NCMIC Insurance Company

A member of NCMIC Group, Inc.
NCMIC Insurance Company
NCMIC Finance Corporation
Professional Solutions Insurance Company
NCMIC Insurance Services

14001 University Avenue, Clive, Iowa 50325-8258
Local 515-313-4500 Toll-Free 800-247-8043
Mailing Address: P.O. Box 9118, Des Moines, Iowa 50306-9118
Claims Reporting Line: 800-242-4052

RECEIVED
MAR 10 2008
IDFPR (MPC)
DIVISION OF INSURANCE
SPRINGFIELD

FILED
JUL 01 2008
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

March 6, 2008

Illinois Department of Insurance
Attn: Property and Casualty Compliance Unit
320 West Washington Street
Springfield, IL 62767

RE: NCMIC Insurance Company
FEIN: 42-0635534
NAIC Number: 15865
RATE/RULE **Chiropractic Medical Malpractice Rule Filing**
Filing Number: 2008 Prestige Rules
Proposed Effective Date: 6/1/08 New Business & Renewals

To Whom It May Concern:

NCMIC Insurance Company (NCMIC) currently has on file with the Illinois Division of Insurance a claims made and occurrence professional liability rating manual for our chiropractic malpractice program. Under separate cover, NCMIC has submitted an endorsement filing. Attached here, please find the corresponding rating manual which has been amended to include updated rules for the new and revised endorsements. Please note that no changes have been made to the base rates, increase limits factors or claims made step factors that are currently on file. In comparison to the currently approved rating manual, the substantive changes are as follows:

- We have replaced the word "free" with the phrase "at no additional charge" under the Basic Reporting Extension section on page 9 and under Items 5 and 6 of the Illinois Extended Reporting Endorsement section on pages 11-12.
- We have updated the Illinois Extended Reporting Endorsement edition date on page 9.
- We have updated the rating manual language regarding the calculation of tail coverage under item 4 on page 11 to match the language contained on page 9. Please note that this is only a wording change and that we have not changed the way we calculate extended reporting.
- We have removed the phrase "to apply to individuals total policy premium" under the Claims Free Discount section on page 13 because the first paragraph under this section already explains the application of the discount.
- We have updated the edition date of the Temporary Leave of Absence Endorsement and Illinois Active Military Duty Endorsement on pages 16-17, and we have added a sentence to clarify that the suspension of coverage does not apply to any professional entities.
- We have added the new Delegation of Certain Policy Rights Endorsement on page 17.
- We have added the new Dual License – Massage Therapy Endorsement on page 17

I-O
MEM
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Please see the attached side-by-side rating manual comparison which details all the changes being made.

Our actuaries did not conduct a rate study in support of this filing as it was not warranted due to the minor changes being made. In addition, this filing does not impair the previous rate state study performed by Milliman in our filing ADV Rate 2004. Enclosed, please find a certification signed by our Chief Financial Officer certifying that appropriate consideration has been given to the applicable factors specified in 215 ILCS 5/155.18.

Please note that NCMIC gathers and reports statistics to the National Independent Statistical Service (NISS).

If you have any questions or require any additional information regarding this filing please, feel free to contact me directly. I thank you in advance for your attention to this matter.

Sincerely,

Juli Frank

Juliana Frank
Lead Compliance Analyst
PH: (800) 321-7015 Ext. 4557
FX: (515) 313-4476
Email: jfrank@ncmic.com

Certification Form

Certification of: NCMIC Insurance Company

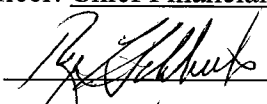
Filing being certified: 2008 Prestige Rules

Proposed effective date: 06/01/2008

I, Roger Schlueter, Chief Financial Officer, certify that appropriate consideration has been given in this filing to the applicable factors specified in 215 ILCS 5/155.18(3) of the Illinois Insurance Code. I am authorized to certify on behalf of NCMIC Insurance Company 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.

Name of officer: Roger Schlueter

Title of officer: Chief Financial Officer

Signature: 

Date: 3/6/08

Insurance Company FEIN 42-0635534 Filing Number 2008 Prestige Rules

Insurer's Address 14001 University Avenue

City Clive State Iowa Zip Code 50325-8258

Contact Person's:
-Name and E-mail Juli Frank, Lead Compliance Analyst jfrank@ncmic.com

-Direct Telephone and Fax Number 800-321-7015 ext. 4557 Fax: 515-313-4476

Neuman, Gayle

From: Juli Frank [JFrank@ncmic.com]
Sent: Monday, January 25, 2010 8:29 AM
To: Neuman, Gayle
Subject: RE: NCMIC Filing #2008 Prestige Rules

NCMIC put the filing into effect on 7/1/08.

Thanks,
Juli

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Monday, January 25, 2010 8:28 AM
To: Juli Frank
Subject: FW: NCMIC Filing #2008 Prestige Rules

Ms. Frank,

I just noticed your January 6, 2010 e-mail that indicate the filing was put into effect on 7/1/08. Please clarify if the effective date is 6/1/08 or 7/1/08.

Gayle Neuman
Department of Insurance

From: Neuman, Gayle
Sent: Monday, January 25, 2010 8:24 AM
To: 'Juli Frank'
Subject: RE: NCMIC Filing #2008 Prestige Rules

Ms. Frank,

Thank you for the information in your response. Therefore, we can file this entire submission as of June 1, 2008.

Gayle Neuman
Department of Insurance

From: Juli Frank [mailto:JFrank@ncmic.com]
Sent: Friday, January 22, 2010 11:14 AM
To: Neuman, Gayle
Subject: RE: NCMIC Filing #2008 Prestige Rules

Dear Ms. Neuman,

NCMIC has not applied any schedule rating debits to any Illinois insured, so changing the breadth of the schedule rating debits from 40% to 25% does not affect any policyholders in Illinois.

Thanks,

Juliana Frank

Compliance Manager
NCMIC Group, Inc.
Tel: (800) 321-7015 Ext. 4557
Fax: (515) 313-4476
Email: jfrank@ncmic.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Friday, January 22, 2010 10:29 AM
To: Juli Frank
Subject: NCMIC Filing #2008 Prestige Rules

Ms. Frank,

We are aware that this filing was originally submitted with a requested effective date of June 1, 2008.

During the actuarial review, changes for the schedule credits and debits were submitted. We do not allow two effective dates for one filing. To conclude this filing with a filed effective date of June 1, 2008, we would require NCMIC rerate all policies pursuant to the changes for the schedule credis and debits as of June 1, 2008 and provide the number of policyholders affected, the amounts of refunds ($0 - $99, $100 - $199, $200 - $299, etc.), and provide a copy of the letter that was or will be sent to the policyholders acknowledging such changes.

Your prompt response is appreciated.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

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Neuman, Gayle

From: Neuman, Gayle
Sent: Wednesday, January 06, 2010 2:21 PM
To: 'Juli Frank'
Subject: RE: NCMIC Filing #2008 Prestige Rules

Ms. Frank,

I am reviewing the final copy of the manual placed in the filing. It appears this filing also shows changes that were made in filing #2008 Chiro Rev Rule that was submitted in November, 2008. Therefore, I question what the actual effective date would be. Please advise.

Gayle Neuman
Department of Insurance

From: Juli Frank [mailto:JFrank@ncmic.com]
Sent: Wednesday, January 06, 2010 7:38 AM
To: Neuman, Gayle
Subject: RE: NCMIC Filing #2008 Prestige Rules

The filing was put into effect on 7/1/08.

Thanks,

Juliana Frank
Compliance Manager
NCMIC Group, Inc.
Tel: (800) 321-7015 Ext. 4557
Fax: (515) 313-4476
Email: jfrank@ncmic.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, January 06, 2010 7:34 AM
To: Juli Frank
Subject: NCMIC Filing #2008 Prestige Rules

Ms. Frank,

The Department has now completed its review of the filing referenced above. The Director signed off on this filing on January 4, 2010. Originally,
NCMIC requested the filing be effective June 1, 2008. Was the filing put in effect on June 1, 2008 or do you wish to use some other effective date? Your prompt response is appreciated.

Gayle Neuman
Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

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NCMIC Insurance Company may utilize the following schedule of debits to modify the premiums for certain insureds reflecting the unique exposure present in these risks. These insureds qualify for schedule rating because of factors not contemplated in the filed rate structure of the company.

The maximum debit to be applied to recognize risk characteristics that are not reflected in an otherwise applicable rate is 40%. Any debits assigned under this plan are subject to annual review. All premium modifications will be noted and documented in the individual insured's file with any premium credit and/or debit having the approval of the Underwriting Department.

NCMIC Insurance Company will modify premiums giving consideration to the following exposure characteristics and rating characteristics of a risk:

	CREDIT	DEBIT
Unusual risk characteristics (Member of multidisciplinary group, multiple professional discipline or board complaints, loss of license)	XXXX	40%
Claim history debit (Based on underwriting review of frequency and severity of the insured's claims history)	XXXX	40%

Section IV – Extended Reporting Coverages For Claims Made Coverage

Basic Reporting Extension

This allows, under a claims made policy, for the reporting of claims arising from a medical incident which occurs on or after the retroactive date and prior to the end of the policy period. The extended reporting coverage is for sixty (60) days after the expiration of the policy. This coverage is provided at no additional charge. The 60-day Basic Extended Reporting Period does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Illinois Extended Reporting Endorsement (Tail Coverage) Form 14CM-2005 07/07

If a claims made policy is canceled or non-renewed for any reason including non-payment of premium whether by the company or at the insured's request, the named insured may elect to have an endorsement issued providing an extended reporting period upon payment of an additional charge as follows:

Tail factors apply to mature claims made expiring annual premium.

Number of Years Since Retro Date	Tail Factor (Factor to apply to mature claims made expiring annual premium)
1	0.654
2	0.975

1 or 2 or 3 or 4+ years

Mature claims made base premium		$3,129
Tail factor for 1 year	x	0.654
Extended Reporting Period Premium 1 yr.	=	$2,046.00

d. Count the remaining number of days left until the policy termination date.

1-1-05 to 3-28-05 is 87 days.

e. Pro-rate the remaining number of days to the policy cancellation date.

Partial year rates will be interpolated using the actual number of days covered on a claims made basis.

The calculation requires first determining the premium for two full year of tail coverage.

Mature claims made base premium		$3,129
Tail factor for 2 years	x	0.975
Extended Reporting Period Premium 2 yrs.	=	$3,051.00

Calculation:

Extended Reporting Period Premium 2 yrs. ($3,051.00) – Extended Reporting Period Premium 1 yr. ($2,046.00) = $1,005.00

Number of days	87
Number of days in year	365

f. Calculate: (87 / 365) x $1005.00 = $240.00

Extended Reporting Period Premium 1 yr. $2,046.00 + $240.00 = $2,286.00

4. Tail coverage is priced at the rules and rates in effect at policy termination.

5. Tail coverage is provided at no additional charge if a doctor dies and will be provided to the insured's estate upon notification of the insured's death. Tail coverage is provided at no additional charge if a doctor becomes permanently disabled and can no longer practice as a chiropractor. Tail coverage is provided at no additional charge if a doctor retires from practice after five (5) years of continuous coverage under the NCMIC claims made policy and is at least 55 years old. The endorsement will date back to the current claims made policy retroactive date.

Side-by-Side Rating Manual Comparison

Attached please find a comparison of NCMIC Insurance Company's currently approved chiropractic malpractice rating manual and its revised rating manual. All information that has been deleted from the currently approved manual has a **~~red line through it~~** and all new information that has been added to the new proposed manual is <u>underlined in **blue**</u>.

To see where the changes are, please scroll down.

Illinois Claims Made and Occurrence Chiropractic Professional Liability Manual

For

NCMIC Insurance Company

Illinois Claims Made and Occurrence Chiropractic Professional Liability Manual

For

NCMIC Insurance Company

Section I – General Information Applying to Both Claims Made and Occurrence Policies

Policies

NCMIC markets two types of policies identified below:

1. Claims Made (Form CM2006 05/06)
2. Occurrence (Form MP2006 05/06)

Insureds

NCMIC has two types of insureds. The two types of insureds are listed below:

1. Individual chiropractor (DC)
2. Professional Entities

Policy Period

The policy period shall be for a one-year term.

Minimum Premium

NCMIC does not have a minimum premium requirement.

Waiver of Additional Premiums

Additional premiums, up to $10.00, for endorsements effective subsequent to the inception date of the policy will be waived.

Whole Dollar Premium Rounding Rule

All premiums are rounded to the nearest whole dollar.

Territorial Definitions

The location of the practice determines the territory. If more than one location of practice exists, rate in the territory where doctor has at least 51% of his/her practice. If the doctor does not have 51% of his/her practice in a single territory, then rate in the territory in which the doctor has the greatest percentage of his practice. If multiple territories have equal percentage of practice, then rate in the higher rated territory.

Premium Payment Options

Annual payment option – Full premium payment required.

Semi-Annual payment option – 50% of premium payment required along with $5.00 installment fee.

Section I – General Information Applying to Both Claims Made and Occurrence Policies

Policies

NCMIC markets two types of policies identified below:

1. Claims Made (Form CM2006 05/06)
2. Occurrence (Form MP2006 05/06)

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Premium Payment Options

Annual payment option – Full premium payment required.

Semi-Annual payment option – 50% of premium payment required along with $5.00 installment fee.

Quarterly payment option – 25% of premium payment required along with $5.00 installment fee with the remaining payments of 25% each due at 3, 6 and 9 months after policy inception. This option is only available for premiums equal to or greater than $500.00.

Monthly payment option through premium finance – 15% of premium payment required for down payment, only available for premiums equal to or greater than $750.00.

There is no interest charged for utilizing the premium payment options. Additional premiums for policy changes occurring during the current policy period shall be computed pro rata of the annual premium. If there are no remaining installments, additional premium resulting from changes in coverage may be due immediately as a separate transaction.

Renewals

A policy may be continued for successive terms upon payment of the required premium to the company on or before the inception date of each successive term. The continuation premium shall be based upon the premium in effect on renewal date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy period shall be computed pro rata of the annual premium.

Cancellation

A policy may be canceled by the insured by mailing to the Company written notice stating when such cancellation shall be effective. This policy will remain in full force and effect until its regular anniversary unless the policy is canceled sooner by the Company or the insured.

Premium Refund

If a policy cancels for any reason during the policy term, the insured will receive a pro-rata refund.

If an insured switches from our occurrence policy to our claims made policy, any refund will be computed pro-rata.

Section II – Underwriting Criteria

The following underwriting criteria are to be considered in the underwriting review and acceptance of our insureds:

1. Fully and permanently licensed in the state(s) of practice.

2. Criminal record.

3. Prior claims history:
   a. Severity of claim
   b. Indemnity paid

Quarterly payment option – 25% of premium payment required along with $5.00 installment fee with the remaining payments of 25% each due at 3, 6 and 9 months after policy inception. This option is only available for premiums equal to or greater than $500.00.

Monthly payment option through premium finance – 15% of premium payment required for down payment, only available for premiums equal to or greater than $750.00.

There is no interest charged for utilizing the premium payment options. Additional premiums for policy changes occurring during the current policy period shall be computed pro rata of the annual premium. If there are no remaining installments, additional premium resulting from changes in coverage may be due immediately as a separate transaction.

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A policy may be continued for successive terms upon payment of the required premium to the company on or before the inception date of each successive term. The continuation premium shall be based upon the premium in effect on renewal date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy period shall be computed pro rata of the annual premium.

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Section II – Underwriting Criteria

The following underwriting criteria are to be considered in the underwriting review and acceptance of our insureds:

1. Fully and permanently licensed in the state(s) of practice.

2. Criminal record.

3. Prior claims history:
   a. Severity of claim
   b. Indemnity paid

c. Date of claim
d. Frequency of Claim

4. Any possible current claims and/or incidents

5. Declined, canceled or refused renewal for coverage

6. Revocation, suspension or probation of license

7. Other Modalities

Section III – Premium Development

A. FORMULAS FOR CLAIMS MADE PREMIUM DEVELOPMENT

Listed below are the formulas used to determine a chiropractor's claims made policy premium.

STEP 1 – Calculate Base Premium

Base Rate

Base rate is our 100/300 limit of liability. The charges are: Territory 1- $2232.00
Territory 2- $2443.00
Territory 3- $2150.00

Territory 1 - Cook, DuPage, Lake, Will, Kendall, Kane and McHenry Counties
Territory 2 - Monroe, St. Clair, Madison, Clinton, Washington, Randolph and Jersey Counties
Territory 3 - Remainder of state

Base Premium Developed

Base Rate x ILF = Base Premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

ILFs (Increased Limits Factors)

200/600	1.159
250/750	1.215
500/1000	1.408
1000/3000	1.590
2000/4000	1.741

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

c. Date of claim
d. Frequency of Claim

4. Any possible current claims and/or incidents

5. Declined, canceled or refused renewal for coverage

6. Revocation, suspension or probation of license

7. Other Modalities

Section III – Premium Development

A. FORMULAS FOR CLAIMS MADE PREMIUM DEVELOPMENT

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Territory 1 - Cook, DuPage, Lake, Will, Kendall, Kane and McHenry Counties
Territory 2 - Monroe, St. Clair, Madison, Clinton, Washington, Randolph and Jersey Counties
Territory 3 - Remainder of state

Base Premium Developed

Base Rate x ILF = Base Premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

ILFs (Increased Limits Factors)

200/600	1.159
250/750	1.215
500/1000	1.408
1000/3000	1.590
2000/4000	1.741

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 2 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Base Premium

Base premium x (1-4 yr. or mature) retro factor = (1-4 yr. or mature) claims made base premium

Claims Made Premium Developed

The (1-4 yr. or mature) claims made premiums are then calculated by multiplying the base premium by the appropriate years (1-4 yr. or mature) retro factor. The retroactive date is the date of reference used to determine which retro factor is to apply. The following rules will apply:

Definition Retroactive Date – Date on a claims made liability policy which triggers the beginning period of insurance coverage. If the chiropractor is purchasing insurance for the first time, the retroactive date will be the effective date. Any claim made during the policy period will not be covered if the injury occurred before the retroactive date.

Eligibility for 1st year claims made rate – When a policy is written where the retroactive date and effective date are the same, we will multiply the first year claims made retro factor by the base premium.

Eligibility for 2nd year claims made rate – When a policy is written during the first calendar year after the retroactive date we will multiply the second year claims made retro factor by the base premium.

Eligibility for 3rd year claims made rate – When a policy is written during the second calendar year after the retroactive date, we will multiply the third year claims made retro factor by the base premium.

Eligibility for 4th year claims made rate – When a policy is written during the third calendar year after the retroactive date, we will multiply the fourth year claims made retro factor by the base premium.

Eligibility for Mature claims made rate – When a policy is written during the fourth calendar year after the retroactive date or anytime thereafter, we will use the mature claims made rate. The retro factor is 1.00.

Claims Made Rate Retro Factors

Maturity	Retro Factors
1	0.350
2	0.655
3	0.900
4	0.975
Mature	1.000

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 3 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Discounted Premium

STEP 2 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Base Premium

Base premium x (1-4 yr. or mature) retro factor = (1-4 yr. or mature) claims made base premium

Claims Made Premium Developed

The (1-4 yr. or mature) claims made premiums are then calculated by multiplying the base premium by the appropriate years (1-4 yr. or mature) retro factor. The retroactive date is the date of reference used to determine which retro factor is to apply. The following rules will apply:

Definition Retroactive Date – Date on a claims made liability policy which triggers the beginning period of insurance coverage. If the chiropractor is purchasing insurance for the first time, the retroactive date will be the effective date. Any claim made during the policy period will not be covered if the injury occurred before the retroactive date.

Eligibility for 1st year claims made rate – When a policy is written where the retroactive date and effective date are the same, we will multiply the first year claims made retro factor by the base premium.

Eligibility for 2nd year claims made rate – When a policy is written during the first calendar year after the retroactive date we will multiply the second year claims made retro factor by the base premium.

Eligibility for 3rd year claims made rate – When a policy is written during the second calendar year after the retroactive date, we will multiply the third year claims made retro factor by the base premium.

Eligibility for 4th year claims made rate – When a policy is written during the third calendar year after the retroactive date, we will multiply the fourth year claims made retro factor by the base premium.

Eligibility for Mature claims made rate – When a policy is written during the fourth calendar year after the retroactive date or anytime thereafter, we will use the mature claims made rate. The retro factor is 1.00.

Claims Made Rate Retro Factors

Maturity	Retro Factors
1	0.350
2	0.655
3	0.900
4	0.975
Mature	1.000

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 3 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Discounted Premium

Formula for Discounted Premium (Premium when any discounts apply)

(1-4 yr. or mature) claims made discounted premium = (1-4 yr. or mature) claims made base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Discount factors

Part-time	0.50
Semi-retired	0.50
Disabled	0.50
Faculty	0.50
1st Year Licensure	0.25
2nd Year Licensure	0.60
3rd Year Licensure	0.75
4th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = (1-4 yr. or mature) claims made base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

Professional Entity Coverage Premium Developed

Professional Entity coverage premium = (1-4 yr. or mature) claims made base premium x Professional Entity factor

Professional Entity factors

Shared limit of liability	No charge
Shared limit of liability with MD/DO Exposure	0.55 per entity
Separate limit of liability	.20 for the first entity .05 for each additional entity
Separate limit of liability with MD/DO Exposure	2.20 for the first entity 0.55 for each additional entity

Professional Entities added mid-term are to be pro-rated

Formula for Discounted Premium (Premium when any discounts apply)

(1-4 yr. or mature) claims made discounted premium = (1-4 yr. or mature) claims made base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Discount factors

Part-time	0.50
Semi-retired	0.50
Disabled	0.50
Faculty	0.50
1st Year Licensure	0.25
2nd Year Licensure	0.60
3rd Year Licensure	0.75
4th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = (1-4 yr. or mature) claims made base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

Professional Entity Coverage Premium Developed

Professional Entity coverage premium = (1-4 yr. or mature) claims made base premium x Professional Entity factor

Professional Entity factors

Shared limit of liability	No charge
Shared limit of liability with MD/DO Exposure	0.55 per entity
Separate limit of liability	.20 for the first entity .05 for each additional entity
Separate limit of liability with MD/DO Exposure	2.20 for the first entity 0.55 for each additional entity

Professional Entities added mid-term are to be pro-rated

Claims Made Discounted Premium with Endorsements

Formula: (1-4 yr. or mature) claims made discounted premium + endorsement premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

B. FORMULAS FOR OCCURRENCE PREMIUM DEVELOPMENT

Listed below are the formulas used to determine a chiropractor's occurrence policy premium.

STEP 1 – Calculate Base Premium

Base Rate

Base rate is our 100/300 limit of liability. The charges are: Territory 1 - $2290.00
Territory 2 - $2545.00
Territory 3 - $2239.00

Territory 1 - Cook, DuPage, Lake, Will, Kendall, Kane and McHenry Counties
Territory 2 - Monroe, St. Clair, Madison, Clinton, Washington, Randolph and Jersey Counties
Territory 3 - Remainder of state

Base Premium Developed

Base Rate x ILF = Base premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

~~ILF's~~ (Increased limits factors)

200/600	1.159
250/750	1.215
500/1000	1.408
1000/3000	1.590
2000/4000	1.741

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 2 – Calculate Occurrence Discounted Premium

Formula for Discounted Premium (Premium when discounts apply)

Occurrence Discounted Premium = base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Claims Made Discounted Premium with Endorsements

Formula: (1-4 yr. or mature) claims made discounted premium + endorsement premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

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Formula for Discounted Premium (Premium when discounts apply)

Occurrence Discounted Premium = base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Discounts factors

Part-Time	0.50
Semi-Retired	0.50
Disabled	0.50
Faculty	0.50
1st Year Licensure	0.25
2nd Year Licensure	0.60
3rd Year Licensure	0.75
4th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

Professional Entity coverage premium developed

Professional Entity coverage premium = base premium x professional entity coverage factor

Professional Entity Factors

Shared limit of liability	No charge
Shared limit of liability with MD/DO Exposure	0.55 per entity
Separate limit of liability	.20 for the first entity .05 for each additional entity
Separate limit of liability with MD/DO Exposure	2.20 for the first entity 0.55 for each additional entity

Professional Entities added mid-term are to be pro-rated.

Occurrence Discounted Premium with Endorsements

Formula: Occurrence discounted premium + endorsement premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

C. SCHEDULE RATING APPLICABLE TO BOTH CLAIMS MADE AND OCCURRENCE COVERAGES

Discounts factors

Part-Time	0.50
Semi-Retired	0.50
Disabled	0.50
Faculty	0.50
1st Year Licensure	0.25
2nd Year Licensure	0.60
3rd Year Licensure	0.75
4th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

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Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

C. SCHEDULE RATING APPLICABLE TO BOTH CLAIMS MADE AND OCCURRENCE COVERAGES

NCMIC Insurance Company may utilize the following schedule of debits to modify the premiums for certain insureds reflecting the unique exposure present in these risks. These insureds qualify for schedule rating because of factors not contemplated in the filed rate structure of the company.

The maximum debit to be applied to recognize risk characteristics that are not reflected in an otherwise applicable rate is 40%. Any debits assigned under this plan are subject to annual review. All premium modifications will be noted and documented in the individual insured's file with any premium credit and/or debit having the approval of the Underwriting Department.

NCMIC Insurance Company will modify premiums giving consideration to the following exposure characteristics and rating characteristics of a risk:

	CREDIT	DEBIT
Unusual risk characteristics (Member of multidisciplinary group, multiple professional discipline or board complaints, loss of license)	XXXX	40%
Claim history debit (Based on underwriting review of frequency and severity of the insured's claims history)	XXXX	40%

Section IV – Extended Reporting Coverages For Claims Made Coverage

Basic Reporting Extension

This allows, under a claims made policy, for the reporting of claims arising from a medical incident which occurs on or after the retroactive date and prior to the end of the policy period. The extended reporting coverage is for sixty (60) days after the expiration of the policy. This coverage is provided ~~free of~~ charge. The 60-day Basic Extended Reporting Period does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Illinois Extended Reporting Endorsement (Tail Coverage) Form 14CM-2005 ~~04~~07

If a claims made policy is canceled or non-renewed for any reason including non-payment of premium whether by the company or at the insured's request, the named insured may elect to have an endorsement issued providing an extended reporting period upon payment of an additional charge as follows:

Tail factors apply to mature claims made expiring annual premium.

Number of Years Since Retro Date	Tail Factor (Factor to apply to mature claims made expiring annual premium)
1	0.654
2	0.975

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Number of Years Since Retro Date	Tail Factor (Factor to apply to mature claims made expiring annual premium)
1	0.654
2	0.975

3	1.062
4	1.082

Definition of Tail Coverage – This term has been used to describe the exposure that exists between the retroactive date and expiration date of the policy and the coverage that may be purchased to cover that exposure. On "claims made" forms, tail coverage may be purchased to extend the period for reporting covered claims beyond the policy period.

Extended Reporting Endorsement (Tail Coverage)

Tail Coverage Rules:

1. Purchase of tail coverage must be within sixty (60) days after the cancellation or expiration of the insured's NCMIC claims made policy.
   Example:
   Policy expires 6-1-05. The extended reporting endorsement (tail coverage) must be purchased by 7-30-05.

2. The extended reporting endorsement (tail coverage) will never be written to be effective before the insured's most recent NCMIC claims made policy retroactive date.
   Example:
   The insured's claims made policy retroactive date is 7-1-05 and expiration date is 10-1-05. The extended reporting endorsement (tail coverage) charged at the first year tail coverage rate would be written to cover the time period from 7-1-05 to 10-1-05.

3. The extended reporting endorsement (tail coverage) will be pro-rated for partial years.
   Example:
   An insured has a malpractice insurance policy with us issued with a $1,000,000/$3,000,000 limit of liability. The insured has a retroactive date of 1-1-04 and the insurance policy is canceled with us on 3-28-05. The charge for the insured's tail coverage premium has been computed below.

   a. You first must determine how many days between the retroactive date and the cancellation effective date.
   b. Determine the MATURE claims made base premium for the policy limits the chiropractor is requesting to purchase.

The calculation is as follows:

Base rate $1,788 x (Increased limits factor) 1.75 = mature claims made base premium $3,129.00.

   c. Determine how many years, or days, the retroactive date is from the policy termination (cancellation or expiration) date.

Retroactive date 1-1-04 to full year policy renewal date of 1-1-05.

3	1.062
4	1.082

Definition of Tail Coverage – This term has been used to describe the exposure that exists between the retroactive date and expiration date of the policy and the coverage that may be purchased to cover that exposure. On "claims made" forms, tail coverage may be purchased to extend the period for reporting covered claims beyond the policy period.

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The calculation is as follows:

Base rate $1,788 x (Increased limits factor) 1.75 = mature claims made base premium $3,129.00.

   c. Determine how many years, or days, the retroactive date is from the policy termination (cancellation or expiration) date.

Retroactive date 1-1-04 to full year policy renewal date of 1-1-05.

1 or 2 or 3 or 4+ years

Mature claims made base premium		$3,129
Tail factor for 1 year	x	0.654
Extended Reporting Period Premium 1 yr.	=	$2,046.00

d. Count the remaining number of days left until the policy termination date.

1-1-05 to 3-28-05 is 87 days.

e. Pro-rate the remaining number of days to the policy cancellation date.

Partial year rates will be interpolated using the actual number of days covered on a claims made basis.

The calculation requires first determining the premium for two full year of tail coverage.

Mature claims made base premium		$3,129
Tail factor for 2 years	x	0.975
Extended Reporting Period Premium 2 yrs.	=	$3,051.00

Calculation:

Extended Reporting Period Premium 2 yrs. ($3,051.00) – Extended Reporting Period Premium 1 yr. ($2,046.00) = $1,005.00

Number of days	87
Number of days in year	365

f. Calculate: (87 / 365) x $1005.00 = $240.00

Extended Reporting Period Premium 1 yr. $2,046.00 + $240.00 = $2,286.00

4. Tail coverage is priced at the rules and rates in effect ~~as of the most recent effective date of the policy to which the extended reporting period endorsement is attached.~~

~~5. Tail coverage is free of~~ charge if a doctor dies and will be provided to the insured's estate upon notification of the insured's death. Tail coverage is ~~free of~~ charge if a doctor becomes permanently disabled and can no longer practice as a chiropractor. Tail coverage is ~~free of~~ charge if a doctor retires from practice after five (5) years of continuous coverage under the NCMIC claims made policy and is at least 55 years old. The endorsement will date back to the current claims made policy retroactive date.

1 or 2 or 3 or 4+ years

Mature claims made base premium		$3,129
Tail factor for 1 year	x	0.654
Extended Reporting Period Premium 1 yr.	=	$2,046.00

d. Count the remaining number of days left until the policy termination date.

1-1-05 to 3-28-05 is 87 days.

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Tail factor for 2 years	x	0.975
Extended Reporting Period Premium 2 yrs.	=	$3,051.00

Calculation:

Extended Reporting Period Premium 2 yrs. ($3,051.00) – Extended Reporting Period Premium 1 yr. ($2,046.00) = $1,005.00

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Number of days in year	365

f. Calculate: (87 / 365) x $1005.00 = $240.00

Extended Reporting Period Premium 1 yr. $2,046.00 + $240.00 = $2,286.00

4. Tail coverage is priced at the rules and rates in effect ~~at policy termination~~.

5. ~~Tail coverage is provided at no additional~~ charge if a doctor dies and will be provided to the insured's estate upon notification of the insured's death. Tail coverage is ~~provided at no additional~~ charge if a doctor becomes permanently disabled and can no longer practice as a chiropractor. Tail coverage is ~~provided at no additional~~ charge if a doctor retires from practice after five (5) years of continuous coverage under the NCMIC claims made policy and is at least 55 years old. The endorsement will date back to the current claims made policy retroactive date.

6. After ten (10) years of continuous coverage under the claims made policy, if the policy terminates for any reason, including non-payment of premium, the tail coverage will be ~~free of~~ charge.

Section V – Discounts
(Available for both claims made and occurrence policies)

New Practitioner Discounts Available:

License Date: NCMIC uses the license date as the reference date to be eligible for discounts. The license date is defined as the first date the chiropractor is eligible to practice chiropractic. We only use one date as the license date to reference discounts. The license date used to reference discounts is the first time a chiropractor ever becomes licensed to practice.

1. First Year Licensure Discount

Chiropractors who become licensed and are eligible to practice chiropractic for the first time shall be given a first year licensure discount of 75% of the filed and approved base premium. The insured's first licensure date must fall within 18 months of the insured's graduation date.

2. Second Year Licensure Discount

Chiropractors in their second year of practice after becoming licensed for the first time shall be given a second year licensure discount of 40% of the filed and approved base premium. The insured's first licensure date must fall within 30 months of the insured's graduation date.

3. Third Year Licensure Discount

Chiropractors in their third year of practice after becoming licensed for the first time shall be given a third year licensure discount of 25% of the filed and approved base premium. The insured's first licensure date must fall within 42 months of the insured's graduation date.

4. Fourth Year Licensure Discount

Chiropractors in their fourth year of practice after becoming licensed for the first time shall be given a fourth year licensure discount of 15% of the filed and approved base premium. The insured's first licensure date must fall within 54 months of the insured's graduation date.

Additional Discounts Available

1. Part -Time Discount

A chiropractor practicing 20 hours or less per week is eligible for a 50% discount of the approved base premium. The chiropractor must complete an application for part-time discount.

2. Semi – Retired Discount

6. After ten (10) years of continuous coverage under the claims made policy, if the policy terminates for any reason, including non-payment of premium, the tail coverage will be provided at no additional charge.

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4. Fourth Year Licensure Discount

Chiropractors in their fourth year of practice after becoming licensed for the first time shall be given a fourth year licensure discount of 15% of the filed and approved base premium. The insured's first licensure date must fall within 54 months of the insured's graduation date.

Additional Discounts Available

1. Part -Time Discount

A chiropractor practicing 20 hours or less per week is eligible for a 50% discount of the approved base premium. The chiropractor must complete an application for part-time discount.

2. Semi – Retired Discount

A chiropractor must be 55 years of age practicing 20 hours or less per week to become eligible for this discount. The discount is 50% of the approved base premium.

3. Faculty Discount

A chiropractor must work 20 hours or more at a chiropractic college and practice 20 hours or less per week to become eligible for this discount. The discount is 50% of the approved base premium.

4. Disabled Discount

A chiropractor must submit a physician's statement and practice 20 hours or less per week to become eligible for this discount. The discount is 50% of the approved base premium.

5. Claims Free Discount

We offer a 3% - 20% discount to chiropractors for their excellent claims free experience. The whole policy (all risks, corporations included) must be claims free to get the discount. The definition of claims free is $0 dollars indemnity and $15,000 or less LAE payments cumulative for the time period under review. The claims free discount will only be applied to the doctor's base premium.

The number of years insured with NCMIC without a claim will determine the discount. Please see below.

Number of years insured with NCMIC without a claim	Percentage discount ~~(to apply to individuals total policy premium)~~
Three full years with NCMIC claims free	3%
Four full years with NCMIC claims free	4%
Five full years with NCMIC claims free	5%
Six full years with NCMIC claims free	6%
Seven full years with NCMIC claims free	7%
Eight full years with NCMIC claims free	8%
Nine full years with NCMIC claims free	9%
Ten full years with NCMIC claims free	10%
Eleven full years with NCMIC claims free	11%
Twelve full years with NCMIC claims free	12%
Thirteen full years with NCMIC claims free	13%
Fourteen full years with NCMIC claims free	14%
Fifteen full years with NCMIC claims free	15%
Sixteen full years with NCMIC claims free	16%
Seventeen full years with NCMIC claims free	17%
Eighteen full years with NCMIC claims free	18%
Nineteen full years with NCMIC claims free	19%
Twenty or more full years with NCMIC claims free	20%

*Up to five (5) years of continuous claims free experience with another carrier will qualify for the NCMIC claims free discount.

A chiropractor must be 55 years of age practicing 20 hours or less per week to become eligible for this discount. The discount is 50% of the approved base premium.

3. Faculty Discount

A chiropractor must work 20 hours or more at a chiropractic college and practice 20 hours or less per week to become eligible for this discount. The discount is 50% of the approved base premium.

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Four full years with NCMIC claims free	4%
Five full years with NCMIC claims free	5%
Six full years with NCMIC claims free	6%
Seven full years with NCMIC claims free	7%
Eight full years with NCMIC claims free	8%
Nine full years with NCMIC claims free	9%
Ten full years with NCMIC claims free	10%
Eleven full years with NCMIC claims free	11%
Twelve full years with NCMIC claims free	12%
Thirteen full years with NCMIC claims free	13%
Fourteen full years with NCMIC claims free	14%
Fifteen full years with NCMIC claims free	15%
Sixteen full years with NCMIC claims free	16%
Seventeen full years with NCMIC claims free	17%
Eighteen full years with NCMIC claims free	18%
Nineteen full years with NCMIC claims free	19%
Twenty or more full years with NCMIC claims free	20%

*Up to five (5) years of continuous claims free experience with another carrier will qualify for the NCMIC claims free discount.

6. Risk Management Discount

We offer risk management discounts for insureds that complete NCMIC Board certified programs. The risk management discount will only be applied to the doctor's base premium. The maximum total risk management discount available per policy period is 15%. The discount will only be applied on the insured's renewal premium.

Maximum Discounts Available

The maximum risk management and claims free discounts that can be obtained are 35%. However, the maximum risk management and claims free discounts available for any insured who is also receiving a premium discount will be the actual risk management and claims free discounts (up to 35%) multiplied by percentage of discounted premium paid by the policyholder.

Example: Assume the full-time base rate is $1,500 and a doctor is receiving a faculty discount of 50%. Also assume the doctor is eligible for a 20% claims free discount and a 15% risk management discount. In this example, the maximum risk management and claims free discount this doctor is entitled to is 17.5%. Premium to be paid is calculated as follows:

$1,500 x .50 =	$750 (faculty base premium)
(20% + 15%) x .50 =	17.5% (total discounts allowed)
$750 x 17.5% =	131.25 (discount amount)
$750 – 131.25 =	$618.75 (premium to be paid)

Section VI – Coverage Options
(Available for both claims made and occurrence policy)

MUA Endorsement (Form 06-2007 05/06)

This endorsement provides coverage for manipulation or treatment, including adjustment, while a person is under anesthesia or sedation. The chiropractor must complete an application for manipulation under anesthesia. If the application is approved, an endorsement is added to the insured's policy. There is no charge for this coverage.

Illinois Professional Entity with MD/DO Exposure - Shared Limits of Liability Endorsement (Form 14CM-2006 04/07) and Professional Entity with MD/DO Exposure - Shared Limits of Liability Endorsement (Form 06-2002 05/06)

This endorsement provides a shared limit of liability for the insured chiropractor's professional entity. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

6. Risk Management Discount

We offer risk management discounts for insureds that complete NCMIC Board certified programs. The risk management discount will only be applied to the doctor's base premium. The maximum total risk management discount available per policy period is 15%. The discount will only be applied on the insured's renewal premium.

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The maximum risk management and claims free discounts that can be obtained are 35%. However, the maximum risk management and claims free discounts available for any insured who is also receiving a premium discount will be the actual risk management and claims free discounts (up to 35%) multiplied by percentage of discounted premium paid by the policyholder.

Example: Assume the full-time base rate is $1,500 and a doctor is receiving a faculty discount of 50%. Also assume the doctor is eligible for a 20% claims free discount and a 15% risk management discount. In this example, the maximum risk management and claims free discount this doctor is entitled to is 17.5%. Premium to be paid is calculated as follows:

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Section VI – Coverage Options
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This endorsement provides coverage for manipulation or treatment, including adjustment, while a person is under anesthesia or sedation. The chiropractor must complete an application for manipulation under anesthesia. If the application is approved, an endorsement is added to the insured's policy. There is no charge for this coverage.

Illinois Professional Entity with MD/DO Exposure - Shared Limits of Liability Endorsement (Form 14CM-2006 04/07) and Professional Entity with MD/DO Exposure - Shared Limits of Liability Endorsement (Form 06-2002 05/06)

This endorsement provides a shared limit of liability for the insured chiropractor's professional entity. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

The charge is 55% of the undiscounted base premium for corporation coverage with shared limits.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Illinois Professional Entity - Separate Limits of Liability Endorsement (Form 14CM-2007 04/07) and Professional Entity - Separate Limits of Liability Endorsement (Form 06-2004 05/06)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Person Insured" under the attached policy.

The charge is 20% of the undiscounted base premium for the first entity and 5% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Illinois Professional Entity with MD/DO Exposure - Separate Limits of Liability Endorsement (Form 14CM-2008 04/07) and Professional Entity with MD/DO Exposure - Separate Limits of Liability Endorsement (Form 06-2006 05/06)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

The charge is 220%of the undiscounted base premium for the first entity and 55% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Specialty, Procedure, Technique Exclusion Endorsement (Form 06-2012 05/06)

1. Excludes those procedures, techniques or specialties where a licensed health care provider has had their license revoked, suspended or surrendered or privileges restricted as a result of the performance of these procedures, techniques or specialties.
2. Excludes procedures, techniques or specialties that are experimental.
3. Excludes procedures, techniques or specialties where a health care provider is a high risk and has had poor loss experience.

The charge is 55% of the undiscounted base premium for corporation coverage with shared limits.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Illinois Professional Entity - Separate Limits of Liability Endorsement (Form 14CM-2007 04/07) and Professional Entity - Separate Limits of Liability Endorsement (Form 06-2004 05/06)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Person Insured" under the attached policy.

The charge is 20% of the undiscounted base premium for the first entity and 5% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Illinois Professional Entity with MD/DO Exposure - Separate Limits of Liability Endorsement (Form 14CM-2008 04/07) and Professional Entity with MD/DO Exposure - Separate Limits of Liability Endorsement (Form 06-2006 05/06)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

The charge is 220%of the undiscounted base premium for the first entity and 55% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Specialty, Procedure, Technique Exclusion Endorsement (Form 06-2012 05/06)

1. Excludes those procedures, techniques or specialties where a licensed health care provider has had their license revoked, suspended or surrendered or privileges restricted as a result of the performance of these procedures, techniques or specialties.
2. Excludes procedures, techniques or specialties that are experimental.
3. Excludes procedures, techniques or specialties where a health care provider is a high risk and has had poor loss experience.

Additional Insured Endorsement (Form 06-2010 05/06)

This optional endorsement provides coverage to any person or entity named on the endorsement for professional liability imputed to the person or entity solely for the professional negligence of an insured under the policy.

Acupuncture Endorsement (Form 06-2008 05/06)

This endorsement will add acupuncture to the list of professional services covered by the policy. Acupuncture coverage is only available in states where the scope of practice for chiropractors includes acupuncture services. An insured must apply for and be approved by underwriting prior to this endorsement becoming effective. There is no charge for this endorsement.

Amendatory Endorsement (Form 06-2009 05/06)

This endorsement may be utilized as a manuscript form to broaden, restrict or clarify coverage issues. The endorsement may also be utilized to clarify adjustments in rating.

Supplemental Legal Defense Endorsement (Form 06-2015 05/06 and Form 06-2016 05/06)

This endorsement provides for defense costs incurred by the insured in certain covered proceedings. There is coverage under this endorsement only when a covered proceeding arises on or after the retroactive date and the covered proceeding is initially instituted against the insured before the end of the policy period stated on the Declarations of this policy. We will pay up to $25,000 for defense costs incurred by the insured. Covered proceedings are limited to the following; State Disciplinary Proceedings, Federal Professional Review Organization Sanctions, Wrongful Billing and Related Proceedings, HIPAA and Privacy Related Proceedings and Civil Sexual Misconduct Allegations. There is no charge for this endorsement and it is subject to underwriting approval.

Temporary Leave of Absence Endorsement (Form 06-2017 ~~05/06 and Form 06-2018 05/06~~)

This endorsement allows an insured to suspend their policy for a minimum of 60 days and up to a maximum of 180 days. The insured may suspend their coverage for the following reasons; short term disability, maternity leave and any other reason pre-approved by NCMIC Insurance Company. This endorsement excludes from coverage any claim that results from an injury that occurred during the period of the leave of absence. This endorsement will provide a 90% discount for the period of the leave of absence.

Illinois Active Military Duty Endorsement (Form 14CM-2009 ~~04/07 and Form 14-2009 04/07~~)

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or

Additional Insured Endorsement (Form 06-2010 05/06)

This optional endorsement provides coverage to any person or entity named on the endorsement for professional liability imputed to the person or entity solely for the professional negligence of an insured under the policy.

Acupuncture Endorsement (Form 06-2008 05/06)

This endorsement will add acupuncture to the list of professional services covered by the policy. Acupuncture coverage is only available in states where the scope of practice for chiropractors includes acupuncture services. An insured must apply for and be approved by underwriting prior to this endorsement becoming effective. There is no charge for this endorsement.

Amendatory Endorsement (Form 06-2009 05/06)

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Supplemental Legal Defense Endorsement (Form 06-2015 05/06 and Form 06-2016 05/06)

This endorsement provides for defense costs incurred by the insured in certain covered proceedings. There is coverage under this endorsement only when a covered proceeding arises on or after the retroactive date and the covered proceeding is initially instituted against the insured before the end of the policy period stated on the Declarations of this policy. We will pay up to $25,000 for defense costs incurred by the insured. Covered proceedings are limited to the following; State Disciplinary Proceedings, Federal Professional Review Organization Sanctions, Wrongful Billing and Related Proceedings, HIPAA and Privacy Related Proceedings and Civil Sexual Misconduct Allegations. There is no charge for this endorsement and it is subject to underwriting approval.

Temporary Leave of Absence Endorsement (Form 06-2017 07/07 and Form 06-2018 07/07)

This endorsement allows an insured to suspend their policy for a minimum of 60 days and up to a maximum of 180 days. The insured may suspend their coverage for the following reasons; short term disability, maternity leave and any other reason pre-approved by NCMIC Insurance Company. This endorsement excludes from coverage any claim that results from an injury that occurred during the period of the leave of absence. This endorsement will provide a 90% discount for the period of the leave of absence. Suspension of coverage does not apply to any professional entities insured under the policy.

Illinois Active Military Duty Endorsement (Form 14CM-2009 07/07 and Form 14-2009 07/07)

omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military leave.

Employment Exclusion Endorsement (Form 06-2021 05/06 and Form 06-2022 05/06)

This endorsement excludes coverage for the supplying of or failure to supply professional services resulting from the insured's place of employment listed on the endorsement.

Dual License – Acupuncture – Oriental Medicine Endorsement (Form 06-2024 05/06)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice Acupuncture – Oriental medicine while acting within the scope of their license(s) and/or certifications. Additional application information will be required for approval. The charge for this endorsement is 5% of the base premium.

Dual License – Physical Therapy Endorsement (Form 06-2025 05/06)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice physical therapy while acting within the scope of their license(s) and/or certifications. Additional application information will be required for approval. There is no charge for this endorsement.

Section VII Coverage Options
(Available for Occurrence Policy Only)

Prior Acts Professional Liability Endorsement (Form 06-2013 05/06)

This endorsement provides coverage for chiropractors who change from a claims made policy to an occurrence policy and who do not purchase tail coverage. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date referenced in the endorsement will be covered. The factors listed below will be applied to the undiscounted occurrence premium at the applicable limit of liability in the state in which the claims made policy was issued.

Number of Years Since Retroactive Date	Prior Acts Factor
1	62.8%
2	93.6%
3	102%
4	103.9%

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military leave. Suspension of coverage does not apply to any professional entities insured under the policy.

Employment Exclusion Endorsement (Form 06-2021 05/06 and Form 06-2022 05/06)

This endorsement excludes coverage for the supplying of or failure to supply professional services resulting from the insured's place of employment listed on the endorsement.

Dual License – Acupuncture – Oriental Medicine Endorsement (Form 06-2024 05/06)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice Acupuncture – Oriental medicine while acting within the scope of their license(s) and/or certifications. Additional application information will be required for approval. The charge for this endorsement is 5% of the base premium.

Dual License – Physical Therapy Endorsement (Form 06-2025 05/06)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice physical therapy while acting within the scope of their license(s) and/or certifications. Additional application information will be required for approval. There is no charge for this endorsement.

Delegation of Certain Policy Rights Endorsement (Form 06-2026 04/07)

This optional endorsement allows an insured to delegate certain policy rights to his or her employer.

Dual License – Massage Therapy Endorsement (Form 06-2027 06/07)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice massage therapy while acting within the scope of their license(s) and/or certification(s). Additional application information will be required for approval. There is no charge for this endorsement.

Extern Endorsement (Form 06-2011 05/06)

This endorsement provides coverage for chiropractic college students who have graduated from chiropractic college, but who have not yet received a license to practice, i.e. externs. The extern must be under the direct supervision of a licensed chiropractor and must be acting within the scope of the applicable laws governing externs. The only limit of liability available for this endorsement is $100,000/$300,000. Coverage under this endorsement will terminate when the extern becomes licensed, the program terminates or one year from its effective date, whichever comes first. The charge for this endorsement will be 10% of the 100,000/300,000 occurrence premium in the state that the Extern Endorsement is issued in.

Section VII Coverage Options
(Available for Occurrence Policy Only)

Prior Acts Professional Liability Endorsement (Form 06-2013 05/06)

This endorsement provides coverage for chiropractors who change from a claims made policy to an occurrence policy and who do not purchase tail coverage. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date referenced in the endorsement will be covered. The factors listed below will be applied to the undiscounted occurrence premium at the applicable limit of liability in the state in which the claims made policy was issued.

Number of Years Since Retroactive Date	Prior Acts Factor
1	62.8%
2	93.6%
3	102%
4	103.9%

Extern Endorsement (Form 06-2011 05/06)

This endorsement provides coverage for chiropractic college students who have graduated from chiropractic college, but who have not yet received a license to practice, i.e. externs. The extern must be under the direct supervision of a licensed chiropractor and must be acting within the scope of the applicable laws governing externs. The only limit of liability available for this endorsement is $100,000/$300,000. Coverage under this endorsement will terminate when the extern becomes licensed, the program terminates or one year from its effective date, whichever comes first. The charge for this endorsement will be 10% of the 100,000/300,000 occurrence premium in the state that the Extern Endorsement is issued in.

Illinois Claims Made and Occurrence Chiropractic Professional Liability Manual

For

NCMIC Insurance Company

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Section I – General Information Applying to Both Claims Made and Occurrence Policies

Policies

NCMIC markets two types of policies identified below:

1. Claims Made (Form CM2006 05/06)
2. Occurrence (Form MP2006 05/06)

Insureds

NCMIC has two types of insureds. The two types of insureds are listed below:

1. Individual chiropractor (DC)
2. Professional Entities

Policy Period

The policy period shall be for a one-year term.

Minimum Premium

NCMIC does not have a minimum premium requirement.

Waiver of Additional Premiums

Additional premiums, up to $10.00, for endorsements effective subsequent to the inception date of the policy will be waived.

Whole Dollar Premium Rounding Rule

All premiums are rounded to the nearest whole dollar.

Territorial Definitions

The location of the practice determines the territory. If more than one location of practice exists, rate in the territory where doctor has at least 51% of his/her practice. If the doctor does not have 51% of his/her practice in a single territory, then rate in the territory in which the doctor has the greatest percentage of his practice. If multiple territories have equal percentage of practice, then rate in the higher rated territory.

Premium Payment Options

Annual payment option – Full premium payment required.

Semi-Annual payment option – 50% of premium payment required along with $5.00 installment fee.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Quarterly payment option – 25% of premium payment required along with $5.00 installment fee with the remaining payments of 25% each due at 3, 6 and 9 months after policy inception. This option is only available for premiums equal to or greater than $500.00.

Monthly payment option through premium finance – 15% of premium payment required for down payment, only available for premiums equal to or greater than $750.00.

There is no interest charged for utilizing the premium payment options. Additional premiums for policy changes occurring during the current policy period shall be computed pro rata of the annual premium. If there are no remaining installments, additional premium resulting from changes in coverage may be due immediately as a separate transaction.

Renewals

A policy may be continued for successive terms upon payment of the required premium to the company on or before the inception date of each successive term. The continuation premium shall be based upon the premium in effect on renewal date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy period shall be computed pro rata of the annual premium.

Cancellation

A policy may be canceled by the insured by mailing to the Company written notice stating when such cancellation shall be effective. This policy will remain in full force and effect until its regular anniversary unless the policy is canceled sooner by the Company or the insured.

Premium Refund

If a policy cancels for any reason during the policy term, the insured will receive a pro-rata refund.

If an insured switches from our occurrence policy to our claims made policy, any refund will be computed pro-rata.

Section II – Underwriting Criteria

The following underwriting criteria are to be considered in the underwriting review and acceptance of our insureds:

1. Fully and permanently licensed in the state(s) of practice.

2. Criminal record.

3. Prior claims history:
   a. Severity of claim
   b. Indemnity paid

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

c. Date of claim
d. Frequency of Claim

4. Any possible current claims and/or incidents

5. Declined, canceled or refused renewal for coverage

6. Revocation, suspension or probation of license

7. Other Modalities

Section III – Premium Development

A. FORMULAS FOR CLAIMS MADE PREMIUM DEVELOPMENT

Listed below are the formulas used to determine a chiropractor's claims made policy premium.

STEP 1 – Calculate Base Premium

Base Rate

Base rate is our 100/300 limit of liability. The charges are: Territory 1- $2232.00
Territory 2- $2443.00
Territory 3- $2150.00

Territory 1 - Cook, DuPage, Lake, Will, Kendall, Kane and McHenry Counties
Territory 2 - Monroe, St. Clair, Madison, Clinton, Washington, Randolph and Jersey Counties
Territory 3 - Remainder of state

Base Premium Developed

Base Rate x ILF = Base Premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

ILFs (Increased Limits Factors)

200/600	1.159
250/750	1.215
500/1000	1.408
1000/3000	1.590
2000/4000	1.741

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

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STATE OF ILLINOIS

STEP 2 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Base Premium

Base premium x (1-4 yr. or mature) retro factor = (1-4 yr. or mature) claims made base premium

Claims Made Premium Developed

The (1-4 yr. or mature) claims made premiums are then calculated by multiplying the base premium by the appropriate years (1-4 yr. or mature) retro factor. The retroactive date is the date of reference used to determine which retro factor is to apply. The following rules will apply:

Definition Retroactive Date – Date on a claims made liability policy which triggers the beginning period of insurance coverage. If the chiropractor is purchasing insurance for the first time, the retroactive date will be the effective date. Any claim made during the policy period will not be covered if the injury occurred before the retroactive date.

Eligibility for 1st year claims made rate – When a policy is written where the retroactive date and effective date are the same, we will multiply the first year claims made retro factor by the base premium.

Eligibility for 2nd year claims made rate – When a policy is written during the first calendar year after the retroactive date we will multiply the second year claims made retro factor by the base premium.

Eligibility for 3rd year claims made rate – When a policy is written during the second calendar year after the retroactive date, we will multiply the third year claims made retro factor by the base premium.

Eligibility for 4th year claims made rate – When a policy is written during the third calendar year after the retroactive date, we will multiply the fourth year claims made retro factor by the base premium.

Eligibility for Mature claims made rate – When a policy is written during the fourth calendar year after the retroactive date or anytime thereafter, we will use the mature claims made rate. The retro factor is 1.00.

Claims Made Rate Retro Factors

Maturity	Retro Factors
1	0.350
2	0.655
3	0.900
4	0.975
Mature	1.000

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 3 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Discounted Premium

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Formula for Discounted Premium (Premium when any discounts apply)

(1-4 yr. or mature) claims made discounted premium = (1-4 yr. or mature) claims made base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Discount factors

Part-time	0.50
Semi-retired	0.50
Disabled	0.50
Faculty	0.50
1st Year Licensure	0.25
2nd Year Licensure	0.60
3rd Year Licensure	0.75
4th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = (1-4 yr. or mature) claims made base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

Professional Entity Coverage Premium Developed

Professional Entity coverage premium = (1-4 yr. or mature) claims made base premium x Professional Entity factor

Professional Entity factors

Shared limit of liability	No charge
Shared limit of liability with MD/DO Exposure	0.55 per entity
Separate limit of liability	.20 for the first entity .05 for each additional entity
Separate limit of liability with MD/DO Exposure	2.20 for the first entity 0.55 for each additional entity

Professional Entities added mid-term are to be pro-rated

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE

Claims Made Discounted Premium with Endorsements

Formula: (1-4 yr. or mature) claims made discounted premium + endorsement premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

B. FORMULAS FOR OCCURRENCE PREMIUM DEVELOPMENT

Listed below are the formulas used to determine a chiropractor's occurrence policy premium.

STEP 1 – Calculate Base Premium

Base Rate

Base rate is our 100/300 limit of liability. The charges are: Territory 1 - $2290.00
Territory 2 - $2545.00
Territory 3 - $2239.00

Territory 1 - Cook, DuPage, Lake, Will, Kendall, Kane and McHenry Counties
Territory 2 - Monroe, St. Clair, Madison, Clinton, Washington, Randolph and Jersey Counties
Territory 3 - Remainder of state

Base Premium Developed

Base Rate x ILF = Base premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

ILFs (Increased limits factors)

200/600	1.159
250/750	1.215
500/1000	1.408
1000/3000	1.590
2000/4000	1.741

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 2 – Calculate Occurrence Discounted Premium

Formula for Discounted Premium (Premium when discounts apply)

Occurrence Discounted Premium = base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE

Discounts factors

Part-Time	0.50
Semi-Retired	0.50
Disabled	0.50
Faculty	0.50
1st Year Licensure	0.25
2nd Year Licensure	0.60
3rd Year Licensure	0.75
4th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

Professional Entity coverage premium developed

Professional Entity coverage premium = base premium x professional entity coverage factor

Professional Entity Factors

Shared limit of liability	No charge
Shared limit of liability with MD/DO Exposure	0.55 per entity
Separate limit of liability	.20 for the first entity .05 for each additional entity
Separate limit of liability with MD/DO Exposure	2.20 for the first entity 0.55 for each additional entity

Professional Entities added mid-term are to be pro-rated.

Occurrence Discounted Premium with Endorsements

Formula: Occurrence discounted premium + endorsement premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

C. SCHEDULE RATING APPLICABLE TO BOTH CLAIMS MADE AND OCCURRENCE COVERAGES

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DEPARTMENT OF INSURANCE

NCMIC Insurance Company may utilize the following schedule of debits to modify the premiums for certain insureds reflecting the unique exposure present in these risks. These insureds qualify for schedule rating because of factors not contemplated in the filed rate structure of the company.

The maximum debit to be applied to recognize risk characteristics that are not reflected in an otherwise applicable rate is 25%. Any debits assigned under this plan are subject to annual review. All premium modifications will be noted and documented in the individual insured's file with any premium credit and/or debit having the approval of the Underwriting Department.

NCMIC Insurance Company will modify premiums giving consideration to the following exposure characteristics and rating characteristics of a risk:

	CREDIT	DEBIT
Unusual risk characteristics (Member of multidisciplinary group, multiple professional discipline or board complaints, loss of license)	XXXX	25%
Claim history debit (Based on underwriting review of frequency and severity of the insured's claims history)	XXXX	25%

Section IV – Extended Reporting Coverages For Claims Made Coverage

Basic Reporting Extension

This allows, under a claims made policy, for the reporting of claims arising from a medical incident which occurs on or after the retroactive date and prior to the end of the policy period. The extended reporting coverage is for sixty (60) days after the expiration of the policy. This coverage is provided at no additional charge. The 60-day Basic Extended Reporting Period does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Illinois Extended Reporting Endorsement (Tail Coverage) Form 14CM-2005 07/07

If a claims made policy is canceled or non-renewed for any reason including non-payment of premium whether by the company or at the insured's request, the named insured may elect to have an endorsement issued providing an extended reporting period upon payment of an additional charge as follows:

Tail factors apply to mature claims made expiring annual premium.

Number of Years Since Retro Date	Tail Factor (Factor to apply to mature claims made expiring annual premium)
1	0.654
2	0.975

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

3	1.062
4	1.082

Definition of Tail Coverage – This term has been used to describe the exposure that exists between the retroactive date and expiration date of the policy and the coverage that may be purchased to cover that exposure. On "claims made" forms, tail coverage may be purchased to extend the period for reporting covered claims beyond the policy period.

Extended Reporting Endorsement (Tail Coverage)

Tail Coverage Rules:

1. Purchase of tail coverage must be within sixty (60) days after the cancellation or expiration of the insured's NCMIC claims made policy.
   Example:
   Policy expires 6-1-05. The extended reporting endorsement (tail coverage) must be purchased by 7-30-05.

2. The extended reporting endorsement (tail coverage) will never be written to be effective before the insured's most recent NCMIC claims made policy retroactive date.
   Example:
   The insured's claims made policy retroactive date is 7-1-05 and expiration date is 10-1-05. The extended reporting endorsement (tail coverage) charged at the first year tail coverage rate would be written to cover the time period from 7-1-05 to 10-1-05.

3. The extended reporting endorsement (tail coverage) will be pro-rated for partial years.
   Example:
   An insured has a malpractice insurance policy with us issued with a $1,000,000/$3,000,000 limit of liability. The insured has a retroactive date of 1-1-04 and the insurance policy is canceled with us on 3-28-05. The charge for the insured's tail coverage premium has been computed below.

   a. You first must determine how many days between the retroactive date and the cancellation effective date.
   b. Determine the MATURE claims made base premium for the policy limits the chiropractor is requesting to purchase.

The calculation is as follows:

Base rate $1,788 x (Increased limits factor) 1.75 = mature claims made base premium $3,129.00.

   c. Determine how many years, or days, the retroactive date is from the policy termination (cancellation or expiration) date.

Retroactive date 1-1-04 to full year policy renewal date of 1-1-05.

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JUL 01 2008

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

1 or 2 or 3 or 4+ years

Mature claims made base premium		$3,129
Tail factor for 1 year	x	0.654
Extended Reporting Period Premium 1 yr.	=	$2,046.00

d. Count the remaining number of days left until the policy termination date.

1-1-05 to 3-28-05 is 87 days.

e. Pro-rate the remaining number of days to the policy cancellation date.

Partial year rates will be interpolated using the actual number of days covered on a claims made basis.

The calculation requires first determining the premium for two full year of tail coverage.

Mature claims made base premium		$3,129
Tail factor for 2 years	x	0.975
Extended Reporting Period Premium 2 yrs.	=	$3,051.00

Calculation:

Extended Reporting Period Premium 2 yrs. ($3,051.00) – Extended Reporting Period Premium 1 yr. ($2,046.00) = $1,005.00

Number of days	87
Number of days in year	365

f. Calculate: (87 / 365) x $1005.00 = $240.00

Extended Reporting Period Premium 1 yr. $2,046.00 + $240.00 = $2,286.00

4. Tail coverage is priced as a factor of the mature claims made expiring annual premium.

5. Tail coverage is provided at no additional charge if a doctor dies and will be provided to the insured's estate upon notification of the insured's death. Tail coverage is provided at no additional charge if a doctor becomes permanently disabled and can no longer practice as a chiropractor. Tail coverage is provided at no additional charge if a doctor retires from practice after five (5) years of continuous coverage under the NCMIC claims made policy and is at least 55 years old. The endorsement will date back to the current claims made policy retroactive date.

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JUL 01 2008

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

6. After ten (10) years of continuous coverage under the claims made policy, if the policy terminates for any reason, including non-payment of premium, the tail coverage will be provided at no additional charge.

Section V – Discounts
(Available for both claims made and occurrence policies)

New Practitioner Discounts Available:

License Date: NCMIC uses the license date as the reference date to be eligible for discounts. The license date is defined as the first date the chiropractor is eligible to practice chiropractic. We only use one date as the license date to reference discounts. The license date used to reference discounts is the first time a chiropractor ever becomes licensed to practice.

1. First Year Licensure Discount

Chiropractors who become licensed and are eligible to practice chiropractic for the first time shall be given a first year licensure discount of 75% of the filed and approved base premium. The insured's first licensure date must fall within 18 months of the insured's graduation date.

2. Second Year Licensure Discount

Chiropractors in their second year of practice after becoming licensed for the first time shall be given a second year licensure discount of 40% of the filed and approved base premium. The insured's first licensure date must fall within 30 months of the insured's graduation date.

3. Third Year Licensure Discount

Chiropractors in their third year of practice after becoming licensed for the first time shall be given a third year licensure discount of 25% of the filed and approved base premium. The insured's first licensure date must fall within 42 months of the insured's graduation date.

4. Fourth Year Licensure Discount

Chiropractors in their fourth year of practice after becoming licensed for the first time shall be given a fourth year licensure discount of 15% of the filed and approved base premium. The insured's first licensure date must fall within 54 months of the insured's graduation date.

Additional Discounts Available

1. Part -Time Discount

A chiropractor practicing 20 hours or less per week is eligible for a 50% discount of the approved base premium. The chiropractor must complete an application for part-time discount.

2. Semi – Retired Discount

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JUL 01 2008
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE

A chiropractor must be 55 years of age practicing 20 hours or less per week to become eligible for this discount. The discount is 50% of the approved base premium.

3. Faculty Discount

A chiropractor must work 20 hours or more at a chiropractic college and practice 20 hours or less per week to become eligible for this discount. The discount is 50% of the approved base premium.

4. Disabled Discount

A chiropractor must submit a physician's statement and practice 20 hours or less per week to become eligible for this discount. The discount is 50% of the approved base premium.

5. Claims Free Discount

We offer a 3% - 20% discount to chiropractors for their excellent claims free experience. The whole policy (all risks, corporations included) must be claims free to get the discount. The definition of claims free is $0 dollars indemnity and $15,000 or less LAE payments cumulative for the time period under review. The claims free discount will only be applied to the doctor's base premium.

The number of years insured with NCMIC without a claim will determine the discount. Please see below.

Number of years insured with NCMIC without a claim	Percentage discount
Three full years with NCMIC claims free	3%
Four full years with NCMIC claims free	4%
Five full years with NCMIC claims free	5%
Six full years with NCMIC claims free	6%
Seven full years with NCMIC claims free	7%
Eight full years with NCMIC claims free	8%
Nine full years with NCMIC claims free	9%
Ten full years with NCMIC claims free	10%
Eleven full years with NCMIC claims free	11%
Twelve full years with NCMIC claims free	12%
Thirteen full years with NCMIC claims free	13%
Fourteen full years with NCMIC claims free	14%
Fifteen full years with NCMIC claims free	15%
Sixteen full years with NCMIC claims free	16%
Seventeen full years with NCMIC claims free	17%
Eighteen full years with NCMIC claims free	18%
Nineteen full years with NCMIC claims free	19%
Twenty or more full years with NCMIC claims free	20%

*Up to five (5) years of continuous claims free experience with another carrier will qualify for the NCMIC claims free discount.

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JUL 01 2008

STATE OF ILLINOIS

6. Risk Management Discount

We offer risk management discounts for insureds that complete NCMIC Board certified programs. The risk management discount will only be applied to the doctor's base premium. The maximum total risk management discount available per policy period is 15%. The discount will only be applied on the insured's renewal premium.

Maximum Discounts Available

The maximum risk management and claims free discounts that can be obtained are 35%. However, the maximum risk management and claims free discounts available for any insured who is also receiving a premium discount will be the actual risk management and claims free discounts (up to 35%) multiplied by percentage of discounted premium paid by the policyholder.

Example: Assume the full-time base rate is $1,500 and a doctor is receiving a faculty discount of 50%. Also assume the doctor is eligible for a 20% claims free discount and a 15% risk management discount. In this example, the maximum risk management and claims free discount this doctor is entitled to is 17.5%. Premium to be paid is calculated as follows:

$1,500 x .50 =	$750 (faculty base premium)
(20% + 15%) x .50 =	17.5% (total discounts allowed)
$750 x 17.5% =	131.25 (discount amount)
$750 – 131.25 =	$618.75 (premium to be paid)

Section VI – Coverage Options
(Available for both claims made and occurrence policy)

MUA Endorsement (Form 06-2007 05/06)

This endorsement provides coverage for manipulation or treatment, including adjustment, while a person is under anesthesia or sedation. The chiropractor must complete an application for manipulation under anesthesia. If the application is approved, an endorsement is added to the insured's policy. There is no charge for this coverage.

Illinois Professional Entity with MD/DO Exposure - Shared Limits of Liability Endorsement (Form 14CM-2006 04/07) and Professional Entity with MD/DO Exposure - Shared Limits of Liability Endorsement (Form 06-2002 05/06)

This endorsement provides a shared limit of liability for the insured chiropractor's professional entity. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

FILED

JUL 01 2008

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE

The charge is 55% of the undiscounted base premium for corporation coverage with shared limits.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Illinois Professional Entity - Separate Limits of Liability Endorsement (Form 14CM-2007 04/07) and Professional Entity - Separate Limits of Liability Endorsement (Form 06-2004 05/06)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Person Insured" under the attached policy.

The charge is 20% of the undiscounted base premium for the first entity and 5% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Illinois Professional Entity with MD/DO Exposure - Separate Limits of Liability Endorsement (Form 14CM-2008 04/07) and Professional Entity with MD/DO Exposure - Separate Limits of Liability Endorsement (Form 06-2006 05/06)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

The charge is 220%of the undiscounted base premium for the first entity and 55% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Specialty, Procedure, Technique Exclusion Endorsement (Form 06-2012 05/06)

1. Excludes those procedures, techniques or specialties where a licensed health care provider has had their license revoked, suspended or surrendered or privileges restricted as a result of the performance of these procedures, techniques or specialties.
2. Excludes procedures, techniques or specialties that are experimental.
3. Excludes procedures, techniques or specialties where a health care provider is a high risk and has had poor loss experience.

FILED

JUL 01 2008

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE

Additional Insured Endorsement (Form 06-2010 05/06)

This optional endorsement provides coverage to any person or entity named on the endorsement for professional liability imputed to the person or entity solely for the professional negligence of an insured under the policy.

Acupuncture Endorsement (Form 06-2008 05/06)

This endorsement will add acupuncture to the list of professional services covered by the policy. Acupuncture coverage is only available in states where the scope of practice for chiropractors includes acupuncture services. An insured must apply for and be approved by underwriting prior to this endorsement becoming effective. There is no charge for this endorsement.

Amendatory Endorsement (Form 06-2009 05/06)

This endorsement may be utilized as a manuscript form to broaden, restrict or clarify coverage issues. The endorsement may also be utilized to clarify adjustments in rating.

Supplemental Legal Defense Endorsement (Form 06-2015 05/06 and Form 06-2016 05/06)

This endorsement provides for defense costs incurred by the insured in certain covered proceedings. There is coverage under this endorsement only when a covered proceeding arises on or after the retroactive date and the covered proceeding is initially instituted against the insured before the end of the policy period stated on the Declarations of this policy. We will pay up to $25,000 for defense costs incurred by the insured. Covered proceedings are limited to the following; State Disciplinary Proceedings, Federal Professional Review Organization Sanctions, Wrongful Billing and Related Proceedings, HIPAA and Privacy Related Proceedings and Civil Sexual Misconduct Allegations. There is no charge for this endorsement and it is subject to underwriting approval.

Temporary Leave of Absence Endorsement (Form 06-2017 07/07 and Form 06-2018 07/07)

This endorsement allows an insured to suspend their policy for a minimum of 60 days and up to a maximum of 180 days. The insured may suspend their coverage for the following reasons; short term disability, maternity leave and any other reason pre-approved by NCMIC Insurance Company. This endorsement excludes from coverage any claim that results from an injury that occurred during the period of the leave of absence. This endorsement will provide a 90% discount for the period of the leave of absence. Suspension of coverage does not apply to any professional entities insured under the policy.

Illinois Active Military Duty Endorsement (Form 14CM-2009 07/07 and Form 14-2009 07/07)

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JUL 01 2008

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military leave. Suspension of coverage does not apply to any professional entities insured under the policy.

Employment Exclusion Endorsement (Form 06-2021 05/06 and Form 06-2022 05/06)

This endorsement excludes coverage for the supplying of or failure to supply professional services resulting from the insured's place of employment listed on the endorsement.

Dual License – Acupuncture – Oriental Medicine Endorsement (Form 06-2024 05/06)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice Acupuncture – Oriental medicine while acting within the scope of their license(s) and/or certifications. Additional application information will be required for approval. The charge for this endorsement is 5% of the base premium.

Dual License – Physical Therapy Endorsement (Form 06-2025 05/06)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice physical therapy while acting within the scope of their license(s) and/or certifications. Additional application information will be required for approval. There is no charge for this endorsement.

Delegation of Certain Policy Rights Endorsement (Form 06-2026 04/07)

This optional endorsement allows an insured to delegate certain policy rights to his or her employer.

Dual License – Massage Therapy Endorsement (Form 06-2027 06/07)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice massage therapy while acting within the scope of their license(s) and/or certification(s). Additional application information will be required for approval. There is no charge for this endorsement.

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JUL 01 2008

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Section VII Coverage Options
(Available for Occurrence Policy Only)

Prior Acts Professional Liability Endorsement (Form 06-2013 05/06)

This endorsement provides coverage for chiropractors who change from a claims made policy to an occurrence policy and who do not purchase tail coverage. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date referenced in the endorsement will be covered. The factors listed below will be applied to the undiscounted occurrence premium at the applicable limit of liability in the state in which the claims made policy was issued.

Number of Years Since Retroactive Date	Prior Acts Factor
1	62.8%
2	93.6%
3	102%
4	103.9%

Extern Endorsement (Form 06-2011 05/06)

This endorsement provides coverage for chiropractic college students who have graduated from chiropractic college, but who have not yet received a license to practice, i.e. externs. The extern must be under the direct supervision of a licensed chiropractor and must be acting within the scope of the applicable laws governing externs. The only limit of liability available for this endorsement is $100,000/$300,000. Coverage under this endorsement will terminate when the extern becomes licensed, the program terminates or one year from its effective date, whichever comes first. The charge for this endorsement will be 10% of the 100,000/300,000 occurrence premium in the state that the Extern Endorsement is issued in.

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JUL 01 2008

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
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