

State: Illinois **Filing Company:** Beazley Insurance Company, Inc.
TOI/Sub-TOI: 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations
Product Name: Miscellaneous Medical and Professional Liability and General Liability (Including Products Liability)
Project Name/Number: /BICI0243-IL

Filing at a Glance

Company: Beazley Insurance Company, Inc.
Product Name: Miscellaneous Medical and Professional Liability and General Liability (Including Products Liability)
State: Illinois
TOI: 11.2 Med Mal-Claims Made Only
Sub-TOI: 11.2000 Med Mal Sub-TOI Combinations
Filing Type: Rate
Date Submitted: 09/30/2013
SERFF Tr Num: BEAZ-129206884
SERFF Status: Closed-Filed
State Tr Num: BEAZ-129206884
State Status:
Co Tr Num: BICI0243-IL
Effective Date: On Approval
Requested (New):
Effective Date: On Approval
Requested (Renewal):
Author(s): Evelyn Perran, Camily Arjona, Ashley Drosdeck, Stephen Fisher, Oksana Walczok
Reviewer(s): Gayle Neuman (primary), Julie Rachford
Disposition Date: 01/07/2014
Disposition Status: Filed
Effective Date (New): 01/07/2014
Effective Date (Renewal): 01/07/2014
State Filing Description:
11/16/13 Assigned to Actuary

State: Illinois **Filing Company:** Beazley Insurance Company, Inc.
TOI/Sub-TOI: 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations
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General Information

Project Name: Status of Filing in Domicile: Pending
Project Number: BICI0243-IL Domicile Status Comments: Currently under review
Reference Organization: N/A Reference Number: N/A
Reference Title: N/A Advisory Org. Circular: N/A
Filing Status Changed: 01/07/2014
State Status Changed: Deemer Date:
Created By: Ashley Drosdeck Submitted By: Stephen Fisher
Corresponding Filing Tracking Number:

Filing Description:

Dear Commissioner Boron:

In accordance with the laws of your state, Beazley Insurance Company, Inc. is submitting this Rate filing to correct a problem we noted with our rate plan for our Miscellaneous Medical Professional Liability and General Liability (Including Products Liability) Claims Made and Reported Insurance Program. We are filing a revised State Exception Page to address this issue. For your information, our original filing of this product was approved effective 12/5/2012 under Company Filing Number BICI0176-IL (R) and your State Tr Num: BEAZ-127371281.

The actuarial note, attached under the Supporting Document tab fully explains the problem noted and our correction.

The following documents summarize the items that are attached to this filing:

- Required State Forms (if applicable);
- Actuarial Note;
- State Exception Page(s) BIC-MMP-RM-IL 1-5 and marked up copies.

We propose to implement this filing for all policies upon your earliest review and approval.

Kindly contact me with any comments/questions or with documentation of the Department's approval of this filing.

Company and Contact

Filing Contact Information

Evelyn Perran, Compliance Filing Analyst evelyn.perran@beazley.com
30 Batterson Park Road 860-677-3755 [Phone]
Farmington, CT 06032 860-679-0247 [FAX]

Filing Company Information

Beazley Insurance Company, Inc.	CoCode: 37540	State of Domicile: Connecticut
30 Batterson Park Road	Group Code:	Company Type: Property and
Farmington, CT 06032	Group Name: N/A	Casualty
(860) 677-3700 ext. [Phone]	FEIN Number: 04-2656602	State ID Number:

Filing Fees

State: Illinois **Filing Company:** Beazley Insurance Company, Inc.
TOI/Sub-TOI: 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations
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Fee Required? No

Retaliatory? No

Fee Explanation:

State Specific

Refer to our checklists prior to submitting filing (http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm):
acknowledged

Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the "Product Name" is the Filing Title and not the Project Number.: acknowledged

NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL LIABILITY, CROP HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMISSIONS, COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific statutes, regulations, etc. :
http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.asp .: acknowledged

Medical Malpractice rates/rules may now be submitted using SERFF effective January 1, 2012.: acknowledged

The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.":
acknowledged

When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG - Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: acknowledged

SERFF Tracking #:

BEAZ-129206884

State Tracking #:

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Product Name: Miscellaneous Medical and Professional Liability and General Liability (Including Products Liability)
Project Name/Number: /BICI0243-IL

Filing Company: Beazley Insurance Company, Inc.

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Gayle Neuman	01/07/2014	01/07/2014

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
effective date	Note To Reviewer	Evelyn Perran	01/07/2014	01/07/2014
effective date	Note To Filer	Gayle Neuman	01/07/2014	01/07/2014
Actuarial Review	Reviewer Note	Julie Rachford	01/07/2014	

SERFF Tracking #:

BEAZ-129206884

State Tracking #:

BEAZ-129206884

Company Tracking #:

BICI0243-IL

State:

Illinois

Filing Company:

Beazley Insurance Company, Inc.

TOI/Sub-TOI:

11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations

Product Name:

Miscellaneous Medical and Professional Liability and General Liability (Including Products Liability)

Project Name/Number:

/BICI0243-IL

Disposition

Disposition Date: 01/07/2014

Effective Date (New): 01/07/2014

Effective Date (Renewal): 01/07/2014

Status: Filed

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Form RF3 - (Summary Sheet)		Yes
Supporting Document	Certification		Yes
Supporting Document	Manual		Yes
Supporting Document	Request to Maintain Data as Trade Secret Information		Yes
Supporting Document	Tracked Version		Yes
Rate	ILLINOIS STATE EXCEPTION PAGES		Yes

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Project Name/Number: /BICI0243-IL

Note To Reviewer

Created By:

Evelyn Perran on 01/07/2014 09:59 AM

Last Edited By:

Gayle Neuman

Submitted On:

01/07/2014 10:04 AM

Subject:

effective date

Comments:

Hi Gayle,

The effective date of January 7 is fine. Thank you--

Evelyn Perran

State: Illinois **Filing Company:** Beazley Insurance Company, Inc.
TOI/Sub-TOI: 11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations
Product Name: Miscellaneous Medical and Professional Liability and General Liability (Including Products Liability)
Project Name/Number: /BICI0243-IL

Note To Filer

Created By:

Gayle Neuman on 01/07/2014 09:17 AM

Last Edited By:

Gayle Neuman

Submitted On:

01/07/2014 10:04 AM

Subject:

effective date

Comments:

The Department of Insurance has now completed its review of this filing. Originally, you requested the filing be effective upon approval. The filing has been approved as of January 7, 2014. Is that the effective date you choose to use? Your prompt response is appreciated.

State: Illinois **Filing Company:** Beazley Insurance Company, Inc.
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Product Name: Miscellaneous Medical and Professional Liability and General Liability (Including Products Liability)
Project Name/Number: /BICI0243-IL

Reviewer Note

Created By:

Julie Rachford on 01/07/2014 08:44 AM

Last Edited By:

Gayle Neuman

Submitted On:

01/07/2014 10:04 AM

Subject:

Actuarial Review

Comments:

Actuarial review complete.

Certification under original rate filing BEAZ-127371281.

SERFF Tracking #:

BEAZ-129206884

State Tracking #:

BEAZ-129206884

Company Tracking #:

BICI0243-IL

State: Illinois **Filing Company:** Beazley Insurance Company, Inc.
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Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		ILLINOIS STATE EXCEPTION PAGES	BIC-MMP-RM-IL 1-5	Replacement	BEAZ-127371281	Beazley MMP Rating Plan - IL SEP -09-2013.pdf

Beazley Insurance Company, Inc.

Miscellaneous Medical Professional Liability and
General Liability (Including Products Liability) Program

ILLINOIS STATE EXCEPTION PAGES

Exceptions to the Miscellaneous Medical Professional Liability and General Liability **Rating Plan Part I, Rating Rules:**

Paragraph **E Policy Writing Minimum Premiums** is deleted and replaced with the following:

E. Policy Writing Minimum Premiums

Each policy is subject to the below minimum premium based on the policy limit provided:

Limit (000)	Min Premium
100/300	\$500
200/600	\$500
250/500	\$500
250/750	\$500
500/500	\$750
500/750	\$750
500/1,000	\$750
1,000/1,000	\$1000
1,000/3,000	\$1000
2,000/2,000	\$1250
2,000/4,000	\$1250
3,000/3,000	\$1550
4,000/4,000	\$1850
5,000/5,000	\$2100

Paragraph **H. Extended Reporting Period (ERP)** is deleted and replaced with the following:
The premium for ERP coverage will be earned in accordance with the schedule listed below:

H. Extended Reporting Period (ERP):

In the event Insuring Agreement A. 1. (Professional Liability) Applies solely to this Policy:

Standard Extended Reporting Period lengths are twelve (12) months, twenty four (24) months or thirty six (36) months. State laws and regulations regarding minimum reporting periods must be followed. Premium for the Extended Reporting Period is made known to the Insured at Policy issuance. Premiums for each period option shall be:

12 months at 100% of policy premium in effect at policy issuance

24 months at 175% of policy premium in effect at policy issuance

36 months at 225% of policy premium in effect at policy issuance

In the event Insuring Agreements A.1. (Professional Liability) and A.2. (General Liability/Products Liability) apply to this Policy:

An Extended Reporting Period of unlimited duration will be offered in addition to the below options. The premium for the unlimited duration Extended Reporting Period shall be priced as a factor of the expiring annual premium and shall be capped at two-hundred percent (200%) of the annual premium.

12 months at 100% of policy premium in effect at policy issuance

Beazley Insurance Company, Inc.

Miscellaneous Medical Professional Liability and
General Liability (Including Products Liability) Program

ILLINOIS STATE EXCEPTION PAGES

24 months at 175% of policy premium in effect at policy issuance
36 months at 195% of policy premium in effect at policy issuance
Unlimited at 200% of policy premium in effect at policy issuance

Paragraph **K. Individual Risk Situations, Item A. Refer to Company** is deleted and replaced with the following:

K. Individual Risk Situations

A. Refer to Company

1. Rating or classifying

Refer to home office for rating or classifying any risk or exposure for which:

- a. The manual rate or applicable classification is clearly demonstrated to be inappropriate because of a unique or unusual feature of the risk.
- b. The coverage to be written is broader than that contained in the standard Policy, and will be modified by endorsement(s).
- c. There is proof that, for a specific coverage, the named risk is qualified in this state for placement of such insurance with an unauthorized insurer, and the insured agrees to the proposed rate or premium to be charged; or
- d. The risk develops \$50,000 or more annual manual basic limit premium individually or in combination with other products.

2. Restriction of Coverage

Refer to home office if an insuring agreement providing the insurance contemplated by an applicable classification and rate is endorsed to restrict coverage for hazards not common to all risks within the class.

The following is added to Paragraph **K. Individual Risk Situations, Item C. State Exceptions**:

K. Individual Risk Situations, C. State Exceptions

In IL, an individual risk filing to the Illinois Department of Insurance is required.

Beazley Insurance Company, Inc.

Miscellaneous Medical Professional Liability and
General Liability (Including Products Liability) Program

ILLINOIS STATE EXCEPTION PAGES

Exceptions to the Miscellaneous Medical Professional Liability and General Liability **Rating Plan Part II, Rates And Rating Factors:**

The text and table at **Part II, Step 2.A** immediately following the **Base Premium Factor** table is deleted and replaced with the following:

Where the rating basis for class is people or outpatient visits but information is only supplied for revenues, \$100,000 of revenues shall be equivalent to 1 person and \$100 of revenue shall be equivalent to one outpatient visit. Where the rating basis is revenues but only outpatient visits or number of people information is supplied, 1 person shall be equivalent to \$100,000 in revenue and 1 outpatient visit shall be equivalent to \$100 in revenue.

For steps 3 and 10 below the predominate rating basis group and the equivalent converted exposure under that basis must be calculated. To do so, sum exposures and base rate by rating basis. Use the following conversions to convert rating basis exposures to either OPVs or revenue-converted exposures and sum base rate by these two rating basis groups.

Rating Basis	Convert to	Conversion Factor
People	OPV	1:1000
Ave Occupancy	OPV	1:100
Beds/Units	OPV	1:100
Runs	OPV	1:2
Service Hours	OPV	20:1
Directors	OPV	1:100
Gross Sales	Revenue	1:1

The rating basis group with the greater summed base rate is the predominate rating basis group. If the base rate is split evenly to revenue and OPVs the predominate rating basis group shall be revenue. Bring all exposures to the predominate basis by using the conversion of 1 OPV equals \$100 in revenue. This predominate rating basis group and its final converted exposures will determine the tables used and factors calculated in steps 3 and 10 below.

Any revenue relating to products sales on classes above rated on "Revenue" above is deducted from the rateable base to ensure there is not a double charge as a result of B) below.

Within this rate plan, "Receipts" and "Revenue" have the same meaning and are used interchangeably. In step 10 below, language referencing "People or OPVs" shall apply when OPVs is the predominate rating basis group.

Step 11, the characteristic **Territory of Operations** is amended to include the following:

Tier 1 Counties: Cook, Madison and St. Claire

Beazley Insurance Company, Inc.

Miscellaneous Medical Professional Liability and
General Liability (Including Products Liability) Program

ILLINOIS STATE EXCEPTION PAGES

Tier 2 Counties: DuPage, Jackson, Kane, Lake, McHenry, Vermillion and Will

Tier 3 Counties: Champaign, Coles, DeKalb, Effingham, Kankakee, LaSalle, Macon, Sangamon and Winnebago

Tier 4 Counties: Rest of State

Step 13 Coverage Amendments, 1. Limited Defense Costs is deleted and replaced by the following:

1. Limited Defense Costs:

Policy provides for costs within the limit. If Additional Defense Limit is elected, the additional percentage debit factor will be applied to the premium after Step 11 chosen from the table below:

Additional Defense Limit Per Claim Limit	Premium Debit
Included within policy per claim limit	0%
\$250,000	7.5%
\$500,000	11.0%
\$750,000	13.5%
\$1,000,000	15.0%
Unlimited	20%

Note – the maximum Additional Defense Limit will be no greater than the Policy Limit Aggregate unless the Unlimited option is elected.

Beazley Insurance Company, Inc.

Miscellaneous Medical Professional Liability and
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ILLINOIS STATE EXCEPTION PAGES

Step 11, the **State Modification Limits** table is deleted and replaced with the following:

State Modification Limits:

The table below shows the maximum available Schedule Rating credit/debits for each state.

-50/+40	-15/+15	-25/+25			-40/+25	-40/+40		-50/+50	NA ¹
GA	NY ²	AL	IA	NV	SC	AK	MT	IN	HI
		AZ	ID	OH	MA	AR	NH	KY	NE
		CA	LA ²	OR		KS	OK	NC	
		CO	VT	PR		MD	PA	NM ³	
		CT	MI	SD		ME	RI	TN	
		DC	MO	UT		MN	TX	VA	
		DE	ND	WA		MS	WV	WI	
		IL	NJ					WY	

¹ NA = Schedule Rating is not available

² Characteristics capped at +/-10%.

³ Professional liability, contract surety, and D&O coverage not subject to -25/+25 limit, per NMAC 13.8.5.8.F

The following is added to Step 12. **Increased Limit Factor:**

Step 12: Increased Limit Factor

Increased Limit Factors, if selected will apply to both the Professional Liability coverage and the General Liability coverage as appropriate.

Step 13 Coverage Amendments, Item 8. Twin Towers Endorsement is deleted and replaced with the following:

Step 13: Coverage Amendments, Item 8 Twin Towers Endorsement

Endorsement E03517IL 032012 ed., Amend Limits of Liability Endorsement-Illinois (Twin Towers endorsement) allows separate limits of liability and is provided as a mandatory endorsement in Illinois at no additional charge. With the use of this mandatory endorsement E03515IL 032012 ed., the policy will not be written with combined limits.

If the Insured chooses to remove Endorsement E03517IL 032012 ed., the Final Premium shall be credited by 5%.

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State Tracking #:

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BICI0243-IL

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Product Name: Miscellaneous Medical and Professional Liability and General Liability (Including Products Liability)
Project Name/Number: /BICI0243-IL

Filing Company:

Beazley Insurance Company, Inc.

Supporting Document Schedules

Satisfied - Item:	Explanatory Memorandum
Comments:	
Attachment(s):	Misc Med PE Actuarial Note.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Form RF3 - (Summary Sheet)
Bypass Reason:	N/A - no business written in the program
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Certification
Bypass Reason:	N/A - No rate impact as there is no business written in this program.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Manual
Comments:	State Exception Page attached under the Rate/Rule schedule tab
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Request to Maintain Data as Trade Secret Information
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Tracked Version
Comments:	
Attachment(s):	IL.pdf
Item Status:	
Status Date:	

SERFF Tracking #:

BEAZ-129206884

State Tracking #:

BEAZ-129206884

Company Tracking #:

BICI0243-IL

State:

Illinois

Filing Company:

Beazley Insurance Company, Inc.

TOI/Sub-TOI:

11.2 Med Mal-Claims Made Only/11.2000 Med Mal Sub-TOI Combinations

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Miscellaneous Medical and Professional Liability and General Liability (Including Products Liability)

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Beazley Insurance Company, Inc.

Miscellaneous Medical Professional Liability and General Liability (Including Products Liability) Program

Actuarial Note

Beazley Insurance Company, Inc. filed the Miscellaneous Medical Professional Liability and General Liability (including Products Liability) Claims Made and Reported Insurance Program rate plan in late 2011. Although the plan has been approved for over a year and a half we have not yet written any policies using it. We are working now to implement the plan and have uncovered issues with the document that we believe must be addressed. We are filing a State Exception Page [SEP], or revised State Exception Page if one was already filed and approved, to address these problems.

The rating formula uses different exposure bases depending on the activities of the applicant. The rating bases used are "Outpatient Visits [OPVs]", "Revenue", "Average Occupancy", "Beds/Units", "Runs", "Service Hours", "Directors", and "Gross Sales". The rate plan allows for conversion between measures in the above bases when the needed information is not available. Also, to calculate a premium, conversion factors are used to bring these different exposure basis measures to a single predominate rating basis.

The first problem this SEP corrects is with the conversion from and to Revenues from OPVs or People. The conversion factors filed are in error and under certain circumstances create premiums that are order of magnitudes higher than intended.

This SEP also addresses two spots where the rating algorithm is significantly ambiguous: the process of determining a predominate rating basis and certain language under "Step 13: Coverage Amendments".

Since we have not written any policies under this plan there is no way to measure the effect of the proposed change on an in-force book. However, the proposed change will only serve to reduce the premiums calculated under the plan.

Beazley Insurance Company, Inc.

Miscellaneous Medical Professional Liability and
General Liability (Including Products Liability) Program

ILLINOIS STATE EXCEPTION PAGES

Exceptions to the Miscellaneous Medical Professional Liability and General Liability **Rating Plan Part**

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I, Rating Rules:

Paragraph **E Policy Writing Minimum Premiums** is deleted and replaced with the following:

E. Policy Writing Minimum Premiums

Each policy is subject to the below minimum premium based on the policy limit provided:

Limit (000)	Min Premium
100/300	\$500
200/600	\$500
250/500	\$500
250/750	\$500
500/500	\$750
500/750	\$750
500/1,000	\$750
1,000/1,000	\$1000
1,000/3,000	\$1000
2,000/2,000	\$1250
2,000/4,000	\$1250
3,000/3,000	\$1550
4,000/4,000	\$1850
5,000/5,000	\$2100

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Paragraph **H. Extended Reporting Period (ERP)** is deleted and replaced with the following:

The premium for ERP coverage will be earned in accordance with the schedule listed below:

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H. Extended Reporting Period (ERP):

In the event Insuring Agreement A. 1. (Professional Liability) Applies solely to this Policy:

Standard Extended Reporting Period lengths are twelve (12) months, twenty four (24) months or thirty six (36) months. State laws and regulations regarding minimum reporting periods must be followed. Premium for the Extended Reporting Period is made known to the Insured at Policy issuance. Premiums for each period option shall be:

12 months at 100% of policy premium in effect at policy issuance

24 months at 175% of policy premium in effect at policy issuance

36 months at 225% of policy premium in effect at policy issuance

In the event Insuring Agreements A.1. (Professional Liability) and A.2. (General Liability/Products Liability) apply to this Policy:

An Extended Reporting Period of unlimited duration will be offered in addition to the below options.

The premium for the unlimited duration Extended Reporting Period shall be priced as a factor of the expiring annual premium and shall be capped at two-hundred percent (200%) of the annual premium.

12 months at 100% of policy premium in effect at policy issuance

Beazley Insurance Company, Inc.

Miscellaneous Medical Professional Liability and
General Liability (Including Products Liability) Program

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24 months at 175% of policy premium in effect at policy issuance
36 months at 195% of policy premium in effect at policy issuance
Unlimited at 200% of policy premium in effect at policy issuance

Paragraph **K. Individual Risk Situations, Item A. Refer to Company** is deleted and replaced with the following:

K. Individual Risk Situations

A. Refer to Company

1. Rating or classifying

Refer to home office for rating or classifying any risk or exposure for which:

- a. The manual rate or applicable classification is clearly demonstrated to be inappropriate because of a unique or unusual feature of the risk.
- b. The coverage to be written is broader than that contained in the standard Policy, and will be modified by endorsement(s).
- c. There is proof that, for a specific coverage, the named risk is qualified in this state for placement of such insurance with an unauthorized insurer, and the insured agrees to the proposed rate or premium to be charged; or
- d. The risk develops \$50,000 or more annual manual basic limit premium individually or in combination with other products.

2. Restriction of Coverage

Refer to home office if an insuring agreement providing the insurance contemplated by an applicable classification and rate is endorsed to restrict coverage for hazards not common to all risks within the class.

The following is added to Paragraph **K. Individual Risk Situations, Item C. State Exceptions**:

K. Individual Risk Situations, C. State Exceptions

In IL, an individual risk filing to the Illinois Department of Insurance is required.

Beazley Insurance Company, Inc.

Miscellaneous Medical Professional Liability and
General Liability (Including Products Liability) Program

ILLINOIS STATE EXCEPTION PAGES

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Exceptions to the Miscellaneous Medical Professional Liability and General Liability **Rating Plan Part II, Rates And Rating Factors:**

The text and table at **Part II, Step 2.A** immediately following the **Base Premium Factor** table is deleted and replaced with the following:

Where the rating basis for class is people or outpatient visits but information is only supplied for revenues, \$100,000 of revenues shall be equivalent to 1 person and \$100 of revenue shall be equivalent to one outpatient visit. Where the rating basis is revenues but only outpatient visits or number of people information is supplied, 1 person shall be equivalent to \$100,000 in revenue and 1 outpatient visit shall be equivalent to \$100 in revenue.

For steps 3 and 10 below the predominate rating basis group and the equivalent converted exposure under that basis must be calculated. To do so, sum exposures and base rate by rating basis. Use the following conversions to convert rating basis exposures to either OPVs or revenue-converted exposures and sum base rate by these two rating basis groups.

<u>Rating Basis</u>	<u>Convert to</u>	<u>Conversion Factor</u>
<u>People</u>	<u>OPV</u>	<u>1:1000</u>
<u>Ave Occupancy</u>	<u>OPV</u>	<u>1:100</u>
<u>Beds/Units</u>	<u>OPV</u>	<u>1:100</u>
<u>Runs</u>	<u>OPV</u>	<u>1:2</u>
<u>Service Hours</u>	<u>OPV</u>	<u>20:1</u>
<u>Directors</u>	<u>OPV</u>	<u>1:100</u>
<u>Gross Sales</u>	<u>Revenue</u>	<u>1:1</u>

The rating basis group with the greater summed base rate is the predominate rating basis group. If the base rate is split evenly to revenue and OPVs the predominate rating basis group shall be revenue. Bring all exposures to the predominate basis by using the conversion of 1 OPV equals \$100 in revenue. This predominate rating basis group and its final converted exposures will determine the tables used and factors calculated in steps 3 and 10 below.

Any revenue relating to products sales on classes above rated on "Revenue" above is deducted from the rateable base to ensure there is not a double charge as a result of B) below.

Within this rate plan, "Receipts" and "Revenue" have the same meaning and are used interchangeably. In step 10 below, language referencing "People or OPVs" shall apply when OPVs is the predominate rating basis group.

Step 11, the characteristic **Territory of Operations** is amended to include the following:

Tier 1 Counties: Cook, Madison and St. Claire

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Tier 2 Counties: DuPage, Jackson, Kane, Lake, McHenry, Vermillion and Will
Tier 3 Counties: Champaign, Coles, DeKalb, Effingham, Kankakee, LaSalle, Macon, Sangamon and
Winnebago
Tier 4 Counties: Rest of State

Step 13 Coverage Amendments, 1. Limited Defense Costs is deleted and replaced by the following:

1. Limited Defense Costs:

Policy provides for costs within the limit. If Additional Defense Limit is elected, the additional percentage debit factor will be applied to the premium after Step 11 chosen from the table below:

<u>Additional Defense Limit Per Claim Limit</u>	<u>Premium Debit</u>
<u>Included within policy per claim limit</u>	<u>0%</u>
<u>\$250,000</u>	<u>7.5%</u>
<u>\$500,000</u>	<u>11.0%</u>
<u>\$750,000</u>	<u>13.5%</u>
<u>\$1,000,000</u>	<u>15.0%</u>
<u>Unlimited</u>	<u>20%</u>

Note – the maximum Additional Defense Limit will be no greater than the Policy Limit Aggregate unless the Unlimited option is elected.

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Step 11. the **State Modification Limits** table is deleted and replaced with the following:

State Modification Limits:

The table below shows the maximum available Schedule Rating credit/debits for each state.

-50/+40	-15/+15	-25/+25			-40/+25	-40/+40		-50/+50	NA ¹
▲ GA	NY ²	AL	IA	NV	SC	AK	MT	IN	HI
▲		AZ	ID	OH	MA	AR	NH	KY	NE
▲		CA	LA ²	OR		KS	OK	NC	
▲		CO	VT	PR		MD	PA	NM ³	
▲		CT	MI	SD		ME	RI	TN	
▲		DC	MO	UT		MN	TX	VA	
▲		DE	ND	WA		MS	WV	WI	
▲		IL	NJ					WY	
▲									
▲									
▲									

¹ NA = Schedule Rating is not available

² Characteristics capped at +/-10%.

³ Professional liability, contract surety, and D&O coverage not subject to -25/+25 limit, per NMAC 13.8.5.8.F

The following is added to Step 12. **Increased Limit Factor:**

Step 12: Increased Limit Factor

Increased Limit Factors, if selected will apply to both the Professional Liability coverage and the General Liability coverage as appropriate.

Step 13. **Coverage Amendments, Item 8. Twin Towers Endorsement** is deleted and replaced with the following:

Step 13: Coverage Amendments, Item 8 Twin Towers Endorsement

Endorsement E03517IL 032012 ed., Amend Limits of Liability Endorsement-Illinois (Twin Towers endorsement) allows separate limits of liability and is provided as a mandatory endorsement in Illinois at no additional charge. With the use of this mandatory endorsement E03515IL 032012 ed., the policy will not be written with combined limits.

If the Insured chooses to remove Endorsement E03517IL 032012 ed., the Final Premium shall be credited by 5%.

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