

**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

I. APPLICATION OF MANUAL RULES

- A. The rules contained in these pages shall govern the writing of Professional Liability policies for Healthcare Provider specialties described in Section XV below.
- B. The rules, rates, rating plans and forms filed on behalf of the Company, and not in conflict herewith, shall govern in all cases not specifically provided for herein.

II. POLICY TERM

Policies may be written for a term of one year, and renewed annually thereafter.

III. PREMIUM COMPUTATION

- A. Compute the premium at policy inception using the rates and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.
- B. Prorate the premium when a policy is issued for other than a whole year.
- C. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding the final premium.

IV. FACTORS OR MULTIPLIERS

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.

V. WHOLE DOLLAR RULE

In the event the rating procedure does not result in a whole dollar:

- A. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- B. any amount involving \$.49 or less shall be rounded down to the next lower whole dollar amount.

VI. ADDITIONAL PREMIUM CHARGES

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change.

VII. RETURN PREMIUM

- A. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
- B. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.



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VIII. DECREASED LIMITS OF LIABILITY

When lower limits are offered, they will be provided on the following basis:

Limits of Liability	Decreased Limit Factor
\$100,000 / \$300,000	.64
\$100,000 / \$500,000	.65
\$200,000 / \$600,000	.69
\$250,000 / \$750,000	.71
\$200,000 / \$1,000,000	.71
\$500,000 / \$500,000	.76
\$500,000 / \$1,000,000	.79
\$500,000 / \$2,500,000	.83
\$1,000,000 / \$1,000,000	.94
\$1,000,000 / \$2,000,000	.95
\$1,000,000 / \$3,000,000	.96
\$1,000,000 / \$5,000,000	.98

Rates are derived using the standard \$1,000,000 / \$6,000,000 base rates.

IX. INCREASED LIMITS OF LIABILITY

When higher limits are offered, they will be provided on the following basis:

Limits of Liability	Increased Limit Factor	Minimum Premium
\$1,000,000 / \$7,000,000	1.02	\$25
\$1,000,000 / \$8,000,000	1.03	\$30
\$2,000,000 / \$4,000,000	1.15	\$40
\$2,000,000 / \$5,000,000	1.17	\$50
\$2,000,000 / \$6,000,000	1.18	\$65
\$2,000,000 / \$7,000,000	1.19	\$75
\$2,000,000 / \$8,000,000	1.20	\$80

Rates are derived using the standard \$1,000,000 / \$6,000,000 base rates.

X. POLICY CANCELLATIONS

Return premium will be computed pro-rata in accordance with the Whole Dollar Rule using the rules, rates and rating plans in effect at the inception of this policy period.

XI. RESTRICTIONS OF COVERAGE OR INCREASED RATE

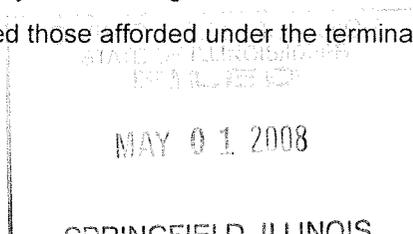
Subject to individual state regulations, policies may be issued with special restrictions or at increased premium if:

- A. the insured agrees in writing; and
- B. the policy would not be written otherwise.

XII. EXTENDED REPORTING PERIOD COVERAGE (Claims Made Only)

If this policy is cancelled or non-renewed and subject to the following provisions, an extension period, for the purpose of reporting a claim, will be provided automatically for 60 days, and may be extended beyond that as governed by the following rules:

- A. The limits of liability may not exceed those afforded under the terminating policy.

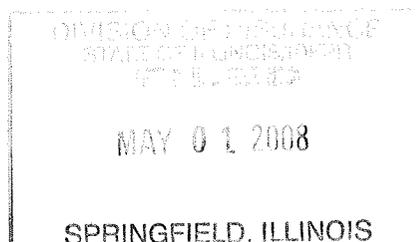


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- B. Extended Reporting Period Coverage will be available to the named insured shown on the certificate of insurance.
- C. Should the named insured terminate coverage under this policy, and desire Extended Reporting Period Coverage beyond the automatic 60 days, notice must be given to the Company, along with payment of the applicable premium, within 60 days.
- D. Upon termination of coverage under this policy by reason of death, the deceased's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.
- E. Upon termination of coverage under this policy by reason of disability or retirement by the named insured, Extended Reporting Period Coverage will be granted for no additional charge provided that, during the policy period:
 - 1. total and permanent disability occurs; or
 - 2. the named insured retires during the policy period and:
 - a. is 55 years of age or older and has been insured by this Company for at least 5 years of claims-made coverage; or
 - b. has been insured by us for at least 10 years of claims-made coverage.
- F. The prior acts date of coverage with this Company will determine the years of prior exposure for Extended Reporting Period Coverage.
- G. Premium must be paid promptly when due.
- H. In the event the policy is canceled, any return premium due the named insured shall be credited toward the premium for Extended Reporting Period Coverage, if the named insured elects this coverage. If any premium is due for the period of time between the earlier of the policy's Prior Acts date or effective date and the termination date, any monies received by the Company from the named insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period Coverage.
- I. There is no right to any extended reported period coverage if this policy is cancelled for non payment of premium, non compliance with any of the terms and condition of this policy or for any misrepresentation or omission in the application for this policy.
- J. Extended Reporting Period Coverage will be granted with the following discounts, subject to the Extended Reporting Provisions of the Policy and the following schedule:

Consecutive Years of Coverage	Discount
10	Free
9	90%
8	80%
7	70%
6	60%
5	50%
4	40%
3	30%
2	20%
1	10%

- K. The factors in the following table shall be applied to the mature claims-made rate in effect at the beginning of the current policy period:



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Years of Prior Claims Made Coverage	Installment Factors Years			Prepaid Factors
	1	2	3	
1	.36	.34	.28	.92
2	.58	.55	.39	1.43
3	.67	.55	.59	1.70
4 or more	.84	.55	.59	1.87

XIII. PRIOR ACTS COVERAGE (Occurrence only)

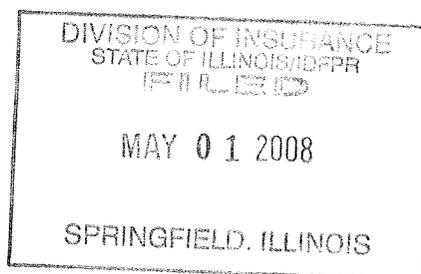
The policy may be extended to provide prior acts coverage as follows:

- A. The prior acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously provided under a claims made policy, nor shall limits of liability exceed those of the claims-made policy or the occurrence policy to which the prior acts endorsement shall be applied.
- B. The premium for Prior Acts Coverage is a one time only charge payable in advance or over the first three policy years in annual installments, but calculated in advance by applying the applicable factors from the table below to the current rate under this policy for limits of \$1,000,000/6,000,000 per occurrence.
- C. If the limit of liability under this coverage is other than \$1M/6M per occurrence, the premium developed under B above shall be adjusted by the appropriate increased or decreased limits factor.
- D. The premium will be charged annually, but calculated in advance:
 - 1. Determine the current premium under this policy for limits of \$1M/6M per occurrence;
 - 2. Enter the factor for the appropriate Prior Acts Period;
 - 3. Apply factor (s) successively for the desired number of years of Prior Acts;
 - 4. Apply the appropriate Increased/Decreased Limits Factor.

Prior Acts Period	1 st Year	2 nd Year	3 rd Year	Prepaid Factors
1 year prior	.47	.28	.26	0.94
2 years prior	.70	.43	.40	1.42
3 years prior	.81	.44	.46	1.64
4+ years prior	.87	.53	.50	1.76

XIV. PREMIUM PAYMENT PLAN

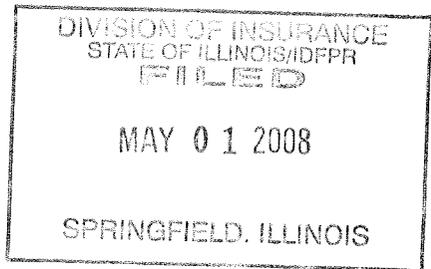
The Company may, at its discretion, offer to the named insured various premium payment options, ranging from monthly to annual payment plans. Some of the premium payment plans may result in a service fee of \$5 per payment.



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XV. ISO CLASSIFICATION CODES

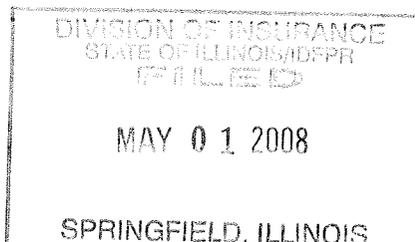
Class	Description	ISO CODE
I	A Occupational Therapists Occupational Therapy Assistant Certified Occupational Therapy Assistant	80721
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	B Respiratory Care Provider Respiratory Therapist	80717
		80717
	C Respiratory Therapist Technician/Technologist Chiropractic Assistant Optometric Technician/Assistant Podiatric Assistant	80717
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		80944
		80943
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Class	Description	ISO CODE
II	Art Therapist	80967
	Dance Therapist	80967
	Music Therapist	80967
	Recreation Therapist	80945
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Class	Description	ISO CODE
III	A LPN/LVN Registered Nurse	80963
		80964
	B Dietician Nutritionist	80720
		80720
	C Bio-medical Technician/Technologist Blood Bank Technician/Technologist Cardiology Technician/Technologist Certified Lab Technician/Technologist Certified Medical Assistant Clinical Lab Technician/Technologist Community Health Assistant Community Health Technician/Technologist Diagnostic Medical Sonographer Dialysis Technician/Technologist EEG Technician/Technologist EKG Technician/Technologist Electrologist Histologic Technician/Technologist Medical Assistant Medical Laboratory Technician/Technologist Medical Records Administrator Medical Records Technician/Technologist Medical Technician Medical Technician/Technologist Assistant Medical Technologist	80719
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XV. ISO CLASSIFICATION CODES (continued)

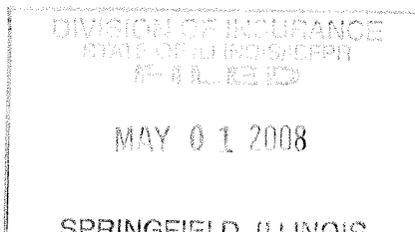
Class	Description	ISO CODE
III C	Mental Retardation Workers	80711
	Nuclear Medical Technician/Technologist	80719
	Phlebotomist	80719
	Radiation Therapist	80713
	Radiology Technician/Technologist	80719
	Surgical Technician/Technologist	80129
	X-Ray Machine Operator	80713
D	Home Health Aide	80618
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Class	Description	ISO CODE
IV A	Pharmacist	59112
	Pharmacy Technician	59112
	Pedorthist	80943
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Class	Description	ISO CODE
V	Circulation Tech	80945
	Perfusionist	80945
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Class	Description	ISO CODE
VI A	Massage Therapist	80718
	Enterostomal Therapist	80945
	Orthopedic Assistant	80943
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Class	Description	ISO CODE
VII A	Athletic Trainer	80945
	Exercise Physiologist	80945
	Fitness Professional	80945
	Health Educator	80711
	Kinesiologist	80945
	Personal Trainer, Certified	80945
	Sports Medicine Instructor	80945
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Class	Description	ISO CODE
VIII A	Paramedic	80723
	Basic / Intermediate Emergency Medical Technician	80723
	Volunteer Emergency Medical Technician	80723
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Class	Description	ISO CODE
IX A	Physical Therapist	80995
	Rehabilitation Therapist	80995
	Kinesiotherapist	80945
	Sports Medicine Therapist	80945
	Corrective Therapist	80945
	Physical Therapist Assistant	80995
Rehabilitation Assistant	80995	



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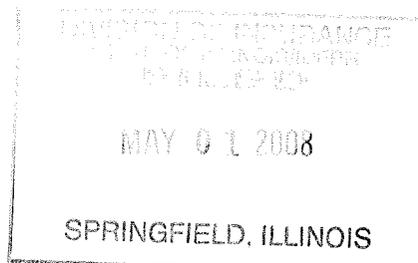
Class	Description	ISO CODE
X	No specialties in this class	
Class	Description	ISO CODE
XI	Nurse Practitioners	
A	Adult / Geriatric / Family Planning / Gynecology / Women's Health / Adult Oncology	80965
B	Psychiatric	80965
C	Pediatric / Neonatal / Family Practice / Acute Critical Care	80965
D	Obstetrics / Gynecology / Perinatal / Acute Care Obstetrics	80965
E	Nurse Practitioner Student	80965
Class	Description	ISO CODE
XII	Audiologists	80716
	Speech Language Pathologist	80716
	Speech Hearing Therapist	80716
Class	Description	ISO CODE
XIII	Dental Hygienists	80712
Class	Description	ISO CODE
XIV	Dental Assistants	80712
	Laboratory Aide	80711
	Nurses Aide	80964
	Geriatric Nursing Assistant	80963
	Nursing Assistant	80963
	Physical Therapy Aide	80995
	Other Healthcare Aide (Excluding Home Health Aides)	80711
Class	Description	ISO CODE
XV	A Social Worker Clinical	80723
	B Psychotherapist / Psychologist	80723
	C Alcohol/Drug Counselor	80723
	Case Manager	72990
	Clinical/Rehabilitation Counselor	80723
	Pastoral Counselor	80723
	School Counselor	80723
	D Marriage/Family Counselor	80723



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XV. ISO CLASSIFICATION CODES (continued)

Class	Description	ISO CODE
XVI	<p>A Physician Assistant Class 1</p> <p>A PA who performs tasks ordinarily reserved for the Physician and who works under the direction and supervision of a licensed physician to assist the physician in the management of patients.</p>	80116
	<p>B Physician Assistant Class 2</p> <p>A PA who is involved in any of the following: Assisting in surgery (other than observation) Trauma/Emergency room procedures/responsibilities (10 hours or less per week) Prenatal or Postnatal care Assisting in anesthesiology</p>	80116
	<p>C Physician Assistant Class 3</p> <p>A PA who is involved in any of the following: Orthopedic surgery OB/GYN Surgery Cardiovascular Surgery Thoracic Surgery Trauma/Emergency Room – Greater than 10 hours/week OB including delivery room responsibilities Exposure to Cardiac Catherization lab</p>	80116
	<p>D Physician Assistant Student</p>	80116
XVII	<p>A Acupuncturist</p> <p>B Acupuncturist Student</p>	80966



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XVI. CALCULATION OF PREMIUM

- A. The premium for the policy shall be the sum of the applicable charges developed below:
- B. If more than one classification is applicable, the higher rated classification will be used for rating.
- C. The annual occurrence form base rate for each Healthcare Provider is stated on the state rate page.
- D. The annual claims made form rate for each Healthcare Provider shall be determined for Classes I through XVI as follows:
 - 1. If the Healthcare Provider is just entering practice, or the Healthcare Provider has continuously been insured under an occurrence policy, enter the step rate factor from the table at the year one level.
 - 2. If the Healthcare Provider has been insured under a claims-made policy, for one or more years immediately preceding the effective date of this coverage, or for reasons acceptable to the Company had been uninsured, the following procedure shall apply:
 - a. determine the number of years in which the Healthcare Provider was covered under such claims-made policy(ies);
 - b. determine the number of years in which the Healthcare Provider was uninsured;
 - c. the sum of years developed in a. and b. shall be the base exposure. Fractional years of six months or more of base exposure shall be rounded to the next higher year; less than six months shall be rounded to the next lower year;
 - d. the sum of years developed in c. above shall be the Years of Prior Exposure. The table is entered at the total prior Years of Exposure, plus one.

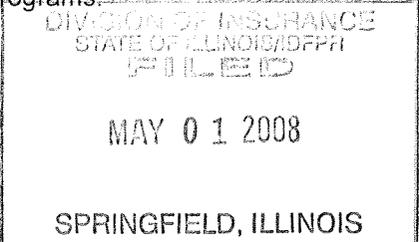
The factors in the following table shall be applied to the full time Class I though XVI rate, found on the State Page:

Class	Step Rate Factors				
	Year 1	Year 2	Year 3	Year 4	Year 5
I through XVI	.32	.57	.77	.84	.99

XVII. SCHEDULE RATING

When applicable, apply the appropriate debit or credit based upon the following risk characteristics, subject to state specific limitations regarding on Schedule Rating:

	<u>CREDIT</u>	<u>DEBIT</u>
<i>Procedure Mix</i> Applicable to insureds whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty.	0 - 25%	0 - 25%
<i>Exposure Modification</i> Applicable to those insureds who have an increased or reduced exposure.	0 - 25%	0 - 25%
<i>Unusual Risk Characteristics</i>	0 - 25%	0 - 25%
<i>Continuing Education</i> Applicable to insureds who are involved in a CNA approved continuing education program other than risk management programs.	0 - 25%	0 - 25%



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XVIII. RULES FOR INDIVIDUALS

The following rules apply to eligible employed individuals and self employed non incorporated individuals only:

A. Coverage

The following coverage will be provided:

1. Professional Liability including Good Samaritan Liability, Personal Injury Liability and Malplacement Liability on an occurrence or claims-made basis;
2. License Protection including wage loss, travel, food and lodging (up to \$500 per proceeding) and legal defense costs (up to \$150/hour);
3. Defendant Expense Benefit;
4. Deposition Representation;
5. Assault;
6. Medical Payments;
7. First Aid;
8. Damage to Property of Others; and
9. Workplace Liability.
10. Personal Liability.

B. The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

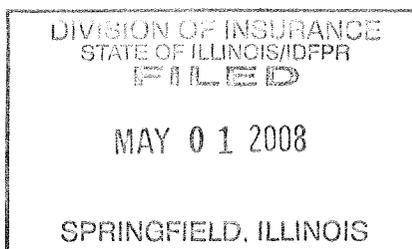
Coverage	Limits of Liability		
Professional Liability	\$ 1,000,000	Each claim	\$ 6,000,000 aggregate
Good Samaritan Liability	\$	included in PL limit above	
Personal Injury Liability	\$	included in PL limit above	
Malplacement Liability	\$	included in PL limit above	
License Protection	\$ 10,000	per proceeding	\$ 25,000 aggregate
Defendant Expense Benefit	\$		\$ 10,000 aggregate
Deposition Representation	\$ 2,500	per incident	\$ 5,000 aggregate
Assault	\$ 10,000	per incident	\$ 25,000 aggregate
Medical Payments	\$ 2,000	per person	\$ 100,000 aggregate
First Aid	\$		\$ 2,500 aggregate
Damage to Property of Others	\$ 500	per incident	\$ 10,000 aggregate
Personal Liability	\$		\$ 1,000,000 aggregate
Workplace Liability	\$	included in PL limit above	

C. Supplemental Modifications - Individuals

1. New Healthcare Providers

A new Healthcare Provider is defined as a Healthcare Provider who has completed the training in their specialty within the previous twelve (12) months, and who is applying for coverage as a non-incorporated individual. The credit will be a 50% credit for the first year or 25% for nurse practitioners. If application of the credit results in a rate which is less than the rate for another specialty for which the Healthcare Provider is covered, the higher rate will apply without discount.

The above credit does not apply if part time credit is given or if the policy is issued as claims made.



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2. Additional Insureds

Where eligible, additional insured coverage may be added to the policy on a shared limit of liability basis. The rate will be 5% of the policy premium each subject to a minimum premium of \$165 each. Such Additional Insured shall be covered for their vicarious liability only as their interest appears.

3. Part Time

Individual Healthcare Provider who works 24 or fewer hours per week may be eligible for restricted coverage at a rate reduction of 50% subject to a minimum premium. Physician Assistants will be eligible for restricted coverage at a rate reduction of 35% subject to a minimum premium.

- a. When part time rates result in an amount that is less than \$100, the rate will be the lesser of either the individual's full time base rate or \$100.
- b. If the individual's full time base rate is used, full coverage is afforded. If a rate, less than the full time rate, is used, part time reduced coverages will apply.
- c. Part time rate is available to an employed individual who works 24 or fewer hours per week in a self-employed capacity for that individual's self-employed pursuits.
- d. The part time rate reduction is not available for nurse practitioners and may be further restricted by underwriting guidelines.

4. Retirement/Leave

An Individual Healthcare Provider who is not actively employed as a Healthcare Provider but maintains an active license may be eligible for restricted coverage at a rate reduction of 50%. The reduced rate may be applied retroactively to the first day of retirement/leave, on the condition that the Company is notified within ten (10) days of the retirement/leave. If the company is notified at a later date, the discount may be applied as of the date the Company received the notice. This credit will not apply to firms or self employed incorporated individuals.

5. Individual Risk Management Credit

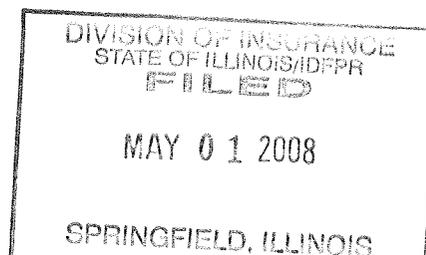
A credit of 10% will be applied to the annual premium applicable to an individual Healthcare Provider who attends a CNA approved loss prevention seminar, workshop, or other loss prevention program. This credit will be applied for a three year period.

6. Consulting Services Liability

Consulting Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25. Consulting Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Consulting, Educating or Training Services in the Healthcare Provider's area of specialization.

7. Case Management Services Liability

Case Management Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25. Case Management Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Case Management duties such as assessing and coordinating treatment options, managing a patient's total care to ensure optimum outcome or utilization review.



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XIX. RULES FOR FIRMS

The following rules are applicable to Firms. Firms include corporations, partnerships, organizations, sole proprietorship or self employed incorporated individuals.

A. Coverage

The following coverage will be provided to Firms on a shared limit of liability basis:

1. Professional Liability including Good Samaritan Liability, Personal Injury Liability and Malplacement Liability on an occurrence or claims-made basis;
2. License Protection including wage loss, travel, food and lodging (up to \$500 per proceeding) and legal defense costs (up to \$150/hour);
3. Defendant Expense Benefit;
4. Deposition Representation;
5. Assault;
6. Medical Payments;
7. First Aid;
8. Damage to Property of Others

B. Limits of Liability

The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

Coverage	Limits of Liability	
Professional Liability	\$ 1,000,000	each claim \$ 6,000,000 aggregate
Good Samaritan Liability	\$ included in PL limit above	
Personal Injury Liability	\$ included in PL limit above	
Malplacement Liability	\$ included in PL limit above	
License Protection	\$ 10,000 per proceeding	\$ 25,000 aggregate
Defendant Expense Benefit	\$ 10,000 aggregate	
Deposition Representation	\$ 10,000 aggregate	
Assault	\$ 10,000 per incident	\$ 25,000 aggregate
Medical Payments	\$ 2,000 per person	\$ 100,000 aggregate
First Aid	\$ 2,500 aggregate	
Damage to Property of Others	\$ 2,500 per incident	\$ 10,000 aggregate

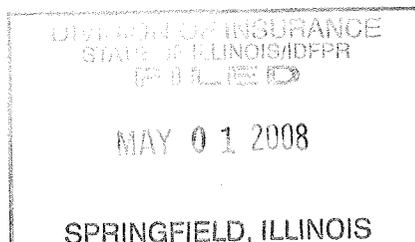
General Liability is available as an optional coverage.

C. Firm Rates & Policy Minimum

1. The base rate for each healthcare professional will be the higher of the self employed rate shown on the State Rate page or \$300 each.
2. The base rate for each aide, technician or assistant will be the higher of the self employed rate shown on the State Rate page or \$175.
3. The base rate for home healthcare aide will be \$100 each.
4. The following minimum premium per policy shall apply to all firm policies except self-employed incorporated individuals with no employees. For these individuals, the self employed individual rate as shown on the State Rate Page shall apply as the Minimum.

Nurse Practitioner Firm

\$ 2,500



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Physical Therapy Firms of 15 or more	\$5,000
All other Firms of 2 or more headcount	\$ 500

D. Full Time Equivalents (FTE)

For calculating headcount, where applicable, full time equivalents may be utilized for Firms. Full time is defined as 40 hours a week. The total number of hours per week for each profession will be divided by 40 to determine the number of full time equivalents for that profession.

The full time equivalent rule is subject to minimum policy premium and minimum headcount to FTE ratios.

E. Supplemental Modifications - Firms

1. Size of Business

A credit will be given based on the number of Healthcare Providers associated with the business. The following will be applied:

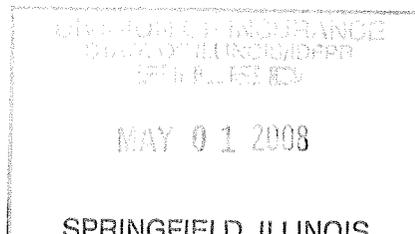
# of providers	Credit
2 - 9	4%
10 - 14	8%
15 or more	12%

2. Business Loss Prevention Credit

A credit of 5% will be applied to a firm who maintains a CNA approved loss prevention program, seminar or workshop for its employees. This credit will be applied for a one year period, and will be reviewed annually.

3. Debits will be added based on the presence of the following:

Category	Debit
Registry/Staffing	A surcharge of 25% of developed premium before debits/credits will be added to Firms that provide staffing to other facilities, firms or locations.
Background Check	A surcharge of 10% of developed premium before debits/credits will be added to Firms not performing background checks on their employees and independent contractors.
Nursing Home/Assisted Living/LTC	A surcharge of 25% of developed premium before debits/credits will be added to Firms that do more than 50% staffing of Nursing Home Facilities or Assisted Living Centers.
High Tech/Critical Care	A surcharge of 25% of developed premium before debits/credits will be added to Firms performing High Tech (i.e. Trach care, Ventilator care, Chemotherapy, etc.) or Critical Care.



**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

4. Separate Limits

All ratable employees and the corporation may be provided separate limits. The following debit will be applied:

# of ratable employees	Debit
1	10.0%
2 - 9	12.0%
10 - 14	15.5%
15 or more	17.5%

F. General Liability

- Optional General Liability coverage may be purchased by self-employed incorporated individuals or firms with a \$1,000,000 aggregate limit. The annual rate is stated on the state rate page for the first facility based practice location.
- When a firm has multiple practice locations, and requests General Liability coverage, a \$50 charge per additional practice location will apply.
- When a firm provides home healthcare, staffing or fitness, the annual rate will be 25% of the developed Professional Liability rate, subject to \$150 per policy minimum.
- Other limits are available and associated with the following factors (which are with respect to the \$1M/\$1M rate).

Increased Limit	Increased Limit Factor
\$1,000,000 / \$1,000,000	1.00
\$1,000,000 / \$2,000,000	1.13
\$1,000,000 / \$3,000,000	1.21
\$1,000,000 / \$4,000,000	1.28
\$1,000,000 / \$5,000,000	1.33
\$1,000,000 / \$6,000,000	1.37
\$1,000,000 / \$7,000,000	1.39
\$1,000,000 / \$8,000,000	1.40
\$2,000,000 / \$4,000,000	1.98
\$2,000,000 / \$5,000,000	2.00
\$2,000,000 / \$6,000,000	2.01
\$2,000,000 / \$7,000,000	2.02
\$2,000,000 / \$8,000,000	2.03



**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

G. Deductibles

When deductible options are requested or required, the following credits should be applied to the developed policy premium. When General Liability is offered, the same deductible amount must be provided for both Professional Liability and General Liability.

Amount	Credit
\$0	0%
\$1,000	1%
\$2,500	2.5%
\$5,000	5%
\$10,000	10%
\$15,000	11%
\$20,000	13%
\$25,000	15%

H. Additional Insured

Where eligible, additional insured coverage may be added to the policy on a shared limit of liability basis. The rate will be 5% of the policy premium each subject to a minimum premium of \$165 each. Such Additional Insured shall be covered for their vicarious liability only as their interest appears.

I. Consulting Services Liability

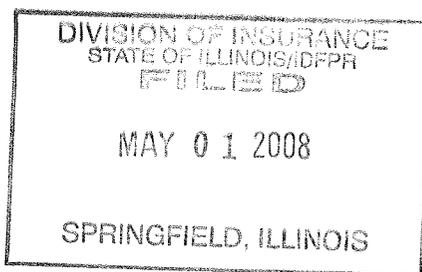
Consulting Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25 for each Consultant. Consulting Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Consulting, Educating or Training Services in the Firm's area of specialization.

J. Case Management Services Liability

Case Management Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25 for each Case Manager. Case Management Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Case Management duties such as assessing and coordinating treatment options, developing treatment plans or managing a patient's total care.

K. Medical Director or Administrator Liability

Medical Director or Administrator coverage may be added to the policy on a Sub-limit basis. The Limit of Liability for this coverage: \$100,000 Each Claim / \$300,000 Aggregate is a sub-limit of the Professional Liability Limit shown on the Certificate of Insurance. The rate for each Medical Director or Administrator will be \$500 or 10% of the base premium, whichever is higher. The Medical Director or Administrator Liability endorsement extends Professional Liability coverage to include Administrative Services provided by a Physician or other Administrator.



**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

XX. RULES FOR SCHOOL BLANKET

The following rules are applicable to the School Blanket Policy for Healthcare Provider Students
ISO Code: 80998.

A. Coverage

The following coverage will be provided to School Blanket on a shared limit of liability basis:

1. **Professional Liability** coverage for damages as a result of a claim arising out of a medical incident or personal injury out of the supplying of, or failure to supply services by a student or faculty and advisor of the named insured school; including vicarious liability for the school; includes **Personal Injury Liability**.
2. Grievance Proceedings
3. Defendant Expense Benefit
4. Deposition Representation
5. Assault
6. Medical Payments
7. First Aid
8. Damage to Property of Others

B. Limits of Liability

The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

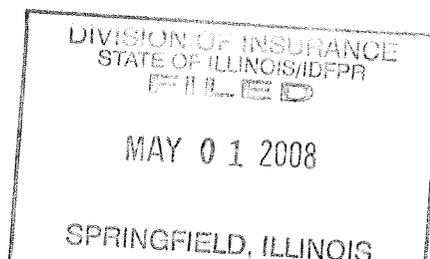
Coverage	Limits of Liability		
Professional Liability	\$ 1,000,000	each claim	\$ 5,000,000 aggregate
Personal Injury Liability	\$ included in PL limit above		
Grievance Proceedings	\$ 1,000	per proceeding	\$ 10,000 aggregate
Defendant Expense Benefit			\$ 10,000 aggregate
Deposition Representation	\$ 1,000	per incident	\$ 5,000 aggregate
Assault	\$ 1,000	per incident	\$ 25,000 aggregate
Medical Payments	\$ 2,000	per person	\$ 100,000 aggregate
First Aid	\$ 500	per incident	\$ 25,000 aggregate
Damage to Property of Others	\$ 250	per incident	\$ 10,000 aggregate

C. School Rates & Policy Minimum

1. Calculations will be made based on the estimated number of students (total annual headcount) in each of the covered curricula at the inception of the policy period.
2. Premium will be collected or returned for additions or deletions if the change modifies the student count by 25% or more when the change occurs during the first six months of the policy term. If the change occurs in the second half of the policy term, the policy will be reconciled at renewal.
3. A \$300 minimum annual premium shall apply to each School Blanket policy.

D. Supplemental Modifications – School Blanket

Modifications developed under the following shall be summed and applied as a single factor, subject to a maximum credit of 25%. Such credits shall apply on a one year basis, and will be subject to annual review.



**COMPANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

1. Claim-Free Credit

A 10% credit applies if there have been no claims reported to the Company during the past three policy periods and the Company has provided coverage during each of those policy periods.

2. Longevity Credit

At the inception of a fourth consecutive policy period, a 5% credit will be granted to a school that has been insured in this program for the three preceding years.

3. Size of School Modification

The following credits will be applied based on the number of students covered on the policy:

Number of Students	Credit
500 – 1,000	5%
1,001- 2,499	10%
2,500+	15%

E. Additional Insured

An additional insured request for a landlord, government organization, charity or religious organization may be added to the policy on a shared limit of liability basis for no additional charge. Such additional insured shall be covered for their vicarious liability only as their interest appears.



**COMPANY STATE PAGE FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

I. STATE ENDORSEMENTS

State Provisions	G-123846-C12	Mandatory on all policies
State Amendments	G-123829-C12	Mandatory on all policies
State Amendments-ERP	G-123812-A12	Mandatory on all claims-made policies

II. AMENDED RULES

A. Rule XVII, Schedule Rating Plan, is amended by the addition of the following:

The maximum debit or credit to be applied under this plan shall be limited to 25%.

B. Rule XII, Extended Reporting Period Coverage (Claims Made Only), paragraph I. is deleted in its entirety.

C. Rule XII, Extended Reporting Period Coverage (Claims Made Only), paragraph K. is deleted in its entirety and replaced with the following:

K. The factors in the following table shall be applied to the claims-made rate in effect at the beginning of the current policy period:

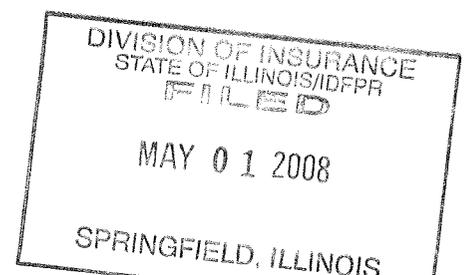
Years of Prior Claims Made Coverage	Installment Factors Years			Prepaid Factors
	1	2	3	
1	.36	.34	.28	.92
2	.58	.55	.39	1.43
3	.67	.55	.59	1.70
4 or more	.84	.55	.59	1.87

D. Rule XIV, Premium Payment Plan is deleted in its entirety and replaced with the following:

Quarterly Installment Option:

The Company will offer individual insureds the option to make annual premium payments using quarterly or annual installments. When quarterly installments are selected, the following standards will apply:

- i) An initial payment of no more than 40% of the estimated total premium will be due at policy inception;
- ii) The remaining premium will be spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
- iii) Installment charges or fees of no more than 1% of the total premium or \$25.00, whichever is less, will be assessed;
- iv) Availability will be subject to a minimum annual premium of \$500; and
- v) Quarterly installments will not be available for premium for any extension of a reporting period.
- vi) There will be no interest charges;



**COMPANY STATE PAGE FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

- vii) Any additional premium resulting from changes to policy, mid-term, shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.



**COMPANY STATE PAGE FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

III. RATES

- A. All rates indicated below are for Professional Liability limits of \$1,000,000 each claim, with a \$6,000,000 annual aggregate.

CLASS		EMPLOYED	SELF-EMPLOYED
I	A	79	220
	B	93	312
	C	93	260
II		93	312
III	A	98	300
	B	93	260
	C	93	182
	D	93	100
IV	A	146	390
	B	93	182
	C	115	323
V		156	312
VI	A	156	182
	B	182	312
VII	A	208	988
	B	156	182
VIII	A	166	239
	B	151	217
	C	78	78
IX	A	164	467
	B	83	234
X		---	---
XI	A	717	884
	B	1,012	1,251
	C	1,309	1,616
	D	1,607	1,985
	E	275	N/A
XII		82	140
XIII		62	260
XIV		51	182
XV	A	125	300
	B	450	950
	C	125	330
	D	125	265

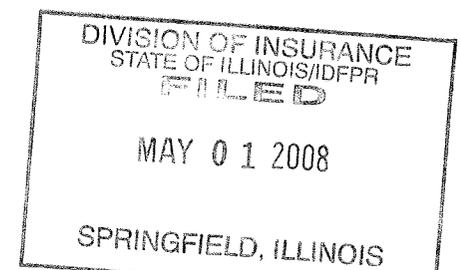
Counties: Cook, DuPage, Madison, St.Clair

XVI	A	4,840	4,840
	B	6,050	6,050
	C	7,260	7,260
	D	156	N/A

Remainder of State

XVI	A	3,998	3,998
	B	4,998	4,998
	C	5,997	5,997
	D	156	N/A

XVII	A	731	731
	B	156	N/A



**COMPANY STATE PAGE FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

- B. Student Rates
The rate for an individual healthcare student is \$29, except where otherwise specified in class rate schedule III. A.
- C. General Liability
Base General Liability limits of \$1,000,000 for each claim, with a \$1,000,000 annual aggregate may be purchased for \$150.
- D. Student Blanket
The rate is \$13 per student for all specialties at \$1,000,000/\$5,000,000 limit of liability.



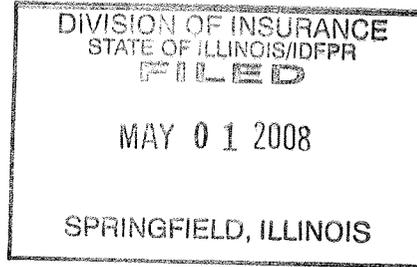


40 Wall Street - 9th Floor
New York, New York 10005



John Lockhart
Regulatory Filings Technician
P & C State Filing Unit
CNA Global Specialty Lines
Telephone: 877-269-3277 x 3270
Facsimile: 212-440-2877
Email: john.lockhart@cna.com

April 1, 2008



Illinois Department of Insurance
320 West Washington Street
Springfield, IL 62767-0001
Property & Casualty Compliance Unit

RE: American Casualty Company of Reading, PA NAIC #: 218-20427
FEIN#: 23-0342560 ✓
Healthcare Providers Services Organization Risk Purchasing Group
Rates and Rules Filing
Our File #08-R2201

Honorable Director:

On behalf of American Casualty Company of Reading, PA we hereby submit for your review and approval the captioned rates and rules for use with our Healthcare Providers Services Organization Program currently on file with your department. American Casualty Company of Reading Pennsylvania (ACCO) is introducing the new allied healthcare specialty of acupuncturist. Acupuncturists are defined as Class XVII A and B.

Enclosed for your review are an Actuarial Memorandum, the revised Manual pages and the State Exception pages.

These changes will become applicable to all policies effective on or after May 1, 2008, or the earliest date permitted by your state.

Sincerely,

John Lockhart

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ILLINOIS DEPARTMENT OF INSURANCE

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective _____ 0 _____

(1) <u>Coverage</u>	(2) <u>Annual Premium Volume (Illinois)*</u>	(3) <u>Percent Change (+ or -)**</u>
1. Automobile Liability Private Passenger Commercial	0	0
2. Automobile Physical Damage Private Passenger Commercial	0	0
3. Liability Other Than Auto	0	0
4. Burglary and Theft	0	0
5. Glass	0	0
6. Fidelity	0	0
7. Surety	0	0
8. Boiler and Machinery	0	0
9. Fire	0	0
10. Extended Coverage	0	0
11. Inland Marine	0	0
12. Homeowners	0	0
13. Commercial Multi-Peril	0	0
14. Crop Hail	0	0
15. Other _____ Line of Insurance	0	0

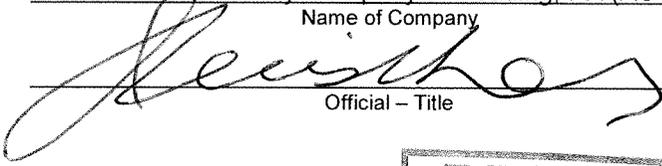
Does filing only apply to certain territory (territories) or certain classes? If so, specify: Introduction of new Acupuncturist Class.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): Since this is a new class for ACCO, we have no specific class experience upon which to base our rates. Therefore, rates were developed based on underwriter and actuarial judgment.

*Adjusted to reflect all prior rate changes.

**Change in Company's premium level which will result from application of new rates.

American Casualty Company of Reading, PA (ACCO)
Name of Company


Official - Title



R. E/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 #	08-R2201
-----------	--	-----------------

2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	08-F2201
-----------	---	-----------------

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 % Indicated Change (when applicable)	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)
American	0.0%	0.0%	\$0	0	\$0		

4b.	Rate Change by Company (As Accepted) For State Use Only						
------------	--	--	--	--	--	--	--

Company Name	Overall % Indicated Change (when applicable)	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)

Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)	0%	
5b.	Overall percentage rate impact for this filing	0%	
5c.	Effect of Rate Filing – Written premium change for this program	\$0	
5d.	Effect of Rate Filing – Number of policyholders affected	0	

6.	Overall percentage of last rate revision	0.4%
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7.	Effective Date of last rate revision	3/19/2007
-----------	---	------------------

8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File & Use
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9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	Countrywide Manual Pages: 8	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	State Exception Pages: 3	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

ILLINOIS CERTIFICATION FOR
MEDICAL MALPRACTICE RATES

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

I, Sharon K. Robinson, FCAS, MAAA, a duly authorized actuary of The Casualty Actuarial Society, and Vice President am authorized to certify on behalf of The Continental Insurance Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are subject to this filing.

Sharon K Robinson 6-22-08
Sharon K. Robinson, FCAS, MAAA Date
Vice President

Insurance Company FEIN 23 - 0342560 Filing Number 08-R2201

Insurer's Address 40 Wall Street # 9th Floor

City New York State NY Zip Code 10005

Contact Person's:

- Name and E-mail John Lockhart john.lockhart@cna.com

- Direct Telephone and Fax Number 212-440-3270 212-440-2877

Neuman, Gayle

From: Lockhart, John C. [John.Lockhart@CNA.com]
Sent: Tuesday, July 01, 2008 1:30 PM
To: Neuman, Gayle
Subject: RE: Healthcare Providers Services Organization Risk Purchasing Group - rate/rule filing #08-R2201
Attachments: Medical Malpractice Certification.pdf

Dear Ms. Neuman,

Thank you for your email dated July 1, 2008. Please note our following response to the issues you raised.

1. In response to your question concerning statistics CNA is an ISO reporting company and as such reports to ISO as required.
2. In response to your request the certification is attached.
3. In response to your issue with the manual changes, please note that the only text added was the XVII class to the III Rates table seen below.

XVII A	731	731
B	156	N/A

Section III was moved to start at the beginning of page 3 ultimately making the manual 4 pages in total.

The document header now reads "AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA" rather than "AMERICAN CASUALTY COMPANY OF READING, PA"

No other changes were made from the previously filed document.

Thank you.

John Lockhart

K
P&C State Filing Unit
40 Wall Street, 9th Floor
New York, NY 10005-1401
877-269-3277 ext. 3270
IMPORTANT NOTICE:

This message contains information which may be confidential and privileged. Unless you are the addressee (or authorized to receive for the addressee), you may not use, copy or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by reply, and delete the message.

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tuesday, July 01, 2008 11:58 AM

7/1/2008

To: Lockhart, John C.

Subject: Healthcare Providers Services Organization Risk Purchasing Group - rate/rule filing #08-R2201

Mr. Lockhart,

We are in receipt of the above referenced filing submitted on April 1, 2008. Please address the following issues:

1. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If a stat agency is used, please indicate which one? This information is required in every rate/rule filing for medical malpractice.
2. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. This information is required in every rate/rule filing for medical malpractice.
3. A copy of changes made to the manual was provided. It disclosed changes in dates and formats - however it did not disclose the text being added, and changes to Illinois manual pages 1 through 4 was not provided. Pursuant to 50 Ill. Adm. Code 754.10, identification of all changes in all superseding filings is required. Additionally, we require you certify that nothing else has changed from what was previously filed except for the changes brought to our attention in this filing.

We request receipt of your response by July 10, 2008.

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

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

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

E-MAIL CONFIDENTIALITY NOTICE: The contents of this e-mail message and any attachm addressee(s) and may contain confidential and/or legally privileged information. If intended recipient of this message or if this message has been addressed to you in immediately alert the sender by reply e-mail and then delete this message and any a are not the intended recipient, you are notified that any use, dissemination, distr storage of this message or any attachment is strictly prohibited.

7/1/2008

AMERICAN CASUALTY COMPANY OF READING, PA
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
PROFESSIONAL LIABILITY

ACTUARIAL MEMORANDUM

American Casualty Company of Reading Pennsylvania (ACCO) is introducing the new allied healthcare specialty of acupuncturist. Acupuncturists are defined as Class XVII A and B. There are currently no individual acupuncturists underwritten by ACCO. Coverage for acupuncturists will be offered on a claims-made form.

Since this is a new class for ACCO, we have no specific class experience upon which to base our rates. Therefore, rates were developed based on underwriter and actuarial judgment.

A revised version of state exception pages, reflecting the changes outlined above are included with this submission.

**COMPANY STATE PAGE FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

I. STATE ENDORSEMENTS

State Provisions	G-123846-C12	Mandatory on all policies
State Amendments	G-123829-B12	Mandatory on all policies
State Amendments-ERP	G-123812-A12	Mandatory on all claims-made policies

II. AMENDED RULES

- A. Rule XVII, Schedule Rating Plan, is amended by the addition of the following:

The maximum debit or credit to be applied under this plan shall be limited to 50%.

- B. Rule XII, Extended Reporting Period Coverage (Claims Made Only), paragraph I. is deleted in its entirety.
- C. Rule XII, Extended Reporting Period Coverage (Claims Made Only), paragraph K. is deleted in its entirety and replaced with the following:

- K. The factors in the following table shall be applied to the claims-made rate in effect at the beginning of the current policy period:

Years of Prior Claims Made Coverage	Installment Factors Years			Prepaid Factors
	1	2	3	
1	.36	.34	.28	.92
2	.58	.55	.39	1.43
3	.67	.55	.59	1.70
4 or more	.84	.55	.59	1.87

- D. Rule XIV, Premium Payment Plan is deleted in its entirety and replaced with the following:

Quarterly Installment Option:

The Company will offer individual insureds the option to make annual premium payments using quarterly or annual installments. When quarterly installments are selected, the following standards will apply:

- i) An initial payment of no more than 40% of the estimated total premium will be due at policy inception;
- ii) The remaining premium will be spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;
- iii) Installment charges or fees of no more than 1% of the total premium or \$25.00, whichever is less, will be assessed;
- iv) Availability will be subject to a minimum annual premium of \$500; and
- v) Quarterly installments will not be available for premium for any extension of a reporting period.
- vi) There will be no interest charges;

**COMPANY STATE PAGE FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

- vii) Any additional premium resulting from changes to policy, mid-term, shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

**COMPANY STATE PAGE FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

III. RATES

- A. All rates indicated below are for Professional Liability limits of \$1,000,000 each claim, with a \$6,000,000 annual aggregate.

CLASS		EMPLOYED	SELF-EMPLOYED
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	C	93	260
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	D	93	100
IV	A	146	390
	B	93	182
	C	115	323
V		156	312
VI	A	156	182
	B	182	312
VII	A	208	988
	B	156	182
VIII	A	166	239
	B	151	217
	C	78	78
IX	A	164	467
	B	83	234
X		---	---
XI	A	717	884
	B	1,012	1,251
	C	1,309	1,616
	D	1,607	1,985
	E	275	N/A
XII		82	140
XIII		62	260
XIV		51	182
XV	A	125	300
	B	450	950
	C	125	330
	D	125	265

Counties: Cook, DuPage, Madison, St.Clair

XVI	A	4,840	4,840
	B	6,050	6,050
	C	7,260	7,260
	D	156	N/A

Remainder of State

XVI	A	3,998	3,998
	B	4,998	4,998
	C	5,997	5,997
	D	156	N/A

XVII	A	731	731
	B	156	N/A

**COMPANY STATE PAGE FOR
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- B. Student Rates
The rate for an individual healthcare student is \$29, except where otherwise specified in class rate schedule III. A.
- C. General Liability
Base General Liability limits of \$1,000,000 for each claim, with a \$1,000,000 annual aggregate may be purchased for \$150.
- D. Student Blanket
The rate is \$13 per student for all specialties at \$1,000,000/\$5,000,000 limit of liability.

**C COMPANY PAGES FOR
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I. APPLICATION OF MANUAL RULES

- A. The rules contained in these pages shall govern the writing of Professional Liability policies for Healthcare Provider specialties described in Section XV below.
- B. The rules, rates, rating plans and forms filed on behalf of the Company, and not in conflict herewith, shall govern in all cases not specifically provided for herein.

II. POLICY TERM

Policies may be written for a term of one year, and renewed annually thereafter.

III. PREMIUM COMPUTATION

- A. Compute the premium at policy inception using the rates and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.
- B. Prorate the premium when a policy is issued for other than a whole year.
- C. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding the final premium.

IV. FACTORS OR MULTIPLIERS

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.

V. WHOLE DOLLAR RULE

In the event the rating procedure does not result in a whole dollar:

- A. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- B. any amount involving \$.49 or less shall be rounded down to the next lower whole dollar amount.

VI. ADDITIONAL PREMIUM CHARGES

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change.

VII. RETURN PREMIUM

- A. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
- B. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.

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VIII. DECREASED LIMITS OF LIABILITY

When lower limits are offered, they will be provided on the following basis:

Limits of Liability	Decreased Limit Factor
\$100,000 / \$300,000	.64
\$100,000 / \$500,000	.65
\$200,000 / \$600,000	.69
\$250,000 / \$750,000	.71
\$200,000 / \$1,000,000	.71
\$500,000 / \$500,000	.76
\$500,000 / \$1,000,000	.79
\$500,000 / \$2,500,000	.83
\$1,000,000 / \$1,000,000	.94
\$1,000,000 / \$2,000,000	.95
\$1,000,000 / \$3,000,000	.96
\$1,000,000 / \$5,000,000	.98

Rates are derived using the standard \$1,000,000 / \$6,000,000 base rates.

IX. INCREASED LIMITS OF LIABILITY

When higher limits are offered, they will be provided on the following basis:

Limits of Liability	Increased Limit Factor	Minimum Premium
\$1,000,000 / \$7,000,000	1.02	\$25
\$1,000,000 / \$8,000,000	1.03	\$30
\$2,000,000 / \$4,000,000	1.15	\$40
\$2,000,000 / \$5,000,000	1.17	\$50
\$2,000,000 / \$6,000,000	1.18	\$65
\$2,000,000 / \$7,000,000	1.19	\$75
\$2,000,000 / \$8,000,000	1.20	\$80

Rates are derived using the standard \$1,000,000 / \$6,000,000 base rates.

X. POLICY CANCELLATIONS

Return premium will be computed pro-rata in accordance with the Whole Dollar Rule using the rules, rates and rating plans in effect at the inception of this policy period.

XI. RESTRICTIONS OF COVERAGE OR INCREASED RATE

Subject to individual state regulations, policies may be issued with special restrictions or at increased premium if:

- A. the insured agrees in writing; and
- B. the policy would not be written otherwise.

XII. EXTENDED REPORTING PERIOD COVERAGE (Claims Made Only)

If this policy is cancelled or non-renewed and subject to the following provisions, an extension period, for the purpose of reporting a claim, will be provided automatically for 60 days, and may be extended beyond that as governed by the following rules:

- A. The limits of liability may not exceed those afforded under the terminating policy.

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- B. Extended Reporting Period Coverage will be available to the named insured shown on the certificate of insurance.
- C. Should the named insured terminate coverage under this policy, and desire Extended Reporting Period Coverage beyond the automatic 60 days, notice must be given to the Company, along with payment of the applicable premium, within 60 days.
- D. Upon termination of coverage under this policy by reason of death, the deceased's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.
- E. Upon termination of coverage under this policy by reason of disability or retirement by the named insured, Extended Reporting Period Coverage will be granted for no additional charge provided that, during the policy period:
 - 1. total and permanent disability occurs; or
 - 2. the named insured retires during the policy period and:
 - a. is 55 years of age or older and has been insured by this Company for at least 5 years of claims-made coverage; or
 - b. has been insured by us for at least 10 years of claims-made coverage.
- F. The prior acts date of coverage with this Company will determine the years of prior exposure for Extended Reporting Period Coverage.
- G. Premium must be paid promptly when due.
- H. In the event the policy is canceled, any return premium due the named insured shall be credited toward the premium for Extended Reporting Period Coverage, if the named insured elects this coverage. If any premium is due for the period of time between the earlier of the policy's Prior Acts date or effective date and the termination date, any monies received by the Company from the named insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period Coverage.
- I. There is no right to any extended reported period coverage if this policy is cancelled for non payment of premium, non compliance with any of the terms and condition of this policy or for any misrepresentation or omission in the application for this policy.
- J. Extended Reporting Period Coverage will be granted with the following discounts, subject to the Extended Reporting Provisions of the Policy and the following schedule:

Consecutive Years of Coverage	Discount
10	Free
9	90%
8	80%
7	70%
6	60%
5	50%
4	40%
3	30%
2	20%
1	10%

- K. The factors in the following table shall be applied to the mature claims-made rate in effect at the beginning of the current policy period:

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Years of Prior Claims Made Coverage	Installment Factors Years			Prepaid Factors
	1	2	3	
1	.36	.34	.28	.92
2	.58	.55	.39	1.43
3	.67	.55	.59	1.70
4 or more	.84	.55	.59	1.87

XIII. PRIOR ACTS COVERAGE (Occurrence only)

The policy may be extended to provide prior acts coverage as follows:

- A. The prior acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously provided under a claims made policy, nor shall limits of liability exceed those of the claims-made policy or the occurrence policy to which the prior acts endorsement shall be applied.
- B. The premium for Prior Acts Coverage is a one time only charge payable in advance or over the first three policy years in annual installments, but calculated in advance by applying the applicable factors from the table below to the current rate under this policy for limits of \$1,000,000/6,000,000 per occurrence.
- C. If the limit of liability under this coverage is other than \$1M/6M per occurrence, the premium developed under B above shall be adjusted by the appropriate increased or decreased limits factor.
- D. The premium will be charged annually, but calculated in advance:
 - 1. Determine the current premium under this policy for limits of \$1M/6M per occurrence;
 - 2. Enter the factor for the appropriate Prior Acts Period;
 - 3. Apply factor (s) successively for the desired number of years of Prior Acts;
 - 4. Apply the appropriate Increased/Decreased Limits Factor.

Prior Acts Period	1 st Year	2 nd Year	3 rd Year	Prepaid Factors
1 year prior	.47	.28	.26	0.94
2 years prior	.70	.43	.40	1.42
3 years prior	.81	.44	.46	1.64
4+ years prior	.87	.53	.50	1.76

XIV. PREMIUM PAYMENT PLAN

The Company may, at its discretion, offer to the named insured various premium payment options, ranging from monthly to annual payment plans. Some of the premium payment plans may result in a service fee of \$5 per payment.

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XV. ISO CLASSIFICATION CODES (continued)

Class	Description	ISO CODE		
III C	Mental Retardation Workers	80711		
	Nuclear Medical Technician/Technologist	80719	Formatted: Font color: Auto	
	Phlebotomist	80719	Formatted: Font color: Auto	
	Radiation Therapist	80713	Formatted: Font color: Auto	
	Radiology Technician/Technologist	80719	Formatted: Font color: Auto	
	Surgical Technician/Technologist	80129	Formatted: Font color: Auto	
	X-Ray Machine Operator	80713	Formatted: Font color: Auto	
D	Home Health Aide	80618		
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Class	Description	ISO CODE		
IV A	Pharmacist	59112		
	Pharmacy Technician	59112		
	Pedorthist	80943	Formatted: Font color: Auto	
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Class	Description	ISO CODE		
V	Circulation Tech	80945		
	Perfusionist	80945		
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Class	Description	ISO CODE		
VI A	Massage Therapist	80718	Formatted: Font color: Auto	
	Enterostomal Therapist Orthopedic Assistant	80945		
		80943	Formatted: Font color: Auto	
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Class	Description	ISO CODE		
VII A	Athletic Trainer	80945		
	B	Exercise Physiologist	80945	Formatted: Font color: Auto
		Fitness Professional	80945	Formatted: Font color: Auto
		Health Educator	80711	Formatted: Font color: Auto
		Kinesiologist	80945	Formatted: Font color: Auto
		Personal Trainer, Certified	80945	Formatted: Font color: Auto
		Sports Medicine Instructor	80945	Formatted: Font color: Auto
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Class	Description	ISO CODE		
VIII A	Paramedic	80723	Formatted: Font color: Auto	
	Basic / Intermediate Emergency Medical Technician	80723	Formatted: Font color: Auto	
	Volunteer Emergency Medical Technician	80723	Formatted: Font color: Auto	
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Class	Description	ISO CODE		
IX A	Physical Therapist	80995	Formatted: Font color: Auto	
	Rehabilitation Therapist	80995	Formatted: Font color: Auto	
	Kinesiotherapist	80945	Formatted: Font color: Auto	
	Sports Medicine Therapist	80945	Formatted: Font color: Auto	
	Corrective Therapist	80945	Formatted: Font color: Auto	
	B	Physical Therapist Assistant Rehabilitation Assistant	80995	Formatted: Font color: Auto
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XV. ISO CLASSIFICATION CODES (continued)

Class	Description	ISO CODE	
X	No specialties in this class		
Class	Description	ISO CODE	
XI	Nurse Practitioners		
A	Adult / Geriatric / Family Planning / Gynecology / Women's Health / Adult Oncology	80965	Formatted: Font color: Auto
B	Psychiatric	80965	Formatted: Font color: Auto
C	Pediatric / Neonatal / Family Practice / Acute Critical Care	80965	Formatted: Font color: Auto
D	Obstetrics / Gynecology / Perinatal / Acute Care Obstetrics	80965	Formatted: Font color: Auto
E	Nurse Practitioner Student	80965	Formatted: Font color: Auto
Class	Description	ISO CODE	
XII	Audiologists	80716	Formatted: Font color: Auto
	Speech Language Pathologist	80716	Formatted: Font color: Auto
	Speech Hearing Therapist	80716	Formatted: Font color: Auto
Class	Description	ISO CODE	
XIII	Dental Hygienists	80712	Formatted: Font color: Auto
Class	Description	ISO CODE	
XIV	Dental Assistants	80712	Formatted: Font color: Auto
	Laboratory Aide	80711	
	Nurses Aide	80964	
	Geriatric Nursing Assistant	80963	
	Nursing Assistant	80963	
	Physical Therapy Aide	80995	Formatted: Font color: Auto
	Other Healthcare Aide (Excluding Home Health Aides)	80711	
Class	Description	ISO CODE	
XV	A Social Worker Clinical	80723	Formatted: Font color: Auto
	B Psychotherapist / Psychologist	80723	Formatted: Font color: Auto
	C Alcohol/Drug Counselor	80723	Formatted: Font color: Auto
	Case Manager	72990	
	Clinical/Rehabilitation Counselor	80723	Formatted: Font color: Auto
	Pastoral Counselor	80723	Formatted: Font color: Auto
	School Counselor	80723	Formatted: Font color: Auto
	D Marriage/Family Counselor	80723	Formatted: Font color: Auto

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XV. ISO CLASSIFICATION CODES (continued)

Class	Description	ISO CODE
XVI	A Physician Assistant Class 1 A PA who performs tasks ordinarily reserved for the Physician and who works under the direction and supervision of a licensed physician to assist the physician in the management of patients.	80116
	B Physician Assistant Class 2 A PA who is involved in any of the following: Assisting in surgery (other than observation) Trauma/Emergency room procedures/responsibilities (10 hours or less per week) Prenatal or Postnatal care Assisting in anesthesiology	80116
	C Physician Assistant Class 3 A PA who is involved in any of the following: Orthopedic surgery OB/GYN Surgery Cardiovascular Surgery Thoracic Surgery Trauma/Emergency Room – Greater than 10 hours/week OB including delivery room responsibilities Exposure to Cardiac Catherization lab	80116
	D Physician Assistant Student	80116

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Class	Description	ISO Code
XVII	A Acupuncturist	80966
	B Acupuncturist Student	80966

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XVI. CALCULATION OF PREMIUM

- A. The premium for the policy shall be the sum of the applicable charges developed below:
- B. If more than one classification is applicable, the higher rated classification will be used for rating.
- C. The annual occurrence form base rate for each Healthcare Provider is stated on the state rate page.
- D. The annual claims made form rate for each Healthcare Provider shall be determined for Classes I through XVI as follows:
 - 1. If the Healthcare Provider is just entering practice, or the Healthcare Provider has continuously been insured under an occurrence policy, enter the step rate factor from the table at the year one level.
 - 2. If the Healthcare Provider has been insured under a claims-made policy, for one or more years immediately preceding the effective date of this coverage, or for reasons acceptable to the Company had been uninsured, the following procedure shall apply:
 - a. determine the number of years in which the Healthcare Provider was covered under such claims-made policy(ies);
 - b. determine the number of years in which the Healthcare Provider was uninsured;
 - c. the sum of years developed in a. and b. shall be the base exposure. Fractional years of six months or more of base exposure shall be rounded to the next higher year; less than six months shall be rounded to the next lower year;
 - d. the sum of years developed in c. above shall be the Years of Prior Exposure. The table is entered at the total prior Years of Exposure, plus one.

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The factors in the following table shall be applied to the full time Class I though XVI rate, found on the State Page:

Class	Step Rate Factors				
	Year 1	Year 2	Year 3	Year 4	Year 5
I through XVI	.32	.57	.77	.84	.99

XVII. SCHEDULE RATING

When applicable, apply the appropriate debit or credit based upon the following risk characteristics, subject to state specific limitations regarding on Schedule Rating:

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	<u>CREDIT</u>	<u>DEBIT</u>
<i>Procedure Mix</i> Applicable to insureds whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty.	0 - 25%	0 - 25%
<i>Exposure Modification</i> Applicable to those insureds who have an increased or reduced exposure.	0 - 25%	0 - 25%
<i>Unusual Risk Characteristics</i>	0 - 25%	0 - 25%
<i>Continuing Education</i> Applicable to insureds who are involved in a CNA approved continuing education program other than risk management programs.	0 - 25%	0 - 25%

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XVIII. RULES FOR INDIVIDUALS

The following rules apply to eligible employed individuals and self employed non incorporated individuals only:

A. Coverage

The following coverage will be provided:

1. Professional Liability including Good Samaritan Liability, Personal Injury Liability and Malplacement Liability on an occurrence or claims-made basis;
2. License Protection including wage loss, travel, food and lodging (up to \$500 per proceeding) and legal defense costs (up to \$150/hour);
3. Defendant Expense Benefit;
4. Deposition Representation;
5. Assault;
6. Medical Payments;
7. First Aid;
8. Damage to Property of Others; and
9. Workplace Liability.
10. Personal Liability.

B. The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

Coverage	Limits of Liability		
Professional Liability	\$ 1,000,000	Each claim	\$ 6,000,000 aggregate
Good Samaritan Liability	\$ included in PL limit above		
Personal Injury Liability	\$ included in PL limit above		
Malplacement Liability	\$ included in PL limit above		
License Protection	\$ 10,000	per proceeding	\$ 25,000 aggregate
Defendant Expense Benefit			\$ 10,000 aggregate
Deposition Representation	\$ 2,500	per incident	\$ 5,000 aggregate
Assault	\$ 10,000	per incident	\$ 25,000 aggregate
Medical Payments	\$ 2,000	per person	\$ 100,000 aggregate
First Aid			\$ 2,500 aggregate
Damage to Property of Others	\$ 500	per incident	\$ 10,000 aggregate
Personal Liability			\$ 1,000,000 aggregate
Workplace Liability	\$ included in PL limit above		

C. Supplemental Modifications - Individuals

1. New Healthcare Providers

A new Healthcare Provider is defined as a Healthcare Provider who has completed the training in their specialty within the previous twelve (12) months, and who is applying for coverage as a non-incorporated individual. The credit will be a 50% credit for the first year or 25% for nurse practitioners. If application of the credit results in a rate which is less than the rate for another specialty for which the Healthcare Provider is covered, the higher rate will apply without discount.

The above credit does not apply if part time credit is given or if the policy is issued as claims made.

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2. Additional Insureds

Where eligible, additional insured coverage may be added to the policy on a shared limit of liability basis. The rate will be 5% of the policy premium each subject to a minimum premium of \$165 each. Such Additional Insured shall be covered for their vicarious liability only as their interest appears.

3. Part Time

Individual Healthcare Provider who works 24 or fewer hours per week may be eligible for restricted coverage at a rate reduction of 50% subject to a minimum premium. Physician Assistants will be eligible for restricted coverage at a rate reduction of 35% subject to a minimum premium.

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- a. When part time rates result in an amount that is less than \$100, the rate will be the lesser of either the individual's full time base rate or \$100.
- b. If the individual's full time base rate is used, full coverage is afforded. If a rate, less than the full time rate, is used, part time reduced coverages will apply.
- c. Part time rate is available to an employed individual who works 24 or fewer hours per week in a self-employed capacity for that individual's self-employed pursuits.
- d. The part time rate reduction is not available for nurse practitioners and may be further restricted by underwriting guidelines.

4. Retirement/Leave

An Individual Healthcare Provider who is not actively employed as a Healthcare Provider but maintains an active license may be eligible for restricted coverage at a rate reduction of 50%. The reduced rate may be applied retroactively to the first day of retirement/leave, on the condition that the Company is notified within ten (10) days of the retirement/leave. If the company is notified at a later date, the discount may be applied as of the date the Company received the notice. This credit will not apply to firms or self employed incorporated individuals.

5. Individual Risk Management Credit

A credit of 10% will be applied to the annual premium applicable to an individual Healthcare Provider who attends a CNA approved loss prevention seminar, workshop, or other loss prevention program. This credit will be applied for a three year period.

6. Consulting Services Liability

Consulting Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25. Consulting Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Consulting, Educating or Training Services in the Healthcare Provider's area of specialization.

7. Case Management Services Liability

Case Management Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25. Case Management Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Case Management duties such as assessing and coordinating treatment options, managing a patient's total care to ensure optimum outcome or utilization review.

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XIX. RULES FOR FIRMS

The following rules are applicable to Firms. Firms include corporations, partnerships, organizations, sole proprietorship or self employed incorporated individuals.

A. Coverage

The following coverage will be provided to Firms on a shared limit of liability basis:

1. Professional Liability including Good Samaritan Liability, Personal Injury Liability and Malplacement Liability on an occurrence or claims-made basis;
2. License Protection including wage loss, travel, food and lodging (up to \$500 per proceeding) and legal defense costs (up to \$150/hour);
3. Defendant Expense Benefit;
4. Deposition Representation;
5. Assault;
6. Medical Payments;
7. First Aid;
8. Damage to Property of Others

B. Limits of Liability

The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

Coverage	Limits of Liability			
Professional Liability	\$ 1,000,000	each claim	\$ 6,000,000	aggregate
Good Samaritan Liability	\$	included in PL limit above		
Personal Injury Liability	\$	included in PL limit above		
Malplacement Liability	\$	included in PL limit above		
License Protection	\$ 10,000	per proceeding	\$ 25,000	aggregate
Defendant Expense Benefit	\$		\$ 10,000	aggregate
Deposition Representation	\$		\$ 10,000	aggregate
Assault	\$ 10,000	per incident	\$ 25,000	aggregate
Medical Payments	\$ 2,000	per person	\$ 100,000	aggregate
First Aid	\$		\$ 2,500	aggregate
Damage to Property of Others	\$ 2,500	per incident	\$ 10,000	aggregate

General Liability is available as an optional coverage.

C. Firm Rates & Policy Minimum

1. The base rate for each healthcare professional will be the higher of the self employed rate shown on the State Rate page or \$300 each.
2. The base rate for each aide, technician or assistant will be the higher of the self employed rate shown on the State Rate page or \$175.
3. The base rate for home healthcare aide will be \$100 each.
4. The following minimum premium per policy shall apply to all firm policies except self-employed incorporated individuals with no employees. For these individuals, the self employed individual rate as shown on the State Rate Page shall apply as the Minimum.

Nurse Practitioner Firm \$ 2,500

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Physical Therapy Firms of 15 or more	\$5,000
All other Firms of 2 or more headcount	\$ 500

D. Full Time Equivalents (FTE)

For calculating headcount, where applicable, full time equivalents may be utilized for Firms. Full time is defined as 40 hours a week. The total number of hours per week for each profession will be divided by 40 to determine the number of full time equivalents for that profession.

The full time equivalent rule is subject to minimum policy premium and minimum headcount to FTE ratios.

E. Supplemental Modifications - Firms

1. Size of Business

A credit will be given based on the number of Healthcare Providers associated with the business. The following will be applied:

# of providers	Credit
2 - 9	4%
10 - 14	8%
15 or more	12%

2. Business Loss Prevention Credit

A credit of 5% will be applied to a firm who maintains a CNA approved loss prevention program, seminar or workshop for its employees. This credit will be applied for a one year period, and will be reviewed annually.

3. Debits will be added based on the presence of the following:

Category	Debit
Registry/Staffing	A surcharge of 25% of developed premium before debits/credits will be added to Firms that provide staffing to other facilities, firms or locations.
Background Check	A surcharge of 10% of developed premium before debits/credits will be added to Firms not performing background checks on their employees and independent contractors.
Nursing Home/Assisted Living/LTC	A surcharge of 25% of developed premium before debits/credits will be added to Firms that do more than 50% staffing of Nursing Home Facilities or Assisted Living Centers.
High Tech/Critical Care	A surcharge of 25% of developed premium before debits/credits will be added to Firms performing High Tech (i.e. Trach care, Ventilator care, Chemotherapy, etc.) or Critical Care.

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4. Separate Limits

All ratable employees and the corporation may be provided separate limits. The following debit will be applied:

# of ratable employees	Debit
1	10.0%
2 - 9	12.0%
10 - 14	15.5%
15 or more	17.5%

F. General Liability

- Optional General Liability coverage may be purchased by self-employed incorporated individuals or firms with a \$1,000,000 aggregate limit. The annual rate is stated on the state rate page for the first facility based practice location.
- When a firm has multiple practice locations, and requests General Liability coverage, a \$50 charge per additional practice location will apply.
- When a firm provides home healthcare, staffing or fitness, the annual rate will be 25% of the developed Professional Liability rate, subject to \$150 per policy minimum.
- Other limits are available and associated with the following factors (which are with respect to the \$1M/\$1M rate).

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Increased Limit	Increased Limit Factor
\$1,000,000 / \$1,000,000	1.00
\$1,000,000 / \$2,000,000	1.13
\$1,000,000 / \$3,000,000	1.21
\$1,000,000 / \$4,000,000	1.28
\$1,000,000 / \$5,000,000	1.33
\$1,000,000 / \$6,000,000	1.37
\$1,000,000 / \$7,000,000	1.39
\$1,000,000 / \$8,000,000	1.40
\$2,000,000 / \$4,000,000	1.98
\$2,000,000 / \$5,000,000	2.00
\$2,000,000 / \$6,000,000	2.01
\$2,000,000 / \$7,000,000	2.02
\$2,000,000 / \$8,000,000	2.03

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G. Deductibles

When deductible options are requested or required, the following credits should be applied to the developed policy premium. When General Liability is offered, the same deductible amount must be provided for both Professional Liability and General Liability.

Amount	Credit
\$0	0%
\$1,000	1%
\$2,500	2.5%
\$5,000	5%
\$10,000	10%
\$15,000	11%
\$20,000	13%
\$25,000	15%

H. Additional Insured

Where eligible, additional insured coverage may be added to the policy on a shared limit of liability basis. The rate will be 5% of the policy premium each subject to a minimum premium of \$165 each. Such Additional Insured shall be covered for their vicarious liability only as their interest appears.

I. Consulting Services Liability

Consulting Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25 for each Consultant. Consulting Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Consulting, Educating or Training Services in the Firm's area of specialization.

J. Case Management Services Liability

Case Management Services Liability coverage may be added to the policy on a shared limit basis. The rate will be \$25 for each Case Manager. Case Management Services Liability provides Errors and Omissions coverage for non-medical incidents while performing Case Management duties such as assessing and coordinating treatment options, developing treatment plans or managing a patient's total care.

K. Medical Director or Administrator Liability

Medical Director or Administrator coverage may be added to the policy on a Sub-limit basis. The Limit of Liability for this coverage: \$100,000 Each Claim / \$300,000 Aggregate is a sub-limit of the Professional Liability Limit shown on the Certificate of Insurance. The rate for each Medical Director or Administrator will be \$500 or 10% of the base premium, whichever is higher. The Medical Director or Administrator Liability endorsement extends Professional Liability coverage to include Administrative Services provided by a Physician or other Administrator.

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XX. RULES FOR SCHOOL BLANKET

The following rules are applicable to the School Blanket Policy for Healthcare Provider Students
ISO Code: 80998.

A. Coverage

The following coverage will be provided to School Blanket on a shared limit of liability basis:

1. **Professional Liability** coverage for damages as a result of a claim arising out of a medical incident or personal injury out of the supplying of, or failure to supply services by a student or faculty and advisor of the named insured school; including vicarious liability for the school; includes **Personal Injury Liability**.
2. Grievance Proceedings
3. Defendant Expense Benefit
4. Deposition Representation
5. Assault
6. Medical Payments
7. First Aid
8. Damage to Property of Others

B. Limits of Liability

The following are the base limits used for premium calculation. Availability of limits by specialty or state may be restricted by underwriting guidelines:

Coverage	Limits of Liability	
Professional Liability	\$ 1,000,000 each claim	\$ 5,000,000 aggregate
Personal Injury Liability	included in PL limit above	
Grievance Proceedings	\$ 1,000 per proceeding	\$ 10,000 aggregate
Defendant Expense Benefit		\$ 10,000 aggregate
Deposition Representation	\$ 1,000 per incident	\$ 5,000 aggregate
Assault	\$ 1,000 per incident	\$ 25,000 aggregate
Medical Payments	\$ 2,000 per person	\$ 100,000 aggregate
First Aid	\$ 500 per incident	\$ 25,000 aggregate
Damage to Property of Others	\$ 250 per incident	\$ 10,000 aggregate

C. School Rates & Policy Minimum

1. Calculations will be made based on the estimated number of students (total annual headcount) in each of the covered curricula at the inception of the policy period.
2. Premium will be collected or returned for additions or deletions if the change modifies the student count by 25% or more when the change occurs during the first six months of the policy term. If the change occurs in the second half of the policy term, the policy will be reconciled at renewal.
3. A \$300 minimum annual premium shall apply to each School Blanket policy.

D. Supplemental Modifications – School Blanket

Modifications developed under the following shall be summed and applied as a single factor, subject to a maximum credit of 25%. Such credits shall apply on a one year basis, and will be subject to annual review.

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**C ANY PAGES FOR
HEALTHCARE PROVIDERS SERVICE ORGANIZATION
AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**

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1. Claim-Free Credit

A 10% credit applies if there have been no claims reported to the Company during the past three policy periods and the Company has provided coverage during each of those policy periods.

2. Longevity Credit

At the inception of a fourth consecutive policy period, a 5% credit will be granted to a school that has been insured in this program for the three preceding years.

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3. Size of School Modification

The following credits will be applied based on the number of students covered on the policy:

Number of Students	Credit
500 – 1,000	5%
1,001- 2,499	10%
2,500+	15%

E. Additional Insured

An additional insured request for a landlord, government organization, charity or religious organization may be added to the policy on a shared limit of liability basis for no additional charge. Such additional insured shall be covered for their vicarious liability only as their interest appears.

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Neuman, Gayle

From: Lockhart,John C. [John.Lockhart@CNA.com]
Sent: Wednesday, February 11, 2009 3:27 PM
To: Neuman, Gayle
Subject: RE: American Casualty Co of Reading, PA - Rate/Rule Filing #08-R2201

Dear Ms. Neuman
Thanks for your review of the filing.
May 1, 2008 it is . Thank you.

John Lockhart

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From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, February 11, 2009 4:22 PM
To: Lockhart,John C.
Subject: American Casualty Co of Reading, PA - Rate/Rule Filing #08-R2201

Mr. Lockhart,

This filing has been reviewed and we will now "file" the above referenced filing number. You originally requested an effective date of May 1, 2008. Is that the effective date that was used? Please advise.

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

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

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Gayle.Neuman@illinois.gov

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2/11/2009