

(E) "INSURANCE" MEANS PRIMARY INSURANCE, EXCESS INSURANCE, REINSURANCE, SURPLUS LINES INSURANCE, AND ANY OTHER ARRANGEMENT FOR SHIFTING AND DISTRIBUTING RISK WHICH IS DETERMINED TO BE INSURANCE UNDER THE LAWS OF THIS STATE.

(F) (1) "LIABILITY" MEANS LEGAL LIABILITY FOR DAMAGES, INCLUDING COSTS OF DEFENSE, LEGAL COSTS AND FEES, AND OTHER CLAIMS EXPENSES, BECAUSE OF INJURIES TO OTHER PERSONS, DAMAGE TO THEIR PROPERTY, OR OTHER DAMAGE OR LOSS TO SUCH OTHER PERSONS, RESULTING FROM OR ARISING OUT OF:

(I) ANY BUSINESS, WHETHER PROFIT OR NONPROFIT, TRADE, PRODUCT, SERVICE, INCLUDING PROFESSIONAL SERVICE, PREMISES, OR OPERATIONS; OR

(II) ANY ACTIVITY OF ANY STATE OR LOCAL GOVERNMENT, OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF; AND

(2) DOES NOT INCLUDE PERSONAL RISK LIABILITY AND AN EMPLOYER'S LIABILITY WITH RESPECT TO ITS EMPLOYEES OTHER THAN LEGAL LIABILITY UNDER THE FEDERAL EMPLOYERS' LIABILITY ACT, 45 U.S.C. § 51, ET. SEQ.

(G) "PERSONAL RISK LIABILITY" MEANS LIABILITY FOR DAMAGES BECAUSE OF INJURY TO ANY PERSON, DAMAGE TO PROPERTY, OR OTHER LOSS OR DAMAGE RESULTING FROM ANY PERSONAL, FAMILIAL, OR HOUSEHOLD RESPONSIBILITIES OR ACTIVITIES, RATHER THAN FROM RESPONSIBILITIES OR ACTIVITIES REFERRED TO IN SUBSECTION (F) OF THIS SECTION.

(H) "PLAN OF OPERATION OR FEASIBILITY STUDY" MEANS AN ANALYSIS WHICH PRESENTS THE EXPECTED ACTIVITIES AND RESULTS OF A RISK RETENTION GROUP, INCLUDING, AT A MINIMUM:

(1) THE COVERAGES, DEDUCTIBLES, COVERAGE LIMITS, RATES, AND RATING CLASSIFICATION SYSTEMS FOR EACH LINE OF INSURANCE THE GROUP INTENDS TO OFFER;

(2) HISTORICAL AND EXPECTED LOSS EXPERIENCE OF THE PROPOSED MEMBERS AND NATIONAL EXPERIENCE OF SIMILAR EXPOSURES, TO THE EXTENT THIS EXPERIENCE IS REASONABLY AVAILABLE;

(3) PRO FORMA FINANCIAL STATEMENTS AND PROJECTIONS;

(4) APPROPRIATE OPINIONS BY A QUALIFIED, INDEPENDENT CASUALTY ACTUARY, INCLUDING A DETERMINATION OF MINIMUM PREMIUM OR PARTICIPATION LEVELS REQUIRED TO COMMENCE OPERATIONS AND TO PREVENT A HAZARDOUS FINANCIAL CONDITION;

(5) IDENTIFICATION OF MANAGEMENT, UNDERWRITING PROCEDURES, MANAGERIAL OVERSIGHT METHODS, AND INVESTMENT POLICIES; AND