

IN THE UNITED STATES COURT OF APPEALS  
FOR THE FIFTH CIRCUIT

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No. 93-3260

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TRANSCONTINENTAL INSURANCE COMPANY,

Plaintiff-Appellee,

versus

SOUTHERN HOLDINGS, INC.,

Defendant-Appellant.

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Appeal from the United States District Court for the  
Eastern District of Louisiana  
(CA-92-2772-L1)

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( April 20, 1994 )

Before REAVLEY and JOLLY, Circuit Judges, and PARKER, District  
Judge.\*

PER CURIAM\*\*

Transcontinental Insurance Company, a subsidiary of CNA  
Insurance Companies ("CNA") issued an automobile liability policy  
and a general liability policy to Southern Holdings, Inc.  
("Southern Holdings") for three consecutive year-long policy

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\*Chief Judge of the United States District Court for the  
Eastern District of Texas, sitting by designation.

\*\*Local Rule 47.5 provides: "The publication of opinions that  
have no precedential value and merely decide particular cases on  
the basis of well-settled principles of law imposes needless  
expense on the public and burdens on the legal profession."  
Pursuant to that Rule, the court has determined that this opinion  
should not be published.

periods. These policies contained a particular provision known as a Retrospective Premium Adjustment Agreement ("RPAA"), which provided for an adjustment to the ultimate premium paid by Southern Holdings based upon the actual losses incurred by the insured. The RPAA option was offered in writing at the beginning of each policy period (in this case annually), and Southern Holdings agreed to the option at the beginning of each of the three policy periods by signing and returning the documents prepared by CNA. The last policy period for both the automobile liability policy and the general liability policy was scheduled to terminate, along with the RPAA option, on May 31, 1990.

In May 1990, CNA had not yet provided a renewal quotation to Southern Holdings, so Southern Holdings requested an extension of both policies pending the receipt of additional premium quotations. CNA agreed and extended the terms of both policies through July 15, 1990. At the time of this extension, neither party discussed whether the RPAA option was to be extended along with the policies. Both endorsements simply stated that the policies were extended "in consideration for an additional premium to be determined by audit."

In 1992, CNA requested an additional premium from Southern Holdings of \$98,347 for losses incurred during the period from June 1, 1990, to July 15, 1990. Southern Holdings questioned whether the RPAA option had been extended, and requested CNA to provide a copy of any such extension from its files. CNA did not provide any such documentation to Southern Holdings, but instead

filed suit against Southern Holdings to collect the premium adjustment. After trial, the district court rendered judgment in favor of CNA and against Southern Holdings in the amount of \$98,347 plus judicial interest.

After a careful study of the briefs and review of relevant parts of the record, we are convinced that the district court committed no reversible error in finding that the RPAA in each of the underlying policies was automatically extended when the underlying liability policies were extended by agreement of the parties. The district court is therefore

A F F I R M E D.