

State: District of Columbia **First Filing Company:** Twin City Fire Insurance Company, ...
TOI/Sub-TOI: 17.0 Other Liability-Occ/Claims Made/17.0022 Other
Product Name: PRIVATE CHOICE PREMIER PRODUCT
Project Name/Number: PRIVATE CHOICE PREMIER PRODUCT/FN.13HS.717.2016.02

Filing at a Glance

Companies: Twin City Fire Insurance Company
 Hartford Fire Insurance Company
Product Name: PRIVATE CHOICE PREMIER PRODUCT
State: District of Columbia
TOI: 17.0 Other Liability-Occ/Claims Made
Sub-TOI: 17.0022 Other
Filing Type: Rate/Rule
Date Submitted: 11/18/2016
SERFF Tr Num: HART-130813958
SERFF Status: Submitted to State
State Tr Num:
State Status:
Co Tr Num: FN.13HS.717.2016.02

Effective Date 04/01/2017
Requested (New):
Effective Date 04/01/2017
Requested (Renewal):
Author(s): Elsie Rodriguez
Reviewer(s):
Disposition Date:
Disposition Status:
Effective Date (New):
Effective Date (Renewal):

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General Information

Project Name: PRIVATE CHOICE PREMIER PRODUCT Status of Filing in Domicile: Pending
 Project Number: FN.13HS.717.2016.02 Domicile Status Comments: recently file in our domicile states
 Reference Organization: N/A Reference Number: N/A
 Reference Title: N/A Advisory Org. Circular: N/A
 Filing Status Changed: 11/18/2016
 State Status Changed: Deemer Date:
 Created By: Elsie Rodriguez Submitted By: Elsie Rodriguez
 Corresponding Filing Tracking Number: HART-130813953

Filing Description:

PRIVATE CHOICE PREMIER PRODUCT
RATE/RULE FILING

We submit for your review and approval the attached rating plan for the Non Profit Directors, Officers and Entity Liability Coverage Part, as well as Non Profit Employment Practices Liability rates for eligible new privately held, not-for-profit commercial entities to be used with the Private Choice Premier product currently on file with your Department under filing no. FN.13HS.717.2016.01 - SERFF TRACKING NO. HART-130738420. Also attached is an addendum for the Private Choice Premier product.

The purpose of this filing is to supplement the Private Choice Premier product rating plan with rate, limit of loss, and retention tables, as well as extrapolation language, for eligible privately held, not-for-profit commercial insureds that are written on the Non Profit Directors, Officers and Entity Liability Part for the Private Choice Premier product. Also, via the addendum, we are correcting a couple of typos on the plan currently on file/under review.

Upon approval of this filing, the above will be used for eligible privately held, not-for-profit commercial entities with the Private Choice Premier product currently under review/approved with your Department as indicated above. However, nothing stated herein shall be construed to limit or restrict our ability to nonrenew, cancel, or otherwise terminate any account, provided such nonrenewal, cancellation, or termination is in accordance with applicable state law.

Company and Contact

Filing Contact Information

Elsie Rodriguez, Comm Lines Specialty elsie.rodriguez@thehartford.com
 Account Analyst
 Hartford Plaza T-18-87 860-547-2485 [Phone]
 690 Asylum Avenue 806-547-3838 [FAX]
 Hartford, CT 06115

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Filing Company Information

Twin City Fire Insurance Company	CoCode: 29459	State of Domicile: Indiana
Hartford Plaza	Group Code: 91	Company Type: Property
Hartford, CT 06155	Group Name: The Hartford Ins.	State ID Number:
(860) 547-5000 ext. [Phone]	Group	
	FEIN Number: 06-0732738	

Hartford Fire Insurance Company	CoCode: 19682	State of Domicile: Connecticut
Hartford Plaza	Group Code: 91	Company Type:
690 Asylum Avenue	Group Name: The Hartford Ins.	State ID Number:
Hartford, CT 06155	Group	
(860) 547-5000 ext. [Phone]	FEIN Number: 06-0383750	

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

SERFF Tracking #:

HART-130813958

State Tracking #:

Company Tracking #:

FN.13HS.717.2016.02

State:

District of Columbia

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Twin City Fire Insurance Company, ...

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Rate Information

Rate data does NOT apply to filing.

SERFF Tracking #:

HART-130813958

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

FN.13HS.717.2016.02

State:

District of Columbia

First Filing Company:

Twin City Fire Insurance Company, ...

TOI/Sub-TOI:

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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		PRIVATE CHOICE PREMIER NON-PROFIT RATING PLAN	10/2016	New		CW NP Rate Plan.pdf
2		C/W ADDENDUM	ED. 10/2016	New		CW Addendum - 2016.02.pdf

Private Choice Premier

Non Profit Organizations

Hartford Financial Products

Including:

Non Profit Directors' and Officers' Liability Rates

Non Profit Employment Practices Liability Rates

Rating Plan

(10/2016)

Private Choice Premier

Non Profit Directors and Officers Liability Coverage Part

For risks that are NOT Foundations or Trusts

Base Premium

The base premium for the D&O Liability Coverage Part is \$275 for a \$1 million limit.

Company Revenue Supplemental Charge

The premium is modified according to the revenue of the company.

Company Revenue	Charge Per \$million of Company Revenue within each range	Cumulative Company Revenue Charge
Less than \$250 thousand	\$0	-
Between \$250 thousand and \$5 million	\$400	\$400 per \$ million of Revenue in range
Between \$5 million and \$10 million	\$200	\$1,900+ \$200 per \$ million of Revenue in range
Between \$10 million and \$100 million	\$55	\$2,900 + \$55 per \$ million of Revenue in range
Between \$100 million and \$250 million	\$20	\$7,850 + \$20 per \$ million of Revenue in range
Greater than \$250 million	\$6	\$10,850 + \$6 per \$ million of Revenue in range

For risks that are Foundations or Trusts

Base Premium

The base premium for the D&O Liability Coverage Part is \$275 for a \$1 million limit.

Company Asset Supplemental Charge

The premium is modified according to the Asset Size of the company.

Company Assets	Charge Per \$million of Company Assets within each range	Cumulative Company Asset Charge
Less than \$1 million	\$0	-
Between \$1 million and \$5 million	\$70	\$70 per \$ million of Assets in range
Between \$5 million and \$10 million	\$62	\$280 + \$62 per \$ million of Assets in range
Between \$10 million and \$50 million	\$20	\$590 + \$20 per \$ million of Assets in range
Greater than \$50 million	\$4	\$1,390 + \$4 per \$ million of Assets in range

Private Choice Premier

Limit of Liability/Retention

The Coverage Part premium is adjusted for Limit of Liability and Retention according to the following factors:

Limit or Retention	Factor
0	-0.034
1,000	0
2,500	0.045
5,000	0.069
7,500	0.081
10,000	0.091
15,000	0.112
20,000	0.131
25,000	0.151
50,000	0.215
75,000	0.279
100,000	0.342
250,000	0.661
500,000	0.774
1,000,000	1
2,000,000	1.445
3,000,000	1.77
4,000,000	2.03
5,000,000	2.25
8,000,000	2.796
10,000,000	3.16
15,000,000	3.943
20,000,000	4.725
25,000,000	5.197

The combined limit and retention factor is calculated as Factor (Limit + Retention) – Factor (Retention)

Additionally, where limit/retention options do not exist, such options shall be interpolated/extrapolated based on the plans current factors.

Industry

Appendix A contains a list of industries, which are ranked as Target, Difficult and Hazardous as respects the D&O Liability Coverage Part. Depending on the Industry Ranking, the appropriate modifier will be applied to the D&O Coverage Part premium for the Industry Classifications:

Industry Classification	Modifier
Target	0.75–1.49
Difficult	1.50-2.50
Hazardous	2.51-3.00

Private Choice Premier

Unusual Characteristics

- Claim Experience .75 to 1.5

Coverage Factor

- Full Coverage (A, B, C selected) 1.0
- Entity Coverage deleted (A, B selected) .8 to .95

Non Profit D&O Coverage Part Premium = (Base Premium + Company Revenue/Asset Supplemental charge) * (Limit and Retention Mod.)* Industry Mod. * Unusual Characteristic Mod(s) * Coverage Factor.

Private Choice Premier

Non Profit Employment Practices Liability Rates

Base Premium

The base premium for Non Profit EPL coverage is \$250 for a \$1 million limit.

Per Employee Charges

A per employee charge is applied based on the following table

Number of Employees	Charge Per Employee in Range	Cumulative Per Employee Charge
0-4	\$0	
5-10	\$93	\$93 per employee in range
11-15	\$80	\$558 + \$80 per employee in range
16-20	\$74	\$958 + \$74 per employee in range
21-25	\$69	\$1,328 + \$69 per employee in range
26-50	\$62	\$1,673 + \$62 per employee in range
51-100	\$52	\$3,223 + \$52 per employee in range
101-200	\$44	\$5,823 + \$44 per employee in range
201-300	\$39	\$10,223 + \$39 per employee in range
301-500	\$34	\$14,123 + \$34 per employee in range
501-1,000	\$30	\$20,923 + \$30 per employee in range
1001-2,000	\$10	\$35,923 + \$10 per employee in range
2001-4,000	\$8	\$45,923 + \$8 per employee in range
Greater than 4,000	\$5	\$61,923 + \$5 per employee in range

Limit of Liability/Retention

The Non Profit EPL premium is adjusted for Limit of Liability and Retention according to the following factors:

Limit or Retention	Factor
0	-0.096
1,000	-0.073
2,500	-0.044
5,000	0
7,500	0.039
10,000	0.074
15,000	0.135
20,000	0.188
25,000	0.234
50,000	0.404
75,000	0.515
100,000	0.594
125,000	0.653
150,000	0.699
200,000	0.765
250,000	0.81
500,000	0.911
1,000,000	0.999
2,000,000	1.133
3,000,000	1.241
4,000,000	1.335

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Private Choice Premier

5,000,000	1.42
6,000,000	1.499
7,000,000	1.573
8,000,000	1.642
9,000,000	1.707
10,000,000	1.771
11,000,000	1.831
12,000,000	1.89
13,000,000	1.947
14,000,000	2.002
15,000,000	2.055
16,000,000	2.107
17,000,000	2.158
18,000,000	2.207
19,000,000	2.256
20,000,000	2.303
21,000,000	2.349
22,000,000	2.395
23,000,000	2.44
24,000,000	2.484
25,000,000	2.527

The combined limit and retention factor is calculated as Factor (Limit + Retention) – Factor (Retention)

Additionally, where limit/retention options do not exist, such options shall be interpolated/extrapolated based on the plans current factors.

Industry

Appendix A contains a list of industries, which are ranked as Target, Difficult and Hazardous as respects Non Profit EPL Premium. Depending on the Industry Ranking, the appropriate modifier will be applied to the Non Profit EPL premium for the Industry Classifications:

Industry Classification	Modifier
Target	0.75 – 1.49
Difficult	1.50 - 2.50
Hazardous	2.51 - 3.00

Unusual Characteristics

Part Time and Foreign Employees: A 10% discount is applied to the Non Profit EPL premium if the ratio of Part time and Foreign to Total Employees is greater than or equal to 10% but less than 25%; the discount is 20% if the ratio is greater than or equal to 25% but less than 50%; the discount is 30% if the ratio is greater than or equal to 50%.

A modifier of 1.00 to 2.00 is applied for any account with Class Action exposure.

Premium Modifiers

- Claims Experience .75 to 1.5
- Layoffs / Downsizing .75 to 1.5
- Risk Management Services .85 to 1.0

Private Choice Premier

Wage & Hour Sublimit Charge

The range of suggested Wage & Hour Sublimit charges as a percentage of EPL Subtotal Premium are as follows:

Wage and Hour Defense Sublimit	Proposed Charge
100,000	0% - 5.0%
250,000	3.0% - 7.0%
500,000	7.0% - 11.0%
750,000	8.0% - 12.0%
1,000,000	10.0% - 15.0%
1,500,000	15.0% - 20.0%
2,000,000	20.0% - 25.0%
3,000,000	30.0% - 50.0%

EPL Subtotal Premium = (Base + Per Employee charge) * (Limit and Retention Mod.)* Industry Mod. * Unusual Characteristic Mod(s)*Premium Modifier(s)*Wage & Hour factor.

State Risk Modifiers

State modifiers are applied to the EPL Subtotal Premium as follows:

Non Profit EPL Coverage Part Premium =

2.5 * (Number of Southern California Employees/Total Employees) * EPL Subtotal Premium
+
1.5 * (Number of Northern California Employees/Total Employees) * EPL Subtotal Premium
+
(Number of Employees in areas not mentioned above/Total Employees)* EPL Subtotal Premium.

Where "Southern California" includes the following counties: Los Angeles, Imperial, Orange, Riverside, San Diego, Ventura, Kern.

Private Choice Premier

The following coverage parts will utilize the factors currently under review/on file under filing no. FN.13HS.717.2016.01. We will also utilize any other subsequent rate filing.

- Fiduciary Liability Coverage Part
- Supplementary Program Coverage to be included in Fiduciary Liability Coverage Part
- HIPAA Coverage to be included in Fiduciary Liability Coverage Part
- Commercial Crime Coverage Part
- Kidnap/Ransom and Extortion Coverage Part

Private Choice Premier

Common Rating Factors

Premium Calculation

Private Choice Premier allows significant flexibility in terms of coverage; as such, the premium is calculated separately for each purchased coverage part. All coverages can be purchased together or mono-line. The sum is then modified by the following Common Rating Factors:

Total Premium is calculated as the sum of the following (if purchased) times the common rating factors:

- Non Profit Directors & Officers Coverage Part Premium
- Non Profit Employment Practices Liability Premium
- Fiduciary Liability Coverage Part Premium
- Supplemental Program Premium
- HIPAA Coverage Premium
- Commercial Crime
- Kidnap & Ransom

Individual Risk Premium Modifiers

The following Individual Risk Premium Modifiers (IRPM) may also be applied. These IRPM's are subject individually and collectively to a maximum credit or debit of 25%.

Financial Condition	(+/-25%)
Quality of Management/Principals	(+/-25%)
Merger/Acquisition	(+/-25%)
Other	(+/-25%)
Total	See Table Below

Maximum Total Debit/Credit allowances differ by state. Please refer to State Modification Limits table below.

Maximum Available Debits/Credits (%)	State(s)
+/- 15	NY
+/- 25	AL, CA, CO, CT, DE, DC, FL, IA, LA, MI, MN, MO, NJ, ND, NV, OH, OR, PR, SD, UT, WA
+/- 40	AK, AR, KS, ME, MD, MS, MT, NE, NH, OK, RI, TX, WV
+40 ; -50%	GA
+/- 50	AZ, ID, IL, IN, KY, MA, NM, NC, PA, TN, VT, VA, WI, WY
+25%/-40%	SC

Shared & Individual Aggregates

Separate or combined aggregates are available; a 10% credit will be applied to the total premium for all liability coverages when a combined aggregate limit of less than \$10 million is chosen instead of individual limits. For a shared limit, D&O, EPL and Fiduciary must have the same limit of liability.

Shared aggregates are not available for the non-liability coverages.

Private Choice Premier

Defense Outside (DOL)

All qualifying organizations can purchase the following options:

Unlimited DOL	10%
DOL @ 100% of limit	7%
DOL @ 50% of limit	5%

Total Premium =

(Non Profit Directors & Officers Coverage Part Premium +
Non Profit Employment Practices Liability Premium +
Fiduciary Liability Coverage Part Premium +
Supplemental Program Premium +
HIPAA Coverage Premium)
* Individual Risk Premium Mod(s). * Shared Aggregate Mod. * Defense Outside Mod.
+ (Crime Coverage Part Premium +
Kidnap/Ransom and Extortion Coverage Part Premium)
* Individual Risk Premium Mod(s).

Extended Reporting Period

Based on a percentage of the full annual premium for the policy period, shall be:

0.75 – 2.00 x the annualized liability coverage parts premium for one year;
0.75 – 3.00 x the annualized liability coverage parts premium for two years;
1.50 – 4.00 x the annualized liability coverage parts premium for three years;
2.00 – 5.00 x the annualized liability coverage parts premium for four years;
2.25 – 6.00 x the annualized liability coverage parts premium for five years;
2.50 - 6.50 x the annualized liability coverage parts premium for six years.

CO & CT have a 200% limit on the ERP

The Extended Reporting Period is not available for the non-liability coverage parts.

Run-off Policies

When a change in control occurs (under Section XIV. Changes in Exposure (B) of the General Terms and Conditions) and the Insured desires an extended discovery period, the following guidelines shall apply:

0.75 – 2.00 x the annualized liability coverage parts premium for one year;
0.75 – 3.00 x the annualized liability coverage parts premium for two years;
1.00 – 4.00 x the annualized liability coverage parts premium for three years;
1.00 – 5.00 x the annualized liability coverage parts premium for four years;
1.00 – 6.00 x the annualized liability coverage parts premium for five years;
1.50 - 6.50 x the annualized liability coverage parts premium for six years;

Run-off is not available for the non-liability coverage parts.

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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):	Actuarial Memo.pdf
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	



Hartford Financial Products
277 Park Avenue
New York, NY 10172
www.thehartford.com

October 28, 2016

Actuarial Memorandum

The Hartford Private Choice Premier Non Profit Rate Plan is a new product that will enhance The Hartford's ability to meet the insurance needs of non-profit insureds. New rates are now being filed using a combination of existing Hartford non-profit data and competitor rates.

Specifically, the Hartford's rate plan is based on the Travelers Modular Rewrite NDO Rate & Rule filing for D&O Limit/Retention factors and the Travelers EPL Rate filing for EPL Limit/Retention factors. The D&O base rates use The Hartford's own non-profit data but are influenced by the Chubb ForeFront Portfolio Not-For-Profit filing where The Hartford lacks sufficient data. This new rate plan also references the recently filed Private Choice Premier (PCP) for-profit rate plan of The Hartford. The PCP rate plan deals with for-profit companies, but many of the modifiers are also relevant to non-profit companies.

The coverage parts include:

- Non Profit Directors and Officers Liability
- Employment Practices Liability
- Fiduciary Liability
- Supplemental Program Coverage
- HIPAA Coverage
- Commercial Crime
- Kidnap/Ransom and Extortion

The attached rating plan outlines a separate premium calculation for the Non Profit D&O coverage part and the EPL coverage part. All other coverage parts refer to the for-profit PCP rating plan. After each of these is calculated, the sum is modified by the common rating factors laid out in the attached plan. Set forth below are some brief comments outlining the approach we used to develop the rating of each coverage part.

Insuring Agreement Base Rates

Where we had sufficient data, we calculated implied base rates using frequency and severity estimates calculated from our own data. We then fit a curve to the implied base rates to smooth out the charges and prevent discontinuities. The base rates for the Non Directors and Officers Liability coverage are based on both the Hartford's own non-profit data (where we have sufficient data) and Chubb's Forefront Portfolio Not-For-Profit rate plan (where we lack sufficient data). The Employment Practices Liability insuring agreement base rates are based on The Hartford's own non-profit data and supplemented by The Hartford's for-profit data. The base rates for the other coverages are based on The Hartford's PCP for-profit rating plan.

Increased Limit and Retention Factors

The Increased Limit and Retention Factors are based on Travelers' Modular Rewrite NDO Rate & Rule filing for D&O and Travelers' EPL Rate filing for EPL.



Hartford Financial Products
277 Park Avenue
New York, NY 10172
www.thehartford.com

Rating Modifiers

Due to the similarity of exposure, The Private Choice Premier Non Profit Rate Plan uses the relevant rating modifiers from The Hartford's PCP for-profit rating plan. These specific and objective modifiers will allow the underwriter to better reflect the insured's risk in the premium calculation.

Rate Bearing Endorsements

Rate Bearing endorsement rates are included in the appendices. These all come from The Hartford's PCP for-profit rating plan.

Summary

With the introduction of this new product, The Hartford will be able to offer a competitive marketplace premium which reflects the insured's characteristics and insurance requirements. The use of for-profit rating elements will also help the underwriter tailor the premium to reflect the customers' risk; this will also in the future allow us to complete a more robust analysis of historical experience.