragraph 7, which reads as follows:

7. Environmental Engineers are not included in rule XIX.B, but are instead included in XXIII.D.

8. **XX.** is expanded to include a new paragraph E, which reads as follows:

E. Small Firm Coverage Program

1. Insureds must have a loss ratio 70% or less for the previous ten (10) years, no more than one (1) paid claim or two (2) reported claims during the previous five (5) years, and no more than two (2) paid claims or four (4) reported claims during the previous ten (10) years.
2. Limits of Liability options are available on a split-limit basis as follows:

Deductible Option	Limits of Liability (\$,000)			
	\$100 per claim \$300 aggregate	\$250 per claim \$500 aggregate	\$500 per claim \$1,000 aggregate	\$1,000 per claim \$1,000 aggregate
\$0	1.17	1.75	2.24	2.68
\$1,000 BIII	1.10	1.68	2.17	2.61
\$3,000 BIII	1.06	1.64	2.13	2.57
\$5,000 BIII	1.02	1.60	2.10	2.54
\$8,000 BIII	0.99	1.56	2.05	2.50
\$10,000 BIII	0.97	1.53	2.02	2.47
\$1,000 CI	1.05	1.62	2.10	2.53
\$3,000 CI	1.02	1.58	2.06	2.49
\$5,000 CI	0.97	1.53	2.02	2.45
\$8,000 CI	0.94	1.49	1.97	2.41
\$10,000 CI	0.91	1.47	1.94	2.38
Annual Minimum Premium	\$1,000	1,350	1,500	1,850

BIII – For all Claims - Not Applicable to Claim Expenses

CI – For all Claims - Deductible Applies to all Claims and Claim Expenses

For higher limits of liability, refer to company for eligibility and rating consideration.

3. The minimum premiums included above are for a \$1,000 BIII deductible that applies to all claims but not claim expenses.
4. After one (1) year of continuous coverage with this company, or another company providing similar coverage, and subject to this company's

manual rules and underwriting guidelines, coverage may be extended to apply to acts happening prior to the inception date of the first policy issued by this company.

5. Land Surveyors Special Rule XX.D applies to this coverage.

9. **XXI.** is expanded to include a new paragraph D, which reads as follows:

D. Small Firm Coverage Program

1. Insureds must have a loss ratio 70% or less for the previous ten (10) years, no more than one (1) paid claim or two (2) reported claims during the previous five (5) years, and no more than two (2) paid claims or four (4) reported claims during the previous ten (10) years.
2. Limits of Liability options are available on a split-limit basis as follows:

Deductible Option	Limits of Liability (\$,000)			
	\$100 per claim \$300 aggregate	\$250 per claim \$500 aggregate	\$500 per claim \$1,000 aggregate	\$1,000 per claim \$1,000 aggregate
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\$3,000 BIII	1.06	1.64	2.13	2.57
\$5,000 BIII	1.02	1.60	2.10	2.54
\$8,000 BIII	0.99	1.56	2.05	2.50
\$10,000 BIII	0.97	1.53	2.02	2.47
\$1,000 CI	1.05	1.62	2.10	2.53
\$3,000 CI	1.02	1.58	2.06	2.49
\$5,000 CI	0.97	1.53	2.02	2.45
\$8,000 CI	0.94	1.49	1.97	2.41
\$10,000 CI	0.91	1.47	1.94	2.38
Annual Minimum Premium	\$1,000	1,350	1,500	1,850

BIII – For all Claims - Not Applicable to Claim Expenses

CI – For all Claims - Deductible Applies to all Claims and Claim Expenses

For higher limits of liability, refer to company for eligibility and rating consideration.

3. The minimum premiums included above are for a \$1,000 BIII deductible that applies to all claims but not claim expenses.
4. After one (1) year of continuous coverage with this company, or another company providing similar coverage, and subject to this company's manual rules and underwriting guidelines, coverage may be extended to apply to acts happening prior to the inception date of the first policy issued by this company.
5. Landscape Architects Special Rule XXI.C applies to this coverage.

10. **XXIII.B.1** and **B.2** have been edited to clarify the limits and deductible to which the minimum premiums apply, and now read as follows:

**B** Minimum premium

1. The minimum basic limits premium for the following professional services shall be \$1,000 for the \$100,000 limit of liability/ \$5,000/CI. Deductible per annual or lesser period:

acoustical consultants, agricultural engineers, air balancers, audio-visual consultants, certified planners, construction managers, drafting services, elevator consultants, engineering geologists, facilities/operations management consultants, food handling/kitchen consultants, forensic consultants, geologists, graphics consultants, instrumentation control engineers, interior designers, management consultants, modelers/renderers, photogrammetrists, roofing consultants, sprinkler designers, telecommunications consultants.

2. The minimum basic limits premium for the following professional services shall be \$4,000 for the \$100,000 limit of liability/ \$5,000/CI deductible per annual or lesser period:

Incidental contracting, geotechnical engineers, mining engineers, testing labs.

11. **XXIII.B.** is expanded to include a new paragraph 3, which reads as follows:

3. The minimum basic limits premium for Environmental Consultants/Scientist shall follow rule X.

12. An editorial correction is made to **XXIII.C.7** was edited to include the word “is” after the word “basis” for proper grammar.

7. If the information necessary to compute the premium on the above basis is not readily available, the premium may be computed by use of data with respect to size of applicant's staff or number of dollars of construction values by converting the rates to such alternative basis. All available information that relates to the correlation of these bases shall be used.

13. **XXIII.** is expanded to include a new paragraph D, which reads as follows:

**D.** Small Firm Coverage Program

1. Insureds must have a loss ratio 70% or less for the previous ten (10) years, no more than one (1) paid claim or two (2) reported claims during the previous five (5) years, and no more than two (2) paid claims or four (4) reported claims during the previous ten (10) years.
2. Limits of Liability options are available on a split-limit basis as follows:

Deductible Option	Limits of Liability (\$,000)			
	\$100 per claim \$300 aggregate	\$250 per claim \$500 aggregate	\$500 per claim \$1,000 aggregate	\$1,000 per claim \$1,000 aggregate
\$0	1.17	1.75	2.24	2.68
\$1,000 BIII	1.10	1.68	2.17	2.61
\$3,000 BIII	1.06	1.64	2.13	2.57
\$5,000 BIII	1.02	1.60	2.10	2.54
\$8,000 BIII	0.99	1.56	2.05	2.50
\$10,000 BIII	0.97	1.53	2.02	2.47
\$1,000 CI	1.05	1.62	2.10	2.53
\$3,000 CI	1.02	1.58	2.06	2.49
\$5,000 CI	0.97	1.53	2.02	2.45
\$8,000 CI	0.94	1.49	1.97	2.41
\$10,000 CI	0.91	1.47	1.94	2.38
Annual Minimum Premium	\$1,000	1,350	1,500	1,850

BIII – For all Claims - Not Applicable to Claim Expenses

CI – For all Claims - Deductible Applies to all Claims and Claim Expenses

For higher limits of liability, refer to company for eligibility and rating consideration.

3. The minimum premiums included above are for a \$1,000 CI deductible that applies to all claims and claim expenses.
4. After one (1) year of continuous coverage with this company, or another company providing similar coverage, and subject to this company's manual rules and underwriting guidelines, coverage may be extended to apply to acts happening prior to the inception date of the first policy issued by this company.
5. Miscellaneous Special Rule XXIII.C applies to this coverage.
6. The following firms are not eligible for the Small Firm Coverage Program:
  - a. Construction managers;
  - b. Contractors;
  - c. Geotechnical engineers;
  - d. Mining engineers;
  - e. Testing labs;
  - f. Environmental contracting operations.