

Healthcare Services Group

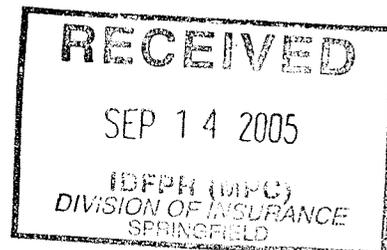
Missouri Hospital Plan

Providers Insurance Consultants, Inc.

Medical Liability Alliance

September 13, 2005

Ms. Gayle Neuman
Illinois Department of Insurance
Property & Casualty Evaluation Division
320 W. Washington Street
Springfield, IL 62767



Re: MEDICAL LIABILITY ALLIANCE 43-1736299 ✓
Physicians & Surgeons Comprehensive Liability
Effective: September 15, 2005
Filing ID# MLA-IL-2005-002 -R

Dear Gayle:

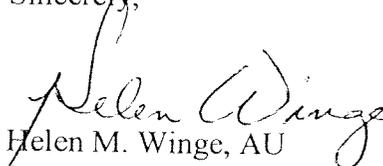
Enclosed, in duplicate, is Medical Liability Alliance's initial filing for Physicians & Surgeons Comprehensive Liability insurance in the State of Illinois.

The MLA business plan in the State of Illinois contemplates only those applicants which have privileges at a Missouri Hospital Plan or Medical Liability Alliance insured entity. The attached filing reflects only those counties which closely border Missouri and were considered in the business plan.

Please let us know what additional information you will need to approve this filing if any.

To assure your receipt of the above, please return the duplicate copy to our office in enclosed self-addressed stamped envelope.

Sincerely,


Helen M. Winge, AU
Senior Vice President - Underwriting

Encl.

MLA/HMW/cll



Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	MLA-IL-2005-002
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21.	Filing Description [This area should be similar to the body of a cover letter and is free-form text]
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Please find enclosed Medical Liability Alliance's initial filing for Physicians & Surgeons Comprehensive Liability insurance in the State of Illinois.

The MLA business plan in the State of Illinois contemplates only those applicants which have privileges at a Missouri Hospital Plan or Medical Liability Alliance insured entity. The attached filing reflects only those counties which closely border Missouri and were considered in the business plan.

Please let us know what additional information you will need to approve this filing if any.

Helen M. Winge, AU
Senior Vice President – Underwriting
Healthcare Services Group
PO Box 1498
Jefferson City, MO 65102-1498

22. 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.)

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.)

1.	This filing transmittal is part of Company Tracking #	MLA-IL-2005-002
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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.	Overall percentage rate impact for this filing	
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4.	Effect of Rate Filing – Written premium change for this program	
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5.	Effect of Rate Filing – Number of policyholders	
-----------	--	--

6.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	File & Use
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7.	Rate Change by Company		
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Company Name	Percentage Change for this program	# of policyholders for this program	Written premium for this program

8.	Overall percentage of last rate revision	
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9.	Effective Date of last rate revision	
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10.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	
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11.	Exhibit Name/Description /Synopsis	Rule # or Page #	Replacement or withdrawn?	Previous state filing number, if required by state
01			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	
02			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	
03			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	
04			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	
05			<input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn <input type="checkbox"/> Neither	

To be complete, a rate/rule filing must include the following:

1. A completed Rate/Rule Filing Transmittal document (PC RRF-1) (Do not refer to the body of the filing for the component/exhibit listing.) and,
2. A completed Property & Casualty Transmittal Document (PC TD-1) and,
3. One copy of all rate/rule components/exhibits submitted with the filing, and
4. The appropriate state review requirements, if required, and
5. The appropriate filing fees, if required, and
6. A postage-paid, self-addressed envelope large enough to accommodate the return
7. You should refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

Neuman, Gayle

From: Connie Lueckenhoff [clueckenhoff@hsg-group.com]
Sent: Thursday, August 24, 2006 2:15 PM
To: Neuman, Gayle
Cc: Hwinge@hsg-group.com
Subject: RE: Physicians & Surgeons - Rate/Rule Filing #MLA-IL-2005-002-R
Attachments: IL - PG 14.pdf

Gayle,

Sorry, we missed that. Attached is an updated page 14 of the manual.

Thanks,
Connie

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, August 24, 2006 1:27 PM
To: Connie Lueckenhoff
Subject: RE: Physicians & Surgeons - Rate/Rule Filing #MLA-IL-2005-002-R

Connie,

We additionally request the manual indicate there are no interest charges, and indicate what, if any, installment fees are applicable.

From: Connie Lueckenhoff [mailto:clueckenhoff@hsg-group.com]
Sent: Thursday, August 24, 2006 11:43 AM
To: gayle_neuman@ins.state.il.us
Cc: Hwinge@hsg-group.com
Subject: RE: Physicians & Surgeons - Rate/Rule Filing #MLA-IL-2005-002-R
Importance: High

Gayle,

Attached are updated pages 13 & 14 of the MLA Phys & Surgeons manual effective September 15, 2005. The updated pages reflect the quarterly installment plan provisions per your email.

Additionally, the company implemented this filing as of September 15, 2005.

We look forward to receiving the stamped "filed" copy of the MLA Phys & Surgeons rating filing.

Thanks,
Connie Lueckenhoff, AU
Underwriter II

8/24/2006

effective date. The balance of the total policy premium will be payable in three equal payments which will be due 90, 180 and 270 days, respectively, after the policy effective date.

Additional premium resulting from changes to the policy, excluding any extension of a reporting period, shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

Premium as a result of an extension of a reporting period is due in full prior to the issuance of the Reporting Endorsement (PPL 3-665-IL).

O. AGENT'S COMMISSION

If the agent's commission rate differs from that underlying the manual rates, the commission load is adjusted by multiplying the manual rates by an amount equal to one minus the underlying commission rate then dividing by an amount equal to one minus the agent's commission rate.

P. PHYSICIANS LEGAL EXPENSE REIMBURSEMENT

Mandatory endorsement to add coverage for legal expense reimbursement of \$15,000 incurred by insured(s) in connection with professional disciplinary proceedings or lawsuits alleging Medicaid/Medicare fraud and abuse.

(This rule does not apply to any physician employed or contracted [on a 1099 basis] by a hospital.)

Attach Endorsement PPL 3-663.

Q. PREMIUM DISCOUNT

Apply a premium size discount of 5% to premium in excess of \$10,000 at policy inception.

R. CONSENT TO SETTLE

On request of individually insured physicians or surgeons, at the option of the Company, and for an additional premium charge of 10% a policy may be endorsed to provide that claims will not be settled without the permission of the insured.

Neuman, Gayle

From: Neuman, Gayle
Sent: Thursday, August 24, 2006 1:27 PM
To: 'Connie Lueckenhoff'
Subject: RE: Physicians & Surgeons - Rate/Rule Filing #MLA-IL-2005-002-R

Connie,

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Subject: RE: Physicians & Surgeons - Rate/Rule Filing #MLA-IL-2005-002-R
Importance: High

Gayle,

Attached are updated pages 13 & 14 of the MLA Phys & Surgeons manual effective September 15, 2005. The updated pages reflect the quarterly installment plan provisions per your email.

Additionally, the company implemented this filing as of September 15, 2005.

We look forward to receiving the stamped "filed" copy of the MLA Phys & Surgeons rating filing.

Thanks,
Connie Lueckenhoff, AU
Underwriter II

Neuman, Gayle

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Cc: Hwinge@hsg-group.com
Subject: RE: Physicians & Surgeons - Rate/Rule Filing #MLA-IL-2005-002-R
Importance: High
Attachments: IL Manual.pdf

Gayle,

Attached are updated pages 13 & 14 of the MLA Phys & Surgeons manual effective September 15, 2005. The updated pages reflect the quarterly installment plan provisions per your email.

Additionally, the company implemented this filing as of September 15, 2005.

We look forward to receiving the stamped "filed" copy of the MLA Phys & Surgeons rating filing.

Thanks,
Connie Lueckenhoff, AU
Underwriter II

From: Helen Winge [mailto:hwinge@hsg-group.com]
Sent: Friday, August 18, 2006 9:09 AM
To: Connie Lueckenhoff
Subject: FW: Physicians & Surgeons - Rate/Rule Filing #MLA-IL-2005-002-R

FYI.

Helen M. Winge, AU
Senior Vice President - Underwriting
Healthcare Services Group
Phone: 573/893-5300 Ext. 318
Fax: 573/893-3748
E-mail: hwinge@hsg-group.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Friday, August 18, 2006 8:32 AM
To: hwinge@hsg-group.com
Subject: Physicians & Surgeons - Rate/Rule Filing #MLA-IL-2005-002-R

Ms. Winge,

This filing has been signed off on by the Director of Insurance. As this time, the only outstanding issue is in regard to the premium payment installment plan.

As you know, the new Medical Professional Liability law in Illinois, PA94-677 (Senate Bill 475), requires insurers to implement a quarterly premium payment installment plan as prescribed by the Secretary of the Illinois Department of Financial and Professional Regulation (IDFPR).

This email is to advise you of the requirements being prescribed by the Secretary and by the Director of the Division of Insurance regarding the quarterly premium payment installment plan you are required to offer to your

8/24/2006

insureds. In reviewing the filing referenced above, we note that your quarterly installment plan does not meet and/or address some or all of the following prescribed requirements.

Quarterly Premium Payment Installment Plan Prescribed Requirements

All companies writing medical liability insurance shall file with the Secretary or Director a plan to offer each medical liability insured the option to make premium payments, in at least quarterly installments. For purposes of this requirement, insurers may, but are not required to, offer such premium installment plans to insureds whose annual premiums are less than \$500, or for premium for any extension of a reporting period. Quarterly installment premium payment plans subject to this Section shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer may, but need not re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available. All quarterly installment premium payment plan provisions shall be contained in the filed rate and/or rule manual in a section entitled, "Quarterly Installment Option" or a substantially similar title. If the company uses a substantially similar title, the Rule Submission Letter must indicate the name of the section that complies with this requirement. All quarterly installment premium payment plans shall include the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below.

- i) An initial payment of no more than 40% of the estimated total premium due at policy inception;
- ii) The remaining premium spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
- iii) No interest charges;
- iv) Installment charges or fees of no more than 1% of the total premium or \$25.00, whichever is less;
- v) A provision stating that additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

Additionally, please confirm if the company implemented this filing as of September 15, 2005? If not, is the company planning to implement the changes as of the date the review of the filing is completed?

Please amend your rate/rule manual's quarterly installment plan provisions to comply with all of the following prescribed requirements and send me your updated manual pages no later than August 25, 2006. If you are unable to amend the manual pages prior to August 25, 2006, we will accept an e-mail from you in the interim, stating that your company will comply with the prescribed requirements and indicate the date by which such amended manual pages will be submitted to this Division. We can, at that point, proceed to stamp the filing as "filed".

Your immediate attention is requested.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Neuman, Gayle

From: Anderson, Julie
Sent: Monday, August 07, 2006 10:20 AM
To: Neuman, Gayle
Subject: RE: Physicians & Surgeons - Rate/Rule Filing #MLA-IL-2005-002-R

Hi, Gayle,

I reviewed the questions you referred me to. I have already reviewed the filing from all those perspectives and I have no actuarial issues with their answers.

Thanks!

Did you have a good weekend?

Julie Anderson
Assistant Casualty Actuary
IL Dept of Financial and Professional Regulation
Division of Insurance
Phone: 217-524-5421
Fax: 217-524-2271

Please note that my e-mail address has changed to: Julie.A.Anderson2@illinois.gov

From: Neuman, Gayle
Sent: Monday, July 31, 2006 2:48 PM
To: Anderson, Julie
Cc: Boutchee, Judy; Donnewald, Pam; Gatlin, John
Subject: FW: Physicians & Surgeons - Rate/Rule Filing #MLA-IL-2005-002-R

Julie,

When I sent the scan of this file, the attached e-mail was not included (as I had not yet inserted such material in the file). Some of the questions/answers pertain to scheduled rating and other information that is more "actuarial". Therefore, I am forwarding this information and requesting you review #3, #4, and #7. It is possible that you have already reviewed this information in your actuarial information.

Luckily, on the newer files, we won't have as many duplicative areas of review.

Please advise of your position on the status of these issues.

Thanks.

Gayle Neuman

8/8/2006



"Helen Winge"
<hwinge@hsg-group.com>
03/24/2006 10:57 AM

To <Gayle_Neuman@ins.state.il.us>
cc
bcc
Subject FW: Physicians & Surgeons - Rate/Rule Filing
#MLA-IL-2005-002-R

Gayle, below are MLA's responses regarding the captioned Rate/Rule Filing.

Please advise if this filing is now acceptable.

Helen M. Winge, AU
Senior Vice President - Underwriting
Healthcare Services Group
Phone: 573/893-5300 Ext. 318
Fax: 573/893-3748
E-mail: hwinge@hsg-group.com

From: Gayle_Neuman@ins.state.il.us [mailto:Gayle_Neuman@ins.state.il.us]
Sent: Friday, March 10, 2006 9:33 AM
To: hwinge@hsg-group.com
Subject: Physicians & Surgeons - Rate/Rule Filing #MLA-IL-2005-002-R

Ms. Winge,

We are in receipt of the above referenced filing submitted by your letter dated August 16, 2005. As forms cannot be filed with rates/rules, we have separated the filings and added "-R" to the rate/rule portion filing number.

Please address the following issues:

1. You are required to provide the actuarial support and a certification. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. Please complete the attached certification form. Gayle, per our phone conversation on April 14, 2005, actuarial backup was not needed for MLA's first filing but would be required for any changes thereafter. We did not acquire actuarial backup for this filing per that conversation. However, we based our rates on rates filed by other Illinois insurers.
2. Extended reporting period (tail coverage) premium must be priced as a factor of one of the following: (1) the last twelve months premium; (2) the premium in effect at policy issuance; or (3) the expiring annual premium. The form must list the factor(s) to be used to figure the premium, which of the three premiums the factor will be applied to, and any credits, discounts, etc. that will be added or removed when determining the final premium. Therefore, the wording on page 3 under Procedure for Reporting Periods - Applicable to Above Reporting Endorsements should be changed. Please explain what determines if factor 2.0 or 6.0 (or somewhere inbetween) is applied. The rating manual has been updated to comply with the above. Please see attached guidelines for the criteria used to determine the factor to be applied.

3. On page 4, the manual list deductibles that can be added resulting in a credit of the premium. Please explain the criteria that determines the percentage of credit an insured would receive - since there is a range of credit for each deductible? MLA has filed ranges for deductible credits to allow flexibility in applying the credit (either litigation or damages) if the risk presents a greater likelihood of MLA paying future losses on behalf of the physician. For example, if a risk has no losses, the risk to MLA of future payment of litigation expense or damages is less than for a risk that has had several losses.

4. In regard to the pending rate/rule filing referenced above, please provide additional information about the filed scheduled rating plan, including the following:

a) Whether the scheduled rating plan will be applied to all applicants/insureds. If not, provide a specific explanation of which applicants/insureds will be considered. All applicants will be reviewed by the underwriter for eligibility under the Schedule Rating Plan.

b) Whether the schedule debits/credits are reviewed periodically to ensure that they are still justified and added/removed accordingly. If the scheduled debits/credits are reviewed periodically, provide the time intervals for such reviews. If not all insureds are reviewed, provide a specific explanation of which insureds will be reviewed and how often. Each account is reviewed upon application as well as at each renewal. Debits/credits are changed accordingly.

c) All actuarial justification for determining the amount of any scheduled credit/debit. Refer to the answer for question #1 (No actuarial backup was obtained for this rate filing)

d) A blank sample of the scheduled rating form that is kept in each applicant/insured's file to track the justification for receiving any debits/credits. Attached.

5. In regard to the Sections on page 10 and 11 regarding the changing of rating status to a higher/lower rated classification and/or territory, please explain why there is a different set of rules for figuring each scenario. Each scenario has a different set of rules as they may apply at different stages in the policy period. For example, an insured may only change to a lower classification/territory at the renewal of the policy, whereas an insured may change to a higher classification/territory at any time. Rule J.1. defines the guidelines to follow to determine the applicable Reporting Endorsement premium for the higher classification/territory when an insured changes to the lower classification. When changing to a higher classification, we take into consideration the time the physician's exposure was at the lower classification/territory.

6. SB 475 requires insurers that issue a medical malpractice policy offer the insured a quarterly premium payment installment plan. There is no mention in the law of this only effecting insureds with premiums exceeding \$50,000. Do you charge the insured anything for the payment plan, i.e. installment fees, etc.? Are any other payment installment plans offered? Will you offer every new insured and every renewal insured such plan(s) after January 1, 2006? There is not an additional fee associated with any of MLA's payment plans. Please refer to the updated page 13 of the manual attached. We have omitted the \$50,000 requirement for the quarterly payment plan. We will be offering all insured the three options stated in the rating manual.

7. On page 14, there is a paragraph about the Agent's Commission. Will this change the premium the insured will pay? Why are there different commission levels? Please provide an example using sample numbers. The MLA filed rates take into consideration an agents/brokers commission. Based upon contractual arrangements with agents/brokers, the commission percentage may be different than contemplated in the filed rates. For example, a higher commission is usually paid for new

business. Upon renewal a lower commission is paid and any savings will be passed to the insured.

8. On page 14, there is a paragraph about Premium Discount. Why is \$10,000 the amount chosen for which to apply the discount? Do you offer any other premium discounts for higher premiums? What is the average premium for this policy? The premium discount is applied to policies which generate a premium in excess of \$10,000 to reflect the similar expenses associated with the issuance of policies for physicians with higher classification and/or group policies as that of a lower class physician and/or solo physician policy. MLA does not offer any additional discounts for higher premiums.

9. On page 14 under Consent to Settle, are you offering this discount if claims may be settled with OUT the permission of the insured? If so, wording should be corrected. Wording has been amended to state "without". Thanks for catching the typo!!!

We request receipt of your response by March 24, 2006. Your cooperation is appreciated.

Gayle Neuman
Property & Casualty Compliance Unit, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting a paper filing or an electronic filing (SERFF). The checklists can be accessed through our website at http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: gayle_neuman@ins.state.il.us

ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, _____ (Name of officer typed or printed) _____, a duly authorized officer of _____ (Name of Insurer typed or printed) _____, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, _____ (Name of actuary typed or printed) _____, a duly authorized actuary of

(Name of actuary firm typed or printed) am authorized to certify on behalf of
(Name of Insurance Company) making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

Signature and Title of Authorized Insurance Company Officer Date

Signature, Title and Designation of Authorized Actuary Date

Insurance Company FEIN ___ - _____ Filing Number _____

Insurer's Address _____

City _____ State _____ Zip Code _____

Contact Person's:
-Name and E-mail _____

-Direct Telephone and Fax Number _____



MLA - IL Schedule Rating Worksheet.tif MLA - IL ERP Guidelines.tif MLA - IL P & S Manual.tif

**MEDICAL LIABILITY ALLIANCE
ILLINOIS
PHYSICIAN SCHEDULE RATING PLAN**

Insured: _____

State: ILLINOIS

Policy No.: _____

Effective Date: _____

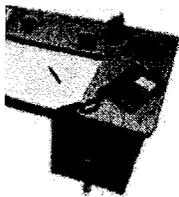
Expiration Date: _____

Criteria	Modification Range		Modification Selected	Reason
1.Loss/Claims History	-25%	+25%		
2. Continuing Education	-10%	+10%		
3.Practice Management	-10%	+10%		
4.Patient Advocacy Programs	- 5%	+ 5%		
5. Risk Management Program	-10%	+10%		
6.Unusual Risk Factors	-25%	+25%		
7.	-%	+%		
8.	-%	+%		
9.	-%	+%		
TOTAL				

The maximum modifier that may be applied under this plan is plus(+) or minus(-) 25%.

Underwriter: _____ Date: _____

Approved by: _____ Date: _____
SR/VP-UND.



Gayle Neuman/INS
03/10/2006 09:32 AM

To hwinge@hsg-group.com
cc
bcc
Subject Physicians & Surgeons - Rate/Rule Filing
#MLA-IL-2005-002-R

Ms. Winge,

We are in receipt of the above referenced filing submitted by your letter dated August 16, 2005. As forms cannot be filed with rates/rules, we have separated the filings and added "-R" to the rate/rule portion filing number.

Please address the following issues:

1. You are required to provide the actuarial support and a certification. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. Please complete the attached certification form.
2. Extended reporting period (tail coverage) premium must be priced as a factor of one of the following: (1) the last twelve months premium; (2) the premium in effect at policy issuance; or (3) the expiring annual premium. The form must list the factor(s) to be used to figure the premium, which of the three premiums the factor will be applied to, and any credits, discounts, etc. that will be added or removed when determining the final premium. Therefore, the wording on page 3 under Procedure for Reporting Periods - Applicable to Above Reporting Endorsements should be changed. Please explain what determines if factor 2.0 or 6.0 (or somewhere inbetween) is applied.
3. On page 4, the manual list deductibles that can be added resulting in a credit of the premium. Please explain the criteria that determines the percentage of credit an insured would receive - since there is a range of credit for each deductible?
4. In regard to the pending rate/rule filing referenced above, please provide additional information about the filed scheduled rating plan, including the following:
 - a) Whether the scheduled rating plan will be applied to all applicants/insureds. If not, provide a specific explanation of which applicants/insureds will be considered.
 - b) Whether the schedule debits/credits are reviewed periodically to ensure that they are still justified and added/removed accordingly. If the scheduled debits/credits are reviewed periodically, provide the time intervals for such reviews. If not all insureds are reviewed, provide a specific explanation of which insureds will be reviewed and how often.
 - c) All actuarial justification for determining the amount of any scheduled credit/debit.
 - d) A blank sample of the scheduled rating form that is kept in each applicant/insured's file to track the justification for receiving any debits/credits.
5. In regard to the Sections on page 10 and 11 regarding the changing of rating status to a higher/lower rated classification and/or territory, please explain why there is a different set of rules for figuring each scenario.
6. SB 475 requires insurers that issue a medical malpractice policy offer the insured a quarterly premium payment installment plan. There is no mention in the law of this only effecting insureds with premiums exceeding \$50,000. Do you charge the insured anything for the payment plan, i.e. installment fees, etc.? Are any other payment installment plans offered? Will you offer every new insured and every renewal insured such plan(s) after January 1, 2006?
7. On page 14, there is a paragraph about the Agent's Commission. Will this change the premium the

insured will pay? Why are there different commission levels? Please provide an example using sample numbers.

8. On page 14, there is a paragraph about Premium Discount. Why is \$10,000 the amount chosen for which to apply the discount? Do you offer any other premium discounts for higher premiums? What is the average premium for this policy?

9. On page 14 under Consent to Settle, are you offering this discount if claims may be settled with OUT the permission of the insured? If so, wording should be corrected.

We request receipt of your response by March 24, 2006. Your cooperation is appreciated.

Gayle Neuman
Property & Casualty Compliance Unit, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

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ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, _____ (Name of officer typed or printed) _____, a duly authorized officer of _____ (Name of Insurer typed or printed) _____, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, _____ (Name of actuary typed or printed) _____, a duly authorized actuary of _____ (Name of actuary firm typed or printed) _____ am authorized to certify on behalf of _____ (Name of Insurance Company) making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

Signature and Title of Authorized Insurance Company Officer

Date

Signature, Title and Designation of Authorized Actuary

Date

Insurance Company FEIN __ - _____ Filing Number _____

Insurer's Address _____

City _____ State _____ Zip Code _____

Contact Person's:

-Name and E-mail _____

-Direct Telephone and Fax Number _____



"Helen Winge"
<hwinge@hsg-group.com>
03/10/2006 09:30 AM

To <Gayle_Neuman@ins.state.il.us>
cc
bcc
Subject FW: MLA Illinois P & S Manual change

Gayle, attached is Page 13 per your discussion with Connie.

Thanks and have a great weekend.

Helen M. Winge, AU
Senior Vice President - Underwriting
Healthcare Services Group
Phone: 573/893-5300 Ext. 318
Fax: 573/893-3748
E-mail: hwinge@hsg-group.com

From: Connie Lueckenhoff [mailto:clueckenhoff@hsg-group.com]
Sent: Tuesday, March 07, 2006 12:29 PM
To: 'Helen Winge'
Subject: MLA Illinois P & S Manual change

Helen,

Attached is page 13 of the MLA Phys & Surg Manual for IL. I amended the quarterly installment plan to omit the \$50,000 requirement.



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**RATING PROGRAM SUPPORT DATA
CLAIMS-FREE DISCOUNT TABLE**

Years in Practice	Number of Claims-Free Years*									
	1	2	3	4	5	6	7	8	9	10+
0	0%	0%	1%	2%	3%	4%	5%	7%	8%	10%
1	0%	1%	1%	2%	3%	5%	6%	8%	9%	11%
2	0%	1%	2%	3%	4%	5%	7%	8%	10%	11%
3	0%	2%	3%	4%	5%	6%	8%	9%	11%	12%
4	0%	3%	4%	5%	6%	7%	8%	10%	11%	13%
5	3%	3%	4%	5%	6%	8%	9%	11%	12%	14%
6	3%	4%	5%	6%	7%	8%	10%	11%	13%	14%
7	4%	4%	6%	7%	8%	9%	11%	12%	14%	15%
8	4%	5%	6%	8%	9%	10%	11%	13%	14%	15%
9	5%	6%	7%	8%	9%	11%	12%	14%	15%	15%
10+	5%	6%	8%	9%	10%	11%	13%	14%	15%	15%

* Refer to rule for definition and application of claims-free discount.

M. ALLIED HEALTH CARE PROFESSIONAL LIABILITY

Allied Health Care Professionals who are employed by a Named Insured Physician or Surgeon may be added to the Physicians' and Surgeons' Comprehensive Liability Policy – Claims-Made as Additional Named Insureds. For shared limits with physician/surgeon or corporation, apply a credit of 25%. For separate limits of liability, attach Endorsement PPL 3-676.

See Classification Table, Miscellaneous Medical Classification Codes.

N. PREMIUM PAYMENT PLANS

Policyholders may pay their total policy premiums using one of the following payment plans:

1. Payment in Full Plan

Policyholders may elect to pay the total policy premium on or before the policy effective date.

2. Sixty Day Installment Plan

Policyholders have the option of paying in three installments. The first installment of 34% is due on the effective date of the policy. The second and third payments of 33% are due 30 and 60 days, respectively, after the effective date of the policy.

3. Quarterly Installment Plan

Policyholders may elect a quarterly installment plan. Under this plan, the policyholder pays 25% of the total policy premium at the policy effective date. The balance of the total policy premium will be payable in three equal payments which will be due 90, 180 and 270 days, respectively, after the policy effective date.

MEDICAL LIABILITY ALLIANCE

**ILLINOIS
INDEPENDENT PHYSICIANS'
AND SURGEONS' MANUAL**

CLAIMS-MADE FORM LIABILITY



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A. PROFESSIONAL LIABILITY PREMIUM DETERMINATION

1. Rates will be found on the rate page opposite the identifying code numbers for classifications. The rates apply per annum.
2. The rates applicable will be found in the columns corresponding to the number of years the retroactive date precedes the policy expiration.
3. Reporting Endorsements

We will provide the Reporting Endorsement at no cost if, during the policy period:

- a. An individual physician or surgeon who is a Named Insured either dies or becomes totally and permanently disabled; or
- b. The Named Insured completely retires after age 55 and has been continuously insured by this Company for a period of five years.

PROCEDURE FOR REPORTING PERIODS

Teaching Hospitals or Similar Risks (Pertaining to Individual Liability only)

Reporting Period Endorsements will not be needed for departing interns, residents or staff doctors provided the policy covering all members of the medical school or similar risk remains in force.

Interns, residents or staff doctors shall be rated using the appropriate class code and rate page according to the retroactive date applicable to the medical school or similar risk, regardless of the retroactive date of the individual. Premium for continuous coverage is included in this rating procedure. Attach Endorsement PPL 3-667 to all policies at the inception date. In order to provide continuous coverage, attach Endorsement PPL 3-669.

Applicable to Above Reporting Endorsements

Rates for all Reporting Endorsements are calculated by applying a factor of 2.0 to 6.0 times the expiring annual premium and are to be computed in accordance with the Company's rules, rates, and rating plans applicable as of the policy effective date. PPL 3-665 Reporting Endorsement must be attached to the policy whenever this coverage is purchased by an insured.

Applicable to Employed Hospital or Health System Physicians (Continuous Coverage Option)

Rates may be calculated using a fifth year mature rate for each physician. Attach Endorsements PPL 3-680, PPL 3-682, PPL 3-683 and PPL 3-685. When Coverage B is purchased, attach PPL 3-681. When non-physician employee coverage is purchased, attach PPL 3-684.



4. Deductibles:

a. Damages Deductibles

The following credits apply for the deductible indicated. To determine deductible premium, apply the following percentage to the \$100,000/\$300,000 premium and deduct the result from the total premium.

Deductible	Credit
\$5,000	6-10%
10,000	10-15%
25,000	21-25%
50,000	34-40%

Endorsement PPL 3-664 must be attached to the policy whenever a damages deductible applies.

b. Litigation Expense Deductibles

The following credits apply for the deductible indicated. To determine deductible premium, apply the following percentage to the \$100,000/\$300,000 premium and deduct the result from the total premium.

Deductible	Credit
\$5,000	6-10%
10,000	10-15%
25,000	21-25%

Endorsement PPL 2-213 must be attached to the policy whenever a litigation expense deductible applies.

In no case shall the total credit be greater than the upper end of the range if both a damages and litigation expense deductible applies.

c. Large Deductibles (Damages & Litigation Expense)

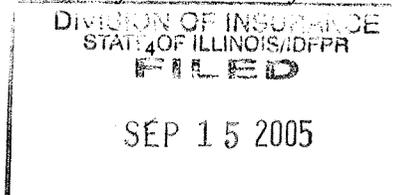
To determine deductible premium, apply the following percentage to the \$1,000,000/\$1,000,000 premium and deduct the result from the total premium.

Deductible	Credit	
	Physician*	Surgeon*
\$100,000	18 to 24%	18 to 27%
250,000	37 to 43%	40 to 46%

Endorsement PPL 3-664 must be attached to the policy whenever a damages deductible applies.

In no case shall the total credit for the Litigation Expense Deductible and the Damages Deductible be greater than the percentage shown above.

* *In accordance with the classifications as defined in the Classification Table*



5. Increased Limits Factor

See Attached Appendix A.

6. For limits in excess of \$1,000,000/\$3,000,000, the charge shall equal the premium charged by the reinsurer providing such excess cover.

7. Locum Tenens Coverage

Coverage for a temporary substitute physician may be provided by adding him or her as an additional insured to our insured physician's policy. Coverage should not normally be provided for a period exceeding 90 days, per annual policy period.

The substitute physician shares the limit of liability with the Named Insured and no additional premium will be charged.

Endorsement PPL 3-666 must be attached to the policy whenever this exposure exists.

8. Employees as Additional Insureds

Coverage for employees, other than employed physicians and surgeons, is included for no additional premium. (Except Allied Health Care Professionals as outlined in Section M. These classes may be covered for an additional premium.)

The applicable Retroactive Date for employees shall be the date of employment by the Named Insured.

Endorsement PPL 3-686 shall be attached to the policy to exclude employee coverage.

9. Coverage for Professional Corporations or Partnerships

A separate Professional Liability limit can be provided to the Partnership, Corporation or Professional Association identified as a Named Insured on the Declaration Page (PPL 2-209) of the policy. The method of calculating the premium charge for this additional limit is as follows.

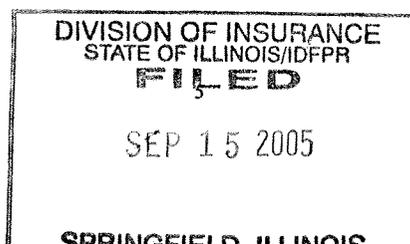
Ten (10%) percent is to be applied to the sum of all the individual premiums of the physicians in the Corporation, Partnership or Association based on the total number of physicians in the Corporation, Partnership or Association:

The premium charge shall not be less than \$200 per policy.

10. Coverage for Additional Physicians

When coverage is added mid-term for an additional physician under this policy, the rates in effect at the inception of the policy are applicable.

11. PPL 3-677 Exclusion – Individual Liability Endorsement is an optional endorsement to be added to the policy to exclude coverage for specified physicians.



B. INDEPENDENT RESIDENCY PROGRAM

An independent residency program is one in which residents rotate their residency training for (in most cases) a period of three years. These residents work under the constant supervision of a faculty member or a physician fully trained in the specialty involved.

Recognizing the reduced patient contact involved in this setting and the constant supervision, the following percent of the mature claims rate for the particular specialty shall apply:

First, Second and Third-Year Residents	50%
Faculty Members	75%

In consideration of the reduced percentage charge, coverage is intended only for professional services rendered on behalf of the program. Attach Endorsement PPL 3-667 to all policies at the inception date.

Continuous coverage is provided for each resident and faculty member by charging a percentage of the mature claims-made rate regardless of the applicable retroactive date. Endorsement PPL 3-669 must be attached to the policy when this rule is applied.

C. CLASSIFICATION TABLE

See Classification Table (Appendix B).

D. EXCEPTIONS

Reserved for later use.

E. EXPERIENCE RATING

See Experience Rating Plan on file for this Company.

F. SCHEDULE RATING

1. Based on the following individual characteristics of a risk, a rate modification may be applied to a risk by the addition of the following credit and/or debit, not to exceed a maximum debit or credit of 25%.

CHARACTERISTICS	MAXIMUM CREDIT/DEBIT
a. Loss/Claim History	25%
b. Continuing Education	10%
c. Practice Management	10%
d. Patient Advocacy Programs	5%
e. Risk Management Program	10%
f. Unusual Risk Factors	25%



2. Medical Graduate Discount

Individual physicians/surgeons who have just completed their post-graduate training program and are entering full-time private (or group) practice for the first time are eligible for the following discounts.

DISCOUNT SCHEDULE	
Claims-Made Year	Graduate Credit
0.1 – 1.0	50%
1.1 – 2.0	25%
2.1 or more	0%

The discount schedule is not intended to apply to experienced physicians or surgeons who later complete a fellowship or further residency training program.

G. ADDITIONAL NAMED INSURED

To include additional Named Insureds at inception of the policy or during the policy period, attach Endorsement PPL 3-668. Rate according to the Physicians' and Surgeons' Manual.

H. RISK MANAGEMENT DISCOUNT

1. **The following criteria will apply to all specialties:**

- a. **CRITERIA:** Successful attendance and completion of a MLA seminar designed to decrease the risk of medical malpractice.

DISCOUNT: Three Hours: up to 5%

- b. **CRITERIA:** Successful attendance and completion of a non-MLA seminar designed to decrease the risk of medical malpractice approved for Category I of the Physicians Recognition Award of the American Medical Association.

DISCOUNT: Three Hours: up to 5%

- c. **CRITERIA:** Successful completion of Self-Study program designed to decrease the risk of medical malpractice approved for Category I of the Physicians Recognition Award of the American Medical Association.

DISCOUNT: Three Hours: up to 5%

2. **The following criteria will apply to Consultative Services for all specialties which may be requested once every three years.**

- a. **CRITERIA:** Comprehensive Office Consultation – A risk management consultant will perform an in-depth review of the practice's professional and support staff procedures. ~~Recommendations for decreasing malpractice risks~~

are provided via written report following the on-site visit. This service is staged over a two-year period during which the practice is assessed, a plan of action is developed, and risk modification strategies are initiated and measured for success within the practice. This consultation will be interactive requiring physician and key office personnel participation. Physicians are required to participate to earn credit.

DISCOUNT: up to 5% for 2 years

- b. **CRITERIA:** Practice Quality Review – This process involves an office site visit and medical records review. Physician participation is required at introductory and summation discussions. Recommendations for decreasing malpractice risks and increasing quality are provided via a computer generated report. A five-percent premium discount will be earned for each physician actively involved in the review process.

DISCOUNT: up to 5%

- c. **CRITERIA:** Self-Assessment Tools – Set up in modular format, these self-review tools involve input and completion by the physician or key staff members. Areas assessed include practice management, record keeping and documentation, and regulatory requirements. Upon completion of each segment, a risk management consultant may recommend additional educational products to assist the practice in developing risk modification strategies. Each completed module earns five-percent credit.

DISCOUNT: up to 5% per module

- d. **CRITERIA:** Prenatal Care Review – Physicians who choose Prenatal Care, a unique prenatal documentation system developed by Advanced Medical Systems, are eligible for a five-percent premium discount after an office review of prenatal records. To be eligible for review, a minimum of fifteen patients' records where prenatal care has been documented from diagnosis to delivery need to be available.

DISCOUNT: up to 5%

- e. **CRITERIA:** Electronic Medical Record System Risk Management Review – An office consultation to evaluate the application of risk management principles in office electronic record systems provides insured physicians an opportunity to earn a five-percent premium discount. The premium discount for this review, however, is contingent upon the participating physician meeting established scored criteria at a pre-set level.

DISCOUNT: up to 5%



3. The following criteria will apply to group liability insurance programs that establish a formal physician committee structure.

- a. Each insured physician Committee Member will receive a 5% discount for the development of a tailored Risk Management/Quality Assurance program applicable to the group. Components of the program may include:
 - 1) Education: application for the discount is described in Criteria 1 above.
 - 2) Consult: application for the discount is described in Criteria 2 above.
 - 3) Interventional Risk Management: a formal program developed to attack claim frequency and severity. This technique combines a data-based risk assessment with behavior-oriented risk management interventions. Physicians of like specialty along with risk management staff form a team approach in assessing risk, evaluating risk modifications strategies, and monitoring the physician/practice.

Application of Discount

The discount shall be applied to the premium otherwise determined by the Company's rules and rates for Physicians' Professional Liability coverage. Each insured physician may receive up to a 5% discount at the inception of the policy, or renewal thereof, provided the physician meets the above criteria 1, 2 or 3 on an annual basis. If the above criteria is not met on an annual basis, the Company may charge back up to 5% for the unearned discount amount.

There shall be a maximum discount of 5% per physician for any one policy year. Excess credits may be carried over for a period of one year only.

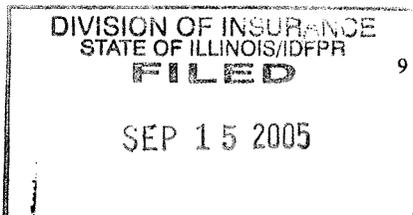
I. MOBILIZATION COVERAGE DEFERMENT

Physicians Changing Military Status Endorsement PPL 3-671 applies to eligible Health Care Providers who are members of the armed forces reserves and who have been called to active, full-time military duty.

Policyholders pay any premiums due on their current policies and receive full coverage for any claims from professional services they provided prior to military duty but reported while the policy holder is on military duty. Medical liability coverage will be suspended during the policyholder's active, full-time military status. When the policyholder returns to civilian status, his or her medical professional liability policy will be extended for a period equal to the time served in active military duty. For a policyholder covered under a group practice, a premium adjustment will be computed based on the time any policyholder covered under a group practice serves in the military.

To be eligible for mobilization coverage deferment, the policyholder must meet the active military service requirements stated above and the policyholder must also do the following:

- 1. The premium for this policy must be paid in full, either through pre-payment or continued installment payments.
- 2. Within 60 days after the policyholder's active military status ends, the policyholder must provide written legal evidence such as military, governmental or similar documentation of the time period the insured spent on active military status. This will be used to



compute the coverage extension due the policyholder. In the case of a group practice, it will be used to compute a premium reduction for the group practice policy.

J. 1. CHANGING RATING STATUS FROM A HIGHER TO LOWER RATED CLASSIFICATION AND/OR TERRITORY

Physicians and surgeons changing their practice to a lower rated classification and/or rating territory during the policy period or at renewal.

(Change in rating status from higher to lower classification not allowed mid-term.)

(This rule is not applicable to any change in rating status involving a change in policy limits.)

Calculate the policy premium as follows:

- a. All premium calculations will be based upon rates in effect on the effective date of the policy or its renewal.
- b. Charge the correct premium for the lower rated classification and/or territory based upon the original retroactive date shown in the policy declarations.
- c. Add the difference between the reporting endorsement premium of the higher rated classification and/or territory and that of the lower rated classification and/or territory based upon the original retroactive date shown in the policy declarations.
- d. If the change in territory occurs midterm, the premium shall be prorated.
- e. No reporting endorsement will be issued as the retroactive date remains the same.
- f. There will be no interim reinstatement of the aggregate policy limit for the run-off exposure from the higher rated classification and/or territory.

Calculate the reporting endorsement upon cancellation of the current policy or its renewal as follows:

- a. The reporting endorsement premium for the lower rated classification and/or territory based upon the original retroactive date shown in the policy declarations will apply.
- b. The aggregate policy limit will not be reinstated upon final cancellation of the policy.

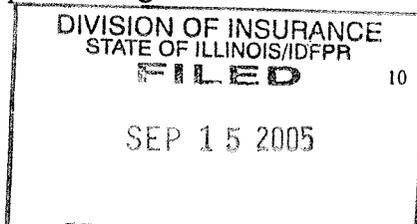
2. CHANGING RATING STATUS FROM A LOWER TO A HIGHER RATED CLASSIFICATION AND/OR TERRITORY

Physicians and surgeons changing their practice to a higher rated classification and/or territory during the policy period or at renewal.

(This rule is not applicable to any change in rating status involving a change in policy limits.)

Calculate the premium as follows:

- a. All premium calculations will be based upon rates in effect on the effective date of the policy or its renewal.
- b. Charge the correct premium for the lower rated classification and/or territory based upon the original retroactive date shown in the policy declarations.



- c. Add the difference between the first year premium for the lower and higher rated classification and/or territory. Upon renewal add the difference between the second year premium for the lower rated classification and/or territory and the higher rated classification.
- d. For each subsequent renewal, continue moving up another year until mature rates are reached.
- e. If the change in practice occurs midterm, the premium shall be prorated.
- f. No reporting endorsement will be issued as the retroactive date remains the same.
- g. There will be no interim reinstatement of the aggregate policy limit for the run-off exposure from the lower rated classification and/or territory.
- h. Attach Endorsement PPL 3-672.

Calculate the reporting endorsement upon cancellation of the current policy or its renewal as follows:

- a. Upon cancellation of the current policy, charge the correct reporting endorsement rate for the lower rated classification and/or territory based upon the original retroactive date shown in the policy declarations.
- b. Add the difference between the reporting endorsement premium for the higher rated classification and/or territory and the lower rated classification and/or territory based upon the number of years the higher rated classification and/or territory was involved in the rating during the past five years. For example, if cancellation occurs one year after the change in the rating classification or territory, then add the difference between the first year reporting endorsement premium of the higher rated classification and that of the lower rated classification, etc.
- c. The aggregate policy limit will not be reinstated upon final cancellation of the policy.

K. PART-TIME (FTE) COVERAGE

Due to the decrease in exposure from a part-time physicians, a reduction in premium may be granted for groups of two or more physicians based on the number of hours worked per week. The premium will be determined by the Company using the following guidelines.

Less than 20 hours per week	50% of Standard Premium
20 to 30 hours per week	75% of Standard Premium
More than 30 hours per week*	100% of Standard Premium

A separate limit of liability will apply to each part-time physician listed on the policy as an insured.

Continuous coverage may be provided for each part-time physician by charging a percentage of the mature claims-made rate, regardless of the applicable retroactive date. Attach Endorsement PPL 3-673 at the inception date of the policy.



In consideration of a reduced premium charge, coverage will be limited to professional services rendered for this part-time position only. Attach Endorsement PPL 3-674 at the inception date of the policy.

Part-time coverage availability will be restricted to hospital-based specialties. Exception may be granted for other specialties where acceptable documentation is available to justify part-time rating.

The Company may perform audits at the policy expiration date to verify the hours of each part-time physician. Any necessary premium adjustments will be made accordingly.

**Any physician working more than 30 hours per week is not considered a part-time physician and is not eligible for any of the conditions applicable to part-time physicians.*

L. CLAIMS-FREE DISCOUNT PROGRAM

1. ELIGIBILITY/INELIGIBILITY

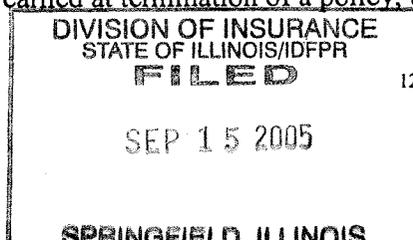
Any insured or prospective insured who has been claims free may submit certification of such for consideration. If the Company determines that the proof is acceptable, the insured or applicant will become eligible.

Certain exceptions will result in ineligibility for the discount. These exceptions include:

- a. New insureds who were previously uninsured or self-insured, or who have had a lapse in coverage (due to proof problems and lack of objective payment records).
- b. Eligibility for the Experience Rating Program.
- c. Eligibility for other loss exposure related discounts such as moonlighting part-timers, semi-retirees, new doctors and full-time teaching physicians.

2. PROGRAM PROCEDURES

- a. Number of claims-free years is defined as the number of continuous twelve-month policy periods prior to the effective date of the subject coverage period in which no claims have been filed. Claims-free years are not intended to include periods while insureds were full-time residents, interns or fellows.
- b. Proof may be established by certification by the insured and/or underwriting investigation. The Company reserves the right to disallow the discount until satisfactory proof has been provided to the Company. If proof is not provided in the subject policy year, the discount will not be granted in that policy year. The Company may also disallow the discount if three or more claims with indemnity payments of any amount have been paid in the latest four years prior to the subject coverage period.
- c. After initially establishing proof of the claims-free years applicable, each renewal insured will advance in loss-free years as long as the requirements in a. and b. above are met.
- d. The number of years in practice should not include any periods of time the physician was insured as a moonlight intern, resident or fellow.
- e. The discount will be applied to the subject policy issued or renewed. No discount is earned at termination of a policy, unless the policy is renewing.



**RATING PROGRAM SUPPORT DATA
CLAIMS-FREE DISCOUNT TABLE**

Years in Practice	Number of Claims-Free Years*									
	1	2	3	4	5	6	7	8	9	10+
0	0%	0%	1%	2%	3%	4%	5%	7%	8%	10%
1	0%	1%	1%	2%	3%	5%	6%	8%	9%	11%
2	0%	1%	2%	3%	4%	5%	7%	8%	10%	11%
3	0%	2%	3%	4%	5%	6%	8%	9%	11%	12%
4	0%	3%	4%	5%	6%	7%	8%	10%	11%	13%
5	3%	3%	4%	5%	6%	8%	9%	11%	12%	14%
6	3%	4%	5%	6%	7%	8%	10%	11%	13%	14%
7	4%	4%	6%	7%	8%	9%	11%	12%	14%	15%
8	4%	5%	6%	8%	9%	10%	11%	13%	14%	15%
9	5%	6%	7%	8%	9%	11%	12%	14%	15%	15%
10+	5%	6%	8%	9%	10%	11%	13%	14%	15%	15%

* Refer to rule for definition and application of claims-free discount.

M. ALLIED HEALTH CARE PROFESSIONAL LIABILITY

Allied Health Care Professionals who are employed by a Named Insured Physician or Surgeon may be added to the Physicians' and Surgeons' Comprehensive Liability Policy – Claims-Made as Additional Named Insureds. For shared limits with physician/surgeon or corporation, apply a credit of 25%. For separate limits of liability, attach Endorsement PPL 3-676.

See Classification Table, Miscellaneous Medical Classification Codes.

N. PREMIUM PAYMENT PLANS

Policyholders may pay their total policy premiums using one of the following payment plans:

1. Payment in Full Plan

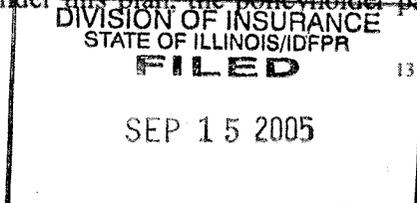
Policyholders may elect to pay the total policy premium on or before the policy effective date.

2. Sixty Day Installment Plan

Policyholders have the option of paying in three installments. The first installment of 34% is due on the effective date of the policy. The second and third payments of 33% are due 30 and 60 days, respectively, after the effective date of the policy.

3. Quarterly Installment Plan

Policyholders with premiums of \$500 or more may elect a quarterly installment plan. Under this plan, the policyholder pays 25% of the total policy premium at the policy



effective date. The balance of the total policy premium will be payable in three equal payments which will be due 90, 180 and 270 days, respectively, after the policy effective date.

Interest charges and/or Installment fees do not apply.

Additional premium resulting from changes to the policy, excluding any extension of a reporting period, shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

Premium as a result of an extension of a reporting period is due in full prior to the issuance of the Reporting Endorsement (PPL 3-665-IL).

O. AGENT'S COMMISSION

If the agent's commission rate differs from that underlying the manual rates, the commission load is adjusted by multiplying the manual rates by an amount equal to one minus the underlying commission rate then dividing by an amount equal to one minus the agent's commission rate.

P. PHYSICIANS LEGAL EXPENSE REIMBURSEMENT

Mandatory endorsement to add coverage for legal expense reimbursement of \$15,000 incurred by insured(s) in connection with professional disciplinary proceedings or lawsuits alleging Medicaid/Medicare fraud and abuse.

(This rule does not apply to any physician employed or contracted [on a 1099 basis] by a hospital.)

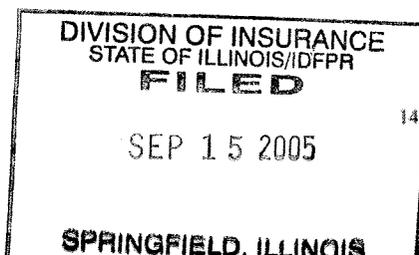
Attach Endorsement PPL 3-663.

Q. PREMIUM DISCOUNT

Apply a premium size discount of 5% to premium in excess of \$10,000 at policy inception.

R. CONSENT TO SETTLE

On request of individually insured physicians or surgeons, at the option of the Company, and for an additional premium charge of 10% a policy may be endorsed to provide that claims will not be settled without the permission of the insured.



MEDICAL LIABILITY ALLIANCE

MEDICAL PROFESSIONAL LIABILITY – PHYSICIANS AND SURGEONS RATES

CLAIMS-MADE
BASE RATE \$100,000/\$300,000

STATE: ILLINOIS
TERRITORY: 1
EFFECTIVE: 09-15-2005

SEVERITY CODE	YEAR CLAIMS-MADE				
	1	2	3	4	5
1A	\$2,985	\$5,155	\$7,507	\$8,140	\$9,044
1B	3,454	5,966	8,688	9,420	10,467
1C	4,394	7,589	11,051	11,983	13,314
1	4,864	8,401	12,233	13,265	14,739
2	5,568	9,618	14,005	15,187	16,874
3A	6,038	10,429	15,187	16,467	18,297
3	6,508	11,240	16,368	17,748	19,720
4A	6,743	11,646	16,959	18,389	20,432
4	7,682	13,270	19,322	20,952	23,280
5A	9,210	15,909	23,165	25,119	27,910
5	10,115	17,472	25,442	27,588	30,653
6A	11,473	19,817	28,856	31,290	34,767
6	15,543	26,853	39,101	42,399	47,110
7A	16,904	29,198	42,516	46,102	51,224
7B	20,524	35,451	51,621	55,975	62,194
7	22,334	38,577	56,174	60,911	67,679
8	25,050	43,268	63,004	68,317	75,908
9	37,268	64,372	93,735	101,641	112,934

Territory 1: Counties of St Clair & Madison



MEDICAL LIABILITY ALLIANCE

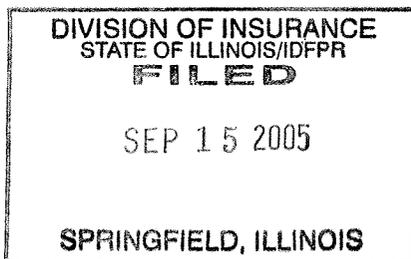
MEDICAL PROFESSIONAL LIABILITY – PHYSICIANS AND SURGEONS RATES

**CLAIMS-MADE
BASE RATE \$100,000/\$300,000**

STATE: ILLINOIS
TERRITORY: 2
EFFECTIVE: 09-15-2005

SEVERITY CODE	YEAR CLAIMS-MADE				
	1	2	3	4	5
1A	\$2,703	\$4,668	\$6,798	\$7,371	\$8,190
1B	3,125	5,398	7,860	8,523	9,470
1C	3,971	6,859	9,988	10,831	12,034
1	4,394	7,589	11,051	11,983	13,314
2	5,028	8,685	12,646	13,712	15,236
3A	5,451	9,415	13,710	14,866	16,518
3	5,873	10,145	14,772	16,018	17,798
4A	6,085	10,511	15,305	16,596	18,440
4	6,931	11,971	17,432	18,902	21,002
5A	8,306	14,346	20,890	22,652	25,169
5	9,120	15,753	22,939	24,873	27,637
6A	10,342	17,863	26,011	28,205	31,339
6	14,008	24,195	35,232	38,203	42,448
7A	15,229	26,305	38,304	41,534	46,149
7B	18,488	31,934	46,500	50,422	56,024
7	20,117	34,747	50,597	54,864	60,960
8	22,560	38,968	56,743	61,529	68,365
9	33,557	57,962	84,401	91,519	101,688

Territory 2: County of Jackson



MEDICAL LIABILITY ALLIANCE

MEDICAL PROFESSIONAL LIABILITY – PHYSICIANS AND SURGEONS RATES

**CLAIMS-MADE
BASE RATE \$100,000/\$300,000**

**STATE: ILLINOIS
TERRITORY: 3
EFFECTIVE: 09-15-2005**

SEVERITY CODE	YEAR CLAIMS-MADE				
	1	2	3	4	5
1A	\$2,139	\$3,695	\$5,380	\$5,834	\$6,482
1B	2,468	4,262	6,207	6,730	7,478
1C	3,125	5,398	7,860	8,523	9,470
1	3,454	5,966	8,688	9,420	10,467
2	3,947	6,818	9,928	10,766	11,962
3A	4,276	7,386	10,755	11,662	12,958
3	4,605	7,955	11,583	12,560	13,956
4A	4,769	8,238	11,996	13,008	14,453
4	5,427	9,374	13,650	14,801	16,446
5A	6,495	11,219	16,337	17,715	19,683
5	7,129	12,313	17,930	19,442	21,602
6A	8,079	13,955	20,321	22,035	24,483
6	10,930	18,879	27,490	29,809	33,121
7A	11,881	20,521	29,882	32,402	36,002
7B	14,415	24,898	36,255	39,313	43,681
7	15,682	27,087	39,442	42,769	47,521
8	17,583	30,370	44,223	47,953	53,281
9	26,135	45,143	65,734	71,278	79,198

Territory 3: County of Randolph and Ogle



MEDICAL LIABILITY ALLIANCE

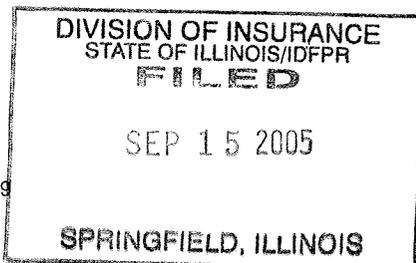
MEDICAL PROFESSIONAL LIABILITY – PHYSICIANS AND SURGEONS RATES

CLAIMS-MADE
BASE RATE \$100,000/\$300,000

STATE: ILLINOIS
TERRITORY: 4
EFFECTIVE: 09-15-2005

SEVERITY CODE	YEAR CLAIMS-MADE				
	1	2	3	4	5
1A	\$1,575	\$2,721	\$3,962	\$4,296	\$4,773
1B	1,810	3,127	4,553	4,937	5,486
1C	2,280	3,938	5,734	6,218	6,909
1	2,515	4,344	6,325	6,859	7,621
2	2,867	4,952	7,211	7,819	8,688
3A	3,102	5,358	7,802	8,460	9,400
3	3,337	5,764	8,393	9,101	10,112
4A	3,454	5,966	8,688	9,420	10,467
4	3,924	6,778	9,870	10,702	11,891
5A	4,685	8,093	11,784	12,778	14,198
5	5,138	8,874	12,922	14,012	15,569
6A	5,817	10,047	14,630	15,863	17,626
6	7,853	13,564	19,751	21,416	23,796
7A	8,531	14,736	21,458	23,268	25,853
7B	10,342	17,863	26,011	28,205	31,339
7	11,247	19,427	28,289	30,675	34,083
8	12,605	21,772	31,703	34,376	38,196
9	18,714	32,324	47,068	51,037	56,708

Territory 4: Counties of Adams, Alexander, Bond, Brown, Calhoun, Carroll, Clinton, Greene, Hancock, Henderson, Henry, Jersey, Jo Daviess, Johnson, Lee, Macoupin, McDonough, Mercer, Monroe, Perry, Pike, Pulaski, Rock Island, Schuyler, Scott, Stephenson, Union, Warren, Washington, Whiteside, and Williamson



MEDICAL LIABILITY ALLIANCE

MEDICAL PROFESSIONAL LIABILITY – PHYSICIANS AND SURGEONS RATES

INCREASED LIMITS FACTORS

The factors below shall apply to the \$100,000/\$300,000 Physicians' and Surgeons' base rate.

PHYSICIANS - Severity Codes 1A - 4:	
Limits of Liability	Increased Limits Factor
\$100,000/\$300,000	1.000
\$200,000/\$600,000	1.420
\$500,000/\$1,000,000	1.750
\$500,000/\$1,500,000	1.780
\$1,000,000/\$1,000,000	2.000
\$1,000,000/\$2,000,000	2.060
\$1,000,000/\$3,000,000	2.100

SURGEONS - Severity Codes 5A - 8:	
Limits of Liability	Increased Limits Factor
\$100,000/\$300,000	1.000
\$200,000/\$600,000	1.440
\$500,000/\$1,000,000	1.830
\$500,000/\$1,500,000	1.860
\$1,000,000/\$1,000,000	2.080
\$1,000,000/\$2,000,000	2.130
\$1,000,000/\$3,000,000	2.180

Interpolation will be used to determine limits in between those listed above.
Refer to Company for higher limits.



MEDICAL LIABILITY ALLIANCE
 PHYSICIANS' AND SURGEONS' LIABILITY
 CLAIMS-MADE
 CLASSIFICATION TABLE

SPECIALTY	MLA	INT CDE	ISO	SEVERITY NO.
Aerospace Medicine	80230		80230	1B
Allergy	80254		80254	1A
Anesthesiology	80151		80151	4A
This classification applies to all general practitioners or specialist who perform general anesthesia or acupuncture anesthesia.				
Broncho - Esophagology	80101		80101	4
Cardiovascular Disease - Minor Surgery	80281		80281	5
Cardiovascular Disease - No Surgery	80255		80255	1
Dermatology - Minor Surgery	80282		80282	2
Dermatology - No Surgery	80256		80256	1B
Diabetes - Minor Surgery	80271		80271	2
Diabetes - No Surgery	80237		80237	1
Emergency Medicine - Including Major Surgery	80157		80157	6
This classification applies to any general practitioner or specialist primarily engaged in emergency practice at a clinic, hospital or rescue facility who performs major surgery.				
Emergency Medicine - No Major Surgery	80102		80102	5
This classification applies to any general practitioner or specialist primarily engaged in emergency practice at a clinic, hospital or rescue facility who does not perform major surgery.				
Endocrinology - Minor Surgery	80272		80272	3
Endocrinology - No Surgery	80238		80238	1B
Family Physicians or General Practitioners - Minor Surgery - Including Obstetrical Procedures	80421		80421	5
Family Physicians or General Practitioners - Minor Surgery - No Obstetrical Procedures	80423	*	80421	2
Family Physicians or General Practitioners - No Surgery	80420		80420	1
Forensic Medicine	80240		80240	1A
Gastroenterology - Minor Surgery	80274		80274	4
Gastroenterology - No Surgery	80241		80241	2
General Preventive Medicine - No Surgery	80231		80231	1A
Geriatrics - Minor Surgery	80276		80276	2
Geriatrics - No Surgery	80243		80243	1A
Gynecology - Minor Surgery	80277		80277	3
Gynecology - No Surgery	80244		80244	1
Hematology - Minor Surgery	80278		80278	3
Hematology - No Surgery	80245		80245	1
Hypnosis	80232		80232	1A
Infectious Diseases - Minor Surgery	80279		80279	3
Infectious Diseases - No Surgery	80246		80246	1

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MEDICAL LIABILITY ALLIANCE
 PHYSICIANS' AND SURGEONS' LIABILITY
 CLAIMS-MADE
 CLASSIFICATION TABLE

SPECIALTY	MLA	* INT CDE	ISO	SEVERITY NO.
Intensive Care Medicine This classification applies to any general practitioner or specialist employed in an intensive care hospital unit.	80283		80283	2
Internal Medicine - Minor Surgery	80284		80284	4
Internal Medicine - No Surgery	80257		80257	3A
Laryngology - Minor Surgery	80285		80285	2
Laryngology - No Surgery	80258		80258	1B
Legal Medicine	80240		80240	1A
Neoplastic Diseases - Minor Surgery	80286		80286	2
Neoplastic Diseases - No Surgery	80259		80259	1B
Nephrology - Minor Surgery	80287		80287	3
Nephrology - No Surgery	80260		80260	1
Neurology - Including Child - Minor Surgery	80288		80288	4
Neurology - Including Child - No Surgery	80261		80261	3
Nuclear Medicine	80262		80262	1
Nutrition	80248		80248	1A
Occupational Medicine	80233		80233	1A
Ophthalmology - Minor Surgery	80289		80289	3
Ophthalmology - No Surgery	80263		80263	1B
Otology - Minor Surgery	80290		80290	2
Otology - No Surgery	80264		80264	1B
Otorhinolaryngology - Minor Surgery	80291		80291	4
Otorhinolaryngology - No Surgery	80265		80265	1A
Pathology - Minor Surgery	80292		80292	1B
Pathology - No Surgery	80266		80266	1A
Pediatrics - Minor Surgery	80293		80293	4
Pediatrics - No Surgery	80267		80267	1C
Pharmacology - Clinical	80234		80234	1A
Physiatry	80235		80235	1A
Physical Medicine & Rehabilitation	80235		80235	1A
Physicians - Minor Surgery This is an N.O.C. classification	80294		80294	2
Physicians - No Major Surgery This classification applies to all general practitioners or specialists, except those performing major surgery, anesthesiology or acupuncture anesthesiology, who perform any of the following medical techniques or procedures: Acupuncture - other than acupuncture anesthesia Angiography Anteriography	80437 80422 80455	 *	80437 80422 80422	2 2 2



MEDICAL LIABILITY ALLIANCE
 PHYSICIANS' AND SURGEONS' LIABILITY
 CLAIMS-MADE
 CLASSIFICATION TABLE

SPECIALTY	MLA	* INT CDE	ISO	SEVERITY NO.
Catheterization - arterial, cardiac, or diagnostic - other than (1) the occasional emergency insertion of pulmonary wedge pressure recording catheters or temporary pacemakers, (2) urethral catheterization or (3) umbilical cord catheterization for monitoring blood gases in newborns receiving oxygen.	80456	*	80422	2
Discograms	80428		80428	2
Lasers - used in therapy	80425		80425	2
Lymphangiography	80434		80434	2
Myelography	80429	*	80428	2
Phlebography	80435	*	80434	2
Rneumonencephalography	80430	*	80428	2
Radiation therapy	80426	*	80425	2
Shock therapy	80431		80431	2
Physicians - No Major Surgery This classification applies to all general practitioners or specialists, except those performing major surgery, anesthesiology or acupuncture anesthesiology, who perform any of the following medical techniques or procedures:				
Colonoscopy	80443		80443	2
ERCP (endoscopic retrograde cholangiopancreatography)	80444	*	80443	2
Needle Biopsy - including lung and prostate, but not including liver, kidney, or bone marrow biopsy.	80446		80446	2
Pneumatic or mechanical esophageal dilation (not with bougie or olive).	80445	*	80443	2
Radiopaque Dye - injections into blood vessels, lymphatics, sinus tracts or fistulae (not applicable to Radiologist (Code 80280)).	80449		80449	2
Physicians - No Surgery This is an N.O.C. classification.	80268		80268	1B



MEDICAL LIABILITY ALLIANCE
 PHYSICIANS' AND SURGEONS' LIABILITY
 CLAIMS-MADE
 CLASSIFICATION TABLE

SPECIALTY	MLA	* INT CDE	ISO	SEVERITY NO.
Psychiatry - Including Child	80249		80249	1B
Psychoanalysis	80250		80250	1B
Psychosomatic Medicine	80251		80251	1B
Public Health	80236		80236	1A
Pulmonary Diseases - No Surgery	80269		80269	3
Radiology - Diagnostic - Minor Surgery	80280		80280	4
This classification includes radiopaque dye injections into blood vessels, lymphatics, sinus tracts, or fistulae.				
Radiology - Diagnostic - No Surgery	80253		80253	3
Rheumatology - No Surgery	80252		80252	1B
Rhinology - Minor Surgery	80270		80270	2
Rhinology - No Surgery	80247		80247	1A
Surgery - Abdominal	80166		80166	6A
Surgery - Cardiac	80141		80141	6
Surgery - Cardiovascular Disease	80150		80150	6
Surgery - Colon and Rectal	80115		80115	5
Surgery - Endocrinology	80103		80103	4
Surgery - Gastroenterology	80104		80104	4
Surgery - General	80143		80143	6
This is an N.O.C. classification. This classification does not apply to any general practitioner or specialist who occasionally performs major surgery.				
Surgery - General Practice or Family - not primarily engaged in major surgery	80117		80117	4
Surgery - Geriatrics	80105		80105	4
Surgery - Gynecology	80167		80167	6A
Surgery - Hand	80169		80169	6A
Surgery - Head and Neck	80170		80170	6A
Surgery - Laryngology	80106		80106	4
Surgery - Neoplastic	80107		80107	4
Surgery - Nephrology	80108		80108	4
Surgery - Neurology - Including Child	80152		80152	9
Surgery - Obstetrics	80168		80168	7
Surgery - Obstetrics - Gynecology	80153		80153	7
Surgery - Ophthalmology	80114		80114	2
Surgery - Orthopedic - Excluding Spinal Procedures	80154		80154	7B
Surgery - Orthopedic - Including Spinal Procedures	81154	*	80154	8
Surgery - Otology	80158		80158	4
This classification does not apply to general practitioners or specialists performing plastic surgery.				

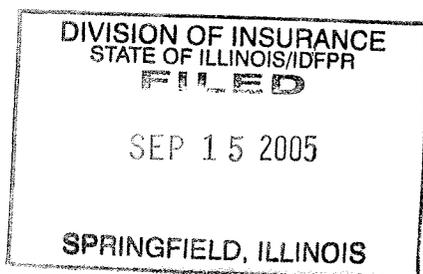
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SPRINGFIELD, ILLINOIS

MEDICAL LIABILITY ALLIANCE
 PHYSICIANS' AND SURGEONS' LIABILITY
 CLAIMS-MADE
 CLASSIFICATION TABLE

SPECIALTY	MLA	* INT CDE	ISO	SEVERITY NO.
Surgery - Otorhinolaryngology This classification does not apply to general practitioners or specialists performing plastic surgery.	80159		80159	5
Surgery - Plastic - Includes Performance of Liposuction This is an N.O.C. classification.	80156		80156	7A
Surgery - Plastic - Otorhinolaryngology	80155		80155	6A
Surgery - Rhinology	80160		80160	4
Surgery - Thoracic	80144		80144	7
Surgery - Traumatic	80171		80171	7
Surgery - Urological	80145		80145	5A
Surgery - Vascular	80146		80146	7
Urgent Care Physicians This classification applies to any general practitioner or specialist providing immediate care in an outpatient clinic advertised as urgent care, emergi care, etc., but not involving emergency practice. Similar practice in a hospital setting or that accepts ambulance service, shall be considered emergency medicine.	80424	*	80268	1B
Interns, Residents and Full-Time Teaching Physicians and Surgeons: Code numbers for Interns, Residents and Full-Time Teaching Physicians and Surgeons are the same as code numbers for Allopathic Physicians and Surgeons except the second digit shall be a six rather than a zero For Osteopathic Interns, Residents and Full-Time Teaching Physicians and Surgeons, the code numbers are the same as for Allopathic Physicians and Surgeons except the second digit shall be an eight rather than a zero.				

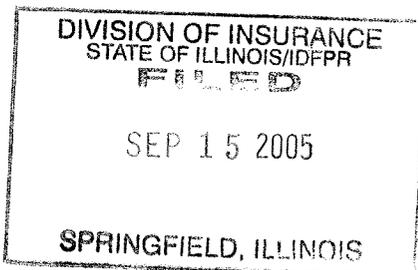


**MEDICAL LIABILITY ALLIANCE
 PHYSICIANS & SURGEONS COMPREHENSIVE LIABILITY - CLAIMS-MADE
 CLASSIFICATION TABLE
 MISCELLANEOUS MEDICAL CLASSIFICATION CODES**

<i>Classification</i>	<i>Code Number</i>	<i>Severity Number</i>
Physicians' or Surgeons' Assistant	75033	1
Advance Practice Nurse	75015	1
Certified Nurse Midwife	75013	7
Cytologist	89999	1
Certified Registered Nurse Anesthetist With on-site supervision.	75011	5A
Certified Registered Nurse Anesthetist With no on-site supervision by Anesthesiologist	75043	5A
Dentist - General Dentistry	80211	1
Optometrist	75022	1
Podiatrist - No Surgery	75036	1
Podiatrist - Major Surgery	75041	2

Multiply the following relativities times the corresponding Severity Code applicable to the Miscellaneous Medical Classification (use the rate column corresponding to the number of years retroactive date precedes policy expiration date).

75033	0.21
75015	0.21
75013	0.20
75011	0.12
75043	0.20
75022	0.05
75036	0.56
75041	0.92
80211	0.13
89999	0.13



MEDICAL LIABILITY ALLIANCE

PHYSICIANS' & SURGEONS' LIABILITY EXPERIENCE RATING PLAN

A. ELIGIBILITY

A physician group (the risk) shall be eligible for rating under this Plan if:

The Physician Group will develop \$100,000 or more of Professional Liability premium at \$100,000/\$300,000 limits for the exposures to be rated during the year to which the calculated experience modification is applicable.

B. RATING PROCEDURES

The experience modification for the risk for Physician Professional Liability shall be developed in accordance with the experience rating procedure described herein. Individual experience rating may be applied to risk which develop a separate limit of liability for physicians within the physician group and/or for individual physicians with a separate retroactive date, provided that the entire group meets the eligibility requirements.

C. EXPERIENCE USED

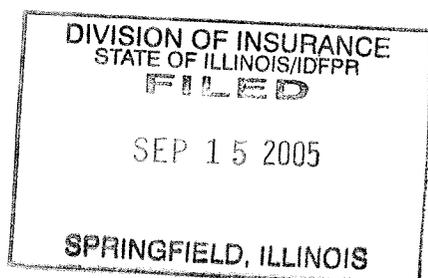
The experience modification shall be determined from the latest available five years claims-made experience incurred, excluding the most recent policy period. In the event that the experience for the full five-year period is not available, the total experience (subject to a minimum of one completed policy year) which is available shall be used in determining the experience modification.

D. DETERMINATION OF EXPERIENCE MODIFICATION

- 1) **EXPERIENCE PERIOD PREMIUM** – Determine the \$100,000/\$300,000 limits for annual manual premiums for the policy being rated. The policy being rated is the policy to which the experience modification will apply. The annual manual premium for a given year of the experience period is the premium calculated above for the policy being rated multiplied by the appropriate detrend factor of Table A.

The sum of the annual manual premium for the years included in the experience period is the premium subject to rating. If the actual exposures of the risk have been subject to a dramatic change during or since the experience period, the annual premium may be adjusted for each year of the experience period to reflect such change.

- 2) **LOSSES SUBJECT TO EXPERIENCE RATING** – The losses to be included in the rating shall be paid and outstanding losses and allocated claim expenses for each year in the experience period. The indemnity amount per claim is limited to \$100,000.



E. ACTUAL LOSS RATIO

The actual loss ratio for the risk shall be determined by dividing the LOSSES SUBJECT TO EXPERIENCE RATING (from D.2)) by the EXPERIENCE PERIOD PREMIUM(from D.1)).

F. EXPECTED LOSS RATIO

The expected loss ratio (ELR) for the risk is 70.0% for all risks.

G. CREDIBILITY

The credibility (Z) factor for the risk is obtained by the following formula:

$$C = [P/(P+K)] \times .40$$

Where P = Total Subject Premium

and K = Constant (defined as \$839,167)

The credibility factor shall be rounded to three decimal places.

H. EXPERIENCE MODIFICATION

- 1) If the actual loss ratio (ALR) is less than the expected loss (ELR) for the risk, the experience modification is a credit which shall be determined as follows:

$$\frac{ELR-ALR}{ELR} \times Z = \text{Experience Credit} \\ \text{(Maximum .20)}$$

- 2) If the actual loss ratio (ALR) is greater than the expected loss ratio (ELR) for the risk, the experience modification is a debit which shall be determined as follows:

$$\frac{ALR-ELR}{ELR} \times Z = \text{Experience Debit} \\ \text{(Maximum .20)}$$

- 3) In addition to any experience modification, a rate modification reflecting specified characteristics of the risk may be applied to manual rates in accordance with the Independent Physicians & Surgeons Manual.

The credit or debit factor under this plan should be applied to the modified premium at purchased limits of coverage to determine final premium to be charged.



Table A

PHYSICIANS PROFESSIONAL LIABILITY EXPERIENCE RATING PLAN

DETREND FACTORS

- I. Detrend factors to be applied to each year of the experience period are to be determined from the following Table A based on the number of years the experience precedes the year of the policy being rated.

Example:

Policy being rated for year 1996

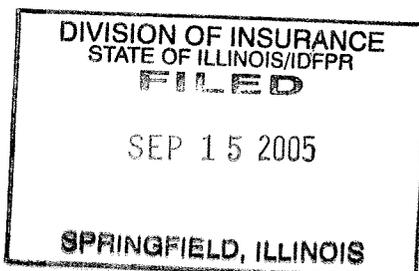
Experience Year 1994

Factor selected from Table A for year two (1996-1994) = .840

- II. Detrend factors

Table A

Number of Years Experience Year Precedes Rating Year	Detrend Factor
1	.890
2	.840
3	.792
4	.747
5	.705



MEDICAL LIABILITY ALLIANCE

ILLINOIS

PREMIUM CALCULATION GUIDELINES FOR EXTENDED REPORTING ENDORSEMENTS

Extended Reporting Endorsement for one insured leaving a group/practice policy or a solo physician terminating his/her coverage:

An Extended Reporting Endorsement quote may be requested from MLA when one physician is leaving a practice. Apply the multiplier shown in the chart below based on the individual insured's loss ratio.

Extended Reporting Endorsement for Entire Practice:

When an Extended Reporting Endorsement quote is requested for a group policy, apply the multiplier shown in the chart below based on the practice's loss ratio.

Loss Ratio (Excluding closed claims with no Indemnity Payment)	Reporting Endorsement Multiplier
0 – 80%	2
81 – 100%	3
101 – 200%	4
201 – 1000%	5
> 1000%	6

Effective: September 15, 2005

