

SERFF Tracking Number: FFDC-125921002 State: Arkansas
First Filing Company: Fireman's Fund Insurance Company, ... State Tracking Number: EFT \$100
Company Tracking Number: NARPL0308-R
TOI: 17.1 Other Liability - Claims Made Only Sub-TOI: 17.1022 Other
Product Name: Community Association Directors & Officers and Employment Practices Liability
Project Name/Number: Community Association Directors & Officers and Employment Practices Liability/NWPL0308

Filing at a Glance

Companies: Fireman's Fund Insurance Company, National Surety Corporation

Product Name: Community Association Directors & Officers and Employment Practices Liability SERFF Tr Num: FFDC-125921002 State: Arkansas

Directors & Officers and Employment Practices Liability

Liability

TOI: 17.1 Other Liability - Claims Made Only

SERFF Status: Closed

State Tr Num: EFT \$100

Sub-TOI: 17.1022 Other

Co Tr Num: NARPL0308-R

State Status: Fees verified and received

Filing Type: Rate/Rule

Co Status: Pending

Reviewer(s): Betty Montesi, Edith Roberts

Author: Michelle Davanzo

Disposition Date: 01/07/2009

Date Submitted: 12/29/2008

Disposition Status: Accepted For Informational Purposes

Effective Date Requested (New): 03/01/2009

Effective Date (New):

Effective Date Requested (Renewal): 03/01/2009

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Community Association Directors & Officers and Employment Practices Liability

Status of Filing in Domicile:

Project Number: NWPL0308

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 01/07/2009

State Status Changed: 01/07/2009

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Enclosed for your review is our new rate rule for our new Community Association Directors and Officers Liability Insurance and Employment Practices Insurance coverage form (5333 05 08), endorsements and rate/rules. This new coverage addresses the needs of Community Association Boards of Directors. The following types of Community Associations are eligible for this coverage, which may be offered in conjunction with Property & Casualty insurance:

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- Condominium Associations
- Co-operatives
- Homeowners Associations
- Property Owners Associations

We developed our rates after comparing those of our key competitors. Refer to the Actuarial Memorandum and supporting exhibits for further details.

This is a rate/rule filing.

Enclosed in support of this filing are:

- Actuarial Memorandum and supporting exhibits;
- New Community Association Directors and Officers & Employment Practices Liability Insurance rate/rule pages, ADO-1-6; and
- State filing forms/checklists if any.

Your approval of this filing, which has a proposed effective date of March 1, 2009, is appreciated.

Company and Contact

Filing Contact Information

Michelle Davanzo, Regulatory Services Senior Analyst mdavanzo@ffic.com

777 San Marin Drive (415) 899-2660 [Phone]
 Novato, CA 94998 (866) 290-0671[FAX]

Filing Company Information

Fireman's Fund Insurance Company	CoCode: 21873	State of Domicile: California
777 San Marin Drive	Group Code: 761	Company Type:
Novato, CA 94998	Group Name:	State ID Number:
(415) 899-3290 ext. [Phone]	FEIN Number: 94-1610280	

National Surety Corporation	CoCode: 21881	State of Domicile: Illinois
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777 San Marin Drive
Novato, CA 94998
(415) 899-2817 ext. [Phone]

Group Code: 761
Group Name:
FEIN Number: 36-2704643

Company Type:
State ID Number:

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Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Fireman's Fund Insurance Company	\$100.00	12/29/2008	24739657
National Surety Corporation	\$0.00	12/29/2008	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Accepted For Edith Roberts Informational Purposes		01/07/2009	01/07/2009

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Withdrawal request....	Note To Filer	Edith Roberts	01/07/2009	01/07/2009
Withdraw Submission	Note To Reviewer	Michelle Davanzo	12/30/2008	12/30/2008

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Disposition

Disposition Date: 01/07/2009

Effective Date (New):

Effective Date (Renewal):

Status: Accepted For Informational Purposes

Comment: Exempt pursuant to 23-67-206 from filing.

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Cover Letter	Accepted for Informational Purposes	Yes
Supporting Document	Actuarial Information	Accepted for Informational Purposes	Yes
Supporting Document	NAIC Transmittal	Accepted for Informational Purposes	Yes
Rate	Miscellaneous Professional Liability	Accepted for Informational Purposes	Yes

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Note To Filer

Created By:

Edith Roberts on 01/07/2009 01:18 PM

Subject:

Withdrawal request....

Comments:

Withdrawal is acknowledged and on record. I didn't see the withdrawal request until processing as exempt from filing and accepted as informational purposes. However, your request to withdraw is approved.

Thanks,

Edith Roberts

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Note To Reviewer

Created By:

Michelle Davanzo on 12/30/2008 11:11 AM

Subject:

Withdraw Submission

Comments:

We would like to withdraw this submission and resubmit at a later date.

Thank you,

Michelle Davanzo

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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:
Accepted for Informational Purposes	Miscellaneous Professional Liability	ADO-1 - 6, Edition 05 08	New	ADO - 1 - 6 ed 05 08 Rate Rule.pdf

**Miscellaneous Professional Liability
Community Association Directors and Officers &
Employment Practices Liability Insurance**

Fireman's Fund Insurance Companies®

Countrywide

Rates and Rules

A. Coverages

Community Association Directors and Officers & Employment Practices Liability Insurance coverage 5333 is provided on a claims made basis. Consistent with many similar competitor offerings, claim costs are included within the policy limit. This coverage is provided as a stand-alone policy, with its own limit of insurance.

B. Rules

1. The following types of Community Associations are eligible for this coverage, which may be offered in conjunction with Property & Casualty insurance:
 - Condominium Associations
 - Co-operatives
 - Homeowners Associations
 - Property Owners Associations
2. Policies are written for a specified period up to one year.

All rates shown in these pages are for an annual period and shall be adjusted for the policy term if other than an annual period.

3. Rounding Procedure:

Rates: Round rates, factors and multipliers after the final calculation to three decimal places. Five-tenths or more of a mill shall be considered one mill, for example .1245 = .125.

Premium: Round the premium for each coverage for which a separate premium is calculated to the nearest whole dollar. Round a premium involving \$.50 or over to the next whole dollar.

4. Premium Changes Mid-Term:

All policy changes requiring premium revisions will be computed pro rata. Apply the Rules and Rates in effect at the inception date of the policy.

Waive additional premium of \$15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

Grant any return premium due. Compute the pro rata return premium at the rates effective at the policy inception when any coverage or exposure is deleted or an amount of insurance is reduced.

5. Cancellations:

- a. Compute the return premium pro rata and round to the nearest whole dollar when:
 - i. The policy is cancelled at the Company's request;
 - ii. The Insureds no longer have a financial interest or insurable interest; or
 - iii. The policy is cancelled and rewritten in the same company or company group.
- b. For all other cancellations, compute the return premium at .90 of the pro rata unearned premium.

C. Limits & Deductibles (Retained Amounts)

Various limits and deductibles are available. See D.6. & D.7. below for details.

D. Rating

There are 8 steps in the rating process.

- 1. Base Rate. The base rate is derived from the number of units in accordance with the following table.

Base Rate:	Units	Base Premium
	0-50	\$695
	51-100	\$695 + \$6/unit over 50
	101-300	\$995 + \$4.25/unit over 100
	301-600	\$1,845 + \$3.25/unit over 300
	601-1000	\$2,820 + \$2.50/unit over 600
	over 1000	\$3,820 + \$1/unit over 1000

2. Fixed Adjustments. To the base premium, fixed rate adjustments apply based upon specific risk characteristics in accordance with the following table.

Fixed Adjustments:	
Cooperative	1.35
Timeshares	2.00
Builder/Developer Representation on the Board of Directors	1.10
Elections Disputes in the past 24 Months	1.25

3. Territory Factors. Territory factors are applied based upon the risk's number of units in any given state. A weighted average is applied for multi-state risks.

Factor	Factor	Factor	Factor	Factor
AZ .80	NE .80	AK 1.00	NY - ROS 1.00	AL 1.35
CO .80	NH .80	AR 1.00	NC 1.00	CA 1.35
CT .80	ND .80	DC 1.00	OK 1.00	FL - Metro 1.35
DE .80	OH .80	FL - ROS 1.00	OR 1.00	LA 1.35
GA .80	UT .80	HI 1.00	PA - ROS 1.00	MS 1.35
ID .80	VA .80	IL 1.00	RI 1.00	NJ - Metro 1.35
IN .80	WI .80	KY 1.00	SC 1.00	NY - Metro 1.35
IA .80	WY .80	MA 1.00	SD 1.00	PA - Metro 1.35
				TX - Coastal Counties 1.35
KS .80		MO 1.00	TN 1.00	WV 1.35
ME .80		MT 1.00	TX - ROS 1.00	
MD .80		NV 1.00	VT 1.00	
		NJ - ROS 1.00	WA 1.00	
MI .80		NM 1.00		
MN .80				

4. Claims Modification.

The Claims Modification is applied based upon the following table. If there have been no claims, no claims modification is applied.

Claims Modification:	Debit
Claim(s) filed in the past year	30.0% per Claim
1 to 2 years ago	25.0% per Claim
2 to 3 years ago	20.0% per Claim
3 to 4 years ago	15.0% per Claim
4 to 5 years ago	10.0% per Claim

5. Schedule Rate Modification

The premium may be modified based upon specific risk characteristics, in accordance with the following table, subject to a maximum schedule modification of +/- 40%.

Schedule Rate Modifications:		Maximum	
		Debit	Credit
1	Age of Organization more than 10 years	NA	25%
2	Nature of Operations: Considerations: Unique risk characteristics; Average Unit Value; Urban vs. Rural, Subsidiaries	25%	25%
3	Construction/Ownership Issues Considerations: Construction not completed, units not owner-occupied, units not yet sold	25%	25%
4	Amenities/Commercial Occupancies Considerations: Types of amenities such as golf courses, restaurants, marina & boating, health club, etc.	25%	25%
5	Management/Financial Considerations: Considerations: Management stability, Negative fund balance, legal actions against tenants such as liens, foreclosures, etc.	25%	25%
6	Improvements/Assessments Considerations: Recent & future contemplated improvements/assessments	25%	10%
Total		Schedule rate modifications subject to a cap of +/- 40%	

6. Deductible Factors

Minimum deductibles, summarized in the following table, vary by size of risk based upon the number of units. If a higher than the minimum deductible is selected, a credit modification will be applied in accordance with the following table.

	Deductible:	\$1,000	\$2,500	\$5,000	\$7,500	\$10,000	\$15,000	\$25,000
# of Units:	1-50	1.00	0.95	0.92	0.89	0.86	0.83	0.81
	51-100	1.00	0.95	0.92	0.89	0.86	0.83	0.81
	101-300		1.00	0.95	0.92	0.89	0.86	0.83
	301-600			1.00	0.95	0.92	0.89	0.86
	601-1000				1.00	0.95	0.92	0.89
	over 1000					1.00	0.95	0.92

7. Limits

Limits up to \$10,000,000 “Each Claim and in the Aggregate” are available. The appropriate increased limits factor will be applied in accordance with the following table.

Limit	Factor
\$1,000,000	1.00
\$1,500,000	1.35
\$2,000,000	1.50
\$3,000,000	1.75
\$4,000,000	1.95
\$5,000,000	2.30
\$6,000,000	2.50
\$7,000,000	2.70
\$8,000,000	2.90
\$9,000,000	3.10
\$10,000,000	3.30

8. Miscellaneous

This final rating category addresses three items:

- 1) Property Manager Endorsement,
 - 2) Employment Practices Liability (EPL),
 - 3) Third Party Discrimination Endorsement
- in accordance with the following table.

		% of final premium (1 and 2)
1	Property Manager Endorsement	10%
2	Employment Practices Liability (EPL)	
	# of Employees: 1	0%
	2-10	10%
	11-25	15%
	26-50	25%
		% of EPL premium
		15% of developed EPL
3	Third Party Discrimination Endorsement	Premium from # 2 above

Rating Example

Example Risk Description:

- Condo Association located entirely in Nevada
- 243 units
- No claims in the past 5 years
- In operation 11 years
- Requested deductible of \$5,000
- Requested Limit of \$1,000,000
- Property Manager Endorsement is requested
- There is one employee

Rating Steps:

1. Base Rate... 243 units = \$995 + (143 units x \$4.25/unit = \$608) =	\$1,603
2. No Fixed Adjustments	\$1,603
3. Territory Factor... Nevada = 1.00	\$1,603
4. Claims Modification... No Claims = no adjustment	\$1,603
5. Schedule (Age)... 11 years = 10% credit (\$1,603 x .90)	\$1,443
6. Deductible... \$5,000 = 5% credit (\$1,443 x .95) =	\$1,371
7. Limit... \$1,000,000 = 1.00	\$1,371
8. Property Manager Endorsement... +10% (\$1,371 x 1.10) =	\$1,508
9. Employment Practices Liability... 1 employee = no adjustment =	\$1,508
Final Premium	= \$1,508

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Supporting Document Schedules

Satisfied -Name: Cover Letter **Review Status:** Accepted for Informational Purposes 01/07/2009

Comments:

Attachment:

Cover Letter NWPL0308.pdf

Satisfied -Name: Actuarial Information **Review Status:** Accepted for Informational Purposes 01/07/2009

Comments:

Attachments:

Community Assoc D&O Act MemoFinal.pdf
Actuarial Supporting Exhibits.pdf

Satisfied -Name: NAIC Transmittal **Review Status:** Accepted for Informational Purposes 01/07/2009

Comments:

Attachments:

NAIC Transmittal - Rule.pdf
Rate-Rule Filing Schedule.pdf



December 29, 2008

Honorable Julie Benafield Bowman
Commissioner of Insurance
Arkansas Insurance Department
1200 West Third Street
Little Rock, Arkansas 72201-1904

RE: COMMUNITY ASSOCIATION DIRECTORS & OFFICERS AND EMPLOYMENT
PRACTICES LIABILITY
Fireman's Fund Insurance Company 0761-21873
National Surety Corporation 0761-21881
Company Filing #NARPL0308-R

Dear Sir or Madam:

Enclosed for your review is our new rate rule for our new Community Association Directors and Officers Liability Insurance and Employment Practices Insurance coverage form (5333 05 08), endorsements and rate/rules. This new coverage addresses the needs of Community Association Boards of Directors. The following types of Community Associations are eligible for this coverage, which may be offered in conjunction with Property & Casualty insurance:

- Condominium Associations
- Co-operatives
- Homeowners Associations
- Property Owners Associations

We developed our rates after comparing those of our key competitors. Refer to the Actuarial Memorandum and supporting exhibits for further details.

This is a rate/rule filing.

Enclosed in support of this filing are:

- Actuarial Memorandum and supporting exhibits;
- New Community Association Directors and Officers & Employment Practices Liability Insurance rate/rule pages, ADO-1-6; and
- State filing forms/checklists if any.

Your approval of this filing, which has a proposed effective date of March 1, 2009, is appreciated.

Fireman's Fund
Insurance Companies
A member of the
Alliance Group

777 San Marin Drive
Novato, CA 94998
415.899.2000

Sincerely,



Michelle A. Davanzo

Regulatory Analyst

415-899-2660 (p)

800-227-1700 ext 22 2660 (toll-free phone)

866-290-0671 (fax)

michelle.davanzo@ffic.com

**Fireman's Fund
Insurance Companies
A member of the
Alliance Group**

777 San Marin Drive
Novato, CA 94998
415.899.2000



Fireman's Fund Insurance Companies®
Community Association Directors and Officers and
Employment Practices Liability Insurance
Actuarial Memorandum

This nationwide filing is for Fireman's Fund Insurance Companies® (FFIC) Community Association Directors and Officers and Employment Practices Liability Insurance.

RATE DETERMINATION:

The Community Association Directors and Officers and Employment Practices Liability Insurance coverage is a new coverage for FFIC. That being said, FFIC does not have any historical premium and loss experience from which to determine rates. Therefore, FFIC has relied upon competitor's rating plans to determine the proposed rating plan.

Exhibit I contains a comparison of proposed rating variables to FFIC competitors including ACE-Westchester Fire Insurance Company, Great American Insurance Group, and St. Paul/Travelers. Exhibit 2 shows a comparison of the implied expenses for each respective company to assess the adequacy of the proposed rates.

Fireman's Fund Insurance Companies @ (FFIC)
Competitor's Rate Comparison: Condominium D&O Coverage

Company: **ACE - Westchester Fire Insurance Company**
 Eff Date: **March 2007**

Number of Units: 75
 Policy Limit: \$1M/\$1M
 Deductible: \$5,000
 State: Illinois
 Claims Experience: 1 claim 2 years ago

Base Premium:	Base Premium	Premium
# of Units	700	700
1-50	\$700	
51-100	\$6.00/Unit	150
101-300	\$4.30/Unit	
301-500	\$2.10/Unit	
501-1,000	\$2.00/Unit	
1001 & Over	\$3.28/Unit	
Total		850

Prior Acts:
 Policy provides Full Prior Acts Coverage

Policy Limits	Factor	Load
\$500K/\$500K	0.800	
\$500K/\$1M	0.950	
\$1M/\$1M	1.000	
\$1M/\$2M	1.400	
\$2M/\$2M	1.500	
\$2M/\$4M	1.900	
\$3M/\$3M	1.850	
\$4M/\$4M	2.100	
\$5M/\$5M	2.300	
Factor:	1.000	

# of Units	\$1K	\$2.5K	\$5K	\$7.5K	\$10K
1-50	1.000	0.950	0.920	0.890	
51-100	1.000	0.950	0.920	0.890	
101-200	1.000	0.950	0.920	0.890	
201-350	1.000	0.950	0.920	0.890	
351-500	1.000	0.950	0.920	0.890	
501-750	1.000	0.950	0.920	0.890	
751-1,000	1.000	0.950	0.920	0.890	
1,001 & greater	1.000	0.950	0.920	0.890	
Factor:	0.920				

Schedule Rating Plan:	Credit	Debit
Financial Considerations:	-15%	15%
Years in Operation:	-15%	15%
Operational Considerations:	-25%	25%
Extent of Facilities		
Property Manager		
% of Rented/Leased		
% of unsold units		
Average Unit Value		
Commercial Occupancies		
Board of Directors Considerations:	-25%	25%
Turnover of Board		
Election Cycle		
Length of Term		
Legal Actions due to Foreclosures		
Board Election Challenges		
Selected Factor:	0	

Experience Rating Plan:	Claim History	Debit
Claims filed in past year	30%	
Claims filed in 2nd yr preceding expiring year	25%	
Claims filed in 3rd yr preceding expiring year	15%	
Claims filed in 4th yr preceding expiring year	10%	
Experience Mod shall not exceed 60%		
Factor:	25%	

Total Premium: \$978

Company: **Great American Insurance Group**
 Eff Date: **October 2005**

Number of Units: 75
 Policy Limit: \$1M/\$1M
 Deductible: \$5,000
 State: Illinois
 Claims Experience: 1 claim 2 years ago

Base Premium:	Base Premium	Premium
# of Units	695	695
1-50	\$695	
51-100	\$6.00/Unit	150
101-300	\$4.25/Unit	
301-600	\$2.85/Unit	
601-1,000	\$2.50/Unit	
1001 & Over	\$1.00/Unit	
Total		845

Prior Acts:
 Policy provides Full Prior Acts Coverage

Policy Limits	Factor	Load	Retention
\$100K	0.500		\$500
\$250K	0.600		1,000
\$500K	0.850		2,000
\$1M	1.000		2,500
\$2M	1.500		5,000
\$3M	1.950		10,000
\$4M	2.300		15,000
\$5M	2.500		25,000
\$6M	2.700		35,000
\$7M	2.900		50,000
\$8M	3.100		75,000
\$9M	3.300		100,000
\$10M	3.500		
Factor:	1.000		0.9500

Subjective Rate Modifications:	Debits	Credits
1. Age of Organizations more than 10 yrs	NA	25%
2. Nature of Operations	25%	25%
3. Regulatory Criticisms	25%	NA
4. Geographic Location	25%	25%
5. Merger/Acquisition/Divestiture Activity	25%	NA
6. Revenue Bonds	25%	NA
7. Other Insurance	NA	25%
8. Management Experience	25%	NA
9. Financial Performance	25%	NA
a. Stability	25%	40%
b. Fund Balance Adequacy	25%	40%
c. Debt Structure/Coverage	25%	40%
d. Revenue/Expenses	25%	40%
10. Major Building/Renovations	25%	NA
11. National Affiliation	NA	25%
The maximum debit/credit Subjective Rate Modification is -25%.		
Factor:	0	

Special Endorsements/Coverages for Additional Charge:	Factor
For Profit Subsidiary Coverage	50%
Outside Directorship Coverage	25%
Property Manager Coverage	10%
Factor:	0%

Experience Rating Plan:	Claim History	Debit
Claims filed in past year	30%	
Claims filed 1 to 2 years ago	25%	
Claims filed 2 to 3 years ago	20%	
Claims filed 3 to 4 years ago	15%	
Claims filed 4 to 5 years ago	10%	
Experience Mod shall not exceed 60%		
Factor:	25%	

Total Premium: \$1,003

Company: **St. Paul/Travelers**
 Eff Date: **December 2006**

Number of Units: 75
 Policy Limit: \$1M/\$1M
 Deductible: \$5,000
 State: Illinois
 Claims Experience: 1 claim 2 years ago

Base Premium:	Base Premium	Premium
# of Units	700	700
1-15	\$700	
16-30	\$6.00/Unit	90
31-50	\$5.00/Unit	100
51-100	\$4.00/Unit	100
101-150	\$3.50/Unit	
151-250	\$3.00/Unit	
251-350	\$2.50/Unit	
351-500	\$2.00/Unit	
501-1,000	\$1.50/Unit	
1,001-2,000	\$1.00/Unit	
2,001-5,000	\$0.75/Unit	
5,001-10,000	\$0.50/Unit	
>10,000	\$0.40/Unit	
Total		990

Prior Acts:
 Policy provides Full Prior Acts Coverage

Policy Limits	Load	Retention	Factor
\$250K	0.650	\$1,000	0.000
\$500K	0.800	2,500	0.050
\$1M	1.000	5,000	0.100
\$2M	1.500	10,000	0.200
\$3M	1.750	25,000	0.300
\$4M	2.000		
\$5M	2.250		
Factor:	1.000		0.100

Risk Modifications:	Factor
1. Exposure Factors:	
Condo Type	2.00
Timeshare	2.00
Non-Residential	1.25
Condo Type	1.00
HOA	1.00
COOP	1.35
Factor:	1.00

Amenities:	Factor
Amenities Affiliated/Controlled by Insured	1.00
No: Amenities/swimming pool/ Tennis courts/fitness Centers	1.00
Restaurants/Hotel/Condos/Golf courses	1.25
Horse Amenities/Airport Facilities/Unique exposures- ie: marinas, rental services	1.50
skiing	1.00
Factor:	1.00

Commercial Units	Factor
Total Number	1.00
No Commercial Units	1.00
1-10	1.10
11-20	1.20
>20	1.25
Factor:	1.00

Master Associations	Factor
Master Assoc Not Applicable	1.00
Master Assoc Applicable	1.20
Master Assoc. Common Area	0.80
Factor:	1.00

High Value Units	Factor
No High Values	1.00
High Value Units Applicable	1.15
Factor:	1.00

For Profit/Subsidiaries	Factor
No For Profit/Subsidiaries	1.00
For Profit/Subsidiaries Applicable	1.10
For Profit Associations	1.20
Factor:	1.00

Experience Rating Plan:	Total \$ of Clms	# of Claims in Last 5 Years
		1 2 3 4 5 6+
	\$0 - \$5,000	1.05 1.10 1.10 1.10 1.15 1.15
	\$5,001-\$10,000	1.15 1.15 1.15 1.15 1.20 1.25
	\$10,001-\$25,000	1.20 1.25 1.30 1.30 1.35 1.50
	\$25,001-\$50,000	1.50 1.50 1.75 1.75 1.75 2.00
	\$50,001-\$100,000	1.75 1.75 2.00 2.00 2.00 2.50
	>\$100,000	Refer to company
Factor:		1.15

Schedule Rating:	Reason	Credit	Debit
	Unusual exposure not otherwise reflected	-25%	
	Quality of Management	-10%	10%
	Other Insurance Exposure	0%	25%
	Special Assessments	-10%	25%
	D&O or EPL Litigation or Losses	0%	25%
	Arbitration Process in handling claims	-10%	0%
	Financial Issues	-25%	25%
	Other Litigation	0%	25%
Factor:		0.00	

Total Premium: \$1,025

Company: **FFIC**
 Eff Date: **Proposed Rating Plan**

Number of Units: 75
 Policy Limit: \$1M/\$1M
 Deductible: \$5,000
 State: Illinois
 Claims Experience: 1 claim 2 years ago

Base Premium:	Base Premium	Premium
# of Units	695	695
1-50	\$695	
51-100	\$6.00/Unit	150
101-300	\$4.25/Unit	
301-600	\$2.85/Unit	
601-1,000	\$2.50/Unit	
1001 & Over	\$1.00/Unit	
Total		845

Fixed Adjustments:

Cooperative	1.35
Timeshares	2.00
Builder/Developer Rep on Board	1.10
Election Disputes	1.25
No Adjustments	1.00
Factor:	1.00

Territory Factors:

Territory 1	.85 - .95
Territory 2	.95 - 1.05
Territory 3	1.05 - 1.25
Factor:	1.00

Increased Limit Factors:

Policy Limits	Factor
\$1M/\$1M	1.000
\$1.5M/\$1.5M	1.350
\$2M/\$2M	1.500
\$2M/\$4M	1.750
\$3M/\$3M	1.950
\$4M/\$4M	2.300
\$5M/\$5M	2.500
Factor:	1.000

Deductible:	# of Units	\$1K	\$2.5K	\$5K	\$7.5K	\$10K
	1-50	1.000	0.950	0.920	0.890	0.860
	51-100	1.000	0.950	0.920	0.890	0.860
	101-300	1.000	0.950	0.920	0.890	0.860
	301-600	1.000	0.950	0.920	0.890	0.860
	601-1,000	1.000	0.950	0.920	0.890	0.860
	1,001 & greater	1.000	0.950	0.920	0.890	0.860
Factor:						0.950

Experience Rating Plan:	Claim History	Debit
Claims filed in past year	30%	
Claims filed 1 to 2 years ago	25%	
Claims filed 2 to 3 years ago	20%	
Claims filed 3 to 4 years ago	15%	
Claims filed 4 to 5 years ago	10%	
Experience Mod shall not exceed 60%		
Factor:	25%	

Schedule Rate Modification:	Debit	Credit
1. Age of Organization more than 10 yrs.	25%	25%
2. Nature of Operation	25%	25%
3. Construction/Ownership issues	25%	25%
4. Amenities/Commercial Occupancies	25%	25%
5. Management/Financial Considerations	25%	25%
6. Improvements/Assessments	25%	10%
Factor:	0%	

Total Premium: \$1,003

Fireman's Fund Insurance Companies® (FFIC)

Exhibit 2

**Comparison of Permissible Loss & LAE Ratio
Expenses as filed in the Respective Approved Rate Filings**

	ACE	Great American	Travelers	FFIC
Expense Assumptions:				
Commission	23.0%	19.1%	14.3%	12.0%
Other Acquisition	3.0%	6.5%	7.5%	7.3%
General Expense	4.0%	3.7%	1.6%	7.3%
Taxes, Licenses & Fees	2.0%	2.0%	2.2%	2.0%
Profit Provision	0.6%	-5.5%	5.0%	5.1%
Total Expense	32.6%	25.8%	30.6%	33.7%
Permissible Loss & LAE Ratio:	67.4%	74.2%	69.4%	66.3%
Unallocated LAE	4.6%	11.0%	1.1%	4.3%
Permissible Loss & ALAE Ratio:	62.8%	63.2%	68.3%	62.0%

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 #
Fireman's Fund Insurance Companies	0761

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Fireman's Fund Insurance Company	CA	21873	94-1610280	
National Surety Corporation	IL	21881	36-2704643	

5. Company Tracking Number	NARPL0308-R
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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
	Michelle A. Davanzo	Regulatory Analyst	(415) 899-2660	866-290-0671	Michelle.davanzo@ffic.com

7. Signature of authorized filer	<i>Michelle A. Davanzo</i>
8. Please print name of authorized filer	Michelle A. Davanzo

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

9. Type of Insurance (TOI)	17.1 Other Liability – Claims Made Only
10. Sub-Type of Insurance (Sub-TOI)	17.1022 Other
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 checked="" 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: 03-01-09 Renewal: 03-01-09
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	12-29-08
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking # NARPL0308-R
21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text] Enclosed for your review are our new rate/rule pages for our new Community Association Directors and Officers Liability Insurance and Employment Practices Insurance coverage form (5333 05 08), endorsements and rate/rules. This new coverage addresses the needs of Community Association Boards of Directors. The following types of Community Associations are eligible for this coverage, which may be offered in conjunction with Property & Casualty insurance: <ul style="list-style-type: none">• Condominium Associations• Co-operatives• Homeowners Associations• Property Owners Associations We developed our rates after comparing those of our key competitors. Refer to the Actuarial Memorandum and supporting exhibits for further details. This is a rate/rule filing. Enclosed in support of this filing are: <ul style="list-style-type: none">• Actuarial Memorandum and supporting exhibits;• New Community Association Directors and Officers & Employment Practices Liability Insurance rate/rule pages, ADO-1-6; and• State filing forms/checklists if any. Your approval of this filing, which has a proposed effective date of March 1, 2009, is appreciated.

2.	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 #	NARPL0308-R
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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)
Fireman's Fund Insurance Company	0%	0%	0%	0	0	0%	0%
National Surety Corporation	0%	0%	0%	0	0	0%	0%

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)

		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)	0%	
5b.	Overall percentage rate impact for this filing	0%	
5c.	Effect of Rate Filing – Written premium change for this program	0	
5d.	Effect of Rate Filing – Number of policyholders affected	0 – No Rate Impact	

6.	Overall percentage of last rate revision	0%
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7.	Effective Date of last rate revision	None
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8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	N/A
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	ADO-1-6, edition 05-08	<input checked="" 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	