

**PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM
RATES AND RULES - ILLINOIS**

PO-IL-1

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1. BASE RATES – PROFESSIONAL LIABILITY

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1. BASE RATES – PROFESSIONAL LIABILITY

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1. BASE RATES – PROFESSIONAL LIABILITY

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1. POLICY TYPE

Professional Liability Coverage is available on Claims-Made policy form. Business Liability Coverage is available on an Occurrence policy form only.

2. PROFESSIONAL LIABILITY COVERAGE and BASE LIMITS OF INSURANCE

Coverage A: Podiatrist Professional Liability - \$100,000 Each Claim/ \$300,000 Annual Aggregate

Coverage B: First Aid - \$5,000 Each Person

3. A. INCREASED PROFESSIONAL LIABILITY LIMITS OF INSURANCE

Higher Limits available upon request for Coverage A: Each Claim / Annual Aggregate (\$000): 200/600, 250/750, 500/1500, 1000/1000, 1000/3000. For higher limits – Refer to Company.

B. PROFESSIONAL LIABILITY INCREASED LIMITS TABLE

These increased limits apply to Coverage A – Each Claim / Annual Aggregate – Apply corresponding increased limit factor to the Base Limit Premium.

<u>Limits of Insurance (\$000)</u> <u>Each Claim/Annual Aggregate</u>	<u>Increased</u> <u>Limit Factors</u>
\$200/\$600	1.30
\$250/\$750	1.42
\$500/\$1,500	1.52
\$1,000/\$1,000	1.70
\$1,000/\$3,000	1.77

C. LIMITS FOR CORPORATION, PARTNERSHIP OR ASSOCIATION

A separate policy or policy limit for a Corporation or partnership can be provided at a charge of 5% of the premium for all practicing DPM's who are partners, officers, directors or employees of the entity. The limit of insurance provided for the entity shall be no greater than that provided to each DPM practicing on its behalf.

4. DEDUCTIBLE CREDITS – Professional Liability Only

Subtract the following factor from the applicable increased limit factor above:

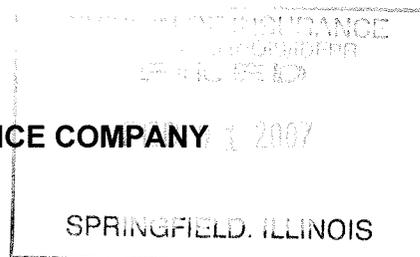
<u>Each Claim</u>	<u>Factor</u>
\$5000	.03
10,000	.06
25,000	.14
50,000	.25
100,000	.40
250,000	.50

Refer to Company if an Annual Aggregate or alternative deductibles are desired.

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5. OPTIONAL BUSINESS LIABILITY COVERAGE and BASE LIMITS OF INSURANCE

Coverage C:	Podiatrists Business Liability -	\$100,000 Each Occurrence
	<i>(Coverage C includes Bodily Injury, Property Damage, Personal and Advertising Injury, Products/Completed Operations and Fire and Water Legal Liability)</i>	
	Podiatrists Business Liability (Coverages C and E only)	\$300,000 Combined Annual Aggregate
	Products/Completed Operations Hazard	\$300,000 Annual Aggregate
Coverage D:	Medical Expenses -	\$5,000 Each Person
Coverage E:	Hired and Non-Owned Auto	\$100,000 Each Occurrence

6. A. INCREASED BUSINESS LIABILITY LIMITS OF INSURANCE

Higher Limits available upon request for Coverage C: Each Claim / Annual Aggregate (\$000): 200/600, 250/750, 500/1500, 1000/1000, 1000/3000. For higher limits – Refer to Company.

B. OPTIONAL BUSINESS LIABILITY INCREASED LIMITS TABLE / MINIMUM PREMIUM

The Base premium for Coverage C and E is \$30 at limits of \$100K/\$300K. Limits of Insurance can be increased by using the Increased Limit Table below. However:

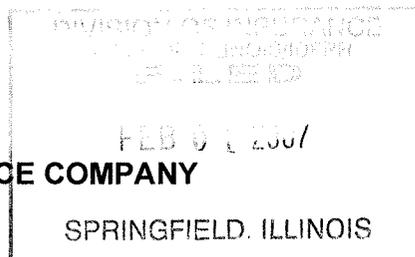
- Business Liability Limits of Insurance must match the Professional Liability Limits of Insurance.
- Charge is per podiatrist.
- Hired and Non-Owned Auto Limit of Insurance must match the Professional Liability Limits of Insurance up to a maximum of \$1,000,000 – Each Occurrence.
- An independent contractor podiatrist practicing at more than one location will be charged one premium for all locations.
- The independent contractor podiatrist's premium can be modified by a factor of .75 when the podiatrist is working at more than one location and is working between 20-30 hours per week. If working less than 20 hours. – See Rule 7.A.
- The increased Limits are subject to a per policy minimum Podiatrists Business Liability Premium as follows:

<u>Limits of Insurance (\$000)</u> <u>Each Claim/Annual Aggregate</u>	<u>Increased</u> <u>Limit Factors</u>	<u>Per Policy Minimum</u>
\$200/\$600	1.14	40
\$250/\$750	1.16	42
\$500/\$1,500	1.21	45
\$1000/\$1000	1.25	48
\$1,000/\$3,000	1.28	50
Higher Limits	Refer to Company	Refer to Company

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**PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM
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7. RATE MODIFIERS – PROFESSIONAL LIABILITY

All credits and debits developed in this section are multiplicative. Add the resulting factor to 1.00 and multiply the result by the total of all premium developed from the rate pages. **The maximum for any combination of debits or credits is 50%. The maximum combination does not apply to the Newly Graduated Podiatrist, the Part-time Podiatrist or Risk Management Credits.**

A. Discount Credits –PROFESSIONAL LIABILITY:

Newly graduated podiatrist:

-A "new" podiatrist is eligible for the following credits when the podiatrist:

- has completed podiatric training within the six months previous to taking the board exam for his/her license,
- is a foreign graduate from an accredited podiatric school entering podiatric practice for the first time.

First year in practice	60%
Second year in practice	40%
Third year in practice	25%
Fourth year in practice	15%

Part-time podiatrist:

<u>Average No. of Hrs. Practiced Per Week</u>	<u>Available Credit</u>
0-10	60%
11-20	40%
21-29	25%
30 or more	0%

Full-time podiatric faculty:

Podiatrists who teach at a podiatric school or similar institution in addition to their podiatry practice are eligible for a premium discount based on the number of hours treating patients in their own practice as follows:

- with school verification and average 0 - 10 hours/week or less practicing podiatry 50%
- with school verification and average 11 - 20 hours/week or less practicing podiatry 30%
- with school verification and average 21 - 30 hours/week or less practicing podiatry 20%

- B. Risk Management – Classes/Seminars/Workbooks** 10%
- (All non-company Risk Management credits are subject to Company approval for credit)

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C. 1. Schedule Rating – Maximum debit or credit 50%:

	<u>Credit</u>	<u>Debit</u>
<u>Experience of Dr. and Staff</u> -based on number of years in practice	0-25%	0-25%
<u>Training / Education</u> -training or lack of training in surgical areas the podiatrist is performing procedures	0-25%	0-25%
<u>Record Keeping</u> -Documentation (electronic / transcribed) of patient history, records, and procedures, or -lack of documentation	0-25%	0-25%
<u>Use of Anesthesia</u> -use of or lack of use of IV/IM, Conscious Sedation	0-25%	0-25%
<u>Advertising Material</u> -appropriate, non-inflated -inappropriate, over-inflated	0-25%	0-25%
<u>Unusual Risk Characteristics</u> -practice characteristics not contemplated in basic premium -increased/decreased risk -number of patients -works at multiple locations -out of state exposures	0-25%	0-25%
<u>Patient Profile</u> -High/low numbers of risky procedures on high risk patients (diabetics, trauma patients, children, sports medicine, athletic teams)	0-25%	0-25%
<u>Gaps in Coverage</u> -practicing without malpractice insurance	-----	0-25%
<u>Board Examiner (BE)/Medicare Actions</u> -negative outcomes at peer review or other disciplinary body activity	-----	0-25%
<u>Surgical Procedures</u> -high numbers of high risk surgical procedures	-----	0-25%

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D. EXPERIENCE RATING – PROFESSIONAL LIABILITY

Maximum debit, 50% / maximum credit, 15%

DEBITS:

Based on the claim history of an individual podiatrist over the preceding five-year period, a debit not to exceed 50% shall be applied to the podiatrist's rate. A chargeable loss is calculated by adding all loss payments and reserves (including defense costs) for a loss, minus the deductible applicable to that loss. Criteria used to determine the application of such debits follow:

		<u>Total of All Claims Amount</u>			
		<u>1 loss</u>	<u>2 losses</u>	<u>3 losses</u>	<u>4 losses</u>
\$0	- \$3,000	1.05	1.10	1.15	1.20
\$3,001	- \$10,000	1.10	1.15	1.20	1.25
\$10,001	- \$20,000	1.15	1.20	1.25	1.30
\$20,001	- \$30,000	1.20	1.25	1.30	1.35
\$30,001	- \$40,000	1.25	1.30	1.35	1.40
\$40,001+		1.30	1.35	1.40	1.50

Debits will be adjusted each year, dependent upon annual review of claims experience.

CREDITS:

Credits not to exceed 15% will be applied (subject to the length of time insured by the company) based on the absence of claims over the preceding five-year period, according to the following schedule:

5+ years claim free = .85
 3-4 years claim free = .90
 0-2 years claim free = 1.00

8. OPTIONAL MEDICARE/MEDICAID LEGAL EXPENSE REIMBURSEMENT COVERAGE – PROFESSIONAL LIABILITY

Limit: \$30,000 per Action / \$30,000 Annual Aggregate Limit.

\$200 Charge – subject to modifiers.

9. OPTIONAL MEDICAL WASTE LEGAL EXPENSE REIMBURSEMENT COVERAGE – PROFESSIONAL LIABILITY

Limit: \$50,000 Per Suit / \$50,000 Annual Aggregate Limit.

No Charge.

10. OPTIONAL NON-PHYSICIAN ASSISTANT COVERAGE – PROFESSIONAL LIABILITY

\$100 Charge.

11. VICARIOUS LIABILITY – Independent Contractors

A. Podiatrist employed by insured: charge 10% of applicable company rate

B. Podiatrist engaged by insured as an independent contractor: charge 10% of the applicable company rate



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- C. Podiatrist practicing in offices where insured provides practice management services: charge 2.5% of the applicable company rate
- D. Podiatrists providing services on a "fee for service" based indemnity plan provided by the insured: charge 2.5% of the applicable company rate
- E. Podiatrists providing services as a "preferred provider" under an insurance plan provided by the insured: charge 5% of the applicable company rate
- F. Podiatrists providing services on a "capitated" basis under an insurance plan provided by the insured: charge 10% of the applicable company rate

Podiatrists in categories in categories A - F above who are insured by the company, charge is \$0.

Premium charges for podiatrists not insured by the company in categories A - F shall be multiplied by the full time equivalent factor of the time the podiatrist is or was practicing on behalf of the insured. For example, an independent contractor podiatrist who spends 60% of his time practicing on patients of the insured would be charged 60% of the rates developed by these rules.

Podiatrists in categories B - F who:

- 1: provide evidence of insurance coverage at limits equal to insured's - apply 25% credit to above premium charges
- 2: name the insured as an additional insured on their policy - apply 25% credit to above premium charges

12. VICARIOUS LIABILITY – Extended Reporting Period for Entity (Corporation , Practice Owners)

- A. If a podiatrist who has been either employed or engaged as an independent contractor by a group or practice leaves the group and has purchased Extended Reporting Period (tail) coverage or provides proof of coverage with another carrier, the group or practice owner may purchase a coverage for it's vicarious liability exposures from the departed podiatrist. A charge of:
 - 10% of the applicable tail premium for podiatrists who have departed within 12 months of policy inception;
 - 7.5% of the applicable tail premium for podiatrists who have departed more than 12 months up to and including 24 months prior to policy inception;
 - 5% of the applicable tail premium for podiatrists who have departed more than 24 months up to and including 36 months prior to policy inception;
 - 0% of the applicable tail premium for podiatrists who have departed more than 36 months prior to policy inception.
- B. If a podiatrist employed by a group or practice leaves without having purchased Extended Reporting Period (tail) coverage or does not provide proof of coverage with another carrier, the group or practice owner may purchase a coverage for it's vicarious liability exposures from the departed podiatrist A charge of:
 - 25% of the applicable tail premium for podiatrists who have departed within 12 months of policy inception;
 - 20% of the applicable tail premium for podiatrists who have departed more than 12 months up to and including 24 months prior to policy inception;
 - 15% of the applicable tail premium for podiatrists who have departed more than 24 months up to and including 36 months prior to policy inception;
 - 0% of the applicable tail premium for podiatrists who have departed more than 36 months prior to policy inception.

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13. GROUP AFFILIATION CREDIT – PROFESSIONAL LIABILITY

Risks with membership in an accredited podiatric society or organization will receive a 5% premium credit.

14. GROUP POLICY DISCOUNT – PROFESSIONAL LIABILITY

A single group practice policy issued to three or more insureds and generating a premium of at least \$15,000 shall be eligible for a premium discount determined by the following table:

Premium Before Discount	Factor
15,000 – 30,000	.940
30,001 – 50,000	.930
50,001 – 100,000	.910
100,000 +	Refer to Company

15. SIZEABLE RISKS – PROFESSIONAL LIABILITY

Risks developing annualized manual premium of \$50,000 for groups or healthcare providers may be (a) rated or require an Individual Risk Filing with the State Department of Insurance. Submit to Company for consideration.

16. PROFESSIONAL SOCIETIES - PROFESSIONAL LIABILITY

Professional Liability coverage may be provided to state or local societies or organizations established to support the podiatric professional community. A Component Society will not be covered unless the Insured Society has been issued a policy by the company. The following premiums will apply.

Organization:	Premium:
Insured Society	\$250
Component Society (Member of Ins. Society)	\$100

17. PRIOR ACTS – PROFESSIONAL LIABILITY

Claims-Made Coverage

To cover claims that are reported after termination of the prior claims-made policy, a podiatrist may choose to purchase coverage from us rather than buying "tail" coverage from the prior carrier. This "Prior Acts" (nose) coverage is available to podiatrists who have been insured by a claims-made policy immediately prior to the effective date of our policy and who did not purchase tail coverage from the prior insurer. The following procedure applies:

1. If our policy effective date falls on an anniversary of the Retroactive Date, the claims-made year for rating purposes is the number of consecutive years of claims-made coverage plus one.
2. If our policy effective date does not fall on an anniversary of the Retroactive Date, a short-term policy will be issued whose expiration date is the next anniversary of the Retroactive Date. The claims-made year is the number of prior consecutive years of claims-made coverage rounded up to the next whole year. The short-term policy premium is the prorated premium for that claims-made year.

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Example: A podiatrist terminates coverage with the prior carrier and requests Prior Acts coverage from the Company. A policy effective date of 6-1-95 and a Retroactive Date of 1-1-93 are requested. The premium charge would be the third-year claims-made premium, prorated for the short term (6-1-95 to 1-1-96). On 1-1-96 a fourth year claims-made policy would be issued at the fourth year claims-made rate.

18. EXTENDED REPORTING PERIOD (TAIL)

- A. A podiatrist who is insured on a claims-made policy and whose policy terminates for any reason may elect to buy coverage for claims which are reported after his or her policy ends. The premium for the Extended Reporting Period (tail) endorsement shall be 200% of the expiring annual premium.
- B. A podiatrist who retires and leaves the Company before the free tail is available may purchase a tail at a reduced cost by applying the appropriate factor to the ERP premium shown in the rate pages as follows:

<u>Years with the Company</u>	<u>Vesting Factor</u>
0	1.00
1	.80
2	.60
3	.40
4	.20
5	FREE

- C. If no Extended Reporting Period is purchased by the policyholder, a Basic Extended Reporting Period of sixty (60) days is automatically provided without charge subject to the specific terms and conditions outlined in the Extended Reporting Period Coverage section of the policy form.

19. ADDITIONAL INSURED – AVAILABLE ON PROFESSIONAL & BUSINESS LIABILITY COVERAGE FORMS

Managers or Lessors of Premises -	No Charge
Leased Equipment-	No Charge
Designated Person or Organization:	
A – Non Professional Persons/Organizations	2% of Modified Premium
B – Professional Persons/Organizations	15% of Modified Premium
C – Name on Door	\$100 flat charge

20. A. EMPLOYMENT PRACTICES LIABILITY – PROFESSIONAL LIABILITY

Optional coverage for Employment Practices Liability is available.



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B. OPTIONAL EMPLOYMENT PRACTICES LIABILITY COVERAGE RATES

1. Employment Practices Liability:

Each Claim / Annual Aggregate Limits

<u>\$25,000</u>	<u>\$50,000</u>	<u>\$100,000</u>
\$50	\$125	\$225

21. LEAVE OF ABSENCE – PROFESSIONAL LIABILITY

(Parenting, Health, Extended Office Closure, Education, Military)

The policy expiration date may be extended for up to 12 months at no additional charge. Minimum leave is 30 days; maximum is one year except for education leave. No professional liability exposure permitted during leave of absence. Leave of absence will not be considered as consecutive years of insurance to qualify for free retirement reporting provision.

Example: A podiatrist has Second Year claims-made rate and a Leave of Absence extends coverage for 12 months. The podiatrist returns to practice and is rated as Third Year. Had this podiatrist not taken a Leave of Absence, the Fourth Year rate would have applied.

22. LOCUM TENENS – PROFESSIONAL LIABILITY

Coverage for a substitute podiatrist (120 day maximum).

23. RESIDENCY / PRECEPTORSHIP COVERAGE – PROFESSIONAL LIABILITY

Coverage for a resident or preceptor providing professional services in an approved CPME (Council on Podiatric Medical Education) training program will be able to purchase a policy to cover their professional liability exposure with Limits of Insurance of \$1,000,000/\$3,000,000 written on a claims-made basis with an Extended Reporting Period provided at no additional cost.

Flat Charge: \$ 1,000

24. DEFINITIONS FOR CLAIMS-MADE POLICIES

a. Base Rates

- First Year - A podiatrist in day 1 - 182 days of claims made coverage.
- Second Year - A podiatrist in day 183 - 547 of claims made coverage.
- Third Year - A podiatrist in day 548 - 912 of claims made coverage.
- Fourth Year - A podiatrist in day 913 - 1277 of claims made coverage.
- Mature - A podiatrist in day 1278 and beyond of claims made coverage.

b. Extended Reporting Period (Tail)

- One Year Prior - Tail coverage taking effect after the first 182 days of claims-made coverage.
- Two Years Prior - Tail coverage taking effect after day 183 – 547 days of claims-made coverage.
- Three Years Prior - Tail coverage taking effect after 548 - 912 days of claims-made coverage.
- Four Years Prior - Tail coverage taking effect after 913 - 1277 days of claims-made coverage.
- Mature - Tail coverage taking effect after 1278 days of claims-made coverage.

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**PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-12
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25. CLASSIFICATION GUIDE – PROFESSIONAL LIABILITY

Coverage for Podiatrist Professional Liability is offered for Class 1, Class 2, and Class 3 as defined below.

Class 1:

Practice of Podiatry including non-surgical procedures. Less than 5% invasive surgery on the bone, tendon or capsule.

Class 2:

Practice of Podiatry including minor surgery. Performs 10% or less ankle, leg or rear foot tendon surgery and 30% or less other osseous surgery.

Class 3:

Practice of Podiatry including all surgeries.

26. ERISA FIDUCIARY LIABILITY – BUSINESS LIABILITY

Coverage is available for negligent acts or omissions in the management of ERISA funds.

Flat Charge: \$132.

27. EMPLOYEE BENEFITS LIABILITY – BUSINESS LIABILITY

Coverage is available for negligent acts or omissions in the Administration of Employee Benefits Programs.

Charge	Limit
	Ea. Claim/Annual Agg.
\$25	\$ 300,000
\$30	\$ 500,000
\$50	\$ 1,000,000
\$60	\$ 2,000,000

28. OPTIONAL EMPLOYEE DISHONESTY / ERISA COVERAGES

A. EMPLOYEE DISHONESTY

Determine the number of employees, and the Employee Dishonesty limit desired. Apply the flat rate from the table below, and for each employee over 5, add the additional charge per employee from the Table below.

Employee Dishonesty		Each Employee over 5
Limit:	Charge:	Charge per employee:
\$25,000	No Charge	No Charge
\$50,000	\$100	\$7
\$100,000	\$200	\$15
\$250,000	\$350	\$25

B. ERISA Compliance Endorsement.

Provided at no charge at option of insured. Coverage for theft of funds.

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RATING RULES

29. ANNUAL PERIOD – APPLICABLE TO ALL COVERAGES

All rates and premium referred to in this program are for an annual period.

30. PREMIUM ADJUSTMENTS – APPLICABLE TO ALL COVERAGES

Premium adjustments involving an additional premium or renewal premium of \$15 or less shall be waived except a return premium due, if requested by the insured, shall be granted.

31. ROUNDING RULE – APPLICABLE TO ALL COVERAGES

All premiums shown on the policy and endorsements will be rounded to the nearest whole dollar. A premium of \$.50 or more will be rounded to the next highest whole dollar.

32. LOCATION OF PRACTICE – APPLICABLE TO PROFESSIONAL LIABILITY COVERAGE

The rates contemplate 50% or greater exposure derived from professional practice within the rating state. Podiatrists with exposures outside the rating state are acceptable if the rating state criteria are met.

33. CANCELLATION OF POLICY – APPLICABLE TO ALL COVERAGES

If the policy is canceled, the return premium will be 100% of the pro rata unearned premium.

34. SHORT TERM PREMIUM CALCULATIONS – APPLICABLE TO ALL COVERAGES

Premiums for periods of less than one full year of coverage will be the pro rata portion for that year.

35. PREMIUM PAYMENT INSTALLMENTS

A quarterly installment premium payment plan shall be offered as follows: (1) an initial payment equal to 25% of the premium due at policy inception; and (2) a second, third and fourth payment equal to 25% of the premium due 3, 6 and 9 months from policy inception, respectively. Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction. No interest charges or installment fees will be charged,



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PROFESSIONAL LIABILITY STATE RATES

TERRITORY 1 (COOK COUNTY)

1. BASE RATES – PROFESSIONAL LIABILITY

COVERAGE TYPE	Limits of Insurance (\$000) Professional Liability, Each Claim/Annual Aggregate		
	Class 1 100/300	Class 2 100/300	Class 3 100/300
CLAIMS-MADE:			
First Year	1,961	3,922	5,229
Second Year	3,186	6,373	8,497
Third Year	3,922	7,843	10,458
Fourth Year	4,510	9,020	12,026
Mature	4,902	9,804	13,072

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PROFESSIONAL LIABILITY STATE RATES

TERRITORY 2 (DUPAGE, WILL AND LAKE COUNTIES)

1. BASE RATES – PROFESSIONAL LIABILITY

COVERAGE TYPE	Limits of Insurance (\$000) Professional Liability, Each Claim/Annual Aggregate		
	Class 1 100/300	Class 2 100/300	Class 3 100/300
CLAIMS-MADE:			
First Year	1,431	2,862	3,816
Second Year	2,325	4,651	6,201
Third Year	2,862	5,724	7,632
Fourth Year	3,291	6,583	8,777
Mature	3,578	7,155	9,540

Revised

ACE AMERICAN INSURANCE COMPANY



01/2007

**PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM
RATES AND RULES - ILLINOIS**

PO-IL-16

TERRITORY 3 (REMAINDER OF STATE)

1. BASE RATES – PROFESSIONAL LIABILITY

COVERAGE TYPE	Limits of Insurance (\$000) Professional Liability, Each Claim/Annual Aggregate		
	Class 1 100/300	Class 2 100/300	Class 3 100/300
CLAIMS-MADE:			
First Year	1,202	2,404	3,205
Second Year	1,953	3,906	5,208
Third Year	2,404	4,808	6,410
Fourth Year	2,764	5,529	7,372
Mature	3,005	6,010	8,013

Revised

ACE AMERICAN INSURANCE COMPANY 2007

01/2007



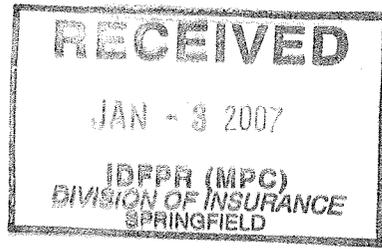


ace ina

ACE INA
Filing & Regulation
Routing WB04G
PO Box 1000
436 Walnut Street
Philadelphia, PA 19106

215.640.5123 *tel*
215.640.4986 *fax*

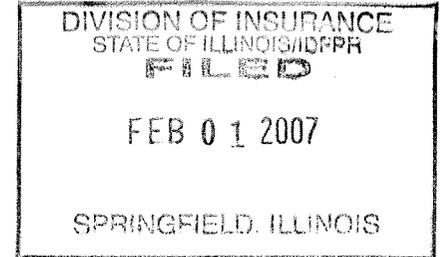
robert.wolfrom@ace-ina.com
www.ace-ina.com



Robert E. Wolfrom, CPCU
Sr. Regulatory Specialist

December 29, 2006

Director of Insurance
Illinois Department of Insurance
320 West Washington Street
Springfield, Illinois 62767



Re:	<u>Company</u>	<u>NAIC #</u>	<u>ACE USA # 626</u>
	ACE American Insurance Company	22667	FEIN# 95-2371728

Podiatrists Professional Liability Program
Manual Revision
Our Filing Number: 06-PR-450

Dear Commissioner:

We are filing our revised Podiatrists Professional Liability Program manual with revisions to:

- Rule 18. with the amendment of the Extended Reporting Period (ERP) premium to no more than 200% of the expiring annual premium and availability of the ERP when a policy is terminated for any reason.
- Rule 35. Premium Payment Installments added.

See the Explanatory Memorandum for details.

We have included with the revised manual a comparison showing the specific revisions from the current edition.

We wish to implement this revision with all new and renewal policies effective on or after February 1, 2007 or earlier upon your approval.

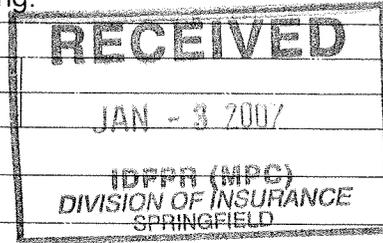
Please contact me if you have any questions.

Regards,

Bob Wolfrom, CPCU
Sr. Regulatory Specialist

Property & Casualty Transmittal Document (Revised 1/1/06)

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing: New Business Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
h. Subject Codes		



3. Group Name	ACE USA			Group NAIC #	626
4. Company Name(s)	Domicile	NAIC #	FEIN #		
ACE American Insurance Company	PA	22667	95-2371728		

5. Company Tracking Number	06-PR-450
-----------------------------------	-----------

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Bob Wolfrom ACE USA 436 Walnut Street WB04G Philadelphia, PA 19106	Sr. Regulatory Specialist	215.640.5123	215.640.4986	robert.wolfrom@ace-ina.com
7.	Signature of authorized filer		<i>Robert E. Wolfrom</i>		
8.	Please print name of authorized filer		Robert E. Wolfrom		

Filing information (see General Instructions for descriptions of these fields)

9.	Type of Insurance (TOI)	Medical Malpractice 11.0000
10.	Sub-Type of Insurance (Sub-TOI)	Podiatry 11.0025
11.	State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12.	Company Program Title (Marketing title)	
13.	Filing Type	<input type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	Effective Date(s) Requested	New: 2/1/07 Renewal: 2/1/07
15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)	
17.	Reference Organization # & Title	
18.	Company's Date of Filing	December 29, 2006
19.	Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document

20. This filing transmittal is part of Company Tracking # 06-PR-450

21. **Filing Description** [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

We are filing our revised Podiatrists Professional Liability Program manual with revisions to:

- Rule 18. with the amendment of the Extended Reporting Period (ERP) premium to no more than 200% of the expiring annual premium and availability of the ERP when a policy is terminated for any reason.
- Rule 35. Premium Payment Installments added.

See the Explanatory Memorandum for details.

22. **Filing Fees** (Filer must provide check # and fee amount if applicable)
[If a state requires you to show how you calculated your filing fees, place that calculation below]

Check #: n/a
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

PC TD-1 pg 2 of 2

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	06-PR-450
2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	n/a

Rate Increase Rate Decrease Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	File & Use				
4a.	Rate Change by Company (As Proposed)					
Company Name	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
ACE American	0	0	n/a	n/a	0	0
4b.	Rate Change by Company (As Accepted) For State Use Only					
Company Name	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
5a	Overall percentage rate impact for this filing	0	
5b	Effect of Rate Filing – Written premium change for this program	0	
5c	Effect of Rate Filing – Number of policyholders affected	0	

6.	Overall percentage of last rate revision	n/a
7.	Effective Date of last rate revision	n/a
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	n/a

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	Podiatrists Professional Liability Insurance Program Rates and Rules - Illinois Pages PO-IL-1 through 16, Revised 10/2006	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	01-PR-214 acknowledged 2/20/02 effective 1/20/02.
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

ACE GROUP OF INSURANCE COMPANIES

ACE American Insurance Company Podiatrists Professional Liability Program Revised Manual Rules Explanatory Memorandum

We are submitting our revised Podiatrists Professional Liability Program manual with revisions to Rule 18. Extended Reporting Period (Tail) and Rule 35. Premium Payment Installments.

A. Forms

None

B. Rules

Manual

Podiatrists Professional Liability Insurance Program Rates and Rules - Illinois
Pages PO-IL-1 through 16, Revised 10/2006

Manual Rules

- Revised Rule 18. Extended Reporting Period (Tail)

This rule was revised to comply with state requirements concerning extended reporting period coverage. It revised the Extended Reporting Period (ERP) premium to no more than 200% of the expiring annual premium and provided for the availability of the ERP when a policy is terminated for any reason.

Form PF-20057 (03/06) Illinois Changes - Extended Reporting Period was previously filed and approved under company filing number 06-PR-034(F) in order to comply with the state requirements concerning notification to the insured and their options .

- Deleted Rule 35. Midterm Cancellation Tail (ERP) Calculations.

This rule was in conflict with the state ERP requirements and the provisions of new Rule 18.

- Added Rule 35. Premium Payment Installments

This rule was added to comply with state requirements concerning available premium payment options.

Neuman, Gayle

From: Wolfrom Jr, Robert E [Robert.WolfromJr@ace-ina.com]
Sent: Thursday, January 11, 2007 10:35 AM
To: Neuman, Gayle
Subject: RE: Podiatrist Professional Liability - Rule Filing #06-PR-450
Attachments: IL Podiatrists E&O Rates & Rules _10-06__Marked Up Copy_.pdf; IL Podiatrists E&O Rates & Rules _01-07_.pdf

Gayle,

The ERP premium will be priced as a factor of the expiring annual premium which is shown on page 10, item A. We have amended the factor from "no more than 200%" to "200%" which is also found on page 10, item A. There are no credits or discounts with the exception of retired podiatrists, found on page 10, item B. As far as the rates, we use the high end of the range and have amended the rates on pages 14-16 to reflect this. I have included a marked up version of the manual to show the changes from the previous version submitted.

Bob Wolfrom
 ACE INA
 Filing & Regulation
 215.640.5123

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tuesday, January 09, 2007 3:38 PM
To: Wolfrom Jr, Robert E
Subject: Podiatrist Professional Liability - Rule Filing #06-PR-450

Mr. Wolfrom,

We are in receipt of the above referenced filing submitted by your letter dated December 29, 2006. Please address the following issues.

We require the manual include how the extended reporting period premium will be priced - as a factor of (1) the last 12 months' premium, (2) the premium in effect at policy issuance, or (3) the expiring annual premium. We also require the manual include the factor(s) to be used to figure the premium, which of the three premiums the factor will be applied to, and any credits, discounts, etc. that will be added or removed when determining the final premium.

Please explain the range of the rates included on pages PO-IL-14 through PO-IL-16. Why are insureds in a certain class charged a different amount?

We request receipt of your response by January 17, 2007. Your cooperation is appreciated.

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

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1/11/2007

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**PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-10
RATES AND RULES - ILLINOIS**

Example: A podiatrist terminates coverage with the prior carrier and requests Prior Acts coverage from the Company. A policy effective date of 6-1-95 and a Retroactive Date of 1-1-93 are requested. The premium charge would be the third-year claims-made premium, prorated for the short term (6-1-95 to 1-1-96). On 1-1-96 a fourth year claims-made policy would be issued at the fourth year claims-made rate.

18. EXTENDED REPORTING PERIOD (TAIL)

- A. A podiatrist who is insured on a claims-made policy and whose policy terminates for any reason may elect to buy coverage for claims which are reported after his or her policy ends. The premium for the Extended Reporting Period (tail) endorsement shall be no more than 200% of the expiring annual premium.
- B. A podiatrist who retires and leaves the Company before the free tail is available may purchase a tail at a reduced cost by applying the appropriate factor to the ERP premium shown in the rate pages as follows:

<u>Years with the Company</u>	<u>Vesting Factor</u>
0	1.00
1	.80
2	.60
3	.40
4	.20
5	FREE

- C. If no Extended Reporting Period is purchased by the policyholder, a Basic Extended Reporting Period of sixty (60) days is automatically provided without charge subject to the specific terms and conditions outlined in the Extended Reporting Period Coverage section of the policy form.

19. ADDITIONAL INSURED – AVAILABLE ON PROFESSIONAL & BUSINESS LIABILITY COVERAGE FORMS

Managers or Lessors of Premises -	No Charge
Leased Equipment-	No Charge
Designated Person or Organization:	
A – Non Professional Persons/Organizations	2% of Modified Premium
B – Professional Persons/Organizations	15% of Modified Premium
C – Name on Door	\$100 flat charge

20. A. EMPLOYMENT PRACTICES LIABILITY – PROFESSIONAL LIABILITY

Optional coverage for Employment Practices Liability is available.

**PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM
RATES AND RULES - ILLINOIS**

PO-IL-14

PROFESSIONAL LIABILITY STATE RATES

TERRITORY 1 (COOK COUNTY)

1. BASE RATES – PROFESSIONAL LIABILITY

COVERAGE TYPE	Limits of Insurance (\$000) Professional Liability, Each Claim/Annual Aggregate		
	Class 1 100/300	Class 2 100/300	Class 3 100/300
CLAIMS-MADE:			
First Year	980- 1,961	1,961 – 3,922	2,614 – 5,229
Second Year	1,593 – 3,186	3,186 – 6,373	4,248 – 8,497
Third Year	1,961 – 3,922	3,922 – 7,843	5,229 – 10,458
Fourth Year	2,255 – 4,510	4,510 – 9,020	6,013 – 12,026
Mature	2,451 – 4,902	4,902 – 9,804	6,536 – 13,072

**PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM
RATES AND RULES - ILLINOIS**

PO-IL-15

PROFESSIONAL LIABILITY STATE RATES

TERRITORY 2 (DUPAGE, WILL AND LAKE COUNTIES)

1. BASE RATES – PROFESSIONAL LIABILITY

COVERAGE TYPE	Limits of Insurance (\$000) Professional Liability, Each Claim/Annual Aggregate		
	Class 1 100/300	Class 2 100/300	Class 3 100/300
CLAIMS-MADE:			
First Year	691 – 1,431	1,382 – 2,862	1,842 – 3,816
Second Year	1,122 – 2,325	2,245 – 4,651	2,993 – 6,201
Third Year	1,382 – 2,862	2,763 – 5,724	3,684 – 7,632
Fourth Year	1,589 – 3,291	3,177 – 6,583	4,237 – 8,777
Mature	1,727 – 3,578	3,454 – 7,155	4,605 – 9,540

**PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM
RATES AND RULES - ILLINOIS**

PO-IL-16

TERRITORY 3 (REMAINDER OF STATE)

1. BASE RATES – PROFESSIONAL LIABILITY

COVERAGE TYPE	Limits of Insurance (\$000) Professional Liability, Each Claim/Annual Aggregate		
	Class 1 100/300	Class 2 100/300	Class 3 100/300
CLAIMS-MADE:			
First Year	580 – 1,202	1,160 – 2,404	1,547 – 3,205
Second Year	943 – 1,953	1,886 – 3,906	2,514 – 5,208
Third Year	1,160 – 2,404	2,321 – 4,808	3,094 – 6,410
Fourth Year	1,334 – 2,764	2,669 – 5,529	3,559 – 7,372
Mature	1,451 – 3,005	2,901 – 6,010	3,868 – 8,013

PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-1
RATES AND RULES - ILLINOIS

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4.	DEDUCTIBLE CREDITS.....	PO-IL-3
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b.	Risk Management.....	PO-IL-5
c.	Schedule Rating.....	PO-IL-6
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1. PROFESSIONAL LIABILITY STATE RATES

TERRITORY 1 (Cook County).....	PO-IL-14
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1. BASE RATES – PROFESSIONAL LIABILITY

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Revised

ACE AMERICAN INSURANCE COMPANY

10/2006

10

PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-2
RATES AND RULES - ILLINOIS

TERRITORY 2 (Dupage, Will and Lake Counties)..... PO-IL-15

1. BASE RATES – PROFESSIONAL LIABILITY

TERRITORY 3 (Remainder of State) PO-IL-16

1. BASE RATES – PROFESSIONAL LIABILITY

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REPORTING PERIOD
ENDORSEMENT RATES (TAIL
COVERAGE) FOR CLAIMS-MADE
POLICIES¶

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REPORTING PERIOD
ENDORSEMENT RATES (TAIL
COVERAGE) FOR CLAIMS-MADE
POLICIES¶

Revised

ACE AMERICAN INSURANCE COMPANY

10/2006

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PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-4
RATES AND RULES - ILLINOIS

5. OPTIONAL BUSINESS LIABILITY COVERAGE and BASE LIMITS OF INSURANCE

Coverage C: Podiatrists Business Liability - \$100,000 Each Occurrence
(Coverage C includes Bodily Injury, Property Damage, Personal and Advertising Injury, Products/Completed Operations and Fire and Water Legal Liability)

Podiatrists Business Liability (Coverages C and E only) \$300,000 Combined Annual Aggregate
 Products/Completed Operations Hazard \$300,000 Annual Aggregate

Coverage D: Medical Expenses - \$5,000 Each Person

Coverage E: Hired and Non-Owned Auto \$100,000 Each Occurrence

6. A. INCREASED BUSINESS LIABILITY LIMITS OF INSURANCE

Higher Limits available upon request for Coverage C: Each Claim / Annual Aggregate (\$000):
 200/600, 250/750, 500/1500, 1000/1000, 1000/3000. For higher limits – Refer to Company.

B. OPTIONAL BUSINESS LIABILITY INCREASED LIMITS TABLE / MINIMUM PREMIUM

The Base premium for Coverage C and E is \$30 at limits of \$100K/\$300K. Limits of Insurance can be increased by using the Increased Limit Table below. However:

- Business Liability Limits of Insurance must match the Professional Liability Limits of Insurance.
- Charge is per podiatrist.
- Hired and Non-Owned Auto Limit of Insurance must match the Professional Liability Limits of Insurance up to a maximum of \$1,000,000 – Each Occurrence.
- An independent contractor podiatrist practicing at more than one location will be charged one premium for all locations.
- The independent contractor podiatrist's premium can be modified by a factor of .75 when the podiatrist is working at more than one location and is working between 20-30 hours per week. If working less than 20 hours. – See Rule 7.A.
- The increased Limits are subject to a per policy minimum Podiatrists Business Liability Premium as follows:

<u>Limits of Insurance (\$000)</u> <u>Each Claim/Annual Aggregate</u>	<u>Increased</u> <u>Limit Factors</u>	<u>Per Policy Minimum</u>
\$200/\$600	1.14	40
\$250/\$750	1.16	42
\$500/\$1,500	1.21	45
\$1000/\$1000	1.25	48
\$1,000/\$3,000	1.28	50
Higher Limits	Refer to Company	Refer to Company

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Revised

ACE AMERICAN INSURANCE COMPANY

10/2006

PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-5
RATES AND RULES - ILLINOIS

7. RATE MODIFIERS – PROFESSIONAL LIABILITY

All credits and debits developed in this section are multiplicative. Add the resulting factor to 1.00 and multiply the result by the total of all premium developed from the rate pages. **The maximum for any combination of debits or credits is 50%. The maximum combination does not apply to the Newly Graduated Podiatrist, the Part-time Podiatrist or Risk Management Credits.**

A. Discount Credits –PROFESSIONAL LIABILITY:

Newly graduated podiatrist:

-A "new" podiatrist is eligible for the following credits when the podiatrist:

- has completed podiatric training within the six months previous to taking the board exam for his/her license,
- is a foreign graduate from an accredited podiatric school entering podiatric practice for the first time.

First year in practice	60%
Second year in practice	40%
Third year in practice	25%
Fourth year in practice	15%

Part-time podiatrist:

<u>Average No. of Hrs. Practiced Per Week</u>	<u>Available Credit</u>
0-10	60%
11-20	40%
21-29	25%
30 or more	0%

Full-time podiatric faculty:

Podiatrists who teach at a podiatric school or similar institution in addition to their podiatry practice are eligible for a premium discount based on the number of hours treating patients in their own practice as follows:

-with school verification and average 0 - 10 hours/week or less practicing podiatry	50%
-with school verification and average 11 - 20 hours/week or less practicing podiatry	30%
-with school verification and average 21 - 30 hours/week or less practicing podiatry	20%

- B. Risk Management – Classes/Seminars/Workbooks** 10%
 (All non-company Risk Management credits are subject to Company approval for credit)

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PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-6
RATES AND RULES - ILLINOIS

C. 1. Schedule Rating – Maximum debit or credit 50%:

	<u>Credit</u>	<u>Debit</u>
<u>Experience of Dr. and Staff</u> -based on number of years in practice	0-25%	0-25%
<u>Training / Education</u> -training or lack of training in surgical areas the podiatrist is performing procedures	0-25%	0-25%
<u>Record Keeping</u> -Documentation (electronic / transcribed) of patient history, records, and procedures, or -lack of documentation	0-25%	0-25%
<u>Use of Anesthesia</u> -use of or lack of use of IV/IM, Conscious Sedation	0-25%	0-25%
<u>Advertising Material</u> -appropriate, non-inflated -inappropriate, over-inflated	0-25%	0-25%
<u>Unusual Risk Characteristics</u> -practice characteristics not contemplated in basic premium -increased/decreased risk -number of patients -works at multiple locations -out of state exposures	0-25%	0-25%
<u>Patient Profile</u> -High/low numbers of risky procedures on high risk patients (diabetics, trauma patients, children, sports medicine, athletic teams)	0-25%	0-25%
<u>Gaps in Coverage</u> -practicing without malpractice insurance	-----	0-25%
<u>Board Examiner (BE)/Medicare Actions</u> -negative outcomes at peer review or other disciplinary body activity	-----	0-25%
<u>Surgical Procedures</u> -high numbers of high risk surgical procedures	-----	0-25%

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PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-7
RATES AND RULES - ILLINOIS

D. EXPERIENCE RATING – PROFESSIONAL LIABILITY

Maximum debit, 50% / maximum credit, 15%

DEBITS:

Based on the claim history of an individual podiatrist over the preceding five-year period, a debit not to exceed 50% shall be applied to the podiatrist's rate. A chargeable loss is calculated by adding all loss payments and reserves (including defense costs) for a loss, minus the deductible applicable to that loss. Criteria used to determine the application of such debits follow:

		<u>Total of All Claims Amount</u>			
		<u>1 loss</u>	<u>2 losses</u>	<u>3 losses</u>	<u>4 losses</u>
\$0	- \$3,000	1.05	1.10	1.15	1.20
\$3,001	- \$10,000	1.10	1.15	1.20	1.25
\$10,001	- \$20,000	1.15	1.20	1.25	1.30
\$20,001	- \$30,000	1.20	1.25	1.30	1.35
\$30,001	- \$40,000	1.25	1.30	1.35	1.40
\$40,001+		1.30	1.35	1.40	1.50

Debits will be adjusted each year, dependent upon annual review of claims experience.

CREDITS:

Credits not to exceed 15% will be applied (subject to the length of time insured by the company) based on the absence of claims over the preceding five-year period, according to the following schedule:

- 5+ years claim free = .85
- 3-4 years claim free = .90
- 0-2 years claim free = 1.00

8. OPTIONAL MEDICARE/MEDICAID LEGAL EXPENSE REIMBURSEMENT COVERAGE – PROFESSIONAL LIABILITY

Limit: \$30,000 per Action / \$30,000 Annual Aggregate Limit.

\$200 Charge – subject to modifiers.

9. OPTIONAL MEDICAL WASTE LEGAL EXPENSE REIMBURSEMENT COVERAGE – PROFESSIONAL LIABILITY

Limit: \$50,000 Per Suit / \$50,000 Annual Aggregate Limit.

No Charge.

10. OPTIONAL NON-PHYSICIAN ASSISTANT COVERAGE – PROFESSIONAL LIABILITY

\$100 Charge.

11. VICARIOUS LIABILITY – Independent Contractors

- A. Podiatrist employed by insured: charge 10% of applicable company rate
- B. Podiatrist engaged by insured as an independent contractor: charge 10% of the applicable company rate

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RATES AND RULES - ILLINOIS

- C. Podiatrist practicing in offices where insured provides practice management services: charge 2.5% of the applicable company rate
- D. Podiatrists providing services on a "fee for service" based indemnity plan provided by the insured: charge 2.5% of the applicable company rate
- E. Podiatrists providing services as a "preferred provider" under an insurance plan provided by the insured: charge 5% of the applicable company rate
- F. Podiatrists providing services on a "capitated" basis under an insurance plan provided by the insured: charge 10% of the applicable company rate

Podiatrists in categories in categories A - F above who are insured by the company, charge is \$0.

Premium charges for podiatrists not insured by the company in categories A - F shall be multiplied by the full time equivalent factor of the time the podiatrist is or was practicing on behalf of the insured. For example, an independent contractor podiatrist who spends 60% of his time practicing on patients of the insured would be charged 60% of the rates developed by these rules.

Podiatrists in categories B - F who:

- 1: provide evidence of insurance coverage at limits equal to insured's - apply 25% credit to above premium charges
- 2: name the insured as an additional insured on their policy - apply 25% credit to above premium charges

12. VICARIOUS LIABILITY – Extended Reporting Period for Entity (Corporation , Practice Owners)

- A. If a podiatrist who has been either employed or engaged as an independent contractor by a group or practice leaves the group and has purchased Extended Reporting Period (tail) coverage or provides proof of coverage with another carrier, the group or practice owner may purchase a coverage for it's vicarious liability exposures from the departed podiatrist. A charge of:
 - 10% of the applicable tail premium for podiatrists who have departed within 12 months of policy inception;
 - 7.5% of the applicable tail premium for podiatrists who have departed more than 12 months up to and including 24 months prior to policy inception;
 - 5% of the applicable tail premium for podiatrists who have departed more than 24 months up to and including 36 months prior to policy inception;
 - 0% of the applicable tail premium for podiatrists who have departed more than 36 months prior to policy inception.
- B. If a podiatrist employed by a group or practice leaves without having purchased Extended Reporting Period (tail) coverage or does not provide proof of coverage with another carrier, the group or practice owner may purchase a coverage for it's vicarious liability exposures from the departed podiatrist A charge of:
 - 25% of the applicable tail premium for podiatrists who have departed within 12 months of policy inception;
 - 20% of the applicable tail premium for podiatrists who have departed more than 12 months up to and including 24 months prior to policy inception;
 - 15% of the applicable tail premium for podiatrists who have departed more than 24 months up to and including 36 months prior to policy inception;
 - 0% of the applicable tail premium for podiatrists who have departed more than 36 months prior to policy inception.

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PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-9
RATES AND RULES - ILLINOIS

13. GROUP AFFILIATION CREDIT – PROFESSIONAL LIABILITY

Risks with membership in an accredited podiatric society or organization will receive a 5% premium credit.

14. GROUP POLICY DISCOUNT – PROFESSIONAL LIABILITY

A single group practice policy issued to three or more insureds and generating a premium of at least \$15,000 shall be eligible for a premium discount determined by the following table:

Premium Before Discount	Factor
15,000 – 30,000	.940
30,001 – 50,000	.930
50,001 – 100,000	.910
100,000 +	Refer to Company

15. SIZEABLE RISKS – PROFESSIONAL LIABILITY

Risks developing annualized manual premium of \$50,000 for groups or healthcare providers may be (a) rated or require an Individual Risk Filing with the State Department of Insurance. Submit to Company for consideration.

16. PROFESSIONAL SOCIETIES - PROFESSIONAL LIABILITY

Professional Liability coverage may be provided to state or local societies or organizations established to support the podiatric professional community. A Component Society will not be covered unless the Insured Society has been issued a policy by the company. The following premiums will apply.

Organization:	Premium:
Insured Society	\$250
Component Society (Member of Ins. Society)	\$100

17. PRIOR ACTS – PROFESSIONAL LIABILITY

Claims-Made Coverage

To cover claims that are reported after termination of the prior claims-made policy, a podiatrist may choose to purchase coverage from us rather than buying "tail" coverage from the prior carrier. This "Prior Acts" (nose) coverage is available to podiatrists who have been insured by a claims-made policy immediately prior to the effective date of our policy and who did not purchase tail coverage from the prior insurer. The following procedure applies:

1. If our policy effective date falls on an anniversary of the Retroactive Date, the claims-made year for rating purposes is the number of consecutive years of claims-made coverage plus one.
2. If our policy effective date does not fall on an anniversary of the Retroactive Date, a short-term policy will be issued whose expiration date is the next anniversary of the Retroactive Date. The claims-made year is the number of prior consecutive years of claims-made coverage rounded up to the next whole year. The short-term policy premium is the prorated premium for that claims-made year.

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RATES AND RULES - ILLINOIS**

Example: A podiatrist terminates coverage with the prior carrier and requests Prior Acts coverage from the Company. A policy effective date of 6-1-95 and a Retroactive Date of 1-1-93 are requested. The premium charge would be the third-year claims-made premium, prorated for the short term (6-1-95 to 1-1-96). On 1-1-96 a fourth year claims-made policy would be issued at the fourth year claims-made rate.

18. EXTENDED REPORTING PERIOD (TAIL)

A. A podiatrist who is insured on a claims-made policy and whose policy terminates for any reason may elect to buy coverage for claims which are reported after his or her policy ends. The premium for the Extended Reporting Period (tail) endorsement shall be no more than 200% of the expiring annual premium.

B. A podiatrist who retires and leaves the Company before the free tail is available may purchase a tail at a reduced cost by applying the appropriate factor to the ERP premium shown in the rate pages as follows:

<u>Years with the Company</u>	<u>Vesting Factor</u>
0	1.00
1	.80
2	.60
3	.40
4	.20
5	FREE

C. If no Extended Reporting Period is purchased by the policyholder, a Basic Extended Reporting Period of sixty (60) days is automatically provided without charge subject to the specific terms and conditions outlined in the Extended Reporting Period Coverage section of the policy form.

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Deleted: varies according to how long the podiatrist has been insured on a claims-made policy (refer to rate page). The premiums in effect on the most recent effective date of the policy shall apply

Deleted: <#>An Extended Reporting Period is available for Employment Practices Liability Coverage. ¶ See Rule 20 b. 2.¶

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19. ADDITIONAL INSURED – AVAILABLE ON PROFESSIONAL & BUSINESS LIABILITY COVERAGE FORMS

Managers or Lessors of Premises -	No Charge
Leased Equipment-	No Charge
Designated Person or Organization:	
A – Non Professional Persons/Organizations	2% of Modified Premium
B – Professional Persons/Organizations	15% of Modified Premium
C – Name on Door	\$100 flat charge

20. A. EMPLOYMENT PRACTICES LIABILITY – PROFESSIONAL LIABILITY

Optional coverage for Employment Practices Liability is available.

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**PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-11
RATES AND RULES - ILLINOIS**

B. OPTIONAL EMPLOYMENT PRACTICES LIABILITY COVERAGE RATES

1. Employment Practices Liability:

Each Claim / Annual Aggregate Limits

<u>\$25,000</u>	<u>\$50,000</u>	<u>\$100,000</u>
\$50	\$125	\$225

21. LEAVE OF ABSENCE – PROFESSIONAL LIABILITY

(Parenting, Health, Extended Office Closure, Education, Military)

The policy expiration date may be extended for up to 12 months at no additional charge. Minimum leave is 30 days; maximum is one year except for education leave. No professional liability exposure permitted during leave of absence. Leave of absence will not be considered as consecutive years of insurance to qualify for free retirement reporting provision.

Example: A podiatrist has Second Year claims-made rate and a Leave of Absence extends coverage for 12 months. The podiatrist returns to practice and is rated as Third Year. Had this podiatrist not taken a Leave of Absence, the Fourth Year rate would have applied.

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¶
A factor of .75 is applied to the EPL rate.¶

22. LOCUM TENENS – PROFESSIONAL LIABILITY

Coverage for a substitute podiatrist (120 day maximum).

23. RESIDENCY / PRECEPTORSHIP COVERAGE – PROFESSIONAL LIABILITY

Coverage for a resident or preceptor providing professional services in an approved CPME (Council on Podiatric Medical Education) training program will be able to purchase a policy to cover their professional liability exposure with Limits of Insurance of \$1,000,000/\$3,000,000 written on a claims-made basis with an Extended Reporting Period provided at no additional cost.

Flat Charge: \$ 1,000

24. DEFINITIONS FOR CLAIMS-MADE POLICIES

- a. Base Rates
 - First Year - A podiatrist in day 1 - 182 days of claims made coverage.
 - Second Year - A podiatrist in day 183 - 547 of claims made coverage.
 - Third Year - A podiatrist in day 548 - 912 of claims made coverage.
 - Fourth Year - A podiatrist in day 913 - 1277 of claims made coverage.
 - Mature - A podiatrist in day 1278 and beyond of claims made coverage.
- b. Extended Reporting Period (Tail)
 - One Year Prior - Tail coverage taking effect after the first 182 days of claims-made coverage.
 - Two Years Prior - Tail coverage taking effect after day 183 – 547 days of claims-made coverage.
 - Three Years Prior - Tail coverage taking effect after 548 - 912 days of claims-made coverage.
 - Four Years Prior - Tail coverage taking effect after 913 - 1277 days of claims-made coverage.
 - Mature - Tail coverage taking effect after 1278 days of claims-made coverage.

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**PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-12
RATES AND RULES - ILLINOIS**

25. CLASSIFICATION GUIDE – PROFESSIONAL LIABILITY

Coverage for Podiatrist Professional Liability is offered for Class 1, Class 2, and Class 3 as defined below.

Class 1:

Practice of Podiatry including non-surgical procedures. Less than 5% invasive surgery on the bone, tendon or capsule.

Class 2:

Practice of Podiatry including minor surgery. Performs 10% or less ankle, leg or rear foot tendon surgery and 30% or less other osseous surgery.

Class 3:

Practice of Podiatry including all surgeries.

26. ERISA FIDUCIARY LIABILITY – BUSINESS LIABILITY

Coverage is available for negligent acts or omissions in the management of ERISA funds.

Flat Charge: \$132.

27. EMPLOYEE BENEFITS LIABILITY – BUSINESS LIABILITY

Coverage is available for negligent acts or omissions in the Administration of Employee Benefits Programs.

Charge	Limit
	Ea. Claim/Annual Agg.
\$25	\$ 300,000
\$30	\$ 500,000
\$50	\$ 1,000,000
\$60	\$ 2,000,000

28. OPTIONAL EMPLOYEE DISHONESTY / ERISA COVERAGES

A. EMPLOYEE DISHONESTY

Determine the number of employees, and the Employee Dishonesty limit desired. Apply the flat rate from the table below, and for each employee over 5, add the additional charge per employee from the Table below.

Employee Dishonesty		Each Employee over 5
Limit:	Charge:	Charge per employee:
\$25,000	No Charge	No Charge
\$50,000	\$100	\$7
\$100,000	\$200	\$15
\$250,000	\$350	\$25

B. ERISA Compliance Endorsement.

Provided at no charge at option of insured. Coverage for theft of funds.

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**PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-13
RATES AND RULES - ILLINOIS**

RATING RULES

29. ANNUAL PERIOD – APPLICABLE TO ALL COVERAGES

All rates and premium referred to in this program are for an annual period.

30. PREMIUM ADJUSTMENTS – APPLICABLE TO ALL COVERAGES

Premium adjustments involving an additional premium or renewal premium of \$15 or less shall be waived except a return premium due, if requested by the insured, shall be granted.

31. ROUNDING RULE – APPLICABLE TO ALL COVERAGES

All premiums shown on the policy and endorsements will be rounded to the nearest whole dollar. A premium of \$.50 or more will be rounded to the next highest whole dollar.

32. LOCATION OF PRACTICE – APPLICABLE TO PROFESSIONAL LIABILITY COVERAGE

The rates contemplate 50% or greater exposure derived from professional practice within the rating state. Podiatrists with exposures outside the rating state are acceptable if the rating state criteria are met.

33. CANCELLATION OF POLICY – APPLICABLE TO ALL COVERAGES

If the policy is canceled, the return premium will be 100% of the pro rata unearned premium.

34. SHORT TERM PREMIUM CALCULATIONS – APPLICABLE TO ALL COVERAGES

Premiums for periods of less than one full year of coverage will be the pro rata portion for that year.

35. PREMIUM PAYMENT INSTALLMENTS

A quarterly installment premium payment plan shall be offered as follows: (1) an initial payment equal to 25% of the premium due at policy inception; and (2) a second, third and fourth payment equal to 25% of the premium due 3, 6 and 9 months from policy inception, respectively. Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction. No interest charges or installment fees will be charged.

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¶ Tail coverage, if purchased, will be calculated from the point of cancellation by adding:¶

¶ <#>The appropriate tail premium for the previous full year completed, plus¶ <#>The pro rata amount of the difference between the tail premium for the current year (had it been completed) and the tail premium for the previous full year completed.¶

¶ **Examples:** A podiatrist leaves the program three months into the 3rd year. The tail premium would be the sum of the "Two Years Prior" premium plus .25 (pro rata factor) times the difference between the "Three Years Prior" Premium and the "Two Years Prior" premium. If a podiatrist leaves the program during the first year of claims-made coverage, the tail premium is the pro rata portion of the "One Year Prior" tail coverage rate.

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**PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-14
RATES AND RULES - ILLINOIS**

PROFESSIONAL LIABILITY STATE RATES

TERRITORY 1 (COOK COUNTY)

1. BASE RATES – PROFESSIONAL LIABILITY

COVERAGE TYPE	Limits of Insurance (\$000) Professional Liability, Each Claim/Annual Aggregate		
	Class 1 100/300	Class 2 100/300	Class 3 100/300
CLAIMS-MADE:			
First Year	980- 1,961	1,961 – 3,922	2,614 – 5,229
Second Year	1,593 – 3,186	3,186 – 6,373	4,248 – 8,497
Third Year	1,961 – 3,922	3,922 – 7,843	5,229 – 10,458
Fourth Year	2,255 – 4,510	4,510 – 9,020	6,013 – 12,026
Mature	2,451 – 4,902	4,902 – 9,804	6,536 – 13,072

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**PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-15
RATES AND RULES - ILLINOIS**

PROFESSIONAL LIABILITY STATE RATES

TERRITORY 2 (DUPAGE, WILL AND LAKE COUNTIES)

1. BASE RATES – PROFESSIONAL LIABILITY

COVERAGE TYPE	Limits of Insurance (\$000) Professional Liability, Each Claim/Annual Aggregate		
	Class 1 100/300	Class 2 100/300	Class 3 100/300
CLAIMS-MADE:			
First Year	691 – 1,431	1,382 – 2,862	1,842 – 3,816
Second Year	1,122 – 2,325	2,245 – 4,651	2,993 – 6,201
Third Year	1,382 – 2,862	2,763 – 5,724	3,684 – 7,632
Fourth Year	1,589 – 3,291	3,177 – 6,583	4,237 – 8,777
Mature	1,727 – 3,578	3,454 – 7,155	4,605 – 9,540

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PODIATRISTS PROFESSIONAL LIABILITY INSURANCE PROGRAM PO-IL-16
RATES AND RULES - ILLINOIS

TERRITORY 3 (REMAINDER OF STATE)

1. BASE RATES – PROFESSIONAL LIABILITY

COVERAGE TYPE	Limits of Insurance (\$000) Professional Liability, Each Claim/Annual Aggregate		
	Class 1 100/300	Class 2 100/300	Class 3 100/300
CLAIMS-MADE:			
First Year	580 – 1,202	1,160 – 2,404	1,547 – 3,205
Second Year	943 – 1,953	1,886 – 3,906	2,514 – 5,208
Third Year	1,160 – 2,404	2,321 – 4,808	3,094 – 6,410
Fourth Year	1,334 – 2,764	2,669 – 5,529	3,559 – 7,372
Mature	1,451 – 3,005	2,901 – 6,010	3,868 – 8,013

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