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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

Fireman's Fund®

August 10, 2009

FILED

SEP 01 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Honorable Michael T. McRaith
Director of Insurance
Illinois Department of Financial and Professional Regulation
Division of Insurance
320 West Washington Street
Springfield, Illinois 62767

Attention: Mr. John Gatlin
Supervisor, Property and Casualty Compliance Unit

RATE/RULE

RE: Medical Malpractice Optometrists Rate Filing
Chicago Insurance Company – NAIC #: 0761-22810 – FEIN # 36-6042949
Company Filing Number: NILMM0109
Effective Date: December 1, 2009

Dear Sir or Madam:

For your review and approval, we are enclosing a rate page for our Optometrists Professional Liability program. This coverage is provided to the Risk Purchasing Group, Allied Health Purchasing Group Association.

Please refer to the Actuarial Memorandum and supporting exhibits for further details.

This is a rate filing.

Enclosed in support of this filing are the following items:

1. Optometrist Actuarial Memorandum
2. Rate page
3. State filing forms/checklists if any.

Your approval/acknowledgement of this filing, which has a proposed effective date of December 1, 2009, would be appreciated.

Sincerely,

Tracy Thompson
Regulatory Analyst
Commercial Business, Governance
800-227-1700 ext 2145 wk
415-899-2145

I-O
MEM
RAT
JGM
JGL

Fireman's Fund
Insurance Companies
A member of the
Alliance Group

777 San Marin Drive
Novato, CA 94998
415.899.2000

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

Form (RF-3)

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective ~~12/1/2009~~ 9-1-2010

	(1) Coverage	(2) Annual Premium Volume (Illinois)*	(3) Percent Change (+ or -)**
1.	Automobile Liability		
	Private Passenger		
	Commercial		
2.	Automobile Physical Damage		
	Private Passenger		
	Commercial		
3.	Liability Other Than Auto		
4.	Burglary and Theft		
5.	Glass		
6.	Fidelity		
7.	Surety		
8.	Boiler and Machinery		
9.	Fire		
10.	Extended Coverage		
11.	Inland Marine		
12.	Homeowners		
13.	Commercial Multi-Peril		
14.	Crop Hail		
15.	Other Medical Malpractice - Optemetrists (Line of Insurance)	204,054	-4.2%

Does filing only apply to certain territory (territories) or certain classes? If so, specify:
There are two territories in IL. Rate change is the same for both territories. The amount of the rate change varies by class of Optometrist.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):
Base rate only change by class for our Optometrists Professional Liability Program.
For more info please see the actuarial memorandum

* Adjusted to reflect all prior rate changes.
** Change in Company's premium level which will result from application of new rates.

Chicago Ins. Co.
~~Fireman's Fund Insurance~~ Companies
Name of Company

Vice President, Compliance
Official - Title

H29219D

FIREMAN'S FUND INSURANCE COMPANIES
ALLIED HEALTH OCCURRENCE PROGRAMS
Miscellaneous Therapist Program
Occurrence Rates
Effective 12/01/2009

PROFESSIONAL LIABILITY PROGRAM

Occupation:

Medical Technologist		**1M/3M**
	Employed	114
	Employee	138
	Self-employed Full-time	526
	Self-employed Part-time	233

Occupational Therapist		**1M/3M**
	Employed/Employee	85
	Self-employed Full-time	270
	Self-employed Part-time	126

Respiratory Therapist		**1M/6M**
	Employed/Employee	92
	Self-employed Full-time	350
	Self-employed Part-time	210

Optometrist

TERRITORY I		**1M/3M**
	Employed	469
	Self-employed Full-time	469
	Self-employed Part-time	361

Alabama, Alaska, Arizona, Arkansas, Delaware, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Mississippi, Montana, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

FIREMAN'S FUND INSURANCE COMPANIES
ALLIED HEALTH OCCURRENCE PROGRAMS
Miscellaneous Therapist Program
Occurrence Rates
Effective 12/01/2009

PROFESSIONAL LIABILITY PROGRAM

OPTOMETRIST CONTINUED

TERRITORY II **1M/3M**

Employed		562
Self-employed	Full-time	562
Self-employed	Part-time	433

Colorado
Georgia
Illinois, *other than Cook County*
Massachusetts, *other than Norfolk and Suffolk Counties*
Michigan, *other than Wayne County*
Minnesota
Missouri
Nevada
New Jersey, *other than Camden, Hudson, Essex, Union, and Mercer Counties*
Pennsylvania, *other than Philadelphia County*
Texas, *other than Dallas and Harris Counties*

TERRITORY III **1M/3M**

Employed		896
Self-employed	Full-time	896
Self-employed	Part-time	690

Illinois: *Cook County*
Louisiana
Massachusetts: *Norfolk and Suffolk Counties*
New Jersey: *Camden, Hudson, Essex, Union, and Mercer Counties*
Pennsylvania: *Philadelphia County*
Texas: *Dallas and Harris Counties*

TERRITORY IV **1M/3M**

Employed		1,579
Self-employed	Full-time	1,579
Self-employed	Part-time	1,215

Connecticut
District of Columbia
Michigan: *Wayne County*

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Fireman's Fund Insurance Company
Proposed Optometrist Rates
Allied Health Occurrence Programs
Effective 12/1/2009

	Proposed Rates in The State of IL
Occupation: Optometrist	**1M/3M**
IL - Cook County	
Employed/Self-Employed	896
Part-time	690
IL - Remainder of IL	
Employed/Self-Employed	562
Part-time	433

FILED

SEP 0 1 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

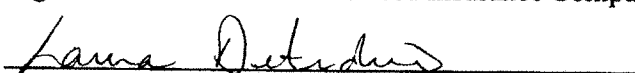
ILLINOIS CERTIFICATION FOR
MEDICAL MALPRACTICE RATES

(215 IL CS 5/155.10)(3) state that medical liability rates shall be certified in such filing by an officer of the company and qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, William S. Paukovitz, a duly authorized officer of Fireman's Fund Insurance Companies, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company experience, and that I am knowledgeable for the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Laura Deterding, a duly authorized actuary of Fireman's Fund Insurance Companies, am authorized to certify on behalf of Chicago 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 rate that are the subject of this filing.

Signature and Title of Authorized Insurance Company Officer — 8/17/2009 Date



Signature and Title and Designation of Authorized Actuary — 8/25/2009 Date

Insurance Company FEIN 36-6042949 Filing Number: NILMM0109

Insurer's Address: 777 San Marin Drive

City: Novato State: California Zip Code 94998

Contact Person's
Name and E-mail Tracy Thompson tthomps5@ffic.com

Direct Telephone and Fax Number 415-899-2145

Neuman, Gayle

From: Neuman, Gayle
Sent: Monday, May 17, 2010 10:35 AM
To: 'tracy.thompson@ffic.com'
Subject: FW: Chicago Insurance Company - Rate/Rule Filing #NILMM0109

Ms. Thompson,

May we have a reply to the attached e-mail by no later than May 19, 2010? Thank you for your assistance.

Gayle Neuman
Illinois Department of Insurance
(217)524-6497

From: Neuman, Gayle
Sent: Tuesday, May 11, 2010 9:51 AM
To: 'tracy.thompson@ffic.com'
Subject: Chicago Insurance Company - Rate/Rule Filing #NILMM0109

Ms. Thompson,

The Department of Insurance has now completed its review of the filing referenced above. Originally, Chicago Insurance Company requested the filing be effective December 1, 2009. Was the filing put in effect on December 1, 2009 or do you wish to have a different effective date?

Your prompt response is appreciated.

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

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

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Neuman, Gayle

From: tracy.thompson@ffic.com
Sent: Thursday, May 20, 2010 11:34 AM
To: Neuman, Gayle
Subject: Re: FW: Chicago Insurance Company - Rate/Rule Filing #NILMM0109

Good morning Gayle,

Thank you for your email and your phone call the other day! I'm sorry for the delay.

Our proposed Effective Date is September 1, 2010.

We look forward to your acknowledgement of a September 1, 2010 effective date.

Thank you so much for all your help.

Sincerely,

Tracy Thompson
Fireman's Fund Insurance Company
415-899-2145

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

05/17/2010 08:37 AM

To <tracy.thompson@ffic.com>
cc
Subject FW: Chicago Insurance Company - Rate/Rule Filing #NILMM0109

Ms. Thompson,

May we have a reply to the attached e-mail by no later than May 19, 2010? Thank you for your assistance.

Gayle Neuman
Illinois Department of Insurance
(217)524-6497
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Sent: Tuesday, May 11, 2010 9:51 AM
To: 'tracy.thompson@ffic.com'
Subject: Chicago Insurance Company - Rate/Rule Filing #NILMM0109

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Your prompt response is appreciated.

Gayle Neuman

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

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Neuman, Gayle

From: tracy.thompson@ffic.com
Sent: Wednesday, August 26, 2009 11:15 AM
To: Neuman, Gayle
Subject: Filing Number: NILMM0109 Rate Filing for Optometrists

Good morning Gayle,

Yes, NSSI is the statistical reporting agency for Chicago Insurance Company in Illinois.

Let me know if you have any questions.

Sincerely,

Tracy Thompson
Regulatory Analyst
415-899-2145

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

08/26/09 07:11 AM

To <tracy.thompson@ffic.com>
cc
Subject RE: Response for filing number: NILMM0109 Rate Filing for Optometrists

Tracy,
Thank you for your prompt attention. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?
Gayle Neuman
Department of Insurance

From: tracy.thompson@ffic.com [mailto:tracy.thompson@ffic.com]
Sent: Tuesday, August 25, 2009 11:44 AM
To: Neuman, Gayle
Subject: Response for filing number: NILMM0109 Rate Filing for Optometrists

Dear Gale,

In response to your voice message on August 17, 2009.

Please see attached Illinois Certification form for Medical Malpractice Rates. Sorry for the oversight of not including it in the filing.

Also, see attached revised Rate Page of Optometrists.

Please let me know if you have any questions or concerns.

Sincerely

Tracy Thompson
Regulatory Analyst
Fireman's Fund Insurance Company
777 San Marin Drive
Novato CA 94998
Office: 415-899-2145
tthomps5@ffic.com

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Click here to report this email as spam.

Neuman, Gayle

From: tracy.thompson@ffic.com
Sent: Tuesday, September 01, 2009 11:24 AM
To: Neuman, Gayle
Subject: Re: Filing #NILMM0109
Attachments: IL - Optometrist Rate Page Eff 12-1-09.pdf

Dear Gayle,

Yes, its an Occurrence based program. The policy jacket (which is not changing) identifies it as such. Also, the base rates and territory factors are on the Rate Page attached in the filing (see attached). There are only 2 territories within Illinois: Cook County & Remainder of State.

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

08/28/09 07:14 AM

To <tracy.thompson@ffic.com>
cc
Subject Filing #NILMM0109

Ms. Thompson,

Because the rate/rule manual pages don't reference claims-made or extended reporting periods, I assume the rates provided are for occurrence coverage? Is that correct? The rate page(s) should confirm that information. Additionally, I am requesting the base rates and territory factors for Illinois coverage.

Thank you for your prompt attention.

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

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PREVIOUSLY FILED MANUAL PAGES

CHICAGO INSURANCE COMPANY
ALLIED HEALTH PURCHASING GROUP ASSOCIATION
Miscellaneous Therapist Program
Occurrence Rates
Effective 8/01/2007

PROFESSIONAL LIABILITY PROGRAM

Occupation:

Medical Technologist		**1M/3M**
	Employed	114
	Employee	138
	Self-employed Full-time	526
	Self-employed Part-time	233

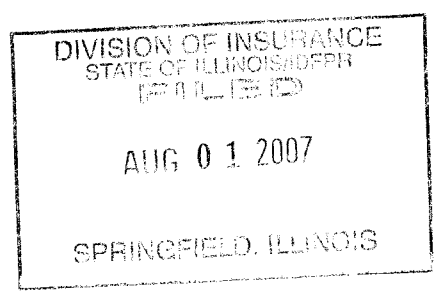
Occupational Therapist		**1M/3M**
	Employed/Employee	85
	Self-employed Full-time	270
	Self-employed Part-time	126

Respiratory Therapist		**1M/6M**
	Employed/Employee	92
	Self-employed Full-time	350
	Self-employed Part-time	210

Optometrist

TERRITORY I		**1M/3M**
Self-employed	Full-time	613
Self-employed	Part-time	460
Employed		511

Alabama, Alaska, Arizona, Arkansas, Delaware, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Mississippi, Montana, Nebraska, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, Wyoming



CHICAGO INSURANCE COMPANY
ALLIED HEALTH PURCHASING GROUP ASSOCIATION
Miscellaneous Therapist Program
Occurrence Rates
Effective 8/01/2007

PROFESSIONAL LIABILITY PROGRAM

OPTOMETRIST CONTINUED

TERRITORY II

		1M/3M
Self-employed	Full-time	736
Self-employed	Part-time	552
Employed		613

Colorado
Georgia
Illinois, *other than Cook County*
Massachusetts, *other than Norfolk and Suffolk Counties*
Michigan, *other than Wayne County*
Minnesota
Missouri
Nevada
New Jersey, *other than Camden, Hudson, Essex, Union, and Mercer Counties*
Pennsylvania, *other than Philadelphia County*
Texas, *other than Dallas and Harris Counties*

TERRITORY III

		1M/3M
Self-employed	Full-time	1,172
Self-employed	Part-time	880
Employed		977

Illinois: *Cook County*
Louisiana
Massachusetts: *Norfolk and Suffolk Counties*
New Jersey: *Camden, Hudson, Essex, Union, and Mercer Counties*
Pennsylvania: *Philadelphia County*
Texas: *Dallas and Harris Counties*

TERRITORY IV

		1M/3M
Self-employed	Full-time	2,066
Self-employed	Part-time	1,550
Employed		1,722

Connecticut
District of Columbia
Michigan: *Wayne County*

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED
AUG 0 1 2007
SPRINGFIELD, ILLINOIS

CHICAGO INSURANCE COMPANY
ALLIED HEALTH PURCHASING GROUP ASSOCIATION
Allied Health Professionals - Illinois
Rating Rule Manual
Effective 08-01-2007

1. **Application:**
This manual contains the rating rules for all members of this purchasing group, except for the following classes: Allied Health Professionals other than Physical Therapist, Optometrist and Mental Health Specialists, Respiratory Therapists, Rehabilitation Therapists and Student Blanket.

2. **Limits:**
The limit of liability shall be the limit indicated on the rate page for the applicable professional liability rate.

3. **Rounding:**
Premium rounding will be done at each step of the calculation and shall be rounded to the nearest whole dollar as follows:
$.49 or less shall be dropped;
$.50 or more shall be rounded to the next whole dollar.

4. **Changes:**
Pro rate all changes requiring additional or return premium, applying the rates and rules in effect at the policy effective date.

5. **Decreased or Increased Limits:**
The following Decreased or Increases Limit Factors (DLFs or ILFs) apply to the $1,000,000 / $3,000,000 base rate:

Limit Option	Limit Factor (LF)
$100,000 / $300,000	0.67
$200,000 / $600,000	0.71
$500,000 / $1,000,000	0.83
$1,000,000 / $3,000,000	1.00
$2,000,000 / $4,000,000	1.17

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED
AUG 0 1 2007
SPRINGFIELD ILLINOIS

6. **Exposure Reduction:**
Reduced rates apply to professionals engaged in practices that reduce the risk of loss. If a professional qualifies under more than one category, only the category that provides the lowest rate applies.

a.) **Newly Graduating Professionals:**
New graduate rates apply to individual professionals of the following classes, who have graduated within one year prior to the policy effective date. The rate for such professionals shall be 50% of the rate shown on the rate page.

Classes
Athletic Trainer
Dietician
Occupational Therapist
Pharmacists

b.) **Part-time Practice:**
Part-time rates apply to self-employed professionals practicing 20 or fewer hours per week. These rates are shown on the rate page as part-time self-employed.

The lowest rate given by a.) or b.) above applies.

7. **Professional Liability Premium:**
Premium is computed by multiplying the appropriate rate for each professional by the number of insured professionals. This multiplication is performed for each class of professional. The sum of these products is the total professional liability premium.

8. **General Liability Premium:**
Premium is equal to the applicable rate for the first covered location if only one location is covered. Additional location premium is calculated by multiplication of the rate for additional locations by the number of covered locations less one. The premium is the sum of this product and the first location rate. This calculation is given in the following formula:

$$P = r_1 + [r_2 \cdot (n-1)]$$

Where P is the general liability premium, r_1 is the first location rate, r_2 is the additional location rate and n is the total number of locations.

9. **Additional Insured Premium:**
Premium is computed by multiplying the applicable rate by the number of additional insureds under the policy.

DIVISION OF INSURANCE
STATE OF ILLINOIS/DFPR
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SPRINGFIELD, ILLINOIS

CHICAGO INSURANCE COMPANY
ALLIED HEALTH PURCHASING GROUP ASSOCIATION
Allied Health Professionals - Illinois
Rating Rule Manual
Effective 08-01-2007

10. **Policy Premium:**
The sum of the premiums developed by rules: 7, 8, 9 and 10 is the policy premium.

11. **Group Size:**
Except for Occupational Therapists, practices which insure more than one professional under one policy (groups) are eligible for a premium credit, based upon the number of professionals insured under such a group policy. This credit shall be according to the following schedule:

Number of Professionals	Credit
2 – 9	4.00%
10 – 14	8.00%
15+	12.00%

12. **Risk Management Education:**
Professionals are eligible for a premium credit, based upon participation in or attendance at a Company approved loss prevention, loss control, risk management or legal issues seminar or other educational forum (collectively "seminar"). Such "seminar" must be at least 4 hours in length. The applicable credit shall be 10% of the policy premium. For groups, 50% of the insured professionals must have attended a "seminar" for this credit to apply.

13. **Additional Limits:**
Groups with limits of liability equal to or less than $1,000,000 / $3,000,000 have the option of purchasing one additional and separate limit of liability for the entity for an additional 17% of the total annual premium.

14. **Quarterly installments:**
    a. Down payment of 40% of annual premium and three quarterly installments of 20% each of annual premium.
    b. Additional premium, resulting from changes to policy, shall be spread equally over the remaining installments, if any. If there are no remaining installments, premium is due immediately.
    c. Installment charge/billing fee of $25 or 1% of the annual premium (whichever is less) will be assessed per installment, including the down payment.
    d. Each installment fee paid is fully earned.
    e. No interest charges
    f. A late penalty of $25 or 1.5% of the annual premium (whichever is greater) may be assessed for each installment received after five calendar days past the due date.
    g. Installment payments are due 3, 6 and 9 months from policy inception.

DIVISION OF INSURANCE
STATE OF ILLINOIS/DFPR
RECEIVED
AUG 01 2007
SPRINGFIELD, ILLINOIS

The Fireman's Fund Insurance Companies

Rate Filing
Effective December 1, 2009
Actuarial Memorandum
Allied Health Professional Liability Programs
Optometrists Rate Change

Please find attached actuarial support for the following rate proposal:

1. Currently we maintain Optometrists rates for three levels of employment: Employed, Self-Employed, & Part-time Self-Employed.
2. The purpose of this filing is to address the relative class rates of our Optometrists. Specifically, to merge the Employed & Self-Employed Optometrist rates and a small change to the Part-time Self-Employed rate. (This program contains a very small amount of other eye-related professionals such as Opticians & Ophthalmic Photographers – these are grouped together as 'Other' and no rate change is requested for them at this time).
3. We do not believe that there is any significant difference in risk between the Employed & Self-Employed classes for this profession. Employed Optometrists have had a lower rate historically & have performed relatively worse than the Self-Employed Optometrists.
4. Although there is a significant overall rate need on this book of business, it is not our intention to address this rate need with this filing. We only wish to correct the rate differentials between Optometrists classes.
5. Effective 8/1/2007, a 20% base rate increase to all Optometrist classes was filed and approved in Illinois. This increase was never actually implemented.
6. As a result, the rate changes we are proposing are off of those currently charged to optometrists in Illinois and not off of those that were filed in 2007. The detail of the impact to the currently filed rates versus the actual impact to insureds is included on an additional rate impact summary exhibit accompanying this filing.

The actual rate change to policyholders in Illinois that we are proposing based on our 2008 WP in Illinois breaks down as follows:

Employed Optometrists	+10.0%
Self-Employed Optometrists	-8.3%
Part-Time Optometrists	-5.9%
Other	0.0%
Total	-4.2%

Our indications are developed on the attached exhibits. The exhibits provide the detailed backup for the various factors used to develop the indications. Our individual state experience lacks sufficient credibility to develop indications at the state level so our analysis is predicated on countrywide data.

The evaluation date of the Accident Year data that is being utilized in the rate level indication is as of December 31, 2008. All rate changes that would impact any of the ten years of experience are included in the development of the indication.

For the purpose of deriving loss development factors, trend rates, & expected loss ratios, our Optometrists & Opticians program lacks sufficient stability & credibility. As a result, we base these selections off of all our Allied Health Occurrence Programs (except Nurses). As a result, Exhibits 4-7 use aggregate Allied Health Occurrence Program data, while Exhibits 1-3 are specific to our Optometrists & Opticians program (note: Exhibit 5 also has Optometrists specific data detailing past rate changes at the CW level to derive on-level factors).

Given 10 years of data and a standard of 683 reported claims based on Limited Fluctuation Credibility Theory, our Optometrists & Opticians data is only 82% credible. To complement the lack of full credibility, we used the Permissible Loss Ratio trended forward one year.

The selections and methods used to derive this indication adhere to standard actuarial practices.

Fireman's Fund Insurance Company
Summary of Optometrist Rate Impact

Current & Proposed Rates	Current Rates Charged to Policyholders in IL	Current Rates Filed in The State of IL	Proposed Rates in The State of IL
	1M/3M	1M/3M	1M/3M
Remainder of IL			
Employed	511	613	562
Self-Employed	613	736	562
Part-time	460	552	433
Cook County			
Employed	814	977	896
Self-Employed	977	1,172	896
Part-time	733	880	690

% Change in Rates: (Proposed / Current) - 1	Percentage Rate Impact to Policyholders in IL	Percentage Rate Impact to Filed Rate In IL
	1M/3M	1M/3M
Remainder of IL		
Employed	10.0%	-8.3%
Self-Employed	-8.3%	-23.6%
Part-time	-5.9%	-21.6%
Total	-4.2%	-20.2%
Cook County		
Employed	10.1%	-8.3%
Self-Employed	-8.3%	-23.5%
Part-time	-5.9%	-21.6%
Total	-4.2%	-20.1%

Fireman's Fund Insurance Company
Summary of Optometrist Rate Impact

Current & Proposed Rates	Current Rates Charged to Policyholders in IL 1M/3M	Current Rates Filed in The State of IL 1M/3M	Proposed Rates in The State of IL 1M/3M
Remainder of IL			
Employed	511	613	562
Self-Employed	613	736	562
Part-time	460	552	433
Cook County			
Employed	814	977	896
Self-Employed	977	1,172	896
Part-time	733	880	690

% Change in Rates: (Proposed / Current) - 1	Percentage Rate Impact to Policyholders in IL 1M/3M	Percentage Rate Impact to Filed Rate In IL 1M/3M
Remainder of IL		
Employed	10.0%	-8.3%
Self-Employed	-8.3%	-23.6%
Part-time	-5.9%	-21.6%
Total	-4.2%	-20.2%
Cook County		
Employed	10.1%	-8.3%
Self-Employed	-8.3%	-23.5%
Part-time	-5.9%	-21.6%
Total	-4.2%	-20.1%

Allied Health Professional Liability
Premium and Loss Experience Evaluated December 31, 2008

Calculation of Indicated Rate Change

Optometrists & Opticians

(1)	**Projected Ultimate Loss and ALAE Ratio**		**86.3%**
(2)	Credibility		
	(a)	Claim Counts	460
	(b)	Full Credibility Standard	683
	(c)	Credibility = Minimum of [1.000; $\sqrt{(a) / (b)}$]	82%
(3)	Complement of Credibility		46.7%
(4)	Credibility Wtd Projected Ultimate L&ALAE Ratio		79.2%
(5)	Permissible Loss Ratio		44.7%
(6)	**Indicated Rate Change**		**77.2%**
(7)	**Selected Rate Change**		**(4.2%)**

Class Summary

	2008 CW EP	Credibility Weighted Projected Ult Loss Ratio	LR Balanced to Total	Loss Ratio Relativity	2008 IL WP	Selected Rate Change
Employed	1,094,616	95.1%	97.4%	1.23	42,233	10.0%
Self-Employed	5,502,916	74.0%	75.8%	0.96	136,619	-8.3%
Part-time	1,133,944	76.6%	78.5%	0.99	23,449	-5.9%
Other	52,526	79.2%	81.1%	1.02	1,753	0.0%
Total	7,784,003	79.2%	79.2%	1.00	204,054	-4.2%

(1) Selected Values from Exhibit 2
(2) Reported Claims from Exhibit 7 Column 6
(3) = (5) x (1 year of trend from Exhibit 5)
(4) = (1) x (2c) + (3) x [1-(2c)]
(5) Exhibit 9, Item (11)
(6) = [(4) / (5)] - 1

Allied Health Professional Liability
Premium and Loss Experience Evaluated December 31, 2008

Profession Specific Indications

063-1 Optometrists & Opticians

Accident Year	(1) Earned Premium	(2) Actual Paid Loss	(3) Actual Reported Losses	(4) Actual Reported Claim Count	(5) Ultimate Claim Count	(6) Initial ELR	(7) Projected Ultimate Losses: Paid Loss Dev Method	(8) Projected Ultimate Losses: Reported Loss Dev Method	(9) Projected Ultimate Losses: Paid B-F Method	(10) Projected Ultimate Losses: Reported B-F Method	(11) Projected Ultimate Losses: Average	(12) Selected Ultimate Losses	(13) Ultimate Loss Ratio
1999	2,251,757	2,440,878	2,440,878	35	35	47.2%	2,453,082	2,443,319	2,446,165	2,441,940	2,446,127	2,442,629	108.5%
2000	2,565,098	2,134,020	2,284,020	55	55	48.3%	2,166,137	2,293,162	2,152,407	2,288,964	2,225,168	2,291,063	89.3%
2001	2,983,162	2,510,560	2,525,660	48	48	50.6%	2,599,311	2,561,128	2,562,096	2,546,563	2,567,275	2,553,846	85.6%
2002	2,904,073	2,128,084	2,128,084	47	47	53.0%	2,258,396	2,201,128	2,216,882	2,179,153	2,213,890	2,190,140	75.4%
2003	3,104,438	2,723,200	3,436,200	59	60	55.1%	3,106,014	3,730,682	2,934,062	3,571,247	3,335,501	3,650,964	117.6%
2004	3,631,609	2,002,878	2,220,389	46	47	54.8%	2,833,752	2,652,477	2,586,761	2,544,783	2,654,443	2,654,443	73.1%
2005	4,800,772	1,229,337	1,824,357	58	61	54.1%	2,591,873	2,834,139	2,594,510	2,749,609	2,692,533	2,692,533	56.1%
2006	5,590,179	1,224,446	1,574,023	54	62	54.6%	5,110,641	3,669,047	3,543,435	3,315,370	3,909,623	3,909,623	69.9%
2007	7,018,846	95,987	396,041	34	47	54.8%	1,522,473	2,215,613	3,702,852	3,557,498	2,749,609	3,630,175	51.7%
2008	7,784,003	16,222	553,957	24	54	56.7%	1,286,510	10,226,163	4,373,630	4,727,954	5,153,564	4,550,792	58.5%
Total	**$42,633,937**	**$16,505,612**	**$19,383,609**	**460**	**516**		**$25,928,188**	**$34,826,858**	**$29,112,800**	**$29,923,080**	**$29,947,732**	**$30,566,209**	**71.7%**

063-1 Optometrists & Opticians

Accident Year	(14) Onlevel Factor	(15) Trend Factor	(16) Projected Ultimate Loss Ratio
1999	1.269	1.653	141.3%
2000	1.223	1.582	115.6%
2001	1.223	1.514	106.0%
2002	1.223	1.449	89.4%
2003	1.223	1.386	133.3%
2004	1.164	1.326	83.3%
2005	1.081	1.269	65.8%
2006	1.062	1.215	80.0%
2007	1.004	1.162	59.9%
2008	1.000	1.112	65.0%
Total			

(17) Averages of Projected Ult Loss Ratio	
Wtd Ex Oldest	82.8%
Wtd Ex Most Recent	90.6%
5 Year Straight Avg	70.8%
5 Year Wtd Avg	69.5%
All Year Straight Avg	94.0%
All Year Wtd Avg	86.3%
Wtd Ex Hi/Lo	106.0%

Selected Projected Ultimate Loss Ratio	**86.3%**	(18)
Credibility	82.1%	(19)
Complement of Credibility	46.7%	(20)
Credibility Weighted Projected Ultimate Loss Ratio	79.2%	(21)
Permissable Loss Ratio	44.7%	(22)
Indicated Rate Need	**77.2%**	(23)
Selected Rate Change	**-4.2%**	(24)

Allied Health Professional Liability
Premium and Loss Experience Evaluated December 31, 2008

Profession Specific Indications

E **Employed Optometrists**

Accident Year	(1) Earned Premium	(2) Actual Paid Loss	(3) Actual Reported Losses	(4) Actual Reported Claim Count	(5) Ultimate Claim Count	(6) Initial ELR	(7) Projected Ultimate Losses: Paid Loss Dev Method	(8) Projected Ultimate Losses: Reported Loss Dev Method	(9) Projected Ultimate Losses: Paid B-F Method	(257) Projected Ultimate Losses: Reported	(258) Average	(259) Selected Ultimate Losses	(260) Ultimate Loss Ratio
1999	460,072	1,306,995	1,306,995	8	8	47.2%	1,313,530	1,308,302	1,308,075	1,307,212	1,309,280	1,307,757	284.3%
2000	521,032	678,923	828,923	14	14	48.3%	689,141	832,241	682,658	829,927	758,492	831,084	159.5%
2001	499,428	604,135	619,135	10	10	50.6%	625,491	627,829	612,763	622,634	622,179	625,232	125.2%
2002	529,311	311,661	311,661	13	13	53.0%	330,745	322,358	327,845	320,969	325,479	321,663	60.8%
2003	592,934	158,920	158,920	15	15	55.1%	181,261	172,540	199,194	184,714	184,427	178,627	30.1%
2004	703,038	1,078,062	1,093,062	7	7	54.8%	1,525,286	1,305,772	1,191,096	1,155,861	1,294,504	1,294,504	184.1%
2005	883,682	552,386	802,395	16	17	54.1%	1,164,622	1,246,520	803,674	972,707	1,046,881	1,046,881	118.5%
2006	942,582	23,739	28,761	9	10	54.6%	99,084	67,043	414,753	322,377	225,814	225,814	24.0%
2007	1,100,709	14,530	54,535	6	8	54.8%	230,458	305,089	580,165	550,320	416,508	565,243	51.4%
2008	1,094,616	3,316	110,832	4	9	56.7%	263,007	2,045,988	616,072	697,796	905,716	656,934	60.0%
Total	**$7,327,405**	**$4,732,667**	**$5,315,219**	**102**	**112**		**$6,422,625**	**$8,233,682**	**$6,736,295**	**$6,964,517**	**$7,089,280**	**$7,053,738**	**96.3%**

E **Employed Optometrists**

Accident Year	(261) Onlevel Factor	(262) Trend Factor	(263) Projected Ultimate Loss Ratio
1999	1.269	1.653	370.4%
2000	1.223	1.582	206.4%
2001	1.223	1.514	155.0%
2002	1.223	1.449	72.0%
2003	1.223	1.386	34.2%
2004	1.164	1.326	209.8%
2005	1.081	1.269	139.0%
2006	1.062	1.215	27.4%
2007	1.004	1.162	59.4%
2008	1.000	1.112	66.8%
Total			

(264) Averages of Projected Ult Loss Ratio	
Wtd Ex Oldest	101.2%
Wtd Ex Most Recent	128.7%
5 Year Straight Avg	100.5%
5 Year Wtd Avg	94.6%
All Year Straight Avg	134.0%
All Year Wtd Avg	120.4%
Wtd Ex Hi/Lo	112.4%

Selected Projected Ultimate Loss Ratio	**120.4%**	(265)
Credibility	38.6%	(266)
Complement of Credibility	79.2%	(267)
Credibility Weighted Projected Ultimate Loss Ratio	95.1%	(268)
Permissable Loss Ratio	44.7%	(269)
Indicated Rate Need	**112.8%**	(270)
Selected Rate Change	**10.0%**	(271)

Allied Health Professional Liability
Premium and Loss Experience Evaluated December 31, 2008

Profession Specific Indications

SE **Self-employed Optometrists**

Accident Year	(1) Earned Premium	(2) Actual Paid Loss	(3) Actual Reported Losses	(4) Actual Reported Claim Count	(5) Ultimate Claim Count	(6) Initial ELR	(7) Projected Ultimate Losses: Paid Loss Dev Method	(8) Projected Ultimate Losses: Reported Loss Dev Method	(9) Projected Ultimate Losses: Paid B-F Method	(10) Projected Ultimate Losses: Reported B-F Method	(11) Projected Ultimate Losses: Average	(12) Selected Ultimate Losses	(13) Ultimate Loss Ratio
1999	1,430,942	1,080,845	1,080,845	24	24	47.2%	1,086,249	1,081,925	1,084,205	1,081,519	1,083,474	1,081,722	75.6%
2000	1,601,716	1,385,827	1,385,827	32	32	48.3%	1,406,684	1,391,375	1,397,309	1,388,915	1,396,071	1,390,145	86.8%
2001	1,924,905	581,950	582,050	32	32	50.6%	602,522	590,224	615,204	595,537	600,872	592,881	30.8%
2002	1,903,803	1,807,033	1,807,033	28	28	53.0%	1,917,686	1,869,057	1,865,246	1,840,512	1,873,125	1,854,785	97.4%
2003	1,997,473	2,532,428	3,245,428	38	38	55.1%	2,888,424	3,523,561	2,668,102	3,332,321	3,103,102	3,427,941	171.6%
2004	2,336,882	904,130	1,106,641	35	36	54.8%	1,279,199	1,321,993	1,279,849	1,315,383	1,299,106	1,299,106	55.6%
2005	3,130,435	671,208	841,219	40	42	54.1%	1,415,140	1,306,833	1,561,395	1,444,546	1,431,979	1,431,979	45.7%
2006	3,734,951	442,755	662,310	38	43	54.6%	1,847,989	1,543,845	1,992,135	1,825,751	1,802,430	1,802,430	48.3%
2007	4,842,037	81,458	341,507	25	35	54.8%	1,292,015	1,910,524	2,569,697	2,522,476	2,073,678	2,546,087	52.6%
2008	5,502,916	12,906	440,614	19	42	56.7%	1,023,502	8,133,821	3,093,384	3,391,429	3,910,534	3,242,406	58.9%
Total	**$28,406,061**	**$9,500,539**	**$11,493,473**	**311**	**353**		**$14,759,412**	**$22,673,159**	**$18,126,525**	**$18,738,391**	**$18,574,371**	**$18,669,481**	**65.7%**

SE **Self-employed Optometrists**

Accident Year	(14) Onlevel Factor	(15) Trend Factor	(16) Projected Ultimate Loss Ratio
1999	1.269	1.653	98.5%
2000	1.223	1.582	112.3%
2001	1.223	1.514	38.1%
2002	1.223	1.449	115.4%
2003	1.223	1.386	194.6%
2004	1.164	1.326	63.3%
2005	1.081	1.269	53.7%
2006	1.062	1.215	55.2%
2007	1.004	1.162	60.9%
2008	1.000	1.112	65.5%
Total			

(17) Averages of Projected Ult Loss Ratio	
Wtd Ex Oldest	77.4%
Wtd Ex Most Recent	81.4%
5 Year Straight Avg	59.7%
5 Year Wtd Avg	60.2%
All Year Straight Avg	85.8%
All Year Wtd Avg	78.6%
Wtd Ex Hi/Lo	71.5%

Selected Projected Ultimate Loss Ratio	**71.5%**	(18)
Credibility	67.5%	(19)
Complement of Credibility	79.2%	(20)
Credibility Weighted Projected Ultimate Loss Ratio	74.0%	(21)
Permissable Loss Ratio	44.7%	(22)
Indicated Rate Need	**65.5%**	(23)
Selected Rate Change	**-8.3%**	(24)

Allied Health Professional Liability
Premium and Loss Experience Evaluated December 31, 2008

Profession Specific Indications

PT **Part-time Optometrists**

Accident Year	(1) Earned Premium	(2) Actual Paid Loss	(3) Actual Reported Losses	(4) Actual Reported Claim Count	(5) Ultimate Claim Count	(6) Initial ELR	(7) Projected Ultimate Losses: Paid Loss Dev Method	(8) Projected Ultimate Losses: Reported Loss Dev Method	(9) Projected Ultimate Losses: Paid B-F Method	(10) Projected Ultimate Losses: Reported B-F Method	(11) Projected Ultimate Losses: Average	(12) Selected Ultimate Losses	(13) Ultimate Loss Ratio
1999	320,758	53,038	53,038	3	3	47.2%	53,304	53,092	53,792	53,190	53,344	53,141	16.6%
2000	396,473	69,269	69,269	9	9	48.3%	70,311	69,546	72,111	70,033	70,501	69,790	17.6%
2001	517,574	1,324,476	1,324,476	6	6	50.6%	1,371,297	1,343,076	1,333,417	1,328,102	1,343,973	1,335,589	258.0%
2002	432,949	9,390	9,390	5	5	53.0%	9,965	9,712	22,628	17,004	14,827	13,358	3.1%
2003	476,119	31,851	31,851	6	6	55.1%	36,329	34,581	64,191	52,563	46,916	43,572	9.2%
2004	549,726	20,686	20,686	4	4	54.8%	29,267	24,712	109,070	69,790	58,210	58,210	10.6%
2005	738,041	5,744	180,744	2	2	54.1%	12,110	280,786	215,617	322,986	207,875	207,875	28.2%
2006	864,143	757,951	882,951	6	7	54.6%	3,163,568	2,058,160	1,116,426	1,152,133	1,872,571	1,872,571	216.7%
2007	1,022,188	0	0	3	4	54.8%	0	0	525,285	460,418	246,426	492,852	48.2%
2008	1,133,944	0	2,511	1	2	56.7%	0	46,354	634,771	610,563	322,922	622,667	54.9%
Total	**$6,451,915**	**$2,272,406**	**$2,574,917**	**45**	**49**		**$4,746,152**	**$3,920,017**	**$4,147,308**	**$4,136,783**	**$4,237,565**	**$4,769,624**	**73.9%**

PT **Part-time Optometrists**

Accident Year	(14) Onlevel Factor	(15) Trend Factor	(16) Projected Ultimate Loss Ratio
1999	1.269	1.653	21.6%
2000	1.223	1.582	22.8%
2001	1.223	1.514	319.5%
2002	1.223	1.449	3.7%
2003	1.223	1.386	10.4%
2004	1.164	1.326	12.1%
2005	1.081	1.269	33.1%
2006	1.062	1.215	248.0%
2007	1.004	1.162	55.8%
2008	1.000	1.112	61.1%
Total			

	(17) Averages of Projected Ult Loss Ratio
Wtd Ex Oldest	90.3%
Wtd Ex Most Recent	91.2%
5 Year Straight Avg	82.0%
5 Year Wtd Avg	85.9%
All Year Straight Avg	78.8%
All Year Wtd Avg	86.4%
Wtd Ex Hi/Lo	69.1%

Selected Projected Ultimate Loss Ratio	**69.1%**	(18)
Credibility	25.7%	(19)
Complement of Credibility	79.2%	(20)
Credibility Weighted Projected Ultimate Loss Ratio	76.6%	(21)
Permissable Loss Ratio	44.7%	(22)
Indicated Rate Need	**71.4%**	(23)
Selected Rate Change	**-5.9%**	(24)

Allied Health Professional Liability
Premium and Loss Experience Evaluated December 31, 2008

Profession Specific Indications

o Other - Opticians & Ophthalmic Photographers

Accident Year	(1) Earned Premium	(2) Actual Paid Loss	(3) Actual Reported Losses	(4) Actual Reported Claim Count	(5) Ultimate Claim Count	(6) Initial ELR	(7) Projected Ultimate Losses: Paid Loss Dev Method	(8) Reported Loss Dev Method	(9) Paid B-F Method	(10) Reported B-F Method	(11) Average	(12) Selected Ultimate Losses	(13) Ultimate Loss Ratio
1999	39,985	0	0	0	0	47.2%	0	0	94	19	28	9	0.0%
2000	45,877	0	0	0	0	48.3%	0	0	329	88	104	44	0.1%
2001	41,256	0	0	0	0	50.6%	0	0	713	289	250	145	0.4%
2002	38,010	0	0	0	1	53.0%	0	0	1,162	668	458	334	0.9%
2003	37,912	0	0	0	0	55.1%	0	0	2,575	1,649	1,056	825	2.2%
2004	41,962	0	0	0	0	54.8%	0	0	6,747	3,748	2,624	2,624	6.3%
2005	48,614	0	0	0	0	54.1%	0	0	13,824	9,369	5,798	5,798	11.9%
2006	48,503	0	0	0	1	54.6%	0	0	20,121	15,109	8,807	8,807	18.2%
2007	53,912	0	0	0	0	54.8%	0	0	27,705	24,283	12,997	25,994	48.2%
2008	52,526	0	0	0	0	56.7%	0	0	29,403	28,166	14,392	28,785	54.8%
Total	**$448,557**	**$0**	**$0**	**0**	**2**		**$0**	**$0**	**$102,672**	**$83,390**	**$46,515**	**$73,365**	**16.4%**

o Other - Opticians & Ophthalmic Photographers

Accident Year	(14) Onlevel Factor	(15) Trend Factor	(16) Projected Ultimate Loss Ratio
1999	1.269	1.653	0.0%
2000	1.223	1.582	0.1%
2001	1.223	1.514	0.4%
2002	1.223	1.449	1.0%
2003	1.223	1.386	2.5%
2004	1.164	1.326	7.1%
2005	1.081	1.269	14.0%
2006	1.062	1.215	20.8%
2007	1.004	1.162	55.8%
2008	1.000	1.112	61.0%
Total			

(17) Averages of Projected Ult Loss Ratio

Wtd Ex Oldest	18.7%
Wtd Ex Most Recent	11.7%
5 Year Straight Avg	31.7%
5 Year Wtd Avg	32.3%
All Year Straight Avg	16.3%
All Year Wtd Avg	16.8%
Wtd Ex Hi/Lo	13.2%

Selected Projected Ultimate Loss Ratio	**16.8%**	(18)
Credibility	0.0%	(19)
Complement of Credibility	79.2%	(20)
Credibility Weighted Projected Ultimate Loss Ratio	79.2%	(21)
Permissable Loss Ratio	44.7%	(22)
Indicated Rate Need	**77.2%**	(23)
Selected Rate Change	**0.0%**	(24)

Allied Health Professional Liability
Premium and Loss Experience Evaluated December 31, 2008

Allied Health - Occurrence ex Nurses
Derivation of Expected Loss Ratio

(1) Accident Year	(2) Earned Premium	(3) Estimated Ultimate Loss Using Chain Ladder Method	(4) Estimated Ultimate Loss Ratio Using Chain Ladder Method	(5) Implied Premium Onlevel Factor	(6) Trend Factor	(7) Trended Ult On Level Loss Ratio Using Chain Ladder Method	(8) Selected Expected Loss Ratio	(9) Initial Expected Loss Ratio
1999	36,349,612	17,568,068	48.3%	1.238	1.653	64.51%	63.0%	47.2%
2000	35,114,216	17,288,820	49.2%	1.214	1.582	64.16%	63.0%	48.3%
2001	34,166,928	17,398,947	50.9%	1.216	1.514	63.41%	63.0%	50.6%
2002	34,544,739	18,983,632	55.0%	1.218	1.449	65.33%	63.0%	53.0%
2003	35,806,521	25,153,399	70.2%	1.213	1.386	80.31%	63.0%	55.1%
2004	37,119,254	18,755,039	50.5%	1.154	1.326	58.05%	63.0%	54.8%
2005	39,533,248	18,106,704	45.8%	1.090	1.269	53.34%	63.0%	54.1%
2006	39,598,406	14,933,040	37.7%	1.052	1.215	43.55%	63.0%	54.6%
2007	39,612,322	33,193,650	83.8%	1.012	1.162	96.25%	63.0%	54.8%
2008	38,945,465	21,285,891	54.7%	1.001	1.112	60.74%	63.0%	56.7%
Total	**$370,790,711**	**$202,667,189**	**54.7%**					

Weighted Averages	
All Years	64.9%
All Ex. Hi-Lo	63.8%

Notes:

(2) Exhibit 6 - Page 1
(3) Exhibit 4 - Page 1
(4) = (3) / (2)
(5) Exhibit 5 - Page 1
(6) Exhibit 4 - Page 1
(7) = [(3) x (6)] / [(2) x (5)]
(8) Selected based on the values from (7).
(9) = [(8) x (5)] / (6)

The Fireman's Fund Insurance Companies
Allied Health - Occurrence ex Nurses

Calculation of Loss Cost Trend
Countrywide Experience

(1) Accident Year	(2) Paid Loss & ALAE	(3) Incurred Loss & ALAE	(4) Paid Dev Factor	(5) Incurred Dev Factor	(6) Indicated Ultimate From Paid Dev	(7) Indicated Ultimate From Rpt Dev	(8) Selected Ultimate Loss & ALAE	(9) Reported Claim Count	(10) Claim Emergence Factor	(11) Ultimate Claim Count	(12) Ultimate Severity	(13) Earned Premium	(14) Premium Factor On Current Level	(15) On Level Earned Premium	(16) Exposure Adjusted Frequency
1999	17,400,751	17,630,751	1.005	1.001	17,487,754	17,648,381	17,568,068	489	1.000	489	35,927	36,349,612	1.238	45,016,147	10.86
2000	16,809,909	17,444,909	1.015	1.004	17,062,898	17,514,741	17,288,820	491	1.000	491	35,211	35,114,216	1.214	42,624,655	11.52
2001	16,726,461	17,238,061	1.035	1.014	17,317,758	17,480,136	17,398,947	457	1.000	457	38,072	34,166,928	1.216	41,536,051	11.00
2002	17,320,341	18,936,347	1.061	1.034	18,380,948	19,586,316	18,983,632	455	1.004	457	41,540	34,544,739	1.218	42,090,982	10.86
2003	21,654,682	23,586,633	1.141	1.086	24,698,789	25,608,008	25,153,399	496	1.012	502	50,106	35,806,521	1.213	43,419,772	11.56
2004	13,749,897	15,114,828	1.415	1.195	19,453,904	18,056,174	18,755,039	425	1.022	434	43,214	37,119,254	1.154	42,853,988	10.13
2005	8,800,884	11,366,632	2.108	1.554	18,555,344	17,658,063	18,106,704	420	1.058	444	40,781	39,533,248	1.090	43,086,416	10.30
2006	3,248,147	6,996,496	4.174	2.331	13,557,247	16,308,833	14,933,040	386	1.143	441	33,862	39,598,406	1.052	41,651,793	10.59
2007	3,649,062	5,933,371	15.861	5.594	57,878,501	33,193,650	33,193,650	344	1.394	480	69,153	39,612,322	1.012	40,087,192	11.97
2008	138,533	1,153,069	79.305	18.460	10,986,388	21,285,891	21,285,891	188	2.230	419	50,802	38,945,465	1.001	38,982,230	10.75

	Severity Trend	Frequency Trend
Latest 3	22.5%	0.8%
Latest 5	8.9%	2.7%
Ex Oldest	4.5%	-0.3%
Ex Most Recent	4.6%	-0.1%
All Years	4.4%	-0.2%
Selected	**4.5%**	**0.0%**

Accident Year	Annual Trend	Midpoint of Experience	Avg Accident Date of Eff Period	Trend Period	Trend Factor
1999	1.045	7/1/1999	12/1/2010	11.42	1.653
2000	1.045	7/1/2000	12/1/2010	10.42	1.582
2001	1.045	7/1/2001	12/1/2010	9.42	1.514
2002	1.045	7/1/2002	12/1/2010	8.42	1.449
2003	1.045	7/1/2003	12/1/2010	7.42	1.386
2004	1.045	7/1/2004	12/1/2010	6.42	1.326
2005	1.045	7/1/2005	12/1/2010	5.42	1.269
2006	1.045	7/1/2006	12/1/2010	4.42	1.215
2007	1.045	7/1/2007	12/1/2010	3.42	1.162
2008	1.045	7/1/2008	12/1/2010	2.42	1.112

Total Trend	**4.5%**

Notes

(2) Exhibit 6 - Page 1
(3) Exhibit 6 - Page 1
(4) Exhibit 7 - Page 1
(5) Exhibit 7 - Page 2

(6) = (2) x (4)
(7) = (3) x (5)
(8) = Average of (6) and (7)
**For 2007 & 2008 Selected (7)

(9) Exhibit 6 - Page 1
(10) Exhibit 7 - Page 3
(11) = (9) x (10)
(12) = (8) / (11)

(13) Exhibit 6 - Page 1
(14) Exhibit 5 - Page 1
(15) = (13) x (14)
(16) = (11) / [(15) / 1,000,000]

The Fireman's Fund Insurance Companies
Allied Health Professional Liability
Calculation of Rate Level Factors
COUNTRYWIDE
Total Allied Health Occ Professions excluding Nurses

Accident Year	Gross Written Premium	Gross Earned Premium	Earned Premium at Current Rate Level	Implied Current Rate Level Factor
1999	37,043,671	36,349,612	45,016,147	1.238
2000	34,182,810	35,114,216	42,624,655	1.214
2001	34,471,587	34,166,928	41,536,051	1.216
2002	35,342,312	34,544,739	42,090,982	1.218
2003	36,517,553	35,806,521	43,419,772	1.213
2004	37,847,396	37,119,254	42,853,988	1.154
2005	39,237,640	39,533,248	43,086,416	1.090
2006	40,128,582	39,598,406	41,651,793	1.052
2007	40,242,384	39,612,322	40,087,192	1.012
2008	38,823,968	38,945,465	38,982,230	1.001

Date	Rate Change	Rate Level	Overall Effective Rate Change	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Average Rate Level:				-	-	-	-	-	-	-	-	-	-

Notes to Figures in this Exhibit:
WP, EP, & Onleveled EP are summed up by year across all the underlying professions
The Implied Current Rate Level Factor = Sum(EP @ Current Rate Level) / Sum(EP) for each year

The Fireman's Fund Insurance Companies
Allied Health Professional Liability
Calculation of Rate Level Factors
COUNTRYWIDE
Optometrists & Opticians

Accident Year	Gross Written Premium	Gross Earned Premium	Average Rate Level	Current Rate Level	Factor to Current Rate Level	Earned Premium at Current Rate Level
1999	2,208,744	2,251,757	1.152	1.461	1.269	2,856,735
2000	2,720,235	2,565,098	1.195	1.461	1.223	3,136,052
2001	3,183,181	2,983,162	1.195	1.461	1.223	3,647,172
2002	2,916,133	2,904,073	1.195	1.461	1.223	3,550,478
2003	3,218,436	3,104,438	1.195	1.461	1.223	3,795,441
2004	4,110,816	3,631,609	1.256	1.461	1.164	4,227,159
2005	5,018,747	4,800,772	1.351	1.461	1.081	5,191,948
2006	6,155,190	5,590,179	1.377	1.461	1.062	5,934,035
2007	7,709,979	7,018,846	1.455	1.461	1.004	7,048,018
2008	7,948,826	7,784,003	1.461	1.461	1.000	7,784,003

Date	Rate Change	Rate Level	Overall Effective Rate Change	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
		1.000	1.000	0.222									
9/1/1998	19.54%	1.195	1.195	0.778	1.000	1.000	1.000	1.000	0.617	0.008			
2/15/2004	13.15%	1.132	1.353						0.383	0.992	0.778	0.056	
5/1/2006	8.05%	1.081	1.461								0.222	0.944	1.000
		Average Rate Level:		1.152	1.195	1.195	1.195	1.195	1.256	1.351	1.377	1.455	1.461

Notes to Figures in this Exhibit:

The parallelogram method is used to determine the percentages of premium earned at each rate level.
The average rate level is the sum of the products of the rate level column and the % of CY premium earned column for each calendar year.
The current rate level is the product of all the rate changes which took place in the period January 1, 1998 through December 31, 2008.
The factor to current rate level is equal to the current rate level divided by the average rate level.
We have assumed all policies were twelve months in length.

Allied Health Professional Liability
Premium and Loss Experience Evaluated December 31, 2008

Allied Health - Occurrence ex Nurses
Summary of Reported Losses and Premium

(1) Accident Year	(2) Gross Written Premium	(3) Gross Earned Premium	(4) Paid Loss	(5) Case Reserves	(6) Reported Losses	(7) Reported Claim Counts	(8) Reported Loss Ratio
1999	37,043,671	36,349,612	17,400,751	230,000	17,630,751	489	48.50%
2000	34,182,810	35,114,216	16,809,909	635,000	17,444,909	491	49.68%
2001	34,471,587	34,166,928	16,726,461	511,600	17,238,061	457	50.45%
2002	35,342,312	34,544,739	17,320,341	1,616,006	18,936,347	455	54.82%
2003	36,517,553	35,806,521	21,654,682	1,931,951	23,586,633	496	65.87%
2004	37,847,396	37,119,254	13,749,897	1,364,931	15,114,828	425	40.72%
2005	39,237,640	39,533,248	8,800,884	2,565,748	11,366,632	420	28.75%
2006	40,128,582	39,598,406	3,248,147	3,748,349	6,996,496	386	17.67%
2007	40,242,384	39,612,322	3,649,062	2,284,309	5,933,371	344	14.98%
2008	38,823,968	38,945,465	138,533	1,014,536	1,153,069	188	2.96%
Total	**$373,837,904**	**$370,790,711**	**$119,498,668**	**$15,902,430**	**$135,401,098**	**4,151**	**36.52%**

Notes:

All data is on a direct basis.

(2),(3) Premium data is expressed on a calendar year basis.

(4) Latest Diagonal of Exhibit 7 - Page 1

(5) = (6) - (4)

(6) Latest Diagonal of Exhibit 7 - Page 2

the term ***Loss*** without modification is meant to include ALAE but exclude A&O and other operating expenses.

(7) Latest Diagonal of Exhibit 7 - Page 3

(8) = (6) / (3)

The Fireman's Fund Insurance Companies
Allied Health - Occurrence ex Nurses

Paid Loss Development Factors by Accident Year
Countrywide

Paid Losses and ALAE

Accident Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1999	125,421	744,064	3,021,273	9,917,690	12,891,141	15,032,287	16,664,938	17,027,258	17,346,922	17,400,751
2000	77,767	661,237	5,088,564	10,427,797	13,061,828	15,274,481	16,054,633	16,501,466	16,809,909	
2001	220,934	2,056,098	4,480,461	8,143,269	11,948,608	14,805,790	16,309,725	16,726,461		
2002	170,852	1,216,658	4,252,547	7,970,790	14,838,155	16,602,224	17,320,341			
2003	119,520	2,355,145	6,081,178	9,080,702	14,272,883	21,654,682				
2004	100,206	753,983	3,666,448	8,671,557	13,749,897					
2005	259,730	1,080,761	5,191,952	8,800,884						
2006	107,047	553,351	3,248,147							
2007	2,458,444	3,649,062								
2008	138,533									

Age-to-Age Factors

Accident Year	Evaluation Age in Months									
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to Ult
1999	5.933	4.061	3.283	1.300	1.166	1.109	1.022	1.019	1.003	
2000	8.503	7.696	2.049	1.253	1.169	1.051	1.028	1.019		
2001	9.306	2.179	1.818	1.467	1.239	1.102	1.026			
2002	7.121	3.495	1.874	1.862	1.119	1.043				
2003	19.705	2.582	1.493	1.572	1.517					
2004	7.524	4.863	2.365	1.586						
2005	4.161	4.804	1.695							
2006	5.169	5.870								
2007	1.484									

Average Development

Average Type	Evaluation Age in Months									
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to Ult
All Years	7.656	4.444	2.082	1.506	1.242	1.076	1.025	1.019	1.003	
Latest 3	3.605	5.179	1.851	1.673	1.292	1.065	1.025	1.019		
Ex. Hi-Lo	6.817	4.279	1.960	1.481	1.192	1.076	1.026			
Wtd. Avg.	3.591	3.718	1.983	1.490	1.244	1.075	1.025	1.019	1.003	
Wtd. Last 3	1.870	5.070	1.777	1.666	1.292	1.064	1.025	1.019		
Selected Loss Development Factors										
Age-to-Age	**5.000**	**3.800**	**1.980**	**1.490**	**1.240**	**1.075**	**1.025**	**1.020**	**1.010**	**1.005**
Age-to-Ult	**79.305**	**15.861**	**4.174**	**2.108**	**1.415**	**1.141**	**1.061**	**1.035**	**1.015**	**1.005**

The Fireman's Fund Insurance Companies
Allied Health - Occurrence ex Nurses

Incurred Loss Development Factors by Accident Year
Countrywide

Incurred Losses and ALAE

Accident Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1999	894,558	3,168,772	5,706,346	13,398,750	14,394,291	16,161,897	16,935,038	17,559,767	17,691,922	17,630,751
2000	1,241,142	2,884,766	8,469,660	13,848,121	15,600,839	16,518,202	16,674,648	17,041,467	17,444,909	
2001	1,241,982	5,395,473	8,665,796	12,007,542	14,622,335	16,313,390	17,216,325	17,238,061		
2002	1,230,002	3,632,611	9,422,091	13,600,032	17,890,666	17,303,725	18,936,347			
2003	1,125,449	6,047,835	9,848,816	12,410,701	19,031,061	23,586,633				
2004	1,194,545	3,400,889	8,996,741	12,021,922	15,114,828					
2005	1,006,252	3,546,861	7,877,769	11,366,632						
2006	711,853	2,745,012	6,996,496							
2007	3,305,969	5,933,371								
2008	1,153,069									

Age-to-Age Factors

Accident Year	Evaluation Age in Months									
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to Ult
1999	3.542	1.801	2.348	1.074	1.123	1.048	1.037	1.008	0.997	
2000	2.324	2.936	1.635	1.127	1.059	1.009	1.022	1.024		
2001	4.344	1.606	1.386	1.218	1.116	1.055	1.001			
2002	2.953	2.594	1.443	1.315	0.967	1.094				
2003	5.374	1.628	1.260	1.533	1.239					
2004	2.847	2.645	1.336	1.257						
2005	3.525	2.221	1.443							
2006	3.856	2.549								
2007	1.795									

Average Development

Average Type	Evaluation Age in Months									
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to Ult
All Years	3.396	2.248	1.550	1.254	1.101	1.052	1.020	1.016	0.997	
Latest 3	3.059	2.472	1.346	1.369	1.107	1.053	1.020	1.016		
Ex. Hi-Lo	3.342	2.240	1.449	1.229	1.099	1.052	1.022			
Wtd. Avg.	3.075	2.141	1.503	1.251	1.102	1.052	1.020	1.015	0.997	
Wtd. Last 3	2.433	2.463	1.340	1.368	1.110	1.054	1.020	1.015		
Selected Loss Development Factors										
Age-to-Age	**3.300**	**2.400**	**1.500**	**1.300**	**1.100**	**1.050**	**1.020**	**1.010**	**1.003**	**1.001**
Age-to-Ult	**18.460**	**5.594**	**2.331**	**1.554**	**1.195**	**1.086**	**1.034**	**1.014**	**1.004**	**1.001**

The Fireman's Fund Insurance Companies
Allied Health - Occurrence ex Nurses

Claim Count Development Factors by Accident Year
Countrywide

Reported Claim Counts

Accident Year	Evaluation Age in Months									
	12	24	36	48	60	72	84	96	108	120
1999	169	332	404	451	474	481	484	486	486	489
2000	190	342	424	454	471	482	485	489	491	
2001	182	296	396	443	453	454	457	457		
2002	154	347	409	434	445	450	455			
2003	199	356	435	473	494	496				
2004	185	323	394	413	425					
2005	201	321	388	420						
2006	203	314	386							
2007	219	344								
2008	188									

Age-to-Age Factors

Accident Year	Evaluation Age in Months									
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to Ult
1999	1.964	1.217	1.116	1.051	1.015	1.006	1.004	1.000	1.006	
2000	1.800	1.240	1.071	1.037	1.023	1.006	1.008	1.004		
2001	1.626	1.338	1.119	1.023	1.002	1.007	1.000			
2002	2.253	1.179	1.061	1.025	1.011	1.011				
2003	1.789	1.222	1.087	1.044	1.004					
2004	1.746	1.220	1.048	1.029						
2005	1.597	1.209	1.082							
2006	1.547	1.229								
2007	1.571									

Average Development

Average Type	Evaluation Age in Months									
	12 to 24	24 to 36	36 to 48	48 to 60	60 to 72	72 to 84	84 to 96	96 to 108	108 to 120	120 to Ult
All Years	1.766	1.232	1.084	1.035	1.011	1.008	1.004	1.002	1.006	
Latest 3	1.572	1.219	1.073	1.033	1.006	1.008	1.004	1.002		
Ex. Hi-Lo	1.728	1.223	1.084	1.034	1.010	1.006	1.004			
Wtd. Avg.	1.748	1.230	1.084	1.035	1.011	1.007	1.004	1.002	1.006	
Wtd. Last 3	1.571	1.219	1.073	1.033	1.006	1.008	1.004	1.002		
Selected Loss Development Factors										
Age-to-Age	**1.600**	**1.220**	**1.080**	**1.035**	**1.010**	**1.008**	**1.004**	**1.000**	**1.000**	**1.000**
Age-to-Ult	**2.230**	**1.394**	**1.143**	**1.058**	**1.022**	**1.012**	**1.004**	**1.000**	**1.000**	**1.000**

The Fireman's Fund Insurance Companies
Allied Health Professional Liability

Projected Expenses

		2004	2005	2006	2007	2008	Selected
(1)	Direct Written Premium	155,744	142,703	143,715	134,224	93,839	
(2)	Direct Earned Premium	148,134	144,693	146,253	137,067	116,530	
	Expense Category:						
(3)	Commissions	33,030	32,051	31,681	31,312	22,833	
		21.2%	22.5%	22.0%	23.3%	24.3%	27.5%
(4)	Other Acquisitions	4,082	4,376	4,410	5,941	4,921	
		2.8%	3.0%	3.0%	4.3%	4.2%	3.5%
(5)	General	9,525	10,209	10,290	13,863	11,483	
		6.4%	7.1%	7.0%	10.1%	9.9%	8.1%
(6)	Taxes, Licenses, and Fees	3,304	2,700	2,667	2,580	1,689	
		2.1%	1.9%	1.9%	1.9%	1.8%	1.9%
(7)	Subtotal	49,941	49,336	49,048	53,696	40,926	
		32.5%	34.4%	34.0%	39.7%	40.2%	41.0%
(8)	ULAE	3,488	1,671	4,586	14,697	7,361	
		2.4%	1.2%	3.1%	10.7%	6.3%	4.7%
(9)	Profit Load						9.6%

(10) Total Expenses 55.3%

(11) Permissible Loss and Allocated Loss Adjustment Expense Ratio **44.7%**

Notes:

Based on IEE for Medical Malpractice using Fireman's Fund Insurance Companies consolidated data.
(3) Selected = actual commission paid in 2008 on Allied Health Programs.
(11) = 1.00 - (10)

The Fireman's Fund Insurance Companies
Allied Health Professional Liability
Calculation of Underwriting Profit Provision

		2004	2005	2006	2007	2008	Selected
(1)	Earned Premium (AS Page 4, Line 1, Col 1)	$4,210,707,223	$4,327,051,937	$4,446,260,429	$4,648,027,969	$4,892,309,337	
(2)	Mean Investable Assets Avg AS Page 2, Line 10, Col 3 & 4	$10,242,034,414	$9,570,923,840	$9,437,380,177	$9,295,099,223	$9,145,338,227	
(3)	Mean PH Surplus Avg AS Page 3, Line 35, Col 1 & 2	$2,894,486,048	$2,890,153,809	$2,941,416,182	$2,963,420,052	$2,877,919,440	
(4)	Net Investment Income Earned (AS Page 4, Line 9, Col 1)	$483,732,059	$476,477,702	$546,478,342	$490,084,542	$479,993,221	
(5)	Net Realized Capital Gains (AS Page 4, Line 10, Col 1)	$10,758,914	$41,408,600	$3,113,329	$18,521,425	($53,117,892)	
(6)	All LOB Premium-to-Surplus ratio (1) / (3)	1.45	1.50	1.51	1.57	1.70	
(7)	Professional Liability - Med Malpractice Premium-to-Surplus ratio						**1.12**
(8)	Premium-to-Assets ratio (1) / (2)	0.41	0.45	0.47	0.50	0.53	**0.47**
(9)	Target After-Tax ROE						**15.0%**
(10)	Tax Rate						**35.0%**
(11)	Return on Assets [(4) + (5)] / (2)	4.8%	5.4%	5.8%	5.5%	4.7%	**5.2%**

(UW Income + Investment Income) x (1 - Tax Rate) = (Allocated Capital) x (Target After-Tax ROE)

(12)	UW Profit Provision (9) / [(7) * (1 - (10))] - (11) / (8)	**9.6%**