

State: District of Columbia **Filing Company:** Continental Casualty Company
TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0019 Professional Errors & Omissions Liability
Product Name: Lawyers Professional Liability Policy Program Rate-Rule Filing
Project Name/Number: Lawyers Professional Liability Policy Program Rate-Rule Filing /16-01276-RL

Filing at a Glance

Company: Continental Casualty Company
 Product Name: Lawyers Professional Liability Policy Program Rate-Rule Filing
 State: District of Columbia
 TOI: 17.0 Other Liability-Occ/Claims Made
 Sub-TOI: 17.0019 Professional Errors & Omissions Liability
 Filing Type: Rate/Rule
 Date Submitted: 11/17/2016
 SERFF Tr Num: CNAC-130813419
 SERFF Status: Submitted to State
 State Tr Num:
 State Status:
 Co Tr Num: 16-01276-RL

 Effective Date: 01/01/2017
 Requested (New):
 Effective Date: 01/01/2017
 Requested (Renewal):
 Author(s): Robert Alonzo
 Reviewer(s):
 Disposition Date:
 Disposition Status:
 Effective Date (New):
 Effective Date (Renewal):

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General Information

Project Name: Lawyers Professional Liability Policy Program Status of Filing in Domicile:
 Rate-Rule Filing
 Project Number: 16-01276-RL Domicile Status Comments:
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 11/17/2016
 State Status Changed: Deemer Date:
 Created By: Robert Alonzo Submitted By: Robert Alonzo
 Corresponding Filing Tracking Number:

Filing Description:

Continental Casualty Company hereby submits for your review and approval the attached updated manual rates & rules for use with the it's Lawyers Professional Liability Policy Program currently on file (SERFF CNAC-129753861) with your department.

Attached for your review is:

- the actuarial memorandum providing details:
 - the proposed Data Breach revisions;
 - AOP changes
- revised Lawyers Professional Liability Product Manual and state pages ed. 7-16;
- corresponding support including Filing exhibits.

We propose that this filing become effective for all policies effective on or after January 1, 2017 or the earliest date permitted by your State regulations.

Sincerely,
 Robert Alonzo

Company and Contact

Filing Contact Information

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Filing Company Information

Continental Casualty Company	CoCode: 20443	State of Domicile: Illinois
125 Broad Street	Group Code: 218	Company Type:
7th Floor	Group Name:	State ID Number:
New York, NY 10004	FEIN Number: 36-2114545	
(212) 440-3478 ext. [Phone]		

Filing Fees

Fee Required? No
 Retaliatory? No

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Fee Explanation:

SERFF Tracking #:

CNAC-130813419

State Tracking #:

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Rate Information

Rate data applies to filing.

Filing Method: F/U
Rate Change Type: Neutral
Overall Percentage of Last Rate Revision: -7.100%
Effective Date of Last Rate Revision: 01/01/2015
Filing Method of Last Filing: F/U

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Continental Casualty Company	%	0.000%	\$0	246	\$1,304,527	%	%

SERFF Tracking #:

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State Tracking #:**Company Tracking #:**

16-01276-RL

State:

District of Columbia

Filing Company:

Continental Casualty Company

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17.0 Other Liability-Occ/Claims Made/17.0019 Professional Errors & Omissions Liability

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Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		CW Manual	pages 1 thru 16	Replacement	SERFF CNAC-129753861	CW Product Manual 07-16.pdf

**CONTINENTAL CASUALTY COMPANY
CNA PLAZA
CHICAGO, ILLINOIS 60685**

LAWYERS PROFESSIONAL LIABILITY PRODUCT MANUAL

I. Application of the Lawyers Professional Liability Product Manual

This manual contains the rules, classifications, rates and rating procedures for the Lawyers Professional Liability Policy.

This claims-made and reported policy provides coverage against claims arising from the performance of professional legal services. Any other rules, rates or forms filed on behalf of the Company may apply when not in conflict with the Lawyers Professional Liability Policy program.

II. Policy Term

All premiums and rates contained in this manual are annual, unless otherwise specifically identified. Each renewal or anniversary premium shall be computed according to the then current rules, rates and forms.

III. Rounding Rule

In the event the application of any rating procedure applicable in accordance with this manual results in an amount other than a whole dollar amount, each rate and premium shall be adjusted as follows:

1. Round any amount involving \$.50 or over to the next higher whole dollar.
2. Round any amount involving \$.49 or less to the next lower whole dollar.

IV. Factors or Multipliers

Unless otherwise indicated in this manual, factors or multipliers are to be applied consecutively and not added together.

V. Additional Premium Changes

- A. Pro rate all changes requiring additional premium.
- B. Apply the rates and rules in effect on the effective date of the policy. In computing the additional premium, charge the amount applicable on the effective date of the change.
- C. Waive additional premium of \$1.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

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VI. Return Premium Changes (for other than policy cancellations)

- A.** Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.
- B.** Compute return premium at the rates used to calculate the policy premium at policy inception.
- C.** Compute return premium pro rata and round to the next higher whole dollar when any coverage or exposure is deleted or an amount of insurance is reduced.
- D.** Waive return premium of \$15.00 or less. Grant any return premium due if requested by the insured. This waiver applies only to cash exchange due on the endorsement effective date.

VII. Limits of Liability

- A. Basic Limits:** \$100,000 each claim
\$300,000 aggregate

Manual rates provide a basic limit of \$100,000 for each claim that is both first made against the insured and reported to the Company in writing during the policy period by reason of an act or omission in the performance of legal services by the insured or any person for whom the Insured is legally liable, regardless of the number of claims or claimants, subject to a basic aggregate limit of \$300,000.

Separate each claim and aggregate limits apply to the Death or Disability and Non-practicing Extended Reporting Periods and are shown on the Declarations page.

- B. Increased Limits:**

Refer to the Rule X.E for available increased limits and factors.

VIII. Policy Cancellations

- A.** Compute the return premium pro rata in accordance with the Rounding Rule using the rules, rates and rating plans in effect at the inception of this policy period, when:
 - 1. a policy is canceled at the Company's request;
 - 2. the insured no longer has a financial or an insurable interest in the property or operations that is the subject of insurance;
 - 3. a policy is canceled and rewritten in the same Company or Company group.
- B.** If cancellation is for any other reason than stated in A. above, compute the return premium at .90 of the pro rata unearned premium for the one year period and round in accordance with the Rounding Rule.

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IX. Deductibles

Rates contained in these pages are based upon a \$1,000 aggregate deductible. Refer to the state rate pages for available optional deductibles and applicable factors.

X. Calculation of Premium

A. Determine the Individual Lawyer Information for Insured Lawyers

1. Determine the total number of lawyers to be insured who are:
 - a. Named Insureds;
 - b. partners of an insured partnership;
 - c. officers of an insured professional organization;
 - d. employed lawyers of any insured.

2. For each of the lawyers to be insured, determine the appropriate step factor for that lawyer.
 - a. Use the step 1 rate factor from the following Step Factor Table if:
 - (i) the individual lawyer to be insured has been continuously insured under an occurrence form of coverage; and/or
 - (ii) “prior acts” coverage is excluded for all previous years; and/or
 - (iii) the lawyer is just entering private practice.

 - b. Use the following procedure to determine the step factor if the lawyer has been insured under a claims-made form of coverage:

Determine the number of years:

 - (i) in which each lawyer in the firm was covered under claims-made forms of insurance; or
 - (ii) if a prior acts exclusion is attached to the policy, from the “prior acts” date to the proposed policy effective date.
 - (iii) Use this as the base years of prior exposure, and add one. This is the step rate factor for that individual lawyer.

 - c. Using the following table to determine the appropriate step factor for each individual attorney to be insured.

Step Factor:	Step					
	1	2	3	4	5	6
	.4470	.6075	.7590	.8730	.9340	1.000

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X. Calculation of Premium (cont.)

A. Determine the Individual Attorney Information for Insured Lawyers (cont.)

3. Determine the “years in practice” factor for each lawyer based on the following table:

# of Years in Practice	Factor
0	.70
1	.80
2	.90
3 or more	1.00

4. Determine the “part-time” factor for each lawyer that may be working for the firm on a part-time basis only based on the following table:

# of Hours per Week	Factor
0 – 10	.50
11 - 25	.75
26 +	1.00

The number of hours per week is the number of billable hours performed by the lawyer as legal services performed on behalf of the insured firm.

5. Determine for each lawyer if they have registered for a CNA-Approved Risk Management Seminar for Lawyers, confirmed use of CNA-approved practice management tools, or if they have attended a CNA-Approved Risk Control Course for lawyers. If yes to any of these, a risk management credit factor of up to .925 is applied for that individual lawyer for up to three consecutive policy periods.

B. Determine the Firm Base Premium

- Using the state rate page, determine the base rate for the state and territory.
- For each individual lawyer to be insured, multiply the base rate by the applicable step factor, years in practice factor, part-time factor and risk management seminar factor that apply to that lawyer.
- Add the results from step 2 above as calculated for each individual lawyer together. The result is the Firm Base Premium.

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X. Calculation of Premium (cont.)

C. Determine the Firm Class Base Premium

1. Multiply each "area of practice" percentage by the modifier applicable to the area of practice to determine a modified % subtotal for each area of practice. Do not round.
2. Multiply the modified % subtotals from step 1. above for all areas of practice by the Firm Base Premium. Add the results for all areas of practice together.
3. The result is the Firm Class Base Premium.

Table of Classifications:

	<i><u>Area of Practice Modifier Range</u></i>	
Admiralty /Marine - Plaintiff	-15%	to 0%
Admiralty/Marine - Defense	-50%	to 0%
Anti-Trust/Trade Regulation	-35%	to 0%
Banking/Financial Institutions	+45%	to +70%
Business Transaction Commercial Law	+5%	to +25%
Civil Rights/Discrimination	-35%	to 0%
Civil/Commercial Litigation-Defense	-50%	to 0%
Civil/Commercial Litigation-Plaintiff	-15%	to 0%
Collection and Bankruptcy	-20%	to 0%
Construction (building contracts)	-35%	to 0%
Consumer Claims	-35%	to 0%
Corporate Business Organization	-25%	to 0%
Criminal	-50%	to 0%
Environmental	-35%	to 0%
Family Law	-25%	to 0%
Government Contracts/Claims	-35%	to 0%
Immigration/Naturalization	-35%	to 0%
Intellectual Property (Patent, Trademark, Copyright)	+45%	to +70%
International Law	-35%	to 0%
Labor Mgmt Representation	-50%	to 0%
Labor Union Representation	-15%	to 0%
Local Government	-35%	to 0%
Natural Resources/Oil & Gas	-35%	to 0%
Other	-35%	to 0%
Personal Injury/Prop Dam - Defense	-50%	to 0%
Personal Injury/Property Damage - Plaintiff	+5%	to +25%
Real Estate/Title - Commercial	+45%	to +70%
Real Estate/Title - Residential	+5%	to +25%
Securities (S.E.C.)	+45%	to +70%
Taxation	-25%	to 0%
Wills, Estate, Trust and Probate	-25%	to 0%
Workers Compensation - Plaintiff	-35%	to 0%
Workers Compensation- Defense	-50%	to 0%

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X. Calculation of Premium (cont.)

D. Determine the Modified Firm Base Premium

The Firm Class Base Premium may be adjusted by the following:

- Non-Specialist Factor
- Disciplinary Action Surcharge
- Experience Rating Plan
- Size of Firm Factor
- Individual Risk Premium Modification Plan

These modifications are described below. To determine the Modified Firm Base Premium multiply the Firm Class Base Premium by each of the individual modifiers above.

1. Non-Specialist Factor

If the firm does not specialize in any of the area of practice from step C above and as specified below, a non-specialist factor may be applicable. The factor is determined as follows:

a. Areas of Practice to use from each area of practice category to determine specialization:

Area of Practice Category	Areas of Practice to combine to determine specialization
1	combine Admiralty/Marine - Defense,Civil/Commercial Litigation-Defense,Criminal,Personal Injury/Prop Dam - Defense,Workers Compensation- Defense
2	combine Anti-Trust/Trade Regulation, Business Transaction Commercial Law,Civil Rights/Discrimination,Construction (building contracts),Consumer Claims,Environmental,Government Contracts/Claims,Immigration/Naturalization,International LawLocal Government,Natural Resources/Oil & Gas,Other,Workers Compensation - Plaintiff
3	Corporate Business Organization,Family Law,Taxation,Wills, Estate, Trust and Probate
4	“Collection and Bankruptcy”
5	Combine “Civil/Comm’l Litigation” and “Labor Union Representation”; Evaluate Admiralty/Marine Plaintiff individually
6	“Real Estate/Title – Residential”
7	“Personal Injury/Property Damage – Plaintiff”
8	Evaluate each area of practice individually: Banking/Financial Institutions,Intellectual Property (Patent, Trademark, Copyright),Real Estate/Title - Commercial,Securities (S.E.C.)

b. For each Area of Practice Category determine whether the firm specializes in that area of practice category or not. This can be determined from the following table:

Size of Firm	Required Area of Practice Category % to Total for Specialization
1 – 3	25%
4 – 10	15%
11 - 19	10%
20 or above	0%

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- c. For each area of practice category that the firm does practice, but does not specialize, determine the appropriate non-specialist factor for that area of practice category from the following table:

Area of Practice Category	Non –Specialist Factor
1	1.00
2	1.00
3	1.04
4	1.00
5	1.05
6	1.03
7	1.05
8	1.05

- d. Multiply the factors for all applicable area of practice categories together. The result is the overall Non-specialist Factor. The overall non-specialist factor is subject to a 1.15 maximum.

X. Calculation of Premium (cont.)

D. Determine the Modified Firm Base Premium (cont.)

2. Disciplinary Action Surcharge

Disciplinary Action - Other than failure to pay Bar dues or tardy renewal of Bar membership.

A surcharge of 10% shall be applied to the Named Insured when sanctions have been applied to the named insured, , it's predecessor firm's members or it's members by any body authorized to fine, censure, reprimand, disbar or otherwise sanction the firm or individuals for conduct unbecoming the profession of law, except where there has been a criminal conviction. Such criminal convictions shall be a Refer to Company item.

3. Experience Rating Plan

Experience rating is applied to firms with 5 years or more experience.

The Experience Rating Plan modification is determined as follows:

Step 1: Determine the number of lawyers in the firm.

Step 2: Determine the total claim count (\$5,000 or greater) for each of the past five years. Total the number of claims with an incurred value of \$5,000 or greater for each of the past 5 years.

Step 3: Determine the “total modified claim count”. Using the table below, multiply the number of claims (as determined in step 2) for each of the past 5 years by the appropriate factor. Sum the result from the individual years together. The result is the modified claim count.

Year	Factor
1 (most recent)	1.00
2	.95
3	.90
4	.80
5	.70

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Step 4: Determine the “per attorney claim ratio”.

First determine the “firm claim ratio”. Divide the “total modified claim count (from step 3) by the average years of experience for insured lawyers. To get this average use the determination of step factor from Rule X.A.2; cap at 5 years per attorney; sum the years for the individual lawyers and divide by the total number of insured lawyers.

Next, determine the “per attorney claim ratio” by dividing the “firm claim ratio” by the total number of insured lawyers (from step 1). If there are no claims the “per attorney claim ratio” is 0.0.

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X. Calculation of Premium (cont.)

D. Determine the Modified Firm Base Premium (cont.)

3. Experience Rating Plan (cont.)

Step 5: Determine the “raw debit/credit”. Using the table below and the “per attorney claim ratio” developed in step 4, determine the “raw debit/credit”. For ratios between those shown, round down to the next lower ratio. The maximum raw debit/credit is 17.5%.

Per attorney claim ratio	Raw debit / credit	Per attorney claim ratio	Raw debit / credit	Per attorney claim ratio	Raw debit / credit
.000	- 5.0%	.080	3.0%	.230	11.0%
.005	- 4.5%	.085	3.5%	.240	11.5%
.010	- 4.0%	.090	4.0%	.250	12.0%
.015	- 3.5%	.100	4.5%	.260	12.5%
.020	- 3.0%	.110	5.0%	.270	13.0%
.025	- 2.5%	.120	5.5%	.280	13.5%
.030	- 2.0%	.130	6.0%	.290	14.0%
.035	- 1.5%	.140	6.5%	.300	14.5%
.040	- 1.0%	.150	7.0%	.310	15.0%
.045	- 0.5%	.160	7.5%	.320	15.5%
.050	0.0%	.170	8.0%	.330	16.0%
.055	0.5%	.180	8.5%	.340	16.5%
.060	1.0%	.190	9.0%	.350	17.0%
.065	1.5%	.200	9.5%	.360 +	17.5%
.070	2.0%	.210	10.0%		
.075	2.5%	.220	10.5%		

Step 6: Determine the “Experience Rating Plan Size of Firm Modification”

Using the Table below:

Size of Firm	Factor
1 – 3	1.00
4 – 6	1.15
7 – 9	1.30
10 – 14	1.40
15 – 19	1.60
20 – 49	1.80
50 – 99	2.00
100 - 149	2.50
150 +	3.00

Step 7: Determine the Experience Rating Plan Factor:

Multiply the “raw debit/credit” (from step 5) by the appropriate “Experience Rating Plan Size of Firm Modification” (from step 6). The result is the Experience Rating Plan Factor

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X. Calculation of Premium (cont.)

D. Determine the Modified Firm Base Premium (cont.)

4. Size of Firm Factor

A size of firm adjustment may be allowed based upon the number of lawyers in the firm as follows:

Size of Firm	Factor
1 – 3	1.00
4 – 5	.92
6 – 10	.85
11 – 14	.80
15 – 19	.75
20 or more	Refer to Company

5. Individual Risk Premium Modification Plan

The firm’s basic limits rate shall also be modified to reflect such characteristics of the exposures to be insured that are not otherwise reflected in it’s experience.

<u>Classifications</u>	<u>Credit</u>	<u>Debit</u>
1. Types of clients (Corporate, governmental, individual, etc.)	0 - 10%	0-30%
2. Internal management of firm	0 - 25%	0-25%
3. Classification peculiarities	0 - 25%	0-25%
4. Years in existence as a firm	0 -10%	0-10%
5. Ethics and moral standing	0 -10%	0-10%
6. Employee Selection	0 -15%	0-15%

E. Determine the Limits Modified Base Premium

Multiply the Modified Base Premium from step D above by the appropriate increased limit and deductible factors from the Combined Increased Limit / Deductible Factor Table found on the state rate pages and, then by any territory modifier that may apply (if a territory modifier applies it will also be shown on the state rate page). The result is the Limits Modified Base Premium.

F. Determine Final Policy Premium

Add Rates for any Optional coverages (from rule XI) to the Limits Modified Base Premium (from step E).

XI. Optional Coverages

A. Title Insurance Agency Professional Liability Coverage

The additional premium charge to provide Title Insurance Agency Professional Liability Coverage is 10% of the Limits Modified Base Premium developed under Rule X.E. Use Endorsement G-118037.

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XI. Optional Coverages (cont.)

B. Each Claim Deductible

If the policy is endorsed to apply deductibles on an "each claim" basis rather than an "aggregate" basis, a 5% premium credit is applied to the Limits Modified Base Premium developed under Rule X.E. Use Endorsement G-118016.

C. Claims Expense Outside Limits

The appropriate factor from the table below should be applied to the Limits Modified Base Premium developed under Rule X.E. Use Endorsement G-118014.

Limit: Claim/Agg (000)	Factor
100 / 300	1.15
200 / 600	1.15
250 / 500	1.15
250 / 750	1.15
300 / 600	1.15
300 / 900	1.15
500 / 500	1.15
500 / 750	1.13
500 / 1,000	1.1
500 / 1,500	1.1
1,000 / 1,000	1.1
1,000 / 2,000	1.07

Limit: Claim/Agg (000)	Factor
1,000 / 3,000	1.07
2,000 / 2,000	1.07
2,000 / 4,000	1.05
2,000 / 5,000	1.05
2,000 / 6,000	1.05
3,000 / 3,000	1.05
3,000 / 4,000	1.05
3,000 / 6,000	1.05
4,000 / 4,000	1.05
4,000 / 8,000	1.05
5,000 / 5,000	1.05
Above \$5,000 / \$5,000	Refer to Company

D. First Dollar Defense Coverage

The factor from the table below should be applied as defined below for an aggregate or per claim basis. Use Endorsement G-118018 or G-118019.

Deductible	Factor
\$1,000	1.05
\$2,000	1.05
\$2,500	1.05
\$3,000	1.06
\$4,000	1.07
\$5,000	1.08
\$10,000	1.10
\$15,000	1.12
\$25,000	1.15
Above \$25,000	Refer to Company

Aggregate - the additional premium charge to provide first dollar defense coverage on an aggregate basis is developed by applying the appropriate surcharge from the table above to the Limits Modified Base Premium developed under Rule X.E. Use Endorsement G-118018.

Each Claim - the additional premium charge to provide first dollar defense coverage on an each claim basis is developed by applying the appropriate surcharge from the table above to the Limits Modified Base Premium after the application of the Each Claim Deductible Credit form Rule XI.B. is applied. Use Endorsement G-118019.

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XI. Optional Coverages (cont.)

E. Employment Practice Liability Coverage (EPL)

The additional premium charge to provide Employment Practices Liability Coverage is calculated as follows (use Endorsement G-121020).

1. Calculation Procedures

Step Procedure

(1) Determine Base Rating Information:

A. Determine number of employees in the firm. Employees includes full-time, part-time, leased and temporary employees, including all attorneys, partners, shareholders, and “of counsel”. Part-time and employees are considered as .75 employee. If the result is not a whole number, round .5 and over to the next higher whole number. Round .49 and lower to the next lower whole number.

B. Determine the state Rate Group Classification. Based on the state from which the firm operates.

(2) Determine the Base Limits Premium. Using the rates below, and the information determined in Step 1, multiply the rates per employee for each applicable firm-size category by the number of employees within each category. The result is the Base Limits Premium for a \$1,000,000/\$1,000,000 limit of liability and a \$10,000 deductible.

(3) Determine the Selected Limit/Deductible Premium. Using the information below, determine the appropriate Increased/decreased Limit Factors (ILF) for the desired limits and multiply this factor by the Base Limits Premium. Then determine the appropriate Deductible Factor. Multiply this factor by the result of the “ILF time Base Limit Premium” calculation. The result is the Selected Limit/Deductible Premium.

(4) Determine the Modified Premium. Using the information below, determine the applicable Coinsurance Factor. Multiply this factor by the Selected Limit/Deductible Premium. The result is the Modified Premium.

(5) Determine the Final EPL Premium. Determine the applicable EPL Individual Risk Rating Plan Factor credit or debit. Multiply this factor by the Modified Premium. The result is the final EPL Coverage Premium, subject to the EPL Minimum Premium.

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XI. Optional Coverages (cont.)

E. Employment Practice Liability Coverage (EPL) (cont.)

2. EPL State Rate Group Classifications

State Rate Group Classifications		
A	B	C
GA, KY, ME, MO, MS, MT, NH, ND, OR, PA, RI, SC, SD	All states not listed in category "A" or category "C"	CA, DC, FL, MD, MI, TX

3. EPL Base Rates Per Employee

# of Employees	State Rate Group Classifications		
	A	B	C
First 14	146	183	220
15 - 50	110	137	165
51 - 150	80	101	121

Note: Firms with more than 150 employees - Refer to Company.

4. EPL Increased/Decreased Limit Factors and Deductible Factors

Increased/Decreased Limit	Limit Factor	Deductible	Factor
100,000	0.42	2,500	1.38
250,000	0.60	5,000	1.20
500,000	0.75	10,000	1.00
1,000,000	1.00	25,000	0.85
2,000,000	1.30	50,000	0.75

Note: Limits of Liability in excess of \$2,000,000 - Refer to Company.

5. EPL Coinsurance Factors

Coinsurance %	Factor
0%	1.07
5%	1.03
10%	1.00

6. EPL Individual Risk Rating Plan Factors

The Individual Risk Rating Plan Factor is subject to a maximum debit or credit of 25%.

Individual Risk Characteristic	Debit	Credit
1. Internal Loss Prevention Program	0 - 15%	0 - 15%
2. Loss Experience	0 - 25%	0 - 10%
3. Employer-initiated termination activity	0 - 25%	0 - 10%

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XI. Optional Coverages (cont.)

E. Employment Practice Liability Coverage (EPL) (cont.)

7. EPL Minimum Premiums

Limit	Minimum Premiums		
	State Group A	State Group B	State Group C
100,000	1,200	1,500	1,800
250,000	1,600	2,000	2,400
500,000	2,000	2,500	3,000
1,000,000	2,720	3,400	4,080

**8. Employment Practices Liability Endorsement Option -
Punitive or Exemplary Damages (use Endorsement G-130943-A)**

The additional premium charge to provide this coverage is 30% of the “Final EPL Premium” as calculated in rule XI.E.1. step (5) above.

**LAWYERS PROFESSIONAL LIABILITY
PRODUCT MANUAL**

XI. Optional Coverages (cont.)

F. Lawyers Data Breach and Network Security Endorsement

1. The endorsement premium is determined by looking up the premium based on the selected limit/deductible combination and the insured's attorney count in the table below:

Attorney Count	\$100,000 Network Damage Limit \$10,000 Privacy Event Expense Limit \$1,000 Per Claim Deductible	\$250,000 Network Damage Limit \$25,000 Privacy Event Expense Limit \$2,500 Per Claim Deductible	\$500,000 Network Damage Limit \$50,000 Privacy Event Expense Limit \$2,500 Per Claim Deductible
	1	\$300	\$425
2	\$450	\$600	\$775
3	\$575	\$750	\$975
4	\$675	\$875	\$1150
5	\$750	\$975	\$1300

All limits in the above table are aggregate limits.

**LAWYERS PROFESSIONAL LIABILITY
PRODUCT MANUAL**

XII. Extended Reporting Periods

A. Automatic Extended Reporting Period

There is no additional premium charge for this coverage

B. 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%
2	150%
3	175%
6	225%
unlimited	250%

C. Death or Disability Extended Reporting Period

There is no additional premium charge for this coverage.

D. Non-practicing Extended Reporting Period

There is no additional premium charge for this coverage.

State: District of Columbia **Filing Company:** Continental Casualty Company
TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0019 Professional Errors & Omissions Liability
Product Name: Lawyers Professional Liability Policy Program Rate-Rule Filing
Project Name/Number: Lawyers Professional Liability Policy Program Rate-Rule Filing /16-01276-RL

Supporting Document Schedules

Bypassed - Item:	Consulting Authorization
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Actuarial Certification (P&C)
Comments:	
Attachment(s):	Memo_2016 DC.pdf
Item Status:	
Status Date:	
Satisfied - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Comments:	
Attachment(s):	Support Appendix.pdf
Item Status:	
Status Date:	
Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	See support above
Attachment(s):	
Item Status:	
Status Date:	
Satisfied - Item:	Side by side
Comments:	
Attachment(s):	CW Product Manual 07-16 side-by-side.pdf
Item Status:	
Status Date:	

CNA
LAWYERS PROFESSIONAL LIABILITY
EXPLANATORY MEMORANDUM
2016 RULE FILING 16-01276-RL
STATE OF DISTRICT OF COLUMBIA

In this filing, we are revising the Lawyers Professional Liability NetProtect Endorsement in the Countrywide Manual. Please note that there are currently no active policies with this endorsement, so the change will cause no impact to policyholders. We are also changing the name of the endorsement to “Lawyer’s Data Breach and Network Security Endorsement.” This optional endorsement provides coverage for network damage and privacy event expenses.

In order to provide simplified coverage options for policyholders, we are only offering three limit/deductible combinations for the endorsement. This endorsement will only be available for firms with 5 or fewer attorneys as part of their Lawyers Professional Liability policy. Due to the lack of experience, expert underwriting judgment was used to determine the rates. The rates were then compared to the CNA Accountants Professional Liability Netprotect rates to ensure reasonability and consistency. This is attached in Appendix A, B, and C.

The endorsement rates will be the following:

Attorney Count	\$100,000 Network Damage Limit	\$250,000 Network Damage Limit	\$500,000 Network Damage Limit
	\$10,000 Privacy Event Expense Limit	\$25,000 Privacy Event Expense Limit	\$50,000 Privacy Event Expense Limit
	\$1,000 Per Claim Deductible	\$2,500 Per Claim Deductible	\$2,500 Per Claim Deductible
1	\$300	\$425	\$550
2	\$450	\$600	\$775
3	\$575	\$750	\$975
4	\$675	\$875	\$1150
5	\$750	\$975	\$1300

Additionally, we are filing to change the risk management wording under rule X.A.5 in our countrywide manual from:

Determine for each lawyer if they have attended a CNA-Approved Risk Management Seminar for Lawyers, confirmed use of CNA-approved practice management tools, or if they have attended a CNA-Approved Risk Control Course for lawyers. If yes to any of these, a risk management credit factor of up to .925 is applied for that individual lawyer for up to three consecutive policy periods.

To:

Determine for each lawyer if they have registered for a CNA-Approved Risk Management Seminar for Lawyers, confirmed use of CNA-approved practice management tools, or if they have attended a CNA-Approved Risk Control Course for lawyers. If yes to any of these, a risk management credit factor of up to .925 is applied for that individual lawyer for up to three consecutive policy periods.

Please note that this change will also have no impact to policyholders.

Appendix A -- Rate Table

Attorney Count	100,000 Network Damage Limit 10,000 Privacy Event Expense Limit 1,000 Per Claim Deductible	250,000 Network Damage Limit 25,000 Privacy Event Expense Limit 2,500 Per Claim Deductible	500,000 Network Damage Limit 50,000 Privacy Event Expense Limit 2,500 Per Claim Deductible
	1	300	425
2	450	600	775
3	575	750	975
4	675	875	1150
5	750	975	1300

Appendix B -- Accountants Professional Liability Premier Rate as of 08-2016 Comparison

Size of Firm (1)	Revenue Low (2)	Revenue High (3)	Accountants Network Damage Base Rate Low (4)	Accountants Network Damage Base Rate High (5)	Accountants Privacy Event Expense Base Rate Low (6)	Accountants Privacy Event Expense Base Rate High (7)
1	50,000	775,913	189	381	105	210
2	110,000	1,671,387	212	663	117	366
3	203,600	2,590,222	244	1,046	135	576
4	300,000	4,256,250	272	1,306	150	719
5	386,985	4,833,333	295	1,341	163	739

Size of Firm (1)	Network Damage Limit (8)	Per Claim Deductible (9)	Network Damage ILF (10)	Network Damage Deductible Factor (11)	Total Network Damage Rate Low (12) = (4) X (10) X (11)	Total Network Damage Rate High (13) = (5) X (10) X (11)
1	100,000	1000	0.550	1.500	156	314
2	100,000	1000	0.550	1.500	175	547
3	100,000	1000	0.550	1.500	201	863
4	100,000	1000	0.550	1.500	224	1,077
5	100,000	1000	0.550	1.500	244	1,106
1	250,000	2500	0.650	1.350	166	334
2	250,000	2500	0.650	1.350	186	582
3	250,000	2500	0.650	1.350	214	918
4	250,000	2500	0.650	1.350	239	1,146
5	250,000	2500	0.650	1.350	259	1,177
1	500,000	2500	0.775	1.350	198	399
2	500,000	2500	0.775	1.350	222	694
3	500,000	2500	0.775	1.350	256	1,094
4	500,000	2500	0.775	1.350	284	1,366
5	500,000	2500	0.775	1.350	309	1,403

Size of Firm (1)	Privacy Event Expense Limit (14)	Deductible (15)	Privacy Event Expense ILF (16)	Privacy Event Expense Deductible Factor (17)	Total Network Damage Rate Low (18) = (6) X (16) X (17)	Total Network Damage Rate High (19) = (7) X (16) X (17)
1	10,000	1,000	0.824	0.900	78	156
2	10,000	1,000	0.824	0.900	87	271
3	10,000	1,000	0.824	0.900	100	427
4	10,000	1,000	0.824	0.900	111	533
5	10,000	1,000	0.824	0.900	121	548
1	25,000	2,500	0.890	0.810	75	152
2	25,000	2,500	0.890	0.810	85	264
3	25,000	2,500	0.890	0.810	97	415
4	25,000	2,500	0.890	0.810	108	519
5	25,000	2,500	0.890	0.810	118	532
1	50,000	2,500	1.000	0.810	85	170
2	50,000	2,500	1.000	0.810	95	296
3	50,000	2,500	1.000	0.810	109	467
4	50,000	2,500	1.000	0.810	122	583
5	50,000	2,500	1.000	0.810	132	598

Size of Firm (1)	Network Damage Limit (20)	Privacy Event Expense Limit (21)	Deductible (22)	Total Indicated Rate Low (23) = (12) + (18)	Total Indicated Rate High (24) = (13) + (19)	Selected Rate (25)
1	100,000	10,000	1,000	233	470	300
2	100,000	10,000	1,000	262	818	450
3	100,000	10,000	1,000	302	1,290	575
4	100,000	10,000	1,000	336	1,611	675
5	100,000	10,000	1,000	365	1,654	750
1	250,000	25,000	2,500	241	486	425
2	250,000	25,000	2,500	271	846	600
3	250,000	25,000	2,500	312	1,333	750
4	250,000	25,000	2,500	347	1,665	875
5	250,000	25,000	2,500	377	1,709	975
1	500,000	50,000	2,500	282	569	550
2	500,000	50,000	2,500	317	990	775
3	500,000	50,000	2,500	365	1,561	975
4	500,000	50,000	2,500	406	1,949	1150
5	500,000	50,000	2,500	441	2,001	1300

Appendix C -- Accountants Professional Liability Premier Rate Tables as of 08-2016

Accountants Net Protect Rates -- Premier Firm Plan

Revenue Range		Premier Firm Plan			
		NetSecurity		Privacy Event	
		Premium*		Premium**	
Min	Max	Min	Max	Min	Max
0	50,000	\$189	\$189	\$105	\$105
50,000	100,000	\$189	\$209	\$105	\$115
100,000	150,000	\$209	\$227	\$115	\$125
150,000	200,000	\$227	\$243	\$125	\$134
200,000	300,000	\$243	\$272	\$134	\$150
300,000	400,000	\$272	\$299	\$150	\$165
400,000	500,000	\$299	\$325	\$165	\$179
500,000	650,000	\$325	\$356	\$179	\$197
650,000	800,000	\$356	\$386	\$197	\$213
800,000	1,000,000	\$386	\$416	\$213	\$229
1,000,000	1,200,000	\$416	\$591	\$229	\$326
1,200,000	1,500,000	\$591	\$639	\$326	\$352
1,500,000	2,000,000	\$639	\$710	\$352	\$391
2,000,000	2,500,000	\$710	\$1,036	\$391	\$571
2,500,000	3,000,000	\$1,036	\$1,091	\$571	\$601
3,000,000	4,000,000	\$1,091	\$1,291	\$601	\$711
4,000,000	5,000,000	\$1,291	\$1,351	\$711	\$744
5,000,000	6,000,000	\$1,351	\$1,408	\$744	\$776
6,000,000	7,000,000	\$1,408	\$1,466	\$776	\$808
7,000,000	8,000,000	\$1,466	\$1,523	\$808	\$839
8,000,000	9,000,000	\$1,523	\$1,580	\$839	\$871
9,000,000	10,000,000	\$1,580	\$1,638	\$871	\$903
10,000,000	15,000,000	\$1,638	\$1,909	\$903	\$1,051
15,000,000	20,000,000	\$1,909	\$2,166	\$1,051	\$1,192
20,000,000	30,000,000	\$2,166	\$2,648	\$1,192	\$1,456
30,000,000	40,000,000	\$2,648	\$3,101	\$1,456	\$1,705
40,000,000	50,000,000	\$3,101	\$3,524	\$1,705	\$1,937
50,000,000	1,000,000,000	\$3,524	\$43,702	\$1,937	\$23,973

* Net Security premium is based on 1M/1M limits and 10K deductible

** Privacy Event premium is based on 50K limits and no deductible

Increased Limit Factors		
Per Claim / Aggregate Limits	Privacy Event Expense Factor	Network Damage Factor
10,000/10,000*	0.824	---
25,000 / 25,000	0.890	---
50,000 / 50,000	1.000	---
75,000 / 75,000	1.105	---
100,000 / 100,000	1.211	0.550
150,000 / 150,000	1.421	---
200,000 / 200,000	1.632	---
250,000 / 250,000	1.842	0.650
500,000 / 500,000	2.895	0.775
750,000 / 750,000	3.947	---
1,000,000 / 1,000,000	5.000	1.000
2,000,000 / 2,000,000	---	1.380

*10,000/10,000 extrapolated based on 25,000/25,000 and 50,000/50,000 limits

Deductible Factors		
Amount	Privacy Event Expense Factor	Network Damage Factor
0*	1.000	1.667
1,000	0.900	1.500
2,500	0.810	1.350
5,000	0.720	1.200
10,000	0.600	1.000
25,000	0.516	0.860
50,000	0.480	0.800
75,000	0.450	0.750
100,000	0.432	0.720
150,000	0.402	0.670
200,000	0.378	0.630
250,000	0.360	0.600
500,000	0.300	0.500
750,000	0.288	0.480
1,000,000	0.276	0.460

*0 extrapolated based on \$1000 and \$2500 deductible factor

**CONTINENTAL CASUALTY COMPANY
CNA PLAZA
CHICAGO, ILLINOIS 60685**

**LAWYERS PROFESSIONAL LIABILITY
PRODUCT MANUAL**

I. Application of the Lawyers Professional Liability Product Manual

This manual contains the rules, classifications, rates and rating procedures for the Lawyers Professional Liability Policy.

This claims-made and reported policy provides coverage against claims arising from the performance of professional legal services. Any other rules, rates or forms filed on behalf of the Company may apply when not in conflict with the Lawyers Professional Liability Policy program.

II. Policy Term

All premiums and rates contained in this manual are annual, unless otherwise specifically identified. Each renewal or anniversary premium shall be computed according to the then current rules, rates and forms.

III. Rounding Rule

In the event the application of any rating procedure applicable in accordance with this manual results in an amount other than a whole dollar amount, each rate and premium shall be adjusted as follows:

1. Round any amount involving \$.50 or over to the next higher whole dollar.
2. Round any amount involving \$.49 or less to the next lower whole dollar.

IV. Factors or Multipliers

Unless otherwise indicated in this manual, factors or multipliers are to be applied consecutively and not added together.

V. Additional Premium Changes

- A. Pro rate all changes requiring additional premium.
- B. Apply the rates and rules in effect on the effective date of the policy. In computing the additional premium, charge the amount applicable on the effective date of the change.
- C. Waive additional premium of \$1.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

**LAWYERS PROFESSIONAL LIABILITY
PRODUCT MANUAL**

VI. Return Premium Changes (for other than policy cancellations)

- A.** Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.
- B.** Compute return premium at the rates used to calculate the policy premium at policy inception.
- C.** Compute return premium pro rata and round to the next higher whole dollar when any coverage or exposure is deleted or an amount of insurance is reduced.
- D.** Waive return premium of \$15.00 or less. Grant any return premium due if requested by the insured. This waiver applies only to cash exchange due on the endorsement effective date.

VII. Limits of Liability

- A. Basic Limits:** \$100,000 each claim
\$300,000 aggregate

Manual rates provide a basic limit of \$100,000 for each claim that is both first made against the insured and reported to the Company in writing during the policy period by reason of an act or omission in the performance of legal services by the insured or any person for whom the Insured is legally liable, regardless of the number of claims or claimants, subject to a basic aggregate limit of \$300,000.

Separate each claim and aggregate limits apply to the Death or Disability and Non-practicing Extended Reporting Periods and are shown on the Declarations page.

- B. Increased Limits:**

Refer to the Rule X.E for available increased limits and factors.

VIII. Policy Cancellations

- A.** Compute the return premium pro rata in accordance with the Rounding Rule using the rules, rates and rating plans in effect at the inception of this policy period, when:
 - 1. a policy is canceled at the Company's request;
 - 2. the insured no longer has a financial or an insurable interest in the property or operations that is the subject of insurance;
 - 3. a policy is canceled and rewritten in the same Company or Company group.
- B.** If cancellation is for any other reason than stated in A. above, compute the return premium at .90 of the pro rata unearned premium for the one year period and round in accordance with the Rounding Rule.

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IX. Deductibles

Rates contained in these pages are based upon a \$1,000 aggregate deductible. Refer to the state rate pages for available optional deductibles and applicable factors.

X. Calculation of Premium

A. Determine the Individual Lawyer Information for Insured Lawyers

1. Determine the total number of lawyers to be insured who are:
 - a. Named Insureds;
 - b. partners of an insured partnership;
 - c. officers of an insured professional organization;
 - d. employed lawyers of any insured.

2. For each of the lawyers to be insured, determine the appropriate step factor for that lawyer.
 - a. Use the step 1 rate factor from the following Step Factor Table if:
 - (i) the individual lawyer to be insured has been continuously insured under an occurrence form of coverage; and/or
 - (ii) “prior acts” coverage is excluded for all previous years; and/or
 - (iii) the lawyer is just entering private practice.

 - b. Use the following procedure to determine the step factor if the lawyer has been insured under a claims-made form of coverage:

Determine the number of years:

 - (i) in which each lawyer in the firm was covered under claims-made forms of insurance; or
 - (ii) if a prior acts exclusion is attached to the policy, from the “prior acts” date to the proposed policy effective date.
 - (iii) Use this as the base years of prior exposure, and add one. This is the step rate factor for that individual lawyer.

 - c. Using the following table to determine the appropriate step factor for each individual attorney to be insured.

Step Factor:	Step					
	1	2	3	4	5	6
	.4470	.6075	.7590	.8730	.9340	1.000

**LAWYERS PROFESSIONAL LIABILITY
PRODUCT MANUAL**

X. Calculation of Premium (cont.)

A. Determine the Individual Attorney Information for Insured Lawyers (cont.)

3. Determine the “years in practice” factor for each lawyer based on the following table:

# of Years in Practice	Factor
0	.70
1	.80
2	.90
3 or more	1.00

4. Determine the “part-time” factor for each lawyer that may be working for the firm on a part-time basis only based on the following table:

# of Hours per Week	Factor
0 – 10	.50
11 - 25	.75
26 +	1.00

The number of hours per week is the number of billable hours performed by the lawyer as legal services performed on behalf of the insured firm.

5. Determine for each lawyer if they have registered for a CNA-Approved Risk Management Seminar for Lawyers, confirmed use of CNA-approved practice management tools, or if they have attended a CNA-Approved Risk Control Course for lawyers. If yes to any of these, a risk management credit factor of up to .925 is applied for that individual lawyer for up to three consecutive policy periods.
~~Determine for each lawyer if they have attended a CNA-Approved Risk Management Seminar for Lawyers, confirmed use of CNA-approved practice management tools, or if they have attended a CNA-Approved Risk Control Course for lawyers. If yes to any of these, a risk management credit factor of up to .925 is applied for that individual lawyer for up to three consecutive policy periods.~~

B. Determine the Firm Base Premium

- Using the state rate page, determine the base rate for the state and territory.
- For each individual lawyer to be insured, multiply the base rate by the applicable step factor, years in practice factor, part-time factor and risk management seminar factor that apply to that lawyer.
- Add the results from step 2 above as calculated for each individual lawyer together. The result is the Firm Base Premium.

**LAWYERS PROFESSIONAL LIABILITY
PRODUCT MANUAL**

X. Calculation of Premium (cont.)

C. Determine the Firm Class Base Premium

1. Multiply each "area of practice" percentage by the modifier applicable to the area of practice to determine a modified % subtotal for each area of practice. Do not round.
2. Multiply the modified % subtotals from step 1. above for all areas of practice by the Firm Base Premium. Add the results for all areas of practice together.
3. The result is the Firm Class Base Premium.

Table of Classifications:

	<i><u>Area of Practice Modifier Range</u></i>	
Admiralty /Marine - Plaintiff	-15%	to 0%
Admiralty/Marine - Defense	-50%	to 0%
Anti-Trust/Trade Regulation	-35%	to 0%
Banking/Financial Institutions	+45%	to +70%
Business Transaction Commercial Law	+5%	to +25%
Civil Rights/Discrimination	-35%	to 0%
Civil/Commercial Litigation-Defense	-50%	to 0%
Civil/Commercial Litigation-Plaintiff	-15%	to 0%
Collection and Bankruptcy	-20%	to 0%
Construction (building contracts)	-35%	to 0%
Consumer Claims	-35%	to 0%
Corporate Business Organization	-25%	to 0%
Criminal	-50%	to 0%
Environmental	-35%	to 0%
Family Law	-25%	to 0%
Government Contracts/Claims	-35%	to 0%
Immigration/Naturalization	-35%	to 0%
Intellectual Property (Patent, Trademark, Copyright)	+45%	to +70%
International Law	-35%	to 0%
Labor Mgmt Representation	-50%	to 0%
Labor Union Representation	-15%	to 0%
Local Government	-35%	to 0%
Natural Resources/Oil & Gas	-35%	to 0%
Other	-35%	to 0%
Personal Injury/Prop Dam - Defense	-50%	to 0%
Personal Injury/Property Damage - Plaintiff	+5%	to +25%
Real Estate/Title - Commercial	+45%	to +70%
Real Estate/Title - Residential	+5%	to +25%
Securities (S.E.C.)	+45%	to +70%
Taxation	-25%	to 0%
Wills, Estate, Trust and Probate	-25%	to 0%
Workers Compensation - Plaintiff	-35%	to 0%
Workers Compensation- Defense	-50%	to 0%

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X. Calculation of Premium (cont.)

D. Determine the Modified Firm Base Premium

The Firm Class Base Premium may be adjusted by the following:

- Non-Specialist Factor
- Disciplinary Action Surcharge
- Experience Rating Plan
- Size of Firm Factor
- Individual Risk Premium Modification Plan

These modifications are described below. To determine the Modified Firm Base Premium multiply the Firm Class Base Premium by each of the individual modifiers above.

1. Non-Specialist Factor

If the firm does not specialize in any of the area of practice from step C above and as specified below, a non-specialist factor may be applicable. The factor is determined as follows:

a. Areas of Practice to use from each area of practice category to determine specialization:

Area of Practice Category	Areas of Practice to combine to determine specialization
1	combine Admiralty/Marine - Defense,Civil/Commercial Litigation-Defense,Criminal,Personal Injury/Prop Dam - Defense,Workers Compensation- Defense
2	combine Anti-Trust/Trade Regulation, Business Transaction Commercial Law,Civil Rights/Discrimination,Construction (building contracts),Consumer Claims,Environmental,Government Contracts/Claims,Immigration/Naturalization,International LawLocal Government,Natural Resources/Oil & Gas,Other,Workers Compensation - Plaintiff
3	Corporate Business Organization,Family Law,Taxation,Wills, Estate, Trust and Probate
4	“Collection and Bankruptcy”
5	Combine “Civil/Comm’l Litigation” and “Labor Union Representation”; Evaluate Admiralty/Marine Plaintiff individually
6	“Real Estate/Title – Residential”
7	“Personal Injury/Property Damage – Plaintiff”
8	Evaluate each area of practice individually: Banking/Financial Institutions,Intellectual Property (Patent, Trademark, Copyright),Real Estate/Title - Commercial,Securities (S.E.C.)

b. For each Area of Practice Category determine whether the firm specializes in that area of practice category or not. This can be determined from the following table:

Size of Firm	Required Area of Practice Category % to Total for Specialization
1 – 3	25%
4 – 10	15%
11 - 19	10%
20 or above	0%

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- c. For each area of practice category that the firm does practice, but does not specialize, determine the appropriate non-specialist factor for that area of practice category from the following table:

Area of Practice Category	Non –Specialist Factor
1	1.00
2	1.00
3	1.04
4	1.00
5	1.05
6	1.03
7	1.05
8	1.05

- d. Multiply the factors for all applicable area of practice categories together. The result is the overall Non-specialist Factor. The overall non-specialist factor is subject to a 1.15 maximum.

X. Calculation of Premium (cont.)

D. Determine the Modified Firm Base Premium (cont.)

2. Disciplinary Action Surcharge

Disciplinary Action - Other than failure to pay Bar dues or tardy renewal of Bar membership.

A surcharge of 10% shall be applied to the Named Insured when sanctions have been applied to the named insured, , it's predecessor firm's members or it's members by any body authorized to fine, censure, reprimand, disbar or otherwise sanction the firm or individuals for conduct unbecoming the profession of law, except where there has been a criminal conviction. Such criminal convictions shall be a Refer to Company item.

3. Experience Rating Plan

Experience rating is applied to firms with 5 years or more experience.

The Experience Rating Plan modification is determined as follows:

Step 1: Determine the number of lawyers in the firm.

Step 2: Determine the total claim count (\$5,000 or greater) for each of the past five years. Total the number of claims with an incurred value of \$5,000 or greater for each of the past 5 years.

Step 3: Determine the “total modified claim count”. Using the table below, multiply the number of claims (as determined in step 2) for each of the past 5 years by the appropriate factor. Sum the result from the individual years together. The result is the modified claim count.

Year	Factor
1 (most recent)	1.00
2	.95
3	.90
4	.80
5	.70

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Step 4: Determine the “per attorney claim ratio”.

First determine the “firm claim ratio”. Divide the “total modified claim count (from step 3) by the average years of experience for insured lawyers. To get this average use the determination of step factor from Rule X.A.2; cap at 5 years per attorney; sum the years for the individual lawyers and divide by the total number of insured lawyers.

Next, determine the “per attorney claim ratio” by dividing the “firm claim ratio” by the total number of insured lawyers (from step 1). If there are no claims the “per attorney claim ratio” is 0.0.

**LAWYERS PROFESSIONAL LIABILITY
PRODUCT MANUAL**

X. Calculation of Premium (cont.)

D. Determine the Modified Firm Base Premium (cont.)

3. Experience Rating Plan (cont.)

Step 5: Determine the “raw debit/credit”. Using the table below and the “per attorney claim ratio” developed in step 4, determine the “raw debit/credit”. For ratios between those shown, round down to the next lower ratio. The maximum raw debit/credit is 17.5%.

Per attorney claim ratio	Raw debit / credit	Per attorney claim ratio	Raw debit / credit	Per attorney claim ratio	Raw debit / credit
.000	- 5.0%	.080	3.0%	.230	11.0%
.005	- 4.5%	.085	3.5%	.240	11.5%
.010	- 4.0%	.090	4.0%	.250	12.0%
.015	- 3.5%	.100	4.5%	.260	12.5%
.020	- 3.0%	.110	5.0%	.270	13.0%
.025	- 2.5%	.120	5.5%	.280	13.5%
.030	- 2.0%	.130	6.0%	.290	14.0%
.035	- 1.5%	.140	6.5%	.300	14.5%
.040	- 1.0%	.150	7.0%	.310	15.0%
.045	- 0.5%	.160	7.5%	.320	15.5%
.050	0.0%	.170	8.0%	.330	16.0%
.055	0.5%	.180	8.5%	.340	16.5%
.060	1.0%	.190	9.0%	.350	17.0%
.065	1.5%	.200	9.5%	.360 +	17.5%
.070	2.0%	.210	10.0%		
.075	2.5%	.220	10.5%		

Step 6: Determine the “Experience Rating Plan Size of Firm Modification”

Using the Table below:

Size of Firm	Factor
1 – 3	1.00
4 – 6	1.15
7 – 9	1.30
10 – 14	1.40
15 – 19	1.60
20 – 49	1.80
50 – 99	2.00
100 - 149	2.50
150 +	3.00

Step 7: Determine the Experience Rating Plan Factor:

Multiply the “raw debit/credit” (from step 5) by the appropriate “Experience Rating Plan Size of Firm Modification” (from step 6). The result is the Experience Rating Plan Factor

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X. Calculation of Premium (cont.)

D. Determine the Modified Firm Base Premium (cont.)

4. Size of Firm Factor

A size of firm adjustment may be allowed based upon the number of lawyers in the firm as follows:

Size of Firm	Factor
1 – 3	1.00
4 – 5	.92
6 – 10	.85
11 – 14	.80
15 – 19	.75
20 or more	Refer to Company

5. Individual Risk Premium Modification Plan

The firm’s basic limits rate shall also be modified to reflect such characteristics of the exposures to be insured that are not otherwise reflected in it’s experience.

<u>Classifications</u>	<u>Credit</u>	<u>Debit</u>
1. Types of clients (Corporate, governmental, individual, etc.)	0 - 10%	0-30%
2. Internal management of firm	0 - 25%	0-25%
3. Classification peculiarities	0 - 25%	0-25%
4. Years in existence as a firm	0 -10%	0-10%
5. Ethics and moral standing	0 -10%	0-10%
6. Employee Selection	0 -15%	0-15%

E. Determine the Limits Modified Base Premium

Multiply the Modified Base Premium from step D above by the appropriate increased limit and deductible factors from the Combined Increased Limit / Deductible Factor Table found on the state rate pages and, then by any territory modifier that may apply (if a territory modifier applies it will also be shown on the state rate page). The result is the Limits Modified Base Premium.

F. Determine Final Policy Premium

Add Rates for any Optional coverages (from rule XI) to the Limits Modified Base Premium (from step E).

XI. Optional Coverages

A. Title Insurance Agency Professional Liability Coverage

The additional premium charge to provide Title Insurance Agency Professional Liability Coverage is 10% of the Limits Modified Base Premium developed under Rule X.E. Use Endorsement G-118037.

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XI. Optional Coverages (cont.)

B. Each Claim Deductible

If the policy is endorsed to apply deductibles on an "each claim" basis rather than an "aggregate" basis, a 5% premium credit is applied to the Limits Modified Base Premium developed under Rule X.E. Use Endorsement G-118016.

C. Claims Expense Outside Limits

The appropriate factor from the table below should be applied to the Limits Modified Base Premium developed under Rule X.E. Use Endorsement G-118014.

Limit: Claim/Agg (000)	Factor
100 / 300	1.15
200 / 600	1.15
250 / 500	1.15
250 / 750	1.15
300 / 600	1.15
300 / 900	1.15
500 / 500	1.15
500 / 750	1.13
500 / 1,000	1.1
500 / 1,500	1.1
1,000 / 1,000	1.1
1,000 / 2,000	1.07

Limit: Claim/Agg (000)	Factor
1,000 / 3,000	1.07
2,000 / 2,000	1.07
2,000 / 4,000	1.05
2,000 / 5,000	1.05
2,000 / 6,000	1.05
3,000 / 3,000	1.05
3,000 / 4,000	1.05
3,000 / 6,000	1.05
4,000 / 4,000	1.05
4,000 / 8,000	1.05
5,000 / 5,000	1.05
Above \$5,000 / \$5,000	Refer to Company

D. First Dollar Defense Coverage

The factor from the table below should be applied as defined below for an aggregate or per claim basis. Use Endorsement G-118018 or G-118019.

Deductible	Factor
\$1,000	1.05
\$2,000	1.05
\$2,500	1.05
\$3,000	1.06
\$4,000	1.07
\$5,000	1.08
\$10,000	1.10
\$15,000	1.12
\$25,000	1.15
Above \$25,000	Refer to Company

Aggregate - the additional premium charge to provide first dollar defense coverage on an aggregate basis is developed by applying the appropriate surcharge from the table above to the Limits Modified Base Premium developed under Rule X.E. Use Endorsement G-118018.

Each Claim - the additional premium charge to provide first dollar defense coverage on an each claim basis is developed by applying the appropriate surcharge from the table above to the Limits Modified Base Premium after the application of the Each Claim Deductible Credit form Rule XI.B. is applied. Use Endorsement G-118019.

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XI. Optional Coverages (cont.)

E. Employment Practice Liability Coverage (EPL)

The additional premium charge to provide Employment Practices Liability Coverage is calculated as follows (use Endorsement G-121020).

1. Calculation Procedures

Step Procedure

(1) Determine Base Rating Information:

A. Determine number of employees in the firm. Employees includes full-time, part-time, leased and temporary employees, including all attorneys, partners, shareholders, and “of counsel”. Part-time and employees are considered as .75 employee. If the result is not a whole number, round .5 and over to the next higher whole number. Round .49 and lower to the next lower whole number.

B. Determine the state Rate Group Classification. Based on the state from which the firm operates.

(2) Determine the Base Limits Premium. Using the rates below, and the information determined in Step 1, multiply the rates per employee for each applicable firm-size category by the number of employees within each category. The result is the Base Limits Premium for a \$1,000,000/\$1,000,000 limit of liability and a \$10,000 deductible.

(3) Determine the Selected Limit/Deductible Premium. Using the information below, determine the appropriate Increased/decreased Limit Factors (ILF) for the desired limits and multiply this factor by the Base Limits Premium. Then determine the appropriate Deductible Factor. Multiply this factor by the result of the “ILF time Base Limit Premium” calculation. The result is the Selected Limit/Deductible Premium.

(4) Determine the Modified Premium. Using the information below, determine the applicable Coinsurance Factor. Multiply this factor by the Selected Limit/Deductible Premium. The result is the Modified Premium.

(5) Determine the Final EPL Premium. Determine the applicable EPL Individual Risk Rating Plan Factor credit or debit. Multiply this factor by the Modified Premium. The result is the final EPL Coverage Premium, subject to the EPL Minimum Premium.

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XI. Optional Coverages (cont.)

E. Employment Practice Liability Coverage (EPL) (cont.)

2. EPL State Rate Group Classifications

State Rate Group Classifications		
A	B	C
GA, KY, ME, MO, MS, MT, NH, ND, OR, PA, RI, SC, SD	All states not listed in category "A" or category "C"	CA, DC, FL, MD, MI, TX

3. EPL Base Rates Per Employee

# of Employees	State Rate Group Classifications		
	A	B	C
First 14	146	183	220
15 - 50	110	137	165
51 - 150	80	101	121

Note: Firms with more than 150 employees - Refer to Company.

4. EPL Increased/Decreased Limit Factors and Deductible Factors

Increased/Decreased Limit	Limit Factor	Deductible	Factor
100,000	0.42	2,500	1.38
250,000	0.60	5,000	1.20
500,000	0.75	10,000	1.00
1,000,000	1.00	25,000	0.85
2,000,000	1.30	50,000	0.75

Note: Limits of Liability in excess of \$2,000,000 - Refer to Company.

5. EPL Coinsurance Factors

Coinsurance %	Factor
0%	1.07
5%	1.03
10%	1.00

6. EPL Individual Risk Rating Plan Factors

The Individual Risk Rating Plan Factor is subject to a maximum debit or credit of 25%.

Individual Risk Characteristic	Debit	Credit
1. Internal Loss Prevention Program	0 - 15%	0 - 15%
2. Loss Experience	0 - 25%	0 - 10%
3. Employer-initiated termination activity	0 - 25%	0 - 10%

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XI. Optional Coverages (cont.)

E. Employment Practice Liability Coverage (EPL) (cont.)

7. EPL Minimum Premiums

Limit	Minimum Premiums		
	State Group A	State Group B	State Group C
100,000	1,200	1,500	1,800
250,000	1,600	2,000	2,400
500,000	2,000	2,500	3,000
1,000,000	2,720	3,400	4,080

**8. Employment Practices Liability Endorsement Option -
Punitive or Exemplary Damages** (use Endorsement G-130943-A)

The additional premium charge to provide this coverage is 30% of the “Final EPL Premium” as calculated in rule XI.E.1. step (5) above.

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XI. Optional Coverages (cont.)

F. Lawyers Data Breach and Network Security Endorsement

1. The endorsement premium is determined by looking up the premium based on the selected limit/deductible combination and the insured's attorney count in the table below:

Attorney Count	<u>\$100,000 Network Damage Limit</u>	<u>\$250,000 Network Damage Limit</u>	<u>\$500,000 Network Damage Limit</u>
	<u>\$10,000 Privacy Event Expense Limit</u>	<u>\$25,000 Privacy Event Expense Limit</u>	<u>\$50,000 Privacy Event Expense Limit</u>
	<u>\$1,000 Per Claim Deductible</u>	<u>\$2,500 Per Claim Deductible</u>	<u>\$2,500 Per Claim Deductible</u>
1	\$300	\$425	\$550
2	\$450	\$600	\$775
3	\$575	\$750	\$975
4	\$675	\$875	\$1150
5	\$750	\$975	\$1300

All limits in the above table are aggregate limits.

Lawyers NetProtect

1. — Base Premiums

The final premium is calculated by selecting the base premium corresponding to the insured's attorney count and multiplying by appropriate factors for Increased Limits and Deductibles and finally adding the base premium corresponding to the insured's attorney count for the Privacy Event Coverage.

BASE PREMIUM	
Attorney Count	Base Premium
	(per \$1mm/\$1mm Limit at \$10K Ded.)
1	\$289
2	519
3	744
4	920
5	1,099
6	1,307
7	1,504
8	1,653
9	1,778
10	1,939
11	2,117
12	2,296
13	2,465
14	2,634
15	2,801
16	2,961
17	3,122

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18	3,277
19	3,430
20	3,583
21	3,728
22	3,873
23	4,015
24	4,153
25	4,291
26+	Refer To Company

2. — Increased Limit Factors (ILF's)

ILF	<u>Aggregate Limit</u>					
	Claim Limit	\$100K	\$250K	\$500K	\$1mm	\$2mm
\$ 100,000	0.550					
\$ 250,000		0.650				
\$ 500,000			0.775			
\$ 1,000,000				1.000		
\$ 2,000,000						1.380

XI. — Optional Coverages (cont.)

F. — Lawyers NetProtect (cont.)

3. — Deductible Factors

DEDUCTIBLE	
Deductible	Factor
\$ 2,500	1.35
\$ 5,000	1.20
\$ 10,000	1.00
\$ 25,000	0.86
\$ 50,000	0.80

4. — Privacy Event Coverage Premium

BASE PREMIUM	
Attorney Count	Premium

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1	\$251
2	308
3	315
4	411
5	503
6	580
7	652
8	737
9	828
10	901
11	967
12	1,032
13	1,094
14	1,156
15	1,217
16	1,275
17	1,334
18	1,391
19	1,446
20	1,502
21	1,555
22	1,608
23	1,660
24	1,711
25	1,761
26+	Refer To Company

• Privacy Event Coverage up to \$15,000/\$15,000 for firms with 2 attorneys or less.

• Privacy Event Coverage up to \$25,000/\$25,000 for firms with 3 attorneys or more.

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XII. Extended Reporting Periods

A. Automatic Extended Reporting Period

There is no additional premium charge for this coverage

B. 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%
2	150%
3	175%
6	225%
unlimited	250%

C. Death or Disability Extended Reporting Period

There is no additional premium charge for this coverage.

D. Non-practicing Extended Reporting Period

There is no additional premium charge for this coverage.