# CNA HealthPro
# for
# Medical Practitioners Professional Liability Coverages

AMERICAN CASUALTY COMPANY OF READING, PA
X CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
TRANSPORTATION INSURANCE COMPANY

Superseded
10-20-09

## I. APPLICATION OF MANUAL

A. This manual provides rules, rates, premiums, classifications and territories for the writing of Medical Practitioners Professional Liability for the following Health Care Providers:

1. Physicians or Surgeons
2. Osteopathic Physicians or Surgeons
3. Podiatrists

B. These company pages shall not apply to Hospital Professional Liability as set forth in:
   1. Commercial Lines Manual, Professional Liability Division, VII, Medical Professional Liability, or
   2. Any independently filed Hospital Professional Liability Program by a CNA member company .

C. Any exceptions to these rules are contained in the respective State Rate/Exception Pages.

## II. COVERAGE

Coverage under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy.

## III. POLICY TERM

Policies may be written for a term of one year or less, and renewed annually thereafter, or as otherwise specified for the respective coverage.

## IV. INDIVIDUAL PRACTICE

For the purpose of these rules, individual practice shall be defined as a solo practitioner, partner(s) of an insured partnership, officers of a professional corporation, or employed practitioners who are otherwise ineligible under the rules applicable to group practice.

## V. GROUP PRACTICE

For the purpose of these rules, group practice shall be defined as a group of physicians rendering out-patient care who:

1. number 3 or more, and
2. are organized as a legal entity.

## VI. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for liability coverage under this program shall be:

1. Professional Liability: $100,000 Each Claim / $300,000 Aggregate

## VII. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be $250 per annual or lesser period, unless otherwise specified for the respective coverage.

## VIII. INCREASED LIMITS OF LIABILITY

Increased Limits of Liability and the corresponding Increased Limit Factors shall be as shown on the State Rate Page for the respective Coverage Part.

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STATE OF ILLINOIS
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## IX. PREMIUM COMPUTATION

A. The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured. The rates shall be applied in accordance with each practitioner's medical specialty and corresponding code number.

1. Compute the premium at policy inception using the rules, 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.
2. Prorate the premium when a policy is issued for other than a whole year.
3. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at the last step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding at each step.

B. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their annual income from outside the state. Those who derive more than 25% of their annual income outside the state shall be referred to the Company for underwriting approval and rating.

C. FACTORS OR MULTIPLIERS

Individual premium modifications are to be applied multiplicatively, modifications from the Scheduled Rating Modification Plan are to be added together and then applied multiplicatively.

D. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

i. any amount involving $.50 or over shall be rounded to the next highest whole dollar amount;
ii. any amount involving $.49 or less shall be rounded down to the next lowest whole dollar amount.

E. RETURN PREMIUM

1. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is cancelled.
2. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
3. 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.
4. Waive return premium of $15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.
5. Retain the policy writing minimum premium.

F. 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. Any installment fees for this option will be as shown on the respective State Rate Page.

G. RESERVE PREMIUM AND/OR PROFIT SHARING

The Company may agree with a sponsoring organization for a sharing of the profits, if any, in accordance with a predetermined formula. In the event of such an agreement, the policy shall be endorsed to either reflect the profit utilization formula or add the pertinent portion of the agreement with the organization to the policy by reference.

Any monies developed in accordance with an agreement set forth above shall be made available to the insureds in accordance with the provisions of such agreement.

H. ADDITIONAL PREMIUM CHARGES

1. Prorate all changes requiring additional premium.
2. 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, even if the policy inception premium was less than the policy writing minimum premium.
3. Waive additional premium of $15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

I. CLAIMS-MADE 'STEP' RULE

The proper step into which the insured is placed for rating purposes when claims-made coverage has been provided for less than annual periods, is determined as follows:

1. if claims-made coverage has been in effect for less than 6 months, step 1 rates apply;
2. if claims-made coverage has been in effect for "x" years plus less than 6 months, step "x" plus 1 applies;
3. if claims-made coverage has been in effect for "x" years plus 6 months or more, step "x" plus 2 applies.

Note: The value of "x" is the number of whole years.

## X. POLICY CANCELLATIONS

A. Compute return premium 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 when:
   1. a policy is cancelled at the Company's request;
   2. the insured no longer has a financial or an insurable interest in the property or operations that is the subject of insurance;
   3. a policy is cancelled and rewritten in the same Company or Company group.

B. If cancellation is for any other reason than stated in A. above, compute the return premium at .90 of the pro rata unearned premium for the one year period and round in accordance with the Whole Dollar Rule.

C. Retain the Policy Writing Minimum Premium when the insured requests cancellation, except when a policy is cancelled as of the inception date.

## 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 Coverage Only)

The availability of Extended Reporting Period Coverage shall be governed by the following rules:

A. The limits or liability available for any Extended Reporting Period shall be as set forth in Policy.

B Available Extended Reporting Period options, and appropriate premium charges, shall be as shown in the applicable State Rate Page.

C. The prior acts date of coverage with this Company will determine the years of prior exposure for Extended Reporting Period coverage.

D. Premium must be paid promptly when due. Premium may be paid in advance, or at Company discretion, may be paid in three annual installments.

E. In the event the policy is cancelled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

## XIII. ADDITIONAL CLASSIFICATIONS

A. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, will be eligible for restricted coverage at a reduced rate. This would apply retroactively to the first day of disability or leave of absence. Rating basis as follows:

| | |
|---|---|
| Disability/Leave of Absence | 25% of Medical Specialty |

B. Part-Time

A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

| | |
|---|---|
| Practice less than 20 hours per week | 50% of Medical Specialty |

C. Teaching Physicians

To recognize the reduced exposure associated with practitioners away from their practice while teaching, a reduced rate will be charged upon the following basis:

| | |
|---|---|
| Due to teaching, your weekly patient contact is limited to: | |
| (Less than 8 Hours per week) | 35% of Medical Specialty |
| (8-16 hours per week) | 50% of Medical Specialty |
| (17 hours or more per week) | 100% of Medical Specialty |

D. Physicians in Training

Following graduation from medical school, a physician may elect to enter additional training periods. For rating purposes, they are defined as follows:

1. Residency Program - various lengths of time depending upon medical specialty; 3 years average. Following first year residency, generally licensed M.D. Upon completion of residency program physician becomes board eligible;
2. Preceptorship - A preceptee is a non-licensed medical student or licensed physician continuing their education. A licensed physician preceptee shall, for the purposes of this program be considered as a part-time physician and added to the insured physician's policy;
3. Fellowship Program - Follows completion of residency and is a higher level of training.

   NOTE: Do not confuse a physician in a fellowship training program with a fellow, for example, of American College of Surgeons, or fellow of American College of OB/GYN. These are honorary membership designations obtained by peer nomination and approval.

Rating basis as follows:

| | |
|---|---|
| Residency Program | 50% of Medical Specialty |
| Preceptee: | 35% of Medical Specialty |
| Fellowship | 100% of Medical Specialty |

E. Locum Tenens Physician

Coverage for a physician substituting for an insured physician will be limited to cover only professional services rendered on behalf of an insured physician for the specified time period. Locum Tenens will share in the insured physician's Limit of Liability.

The Locum Tenens physician must complete an application and submit it to the Company in advance for approval prior to the requested effective date of coverage. Rating basis as follows:

| | |
|---|---|
| Locum Tenens Physicians | No Charge |

F. Change of Exposure or Medical Specialty

In the event of a change in exposure or medical specialty of the practitioner, a charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Period coverage at no charge;
2. with regard to medical specialty, both the prior and the current specialty fall within the same class;
3. the exposure or medical specialty of the practitioner changed more than 4 years prior while insured under claims-made coverage; or
4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

G. Premium Adjustment - Claims-Made Only

The following procedure should be used to calculate the exposure surcharge applicable under Rule F., above:

1. Calculate the at limits Extended Reporting Period premium appropriate for:
   a. the previous medical specialty or status according to the rates and rules contained herein; and
   b. the premium appropriate for the current medical specialty or status.
2. If the at limits Extended Reporting Period premium for the current specialty or status:
   a. is less than the premium for the previous medical specialty or status, the dollar amount of difference is the charge to be applied;
   b. exceeds the premium for the previous medical specialty or status, there shall be no charge.

H. Clinical Practice

The majority of residency training is within a hospital. However, there are periods where clinical experience is required. If a group practice desires individual coverage for these physicians, they may be covered provided that:

1. they are under direct supervision of a clinical physician; and
2. their purpose in the clinic is to receive the experience as part of their overall training program.

This rule shall not apply if the training institution (i.e. hospital) provides Professional Liability coverage for the physician in training while outside the institution.

## XIV. MISCELLANEOUS / ANCILLARY MEDICAL PERSONNEL

A. Professional Liability coverage for miscellaneous medical personnel may be provided. Refer to State Rate Page for medical specialties and rating instructions.

B. Premium shall be as shown on the State Rate Page.

## XV. CORPORATION / PARTNERSHIP / PROFESSIONAL ASSOCIATION

It shall be permissible to provide coverage for a Health Care corporation, Professional Association, or partnership, for liability arising from the practice of medicine by member physicians. Such coverage may be provided as follows:

A. Individual Practice

1. Solo Practice:

   on a shared Limit of Liability basis by endorsement to the policy, specifying such entity will share in the individual practitioner limit. In such case no additional premium shall be charged; or

2. All Others

   on a separate Limit of Liability basis by naming the corporation/partnership/professional association on the policy. The Limit of Liability shall be equal to the highest limits provided to any one individual member physician. Additional premium shall be as shown on the State Rate Page. In this case, all ancillary personnel shall be added to this corporation limit, and not to the policy of the individual physician.

B. Group Practice

on a separate Limit of Liability basis by naming the corporation/partnership/professional association on the policy. The Limit of Liability shall be equal to the limits provided to the individual member physicians. Additional premium shall be as shown on the State Rate Page.

## XVI. OPTIONAL COVERAGES / ENDORSEMENTS

A. It shall be permissible to add any of the following optional coverages/endorsements as appropriate to the particular situation and in accordance with the minimum basic Limits of Liability indicated herein:

1. Medical Laboratory

   It shall be permissible to add a Medical Laboratory:

   a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
   b. as an additional insured at the premium charge shown on the State Rate Page, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

2. Deductibles/Self-Insured Retentions

   Deductibles and self-insured retentions may be offered to qualified insureds.

3. First Aid Coverage Endorsement

   When added to the practitioner(s) Professional Liability policy, coverage provided by this endorsement is limited to $5000 per person for first aid expenses. Complete coverage details are explained on the endorsement

## XVII. FULL-TIME EQUIVALENCY

It shall be permissible to add coverage for a Full-Time Equivalency position staffed by two or more part-time medical practitioners performing identical professional services for one job description, with their cumulative hours equivalent to one full-time medical practitioner.

The limits of liability apply separately to each position specifically named on the schedule, collectively with such incumbents who qualify for coverage under the definition of "you".

Compute the premium by applying the rates applicable to an individual physician charge for each Full-Time Equivalency position specifically named on the schedule.

## XVIII. STAFF POSITION

It shall be permissible to add coverage for a specific Staff Position having a specific job description with professional services being performed by a medical practitioner.

The limits of liability apply separately to each staff position specifically named on the staff position schedule, collectively with such incumbents included as "you" by occupational description, and specifically named on such staff position schedule.

Compute the premium by applying the rates applicable to an individual physician charge for each Staff Position specifically named on the schedule.

## XIX. SCHEDULED RATING MODIFICATION PLAN

The hazards of the practice of medicine vary with the organization, establishment of medical standards review and claims review committees, the effectiveness of such committees, loss prevention activities, professional liability claim experience, professional services rendered under written agreement, etc. To recognize specific characteristics unique to the risk, a rate modification as shown below may be applied based on the following:

1. Professional Liability Exposures

   The maximum permissible modification of the Professional Liability premium(s) is as shown on the State Rate Page.

| | CREDIT | DEBIT |
|---|---|---|
| a. Loss Control Program<br>The underwriter will evaluate the procedures in place within the practice, including adherence to prior CNA recommendations. | 0-10% | 0-10% |
| b. Practice Characteristics<br>The underwriter will evaluate the impact of contracts with managed care organizations on utilization, referrals, and overall quality of patient care. | 0-15% | 0-15% |
| c. Continuing Education<br>Determine if the applicant's professional and para-professional staff participant in effective continuing medical education program(s); | 0-5% | 0-5% |
| d. Unusual Risk Characteristics | 0-10% | 0-10% |

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STATE OF ILLINOIS
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## Continental Casualty Company

A. Medical Practitioners - Claims-Made Rates: (at $100,000/$300,000 Limits of Liability)

Territory I: Cook, Madison, McHenry and St. Clair Counties

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 6,211 | 11,292 | 15,056 | 16,562 | 18,820 |
| 1B | 9,316 | 16,938 | 22,584 | 24,842 | 28,230 |
| 1 | 10,351 | 18,820 | 25,093 | 27,603 | 31,367 |
| 2 | 15,527 | 28,230 | 37,640 | 41,404 | 47,050 |
| 3 | 30,536 | 55,519 | 74,025 | 81,428 | 92,532 |
| 4 | 38,816 | 70,575 | 94,100 | 103,510 | 117,625 |
| 5 | 56,931 | 103,510 | 138,014 | 151,815 | 172,517 |

Territory II: DuPage, Kane, Lake and Will Counties

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 4,852 | 8,822 | 11,763 | 12,939 | 14,703 |
| 1B | 7,278 | 13,233 | 17,644 | 19,408 | 22,055 |
| 1 | 8,087 | 14,703 | 19,604 | 21,565 | 24,505 |
| 2 | 12,130 | 22,055 | 29,406 | 32,347 | 36,758 |
| 3 | 23,856 | 43,374 | 57,832 | 63,616 | 72,290 |
| 4 | 30,325 | 55,137 | 73,516 | 80,867 | 91,895 |
| 5 | 44,477 | 80,867 | 107,823 | 118,605 | 134,779 |

Territory III: Champaign, Jackson, Kankakee, LaSalle, Macon, Sangamon and Vermilion Counties

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 3,785 | 6,881 | 9,175 | 10,092 | 11,468 |
| 1B | 5,677 | 10,322 | 13,762 | 15,138 | 17,203 |
| 1 | 6,308 | 11,468 | 15,291 | 16,820 | 19,114 |
| 2 | 9,461 | 17,203 | 22,937 | 25,231 | 28,671 |
| 3 | 18,608 | 33,832 | 45,109 | 49,620 | 56,387 |
| 4 | 23,654 | 43,007 | 57,342 | 63,077 | 71,678 |
| 5 | 34,692 | 63,077 | 84,102 | 92,512 | 105,128 |

Territory IV: Remainder of State

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 2,960 | 5,381 | 7,175 | 7,893 | 8,969 |
| 1B | 4,440 | 8,072 | 10,763 | 11,839 | 13,453 |
| 1 | 4,933 | 8,969 | 11,959 | 13,154 | 14,948 |
| 2 | 7,399 | 13,453 | 17,938 | 19,732 | 22,422 |
| 3 | 14,552 | 26,458 | 35,278 | 38,806 | 44,097 |
| 4 | 18,498 | 33,633 | 44,845 | 49,329 | 56,056 |
| 5 | 27,131 | 49,329 | 65,772 | 72,349 | 82,215 |

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B. Scheduled Rating Modification Plan

The maximum permissible modification of the Professional Liability premium(s) under the Schedule Rating Modification Plan is ± 40%.

C. Individual Risk Rating Plan:

Accounts generating more than $100,000 in manual premium at $100,000/300,000 limits of liability are to be considered unique and unusual and will be (a)rated. Proper documentation as to the determination of such rate will be maintained in the underwriting file.

D. Corporation/Partnership/Professional Association Charge:

1. If on a separate limit of liability basis, the rate is computed, per Corporation/Partnership/ Professional Association, as up to 20% of the total developed professional liability premium for each practitioner and ancillary person charged a rate.
2. If a solo-practitioner desires coverage for the corporation/partnership/professional association, coverage can be provided for no additional premium charge, in which case the practitioner and the corporation/partnership/association share in the limit of liability.

E. Optional Coverages:

| *Coverage* | *Rate* |
|---|---|
| 1. All Insureds: | |
| First Aid Coverage Endorsement | Included |
| Medical Laboratory | 25% of the Class 1 rate. |

F. Ancillary Personnel - Claims-Made Rates

1. The following ancillary personnel may be added to the Corporation policy (Individual Physicians policy if no Corporation) as additional named insureds at the premium shown below. Limits of Liability must be equal those of the Corporation (Individual Physicians) and shall apply separately to each individual:

Territory I: Cook, Madison, McHenry & St. Clair Counties

(at $100,000/$300,000 Limits of Liability)

| | Step Rates | | | | |
|---|---|---|---|---|---|
| Class | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant | 1,346 | 2,447 | 3,262 | 3,588 | 4,078 |
| Surgeon Assistant<br>O. R. Technician<br>Paramedic<br>H/L Perfusionist<br>Scrub Nurse | 2,691 | 4,893 | 6,524 | 7,177 | 8,155 |
| Nurse Midwife | 9,109 | 16,562 | 22,082 | 24,290 | 27,603 |
| Nurse Anesthetist | 9,005 | 16,373 | 21,831 | 24,014 | 27,289 |
| Nurse Practitioner | 160 | 285 | 385 | 420 | 495 |

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Territory II: Dupage, Kane, Lake & Will Counties

(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant | 1,051 | 1,911 | 2,549 | 2,803 | 3,186 |
| Surgeon Assistant<br>O. R. Technician<br>Paramedic<br>H/L Perfusionist<br>Scrub Nurse | 2,103 | 3,823 | 5,097 | 5,607 | 6,371 |
| Nurse Midwife | 7,116 | 12,939 | 17,252 | 18,977 | 21,565 |
| Nurse Anesthetist | 7,035 | 12,792 | 17,056 | 18,761 | 21,320 |
| Nurse Practitioner | 160 | 285 | 385 | 420 | 495 |

Territory III: Champaign, Jackson, Kankakee, LaSalle, Macon, Sangamon & Vermilion Counties

(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant | 820 | 1,491 | 1,988 | 2,187 | 2,485 |
| Surgeon Assistant<br>O. R. Technician<br>Paramedic<br>H/L Perfusionist<br>Scrub Nurse | 1,640 | 2,982 | 3,976 | 4,373 | 4,970 |
| Nurse Midwife | 5,551 | 10,092 | 13,456 | 14,802 | 16,820 |
| Nurse Anesthetist | 5,488 | 9,978 | 13,303 | 14,634 | 16,629 |
| Nurse Practitioner | 160 | 285 | 385 | 420 | 495 |

Territory IV: Remainder of State

(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant | 641 | 1,166 | 1,555 | 1,710 | 1,943 |
| Surgeon Assistant<br>O. R. Technician<br>Paramedic<br>H/L Perfusionist<br>Scrub Nurse | 1,283 | 2,332 | 3,109 | 3,420 | 3,887 |
| Nurse Midwife | 4,341 | 7,893 | 10,524 | 11,576 | 13,154 |
| Nurse Anesthetist | 4,292 | 7,803 | 10,404 | 11,444 | 13,005 |
| Nurse Practitioner | 160 | 285 | 385 | 420 | 495 |

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2. The following ancillary personnel may be added to the Corporation policy as additional insureds at no additional charge, provided that Limits of Liability are on a shared basis:

| | |
|---|---|
| All other under Code 80998 (Audiologist, Medical Aide, R.N., L.P.N., Psychologist, Research Ph.D.) | Pharmacists |
| Full Time Medical Students | Physiotherapists |
| Medical Laboratory Technician | Dental Hygienist |
| O.R. Technician (Code 80998) | Scrub Nurse (Code 80998) |
| Optometrist/Optician | X-Ray Technician with/without Therapy |

G. Increased Limits:

| *Desired Limit* | *Increase Factor* |
|---|---|
| $100,000/300,000 | 1.00 |
| $500,000/1,000,000 | 1.76 |
| 1,000,000/1,000,000 | 2.09 |
| 1,000,000/3,000,000 | 2.15 |

{Higher Limits are available - Refer to Company.}

Miscellaneous/Ancillary personnel shall be treated as Class 1A for Increased Limits.

H. Extended Reporting Period:

**1. Automatic Extended Reporting Period**

There is no additional premium charge for this coverage

**2. Optional Extended Reporting Period**

The additional premium for the optional extended reporting period shall be based on the rates for such coverage in effect on the date the Policy terminated.

The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy:

| Years of Prior Claims Made Coverage | Installment Factors | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st Year | 2nd Year | 3rd Year | |
| 1 | .36 | .34 | .28 | 0.92 |
| 2 | .58 | .55 | .39 | 1.43 |
| 3 | .67 | .55 | .59 | 1.70 |
| 4 or more | .84 | .55 | .59 | 1.87 |

**3. Death or Disability Extended Reporting Period**

There is no additional premium charge for this coverage.

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**4. Retirement Extended Reporting Period**

A. There is no additional premium charge for this coverage. provided that retirement takes place during the policy period and the insured is:
   1. age 55 or older and has been insured by us for at least 5 years of claims-made coverage; or
   2. any age and has been insured by us for at least 10 years of claims-made coverage.

B. The Retirement Extended Reporting Period coverage will be granted with the following discounts, provided the above rule does not apply, and retirement takes place subject to the following schedule:

| Years of Continuous Coverage with a CNA Company | Premium Discount |
|---|---|
| 9 | 90% |
| 8 | 80% |
| 7 | 70% |
| 6 | 60% |
| 5 | 50% |
| 4 | 40% |
| 3 | 30% |
| 2 | 20% |
| 1 | 10% |

• Years of coverage must be with a CNA group company on a Claims-Made basis.

J. Medical Practitioners Classifications

Each medical practitioner is assigned a classification code according to their medical specialty. When more than one classification is applicable, the highest rate classification shall apply.

**Class 1A -**

| *Medical Specialty* | *Code* |
|---|---|
| AEROSPACE MEDICINE | 80230 |
| ALLERGY | 80254 |
| DERMATOLOGY - NO SURGERY | 80256 |
| DIABETES - NO SURGERY | 80237 |
| FORENSIC/LEGAL MEDICINE | 80240 |
| GENERAL PREVENTIVE MEDICINE | 80231 |
| GERIATRIC MEDICINE - NO SURGERY | 80243 |
| OCCUPATIONAL/INDUSTRIAL MEDICINE | 80233 |
| OPHTHALMOLOGY - NO SURGERY/LASER | 80263 |
| OTOLARYNGOLOGY - NO SURGERY | 80265 |
| PHYSICAL MEDICINE/REHABILITATION | 80235 |
| PUBLIC HEALTH | 80236 |
| PULMONARY MEDICINE | 80269 |
| RHEUMATOLOGY | 80252 |

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**Class 1B -**

| *Medical Specialty* | *Code* |
|---|---|
| CARDIOVASCULAR DISEASE - NO SURGERY | 80255 |
| DERMATOLOGY - INVASIVE PROCEDURES | 80282 |
| DIABETES - MINOR SURGERY | 80271 |
| ENDOCRINOLOGY - MINOR SURGERY | 80272 |
| GASTROENTEROLOGY - MINOR SURGERY | 80274 |
| GERIATRIC MEDICINE - MINOR SURGERY | 80276 |
| GYNECOLOGY - MINOR SURGERY | 80277 |
| HEMATOLOGY/ONCOLOGY | 80278 |
| INFECTIOUS DISEASE | 80279 |
| NEPHROLOGY | 80287 |
| OPHTHALMOLOGY - WITH SURGERY/LASER | 80114 |
| PATHOLOGY | 80266 |
| PSYCHIATRY | 80249 |
| RADIATION ONCOLOGY | 80280 |

**Class 1 -**

| *Medical Specialty* | *Code* |
|---|---|
| DIAGNOSTIC RADIOLOGY | 80253 |
| FAMILY/GENERAL PRACTICE - NO SURGERY/OB | 80420 |
| INTERNAL MEDICINE - NO SURGERY | 80257 |
| NEUROLOGY - NO SURGERY | 80261 |
| PEDIATRICS - NO SURGERY | 80267 |

**Class 2 -**

| *Medical Specialty* | *Code* |
|---|---|
| ANESTHESIOLOGY | 80151 |
| ANGIO/ARTERIO/CATHETERIZATION | 80422 |
| COLON & RECTAL SURGERY | 80115 |
| FAMILY/GENERAL PRACTICE-MINOR SURG/NO OB | 80421 |
| INTERNAL MEDICINE - INVASIVE PROCEDURES | 80284 |
| UROLOGY - NO IMPLANTS | 80145 |

**Class 3 -**

| *Medical Specialty* | *Code* |
|---|---|
| EMERGENCY MEDICINE | 80157 |
| FAMILY/GENERAL PRACTICE - SURG/OB - UP to 40 | 80117 |
| GENERAL SURGERY | 80143 |
| GYNECOLOGY - SURGERY | 80167 |
| HAND SURGERY | 80169 |
| INTENSIVE CARE MEDICINE | 80283 |
| OTOLARYNGOLOGY (NO ELECTIVE PLASTIC) | 80159 |
| PEDIATRIC SURGERY | 80293 |
| THORACIC SURGERY | 80144 |
| TRAUMA SURGERY | 80171 |
| VASCULAR SURGERY | 80146 |

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**Class 4 -**

| *Medical Specialty* | *Code* |
|---|---|
| CARDIOVASCULAR SURGERY | 80150 |
| ORTHOPEDIC SURGERY | 80154 |
| OTOLARYNGOLOGY WITH ELECTIVE PLASTIC | 80155 |
| PLASTIC SURGERY | 80156 |

**Class 5 -**

| *Medical Specialty* | *Code* |
|---|---|
| NEUROSURGERY | 80152 |
| OBSTETRICS/OB/GYN | 80153 |

**Ancillary Medical Personnel**

The following medical personnel have been assigned the specialty classification codes as shown:

| *Medical Specialty* | *Code* |
|---|---|
| Dental Hygienists | 80210 |
| Medical Laboratory Technician | 80711 |
| Nurse Midwife | 80962 |
| Nurse Practitioner | 80998 |
| Nurse Anesthetist | 80960 |
| Opticians | 80937 |
| Optometrist | 80994 |
| Paramedics | 80116 |
| Pharmacists | 59112 |
| Physician Assistant | 80116 |
| Physiotherapists | 80938 |
| Scrub Nurse/Operating Room Technician: | |
| 1. whose duties require them to assist & remain in the O.R. for a surgical procedure. | 80116 |
| 2. whose duties are to set up the O.R., but who do not remain in O.R. during a procedure. | 80998 |
| Surgeon Assistant | 80116 |
| X-Ray Technician: | |
| 1. with Therapy | 80714 |
| 2. without Therapy | 80713 |

All <u>other</u> medical personnel including:

| | |
|---|---|
| 1. Audiologist, Medical Aide | 80998 |
| 2. R.N., L.P.N. | 80964 / 80963 |
| 3. Psychologist, Research Ph.D. | 80998 |

**Additional Classifications:**

| | |
|---|---|
| Corporation/Partnership/Professional Association | 80999 |
| Medical Laboratory | 80715 |

The following classifications identify additional potential exposures applicable to each individual Group Practice. These classifications require prior underwriting approval by the Company.

| | |
|---|---|
| Clinical Surgery Center | 80610 |
| Emergency Room | 80610 |
| Medical Facility | 80610 / 80611 |

**Continental Casualty Company**

## *Self- Insured Retentions*

Self-Insured retentions may be offered to qualified insureds as follows:

## SIR Applies to Indemnity Only

| *SIR Ind/Agg. (000's)* | *Premium @ $1M/3M Limits (000's)* | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *500* | *750* | *1,000* | *1.250* | *1,500* | *2,000* | *2,500* | *3,000* | *3,500* | *4,000* |
| 25/50 | 7.5% | 6.1% | 5.0% | 4.1% | 3.5% | 2.7% | 2.1% | | | |
| 25/75 | 9.0 | 8.0 | 6.9 | 5.9 | 5.1 | 4.0 | 3.2 | | | |
| 25/100 | 9.7 | 9.1 | 8.2 | 7.4 | 6.6 | 5.2 | 4.2 | | | |
| 25/250 | 10.0 | 10.0 | 10.0 | 10.0 | 9.9 | 9.6 | 8.9 | | | |
| 25/no agg | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | | | |
| 50/100 | 13.6 | 11.4 | 9.5 | 8.1 | 6.9 | 5.3 | 4.3 | | | |
| 50/150 | 15.9 | 14.4 | 12.8 | 11.3 | 9.9 | 7.8 | 6.3 | | | |
| 50/200 | 16.7 | 16.0 | 14.9 | 13.7 | 12.4 | 10.1 | 8.4 | | | |
| 50/250 | 17.0 | 16.7 | 16.1 | 15.3 | 14.3 | 12.2 | 10.3 | | | |
| 50/300 | 17.1 | 16.9 | 16.7 | 16.2 | 15.5 | 13.8 | 12.0 | | | |
| 50/500 | 17.1 | 17.1 | 17.1 | 17.0 | 17.0 | 16.7 | 16.0 | | | |
| 50/750 | 17.1 | 17.1 | 17.1 | 17.1 | 17.1 | 17.1 | 17.0 | | | |
| 50/no agg | 17.1 | 17.1 | 17.1 | 17.1 | 17.1 | 17.1 | 17.1 | | | |
| 100/200 | 23.1 | 20.3 | 17.5 | 15.2 | 13.2 | 10.3 | 8.4 | | | |
| 100/300 | 26.0 | 24.5 | 22.5 | 20.4 | 18.4 | 15.0 | 12.4 | | | |
| 100/500 | 27.0 | 26.8 | 26.3 | 25.6 | 24.6 | 22.0 | 19.3 | | | |
| 100/1000 | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 | 26.9 | 26.5 | | | |
| 100/no agg | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 | 27.0 | | | |
| 250/500 | 40.2 | 37.4 | 34.3 | 31.2 | 28.3 | 23.3 | 19.4 | | | |
| 250/750 | 42.6 | 41.6 | 40.2 | 38.4 | 36.2 | 31.8 | 27.6 | | | |
| 250/1000 | 43.0 | 42.8 | 42.3 | 41.5 | 40.4 | 37.4 | 33.9 | | | |
| 250/1250 | 43.1 | 43.0 | 42.9 | 42.6 | 42.1 | 40.5 | 38.2 | | | |
| 250/1500 | 43.1 | 43.1 | 43.0 | 42.9 | 42.8 | 42.1 | 40.7 | | | |
| 250/2000 | 43.1 | 43.1 | 43.1 | 43.1 | 43.0 | 42.9 | 42.6 | | | |
| 250/no agg | 43.1 | 43.1 | 43.1 | 43.1 | 43.1 | 43.1 | 43.1 | | | |
| 500/1000 | 53.5 | 51.8 | 49.6 | 47.0 | 44.4 | 39.0 | 34.0 | | | |
| 500/1500 | 54.9 | 54.5 | 53.9 | 53.0 | 51.7 | 48.6 | 44.8 | | | |
| 500/no agg | 55.0 | 55.0 | 55.0 | 55.0 | 55.0 | 55.0 | 55.0 | | | |
| 750/1500 | 60.4 | 59.4 | 58.1 | 56.4 | 54.4 | 50.1 | 45.4 | 40.9 | 36.8 | 33.2 |
| 750/2250 | 61.1 | 61.0 | 60.7 | 60.3 | 59.7 | 58.0 | 55.5 | 52.5 | 49.1 | 45.8 |
| 750/3000 | 61.1 | 61.1 | 61.1 | 61.0 | 60.9 | 60.4 | 59.5 | 58.0 | 56.1 | 53.9 |
| 750/3750 | 61.1 | 61.1 | 61.1 | 61.1 | 61.1 | 61.0 | 60.7 | 60.2 | 59.3 | 58.2 |
| 750/no agg | 61.1 | 61.1 | 61.1 | 61.1 | 61.1 | 61.1 | 61.1 | 61.1 | 61.1 | 61.1 |
| 1M/2M | 64.4 | 63.8 | 62.9 | 61.1 | 61.1 | 57.0 | 53.1 | 49.1 | 45.1 | 41.0 |
| 1M/3M | 64.9 | 64.8 | 64.7 | 64.3 | 64.3 | 63.2 | 61.6 | 59.5 | 56.9 | 53.9 |
| 1M/5M | 64.9 | 64.9 | 64.9 | 64.9 | 64.9 | 64.9 | 64.8 | 64.6 | 64.1 | 63.5 |
| 1M/no agg | 64.9 | 64.9 | 64.9 | 64.9 | 64.9 | 64.9 | 64.9 | 64.9 | 64.9 | 64.9 |

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## *Self- Insured Retentions*

## SIR Applies to Indemnity and Expenses

| *SIR Ind/Agg. (000's)* | *Premium @ $1M/3M Limits (000's)* | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *500* | *750* | *1,000* | *1.250* | *1,500* | *2,000* | *2,500* | *3,000* | *3,500* | *4,000* |
| 25/50 | 7.9% | 6.3% | 5.1% | 4.2% | 3.5% | 2.7% | 2.1% | | | |
| 25/75 | 9.7 | 8.4 | 7.1 | 6.1 | 5.2 | 4.0 | 3.2 | | | |
| 25/100 | 10.6 | 9.7 | 8.7 | 7.7 | 6.7 | 5.3 | 4.3 | | | |
| 25/250 | 11.1 | 11.1 | 11.1 | 11.0 | 10.8 | 10.3 | 9.4 | | | |
| 25/no agg | 11.1 | 11.1 | 11.1 | 11.1 | 11.1 | 11.1 | 11.1 | | | |
| 50/100 | 14.7 | 12.0 | 9.8 | 8.2 | 7.0 | 5.3 | 4.3 | | | |
| 50/150 | 17.6 | 15.6 | 13.5 | 11.7 | 10.2 | 7.9 | 6.4 | | | |
| 50/200 | 18.7 | 17.6 | 16.1 | 14.5 | 13.0 | 10.4 | 8.5 | | | |
| 50/250 | 19.2 | 18.7 | 17.7 | 16.5 | 15.2 | 12.6 | 10.5 | | | |
| 50/300 | 19.3 | 19.1 | 18.6 | 17.8 | 16.8 | 14.5 | 12.3 | | | |
| 50/500 | 19.3 | 19.3 | 19.3 | 19.3 | 19.1 | 18.5 | 17.4 | | | |
| 50/750 | 19.3 | 19.3 | 19.3 | 19.3 | 19.3 | 19.3 | 19.2 | | | |
| 50/no agg | 19.3 | 19.3 | 19.3 | 19.3 | 19.3 | 19.3 | 19.3 | | | |
| 100/200 | 25.8 | 21.9 | 18.5 | 15.8 | 13.6 | 10.4 | 8.4 | | | |
| 100/300 | 29.7 | 27.3 | 24.6 | 21.8 | 19.4 | 15.4 | 12.5 | | | |
| 100/500 | 31.4 | 31.0 | 30.1 | 28.8 | 27.2 | 23.6 | 20.1 | | | |
| 100/1000 | 31.5 | 31.5 | 31.5 | 31.5 | 31.4 | 31.1 | 30.1 | | | |
| 100/no agg | 31.5 | 31.5 | 31.5 | 31.5 | 31.5 | 31.5 | 31.5 | | | |
| 250/500 | 47.4 | 43.2 | 38.8 | 34.6 | 30.8 | 24.7 | 20.2 | | | |
| 250/750 | 51.2 | 49.5 | 47.1 | 44.2 | 41.0 | 34.8 | 29.5 | | | |
| 250/1000 | 52.0 | 51.5 | 50.5 | 49.0 | 47.0 | 42.3 | 37.2 | | | |
| 250/1250 | 52.1 | 52.0 | 51.7 | 51.1 | 50.1 | 47.1 | 43.1 | | | |
| 250/1500 | 52.1 | 52.1 | 52.0 | 51.8 | 51.4 | 49.8 | 47.1 | | | |
| 250/2000 | 52.1 | 52.1 | 52.1 | 52.1 | 52.1 | 51.8 | 50.9 | | | |
| 250/no agg | 52.1 | 52.1 | 52.1 | 52.1 | 52.1 | 52.1 | 52.1 | | | |
| 500/1000 | 65.3 | 62.5 | 59.0 | 55.2 | 51.3 | 43.8 | 37.4 | | | |
| 500/1500 | 67.5 | 66.8 | 65.7 | 64.0 | 61.9 | 56.7 | 51.1 | | | |
| 500/no agg | 67.7 | 67.7 | 67.7 | 67.7 | 67.7 | 67.7 | 67.7 | | | |
| 750/1500 | 74.3 | 72.5 | 70.2 | 67.4 | 64.2 | 57.5 | 50.8 | 44.9 | 39.7 | 35.4 |
| 750/2250 | 75.5 | 75.3 | 74.7 | 73.9 | 72.7 | 69.4 | 65.0 | 60.2 | 55.2 | 50.5 |
| 750/3000 | 75.6 | 75.6 | 75.5 | 75.3 | 75.0 | 73.9 | 71.8 | 69.0 | 65.5 | 61.7 |
| 750/3750 | 75.6 | 75.6 | 75.6 | 75.6 | 75.5 | 75.2 | 74.5 | 73.2 | 71.3 | 68.9 |
| 750/no agg | 75.6 | 75.6 | 75.6 | 75.6 | 75.6 | 75.6 | 75.6 | 75.6 | 75.6 | 75.6 |
| 1M/2M | 79.6 | 78.5 | 76.9 | 74.9 | 72.6 | 67.1 | 61.1 | 55.3 | 49.8 | 45.0 |
| 1M/3M | 80.4 | 80.3 | 80.0 | 79.6 | 78.9 | 76.9 | 73.9 | 70.2 | 66.0 | 61.7 |
| 1M/5M | 80.4 | 80.4 | 80.4 | 80.4 | 80.4 | 80.3 | 80.0 | 79.5 | 78.5 | 77.2 |
| 1M/no agg | 80.4 | 80.4 | 80.4 | 80.4 | 80.4 | 80.4 | 80.4 | 80.4 | 80.4 | 80.4 |

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CONTINENTAL CASUALTY COMPANY
COMPANY PAGES
FOR
CHIROPRACTIC BENEFIT SERVICES RISK PURCHASING GROUP

## I. APPLICATION OF MANUAL RULES

A. This manual provides rules, rates, premiums and classifications and shall govern the writing of policies for the chiropractic profession.

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.

C. Any exceptions to these manual rules are contained in the respective Section or State Rate Page.

## II. POLICY TERMS

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

## III. PREMIUM COMPUTATION

A. Compute the premium at policy inception using the rules, 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 used for less than a whole year.

C. Premiums are calculated as specified for the respective coverage. Premium rounding will be done in accordance with the Whole Dollar Rule.

The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds. The rates shall be applied in accordance with each practitioner's classification.

## IV. FACTORS OR MULTIPLIERS

Unless stated otherwise, factors or multipliers are to be applied consecutively and not added together.

## V. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be $200.00 per annual or lesser period.

## VI. PREMIUM PAYMENT PLAN

The Company may, at its discretion, offer to the Named Insured various premium payment options, including monthly, quarterly, and annual payment plans.

## VII. WHOLE DOLLAR RULE

If the result of the rating procedure is not a whole dollar, the result will be adjusted as follows:

A. any amount involving $.50 or over shall be rounded to the next higher whole dollar amount; or

B. any amount involving $.49 or less shall be rounded down to the next lower whole dollar amount.

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## VIII. 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, even if the policy inception premium was less than the policy writing minimum premium.

C. Waive additional premium of $10.00 or less.

## IX. RETURN PREMIUM

A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.

B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

C. 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.

D. Retain the policy writing minimum premium.

## X. COVERAGES

| | Coverage | Limit |
|---|---|---|
| A | Professional Liability | Claims-Made Basis |
| B | Licensure Defense Assistance | $30,000 Each Civil Proceeding<br>$30,000 Each Policy Period Aggregate |
| C | Deposition Assistance | $2,500 Each Deposition<br>$7,500 Each Policy Period Aggregate |
| D | Reimbursement for Attendance at Dispute Resolution | $500 Each Day<br>$5,000 Each Policy Period Aggregate |
| E | Property Damage Payment | $500 Each Claim<br>$1,000 Each Policy Period Aggregate |
| F | First Aid Reimbursement | $5,000 Each Person<br>$10,000 Each Policy Period Aggregate |

## XI. POLICY CANCELLATIONS

A. The policy may be canceled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.

B. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.

C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% (subject to Rule V. Policy Writing Minimum Premium) unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

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## XII. CLASSIFICATIONS – CALCULATION OF PREMIUM – Professional Liability Coverage

The base premium for the policy shall be the sum of the applicable charge for each insured based on his/her class, as developed below. The annual mature claims-made base rate for each class is stated on the respective State Exception page:

A. The following class descriptions will apply:

| Class | Description |
|---|---|
| 1 | Doctors of Chiropractic in Class 1 have as their sole objective the detection and correction of the vertebral subluxation. While they may be aware of the patient's symptoms or specific health problems, they do not attempt to treat those symptoms or conditions.<br><br>In addition, they use a "Terms of Acceptance" (TOA) document, which clearly explains their practice objective. In their report of findings, they note unusual findings not related to vertebral subluxations that they observed, but do not attempt to diagnose or label those findings and do not refer patients to medical practitioners in specific disciplines. They allow their patients to determine the need for medical advice or care.<br><br>Class 1 chiropractors use manual adjusting techniques, which can include hand-held, non-electric devices such as a Toftness Instrument, Atlas Orthogonal Instrument, Integrator Or Activator, etc.<br><br>In addition, they may use traction, extremity adjusting, massage, hot and cold packs, orthotics or other non-invasive modalities which they consider necessary in order to properly detect or correct subluxations, or which they feel will help patients maintain their adjustments.<br><br>Class 1 doctors do not use therapeutic agents, including nutritional supplements, homeopatic or naturopathic remedies, to treat diseases or suppress symptoms.<br><br>Surface electromyography (SEMG) is the paraspinal area may be used to measure a variety of physioogical changes to determine if subluxation exists. Evidence-based documentation from spinal range of motion and computerized muscle testing studies fall within Class 1. Skin temperature measurement instruments may be used to evaluate neurological changes associated with vertebral subluxation.<br><br>No invasive procedures or diagnostic or treatment equipment or techniques should be used which are not directly related to the detection and corection or vertebral subluxation. X-ray and other imaging techniques may be used to assist in |

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| | |
|---|---|
| 2 | Doctors of chiropractic in this class focus on the detection and correction of the vertebral subluxation. In addition, they may address neuromusculoskeletal complaints and treat spinal-related conditions and symptoms such as strains and sprains.<br><br>To achieve their practice objective, doctors in Class 2 may utilize everything included under Class 1 and, additionally, modalities such as electrical stimulation, ultrasound, diathermy whirlpool, cryotherpay, orthopedic supports, homeopathy related to the spine, athletic taping, etc., all for the purpose of detecting or correcting verterbral subluxation or diagnosing and treating neuromusculoskeletal complaints.<br><br>Although invasive procedures are not used, neurologic and orthopedic tests are sometimes utilized. Those chiropractors who hold licenses in acupuncture and perform techniques which require such a license shall be categorized in this class. |

B. The annual mature claims-made rates for each chiropractor are stated on the State Rate Page.

The annual step rates, under claims-made, for each Chiropractor shall be determined as follows:

1. If the chiropractor is just entering practice, or the chiropractor has continuously been insured under an "occurrence" policy, enter the step rate factor from the Table at the year one level.

2. If the chiropractor 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 chiropractor was covered under such claims-made policy(ies);

   b. determine the number of years in which the chiropractor 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 rate, found on the State Page, in effect at the inception of the policy.

| Step 1 | Step 2 | Step 3 | Step 4 |
|---|---|---|---|
| .49 | .75 | .95 | 1.00 |

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C. **LOCATION OF PRACTICE**

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their practice time from outside the state. Those who derive more than 25% of their practice time outside the state shall be referred to the Company for underwriting approval and rating. We will charge the higher rate if there is multi-state exposure.

## XIII. CREDITS AND SURCHARGES

The following applicable factors will be added together and the sum will be applied to the associated risk. The maximum credit applicable to any risk is shown on the respective State Rate page.

A. New Graduate

A "new" graduate is defined as an individual who is receiving his or her first chiropractic license and beginning a practice.

The following credits will apply:

75% for the first year in practice
40% for the second year in practice
25% for the third year in practice
15% for the fourth year in practice

B. Corporations/Partnerships/Associations

It shall be permissible to provide coverage for a corporation, partnership or association for liability arising from the practice of member chiropractors insured by the Company. Such coverage may be provided either:

a. on a shared limit of liability with the member practitioner, in which case no additional premium shall be charged; or

b. on a separate limit of liability basis. All practitioners of the corporation must purchase the same limit of liability. Additional premium shall be 15% of the total developed liability premium for each member.

C. Additional Insured

An additional insured, other than Corporations/Partnerships (such as an outpatient surgical center, managed care organization, hospital, etc.) may be added to the policy for an additional premium charge of 20% of the policy's total manual premium. All other Additional Insureds must be referred to the Company for approval and rating.

D. Vicarious Liability
A charge of 10% of the named insured's premium will be charged for each chiropractor not insured by CNA who presents a vicarious liability exposure to the named insured.

E. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of at least 30 days, but less that 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence. Leaves of absence are subject to underwriting approval.

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F. Part Time

A part time credit of:

50% of the applicable rate will apply to any practitioner who works 20 hours or less per week

G. Terms of Acceptance (for Class 2 only)
Class 2 Chiropractors who agree to use a "Terms of Acceptance" form for all patients will receive a 15% credit.

H. Locum Tenens

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability, and the substituting professional is subject to standard underwriting approval. There is no additional charge for a period not to exceed 60 days.

I. Loss Prevention/Risk Management
A Risk management credit of up to 10% will be applied to the rate, based upon completion of Company-sponsored risk management or Company-approved courses. Course content must include one or more of the following topics: patient communication, documentation, informed consent, confidentiality of records, litigation and other legal issues. Verifiable active participation is required in any such program. The course must be completed by the insured within 24 months of the policy effective date. This credit will be reapplied to subsequent coverage terms, provided that the course completion date is within 24 months of the effective date. This is subject to underwriting approval.

J. Experience Rating

The following claims-free credits will apply to the chiropractor's applicable class rate:

| **Minimum Number of Consecutive Years Claims-Free** | **Credit** |
|---|---|
| 5 | 10% |
| 10 | 15% |
| 20 | 20% |

K. Schedule Modification
A modification reflecting the specific individual characteristics of a risk shall be applied to the professional liability premium for chiropractors. The criteria (shown below) used in evaluating the risk will be applied objectively and uniformly to all risks. All applicable debits and credits from this Section K shall be added together and the sum shall be the total Schedule Modification. The total schedule modification shall be capped by the amount listed in state rate/exception page.

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| Criteria | Credit | to | Debit |
|---|---|---|---|
| 1. Qualifications and experience of management | 10% | | 10% |
| 2. Cooperation with insurer | 10% | | 10% |
| 3. Selection and supervision of staff | 10% | | 10% |
| 4. Effective risk management program | 10% | | 10% |
| 5. Ongoing quality improvement program | 10% | | 10% |
| 6. Communication vehicle for patient questions and concerns | 10% | | 10% |
| 7. Use of recognized system of clinical guidelines | 10% | | 10% |
| 8. Well-maintained patient record system | 10% | | 10% |
| 9. Thorough documentation of patient care and interaction | 10% | | 10% |
| 10. Established policies and procedures for patient relations | 10% | | 10% |
| 11. Rehearsed emergency plan/equipment in place | 10% | | 10% |
| 12. High risk or experimental procedures or treatments | 0% | | 25% |
| 13. Loss experience | 10% | | 25% |
| 14. Demographics of Patient Group | 10% | | 25% |
| 15. Other risk deviations specific to the account | 15% | | 15% |

## XIV. LIMITS OF LIABILITY

The base rate on the state rate page contemplates a limit of $100K/$300K. Higher limits of liability may be selected by insureds. The associated factors listed below will apply to the $100K/$300K rate.

| Limits of Liability | Factor |
|---|---|
| **$100,000/$300,000** | **1.000** |
| **$200,000/$600,000** | **1.300** |
| **$250,000/$750,000** | **1.365** |
| **$500,000/$1,500,000** | **1.600** |
| **$1,000,000/$3,000,000** | **1.950** |
| **$2,000,000/$4,000,000** | **2.380** |
| **$2,000,000/$6,000,000** | **2.430** |

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## XV. EXTENDED REPORTING PERIOD COVERAGE

A. The extension period is unlimited with respect to time. The availability of Extended Reporting Period Coverage shall be governed by the following rules:

1. The limits of liability will equal the limits of liability of the expiring policy.

2. Extended Reporting Period Coverage will be available to all named insureds shown on the Declarations page of this policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.

3. Should the entity terminate coverage under the policy, the entity may purchase this coverage by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.

4. Upon termination of coverage under this policy by reason of death or permanent disability, the insured's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.

There will be no charge for Extended Reporting Period Coverage in the event of retirement from the practice of chiropractic and provided the insured is at least 52 years old and has been continuously insured by the Company for at least one year immediately preceding retirement.

This shall apply to all insureds otherwise qualifying for such coverage.

5. The Prior Acts date of coverage with this Company will determine the years of prior exposure in calculation of Extended Reporting Period Coverage.

6. Premium must be paid promptly when due.

7. In the event the policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

8. The factors in the following Table shall be applied to the *expiring premium*:

| **Years of Claims-Made Coverage** | **Factor** |
|---|---|
| **1** | **142%** |
| **2** | **134%** |
| **3** | **123%** |
| **4 or more** | **121%** |

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
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OCT 15 2003
SPRINGFIELD, ILLINOIS

CONTINENTAL CASUALTY COMPANY
STATE EXCEPTION/RATE PAGE FOR
CHIROPRACTIC BENEFIT SERVICES RISK PURCHASING GROUP

## I. Amended Rules - Professional Liability

**Section VI, Quarterly Installment Option,** is amended to state the following:
The company will offer to the Named Insured a premium payment option as follows:
a. Each quarterly premium payment will be 25% of the total annual premium;
b. There will be no interest charges;
c. There will be quarterly installment charges equal to the lesser of 1% of the total annual premium or $25.00;
d. Any additional premium resulting from changes to the policy, mid-term, shall be spread equally over the remaining installment payments.

**Section XIII, Credits and Surcharges,** is amended to include the following:
The maximum discount applicable to any one risk shall be governed by the following:

| | |
|---|---|
| First Year New Graduate | 75% |
| Second Year New Graduate | 40% |
| Part-Time Chiropractor | 50% |
| All Others | 30% |

**Section XIII.K., Schedule Modifications,** is amended to include the following:
"The maximum schedule modification shall be capped at +/-25%."

**Section XV.A.8., Extended Reporting Period Coverage,** is amended to state the following:
The factors in the following Table shall be applied to the *expiring annual premium*.

| Years of Claims-Made Coverage | Factor |
|---|---|
| 1 | 142% |
| 2 | 134% |
| 3 | 123% |
| 4 or more | 121% |

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
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AUG 16 2006
SPRINGFIELD, ILLINOIS

## II. Territorial Definitions - Professional Liability

| | |
|---|---|
| Territory I | St. Clair County |
| Territory II | Cook |
| Territory III | Rest of State |

## III. Rates - Professional Liability

Mature Claims-made Rate at $100K/$300K Limits

| Class | Territory I | Territory II | Territory III |
|---|---|---|---|
| I | $1,409 | $1,301 | $1,006 |
| II | $1,879 | $1,735 | $1,341 |

Occurrence Rate at $100K/$300K Limits

| Class | Territory I | Territory II | Territory III |
|---|---|---|---|
| Student | $35 | $35 | $35 |

Serff - manual

CNA

CNA 40 Wall Street- New York, NY 10005

**May 23, 2005**

***Lakesha Houser***
*Regulatory Filings Technician*
*CNA Insurance*
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*Internet: Lakesha.Houser@cna.com*

ILLIONOIS DEPARTMENT OF INSURANCE
PROPERTY AND CASUALTY COMPLIANCE UNIT
320 WEST WASHINGTON STREET
SPRINGFIELD, IL 62767-0001

RE: **Continental Casualty Company NAIC# 218-20443, FEIN# 36-2114545**
**HOSPITAL PROFESSIONAL LIBAILITY PROGRAM**
Our Filing No: 05-R2081

Honorable Director Manna:

The Continental Casualty Company, a member company of the CNA group of insurance companies, submits the above captioned filing for use with our current Hospitals Professional Liability Program in **Illinois**. This filing was last approved on **7/1/2004** under our filing previous filing No.: **04 R2043**.

Enclosed for your review please find:

- The Actuarial Memorandum, along with exhibits reflecting changes proposed by this program.
- The applicable manual with revised state pages.

We propose that these changes will become applicable to all policies written on or after **July 1, 2005**; or the earliest date permitted by your state

Sincerely yours,
*Lakesha Houser*
Lakesha Houser
Regulatory Filings Technician

+ 1.5%



Superseded
6-11-08

**COMPANY EXCEPTION PAGE**
**COMMERCIAL LINES MANUAL**
**DIVISON SEVEN - PROFESSIONAL LIABILITY**

**AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA**
**CONTINENTAL CASUALTY COMPANY** — MED. MAL
**NATIONAL FIRE INSURANCE COMPANY OF HARTFORD**
**TRANSCONTINENTAL INSURANCE COMPANY**
**TRANSPORTATION INSURANCE COMPANY**
**VALLEY FORGE INSURANCE COMPANY**

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The Company exception page for Commercial Lines Manual Division Seven - Professional Liability is amended as follows:

Section **D.2.b., Resident Health Care Facility Professional Liability Coverage Part, Eligibility** is amended by removing the limitation to facilities that provide care and services for developmentally disabled persons only. Eligibility now includes all personal care and residential health care facilities included in the Facility Classification found in Section **D.2.a.**

CONTINENTAL CAS. CO.
superseded 12/31/01



FEB 1 – 2000

CONTINENTAL CASUALTY CO.
MED. MAL.

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
FILED
DEC 19 2000
SPRINGFIELD, ILLINOIS

**CNA HEALTHPRO - LONG TERM CARE**

**RULES & RATES**

**SECTION A**

**GENERAL**

The CNA Long Term Care Program was developed with the framework by extending certain additional coverage parts in addition to standard forms for eligible risks.

**1.ELIGIBILITY**

**a.** The following classes are eligible for the application of the rules and rates contained on these additional rule pages:

| CLASS CODE | FACILITY CLASSIFICATION | PRIMARY MEDICAL SERVICES PERFORMED |
|---|---|---|
| 80909<br>80928 | Sub-Acute; FP<br>Sub-Acute; NFP | -Ventilator Care<br>-Wound Management<br>-Post Operative/Trauma Recovery<br>-Intravenous/Antibiotic/Hydration Therapy<br>-Spinal Cord/Head Injury Management<br>-Oncology<br>-Total Parenternal Nutrition (TPN)<br>-Blood/ Plasma Transfusion<br>-Central Line Care<br>-Tracheostomy<br>-Dialysis |
| 80908<br>80929 | Skilled Nursing; FP<br>Skilled Nursing; NFP | -Administering of Medications by Injection<br>-Catheter Insertion and Sterile Irrigation<br>-Physical/Occupational Therapy<br>-Administration of Oxygen and InhalationTherapy<br>-Routine Changing of Dressings<br>-Tube Feeding |
| 80907<br>80914 | Intermediate Care; FP<br>Intermediate Care; NFP | -Administration of Oral Medications<br>-Assistance with ADL's(Activities of Daily Living, Bathing, Dressing, Walking, Eating)<br>-Preventative Turning/Positioning<br>-Restorative Rehabilitation |
| 80920<br>80932 | Assisted Living; FP<br>Assisted Living; NFP | -Combination of Housing<br>-Personalized Supportive Services<br>-Health Care Services designed for Individual needs for those requiring with ADL's (Activities of Daily Living, Bathing, Dressing, Walking, Eating) but not Skilled Medical Care |



CONTINENTAL CASUALTY CO.
SUPERCEDED
6-19-03

| CLASS CODE | FACILITY CLASSIFICATION | PRIMARY MEDICAL SERVICES PERFORMED |
|---|---|---|
| 80906<br>80915 | Personal Care; FP<br>Personal Care; NFP | -Security<br>-Nutritional Meals<br>-Transportation<br>-Recreation<br>-Self-Administration/Assistance with<br>-Medications<br>-Guidance with ADL's (Activities of Daily Living, Bathing, Dressing, Walking, Eating) |
| 80905<br>80930 | Independent Living; FP<br>Independent Living; NFP | -Residents are of retirement age<br>-Occupy apartment/dwelling units that normally include cooking facilities<br>-Do not receive health care services<br>-Administer their own medications without assistance<br>-Full Time Caretaker 24 hours per day |

**SECTION B**

**COMMERCIAL PROPERTY/INLAND MARINE/CRIME**

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
FILED
DEC 19 2000
SPRINGFIELD, ILLINOIS

1. Commercial Property
Section VIII - Rating Plans

Rule 81. Deductible Insurance Plan

Refer to Company's State Exception Pages in this manual.

2. The following Long Term Care Program Forms are available:

Health and Personal Care Facilities - Building and Personal Property Coverage Form SCP 00504(5/92)

Commercial Property Coverage Part Declarations - Health & Personal Care Facilities SDEC 190(5/92)

Commercial Inland Marine Coverage Part Declarations - Health & Personal Care Facilities - Accounts Receivable SDEC 191(5/92)

Commercial Inland Marine Coverage Part Declarations - Health & Personal Care Facilities - Valuable Papers SDEC 192(5/92)

Mobile Medical Equipment Coverage Form SCM 00532(6/92)

Mobile Medical Equipment Coverage Form Declarations SDEC 195(6/92)

Health and Personal Care - Coverage Limitation Endorsement SCP 04558(5/92)

Health and Personal Care Facilities - Coinsurance and Automatic Adjustment of Covered Property Limit Endorsement SCP 04559(5/92)

Health and Personal Care Facilities - Ordinance or Law - Increased Period of Restoration SCP 15503 (5/92)

Commercial Crime Coverage Part Declaration - Health and Personal Care Facilities SDEC 193(5/92)

Sprinkler Leakage - Limited Earth Movement Extension G120168-A (2/89)

3. Forms Description and Premiums

a. Health and Personal Care Facilities - Building and Personal Property Coverage Form (SCP00504)
Commercial Property Coverage Part Declarations - Health & Personal Care Facilities (SDEC 190)

This Coverage Form and Declarations are designed to provide broad, flexible property coverage for hospitals, clinics, and other health and personal care facilities. The coverage provided approximates the insurance provided under the Building and Personal Property Coverage Form (CP 0010) and the Causes of Loss - Special Form (CP 1030), with the additional features listed below. Do **not** attach a Causes of Loss Form to the Health and Personal Care Facilities - Building and Personal Property Coverage Form. Commercial Property Conditions (SCP 0090A - 2/89) and any mandatory state endorsements applicable to the Commercial Property Part must continue to be attached.

Features of the Health and Personal Care Facilities Building and Personal Property Coverage Form

(1) Real property and business personal property, including property of others (other than property of patients or residents), is automatically covered subject to a single Covered Property Limit of Insurance, unless otherwise indicated in the Declarations.

(2) Coverage is automatically provided on an "all risks" basis, including coverage for loss caused by the breakdown of:

a) Boilers, fired and unfired pressure vessels, or piping and its accessory equipment;
b) Refrigeration or air conditioning systems; and
c) Mechanical or electrical machines or appartus used for the generation, transmission or utilization of mechanical or electrical power.

By indication in the Declarations, this coverage may be deleted or limited to only the described in "a" above.

(3) Under the Preservation of Property Additional Coverage, the 10 day coverage period limitation is deleted.

(4) Coverage for loss of business income and extra expense due to a covered loss at any described premises, including the premises of dependent properties, described in the Declarations, is automatically provided subject to the Covered Property Limit of Insurance, unless a separate limit is shown in the Declarations. This coverage applies for up to 60 days after the date when the property should be repaired or replaced, or up to the date when business operations are restored to normal, whichever occurs first.

Coverage is also provided for loss of business income and extra expense due to a civil authority action prohibiting access to the described premises. This coverage applies for 30 days from the date of the civil authority action.

(5) Coverage is added for loss caused by surface water, water that backs up from a sewer or drain, or water under the ground that flows or seeps through basements, walls, floors, foundations, doors, windows, or other openings. A $25,000 limit applies to this additional coverage unless a higher limit is shown in the Declarations. This is not additional insurance.

(6) Coverage is added for loss to perishable business personal property caused by spoilage which results from:
(a) Complete or partial interruption of electrical power to the described premises; or
(b) Mechanical breakdown of the heating, cooling, or humidity control equipment at the described premises.

This limit on this additional coverage is $25,000 unless a higher limit is shown in the Declarations. This additional coverage is not additional insurance. A $1,000 deductible applies to this coverage.

(7) Under the Newly Acquired Property Coverage Extension:
(a) The coverage for newly acquired or constructed buildings is extended to include buildings being constructed at any newly acquired location, and additions and alterations being made to existing covered buildings.
(b) Coverage is provided for loss of business income and extra expense incurred due to loss to property at a newly acquired location, subject to a $25,000 limit; and
(c) The period of time this extension applies is increased to 180 days.

(8) The per premises limit that applies to the Personal Effects Coverage Extension is increased to $25,000 per occurrence/$5,000 per person. A $250 deductible applies to this extension.

(9) Coverage for loss to property of patients and residents at the described premises, at temporary locations, at newly acquired locations or in transit is provided up to $25,000 per occurrence/$5,000 per person, unless higher limits are shown in the Declarations. Coverage for loss of money and securities of patients and residents while in buildings at the described premises is provided up to $5,000 per occurrence/$500 per person. A $250 deductible applies to this extension.

(10) Coverage is provided for the cost to research, replace or restore data on lost or damaged media in the data processing operations, subject to a limit of $25,000 per occurrence unless a higher limit is shown in the Declarations

(11) The limit that applies to property at a temporary location is increased to 20% of the Covered Property Limit of Insurance or $500,000, whichever is less.

(12) Property in transit is covered for loss caused by any Covered Cause of Loss (not just named perils), subject to a $25,000 limit unless a higher limit is shown in the Declarations. Coverage is also provided for loss of business income and extra expense incurred due to a covered loss to property in transit, subject to a $25,000 limit unless a higher limit is shown in the Declarations.

(13) Coverage for emergency vacating expenses is provided subject to a $50,000 limit and a $250 deductible.

(14) Coverage is provided for loss of business income and extra expense incurred due to loss to property at the premises of an undesignated dependent property. The limit on this coverage is $10,000.

(15) Extended perils coverage on Fine Arts is provided subject to a $25,000 limit.

(16) When Equipment Breakdown is a Covered Cause of Loss, Equipment Breakdown is added to the list of perils for which resulting loss by pollutants is covered.

(17) The following exclusions are deleted:

(a) Loss to the interior of a building caused by rain, snow, sleet, ice, sand and dust unless the building is first damaged by a covered cause, or the loss results the thawing of ice or snow on the building.

(b) Loss to gutters and downspouts caused by the weight of snow, ice or sleet.

(c) Loss of building materials and supplies caused by theft.

(18) Building glass is covered on an "all risk" basis, without sublimit.

(19) The Theft limitation on jewelry, watches, furs, precious and semi-precious stones and precious alloys and metals is increased to $25,000 per occurrence/$5,000 per article.

(20) Coverage is automatically provided on a replacement cost basis.

(21) No coinsurance provision applies.

The premium for this form is developed in accordance with rule 4. PREMIUM for the Health and Personal Care Facilities - Building and Personal Property Coverage Form.

b. Commercial Inland Marine Coverage Part Declarations - Health and Personal Care Facilities - Accounts Receivable (SDEC 191) and Valuable Papers (SDEC 192)

Coverage for loss of accounts receivable and coverage for the cost to research, replace or restore lost data on lost or damaged valuable papers and records, other than those which exist on media used in data processing operations, are each provided using the Accounts Receivable and Valuable Papers and records Commercial Inland Marine Coverage Forms and these Declarations. A $25,000 limit applies to each of these coverages unless higher limits are indicated in these Declarations. These forms must be attached to all policies unless the Health and Personal Care Facilities - Coverage Limitation Endorsement (SCP 04558) applies.

The premium for these coverages at the automatic $25,000 limits is included in the premium for the Health and Personal Care Facilities - Building and Personal Property Coverage Form

c. Health and Personal Care Facilities - Coverage Limitation Endorsement (SCP 04558)

This optional endorsement reduces the limits on several coverages under the Health and Personal Care Facilities - Building and Personal Property Coverage Form (SCP 00504), as follows:

| COVERAGE | REDUCED LIMIT of INSURANCE |
|---|---|
| Limited Water Damage Additional Coverage | $10,000 |
| Spoilage Additional Coverage | $10,000 |
| Data Restoration Expense Coverage Extension | $15,000 |
| Property Off Premises Coverage Extension | the lesser of 20% of the Covered Property Limit or $50,000 |
| Property In Transit Coverage Extension: | |
| Direct Damage | $10,000 |
| Business Income and Extra Expense | $10,000 |
| Emergency Vacating Expense Coverage | $25,000 |
| Theft of Jewelry, Watches, Jewels, Pearls, Precious and Semi-Precious Stones, Precious Alloys, etc | $5,000 per occurrence/ $2,500 per person |

In addition, Accounts Receivable and Valuable Papers and Records Coverages are each provided subject to a $15,000 limit. **Note**: Do not attach the Accounts Receivable and Valuable Papers and Records Commercial Inland Marine Coverage Forms and Declarations (SDEC 191 and SDEC 192) when this option is elected.

When this optional endorsement applies, the premium for the Health and Personal Care Facilities - Building and Personal Property Coverage Form is developed in accordance with rule 4. PREMIUM Development for the Health and Personal Care Facilities - Building and Personal Property Coverage Form.

d. Health and Personal Care Facilities - Coinsurance and Automatic Adjustment of Covered Property Limit Endorsement (SCP 04559)

This optional endorsement:

(1) Converts the insurance provided under the Health and Personal Care Facilities - Building and Personal Property Coverage Form (SCP 00504) to a coinsurance basis; and

(2) Provides an automatic annual increase in the Covered Property Limit equal to 8% of the value of Covered Property contemplated in the Covered Property Limit.

When this endorsement applies, premiums for the Health and Personal Care Facilities - Building and Personal Property Coverage Form are developed using the applicable coinsurance rates in effect for the Company.

e) Health and Personal Care Facilities Ordinance or Law Increased period of Restoration (SCP 15503) This optional endorsement extends the insurance provided for loss of income and extra expense to apply to loss incurred during increased period of time operations are suspended due to an ordinance or law that regulates the construction or repair, or requires the tearing down of any property. This endorsement is to be used instead of CP 1531, but the rates and rules in effect for the Company for form CP 1531 continue to apply for this optional coverage.

f) Commercial Crime Coverage Part Declarations - Health and Personal Care Facilities (SDEC 193)

These Declarations and the following Coverage Forms under the Commercial Crime Coverage Part must be automatically attached when the Health and Personal Care Facilities - Building and Personal Property Coverage Form is written for eligible risks:

(1) Theft, Disappearance and Destruction Coverage Form C; and

(2) Robbery and Safe Burglary Coverage Form D

These coverages are each provided subject to a $3,000 limit. The premium for these coverages is contemplated in the premium developed for eligible Resident Health Care Facility risks written under the Health and Personal Care Facilities - Building and Personal Property Coverage Form.

**4. PREMIUM**

**a**. Premiums for the Health and Personal Care Facilities - Building and Personal Property Coverage Form will be developed as follows:

(1) Premiums for direct damage, business income and extra expense coverages will be developed in accordance with the rates, rating plans and rating modifications in effect for the Company.

(2) An additional premium charge must be added for the Equipment Breakdown Coverage, unless the Equipment Breakdown Cause of Loss is deleted. This additional premium charge shall be developed in accordance with rule 4.b. below.

(3) Finally, an additional premium must be added to reflect the additional coverages provided, as follows:

(a) When the Health and Personal Care Facilities - Coverage Limitation Endorsement (SCP 04558) applies, the additional annual premium charge is $200 per location.

(b) Otherwise, the additional annual premium charge is $500 per location.

These additional premiums are not subject to modification af any type, except:

(a) To add a charge for any Increased Limit of Insurance Options developed under rule 4.c.; or

(b) To apply a multiple location credit for three or more locations in accordance with rule 4.d.

**b.** Equipment Breakdown Coverage Additional Premium Charge

(1) The additional premium charge for Equipment Breakdown Coverage is developed as follows:

(a) For each location, select the applicable premium shown in the $1,000 Deductible Equipment Breakdown Premium Table in provision (2) below, for the 100% replacement cost value of the buildings at that location.

(b) Deductibles other than $1,000 are available, subject to the following minimum deductibles:

| 100% Replacement Cost Cost Value of Buildings at Location | Minimum Deductible | |
|---|---|---|
| | Eqpmn't Breakdown | Limited Eqpmn't Breakdown |
| $20,000,000 or less | $500 | $250 |
| $20,000,001 to $30,000,000 | $1,000 | $500 |
| $30,000,001 to $60,000,000 | $2,500 | $1,000 |
| $60,000,000 to $100,000,000 | $5,000 | $2,500 |

(c) If a deductible other than $1,000 applies, multiply the premium determined in (a) above by the applicable factor shown below:

| Deductible Amount | Factor | Deductible Amount | Factor |
|---|---|---|---|
| $250 | 1.064 | $10,000 | .85 |
| $500 | 1.032 | $25,000 | .81 |
| $2,500 | .96 | $50,000 | .78 |
| $5,000 | .90 | $75,000 | .75 |

This amount is the Equipment Breakdown Coverage additional premium charge for the location, and is not subject to further modification of any type.

(2) $1,000 Deductible Equipment Breakdown Premium Table

| 100% Building RC Value @ Location ** | Equipment Brkdw'n With Boilers | Equipment Brkdw'n Without Boilers | Limited Equipment Breakdown Coverage |
|---|---|---|---|
| Up to $ 100,000 | $ 500* | $ 500* | $ 300* |
| $ 200,000 | $ 513 | $ 500* | $ 300* |
| $ 300,000 | $ 525 | $ 500* | $ 300* |
| $ 400,000 | $ 589 | $ 500* | $ 300* |
| $ 500,000 | $ 644 | $ 500* | $ 300* |
| $ 600,000 | $ 688 | $ 502 | $ 300* |
| $ 700,000 | $ 731 | $ 516 | $ 300* |
| $ 800,000 | $ 775 | $ 533 | $ 300* |
| $ 900,000 | $ 818 | $ 577 | $ 310 |
| $ 1,000,000 | $ 860 | $ 620 | $ 322 |
| $ 1,250,000 | $ 945 | $ 710 | $ 343 |
| $ 1,500,000 | $1,017 | $ 792 | $ 362 |
| $ 1,750,000 | $1,074 | $ 863 | $ 376 |
| $ 2,000,000 | $1,129 | $ 924 | $ 390 |
| $ 2,500,000 | $1,211 | $1,108 | $ 411 |
| $ 3,000,000 | $1,292 | $1,062 | $ 431 |
| $ 3,500,000 | $1,350 | $1,111 | $ 447 |
| $ 4,000,000 | $1,409 | $1,147 | $ 462 |
| $ 4,500,000 | $1,453 | $1,177 | $ 472 |
| $ 5,000,000 | $1,495 | $1,204 | $ 484 |
| $ 5,500,000 | $1,523 | $1,218 | $ 491 |
| $ 6,000,000 | $1,552 | $1,243 | $ 498 |
| $ 6,500,000 | $1,579 | $1,264 | $ 505 |
| $ 7,000,000 | $1,596 | $1,277 | $ 509 |
| $ 7,500,000 | $1,611 | $1,292 | $ 513 |
| $ 8,000,000 | $1,628 | $1,306 | $ 517 |
| $ 8,500,000 | $1,645 | $1,318 | $ 522 |
| $ 9,000,000 | $1,554 | $1,326 | $ 524 |
| $ 9,500,000 | $1,664 | $1,337 | $ 525 |
| $10,000,000 | $1,672 | $1,341 | $ 528 |
| $11,000,000 | $1,682 | $1,351 | $ 530 |
| $12,000,000 | $1,700 | $1,370 | $ 537 |
| $13,000,000 | $1,717 | $1,378 | $ 541 |
| $14,000,000 | $1,731 | $1,394 | $ 545 |
| $15,000,000 | $1,746 | $1,416 | $ 553 |
| $17,500,000 | $1,782 | $1,453 | $ 566 |
| $20,000,000 | $1,816 | $1,488 | $ 578 |
| $25,000,000 | $2,216 | $1,833 | $ 709 |
| $30,000,000 | $2,438 | $2,016 | $ 780 |
| $35,000,000 | $2,750 | $2,274 | $ 871 |
| $40,000,000 | $2,948 | $2,438 | $ 934 |
| $45,000,000 | $3,133 | $2,591 | $ 993 |
| $50,000,000 | $3,308 | $2,735 | $1,049 |

| | | | |
|---|---|---|---|
| $60,000,000 | $3,640 | $3,009 | $1,154 |
| $70,000,000 | $4,204 | $3,477 | $1,302 |
| $80,000,000 | $4,507 | $3,727 | $1,396 |
| $90,000,000 | $4,791 | $3,961 | $1,483 |
| $100,000,000 | $5,059 | $4,183 | $1,567 |

** Risks with 100% Building Replacement Cost Value in excess of $100,000,000 at any one location are not eligible for this coverage.
Refer to Company for proper building values of buildings in which the insured is a tenant.

**c.** Additional Premium Charges for Increased Limit of Insurance Options

The additional premium charges developed below for increased Limits of Insurance on the coverages listed below apply per location, and are not subject to further modification of any type except to apply a multiple location credit for three or more locations in accordance with rule 4.d.

(1) Limited Water Damage

The additional annual per location charge for increased limits on the Limited Water Damage Additional Coverage is developed by multiplying the amount of the limit increase (in hundreds) by $0.75.

(2) Spoilage

The additional annual per location charge for increased limits on the Spoilage Additional Coverage is developed by multiplying the amount of limit increase (in hundreds) by $1.00.

(3) Property of Patients or Residents (Other than Money & Securities)

The additional annual per location charge for increased limits on the Property of Patients or Residents Coverage Extension, other than money and securities, is developed by multiplying the amount of the per occurrence limit increase (in hundreds) by the final rate developed for the Covered Property under the policy. This additional charge contemplates an automatic increase in the per person limit to 20% of the increased per occurrence limit.

(4) Property In Transit

To develop the annual per location charge for increased limits under the Property In Transit Coverage Extension on:

(a) Direct Damage to property in transit, use the rates and rules in effect for the Company.

(b) Loss of busines income and extra expense due to direct damge to property in transit, multiply the amount of limit increase (in hundreds) by $2.35.

(5) Miscellaneous Dependent Property Locations

To develop the annual per location charge for increased limits on the Miscellaneous Dependent Property Locations Coverage Extensions, multiply the amount of the limit increase (in hundreds) by $2.35.

DEPARTMENT OF INSURANCE
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(6) Increased Limits for Demolition Cost and Increased Cost of Construction

The additional annual premium charges for Demolition Cost and Increased Cost of Construction:

| Limit | Demolition Cost Premium | Increased Cost of Construction Premium |
|---|---|---|
| $10,000 | $ 12.00 | $ 12.00 |
| $20,000 | $ 23.00 | $ 23.00 |
| $30,000 | $ 35.00 | $ 35.00 |
| $40,000 | $ 46.00 | $ 46.00 |
| $50,000 | $ 58.00 | $ 58.00 |
| $75,000 | $ 86.00 | $ 86.00 |

(7) Increased Limits for Data Restoration Expense

The additional annual premium charges for Data Restoration Expense:

| Limit | Premium |
|---|---|
| $10,000 | $14.00 |
| $20,000 | $ 28.00 |
| $30,000 | $ 42.00 |
| $40,000 | $ 56.00 |
| $50,000 | $ 70.00 |
| $75,000 | $105.00 |

(8) Increased Limits for Valuable Papers and/or Accounts Receivable Coverages

The additional annual premium charges for Valuable Papers and/or Accounts Receivable:

| Limit | Valuable Papers Premium | Accounts Receivable Premium |
|---|---|---|
| $10,000 | $ 18.00 | $ 3.00 |
| $15,000 | $ 27.00 | $ 4.00 |
| $25,000 | $ 45.00 | $ 7.00 |
| $40,000 | $ 71.00 | $ 12.00 |
| $50,000 | $ 89.00 | $ 15.00 |
| $75,000 | $134.00 | $ 22.00 |

(9) Increased Limits for Form C - Theft, Disappearance & Destruction and/or Form D - Robbery and Safe Burglary Coverages

The additional annual premium charges for Form C - Theft, Disappearance & Destruction and Form D - Robbery & Safe Burglary Other than Money & Securities:

| Limit | Form C Premium | Form D Premium |
|---|---|---|
| $ 5,000 | $ 46.00 | $ 64.00 |
| $10,000 | $ 91.00 | $129.00 |
| $15,000 | $137.00 | $193.00 |
| $20,000 | $183.00 | $258.00 |
| $25,000 | $229.00 | $323.00 |
| $30,000 | $274.00 | $386.00 |
| $40,000 | $366.00 | $515.00 |
| $50,000 | $457.00 | $644.00 |

(10)Sprinkler Leakage - Limited Earth Movement Extension

The additional annual premium charges for Sprinkler Leakage - Limited Earth Movement Extension:

| Limit | Premium |
|---|---|
| $100,000 | $ 53.00 |
| $250,000 | $133.00 |
| $500,000 | $265.00 |
| $750,000 | $398.00 |
| $1,000,000 | $530.00 |

**d.** Multiple Location Credits for Three or More Locations

Credits apply for risks with three or more locations. These credits apply only to the per location additional premium charges for the additional coverages under the Health and Personal Care Facilities - Building and Personal Property Coverage Form in rule 4.a.(3) and to the additional premium charges for the Increased Limit of Insurance Options in rule 4.c. above. These credits do not apply to the additional premium charge for Equipment Breakdown coverage.

The credit for each location in excess of two is applied by multiplying the additional premium charges for the location by the applicable Location Factor shown below:

| | Location Factor |
|---|---|
| Locations 3, 4 and 5 | .80 |
| Locations 6 through 10 | .65 |
| Each Location Over 10 | .50 |

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4. Other Forms Applicable

Forms in effect for the Company which modify the "Building and Personal Property Coverage Form ", "Business Income Coverage Form" or "Causes of Loss - Special Form" may be used, subject to the rates and rules in effect for the Company for such forms, and the compatibility of such forms with the coverages provided under the Health and Personal Care facilities - Building and Personal Property Coverage Form.

**SECTION C**
**GENERAL/PROFESSIONAL LIABILITY**

1. The following Long Term Care Program Forms are available:

| | |
|---|---|
| Resident Health Care Facility Liability Insurance Endorsement | SAC 22504(11/85) |
| Resident Health Care Facility Professional Liability Coverage Part | SAC 00526(11/85) |
| Resident Health Care Facility Professional Liability Coverage Part Declarations | SDEC 36(11/85) |
| Non-Resident Facility Activities Endorsement | SAC 21518(5/89) |
| Non-Resident Facility Activities Endorsement | SAC 22513(5/89) |
| Hired Auto and Non-Owned Auto Liability Endorsement | G-59786C (10/93) |
| Absolute Pollution Exclusion Endorsement | G-120165-A (9/97) |

2. Form Description and Premiums

a. Resident Health Care Facility Liability Insurance Endorsement (SAC 22504)

This endorsement expands Commercial General Liability Coverage by providing the following:
- Violations of Rights of Residents Coverage (Patient's Rights)
- Vicarious Beauticians and Barbers Professional Services Coverage
- Waiver of Charitable Immunity Doctrine as a basis of claim denial
- Additional Persons Insured - including medical directors, administrators, authorized Volunteers and non-professional employees with an option to cover professional employees and students in training
- Fire, Explosion and Leaks from Sprinklers Legal Liability ($50,000)
- Medical Payment Extension.

The premium for this endorsement will be developed on an individual risk basis. Suggested rate: 5% - 7% of the "per bed" rate developed based upon the type of facility.

Option to add Professional Employees and Students in Training as additional insureds. Add 3% to the developed premium for SCG 22504.

b. Resident Health Care Facility Professional Liability Coverage Part (SAC 00526)

This coverage provides coverage for liability which results from a professional incident that occurs in the course of performing professional services for a Resident Health Care Facility. Medical directors and administrators are automatically covered as additional insureds. There is also an option available to add professional employees and students in training as additional insureds. The additional charge for this optional coverage shall be contemplated in the development of the Resident Health Care Facility Liability Insurance Endorsement premium. In addition to coverage form SAC 00526, also attach Resident Health Care Facility Professional Liability Coverage Part Declarations (SDEC 36).

This form may also be used with a policy that has the Resident Health Care Facility Liability Insurance Liability Endorsement (SAC 22504) attached.

c. Non-Resident Facility Activities Endorsement (SAC 21518)

Coverage may be restricted to liability arising out of the performance of professional services at only designated locations that are involved Resident Health Care Facility Professional Liability Coverage Part.

No credit is applicable with this exclusion. This simply highlights that Professional Services at designated locations can be restricted for the performance of professional services.

d. Non-Resident Facility Activities Endorsement (SAC 22513)

Coverage may be extended to cover the non-resident activities of insureds occupying designated positions involved Resident Health Care Facility Professional Liability Coverage Part. Rates for this amendment will be developed on an individual risk basis. Suggested rate: 4% of the "per bed" rate developed based upon the type of facility.

e. Hired Auto and Non-Owned Auto Liability (G-59786C) - Class Code 80918

Coverage may be extended to cover Hired and Non-Owned Automobile Liability provided that the insured does not own any Power Units. The additional annual premium charges for this amendment:

| Limit | Hired Premium | Non-Owned Premium |
|---|---|---|
| $500,000/$500,000 | $38.00 | $31.00 |
| $500,000/$1,000,000 | $39.00 | $32.00 |
| $1,000,000/$1,000,000 | $42.00 | $34.00 |
| $1,000,000/$2,000,000 | $43.00 | $35.00 |
| $1,000,000/$3,000,000 | $44.00 | $36.00 |

f. Fire Damage Legal Liability

The additional annual premium charges for Fire Damage limits excess of automatic $50,000:

| Limit | Premium |
|---|---|
| $50,000 | $13.00 |
| $100,000 | $ 25.00 |
| $150,000 | $ 38.00 |
| $200,000 | $ 50.00 |
| $350,000 | $ 63.00 |
| $450,000 | $113.00 |
| $550,000 | $138.00 |

3. **PREMIUM**

To determine the premiums for SAC 00526A, refer to the Company's State Exception Page in this manual.

The basic limits rates contemplate limits of $100,000 per occurrence and $300,000 aggregate. The aggregate only applies to the General Liability/Professional Liability Coverage. Use the Increased Limits table below to increase these limits.

| Increased Limits | Factors |
|---|---|
| 100/300 | 1.00 |
| 250/500 | 1.29 |
| 300/300 | 1.17 |
| 300/500 | 1.33 |
| 500/500 | 1.42 |
| 500/1000 | 1.62 |
| 1000/1000 | 1.80 |
| 1000/2000 | 1.98 |
| 1000/3000 | 2.00 |

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**Note:**

1. Rehabilitation facilities operated in conjunction with any class should be separately classified and rated for professional liability at a rate per: 100 out-patient visit is equal to 10% of the "Skilled Facility" rate.

2. Combination facilities: Classify & rate the facility that best reflects the risk's operations. If there are separate floors or wings or building providing a different level of medical service, classify according to the class description.

3. Unusual or unique activities (ie. fund raising events) should be separately classified and rated.

The minimum premium shall be the annual premium for ten beds.

**ADDITIONAL PREMISES LIABILITY CLASSES**

| CLASS CODE | CLASSIFICATION | Premium Base |
|---|---|---|
| 80901 | Swimming Pools | per pool |
| 80902 | Saunas/Hot Tubs | per item |
| 80903 | Tennis/Racquet Ball/ Handball Courts | per court |
| 80904 | Exercise/Weight Rooms | per room |
| 80910 | Indoor Parking | per space |
| 80922 | Community Center | per area |

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## I. APPLICATION OF MANUAL RULES

A. This manual provides rules, rates, premiums and classifications and shall govern the writing of policies for the dental profession.

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.

C. Any exceptions to these manual rules are contained in the respective Section or State Rate Page.

## II. POLICY TERMS

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

## III. PREMIUM COMPUTATION

A. Compute the premium at policy inception using the rules, 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 less 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.

The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured. The rates shall be applied in accordance with each practitioner's classification and corresponding code number.

## IV. FACTORS OR MULTIPLIERS

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

## V. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be $250.00 per annual or lesser period.

## VI. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

A. any amount involving $.50 or over shall be rounded to the next highest whole dollar amount; or

B. any amount involving $.49 or less shall be rounded down to the next lowest whole dollar amount.

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## VII. 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, even if the policy inception premium was less than the policy writing minimum premium.

C. Waive additional premium of $15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

## VIII. RETURN PREMIUM

A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.

B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

C. 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.

D. Waive return premium of $15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.

E. Retain the policy writing minimum premium.

## IX. COVERAGES

Coverages under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy. The following are the combinations of coverages that are available under this policy:

Professional Liability and General Liability
Professional Liability, General Liability, and Property
Professional Liability only
General Liability and Property
Property Only
Non-Student Dental Board Exam

Note: General Liability cannot be purchased on a stand-alone basis.

**Available coverages under this program are:**

A. Professional Liability on a claims-made basis or occurrence basis.

Required coverages under professional liability are:

1. Special Extra Expense (HIV);

2. Defense Coverage - Dental Professional Licensing Board; and

3. Employment Practices Liability - $25,000 per Claim/$25,000 Aggregate Defense Coverage*

   * Note: This required coverage is waived when the insured purchases EPL Indemnity & Defense Coverage as that endorsement already includes defense coverage.

4. Defendant's Reimbursement - $500 per day, and $5,000 per suit

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B. Business Liability on an occurrence basis.

Required coverages under business liability are:

1. General Liability, including Products/Completed Operations, Host Liquor Liability and Incidental Contract coverage;
2. Fire and Water Legal Liability - $500,000 per occurrence;
3. Medical Payments Coverage - $5,000 per person/$10,000 per accident;
4. Non-Owned or Hired Automobile Liability Coverage - $1,000,000 each occurrence;
5. Medical Waste Legal Expense Reimbursement.

C. Property on an occurrence basis.

Required coverages under property are:

1. Blanket Dental Practice Personal Property
2. Practice Income

D. Non-Student Dental Board Exam on an occurrence basis.

Required coverage under board exam is Professional Liability.

## X. BLACK BAG COVERAGE - Equipment Floater

Black Bag Coverage may be purchased according to the following table:

$100.00 premium for $4,000.00 limits.

Higher limits may be purchased for $15.00 per $1,000.00 in values.

## XI. PACKAGING OF COVERAGES

If Professional Liability or General Liability coverages are purchased in conjunction with Property coverage, package discount factors shall be applied to the Professional Liability and General Liability rates. The package discount factors are stated on the respective State Rate Page.

## XII. POLICY CANCELLATIONS

A. The policy may be canceled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.

B. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.

C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

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I. **DENTAL PRACTITIONERS CLASSIFICATIONS - CALCULATION OF PREMIUM - Professional Liability Coverage**

The premium for the policy shall be the sum of the applicable charges developed below.

A. The actual ISO Dental Classifications, definitions and rates for Class Codes 80210 and 80211 do not apply.

The following Codes shall apply under this plan:

| Class | Description | Code No. |
|---|---|---|
| I. | Dentists who perform dentistry on patients who have been treated with local anesthesia and/or oral medication and/or nitrous oxide/oxygen sedation and/or conscious sedation. Does not apply to treatment involving any general anesthesia or deep sedation unless administered in a hospital or state licensed and regulated surgical center. | 80211 |
| III. | All oral surgeons. In addition, this applies to dentists as defined in Class 80211 who perform dentistry utilizing general anesthesia or deep sedation, unless performed in a hospital or state licensed and regulated surgical center, in which case class 80211 will apply. | 80210 |
| IV. | Dental School Faculty – Teaching dentists and graduate students with no intramural practice. | 80213 |
| VI. | Professional Corporations or Partnerships | 80999 |
| IX. | Dental Anesthesiologists whose practice does not include deep sedation and/or general anesthesia. | 90100 |
| X. | Dental Anesthesiologists whose practice includes deep sedation and/or general anesthesia. | 90101 |

B. The annual rates, under occurrence, for each dentist are stated in the State Rate Page.

The annual rates, under claims-made, for each dentist shall be determined for Classes I., III., IX. and X. only, as follows:

1. If the dentist is just entering practice, or the dentist has continuously been insured under an "occurrence" policy, enter the step rate factor from the Table at the year one level.

2. If the dentist 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 dentist was covered under such claims-made policy(ies);

   b. determine the number of years in which the dentist was uninsured;

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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., II., IX. or X. rate, found on the State Page, in effect at the inception of the last claims-made policy.

| Classes | Step Rate Factors | | | | |
|---|---|---|---|---|---|
| | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| I, III, IX, X | 0.29 | 0.54 | 0.73 | 0.81 | 0.90 |

C. Any (a) rated risk written under this program shall maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request. Rates shall not be inadequate, excessive or unfairly discriminatory and will follow individual state regulations.

## II. ADDITIONAL CLASSIFICATIONS

A. New Dentist

A "new" dentist is defined as a student who has completed their training within the previous twelve months from license date or the experienced military dentist who within twelve months of honorable military discharge or a foreign graduate of a 4-year program from an accredited U.S. dental school enters full-time private or group practice.

The following credits will apply:

60% of the first year in practice
40% of the second year in practice
20% of the third year in practice
10% of the fourth year in practice

B. Corporations/Partnerships/Associations

It shall be permissible to provide coverage for a corporation, partnership or association for liability arising from the practice of member dentists insured by the Company. Such coverage may be provided either:

a. on a shared limit of liability basis with the member practitioner, in which case no additional premium shall be charged; or

b. on a separate limit of liability basis. The limit of liability shall be equal to the highest limits provided to any one individual member practitioner. Additional premium shall be 10% of the total developed liability premium for each member.

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C. Additional Insured

An additional insured, other than Corporations/Partnerships/Associations, may be added to the policy at a charge of 5% of the policy's Professional Liability charge.

(This charge does not apply to an additional insured who owns or finances leased equipment to the insured.)

D. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence.

Leave of absence may include time to enhance the practitioner's education, but, does not include vacation time.

E. Part Time

A part time credit of 50% of the applicable rate will apply to any practitioner who works 20 hours or less per week. This credit will not apply if the first year "new dentist" credit has been applied.

F. Professional Societies

Professional Liability coverage may be provided to state or local societies or organizations established to support the professional community. The following charge will apply:

| Rating Basis | Premium |
|---|---|
| Insured Society | $255.00 Flat Charge |
| Component Society (member society of insured society) | $ 51.00 Flat Charge |

G. Locum Tenens

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability. There is no additional charge for a period not to exceed 60 days.

## III. VICARIOUS LIABILITY - Independent Contractors and Non-Insured Employed Dentists

A charge of 10% of the named insured's premium per independent contractor and non-insured employed dentist will apply for the additional Vicarious Liability assumed by the insured as a result of such situations.

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## IV. MINIMUM LIMITS OF LIABILITY

Minimum limits of liability under this program shall be as follows:

Professional Liability:

| | |
|---|---|
| 1. Individual Practice: | |
| a. Claims-Made: | $1,000,000 each claim<br>$3,000,000 aggregate |
| b. Occurrence: | $1,000,000 each claim<br>$1,000,000 aggregate |
| 2. Dental Societies: (Claims-Made) | $1,000,000 each claim<br>$3,000,000 aggregate |
| 3. Independent Contractor: | Equal to above as appropriate |

## V. SUPPLEMENTAL MODIFICATIONS - PROFESSIONAL LIABILITY

Any modifications developed under subitems A. and B. shall be summed and applied as a single factor.

A. Schedule Rating

Based on the following individual risk characteristics, the maximum debit or credit produced by the addition of the debit and/or credit will not exceed 25%:

| | Credit | Debit |
|---|---|---|
| Procedure Mix<br>Applicable to practitioners whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty. | 0 – 25% | 0 – 25% |
| Exposure Modification<br>Applicable to those insureds who have an increased or reduced exposure. | 0 – 25% | 0 – 25% |
| Unusual Risk Characteristics | 0 – 25% | 0 – 25% |

B. Loss Prevention / Risk Management — 5 – 10% — XXX

A credit will be applied to the dentist's classification Rate applicable to each dentist who attends an approved loss prevention/risk management workshop or successfully completes the CNA home study course. This credit will be applied for 3 consecutive years.

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C. Experience Rating

Based on the claim history of an individual practitioner over the preceding five year period, a debit will be applied to the classification rate. If there is claim activity during the last 5 years, the preceding 5 years would be reviewed. Criteria used to determine the application of such debits shall include claim history including a review of a combination of cause of loss, frequency, severity, indemnity payments, expenses and reserves.

Such debits, if applied, shall apply on a one year basis and will be subject to annual review.

## VI. CHANGE OF CLASSIFICATION

In the event that the insured changes classifications, a charge reflecting the difference between the previous classification and the new classification shall be calculated and collected at the time of the change of classification unless:

A. both the prior and current classification falls within the same class;

B. the practitioner changed classifications more than 4 years ago while insured under claims-made coverage;

C. the practitioner changed classifications at any time while insured under occurrence coverage; or

D. the insured is otherwise eligible for Extended Reporting Period Coverage at no charge.

Premium Adjustment

The following procedure should be used to calculate the exposure surcharge applicable under this Rule:

A. Calculate the at-limits Extended Reporting Period premium appropriate for:

1. the previous classification according to the rates and rules contained herein; and

2. the premium appropriate for the current classification.

B. If the at-limits Extended Reporting Period premium for the current classification:

1. is less than the premium for the previous classification, the dollar amount of difference is the charge to be applied; or

2. exceeds the premium for the previous classification, there shall be no charge.

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C. The amount of any additional charge is adjusted according to the following vesting schedule:

The vesting schedule also applies when going from full-time to part-time.

| Discount | |
|---|---|
| 100% | 10 consecutive years of CNA coverage |
| 90% | 9 consecutive years of CNA coverage |
| 80% | 8 consecutive years of CNA coverage |
| 70% | 7 consecutive years of CNA coverage |
| 60% | 6 consecutive years of CNA coverage |
| 50% | 5 consecutive years of CNA coverage |
| 40% | 4 consecutive years of CNA coverage |
| 30% | 3 consecutive years of CNA coverage |
| 20% | 2 consecutive years of CNA coverage |
| 10% | 1 full year of CNA coverage |
| 0% | Less than 1 full year of CNA coverage |

## VII. INCREASED LIMITS OF LIABILITY

Higher limits on ***claims-made*** policies may be elected up to a maximum liability limit of $5,000,000 per claim /$8,000,000 aggregate on the following basis:

| Limits of Liability | Increased Limit Factor Classes | | Minimum Additional Premium Classes | | |
|---|---|---|---|---|---|
| | I & IX | III & X | I | IX | III & X |
| $2,000,000/3,000,000 | .160 | .190 | $ 100 | $ 250 | $ 600 |
| $2,000,000/4,000,000 | .176 | .206 | $ 100 | $ 250 | $ 600 |
| $3,000,000/3,000,000 | .260 | .300 | $ 200 | $ 500 | $ 1,200 |
| $3,000,000/6,000,000 | .308 | .348 | $ 200 | $ 500 | $ 1,200 |
| $4,000,000/4,000,000 | .325 | .375 | $ 300 | $ 750 | $ 1,800 |
| $5,000,000/5,000,000 | .375 | .425 | $ 400 | $ 1,000 | $ 2,400 |
| $5,000,000/8,000,000 | .424 | .474 | $ 400 | $ 1,000 | $ 2,400 |

Rates are based off of the $1,000,000/1,000,000 rates. Divide the rate at $1,000,000/$3,000,000 by a factor of 1.02 to obtain the rate at $1,000,000/$1,000,000.

Higher limits on ***occurrence*** policies may be elected up to a maximum liability limit of $2,000,000 per claim/$2,000,000 aggregate on the following basis:

| Limits of Liability | Increased Limit Factor Classes | | Minimum Premium Classes | | |
|---|---|---|---|---|---|
| | I & IX | III & X | I | IX | III & X |
| $2,000,000/2,000,000 | .150 | .180 | $ 100 | $ 250 | $ 600 |

Rates are based off of the $1,000,000/1,000,000 rates.

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## VIII. EXTENDED REPORTING PERIOD COVERAGE (Claims-Made Coverage only)

A. The extension period is unlimited as respects time. The availability of Extended Reporting Period Coverage shall be governed by the following rules:

1. The limits of liability will not exceed the lowest limits of liability in force for the last 12 month policy period.

2. Extended Reporting Period Coverage will be available to all named insureds shown on the Declarations page of this policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.

3. Should the entity terminate coverage under the policy, the entity may purchase this coverage by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.

4. Upon termination of coverage under this policy by reason of death or disability, the insured's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.

5. There will be no charge for Extended Reporting Period Coverage in the event of retirement and provided the insured is at least 55 years of age and has been continuously insured by us for at least 5 consecutive years.

   This shall apply to all insureds otherwise qualifying for such coverage.

6. The Prior Acts date of coverage with this Company will determine the years of prior exposure in calculation of Extended Reporting Period Coverage.

7. Premium must be paid promptly when due. Premium may be paid in advance, or in three annual installments.

8. In the event the policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

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9. The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy.

| Years of Prior Claims-Made Coverage | Installment Factors | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 | .31 | .23 | .30 | .79 |
| 2 | .51 | .35 | .46 | 1.23 |
| 3 | .61 | .49 | .46 | 1.45 |
| 4 or more | .73 | .49 | .46 | 1.57 |

B. A one year extended reporting period for both the Employment Practices Liability (EPL) Defense Only coverage and the EPL Indemnity & Defense coverage is available. The associated factor, as shown on the state rate/exception pages, is applied to the annual EPL premium.

Insureds that are converting their EPL Defense Only coverage to the EPL Indemnity & Defense coverage will be afforded a free unlimited extended reporting period on their expiring Defense Only coverage.

C. An extended reporting period is also available for the ERISA Fiduciary Liability coverage. The same factors as used for professional liability will be applied to the annual ERISA charge in calculation of the extended reporting period coverage.

## IX. PRIOR ACTS COVERAGE (Occurrence Coverage only)

A. The policy may be extended to provide Prior Acts Coverage as follows:

1. 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 occurrence policy to which the Prior Acts endorsement shall be applied.

2. 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 shown to the current rate under this policy for limits of $1,000,000/$1,000,000.

3. If the limit of liability under this coverage is less than $1,000,000/$1,000,000, the premium developed shall be adjusted by the Prior Acts Decreased Limits Factors shown.

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B. The premium will be charged annually, but calculated in advance:

1. Determine the current premium under this policy for limits of $1,000,000/$1,000,000.

2. Enter the table at the appropriate Prior Acts Period.

3. Apply Reporting Period factor(s) successively for the desired number of years of Reporting Period:

| Prior Acts Period | Reporting Period | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 year prior | .28 | .25 | .22 | .71 |
| 2 years prior | .45 | .41 | .32 | 1.11 |
| 3 years prior | .55 | .44 | .40 | 1.31 |
| 4 or more years prior | .62 | .45 | .42 | 1.41 |

4. Apply the appropriate Decreased Limits Factor, if applicable:

| Decreased Limits (in $000s) | Factor |
|---|---|
| $100 / $300 | .449 |
| 200 / 600 | .590 |
| 250 / 750 | .638 |
| 300 / 800 | .682 |
| 400 / 900 | .760 |
| 500 / 1,000 | .816 |
| 1,000 / 1,000 | 1.000 |

C. Prior Acts for Employment Practices Liability Indemnity & Defense Coverage

For insureds that do not have an EPL Indemnity & Defense policy during the policy year prior to purchasing the coverage from CNA, the prior acts date is the inception date of the first EPL Indemnity & Defense policy with CNA.

For insureds that have a prior EPL Indemnity & Defense policy with another carrier during the policy year prior to purchasing the coverage from CNA, prior acts coverage may be afforded. The prior acts date is the date of the first year of that continuous coverage with the other carrier. The charge for the prior acts coverage is $30.

## X. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their practice time from outside the state. Those who derive more than 25% of their practice time outside the state shall be referred to the Company for underwriting approval and rating. We will charge the higher rate if there is multi-state exposure.

## XI. Consulting Service Liability

Consulting Service Liability coverage may be added to the policy on a shared limit basis. The rate will be $25.

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## I. BUSINESS LIABILITY - (General Liability)

A. General Liability coverage written in conjunction with Property coverage (with or without Professional Liability coverage)

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. The "each additional office" charge shall not apply to Independent Contractors.

| | |
|---|---|
| First Office: | $175.00 |
| Each Additional Office: | $122.00 |

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

B. General Liability coverage written in conjunction with Professional Liability coverage only

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. The "each additional office" charge shall not apply to Independent Contractors.

| | |
|---|---|
| First Office: | $50.00 |
| Each Additional Office: | $39.00 |

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

## II. MINIMUM LIMITS OF LIABILITY

Business Liability - General Liability

Individual Practice:

| | |
|---|---|
| Occurrence: | $1,000,000 each claim |
| | $2,000,000 aggregate |

## III. ERISA FIDUCIARY LIABILITY INSURANCE

This coverage may be provided with a limit of liability of $100,000 per claim/$100,000 aggregate for an annual premium of $132.00.

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## I. CALCULATION OF PREMIUMS - Property Coverages

A. The premium shall be the sum of the applicable charges developed below.

B. The premium for coverage shall be determined by applying the following to the limits of liability:

1. Building

Charge shall be determined by applying the following total rate to the limit of liability:

a. The applicable rates as shown on the State Rate Page (as determined by the insured's construction code).

b. The applicable rate in (a) will be modified by the applicable protection class factor shown on the State Rate Pages.

2. Blanket Practice Personal Property

a. Limits of Liability for this coverage shall be calculated as the sum of the values for:

i. Contents at the premises;

ii. Property Off Premises;

iii. Accounts Receivable and Valuable Papers including x-rays and charts, we will automatically provide $25,000 of coverage for these items.

b. Base rate shall be:

i. Specific annual Blanket Practice Personal Property rate (as shown on State Rate Page) based on the building's contruction code,

ii. Multiplied by the appropriate protection class factor.

3. Base rates for Building and/or Blanket Practice Personal Property contemplate a $250 fixed dollar deductible with no Windstorm or Hail cause of loss. Higher fixed dollar deductibles and percentage deductibles for Windstorm or Hail are available with the following credit factors:

| Fixed Dollar Deductible | Windstorm or Hail Deductible | | | |
|---|---|---|---|---|
| | None | 1% | 2% | 5% |
| 250 | 1.00 | 0.98 | 0.97 | 0.96 |
| 500 | 0.96 | 0.94 | 0.93 | 0.92 |
| 1,000 | 0.88 | 0.87 | 0.86 | 0.85 |
| 2,500 | 0.82 | 0.81 | 0.80 | 0.79 |
| 5,000 | 0.72 | 0.71 | 0.70 | 0.69 |
| 10,000 | 0.57 | 0.56 | 0.55 | 0.54 |

4. Inflation Protection Coverage

The insured must select to have the applicable limits of liability for Buildings increased automatically every quarter. In addition, the insured may elect to have the applicable limits of liability for Blanket Practice Personal Property increased automatically every quarter. Either coverage will be associated with an increase in accordance with the following table:

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| Quarterly Increase Percentage | % of Annual Building / Blanket Property Premium | Quarterly Increase Percentage | % of Annual Building / Blanket Property Premium |
|---|---|---|---|
| 0.30% | 0.45% | 2.5% | 3.75% |
| 0.40% | 0.60% | 3.0% | 4.50% |
| 0.50% | 0.75% | 3.5% | 5.25% |
| 1.00% | 1.50% | 4.0% | 6.00% |
| 1.50% | 2.25% | 4.5% | 6.75% |
| 2.00% | 3.00% | 5.0% | 7.50% |

The Quarterly percentage selected by the insured must apply to the selected subject(s) of insurance at all locations insured under the policy.

5. Time Element Coverages - Practice Income, Rents, Extra Expense

   a. Practice Income is provided on:

      i. A Value Daily Limit basis, beginning no sooner than 24 hours after the loss occurs for 32.5 days. Coverage may be increased by lengthing the number of days coverage applies (up to a maximum of 180 days). Coverage limit equals the daily income. Apply the Blanket Practice Personal Property rate to the total aggregate limit to calculate premium charge.

      ii. An Actual Loss Sustained basis, beginning no sooner than 24 hours after the loss occurs for a maximum of 12 months. Premium charge equals 11.5% of the final Blanket Practice Personal Property premium as calculated in Rule I.B.2.b. There is no charge for the Actual Loss Sustained if the amount of Daily Value Limit purchased is equal to the actual daily income as supported by financial documentation.

   b. Rents Coverage

      Charges will be determined by applying the following to the limit of liability:

      i. the applicable building rates; and

      ii. modified by a factor of .55.

   c. Extra Expense Coverage

      Extra Expense Coverage is provided on an Actual Loss Sustained Basis for a period of 12 months beginning no sooner than 24 hours after the loss occurs. This coverage is provided at no charge.

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C. Optional Coverages

1. Dishonesty Coverage

   a. Employee Dishonesty Insurance applicable to Blanket Practice Personal Property may be purchased in accordance with Limit options shown in the following Table. When such coverage is purchased, it shall include, at no additional premium, coverage for Welfare and Pension Plans for which coverage is required under ERISA in an amount of $15,000. This amount shall apply to coverage for Welfare and Pension Plans in addition to the purchased Employee Dishonesty Limit for Blanket Practice Personal Property.

   b. Employee Dishonesty Insurance will be charged on a "per policy" basis.

   c. Additional coverage beyond that provided in 1., above, for Welfare and Pension Plans, shall be charged by applying the rate shown to each additional $1,000 of coverage.

| Limits of Liability | | |
|---|---|---|
| Money / Securities | Pension / Welfare | Premium |
| $10,000 | $15,000 | $72.00 |
| 15,000 | 15,000 | 104.00 |
| 25,000 | 15,000 | 158.00 |
| 50,000 | 15,000 | 245.00 |
| 75,000 | 15,000 | 332.00 |
| 100,000 | 15,000 | 425.00 |
| Increased Limits – Pension / Welfare (per $1,000) | | $1.50 |

2. Increased Theft coverage for Precious Metals, beyond the $2,500 provided by the policy, may be purchased. The rate for such additional coverage shall be $0.60 per $100 of value.

3. Increased Values of Signs not attached to the Building may be purchased. Value of signs attached to the building shall be included in the valuation of the Building.

4. Ordinance or Law Coverage - The first $100,000 is provided at no charge. Additional limits may be purchased according to the following:

   a. Loss of value to Undamaged Portion of Building may be purchased. No separate limit of insurance is required. When this coverage is increased, an additional charge equal to 10% of the building premium will apply.

   b. Demolition Cost and Increased Cost of Construction may be purchased. When this coverage is increased, multiply the Building Base Rates by the limit of additional insurance, per $100.

5. Increased amounts of Dentist's Electronic Equipment coverage and Dentist's Electronic Equipment Extra Expense coverage may be purchased. The rate for such additional coverage shall be $0.50 per $100.00 of coverage, if the insureds meets specified underwriting criteria. Otherwise, the rate for such additional coverage shall be $0.75 per $100.00 of coverage.

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6. Dentist's Equipment Breakdown coverage may be purchased. The rates for such coverage are:

| Coverage Limit | Dental Equipment | Dental & HVAC Equipment |
|---|---|---|
| $100,000 or less | $341 | 480 |
| 200,000 | 362 | 509 |
| 300,000 | 370 | 521 |
| 400,000 | 416 | 587 |
| 500,000 | 458 | 644 |
| 600,000 | 498 | 689 |
| 700,000 | 512 | 734 |
| 800,000 | 529 | 779 |
| 900,000 | 575 | 823 |
| 1,000,000 | 619 | 867 |
| 1,250,000 | 712 | 954 |
| 1,500,000 | 797 | 1,028 |
| 1,750,000 | 870 | 1,087 |
| 2,000,000 | 933 | 1,144 |
| 2,500,000 | 1,029 | 1,228 |
| 3,000,000 | 1,075 | 1,312 |
| 3,500,000 | 1,125 | 1,372 |
| 4,000,000 | 1,162 | 1,433 |
| 4,500,000 | 1,193 | 1,479 |
| 5,000,000 | 1,221 | 1,522 |

7. The PPP Gold endorsement is available at a rate of $100.

8 A flat premium of $25 will be charged each policy.

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## II. INDIVIDUAL RISK PREMIUM MODIFICATION PLAN - PROPERTY COVERAGE

This Plan shall be applied after the application of all other rating procedures.

A. Eligibility: This Plan may be applied to:

Blanket Practice Personal Property Coverages
Building Coverages

B. Limitations: This Plan may not be applied to:

Employee Dishonesty Coverage
Welfare and Pension Plan Coverage
Base Loading
PPP Gold Endorsement
Flat Premium
Equipment Breakdown Coverage

C. Rating Procedure

The following modifications may be applied to recognize such special characteristics of the risk as are not fully reflected in the basic premium or rates. These modifications contemplate the standard allowance for expenses. If the expenses are less than standard, such modification, if a credit, shall be increased, or if a debit, shall be decreased by the amount of reduction in expenses. The total credits or debits under the following Table may not exceed 25%:

| RANGE OF RISK CHARACTERISTICS | MODIFICATIONS | | |
|---|---|---|---|
| | Credits | | Debits |
| 1. LOCATION | | | |
| Accessibility, congestion and exposures | 10% | to | 10% |
| 2. BUILDING FEATURES | | | |
| Age, condition, and unusual structural features | 10% | to | 10% |
| 3. PREMISES AND EQUIPMENT | | | |
| Care, condition, and type | 10% | to | 10% |
| 4. PROTECTION | | | |
| Not otherwise recognized | 10% | to | 10% |

## III. PACKAGING OF COVERAGES

If Property coverage is purchased in conjunction with Professional Liability or General Liability coverage, a package discount factor shall be applied to a number of the Property rates. The package discount factor is stated on the respective State Rate Page and will be applied to the following coverages:

Blanket Practice Personal Property
Building
Practice Income
Rents
Dentists Equipment Breakdown
Additional Building Coverage
Increased Limits for Pension/Welfare

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The following coverages are excluded from application of the package discount factor:

Increased Limits on Fine Arts
Loss Assessment
Builders Risk
PPP Gold Endorsement
Flat Premium

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## BOARD EXAM COVERAGE

A. It is permissible to provide restricted coverage for individuals who sit for Board Exams, but are not students (e.g., military personnel, dental graduates, or other dentists without professional liability coverage that are required to take a state board exam).

B. Coverage provided to eligible insureds shall:

1. be limited to Dental Professional Liability only;
2. be provided on an occurrence basis;
3. apply only for the length of time for which the person is eligible;
4. have maximum limits of liability in the amounts of :

| | |
|---|---|
| $1,000,000 | each claim |
| $3,000,000 | aggregate |

C. Policies will be issued on an annual basis.

D. Class Description

| Class | Description | Code No. |
|---|---|---|
| VIII. | Any individual not currently enrolled in an accredited institution, but while a candidate for certification and/or licensure as a dentist. | 80221 |

E. Premium

| Class | Premium |
|---|---|
| VIII. | $75.00 |

Premium is fully earned at inception.

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## I. Amended Rules - General

A. Rule XIII is added:

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;

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

## II. Amended Rules - General Liability (GL)

A. Rule II., MINIMUM LIMITS OF LIABILITY is deleted in its entirety and replaced by the following:

LIMITS OF LIABILITY

The rates listed above are for limits of $1,000,000 (each claim) / $2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the $1M/2M rate).

Individual Practice:

| Increased Limit | Increased Limit Factor |
|---|---|
| $1M/2M | 1.000 |
| $1M/3M | 1.011 |
| $2M/2M | 1.071 |
| $2M/3M | 1.085 |
| $2M/4M | 1.098 |
| $3M/3M | 1.160 |
| $3M/6M | 1.202 |
| $4M/4M | 1.240 |
| $5M/5M | 1.320 |
| $5M/8M | 1.351 |

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## IV. Amended Rules – Professional Liability (PL)

A. Rule V, SUPPLEMENTAL MODIFICATIONS-PROFESSIONAL LIABILITY, C., Experience Rating, is deleted and replaced by the following:

C. Experience Rating

Experience period: 5 years preceding the forthcoming policy year.

Application of Experience debit:

| | Debit |
|---|---|
| No claims during the experience period: | 0% |
| One claim during the experience period: | |
| that occurred in the 5th previous year: | 5% |
| that occurred in the 4th previous year: | 10% |
| that occurred in the 3rd previous year: | 15% |
| that occurred in the 2nd previous year: | 20% |
| that occurred in the 1st previous year: | 25% |
| More than one claim during the experience period: | Refer to Company |

A claim is defined as paid indemnity or indemnity reserve in excess of $2,000.

Such debits developed in accordance with the above shall apply on a one year basis and will be subject to annual review.

B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.9., is amended to read as follows:

The factors in the following Table shall be applied to the annual premium in effect at the expiration of the most recent claims-made policy period.

C. Rule X., LOCATION OF PRACTICE is amended to delete the following sentence:

We will charge the higher rate if there is multi-state exposure.

D. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.1., is deleted and replaced as follows:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

E. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.4., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage.

F. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.5., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage. The number of consecutive years of insurance with CNA is based on the number of consecutive years of Professional Liability insurance with CNA.

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## V. Territorial Definitions – Professional Liability (PL)

Territory I: Cook County
Territory II: Dupage, Kane, Lake and Will Counties
Territory III: Remainder of State

## VI. Rates – Professional Liability (PL)

A. Professional Liability

**Occurrence Rates at $1M/$1M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,494 | $3,303 | $3,139 |
| III | 24,510 | 18,015 | 17,123 |
| IV | 200 | 200 | 200 |
| IX | 15,729 | 11,561 | 10,988 |
| X | 31,457 | 23,121 | 21,976 |

B. Employment Practices Liability – Defense Only

The annual charge for this coverage will be $60 per each named insured having separate $25,000 limits of liability.

Corporations will share the $25,000 limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the $60 charge.

Note: The required coverage and associated charge are waived when the insured purchases the EPL Indemnity & Defense Coverage as the rates below already contemplate the $60 defense charge.

Employment Practices Liability – Indemnity & Defense

The annual charge for this coverage is per each named insured having separate limits of liability. The following table is used to calculate the rate:

| Combined Indemnity & Defense Limit of Liability | Flat Rate for First 10 Employees |
|---|---|
| $ 25,000 | $ 235 |
| $ 50,000 | $ 270 |
| $ 75,000 | $ 305 |
| $100,000 | $ 355 |
| $250,000 | $ 494 |
| $500,000 | $ 586 |
| $750,000 | $ 622 |
| $1,000,000 | $ 657 |

$20 per employee over the first 10 employees.

Corporations will share the limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the rates listed in the table above.

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C. Extended Reporting Period Coverage for Employment Practices Liability

Defense Only Coverage and Indemnity & Defense Coverage

A factor of 0.75 will be applied to the EPL rate.

Defense Only Coverage when converting to an Indemnity & Defense Coverage

No charge.

## VII. Amended Rules - Property

A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence.

"Structure" means a dwelling, building or fixture permanently affixed to real property.

1. Eligibility

a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

| | | | |
|---|---|---|---|
| Bond | Jackson | Marshall | St. Clair |
| Bureau | Jefferson | Menard | Saline |
| Christian | Knox | Mercer | Sangamon |
| Clinton | LaSalle | Montgomery | Tazewell |
| Douglas | Logan | Peoria | Vermilion |
| Franklin | McDonough | Perr | Washington |
| Fulton | Macoupin | Putnam | Williamson |
| Gallatin | Madison | Randolph | |
| Grundy | Marion | Rock Island | |

b. Coverage must be provided in other counties if requested.

2. Ineligibility

The following are not eligible:

a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;

b. Coverage for Time element loss;

c. Limits of Liability in excess of $350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

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3. Premiums

a. Premium for Mine Subsidence shall be shown separately.

b. Annual premiums per structure are as follows:

| Coverage Limit | Frame | Other than Frame* |
|---|---|---|
| $10,000 or less | $20.00 | $26.00 |
| 10,001 to 20,000 | 23.00 | 30.00 |
| 20,001 to 30,000 | 26.00 | 33.00 |
| 30,001 to 40,000 | 30.00 | 36.00 |
| 40,001 to 50,000 | 33.00 | 40.00 |
| 50,001 to 60,000 | 36.00 | 43.00 |
| 60,001 to 70,000 | 40.00 | 46.00 |
| 70,001 to 80,000 | 43.00 | 50.00 |
| 80,001 to 90,000 | 46.00 | 53.00 |
| 90,001 to 100,000 | 50.00 | 56.00 |
| 100,001 to 110,000 | 53.00 | 59.00 |
| 110,001 to 120,000 | 56.00 | 63.00 |
| 120,001 to 130,000 | 59.00 | 66.00 |
| 130,001 to 140,000 | 63.00 | 69.00 |
| 140,001 to 150,000 | 66.00 | 73.00 |
| 150,001 to 160,000 | 69.00 | 76.00 |
| 160,001 to 170,000 | 73.00 | 79.00 |
| 170,001 to 180,000 | 76.00 | 83.00 |
| 180,001 to 190,000 | 79.00 | 86.00 |
| 190,001 to 200,000 | 83.00 | 89.00 |
| 200,001 to 210,000 | 86.00 | 92.00 |
| 210,001 to 220,000 | 89.00 | 96.00 |
| 220,001 to 230,000 | 92.00 | 99.00 |
| 230,001 to 240,000 | 96.00 | 102.00 |
| 240,001 to 250,000 | 99.00 | 106.00 |
| 250,001 to 260,000 | 102.00 | 109.00 |
| 260,001 to 270,000 | 106.00 | 112.00 |
| 270,001 to 280,000 | 109.00 | 116.00 |
| 280,001 to 290,000 | 112.00 | 119.00 |
| 290,001 to 300,000 | 116.00 | 122.00 |
| 300,001 to 310,000 | 119.00 | 125.00 |
| 310,001 to 320,000 | 122.00 | 129.00 |
| 320,001 to 330,000 | 125.00 | 132.00 |
| 330,001 to 340,000 | 129.00 | 135.00 |
| 340,001 to 350,000 | 132.00 | 139.00 |

c. The deductible for other property perils in the policy is the applicable deductible for mine subsidence coverage.

* Any structure other than frame, this includes brick, brick veneer, steel frame, and any fire resistive construction, etc.

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**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

B. Rule II., INDIVIDUAL RISK PREMIUM MODIFICATION PLAN, C., Rating Procedure, is amended as follows:

The total credits or debits under the following table may not exceed 40%:

C. Additional Rule:

For "Flood" Coverage Endorsement [Form G-145161-A] we will be using the flood rates that are currently filed and approved for use under Division 5.

For Earthquake [Form G-145160-A] we will be using the ISO earthquake rates currently approved for use.

## VIII. Territorial Definitions – Property

| | |
|---|---|
| Territory I: | 606XX (Chicago) |
| Territory II: | 607XX (Chicago - South Suburban) |
| Territory III: | 600XX - 604XX (Chicago North and West Suburban) |
| Territory IV: | 620XX and 622XX (East St. Louis) |
| Territory V: | 614XX, 618XX, 619XX, 623XX - 627XX (Central Illinois) |
| Territory VI: | Remainder of State |

## IX. Rates - Property

A. Blanket Practice Personal Property:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.465 | 0.415 | 0.440 | 0.415 | 0.390 | 0.440 |
| Joisted Masonry (2) | 0.390 | 0.343 | 0.367 | 0.343 | 0.329 | 0.367 |
| Non-Comb or Masonry Non-Comb (4) | 0.233 | 0.207 | 0.220 | 0.207 | 0.195 | 0.220 |
| Mod Fire Res (5) or Fire Res (6) | 0.233 | 0.207 | 0.220 | 0.207 | 0.195 | 0.220 |

B. Building:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.183 | 0.165 | 0.174 | 0.165 | 0.156 | 0.174 |
| Joisted Masonry (2) | 0.156 | 0.138 | 0.147 | 0.138 | 0.129 | 0.147 |
| Non-Comb or Masonry Non-Comb (4) | 0.092 | 0.083 | 0.092 | 0.083 | 0.073 | 0.092 |
| Mod Fire Res (5) or Fire Res (6) | 0.092 | 0.083 | 0.092 | 0.083 | 0.073 | 0.092 |

Note: For statistical reporting purposes, the protection class code must be included in the application.

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C. Base All-Risk Load - Per Policy

There will be a base All-Risk Loading of $65 per policy.

## X. Package Discount Factors

A. These factors are applied to the Property rates, Professional Liability rates and General Liability rates when Property coverage is purchased in conjunction with Professional Liability or General Liability coverage.

B. Property and General Liability: 0.89
Professional Liability: 0.86

C. This factor is not applicable to:

1. Mine Subsidence

2. Base Loading for Building and Blanket Practice Personal Property

## XI. Protection Class Multipliers

| Protection Class | Multiplier |
|---|---|
| 1 | 0.830 |
| 2 | 0.850 |
| 3 | 0.870 |
| 4 | 0.950 |
| 5 | 1.000 |
| 6 | 1.030 |
| 7 | 1.200 |
| 8 | 1.310 |
| 9 | 1.400 |
| 10 | 2.080 |

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## I. DENTAL PRACTITIONERS CLASSIFICATIONS - CALCULATION OF PREMIUM - Professional Liability Coverage

The premium for the policy shall be the sum of the applicable charges developed below.

A. The actual ISO Dental Classifications, definitions and rates for Class Codes 80210 and 80211 do not apply.

The following Codes shall apply under this plan:

| Class | Description | Code No. |
|---|---|---|
| I. | Dentists who perform dentistry on patients who have been treated with local anesthesia and/or oral medication and/or nitrous oxide/oxygen sedation and/or conscious sedation. Does not apply to treatment involving any general anesthesia or deep sedation unless administered in a hospital or state licensed and regulated surgical center. | 80211 |
| III. | All oral surgeons. In addition, this applies to dentists as defined in Class 80211 who perform dentistry utilizing general anesthesia or deep sedation, unless performed in a hospital or state licensed and regulated surgical center, in which case class 80211 will apply. | 80210 |
| IV. | Dental School Faculty – Teaching dentists and graduate students with no intramural practice. | 80213 |
| VI. | Professional Corporations or Partnerships | 80999 |
| IX. | Dental Anesthesiologists whose practice does not include deep sedation and/or general anesthesia. | 90100 |
| X. | Dental Anesthesiologists whose practice includes deep sedation and/or general anesthesia. | 90101 |

B. The annual rates, under occurrence, for each dentist are stated in the State Rate Page.

The annual rates, under claims-made, for each dentist shall be determined for Classes I., III., IX. and X. only, as follows:

1. If the dentist is just entering practice, or the dentist has continuously been insured under an "occurrence" policy, enter the step rate factor from the Table at the year one level.

2. If the dentist 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 dentist was covered under such claims-made policy(ies);

   b. determine the number of years in which the dentist was uninsured;



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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., III., IX. or X. rate, found on the State Page, in effect at the inception of the last claims-made policy.

| | Step Rate Factors | | | | |
|---|---|---|---|---|---|
| Classes | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| I, III, IX, X | 0.29 | 0.54 | 0.73 | 0.81 | 0.90 |

C. Any (a) rated risk written under this program shall maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request. Rates shall not be inadequate, excessive or unfairly discriminatory and will follow individual state regulations.

## II. ADDITIONAL CLASSIFICATIONS

A. New Dentist

A "new" dentist is defined as a student who has completed their training within the previous twelve months from license date or the experienced military dentist who within twelve months of honorable military discharge or a foreign graduate of a 4-year program from an accredited U.S. dental school enters full-time private or group practice.

The following credits will apply:

60% of the first year in practice
40% of the second year in practice
20% of the third year in practice
10% of the fourth year in practice

B. Corporations/Partnerships/Associations

It shall be permissible to provide coverage for a corporation, partnership or association for liability arising from the practice of member dentists insured by the Company. Such coverage may be provided either:

a. on a shared limit of liability basis with the member practitioner, in which case no additional premium shall be charged; or

b. on a separate limit of liability basis. The limit of liability shall be equal to the highest limits provided to any one individual member practitioner. Additional premium shall be 10% of the total developed liability premium for each member.

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C. Additional Insured

An additional insured, other than Corporations/Partnerships/Associations, may be added to the policy at a charge of 5% of the policy's Professional Liability charge.

(This charge does not apply to an additional insured who owns or finances leased equipment to the insured.)

D. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence.

Leave of absence may include time to enhance the practitioner's education, but, does not include vacation time.

E. Part Time

A part time credit of 50% of the applicable rate will apply to any practitioner who works 20 hours or less per week. This credit will not apply if the first year "new dentist" credit has been applied.

F. Professional Societies

Professional Liability coverage may be provided to state or local societies or organizations established to support the professional community. The following charge will apply:

| Rating Basis | Premium |
|---|---|
| Insured Society | $255.00 Flat Charge |
| Component Society (member society of insured society) | $ 51.00 Flat Charge |

G. Locum Tenens

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability. There is no additional charge for a period not to exceed 60 days.

## III. VICARIOUS LIABILITY - Independent Contractors and Non-Insured Employed Dentists

A charge of 10% of the named insured's premium per independent contractor and non-insured employed dentist will apply for the additional Vicarious Liability assumed by the insured as a result of such situations.

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## IV. MINIMUM LIMITS OF LIABILITY

Minimum limits of liability under this program shall be as follows:

Professional Liability:

| | | |
|---|---|---|
| 1. | Individual Practice: | |
| | a. Claims-Made: | $1,000,000 each claim<br>$3,000,000 aggregate |
| | b. Occurrence: | $1,000,000 each claim<br>$1,000,000 aggregate |
| 2. | Dental Societies:<br>(Claims-Made) | $1,000,000 each claim<br>$3,000,000 aggregate |
| 3. | Independent Contractor: | Equal to above as appropriate |

## V. SUPPLEMENTAL MODIFICATIONS - PROFESSIONAL LIABILITY

Any modifications developed under subitems A. and B. shall be summed and applied as a single factor.

A. Schedule Rating

Based on the following individual risk characteristics, the maximum debit or credit produced by the addition of the debit and/or credit will not exceed 25%:

| | Credit | Debit |
|---|---|---|
| Procedure Mix<br><br>Applicable to practitioners whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty. | 0 – 25% | 0 – 25% |
| Exposure Modification<br><br>Applicable to those insureds who have an increased or reduced exposure. | 0 – 25% | 0 – 25% |
| Unusual Risk Characteristics | 0 – 25% | 0 – 25% |

B. Loss Prevention / Risk Management — 5 – 10% — XXX

A credit will be applied to the dentist's classification Rate applicable to each dentist who attends an approved loss prevention/risk management workshop or successfully completes the CNA home study course. This credit will be applied for 3 consecutive years.

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C. Experience Rating

Based on the claim history of an individual practitioner over the preceding five year period, a debit will be applied to the classification rate. If there is claim activity during the last 5 years, the preceding 5 years would be reviewed. Criteria used to determine the application of such debits shall include claim history including a review of a combination of cause of loss, frequency, severity, indemnity payments, expenses and reserves.

Such debits, if applied, shall apply on a one year basis and will be subject to annual review.

## VI. CHANGE OF CLASSIFICATION

In the event that the insured changes classifications, a charge reflecting the difference between the previous classification and the new classification shall be calculated and collected at the time of the change of classification unless:

A. both the prior and current classification falls within the same class;

B. the practitioner changed classifications more than 4 years ago while insured under claims-made coverage;

C. the practitioner changed classifications at any time while insured under occurrence coverage; or

D. the insured is otherwise eligible for Extended Reporting Period Coverage at no charge.

Premium Adjustment

The following procedure should be used to calculate the exposure surcharge applicable under this Rule:

A. Calculate the at-limits Extended Reporting Period premium appropriate for:

1. the previous classification according to the rates and rules contained herein; and

2. the premium appropriate for the current classification.

B. If the at-limits Extended Reporting Period premium for the current classification:

1. is less than the premium for the previous classification, the dollar amount of difference is the charge to be applied; or

2. exceeds the premium for the previous classification, there shall be no charge.

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C. The amount of any additional charge is adjusted according to the following vesting schedule:

The vesting schedule also applies when going from full-time to part-time.

| Discount | |
|---|---|
| 100% | 10 consecutive years of CNA coverage |
| 90% | 9 consecutive years of CNA coverage |
| 80% | 8 consecutive years of CNA coverage |
| 70% | 7 consecutive years of CNA coverage |
| 60% | 6 consecutive years of CNA coverage |
| 50% | 5 consecutive years of CNA coverage |
| 40% | 4 consecutive years of CNA coverage |
| 30% | 3 consecutive years of CNA coverage |
| 20% | 2 consecutive years of CNA coverage |
| 10% | 1 full year of CNA coverage |
| 0% | Less than 1 full year of CNA coverage |

## VII. INCREASED LIMITS OF LIABILITY

Higher limits on ***claims-made*** policies may be elected up to a maximum liability limit of $5,000,000 per claim/$8,000,000 aggregate on the following basis:

| Limits of Liability | Increased Limit Factor Classes | | Minimum Additional Premium Classes | | |
|---|---|---|---|---|---|
| | I & IX | III & X | I | IX | III & X |
| $2,000,000/3,000,000 | .160 | .190 | $ 100 | $ 250 | $ 600 |
| $2,000,000/4,000,000 | .176 | .206 | $ 100 | $ 250 | $ 600 |
| $3,000,000/3,000,000 | .260 | .300 | $ 200 | $ 500 | $ 1,200 |
| $3,000,000/6,000,000 | .308 | .348 | $ 200 | $ 500 | $ 1,200 |
| $4,000,000/4,000,000 | .325 | .375 | $ 300 | $ 750 | $ 1,800 |
| $5,000,000/5,000,000 | .375 | .425 | $ 400 | $ 1,000 | $ 2,400 |
| $5,000,000/8,000,000 | .424 | .474 | $ 400 | $ 1,000 | $ 2,400 |

Rates are based off of the $1,000,000/1,000,000 rates. Divide the rate at $1,000,000/$3,000,000 by a factor of 1.02 to obtain the rate at $1,000,000/$1,000,000.

Higher limits on ***occurrence*** policies may be elected up to a maximum liability limit of $2,000,000 per claim/$2,000,000 aggregate on the following basis:

| Limits of Liability | Increased Limit Factor Classes | | Minimum Premium Classes | | |
|---|---|---|---|---|---|
| | I & IX | III & X | I | IX | III & X |
| $2,000,000/2,000,000 | .150 | .180 | $ 100 | $ 250 | $ 600 |

Rates are based off of the $1,000,000/1,000,000 rates.

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## VIII. EXTENDED REPORTING PERIOD COVERAGE (Claims-Made Coverage only)

A. The extension period is unlimited as respects time. The availability of Extended Reporting Period Coverage shall be governed by the following rules:

1. The limits of liability will not exceed the lowest limits of liability in force for the last 12 month policy period.

2. Extended Reporting Period Coverage will be available to all named insureds shown on the Declarations page of this policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.

3. Should the entity terminate coverage under the policy, the entity may purchase this coverage by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.

4. Upon termination of coverage under this policy by reason of death or disability, the insured's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.

5. There will be no charge for Extended Reporting Period Coverage in the event of retirement and provided the insured is at least 55 years of age and has been continuously insured by us for at least 5 consecutive years.

   This shall apply to all insureds otherwise qualifying for such coverage.

6. The Prior Acts date of coverage with this Company will determine the years of prior exposure in calculation of Extended Reporting Period Coverage.

7. Premium must be paid promptly when due. Premium may be paid in advance, or in three annual installments.

8. In the event the policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

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9. The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy.

| Years of Prior Claims-Made Coverage | Installment Factors | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 | .31 | .23 | .30 | .79 |
| 2 | .51 | .35 | .46 | 1.23 |
| 3 | .61 | .49 | .46 | 1.45 |
| 4 or more | .73 | .49 | .46 | 1.57 |

B. A one year extended reporting period for both the Employment Practices Liability (EPL) Defense Only coverage and the EPL Indemnity & Defense coverage is available. The associated factor, as shown on the state rate/exception pages, is applied to the annual EPL premium.

Insureds that are converting their EPL Defense Only coverage to the EPL Indemnity & Defense coverage will be afforded a free unlimited extended reporting period on their expiring Defense Only coverage.

C. An extended reporting period is also available for the ERISA Fiduciary Liability coverage. The same factors as used for professional liability will be applied to the annual ERISA charge in calculation of the extended reporting period coverage.

## IX. PRIOR ACTS COVERAGE (Occurrence Coverage only)

A. The policy may be extended to provide Prior Acts Coverage as follows:

1. 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 occurrence policy to which the Prior Acts endorsement shall be applied.

2. 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 shown to the current rate under this policy for limits of $1,000,000/$1,000,000.

3. If the limit of liability under this coverage is less than $1,000,000/$1,000,000, the premium developed shall be adjusted by the Prior Acts Decreased Limits Factors shown.

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B. The premium will be charged annually, but calculated in advance:

1. Determine the current premium under this policy for limits of $1,000,000/$1,000,000.

2. Enter the table at the appropriate Prior Acts Period.

3. Apply Reporting Period factor(s) successively for the desired number of years of Reporting Period:

| Prior Acts Period | Reporting Period | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 year prior | .28 | .25 | .22 | .71 |
| 2 years prior | .45 | .41 | .32 | 1.11 |
| 3 years prior | .55 | .44 | .40 | 1.31 |
| 4 or more years prior | .62 | .45 | .42 | 1.41 |

4. Apply the appropriate Decreased Limits Factor, if applicable:

| Decreased Limits (in $000s) | Factor |
|---|---|
| $100 / $300 | .449 |
| 200 / 600 | .590 |
| 250 / 750 | .638 |
| 300 / 800 | .682 |
| 400 / 900 | .760 |
| 500 / 1,000 | .816 |
| 1,000 / 1,000 | 1.000 |

C. Prior Acts for Employment Practices Liability Indemnity & Defense Coverage

For insureds that do not have an EPL Indemnity & Defense policy during the policy year prior to purchasing the coverage from CNA, the prior acts date is the inception date of the first EPL Indemnity & Defense policy with CNA.

For insureds that have a prior EPL Indemnity & Defense policy with another carrier during the policy year prior to purchasing the coverage from CNA, prior acts coverage may be afforded. The prior acts date is the date of the first year of that continuous coverage with the other carrier. The charge for the prior acts coverage is $30.

## X. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their practice time from outside the state. Those who derive more than 25% of their practice time outside the state shall be referred to the Company for underwriting approval and rating. We will charge the higher rate if there is multi-state exposure.

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## I. CALCULATION OF PREMIUMS - Property Coverages

A. The premium shall be the sum of the applicable charges developed below.

B. The premium for coverage shall be determined by applying the following to the limits of liability:

1. Building

Charge shall be determined by applying the following total rate to the limit of liability:

a. The applicable rates as shown on the State Rate Page (as determined by the insured's construction code).

b. The applicable rate in (a) will be modified by the applicable protection class factor shown on the State Rate Pages.

2. Blanket Practice Personal Property

a. Limits of Liability for this coverage shall be calculated as the sum of the values for:

i. Contents at the premises;

ii. Property Off Premises;

iii. Values represented by Accounts Receivable and/or Practice Records; we will automatically provide $13,500 of coverage for these items.

b. Base rate shall be:

i. Specific annual Blanket Practice Personal Property rate (as shown on State Rate Page) based on the building's contruction code,

ii. Multiplied by the appropriate protection class factor.

3. Base rates for Building and/or Blanket Practice Personal Property contemplate a $250 fixed dollar deductible and a 1% deductible for the Windstorm or Hail cause of loss. Higher fixed dollar deductibles and percentage deductibles for Windstorm or Hail are available with the following credit factors:

| Fixed Dollar Deductible | Windstorm and Hail Percentage Deductible | | |
|---|---|---|---|
| | 1% | 2% | 5% |
| 250 | 1.00 | 0.99 | 0.98 |
| 500 | 0.96 | 0.95 | 0.94 |
| 1,000 | 0.89 | 0.88 | 0.87 |
| 2,500 | 0.85 | 0.84 | 0.83 |
| 5,000 | 0.76 | 0.74 | 0.73 |

4. Inflation Protection Coverage

The insured must select to have the applicable limits of liability for Buildings increased automatically every quarter. In addition, the insured may elect to have the applicable limits of liability for Blanket Practice Personal Property increased automatically every quarter. Either coverage will be associated with an increase in accordance with the following table:

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| Quarterly Increase Percentage | % of Annual Building / Blanket Property Premium | Quarterly Increase Percentage | % of Annual Building / Blanket Property Premium |
|---|---|---|---|
| 0.30% | 0.45% | 2.5% | 3.75% |
| 0.40% | 0.60% | 3.0% | 4.50% |
| 0.50% | 0.75% | 3.5% | 5.25% |
| 1.00% | 1.50% | 4.0% | 6.00% |
| 1.50% | 2.25% | 4.5% | 6.75% |
| 2.00% | 3.00% | 5.0% | 7.50% |

The Quarterly percentage selected by the insured must apply to the selected subject(s) of insurance at all locations insured under the policy.

5. Time Element Coverages - Practice Income, Rents, Extra Expense

   a. Practice Income is provided on:

      i. A Value Daily Limit basis, beginning 24 hours after the loss occurs for 32.5 days. Coverage may be increased by lengthing the number of days coverage applies (up to a maximum of 180 days). Coverage limit equals the daily income. Apply the Blanket Practice Personal Property rate to the total aggregate limit to calculate premium charge.

      ii. An Actual Loss Sustained basis, beginning 24 hours after the loss occurs for a maximum of 12 months. Premium charge equals 11.5% of the final Blanket Practice Personal Property premium as calculated in Rule I.B.2.b.

   b. Rents Coverage

      Charges will be determined by applying the following to the limit of liability:

      i. the applicable building rates; and

      ii. modified by a factor of .55.

   c. Extra Expense Coverage

      Extra Expense Coverage is provided on an Actual Loss Sustained Basis for a period of 12 months beginning 24 hours after the loss occurs. This coverage is provided at no charge.

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C. Optional Coverages

1. Dishonesty Coverage

   a. Employee Dishonesty Insurance applicable to Blanket Practice Personal Property may be purchased in accordance with Limit options shown in the following Table. When such coverage is purchased, it shall include, at no additional premium, coverage for Welfare and Pension Plans for which coverage is required under ERISA in an amount of $15,000. This amount shall apply to coverage for Welfare and Pension Plans in addition to the purchased Employee Dishonesty Limit for Blanket Practice Personal Property.

   b. Employee Dishonesty Insurance will be charged on a "per policy" basis.

   c. Additional coverage beyond that provided in 1., above, for Welfare and Pension Plans, shall be charged by applying the rate shown to each additional $1,000 of coverage.

| Limits of Liability | | |
|---|---|---|
| Money / Securities | Pension / Welfare | Premium |
| $10,000 | $15,000 | $72.00 |
| 15,000 | 15,000 | 104.00 |
| 25,000 | 15,000 | 158.00 |
| 50,000 | 15,000 | 245.00 |
| 75,000 | 15,000 | 332.00 |
| 100,000 | 15,000 | 425.00 |
| Increased Limits – Pension / Welfare (per $1,000) | | $1.50 |

2. Increased Theft coverage for Precious Metals, beyond the $2,500 provided by the policy, may be purchased. The rate for such additional coverage shall be $0.60 per $100 of value.

3. Increased Values of Signs not attached to the Building may be purchased. Value of signs attached to the building shall be included in the valuation of the Building.

4. Ordinance or Law Coverage - The first $100,000 is provided at no charge. Additional limits may be purchased according to the following:

   a. Loss of value to Undamaged Portion of Building may be purchased. No separate limit of insurance is required. When this coverage is increased, an additional charge equal to 10% of the building premium will apply.

   b. Demolition Cost and Increased Cost of Construction may be purchased. When this coverage is increased, multiply the Building Base Rates by the limit of additional insurance, per $100.

5. Increased amounts of Dentist's Electronic Equipment coverage and Dentist's Electronic Equipment Extra Expense coverage may be purchased. The rate for such additional coverage shall be $0.50 per $100.00 of coverage, if the insureds meets specified underwriting criteria. Otherwise, the rate for such additional coverage shall be $0.75 per $100.00 of coverage.

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6. Dentist's Equipment Breakdown coverage may be purchased. The rates for such coverage are:

| Coverage Limit | Dental Equipment | Dental & HVAC Equipment |
|---|---|---|
| $100,000 or less | $341 | 480 |
| 200,000 | 362 | 509 |
| 300,000 | 370 | 521 |
| 400,000 | 416 | 587 |
| 500,000 | 458 | 644 |
| 600,000 | 498 | 689 |
| 700,000 | 512 | 734 |
| 800,000 | 529 | 779 |
| 900,000 | 575 | 823 |
| 1,000,000 | 619 | 867 |
| 1,250,000 | 712 | 954 |
| 1,500,000 | 797 | 1,028 |
| 1,750,000 | 870 | 1,087 |
| 2,000,000 | 933 | 1,144 |
| 2,500,000 | 1,029 | 1,228 |
| 3,000,000 | 1,075 | 1,312 |
| 3,500,000 | 1,125 | 1,372 |
| 4,000,000 | 1,162 | 1,433 |
| 4,500,000 | 1,193 | 1,479 |
| 5,000,000 | 1,221 | 1,522 |

7. The PPP Gold endorsement is available at a rate of $135.

8 A flat premium of $25 will be charged each policy.

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## II. INDIVIDUAL RISK PREMIUM MODIFICATION PLAN - PROPERTY COVERAGE

This Plan shall be applied after the application of all other rating procedures.

A. Eligibility: This Plan may be applied to:

Blanket Practice Personal Property Coverages
Building Coverages

B. Limitations: This Plan may not be applied to:

Employee Dishonesty Coverage
Welfare and Pension Plan Coverage
Base Loading
PPP Gold Endorsement
Flat Premium
Equipment Breakdown Coverage

C. Rating Procedure

The following modifications may be applied to recognize such special characteristics of the risk as are not fully reflected in the basic premium or rates. These modifications contemplate the standard allowance for expenses. If the expenses are less than standard, such modification, if a credit, shall be increased, or if a debit, shall be decreased by the amount of reduction in expenses. The total credits or debits under the following Table may not exceed 25%:

| RANGE OF RISK CHARACTERISTICS | MODIFICATIONS | | |
|---|---|---|---|
| | Credits | | Debits |
| 1. LOCATION | | | |
| Accessibility, congestion and exposures | 10% | to | 10% |
| 2. BUILDING FEATURES | | | |
| Age, condition, and unusual structural features | 10% | to | 10% |
| 3. PREMISES AND EQUIPMENT | | | |
| Care, condition, and type | 10% | to | 10% |
| 4. PROTECTION | | | |
| Not otherwise recognized | 10% | to | 10% |

## III. PACKAGING OF COVERAGES

If Property coverage is purchased in conjunction with Professional Liability or General Liability coverage, a package discount factor shall be applied to a number of the Property rates. The package discount factor is stated on the respective State Rate Page and will be applied to the following coverages:

Blanket Practice Personal Property
Building
Practice Income
Rents
Dentists Equipment Breakdown
Additional Building Coverage
Increased Limits for Pension/Welfare

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The following coverages are excluded from application of the package discount factor:

Increased Limits on Fine Arts
Loss Assessment
Builders Risk
PPP Gold Endorsement
Flat Premium

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## I. Amended Rules - General

Reserved for future use.

## II. Amended Rules - General Liability (GL)

A. Rule II., MINIMUM LIMITS OF LIABILITY is deleted in its entirety and replaced by the following:

LIMITS OF LIABILITY

The rates listed above are for limits of $1,000,000 (each claim) / $2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the $1M/2M rate).

Individual Practice:

| Increased Limit | Increased Limit Factor |
|---|---|
| $1M/2M | 1.000 |
| $1M/3M | 1.011 |
| $2M/2M | 1.071 |
| $2M/3M | 1.085 |
| $2M/4M | 1.098 |
| $3M/3M | 1.160 |
| $3M/6M | 1.202 |
| $4M/4M | 1.240 |
| $5M/5M | 1.320 |
| $5M/8M | 1.351 |

## IV. Amended Rules – Professional Liability (PL)

A. Rule V, SUPPLEMENTAL MODIFICATIONS-PROFESSIONAL LIABILITY, C., Experience Rating, is deleted and replaced by the following:

C. Experience Rating

Experience period: 5 years preceding the forthcoming policy year.

Application of Experience debit:

| | Debit |
|---|---|
| No claims during the experience period: | 0% |
| One claim during the experience period: | |
| that occurred in the 5th previous year: | 5% |
| that occurred in the 4th previous year: | 10% |
| that occurred in the 3rd previous year: | 15% |
| that occurred in the 2nd previous year: | 20% |
| that occurred in the 1st previous year: | 25% |
| More than one claim during the experience period: | Refer to Company |

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A claim is defined as paid indemnity or indemnity reserve in excess of $2,000.

Such debits developed in accordance with the above shall apply on a one year basis and will be subject to annual review.

B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.9., is amended to read as follows:

The factors in the following Table shall be applied to the annual premium in effect at the expiration of the most recent claims-made policy period.

C. Rule X., LOCATION OF PRACTICE is amended to delete the following sentence:

We will charge the higher rate if there is multi-state exposure.

D. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.1., is deleted and replaced as follows:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

E. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.4., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage.

F. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.5., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage. The number of consecutive years of insurance with CNA is based on the number of consecutive years of Professional Liability insurance with CNA.

## V. Territorial Definitions – Professional Liability (PL)

| | |
|---|---|
| Territory I: | Cook County |
| Territory II: | Dupage, Kane, Lake and Will Counties |
| Territory III: | Remainder of State |

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## VI. Rates – Professional Liability (PL)

A. Professional Liability

**Occurrence Rates at $1M/$1M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,363 | $3,207 | $3,048 |
| III | 23,796 | 17,490 | 16,624 |
| IV | 200 | 200 | 200 |
| IX | 15,271 | 11,224 | 10,668 |
| X | 30,541 | 22,448 | 21,336 |

**Occurrence Rates at $1M/$3M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,450 | $3,271 | $3,109 |
| III | 24,272 | 17,840 | 16,956 |
| IV | 204 | 204 | 204 |
| IX | 15,576 | 11,448 | 10,881 |
| X | 31,152 | 22,897 | 21,763 |

B. Employment Practices Liability – Defense Only

The annual charge for this coverage will be $60 per each named insured having separate $25,000 limits of liability.

Corporations will share the $25,000 limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the $60 charge.

Note: The required coverage and associated charge are waived when the insured purchases the EPL Indemnity & Defense Coverage as the rates below already contemplate the $60 defense charge.

Employment Practices Liability – Indemnity & Defense

The annual charge for this coverage is per each named insured having separate limits of liability. The following table is used to calculate the rate:

| Combined Indemnity & Defense Limit of Liability | Flat Rate for First 10 Employees |
|---|---|
| $ 25,000 | $ 235 |
| $ 50,000 | $ 270 |
| $ 75,000 | $ 305 |
| $100,000 | $ 355 |
| $250,000 | $ 494 |
| $500,000 | $ 586 |
| $750,000 | $ 622 |
| $1,000,000 | $ 657 |

$20 per employee over the first 10 employees.

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Corporations will share the limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the rates listed in the table above.

C. Extended Reporting Period Coverage for Employment Practices Liability

Defense Only Coverage and Indemnity & Defense Coverage

A factor of 0.75 will be applied to the EPL rate.

Defense Only Coverage when converting to an Indemnity & Defense Coverage

No charge.

## VII. Amended Rules - Property

A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence.

"Structure" means a dwelling, building or fixture permanently affixed to real property.

1. Eligibility

a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

| | | | |
|---|---|---|---|
| Bond | Jackson | Marshall | St. Clair |
| Bureau | Jefferson | Menard | Saline |
| Christian | Knox | Mercer | Sangamon |
| Clinton | LaSalle | Montgomery | Tazewell |
| Douglas | Logan | Peoria | Vermilion |
| Franklin | McDonough | Perr | Washington |
| Fulton | Macoupin | Putnam | Williamson |
| Gallatin | Madison | Randolph | |
| Grundy | Marion | Rock Island | |

b. Coverage must be provided in other counties if requested.

2. Ineligibility

The following are not eligible:

a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;

b. Coverage for Time element loss;

c. Limits of Liability in excess of $350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

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3. Premiums

a. Premium for Mine Subsidence shall be shown separately.

b. Annual premiums per structure are as follows:

| Coverage Limit | Frame | Other than Frame* |
|---|---|---|
| $10,000 or less | $20.00 | $26.00 |
| 10,001 to 20,000 | 23.00 | 30.00 |
| 20,001 to 30,000 | 26.00 | 33.00 |
| 30,001 to 40,000 | 30.00 | 36.00 |
| 40,001 to 50,000 | 33.00 | 40.00 |
| 50,001 to 60,000 | 36.00 | 43.00 |
| 60,001 to 70,000 | 40.00 | 46.00 |
| 70,001 to 80,000 | 43.00 | 50.00 |
| 80,001 to 90,000 | 46.00 | 53.00 |
| 90,001 to 100,000 | 50.00 | 56.00 |
| 100,001 to 110,000 | 53.00 | 59.00 |
| 110,001 to 120,000 | 56.00 | 63.00 |
| 120,001 to 130,000 | 59.00 | 66.00 |
| 130,001 to 140,000 | 63.00 | 69.00 |
| 140,001 to 150,000 | 66.00 | 73.00 |
| 150,001 to 160,000 | 69.00 | 76.00 |
| 160,001 to 170,000 | 73.00 | 79.00 |
| 170,001 to 180,000 | 76.00 | 83.00 |
| 180,001 to 190,000 | 79.00 | 86.00 |
| 190,001 to 200,000 | 83.00 | 89.00 |
| 200,001 to 210,000 | 86.00 | 92.00 |
| 210,001 to 220,000 | 89.00 | 96.00 |
| 220,001 to 230,000 | 92.00 | 99.00 |
| 230,001 to 240,000 | 96.00 | 102.00 |
| 240,001 to 250,000 | 99.00 | 106.00 |
| 250,001 to 260,000 | 102.00 | 109.00 |
| 260,001 to 270,000 | 106.00 | 112.00 |
| 270,001 to 280,000 | 109.00 | 116.00 |
| 280,001 to 290,000 | 112.00 | 119.00 |
| 290,001 to 300,000 | 116.00 | 122.00 |
| 300,001 to 310,000 | 119.00 | 125.00 |
| 310,001 to 320,000 | 122.00 | 129.00 |
| 320,001 to 330,000 | 125.00 | 132.00 |
| 330,001 to 340,000 | 129.00 | 135.00 |
| 340,001 to 350,000 | 132.00 | 139.00 |

c. The deductible for other property perils in the policy is the applicable deductible for mine subsidence coverage.

* Any structure other than frame, this includes brick, brick veneer, steel frame, and any fire resistive construction, etc.

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B. Rule II., INDIVIDUAL RISK PREMIUM MODIFICATION PLAN, C., Rating Procedure, is amended as follows:

The total credits or debits under the following table may not exceed 40%:

C. Additional Rule:

For "Flood" Coverage Endorsement [Form G-145161-A] we will be using the flood rates that are currently filed and approved for use under Division 5.

For Earthquake [Form G-145160-A] we will be using the ISO earthquake rates currently approved for use.

## VIII. Territorial Definitions – Property

| | |
|---|---|
| Territory I: | 606XX (Chicago) |
| Territory II: | 607XX (Chicago - South Suburban) |
| Territory III: | 600XX - 604XX (Chicago North and West Suburban) |
| Territory IV: | 620XX and 622XX (East St. Louis) |
| Territory V: | 614XX, 618XX, 619XX, 623XX - 627XX (Central Illinois) |
| Territory VI: | Remainder of State |

## IX. Rates - Property

A. Blanket Practice Personal Property:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.456 | 0.407 | 0.431 | 0.407 | 0.382 | 0.431 |
| Joisted Masonry (2) | 0.382 | 0.336 | 0.36 | 0.336 | 0.323 | 0.36 |
| Non-Comb or Masonry Non-Comb (4) | 0.228 | 0.203 | 0.216 | 0.203 | 0.191 | 0.216 |
| Mod Fire Res (5) or Fire Res (6) | 0.228 | 0.203 | 0.216 | 0.203 | 0.191 | 0.216 |

B. Building:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.179 | 0.162 | 0.171 | 0.162 | 0.153 | 0.171 |
| Joisted Masonry (2) | 0.153 | 0.135 | 0.144 | 0.135 | 0.126 | 0.144 |
| Non-Comb or Masonry Non-Comb (4) | 0.09 | 0.081 | 0.09 | 0.081 | 0.072 | 0.09 |
| Mod Fire Res (5) or Fire Res (6) | 0.09 | 0.081 | 0.09 | 0.081 | 0.072 | 0.09 |

Note: For statistical reporting purposes, the protection class code must be included in the application.

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D. Base All-Risk Load - Per Policy

There will be a base All-Risk Loading of $65 per policy.

## X. Package Discount Factors

A. These factors are applied to the Property rates, Professional Liability rates and General Liability rates when Property coverage is purchased in conjunction with Professional Liability or General Liability coverage.

B. Property and General Liability: 0.89
Professional Liability: 0.86

C. This factor is not applicable to:

1. Mine Subsidence

2. Base Loading for Building and Blanket Practice Personal Property

## XI. Protection Class Multipliers

| Protection Class | Multiplier |
|---|---|
| 1 | 0.830 |
| 2 | 0.850 |
| 3 | 0.870 |
| 4 | 0.950 |
| 5 | 1.000 |
| 6 | 1.030 |
| 7 | 1.200 |
| 8 | 1.310 |
| 9 | 1.400 |
| 10 | 2.080 |

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STATE EXCEPTION/RATE PAGE FOR
CHIROPRACTIC BENEFIT SERVICES RISK PURCHASIN GROUP

## I. Amended Rules - Professional Liability

**Section XIII, Credits and Surcharges,** is amended to include the following:
The maximum discount applicable to any one risk shall be governed by the following:

| | |
|---|---|
| First Year New Graduate | 75% |
| Second Year New Graduate | 40% |
| Part-Time Chiropractor | 50% |
| All Others | 30% |

**Section XIII.K., Schedule Modifications,** is amended to include the following:
"The maximum schedule modification shall be capped at +/-25%."

## II. Territorial Definitions - Professional Liability

| | |
|---|---|
| **Territory I** | **St. Louis East** |
| **Territory II** | **Cook** |
| **Territory III** | **Rest of State** |

## III. Rates - Professional Liability

**Mature Claims-made Rate at $100K/$300K Limits**

| Class | Territory I | Territory II | Territory III |
|---|---|---|---|
| I | $1,409 | $1,301 | $1,006 |
| II | $1,879 | $1,735 | $1,341 |

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## I. Amended Rules - General

Reserved for future use.

## II. Amended Rules - General Liability (GL)

A. Rule II., MINIMUM LIMITS OF LIABILITY is deleted in its entirety and replaced by the following:

LIMITS OF LIABILITY

The rates listed above are for limits of $1,000,000 (each claim) / $2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the $1M/2M rate).

Individual Practice:

| Increased Limit | Increased Limit Factor |
|---|---|
| $1M/2M | 1.000 |
| $1M/3M | 1.011 |
| $2M/2M | 1.071 |
| $2M/3M | 1.085 |
| $2M/4M | 1.098 |
| $3M/3M | 1.160 |
| $3M/6M | 1.202 |
| $4M/4M | 1.240 |
| $5M/5M | 1.320 |
| $5M/8M | 1.351 |

## IV. Amended Rules – Professional Liability (PL)

A. Rule V, SUPPLEMENTAL MODIFICATIONS-PROFESSIONAL LIABILITY, C., Experience Rating, is deleted and replaced by the following:

C. Experience Rating

Experience period: 5 years preceding the forthcoming policy year.

Application of Experience debit:

| | Debit |
|---|---|
| No claims during the experience period: | 0% |
| One claim during the experience period: | |
| that occurred in the 5th previous year: | 5% |
| that occurred in the 4th previous year: | 10% |
| that occurred in the 3rd previous year: | 15% |
| that occurred in the 2nd previous year: | 20% |
| that occurred in the 1st previous year: | 25% |
| More than one claim during the experience period: | Refer to Company |



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A claim is defined as paid indemnity or indemnity reserve in excess of $2,000.

Such debits developed in accordance with the above shall apply on a one year basis and will be subject to annual review.

B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.9., is amended to read as follows:

The factors in the following Table shall be applied to the mature claims-made rate in effect at the inception of the most recent claims-made policy period.

C. Rule X., LOCATION OF PRACTICE is amended to delete the following sentence:

We will charge the higher rate if there is multi-state exposure.

D. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.1., is deleted and replaced as follows:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

E. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.4., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage.

F. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.5., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage. The number of consecutive years of insurance with CNA is based on the number of consecutive years of Professional Liability insurance with CNA.

**V. Territorial Definitions – Professional Liability (PL)**

| | |
|---|---|
| Territory I: | Cook County |
| Territory II: | Dupage, Kane, Lake and Will Counties |
| Territory III: | Remainder of State |

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## VI. Rates – Professional Liability (PL)

A. Professional Liability

**Occurrence Rates at $1M/$1M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,363 | $3,207 | $3,048 |
| III | 23,796 | 17,490 | 16,624 |
| IV | 200 | 200 | 200 |
| IX | 15,271 | 11,224 | 10,668 |
| X | 30,541 | 22,448 | 21,336 |

**Occurrence Rates at $1M/$3M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,450 | $3,271 | $3,109 |
| III | 24,272 | 17,840 | 16,956 |
| IV | 204 | 204 | 204 |
| IX | 15,576 | 11,448 | 10,881 |
| X | 31,152 | 22,897 | 21,763 |

B. Employment Practices Liability – Defense Only

The annual charge for this coverage will be $60 per each named insured having separate $25,000 limits of liability.

Corporations will share the $25,000 limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the $60 charge.

Note: The required coverage and associated charge are waived when the insured purchases the EPL Indemnity & Defense Coverage as the rates below already contemplate the $60 defense charge.

Employment Practices Liability – Indemnity & Defense

The annual charge for this coverage is per each named insured having separate limits of liability. The following table is used to calculate the rate:

| Combined Indemnity & Defense Limit of Liability | Flat Rate for First 10 Employees |
|---|---|
| $ 25,000 | $ 235 |
| $ 50,000 | $ 270 |
| $ 75,000 | $ 305 |
| $100,000 | $ 355 |
| $250,000 | $ 494 |
| $500,000 | $ 586 |
| $750,000 | $ 622 |
| $1,000,000 | $ 657 |

$20 per employee over the first 10 employees.

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Corporations will share the limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the rates listed in the table above.

C. Extended Reporting Period Coverage for Employment Practices Liability

Defense Only Coverage and Indemnity & Defense Coverage

A factor of 0.75 will be applied to the EPL rate.

Defense Only Coverage when converting to an Indemnity & Defense Coverage

No charge.

## VII. Amended Rules - Property

A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence.

"Structure" means a dwelling, building or fixture permanently affixed to real property.

1. Eligibility

a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

| | | | |
|---|---|---|---|
| Bond | Jackson | Marshall | St. Clair |
| Bureau | Jefferson | Menard | Saline |
| Christian | Knox | Mercer | Sangamon |
| Clinton | LaSalle | Montgomery | Tazewell |
| Douglas | Logan | Peoria | Vermilion |
| Franklin | McDonough | Perr | Washington |
| Fulton | Macoupin | Putnam | Williamson |
| Gallatin | Madison | Randolph | |
| Grundy | Marion | Rock Island | |

b. Coverage must be provided in other counties if requested.

2. Ineligibility

The following are not eligible:

a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;

b. Coverage for Time element loss;

c. Limits of Liability in excess of $350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

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3. Premiums

a. Premium for Mine Subsidence shall be shown separately.

b. Annual premiums per structure are as follows:

| Coverage Limit | Frame | Other than Frame* |
|---|---|---|
| $10,000 or less | $20.00 | $26.00 |
| 10,001 to 20,000 | 23.00 | 30.00 |
| 20,001 to 30,000 | 26.00 | 33.00 |
| 30,001 to 40,000 | 30.00 | 36.00 |
| 40,001 to 50,000 | 33.00 | 40.00 |
| 50,001 to 60,000 | 36.00 | 43.00 |
| 60,001 to 70,000 | 40.00 | 46.00 |
| 70,001 to 80,000 | 43.00 | 50.00 |
| 80,001 to 90,000 | 46.00 | 53.00 |
| 90,001 to 100,000 | 50.00 | 56.00 |
| 100,001 to 110,000 | 53.00 | 59.00 |
| 110,001 to 120,000 | 56.00 | 63.00 |
| 120,001 to 130,000 | 59.00 | 66.00 |
| 130,001 to 140,000 | 63.00 | 69.00 |
| 140,001 to 150,000 | 66.00 | 73.00 |
| 150,001 to 160,000 | 69.00 | 76.00 |
| 160,001 to 170,000 | 73.00 | 79.00 |
| 170,001 to 180,000 | 76.00 | 83.00 |
| 180,001 to 190,000 | 79.00 | 86.00 |
| 190,001 to 200,000 | 83.00 | 89.00 |
| 200,001 to 210,000 | 86.00 | 92.00 |
| 210,001 to 220,000 | 89.00 | 96.00 |
| 220,001 to 230,000 | 92.00 | 99.00 |
| 230,001 to 240,000 | 96.00 | 102.00 |
| 240,001 to 250,000 | 99.00 | 106.00 |
| 250,001 to 260,000 | 102.00 | 109.00 |
| 260,001 to 270,000 | 106.00 | 112.00 |
| 270,001 to 280,000 | 109.00 | 116.00 |
| 280,001 to 290,000 | 112.00 | 119.00 |
| 290,001 to 300,000 | 116.00 | 122.00 |
| 300,001 to 310,000 | 119.00 | 125.00 |
| 310,001 to 320,000 | 122.00 | 129.00 |
| 320,001 to 330,000 | 125.00 | 132.00 |
| 330,001 to 340,000 | 129.00 | 135.00 |
| 340,001 to 350,000 | 132.00 | 139.00 |

c. The deductible for other property perils in the policy is the applicable deductible for mine subsidence coverage.

* Any structure other than frame, this includes brick, brick veneer, steel frame, and any fire resistive construction, etc.

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
ILLINOIS (12) FILED
JUL 01 2005
SPRINGFIELD, ILLINOIS



B. Rule II., INDIVIDUAL RISK PREMIUM MODIFICATION PLAN, C., Rating Procedure, is amended as follows:

The total credits or debits under the following table may not exceed 40%:

C. Additional Rule:

For "Flood" Coverage Endorsement [Form G-145161-A] we will be using the flood rates that are currently filed and approved for use under Division 5.

For Earthquake [Form G-145160-A] we will be using the ISO earthquake rates currently approved for use.

## VIII. Territorial Definitions – Property

| | |
|---|---|
| Territory I: | 606XX (Chicago) |
| Territory II: | 607XX (Chicago - South Suburban) |
| Territory III: | 600XX - 604XX (Chicago North and West Suburban) |
| Territory IV: | 620XX and 622XX (East St. Louis) |
| Territory V: | 614XX, 618XX, 619XX, 623XX - 627XX (Central Illinois) |
| Territory VI: | Remainder of State |

## IX. Rates - Property

A. Blanket Practice Personal Property:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.456 | 0.407 | 0.431 | 0.407 | 0.382 | 0.431 |
| Joisted Masonry (2) | 0.382 | 0.336 | 0.36 | 0.336 | 0.323 | 0.36 |
| Non-Comb or Masonry Non-Comb (4) | 0.228 | 0.203 | 0.216 | 0.203 | 0.191 | 0.216 |
| Mod Fire Res (5) or Fire Res (6) | 0.228 | 0.203 | 0.216 | 0.203 | 0.191 | 0.216 |

B. Building:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.179 | 0.162 | 0.171 | 0.162 | 0.153 | 0.171 |
| Joisted Masonry (2) | 0.153 | 0.135 | 0.144 | 0.135 | 0.126 | 0.144 |
| Non-Comb or Masonry Non-Comb (4) | 0.09 | 0.081 | 0.09 | 0.081 | 0.072 | 0.09 |
| Mod Fire Res (5) or Fire Res (6) | 0.09 | 0.081 | 0.09 | 0.081 | 0.072 | 0.09 |

Note: For statistical reporting purposes, the protection class code must be included in the application.

**COMPANY STATE PAGE**
**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED
JUL 0 1 2005
SPRINGFIELD, ILLINOIS

D. Base All-Risk Load - Per Policy

There will be a base All-Risk Loading of $65 per policy.

## X. Package Discount Factors

A. These factors are applied to the Property rates, Professional Liability rates and General Liability rates when Property coverage is purchased in conjunction with Professional Liability or General Liability coverage.

B. Property and General Liability: 0.89
Professional Liability: 0.86

C. This factor is not applicable to:

1. Mine Subsidence

2. Base Loading for Building and Blanket Practice Personal Property

## XI. Protection Class Multipliers

| Protection Class | Multiplier |
|---|---|
| 1 | 0.830 |
| 2 | 0.850 |
| 3 | 0.870 |
| 4 | 0.950 |
| 5 | 1.000 |
| 6 | 1.030 |
| 7 | 1.200 |
| 8 | 1.310 |
| 9 | 1.400 |
| 10 | 2.080 |

CNA

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

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FEB 19 2008
IDFPR (MPC)
DIVISION OF INSURANCE
SPRINGFIELD

State Filing Analyst
P & C State Filing Unit
CNA Global Specialty Lines

Telephone 212-440-3478
Facsimile 212-440-2877
Toll Free 877-269-3277 x3478
Internet Robert.alonzo@cna.com

February 14, 2008

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF INSURANCE
PROPERTY AND CASUALTY COMPLIANCE UNIT
320 W WASHINGTON ST
SPRINGFIELD IL 62767-0001

***RE: CONTINENTAL CASUALTY COMPANY NAIC#: 218-20443 FEIN#: 36-2114545***
***CONTINENTAL INSURANCE COMPANY NAIC #: 218-35289 FEIN#: 13-5010440***
***Doctors (Physicians & Surgeons) Professional Liability***
***Rates/Rules***
***OUR FILE NO. : 08-R2206***

To Whom It May Concern:

With this rate revision filing for Continental Casualty Company, we also are proposing to adopt the revised rates/rules for The Continental Insurance Company ("CIC") as well. Please refer to the Actuarial Memorandum, along with exhibits reflecting changes proposed by this program; and the applicable revised manual pages. This filing was last approved under our filing No.: 05-R2085.

We propose that this filing become applicable to all policies written on or after March 15, 2008 or the earliest date permitted by your state.

Very truly yours,
*Robert Alonzo*
Robert Alonzo
State Filing Analyst

FILED
OCT 20 2009
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

**Neuman, Gayle**

**From:** Alonzo,Robert A. [Robert.Alonzo@CNA.com]
**Sent:** Monday, October 26, 2009 2:53 PM
**To:** Neuman, Gayle
**Subject:** RE: Rate/Rule Filing #08-R2206
**Attachments:** 01 IL F540 - CCC updated (2).pdf; 01 IL F540 - CIC updated (2).pdf

Ms. Neuman,

Attach please find rev RF-3 Form

RObert ALonzo

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Thursday, October 22, 2009 11:24 AM
**To:** Alonzo,Robert A.
**Subject:** RE: Rate/Rule Filing #08-R2206

Mr. Alonzo,

In reviewing the actuarial changes made, it appears the change is now a 56.8% decrease. Please forward a RF-3 Summary Sheet indicate the new amount with the 10/20/09 effective date.

Thank you for your assistance.

Gayle Neuman
Department of Insurance

---

**From:** Alonzo,Robert A. [mailto:Robert.Alonzo@CNA.com]
**Sent:** Thursday, October 22, 2009 8:22 AM
**To:** Neuman, Gayle
**Subject:** RE: Rate/Rule Filing #08-R2206

October 20, 2009 will be fine.

Thank you.

Robert ALonzo

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Thursday, October 22, 2009 9:16 AM
**To:** Alonzo,Robert A.
**Subject:** Rate/Rule Filing #08-R2206

Mr. Alonzo,

The Department has completed its review of the above referenced filing. When originally submitted, you requested an effective date of March 15, 2008. Is that the effective date that was used? If not, what date was used? The Director signed off on this filing on October 20, 2009.

Your prompt attention 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.

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.

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## Neuman, Gayle

**From:** Alonzo,Robert A. [Robert.Alonzo@CNA.com]
**Sent:** Thursday, August 28, 2008 7:48 AM
**To:** Neuman, Gayle
**Subject:** RE: Rate/Rule Filing #08-R2206
**Attachments:** IL Complete Certifications.pdf

Dear Ms. Neuman:

In response to your request, here are the updated certifications. We apologize for the delay.

Robert Alonzo

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Tuesday, July 29, 2008 9:38 AM
**To:** Alonzo,Robert A.
**Subject:** Rate/Rule Filing #08-R2206

Mr. Alonzo,

We were provided with certification forms. However, one form lists both companies but does not list both FEINs. Please submit another certification for both insurance companies that is signed by the company officer and authorized actuary.

Your prompt attention is appreciated.

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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**Neuman, Gayle**

**From:** Neuman, Gayle
**Sent:** Thursday, October 22, 2009 10:24 AM
**To:** 'Alonzo,Robert A.'
**Subject:** RE: Rate/Rule Filing #08-R2206

Mr. Alonzo,

In reviewing the actuarial changes made, it appears the change is now a 56.8% decrease. Please forward a RF-3 Summary Sheet indicate the new amount with the 10/20/09 effective date.

Thank you for your assistance.

Gayle Neuman
Department of Insurance

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Form (RF-3)

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 3/15/2008

| (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 Med Mal (Line of Insurance) | 0 | 0% |

Does filing only apply to certain territory (territories) or certain classes? If so, specify: See Actuarial Memo

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): See Actuarial Memo

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

Continental Casualty Company
Name of Company

Jean K. Fleischner - Vice President
Official – Title

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
RECEIVED
FEB 19 2008
SPRINGFIELD, ILLINOIS

Form (RF-3)

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 3/15/2008

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| 13. Commercial Multi-Peril | | |
| 14. Crop Hail | | |
| 15. Other Med Mal (Line of Insurance) | 0 | 0% |

Does filing only apply to certain territory (territories) or certain classes? If so, specify: N/A New Program

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): See Actuarial Memo

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

The Continental Insurance Company
Name of Company

Jean K. Fleischner - Vice President
Official – Title

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
RECEIVED
FEB 19 2008
SPRINGFIELD, ILLINOIS

# 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, a duly authorized officer of Continental Casualty Company, 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 he 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.

I, Sharon K. Robinson, a duly authorized actuary of Continental ~~INSURANCE~~ Company, am authorized to certify on behalf of Continental Casualty 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 Vice President & Actuary — 2-11-08
Signature and Title of Authorized Insurance Company Officer — Date

Sharon K Robinson Vice President & Actuary — 2-11-08
Signature and Title of Authorized Actuary — Date

Insurance Company FEIN 3 6 - 2 1 1 4 5 4 5 Filing Number 08-R2006

Insurer's Address 40 Wall Street - 9th Fl

City New York, State NY Zip Code 10005

Contact Person's:
- Name and E-mail Robert Alonzo robert.alonzo@cna.com

- Direct Telephone and Fax Number 212-440-3478 Fax 212-440-2877

## 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, a duly authorized officer and actuary of Continental Casualty Company, 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's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are subject of this filing.

Sharon K Robinson — 2-11-08

Sharon K. Robinson, FCAS, MAAA — Date
Vice President & Actuary

Insurance Company FEIN 36 – 2114545 Filing Number 08-R2206

Insurer's Address 40 Wall Street – 9th Floor

City NEW YORK State NY Zip Code 10005

Contact Person's:
-Name and E-mail Robert Alonzo - robert.alonzo@cna.com

-Direct Telephone and Fax Number 212-440-3478 Fax: 212-440-2877

Form (RF-3)

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 10/20/2009

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| 2. Automobile Physical Damage Private Passenger Commercial | | |
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| 4. Burglary and Theft | | |
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| 8. Boiler and Machinery | | |
| 9. Fire | | |
| 10. Extended Coverage | | |
| 11. Inland Marine | | |
| 12. Homeowners | | |
| 13. Commercial Multi-Peril | | |
| 14. Crop Hail | | |
| 15. Other Med Mal (Line of Insurance) | 0 | -56.8% |

Does filing only apply to certain territory (territories) or certain classes? If so, specify: N/A New Program

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): See Actuarial Memo

Physicians/Surgeons - changes to rates, classes, territories

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

The Continental Insurance Company
Name of Company

Jean K. Fleischner - Vice President
Official – Title

RECEIVED
OCT 26 2009
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

FILING# 08-R2206
-update of RF-3 w/ 3-15-08 date

Form (RF-3)

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 10/20/2009

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| 1. Automobile Liability Private Passenger Commercial | | |
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Physicians/Surgeons - changes to rates, classes, territories

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

Continental Casualty Company
Name of Company

Jean K. Fleischner - Vice President
Official – Title

RECEIVED

OCT 26 2009

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

FILING # 08-R2206
– update of RF-3 w/3-15-08 date

## Neuman, Gayle

**From:** Alonzo,Robert A. [Robert.Alonzo@CNA.com]
**Sent:** Tuesday, October 28, 2008 11:50 AM
**To:** Neuman, Gayle
**Subject:** Rate/Rule Filing #08-R2206 Follow-up
**Attachments:** IL 08-R2206 PHYSUR Resp # 3-Follow Up 10-28-08.pdf; IL PPL 2008 Pages - Rev 10-28-08.pdf

Dear Ms. Neuman:

In the process of completing the response to a recent objection for the corresponding form filing [State Tracking No. CNAC-125487735], we discovered a typographical error in the Illinois State Rate/Exception Pages.

Please see attach:

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CNA

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

State Filing Analyst
P & C State Filing Unit
CNA Global Specialty Lines

Telephone 212-440-3478
Facsimile 212-440-2877
Toll Free 877-269-3277 x3478
Internet Robert.alonzo@cna.com

October 28, 2008

MS. GAYLE NEUMAN
ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF INSURANCE
PROPERTY AND CASUALTY COMPLIANCE UNIT
320 W WASHINGTON ST
SPRINGFIELD IL 62767-0001

***RE: CONTINENTAL CASUALTY COMPANY NAIC#: 218-20443 FEIN#: 36-2114545***
***CONTINENTAL INSURANCE COMPANY NAIC #: 218-35289 FEIN#: 13-5010440***
***Doctors (Physicians & Surgeons) Professional Liability***
***Rates/Rules***
***OUR FILE NO. : 08-R2206***

Dear Ms. Neuman:

In the process of completing the response to a recent objection for the corresponding form filing [State Tracking No. CNAC-125487735] we discovered a typographical error in the Illinois State Rate/Exception Pages.

Under Item H.2. we now specify that the factors in the following table shall be applied to the expiring annual premium. This rule now matches the amendatory endorsement submitted under State Tracking No. CNAC-125487735.

Updated Illinois State Rate/Exception Pages are attached.

Thank you.

Very truly yours,

*Robert Alonzo*

Robert Alonzo
State Filing Analyst

## Neuman, Gayle

**From:** Stern,Adrienne H. [Adrienne.Stern@CNA.com]
**Sent:** Thursday, August 21, 2008 12:58 PM
**To:** Neuman, Gayle
**Cc:** Alonzo,Robert A.; Cortina,Kristine; Mahon,Cheryl
**Subject:** FW: Rate/Rule Filing #08-R2206 (Illinois)

Ms. Neuman:

I just followed up with the actuary this morning on this item. The officer required to sign the two certification forms is out of the office and is expected to return on Tuesday August 26th. The actuary will forward the two certification forms to me as soon as they are signed.

I hope that this is acceptable to you.

Thank you.
*Adrienne Stern*
*Product Compliance Analyst*
*GSL - Legal Services*
*Phone: 212-440-3268*
*Fax: 212-440-2877*
*adrienne.stern@cna.com*
*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. Thank you very much.*

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Thursday, August 21, 2008 11:51 AM
**To:** Alonzo,Robert A.
**Subject:** FW: Rate/Rule Filing #08-R2206

Mr. Alonzo,

I have received no response to the 7/29/08 e-mail below. We request your immediate attention.

Gayle Neuman
Divsion of Insurance

---

**From:** Neuman, Gayle
**Sent:** Tuesday, July 29, 2008 8:38 AM
**To:** 'Alonzo,Robert A.'
**Subject:** Rate/Rule Filing #08-R2206

Mr. Alonzo,

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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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## Neuman, Gayle

**From:** Alonzo,Robert A. [Robert.Alonzo@CNA.com]
**Sent:** Thursday, August 21, 2008 10:52 AM
**To:** Neuman, Gayle
**Subject:** Out of Office AutoReply: Rate/Rule Filing #08-R2206

I will be out the office the week of Aug. 18, 2008, and returning on Monday Aug. 25, 2008.

Please contact Micaah Morris @ 212-440-2319

Thanks.

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## Neuman, Gayle

**From:** Alonzo,Robert A. [Robert.Alonzo@CNA.com]
**Sent:** Friday, July 25, 2008 3:01 PM
**To:** Neuman, Gayle
**Subject:** RE: Rate/Rule Filing #08-R2206

Dear Ms. Neuman:

Thank you for your correspondence via SERFF dated July 24, 2008. Please note our following response to the issue you raised.

**Objection:** I have an additional question on this filing. On page 10 of the Illinois State Rate/Exception Pages, codes 80999, 80715, 80610, and 80611 are listed. Please explain how you determine the amount of premium that will charged for these risks.

**Response:**

Codes 80999, 80610, and 80611 will be charged premium in accordance with Illinois state exception pages Section D. Corporation/Partnership/Professional Association.

Code 80715, Medical Laboratory, will be charged premium in accordance with Illinois state exception pages Section E. Optional Coverages.

Thank you.

Robert Alonzo

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Thursday, July 24, 2008 3:41 PM
**To:** Alonzo,Robert A.
**Subject:** RE: Rate/Rule Filing #08-R2206

Mr. Alonzo,

I have an additional question on this filing. On page 10 of the Illinois State Rate/Exception Pages, codes 80999, 80715, 80610, and 80611 are listed. Please explain how you determine the amount of premium that will charged for these risks.

Gayle Neuman
Division of Insurance

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**From:** Alonzo,Robert A. [mailto:Robert.Alonzo@CNA.com]
**Sent:** Thursday, July 24, 2008 1:25 PM
**To:** Neuman, Gayle
**Subject:** RE: Rate/Rule Filing #08-R2206

Dear Ms. Neuman:

Thank you for your email dated July 17, 2008. Please note our following response to the issues you raised.

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?

Response: We report statistics to ISO.

2. As this filing is not being submitted for American Casualty Company of Reading, PA or National Fire Insurance Company of Hartford, why are their names still referenced on the cover page?

Response: The cover page is for the countrywide pages. In some states these companies are used, so their names are on the cover sheet to the countrywide pages for use in such states.

3. Under XII. Extended Reporting Period Coverage, paragraph A. should read "The limits OF liability...". Additionally, paragraph D. indicates installment payments can be arranged for at the company's discretion. Please explain what factors would prohibit the company from offering such installment payments.

Response: Wording has been revised to reflect "the limits of liability", please see the revised countrywide pages. A statement has been added to the Illinois state exception pages reflecting that we will offer the installment payment option.

4. On the State Rate/Exception pages under C. Individual Risk Rating Plan, it states accounts generating more than $100,000 manual premium at $100,000/$300,000 limits are considered to be unique and will be (a) rated. As a neurology surgeon in Cook County could be charged over $99,000 for such coverage, please explain how this is a unique risk. Please explain what factor would be applied in the "a" rating.

Response: This rule's intent is to allow for a large account with a credible loss history to be used as a compliment to the manual rating process. A large group of family practitioners, for example, may have enough loss experience on its own to be credible for a rate analysis.

5. On the State Rate/Exception pages under I. Quarterly Installment Option, additional wording is required indicating the second, third, and fourth installments are due 3, 6, and 9 months from policy inception, respectively;

Response: This rule has been added as sub-item e. of rule I. Quarterly Installment Option. Please see the revised Illinois state exception pages.

6. On the State Rate/Exception pages, page 9 list various ancillary medical personnel. You cannot determine what amount will be charged to each medical specialty listed. Please advise.

Response: Classes that did not have rates assigned to them have been removed.

Please see the revised Illinois state exception pages.

Thank you

Robert Alonzo - CNA

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## Continental Casualty Company & The Continental Insurance Company

Company pages found in this manual shall apply to this program subject to the following:
General Rule XII, sub-item D. is deleted in its entirety and replaced by the following:

Premium must be paid promptly when due. Premium may be paid in advance, or be paid in three annual installments.

A. Medical Practitioners - Claims-Made Rates: (at $100,000/$300,000 Limits of Liability)

Territory I: Cook, Madison, St. Clair, Will, and Jackson Counties

| | Step Rates | | | | |
|---|---|---|---|---|---|
| Class | 1 | 2 | 3 | 4 | 5 |
| 1A | 2,815 | 5,119 | 6,825 | 7,508 | 8,532 |
| 1 | 4,022 | 7,313 | 9,751 | 10,726 | 12,188 |
| 2A | 4,827 | 8,776 | 11,701 | 12,871 | 14,626 |
| 2 | 5,631 | 10,238 | 13,651 | 15,016 | 17,064 |
| 3 | 7,240 | 13,163 | 17,551 | 19,306 | 21,939 |
| 4A | 8,849 | 16,088 | 21,451 | 23,596 | 26,814 |
| 4 | 11,262 | 20,476 | 27,302 | 30,032 | 34,127 |
| 5 | 13,273 | 24,133 | 32,177 | 35,395 | 40,221 |
| 6 | 14,480 | 26,327 | 35,102 | 38,612 | 43,878 |
| 7 | 24,535 | 44,609 | 59,478 | 65,426 | 74,348 |
| 8 | 32,981 | 59,966 | 79,955 | 87,950 | 99,943 |

Territory II: DuPage, Kane, Lake, McHenry, Winnebago, and Vermillion Counties

| | Step Rates | | | | |
|---|---|---|---|---|---|
| Class | 1 | 2 | 3 | 4 | 5 |
| 1A | 2,200 | 3,999 | 5,332 | 5,866 | 6,665 |
| 1 | 3,142 | 5,713 | 7,618 | 8,379 | 9,522 |
| 2A | 3,771 | 6,856 | 9,141 | 10,055 | 11,426 |
| 2 | 4,399 | 7,999 | 10,665 | 11,731 | 13,331 |
| 3 | 5,656 | 10,284 | 13,712 | 15,083 | 17,140 |
| 4A | 6,913 | 12,569 | 16,759 | 18,435 | 20,948 |
| 4 | 8,798 | 15,997 | 21,329 | 23,462 | 26,662 |
| 5 | 10,370 | 18,854 | 25,138 | 27,652 | 31,423 |
| 6 | 11,312 | 20,568 | 27,423 | 30,166 | 34,279 |
| 7 | 19,168 | 34,851 | 46,468 | 51,114 | 58,084 |
| 8 | 25,767 | 46,848 | 62,465 | 68,711 | 78,081 |

**Continental Casualty Company & The Continental Insurance Company**

Territory III: Champaign, Grundy, Kankakee, LaSalle, Macon, Sangamon, Bureau, Coles, Dekalb, Effingham, Ogle, and Randolph Counties

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 1,716 | 3,119 | 4,159 | 4,575 | 5,199 |
| 1 | 2,451 | 4,456 | 5,942 | 6,536 | 7,427 |
| 2A | 2,941 | 5,348 | 7,130 | 7,843 | 8,913 |
| 2 | 3,431 | 6,239 | 8,318 | 9,150 | 10,398 |
| 3 | 4,412 | 8,021 | 10,695 | 11,765 | 13,369 |
| 4A | 5,392 | 9,804 | 13,072 | 14,379 | 16,340 |
| 4 | 6,863 | 12,478 | 16,637 | 18,301 | 20,796 |
| 5 | 8,088 | 14,706 | 19,608 | 21,569 | 24,510 |
| 6 | 8,824 | 16,043 | 21,390 | 23,529 | 26,738 |
| 7 | 14,951 | 27,184 | 36,245 | 39,869 | 45,306 |
| 8 | 20,098 | 36,542 | 48,722 | 53,595 | 60,903 |

Territory IV: Remainder of State

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 1,342 | 2,440 | 3,253 | 3,578 | 4,066 |
| 1 | 1,917 | 3,485 | 4,647 | 5,111 | 5,808 |
| 2A | 2,300 | 4,182 | 5,576 | 6,134 | 6,970 |
| 2 | 2,684 | 4,879 | 6,505 | 7,156 | 8,132 |
| 3 | 3,450 | 6,273 | 8,364 | 9,201 | 10,455 |
| 4A | 4,217 | 7,667 | 10,223 | 11,245 | 12,779 |
| 4 | 5,367 | 9,758 | 13,011 | 14,312 | 16,264 |
| 5 | 6,325 | 11,501 | 15,334 | 16,868 | 19,168 |
| 6 | 6,900 | 12,546 | 16,728 | 18,401 | 20,910 |
| 7 | 11,692 | 21,259 | 28,345 | 31,180 | 35,432 |
| 8 | 15,718 | 28,578 | 38,103 | 41,914 | 47,629 |

A 25% credit shall be applied to the medical practitioners' rate if the Limits of Liability are shared with all medical practitioners within a Corporation or Partnership.

B. Scheduled Rating Modification Plan

The maximum permissible modification of the Professional Liability premium(s) under the Schedule Rating Modification Plan is ± 40%.

C. Individual Risk Rating Plan:

Accounts generating more than $100,000 in manual premium at $100,000/300,000 limits of liability are to be considered unique and unusual and will be (a)rated. Proper documentation as to the determination of such rate will be maintained in the underwriting file.

D. Corporation/Partnership/Professional Association Charge:

1. If on a separate limit of liability basis, the rate is computed, per Corporation/Partnership/ Professional Association, as up to 20% of the total developed professional liability premium for each practitioner and ancillary person charged a rate.

2. If a solo-practitioner desires coverage for the corporation/partnership/professional association, coverage can be provided for no additional premium charge, in which case the practitioner and the corporation/partnership/association share in the limit of liability.

E. Optional Coverages:

| *Coverage* | *Rate* |
|---|---|
| 1. All Insureds: | |
| First Aid Coverage Endorsement | Included |
| Medical Laboratory | 25% of the Class 1 rate. |

F. Ancillary Personnel - Claims-Made Rates

1. The following ancillary personnel may be added to the Corporation policy (Individual Physicians policy if no Corporation) as additional named insureds at the premium shown below. Limits of Liability must be equal those of the Corporation (Individual Physicians) and shall apply separately to each individual:

Territory I: Cook, Madison, St. Clair, Will and Jackson Counties
(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant, Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse | 603 | 1,097 | 1,463 | 1,609 | 1,828 |
| H/L Perfusionist | 724 | 1,316 | 1,755 | 1,931 | 2,194 |
| Nurse Midwife | 4,907 | 8,922 | 11,896 | 13,085 | 14,870 |
| Nurse Anesthetist | 1,207 | 2,194 | 2,925 | 3,218 | 3,656 |
| Nurse Practitioners | 248 | 451 | 601 | 661 | 751 |

Territory II: DuPage, Kane, Lake, McHenry, Winnebago, and Vermillion Counties
(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant, Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse | 989 | 1,798 | 2,398 | 2,637 | 2,997 |
| H/L Perfusionist | 1,187 | 2,158 | 2,877 | 3,165 | 3,597 |
| Nurse Midwife | 8,044 | 14,626 | 19,501 | 21,451 | 24,376 |
| Nurse Anesthetist | 1,978 | 3,597 | 4,795 | 5,275 | 5,994 |
| Nurse Practitioners | 248 | 451 | 601 | 661 | 751 |

**Continental Casualty Company & The Continental Insurance Company**

Territory III: Champaign, Grundy, Kankakee, LaSalle, Macon, Sangamon, Bureau, Coles, Dekalb, Effingham, Ogle, and Randolph Counties

(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant, Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse | 1,265 | 2,299 | 3,066 | 3,372 | 3,832 |
| H/L Perfusionist | 1,518 | 2,759 | 3,679 | 4,047 | 4,599 |
| Nurse Midwife | 10,286 | 18,702 | 24,936 | 27,429 | 31,170 |
| Nurse Anesthetist | 2,529 | 4,599 | 6,132 | 6,745 | 7,665 |
| Nurse Practitioners | 248 | 451 | 601 | 661 | 751 |

Territory IV: Remainder of State

(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant, Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse | 288 | 523 | 697 | 767 | 871 |
| H/L Perfusionist | 345 | 627 | 836 | 920 | 1,046 |
| Nurse Midwife | 2,338 | 4,252 | 5,669 | 6,236 | 7,086 |
| Nurse Anesthetist | 575 | 1,046 | 1,394 | 1,533 | 1,743 |
| Nurse Practitioners | 248 | 451 | 601 | 661 | 751 |

2. A 25% credit shall be applied to the ancillary personnel rate if the Limits of Liability are shared with the Corporation (Individual Physicians).

3. The following ancillary personnel may be added to the Corporation policy as additional insureds at no additional charge, provided that Limits of Liability are on a shared basis:

All other under Code 80998 (Audiologist, Medical Aide, R.N., L.P.N., Psychologist, Research Ph.D.)
Full Time Medical Students
Medical Laboratory Technician
O.R. Technician (Code 80998)
Optometrist/Optician
Pharmacists
Physiotherapists
Dental Hygienist
Scrub Nurse (Code 80998)
X-Ray Technician with/without Therapy

**Continental Casualty Company & The Continental Insurance Company**

G. Increased Limits:

| *Desired Limit* | *Increase Factor* |
|---|---|
| $100,000/300,000 | 1.00 |
| $500,000/1,000,000 | 1.76 |
| 1,000,000/1,000,000 | 2.09 |
| 1,000,000/3,000,000 | 2.15 |

{Higher Limits are available - Refer to Company.}

H. Extended Reporting Period:

**1. Automatic Extended Reporting Period**

There is no additional premium charge for this coverage

**2. Optional Extended Reporting Period**

The additional premium for the optional extended reporting period shall be based on the rates for such coverage in effect on the date the Policy terminated.

The factors in the following table shall be applied to the expiring annual premium:

| Years of Prior Claims Made Coverage | Installment Factors | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st Year | 2nd Year | 3rd Year | |
| 1 | .36 | .34 | .28 | 0.92 |
| 2 | .58 | .55 | .39 | 1.43 |
| 3 | .67 | .55 | .59 | 1.70 |
| 4 or more | .84 | .55 | .59 | 1.87 |

**3. Death or Disability Extended Reporting Period**

There is no additional premium charge for this coverage.

**4. Retirement Extended Reporting Period**

A. There is no additional premium charge for this coverage. provided that retirement takes place during the policy period and the insured is:

1. age 55 or older and has been insured by us for at least 5 years of claims-made coverage; or
2. any age and has been insured by us for at least 10 years of claims-made coverage.

B. The Retirement Extended Reporting Period coverage will be granted with the following discounts, provided the above rule does not apply, and retirement takes place subject to the following schedule:

| Years of Continuous Coverage with a CNA Company | Premium Discount |
|---|---|
| 9 | 90% |
| 8 | 80% |
| 7 | 70% |
| 6 | 60% |
| 5 | 50% |
| 4 | 40% |
| 3 | 30% |
| 2 | 20% |
| 1 | 10% |

• Years of coverage must be with a CNA group company on a Claims-Made basis.

I. Quarterly Installment Option

Section F. Premium Payment Plan of the company pages is deleted in its entirety and replaced with the following:

The company will offer to the Named Insured a premium payment option as follows:

a. Each quarterly premium payment will be 25% of the total annual premium;

b. There will be no interest charges;

c. There will be quarterly installment charges equal to the lesser of 1% of the total annual premium or $25.00;

d. Any additional premium resulting from changes to the policy, mid-term, shall be spread equally over the remaining installment payments.

e. Second, third, and fourth quarterly premium payments will be due three, six, and nine months, respectively, after policy inception.

## Continental Casualty Company & The Continental Insurance Company

J. Medical Practitioners Classifications

Each medical practitioner is assigned a classification code according to their medical specialty. When more than one classification is applicable, the highest rate classification shall apply.

**Class 1A -**

| *Medical Specialty* | *Code* |
|---|---|
| Administrative Medicine | 80178 |
| Allergy/Immunology | 80254 |
| Diabetes - no surgery | 80237 |
| Forensic or Legal Medicine | 80240 |
| General Preventive Medicine | 80231 |
| Nephrology - no surgery | 80260 |
| Ophthalmology - no surgery | 80263 |
| Pathology - All Other | 80266 |
| Preventive Medicine - no surgery - Aerospace Medicine | 80230 |
| Preventive Medicine - no surgery - Occupational Medicine | 80233 |
| Preventive Medicine - no surgery - Public/General Health Medicine | 80236 |
| Psychiatry - All Other | 80249 |

**Class 1 -**

| *Medical Specialty* | *Code* |
|---|---|
| Cardiovascular Disease - no surgery | 80255 |
| Dermatology - no surgery | 80256 |
| Diabetes - minor surgery | 80271 |
| Endocrinology - no surgery | 80238 |
| Family/General Practice - no surgery | 80420 |
| Gastroenterology - no surgery | 80241 |
| Geriatrics - no surgery | 80243 |
| Gynecology - no surgery | 80244 |
| Hematology - no surgery | 80245 |
| Hospitalists | 80222 |
| Infectious Disease | 80246 |
| Internal Medicine - no surgery | 80257 |
| Neoplastic Diseases - no surgery | 80259 |
| Nephrology - minor surgery | 80287 |
| Nuclear Medicine | 80262 |
| Nutritionist | 80248 |
| Oncology - no surgery | 80302 |
| Otorhinolaryngology - no surgery | 80265 |
| Pathology - Cytopathology | 80292 |
| Pediatrics - no surgery | 80267 |
| Pharmacology - clinical | 80234 |
| Physical Medicine and Rehabilitation - All Other | 80235 |
| Physicians - no surgery - NOC | 80268 |
| Preventive Medicine - no surgery - Undersea/Hyperbaric Medicine | 80139 |
| Pulmonary Diseases - no surgery | 80269 |
| Rheumatology - no surgery | 80252 |
| Sports Medicine - no surgery | 80205 |
| Urgent Care Medicine | 80424 |
| Urology - no surgery | 80121 |

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**Class 2A -**

| *Medical Specialty* | *Code* |
|---|---|
| Anesthesiology - All Other | 80181 |

**Class 2 –**

| *Medical Specialty* | *Code* |
|---|---|
| Dermatology - minor surgery | 80282 |
| Endocrinology - minor surgery | 80272 |
| Family/General Practice - minor surgery - excluding obstetrics | 80421 |
| Gastroenterology - minor surgery | 80274 |
| Gynecology - minor surgery | 80277 |
| Intensive Care Medicine | 80283 |
| Internal Medicine - minor surgery | 80284 |
| Neurology - including child - no surgery - All Other | 80261 |
| Ophthalmology - minor surgery | 80289 |
| Otorhinolaryngology - minor surgery | 80291 |
| Phys. - no major surgery - Acupuncture | 80437 |
| Phys. - no major surgery - Angiography, Arteriography, Catheterization | 80422 |
| Phys. - no major surgery - Colonoscopy, ERCP, esophageal dilation | 80443 |
| Phys. - no major surgery - Discograms, Myelography, Pneumoenceph. | 80428 |
| Phys. - no major surgery - Lymphangiography, Phlebography | 80434 |
| Phys. - no major surgery - Needle Biopsy | 80446 |
| Phys. - no major surgery - Radiopaque Dye | 80449 |
| Phys. - no major surgery - Shock Therapy | 80431 |
| Physicians - minor surgery - NOC | 80294 |
| Physicians or Surgeons Assistants | 80116 |
| Radiology - Diagnostic | 80253 |
| Radiology - Theraputic | 80359 |
| Surgery - Ophthalmology | 80114 |
| Urology - minor surgery | 80120 |

**Class 3 –**

| *Medical Specialty* | *Code* |
|---|---|
| Anesthesiology - Chronic Pain Management | 80182 |
| Bronco - Esophagology | 80101 |
| Cardiovascular Disease - minor surgery | 80281 |
| Dermatology - All Other | 80297 |
| Neonatology - non-critical care | 80804 |
| Podiatrists - below the ankle | 80993 |
| Radiology - Diagnostic - Including Interventional | 80280 |
| Radiology - Theraputic - Including Interventional & Radiation TX | 80358 |
| Surgery - Colon & Rectal | 80115 |
| Surgery - Maxillofacial | 80210 |
| Surgery - Otorhinolaryngology | 80159 |
| Surgery - Pediatric | 80180 |
| Surgery - Urological | 80145 |

## Continental Casualty Company & The Continental Insurance Company

**Class 4A –**

| *Medical Specialty* | *Code* |
|---|---|
| Emergency Medicine - no major surgery | 80102 |
| Podiatrists - above the ankle | 80993a |
| Surgery - Gastroenterology | 80104 |

**Class 4 –**

| *Medical Specialty* | *Code* |
|---|---|
| Surgery - Family/General Practice - Incl. OB | 80117 |
| Surgery - General - Excluding Bariatric | 80143 |
| Surgery - Gynecology | 80167 |
| Surgery - Neoplastic Diseases/Oncology | 80107 |

**Class 5 –**

| *Medical Specialty* | *Code* |
|---|---|
| Emergency Medicine - including major surgery | 80157 |
| Neonatology - critical care | 80804a |
| Surgery - Abdominal | 80166 |
| Surgery - Hand | 80169 |
| Surgery - Head and Neck | 80170 |
| Surgery - Orthopedic - excluding spine | 80154 |
| Surgery - Plastic - NOC | 80156 |
| Surgery - Plastic - Otorhinolaryngology | 80155 |
| Surgery - Trauma | 80171 |

**Class 6 –**

| *Medical Specialty* | *Code* |
|---|---|
| Surgery - Cardiac | 80141 |
| Surgery - Cardiovascular Disease | 80150 |
| Surgery - Orthopedic - including spine | 80154a |
| Surgery - Thoracic | 80144 |
| Surgery - Vascular | 80146 |

**Class 7 –**

| *Medical Specialty* | *Code* |
|---|---|
| Perinatology | 80804b |
| Surgery - General - Including Bariatric | 80143a |
| Surgery - Obstetrics - Gynecology | 80153 |

**Class 8 –**

| *Medical Specialty* | *Code* |
|---|---|
| Surgery - Neurology - including child | 80152 |

## Continental Casualty Company & The Continental Insurance Company

**Ancillary Medical Personnel**

The following medical personnel have been assigned the specialty classification codes as shown:

| *Medical Specialty* | *Code* |
|---|---|
| Heart/Lung Perfusionist | 80945 |
| Nurse Midwife | 80962 |
| Nurse Practitioner | 80998 |
| Nurse Anesthetist | 80960 |
| Paramedics | 80116 |
| Physician Assistant | 80116 |
| Scrub Nurse/Operating Room Technician: | |
| 1. whose duties require them to assist & remain in the O.R. for a surgical procedure. | 80116 |
| 2. whose duties are to set up the O.R., but who do not remain in O.R. during a procedure. | 80998 |
| Surgeon Assistant | 80116 |

**Additional Classifications (Corporation/Partnership/Professional Association):**

| | |
|---|---|
| Corporation/Partnership/Professional Association | 80999 |
| Medical Laboratory | 80715 |

The following classifications identify additional potential exposures applicable to each individual Group Practice. These classifications require prior underwriting approval by the Company.

| | |
|---|---|
| Clinical Surgery Center | 80610 |
| Emergency Room | 80610 |
| Medical Facility | 80610 / 80611 |

## Neuman, Gayle

**From:** Alonzo,Robert A. [Robert.Alonzo@CNA.com]
**Sent:** Thursday, August 28, 2008 7:48 AM
**To:** Neuman, Gayle
**Subject:** RE: Rate/Rule Filing #08-R2206
**Attachments:** IL Complete Certifications.pdf

Dear Ms. Neuman:

In response to your request, here are the updated certifications. We apologize for the delay.

Robert Alonzo

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Tuesday, July 29, 2008 9:38 AM
**To:** Alonzo,Robert A.
**Subject:** Rate/Rule Filing #08-R2206

Mr. Alonzo,

We were provided with certification forms. However, one form lists both companies but does not list both FEINs. Please submit another certification for both insurance companies that is signed by the company officer and authorized actuary.

Your prompt attention is appreciated.

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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# 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, a duly authorized officer of The Continental Insurance Company, 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 he 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.

I, Sharon K. Robinson, FCAS, MAAA, a duly authorized actuary of The Casualty Actuarial Society, 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 VP & Actuary - Pricing — 8-27-08
Signature and Title of Authorized Insurance Company Officer — Date

Sharon K Robinson VP & Actuary - Pricing — 8-27-08
Signature and Title of Authorized Actuary — Date

Insurance Company FEIN 13-5010440 Filing Number 08-R2206

Insurer's Address 40 Wall Street - 9th Fl

City New York State NY Zip Code 10005

Contact Person's:
- Name and E-mail Robert Alonzo robert.alonzo@cna.com

- Direct Telephone and Fax Number 212-440-3478 Fax 212-440-2877

# 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, a duly authorized officer of Continental Casualty Company, 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 he 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.

I, Sharon K. Robinson, FCAS, MAAA, a duly authorized actuary of The Casualty Actuarial Society, am authorized to certify on behalf of Continental Casualty 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 VP & Actuary-Pricing — 8-5-08
Signature and Title of Authorized Insurance Company Officer — Date

Sharon K Robinson VP & Actuary-Pricing — 8-5-08
Signature and Title of Authorized Actuary — Date

Insurance Company FEIN 36-2114545 Filing Number 08-R2206

Insurer's Address 40 Wall Street -9th Fl

City New York State NY Zip Code 10005

Contact Person's:
- Name and E-mail Robert Alonzo robert.alonzo@cna.com

- Direct Telephone and Fax Number 212-440-3478 Fax 212-440-2877

## Neuman, Gayle

**From:** Stern,Adrienne H. [Adrienne.Stern@CNA.com]
**Sent:** Thursday, August 21, 2008 12:58 PM
**To:** Neuman, Gayle
**Cc:** Alonzo,Robert A.; Cortina,Kristine; Mahon,Cheryl
**Subject:** FW: Rate/Rule Filing #08-R2206 (Illinois)

Ms. Neuman:

I just followed up with the actuary this morning on this item. The officer required to sign the two certification forms is out of the office and is expected to return on Tuesday August 26th. The actuary will forward the two certification forms to me as soon as they are signed.

I hope that this is acceptable to you.

Thank you.
*Adrienne Stern*
*Product Compliance Analyst*
*GSL - Legal Services*
*Phone: 212-440-3268*
*Fax: 212-440-2877*
*adrienne.stern@cna.com*
*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. Thank you very much.*

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Thursday, August 21, 2008 11:51 AM
**To:** Alonzo,Robert A.
**Subject:** FW: Rate/Rule Filing #08-R2206

Mr. Alonzo,

I have received no response to the 7/29/08 e-mail below. We request your immediate attention.

Gayle Neuman
Divsion of Insurance

---

**From:** Neuman, Gayle
**Sent:** Tuesday, July 29, 2008 8:38 AM
**To:** 'Alonzo,Robert A.'
**Subject:** Rate/Rule Filing #08-R2206

Mr. Alonzo,

We were provided with certification forms. However, one form lists both companies but does not list both FEINs. Please submit another certification for both insurance companies that is signed by the company officer and authorized actuary.

Your prompt attention is appreciated.

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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## Neuman, Gayle

**From:** Alonzo,Robert A. [Robert.Alonzo@CNA.com]
**Sent:** Thursday, August 21, 2008 10:52 AM
**To:** Neuman, Gayle
**Subject:** Out of Office AutoReply: Rate/Rule Filing #08-R2206

I will be out the office the week of Aug. 18, 2008, and returning on Monday Aug. 25, 2008.

Please contact Micaah Morris @ 212-440-2319

Thanks.

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## Neuman, Gayle

**From:** Alonzo,Robert A. [Robert.Alonzo@CNA.com]
**Sent:** Friday, July 25, 2008 3:01 PM
**To:** Neuman, Gayle
**Subject:** RE: Rate/Rule Filing #08-R2206

Dear Ms. Neuman:

Thank you for your correspondence via SERFF dated July 24, 2008. Please note our following response to the issue you raised.

**Objection:** I have an additional question on this filing. On page 10 of the Illinois State Rate/Exception Pages, codes 80999, 80715, 80610, and 80611 are listed. Please explain how you determine the amount of premium that will charged for these risks.

**Response:**

Codes 80999, 80610, and 80611 will be charged premium in accordance with Illinois state exception pages Section D. Corporation/Partnership/Professional Association.

Code 80715, Medical Laboratory, will be charged premium in accordance with Illinois state exception pages Section E. Optional Coverages.

Thank you.

Robert Alonzo

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Thursday, July 24, 2008 3:41 PM
**To:** Alonzo,Robert A.
**Subject:** RE: Rate/Rule Filing #08-R2206

Mr. Alonzo,

I have an additional question on this filing. On page 10 of the Illinois State Rate/Exception Pages, codes 80999, 80715, 80610, and 80611 are listed. Please explain how you determine the amount of premium that will charged for these risks.

Gayle Neuman
Division of Insurance

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**From:** Alonzo,Robert A. [mailto:Robert.Alonzo@CNA.com]
**Sent:** Thursday, July 24, 2008 1:25 PM
**To:** Neuman, Gayle
**Subject:** RE: Rate/Rule Filing #08-R2206

Dear Ms. Neuman:

Thank you for your email dated July 17, 2008. Please note our following response to the issues you raised.

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?

Response: We report statistics to ISO.

2. As this filing is not being submitted for American Casualty Company of Reading, PA or National Fire Insurance Company of Hartford, why are their names still referenced on the cover page?

Response: The cover page is for the countrywide pages. In some states these companies are used, so their names are on the cover sheet to the countrywide pages for use in such states.

3. Under XII. Extended Reporting Period Coverage, paragraph A. should read "The limits OF liability...". Additionally, paragraph D. indicates installment payments can be arranged for at the company's discretion. Please explain what factors would prohibit the company from offering such installment payments.

Response: Wording has been revised to reflect "the limits of liability", please see the revised countrywide pages. A statement has been added to the Illinois state exception pages reflecting that we will offer the installment payment option.

4. On the State Rate/Exception pages under C. Individual Risk Rating Plan, it states accounts generating more than $100,000 manual premium at $100,000/$300,000 limits are considered to be unique and will be (a) rated. As a neurology surgeon in Cook County could be charged over $99,000 for such coverage, please explain how this is a unique risk. Please explain what factor would be applied in the "a" rating.

Response: This rule's intent is to allow for a large account with a credible loss history to be used as a compliment to the manual rating process. A large group of family practitioners, for example, may have enough loss experience on its own to be credible for a rate analysis.

5. On the State Rate/Exception pages under I. Quarterly Installment Option, additional wording is required indicating the second, third, and fourth installments are due 3, 6, and 9 months from policy inception, respectively;

Response: This rule has been added as sub-item e. of rule I. Quarterly Installment Option. Please see the revised Illinois state exception pages.

6. On the State Rate/Exception pages, page 9 list various ancillary medical personnel. You cannot determine what amount will be charged to each medical specialty listed. Please advise.

Response: Classes that did not have rates assigned to them have been removed.

Please see the revised Illinois state exception pages.

Thank you

Robert Alonzo - CNA

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**Neuman, Gayle**

**From:** Alonzo,Robert A. [Robert.Alonzo@CNA.com]
**Sent:** Tuesday, October 28, 2008 11:50 AM
**To:** Neuman, Gayle
**Subject:** Rate/Rule Filing #08-R2206 Follow-up
**Attachments:** IL 08-R2206 PHYSUR Resp # 3-Follow Up 10-28-08.pdf; IL PPL 2008 Pages - Rev 10-28-08.pdf

Dear Ms. Neuman:

In the process of completing the response to a recent objection for the corresponding form filing [State Tracking No. CNAC-125487735], we discovered a typographical error in the Illinois State Rate/Exception Pages.

Please see attach:

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

State Filing Analyst
P & C State Filing Unit
CNA Global Specialty Lines

Telephone 212-440-3478
Facsimile 212-440-2877
Toll Free 877-269-3277 x3478
Internet Robert.alonzo@cna.com

October 28, 2008

MS. GAYLE NEUMAN
ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF INSURANCE
PROPERTY AND CASUALTY COMPLIANCE UNIT
320 W WASHINGTON ST
SPRINGFIELD IL 62767-0001

***RE:*** ***CONTINENTAL CASUALTY COMPANY NAIC#: 218-20443 FEIN#: 36-2114545***
***CONTINENTAL INSURANCE COMPANY NAIC #: 218-35289 FEIN#: 13-5010440***
***Doctors (Physicians & Surgeons) Professional Liability***
***Rates/Rules***
***OUR FILE NO. : 08-R2206***

Dear Ms. Neuman:

In the process of completing the response to a recent objection for the corresponding form filing [State Tracking No. CNAC-125487735] we discovered a typographical error in the Illinois State Rate/Exception Pages.

Under Item H.2. we now specify that the factors in the following table shall be applied to the expiring annual premium. This rule now matches the amendatory endorsement submitted under State Tracking No. CNAC-125487735.

Updated Illinois State Rate/Exception Pages are attached.

Thank you.

Very truly yours,

*Robert Alonzo*

Robert Alonzo
State Filing Analyst

**Continental Casualty Company & The Continental Insurance Company**

G. Increased Limits:

| *Desired Limit* | *Increase Factor* |
|---|---|
| $100,000/300,000 | 1.00 |
| $500,000/1,000,000 | 1.76 |
| 1,000,000/1,000,000 | 2.09 |
| 1,000,000/3,000,000 | 2.15 |

{Higher Limits are available - Refer to Company.}

H. Extended Reporting Period:

**1. Automatic Extended Reporting Period**

There is no additional premium charge for this coverage

**2. Optional Extended Reporting Period**

The additional premium for the optional extended reporting period shall be based on the rates for such coverage in effect on the date the Policy terminated.

The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy:

| Years of Prior Claims Made Coverage | Installment Factors | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st Year | 2nd Year | 3rd Year | |
| 1 | .36 | .34 | .28 | 0.92 |
| 2 | .58 | .55 | .39 | 1.43 |
| 3 | .67 | .55 | .59 | 1.70 |
| 4 or more | .84 | .55 | .59 | 1.87 |

**3. Death or Disability Extended Reporting Period**

There is no additional premium charge for this coverage.

**4. Retirement Extended Reporting Period**

A. There is no additional premium charge for this coverage. provided that retirement takes place during the policy period and the insured is:
   1. age 55 or older and has been insured by us for at least 5 years of claims-made coverage; or
   2. any age and has been insured by us for at least 10 years of claims-made coverage.

**Continental Casualty Company**
**The Continental Insurance Company**
Physicians & Surgeons Professional Liability

Actuarial Memorandum
Illinois

With this rate filing, Continental Casualty Company (CCC) proposes several changes to its Physicians & Surgeons Professional Liability program in the State of Illinois. All changes are proposed with an effective date of March 1, 2008. The proposed changes are:

**Changes to State Pages**

1. **Base Rate**
   CCC proposes a base rate decrease of 59.2%. CCC has written limited premium under this program in Illinois in recent years. Therefore, the indicated rate change was not calculated based upon CCC's historical experience, but rather based on the filed rates of a competitor, ISMIE Mutual Insurance Company ("ISMIE"). Exhibits 1 through 6 show this competitor rate comparison and analysis. Exhibits 1 through 4 show the calculation of the proposed rates. As shown in the exhibits, ISMIE's current rates are adjusted for the difference in expenses, the difference in class plans and trend to July 1st, 2007, the date of the analysis, in order to determine the indicated rate.

   Exhibit A derives the proposed base rate change. Rows 1-3 derive CNA's overall rate need. Rows 4-9 calculate the impact of the class plan and territory changes described below. Row 10 calculates the proposed base rate change required to reflect the overall rate need (row 3), the class plan impact (row 6), and the territory change impact (row 9).

2. **Class Plan**
   A new class plan with an average impact of 4.5% is proposed. Because of CCC's limited written premium under this program in recent years, the proposed class plan is based on a recent study by Tillinghast, consulting business of Towers Perrin. Tillinghast used data from a sampling of insurers of physicians professional liability coverage to produce indicated physician and surgeon specialty relativities. Exhibit C shows the proposed change in CCC's class plan and the overall impact on average rates. As mentioned above, Exhibit A adjusts the indicated base rate from Exhibit 1 for the proposed class plan changes to maintain the same average rate from the competitor analysis.

3. **Territories**
   After reviewing the territories and relativities of competitors ISMIE and MedPro, CCC proposes a few territory changes. Jackson County has been moved from Territory III to Territory I. Winnebago County has been moved from Territory IV to Territory II. Vermillion County has been moved from Territory III to Territory II.

Grundy, Bureau, Coles, Dekalb, Effingham, Ogle, and Randolph Counties have moved from Territory IV to Territory III. This change has an average impact of 1.2%, as shown in Exhibit D.

4. **Ancillary Personnel Rates**
   CCC is proposing new base rates for ancillary personnel. CCC derives the base rates for ancillary personnel, except for Nurse Practitioners, by applying a relativity to the physician and surgeons base rates. In the past, these relativities have varied widely from state to state. In order to make these relativities more consistent across the country and updated to reflect CCC's new class plan, we are adjusting our ancillary personnel relativities in Illinois. For Nurse Practitioners, CCC has selected a base rate consistent with the Nurse Practitioner rates filed for our Nurse and Allied Healthcare Facilities program. See Exhibit E for impact of this change by class.

5. **Medical Practitioners Shared Limits**
   The following has been added to Rule *A. Medical Practitioners – Claims-Made Rates*:
   A 25% credit shall be applied to the medical practitioners' rate if the Limits of Liability are shared with all medical practitioners within a Corporation or Partnership.

6. **Ancillary Personnel Shared Limits**
   The following has been added to Rule *E. Ancillary Personnel – Claims-Made Rates*:
   2. A 25% credit shall be applied to the ancillary personnel rate if the Limits of Liability are shared with the Corporation (Individual Physicians).

7. **Ancillary Personnel ILF Note**
   The previous version of the Illinois state pages included a statement under Rule *G. Increased Limits* for ancillary personnel that is no longer applicable. The note was left in the state pages from when the increased limits factors depended on the medical practitioner's classification. The statement that has been removed stated:
   *Miscellaneous/Ancillary personnel shall be treated as Class 1A for Increased Limits.*

8. **Quarterly Installment Option**
   Section I. Quarterly Installment Option has been added to the state pages. The section states the following:
   Section F. Premium Payment Plan of the company pages is deleted in its entirety and replaced with the following:
   The company will offer to the Named Insured a premium payment option as follows:
   a. Each quarterly premium payment will be 25% of the total annual premium;

b. There will be no interest charges;
c. There will be quarterly installment charges equal to the lesser of 1% of the total annual premium or $25.00;
d. Any additional premium resulting from changes to the policy, mid-term, shall be spread equally over the remaining installment payments.

9. **Adding a Company**
   CCC proposes the inclusion of the underwriting company, The Continental Insurance Company ("CIC", NAIC# 35289), on its Illinois rate manual within this submission. CIC is adopting CCC's current state pages, including the changes proposed with this filing. Since The Continental Insurance Company will be a new company in the Illinois market, there is no impact on policyholders.

**Changes to Countrywide Pages**

1. **Rule changes**
   a. Rule XII – ERP rule has been updated to include wording for death, disability, and retirement (DDR).

2. **Adding a Company**
   CCC proposes the inclusion of the underwriting company, The Continental Insurance Company ("CIC", NAIC# 35289), on its countrywide manual within this submission. CIC is adopting CCC's current countrywide pages, including the changes proposed with this filing.

**Actual In-Force Impact**

There are no in-force policies, as of June 30, 2007, therefore the changes described above will have no impact to policyholders.

The revised countrywide pages and rating manual are attached.

**Continental Casualty Company**
**The Continental Insurance Company**
Physicians & Surgeons Professional Liability

Actuarial Memorandum
Illinois

With this rate filing, Continental Casualty Company (CCC) proposes several changes to its Physicians & Surgeons Professional Liability program in the State of Illinois. All changes are proposed with an effective date of March 1, 2008. The proposed changes are:

**Changes to State Pages**

1. **Base Rate**
   CCC proposes a base rate decrease of 61.1%. CCC has written limited premium under this program in Illinois in recent years. Therefore, the indicated rate change was not calculated based upon CCC's historical experience, but rather based on the filed rates of a competitor, ISMIE Mutual Insurance Company ("ISMIE"). Exhibits 1 through 6 show this competitor rate comparison and analysis. Exhibits 1 through 4 show the calculation of the proposed rates. As shown in the exhibits, ISMIE's current rates are adjusted for the difference in expenses, the difference in class plans and trend to July 1st, 2007, the date of the analysis, in order to determine the indicated rate.

   Exhibit A derives the proposed base rate change. Rows 1-3 derive CNA's overall rate need. Rows 4-9 calculate the impact of the class plan and territory changes described below. Row 10 calculates the proposed base rate change required to reflect the overall rate need (row 3), the class plan impact (row 6), and the territory change impact (row 9).

2. **Class Plan**
   A new class plan with an average impact of 4.5% is proposed. Because of CCC's limited written premium under this program in recent years, the proposed class plan is based on a recent study by Tillinghast, consulting business of Towers Perrin. Tillinghast used data from a sampling of insurers of physicians professional liability coverage to produce indicated physician and surgeon specialty relativities. Exhibit C shows the proposed change in CCC's class plan and the overall impact on average rates. As mentioned above, Exhibit A adjusts the indicated base rate from Exhibit 1 for the proposed class plan changes to maintain the same average rate from the competitor analysis.

3. **Territories**
   After reviewing the territories and relativities of competitors ISMIE and MedPro, CCC proposes a few territory changes. Jackson County has been moved from Territory III to Territory I. Winnebago County has been moved from Territory IV to Territory II. Vermillion County has been moved from Territory III to Territory II.

Grundy, Bureau, Coles, Dekalb, Effingham, Ogle, and Randolph Counties have moved from Territory IV to Territory III. This change has an average impact of 1.2%, as shown in Exhibit D.

4. **Ancillary Personnel Rates**
   CCC is proposing new base rates for ancillary personnel. CCC derives the base rates for ancillary personnel, except for Nurse Practitioners, by applying a relativity to the physician and surgeons base rates. In the past, these relativities have varied widely from state to state. In order to make these relativities more consistent across the country and updated to reflect CCC's new class plan, we are adjusting our ancillary personnel relativities in Illinois. For Nurse Practitioners, CCC has selected a base rate consistent with the Nurse Practitioner rates filed for our Nurse and Allied Healthcare Facilities program. See Exhibit E for impact of this change by class.

5. **Medical Practitioners Shared Limits**
   The following has been added to Rule *A. Medical Practitioners – Claims-Made Rates*:
   A 25% credit shall be applied to the medical practitioners' rate if the Limits of Liability are shared with all medical practitioners within a Corporation or Partnership.

6. **Ancillary Personnel Shared Limits**
   The following has been added to Rule *E. Ancillary Personnel – Claims-Made Rates*:
   2. A 25% credit shall be applied to the ancillary personnel rate if the Limits of Liability are shared with the Corporation (Individual Physicians).

7. **Ancillary Personnel ILF Note**
   The previous version of the Illinois state pages included a statement under Rule *G. Increased Limits* for ancillary personnel that is no longer applicable. The note was left in the state pages from when the increased limits factors depended on the medical practitioner's classification. The statement that has been removed stated:
   *Miscellaneous/Ancillary personnel shall be treated as Class 1A for Increased Limits.*

8. **Quarterly Installment Option**
   Section I. Quarterly Installment Option has been added to the state pages. The section states the following:
   > Section F. Premium Payment Plan of the company pages is deleted in its entirety and replaced with the following:
   > The company will offer to the Named Insured a premium payment option as follows:
   > a. Each quarterly premium payment will be 25% of the total annual premium;

b. There will be no interest charges;
c. There will be quarterly installment charges equal to the lesser of 1% of the total annual premium or $25.00;
d. Any additional premium resulting from changes to the policy, mid-term, shall be spread equally over the remaining installment payments.

9. **Adding a Company**
   CCC proposes the inclusion of the underwriting company, The Continental Insurance Company ("CIC", NAIC# 35289), on its Illinois rate manual within this submission. CIC is adopting CCC's current state pages, including the changes proposed with this filing. Since The Continental Insurance Company will be a new company in the Illinois market, there is no impact on policyholders.

**Changes to Countrywide Pages**

1. **Rule changes**
   a. Rule XII – ERP rule has been updated to include wording for death, disability, and retirement (DDR).

2. **Adding a Company**
   CCC proposes the inclusion of the underwriting company, The Continental Insurance Company ("CIC", NAIC# 35289), on its countrywide manual within this submission. CIC is adopting CCC's current countrywide pages, including the changes proposed with this filing.

**Actual In-Force Impact**

There are no in-force policies, as of June 30, 2007, therefore the changes described above will have no impact to policyholders.

The revised countrywide pages and rating manual are attached.

**Exhibit A**

**CNA Insurance Companies**
**Physicians & Surgeons Professional Liability**
**Competitor Rate Comparison - ILLINOIS**

**CNA Proposed Base Rate Effectice 3/1/2008**

| | | |
|---|---|---|
| (1) | Current CNA Base Rate for Remainder of State Mature Claims Made Family Practice (No Surgery) Manual Rateat $1,000,000/$3,000,000 Limits (Exhibit 4) | 32,138 |
| (2) | Indicated CNA Base Rate for Remainder of State Mature Claims-Made Family Practice (No Surgery) Maual Rate at $1,000,000/$3,000,000 Limits (Exhibit 4) | 13,870 |
| (3) | Indicated Base Rate Need Based on Competitor Comparison = (2)/(1) - 1 | -56.8% |
| (4) | Current Class Plan Average Factor (Exhibit C) | 1.623 |
| (5) | Proposed Class Plan Average Factor (Exhibit C) | 1.696 |
| (6) | Proposed Class Change = (5)/(4)-1 | 4.5% |
| (7) | Current Territorial Plan Average Factor (Exhibit D) | 1.809 |
| (8) | Proposed Territorial Plan Average Factor (Exhibit D) | 1.830 |
| (9) | Proposed Territorial Change = (8)/(7)-1 | 1.2% |
| (10) | Proppsed Base Rate Change to Offset the Class and Terr Changes = (1+(3))/((1+(6))*(1+(9)))-1 | -59.2% |
| (11) | Selected CNA Base Rate for Statewide Mature Claims-Made Family Practice (No Surgery) Manual Rate at $1,000,000/$3,000,000 Limits = (1)*(1+(10)) | 13,120 |
| (12) | Proposed Overall Change = (1 + (6))*(1 + (9))*(1 + (10)) -1 | -56.8% |

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

New Physician Classification Plan

| Physician Specialty | ISO Code | New Class Code | New Relativity |
|---|---|---|---|
| Administrative Medicine | 80178 | 1A | 0.7 |
| Allergy/Immunology | 80254 | 1A | 0.7 |
| Diabetes - no surgery | 80237 | 1A | 0.7 |
| Forensic or Legal Medicine | 80240 | 1A | 0.7 |
| General Preventive Medicine | 80231 | 1A | 0.7 |
| Nephrology - no surgery | 80260 | 1A | 0.7 |
| Ophthalmology - no surgery | 80263 | 1A | 0.7 |
| Pathology - All Other | 80266 | 1A | 0.7 |
| Preventive Medicine - no surgery - Aerospace Medicine | 80230 | 1A | 0.7 |
| Preventive Medicine - no surgery - Occupational Medicine | 80233 | 1A | 0.7 |
| Preventive Medicine - no surgery - Public/General Health Medicine | 80236 | 1A | 0.7 |
| Psychiatry - All Other | 80249 | 1A | 0.7 |
| Cardiovascular Disease - no surgery | 80255 | 1 | 1.0 |
| Dermatology - no surgery | 80256 | 1 | 1.0 |
| Diabetes - minor surgery | 80271 | 1 | 1.0 |
| Endocrinology - no surgery | 80238 | 1 | 1.0 |
| Family/General Practice - no surgery | 80420 | 1 | 1.0 |
| Gastroenterology - no surgery | 80241 | 1 | 1.0 |
| Geriatrics - no surgery | 80243 | 1 | 1.0 |
| Gynecology - no surgery | 80244 | 1 | 1.0 |
| Hematology - no surgery | 80245 | 1 | 1.0 |
| Hospitalists | 80222 | 1 | 1.0 |
| Infectious Disease | 80246 | 1 | 1.0 |
| Internal Medicine - no surgery | 80257 | 1 | 1.0 |
| Neoplastic Diseases - no surgery | 80259 | 1 | 1.0 |
| Nephrology - minor surgery | 80287 | 1 | 1.0 |
| Nuclear Medicine | 80262 | 1 | 1.0 |
| Nutritionist | 80248 | 1 | 1.0 |
| Oncology - no surgery | 80302 | 1 | 1.0 |
| Otorhinolaryngology - no surgery | 80265 | 1 | 1.0 |
| Pathology - Cytopathology | 80292 | 1 | 1.0 |
| Pediatrics - no surgery | 80267 | 1 | 1.0 |
| Pharmacology - clinical | 80234 | 1 | 1.0 |
| Physical Medicine and Rehabilitation - All Other | 80235 | 1 | 1.0 |
| Physicians - no surgery - NOC | 80268 | 1 | 1.0 |
| Preventive Medicine - no surgery - Undersea/Hyperbaric Medicine | 80139 | 1 | 1.0 |
| Pulmonary Diseases - no surgery | 80269 | 1 | 1.0 |
| Rheumatology - no surgery | 80252 | 1 | 1.0 |
| Sports Medicine - no surgery | 80205 | 1 | 1.0 |
| Urgent Care Medicine | 80424 | 1 | 1.0 |
| Urology - no surgery | 80121 | 1 | 1.0 |
| Anesthesiology - All Other | 80181 | 2A | 1.2 |
| Dermatology - minor surgery | 80282 | 2 | 1.4 |
| Endocrinology - minor surgery | 80272 | 2 | 1.4 |
| Family/General Practice - minor surgery - excluding obstetrics | 80421 | 2 | 1.4 |
| Gastroenterology - minor surgery | 80274 | 2 | 1.4 |
| Gynecology - minor surgery | 80277 | 2 | 1.4 |
| Intensive Care Medicine | 80283 | 2 | 1.4 |
| Internal Medicine - minor surgery | 80284 | 2 | 1.4 |
| Neurology - including child - no surgery - All Other | 80261 | 2 | 1.4 |
| Ophthalmology - minor surgery | 80289 | 2 | 1.4 |
| Otorhinolaryngology - minor surgery | 80291 | 2 | 1.4 |

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

New Physician Classification Plan

| Physician Specialty | ISO Code | New Class Code | New Relativity |
|---|---|---|---|
| Phys. - no major surgery - Acupuncture | 80437 | 2 | 1.4 |
| Phys. - no major surgery - Angiography, Arteriography, | 80422 | 2 | 1.4 |
| Phys. - no major surgery - Colonoscopy, ERCP, esophageal dilation | 80443 | 2 | 1.4 |
| Phys. - no major surgery - Discograms, Myelography, | 80428 | 2 | 1.4 |
| Phys. - no major surgery - Lymphangiography, Phlebography | 80434 | 2 | 1.4 |
| Phys. - no major surgery - Needle Biopsy | 80446 | 2 | 1.4 |
| Phys. - no major surgery - Radiopaque Dye | 80449 | 2 | 1.4 |
| Phys. - no major surgery - Shock Therapy | 80431 | 2 | 1.4 |
| Physicians - minor surgery - NOC | 80294 | 2 | 1.4 |
| Physicians or Surgeons Assistants | 80116 | 2 | 1.4 |
| Radiology - Diagnostic | 80253 | 2 | 1.4 |
| Radiology - Theraputic | 80359 | 2 | 1.4 |
| Surgery - Ophthalmology | 80114 | 2 | 1.4 |
| Urology - minor surgery | 80120 | 2 | 1.4 |
| Anesthesiology - Chronic Pain Management | 80182 | 3 | 1.8 |
| Bronco - Esophagology | 80101 | 3 | 1.8 |
| Cardiovascular Disease - minor surgery | 80281 | 3 | 1.8 |
| Dermatology - All Other | 80297 | 3 | 1.8 |
| Neonatology - non-critical care | 80804 | 3 | 1.8 |
| Podiatrists - below the ankle | 80993 | 3 | 1.8 |
| Radiology - Diagnostic - Including Interventional | 80280 | 3 | 1.8 |
| Radiology - Theraputic - Including Interventional & Radiation TX | 80358 | 3 | 1.8 |
| Surgery - Colon & Rectal | 80115 | 3 | 1.8 |
| Surgery - Maxillofacial | 80210 | 3 | 1.8 |
| Surgery - Otorhinolaryngology | 80159 | 3 | 1.8 |
| Surgery - Pediatric | 80180 | 3 | 1.8 |
| Surgery - Urological | 80145 | 3 | 1.8 |
| Emergency Medicine - no major surgery | 80102 | 4a | 2.2 |
| Podiatrists - above the ankle | 80993a | 4a | 2.2 |
| Surgery - Gastroenterology | 80104 | 4a | 2.2 |
| Surgery - Family/General Practice - Incl. OB | 80117 | 4 | 2.8 |
| Surgery - General - Excluding Bariatric | 80143 | 4 | 2.8 |
| Surgery - Gynecology | 80167 | 4 | 2.8 |
| Surgery - Neoplastic Diseases/Oncology | 80107 | 4 | 2.8 |
| Emergency Medicine - including major surgery | 80157 | 5 | 3.3 |
| Neonatology - critical care | 80804a | 5 | 3.3 |
| Surgery - Abdominal | 80166 | 5 | 3.3 |
| Surgery - Hand | 80169 | 5 | 3.3 |
| Surgery - Head and Neck | 80170 | 5 | 3.3 |
| Surgery - Orthopedic - excluding spine | 80154 | 5 | 3.3 |
| Surgery - Plastic - NOC | 80156 | 5 | 3.3 |
| Surgery - Plastic - Otorhinolaryngology | 80155 | 5 | 3.3 |
| Surgery - Trauma | 80171 | 5 | 3.3 |
| Surgery - Cardiac | 80141 | 6 | 3.6 |
| Surgery - Cardiovascular Disease | 80150 | 6 | 3.6 |
| Surgery - Orthopedic - including spine | 80154a | 6 | 3.6 |
| Surgery - Thoracic | 80144 | 6 | 3.6 |
| Surgery - Vascular | 80146 | 6 | 3.6 |
| Perinatology | 80804b | 7 | 6.1 |
| Surgery - General - Including Bariatric | 80143a | 7 | 6.1 |
| Surgery - Obstetrics - Gynecology | 80153 | 7 | 6.1 |
| Surgery - Neurology - including child | 80152 | 8 | 8.2 |

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

New Physician Classification Plan

| Physician Specialty | New ISO Code | ILLINOIS AMA | Current CNA Relativities | Proposed CNA Relativities |
|---|---|---|---|---|
| Aerospace Medicine | 80230 | 0.03% | 0.600 | 0.700 |
| Allergy | 80254 | 0.58% | 0.600 | 0.700 |
| Anesthesiology | 80181 | 5.72% | 1.500 | 1.200 |
| Angio/Arterio/Catheterization | 80422 | 0.75% | 1.500 | 1.400 |
| Cardiovascular Disease - No Surgery | 80255 | 2.24% | 0.900 | 1.000 |
| Cardiovascular Surgery | 80150 | 0.16% | 3.750 | 3.600 |
| Colon & Rectal Surgery | 80115 | 0.16% | 1.500 | 1.800 |
| Dermatology - Hair Transplant, Plastic Surgery, etc. | 80297 | 0.16% | 1.000 | 1.800 |
| Dermatology - Invasive Procedures | 80282 | 0.16% | 0.900 | 1.400 |
| Dermatology - No Surgery | 80256 | 0.94% | 0.600 | 1.000 |
| Diabetes - Minor Surgery | 80271 | 0.01% | 0.900 | 1.000 |
| Diabetes - No Surgery | 80237 | 0.04% | 0.600 | 0.700 |
| Diagnostic Radiology | 80280 | 3.32% | 1.000 | 1.800 |
| Emergency Medicine | 80157 | 2.11% | 2.950 | 3.300 |
| Endocrinology - Minor Surgery | 80272 | 0.74% | 0.900 | 1.400 |
| Family/General Practice - Minor Surgery/No OB | 80421 | 1.46% | 1.500 | 1.400 |
| Family/General Practice - No Surgery/No OB | 80420 | 8.76% | 1.000 | 1.000 |
| Family/General Practice - Surgery/OB | 80117 | 1.46% | 2.950 | 2.800 |
| Forensic/Legal Medicine | 80240 | 0.07% | 0.600 | 0.700 |
| Gastroenterology - Minor Surgery | 80274 | 1.51% | 0.900 | 1.400 |
| General Preventive Medicine | 80231 | 0.27% | 0.600 | 0.700 |
| General Surgery | 80143 | 4.18% | 2.950 | 2.800 |
| Geriatric Medicine - Minor Surgery | 80243 | 0.01% | 0.900 | 1.000 |
| Geriatric Medicine - No Surgery | 80243 | 0.04% | 0.600 | 1.000 |
| Gynecology - Minor Surgery | 80277 | 0.47% | 0.900 | 1.400 |
| Gynecology - Surgery | 80167 | 0.16% | 2.950 | 2.800 |
| Hand Surgery | 80169 | 0.19% | 2.950 | 3.300 |
| Hematology/Oncology | 80245 | 1.77% | 0.900 | 1.000 |
| Infectious Disease | 80246 | 0.93% | 0.900 | 1.000 |
| Intensive Care Medicine | 80283 | 2.11% | 2.950 | 1.400 |
| Internal Medicine - Invasive Procedures | 80284 | 4.50% | 1.500 | 1.400 |
| Internal Medicine - No Surgery | 80257 | 13.50% | 1.000 | 1.000 |
| Neonatology/Perinatology | 80804 | 0.53% | 2.950 | 1.800 |
| Nephrology | 80287 | 1.08% | 0.900 | 1.000 |
| Neurology - No Surgery | 80261 | 1.90% | 1.000 | 1.400 |
| Neurosurgery | 80152 | 0.72% | 5.500 | 8.200 |
| Obstetrics/OB/GYN | 80153 | 5.24% | 5.500 | 6.100 |
| Occupational/Industrial Medicine | 80233 | 0.38% | 0.600 | 0.700 |
| Ophthalmology - No Surgery/Laser | 80263 | 1.74% | 0.600 | 0.700 |
| Ophthalmology - Surgery/Laser | 80114 | 0.58% | 0.900 | 1.400 |
| Orthopedic Surgery | 80154a | 2.85% | 3.750 | 3.600 |
| Otolaryngology - Elective Plastic Surgery | 80155 | 0.14% | 3.750 | 3.300 |
| Otolaryngology - No Elective Plastic Surgery | 80159 | 0.14% | 2.950 | 1.800 |
| Otolaryngology - No Surgery | 80265 | 0.85% | 0.600 | 1.000 |
| Pathology | 80292 | 2.85% | 0.900 | 1.000 |
| Pediatric Surgery | 80180 | 0.10% | 2.950 | 1.800 |
| Pediatrics - No Surgery | 80267 | 9.22% | 1.000 | 1.000 |
| Physical Medicine/Rehabilitation | 80235 | 1.16% | 0.600 | 1.000 |
| Plastic Surgery | 80156 | 0.75% | 3.750 | 3.300 |
| Psychiatry | 80249 | 5.59% | 0.900 | 0.700 |
| Public Health | 80236 | 0.08% | 0.600 | 0.700 |
| Pulmonary Medicine | 80269 | 1.21% | 0.600 | 1.000 |
| Radiation Oncology | 80358 | 1.64% | 0.900 | 1.800 |
| Rheumatology | 80252 | 0.65% | 0.600 | 1.000 |
| Thoracic Surgery | 80144 | 0.61% | 2.950 | 3.600 |
| Traumatic Surgery | 80171 | 0.03% | 2.950 | 3.300 |
| Urology - No Implants | 80145 | 1.28% | 1.500 | 1.800 |
| Vascular Surgery | 80146 | 0.16% | 2.950 | 3.600 |
| TOTAL / AVERAGE | | 100.00% | 1.623 | 1.696 |

Notes:
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit D

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

New Physician Territorial Relativities

| County | AMA Distribution | Current CNA Territory | Proposed CNA Territory | Current CNA Relativities | Proposed CNA Relativities |
|---|---|---|---|---|---|
| Cook, Madison, St. Clair, Will | 59.8% | 1 | 1 | 2.100 | 2.100 |
| Lake | 6.5% | 2 | 2 | 1.640 | 1.640 |
| Kane, McHenry | 3.0% | 2 | 2 | 1.640 | 1.640 |
| DuPage | 11.1% | 2 | 2 | 1.640 | 1.640 |
| Jackson | 0.5% | 3 | 1 | 1.280 | 2.100 |
| Vermilion | 0.4% | 3 | 2 | 1.280 | 1.640 |
| Kankakee, Macon | 1.2% | 3 | 3 | 1.280 | 1.280 |
| Champaign, LaSalle | 2.1% | 3 | 3 | 1.280 | 1.280 |
| Sangamon | 2.7% | 3 | 3 | 1.280 | 1.280 |
| Winnebago | 2.1% | 4 | 2 | 1.000 | 1.640 |
| Bureau, Coles, DeKalb, Effingham, Grundy, Ogle, Randolph | 0.8% | 4 | 3 | 1.000 | 1.280 |
| Remainder of State | 9.8% | 4 | 4 | 1.000 | 1.000 |
| TOTAL / AVERAGE | 100.0% | | | 1.809 | 1.830 |

Notes:
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 1

**CNA Insurance Companies**
**Physicians & Surgeons Professional Liabilit**
**Competitor Rate Comparison - ILLINOIS**

**Development of CNA Indicated Base Class Physician Rate**

| | | |
|---|---|---|
| (1) | ISMIE Mutual Insurance Company 7/1/2006 Remainder of State Mature Claims-Made Family Practice (No Surgery) Manual Rate at $1,000,000/$3,000,000 Limits (exhibit 4) | 16,988 |
| (2) | Average Premium Credit (-) / Debit (+) | -26.9% |
| (3) | ISMIE Mutual Insurance Company 7/1/2006 Remainder of State Mature Claims-Made Family Practice (No Surgery) Collected Rate at $1,000,000/$3,000,000 Limits | 12,418 |
| (4) | ISMIE Mutual Insurance Company Permissible Loss & ALAE Ratio (exhibit 4) | 81.2% |
| (5) | ISMIE Mutual Insurance Company 7/1/2006 Remainder of State Mature Claims-Made Family Practice (No Surgery) Loss Cost at $1,000,000/$3,000,000 Limits = (3)x(4) | 10,080 |
| (6) | ISMIE Mutual Insurance Company 7/1/2006 Indicated Rate Level Change | -5.2% |
| (7) | ISMIE Mutual Insurance Company 7/1/2006 Approved Rate Level Change | -5.2% |
| (8) | ISMIE Mutual Insurance Company 7/1/2006 Additional Rate Need | 0.0% |
| (9) | ISMIE Mutual Insurance Company 7/1/2006 Remainder of State Mature Claims-Made Indicated Family Practice (No Surgery) Loss Cost at $1,000,000/$3,000,000 Limits = (5) x [1+(8)] | 10,080 |
| (10) | 6.0% Annual Trend Factor to 7/1/2007 | 1.060 |
| (11) | ISMIE Mutual Insurance Company 7/1/2006 Remainder of State Mature Claims-Made Indicated Family Practice (No Surgery) Loss Cost at $1,000,000/$3,000,000 Limits = (9) x (10) | 10,685 |
| (12) | ISMIE Mutual Insurance Company Class Plan Relativity to CNA (Exhibit 2B) | 0.931 |
| (13) | ISMIE Mutual Insurance Company Territory Relativity to CNA (Exhibit 3) | 0.936 |
| (14) | CNA 7/1/2009 Remainder of State Mature Claims-Made Indicated Family Practice (No Surgery) Loss Cost at $1,000,000/$3,000,000 Limits = (11) x (12) x (13) | 9,311 |
| (15) | CNA Permissible Loss & ALAE Ratio (Exhibit 4) | 67.1% |
| (16) | CNA 7/1/2007 Remainder of State Mature Claims-Made Indicated Family Practice (No Surgery) Rate at $1,000,000/$3,000,000 Limits = (14) / (15) | 13,870 |

Exhibit 2A

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and CNA Physician Classfication Plans

| Physician Specialty | (1) Exposure Distribution | (2) ISMIE Classification | (3) ISMIE Class Code | (4) ISMIE Class Relativity | (5) CNA Classification | (6) CNA Class Code | (7) CNA Class Relativity |
|---|---|---|---|---|---|---|---|
| Allergy & Immunology | 0.58% | Allergy/Immunology | 1 | 0.523 | Allergy | 1A | 0.600 |
| Anesthesiology | 5.72% | Anesthesiology | 7 | 1.265 | Anesthesiology | 2 | 1.500 |
| Cardiovascular Disease | 2.99% | Cardiovascular - No Surgery | 6 | 1.053 | Cardiovascular Disease - No Surgery | 1B | 0.900 |
| | | Cardiovascular - Some Minor Surgery | 8 | 1.424 | | | |
| | | Cardiovascular - Minor Surgery | 11 | 1.795 | Angio/Arterio/Catheterization | 2 | 1.500 |
| Colon & Rectal Surgery | 0.16% | Colon & Rectal Surgery | 11 | 1.795 | Colon & Rectal Surgery | 2 | 1.500 |
| Dermatology | 1.26% | Dermatology | 2 | 0.682 | Dermatology - No Surgery | 1A | 0.600 |
| | | | | | Dermatology - Invasive Procedures | 1B | 0.900 |
| | | | | | Dermatology - Hair Transplant, Plastic Surgery, etc. | 1 | 1.000 |
| Emergency Medicine | 4.22% | Emergency Medicine - Minor Surgery | 11 | 1.795 | Emergency Medicine | 3 | 2.950 |
| | | Emergency Medicine - Major Surgery | 12 | 2.007 | Intensive Care Medicine | 3 | 2.950 |
| Family Practice/General Practice | 12.01% | Family/General Practice - No Surgery | 4 | 1.000 | Family/General Practice - No Surgery/No OB | 1 | 1.000 |
| | | Family/General Practice - Minor Surgery | 19 | 1.530 | Family/General Practice - Minor Surgery/No OB | 2 | 1.500 |
| | | Family/General Practice - Major Surgery | 12 | 2.007 | Family/General Practice - Surgery/OB | 3 | 2.950 |
| | | Geriatrics | 2 | 0.682 | Geriatric Medicine - No Surgery | 1A | 0.600 |
| | | | | | Geriatric Medicine - Minor Surgery | 1B | 0.900 |
| | | General Preventive Medicine | 1 | 0.523 | General Preventive Medicine | 1A | 0.600 |
| Gastroenterology | 1.51% | Gastroenterology | 8 | 1.424 | Gastroenterology - Minor Surgery | 1B | 0.900 |

Exhibit 2A

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and CNA Physician Classfication Plans

| Physician Specialty | (1) Exposure Distribution | (2) ISMIE Classification | (3) ISMIE Class Code | (4) ISMIE Class Relativity | (5) CNA Classification | (6) CNA Class Code | (7) CNA Class Relativity |
|---|---|---|---|---|---|---|---|
| General Surgery | 4.82% | General Surgery | 13 | 2.960 | General Surgery | 3 | 2.950 |
| | | Head & Neck Surgery | 12 | 2.007 | Hand Surgery | 3 | 2.950 |
| | | Hand Surgery - Minor Surgery | 8 | 1.424 | Pediatric Surgery | 3 | 2.950 |
| | | Hand Surgery | 12 | 2.007 | Traumatic Surgery | 3 | 2.950 |
| | | Podiatry Surgery | 7 | 1.265 | Cardiovascular Surgery | 4 | 3.750 |
| | | Oral/Maxillofacial | 4 | 1.000 | Vascular Surgery | 3 | 2.950 |
| | | Cardiac Surgery | 16 | 3.914 | Podiatrist | 3 | 2.950 |
| | | Cardiovascular Surgery | 8 | 1.424 | | | |
| | | Vascular Surgery - Minor Surgery | 8 | 1.424 | | | |
| | | Vascular Surgery | 16 | 3.914 | | | |
| Internal Medicine | 23.23% | Endocrinology | 2 | 0.682 | Endocrinology - Minor Surgery | 1B | 0.900 |
| | | Rheumatology | 2 | 0.682 | Rheumatology | 1A | 0.600 |
| | | Hematology | 4 | 1.000 | Hematology/Oncology | 1B | 0.900 |
| | | Oncology | 4 | 1.000 | | | |
| | | Infectious Disease | 6 | 1.053 | Infectious Disease | 1B | 0.900 |
| | | Nephrology - No Surgery | 6 | 1.053 | Nephrology | 1B | 0.900 |
| | | Nephrology - Minor Surgery | 7 | 1.265 | Internal Medicine - No Surgery | 1 | 1.000 |
| | | Internal Medicine - No Surgery | 5 | 1.159 | Internal Medicine - Invasive Procedures | 2 | 1.500 |
| | | Internal Medicine - Minor Surgery | 8 | 1.424 | Diabetes - No Surgery | 1A | 0.600 |
| | | Diabetes | 4 | 1.000 | Diabetes - Minor Surgery | 1B | 0.900 |
| Neurology | 1.90% | Neurology - No Surgery | 8 | 1.424 | Neurology - No Surgery | 1 | 1.000 |
| | | Neurology - Minor Surgery | 10 | 1.636 | | | |

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and CNA Physician Classfication Plans

| Physician Specialty | (1) Exposure Distribution | (2) ISMIE Classification | (3) ISMIE Class Code | (4) ISMIE Class Relativity | (5) CNA Classification | (6) CNA Class Code | (7) CNA Class Relativity |
|---|---|---|---|---|---|---|---|
| Neurological Surgery | 0.72% | Neurosurgery - Excl. Intracranial Surgery | 18 | 4.444 | Neurosurgery | 5 | 5.500 |
| | | Neurosurgery - Incl. Intracranial Surgery | 20 | 6.774 | | | |
| Obstetrics & Gynecology | 5.86% | Gynecology - No Surgery | 5 | 1.159 | Gynecology - Minor Surgery | 1B | 0.900 |
| | | Gynecology - Minor Surgery | 11 | 1.795 | Gynecology - Surgery | 3 | 2.950 |
| | | Gynecological Surgery | 12 | 2.007 | | | |
| | | OB/GYN - Surgery | 17 | 4.126 | Obstetrics/OB/GYN | 5 | 5.500 |
| Occupational Medicine | 0.38% | Occupational Medicine | 1 | 0.523 | Occupational/Industrial Medicine | 1A | 0.600 |
| | | Industrial Medicine | 4 | 1.000 | | | |
| Ophthalmology | 2.32% | Ophthalmology - No Surgery | 2 | 0.682 | Ophthalmology - No Surgery/Laser | 1A | 0.600 |
| | | Ophthalmology - Surgery | 4 | 1.000 | Ophthalmology - Surgery/Laser | 1B | 0.900 |
| Orthopedic Surgery | 2.85% | Orthopedics - Minor Surgery | 8 | 1.424 | Orthopedic Surgery | 4 | 3.750 |
| | | Orthopedic Surgery - Excl. Spine | 15 | 3.384 | | | |
| | | Orthopedic Surgery - Incl. Spine | 18 | 4.444 | | | |
| Otolaryngology | 1.13% | Otorhinolaryngology - No Surgery | 1 | 0.523 | Otolaryngology - No Surgery | 1A | 0.600 |
| | | Otorhinolaryngology - Minor Surgery | 8 | 1.424 | | | |
| | | Otorhinolaryngology - Surgery (Excl. Plastic) | 11 | 1.795 | Otolaryngology - No Elective Plastic Surgery | 3 | 2.950 |
| | | Otorhinolaryngology - Head/Neck | 12 | 2.007 | | | |
| | | Otorhinolaryngology - Other than Head/ Neck | 14 | 3.066 | Otolaryngology - Elective Plastic Surgery | 4 | 3.750 |

Exhibit 2A

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and CNA Physician Classfication Plans

| Physician Specialty | (1) Exposure Distribution | (2) ISMIE Classification | (3) ISMIE Class Code | (4) ISMIE Class Relativity | (5) CNA Classification | (6) CNA Class Code | (7) CNA Class Relativity |
|---|---|---|---|---|---|---|---|
| Psychiatry | 5.59% | Psychiatry | 2 | 0.682 | Psychiatry | 1B | 0.900 |
| Pediatrics | 9.75% | Pediatrics - No Surgery | 3 | 0.788 | Pediatrics - No Surgery | 1 | 1.000 |
| | | Pediatrics - Minor Surgery | 8 | 1.424 | | | |
| | | Neonatology | 14 | 3.066 | Neonatology/Perinatology | 3 | 2.950 |
| Public Health | 0.11% | Public Health | 1 | 0.523 | Public Health | 1A | 0.600 |
| | | | | | Aerospace Medicine | 1A | 0.600 |
| Physical Medicine & Rehabilitation | 1.16% | Physical Medicine/Rehabilitation | 1 | 0.523 | Physical Medicine/Rehabilitation | 1A | 0.600 |
| Plastic Surgery | 0.75% | Plastic Surgery | 14 | 3.066 | Plastic Surgery | 4 | 3.750 |
| Anatomic/Clinical Pathology | 2.92% | Pathology | 2 | 0.682 | Pathology | 1B | 0.900 |
| | | Forensic Medicine | 1 | 0.523 | Forensic/Legal Medicine | 1A | 0.600 |
| Pulmonary Disease | 1.21% | Pulmonary Diseases | 7 | 1.265 | Pulmonary Medicine | 1A | 0.600 |
| Radiology | 4.96% | Radiation Oncology | 4 | 1.000 | Radiation Oncology | 1B | 0.900 |
| | | Diagnostic Radiology - No Surgery | 7 | 1.265 | | | |
| | | Diagnostic Radiology - Minor Surgery | 8 | 1.424 | Diagnostic Radiology | 1 | 1.000 |
| | | Diagnostic Radiology- Surgery | 11 | 1.795 | | | |
| | | Nuclear Medicine | 4 | 1.000 | | | |

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and CNA Physician Classfication Plans

| Physician Specialty | (1) Exposure Distribution | (2) ISMIE Classification | (3) ISMIE Class Code | (4) ISMIE Class Relativity | (5) CNA Classification | (6) CNA Class Code | (7) CNA Class Relativity |
|---|---|---|---|---|---|---|---|
| Thoracic Surgery | 0.61% | Thoracic Surgery - Minor Surgery | 4 | 1.000 | Thoracic Surgery | 3 | 2.950 |
| | | Thoracic Surgery | 16 | 3.914 | | | |
| Urology | 1.28% | Urology - Minor Surgery | 8 | 1.424 | Urology - No Implants | 2 | 1.500 |
| | | Urology - Surgery | 10 | 1.636 | | | |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 2B

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Derivation of Class Plan Relativity Factor

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Average Relativity | (3) CNA Current Relativity |
|---|---|---|---|
| 1A | 8.04% | 0.715 | 0.600 |
| 1B | 19.59% | 0.914 | 0.900 |
| 1 | 36.86% | 1.057 | 1.000 |
| 2 | 13.87% | 1.394 | 1.500 |
| 3 | 11.78% | 2.485 | 2.950 |
| 4 | 3.90% | 3.649 | 3.750 |
| 5 | 5.96% | 4.305 | 5.500 |
| Total/Average | 100.00% | 1.511 | 1.623 |
| Relativity to CNA = (2) / (3) | | | 0.931 |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 3

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Derivation of Territory Relativity Factor

| County | ISMIE Territory | CNA Territory | (1) Exposure Distribution | (2) ISMIE Territory Relativity | (3) CNA Territory Relativity |
|---|---|---|---|---|---|
| Cook, Madison, St. Clair, Will | 1 | 1 | 59.85% | 1.900 | 2.100 |
| Lake | 1A | 2 | 6.48% | 1.720 | 1.640 |
| Kane, McHenry | 1B | 2 | 2.96% | 1.630 | 1.640 |
| DuPage | 2 | 2 | 11.13% | 1.450 | 1.640 |
| Jackson | 1 | 3 | 0.52% | 1.900 | 1.280 |
| Vermilion | 1A | 3 | 0.41% | 1.720 | 1.280 |
| Kankakee, Macon | 2 | 3 | 1.20% | 1.450 | 1.280 |
| Champaign, LaSalle | 2A | 3 | 2.07% | 1.360 | 1.280 |
| Sangamon | 2B | 3 | 2.68% | 1.180 | 1.280 |
| Winnebago | 1B | 4 | 2.14% | 1.630 | 1.000 |
| Bureau, Coles, DeKalb, Effingham, Ogle, Randolph | 2A | 4 | 0.80% | 1.360 | 1.000 |
| Grundy | 2B | 4 | 0.14% | 1.180 | 1.000 |
| Peoria | 2C | 4 | 2.47% | 0.910 | 1.000 |
| Remainder of State | 3 | 4 | 7.17% | 1.000 | 1.000 |
| Total/Average | | | 100.00% | 1.694 | 1.809 |
| Relativity to CNA = (2) / (3) | | | | | 0.936 |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

CNA Insurance Companies
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Exhibit 4

Base Rate and Expense Information

| Section A - Base Rate Description | ISMIE Mutual Insurance Company | CNA - Current | CNA - Indicated |
|---|---|---|---|
| Effective Date | 7/1/2006 | 7/1/2005 | 7/1/20073 |
| Type of Coverage | Mature CM | Mature CM | Mature CM |
| Per Occurrence Limit | 1,000,000 | 100,000 | 100,000 |
| Annual Aggregate Limit | 3,000,000 | 300,000 | 300,000 |
| Term | Annual | Annual | Annual |
| Per Occurrence Deductible | None | None | None |
| Annual Aggregate Deductible | None | None | None |

| Section B - $1M/$3M Base Rate Calculation | ISMIE Mutual Insurance Company | CNA - Current | CNA - Indicated |
|---|---|---|---|
| (1) Family Practice (No Surgery) Base Rate | $ 16,988 | $ 14,948 | $ 6,451 |
| (2) Factor to Convert to Mmature Claims Made | 1.000 | 1.000 | 1.000 |
| (3) Factor to Convert to 12 Month Term | 1.000 | 1.000 | 1.000 |
| (4) Increase Limit Factor to $1M/$3M | 1.000 | 2.150 | 2.150 |
| (5) $0 Deductible Factor | 1.000 | 1.000 | 1.000 |
| (6) Combined Factor = (2) x (3) x (4) x (5) | 1.000 | 2.150 | 2.150 |
| (7) $1M/$3M Family Practice (No Surgery) Base Rate | $ 16,988 | $ 32,138 | $ 13,870 |

| Section C - Permissible Loss and ALAE Ratio Calculation | ISMIE Mutual Insurance Company | CNA - Current | CNA - Indicated |
|---|---|---|---|
| (8) Commissions & Brokerage Fees | 4.0% | 10.0% | 10.0% |
| (9) General and Other Acquisition Expenses | 3.2% | 9.7% | 8.4% |
| (10) Taxes, Liscenses & Fees | 2.0% | 2.4% | 2.4% |
| (11) Profit & Contingencies | 2.0% | 6.4% | 4.2% |
| (12) Total Expenses and Profit = (8) + (9) + (10) + (11) | 11.2% | 28.5% | 25.0% |
| (13) Permissible Loss and LAE Ratio (incl DDR) = 1.0 - (12) | 88.8% | 71.5% | 75.0% |
| (14) DDR Loas as a % of Loss and ALAE | 4.9% | 5.0% | 5.0% |
| (15) Unallocated LAE as % of Loss and ALAE | 4.5% | 5.9% | 6.4% |
| (16) Permissible Loss and ALAE Rate = (13)/{[1+(14)]x[1+(15)]} | 81.2% | 64.3% | 67.1% |

Exhibit 5.1

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Cook, Madison, St. Clair, Will

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 23,071 | 16,640 | -27.9% |
| 1B | 19.59% | 29,508 | 24,960 | -15.4% |
| 1 | 36.86% | 34,127 | 27,734 | -18.7% |
| 2 | 13.87% | 44,979 | 41,601 | -7.5% |
| 3 | 11.78% | 80,221 | 81,815 | +2.0% |
| 4 | 3.90% | 117,795 | 104,002 | -11.7% |
| 5 | 5.96% | 138,957 | 152,536 | +9.8% |
| Total/Average | 100.00% | 48,773 | 44,999 | -7.7% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.2

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Lake

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 20,886 | 12,995 | -37.8% |
| 1B | 19.59% | 26,713 | 19,493 | -27.0% |
| 1 | 36.86% | 30,894 | 21,659 | -29.9% |
| 2 | 13.87% | 40,718 | 32,488 | -20.2% |
| 3 | 11.78% | 72,621 | 63,894 | -12.0% |
| 4 | 3.90% | 106,636 | 81,221 | -23.8% |
| 5 | 5.96% | 125,793 | 119,124 | -5.3% |
| Total/Average | 100.00% | 44,153 | 35,142 | -20.4% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.3

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Kane, McHenry

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 19,793 | 12,995 | -34.3% |
| 1B | 19.59% | 25,315 | 19,493 | -23.0% |
| 1 | 36.86% | 29,277 | 21,659 | -26.0% |
| 2 | 13.87% | 38,587 | 32,488 | -15.8% |
| 3 | 11.78% | 68,821 | 63,894 | -7.2% |
| 4 | 3.90% | 101,056 | 81,221 | -19.6% |
| 5 | 5.96% | 119,211 | 119,124 | -0.1% |
| Total/Average | 100.00% | 41,842 | 35,142 | -16.0% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.4

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

DuPage

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 17,607 | 12,995 | -26.2% |
| 1B | 19.59% | 22,519 | 19,493 | -13.4% |
| 1 | 36.86% | 26,044 | 21,659 | -16.8% |
| 2 | 13.87% | 34,326 | 32,488 | -5.4% |
| 3 | 11.78% | 61,221 | 63,894 | +4.4% |
| 4 | 3.90% | 89,896 | 81,221 | -9.7% |
| 5 | 5.96% | 106,046 | 119,124 | +12.3% |
| Total/Average | 100.00% | 37,222 | 35,142 | -5.6% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.5

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Jackson

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 23,071 | 10,143 | -56.0% |
| 1B | 19.59% | 29,508 | 15,214 | -48.4% |
| 1 | 36.86% | 34,127 | 16,904 | -50.5% |
| 2 | 13.87% | 44,979 | 25,357 | -43.6% |
| 3 | 11.78% | 80,221 | 49,868 | -37.8% |
| 4 | 3.90% | 117,795 | 63,392 | -46.2% |
| 5 | 5.96% | 138,957 | 92,974 | -33.1% |
| Total/Average | 100.00% | 48,773 | 27,428 | -43.8% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.6

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Vermilion

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 20,886 | 10,143 | -51.4% |
| 1B | 19.59% | 26,713 | 15,214 | -43.0% |
| 1 | 36.86% | 30,894 | 16,904 | -45.3% |
| 2 | 13.87% | 40,718 | 25,357 | -37.7% |
| 3 | 11.78% | 72,621 | 49,868 | -31.3% |
| 4 | 3.90% | 106,636 | 63,392 | -40.6% |
| 5 | 5.96% | 125,793 | 92,974 | -26.1% |
| Total/Average | 100.00% | 44,153 | 27,428 | -37.9% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.7

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Kankakee, Macon

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 17,607 | 10,143 | -42.4% |
| 1B | 19.59% | 22,519 | 15,214 | -32.4% |
| 1 | 36.86% | 26,044 | 16,904 | -35.1% |
| 2 | 13.87% | 34,326 | 25,357 | -26.1% |
| 3 | 11.78% | 61,221 | 49,868 | -18.5% |
| 4 | 3.90% | 89,896 | 63,392 | -29.5% |
| 5 | 5.96% | 106,046 | 92,974 | -12.3% |
| Total/Average | 100.00% | 37,222 | 27,428 | -26.3% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.8

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Champaign, LaSalle

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 16,514 | 10,143 | -38.6% |
| 1B | 19.59% | 21,122 | 15,214 | -28.0% |
| 1 | 36.86% | 24,427 | 16,904 | -30.8% |
| 2 | 13.87% | 32,195 | 25,357 | -21.2% |
| 3 | 11.78% | 57,421 | 49,868 | -13.2% |
| 4 | 3.90% | 84,317 | 63,392 | -24.8% |
| 5 | 5.96% | 99,464 | 92,974 | -6.5% |
| Total/Average | 100.00% | 34,911 | 27,428 | -21.4% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.9

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Sangamon

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 14,329 | 10,143 | -29.2% |
| 1B | 19.59% | 18,326 | 15,214 | -17.0% |
| 1 | 36.86% | 21,194 | 16,904 | -20.2% |
| 2 | 13.87% | 27,934 | 25,357 | -9.2% |
| 3 | 11.78% | 49,821 | 49,868 | +0.1% |
| 4 | 3.90% | 73,157 | 63,392 | -13.3% |
| 5 | 5.96% | 86,300 | 92,974 | +7.7% |
| Total/Average | 100.00% | 30,291 | 27,428 | -9.5% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.10

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Winnebago

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 19,793 | 7,924 | -60.0% |
| 1B | 19.59% | 25,315 | 11,886 | -53.0% |
| 1 | 36.86% | 29,277 | 13,207 | -54.9% |
| 2 | 13.87% | 38,587 | 19,810 | -48.7% |
| 3 | 11.78% | 68,821 | 38,959 | -43.4% |
| 4 | 3.90% | 101,056 | 49,525 | -51.0% |
| 5 | 5.96% | 119,211 | 72,636 | -39.1% |
| Total/Average | 100.00% | 41,842 | 21,428 | -48.8% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.11

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Bureau, Coles, DeKalb, Effingham, Ogle, Randolph

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 16,514 | 7,924 | -52.0% |
| 1B | 19.59% | 21,122 | 11,886 | -43.7% |
| 1 | 36.86% | 24,427 | 13,207 | -45.9% |
| 2 | 13.87% | 32,195 | 19,810 | -38.5% |
| 3 | 11.78% | 57,421 | 38,959 | -32.2% |
| 4 | 3.90% | 84,317 | 49,525 | -41.3% |
| 5 | 5.96% | 99,464 | 72,636 | -27.0% |
| Total/Average | 100.00% | 34,911 | 21,428 | -38.6% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.12

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Grundy

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 14,329 | 7,924 | -44.7% |
| 1B | 19.59% | 18,326 | 11,886 | -35.1% |
| 1 | 36.86% | 21,194 | 13,207 | -37.7% |
| 2 | 13.87% | 27,934 | 19,810 | -29.1% |
| 3 | 11.78% | 49,821 | 38,959 | -21.8% |
| 4 | 3.90% | 73,157 | 49,525 | -32.3% |
| 5 | 5.96% | 86,300 | 72,636 | -15.8% |
| Total/Average | 100.00% | 30,291 | 21,428 | -29.3% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.13

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Peoria

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 11,050 | 7,924 | -28.3% |
| 1B | 19.59% | 14,133 | 11,886 | -15.9% |
| 1 | 36.86% | 16,345 | 13,207 | -19.2% |
| 2 | 13.87% | 21,543 | 19,810 | -8.0% |
| 3 | 11.78% | 38,422 | 38,959 | +1.4% |
| 4 | 3.90% | 56,418 | 49,525 | -12.2% |
| 5 | 5.96% | 66,553 | 72,636 | +9.1% |
| Total/Average | 100.00% | 23,360 | 21,428 | -8.3% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.14

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Remainder of State

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 12,143 | 7,924 | -34.7% |
| 1B | 19.59% | 15,531 | 11,886 | -23.5% |
| 1 | 36.86% | 17,961 | 13,207 | -26.5% |
| 2 | 13.87% | 23,673 | 19,810 | -16.3% |
| 3 | 11.78% | 42,222 | 38,959 | -7.7% |
| 4 | 3.90% | 61,997 | 49,525 | -20.1% |
| 5 | 5.96% | 73,135 | 72,636 | -0.7% |
| Total/Average | 100.00% | 25,670 | 21,428 | -16.5% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 6

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of Current and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Remainder of State

| CNA Physician Class | (1) Exposure Distribution | (2) CNA Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Indicated Change |
|---|---|---|---|---|
| 1A | 8.04% | 19,283 | 7,924 | |
| 1B | 19.59% | 28,924 | 11,886 | |
| 1 | 36.86% | 32,138 | 13,207 | |
| 2 | 13.87% | 48,207 | 19,810 | |
| 3 | 11.78% | 94,808 | 38,959 | |
| 4 | 3.90% | 120,518 | 49,525 | |
| 5 | 5.96% | 176,760 | 72,636 | |
| Total/Average | 100.00% | 52,145 | 21,428 | -58.9% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit A

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

CNA Proposed Base Rate Effective 3/1/2008

| | | |
|---|---|---|
| (1) | Current CNA Base Rate for Remainder of State Mature Claims-Made Family Practice (No Surgery) Manual Rate at $1,000,000/$3,000,000 Limits (Exhibit 4) | $32,138 |
| (2) | Indicated CNA Base Rate for Remainder of State Mature Claims-Made Family Practice (No Surgery) Manual Rate at $1,000,000/$3,000,000 Limits (Exhibit 4) | $13,207 |
| (3) | Indicated Base Rate Need Based on Competitor Comparison = (2) / (1) - 1 | -58.9% |
| (4) | Current Class Plan Average Factor (Exhibit C) | 1.623 |
| (5) | Proposed Class Plan Average Factor (Exhibit C) | 1.696 |
| (6) | Proposed Class Change = (5) / (4) - 1 | 4.5% |
| (7) | Current Territorial Plan Average Factor (Exhibit D) | 1.809 |
| (8) | Proposed Territorial Plan Average Factor (Exhibit D) | 1.830 |
| (9) | Proposed Territorial Change = (8) / (7) - 1 | 1.2% |
| (10) | Proposed Base Rate Change to Offset the Class and Terr Changes = (1+(3))/[(1+ (6))*(1+(9))] -1 | -61.1% |
| (11) | Selected CNA Base Rate for Statewide Mature Claims-Made Family Practice (No Surgery) Manual Rate at $1,000,000/$3,000,000 Limits =(1) x (1+(10)) | $12,448 |
| (12) | Proposed Overall Change = ( 1 + (6) ) x ( 1 + (9) ) x ( 1 + (10) ) - 1 | -58.9% |

Exhibit B

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

New Physician Classification Plan

| Physician Specialty | ISO Code | New Class Code | New Relativity |
|---|---|---|---|
| Administrative Medicine | 80178 | 1A | 0.7 |
| Allergy/Immunology | 80254 | 1A | 0.7 |
| Diabetes - no surgery | 80237 | 1A | 0.7 |
| Forensic or Legal Medicine | 80240 | 1A | 0.7 |
| General Preventive Medicine | 80231 | 1A | 0.7 |
| Nephrology - no surgery | 80260 | 1A | 0.7 |
| Ophthalmology - no surgery | 80263 | 1A | 0.7 |
| Pathology - All Other | 80266 | 1A | 0.7 |
| Preventive Medicine - no surgery - Aerospace Medicine | 80230 | 1A | 0.7 |
| Preventive Medicine - no surgery - Occupational Medicine | 80233 | 1A | 0.7 |
| Preventive Medicine - no surgery - Public/General Health Medicine | 80236 | 1A | 0.7 |
| Psychiatry - All Other | 80249 | 1A | 0.7 |
| Cardiovascular Disease - no surgery | 80255 | 1 | 1.0 |
| Dermatology - no surgery | 80256 | 1 | 1.0 |
| Diabetes - minor surgery | 80271 | 1 | 1.0 |
| Endocrinology - no surgery | 80238 | 1 | 1.0 |
| Family/General Practice - no surgery | 80420 | 1 | 1.0 |
| Gastroenterology - no surgery | 80241 | 1 | 1.0 |
| Geriatrics - no surgery | 80243 | 1 | 1.0 |
| Gynecology - no surgery | 80244 | 1 | 1.0 |
| Hematology - no surgery | 80245 | 1 | 1.0 |
| Hospitalists | 80222 | 1 | 1.0 |
| Infectious Disease | 80246 | 1 | 1.0 |
| Internal Medicine - no surgery | 80257 | 1 | 1.0 |
| Neoplastic Diseases - no surgery | 80259 | 1 | 1.0 |
| Nephrology - minor surgery | 80287 | 1 | 1.0 |
| Nuclear Medicine | 80262 | 1 | 1.0 |
| Nutritionist | 80248 | 1 | 1.0 |
| Oncology - no surgery | 80302 | 1 | 1.0 |
| Otorhinolaryngology - no surgery | 80265 | 1 | 1.0 |
| Pathology - Cytopathology | 80292 | 1 | 1.0 |
| Pediatrics - no surgery | 80267 | 1 | 1.0 |
| Pharmacology - clinical | 80234 | 1 | 1.0 |
| Physical Medicine and Rehabilitation - All Other | 80235 | 1 | 1.0 |
| Physicians - no surgery - NOC | 80268 | 1 | 1.0 |
| Preventive Medicine - no surgery - Undersea/Hyperbaric Medicine | 80139 | 1 | 1.0 |
| Pulmonary Diseases - no surgery | 80269 | 1 | 1.0 |
| Rheumatology - no surgery | 80252 | 1 | 1.0 |
| Sports Medicine - no surgery | 80205 | 1 | 1.0 |
| Urgent Care Medicine | 80424 | 1 | 1.0 |
| Urology - no surgery | 80121 | 1 | 1.0 |
| Anesthesiology - All Other | 80181 | 2A | 1.2 |
| Dermatology - minor surgery | 80282 | 2 | 1.4 |
| Endocrinology - minor surgery | 80272 | 2 | 1.4 |
| Family/General Practice - minor surgery - excluding obstetrics | 80421 | 2 | 1.4 |
| Gastroenterology - minor surgery | 80274 | 2 | 1.4 |
| Gynecology - minor surgery | 80277 | 2 | 1.4 |
| Intensive Care Medicine | 80283 | 2 | 1.4 |
| Internal Medicine - minor surgery | 80284 | 2 | 1.4 |
| Neurology - including child - no surgery - All Other | 80261 | 2 | 1.4 |
| Ophthalmology - minor surgery | 80289 | 2 | 1.4 |
| Otorhinolaryngology - minor surgery | 80291 | 2 | 1.4 |

Exhibit B

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

New Physician Classification Plan

| Physician Specialty | ISO Code | New Class Code | New Relativity |
|---|---|---|---|
| Phys. - no major surgery - Acupuncture | 80437 | 2 | 1.4 |
| Phys. - no major surgery - Angiography, Arteriography, | 80422 | 2 | 1.4 |
| Phys. - no major surgery - Colonoscopy, ERCP, esophageal dilation | 80443 | 2 | 1.4 |
| Phys. - no major surgery - Discograms, Myelography, | 80428 | 2 | 1.4 |
| Phys. - no major surgery - Lymphangiography, Phlebography | 80434 | 2 | 1.4 |
| Phys. - no major surgery - Needle Biopsy | 80446 | 2 | 1.4 |
| Phys. - no major surgery - Radiopaque Dye | 80449 | 2 | 1.4 |
| Phys. - no major surgery - Shock Therapy | 80431 | 2 | 1.4 |
| Physicians - minor surgery - NOC | 80294 | 2 | 1.4 |
| Physicians or Surgeons Assistants | 80116 | 2 | 1.4 |
| Radiology - Diagnostic | 80253 | 2 | 1.4 |
| Radiology - Theraputic | 80359 | 2 | 1.4 |
| Surgery - Ophthalmology | 80114 | 2 | 1.4 |
| Urology - minor surgery | 80120 | 2 | 1.4 |
| Anesthesiology - Chronic Pain Management | 80182 | 3 | 1.8 |
| Bronco - Esophagology | 80101 | 3 | 1.8 |
| Cardiovascular Disease - minor surgery | 80281 | 3 | 1.8 |
| Dermatology - All Other | 80297 | 3 | 1.8 |
| Neonatology - non-critical care | 80804 | 3 | 1.8 |
| Podiatrists - below the ankle | 80993 | 3 | 1.8 |
| Radiology - Diagnostic - Including Interventional | 80280 | 3 | 1.8 |
| Radiology - Theraputic - Including Interventional & Radiation TX | 80358 | 3 | 1.8 |
| Surgery - Colon & Rectal | 80115 | 3 | 1.8 |
| Surgery - Maxillofacial | 80210 | 3 | 1.8 |
| Surgery - Otorhinolaryngology | 80159 | 3 | 1.8 |
| Surgery - Pediatric | 80180 | 3 | 1.8 |
| Surgery - Urological | 80145 | 3 | 1.8 |
| Emergency Medicine - no major surgery | 80102 | 4a | 2.2 |
| Podiatrists - above the ankle | 80993a | 4a | 2.2 |
| Surgery - Gastroenterology | 80104 | 4a | 2.2 |
| Surgery - Family/General Practice - Incl. OB | 80117 | 4 | 2.8 |
| Surgery - General - Excluding Bariatric | 80143 | 4 | 2.8 |
| Surgery - Gynecology | 80167 | 4 | 2.8 |
| Surgery - Neoplastic Diseases/Oncology | 80107 | 4 | 2.8 |
| Emergency Medicine - including major surgery | 80157 | 5 | 3.3 |
| Neonatology - critical care | 80804a | 5 | 3.3 |
| Surgery - Abdominal | 80166 | 5 | 3.3 |
| Surgery - Hand | 80169 | 5 | 3.3 |
| Surgery - Head and Neck | 80170 | 5 | 3.3 |
| Surgery - Orthopedic - excluding spine | 80154 | 5 | 3.3 |
| Surgery - Plastic - NOC | 80156 | 5 | 3.3 |
| Surgery - Plastic - Otorhinolaryngology | 80155 | 5 | 3.3 |
| Surgery - Trauma | 80171 | 5 | 3.3 |
| Surgery - Cardiac | 80141 | 6 | 3.6 |
| Surgery - Cardiovascular Disease | 80150 | 6 | 3.6 |
| Surgery - Orthopedic - including spine | 80154a | 6 | 3.6 |
| Surgery - Thoracic | 80144 | 6 | 3.6 |
| Surgery - Vascular | 80146 | 6 | 3.6 |
| Perinatology | 80804b | 7 | 6.1 |
| Surgery - General - Including Bariatric | 80143a | 7 | 6.1 |
| Surgery - Obstetrics - Gynecology | 80153 | 7 | 6.1 |
| Surgery - Neurology - including child | 80152 | 8 | 8.2 |

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

New Physician Classification Plan

| Physician Specialty | New ISO Code | ILLINOIS AMA | Current CNA Relativities | Proposed CNA Relativities |
|---|---|---|---|---|
| Aerospace Medicine | 80230 | 0.03% | 0.600 | 0.700 |
| Allergy | 80254 | 0.58% | 0.600 | 0.700 |
| Anesthesiology | 80181 | 5.72% | 1.500 | 1.200 |
| Angio/Arterio/Catheterization | 80422 | 0.75% | 1.500 | 1.400 |
| Cardiovascular Disease - No Surgery | 80255 | 2.24% | 0.900 | 1.000 |
| Cardiovascular Surgery | 80150 | 0.16% | 3.750 | 3.600 |
| Colon & Rectal Surgery | 80115 | 0.16% | 1.500 | 1.800 |
| Dermatology - Hair Transplant, Plastic Surgery, etc. | 80297 | 0.16% | 1.000 | 1.800 |
| Dermatology - Invasive Procedures | 80282 | 0.16% | 0.900 | 1.400 |
| Dermatology - No Surgery | 80256 | 0.94% | 0.600 | 1.000 |
| Diabetes - Minor Surgery | 80271 | 0.01% | 0.900 | 1.000 |
| Diabetes - No Surgery | 80237 | 0.04% | 0.600 | 0.700 |
| Diagnostic Radiology | 80280 | 3.32% | 1.000 | 1.800 |
| Emergency Medicine | 80157 | 2.11% | 2.950 | 3.300 |
| Endocrinology - Minor Surgery | 80272 | 0.74% | 0.900 | 1.400 |
| Family/General Practice - Minor Surgery/No OB | 80421 | 1.46% | 1.500 | 1.400 |
| Family/General Practice - No Surgery/No OB | 80420 | 8.76% | 1.000 | 1.000 |
| Family/General Practice - Surgery/OB | 80117 | 1.46% | 2.950 | 2.800 |
| Forensic/Legal Medicine | 80240 | 0.07% | 0.600 | 0.700 |
| Gastroenterology - Minor Surgery | 80274 | 1.51% | 0.900 | 1.400 |
| General Preventive Medicine | 80231 | 0.27% | 0.600 | 0.700 |
| General Surgery | 80143 | 4.18% | 2.950 | 2.800 |
| Geriatric Medicine - Minor Surgery | 80243 | 0.01% | 0.900 | 1.000 |
| Geriatric Medicine - No Surgery | 80243 | 0.04% | 0.600 | 1.000 |
| Gynecology - Minor Surgery | 80277 | 0.47% | 0.900 | 1.400 |
| Gynecology - Surgery | 80167 | 0.16% | 2.950 | 2.800 |
| Hand Surgery | 80169 | 0.19% | 2.950 | 3.300 |
| Hematology/Oncology | 80245 | 1.77% | 0.900 | 1.000 |
| Infectious Disease | 80246 | 0.93% | 0.900 | 1.000 |
| Intensive Care Medicine | 80283 | 2.11% | 2.950 | 1.400 |
| Internal Medicine - Invasive Procedures | 80284 | 4.50% | 1.500 | 1.400 |
| Internal Medicine - No Surgery | 80257 | 13.50% | 1.000 | 1.000 |
| Neonatology/Perinatology | 80804 | 0.53% | 2.950 | 1.800 |
| Nephrology | 80287 | 1.08% | 0.900 | 1.000 |
| Neurology - No Surgery | 80261 | 1.90% | 1.000 | 1.400 |
| Neurosurgery | 80152 | 0.72% | 5.500 | 8.200 |
| Obstetrics/OB/GYN | 80153 | 5.24% | 5.500 | 6.100 |
| Occupational/Industrial Medicine | 80233 | 0.38% | 0.600 | 0.700 |
| Ophthalmology - No Surgery/Laser | 80263 | 1.74% | 0.600 | 0.700 |
| Ophthalmology - Surgery/Laser | 80114 | 0.58% | 0.900 | 1.400 |
| Orthopedic Surgery | 80154a | 2.85% | 3.750 | 3.600 |
| Otolaryngology - Elective Plastic Surgery | 80155 | 0.14% | 3.750 | 3.300 |
| Otolaryngology - No Elective Plastic Surgery | 80159 | 0.14% | 2.950 | 1.800 |
| Otolaryngology - No Surgery | 80265 | 0.85% | 0.600 | 1.000 |
| Pathology | 80292 | 2.85% | 0.900 | 1.000 |
| Pediatric Surgery | 80180 | 0.10% | 2.950 | 1.800 |
| Pediatrics - No Surgery | 80267 | 9.22% | 1.000 | 1.000 |
| Physical Medicine/Rehabilitation | 80235 | 1.16% | 0.600 | 1.000 |
| Plastic Surgery | 80156 | 0.75% | 3.750 | 3.300 |
| Psychiatry | 80249 | 5.59% | 0.900 | 0.700 |
| Public Health | 80236 | 0.08% | 0.600 | 0.700 |
| Pulmonary Medicine | 80269 | 1.21% | 0.600 | 1.000 |
| Radiation Oncology | 80358 | 1.64% | 0.900 | 1.800 |
| Rheumatology | 80252 | 0.65% | 0.600 | 1.000 |
| Thoracic Surgery | 80144 | 0.61% | 2.950 | 3.600 |
| Traumatic Surgery | 80171 | 0.03% | 2.950 | 3.300 |
| Urology - No Implants | 80145 | 1.28% | 1.500 | 1.800 |
| Vascular Surgery | 80146 | 0.16% | 2.950 | 3.600 |
| TOTAL / AVERAGE | | 100.00% | 1.623 | 1.696 |

Notes:
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit D

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

New Physician Territorial Relativities

| County | AMA Distribution | Current CNA Territory | Proposed CNA Territory | Current CNA Relativities | Proposed CNA Relativities |
|---|---|---|---|---|---|
| Cook, Madison, St. Clair, Will | 59.8% | 1 | 1 | 2.100 | 2.100 |
| Lake | 6.5% | 2 | 2 | 1.640 | 1.640 |
| Kane, McHenry | 3.0% | 2 | 2 | 1.640 | 1.640 |
| DuPage | 11.1% | 2 | 2 | 1.640 | 1.640 |
| Jackson | 0.5% | 3 | 1 | 1.280 | 2.100 |
| Vermilion | 0.4% | 3 | 2 | 1.280 | 1.640 |
| Kankakee, Macon | 1.2% | 3 | 3 | 1.280 | 1.280 |
| Champaign, LaSalle | 2.1% | 3 | 3 | 1.280 | 1.280 |
| Sangamon | 2.7% | 3 | 3 | 1.280 | 1.280 |
| Winnebago | 2.1% | 4 | 2 | 1.000 | 1.640 |
| Bureau, Coles, DeKalb, Effingham, Grundy, Ogle, Randolph | 0.8% | 4 | 3 | 1.000 | 1.280 |
| Remainder of State | 9.8% | 4 | 4 | 1.000 | 1.000 |
| TOTAL / AVERAGE | 100.0% | | | 1.809 | 1.830 |

Notes:
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 1

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Development of CNA Indicated Base Class Physician Rate

| | | |
|---|---|---|
| (1) | ISMIE Mutual Insurance Company 7/1/2006 Remainder of State Mature Claims-Made Family Practice (No Surgery) Manual Rate at $1M/$3M Limits (Exhibit 4) | $16,988 |
| (2) | Average Premium Credit (-) / Debit (+) | -26.9% |
| (3) | ISMIE Mutual Insurance Company 7/1/2006 Remainder of State Mature Claims-Made Family Practice (No Surgery) Collected Rate at $1M/$3M Limits = (1) x [1 + (2)] | $12,418 |
| (4) | ISMIE Mutual Insurance Company Permissible Loss & ALAE Ratio (Exhibit 4) | 81.2% |
| (5) | ISMIE Mutual Insurance Company 7/1/2006 Remainder of State Mature Claims-Made Family Practice (No Surgery) Loss Cost at $1M/$3M Limits = (3) x (4) | $10,080 |
| (6) | ISMIE Mutual Insurance Company 7/1/2006 Indicated Rate Level Change | -5.2% |
| (7) | ISMIE Mutual Insurance Company 7/1/2006 Approved Rate Level Change | -5.2% |
| (8) | ISMIE Mutual Insurance Company 7/1/2006 Additional Rate Need = [1+(6)] / [1+(7)] -1 | 0.0% |
| (9) | ISMIE Mutual Insurance Company 7/1/2006 Remainder of State Mature Claims-Made Indicated Family Practice (No Surgery) Loss Cost at $1M/$3M Limits = (5) x [1+(8)] | $10,080 |
| (10) | 6.0% Annual Trend Factor to 7/1/2007 | 1.060 |
| (11) | ISMIE Mutual Insurance Company 7/1/2007 Remainder of State Mature Claims-Made Indicated Family Practice (No Surgery) Loss Cost at $1M/$3M Limits = (9) x (10) | $10,685 |
| (12) | ISMIE Mutual Insurance Company Class Plan Relativity to CNA (Exhibit 2B) | 0.931 |
| (13) | ISMIE Mutual Insurance Company Territory Relativity to CNA (Exhibit 3) | 0.936 |
| (14) | CNA 7/1/2007 Remainder of State Mature Claims-Made Indicated Family Practice (No Surgery) Loss Cost at $1M/$3M Limits = (11) x (12) x (13) | $9,311 |
| (15) | CNA Permissible Loss & ALAE Ratio (Exhibit 4) | 70.5% |
| (16) | CNA 7/1/2007 Remainder of State Mature Claims-Made Indicated Family Practice (No Surgery) Rate at $1M/$3M Limits = (14) / (15) | $13,207 |

Exhibit 2A

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and CNA Physician Classfication Plans

| Physician Specialty | (1) Exposure Distribution | (2) ISMIE Classification | (3) ISMIE Class Code | (4) ISMIE Class Relativity | (5) CNA Classification | (6) CNA Class Code | (7) CNA Class Relativity |
|---|---|---|---|---|---|---|---|
| Allergy & Immunology | 0.58% | Allergy/Immunology | 1 | 0.523 | Allergy | 1A | 0.600 |
| Anesthesiology | 5.72% | Anesthesiology | 7 | 1.265 | Anesthesiology | 2 | 1.500 |
| Cardiovascular Disease | 2.99% | Cardiovascular - No Surgery | 6 | 1.053 | Cardiovascular Disease - No Surgery | 1B | 0.900 |
| | | Cardiovascular - Some Minor Surgery | 8 | 1.424 | | | |
| | | Cardiovascular - Minor Surgery | 11 | 1.795 | Angio/Arterio/Catheterization | 2 | 1.500 |
| Colon & Rectal Surgery | 0.16% | Colon & Rectal Surgery | 11 | 1.795 | Colon & Rectal Surgery | 2 | 1.500 |
| Dermatology | 1.26% | Dermatology | 2 | 0.682 | Dermatology - No Surgery | 1A | 0.600 |
| | | | | | Dermatology - Invasive Procedures | 1B | 0.900 |
| | | | | | Dermatology - Hair Transplant, Plastic Surgery, etc. | 1 | 1.000 |
| Emergency Medicine | 4.22% | Emergency Medicine - Minor Surgery | 11 | 1.795 | Emergency Medicine | 3 | 2.950 |
| | | Emergency Medicine - Major Surgery | 12 | 2.007 | Intensive Care Medicine | 3 | 2.950 |
| Family Practice/General Practice | 12.01% | Family/General Practice - No Surgery | 4 | 1.000 | Family/General Practice - No Surgery/No OB | 1 | 1.000 |
| | | Family/General Practice - Minor Surgery | 19 | 1.530 | Family/General Practice - Minor Surgery/No OB | 2 | 1.500 |
| | | Family/General Practice - Major Surgery | 12 | 2.007 | Family/General Practice - Surgery/OB | 3 | 2.950 |
| | | Geriatrics | 2 | 0.682 | Geriatric Medicine - No Surgery | 1A | 0.600 |
| | | | | | Geriatric Medicine - Minor Surgery | 1B | 0.900 |
| | | General Preventive Medicine | 1 | 0.523 | General Preventive Medicine | 1A | 0.600 |
| Gastroenterology | 1.51% | Gastroenterology | 8 | 1.424 | Gastroenterology - Minor Surgery | 1B | 0.900 |

Exhibit 2A

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and CNA Physician Classfication Plans

| Physician Specialty | (1) Exposure Distribution | (2) ISMIE Classification | (3) ISMIE Class Code | (4) ISMIE Class Relativity | (5) CNA Classification | (6) CNA Class Code | (7) CNA Class Relativity |
|---|---|---|---|---|---|---|---|
| General Surgery | 4.82% | General Surgery | 13 | 2.960 | General Surgery | 3 | 2.950 |
| | | Head & Neck Surgery | 12 | 2.007 | Hand Surgery | 3 | 2.950 |
| | | Hand Surgery - Minor Surgery | 8 | 1.424 | Pediatric Surgery | 3 | 2.950 |
| | | Hand Surgery | 12 | 2.007 | Traumatic Surgery | 3 | 2.950 |
| | | Podiatry Surgery | 7 | 1.265 | Cardiovascular Surgery | 4 | 3.750 |
| | | Oral/Maxillofacial | 4 | 1.000 | Vascular Surgery | 3 | 2.950 |
| | | Cardiac Surgery | 16 | 3.914 | Podiatrist | 3 | 2.950 |
| | | Cardiovascular Surgery | 8 | 1.424 | | | |
| | | Vascular Surgery - Minor Surgery | 8 | 1.424 | | | |
| | | Vascular Surgery | 16 | 3.914 | | | |
| Internal Medicine | 23.23% | Endocrinology | 2 | 0.682 | Endocrinology - Minor Surgery | 1B | 0.900 |
| | | Rheumatology | 2 | 0.682 | Rheumatology | 1A | 0.600 |
| | | Hematology | 4 | 1.000 | Hematology/Oncology | 1B | 0.900 |
| | | Oncology | 4 | 1.000 | | | |
| | | Infectious Disease | 6 | 1.053 | Infectious Disease | 1B | 0.900 |
| | | Nephrology - No Surgery | 6 | 1.053 | Nephrology | 1B | 0.900 |
| | | Nephrology - Minor Surgery | 7 | 1.265 | Internal Medicine - No Surgery | 1 | 1.000 |
| | | Internal Medicine - No Surgery | 5 | 1.159 | Internal Medicine - Invasive Procedures | 2 | 1.500 |
| | | Internal Medicine - Minor Surgery | 8 | 1.424 | Diabetes - No Surgery | 1A | 0.600 |
| | | Diabetes | 4 | 1.000 | Diabetes - Minor Surgery | 1B | 0.900 |
| Neurology | 1.90% | Neurology - No Surgery | 8 | 1.424 | Neurology - No Surgery | 1 | 1.000 |
| | | Neurology - Minor Surgery | 10 | 1.636 | | | |

Exhibit 2A

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and CNA Physician Classfication Plans

| Physician Specialty | (1) Exposure Distribution | (2) ISMIE Classification | (3) ISMIE Class Code | (4) ISMIE Class Relativity | (5) CNA Classification | (6) CNA Class Code | (7) CNA Class Relativity |
|---|---|---|---|---|---|---|---|
| Neurological Surgery | 0.72% | Neurosurgery - Excl. Intracranial Surgery | 18 | 4.444 | Neurosurgery | 5 | 5.500 |
| | | Neurosurgery - Incl. Intracranial Surgery | 20 | 6.774 | | | |
| Obstetrics & Gynecology | 5.86% | Gynecology - No Surgery | 5 | 1.159 | Gynecology - Minor Surgery | 1B | 0.900 |
| | | Gynecology - Minor Surgery | 11 | 1.795 | Gynecology - Surgery | 3 | 2.950 |
| | | Gynecological Surgery | 12 | 2.007 | | | |
| | | OB/GYN - Surgery | 17 | 4.126 | Obstetrics/OB/GYN | 5 | 5.500 |
| Occupational Medicine | 0.38% | Occupational Medicine | 1 | 0.523 | Occupational/Industrial Medicine | 1A | 0.600 |
| | | Industrial Medicine | 4 | 1.000 | | | |
| Ophthalmology | 2.32% | Ophthalmology - No Surgery | 2 | 0.682 | Ophthalmology - No Surgery/Laser | 1A | 0.600 |
| | | Ophthalmology - Surgery | 4 | 1.000 | Ophthalmology - Surgery/Laser | 1B | 0.900 |
| Orthopedic Surgery | 2.85% | Orthopedics - Minor Surgery | 8 | 1.424 | Orthopedic Surgery | 4 | 3.750 |
| | | Orthopedic Surgery - Excl. Spine | 15 | 3.384 | | | |
| | | Orthopedic Surgery - Incl. Spine | 18 | 4.444 | | | |
| Otolaryngology | 1.13% | Otorhinolaryngology - No Surgery | 1 | 0.523 | Otolaryngology - No Surgery | 1A | 0.600 |
| | | Otorhinolaryngology - Minor Surgery | 8 | 1.424 | | | |
| | | Otorhinolaryngology - Surgery (Excl. Plastic) | 11 | 1.795 | Otolaryngology - No Elective Plastic Surgery | 3 | 2.950 |
| | | Otorhinolaryngology - Head/Neck | 12 | 2.007 | | | |
| | | Otorhinolaryngology - Other than Head/ Neck | 14 | 3.066 | Otolaryngology - Elective Plastic Surgery | 4 | 3.750 |

Exhibit 2A

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and CNA Physician Classfication Plans

| Physician Specialty | (1) Exposure Distribution | (2) ISMIE Classification | (3) ISMIE Class Code | (4) ISMIE Class Relativity | (5) CNA Classification | (6) CNA Class Code | (7) CNA Class Relativity |
|---|---|---|---|---|---|---|---|
| Psychiatry | 5.59% | Psychiatry | 2 | 0.682 | Psychiatry | 1B | 0.900 |
| Pediatrics | 9.75% | Pediatrics - No Surgery | 3 | 0.788 | Pediatrics - No Surgery | 1 | 1.000 |
| | | Pediatrics - Minor Surgery | 8 | 1.424 | | | |
| | | Neonatology | 14 | 3.066 | Neonatology/Perinatology | 3 | 2.950 |
| Public Health | 0.11% | Public Health | 1 | 0.523 | Public Health | 1A | 0.600 |
| | | | | | Aerospace Medicine | 1A | 0.600 |
| Physical Medicine & Rehabilitation | 1.16% | Physical Medicine/Rehabilitation | 1 | 0.523 | Physical Medicine/Rehabilitation | 1A | 0.600 |
| Plastic Surgery | 0.75% | Plastic Surgery | 14 | 3.066 | Plastic Surgery | 4 | 3.750 |
| Anatomic/Clinical Pathology | 2.92% | Pathology | 2 | 0.682 | Pathology | 1B | 0.900 |
| | | Forensic Medicine | 1 | 0.523 | Forensic/Legal Medicine | 1A | 0.600 |
| Pulmonary Disease | 1.21% | Pulmonary Diseases | 7 | 1.265 | Pulmonary Medicine | 1A | 0.600 |
| Radiology | 4.96% | Radiation Oncology | 4 | 1.000 | Radiation Oncology | 1B | 0.900 |
| | | Diagnostic Radiology - No Surgery | 7 | 1.265 | | | |
| | | Diagnostic Radiology - Minor Surgery | 8 | 1.424 | Diagnostic Radiology | 1 | 1.000 |
| | | Diagnostic Radiology- Surgery | 11 | 1.795 | | | |
| | | Nuclear Medicine | 4 | 1.000 | | | |

Exhibit 2A

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and CNA Physician Classfication Plans

| Physician Specialty | (1) Exposure Distribution | (2) ISMIE Classification | (3) ISMIE Class Code | (4) ISMIE Class Relativity | (5) CNA Classification | (6) CNA Class Code | (7) CNA Class Relativity |
|---|---|---|---|---|---|---|---|
| Thoracic Surgery | 0.61% | Thoracic Surgery - Minor Surgery | 4 | 1.000 | Thoracic Surgery | 3 | 2.950 |
| | | Thoracic Surgery | 16 | 3.914 | | | |
| Urology | 1.28% | Urology - Minor Surgery | 8 | 1.424 | Urology - No Implants | 2 | 1.500 |
| | | Urology - Surgery | 10 | 1.636 | | | |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 2B

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Derivation of Class Plan Relativity Factor

| | (1) | (2) | (3) |
|---|---|---|---|
| CNA Physician Class | Exposure Distribution | ISMIE Average Relativity | CNA Current Relativity |
| 1A | 8.04% | 0.715 | 0.600 |
| 1B | 19.59% | 0.914 | 0.900 |
| 1 | 36.86% | 1.057 | 1.000 |
| 2 | 13.87% | 1.394 | 1.500 |
| 3 | 11.78% | 2.485 | 2.950 |
| 4 | 3.90% | 3.649 | 3.750 |
| 5 | 5.96% | 4.305 | 5.500 |
| Total/Average | 100.00% | 1.511 | 1.623 |
| Relativity to CNA = (2) / (3) | | | 0.931 |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 3

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Derivation of Territory Relativity Factor

| County | ISMIE Territory | CNA Territory | (1) Exposure Distribution | (2) ISMIE Territory Relativity | (3) CNA Territory Relativity |
|---|---|---|---|---|---|
| Cook, Madison, St. Clair, Will | 1 | 1 | 59.85% | 1.900 | 2.100 |
| Lake | 1A | 2 | 6.48% | 1.720 | 1.640 |
| Kane, McHenry | 1B | 2 | 2.96% | 1.630 | 1.640 |
| DuPage | 2 | 2 | 11.13% | 1.450 | 1.640 |
| Jackson | 1 | 3 | 0.52% | 1.900 | 1.280 |
| Vermilion | 1A | 3 | 0.41% | 1.720 | 1.280 |
| Kankakee, Macon | 2 | 3 | 1.20% | 1.450 | 1.280 |
| Champaign, LaSalle | 2A | 3 | 2.07% | 1.360 | 1.280 |
| Sangamon | 2B | 3 | 2.68% | 1.180 | 1.280 |
| Winnebago | 1B | 4 | 2.14% | 1.630 | 1.000 |
| Bureau, Coles, DeKalb, Effingham, Ogle, Randolph | 2A | 4 | 0.80% | 1.360 | 1.000 |
| Grundy | 2B | 4 | 0.14% | 1.180 | 1.000 |
| Peoria | 2C | 4 | 2.47% | 0.910 | 1.000 |
| Remainder of State | 3 | 4 | 7.17% | 1.000 | 1.000 |
| Total/Average | | | 100.00% | 1.694 | 1.809 |
| Relativity to CNA = (2) / (3) | | | | | 0.936 |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 4

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Base Rate and Expense Information

| Section A - Base Rate Description | ISMIE Mutual Insurance Company | CNA - Current | CNA - Indicated |
|---|---|---|---|
| Effective Date | 7/1/2006 | 7/1/2005 | 7/1/2007 |
| Type of Coverage | Mature CM | Mature CM | Mature CM |
| Per Occurrence Limit | $1,000,000 | $100,000 | $100,000 |
| Annual Aggregate Limit | $3,000,000 | $300,000 | $300,000 |
| Term | Annual | Annual | Annual |
| Per Occurrence Deductible | None | None | None |
| Annual Aggregate Deductible | None | None | None |

| Section B - $1M/$3M Base Rate Calculation | ISMIE Mutual Insurance Company | CNA - Current | CNA - Indicated |
|---|---|---|---|
| (1) Family Practice (No Surgery) Base Rate | $16,988 | $14,948 | $6,143 |
| (2) Factor to Convert to Mature Claims Made | 1.000 | 1.000 | 1.000 |
| (3) Factor to Convert to 12 Month Term | 1.000 | 1.000 | 1.000 |
| (4) Increase Limit Factor to $1M/$3M | 1.000 | 2.150 | 2.150 |
| (5) $0 Deductible Factor | 1.000 | 1.000 | 1.000 |
| (6) Combined Factor = (2) x (3) x (4) x (5) | 1.000 | 2.150 | 2.150 |
| (7) $1M/$3M Family Practice (No Surgery) Base Rate = (1)x(6) | $16,988 | $32,138 | $13,207 |

| Section C - Permissible Loss and ALAE Ratio Calculation | ISMIE Mutual Insurance Company | CNA - Current | CNA - Indicated |
|---|---|---|---|
| (8) Commissions & Brokerage Fees | 4.0% | 10.0% | 10.0% |
| (9) General and Other Acquisition Expenses | 3.2% | 9.7% | 8.4% |
| (10) Taxes, Licenses & Fees | 2.0% | 2.4% | 2.4% |
| (11) Profit & Contingencies | 2.0% | 6.4% | 4.2% |
| (12) Total Expenses and Profit = (8)+(9)+(10)+(11) | 11.2% | 28.5% | 25.0% |
| (13) Permissible Loss and LAE Ratio (incl. DDR) = 1.0 - (12) | 88.8% | 71.5% | 75.0% |
| (14) DDR Load as a % of Loss and ALAE | 4.9% | 0.0% | 0.0% |
| (15) Unallocated LAE as a % of Loss and ALAE | 4.5% | 5.9% | 6.4% |
| (16) Permissible Loss and ALAE Ratio = (13)/{[1+(14)]x[1+(15)]} | 81.2% | 67.5% | 70.5% |

Exhibit 5.1

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Cook, Madison, St. Clair, Will

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 23,071 | 16,640 | -27.9% |
| 1B | 19.59% | 29,508 | 24,960 | -15.4% |
| 1 | 36.86% | 34,127 | 27,734 | -18.7% |
| 2 | 13.87% | 44,979 | 41,601 | -7.5% |
| 3 | 11.78% | 80,221 | 81,815 | +2.0% |
| 4 | 3.90% | 117,795 | 104,002 | -11.7% |
| 5 | 5.96% | 138,957 | 152,536 | +9.8% |
| Total/Average | 100.00% | 48,773 | 44,999 | -7.7% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.2

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Lake

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 20,886 | 12,995 | -37.8% |
| 1B | 19.59% | 26,713 | 19,493 | -27.0% |
| 1 | 36.86% | 30,894 | 21,659 | -29.9% |
| 2 | 13.87% | 40,718 | 32,488 | -20.2% |
| 3 | 11.78% | 72,621 | 63,894 | -12.0% |
| 4 | 3.90% | 106,636 | 81,221 | -23.8% |
| 5 | 5.96% | 125,793 | 119,124 | -5.3% |
| Total/Average | 100.00% | 44,153 | 35,142 | -20.4% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.3

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Kane, McHenry

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 19,793 | 12,995 | -34.3% |
| 1B | 19.59% | 25,315 | 19,493 | -23.0% |
| 1 | 36.86% | 29,277 | 21,659 | -26.0% |
| 2 | 13.87% | 38,587 | 32,488 | -15.8% |
| 3 | 11.78% | 68,821 | 63,894 | -7.2% |
| 4 | 3.90% | 101,056 | 81,221 | -19.6% |
| 5 | 5.96% | 119,211 | 119,124 | -0.1% |
| Total/Average | 100.00% | 41,842 | 35,142 | -16.0% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.4

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

DuPage

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 17,607 | 12,995 | -26.2% |
| 1B | 19.59% | 22,519 | 19,493 | -13.4% |
| 1 | 36.86% | 26,044 | 21,659 | -16.8% |
| 2 | 13.87% | 34,326 | 32,488 | -5.4% |
| 3 | 11.78% | 61,221 | 63,894 | +4.4% |
| 4 | 3.90% | 89,896 | 81,221 | -9.7% |
| 5 | 5.96% | 106,046 | 119,124 | +12.3% |
| Total/Average | 100.00% | 37,222 | 35,142 | -5.6% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.5

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Jackson

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 23,071 | 10,143 | -56.0% |
| 1B | 19.59% | 29,508 | 15,214 | -48.4% |
| 1 | 36.86% | 34,127 | 16,904 | -50.5% |
| 2 | 13.87% | 44,979 | 25,357 | -43.6% |
| 3 | 11.78% | 80,221 | 49,868 | -37.8% |
| 4 | 3.90% | 117,795 | 63,392 | -46.2% |
| 5 | 5.96% | 138,957 | 92,974 | -33.1% |
| Total/Average | 100.00% | 48,773 | 27,428 | -43.8% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.6

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Vermilion

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 20,886 | 10,143 | -51.4% |
| 1B | 19.59% | 26,713 | 15,214 | -43.0% |
| 1 | 36.86% | 30,894 | 16,904 | -45.3% |
| 2 | 13.87% | 40,718 | 25,357 | -37.7% |
| 3 | 11.78% | 72,621 | 49,868 | -31.3% |
| 4 | 3.90% | 106,636 | 63,392 | -40.6% |
| 5 | 5.96% | 125,793 | 92,974 | -26.1% |
| Total/Average | 100.00% | 44,153 | 27,428 | -37.9% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.7

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Kankakee, Macon

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 17,607 | 10,143 | -42.4% |
| 1B | 19.59% | 22,519 | 15,214 | -32.4% |
| 1 | 36.86% | 26,044 | 16,904 | -35.1% |
| 2 | 13.87% | 34,326 | 25,357 | -26.1% |
| 3 | 11.78% | 61,221 | 49,868 | -18.5% |
| 4 | 3.90% | 89,896 | 63,392 | -29.5% |
| 5 | 5.96% | 106,046 | 92,974 | -12.3% |
| Total/Average | 100.00% | 37,222 | 27,428 | -26.3% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.8

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Champaign, LaSalle

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 16,514 | 10,143 | -38.6% |
| 1B | 19.59% | 21,122 | 15,214 | -28.0% |
| 1 | 36.86% | 24,427 | 16,904 | -30.8% |
| 2 | 13.87% | 32,195 | 25,357 | -21.2% |
| 3 | 11.78% | 57,421 | 49,868 | -13.2% |
| 4 | 3.90% | 84,317 | 63,392 | -24.8% |
| 5 | 5.96% | 99,464 | 92,974 | -6.5% |
| Total/Average | 100.00% | 34,911 | 27,428 | -21.4% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.9

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Sangamon

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 14,329 | 10,143 | -29.2% |
| 1B | 19.59% | 18,326 | 15,214 | -17.0% |
| 1 | 36.86% | 21,194 | 16,904 | -20.2% |
| 2 | 13.87% | 27,934 | 25,357 | -9.2% |
| 3 | 11.78% | 49,821 | 49,868 | +0.1% |
| 4 | 3.90% | 73,157 | 63,392 | -13.3% |
| 5 | 5.96% | 86,300 | 92,974 | +7.7% |
| Total/Average | 100.00% | 30,291 | 27,428 | -9.5% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.10

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Winnebago

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 19,793 | 7,924 | -60.0% |
| 1B | 19.59% | 25,315 | 11,886 | -53.0% |
| 1 | 36.86% | 29,277 | 13,207 | -54.9% |
| 2 | 13.87% | 38,587 | 19,810 | -48.7% |
| 3 | 11.78% | 68,821 | 38,959 | -43.4% |
| 4 | 3.90% | 101,056 | 49,525 | -51.0% |
| 5 | 5.96% | 119,211 | 72,636 | -39.1% |
| Total/Average | 100.00% | 41,842 | 21,428 | -48.8% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.11

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Bureau, Coles, DeKalb, Effingham, Ogle, Randolph

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 16,514 | 7,924 | -52.0% |
| 1B | 19.59% | 21,122 | 11,886 | -43.7% |
| 1 | 36.86% | 24,427 | 13,207 | -45.9% |
| 2 | 13.87% | 32,195 | 19,810 | -38.5% |
| 3 | 11.78% | 57,421 | 38,959 | -32.2% |
| 4 | 3.90% | 84,317 | 49,525 | -41.3% |
| 5 | 5.96% | 99,464 | 72,636 | -27.0% |
| Total/Average | 100.00% | 34,911 | 21,428 | -38.6% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.12

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Grundy

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 14,329 | 7,924 | -44.7% |
| 1B | 19.59% | 18,326 | 11,886 | -35.1% |
| 1 | 36.86% | 21,194 | 13,207 | -37.7% |
| 2 | 13.87% | 27,934 | 19,810 | -29.1% |
| 3 | 11.78% | 49,821 | 38,959 | -21.8% |
| 4 | 3.90% | 73,157 | 49,525 | -32.3% |
| 5 | 5.96% | 86,300 | 72,636 | -15.8% |
| Total/Average | 100.00% | 30,291 | 21,428 | -29.3% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.13

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Peoria

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 11,050 | 7,924 | -28.3% |
| 1B | 19.59% | 14,133 | 11,886 | -15.9% |
| 1 | 36.86% | 16,345 | 13,207 | -19.2% |
| 2 | 13.87% | 21,543 | 19,810 | -8.0% |
| 3 | 11.78% | 38,422 | 38,959 | +1.4% |
| 4 | 3.90% | 56,418 | 49,525 | -12.2% |
| 5 | 5.96% | 66,553 | 72,636 | +9.1% |
| Total/Average | 100.00% | 23,360 | 21,428 | -8.3% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 5.14

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of ISMIE Mutual Insurance Company and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Remainder of State

| CNA Physician Class | (1) Exposure Distribution | (2) ISMIE Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Rate Differential |
|---|---|---|---|---|
| 1A | 8.04% | 12,143 | 7,924 | -34.7% |
| 1B | 19.59% | 15,531 | 11,886 | -23.5% |
| 1 | 36.86% | 17,961 | 13,207 | -26.5% |
| 2 | 13.87% | 23,673 | 19,810 | -16.3% |
| 3 | 11.78% | 42,222 | 38,959 | -7.7% |
| 4 | 3.90% | 61,997 | 49,525 | -20.1% |
| 5 | 5.96% | 73,135 | 72,636 | -0.7% |
| Total/Average | 100.00% | 25,670 | 21,428 | -16.5% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

Exhibit 6

**CNA Insurance Companies**
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ILLINOIS

Comparison of Current and Indicated CNA Rates
Mature Claims Made - $1,000,000/$3,000,000 Limit

Remainder of State

| CNA Physician Class | (1) Exposure Distribution | (2) CNA Current Rate | (3) CNA Indicated Rate | (4) =(3)/(2)-1 CNA Indicated Change |
|---|---|---|---|---|
| 1A | 8.04% | 19,283 | 7,924 | |
| 1B | 19.59% | 28,924 | 11,886 | |
| 1 | 36.86% | 32,138 | 13,207 | |
| 2 | 13.87% | 48,207 | 19,810 | |
| 3 | 11.78% | 94,808 | 38,959 | |
| 4 | 3.90% | 120,518 | 49,525 | |
| 5 | 5.96% | 176,760 | 72,636 | |
| Total/Average | 100.00% | 52,145 | 21,428 | -58.9% |

Note(s):
Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

**CNA INSURANCE COMPANIES**
**ILLINOIS**
**Physicians & Surgeons Professional Liability**

**Calculation of Permissible Loss & ALAE Ratio**

| | |
|---|---|
| (1) Target CNA ROE | 15.0% |
| (2) 2007 Plan Loss & ALAE Ratio | 66.7% |
| (3) ULAE to Premium Ratio | 4.5% |
| (4) ULAE to Loss & ALAE | 6.7% |
| (5) Acquisition - Commission | 10.0% |
| (6) Acquisition - Change in DAC | 0.0% |
| (7) Acquisition - Other | 1.1% |
| (8) Underwriting (Including premium tax) | 9.7% |
| (9) Expense Ratio (ER) | 20.8% |
| (10) Present Value Premium Factor (60 day Lag) (PVP) | 0.9922 |
| (11) Present Value L&ALAE Factor $PV_1$ | 0.8775 |
| (12) Present Value ULAE Factor $PV_2$ | 0.9272 |
| (13) Leverage Ratio (L) | 1.64 |
| (14) Yield on Capital (Y) | 4.5% |
| (15) Percent Investable (I) | 70.0% |
| (16) Income Tax Rate (T) | 35.0% |
| (17) Permissible Loss & ALAE Ratio (L&ALAE) | 70.5% |
| (18) Targeted Combined Ratio | 95.8% |

**CNA INSURANCE COMPANIES**
**ILLINOIS**
**Physicians & Surgeons Professional Liability**

**Calculation of Investment Income Adjustments**

| Months | L&ALAE Incremental Payout Pattern | ULAE Incremental Payout Pattern | 4.8% Discount Factor | L&ALAE Discounted Payout | ULAE Discounted Payout |
|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) |
| 12 | 4.4% | 52.2% | 97.7% | 4.3% | 51.0% |
| 24 | 28.4% | 14.2% | 93.2% | 26.5% | 13.2% |
| 36 | 30.2% | 15.1% | 89.0% | 26.9% | 13.4% |
| 48 | 16.6% | 8.3% | 84.9% | 14.1% | 7.0% |
| 60 | 12.6% | 6.3% | 81.0% | 10.2% | 5.1% |
| 72 | 4.8% | 2.4% | 77.3% | 3.7% | 1.9% |
| 84 | 1.0% | 0.5% | 73.8% | 0.7% | 0.4% |
| 96 | 0.9% | 0.4% | 70.4% | 0.6% | 0.3% |
| 108 | 0.5% | 0.3% | 67.2% | 0.3% | 0.2% |
| 120 | 0.3% | 0.1% | 64.2% | 0.2% | 0.1% |
| 132 | 0.2% | 0.1% | 61.2% | 0.1% | 0.1% |
| 144 | 0.1% | 0.0% | 58.4% | 0.1% | 0.0% |
| 156 | 0.0% | 0.0% | 55.8% | 0.0% | 0.0% |
| | 100% | 100% | | 87.8% | 92.7% |

(4) = (1.048) ^ -( [(1) - 6] / 12 )
(5) = (2) x (4)
(6) = (3) x (4)

**Continental Casualty Company**
**Continental Insurance Company**
Physicians & Surgeons Professional Liability

Summary of Ancillary Rate Changes
State of Illinois - Remainder of State

*At 100,000/300,000 Limits of Liability*

| Class Description | Prior Mature Rate | New Mature Rate | % Change |
|---|---|---|---|
| Physician Assistant | 1,846 | 871 | -52.8% |
| Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse | 3,692 | 871 | -76.4% |
| H/L Perfusionist | 3,692 | 1,046 | -71.7% |
| Nurse Midwife | 12,497 | 7,086 | -43.3% |
| Nurse Anesthetist | 12,355 | 1,743 | -85.9% |
| Nurse Practitioners | 475 | 751 | 58.1% |

# CNA HealthPro
# for
# Medical Practitioners Professional Liability Coverages

AMERICAN CASUALTY COMPANY OF READING, PA
CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
CONTINENTAL INSURANCE COMPANY

CNA

# CNA HealthPro
# Medical Practitioners
# Countrywide Pages

## I. APPLICATION OF MANUAL

A. This manual provides rules, rates, premiums, classifications and territories for the writing of Medical Practitioners Professional Liability for the following Health Care Providers:

1. Physicians or Surgeons
2. Osteopathic Physicians or Surgeons
3. Podiatrists

B. These company pages shall not apply to Hospital Professional Liability as set forth in:
   1. Commercial Lines Manual, Professional Liability Division, VII, Medical Professional Liability, or
   2. Any independently filed Hospital Professional Liability Program by a CNA member company .

C. Any exceptions to these rules are contained in the respective State Rate/Exception Pages.

## II. COVERAGE

Coverage under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy.

## III. POLICY TERM

Policies may be written for a term of one year or less, and renewed annually thereafter, or as otherwise specified for the respective coverage.

## IV. INDIVIDUAL PRACTICE

For the purpose of these rules, individual practice shall be defined as a solo practitioner, partner(s) of an insured partnership, officers of a professional corporation, or employed practitioners who are otherwise ineligible under the rules applicable to group practice.

## V. GROUP PRACTICE

For the purpose of these rules, group practice shall be defined as a group of physicians rendering out-patient care who:

1. number 3 or more, and
2. are organized as a legal entity.

## VI. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for liability coverage under this program shall be:

1. Professional Liability: $100,000 Each Claim / $300,000 Aggregate

## VII. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be $250 per annual or lesser period, unless otherwise specified for the respective coverage.

## VIII. INCREASED LIMITS OF LIABILITY

Increased Limits of Liability and the corresponding Increased Limit Factors shall be as shown on the State Rate Page for the respective Coverage Part.

## IX. PREMIUM COMPUTATION

A. The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured. The rates shall be applied in accordance with each practitioner's medical specialty and corresponding code number.

1. Compute the premium at policy inception using the rules, 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.
2. Prorate the premium when a policy is issued for other than a whole year.
3. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at the last step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding at each step.

B. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their annual income from outside the state. Those who derive more than 25% of their annual income outside the state shall be referred to the Company for underwriting approval and rating.

C. FACTORS OR MULTIPLIERS

Individual premium modifications are to be applied multiplicatively, modifications from the Scheduled Rating Modification Plan are to be added together and then applied multiplicatively.

D. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

i. any amount involving $.50 or over shall be rounded to the next highest whole dollar amount;
ii. any amount involving $.49 or less shall be rounded down to the next lowest whole dollar amount.

E. RETURN PREMIUM

1. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is cancelled.
2. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
3. 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.
4. Waive return premium of $15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.
5. Retain the policy writing minimum premium.

F. 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. Any installment fees for this option will be as shown on the respective State Rate Page.

G. RESERVE PREMIUM AND/OR PROFIT SHARING

The Company may agree with a sponsoring organization for a sharing of the profits, if any, in accordance with a predetermined formula. In the event of such an agreement, the policy shall be endorsed to either reflect the profit utilization formula or add the pertinent portion of the agreement with the organization to the policy by reference.

Any monies developed in accordance with an agreement set forth above shall be made available to the insureds in accordance with the provisions of such agreement.

H. ADDITIONAL PREMIUM CHARGES

1. Prorate all changes requiring additional premium.
2. 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, even if the policy inception premium was less than the policy writing minimum premium.
3. Waive additional premium of $15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

I. CLAIMS-MADE 'STEP' RULE

The proper step into which the insured is placed for rating purposes when claims-made coverage has been provided for less than annual periods, is determined as follows:

1. if claims-made coverage has been in effect for less than 6 months, step 1 rates apply;
2. if claims-made coverage has been in effect for "x" years plus less than 6 months, step "x" plus 1 applies;
3. if claims-made coverage has been in effect for "x" years plus 6 months or more, step "x" plus 2 applies.

Note: The value of "x" is the number of whole years.

## X. POLICY CANCELLATIONS

A. Compute return premium 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 when:
   1. a policy is cancelled at the Company's request;
   2. the insured no longer has a financial or an insurable interest in the property or operations that is the subject of insurance;
   3. a policy is cancelled and rewritten in the same Company or Company group.

B. If cancellation is for any other reason than stated in A. above, compute the return premium at .90 of the pro rata unearned premium for the one year period and round in accordance with the Whole Dollar Rule.

C. Retain the Policy Writing Minimum Premium when the insured requests cancellation, except when a policy is cancelled as of the inception date.

## 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 Coverage Only)

The availability of Extended Reporting Period Coverage shall be governed by the following rules:

A. The limits or liability available for any Extended Reporting Period shall be as set forth in Policy.

B Available Extended Reporting Period options, and appropriate premium charges, shall be as shown in the applicable State Rate Page.

C. The prior acts date of coverage with this Company will determine the years of prior exposure for Extended Reporting Period coverage.

D. Premium must be paid promptly when due. Premium may be paid in advance, or at Company discretion, may be paid in three annual installments.

E. 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 premium charge.

F. 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. retirement takes place subject to the provisions as stated on the State Rate Page.

G. In the event the policy is cancelled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

## XIII. ADDITIONAL CLASSIFICATIONS

A. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, will be eligible for restricted coverage at a reduced rate. This would apply retroactively to the first day of disability or leave of absence. Rating basis as follows:

| | |
|---|---|
| Disability/Leave of Absence | 25% of Medical Specialty |

B. Part-Time

A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

| | |
|---|---|
| Practice less than 20 hours per week | 50% of Medical Specialty |

C. Teaching Physicians

To recognize the reduced exposure associated with practitioners away from their practice while teaching, a reduced rate will be charged upon the following basis:

| | |
|---|---|
| Due to teaching, your weekly patient contact is limited to: | |
| (Less than 8 Hours per week) | 35% of Medical Specialty |
| (8-16 hours per week) | 50% of Medical Specialty |
| (17 hours or more per week) | 100% of Medical Specialty |

D. Physicians in Training

Following graduation from medical school, a physician may elect to enter additional training periods. For rating purposes, they are defined as follows:

1. Residency Program - various lengths of time depending upon medical specialty; 3 years average. Following first year residency, generally licensed M.D. Upon completion of residency program physician becomes board eligible;
2. Preceptorship - A preceptee is a non-licensed medical student or licensed physician continuing their education. A licensed physician preceptee shall, for the purposes of this program be considered as a part-time physician and added to the insured physician's policy;
3. Fellowship Program - Follows completion of residency and is a higher level of training.

   NOTE: Do not confuse a physician in a fellowship training program with a fellow, for example, of American College of Surgeons, or fellow of American College of OB/GYN. These are honorary membership designations obtained by peer nomination and approval.

Rating basis as follows:

| | |
|---|---|
| Residency Program | 50% of Medical Specialty |
| Preceptee: | 35% of Medical Specialty |
| Fellowship | 100% of Medical Specialty |

E. Locum Tenens Physician

Coverage for a physician substituting for an insured physician will be limited to cover only professional services rendered on behalf of an insured physician for the specified time period. Locum Tenens will share in the insured physician's Limit of Liability.

The Locum Tenens physician must complete an application and submit it to the Company in advance for approval prior to the requested effective date of coverage. Rating basis as follows:

| | |
|---|---|
| Locum Tenens Physicians | No Charge |

F. Change of Exposure or Medical Specialty

In the event of a change in exposure or medical specialty of the practitioner, a charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Period coverage at no charge;
2. with regard to medical specialty, both the prior and the current specialty fall within the same class;
3. the exposure or medical specialty of the practitioner changed more than 4 years prior while insured under claims-made coverage; or
4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

G. Premium Adjustment - Claims-Made Only

The following procedure should be used to calculate the exposure surcharge applicable under Rule F., above:

1. Calculate the at limits Extended Reporting Period premium appropriate for:
   a. the previous medical specialty or status according to the rates and rules contained herein; and
   b. the premium appropriate for the current medical specialty or status.
2. If the at limits Extended Reporting Period premium for the current specialty or status:
   a. is less than the premium for the previous medical specialty or status, the dollar amount of difference is the charge to be applied;
   b. exceeds the premium for the previous medical specialty or status, there shall be no charge.

H. Clinical Practice

The majority of residency training is within a hospital. However, there are periods where clinical experience is required. If a group practice desires individual coverage for these physicians, they may be covered provided that:

1. they are under direct supervision of a clinical physician; and
2. their purpose in the clinic is to receive the experience as part of their overall training program.

This rule shall not apply if the training institution (i.e. hospital) provides Professional Liability coverage for the physician in training while outside the institution.

## XIV. MISCELLANEOUS / ANCILLARY MEDICAL PERSONNEL

A. Professional Liability coverage for miscellaneous medical personnel may be provided. Refer to State Rate Page for medical specialties and rating instructions.

B. Premium shall be as shown on the State Rate Page.

## XV. CORPORATION / PARTNERSHIP / PROFESSIONAL ASSOCIATION

It shall be permissible to provide coverage for a Health Care corporation, Professional Association, or partnership, for liability arising from the practice of medicine by member physicians. Such coverage may be provided as follows:

A. Individual Practice

1. Solo Practice:

   on a shared Limit of Liability basis by endorsement to the policy, specifying such entity will share in the individual practitioner limit. In such case no additional premium shall be charged; or

2. All Others

   on a separate Limit of Liability basis by naming the corporation/partnership/professional association on the policy. The Limit of Liability shall be equal to the highest limits provided to any one individual member physician. Additional premium shall be as shown on the State Rate Page. In this case, all ancillary personnel shall be added to this corporation limit, and not to the policy of the individual physician.

B. Group Practice

on a separate Limit of Liability basis by naming the corporation/partnership/professional association on the policy. The Limit of Liability shall be equal to the limits provided to the individual member physicians. Additional premium shall be as shown on the State Rate Page.

## XVI. OPTIONAL COVERAGES / ENDORSEMENTS

A. It shall be permissible to add any of the following optional coverages/endorsements as appropriate to the particular situation and in accordance with the minimum basic Limits of Liability indicated herein:

1. Medical Laboratory

   It shall be permissible to add a Medical Laboratory:

   a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
   b. as an additional insured at the premium charge shown on the State Rate Page, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

2. Deductibles/Self-Insured Retentions

   Deductibles and self-insured retentions may be offered to qualified insureds.

3. First Aid Coverage Endorsement

   When added to the practitioner(s) Professional Liability policy, coverage provided by this endorsement is limited to $5000 per person for first aid expenses. Complete coverage details are explained on the endorsement

## XVII. FULL-TIME EQUIVALENCY

It shall be permissible to add coverage for a Full-Time Equivalency position staffed by two or more part-time medical practitioners performing identical professional services for one job description, with their cumulative hours equivalent to one full-time medical practitioner.

The limits of liability apply separately to each position specifically named on the schedule, collectively with such incumbents who qualify for coverage under the definition of "you".

Compute the premium by applying the rates applicable to an individual physician charge for each Full-Time Equivalency position specifically named on the schedule.

## XVIII. STAFF POSITION

It shall be permissible to add coverage for a specific Staff Position having a specific job description with professional services being performed by a medical practitioner.

The limits of liability apply separately to each staff position specifically named on the staff position schedule, collectively with such incumbents included as "you" by occupational description, and specifically named on such staff position schedule.

Compute the premium by applying the rates applicable to an individual physician charge for each Staff Position specifically named on the schedule.

## XIX. SCHEDULED RATING MODIFICATION PLAN

The hazards of the practice of medicine vary with the organization, establishment of medical standards review and claims review committees, the effectiveness of such committees, loss prevention activities, professional liability claim experience, professional services rendered under written agreement, etc. To recognize specific characteristics unique to the risk, a rate modification as shown below may be applied based on the following:

1. Professional Liability Exposures

   The maximum permissible modification of the Professional Liability premium(s) is as shown on the State Rate Page.

| | *CREDIT* | *DEBIT* |
|---|---|---|
| a. Loss Control Program<br>The underwriter will evaluate the procedures in place within the practice, including adherence to prior CNA recommendations. | 0-10% | 0-10% |
| b. Practice Characteristics<br>The underwriter will evaluate the impact of contracts with managed care organizations on utilization, referrals, and overall quality of patient care. | 0-15% | 0-15% |
| c. Continuing Education<br>Determine if the applicant's professional and para-professional staff participant in effective continuing medical education program(s); | 0-5% | 0-5% |
| d. Unusual Risk Characteristics | 0-10% | 0-10% |

## Continental Casualty Company & The Continental Insurance Company

A. Medical Practitioners - Claims-Made Rates: (at $100,000/$300,000 Limits of Liability)

Territory I: Cook, Madison, St. Clair, Will, and Jackson Counties

| | Step Rates | | | | |
|---|---|---|---|---|---|
| Class | 1 | 2 | 3 | 4 | 5 |
| 1A | 2,815 | 5,119 | 6,825 | 7,508 | 8,532 |
| 1 | 4,022 | 7,313 | 9,751 | 10,726 | 12,188 |
| 2A | 4,827 | 8,776 | 11,701 | 12,871 | 14,626 |
| 2 | 5,631 | 10,238 | 13,651 | 15,016 | 17,064 |
| 3 | 7,240 | 13,163 | 17,551 | 19,306 | 21,939 |
| 4A | 8,849 | 16,088 | 21,451 | 23,596 | 26,814 |
| 4 | 11,262 | 20,476 | 27,302 | 30,032 | 34,127 |
| 5 | 13,273 | 24,133 | 32,177 | 35,395 | 40,221 |
| 6 | 14,480 | 26,327 | 35,102 | 38,612 | 43,878 |
| 7 | 24,535 | 44,609 | 59,478 | 65,426 | 74,348 |
| 8 | 32,981 | 59,966 | 79,955 | 87,950 | 99,943 |

Territory II: DuPage, Kane, Lake, McHenry, Winnebago, and Vermillion Counties

| | Step Rates | | | | |
|---|---|---|---|---|---|
| Class | 1 | 2 | 3 | 4 | 5 |
| 1A | 2,200 | 3,999 | 5,332 | 5,866 | 6,665 |
| 1 | 3,142 | 5,713 | 7,618 | 8,379 | 9,522 |
| 2A | 3,771 | 6,856 | 9,141 | 10,055 | 11,426 |
| 2 | 4,399 | 7,999 | 10,665 | 11,731 | 13,331 |
| 3 | 5,656 | 10,284 | 13,712 | 15,083 | 17,140 |
| 4A | 6,913 | 12,569 | 16,759 | 18,435 | 20,948 |
| 4 | 8,798 | 15,997 | 21,329 | 23,462 | 26,662 |
| 5 | 10,370 | 18,854 | 25,138 | 27,652 | 31,423 |
| 6 | 11,312 | 20,568 | 27,423 | 30,166 | 34,279 |
| 7 | 19,168 | 34,851 | 46,468 | 51,114 | 58,084 |
| 8 | 25,767 | 46,848 | 62,465 | 68,711 | 78,081 |

Territory III: Champaign, Grundy, Kankakee, LaSalle, Macon, Sangamon, Bureau, Coles, Dekalb, Effingham, Ogle, and Randolph Counties

| | Step Rates | | | | |
|---|---|---|---|---|---|
| Class | 1 | 2 | 3 | 4 | 5 |
| 1A | 1,716 | 3,119 | 4,159 | 4,575 | 5,199 |
| 1 | 2,451 | 4,456 | 5,942 | 6,536 | 7,427 |
| 2A | 2,941 | 5,348 | 7,130 | 7,843 | 8,913 |
| 2 | 3,431 | 6,239 | 8,318 | 9,150 | 10,398 |
| 3 | 4,412 | 8,021 | 10,695 | 11,765 | 13,369 |
| 4A | 5,392 | 9,804 | 13,072 | 14,379 | 16,340 |
| 4 | 6,863 | 12,478 | 16,637 | 18,301 | 20,796 |
| 5 | 8,088 | 14,706 | 19,608 | 21,569 | 24,510 |
| 6 | 8,824 | 16,043 | 21,390 | 23,529 | 26,738 |
| 7 | 14,951 | 27,184 | 36,245 | 39,869 | 45,306 |
| 8 | 20,098 | 36,542 | 48,722 | 53,595 | 60,903 |

**Continental Casualty Company & The Continental Insurance Company**

Territory IV: Remainder of State

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 1,342 | 2,440 | 3,253 | 3,578 | 4,066 |
| 1 | 1,917 | 3,485 | 4,647 | 5,111 | 5,808 |
| 2A | 2,300 | 4,182 | 5,576 | 6,134 | 6,970 |
| 2 | 2,684 | 4,879 | 6,505 | 7,156 | 8,132 |
| 3 | 3,450 | 6,273 | 8,364 | 9,201 | 10,455 |
| 4A | 4,217 | 7,667 | 10,223 | 11,245 | 12,779 |
| 4 | 5,367 | 9,758 | 13,011 | 14,312 | 16,264 |
| 5 | 6,325 | 11,501 | 15,334 | 16,868 | 19,168 |
| 6 | 6,900 | 12,546 | 16,728 | 18,401 | 20,910 |
| 7 | 11,692 | 21,259 | 28,345 | 31,180 | 35,432 |
| 8 | 15,718 | 28,578 | 38,103 | 41,914 | 47,629 |

A 25% credit shall be applied to the medical practitioners' rate if the Limits of Liability are shared with all medical practitioners within a Corporation or Partnership.

B. Scheduled Rating Modification Plan

The maximum permissible modification of the Professional Liability premium(s) under the Schedule Rating Modification Plan is ± 40%.

C. Individual Risk Rating Plan:

Accounts generating more than $100,000 in manual premium at $100,000/300,000 limits of liability are to be considered unique and unusual and will be (a)rated. Proper documentation as to the determination of such rate will be maintained in the underwriting file.

D. Corporation/Partnership/Professional Association Charge:

1. If on a separate limit of liability basis, the rate is computed, per Corporation/Partnership/ Professional Association, as up to 20% of the total developed professional liability premium for each practitioner and ancillary person charged a rate.
2. If a solo-practitioner desires coverage for the corporation/partnership/professional association, coverage can be provided for no additional premium charge, in which case the practitioner and the corporation/partnership/association share in the limit of liability.

E. Optional Coverages:

| *Coverage* | *Rate* |
|---|---|
| 1. All Insureds: | |
| First Aid Coverage Endorsement | Included |
| Medical Laboratory | 25% of the Class 1 rate. |

F. Ancillary Personnel - Claims-Made Rates

1. The following ancillary personnel may be added to the Corporation policy (Individual Physicians policy if no Corporation) as additional named insureds at the premium shown below. Limits of Liability must be equal those of the Corporation (Individual Physicians) and shall apply separately to each individual:

## Continental Casualty Company & The Continental Insurance Company

Territory I: Cook, Madison, St. Clair, Will and Jackson Counties

(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant, Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse | 603 | 1,097 | 1,463 | 1,609 | 1,828 |
| H/L Perfusionist | 724 | 1,316 | 1,755 | 1,931 | 2,194 |
| Nurse Midwife | 4,907 | 8,922 | 11,896 | 13,085 | 14,870 |
| Nurse Anesthetist | 1,207 | 2,194 | 2,925 | 3,218 | 3,656 |
| Nurse Practitioners | 248 | 451 | 601 | 661 | 751 |

Territory II: DuPage, Kane, Lake, McHenry, Winnebago, and Vermillion Counties

(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant, Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse | 989 | 1,798 | 2,398 | 2,637 | 2,997 |
| H/L Perfusionist | 1,187 | 2,158 | 2,877 | 3,165 | 3,597 |
| Nurse Midwife | 8,044 | 14,626 | 19,501 | 21,451 | 24,376 |
| Nurse Anesthetist | 1,978 | 3,597 | 4,795 | 5,275 | 5,994 |
| Nurse Practitioners | 248 | 451 | 601 | 661 | 751 |

Territory III: Champaign, Grundy, Kankakee, LaSalle, Macon, Sangamon, Bureau, Coles, Dekalb, Effingham, Ogle, and Randolph Counties

(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant, Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse | 1,265 | 2,299 | 3,066 | 3,372 | 3,832 |
| H/L Perfusionist | 1,518 | 2,759 | 3,679 | 4,047 | 4,599 |
| Nurse Midwife | 10,286 | 18,702 | 24,936 | 27,429 | 31,170 |
| Nurse Anesthetist | 2,529 | 4,599 | 6,132 | 6,745 | 7,665 |
| Nurse Practitioners | 248 | 451 | 601 | 661 | 751 |

**Continental Casualty Company & The Continental Insurance Company**

Territory IV: Remainder of State

(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant, Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse | 288 | 523 | 697 | 767 | 871 |
| H/L Perfusionist | 345 | 627 | 836 | 920 | 1,046 |
| Nurse Midwife | 2,338 | 4,252 | 5,669 | 6,236 | 7,086 |
| Nurse Anesthetist | 575 | 1,046 | 1,394 | 1,533 | 1,743 |
| Nurse Practitioners | 248 | 451 | 601 | 661 | 751 |

2. A 25% credit shall be applied to the ancillary personnel rate if the Limits of Liability are shared with the Corporation (Individual Physicians).
3. The following ancillary personnel may be added to the Corporation policy as additional insureds at no additional charge, provided that Limits of Liability are on a shared basis:

All other under Code 80998 (Audiologist, Medical Aide, R.N., L.P.N., Psychologist, Research Ph.D.)
Full Time Medical Students
Medical Laboratory Technician
O.R. Technician (Code 80998)
Optometrist/Optician
Pharmacists
Physiotherapists
Dental Hygienist
Scrub Nurse (Code 80998)
X-Ray Technician with/without Therapy

G. Increased Limits:

| *Desired Limit* | *Increase Factor* |
|---|---|
| $100,000/300,000 | 1.00 |
| $500,000/1,000,000 | 1.76 |
| 1,000,000/1,000,000 | 2.09 |
| 1,000,000/3,000,000 | 2.15 |

{Higher Limits are available - Refer to Company.}

H. Extended Reporting Period:

**1. Automatic Extended Reporting Period**

There is no additional premium charge for this coverage

**2. Optional Extended Reporting Period**

The additional premium for the optional extended reporting period shall be based on the rates for such coverage in effect on the date the Policy terminated.

The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy:

| Years of Prior Claims Made Coverage | Installment Factors | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st Year | 2nd Year | 3rd Year | |
| 1 | .36 | .34 | .28 | 0.92 |
| 2 | .58 | .55 | .39 | 1.43 |
| 3 | .67 | .55 | .59 | 1.70 |
| 4 or more | .84 | .55 | .59 | 1.87 |

**3. Death or Disability Extended Reporting Period**

There is no additional premium charge for this coverage.

**4. Retirement Extended Reporting Period**

A. There is no additional premium charge for this coverage. provided that retirement takes place during the policy period and the insured is:
   1. age 55 or older and has been insured by us for at least 5 years of claims-made coverage; or
   2. any age and has been insured by us for at least 10 years of claims-made coverage.

B. The Retirement Extended Reporting Period coverage will be granted with the following discounts, provided the above rule does not apply, and retirement takes place subject to the following schedule:

| Years of Continuous Coverage with a CNA Company | Premium Discount |
|---|---|
| 9 | 90% |
| 8 | 80% |
| 7 | 70% |
| 6 | 60% |
| 5 | 50% |
| 4 | 40% |
| 3 | 30% |
| 2 | 20% |
| 1 | 10% |

• Years of coverage must be with a CNA group company on a Claims-Made basis.

I. Quarterly Installment Option

Section F. Premium Payment Plan of the company pages is deleted in its entirety and replaced with the following:

The company will offer to the Named Insured a premium payment option as follows:

a. Each quarterly premium payment will be 25% of the total annual premium;

b. There will be no interest charges;

c. There will be quarterly installment charges equal to the lesser of 1% of the total annual premium or $25.00;

d. Any additional premium resulting from changes to the policy, mid-term, shall be spread equally over the remaining installment payments.

## Continental Casualty Company & The Continental Insurance Company

J. Medical Practitioners Classifications

Each medical practitioner is assigned a classification code according to their medical specialty. When more than one classification is applicable, the highest rate classification shall apply.

**Class 1A -**

| *Medical Specialty* | *Code* |
|---|---|
| Administrative Medicine | 80178 |
| Allergy/Immunology | 80254 |
| Diabetes - no surgery | 80237 |
| Forensic or Legal Medicine | 80240 |
| General Preventive Medicine | 80231 |
| Nephrology - no surgery | 80260 |
| Ophthalmology - no surgery | 80263 |
| Pathology - All Other | 80266 |
| Preventive Medicine - no surgery - Aerospace Medicine | 80230 |
| Preventive Medicine - no surgery - Occupational Medicine | 80233 |
| Preventive Medicine - no surgery - Public/General Health Medicine | 80236 |
| Psychiatry - All Other | 80249 |

**Class 1 -**

| *Medical Specialty* | *Code* |
|---|---|
| Cardiovascular Disease - no surgery | 80255 |
| Dermatology - no surgery | 80256 |
| Diabetes - minor surgery | 80271 |
| Endocrinology - no surgery | 80238 |
| Family/General Practice - no surgery | 80420 |
| Gastroenterology - no surgery | 80241 |
| Geriatrics - no surgery | 80243 |
| Gynecology - no surgery | 80244 |
| Hematology - no surgery | 80245 |
| Hospitalists | 80222 |
| Infectious Disease | 80246 |
| Internal Medicine - no surgery | 80257 |
| Neoplastic Diseases - no surgery | 80259 |
| Nephrology - minor surgery | 80287 |
| Nuclear Medicine | 80262 |
| Nutritionist | 80248 |
| Oncology - no surgery | 80302 |
| Otorhinolaryngology - no surgery | 80265 |
| Pathology - Cytopathology | 80292 |
| Pediatrics - no surgery | 80267 |
| Pharmacology - clinical | 80234 |
| Physical Medicine and Rehabilitation - All Other | 80235 |
| Physicians - no surgery - NOC | 80268 |
| Preventive Medicine - no surgery - Undersea/Hyperbaric Medicine | 80139 |
| Pulmonary Diseases - no surgery | 80269 |
| Rheumatology - no surgery | 80252 |
| Sports Medicine - no surgery | 80205 |
| Urgent Care Medicine | 80424 |
| Urology - no surgery | 80121 |

## Continental Casualty Company & The Continental Insurance Company

**Class 2A -**

| *Medical Specialty* | *Code* |
|---|---|
| Anesthesiology - All Other | 80181 |

**Class 2 –**

| *Medical Specialty* | *Code* |
|---|---|
| Dermatology - minor surgery | 80282 |
| Endocrinology - minor surgery | 80272 |
| Family/General Practice - minor surgery - excluding obstetrics | 80421 |
| Gastroenterology - minor surgery | 80274 |
| Gynecology - minor surgery | 80277 |
| Intensive Care Medicine | 80283 |
| Internal Medicine - minor surgery | 80284 |
| Neurology - including child - no surgery - All Other | 80261 |
| Ophthalmology - minor surgery | 80289 |
| Otorhinolaryngology - minor surgery | 80291 |
| Phys. - no major surgery - Acupuncture | 80437 |
| Phys. - no major surgery - Angiography, Arteriography, Catheterization | 80422 |
| Phys. - no major surgery - Colonoscopy, ERCP, esophageal dilation | 80443 |
| Phys. - no major surgery - Discograms, Myelography, Pneumoenceph. | 80428 |
| Phys. - no major surgery - Lymphangiography, Phlebography | 80434 |
| Phys. - no major surgery - Needle Biopsy | 80446 |
| Phys. - no major surgery - Radiopaque Dye | 80449 |
| Phys. - no major surgery - Shock Therapy | 80431 |
| Physicians - minor surgery - NOC | 80294 |
| Physicians or Surgeons Assistants | 80116 |
| Radiology - Diagnostic | 80253 |
| Radiology - Theraputic | 80359 |
| Surgery - Ophthalmology | 80114 |
| Urology - minor surgery | 80120 |

**Class 3 –**

| *Medical Specialty* | *Code* |
|---|---|
| Anesthesiology - Chronic Pain Management | 80182 |
| Bronco - Esophagology | 80101 |
| Cardiovascular Disease - minor surgery | 80281 |
| Dermatology - All Other | 80297 |
| Neonatology - non-critical care | 80804 |
| Podiatrists - below the ankle | 80993 |
| Radiology - Diagnostic - Including Interventional | 80280 |
| Radiology - Theraputic - Including Interventional & Radiation TX | 80358 |
| Surgery - Colon & Rectal | 80115 |
| Surgery - Maxillofacial | 80210 |
| Surgery - Otorhinolaryngology | 80159 |
| Surgery - Pediatric | 80180 |
| Surgery - Urological | 80145 |

## Continental Casualty Company & The Continental Insurance Company

**Class 4A –**

| *Medical Specialty* | *Code* |
|---|---|
| Emergency Medicine - no major surgery | 80102 |
| Podiatrists - above the ankle | 80993a |
| Surgery - Gastroenterology | 80104 |

**Class 4 –**

| *Medical Specialty* | *Code* |
|---|---|
| Surgery - Family/General Practice - Incl. OB | 80117 |
| Surgery - General - Excluding Bariatric | 80143 |
| Surgery - Gynecology | 80167 |
| Surgery - Neoplastic Diseases/Oncology | 80107 |

**Class 5 –**

| *Medical Specialty* | *Code* |
|---|---|
| Emergency Medicine - including major surgery | 80157 |
| Neonatology - critical care | 80804a |
| Surgery - Abdominal | 80166 |
| Surgery - Hand | 80169 |
| Surgery - Head and Neck | 80170 |
| Surgery - Orthopedic - excluding spine | 80154 |
| Surgery - Plastic - NOC | 80156 |
| Surgery - Plastic - Otorhinolaryngology | 80155 |
| Surgery - Trauma | 80171 |

**Class 6 –**

| *Medical Specialty* | *Code* |
|---|---|
| Surgery - Cardiac | 80141 |
| Surgery - Cardiovascular Disease | 80150 |
| Surgery - Orthopedic - including spine | 80154a |
| Surgery - Thoracic | 80144 |
| Surgery - Vascular | 80146 |

**Class 7 –**

| *Medical Specialty* | *Code* |
|---|---|
| Perinatology | 80804b |
| Surgery - General - Including Bariatric | 80143a |
| Surgery - Obstetrics - Gynecology | 80153 |

**Class 8 –**

| *Medical Specialty* | *Code* |
|---|---|
| Surgery - Neurology - including child | 80152 |

## Continental Casualty Company & The Continental Insurance Company

**Ancillary Medical Personnel**

The following medical personnel have been assigned the specialty classification codes as shown:

| *Medical Specialty* | *Code* |
|---|---|
| Dental Hygienists | 80210 |
| Medical Laboratory Technician | 80711 |
| Nurse Midwife | 80962 |
| Nurse Practitioner | 80998 |
| Nurse Anesthetist | 80960 |
| Opticians | 80937 |
| Optometrist | 80994 |
| Paramedics | 80116 |
| Pharmacists | 59112 |
| Physician Assistant | 80116 |
| Physiotherapists | 80938 |
| Scrub Nurse/Operating Room Technician: | |
| 1. whose duties require them to assist & remain in the O.R. for a surgical procedure. | 80116 |
| 2. whose duties are to set up the O.R., but who do not remain in O.R. during a procedure. | 80998 |
| Surgeon Assistant | 80116 |
| X-Ray Technician: | |
| 1. with Therapy | 80714 |
| 2. without Therapy | 80713 |

All other medical personnel including:

| | |
|---|---|
| 1. Audiologist, Medical Aide | 80998 |
| 2. R.N., L.P.N. | 80964 / 80963 |
| 3. Psychologist, Research Ph.D. | 80998 |

**Additional Classifications:**

| | |
|---|---|
| Corporation/Partnership/Professional Association | 80999 |
| Medical Laboratory | 80715 |

The following classifications identify additional potential exposures applicable to each individual Group Practice. These classifications require prior underwriting approval by the Company.

| | |
|---|---|
| Clinical Surgery Center | 80610 |
| Emergency Room | 80610 |
| Medical Facility | 80610 / 80611 |

CNA

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

August 2, 2007

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DIVISION OF INSURANCE
SPRINGFIELD

**Mr. Micaah Morris**
Regulatory Filings Technician
P & C State Filing Unit
CNA Global Specialty Lines

Telephone 212-440-2319
Facsimile 212-440-2877
Toll Free 877-269-3277 x 2319
Internet micaah.morris@cna.com

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF INSURANCE
PROPERTY AND CASUALTY COMPLIANCE UNIT
320 W WASHINGTON ST
SPRINGFIELD, IL 62767-0001

**RE: Continental Casualty Company NAIC#218-20443, FEIN#36-2114545**
**Chiropractic Professional Liability Program**
**Rates, Rules Filing**
**Our File #: 07-2163R REV**

To Whom It May Concern:

The Continental Casualty Company, a member company of the CNA group of insurance companies, re-submits for your review and approval revisions to the Chiropractic Benefit Services Risk Purchasing Group Program rates currently on file with your department.

Included in this submission are:

- An Amendatory memorandum with supporting exhibits;
- revised state exception pages for use with this program.

We request that this filing become effective for all policies the earliest date permitted by your state.

Please feel free to contact us if you have any questions.

Sincerely,
*Micaah Morris*
Micaah Morris
Regulatory Filings Technician

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED
DEC 01 2008
SPRINGFIELD, ILLINOIS

I-D
MCM
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Jeh

+ 5.6%

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, a duly authorized officer of Continental Casualty Company, 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 he 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.

I, Sharon K. Robinson, FCAS, MAAA, a duly authorized actuary of The Casualty Actuarial Society, am authorized to certify on behalf of Continental Casualty 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 Vice President & Actuary-Pricing 8-20-07
Signature and Title of Authorized Insurance Company Officer Date

Sharon K Robinson Vice President & Actuary-Pricing 8-20-07
Signature and Title of Authorized Actuary Date

Insurance Company FEIN 36-2114545 Filing Number 07-2163R REV

Insurer's Address 40 Wall Street - 9th Fl

City New York, State NY Zip Code 10005

Contact Person's:
- Name and E-mail Robert Alonzo robert.alonzo@cna.com

- Direct Telephone and Fax Number 212-440-3478 Fax 212-440-2877

Effective January 1, 2006

# RATE/RULE FILING SCHEDULE

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

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

| | | |
|---|---|---|
| 1. | **This filing transmittal is part of Company Tracking #** | **07-2163R** |
| 2. | **This filing corresponds to form filing number** (Company tracking number of form filing, if applicable) | |

☒ Rate Increase ☐ Rate Decrease ☐ Rate Neutral (0%)

| | | |
|---|---|---|
| 3. | **Filing Method (Prior Approval, File & Use, Flex Band, etc.)** | **Prior Approval** |

**4a. Rate Change by Company (As Proposed)**

| Company Name | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change (where required) | Minimum % Change (where required) |
|---|---|---|---|---|---|---|
| Con Cas Comp | 5.6% | 9,291 | 131 | 165,919 | | |
| | | | | | | |

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

| Company Name | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change | Minimum % Change |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |

**Overall Rate Information (Complete for Multiple Company Filings only)**

| | | COMPANY USE | STATE USE |
|---|---|---|---|
| 5a. | **Overall percentage rate impact for this filing** | | |
| 5b. | **Effect of Rate Filing – Written premium change for this program** | | |
| 5c. | **Effect of Rate Filing – Number of policyholders affected** | | |

| | | |
|---|---|---|
| 6. | **Overall percentage of last rate revision** | **0%** |
| 7. | **Effective Date of last rate revision** | **10/1/2006** |
| 8. | **Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)** | **Prior Approval** |

| 9. | Rule # or Page # Submitted for Review | Replacement or Withdrawn? | Previous state filing number, if required by state |
|---|---|---|---|
| 01 | State exception pages submitted replace existing filed pages with changes per memorandum | ☐ New ☒ Replacement ☐ Withdrawn | |
| 02 | | ☐ New ☐ Replacement ☐ Withdrawn | |
| 03 | | ☐ New ☐ Replacement ☐ Withdrawn | |
| 04 | | ☐ New ☐ Replacement ☐ Withdrawn | |
| 05 | | ☐ New ☐ Replacement ☐ Withdrawn | |

Form (RF-3)

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 10-1-07 Upon approval

| (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 - Chiropractic Professional Liability (Line of Insurance) | 165,919 | +5.6% |

Does filing only apply to certain territory (territories) or certain classes? If so, specify: No

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): Since the Company does not have enough credible statewide data to base its review on, we indicate our rates on a countrywide basis. Our actuarial rate review indicates a countrywide base rate increase of +6.6%, however, we will select a statewide base rate increase of +5.6%.

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

Continental Casualty Company
Name of Company

Micaah Morris, Regulatory Filings Technician
Official – Title

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DIVISION OF INSURANCE
SPRINGFIELD

*Continental Casualty Company*

*Chiropractic Professional Liability*
*Illinois*

*Actuarial Memorandum*

Continental Casualty Company (the Company) is proposing one change to its Chiropractic Benefit Services Risk Purchasing Group program (the program).

The Company proposes an increase to the base rate of +5.6%, based on a countrywide analysis of our Chiropractic Professional Liability experience data evaluated as of year-end 2006. Exhibit 2 provides the summary analysis for support of our indicated rate change.

Exhibit 1 provides historical expense experience for the Company based on the Company's Insurance Expense Exhibit for the medical malpractice line of business. Also provided in Exhibit 1 are the projected expenses for the program.

The base rate change impact is +5.6%. Policy inforce premium is $165,919.

**Additional comments:**

- Our Actuarial memorandum states all changes that the company made with this filing.
- Please note that the Schedule Modification includes ***ranges*** for each criterion. For example:
  - Qualifications and experience of management: 10% (credit) to 10% (debit)
  - High risk or experimental procedures or treatments: 0% (no mod) to 25% (debit)
  - Loss Experience: 10% (credit) to 25% (debit)
- The IL exception pages supersedes that the overall schedule mod shall be capped at +/-25%.
- CNA is an ISO reporting company and as such reports to ISO as required.
- The average written premium for an Illinois policyholder as a result of this change is $1,435
- The maximum dollar increase to an Illinois policyholder as a result of this change is $152
- 65 of our current policyholders receive credits. One of our current policyholders receive debit due to claims activity.
- None of our current policyholders receive the maximum debit/credit.

Exhibit 1

**Continental Casualty Company**
Chiropractic Professional Liability - Chiropractic Benefit Risk Purchasing Group

Development of Permissible Loss Ratio

| | | 2003 | | 2004 | | 2005 | | 3 Year | |
|---|---|---|---|---|---|---|---|---|---|
| | | $000 | % | $000 | % | $000 | % | Average | Selected |
| (1) | Written Premium | 173,039 | | 196,630 | | 190,115 | | | |
| (2) | Earned Premium | 171,245 | | 189,085 | | 186,569 | | | |
| (3) | Commission & Brokerage Fees | 14,772 | 8.5% | 15,852 | 8.1% | 16,734 | 8.8% | 8.5% | 20.0% |
| (4) | General and Other Acquisition Expense | 8,287 | 4.8% | 4,316 | 2.3% | 6,317 | 3.4% | 3.5% | 6.3% |
| (5) | Taxes, Licenses & Fees | 3,184 | 1.8% | 7,532 | 3.8% | 4,799 | 2.5% | 2.8% | 3.0% |
| (6) | Profit & Contingencies | | | | | | | | 1.1% |
| (7) | Total Expenses & Profit = (3)+(4)+(5)+(6) | | | | | | | | 30.4% |
| (8) | Permissible Loss & LAE Ratio = 1.0 - (7) | | | | | | | | 69.6% |

Calculation of ULAE Factor

| | | 2003 | | 2004 | | 2005 | | 3 Year | |
|---|---|---|---|---|---|---|---|---|---|
| | | $000 | % | $000 | % | $000 | % | Average | Selected |
| (9) | Incurred Loss | 196,292 | | 172,376 | | 180,338 | | | |
| (10) | Incurred Allocated Loss Adj. Expense | 53,770 | | (5,906) | | 52,951 | | | |
| (11) | Incurred Loss & ALAE = (9) + (10) | 250,062 | | 166,470 | | 233,289 | | | |
| (12) | Unallocated Loss Adj. Expense | 14,445 | 5.8% | 5,345 | 3.2% | 11,158 | 4.8% | 4.8% | 6.0% |

Source: Continental Casualty Company Insurance Expense Exhibit, Line 11.0
Comment: The data is for total Medical Malpractice, but the selection is for the Chiropractic Benefit Risk Purchasing Group Program.

**CNA HealthPro**
**Chiropractors Professional Liability**
Calculation of Indicated Rate Change
As of December 31, 2006

| | | |
|---|---|---|
| (1) | Expected On-Level Loss & ALAE Ratio | 70.4% |
| (2) | ULAE Load | 6.0% |
| (3) | Expected On-Level Loss & LAE Ratio | 74.6% |
| (4) | Commission Ratio | 20.00% |
| (5) | Other Variable Expense Ratio | 3.00% |
| (6) | General Expense Ratio | 6.30% |
| (7) | On-Level Combined Ratio | 103.9% |
| (8) | Indicated Rate Change Effective 7/1/07<br>(Based on a **98.9%** Combined Ratio @15% ROE) | 6.6% |
| (9) | Selected Rate Change Effective 8/15/07 | **5.6%** |

**Notes:**

(1) On-Level Loss Ratio, Column (6)
(2) Exhibit 1 - Selected column
(3) = (1) x [1 + (2)]
(4) Exhibit 1 - Selected column
(5) Exhibit 1 - Selected column
(6) Exhibit 1 - Selected column
(7) = (3) + (4) + (5) + (6)
(8) = [ (3) + (6) ] / [ (.989 - (4) - (5) ] - 1

**CNA HealthPro - Chiropractors Professional Liability**
Calculation of On-Level Loss & ALAE Ratio
As of December 31, 2006

| Report Year | (1) Earned Premium | (2) CLEP | (3) Ultimate Loss & ALAE | (4) (4.5%) Trend Factor | (5) Ultimate Loss & ALAE Ratio | (6) On-Level Ultimate Loss & ALAE Ratio | (7) Adjusted & Trended Ultimate Loss & ALAE |
|---|---|---|---|---|---|---|---|
| 2003 (July - Dec.) | 794,659 | 806,610 | 664,750 | 1.210 | 83.7% | 99.7% | 804,574 |
| 2004 | 4,688,870 | 4,759,391 | 2,886,000 | 1.171 | 61.6% | 71.0% | 3,378,893 |
| 2005 | 5,752,976 | 5,743,365 | 3,540,956 | 1.120 | 61.6% | 69.1% | 3,967,186 |
| 2006 | 6,506,697 | 6,370,536 | 4,004,872 | 1.072 | 61.6% | 67.4% | 4,293,725 |
| Total | 17,743,201 | 17,679,903 | 11,096,578 | | 62.5% | 70.4% | 12,444,378 |
| **Selected** | | | | | | **70.4%** | |

Exhibit 1a

Continental Casualty Company
Chiropractic Professional Liability - Chiropractic Benefit Risk Purchasing Group

Development of Selected Loss Ratio

| | 2004 | | 2005 | | 2006 | | 2007 | | 4 Year | |
|---|---|---|---|---|---|---|---|---|---|---|
| | $000 | % | $000 | % | $000 | % | $000 | % | Average | Selected |
| (1) Written Premium (a) | 5,677 | | 6,083 | | 6,807 | | 6,991 | | | |
| (2) Earned Premium (a) | 4,652 | | 5,459 | | 6,264 | | 6,641 | | | |
| (3) Commission & Brokerage Fees (a) | 965 | 20.7% | 1,066 | 19.5% | 1,361 | 21.7% | 1,398 | 21.1% | 20.8% | 20.0% |
| (4) General and Other Acquisition Expense (a) | 341 | 7.3% | 425 | 7.8% | 451 | 7.2% | 421 | 6.3% | 7.1% | 6.3% |
| (5) Taxes, Licenses & Fees (a) | - | - | - | - | 195 | 3.1% | 180 | 2.7% | 2.9% * | 3.0% |
| (6) ULAE (as a % of premium) (a) | 237 | 5.1% | 238 | 4.4% | 233 | 3.7% | n/a | n/a | 4.4% ** | 3.6% |
| (7) On-Level Loss & ALAE Ratio (b) | | | | | | | | | | 60.0% |
| (8) ULAE (as a % of loss & ALAE) (6)/(7) | | | | | | | | | | 6.0% |

* 2-Year Average
** 3-Year Average (2004-2006)

Notes:
(a) From HeathPro GAPP reports 2004-2007
(b) From Chiro Rate Review

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DIVISION OF INSURANCE
SPRINGFIELD

CNA

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 212-440-3270
Facsimile 212-440-2877
Toll Free 877-269-3277 x 3270
Internet john.lockhart@cna.com

August 1, 2007

Illinois Department of Financial and Professional Regulation
Division of Insurance
Property and Casualty Compliance Unit
320 W Washington St
Springfield, IL 62767-0001

**RE: Continental Casualty Company NAIC# 218-20443, FEIN# 36-2114545**
**The Continental Insurance Company NAIC #: 218-35289 FEIN #: 13-5010440**
**Hospital Professional Liability – Rates and Rules Filing**
**Company Filing No.: 07-R2181**

To Whom It May Concern:

On behalf of the captioned companies we hereby submit for your review and approval the attached revised rates and rules for use with our Hospitals classes of business. With this revised filing for Continental Casualty Company, we are proposing to also adopt the revised rates/rules for the Continental Insurance Company ("CIC") as well. Please see the enclosed actuarial memorandum for further details.

- The Actuarial Memorandum, along with exhibits reflecting changes proposed by this program.
- The applicable revised manual pages.

This filing was last approved on under our filing No.: **05 R2081**.

We propose that this filing become effective for all policies effective August 6, 2007 or the earliest date permitted by your state.

Sincerely,

John Lockhart

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
JUL 11 2008
SPRINGFIELD, ILLINOIS

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## Neuman, Gayle

**From:** Lockhart,John C. [John.Lockhart@CNA.com]
**Sent:** Monday, July 14, 2008 10:59 AM
**To:** Neuman, Gayle
**Subject:** RE: Rate/Rule Filing #07-R2181

Thank you. That will be fine.
John

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Monday, July 14, 2008 11:58 AM
**To:** Lockhart,John C.
**Subject:** RE: Rate/Rule Filing #07-R2181

Mr. Lockhart,

The Director signed off on this filing on July 11, 2008. Is that the effective date you want to use?

Gayle Neuman

---

**From:** Lockhart,John C. [mailto:John.Lockhart@CNA.com]
**Sent:** Monday, July 14, 2008 10:56 AM
**To:** Neuman, Gayle
**Subject:** RE: Rate/Rule Filing #07-R2181

Ms. Neuman:
Thank you for your email. We confirm that we do not currently write any business for this type of coverage. We have not implemented the filing because we wait for the Division of Insurance to approve the filing, even though such waiting is not required. Thank you for your review.
John Lockhart

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Monday, July 14, 2008 9:18 AM
**To:** Lockhart,John C.
**Subject:** Rate/Rule Filing #07-R2181

Mr. Lockhart,

The above referenced filing was submitted to the Division of Insurance on August 6, 2007. You had requested an effective date of August 6, 2007.

This filing review has been completed and will be filed. Did you put this filing into effect on August 6, 2007? I am only asking because many companies give us an effective date, but then actually wait until we have completed our review before implementing it - which is not required. I assume since you don't currently write any business for this type of coverage that you implemented the filing on August 6, 2007. Please advise.

Your prompt attention is appreciated.

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.

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.

Form (RF-3)

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 7/1/2007

| (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 Med Mal (Line of Insurance) | 0 | 0% |

Does filing only apply to certain territory (territories) or certain classes? If so, specify: terr 1: -5.6%; terr 2: +16.1%

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): See act Memo

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

Continental Casualty Company
Name of Company

Senior Vice President
Official – Title

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AUG - 6 2007
IDFPR (MPC)
DIVISION OF INSURANCE
SPRINGFIELD

# 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 Casualty 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

Sharon K. Robinson, FCAS, MAAA
Vice President

8-22-07
Date

Insurance Company FEIN 36 - 2114545 Filing Number 07-R2181

Insurer's Address 40 Wall Street

City New York State New York 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:** Friday, September 21, 2007 10:23 AM
**To:** Neuman, Gayle
**Subject:** RE: Continental Casualty Co & The Continental Ins Co - Hospital Rate/Rule Filing #07-R2181

Ms. Neuman:
This confirms that I have faxed the certifications to you. Please note that I used the email in which you provided the fax number, as the top page.
Thank you.
John Lockhart

K

40 Wall Street, 9th Floor
New York, NY 10005-1401
877-269-3277 ext. 3270

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Thank you.

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Lockhart,John C.

**From:** Neuman, Gayle [Gayle.Neuman@illinois.gov]
**Sent:** Friday, September 21, 2007 10:30 AM
**To:** Lockhart,John C.
**Subject:** RE: Continental Casualty Co & The Continental Ins Co - Hospital Rate/Rule Filing #07-R2181

Mr. Lockhart,

My fax number is (217) 524-2122.

Gayle Neuman

---

**From:** Lockhart,John C. [mailto:John.Lockhart@CNA.com]
**Sent:** Friday, September 21, 2007 9:18 AM
**To:** Neuman, Gayle
**Subject:** RE: Continental Casualty Co & The Continental Ins Co - Hospital Rate/Rule Filing #07-R2181

Dear Ms. Neuman:
Thanks for your email dated September 18, 2007.
In response:
1. I have completed the certification and am requesting your fax number so that I can send them to you.
2. Attached please find the updated Illinois Hospital Manual pages. Please refer to page CNA-HOSP-IL- 9 under the section titled Quarterly Installment Option which has been revised as you requested in your e-mail.
Thank you for your continued review of this filing. Please as usual feel free to contact us with any further questions.

John Lockhart
CNA
40 Wall Street, 9th Floor
New York, NY 10005-1401
877-269-3277 ext. 3270

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Thank you.

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Tuesday, September 18, 2007 9:45 AM
**To:** Lockhart,John C.
**Subject:** Continental Casualty Co & The Continental Ins Co - Hospital Rate/Rule Filing #07-R2181

Mr. Lockhart,

In response to your e-mail dated September 6, 2007, please address the following:

## Neuman, Gayle

**From:** Neuman, Gayle
**Sent:** Friday, September 21, 2007 9:30 AM
**To:** 'Lockhart,John C.'
**Subject:** RE: Continental Casualty Co & The Continental Ins Co - Hospital Rate/Rule Filing #07-R2181

Mr. Lockhart,

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Gayle Neuman

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Mr. Lockhart,

In response to your e-mail dated September 6, 2007, please address the following:

1. The certification provided did not include the completion of all information requested, which includes the filing number, etc.

2. In regard to the quarterly installment premium payment plan, we are asking you to indicate in the manual that after the initial 25% payment is made at policy issuance, the three remaining 25% installments are due 3, 6 and 9 months from policy issuance. Additionally, please clarify in the manual if the installment charge will be assessed at policy inception and at each installment payment.

We request receipt of your response by no later than September 25, 2007.

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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**Sent:** Friday, September 21, 2007 9:18 AM
**To:** Neuman, Gayle
**Subject:** RE: Continental Casualty Co & The Continental Ins Co - Hospital Rate/Rule Filing #07-R2181
**Attachments:** IL HPL 2007 Pages ed 9-07_update from objections.doc

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Thank you for your continued review of this filing. Please as usual feel free to contact us with any further questions.

John Lockhart
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40 Wall Street, 9th Floor
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We request receipt of your response by no later than September 25, 2007.

Gayle Neuman

Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
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## Neuman, Gayle

**From:** Lockhart,John C. [John.Lockhart@CNA.com]
**Sent:** Thursday, September 06, 2007 2:37 PM
**To:** Neuman, Gayle
**Subject:** RE: Continental Casualty Company & The Continental Insurance Company - Hospital Rate/Rule Filing #07-R2181
**Importance:** High
**Attachments:** IL HPL 2007 Pages_update from objections.pdf; Certification.pdf

Ms. Neuman:
We are finally responding to your August 8, 2007 email communication regarding your concerns with the captioned filing. Thank you for your patience.
In order to bring the filing into compliance we respond as follows:
1. The certification is attached.
2. The companies have a plan for the gathering of statistics or the reporting of statistics to statistical agencies? ISO is the stat agency used.
3. We state that the only changes made to the filing were disclosed to the Division.
4. On Page CNA-HOSP-IL-3, we have now deleted East St. Louis which is not an Illinois county.
5. We have corrected the Manual pages to reflect Claims-Made only. We, in the past, used to offer Occurrence. Also, higher limits have been added.
6. The extended reporting period is unlimited.
7. The extended reporting period requirements have been added to the manual pages (attached).
8. There was no mention of an installment payment plan in the manual. All companies writing medical liability insurance shall file with the Secretary or Director a plan to offer each medical liability insured the option to make premium payments, in at least quarterly installments. For purposes of this requirement, insurers may, but are not required to, offer such premium installment plans to insureds whose annual premiums are less than $500, or for premium for any extension of a reporting period. Quarterly installment premium payment plans subject to this Section shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer may, but need not re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available. All quarterly installment premium payment plan provisions shall be contained in the filed rate and/or rule manual in a section entitled, "Quarterly Installment Option" or a substantially similar title. If the company uses a substantially similar title, the Rule Submission Letter must indicate the name of the section that complies with this requirement. All quarterly installment premium payment plans shall include the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below.
a) An initial payment of no more than 40% of the estimated total premium due at policy inception;
b) The remaining premium 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;
c) No interest charges;
d) Installment charges or fees of no more than 1% of the total premium or $25.00, whichever is less;
e) A provision stating that additional premium resulting from changes to the policy 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.

Finally we have added the installment plan to the manual pages (attached).

We trust that this will satisfy your concerns and look forward to your favorable consideration.

Thank you
*John Lockhart*

K

40 Wall Street, 9th Floor

New York, NY 10005-1401
877-269-3277 ext. 3270

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Thank you.

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Wednesday, August 08, 2007 12:27 PM
**To:** Lockhart,John C.
**Subject:** Continental Casualty Company & The Continental Insurance Company - Hospital Rate/Rule Filing #07-R2181

Mr. Lockhart,

The Department is in receipt of the above referenced filing number submitted by letter dated August 1, 2007. The submission is not acceptable for filing in Illinois due to the following reason(s):

1. 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.

2. 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?

3. We request a written statement indicating the only changes made to the filing were disclosed to this Division.

4. Page CNA-HOSP-IL-3 indicates territory 2 is a list of counties including East St. Louis which is not an Illinois county. Madison and St. Claire counties are already included.

5. Page CNA-HOSP-IL-5 under E. Increased Limits - $1M/$3M indicates it is a limit for claims-made only coverage. Are the other "desired limits" claims-made or occurrence - with the same increased limit factors? Where are other rates provided for occurrence coverage? Additionally, on page CNA-HOSP-IL-6 the manual references the availability of occurrence coverage.

6. Page CNA-HOSP-IL-5 under F. Extended Reporting Period - the table provides installment and prepaid factors. Will the extended reporting period be for three years or unlimited? Please clarify.

7. Because this policy provides both professional liability and general liability, the policy must provide the more lenient extended reporting period requirements. The insured must be allowed 60 days after the end of the policy period to purchase the e.r.p. The insured must be offered (a) a free 5 year tail and (b) an unlimited tail with limits reinstated (100% of aggregate expiring limits for the duration) and premium capped (e.r.p. is limited to a 200% cap of the annual premium of the expiring policy). After the e.r.p. is paid, it may not be cancelled for any reason.

8. There was no mention of a installment payment plan in the manual. All companies writing medical liability insurance shall file with the Secretary or Director a plan to offer each medical liability insured the option to make premium payments, in at least quarterly installments. For purposes of this requirement, insurers may, but are not required to, offer such premium installment plans to insureds whose annual premiums are less than $500, or for premium for any extension of a reporting period. Quarterly installment premium payment plans subject to this Section shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer may, but need not re-offer such payment plan, but if an insured requests such

payment plan at a later date, the insurer must make it available. All quarterly installment premium payment plan provisions shall be contained in the filed rate and/or rule manual in a section entitled, "Quarterly Installment Option" or a substantially similar title. If the company uses a substantially similar title, the Rule Submission Letter must indicate the name of the section that complies with this requirement. All quarterly installment premium payment plans shall include the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below.

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c) No interest charges;

d) Installment charges or fees of no more than 1% of the total premium or $25.00, whichever is less;

e) A provision stating that additional premium resulting from changes to the policy 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.

We request receipt of your response by no later than August 17, 2007.

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
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**Continental Casualty Company**
**The Continental Insurance Company**
**Hospital Professional Liability and Ancillary Coverages**
**State of Illinois**

## Definitions

| | |
|---|---|
| Acute Beds: | All medical-surgical beds including pediatrics, special care, intensive care and burn units. Included in this category are newborn bassinets and neonatal intensive care beds. Any licensed medical-surgical bed defined under another category should not be included in this category. |
| Deliveries: | The actual number of deliveries including stillbirths during the policy period. Do not include infants transferred from other institutions. |
| Occupied Beds: | Licensed beds times (x) occupancy rate or number of inpatient days for the policy period divided by 365 days. |
| Psychiatric Beds: | Provide acute care to emotionally disturbed patients including, but not limited to, the chronically mentally ill, mentally disordered or other mentally incompetent persons. |
| Chem/Rehab/ Skilled Nursing Beds: | Include in this category alcoholism/substance abuse units, rehabilitation units, and skilled nursing beds (that is, for patients not in an acute phase of illness. Services are provided under the supervision of a licensed registered nurse on a 24-hour basis.) |
| Extended Care: | Provide intermediate care (the provision of health-related care and services, on a regular basis of health-related care and services to individuals who do not require the degree of care or treatment that a skilled nursing unit is designed to provide), typically in nursing home type units. Skilled nursing beds should be included with Chem/Rehab beds. |
| Outpatient Visits: | The actual number of persons (counting each visit) who come through the door and use your outpatient facilities or services. Office visits to hospital owned physician practices should be counted in this category as outpatient visits.<br><br>(1) Use visits rather than occasions of service. For example, a patient referred to the hospital by a physician for a laboratory test and an x-ray would be counted as one visit but two occasions of service. A visit is a person's physical threshold crossing into a facility which may involve multiple occasions of service from more than one clinical department.<br><br>(2) For serial visits or registrations, whereby several visits are necessary for the same type of treatment, use visits or occasions of service rather than number of registrations. For example, if a chemotherapy registration commonly requires 8 visits or episodes of treatment and there are 100 chemotherapy registrations, report 800 outpatient visits. |

**Definitions (continued)**

(3) Registrations through the emergency room for "23 hour" observations services should be reported as emergency room or all other outpatient visits (as currently registered by the institution).

(4) Specimens delivered for evaluations do not constitute OPV's.

Emergency Room Visits: Unscheduled outpatient services (including psychiatric emergency) to patients whose conditions are considered to require immediate care. These visits may occur in a hospital or urgent/walk-in facility.

Other Outpatient Visits: Scheduled or unscheduled professional contact visits, outpatient therapy and treatment visits, and ancillary service visits not performed in the emergency room.

Outpatient Surgical Visits: Scheduled surgical services provided to patients who do not remain in the hospital overnight. The surgery may be performed in operating suites also used for inpatient surgery, specially designated surgical suites for ambulatory surgery, or procedure rooms within an ambulatory care facility.

**Continental Casualty Company**
**The Continental Insurance Company**
**Hospital Professional Liability and Ancillary Coverages**
**State of Illinois**

**A. Professional Liability Rates - Limits of Liability - $100,000/$300,000**

**Territory 1**
**Remainder of State**

| Class | Claims-Made Step Rates | | | | | |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6+ |
| **Per Occupied Bed** | | | | | | |
| **Acute** | $643.28 | $1,217.77 | $1,437.50 | $1,502.94 | $1,561.38 | $1,613.59 |
| **Extended Care** | 64.33 | 121.78 | 143.75 | 150.29 | 156.14 | 161.36 |
| **Psychiatric** | 450.30 | 852.44 | 1,006.25 | 1,052.06 | 1,092.97 | 1,129.51 |
| **Rehabilitation** | 321.64 | 608.89 | 718.75 | 751.47 | 780.69 | 806.80 |
| **Per Delivery** | 11.58 | 21.92 | 25.88 | 27.05 | 28.10 | 29.04 |
| **Per InPt. Surgery** | 4.50 | 8.52 | 10.06 | 10.52 | 10.93 | 11.30 |
| **Per OutPt. Surgery** | 4.50 | 8.52 | 10.06 | 10.52 | 10.93 | 11.30 |
| **Per 100** | | | | | | |
| **ER Visits** | 96.49 | 182.67 | 215.63 | 225.44 | 234.21 | 242.04 |
| **Other OPV Visits** | 45.03 | 85.24 | 100.63 | 105.21 | 109.30 | 112.95 |
| **Home Healthcare** | 19.30 | 36.53 | 43.13 | 45.09 | 46.84 | 48.41 |

**Territory 2**
**Cook, St. Clair, and Madison Counties**

| Class | Claims-Made Step Rates | | | | | |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6+ |
| **Per Occupied Bed** | | | | | | |
| **Acute** | $1,383.72 | $2,619.38 | $3,092.01 | $3,232.78 | $3,358.48 | $3,470.78 |
| **Extended Care** | 138.37 | 261.94 | 309.20 | 323.28 | 335.85 | 347.08 |
| **Psychiatric** | 968.60 | 1,833.57 | 2,164.41 | 2,262.95 | 2,350.94 | 2,429.55 |
| **Rehabilitation** | 691.86 | 1,309.69 | 1,546.01 | 1,616.39 | 1,679.24 | 1,735.39 |
| **Per Delivery** | 24.91 | 47.15 | 55.66 | 58.19 | 60.45 | 62.47 |
| **Per InPt. Surgery** | 9.69 | 18.34 | 21.64 | 22.63 | 23.51 | 24.30 |
| **Per OutPt. Surgery** | 9.69 | 18.34 | 21.64 | 22.63 | 23.51 | 24.30 |
| **Per 100** | | | | | | |
| **ER Visits** | 207.56 | 392.91 | 463.80 | 484.92 | 503.77 | 520.62 |
| **Other OPV Visits** | 96.86 | 183.36 | 216.44 | 226.29 | 235.09 | 242.95 |
| **Home Healthcare** | 41.51 | 78.58 | 92.76 | 96.98 | 100.75 | 104.12 |

**B. Employed Physicians, Residents, and Fellows Professional Liability Rates**
**- Limits of Liability $100,000 / $300,000**

Rate using filed Continental Casualty Company rates, without application of longevity or loss prevention credit. Apply 25% credit for shared limits and defense with hospital for limits up to $1 million. For higher limits, refer to company.

**C. Other Employees Subject to Individual Rating Professional Liability Rates**
**- Limits of Liability $100,000 / $300,000**

Rate the following types of employees using filed Continental Casualty Company rates:

| | |
|---|---|
| Physician Assistants | Nurse Anesthetists |
| Surgeon Assistants | Dentists |
| Nurse Midwives | Oral Surgeons |

**D. Healthcare Ancillary Business Professional Liability Rates**
**- Limits of Liability $100,000 / $300,000**

1. *Managed Care Organizations* - Rate based upon hospital outpatient visit rate and physician exposures, including credit for shared limits and defense, if applicable. Add 5% surcharge for managed care.

2. *Kidney Dialysis Centers* - Rate based upon other outpatient visit rate.

3. *Contract Chemical Dependency Units* - Charge extended care rate for occupied beds; charge 50% of other outpatient visit rate.

4. *Birthing Center* - Charge based upon bed rate, delivery rate, and other outpatient visit rate.

5. *Pathology Laboratory* - $1.50 per $100 of gross revenue.

6. *Pharmacy* - $1.50 per $100 of gross revenue.

7. *Medical Equipment Rental* - $0.50 per $100 of gross revenue.

8. *Urgent Care Clinics* - Rate based upon employed physicians and other outpatient visit rate.

9. *Home Healthcare* - Rate based upon home healthcare visit rate.

10. *Free-standing Nursing Facilities:*
    *Skilled Nursing* - 50% of extended care rate per occupied bed.
    *Intermediate Nursing* - 30% of extended care rate per occupied bed.
    *Personal Care and Individual Living* - 20% of extended care rate per occupied bed.

11. *Emergency Physicians Groups* - Rate based upon number of full-time equivalent physicians.
If full-time equivalent physician count is not available, rate using 2.6% of the physician rate per 100 visits for the physician exposures. (Emergency room visit rate is also applicable to the other outpatient visits, for hospital coverage.)

## E. Increased Limits

| Desired Limits | Increased Limit Factors |
|---|---|
| $100,000 / $300,000 | 1.000 |
| $250,000 / $750,000 | 1.381 |
| $1,000,000 / $1,000,000 | 1.957 |
| $1,000,000 / $3,000,000 | 2.060 |
| $2,000,000 / $4,000,000 | 2.580 |
| $3,000,000 / $5,000,000 | 2.950 |

## F. Extended Reporting Period

The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy.

| Years of Prior Claims-Made Coverage | Installment Factors | | | Unlimited Prepaid Factors |
|---|---|---|---|---|
| | 1st Year | 2nd Year | 3rd Year | |
| 1 | 0.32 | 0.27 | 0.17 | 0.74 |
| 2 | 0.53 | 0.31 | 0.25 | 1.05 |
| 3 | 0.60 | 0.40 | 0.25 | 1.19 |
| 4 | 0.67 | 0.40 | 0.25 | 1.27 |
| 5 or more | 0.69 | 0.41 | 0.26 | 1.31 |

- A free five year ERP will be offered; or
- An unlimited ERP with the limits reinstated will be offered;
- The premium will be capped at 200% of the annual premium of the expiring policy; and
- The insured will be given a free-60 day period after the end of the policy to request the coverage.

## G. Hospital General Liability Rates - Limits of Liability - $100,000/$300,000

To obtain rates for hospital general liability, multiply the hospital professional liability rates for the same limits, deductible, and maturity by 8%.

## H. Inclusion of Hospital Required

Since this is a hospital professional liability program, these rates apply only when one or more hospitals together with affiliated health care providers are rated.

## I. Umbrella Coverage

Umbrella Liability Coverage is available to 1) provide coverage for those sums in excess of the amount payable under primary insurance and 2) provide coverage for bodily injury, property damage, personal injury or advertising injury claims brought against those covered. These risks will be individually rated, based upon primary premium and limits purchased, loss experience, scope of underlying coverages, scope of this umbrella coverage, and any other unique or unusual characteristics.

**Continental Casualty Company**
**The Continental Insurance Company**
**Hospital Professional Liability and Ancillary Coverages**
**State of Illinois**

## EXPERIENCE RATING PLAN

A. Eligibility

This plan may apply to the hospital professional liability, physician and surgeon professional liability, other professional liability, and general liability experience of a health care facility or an affiliated group of health care providers which includes at least one health care facility.

The experience of all members of an affiliated group of health care providers may be combined to establish an experience rating applicable to the group. The experience modification so established shall be applied uniformly to all participating members.

B. Application of Modification

The experience modification, determined according to the procedures described in this manual, applies to the manual premium at $1,000,000/$3,000,000 limits (or the policy limits, if less than $1,000,000/$3,000,000).

In addition to any experience rating modification developed under this plan, a modification reflecting specific risk characteristics may be applied to the premium for the health care facility or affiliated group, in accordance with the Schedule Rating Table, which is part of this plan.

C. Experience Used

The experience modification factor will be determined using loss data complied on a report year basis. Report year data may include a combination of experience complied under prior claims-made and occurrence policies, compiled on the basis of the report date of the losses.

The experience modification will be determined from the latest available five complete report years of experience. In the event that the experience for the full five year period is not available, the total experience which is available (subject to a minimum of one complete report year) is to be used.

The experience period will end at least six months prior to the effective date of the experience modification being established. Experience incurred by other companies or self-insured experience may be used subject to the periods described above and given credence in accordance with its apparent reliability.

D. Experience Period Premium at Present Rates

The experience period premium at present rates is the total of the premiums computed by extending the actual exposures developed during the experience period at present manual rates for $100,000 limits. If loss data is available such that each report year is mature (that is, if the retroactive date is at least 5 years prior to the effective date of the experience year), then the experience period premium will be the mature claims made premium extended by the exposures. If the retroactive date is less than 5 years before the effective date of the experience year, then the exposures will be extended by the appropriate claims-made rates.

Ratable exposures in effect during the experience period may be estimated if not available.

E. Experience Period Premium Subject to Experience Rating

The experience period premium is the premium calculated in D, multiplied by the following adjustments for trend:

| Experience Period Year | Multiplier |
|---|---|
| Latest Report Year | .80 |
| 2nd Latest Report Year | .71 |
| 3rd Latest Report Year | .64 |
| 4th Latest Report Year | .61 |
| 5th Latest Report Year | .58 |

F. Losses Subject to Experience Rating

The losses subject to experience rating include paid and outstanding losses. The indemnity portion of each claim is to be limited to $100,000 per claim, with no aggregate limit. Allocated loss adjustment expenses are then added and are subject to no limitation.

G. Actual Loss Ratio

The actual loss ratio for the risk is determined by dividing the "Losses Subject to Experience Rating" by the "Experience Period Premium Subject to Experience Rating".

H. Credibility

The credibility is calculated as the square root of

$$\frac{\text{Experience Period Premium Subject to Experience Rating}}{\$8{,}000{,}000}$$

The maximum credibility a risk may receive is .50.

I. Experience Modification

The experience modification shall be determined by application of the following formula, with the expected loss ratio equal to 75.0%.

((Actual Loss Ratio - Expected Loss Ratio) / (Expected Loss Ratio)) x Credibility

For rate calculation, the experience modification must be added to 1.00, to produce an experience modification multiplier. The experience modification multiplier is limited to a minimum of .75, and a maximum of 1.5.

J. Schedule Rating

The hazard of a health care facility, or of an affiliated group of health care providers which includes at least one health care facility, varies with the organization, loss prevention activities, the types of services rendered, and other factors. To a significant extent these factors can be expected to be reflected in the loss experience. However, many facilities/groups are not large enough to have significant credibility in their historical loss experience, or have not been in business in their current organizational form for a very long period. Recent changes may have been made in loss prevention programs. To recognize these and other factors peculiar to a particular health care provider or group, it shall be permissible to apply a debit or credit to the rates and premiums otherwise developed, dependent upon the underwriter's overall evaluation of the risk. The table below identifies the characteristics applicable for rating and the credit and debit ranges for them. The maximum net schedule or debit may not exceed 25%.

**Schedule Rating Table**

| | | Maximum Credit/Debit |
|---|---|---|
| 1. | Loss Control Program<br><br>The underwriter will evaluate the procedures in place with the facility or group, including adherence to prior CNA recommendations. | +/- 10% |
| 2. | Accreditation<br><br>The underwriter will determine whether the risks in the group are accredited by the appropriate authority (Joint Commission on Accreditation of Hospitals; Accreditation Association for Ambulatory Health Care; or similar agencies). | +/- 5% |
| 3. | Patient Advocate Program<br><br>The underwriter will determine whether a mechanism exists for patients or their families to communicate concerns about the institution, and will determine whether a program exists for early intervention when a problem exists. | +/- 5% |

| | | |
|---|---|---|
| 4. | Physician Insurance Limits | |
| | All physicians practicing at the health care facility (or facilities) are required to carry liability insurance limits of at least $1,000,000/$3,000,000. | +/- 5% |
| 5. | Continuing Education Program | |
| | Existence of a continuing education program including risk management topics for employed and staff physicians, administration, governing board, and nurses. | +/- 5% |
| 6. | Unusual Risk Characteristics | +/- 10% |

**Credit for Shared Limits and Defense**

If physicians and hospitals are written in a combined program such that

(1) for each occurrence, the limit of liability applies to the combined indemnity costs of all physicians and the hospital,

(2) the company is permitted to provide a common defense for all physicians and the hospital, when both are named in suits arising from a single occurrence,

Then the physician premium shall receive a 25% rate credit.

**Quarterly Installment Option**

The company will offer to the Named Insured a premium payment option as follows:

a. Each quarterly premium payment will be 25% of the total annual premium;
b. There will be no interest charges;
c. There will be a quarterly installment charges equal to the lesser of 1% of the total annual premium or $25.00;
d. Any additional premium resulting from changes to the policy, mid-term, shall be spread equally over the remaining installment payments.

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 Casualty 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

Sharon K. Robinson, FCAS, MAAA
Vice President

8-22-07
Date

Insurance Company FEIN - Filing Number _____

Insurer's Address _____

City _____ State _____ Zip Code _____

Contact Person's:
- Name and E-mail _____

- Direct Telephone and Fax Number _____

ILLINOIS CERTIFICATION FOR
MEDICAL MALPRACTICE RATES

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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

Sharon K. Robinson, FCAS, MAAA
Vice President

8-22-07
Date

Insurance Company FEIN - Filing Number _____

Insurer's Address _____

City _____ State _____ Zip Code _____

Contact Person's:
- Name and E-mail _____

- Direct Telephone and Fax Number _____

## Neuman, Gayle

**From:** Neuman, Gayle
**Sent:** Thursday, August 23, 2007 9:15 AM
**To:** 'Stern,Adrienne H.'
**Subject:** RE: Our File No. 07-R2181 (Continental Casualty Co. & The Continental Insurance Co. - Hospital Rate/Rule Filing) - IL

Ms. Stern,

I will extend the due date to September 7, 2007. Because this will be the second extension given, I will be unable to further extend the due date after September 7, 2007.

Gayle Neuman
Division of Insurance

---

**From:** Stern,Adrienne H. [mailto:Adrienne.Stern@CNA.com]
**Sent:** Thursday, August 23, 2007 9:02 AM
**To:** Neuman, Gayle
**Cc:** Lockhart,John C.; Cortina,Kristine; Leonard,Jim; Feehan,William C.
**Subject:** Our File No. 07-R2181 (Continental Casualty Co. & The Continental Insurance Co. - Hospital Rate/Rule Filing) - IL

Ms. Neuman,

We need some additional time to respond to the objection letter attached below.

Please grant an extension for our response to September 7, 2007.

Let us know by response to this email if this is acceptable to you.

Thank you.
*Adrienne Stern*
*Product Compliance Analyst*
*GSL - Legal Services*
*Phone: 212-440-3268*
*Fax: 212-440-2877*
*adrienne.stern@cna.com*
*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. Thank you very much.*

---

**From:** Lockhart,John C.
**Sent:** Monday, August 13, 2007 10:12 AM
**To:** Leonard,Jim; Stern,Adrienne H.
**Cc:** Fleischner,Jean K.; Rolwood,Scott J.; Miller,Rachel; Cortina,Kristine; Arnot,Robert; Elliston,Carol E; Rambarran,Anesa; Alonzo,Robert A.; Morris,Micaah

**Subject:** Illinois Hospital Professional Liability Rate/Rule Filing 07-R2181 Objection

<<IL Rates Objection 1.doc>>

08/13/2007

Continental Casualty Company

The Continental Insurance Company
Hospital Professional Liability
Rate/Rule Filing
07-R2181

**Respond by 8/24/2007**

*John Lockhart*

K

40 Wall Street, 9th Floor

New York, NY 10005-1401

877-269-3277 ext. 3270

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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.

Thank you.

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**Continental Casualty Company**
**The Continental Insurance Company**
**Hospital Professional Liability and Ancillary Coverages**
**State of Illinois**

## Definitions

| | |
|---|---|
| Acute Beds: | All medical-surgical beds including pediatrics, special care, intensive care and burn units. Included in this category are newborn bassinets and neonatal intensive care beds. Any licensed medical-surgical bed defined under another category should not be included in this category. |
| Deliveries: | The actual number of deliveries including stillbirths during the policy period. Do not include infants transferred from other institutions. |
| Occupied Beds: | Licensed beds times (x) occupancy rate or number of inpatient days for the policy period divided by 365 days. |
| Psychiatric Beds: | Provide acute care to emotionally disturbed patients including, but not limited to, the chronically mentally ill, mentally disordered or other mentally incompetent persons. |
| Chem/Rehab/ Skilled Nursing Beds: | Include in this category alcoholism/substance abuse units, rehabilitation units, and skilled nursing beds (that is, for patients not in an acute phase of illness. Services are provided under the supervision of a licensed registered nurse on a 24-hour basis.) |
| Extended Care: | Provide intermediate care (the provision of health-related care and services, on a regular basis of health-related care and services to individuals who do not require the degree of care or treatment that a skilled nursing unit is designed to provide), typically in nursing home type units. Skilled nursing beds should be included with Chem/Rehab beds. |
| Outpatient Visits: | The actual number of persons (counting each visit) who come through the door and use your outpatient facilities or services. Office visits to hospital owned physician practices should be counted in this category as outpatient visits.<br><br>(1) Use visits rather than occasions of service. For example, a patient referred to the hospital by a physician for a laboratory test and an x-ray would be counted as one visit but two occasions of service. A visit is a person's physical threshold crossing into a facility which may involve multiple occasions of service from more than one clinical department.<br><br>(2) For serial visits or registrations, whereby several visits are necessary for the same type of treatment, use visits or occasions of service rather than number of registrations. For example, if a chemotherapy registration commonly requires 8 visits or episodes of treatment and there are 100 chemotherapy registrations, report 800 outpatient visits. |

**Definitions (continued)**

(3) Registrations through the emergency room for "23 hour" observations services should be reported as emergency room or all other outpatient visits (as currently registered by the institution).

(4) Specimens delivered for evaluations do not constitute OPV's.

Emergency Room Visits: Unscheduled outpatient services (including psychiatric emergency) to patients whose conditions are considered to require immediate care. These visits may occur in a hospital or urgent/walk-in facility.

Other Outpatient Visits: Scheduled or unscheduled professional contact visits, outpatient therapy and treatment visits, and ancillary service visits not performed in the emergency room.

Outpatient Surgical Visits: Scheduled surgical services provided to patients who do not remain in the hospital overnight. The surgery may be performed in operating suites also used for inpatient surgery, specially designated surgical suites for ambulatory surgery, or procedure rooms within an ambulatory care facility.

**Continental Casualty Company**
**The Continental Insurance Company**
**Hospital Professional Liability and Ancillary Coverages**
**State of Illinois**

**A. Professional Liability Rates - Limits of Liability - $100,000/$300,000**

**Territory 1**
**Remainder of State**

| Class | Claims-Made Step Rates | | | | | |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6+ |
| **Per Occupied Bed** | | | | | | |
| Acute | $643.28 | $1,217.77 | $1,437.50 | $1,502.94 | $1,561.38 | $1,613.59 |
| Extended Care | 64.33 | 121.78 | 143.75 | 150.29 | 156.14 | 161.36 |
| Psychiatric | 450.30 | 852.44 | 1,006.25 | 1,052.06 | 1,092.97 | 1,129.51 |
| Rehabilitation | 321.64 | 608.89 | 718.75 | 751.47 | 780.69 | 806.80 |
| Per Delivery | 11.58 | 21.92 | 25.88 | 27.05 | 28.10 | 29.04 |
| Per InPt. Surgery | 4.50 | 8.52 | 10.06 | 10.52 | 10.93 | 11.30 |
| Per OutPt. Surgery | 4.50 | 8.52 | 10.06 | 10.52 | 10.93 | 11.30 |
| **Per 100** | | | | | | |
| ER Visits | 96.49 | 182.67 | 215.63 | 225.44 | 234.21 | 242.04 |
| Other OPV Visits | 45.03 | 85.24 | 100.63 | 105.21 | 109.30 | 112.95 |
| Home Healthcare | 19.30 | 36.53 | 43.13 | 45.09 | 46.84 | 48.41 |

**Territory 2**
**Cook, East St. Louis, St. Claire, and Madison Counties**

| Class | Claims-Made Step Rates | | | | | |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6+ |
| **Per Occupied Bed** | | | | | | |
| Acute | $1,383.72 | $2,619.38 | $3,092.01 | $3,232.78 | $3,358.48 | $3,470.78 |
| Extended Care | 138.37 | 261.94 | 309.20 | 323.28 | 335.85 | 347.08 |
| Psychiatric | 968.60 | 1,833.57 | 2,164.41 | 2,262.95 | 2,350.94 | 2,429.55 |
| Rehabilitation | 691.86 | 1,309.69 | 1,546.01 | 1,616.39 | 1,679.24 | 1,735.39 |
| Per Delivery | 24.91 | 47.15 | 55.66 | 58.19 | 60.45 | 62.47 |
| Per InPt. Surgery | 9.69 | 18.34 | 21.64 | 22.63 | 23.51 | 24.30 |
| Per OutPt. Surgery | 9.69 | 18.34 | 21.64 | 22.63 | 23.51 | 24.30 |
| **Per 100** | | | | | | |
| ER Visits | 207.56 | 392.91 | 463.80 | 484.92 | 503.77 | 520.62 |
| Other OPV Visits | 96.86 | 183.36 | 216.44 | 226.29 | 235.09 | 242.95 |
| Home Healthcare | 41.51 | 78.58 | 92.76 | 96.98 | 100.75 | 104.12 |

**B. Employed Physicians, Residents, and Fellows Professional Liability Rates**
**- Limits of Liability $100,000 / $300,000**

Rate using filed Continental Casualty Company rates, without application of longevity or loss prevention credit. Apply 25% credit for shared limits and defense with hospital for limits up to $1 million. For higher limits, refer to company.

**C. Other Employees Subject to Individual Rating Professional Liability Rates**
**- Limits of Liability $100,000 / $300,000**

Rate the following types of employees using filed Continental Casualty Company rates:

| | |
|---|---|
| Physician Assistants | Nurse Anesthetists |
| Surgeon Assistants | Dentists |
| Nurse Midwives | Oral Surgeons |

**D. Healthcare Ancillary Business Professional Liability Rates**
**- Limits of Liability $100,000 / $300,000**

1. *Managed Care Organizations* - Rate based upon hospital outpatient visit rate and physician exposures, including credit for shared limits and defense, if applicable. Add 5% surcharge for managed care.

2. *Kidney Dialysis Centers* - Rate based upon other outpatient visit rate.

3. *Contract Chemical Dependency Units* - Charge extended care rate for occupied beds; charge 50% of other outpatient visit rate.

4. *Birthing Center* - Charge based upon bed rate, delivery rate, and other outpatient visit rate.

5. *Pathology Laboratory* - $1.50 per $100 of gross revenue.

6. *Pharmacy* - $1.50 per $100 of gross revenue.

7. *Medical Equipment Rental* - $0.50 per $100 of gross revenue.

8. *Urgent Care Clinics* - Rate based upon employed physicians and other outpatient visit rate.

9. *Home Healthcare* - Rate based upon home healthcare visit rate.

10. *Free-standing Nursing Facilities:*
    *Skilled Nursing* - 50% of extended care rate per occupied bed.
    *Intermediate Nursing* - 30% of extended care rate per occupied bed.
    *Personal Care and Individual Living* - 20% of extended care rate per occupied bed.

11. *Emergency Physicians Groups* - Rate based upon number of full-time equivalent physicians. If full-time equivalent physician count is not available, rate using 2.6% of the physician rate per 100 visits for the physician exposures. (Emergency room visit rate is also applicable to the other outpatient visits, for hospital coverage.)

## E. Increased Limits

| Desired Limits | Increased Limit Factors |
|---|---|
| $100,000 / $300,000 | 1.000 |
| $250,000 / $750,000 | 1.381 |
| $1,000,000 / $1,000,000 | 1.957 |
| $1M / $3M (claims-made only) | 2.060 |
| Higher Limits | Refer to Company |

## F. Extended Reporting Period

The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy.

| Years of Prior Claims-Made Coverage | Installment Factors | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st Year | 2nd Year | 3rd Year | |
| 1 | 0.32 | 0.27 | 0.17 | 0.74 |
| 2 | 0.53 | 0.31 | 0.25 | 1.05 |
| 3 | 0.60 | 0.40 | 0.25 | 1.19 |
| 4 | 0.67 | 0.40 | 0.25 | 1.27 |
| 5 or more | 0.69 | 0.41 | 0.26 | 1.31 |

## G. Hospital General Liability Rates - Limits of Liability - $100,000/$300,000

To obtain rates for hospital general liability, multiply the hospital professional liability rates for the same limits, deductible, and maturity by 8%.

## H. Inclusion of Hospital Required

Since this is a hospital professional liability program, these rates apply only when one or more hospitals together with affiliated health care providers are rated.

## I. Umbrella Coverage

Umbrella Liability Coverage is available to 1) provide coverage for those sums in excess of the amount payable under primary insurance and 2) provide coverage for bodily injury, property damage, personal injury or advertising injury claims brought against those covered. These risks will be individually rated, based upon primary premium and limits purchased, loss experience, scope of underlying coverages, scope of this umbrella coverage, and any other unique or unusual characteristics.

**Continental Casualty Company**
**The Continental Insurance Company**
**Hospital Professional Liability and Ancillary Coverages**
**State of Illinois**

## EXPERIENCE RATING PLAN

A. Eligibility

This plan may apply to the hospital professional liability, physician and surgeon professional liability, other professional liability, and general liability experience of a health care facility or an affiliated group of health care providers which includes at least one health care facility.

The experience of all members of an affiliated group of health care providers may be combined to establish an experience rating applicable to the group. The experience modification so established shall be applied uniformly to all participating members.

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The experience modification, determined according to the procedures described in this manual, applies to the manual premium at $1,000,000/$3,000,000 limits (or the policy limits, if less than $1,000,000/$3,000,000).

In addition to any experience rating modification developed under this plan, a modification reflecting specific risk characteristics may be applied to the premium for the health care facility or affiliated group, in accordance with the Schedule Rating Table, which is part of this plan.

C. Experience Used

Regardless of whether claims made or occurrence coverage is being purchased, the experience modification factor will be determined using loss data complied on a report year basis. Report year data may include a combination of experience complied under claims-made and occurrence policies, compiled on the basis of the report date of the losses.

The experience modification will be determined from the latest available five complete report years of experience. In the event that the experience for the full five year period is not available, the total experience which is available (subject to a minimum of one complete report year) is to be used.

The experience period will end at least six months prior to the effective date of the experience modification being established. Experience incurred by other companies or self-insured experience may be used subject to the periods described above and given credence in accordance with its apparent reliability.

D. Experience Period Premium at Present Rates

The experience period premium at present rates is the total of the premiums computed by extending the actual exposures developed during the experience period at present manual rates for $100,000 limits. If loss data is available such that each report year is mature (that is, if the retroactive date is at least 5 years prior to the effective date of the experience year), then the experience period premium will be the mature claims made premium extended by the exposures. If the retroactive date is less than 5 years before the effective date of the experience year, then the exposures will be extended by the appropriate claims-made rates.

Ratable exposures in effect during the experience period may be estimated if not available.

E. Experience Period Premium Subject to Experience Rating

The experience period premium is the premium calculated in D, multiplied by the following adjustments for trend:

| Experience Period Year | Multiplier |
|---|---|
| Latest Report Year | .80 |
| 2nd Latest Report Year | .71 |
| 3rd Latest Report Year | .64 |
| 4th Latest Report Year | .61 |
| 5th Latest Report Year | .58 |

F. Losses Subject to Experience Rating

The losses subject to experience rating include paid and outstanding losses. The indemnity portion of each claim is to be limited to $100,000 per claim, with no aggregate limit. Allocated loss adjustment expenses are then added and are subject to no limitation.

G. Actual Loss Ratio

The actual loss ratio for the risk is determined by dividing the "Losses Subject to Experience Rating" by the "Experience Period Premium Subject to Experience Rating".

H. Credibility

The credibility is calculated as the square root of

$$\frac{\text{Experience Period Premium Subject to Experience Rating}}{\$8{,}000{,}000}$$

The maximum credibility a risk may receive is .50.

I. Experience Modification

The experience modification shall be determined by application of the following formula, with the expected loss ratio equal to 75.0%.

((Actual Loss Ratio - Expected Loss Ratio) / (Expected Loss Ratio)) x Credibility

For rate calculation, the experience modification must be added to 1.00, to produce an experience modification multiplier. The experience modification multiplier is limited to a minimum of .75, and a maximum of 1.5.

J. Schedule Rating

The hazard of a health care facility, or of an affiliated group of health care providers which includes at least one health care facility, varies with the organization, loss prevention activities, the types of services rendered, and other factors. To a significant extent these factors can be expected to be reflected in the loss experience. However, many facilities/groups are not large enough to have significant credibility in their historical loss experience, or have not been in business in their current organizational form for a very long period. Recent changes may have been made in loss prevention programs. To recognize these and other factors peculiar to a particular health care provider or group, it shall be permissible to apply a debit or credit to the rates and premiums otherwise developed, dependent upon the underwriter's overall evaluation of the risk. The table below identifies the characteristics applicable for rating and the credit and debit ranges for them. The maximum net schedule or debit may not exceed 25%.

**Schedule Rating Table**

| | | Maximum Credit/Debit |
|---|---|---|
| 1. | Loss Control Program | |
| | The underwriter will evaluate the procedures in place with the facility or group, including adherence to prior CNA recommendations. | +/- 10% |
| 2. | Accreditation | |
| | The underwriter will determine whether the risks in the group are accredited by the appropriate authority (Joint Commission on Accreditation of Hospitals; Accreditation Association for Ambulatory Health Care; or similar agencies). | +/- 5% |
| 3. | Patient Advocate Program | |
| | The underwriter will determine whether a mechanism exists for patients or their families to communicate concerns about the institution, and will determine whether a program exists for early intervention when a problem exists. | +/- 5% |

| | | |
|---|---|---|
| 4. | Physician Insurance Limits | |
| | All physicians practicing at the health care facility (or facilities) are required to carry liability insurance limits of at least $1,000,000/$3,000,000. | +/- 5% |
| 5. | Continuing Education Program | |
| | Existence of a continuing education program including risk management topics for employed and staff physicians, administration, governing board, and nurses. | +/- 5% |
| 6. | Unusual Risk Characteristics | +/- 10% |

**Credit for Shared Limits and Defense**

If physicians and hospitals are written in a combined program such that

(1) for each occurrence, the limit of liability applies to the combined indemnity costs of all physicians and the hospital,

(2) the company is permitted to provide a common defense for all physicians and the hospital, when both are named in suits arising from a single occurrence,

Then the physician premium shall receive a 25% rate credit.

**Continental Casualty Company**
**The Continental Insurance Company**
Hospital Professional Liability

Actuarial Memorandum
Illinois

With this rate filing, Continental Casualty Company ("CCC") proposes a change to its Hospital Professional Liability program in the State of Illinois. Specifically, CCC is proposing a rate decrease for Territory 1 of -5.6%, and a rate increase for Territory 2 of +16.1%. In addition, we are proposing to re-assign the following counties from Territory 1 to Territory 2: Monterey, East St. Louis, St. Claire, and Madison. CCC has no premium volume in Illinois, so no insureds will be impacted by these changes.

Also with this filing, we are proposing to adopt the revised CCC rates for The Continental Insurance Company ("CIC"). The change to the CCC rates and territories, along with the introduction of CIC as a new underwriter for this program, are proposed with an effective date of July 1, 2007.

CCC has no written premium under this program in Illinois. Therefore, the indicated rate change was not calculated based upon CCC's historical experience, but rather based on experience from Illinois hospital accounts submitted to CNA for price quotes. Exhibit 1 shows the calculation of the indicated rate change. Exhibit 2 outlines the projected expense provisions underlying the permissible loss & LAE ratio.

The revised rating manual pages referencing both CCC and CIC are attached. Page 3 reflects the updated rates and new territory assignments. In addition, Experience rating rule I on Page 7 has been changed to reflect the updated permissible loss & ALAE ratio of 75.0%.

*Illinois Territory 1*
*HPL & PPL Coverage Effective April 1, 2006*

# *PROJECTED LOSSES*
## *Loss Cost Selection*

| Report Year Beginning Apr-1 | Ultimate Losses Limited to $1,000,000 | Loss Cost Trend Factor | Unadjusted Trended Ultimate Losses | Ultimate Losses in Excess of Limit | Limited Trended Ultimate Losses | Total Exposure Units | Loss Cost at 2006 Level | Include in Loss Cost Average |
|---|---|---|---|---|---|---|---|---|
| | [a] | [b] | [2]x[3] | [c] | [4]-[5] | [d] | [6]/[7] | [e] |
| [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] |
| 1995 | 2,254,031 | 2.046 | 4,612,620 | 0 | 4,612,620 | 0 | --- | |
| 1996 | 2,390,664 | 1.931 | 4,615,306 | 306,101 | 4,309,205 | 2,483 | 1,735.67 | |
| 1997 | 4,196,678 | 1.821 | 7,643,315 | 1,258,680 | 6,384,634 | 3,202 | 1,994.04 | |
| 1998 | 8,971,234 | 1.718 | 15,414,250 | 3,473,247 | 11,941,003 | 4,023 | 2,968.00 | |
| 1999 | 8,736,368 | 1.606 | 14,028,698 | 2,826,970 | 11,201,728 | 4,358 | 2,570.53 | |
| 2000 | 10,630,157 | 1.501 | 15,953,000 | 4,003,445 | 11,949,555 | 4,677 | 2,554.91 | |
| 2001 | 10,179,397 | 1.403 | 14,277,131 | 1,648,377 | 12,628,753 | 4,817 | 2,621.68 | |
| 2002 | 9,729,008 | 1.311 | 12,752,745 | 781,268 | 11,971,477 | 4,929 | 2,428.90 | ☑ |
| 2003 | 7,459,751 | 1.225 | 9,138,516 | 225,043 | 8,913,473 | 5,088 | 1,751.77 | |
| 2004 | 10,840,005 | 1.145 | 12,410,722 | 939,895 | 11,470,828 | 5,203 | 2,204.45 | ☑ |
| 2005 | 11,392,820 | 1.070 | 12,190,318 | 304,745 | 11,885,573 | 5,288 | 2,247.65 | ☑ |
| Total/Avg | 86,780,114 | | 123,036,621 | 15,767,771 | 107,268,849 | 44,068 | 2,434.15 | |

**Projected Limited Losses for Policy Year Beginning April 1, 2006**

| | | |
|---|---|---|
| [10] | 5-Year Average Excl. 2005 [ SUM{[6]} / SUM{[7]} (2000 to 2004) ] | 2,303.65 |
| [11] | Average Based on Selected Years | 2,291.00 |
| [12] | Selected Loss Cost [e] | 2,291.00 |
| [13] | Total Exposure Units [d] | 5,325 |
| [14] | Projected Losses Limited to $1,000,000 [ [12] x [13] ] | 12,198,811 |

| | |
|---|---|
| Trend (7%) to 7/1/07 | 1.088 |
| PLR | 0.750 |
| Indicated $1M Rate (@7/1/07 | 3,324 |

| | |
|---|---|
| Current $1M Rate | 3,520 |

| | |
|---|---|
| Indicated Rate Change | -5.6% |

| | |
|---|---|
| Selected Rate Change | -5.6% |

*Illinois Territory 2 - Cook County*
*HPL & PPL Coverage Effective May 1, 2006*

# *PROJECTED LOSSES*
## *Loss Cost Selection*

| Report Year Beginning May-1 | Ultimate Losses Limited to $1,000,000 | Loss Cost Trend Factor | Unadjusted Trended Ultimate Losses | Ultimate Losses in Excess of Limit | Limited Trended Ultimate Losses | Total Exposure Units | Loss Cost at 2006 Level | Include in Loss Cost Average |
|---|---|---|---|---|---|---|---|---|
| | [a] | [b] | [2]x[3] | [c] | [4]-[5] | [d] | [6]/[7] | [e] |
| [1] | [2] | [3] | [4] | [5] | [6] | [7] | [8] | [9] |
| 1995 | 19,611,453 | 2.184 | 42,832,895 | 15,632,468 | 27,200,427 | 0 | --- | |
| 1996 | 28,292,289 | 2.060 | 58,294,809 | 16,281,755 | 42,013,054 | 7,449 | 5,640.12 | |
| 1997 | 31,668,601 | 1.944 | 61,558,044 | 18,710,047 | 42,847,997 | 9,600 | 4,463.39 | |
| 1998 | 49,943,323 | 1.834 | 91,585,665 | 29,263,329 | 62,322,335 | 11,974 | 5,204.78 | |
| 1999 | 52,799,427 | 1.714 | 90,488,939 | 22,617,058 | 67,871,881 | 13,550 | 5,008.99 | |
| 2000 | 55,990,573 | 1.587 | 88,850,003 | 20,890,778 | 67,959,224 | 14,929 | 4,552.19 | |
| 2001 | 66,340,772 | 1.469 | 97,476,359 | 19,481,061 | 77,995,299 | 15,547 | 5,016.72 | |
| 2002 | 73,301,211 | 1.360 | 99,725,489 | 15,935,188 | 83,790,300 | 16,109 | 5,201.61 | |
| 2003 | 72,543,306 | 1.260 | 91,383,673 | 11,245,299 | 80,138,373 | 16,695 | 4,800.12 | |
| 2004 | 75,921,269 | 1.166 | 88,554,568 | 6,012,964 | 82,541,604 | 16,954 | 4,868.57 | |
| 2005 | 100,014,335 | 1.080 | 108,015,482 | 5,045,075 | 102,970,406 | 17,361 | 5,930.98 | |
| Total/Avg | 626,426,559 | | 918,765,925 | 181,115,025 | 737,650,900 | 140,168 | 5,262.62 | |

**Projected Limited Losses for Policy Year Beginning May 1, 2006**

| | | |
|---|---|---|
| [10] | 5-Year Average Excl. 2005 [ SUM{[6]} / SUM{[7]} (2000 to 2004) ] | 4,891.03 |
| [11] | Average Based on Selected Years | 4,901.87 |
| [12] | Selected Loss Cost [e] | 4,901.87 |
| [13] | Total Exposure Units [d] | 17,491 |
| [14] | Projected Losses Limited to $1,000,000 [ [12] x [13] ] | 85,739,362 |

| | |
|---|---|
| Trend (8%) to 7/1/07 | 1.094 |
| PLR | 0.750 |
| Indicated $1M Rate (@7/1/07 | 7,150 |

| | |
|---|---|
| Current $1M Rate | 6,160 |

| | |
|---|---|
| Indicated Rate Change | 16.1% |

| | |
|---|---|
| Selected Rate Change | 16.1% |

**CNA INSURANCE COMPANIES**
**ILLINOIS**
**Primary - Hospital Professional Liability**

**Calculation of Permissible Loss & ALAE Ratio**

| | |
|---|---|
| (1) Target CNA ROE | 15.0% |
| (2) 2007 Plan Loss & ALAE Ratio | 68.0% |
| (3) ULAE to Premium Ratio | 5.7% |
| (4) ULAE to Loss & ALAE | 8.3% |
| (5) Commission | 10.0% |
| (6) General Expenses | 6.0% |
| (7) State Premium Tax | 2.4% |
| (8) Expense Ratio (ER) | 18.4% |
| (9) Present Value Premium Factor (60 day Lag) (PVP) | 0.9922 |
| (10) Present Value L&ALAE Factor $PV_1$ | 0.8609 |
| (11) Present Value ULAE Factor $PV_2$ | 0.9189 |
| (12) Leverage Ratio (L) | 1.90 |
| (13) Yield on Capital (Y) | 4.5% |
| (14) Percent Investable (I) | 70.0% |
| (15) Income Tax Rate (T) | 35.0% |
| (16) Permissible Loss & ALAE Ratio (L&ALAE) | 75.0% |
| (17) Targeted Combined Ratio | 99.1% |

**CNA INSURANCE COMPANIES**
**ILLINOIS**
**Primary - Hospital Professional Liability**

**Calculation of Investment Income Adjustments**

| Months | L&ALAE Incremental Payout Pattern | ULAE Incremental Payout Pattern | 4.8% Discount Factor | L&ALAE Discounted Payout | ULAE Discounted Payout |
|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) |
| 12 | 3.6% | 51.8% | 97.7% | 3.5% | 50.6% |
| 24 | 22.5% | 11.2% | 93.2% | 20.9% | 10.5% |
| 36 | 22.1% | 11.0% | 89.0% | 19.7% | 9.8% |
| 48 | 19.0% | 9.5% | 84.9% | 16.1% | 8.1% |
| 60 | 22.5% | 11.2% | 81.1% | 18.2% | 9.1% |
| 72 | 4.8% | 2.4% | 77.4% | 3.7% | 1.9% |
| 84 | 2.4% | 1.2% | 73.8% | 1.7% | 0.9% |
| 96 | 1.5% | 0.7% | 70.5% | 1.0% | 0.5% |
| 108 | 1.0% | 0.5% | 67.2% | 0.7% | 0.3% |
| 120 | 0.5% | 0.2% | 64.2% | 0.3% | 0.2% |
| 132 | 0.3% | 0.1% | 61.2% | 0.2% | 0.1% |
| 144 | 0.0% | 0.0% | 58.5% | 0.0% | 0.0% |
| 156 | 0.0% | 0.0% | 55.8% | 0.0% | 0.0% |
| | 100% | 100% | | 86.1% | 91.9% |

(4) = (1.048) ^ -( [(1) - 6] / 12 )
(5) = (2) x (4)
(6) = (3) x (4)

CNA

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

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MAY 24 2007
IDFPR (MPC)
DIVISION OF INSURANCE
SPRINGFIELD

**John Lockhart**
*Regulatory Filings Technician*
*P & C State Filing Unit*
*CNA Global Specialty Lines*

*Telephone* 212-440-3270
*Facsimile* 212-440-2877
*Toll Free* 877-269-3277 x 3270
*Internet* john.lockhart@cna.com

May 21, 2007

Illinois Department of Financial and Professional Regulation
Division of Insurance
Property and Casualty Compliance Unit
320 W Washington St
Springfield IL 62767-0001

RE: Continental Casualty Company NAIC#:20443 FEIN#:36-2114545
National Dental Program Revision
Rates and Rules Filing
Our File # 07-R2161

Honorable Director:

On behalf of Continental Casualty Company, we are submitting the above captioned filing for use with our approved National Dental Program currently on file with your department.

Enclosed for your review please find the Actuarial Memorandum and revised Manual pages.

We propose that these changes become applicable to all policies written on or after June 1, 2007, or the earliest date permitted by your state.

If you should need additional information, please feel free to call me at 212-440-3270.

Sincerely,

John Lockhart

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED
JUN 01 2007
SPRINGFIELD, ILLINOIS

1-0
MEM
RAT
-9.2%

Form (RF-3)

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 06/01/2007

| (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 | 210,178 | -10.0% |
| 10. Extended Coverage | | |
| 11. Inland Marine | | |
| 12. Homeowners | | |
| 13. Commercial Multi-Peril | | |
| 14. Crop Hail | | |
| 15. Other Liability (Line of Insurance) | 737,573 | -9.2% |

Does filing only apply to certain territory (territories) or certain classes? If so, specify: No.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): With this filing, Continental Casualty Company ("CNA") proposes a number of rate/rule changes to its Dental Professional Program. The changes are itemized by coverage in the enclosed actuarial memorandum.

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

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
RECEIVED
MAY 30 2007
SPRINGFIELD, ILLINOIS

Continental Casualty Company
Name of Company

Jean Fleischner, Senior Vice President
Official – Title

filing # 07-R2161

Form (RF-3)

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 07-R2161

| (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 | 947,751 | -9.4% |
| 14. Crop Hail | | |
| 15. Other _____ Line of Insurance | | |

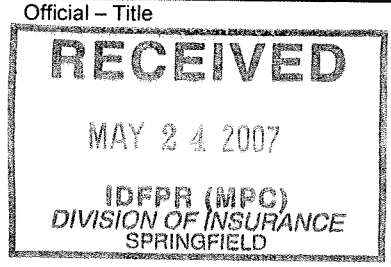
Does filing only apply to certain territory (territories) or certain classes? If so, specify: No.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): With this filing, Continental Casualty Company ("CNA") proposes a number of rate/rule changes to its Dental Professional Program. The changes are itemized by coverage in the enclosed actuarial memorandum.

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

Continental Casualty Company
Name of Company

Jean Fleischner, Snr. Vice President
Official – Title



Effective March 1, 2007

# RATE/RULE FILING SCHEDULE

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

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

| | | |
|---|---|---|
| 1. | **This filing transmittal is part of Company Tracking #** | **07-R2161** |
| 2. | **This filing corresponds to form filing number** (Company tracking number of form filing, if applicable) | **N/A** |

☐ Rate Increase ☑ Rate Decrease ☐ Rate Neutral (0%)

| | | |
|---|---|---|
| 3. | **Filing Method (Prior Approval, File & Use, Flex Band, etc.)** | |

**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) |
|---|---|---|---|---|---|---|---|
| Continental Casualty Co. | N/A | -9.4% | (89,044) | 399 | 947,751 | 0.0% | -10.0% |
| | | | | | | | |

**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)** | N/A | |
| 5b. | **Overall percentage rate impact for this filing** | -9.4% | |
| 5c. | **Effect of Rate Filing – Written premium change for this program** | ($89,044) | |
| 5d. | **Effect of Rate Filing – Number of policyholders affected** | 399 | |

| | | |
|---|---|---|
| 6. | **Overall percentage of last rate revision** | Prof Liab: 3%, Gen Liab: 0%, Property: 0% |
| 7. | **Effective Date of last rate revision** | 5/1/2007 |
| 8. | **Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)** | |

| 9. | Rule # or Page # Submitted for Review | Replacement or Withdrawn? | Previous state filing number, if required by state |
|---|---|---|---|
| 01 | Countrywide Manual Pages:<br>CCC-DENTAL-PL-9<br>CCC-DENTAL-PROPERTY-1,2,4 | ☐ New<br>☑ Replacement<br>☐ Withdrawn | |
| 02 | State Exception Pages:<br>CCC-EX-1 through 7 | ☐ New<br>☑ Replacement<br>☐ Withdrawn | |
| 03 | | ☐ New<br>☐ Replacement<br>☐ Withdrawn | |

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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, a duly authorized officer of Continental Casualty Company, 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 he 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.

I, Sharon K. Robinson, FCAS, MAAA, a duly authorized actuary of The Casualty Actuarial Society, am authorized to certify on behalf of Continental Casualty 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 VP Actuary-Pricing — 5-23-07
Signature and Title of Authorized Insurance Company Officer — Date

Sharon K Robinson VP Actuary-Pricing — 5-23-07
Signature and Title of Authorized Actuary — Date

Insurance Company FEIN 3 6 - 2 1 1 4 5 4 5 Filing Number 07-R2161

Insurer's Address 40 Wall Street - 9th Fl

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 Fax 212-440-2877

## Neuman, Gayle

**From:** Lockhart,John C. [John.Lockhart@CNA.com]
**Sent:** Monday, August 13, 2007 10:16 AM
**To:** Neuman, Gayle
**Subject:** RE: Rate/Rule Filing # 07-R2161

Dear Ms. Neuman
It turns out that we did not need all of the 7 day extension, after all.
In response to your email of August 6, 2007, please note that we do not write any insureds in this program under an (a) rated plan.
Thank you for your continued review.

*John Lockhart*

K

40 Wall Street, 9th Floor
New York, NY 10005-1401
877-269-3277 ext. 3270

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Thank you.

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Monday, August 06, 2007 11:36 AM
**To:** Lockhart,John C.
**Subject:** Rate/Rule Filing # 07-R2161

Mr. Lockhart,

Upon review of the manual pages provided, please provide a response to the following:

Page CCC-DENTAL-PL-2 includes (a) rated risk. Does Continental Casualty Company currently write any insureds under this program in an individual risk plan? If so, please provide specific information about all such insureds.

We request receipt of your response by no later than August 10, 2007.

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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addressee(s) and may contain confidential and/or legally privileged information. If you are not the intended recipient of this message or if this message has been addressed to you in error, please immediately alert the sender by reply e-mail and then delete this message and any attachments. If you are not the intended recipient, you are notified that any use, dissemination, distribution, copying, or storage of this message or any attachment is strictly prohibited.

**Neuman, Gayle**

**From:** Lockhart,John C. [John.Lockhart@CNA.com]
**Sent:** Monday, August 06, 2007 10:36 AM
**To:** Neuman, Gayle
**Subject:** Out of Office AutoReply: Rate/Rule Filing # 07-R2161

I will be out of the office on Monday August 6, 2007 and will return on August 13, 2007. During my time out of office, I will not have acces to e-mail and voice mail. If this is an urgent matter, please contact Robert Alonzo at 212-440-3478. Thank you.

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

## Neuman, Gayle

**From:** Lockhart,John C. [John.Lockhart@CNA.com]
**Sent:** Thursday, May 31, 2007 3:16 PM
**To:** Neuman, Gayle
**Subject:** RE: National Dental Program - Rate/Rule Filing #07-R2161
**Importance:** High
**Attachments:** Complete CCC CW Pages 0407.pdf

Dear Ms. Neuman:

In response to your email message of 5/30/2007:

1. Attached are all the countrywide pages.

<<Complete CCC CW Pages 0407.pdf>>
2. We originally filed the rates in 1991 under the filing number 91-R2042, and they were approved effective in September of 1992.

Thank you for your continued review of this filing.

*John Lockhart*

K

40 Wall Street, 9th Floor
New York, NY 10005-1401
877-269-3277 ext. 3270

IMPORTANT NOTICE:
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Thank you.

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addressee(s) and may contain confidential and/or legally privileged information. If you are not the intended recipient of this message or if this message has been addressed to you in error, please immediately alert the sender by reply e-mail and then delete this message and any attachments. If you are not the intended recipient, you are notified that any use, dissemination, distribution, copying, or storage of this message or any attachment is strictly prohibited.

## VII. 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, even if the policy inception premium was less than the policy writing minimum premium.

C. Waive additional premium of $15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

## VIII. RETURN PREMIUM

A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.

B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

C. 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.

D. Waive return premium of $15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.

E. Retain the policy writing minimum premium.

## IX. COVERAGES

Coverages under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy. The following are the combinations of coverages that are available under this policy:

Professional Liability and General Liability
Professional Liability, General Liability, and Property
Professional Liability only
General Liability and Property
Property Only
Non-Student Dental Board Exam
Student Dental

Note: General Liability cannot be purchased on a stand-alone basis.

**Available coverages under this program are:**

A. Professional Liability on a claims-made basis or occurrence basis.

Required coverages under professional liability are:

1. Special Extra Expense (HIV);

2. Defense Coverage - Dental Professional Licensing Board; and

3. Employment Practices Liability - $25,000 per Claim/$25,000 Aggregate Defense Coverage*

   * Note: This required coverage is waived when the insured purchases EPL Indemnity & Defense Coverage as that endorsement already includes defense coverage.

4. Defendant's Reimbursement - $500 per day, and $5,000 per suit

B. Business Liability on an occurrence basis.

Required coverages under business liability are:

1. General Liability, including Products/Completed Operations, Host Liquor Liability and Incidental Contract coverage;
2. Fire and Water Legal Liability - $500,000 per occurrence;
3. Medical Payments Coverage - $5,000 per person/$10,000 per accident;
4. Non-Owned or Hired Automobile Liability Coverage - $1,000,000 each occurrence;
5. Medical Waste Legal Expense Reimbursement.

C. Property on an occurrence basis.

Required coverages under property are:

1. Blanket Dental Practice Personal Property
2. Practice Income

D. Non-Student Dental Board Exam on an occurrence basis.

Required coverage under board exam is Professional Liability.

E. Student Dental on a claimsmade basis.

Required coverage under student dental is Professional Liability.

## X. BLACK BAG COVERAGE - Equipment Floater

Black Bag Coverage may be purchased according to the following table:

$100.00 premium for $4,000.00 limits.

Higher limits may be purchased for $15.00 per $1,000.00 in values.

## XI. PACKAGING OF COVERAGES

If Professional Liability coverage is purchased in conjunction with Property coverage, package discount factors shall be applied to the Professional Liability and General Liability rates. The package discount factors are stated on the respective State Rate Page.

## XII. POLICY CANCELLATIONS

A. The policy may be canceled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.

B. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.

C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

C. Additional Insured

An additional insured, other than Corporations/Partnerships/Associations, may be added to the policy at a charge of 5% of the policy's Professional Liability charge.

(This charge does not apply to an additional insured who owns or finances leased equipment to the insured.)

A Special Events endorsement (PL) may be added at a charge of $50 per day / per event.

D. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence.

Leave of absence may include time to enhance the practitioner's education, but, does not include vacation time.

E. Part Time

A part time credit of 50% of the applicable rate will apply to any practitioner who works 20 hours or less per week. This credit will not apply if the first year "new dentist" credit has been applied.

F. Professional Societies

Professional Liability coverage may be provided to state or local societies or organizations established to support the professional community. The following charge will apply:

| Rating Basis | Premium |
|---|---|
| Insured Society | $255.00 Flat Charge |
| Component Society (member society of insured society) | $ 51.00 Flat Charge |

G. Locum Tenens

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability. There is no additional charge for a period not to exceed 60 days.

## III. VICARIOUS LIABILITY - Independent Contractors and Non-Insured Employed Dentists

A charge of 10% of the named insured's premium per independent contractor and non-insured employed dentist will apply for the additional Vicarious Liability assumed by the insured as a result of such situations.

C. The amount of any additional charge is adjusted according to the following vesting schedule:

The vesting schedule also applies when going from full-time to part-time.

| Discount | |
|---|---|
| 100% | 10 consecutive years of CNA coverage |
| 90% | 9 consecutive years of CNA coverage |
| 80% | 8 consecutive years of CNA coverage |
| 70% | 7 consecutive years of CNA coverage |
| 60% | 6 consecutive years of CNA coverage |
| 50% | 5 consecutive years of CNA coverage |
| 40% | 4 consecutive years of CNA coverage |
| 30% | 3 consecutive years of CNA coverage |
| 20% | 2 consecutive years of CNA coverage |
| 10% | 1 full year of CNA coverage |
| 0% | Less than 1 full year of CNA coverage |

## VII. INCREASED LIMITS OF LIABILITY

Higher limits on ***claims-made*** policies may be elected up to a maximum liability limit of $5,000,000 per claim/$8,000,000 aggregate on the following basis:

| Limits of Liability | Increased Limit Factor Classes | |
|---|---|---|
| | I & IX | III & X |
| $1,000,000/3,000,000 | .020 | .020 |
| $2,000,000/3,000,000 | .160 | .190 |
| $2,000,000/4,000,000 | .176 | .206 |
| $3,000,000/3,000,000 | .260 | .300 |
| $3,000,000/6,000,000 | .308 | .348 |
| $4,000,000/4,000,000 | .325 | .375 |
| $5,000,000/5,000,000 | .375 | .425 |
| $5,000,000/8,000,000 | .424 | .474 |

Rates are based off of the $1,000,000/1,000,000 rates.

Higher limits on ***occurrence*** policies may be elected up to a maximum liability limit of $2,000,000 per claim/$2,000,000 aggregate on the following basis:

| Limits of Liability | Increased Limit Factor Classes | |
|---|---|---|
| | I & IX | III & X |
| $1,000,000/3,000,000 | .020 | .020 |
| $2,000,000/2,000,000 | .150 | .180 |

Rates are based off of the $1,000,000/1,000,000 rates.

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## I. BUSINESS LIABILITY - (General Liability)

A. General Liability coverage written in conjunction with Property coverage (with or without Professional Liability coverage)

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. The "each additional office" charge shall not apply to Independent Contractors.

| | |
|---|---|
| First Office: | $175.00 |
| Each Additional Office: | $122.00 |

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

B. General Liability coverage written in conjunction with Professional Liability coverage only

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. The "each additional office" charge shall not apply to Independent Contractors.

| | |
|---|---|
| First Office: | $50.00 |
| Each Additional Office: | $39.00 |

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

C. Additional Insured

An employer may be added to the policy at a charge of 5% of the policy's General Liability charge.

A Special Events endorsement (GL) may be added at a charge of $50 per day / per event.

## II. LIMITS OF LIABILITY – (General Liability)

The rates listed above are for limits of $1,000,000 (each claim) / $2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the $1M/2M rate).

Individual Practice:

| Increased Limit | Increased Limit Factor |
|---|---|
| $1M/2M | 1.000 |
| $1M/3M | 1.011 |
| $2M/2M | 1.071 |
| $2M/3M | 1.085 |
| $2M/4M | 1.098 |
| $3M/3M | 1.160 |
| $3M/6M | 1.202 |
| $4M/4M | 1.240 |
| $5M/5M | 1.320 |
| $5M/8M | 1.351 |

## III. ERISA FIDUCIARY LIABILITY INSURANCE

This coverage may be provided with a limit of liability of $100,000 per claim/$100,000 aggregate for an annual premium of $132.00.

6. Dentist's Equipment Breakdown coverage may be purchased. The rates for such coverage are:

| Coverage Limit | Dental Equipment | Dental & HVAC Equipment |
|---|---|---|
| $100,000 or less | $186 | 247 |
| 200,000 | 302 | 430 |
| 300,000 | 357 | 584 |
| 400,000 | 428 | 592 |
| 500,000 | 460 | 675 |
| 600,000 | 474 | 756 |
| 700,000 | 511 | 805 |
| 800,000 | 552 | 832 |
| 900,000 | 585 | 858 |
| 1,000,000 | 610 | 880 |
| 1,250,000 | 713 | 975 |
| 1,500,000 | 795 | 1035 |
| 1,750,000 | 858 | 1,102 |
| 2,000,000 | 933 | 1,144 |
| 2,500,000 | 1,029 | 1,228 |
| 3,000,000 | 1,075 | 1,312 |
| 3,500,000 | 1,125 | 1,372 |
| 4,000,000 | 1,162 | 1,433 |
| 4,500,000 | 1,193 | 1,479 |
| 5,000,000 | 1,221 | 1,522 |

7. The PPP Gold endorsement is available at a rate of $100.

8 A flat premium of $25 will be charged each policy.

## II. INDIVIDUAL RISK PREMIUM MODIFICATION PLAN - PROPERTY COVERAGE

This Plan shall be applied after the application of all other rating procedures.

A. Eligibility: This Plan may be applied to:

Blanket Practice Personal Property Coverages
Building Coverages

B. Limitations: This Plan may not be applied to:

Employee Dishonesty Coverage
Welfare and Pension Plan Coverage
Base Loading
PPP Gold Endorsement
Flat Premium
Equipment Breakdown Coverage

C. Rating Procedure

The following modifications may be applied to recognize such special characteristics of the risk as are not fully reflected in the basic premium or rates. These modifications contemplate the standard allowance for expenses. If the expenses are less than standard, such modification, if a credit, shall be increased, or if a debit, shall be decreased by the amount of reduction in expenses. The total credits or debits under the following Table may not exceed 25%:

| RANGE OF RISK CHARACTERISTICS | MODIFICATIONS | | |
|---|---|---|---|
| | Credits | | Debits |
| 1. LOCATION | | | |
| Accessibility, congestion and exposures | 10% | to | 10% |
| 2. BUILDING FEATURES | | | |
| Age, condition, and unusual structural features | 10% | to | 10% |
| 3. PREMISES AND EQUIPMENT | | | |
| Care, condition, and type | 10% | to | 10% |
| 4. PROTECTION | | | |
| Not otherwise recognized | 10% | to | 10% |

## III. PACKAGING OF COVERAGES

If Property coverage is purchased in conjunction with Professional Liability coverage, a package discount factor shall be applied to a number of the Property rates. The package discount factor is stated on the respective State Rate Page and will be applied to the following coverages:

Blanket Practice Personal Property
Building
Practice Income
Rents
Dentists Equipment Breakdown
Additional Building Coverage
Increased Limits for Pension/Welfare

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## I. APPLICATION OF MANUAL

This manual provides rules and premium, applicable to Dental Students.

## II. POLICY TERM

A. The policy term shall be continuous until canceled.

B. Individual Student Certificates will be written for a term of one year, and, automatically extended at no charge during the expected graduation year for up to a maximum of 6 months from the date of graduation in the event that certification or license is not immediately obtained.

## III. PREMIUM COMPUTATION

Compute the premium at policy inception and subsequently as the sum of the premiums represented by the number of Certificates being issued, using the rules, rates and rating plans in effect at the time.

## IV. CANCELLATION

Premium for individual Certificates is considered as fully earned and no return premium shall be granted.

## V. COVERAGE

A. Coverage under the Certificate shall be as described in the Policy, with the issuance of summarized Certificates to the Insured Dental Student.

B. Coverage under this program is Professional Liability on a Claims-Made basis.

## VI. PRIOR ACTS COVERAGE

Prior Acts Coverage shall not be provided under this program.

## VII. EXTENDED CLAIM REPORTING PERIOD COVERAGE

The extended claim reporting period under this program shall be unlimited and shall be provided at no additional charge. The aggregate limit shall be separate from and equal to the aggregate limit provided by the Certificate.

## VIII. LIMITS OF LIABILITY

Limits of Liability for this program shall be as follows:

| | |
|---|---|
| Each Certificate | $1,000,000,000 Each Claim |
| | $3,000,000,000 Aggregate |

## IX. CERTIFICATE PREMIUM

| Class | Premium |
|---|---|
| Dental Student | $30.00 |

## X. CLASS DESCRIPTION

| | Code No. |
|---|---|
| Any undergraduate student who is in the process of completing their training in dentistry while enrolled in an accredited institution. | 80225 |

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## CONTINENTAL CASUALTY COMPANY

## I. Amended Rules - General

A. Rule XIII is added:

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;

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

## II. Amended Rules - General Liability (GL)

Reserved for future use.

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## IV. Amended Rules – Professional Liability (PL)

A. Rule V, SUPPLEMENTAL MODIFICATIONS-PROFESSIONAL LIABILITY, C., Experience Rating, is deleted and replaced by the following:

C. Experience Rating

Experience period: 5 years preceding the forthcoming policy year.

Application of Experience debit:

| | Debit |
|---|---|
| No claims during the experience period: | 0% |
| One claim during the experience period: | |
| that occurred in the 5th previous year: | 5% |
| that occurred in the 4th previous year: | 10% |
| that occurred in the 3rd previous year: | 15% |
| that occurred in the 2nd previous year: | 20% |
| that occurred in the 1st previous year: | 25% |
| More than one claim during the experience period: | Refer to Company |

A claim is defined as paid indemnity or indemnity reserve in excess of $2,000.

Such debits developed in accordance with the above shall apply on a one year basis and will be subject to annual review.

B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.9., is amended to read as follows:

The factors in the following Table shall be applied to the annual premium in effect at the expiration of the most recent claims-made policy period.

C. Rule X., LOCATION OF PRACTICE is amended to delete the following sentence:

We will charge the higher rate if there is multi-state exposure.

D. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.1., is deleted and replaced as follows:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

E. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.4., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage.

F. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.5., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage. The number of consecutive years of insurance with CNA is based on the number of consecutive years of Professional Liability insurance with CNA.

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## V. Territorial Definitions – Professional Liability (PL)

Territory I: Cook County
Territory II: Dupage, Kane, Lake and Will Counties
Territory III: Remainder of State

## VI. Rates – Professional Liability (PL)

A. Professional Liability

**Occurrence Rates at $1M/$1M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,045 | $2,973 | $2,825 |
| III | 22,059 | 16,214 | 15,411 |
| IV | 200 | 200 | 200 |
| IX | 14,156 | 10,405 | 9,889 |
| X | 28,311 | 20,809 | 19,778 |

B. Employment Practices Liability – Defense Only

The annual charge for this coverage will be $60 per each named insured having separate $25,000 limits of liability.

Corporations will share the $25,000 limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the $60 charge.

Note: The required coverage and associated charge are waived when the insured purchases the EPL Indemnity & Defense Coverage as the rates below already contemplate the $60 defense charge.

Employment Practices Liability – Indemnity & Defense

The annual charge for this coverage is per each named insured having separate limits of liability. The following table is used to calculate the rate:

| Combined Indemnity & Defense Limit of Liability | Flat Rate for First 10 Employees |
|---|---|
| $ 25,000 | $ 235 |
| $ 50,000 | $ 270 |
| $ 75,000 | $ 305 |
| $100,000 | $ 355 |
| $250,000 | $ 494 |
| $500,000 | $ 586 |
| $750,000 | $ 622 |
| $1,000,000 | $ 657 |

$20 per employee over the first 10 employees.

Corporations will share the limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the rates listed in the table above.

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C. Extended Reporting Period Coverage for Employment Practices Liability

Defense Only Coverage and Indemnity & Defense Coverage

A factor of 0.75 will be applied to the EPL rate.

Defense Only Coverage when converting to an Indemnity & Defense Coverage

No charge.

## VII. Amended Rules - Property

A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence.

"Structure" means a dwelling, building or fixture permanently affixed to real property.

1. Eligibility

a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

| | | | |
|---|---|---|---|
| Bond | Jackson | Marshall | St. Clair |
| Bureau | Jefferson | Menard | Saline |
| Christian | Knox | Mercer | Sangamon |
| Clinton | LaSalle | Montgomery | Tazewell |
| Douglas | Logan | Peoria | Vermilion |
| Franklin | McDonough | Perr | Washington |
| Fulton | Macoupin | Putnam | Williamson |
| Gallatin | Madison | Randolph | |
| Grundy | Marion | Rock Island | |

b. Coverage must be provided in other counties if requested.

2. Ineligibility

The following are not eligible:

a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;

b. Coverage for Time element loss;

c. Limits of Liability in excess of $350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

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3. Premiums

a. Premium for Mine Subsidence shall be shown separately.

b. Annual premiums per structure are as follows:

| Coverage Limit | Frame | Other than Frame* |
|---|---|---|
| $10,000 or less | $20.00 | $26.00 |
| 10,001 to 20,000 | 23.00 | 30.00 |
| 20,001 to 30,000 | 26.00 | 33.00 |
| 30,001 to 40,000 | 30.00 | 36.00 |
| 40,001 to 50,000 | 33.00 | 40.00 |
| 50,001 to 60,000 | 36.00 | 43.00 |
| 60,001 to 70,000 | 40.00 | 46.00 |
| 70,001 to 80,000 | 43.00 | 50.00 |
| 80,001 to 90,000 | 46.00 | 53.00 |
| 90,001 to 100,000 | 50.00 | 56.00 |
| 100,001 to 110,000 | 53.00 | 59.00 |
| 110,001 to 120,000 | 56.00 | 63.00 |
| 120,001 to 130,000 | 59.00 | 66.00 |
| 130,001 to 140,000 | 63.00 | 69.00 |
| 140,001 to 150,000 | 66.00 | 73.00 |
| 150,001 to 160,000 | 69.00 | 76.00 |
| 160,001 to 170,000 | 73.00 | 79.00 |
| 170,001 to 180,000 | 76.00 | 83.00 |
| 180,001 to 190,000 | 79.00 | 86.00 |
| 190,001 to 200,000 | 83.00 | 89.00 |
| 200,001 to 210,000 | 86.00 | 92.00 |
| 210,001 to 220,000 | 89.00 | 96.00 |
| 220,001 to 230,000 | 92.00 | 99.00 |
| 230,001 to 240,000 | 96.00 | 102.00 |
| 240,001 to 250,000 | 99.00 | 106.00 |
| 250,001 to 260,000 | 102.00 | 109.00 |
| 260,001 to 270,000 | 106.00 | 112.00 |
| 270,001 to 280,000 | 109.00 | 116.00 |
| 280,001 to 290,000 | 112.00 | 119.00 |
| 290,001 to 300,000 | 116.00 | 122.00 |
| 300,001 to 310,000 | 119.00 | 125.00 |
| 310,001 to 320,000 | 122.00 | 129.00 |
| 320,001 to 330,000 | 125.00 | 132.00 |
| 330,001 to 340,000 | 129.00 | 135.00 |
| 340,001 to 350,000 | 132.00 | 139.00 |

c. The deductible for other property perils in the policy is the applicable deductible for mine subsidence coverage.

* Any structure other than frame, this includes brick, brick veneer, steel frame, and any fire resistive construction, etc.

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B. Rule II., INDIVIDUAL RISK PREMIUM MODIFICATION PLAN, C., Rating Procedure, is amended as follows:

The total credits or debits under the following table may not exceed 40%:

C. Additional Rule:

For "Flood" Coverage Endorsement [Form G-145161-A] we will be using the flood rates that are currently filed and approved for use under Division 5.

For Earthquake [Form G-145160-A] we will be using the ISO earthquake rates currently approved for use.

## VIII. Territorial Definitions – Property

| | |
|---|---|
| Territory I: | 606XX (Chicago) |
| Territory II: | 607XX (Chicago - South Suburban) |
| Territory III: | 600XX - 604XX (Chicago North and West Suburban) |
| Territory IV: | 620XX and 622XX (East St. Louis) |
| Territory V: | 614XX, 618XX, 619XX, 623XX - 627XX (Central Illinois) |
| Territory VI: | Remainder of State |

## IX. Rates - Property

A. Blanket Practice Personal Property:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.419 | 0.374 | 0.396 | 0.374 | 0.351 | 0.396 |
| Joisted Masonry (2) | 0.351 | 0.309 | 0.330 | 0.309 | 0.296 | 0.330 |
| Non-Comb (3) or Masonry Non-Comb (4) | 0.210 | 0.186 | 0.198 | 0.186 | 0.176 | 0.198 |
| Mod Fire Res (5) or Fire Res (6) | 0.210 | 0.186 | 0.198 | 0.186 | 0.176 | 0.198 |

B. Building:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.165 | 0.149 | 0.157 | 0.149 | 0.140 | 0.157 |
| Joisted Masonry (2) | 0.140 | 0.124 | 0.132 | 0.124 | 0.116 | 0.132 |
| Non-Comb (3) or Masonry Non-Comb (4) | 0.083 | 0.075 | 0.083 | 0.075 | 0.066 | 0.083 |
| Mod Fire Res (5) or Fire Res (6) | 0.083 | 0.075 | 0.083 | 0.075 | 0.066 | 0.083 |

Note: For statistical reporting purposes, the protection class code must be included in the application.

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C. Base All-Risk Load - Per Policy

There will be a base All-Risk Loading of $65 per policy.

**X. Package Discount Factors**

A. Property and General Liability: 0.89
Professional Liability: 0.86

B. This factor is not applicable to:

1. Mine Subsidence

2. Base Loading for Building and Blanket Practice Personal Property

**XI. Protection Class Multipliers**

| Protection Class | Multiplier |
|---|---|
| 1 | 0.830 |
| 2 | 0.850 |
| 3 | 0.870 |
| 4 | 0.950 |
| 5 | 1.000 |
| 6 | 1.030 |
| 7 | 1.200 |
| 8 | 1.310 |
| 9 | 1.400 |
| 10 | 2.080 |

MARKED UP VERSION

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**CONTINENTAL CASUALTY COMPANY**

## I. APPLICATION OF MANUAL RULES

A. This manual provides rules, rates, premiums and classifications and shall govern the writing of policies for the dental profession.

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.

C. Any exceptions to these manual rules are contained in the respective Section or State Rate Page.

## II. POLICY TERMS

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

## III. PREMIUM COMPUTATION

A. Compute the premium at policy inception using the rules, 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 less 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.

The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured. The rates shall be applied in accordance with each practitioner's classification and corresponding code number.

## IV. FACTORS OR MULTIPLIERS

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

## V. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be $250.00 per annual or lesser period.

## VI. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

A. any amount involving $.50 or over shall be rounded to the next highest whole dollar amount; or

B. any amount involving $.49 or less shall be rounded down to the next lowest whole dollar amount.

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## VII. 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, even if the policy inception premium was less than the policy writing minimum premium.

C. Waive additional premium of $15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

## VIII. RETURN PREMIUM

A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.

B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

C. 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.

D. Waive return premium of $15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.

E. Retain the policy writing minimum premium.

## IX. COVERAGES

Coverages under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy. The following are the combinations of coverages that are available under this policy:

Professional Liability and General Liability
Professional Liability, General Liability, and Property
Professional Liability only
General Liability and Property
Property Only
Non-Student Dental Board Exam
Student Dental

Note: General Liability cannot be purchased on a stand-alone basis.

**Available coverages under this program are:**

A. Professional Liability on a claims-made basis or occurrence basis.

Required coverages under professional liability are:

1. Special Extra Expense (HIV);

2. Defense Coverage - Dental Professional Licensing Board; and

3. Employment Practices Liability - $25,000 per Claim/$25,000 Aggregate Defense Coverage*

   * Note: This required coverage is waived when the insured purchases EPL Indemnity & Defense Coverage as that endorsement already includes defense coverage.

4. Defendant's Reimbursement - $500 per day, and $5,000 per suit

B. Business Liability on an occurrence basis.

Required coverages under business liability are:

1. General Liability, including Products/Completed Operations, Host Liquor Liability and Incidental Contract coverage;
2. Fire and Water Legal Liability - $500,000 per occurrence;
3. Medical Payments Coverage - $5,000 per person/$10,000 per accident;
4. Non-Owned or Hired Automobile Liability Coverage - $1,000,000 each occurrence;
5. Medical Waste Legal Expense Reimbursement.

C. Property on an occurrence basis.

Required coverages under property are:

1. Blanket Dental Practice Personal Property
2. Practice Income

D. Non-Student Dental Board Exam on an occurrence basis.

Required coverage under board exam is Professional Liability.

E. Student Dental on a claimsmade basis.

Required coverage under student dental is Professional Liability.

## X. BLACK BAG COVERAGE - Equipment Floater

Black Bag Coverage may be purchased according to the following table:

$100.00 premium for $4,000.00 limits.

Higher limits may be purchased for $15.00 per $1,000.00 in values.

## XI. PACKAGING OF COVERAGES

If Professional Liability coverage is purchased in conjunction with Property coverage, package discount factors shall be applied to the Professional Liability and General Liability rates. The package discount factors are stated on the respective State Rate Page.

## XII. POLICY CANCELLATIONS

A. The policy may be canceled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.

B. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.

C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

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## I. DENTAL PRACTITIONERS CLASSIFICATIONS - CALCULATION OF PREMIUM - Professional Liability Coverage

The premium for the policy shall be the sum of the applicable charges developed below.

A. The actual ISO Dental Classifications, definitions and rates for Class Codes 80210 and 80211 do not apply.

The following Codes shall apply under this plan:

| Class | Description | Code No. |
|---|---|---|
| I. | Dentists who perform dentistry on patients who have been treated with local anesthesia and/or oral medication and/or nitrous oxide/oxygen sedation and/or conscious sedation. Does not apply to treatment involving any general anesthesia or deep sedation unless administered in a hospital or state licensed and regulated surgical center. | 80211 |
| III. | All oral surgeons. In addition, this applies to dentists as defined in Class 80211 who perform dentistry utilizing general anesthesia or deep sedation, unless performed in a hospital or state licensed and regulated surgical center, in which case class 80211 will apply. | 80210 |
| IV. | Dental School Faculty – Teaching dentists and graduate students with no intramural practice. | 80213 |
| VI. | Professional Corporations or Partnerships | 80999 |
| IX. | Dental Anesthesiologists whose practice does not include deep sedation and/or general anesthesia. | 90100 |
| X. | Dental Anesthesiologists whose practice includes deep sedation and/or general anesthesia. | 90101 |

B. The annual rates, under occurrence, for each dentist are stated in the State Rate Page.

The annual rates, under claims-made, for each dentist shall be determined for Classes I., III., IX. and X. only, as follows:

1. If the dentist is just entering practice, or the dentist has continuously been insured under an "occurrence" policy, enter the step rate factor from the Table at the year one level.

2. If the dentist 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 dentist was covered under such claims-made policy(ies);

   b. determine the number of years in which the dentist 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., III., IX. or X. rate, found on the State Page, in effect at the inception of the last claims-made policy.

| | Step Rate Factors | | | | |
|---|---|---|---|---|---|
| Classes | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| I, III, IX, X | 0.29 | 0.54 | 0.73 | 0.81 | 0.90 |

C. Any (a) rated risk written under this program shall maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request. Rates shall not be inadequate, excessive or unfairly discriminatory and will follow individual state regulations.

## II. ADDITIONAL CLASSIFICATIONS

A. New Dentist

A "new" dentist is defined as a student who has completed their training within the previous twelve months from license date or the experienced military dentist who within twelve months of honorable military discharge or a foreign graduate of a 4-year program from an accredited U.S. dental school enters full-time private or group practice.

The following credits will apply:

60% of the first year in practice
40% of the second year in practice
20% of the third year in practice
10% of the fourth year in practice

B. Corporations/Partnerships/Associations

It shall be permissible to provide coverage for a corporation, partnership or association for liability arising from the practice of member dentists insured by the Company. Such coverage may be provided either:

a. on a shared limit of liability basis with the member practitioner, in which case no additional premium shall be charged; or

b. on a separate limit of liability basis. The limit of liability shall be equal to the highest limits provided to any one individual member practitioner. Additional premium shall be 10% of the total developed liability premium for each member.

C. Additional Insured

An additional insured, other than Corporations/Partnerships/Associations, may be added to the policy at a charge of 5% of the policy's Professional Liability charge.

(This charge does not apply to an additional insured who owns or finances leased equipment to the insured.)

A Special Events endorsement (PL) may be added at a charge of $50 per day / per event.

D. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence.

Leave of absence may include time to enhance the practitioner's education, but, does not include vacation time.

E. Part Time

A part time credit of 50% of the applicable rate will apply to any practitioner who works 20 hours or less per week. This credit will not apply if the first year "new dentist" credit has been applied.

F. Professional Societies

Professional Liability coverage may be provided to state or local societies or organizations established to support the professional community. The following charge will apply:

| Rating Basis | Premium |
|---|---|
| Insured Society | $255.00 Flat Charge |
| Component Society<br>(member society of insured society) | $ 51.00 Flat Charge |

G. Locum Tenens

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability. There is no additional charge for a period not to exceed 60 days.

## III. VICARIOUS LIABILITY - Independent Contractors and Non-Insured Employed Dentists

A charge of 10% of the named insured's premium per independent contractor and non-insured employed dentist will apply for the additional Vicarious Liability assumed by the insured as a result of such situations.

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## IV. MINIMUM LIMITS OF LIABILITY

Minimum limits of liability under this program shall be as follows:

Professional Liability:

| | | |
|---|---|---|
| 1. | Individual Practice: | |
| | a. Claims-Made: | $1,000,000 each claim<br>$3,000,000 aggregate |
| | b. Occurrence: | $1,000,000 each claim<br>$1,000,000 aggregate |
| 2. | Dental Societies:<br>(Claims-Made) | $1,000,000 each claim<br>$3,000,000 aggregate |
| 3. | Independent Contractor: | Equal to above as appropriate |

## V. SUPPLEMENTAL MODIFICATIONS - PROFESSIONAL LIABILITY

Any modifications developed under subitems A. and B. shall be summed and applied as a single factor.

A. Schedule Rating

Based on the following individual risk characteristics, the maximum debit or credit produced by the addition of the debit and/or credit will not exceed 25%:

| | Credit | Debit |
|---|---|---|
| Procedure Mix<br>Applicable to practitioners whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty. | 0 – 25% | 0 – 25% |
| Exposure Modification<br>Applicable to those insureds who have an increased or reduced exposure. | 0 – 25% | 0 – 25% |
| Unusual Risk Characteristics | 0 – 25% | 0 – 25% |

B. Loss Prevention / Risk Management — 5 – 10% — XXX

A credit will be applied to the dentist's classification Rate applicable to each dentist who attends an approved loss prevention/risk management workshop or successfully completes the CNA home study course. This credit will be applied for 3 consecutive years.

C. Experience Rating

Based on the claim history of an individual practitioner over the preceding five year period, a debit will be applied to the classification rate. If there is claim activity during the last 5 years, the preceding 5 years would be reviewed. Criteria used to determine the application of such debits shall include claim history including a review of a combination of cause of loss, frequency, severity, indemnity payments, expenses and reserves.

Such debits, if applied, shall apply on a one year basis and will be subject to annual review.

## VI. CHANGE OF CLASSIFICATION

In the event that the insured changes classifications, a charge reflecting the difference between the previous classification and the new classification shall be calculated and collected at the time of the change of classification unless:

A. both the prior and current classification falls within the same class;

B. the practitioner changed classifications more than 4 years ago while insured under claims-made coverage;

C. the practitioner changed classifications at any time while insured under occurrence coverage; or

D. the insured is otherwise eligible for Extended Reporting Period Coverage at no charge.

Premium Adjustment

The following procedure should be used to calculate the exposure surcharge applicable under this Rule:

A. Calculate the at-limits Extended Reporting Period premium appropriate for:

1. the previous classification according to the rates and rules contained herein; and

2. the premium appropriate for the current classification.

B. If the at-limits Extended Reporting Period premium for the current classification:

1. is less than the premium for the previous classification, the dollar amount of difference is the charge to be applied; or

2. exceeds the premium for the previous classification, there shall be no charge.

C. The amount of any additional charge is adjusted according to the following vesting schedule:

The vesting schedule also applies when going from full-time to part-time.

| Discount | |
|---|---|
| 100% | 10 consecutive years of CNA coverage |
| 90% | 9 consecutive years of CNA coverage |
| 80% | 8 consecutive years of CNA coverage |
| 70% | 7 consecutive years of CNA coverage |
| 60% | 6 consecutive years of CNA coverage |
| 50% | 5 consecutive years of CNA coverage |
| 40% | 4 consecutive years of CNA coverage |
| 30% | 3 consecutive years of CNA coverage |
| 20% | 2 consecutive years of CNA coverage |
| 10% | 1 full year of CNA coverage |
| 0% | Less than 1 full year of CNA coverage |

## VII. INCREASED LIMITS OF LIABILITY

Higher limits on ***claims-made*** policies may be elected up to a maximum liability limit of $5,000,000 per claim/$8,000,000 aggregate on the following basis:

| Limits of Liability | Increased Limit Factor Classes | |
|---|---|---|
| | I & IX | III & X |
| $1,000,000/3,000,000 | .020 | .020 |
| $2,000,000/3,000,000 | .160 | .190 |
| $2,000,000/4,000,000 | .176 | .206 |
| $3,000,000/3,000,000 | .260 | .300 |
| $3,000,000/6,000,000 | .308 | .348 |
| $4,000,000/4,000,000 | .325 | .375 |
| $5,000,000/5,000,000 | .375 | .425 |
| $5,000,000/8,000,000 | .424 | .474 |

Rates are based off of the $1,000,000/1,000,000 rates.

Higher limits on ***occurrence*** policies may be elected up to a maximum liability limit of $2,000,000 per claim/$2,000,000 aggregate on the following basis:

| Limits of Liability | Increased Limit Factor Classes | |
|---|---|---|
| | I & IX | III & X |
| $1,000,000/3,000,000 | .020 | .020 |
| $2,000,000/2,000,000 | .150 | .180 |

Rates are based off of the $1,000,000/1,000,000 rates.

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## VIII. EXTENDED REPORTING PERIOD COVERAGE (Claims-Made Coverage only)

A. The extension period is unlimited as respects time. The availability of Extended Reporting Period Coverage shall be governed by the following rules:

1. The limits of liability will not exceed the lowest limits of liability in force for the last 12 month policy period.

2. Extended Reporting Period Coverage will be available to all named insureds shown on the Declarations page of this policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.

3. Should the entity terminate coverage under the policy, the entity may purchase this coverage by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.

4. Upon termination of coverage under this policy by reason of death or disability, the insured's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.

5. There will be no charge for Extended Reporting Period Coverage in the event of retirement and provided the insured is at least 55 years of age and has been continuously insured by us for at least 5 consecutive years.

   This shall apply to all insureds otherwise qualifying for such coverage.

6. The Prior Acts date of coverage with this Company will determine the years of prior exposure in calculation of Extended Reporting Period Coverage.

7. Premium must be paid promptly when due. Premium may be paid in advance, or in three annual installments.

8. In the event the policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

9. The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy.

| Years of Prior Claims-Made Coverage | Installment Factors | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 | .31 | .23 | .30 | .79 |
| 2 | .51 | .35 | .46 | 1.23 |
| 3 | .61 | .49 | .46 | 1.45 |
| 4 or more | .73 | .49 | .46 | 1.57 |

B. A one year extended reporting period for both the Employment Practices Liability (EPL) Defense Only coverage and the EPL Indemnity & Defense coverage is available. The associated factor, as shown on the state rate/exception pages, is applied to the annual EPL premium.

Insureds that are converting their EPL Defense Only coverage to the EPL Indemnity & Defense coverage will be afforded a free unlimited extended reporting period on their expiring Defense Only coverage.

C. An extended reporting period is also available for the ERISA Fiduciary Liability coverage. The same factors as used for professional liability will be applied to the annual ERISA charge in calculation of the extended reporting period coverage.

## IX. PRIOR ACTS COVERAGE (Occurrence Coverage only)

A. The policy may be extended to provide Prior Acts Coverage as follows:

1. 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 occurrence policy to which the Prior Acts endorsement shall be applied.

2. 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 shown to the current rate under this policy for limits of $1,000,000/$1,000,000.

3. If the limit of liability under this coverage is less than $1,000,000/$1,000,000, the premium developed shall be adjusted by the Prior Acts Decreased Limits Factors shown.

B. The premium will be charged annually, but calculated in advance:

1. Determine the current premium under this policy for limits of $1,000,000/$1,000,000.

2. Enter the table at the appropriate Prior Acts Period.

3. Apply Reporting Period factor(s) successively for the desired number of years of Reporting Period:

| Prior Acts Period | Reporting Period | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 year prior | .28 | .25 | .22 | .71 |
| 2 years prior | .45 | .41 | .32 | 1.11 |
| 3 years prior | .55 | .44 | .40 | 1.31 |
| 4 or more years prior | .62 | .45 | .42 | 1.41 |

4. Apply the appropriate Decreased Limits Factor, if applicable:

| Decreased Limits (in $000s) | Factor |
|---|---|
| $100 / $300 | .449 |
| 200 / 600 | .590 |
| 250 / 750 | .638 |
| 300 / 800 | .682 |
| 400 / 900 | .760 |
| 500 / 1,000 | .816 |
| 1,000 / 1,000 | 1.000 |

C. Prior Acts for Employment Practices Liability Indemnity & Defense Coverage

For insureds that do not have an EPL Indemnity & Defense policy during the policy year prior to purchasing the coverage from CNA, the prior acts date is the inception date of the first EPL Indemnity & Defense policy with CNA.

For insureds that have a prior EPL Indemnity & Defense policy with another carrier during the policy year prior to purchasing the coverage from CNA, prior acts coverage may be afforded. The prior acts date is the date of the first year of that continuous coverage with the other carrier. The charge for the prior acts coverage is $30.

## X. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their practice time from outside the state. Those who derive more than 25% of their practice time outside the state shall be referred to the Company for underwriting approval and rating. We will charge the higher rate if there is multi-state exposure.

## XI. Consulting Service Liability

Consulting Service Liability coverage may be added to the policy on a shared limit basis. The rate will be $25.

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## I. BUSINESS LIABILITY - (General Liability)

A. General Liability coverage written in conjunction with Property coverage (with or without Professional Liability coverage)

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. The "each additional office" charge shall not apply to Independent Contractors.

| | |
|---|---|
| First Office: | $175.00 |
| Each Additional Office: | $122.00 |

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

B. General Liability coverage written in conjunction with Professional Liability coverage only

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. The "each additional office" charge shall not apply to Independent Contractors.

| | |
|---|---|
| First Office: | $50.00 |
| Each Additional Office: | $39.00 |

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

C. Additional Insured

An employer may be added to the policy at a charge of 5% of the policy's General Liability charge.

A Special Events endorsement (GL) may be added at a charge of $50 per day / per event.

## II. LIMITS OF LIABILITY – (General Liability)

The rates listed above are for limits of $1,000,000 (each claim) / $2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the $1M/2M rate).

Individual Practice:

| Increased Limit | Increased Limit Factor |
|---|---|
| $1M/2M | 1.000 |
| $1M/3M | 1.011 |
| $2M/2M | 1.071 |
| $2M/3M | 1.085 |
| $2M/4M | 1.098 |
| $3M/3M | 1.160 |
| $3M/6M | 1.202 |
| $4M/4M | 1.240 |
| $5M/5M | 1.320 |
| $5M/8M | 1.351 |

## III. ERISA FIDUCIARY LIABILITY INSURANCE

This coverage may be provided with a limit of liability of $100,000 per claim/$100,000 aggregate for an annual premium of $132.00.

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## I. CALCULATION OF PREMIUMS - Property Coverages

A. The premium shall be the sum of the applicable charges developed below.

B. The premium for coverage shall be determined by applying the following to the limits of liability:

1. Building

Charge shall be determined by applying the following total rate to the limit of liability:

a. The applicable rates as shown on the State Rate Page (as determined by the insured's construction code).

b. The applicable rate in (a) will be modified by the applicable protection class factor shown on the State Rate Pages.

2. Blanket Practice Personal Property

a. Limits of Liability for this coverage shall be calculated as the sum of the values for:

i. Contents at the premises;

ii. Property Off Premises;

iii. Accounts Receivable and Valuable Papers including x-rays and charts, we will automatically provide $25,000 of coverage for these items.

b. Base rate shall be:

i. Specific annual Blanket Practice Personal Property rate (as shown on State Rate Page) based on the building's contruction code,

ii. Multiplied by the appropriate protection class factor.

3. Base rates for Building and/or Blanket Practice Personal Property contemplate a $250 fixed dollar deductible with no Windstorm or Hail cause of loss. Higher fixed dollar deductibles and percentage deductibles for Windstorm or Hail are available with the following credit factors:

| Fixed Dollar Deductible | Windstorm or Hail Deductible | | | |
|---|---|---|---|---|
| | None | 1% | 2% | 5% |
| 250 | 1.00 | 0.98 | 0.97 | 0.96 |
| 500 | 0.96 | 0.94 | 0.93 | 0.92 |
| 1,000 | 0.88 | 0.87 | 0.86 | 0.85 |
| 2,500 | 0.82 | 0.81 | 0.80 | 0.79 |
| 5,000 | 0.72 | 0.71 | 0.70 | 0.69 |
| 10,000 | 0.57 | 0.56 | 0.55 | 0.54 |

4. Inflation Protection Coverage

The insured must select to have the applicable limits of liability for Buildings increased automatically every quarter. In addition, the insured may elect to have the applicable limits of liability for Blanket Practice Personal Property increased automatically every quarter. Either coverage will be associated with an increase in accordance with the following table:

| Quarterly Increase Percentage | % of Annual Building / Blanket Property Premium | Quarterly Increase Percentage | % of Annual Building / Blanket Property Premium |
|---|---|---|---|
| 0.30% | 0.45% | 2.5% | 3.75% |
| 0.40% | 0.60% | 3.0% | 4.50% |
| 0.50% | 0.75% | 3.5% | 5.25% |
| 1.00% | 1.50% | 4.0% | 6.00% |
| 1.50% | 2.25% | 4.5% | 6.75% |
| 2.00% | 3.00% | 5.0% | 7.50% |

The Quarterly percentage selected by the insured must apply to the selected subject(s) of insurance at all locations insured under the policy.

5. Time Element Coverages - Practice Income, Rents, Extra Expense

   a. Practice Income is provided on:

      i. A Value Daily Limit basis, beginning no sooner than 24 hours after the loss occurs for 32.5 days. Coverage may be increased by lengthing the number of days coverage applies (up to a maximum of 180 days). Coverage limit equals the daily income. Apply the Blanket Practice Personal Property rate to the total aggregate limit to calculate premium charge.

      ii. An Actual Loss Sustained basis, beginning no sooner than 24 hours after the loss occurs for a maximum of 12 months. Premium charge equals 11.5% of the final Blanket Practice Personal Property premium as calculated in Rule I.B.2.b. There is no charge for the Actual Loss Sustained if the amount of Daily Value Limit purchased is equal to the actual daily income as supported by financial documentation.

   b. Rents Coverage

      Charges will be determined by applying the following to the limit of liability:

      i. the applicable building rates; and

      ii. modified by a factor of .55.

   c. Extra Expense Coverage

      Extra Expense Coverage is provided on an Actual Loss Sustained Basis for a period of 12 months beginning no sooner than 24 hours after the loss occurs. This coverage is provided at no charge.

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C. Optional Coverages

1. Dishonesty Coverage

   a. Employee Dishonesty Insurance applicable to Blanket Practice Personal Property may be purchased in accordance with Limit options shown in the following Table. When such coverage is purchased, it shall include, at no additional premium, coverage for Welfare and Pension Plans for which coverage is required under ERISA in an amount of $15,000. This amount shall apply to coverage for Welfare and Pension Plans in addition to the purchased Employee Dishonesty Limit for Blanket Practice Personal Property.

   b. Employee Dishonesty Insurance will be charged on a "per policy" basis.

   c. Additional coverage beyond that provided in 1., above, for Welfare and Pension Plans, shall be charged by applying the rate shown to each additional $1,000 of coverage.

| Limits of Liability | | |
|---|---|---|
| Money / Securities | Pension / Welfare | Premium |
| $10,000 | $15,000 | $72.00 |
| 15,000 | 15,000 | 104.00 |
| 25,000 | 15,000 | 158.00 |
| 50,000 | 15,000 | 245.00 |
| 75,000 | 15,000 | 332.00 |
| 100,000 | 15,000 | 425.00 |
| Increased Limits – Pension / Welfare (per $1,000) | | $1.50 |

2. Increased Theft coverage for Precious Metals, beyond the $2,500 provided by the policy, may be purchased. The rate for such additional coverage shall be $0.60 per $100 of value.

3. Increased Values of Signs not attached to the Building may be purchased. Value of signs attached to the building shall be included in the valuation of the Building.

4. Ordinance or Law Coverage - The first $100,000 is provided at no charge. Additional limits may be purchased according to the following:

   a. Loss of value to Undamaged Portion of Building may be purchased. No separate limit of insurance is required. When this coverage is increased, an additional charge equal to 10% of the building premium will apply.

   b. Demolition Cost and Increased Cost of Construction may be purchased. When this coverage is increased, multiply the Building Base Rates by the limit of additional insurance, per $100.

5. Increased amounts of Dentist's Electronic Equipment coverage and Dentist's Electronic Equipment Extra Expense coverage may be purchased. The rate for such additional coverage shall be $0.50 per $100.00 of coverage, if the insureds meets specified underwriting criteria. Otherwise, the rate for such additional coverage shall be $0.75 per $100.00 of coverage.

6. Dentist's Equipment Breakdown coverage may be purchased. The rates for such coverage are:

| Coverage Limit | Dental Equipment | Dental & HVAC Equipment |
|---|---|---|
| $100,000 or less | $186 | 247 |
| 200,000 | 302 | 430 |
| 300,000 | 357 | 584 |
| 400,000 | 428 | 592 |
| 500,000 | 460 | 675 |
| 600,000 | 474 | 756 |
| 700,000 | 511 | 805 |
| 800,000 | 552 | 832 |
| 900,000 | 585 | 858 |
| 1,000,000 | 610 | 880 |
| 1,250,000 | 713 | 975 |
| 1,500,000 | 795 | 1035 |
| 1,750,000 | 858 | 1,102 |
| 2,000,000 | 933 | 1,144 |
| 2,500,000 | 1,029 | 1,228 |
| 3,000,000 | 1,075 | 1,312 |
| 3,500,000 | 1,125 | 1,372 |
| 4,000,000 | 1,162 | 1,433 |
| 4,500,000 | 1,193 | 1,479 |
| 5,000,000 | 1,221 | 1,522 |

7. The PPP Gold endorsement is available at a rate of $100.

8 A flat premium of $25 will be charged each policy.

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## II. INDIVIDUAL RISK PREMIUM MODIFICATION PLAN - PROPERTY COVERAGE

This Plan shall be applied after the application of all other rating procedures.

A. Eligibility: This Plan may be applied to:

Blanket Practice Personal Property Coverages
Building Coverages

B. Limitations: This Plan may not be applied to:

Employee Dishonesty Coverage
Welfare and Pension Plan Coverage
Base Loading
PPP Gold Endorsement
Flat Premium
Equipment Breakdown Coverage

C. Rating Procedure

The following modifications may be applied to recognize such special characteristics of the risk as are not fully reflected in the basic premium or rates. These modifications contemplate the standard allowance for expenses. If the expenses are less than standard, such modification, if a credit, shall be increased, or if a debit, shall be decreased by the amount of reduction in expenses. The total credits or debits under the following Table may not exceed 25%:

| RANGE OF RISK CHARACTERISTICS | MODIFICATIONS | | |
|---|---|---|---|
| | Credits | | Debits |
| 1. LOCATION | | | |
| Accessibility, congestion and exposures | 10% | to | 10% |
| 2. BUILDING FEATURES | | | |
| Age, condition, and unusual structural features | 10% | to | 10% |
| 3. PREMISES AND EQUIPMENT | | | |
| Care, condition, and type | 10% | to | 10% |
| 4. PROTECTION | | | |
| Not otherwise recognized | 10% | to | 10% |

## III. PACKAGING OF COVERAGES

If Property coverage is purchased in conjunction with Professional Liability coverage, a package discount factor shall be applied to a number of the Property rates. The package discount factor is stated on the respective State Rate Page and will be applied to the following coverages:

Blanket Practice Personal Property
Building
Practice Income
Rents
Dentists Equipment Breakdown
Additional Building Coverage
Increased Limits for Pension/Welfare

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The following coverages are excluded from application of the package discount factor:

Increased Limits on Fine Arts
Loss Assessment
Builders Risk
PPP Gold Endorsement
Flat Premium

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## BOARD EXAM COVERAGE

A. It is permissible to provide restricted coverage for individuals who sit for Board Exams, but are not students (e.g., military personnel, dental graduates, or other dentists without professional liability coverage that are required to take a state board exam).

B. Coverage provided to eligible insureds shall:

1. be limited to Dental Professional Liability only;

2. be provided on an occurrence basis;

3. apply only for the length of time for which the person is eligible;

4. have maximum limits of liability in the amounts of :

| | |
|---|---|
| $1,000,000 | each claim |
| $3,000,000 | aggregate |

C. Policies will be issued on an annual basis.

D. Class Description

| Class | Description | Code No. |
|---|---|---|
| VIII. | Any individual not currently enrolled in an accredited institution, but while a candidate for certification and/or licensure as a dentist. | 80221 |

E. Premium

| Class | Premium |
|---|---|
| VIII. | $75.00 |

Premium is fully earned at inception.

**COMPANY PAGES**
**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

## I. APPLICATION OF MANUAL

This manual provides rules and premium, applicable to Dental Students.

## II. POLICY TERM

A. The policy term shall be continuous until canceled.

B. Individual Student Certificates will be written for a term of one year, and, automatically extended at no charge during the expected graduation year for up to a maximum of 6 months from the date of graduation in the event that certification or license is not immediately obtained.

## III. PREMIUM COMPUTATION

Compute the premium at policy inception and subsequently as the sum of the premiums represented by the number of Certificates being issued, using the rules, rates and rating plans in effect at the time.

## IV. CANCELLATION

Premium for individual Certificates is considered as fully earned and no return premium shall be granted.

## V. COVERAGE

A. Coverage under the Certificate shall be as described in the Policy, with the issuance of summarized Certificates to the Insured Dental Student.

B. Coverage under this program is Professional Liability on a Claims-Made basis.

## VI. PRIOR ACTS COVERAGE

Prior Acts Coverage shall not be provided under this program.

## VII. EXTENDED CLAIM REPORTING PERIOD COVERAGE

The extended claim reporting period under this program shall be unlimited and shall be provided at no additional charge. The aggregate limit shall be separate from and equal to the aggregate limit provided by the Certificate.

## VIII. LIMITS OF LIABILITY

Limits of Liability for this program shall be as follows:

| | |
|---|---|
| Each Certificate | $1,000,000,000 Each Claim |
| | $3,000,000,000 Aggregate |

## IX. CERTIFICATE PREMIUM

| Class | Premium |
|---|---|
| Dental Student | $30.00 |

## X. CLASS DESCRIPTION

| | Code No. |
|---|---|
| Any undergraduate student who is in the process of completing their training in dentistry while enrolled in an accredited institution. | 80225 |

**Continental Casualty Company**
Dental Professional Program

Actuarial Memorandum
Illinois

With this filing, Continental Casualty Company ("CNA") proposes a number of changes to its Dental Professional Program in Illinois. The overall impact of these changes is -9.4%. These changes are itemized below:

## Changes to the Countrywide Pages:

Student Dental:
This class currently has a separate filing in National Fire that we are moving into the Continental Casualty Company. There are no changes to the rates. We are consolidating all of our Dental insureds into CCC. This is added as page CCC-DENTAL-STUDENT-1, with references on CCC-DENTAL-GENERAL-2 and CCC-DENTAL-GENERAL-3.

Special Events:
A new endorsement is now offered for Special Events for both professional and general liability. Rates have been added to pages CCC-DENTAL-PL-3 and CCC-DENTAL-GL-1.

Increased Limit Factors:
The 1M/3M ILF is now shown in the ILF table on CCC-DENTAL-PL-6. It was previously on that same page, but outside the table. This is purely a formatting change and only done to enhance readability. The minimum premiums for higher layers have been eliminated. These minimums were so low that they never had an impact on rating. ILF's for the GL coverage are being moved from the state pages to the countrywide pages (CCC-DENTAL-GL-1). There is no rate impact from any of these changes.

Additional Insured:
An employer may now be added as an additional insured under the GL coverage. See rule I.C. on page CCC-DENTAL-GL-1.

Package Discount Factors:
The PDF rules on pages CCC-DENTAL-GENERAL-3 and CCC-DENTAL-PROPERTY-5 have been revised to clarify that a discount will only apply when both professional liability and property coverage have been purchased.

Equipment Breakdown:
The form for this coverage has been enhanced and the rates reduced to be more in line with standard industry practices. The revised rates are shown on CCC-DENTAL-PROPERTY-4. Overall these changes create a minor change in rates of -0.1%.

## Changes to the State Pages:

PL Rates:
The professional liability rates are reduced by 10% (CCC-EX-3). See attached actuarial analysis.

Property Rates:
The professional liability rates are reduced by 10% (CCC-EX-6). See attached actuarial analysis.

Revised versions of the countrywide manual pages as well as revised state exception pages, reflecting the changes outlined above are included with this submission.

Exhibit 1

**CNA Insurance Company**
**Dental Coverage**
**Illinois**
**Calculation of Overall Premium Level Change**
**As of 06/30/06**

| | 2006 Written Premium | Proposed Rate Change | Premium Level Impact |
|---|---|---|---|
| Professional Liability | 680,257 | -10.0% | -68,026 |
| General Liability | 57,315 | 0.0% | 0 |
| Property | 210,178 | -10.0% | -21,018 |
| Total | 947,751 | -9.4% | -89,044 |

Exhibit 2.1

**CNA Insurance Company**
**Dental Professional Coverage**
**Illinois**
**Derivation of Indicated Professional Liability Premium Level Change**
**As of 06/30/06**

| Calendar Accident Year | (1) On-Leveled Earned Premium | (2) Limited Ultimate Indemnity | (3) Large Loss Loading | (4) = (2)+(3) Total Ultimate Indemnity | (5) 4.5% Indeminty Trend Factor |
|---|---|---|---|---|---|
| 1996 | 3,813,509 | 1,198,347 | 227,535 | 1,425,881 | 1.674 |
| 1997 | 3,189,703 | 959,215 | 203,047 | 1,162,262 | 1.603 |
| 1998 | 2,849,440 | 484,081 | 38,810 | 522,891 | 1.536 |
| 1999 | 2,545,371 | 1,557,714 | 299,056 | 1,856,771 | 1.471 |
| 2000 | 2,342,927 | 390,250 | 67,633 | 457,883 | 1.410 |
| 2001 | 2,279,457 | 163,590 | 40,548 | 204,138 | 1.350 |
| 2002 | 1,863,060 | 346,227 | 77,283 | 423,510 | 1.294 |
| 2003 | 1,097,842 | 161,497 | 24,846 | 186,343 | 1.239 |
| 2004 | 712,674 | 1,282 | 295 | 1,577 | 1.187 |
| 2005 | 665,872 | 147,859 | 9,601 | 157,460 | 1.137 |

| Calendar Accident Year | (6) Ultimate ALAE | (7) 2.5% ALAE Trend Factor | (8) Frequency Adjustment Factor | (9) =[(4)*(5)+(6)*(7)]*(8) Trended Ultimate Loss & ALAE | (10) = (9)/(1) Projected Loss & ALAE Ratio |
|---|---|---|---|---|---|
| 1996 | 1,755,422 | 1.435 | 0.962 | 4,717,448 | 116.0% |
| 1997 | 935,157 | 1.392 | 1.078 | 3,412,408 | 107.0% |
| 1998 | 389,975 | 1.351 | 0.968 | 1,287,891 | 45.2% |
| 1999 | 681,401 | 1.311 | 0.615 | 2,228,250 | 87.5% |
| 2000 | 333,516 | 1.272 | 0.783 | 837,503 | 35.7% |
| 2001 | 204,121 | 1.234 | 0.841 | 443,742 | 19.5% |
| 2002 | 169,887 | 1.198 | 0.970 | 728,665 | 39.1% |
| 2003 | 113,790 | 1.162 | 0.914 | 332,112 | 30.3% |
| 2004 | 23,436 | 1.128 | 1.146 | 32,428 | 4.6% |
| 2005 | 72,246 | 1.094 | 1.221 | 315,230 | 47.3% |

| | | |
|---|---|---|
| (11) | Selected Ultimate Loss & ALAE Ratio | 30.3% |
| (12) | Credibility = (1)-5Yr/[(1)-5Yr + K], K = 1,188,360 | 57.0% |
| (13) | CW Weighted Ultimate Loss & ALAE Ratio (Exh 2.2) | 55.1% |
| (14) | Cred Wtd Ult Loss & ALAE Ratio = (11)*(12)+[1-(12)]*(13) | 41.0% |
| (15) | Average Premium Modification Factor | 0.793 |
| (16) | Ultimate Loss & ALAE Ratio and Manual Rate Level = (14)/(15 | 51.7% |
| (17) | Permissible Loss & ALAE Ratio (Exh 3) | 65.4% |
| (18) | Indicated Premium Level Change = (16)/(17) | -20.9% |
| (19) | Selected Professional Liability Premium Level Change | -10% |

Exhibit 2.2

**CNA Insurance Company**
**Dental Professional Coverage**
**Coutrywide**
**Derivation of Indicated Professional Liability Premium Level Change**
**As of 06/30/06**

| Calendar Accident Year | (1) On-Leveled Earned Premium | (2) Limited Ultimate Indemnity | (3) Large Loss Loading | (4) = (2)+(3) Total Ultimate Indemnity | (5) 4.5% Indeminty Trend Factor |
|---|---|---|---|---|---|
| 1996 | 62,707,570 | 18,849,345 | 3,579,000 | 22,428,345 | 1.674 |
| 1997 | 60,885,142 | 16,324,174 | 3,455,503 | 19,779,677 | 1.603 |
| 1998 | 58,792,328 | 16,489,468 | 1,322,000 | 17,811,468 | 1.536 |
| 1999 | 53,566,142 | 14,453,815 | 2,774,902 | 17,228,716 | 1.471 |
| 2000 | 48,618,806 | 13,119,064 | 2,273,640 | 15,392,704 | 1.410 |
| 2001 | 45,088,131 | 11,700,000 | 2,900,000 | 14,600,000 | 1.350 |
| 2002 | 42,324,278 | 11,200,000 | 2,500,000 | 13,700,000 | 1.294 |
| 2003 | 41,262,835 | 10,400,000 | 1,600,000 | 12,000,000 | 1.239 |
| 2004 | 40,741,807 | 8,700,000 | 2,000,000 | 10,700,000 | 1.187 |
| 2005 | 40,625,617 | 7,700,000 | 500,000 | 8,200,000 | 1.137 |

| Calendar Accident Year | (6) Ultimate ALAE | (7) 2.5% ALAE Trend Factor | (8) Frequency Adjustment Factor | =[(4)*(5)+(6)*(7)] *(8) Trended Ultimate Loss & ALAE | (10) = (9)/(1) Projected Loss & ALAE Ratio |
|---|---|---|---|---|---|
| 1996 | 11,940,000 | 1.435 | 0.962 | 52,578,540 | 78.3% |
| 1997 | 12,000,000 | 1.392 | 1.078 | 52,198,125 | 85.7% |
| 1998 | 10,300,000 | 1.351 | 0.968 | 39,966,657 | 68.0% |
| 1999 | 9,100,000 | 1.311 | 0.615 | 22,913,299 | 42.8% |
| 2000 | 9,600,000 | 1.272 | 0.783 | 26,549,153 | 54.6% |
| 2001 | 9,200,000 | 1.234 | 0.841 | 26,132,107 | 58.0% |
| 2002 | 7,400,000 | 1.198 | 0.970 | 25,783,428 | 60.9% |
| 2003 | 8,000,000 | 1.162 | 0.914 | 22,101,610 | 53.6% |
| 2004 | 7,000,000 | 1.128 | 1.146 | 23,599,643 | 57.9% |
| 2005 | 6,000,000 | 1.094 | 1.221 | 19,406,358 | 47.8% |

(11) Selected Ultimate Loss & ALAE Ratio 55.1%

Exhibit 3

# CNA Insurance Company
## Dental Professional Coverage
## Coutrywide
## Budgeted Expense Provisions and Permissible Loss & ALAE Ratio
## As of 06/30/06

| Premium Component | | % of Premium |
|---|---|---|
| (1) Fixed Expense Ratio as a Percentage of Premium | | 5.1% |
| (2) Variable Expense Ratio as a Percentage of Premium | | 24.5% |
| Commissions | 22.2% | |
| Premium Tax | 1.9% | |
| Other Acq | 0.4% | |
| (3) ULAE | | 6.3% |
| (4) Underwriting Profit Provision | | -1.3% |
| (5) Total Expenses & Profit Load = (1)+(2)+(3)+(4) | | 34.6% |
| (6) Permissible Loss & ALAE Ratio = 1.0 - (5) | | 65.4% |

Exhibit 4.1

**CNA Insurance Company**
**Dental Property Coverage**
**Illinois**
**Derivation of Indicated Property Premium Level Change**
**As of 06/30/06**

| Calendar Accident Year | (1) On-Leveled Earned Premium | (2) Limited Ultimate Indemnity | (3) Large Loss Loading | (4) = (2)+(3) Total Ultimate Indemnity | (5) 7.0% Indeminty Trend Factor |
|---|---|---|---|---|---|
| 1996 | 1,400,237 | 282,193 | 204,366 | 486,559 | 2.267 |
| 1997 | 1,211,772 | 149,243 | 39,500 | 188,743 | 2.212 |
| 1998 | 1,060,313 | 254,734 | 85,385 | 340,119 | 2.013 |
| 1999 | 941,532 | 556,839 | 173,217 | 730,055 | 1.873 |
| 2000 | 854,222 | 189,124 | 48,442 | 237,566 | 1.757 |
| 2001 | 809,863 | 273,432 | 116,122 | 389,554 | 1.656 |
| 2002 | 600,259 | 248,710 | 131,054 | 379,764 | 1.516 |
| 2003 | 342,343 | 104,348 | 29,884 | 134,232 | 1.431 |
| 2004 | 246,065 | 81,668 | 70,269 | 151,937 | 1.332 |
| 2005 | 220,928 | 1,591 | 313 | 1,904 | 1.232 |

| Calendar Accident Year | (6) Ultimate ALAE | (7) 2.0% ALAE Trend Factor | (8) Frequency Adjustment Factor | (9) =[(4)*(5)+(6)*(7)]*(8) Trended Ultimate Loss & ALAE | (10) = (9)/(1) Projected Loss & ALAE Ratio |
|---|---|---|---|---|---|
| 1996 | 22,517 | 1.262 | 0.478 | 540,627 | 38.6% |
| 1997 | 20,617 | 1.238 | 0.570 | 252,418 | 20.8% |
| 1998 | 588 | 1.214 | 0.595 | 407,676 | 38.4% |
| 1999 | 23,889 | 1.191 | 0.609 | 849,850 | 90.3% |
| 2000 | 3,960 | 1.168 | 0.542 | 228,690 | 26.8% |
| 2001 | 19,209 | 1.146 | 0.558 | 372,289 | 46.0% |
| 2002 | 10,631 | 1.124 | 0.628 | 369,271 | 61.5% |
| 2003 | 6,097 | 1.102 | 0.859 | 170,798 | 49.9% |
| 2004 | - | 1.081 | 1.081 | 218,772 | 88.9% |
| 2005 | 917 | 1.060 | 1.115 | 3,699 | 1.7% |

| | | |
|---|---|---|
| (11) | Selected Non Cat Ultimate Loss & ALAE Ratio | 49.3% |
| (12) | Credibility = (1)-5Yr/[(1)-5Yr + K], K = 1,188,360 | 35.4% |
| (13) | CW Weighted Ultimate Loss & ALAE Ratio (Exh 4.2) | 38.5% |
| (14) | Cred Wtd Ult Loss & ALAE Ratio = (11)*(12)+[1-(12)]*(13) | 41.7% |
| (15) | State Cat Load Factor | 1.149 |
| (16) | Ultimate Loss & ALAE Ratio = (14)*(15) | 47.9% |
| (17) | Permissible Loss & ALAE Ratio (Exh 5) | 60.6% |
| (18) | Indicated Premium Level Change = (16)/(17) | -21.0% |
| (19) | Selected Property Premium Level Change | -10% |

**CNA Insurance Company**
**Dental Property Coverage**
**Coutrywide**
**Derivation of Indicated Property Premium Level Change**
**As of 06/30/06**

| Calendar Accident Year | (1) On-Leveled Earned Premium | (2) Limited Ultimate Indemnity | (3) Large Loss Loading | (4) = (2)+(3) Total Ultimate Indemnity | (5) 7.0% Indeminty Trend Factor |
|---|---|---|---|---|---|
| 1996 | 35,658,759 | 8,148,997 | 5,901,564 | 14,050,561 | 2.267 |
| 1997 | 34,874,644 | 7,240,085 | 1,916,221 | 9,156,307 | 2.212 |
| 1998 | 33,380,708 | 7,090,180 | 2,376,578 | 9,466,759 | 2.013 |
| 1999 | 29,433,847 | 6,254,348 | 1,945,551 | 8,199,899 | 1.873 |
| 2000 | 25,876,924 | 7,100,408 | 1,818,691 | 8,919,099 | 1.757 |
| 2001 | 22,997,705 | 6,582,044 | 2,795,287 | 9,377,331 | 1.656 |
| 2002 | 20,673,143 | 5,086,259 | 2,680,134 | 7,766,393 | 1.516 |
| 2003 | 20,077,662 | 4,200,000 | 1,202,825 | 5,402,825 | 1.431 |
| 2004 | 18,751,037 | 3,700,000 | 3,183,600 | 6,883,600 | 1.332 |
| 2005 | 17,597,094 | 3,500,000 | 688,619 | 4,188,619 | 1.232 |

| Calendar Accident Year | (6) Ultimate ALAE | (7) 2.0% ALAE Trend Factor | (8) Frequency Adjustment Factor | =[(4)*(5)+(6)*(7)] *(8) Trended Ultimate Loss & ALAE | (10) = (9)/(1) Projected Loss & ALAE Ratio |
|---|---|---|---|---|---|
| 1996 | 481,116 | 1.262 | 0.478 | 15,509,924 | 43.5% |
| 1997 | 253,783 | 1.238 | 0.570 | 11,718,773 | 33.6% |
| 1998 | 241,296 | 1.214 | 0.595 | 11,509,600 | 34.5% |
| 1999 | 200,899 | 1.191 | 0.609 | 9,496,516 | 32.3% |
| 2000 | 181,084 | 1.168 | 0.542 | 8,606,367 | 33.3% |
| 2001 | 232,534 | 1.146 | 0.558 | 8,814,782 | 38.3% |
| 2002 | 185,034 | 1.124 | 0.628 | 7,528,956 | 36.4% |
| 2003 | 176,292 | 1.102 | 0.859 | 6,809,188 | 33.9% |
| 2004 | 127,862 | 1.081 | 1.081 | 10,060,982 | 53.7% |
| 2005 | 139,937 | 1.060 | 1.115 | 5,919,849 | 33.6% |

(11) Selected Non Cat Ultimate Loss & ALAE Ratio 38.5%

Exhibit 5

# CNA Insurance Company
# Dental Property Coverage
# Coutrywide
# Budgeted Expense Provisions and Permissible Loss & ALAE Ratio
# As of 06/30/06

| Premium Component | | % of Premium |
|---|---|---|
| (1) Fixed Expense Ratio as a Percentage of Premium | | 5.1% |
| (2) Variable Expense Ratio as a Percentage of Premium | | 24.5% |
| Commissions | 22.2% | |
| Premium Tax | 1.9% | |
| Other Acq | 0.4% | |
| (3) ULAE | | 6.3% |
| (4) Underwriting Profit Provision | | 3.4% |
| (5) Total Expenses & Profit Load = (1)+(2)+(3)+(4) | | 39.4% |
| (6) Permissible Loss & ALAE Ratio = 1.0 - (5) | | 60.6% |

## Neuman, Gayle

**From:** Neuman, Gayle
**Sent:** Wednesday, May 30, 2007 1:48 PM
**To:** 'Lockhart,John C.'
**Subject:** RE: National Dental Program - Rate/Rule Filing #07-R2161

Mr. Lockhart,

Please provide a copy of all dental pages in the manual with the changes being submitted with this filing.

Additionally, the Actuarial Memorandum indicated the section for "Student Dental" was being moved over from National Fire. Please indicate the filing number under which that information was previously submitted to this Division and clarify the full name of the insurer.

Gayle Neuman
217-524-6497

---

**From:** Lockhart,John C. [mailto:John.Lockhart@CNA.com]
**Sent:** Wednesday, May 30, 2007 8:28 AM
**To:** Neuman, Gayle
**Cc:** Anderson, Julie
**Subject:** RE: National Dental Program - Rate/Rule Filing #07-R2161
**Importance:** High

Dear Ms. Neuman:
Thanks for your email dated May 21, 2007.
In response we now submit a revised RF-3 Summary Sheet with the premiums separated as requested.
With regards your question on gathering of statistics, please note that we use ISO for our statistics.
As requested we attach a completed and signed certification.
Thank you for your continued review.
<<IL RF3.pdf>> <<IL Certification.pdf>>
*John Lockhart*

K
40 Wall Street, 9th Floor
New York, NY 10005-1401
877-269-3277 ext. 3270

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## Neuman, Gayle

**From:** Lockhart,John C. [John.Lockhart@CNA.com]
**Sent:** Wednesday, May 30, 2007 8:28 AM
**To:** Neuman, Gayle
**Cc:** Anderson, Julie
**Subject:** RE: National Dental Program - Rate/Rule Filing #07-R2161
**Importance:** High
**Attachments:** IL RF3.pdf; IL Certification.pdf

Dear Ms. Neuman:
Thanks for your email dated May 21, 2007.
In response we now submit a revised RF-3 Summary Sheet with the premiums separated as requested.
With regards your question on gathering of statistics, please note that we use ISO for our statistics.
As requested we attach a completed and signed certification.
Thank you for your continued review.
<<IL RF3.pdf>> <<IL Certification.pdf>>

*John Lockhart*

K

40 Wall Street, 9th Floor
New York, NY 10005-1401
877-269-3277 ext. 3270

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## Neuman, Gayle

**From:** Neuman, Gayle
**Sent:** Thursday, May 24, 2007 1:41 PM
**To:** 'Lockhart,John C.'
**Cc:** Anderson, Julie
**Subject:** National Dental Program - Rate/Rule Filing #07-R2161

Mr. Lockhart,

We are in receipt of the above referenced filing submitted with your letter dated May 21, 2007.

The RF-3 Summary Sheet should separate the premium as illustrated on Exhibit 1 of the Actuarial Exhibits. Property should be listed under "fire" and professional liability should be listed under "other". Please submit a revised RF-3 Summary Sheet.

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?

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.

We request receipt of your response by June 1, 2007.

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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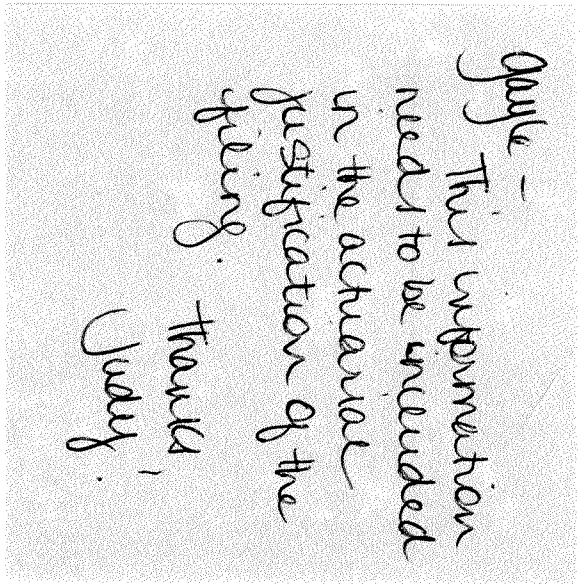
Continental Casualty Company
Dental Professional Program
Medical Malpractice

| Calander Year | Earned Premium | Incurred Loss | Incurred ALAE | Incurred ULAE | ULAE / Loss & ALAE | ULAE / Earned Premium |
|---|---|---|---|---|---|---|
| 2002 | 149,846 | 119,139 | 47,705 | 13,755 | 8.2% | 9.2% |
| 2003 | 171,245 | 196,292 | 53,770 | 14,445 | 5.8% | 8.4% |
| 2004 | 189,085 | 172,376 | (5,906) | 5,345 | 3.2% | 2.8% |
| 2005 | 186,569 | 180,338 | 52,951 | 11,158 | 4.8% | 6.0% |
| 2006 | 239,145 | 52,414 | 23,031 | 3,472 | 4.6% | 1.5% |
| Total: | 935,890 | 720,559 | 171,551 | 48,175 | 5.4% | 5.1% |
| Excluding 2006: | 696,745 | 668,145 | 148,520 | 44,703 | 5.5% | 6.4% |

Source: Continental Casualty Company IEE line 11



Continental Casualty Company
Dental Professional Program
Commercial Multi-Peril

| Calander Year | Earned Premium | Incurred Loss | Incurred ALAE | Incurred ULAE | ULAE / Loss & ALAE | ULAE / Earned Premium |
|---|---|---|---|---|---|---|
| 2002 | 234,155 | (34,802) | 1,077 | 13,860 | -41.1% | 5.9% |
| 2003 | 258,608 | 198,436 | 103,340 | 18,164 | 6.0% | 7.0% |
| 2004 | 248,551 | 33,092 | 4,095 | 24 | 0.1% | 0.0% |
| 2005 | 230,430 | 182,407 | 97,822 | 18,239 | 6.5% | 7.9% |
| 2006 | 253,017 | 162,968 | 26,960 | 1,196 | 0.6% | 0.5% |
| Total: | 1,224,761 | 542,101 | 233,294 | 51,483 | 6.6% | 4.2% |
| Excluding 2004: | 976,210 | 509,009 | 229,199 | 51,459 | 7.0% | 5.3% |

Source: Continental Casualty Company IEE lines 5.1 and 5.2

Continental Casualty Company
Dental Professional Program
Combined Medical Malpractice and Commericial Multi-Peril

| | Earned Premium | Incurred Loss | Incurred ALAE | Incurred ULAE | ULAE / Loss & ALAE | ULAE / Earned Premium |
|---|---|---|---|---|---|---|
| Total: | 2,160,651 | 1,262,660 | 404,845 | 99,658 | 6.0% | 4.6% |
| Excluding outliers: | 1,672,955 | 1,177,154 | 377,719 | 96,162 | 6.2% | 5.7% |
| Selected | | | | | 6.3% | |

**CNA Insurance Companies**
**Illinois**
**Dental Professional Liability**

Countrywide Indemnity and ALAE Trends

| Notice Year | Selected Incurred Indemnity Counts | $1M Limited Selected Ultimate | Indicated Indemnity Severity | ALAE Paid Counts | ALAE Selected Ultimate | Indicated ALAE Severity |
|---|---|---|---|---|---|---|
| 1996 | 785 | 22,428 | 28,571 | 1,156 | 11,940 | 10,329 |
| 1997 | 680 | 19,780 | 29,088 | 1,170 | 12,000 | 10,256 |
| 1998 | 731 | 17,811 | 24,366 | 1,181 | 10,300 | 8,721 |
| 1999 | 647 | 17,229 | 26,629 | 1,003 | 9,100 | 9,073 |
| 2000 | 461 | 15,393 | 33,390 | 902 | 9,600 | 10,643 |
| 2001 | 398 | 14,600 | 36,683 | 818 | 9,200 | 11,247 |
| 2002 | 324 | 13,700 | 42,284 | 759 | 7,400 | 9,750 |
| 2003 | 335 | 12,000 | 35,821 | 688 | 8,000 | 11,628 |
| 2004 | 264 | 10,700 | 40,530 | 551 | 7,000 | 12,704 |
| 2005 | 247 | 8,200 | 33,198 | 478 | 6,000 | 12,552 |

| 1996-2005 Exponential Fit | |
|---|---|
| Trend: | 4.4% |
| R-Squared: | 0.515 |
| F-statistic: | 8.506 |

| 1996-2005 Exponential Fit | |
|---|---|
| Trend: | 3.1% |
| R-Squared: | 0.517 |
| F-statistic: | 8.548 |

| 1997-2004 Exponential Fit | |
|---|---|
| Trend: | 7.1% |
| R-Squared: | 0.709 |
| F-statistic: | 14.612 |

| 1998-2004 Moving Average | |
|---|---|
| Trend: | 4.2% |
| R-Squared: | 0.777 |
| F-statistic: | 17.431 |

Selected Indemnity Trend: 4.5%

Selected ALAE Trend: 2.5%

**CNA INSURANCE COMPANIES**
**ILLINOIS**
**Dental Professional Liability**

Return on Equity/Consideration of Investment Income

| Resulting Gross ROE from Input Gross Loss Ratio | |
|---|---|
| Loss & ALAE Ratio | 65.4% |
| ULAE | 6.3% |
| Expense Ratio | 29.6% |
| Present Value Premium Factor | 0.992 |
| Present Value Loss&ALAE Factor | 0.957 |
| Present Value ULAE Factor | 0.967 |
| Leverage Ratio | 2.5 |
| Premium to Surplus Ratio | 1.0 |
| Yield on Capital | 4.5% |
| Percent Investible | 70.0% |
| Tax Rate | 35.0% |
| ROE Based on Loss Ratio | 11.5% |
| (1) Earned Premium | 100.0% |
| (2) Expected Loss & ALAE | 65.4% |
| (3) ULAE Expenses | 6.3% |
| (4) Expected Loss & Loss Adjustment Expenses | 71.7% |
| (5) Expense Ratio | 29.6% |
| (6) Underwriting Profit Before Federal Income Tax (1) - (4) - (5) | -1.3% |
| (7) Federal Income Tax on Underwriting Profit = (6) x 35% | -0.5% |
| (8) Underwriting Profit After Federal Income Tax = (6) - (7) | -0.8% |
| (9) After-Tax Inv. Income on Insurance Operations | 12.3% |
| After-Tax Return on Statutory Surplus = (8) + (9) | 11.5% |

RECEIVED
MAY - 7 2007
IDFPR (MPC)
DIVISION OF INSURANCE
SPRINGFIELD

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

CNA

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

**Mr. Micaah Morris**
*Regulatory Filings Technician*
*P & C State Filing Unit*
*CNA Global Specialty Lines*

*Telephone* 212-440-2319
*Facsimile* 212-440-2877
*Toll Free* 877-269-3277 x 2319
*Internet* micaah.morris@cna.com

May 4, 2007

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF INSURANCE
PROPERTY AND CASUALTY COMPLIANCE UNIT
320 W WASHINGTON ST
SPRINGFIELD IL 62767-0001

**RE: Continental Casualty Company NAIC#218-20443, FEIN#36-2114545**
**Chiropractic Professional Liability Program**
**Rates, Rules Filing**
**Our File #: 07-2163R**

To Whom It May Concern:

The Continental Casualty Company, a member company of the CNA group of insurance companies, submits for your review and approval revisions to the Chiropractic Benefit Services Risk Purchasing Group Program rates currently on file with your department.

Included in this submission are:
- An Amendatory memorandum with supporting exhibits;
- revised state exception pages for use with this program.

We propose that this filing become applicable to all policies written on or after June 1, 2007, or the earliest date permitted by your state.

Please feel free to contact us if you have any questions.

Sincerely,
*Micaah Morris*
Micaah Morris
Regulatory Filings Technician

**Neuman, Gayle**

**From:** Neuman, Gayle
**Sent:** Wednesday, August 01, 2007 3:18 PM
**To:** Clennon, Joe
**Subject:** FW: Continental Casualty Company - Rate/Rule Filing #07-2163R
**Attachments:** 07-2163R IL withdrawal letter dated 08-1-07.doc

See attachment - they are withdrawing their filing that you had scheduled a hearing on.

---

**From:** Morris,Micaah [mailto:Micaah.Morris@cna.com]
**Sent:** Wednesday, August 01, 2007 2:13 PM
**To:** Anderson, Julie
**Cc:** Neuman, Gayle
**Subject:** RE: Continental Casualty Company - Rate/Rule Filing #07-2163R

<<07-2163R IL withdrawal letter dated 08-1-07.doc>>

Good Afternoon,

Attached please find a withdrawal letter for our filing.

Thank You,
-Micaah Morris

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

## Neuman, Gayle

**From:** Morris,Micaah [Micaah.Morris@cna.com]
**Sent:** Wednesday, August 01, 2007 2:13 PM
**To:** Anderson, Julie
**Cc:** Neuman, Gayle
**Subject:** RE: Continental Casualty Company - Rate/Rule Filing #07-2163R
**Attachments:** 07-2163R IL withdrawal letter dated 08-1-07.doc

<<07-2163R IL withdrawal letter dated 08-1-07.doc>>

Good Afternoon,

Attached please find a withdrawal letter for our filing.

Thank You,
-Micaah Morris

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

K

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

**Mr. Micaah Morris**
Regulatory Filings Technician
P & C State Filing Unit
CNA Global Specialty Lines

Telephone 212-440-2319
Facsimile 212-440-2877
Toll Free 877-269-3277
x 2319
Internet
micaah.morris@cna.com

August 1, 2007

Ms. Julie Anderson, ACAS, MAAA
Associate Casualty Actuary
Illinois Department of Financial and Professional Regulation
Division of Insurance
Property and Casualty Compliance Unit
320 W Washington St
Springfield Il 62767-0001

cc. Ms. Gayle Neuman

**RE: Continental Casualty Company NAIC#218-20443, FEIN#36-2114545**
**Chiropractic Professional Liability Program**
**Rates, Rules Filing**
**Our File #: 07-2163R**

Dear Ms. Anderson:

At this time we wish to withdraw the captioned Rate and Rule filing from further consideration by your department, without prejudice. Please note that this does not preclude a resubmission at a later date.

With this withdrawal of this filing, we respectfully request that the hearing # 07-HR-0641 scheduled for August 22, 2007 be removed from the calendar.

Acknowledgement upon receipt of this letter is respectfully requested.

Sincerely,

*Micaah Morris*

Micaah Morris
Regulatory Filings Technician

STATE OF ILLINOIS

# Department of Financial and Professional Regulation
# Division of Insurance

IN THE MATTER OF THE
MEDICAL MALPRACTICE
RATE INCREASE OF:

HEARING NO. 07-HR-0641

CONTINENTAL CASUALTY COMPANY
CNA
40 Wall Street, 9th Floor
New York, New York 10005

## ORDER

**WHEREAS**, on July 12, 2007, the Illinois Director of Insurance, Michael T. McRaith, issued a Notice of Hearing to Continental Casualty Company (the Company) notifying the Company that a Hearing would be held on August 22, 2007 regarding the Company's Illinois Rate Filing # 07-2163R:

**WHEREAS**, on August 1, 2007, Micaah Morris, Regulatory Filing Technician for the Company, filed with the Illinois Division of Insurance, a Request to Withdraw Illinois Rate Filing # 07-2163R; and

**WHEREAS**, the Director of Insurance being otherwise fully advised in the premises:

**IT IS HEREBY ORDERED** that Continental Casualty Company Rate Filing # 07-2163R will not be considered for approval in Illinois and the Hearing in this matter is dismissed.

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION of the State of Illinois;

DIVISION OF INSURANCE

Date: 8-8-07

Michael T. McRaith
Director

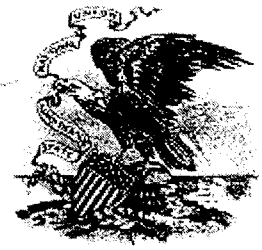
## PROOF OF SERVICE

The undersigned certifies that a copy of the foregoing instrument was served upon the Attorneys of Record or parties to the above cause by enclosing the same in an envelope addressed to such attorneys or parties at their business address as disclosed by the pleadings of record herein, with postage fully prepaid, and by depositing said envelope in a U.S. Mail Box, in Springfield, Illinois on the 8th day of August, 2007.

Mary A Kelly

RECEIVED
AUG - 8 2007
IDFPR (MPC)
DIVISION OF INSURANCE
SPRINGFIELD

STATE OF ILLINOIS



# *Department of Financial and Professional Regulation*
# *Division of Insurance*

IN THE MATTER OF THE MEDICAL
MALPRACTICE RATE INCREASE OF:

CONTINENTAL CASUALTY COMPANY HEARING NO. 07-HR-0641

## AUTHORITY TO CONDUCT HEARING

I, the undersigned, Director of the Division of Insurance of the Illinois Department of Financial and Professional Regulation, pursuant to Sections 401, 402 and 403 of the Illinois Insurance Code (215 ILCS 5/401, 402 and 403) designate and appoint Tim Cena, an employee of the Division of Insurance, State of Illinois, as Hearing Officer to conduct a Hearing in the above-entitled matter, to be held in the Office of the Division of Insurance of the Illinois Department of Financial and Professional Regulation, 320 W. Washington St., 4th Fl., Springfield, Illinois, on August 22, 2007 at the hour of 9:00 A. M., or as soon thereafter as the business of the Division of Insurance will permit.

The Hearing Officer so designated by the Director will be empowered to administer oaths, examine witnesses and require the production of any books, records, documents or papers relevant to the inquiry.

Date: 1-12-07

DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION of the State of Illinois;

DIVISION OF INSURANCE

Michael T. McRaith
Director of Insurance

STATE OF ILLINOIS

# *Department of Financial and Professional Regulation*
# *Division of Insurance*

IN THE MATTER OF
THE MEDICAL MALPRACTICE
RATE INCREASE OF:

CONTINENTAL CASUALTY COMPANY (the Company)
CNA
40 Wall Street, 9th Fl.
New York, New York 10005

ATTENTION: Stephen Lilienthal
President

Rate Filing # 07-2163R

HEARING NO.: 07-HR-0641

NOTICE OF HEARING

YOU ARE HEREBY NOTIFIED, pursuant to Sections 155.18, 401, 402 and 403 of the Illinois Insurance Code (215 ILCS 5/155.18, 5/401, 5/402 and 5/403), that a hearing will be held on August 22, 2007, at 9:00 a.m. or as soon after as the business of the Illinois Department of Financial and Professional Regulation, Division of Insurance will permit, at the office of the Division of Insurance, 320 W. Washington St., 4th Fl., Springfield, Illinois, before the Director of Insurance.

YOU ARE FURTHER NOTIFIED, that you must appear at this hearing. The purpose of this hearing is to determine whether the medical malpractice insurance rates of Continental Casualty Company are in compliance with Section 155.18 of the Illinois Insurance Code.

YOU ARE FURTHER NOTIFIED, that this hearing will be conducted in accordance with the following procedures:

## I. Role of the Director

1. The hearing may be conducted by the Director of Insurance or such other authorized representative of the Director, as deemed appropriate.

2. The Director has the authority to conduct a hearing, take all necessary action to avoid delay, maintain order, limit or eliminate the presentation of information, and ensure the development of a clear and complete record. The Director shall have all powers necessary to conduct a hearing, including the power to:

   a. Administer oaths and affirmations;

   b. Regulate the course of the hearing, set the time and place for a continued hearing, fix time for filing of documents, provide for the taking of sworn testimony, and conduct the proceeding according to generally recognized principles of administrative law;

   c. Examine witnesses and direct witnesses to testify, limit the testimony of any witness, and set reasonable limits on the amount of time each witness may testify;

   d. Sign and issue subpoenas that require attendance, giving testimony and the production of books, papers and other documents;

   e. Dispose of procedural requests or similar matters;

   f. The Director may assess the costs of this proceeding against the Company;

   g. Enter any Order that further carries out the purpose of this hearing.

## II. Pre-hearing Conferences

1. Upon notice, the Director may direct the Company or its representatives to appear at a specified time and place for a conference, prior to or during the course of the hearing, for the purpose of considering:

   a. The identification of Issues;

   b. The Stipulations of fact;

   c. Such other matters as may aid in the conduct of the proceeding.

2. Any participants may be represented by legal counsel.

## III. Conduct of the Hearing

1. All hearings shall be public and shall be recorded.

2. The Director will determine the order and length of oral presentations at this hearing.

## IV. Participation

1. At the discretion of the Director, participants other than the Company shall provide the Director with a written request to participate not less than ten (10) days prior the hearing. Such request(s) shall include two copies of any documentary information to be presented, and the identity of the individual desiring to present testimony and a summary of that testimony.

## V. Order of the Director

At the conclusion of this hearing, the Director shall enter an Order in accordance with Section 155.18 and all other applicable provisions of the Illinois Insurance Code.

YOU ARE DIRECTED to acknowledge receipt of this Notice of Hearing in writing to the Director at the Division's address listed above.

YOU ARE FURTHER DIRECTED that on the date of the hearing you must appear. Your legal counsel, if any, must file a written Notice of Appearance with the Director not less than ten (10) days prior to the hearing.

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

DIVISION OF INSURANCE

Date: 7-12-07

Michael T. McRaith
Director of Insurance

## Neuman, Gayle

**From:** Morris,Micaah [Micaah.Morris@cna.com]
**Sent:** Wednesday, July 11, 2007 8:57 AM
**To:** Neuman, Gayle
**Subject:** RE: Filing #07-2163R

Good Morning Gayle,

You can mail the hearing notice to my attention:
Micaah Morris
CNA
40 Wall Street - 9th Floor
New York, NY 10005

Thank You,
-Micaah

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Tuesday, July 10, 2007 4:42 PM
**To:** Morris,Micaah
**Subject:** Filing #07-2163R

M. Morris,

We are preparing to issue a hearing notice. Please advise us of the mailing address and to whose attention such notice should be mailed.

Thank you for your prompt attention.

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

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Effective March 1, 2007

# Property & Casualty Transmittal Document

| 1. Reserved for Insurance Dept. Use Only |
|---|
| |

| 2. Insurance Department Use only | |
|---|---|
| a. Date the filing is received: | |
| b. Analyst: | |
| c. Disposition: | |
| d. Date of disposition of the filing: | |
| e. Effective date of filing: | |
| New Business | |
| Renewal Business | |
| f. State Filing #: | |
| g. SERFF Filing #: CNAC-125164489 | |
| h. Subject Codes | |

RECEIVED
MAY - 7 2007
IDFPR (MPC)
DIVISION OF INSURANCE
SPRINGFIELD

| 3. | Group Name | Group NAIC # |
|---|---|---|
| | CNA Insurance Group | 218 |

| 4. | Company Name(s) | Domicile | NAIC # | FEIN # | State # |
|---|---|---|---|---|---|
| | Continental Casualty Company | IL | 20443 | 36-2114545 | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| 5. | Company Tracking Number | 07-2163R |
|---|---|---|

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

| 6. | Name and address | Title | Telephone #s | FAX # | e-mail |
|---|---|---|---|---|---|
| | Micaah Morris<br>40 Wall Street - 9th Floor<br>New York, NY 10005 | Regulatory Filings Technician | 877-267-3277 X3478 | 212-440-2877 | micaah.morris @cna.com |
| | | | | | |

| | | |
|---|---|---|
| 7. | Signature of authorized filer | *Micaah Morris* |
| 8. | Please print name of authorized filer | Micaah Morris |

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

| | | |
|---|---|---|
| 9. | **Type of Insurance (TOI)** | Med Mal -Claims Made and occurrence |
| 10. | **Sub-Type of Insurance (Sub-TOI)** | Chiropractic |
| 11. | **State Specific Product code(s) (if applicable)[See State Specific Requirements]** | |
| 12. | **Company Program Title** (Marketing title) | |
| 13. | **Filing Type** | ☐ Rate/Loss Cost ☐ Rules ☒ Rates/Rules<br>☐ Forms ☐ Combination Rates/Rules/Forms<br>☐ Withdrawal ☐ Other (give description) |
| 14. | **Effective Date(s) Requested** | New: 06-01-2007 Renewal: 06-01-2007 |
| 15. | **Reference Filing?** | ☐ Yes ☒ No |
| 16. | **Reference Organization** (if applicable) | |
| 17. | **Reference Organization # & Title** | |
| 18. | **Company's Date of Filing** | |


**F 777** (Ed. 3-07) Wolters Kluwer Financial Services | Uniform Forms™

| 19. | Status of filing in domicile | ☐ Not Filed ☐ Pending ☐ Authorized ☐ Disapproved |
|---|---|---|

## Property & Casualty Transmittal Document—

| 20. | This filing transmittal is part of Company Tracking # | 07-2163R |
|---|---|---|

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

The Continental Casualty Company, a member company of the CNA group of insurance companies, submits for your review and approval revisions to the Chiropractic Benefit Services Risk Purchasing Group Program rates currently on file with your department.

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

**Check #:** N/A
**Amount:** N/A

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

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

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Effective March 1, 2007

# RATE/RULE FILING SCHEDULE

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

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

| | | |
|---|---|---|
| 1. | **This filing transmittal is part of Company Tracking #** | **07-2163R** |
| 2. | **This filing corresponds to form filing number** (Company tracking number of form filing, if applicable) | **07-2163F** |

☒ Rate Increase ☐ Rate Decrease ☐ Rate Neutral (0%)

| | | |
|---|---|---|
| 3. | **Filing Method (Prior Approval, File & Use, Flex Band, etc.)** | **Prior Approval** |

**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) |
|---|---|---|---|---|---|---|---|
| Con Cas | | 6.6% | 10,951 | 131 | 165,919 | | |
| Comp | | | | | | | |

**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) | | |
| 5b. | Overall percentage rate impact for this filing | | |
| 5c. | Effect of Rate Filing – Written premium change for this program | | |
| 5d. | Effect of Rate Filing – Number of policyholders affected | | |

| | | |
|---|---|---|
| 6. | Overall percentage of last rate revision | 0% |
| 7. | Effective Date of last rate revision | 10/1/2006 |
| 8. | Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.) | Prior Approval |

| 9. | Rule # or Page # Submitted for Review | Replacement or Withdrawn? | Previous state filing number, if required by state |
|---|---|---|---|
| 01 | State exception pages submitted replace existing filed pages with changes per memorandum | ☐ New ☒ Replacement ☐ Withdrawn | |
| 02 | | ☐ New ☐ Replacement ☐ Withdrawn | |
| 03 | | ☐ New ☐ Replacement ☐ Withdrawn | |

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## 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, a duly authorized officer and actuary of Continental Casualty Company, 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's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are subject of this filing.

Sharon K Robinson — 4-4-07

Sharon K. Robinson, FCAS, MAAA — Date
Vice President & Actuary

Insurance Company FEIN 36 – 2114545 Filing Number 07-2163

Insurer's Address 40 Wall Street – 9th Floor

City NEW YORK State NY Zip Code 10005

Contact Person's:
-Name and E-mail Robert Alonzo - robert.alonzo@cna.com

-Direct Telephone and Fax Number 212-440-3478 Fax: 212-440-2877

# 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, a duly authorized officer of Continental Casualty Company, 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 he 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.

I, Sharon K. Robinson, FCAS, MAAA, a duly authorized actuary of The Casualty Actuarial Society, am authorized to certify on behalf of Continental Casualty 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 VP & Actuary - Pricing — 4-4-07

Signature and Title of Authorized Insurance Company Officer — Date

Sharon K Robinson VP & Actuary Pricing — 4-4-07

Signature and Title of Authorized Actuary — Date

Insurance Company FEIN 36-2114545 Filing Number 07-2163

Insurer's Address 40 Wall Street - 9th Fl

City New York, State NY Zip Code 10005

Contact Person's:
- Name and E-mail Robert Alonzo robert.alonzo@cna.com

- Direct Telephone and Fax Number 212-440-3478 Fax 212-440-2877

Form (RF-3)

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 6-1-07 Upon approval

| (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 - Chiropractic Professional Liability | 165,919 | +6.6% |

Line of Insurance

Does filing only apply to certain territory (territories) or certain classes? If so, specify: No

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): Statewide data is not credible. Base rate increase to account for countrywide indication of 6.6%.

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

Chiropractic Benefit Services Risk Purchasing Group

Continental Casualty Company
Name of Company

Micaah Morris, Regulatory Filings Technician
Official – Title

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
RECEIVED
MAY 08 2007
SPRINGFIELD, ILLINOIS

filing # 07-2163R

## Neuman, Gayle

**From:** Morris,Micaah [Micaah.Morris@cna.com]
**Sent:** Friday, August 10, 2007 8:06 AM
**To:** Neuman, Gayle
**Subject:** RE: Continental Casualty Company - Rate/Rule Filing #07-2163R

Good Morning G Neuman,

No we did not implement that proposed rate increase under # 07-2163R. We withdrew and re-submitted another rate filing under filing # 07-2163R REV (was mailed 08/01) in which we are requesting a the effective date be the earliest date permitted by your state.

Thank you.

-Micaah Morris

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Thursday, August 09, 2007 4:28 PM
**To:** Morris,Micaah
**Subject:** RE: Continental Casualty Company - Rate/Rule Filing #07-2163R

M. Morris,

Continental Casualty Company had requested a June 1, 2007 effective date for the filing number referenced above. Did Continental Casualty Company implement the rate increase as of June 1, 2007. Please advise.

Gayle Neuman
Division of Insurance

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**From:** Morris,Micaah [mailto:Micaah.Morris@cna.com]
**Sent:** Wednesday, August 01, 2007 2:13 PM
**To:** Anderson, Julie
**Cc:** Neuman, Gayle
**Subject:** RE: Continental Casualty Company - Rate/Rule Filing #07-2163R

<<07-2163R IL withdrawal letter dated 08-1-07.doc>>

Good Afternoon,

Attached please find a withdrawal letter for our filing.

Thank You,
-Micaah Morris

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Form (RF-3)

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

6-1-07

Change in Company's premium or rate level produced by rate revision effective Upon approval

| (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 - Chiropractic Professional Liability | 165,919 | +6.6% |

Line of Insurance

Does filing only apply to certain territory (territories) or certain classes? If so, specify: No

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):
Statewide data is not credible. Base rate increase to account for countrywide indication of 6.6%.

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

Chiropractic Benefit Services Risk Purchasing Group

Continental Casualty Company
Name of Company

Micaah Morris, Regulatory Filings Technician
Official – Title

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STATE OF ILLINOIS/IDFPR
RECEIVED
MAY 08 2007
SPRINGFIELD, ILLINOIS

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Filing # 07-2163R

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STATE OF ILLINOIS/IDFPR
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AUG 0 1 2007
SPRINGFIELD, ILLINOIS

**CONTINENTAL CASUALTY COMPANY**
**COMPANY PAGES**
**FOR**
**CHIROPRACTIC BENEFIT SERVICES RISK PURCHASING GROUP**

## I. APPLICATION OF MANUAL RULES

A. This manual provides rules, rates, premiums and classifications and shall govern the writing of policies for the chiropractic profession.

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.

C. Any exceptions to these manual rules are contained in the respective Section or State Rate Page.

## II. POLICY TERMS

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

## III. PREMIUM COMPUTATION

A. Compute the premium at policy inception using the rules, 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 used for less than a whole year.

C. Premiums are calculated as specified for the respective coverage. Premium rounding will be done in accordance with the Whole Dollar Rule.

The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds. The rates shall be applied in accordance with each practitioner's classification.

## IV. FACTORS OR MULTIPLIERS

Unless stated otherwise, factors or multipliers are to be applied consecutively and not added together.

## V. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be $200.00 per annual or lesser period.

## VI. PREMIUM PAYMENT PLAN

The Company may, at its discretion, offer to the Named Insured various premium payment options, including monthly, quarterly, and annual payment plans.

## VII. WHOLE DOLLAR RULE

If the result of the rating procedure is not a whole dollar, the result will be adjusted as follows:

A. any amount involving $.50 or over shall be rounded to the next higher whole dollar amount; or

B. any amount involving $.49 or less shall be rounded down to the next lower whole dollar amount.

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## VIII. 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, even if the policy inception premium was less than the policy writing minimum premium.

C. Waive additional premium of $10.00 or less.

## IX. RETURN PREMIUM

A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.

B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

C. 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.

D. Retain the policy writing minimum premium.

## X. COVERAGES

| | Coverage | Limit |
|---|---|---|
| A | Professional Liability | Claims-Made Basis |
| B | Licensure Defense Assistance | $30,000 Each Civil Proceeding<br>$30,000 Each Policy Period Aggregate |
| C | Deposition Assistance | $2,500 Each Deposition<br>$7,500 Each Policy Period Aggregate |
| D | Reimbursement for Attendance at Dispute Resolution | $500 Each Day<br>$5,000 Each Policy Period Aggregate |
| E | Property Damage Payment | $500 Each Claim<br>$1,000 Each Policy Period Aggregate |
| F | First Aid Reimbursement | $5,000 Each Person<br>$10,000 Each Policy Period Aggregate |

## XI. POLICY CANCELLATIONS

A. The policy may be canceled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.

B. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.

C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% (subject to Rule V. Policy Writing Minimum Premium) unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

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## XII. CLASSIFICATIONS – CALCULATION OF PREMIUM – Professional Liability Coverage

The base premium for the policy shall be the sum of the applicable charge for each insured based on his/her class, as developed below. The annual mature claims-made base rate for each class is stated on the respective State Exception page:

A. The following class descriptions will apply:

| Class | Description |
|---|---|
| 1 | Doctors of Chiropractic in Class 1 have as their sole objective the detection and correction of the vertebral subluxation. While they may be aware of the patient's symptoms or specific health problems, they do not attempt to treat those symptoms or conditions.<br><br>In addition, they use a "Terms of Acceptance" (TOA) document, which clearly explains their practice objective. In their report of findings, they note unusual findings not related to vertebral subluxations that they observed, but do not attempt to diagnose or label those findings and do not refer patients to medical practitioners in specific disciplines. They allow their patients to determine the need for medical advice or care.<br><br>Class 1 chiropractors use manual adjusting techniques, which can include hand-held, non-electric devices such as a Toftness Instrument, Atlas Orthogonal Instrument, Integrator Or Activator, etc.<br><br>In addition, they may use traction, extremity adjusting, massage, hot and cold packs, orthotics or other non-invasive modalities which they consider necessary in order to properly detect or correct subluxations, or which they feel will help patients maintain their adjustments.<br><br>Class 1 doctors do not use therapeutic agents, including nutritional supplements, homeopatic or naturopathic remedies, to treat diseases or suppress symptoms.<br><br>Surface electromyography (SEMG) is the paraspinal area may be used to measure a variety of physiological changes to determine if subluxation exists. Evidence-based documentation from spinal range of motion and computerized muscle testing studies fall within Class 1. Skin temperature measurement instruments may be used to evaluate neurological changes associated with vertebral subluxation.<br><br>No invasive procedures or diagnostic or treatment equipment or techniques should be used which are not directly related to the detection and correction or vertebral subluxation. X-ray and other imaging techniques may be used to assist in determining the presence or vertebral subluxation in the spine. |

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| | |
|---|---|
| 2 | Doctors of chiropractic in this class focus on the detection and correction of the vertebral subluxation. In addition, they may address neuromusculoskeletal complaints and treat spinal-related conditions and symptoms such as strains and sprains.<br><br>To achieve their practice objective, doctors in Class 2 may utilize everything included under Class 1 and, additionally, modalities such as electrical stimulation, ultrasound, diathermy whirlpool, cryotherpay, orthopedic supports, homeopathy related to the spine, athletic taping, etc., all for the purpose of detecting or correcting vertebral subluxation or diagnosing and treating neuromusculoskeletal complaints.<br><br>Although invasive procedures are not used, neurologic and orthopedic tests are sometimes utilized. Those chiropractors who hold licenses in acupuncture and perform techniques which require such a license shall be categorized in this class. |

B. The annual mature claims-made rates for each chiropractor are stated on the State Rate Page.

The annual step rates, under claims-made, for each Chiropractor shall be determined as follows:

1. If the chiropractor is just entering practice, or the chiropractor has continuously been insured under an "occurrence" policy, enter the step rate factor from the Table at the year one level.

2. If the chiropractor 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 chiropractor was covered under such claims-made policy(ies);

   b. determine the number of years in which the chiropractor 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 rate, found on the State Page, in effect at the inception of the policy.

| Step 1 | Step 2 | Step 3 | Step 4 |
|---|---|---|---|
| .49 | .75 | .95 | 1.00 |

C. **LOCATION OF PRACTICE**

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their practice time from outside the state. Those who derive more than 25% of their practice time outside the state shall be referred to the Company for underwriting approval and rating. We will charge the higher rate if there is multi-state exposure.

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## XIII. CREDITS AND SURCHARGES

The following applicable factors will be added together and the sum will be applied to the associated risk. The maximum credit applicable to any risk is shown on the respective State Rate page.

A. New Graduate

A "new" graduate is defined as an individual who is receiving his or her first chiropractic license and beginning a practice.

The following credits will apply:

75% for the first year in practice
40% for the second year in practice
25% for the third year in practice
15% for the fourth year in practice

B. Corporations/Partnerships/Associations

It shall be permissible to provide coverage for a corporation, partnership or association for liability arising from the practice of member chiropractors insured by the Company. Such coverage may be provided either:

a. on a shared limit of liability with the member practitioner, in which case no additional premium shall be charged; or

b. on a separate limit of liability basis. All practitioners of the corporation must purchase the same limit of liability. Additional premium shall be 15% of the total developed liability premium for each member.

C. Additional Insured

An additional insured, other than Corporations/Partnerships (such as an outpatient surgical center, managed care organization, hospital, etc.) may be added to the policy for an additional premium charge of 20% of the policy's total manual premium. All other Additional Insureds must be referred to the Company for approval and rating.

D. Vicarious Liability

A charge of 10% of the named insured's premium will be charged for each chiropractor not insured by CNA who presents a vicarious liability exposure to the named insured.

E. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of at least 30 days, but less that 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence. Leaves of absence are subject to underwriting approval.

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F. Part Time

A part time credit of:

50% of the applicable rate will apply to any practitioner who works 20 hours or less per week

G. Terms of Acceptance (for Class 2 only)
Class 2 Chiropractors who agree to use a "Terms of Acceptance" form for all patients will receive a 15% credit.

H. Locum Tenens

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability, and the substituting professional is subject to standard underwriting approval. There is no additional charge for a period not to exceed 60 days.

I. Loss Prevention/Risk Management
A Risk management credit of up to 10% will be applied to the rate, based upon completion of Company-sponsored risk management or Company-approved courses. Course content must include one or more of the following topics: patient communication, documentation, informed consent, confidentiality of records, litigation and other legal issues. Verifiable active participation is required in any such program. The course must be completed by the insured within 24 months of the policy effective date. This credit will be reapplied to subsequent coverage terms, provided that the course completion date is within 24 months of the effective date. This is subject to underwriting approval.

J. Experience Rating

The following claims-free credits will apply to the chiropractor's applicable class rate:

| **Minimum Number of Consecutive Years Claims-Free** | **Credit** |
|---|---|
| 5 | 10% |
| 10 | 15% |
| 20 | 20% |

K. Schedule Modification
A modification reflecting the specific individual characteristics of a risk shall be applied to the professional liability premium for chiropractors. The criteria (shown below) used in evaluating the risk will be applied objectively and uniformly to all risks. All applicable debits and credits from this Section K shall be added together and the sum shall be the total Schedule Modification. The total schedule modification shall be capped by the amount listed in state rate/exception page.

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**CONTINENTAL CASUALTY COMPANY**
**COMPANY PAGES**
**FOR**
**CHIROPRACTIC BENEFIT SERVICES RISK PURCHASING GROUP**

| Criteria | Credit | to | Debit |
|---|---|---|---|
| 1. Qualifications and experience of management | 10% | | 10% |
| 2. Cooperation with insurer | 10% | | 10% |
| 3. Selection and supervision of staff | 10% | | 10% |
| 4. Effective risk management program | 10% | | 10% |
| 5. Ongoing quality improvement program | 10% | | 10% |
| 6. Communication vehicle for patient questions and concerns | 10% | | 10% |
| 7. Use of recognized system of clinical guidelines | 10% | | 10% |
| 8. Well-maintained patient record system | 10% | | 10% |
| 9. Thorough documentation of patient care and interaction | 10% | | 10% |
| 10. Established policies and procedures for patient relations | 10% | | 10% |
| 11. Rehearsed emergency plan/equipment in place | 10% | | 10% |
| 12. High risk or experimental procedures or treatments | 0% | | 25% |
| 13. Loss experience | 10% | | 25% |
| 14. Demographics of Patient Group | 10% | | 25% |
| 15. Other risk deviations specific to the account | 15% | | 15% |

## XIV. LIMITS OF LIABILITY

The base rate on the state rate page contemplates a limit of $100K/$300K. Higher limits of liability may be selected by insureds. The associated factors listed below will apply to the $100K/$300K rate.

| Limits of Liability | Factor |
|---|---|
| **$100,000/$300,000** | **1.000** |
| **$200,000/$600,000** | **1.300** |
| **$250,000/$750,000** | **1.365** |
| **$500,000/$1,500,000** | **1.600** |
| **$1,000,000/$3,000,000** | **1.950** |
| **$2,000,000/$4,000,000** | **2.380** |
| **$2,000,000/$6,000,000** | **2.430** |

## XV. EXTENDED REPORTING PERIOD COVERAGE

A. The extension period is unlimited with respect to time. The availability of Extended Reporting Period Coverage shall be governed by the following rules:

1. The limits of liability will equal the limits of liability of the expiring policy.

2. Extended Reporting Period Coverage will be available to all named insureds shown on the Declarations page of this policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.

3. Should the entity terminate coverage under the policy, the entity may purchase this coverage by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.

4. Upon termination of coverage under this policy by reason of death or permanent disability, the insured's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.

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There will be no charge for Extended Reporting Period Coverage in the event of retirement from the practice of chiropractic and provided the insured is at least 52 years old and has been continuously insured by the Company for at least one year immediately preceding retirement.

This shall apply to all insureds otherwise qualifying for such coverage.

5. The Prior Acts date of coverage with this Company will determine the years of prior exposure in calculation of Extended Reporting Period Coverage.

6. Premium must be paid promptly when due.

7. In the event the policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

8. The factors in the following Table shall be applied to the *expiring premium*:

| **Years of Claims-Made Coverage** | **Factor** |
|---|---|
| **1** | **142%** |
| **2** | **134%** |
| **3** | **123%** |
| **4 or more** | **121%** |

CONTINENTAL CASUALTY COMPANY
STATE EXCEPTION/RATE PAGE FOR
CHIROPRACTIC BENEFIT SERVICES RISK PURCHASING GROUP

Illinois

DIVISION OF INSURANCE
STATE OF ILLINOIS/CHICAGO
WITHDRAWN
AUG 0 1 2007
SPRINGFIELD, ILLINOIS

## I. Amended Rules - Professional Liability

**Section VI, Quarterly Installment Option,** is amended to state the following:
The company will offer to all Named Insured a premium payment option as follows:
a. Each quarterly premium payment will be 25% of the total annual premium;
b. There will be no interest charges;
c. There will be quarterly installment charges equal to the lesser of 1% of the total annual premium or $25.00;
d. Any additional premium resulting from changes to the policy, mid-term, shall be spread equally over the remaining installment payments.

**Section XIII, Credits and Surcharges,** is amended to include the following:
The maximum discount applicable to any one risk shall be governed by the following:

| | |
|---|---|
| First Year New Graduate | 75% |
| Second Year New Graduate | 40% |
| Part-Time Chiropractor | 50% |
| All Others | 30% |

**Section XIII.K., Schedule Modifications,** is amended to include the following:
"The maximum schedule modification shall be capped at +/-25%."

**Section XV.A.8., Extended Reporting Period Coverage,** is amended to state the following:
The factors in the following Table shall be applied to the *expiring annual premium*.

| Years of Claims-Made Coverage | Factor |
|---|---|
| 1 | 142% |
| 2 | 134% |
| 3 | 123% |
| 4 or more | 121% |

## II. Territorial Definitions - Professional Liability

| | |
|---|---|
| Territory I | St. Clair County |
| Territory II | Cook |
| Territory III | Rest of State |

## III. Rates - Professional Liability

**Mature Claims-made Rate at $100K/$300K Limits**

| Class | Territory I | Territory II | Territory III |
|---|---|---|---|
| I | $1,502 | $1,387 | $1,072 |
| II | $2,003 | $1,850 | $1,430 |

**Occurrence Rate at $100K/$300K Limits**

| Class | Territory I | Territory II | Territory III |
|---|---|---|---|
| Student | $35 | $35 | $35 |

## Neuman, Gayle

**From:** Morris,Micaah [Micaah.Morris@cna.com]
**Sent:** Friday, May 11, 2007 11:22 AM
**To:** Neuman, Gayle
**Subject:** RE: Continental Casualty Company - Rate/Rule Filing #07-2163R
**Attachments:** IL_State_Exception 5-11-07 final.pdf; 07-2163R IL Response3 dated 05-11-07.pdf

Good Afternoon G. Neuman,

Attached, you will find the response to you email dated May 10, 2007

Thank You,
-Micaah

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Thursday, May 10, 2007 11:50 AM
**To:** Morris,Micaah
**Subject:** RE: Continental Casualty Company - Rate/Rule Filing #07-2163R

Mr. Micaah,

In regard to the Quarterly Installment Option, please indicate in the manual if this is being offered to all insureds or just to those insureds whose annual premium exceeds $500 to clarify your position.

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?

Ms. Gayle Neuman
217-524-6497

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**From:** Morris,Micaah [mailto:Micaah.Morris@cna.com]
**Sent:** Wednesday, May 09, 2007 1:52 PM
**To:** Neuman, Gayle
**Subject:** RE: Continental Casualty Company - Rate/Rule Filing #07-2163R

Good Afternoon G. Neuman,

Here is our response to your recent e-mail.

Thank You,
-Micaah

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Wednesday, May 09, 2007 9:26 AM
**To:** Morris,Micaah
**Subject:** Continental Casualty Company - Rate/Rule Filing #07-2163R

Mr. Morris,

With the submission of the filing referenced above, we require Continental Casualty also provide the

company pages of the manual for Chiropractic Benefit Services Risk Purchasing Group. In a brief review of the current manual pages, you will need to address the following changes:

1. All companies writing medical liability insurance shall file with the Secretary or Director a plan to offer each medical liability insured the option to make premium payments, in at least quarterly installments. For purposes of this requirement, insurers may, but are not required to, offer such premium installment plans to insureds whose annual premiums are less than $500, or for premium for any extension of a reporting period. Quarterly installment premium payment plans subject to this Section shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer may, but need not re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available. All quarterly installment premium payment plan provisions shall be contained in the filed rate and/or rule manual in a section entitled, "Quarterly Installment Option" or a substantially similar title. If the company uses a substantially similar title, the Rule Submission Letter must indicate the name of the section that complies with this requirement. All quarterly installment premium payment plans shall include the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below.

a) An initial payment of no more than 40% of the estimated total premium due at policy inception;

b) The remaining premium 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;

c) No interest charges;

d) Installment charges or fees of no more than 1% of the total premium or $25.00, whichever is less;

e) A provision stating that additional premium resulting from changes to the policy 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.

2. Provide a copy of the complete rate/rule manual, including any changes made with this filing. 50 Ill. Adm. Code 929.30 requires identification of all changes from superseding filings. We request a written statement indicating the only changes made to the filing were disclosed to this Division.

3. Under the Schedule Modification paragraph, it includes credits and debits of 0%, 10%, 15% and 25%. Are these actually 0%, 0-10%, 0-15% and 0-25%?

We request receipt of your response by May 16, 2007.

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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CNA

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

**Mr. Micaah Morris**
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P & C State Filing Unit
CNA Global Specialty Lines

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Facsimile 212-440-2877
Toll Free 877-269-3277 x 2319
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May 11, 2007

MS. GAYLE NEUMAN
ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF INSURANCE
PROPERTY AND CASUALTY COMPLIANCE UNIT
320 W WASHINGTON ST
SPRINGFIELD IL 62767-0001

**RE: Continental Casualty Company NAIC#218-20443, FEIN#36-2114545**
**Chiropractic Professional Liability Program**
**Rates, Rules Filing**
**Our File #: 07-2163R**

Dear Ms. Neuman:

Thank you for your e-mail dated May 10, 2007. Please note our following response to the issues you raised.

1. **In regard to the Quarterly Installment Option, please indicate in the manual if this is being offered to all insureds or just to those insureds whose annual premium exceeds $500 to clarify your position.**

   It is being offer to all insureds. (It is revised in the state pages).

2. **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?**

   CNA is an ISO reporting company and as such reports to ISO as required.

Thank you for your continued review of this filing.

Sincerely,

*Micaah Morris*

Micaah Morris
Regulatory Filings Technician

CNA

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

**Mr. Micaah Morris**
Regulatory Filings Technician
P & C State Filing Unit
CNA Global Specialty Lines

Telephone 212-440-2319
Facsimile 212-440-2877
Toll Free 877-269-3277 x 2319
Internet micaah.morris@cna.com

May 9, 2007

MS. GAYLE NEUMAN
ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF INSURANCE
PROPERTY AND CASUALTY COMPLIANCE UNIT
320 W WASHINGTON ST
SPRINGFIELD IL 62767-0001

**RE: Continental Casualty Company NAIC#218-20443, FEIN#36-2114545**
**Chiropractic Professional Liability Program**
**Rates, Rules Filing**
**Our File #: 07-2163R**

Dear Ms. Neuman:

Thank you for your e-mail dated May 7, 2007. Please note our following response to the issues you raised.

1. Please find attached the Countrywide Company Pages (manual). Also, our Illinois state exception/rate page (superseding page) states the "Quarterly Installment Option" which is already on file in Illinois.

2. In response to your request we are including the following items:
   - Countrywide Company Pages (05/2003);
   - Current Illinois State Exception/Rate Page (08/2006);
   - Proposed Illinois State Exception/Rate Page (2007); and
   - A marked copy to display the changes to the Illinois State Exception/Rate Page.

   Our Actuarial memorandum states all changes that the company made with this filing. This memorandum was disclosed to the Division of Illinois. If memorandum was not received, you may find attached to this e-mail the Actuarial memorandum.

3. Please note that the Schedule Modification includes ***ranges*** for each criteria. For example:
   - Qualifications and experience of management: 10% (credit) to 10% (debit)
   - High risk or experimental procedures or treatments: 0% (no mod) to 25% (debit)
   - Loss Experience: 10% (credit) to 25% (debit)

   The IL exception pages supersedes that the overall schedule mod shall be capped at +/-25%.

Thank you for your continued review of this filing.

Sincerely,

*Micaah Morris*

Micaah Morris
Regulatory Filings Technician

## Neuman, Gayle

**From:** Morris,Micaah [Micaah.Morris@cna.com]
**Sent:** Wednesday, May 09, 2007 1:52 PM
**To:** Neuman, Gayle
**Subject:** RE: Continental Casualty Company - Rate/Rule Filing #07-2163R
**Attachments:** IL_State_Exception - Revised 8-15-06(1).pdf; 07-2163R IL Response2 dated 05-09-07.pdf; General_Rule_Pages.pdf; IL Actuarial Memo.pdf; IL_State_Exception 2007.pdf; IL_State_Exception 2007-comparison.pdf

Good Afternoon G. Neuman,

Here is our response to your recent e-mail.

Thank You,
-Micaah

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Wednesday, May 09, 2007 9:26 AM
**To:** Morris,Micaah
**Subject:** Continental Casualty Company - Rate/Rule Filing #07-2163R

Mr. Morris,

With the submission of the filing referenced above, we require Continental Casualty also provide the company pages of the manual for Chiropractic Benefit Services Risk Purchasing Group. In a brief review of the current manual pages, you will need to address the following changes:

1. All companies writing medical liability insurance shall file with the Secretary or Director a plan to offer each medical liability insured the option to make premium payments, in at least quarterly installments. For purposes of this requirement, insurers may, but are not required to, offer such premium installment plans to insureds whose annual premiums are less than $500, or for premium for any extension of a reporting period. Quarterly installment premium payment plans subject to this Section shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer may, but need not re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available. All quarterly installment premium payment plan provisions shall be contained in the filed rate and/or rule manual in a section entitled, "Quarterly Installment Option" or a substantially similar title. If the company uses a substantially similar title, the Rule Submission Letter must indicate the name of the section that complies with this requirement. All quarterly installment premium payment plans shall include the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below.

a) An initial payment of no more than 40% of the estimated total premium due at policy inception;

b) The remaining premium 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;

c) No interest charges;

d) Installment charges or fees of no more than 1% of the total premium or $25.00, whichever is less;

e) A provision stating that additional premium resulting from changes to the policy 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.

2. Provide a copy of the complete rate/rule manual, including any changes made with this filing. 50 Ill. Adm. Code 929.30 requires identification of all changes from superseding filings. We request a written statement indicating the only changes made to the filing were disclosed to this Division.

3. Under the Schedule Modification paragraph, it includes credits and debits of 0%, 10%, 15% and 25%. Are these actually 0%, 0-10%, 0-15% and 0-25%?

We request receipt of your response by May 16, 2007.

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

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addressee(s) and may contain confidential and/or legally privileged information. If you are not the intended recipient of this message or if this message has been addressed to you in error, please immediately alert the sender by reply e-mail and then delete this message and any attachments. If you are not the intended recipient, you are notified that any use, dissemination, distribution, copying, or storage of this message or any attachment is strictly prohibited.

## Neuman, Gayle

**From:** Morris,Micaah [Micaah.Morris@cna.com]
**Sent:** Tuesday, May 08, 2007 1:09 PM
**To:** Neuman, Gayle
**Subject:** RE: Continental Casualty Company - Rate/Rule Filing #07-2163R
**Attachments:** 07-2163R IL Response1 dated 05-08-07.pdf; IL RF-3-updated.pdf

Good Afternoon G Neuman,

Attached you will find two documents. One with our response letter and the other with a revised IL RF 3 form.

Thank You,
-Micaah

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Monday, May 07, 2007 2:46 PM
**To:** Morris,Micaah
**Subject:** Continental Casualty Company - Rate/Rule Filing #07-2163R

M. Morris,

We are in receipt of the above referenced filing submitted with your letter dated May 4, 2007.

The Actuarial Memorandum indicates the policy inforce premium is $165,919. This number does not match the number in column 2 on the RF-3 Summary Sheet. Additionally, the RF-3 Summary Sheet indicates a countrywide increase of 6.6%. Please explain these issues.

Thank you for your prompt attention.

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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storage of this message or any attachment is strictly prohibited.

CNA

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

**Mr. Micaah Morris**
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CNA Global Specialty Lines

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Toll Free 877-269-3277 x 2319
Internet micaah.morris@cna.com

May 8, 2007

MS. GAYLE NEUMAN
ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF INSURANCE
PROPERTY AND CASUALTY COMPLIANCE UNIT
320 W WASHINGTON ST
SPRINGFIELD IL 62767-0001

**RE: Continental Casualty Company NAIC#218-20443, FEIN#36-2114545**
**Chiropractic Professional Liability Program**
**Rates, Rules Filing**
**Our File #: 07-2163R**

Dear Ms. Neuman:

Thank you for your e-mail dated May 7, 2007. Please note our following response to the issues you raised.

**Department Comment**
**The Actuarial Memorandum indicates the policy inforce premium is $165,919. This number does not match the number in column 2 on the RF-3 Summary Sheet. Additionally, the RF-3 Summary Sheet indicates a countrywide increase of 6.6%. Please explain these issues.**

Company Response
Here is the revised RF-3 Summary Sheet. We matched the premium with the Actuarial Memorandum. The premium in the Summary Sheet included other companies' premium not needed to be filed. We indicated our rates on a countrywide basis because the Company does not have enough credible statewide data to base their review on.

Thank you for your continued review of this filing.

Sincerely,
*Micaah Morris*
Micaah Morris
Regulatory Filings Technician

Form (RF-3)

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective Upon approval

| (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 - Chiropractic Professional Liability | 214,491 | +6.6% |
| Line of Insurance | | |

Does filing only apply to certain territory (territories) or certain classes? If so, specify: No

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):
Base rate increase to account for countrywide indication of 6.6%

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

Continental Casualty Company
Name of Company

Micaah Morris, Regulatory Filings Technician
Official – Title

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
RECEIVED
MAY 07 2007
SPRINGFIELD, ILLINOIS

CONTINENTAL CASUALTY COMPANY
STATE EXCEPTION/RATE PAGE FOR
CHIROPRACTIC BENEFIT SERVICES RISK PURCHASING GROUP

## I. Amended Rules - Professional Liability

**Section VI, Quarterly Installment Option,** is amended to state the following:
The company will offer to the Named Insured a premium payment option as follows:
a. Each quarterly premium payment will be 25% of the total annual premium;
b. There will be no interest charges;
c. There will be quarterly installment charges equal to the lesser of 1% of the total annual premium or $25.00;
d. Any additional premium resulting from changes to the policy, mid-term, shall be spread equally over the remaining installment payments.

**Section XIII, Credits and Surcharges,** is amended to include the following:
The maximum discount applicable to any one risk shall be governed by the following:

| | |
|---|---|
| First Year New Graduate | 75% |
| Second Year New Graduate | 40% |
| Part-Time Chiropractor | 50% |
| All Others | 30% |

**Section XIII.K., Schedule Modifications,** is amended to include the following:
"The maximum schedule modification shall be capped at +/-25%."

**Section XV.A.8., Extended Reporting Period Coverage,** is amended to state the following:
The factors in the following Table shall be applied to the *expiring annual premium*.

| Years of Claims-Made Coverage | Factor |
|---|---|
| 1 | 142% |
| 2 | 134% |
| 3 | 123% |
| 4 or more | 121% |

## II. Territorial Definitions - Professional Liability

| | |
|---|---|
| Territory I | St. Clair County |
| Territory II | Cook |
| Territory III | Rest of State |

## III. Rates - Professional Liability

Mature Claims-made Rate at $100K/$300K Limits

| Class | Territory I | Territory II | Territory III |
|---|---|---|---|
| I | $1,502 | $1,387 | $1,072 |
| II | $2,003 | $1,850 | $1,430 |

Occurrence Rate at $100K/$300K Limits

| Class | Territory I | Territory II | Territory III |
|---|---|---|---|
| Student | $35 | $35 | $35 |

***Continental Casualty Company***

***Chiropractic Professional Liability***
***Illinois***

***Actuarial Memorandum***

Continental Casualty Company (the Company) is proposing one change to its Chiropractic Benefit Services Risk Purchasing Group program (the program).

The Company proposes an increase to the base rate of +6.6%, based on a countrywide analysis of our Chiropractic Professional Liability experience data evaluated as of year-end 2006. Exhibit 2 provides the summary analysis for support of our indicated rate change.

Exhibit 1 provides historical expense experience for the Company based on the Company's Insurance Expense Exhibit for the medical malpractice line of business. Also provided in Exhibit 1 are the projected expenses for the program.

***Continental Casualty Company***

***Chiropractic Professional Liability***
***Illinois***

***Actuarial Memorandum***

Continental Casualty Company (the Company) is proposing one change to its Chiropractic Benefit Services Risk Purchasing Group program (the program).

The Company proposes an increase to the base rate of +6.6%, based on a countrywide analysis of our Chiropractic Professional Liability experience data evaluated as of year-end 2006. Exhibit 2 provides the summary analysis for support of our indicated rate change.

Exhibit 1 provides historical expense experience for the Company based on the Company's Insurance Expense Exhibit for the medical malpractice line of business. Also provided in Exhibit 1 are the projected expenses for the program.

The base rate change impact is 6.6%. Policy inforce premium is $165,919.

Exhibit 1

**Continental Casualty Company**
Chiropractic Professional Liability - Chiropractic Benefit Risk Purchasing Group

Development of Permissible Loss Ratio

| | | 2003 | | 2004 | | 2005 | | 3 Year | |
|---|---|---|---|---|---|---|---|---|---|
| | | $000 | % | $000 | % | $000 | % | Average | Selected |
| (1) | Written Premium | 173,039 | | 196,630 | | 190,115 | | | |
| (2) | Earned Premium | 171,245 | | 189,085 | | 186,569 | | | |
| (3) | Commission & Brokerage Fees | 14,772 | 8.5% | 15,852 | 8.1% | 16,734 | 8.8% | 8.5% | 20.0% |
| (4) | General and Other Acquisition Expense | 8,287 | 4.8% | 4,316 | 2.3% | 6,317 | 3.4% | 3.5% | 6.3% |
| (5) | Taxes, Licenses & Fees | 3,184 | 1.8% | 7,532 | 3.8% | 4,799 | 2.5% | 2.8% | 3.0% |
| (6) | Profit & Contingencies | | | | | | | | 1.1% |
| (7) | Total Expenses & Profit = (3)+(4)+(5)+(6) | | | | | | | | 30.4% |
| (8) | Permissible Loss & LAE Ratio = 1.0 - (7) | | | | | | | | 69.6% |

Calculation of ULAE Factor

| | | 2003 | | 2004 | | 2005 | | 3 Year | |
|---|---|---|---|---|---|---|---|---|---|
| | | $000 | % | $000 | % | $000 | % | Average | Selected |
| (9) | Incurred Loss | 196,292 | | 172,376 | | 180,338 | | | |
| (10) | Incurred Allocated Loss Adj. Expense | 53,770 | | (5,906) | | 52,951 | | | |
| (11) | Incurred Loss & ALAE = (9) + (10) | 250,062 | | 166,470 | | 233,289 | | | |
| (12) | Unallocated Loss Adj. Expense | 14,445 | 5.8% | 5,345 | 3.2% | 11,158 | 4.8% | 4.8% | 6.0% |

Source: Continental Casualty Company Insurance Expense Exhibit, Line 11.0
Comment: The data is for total Medical Malpractice, but the selection is for the Chiropractic Benefit Risk Purchasing Group Program.

**CNA HealthPro**
**Chiropractors Professional Liability**
Calculation of Indicated Rate Change
As of December 31, 2006

| | | |
|---|---|---|
| (1) | Expected On-Level Loss & ALAE Ratio | 70.4% |
| (2) | ULAE Load | 6.0% |
| (3) | Expected On-Level Loss & LAE Ratio | 74.6% |
| (4) | Commission Ratio | 20.00% |
| (5) | Other Variable Expense Ratio | 3.00% |
| (6) | General Expense Ratio | 6.30% |
| (7) | On-Level Combined Ratio | 103.9% |
| (8) | Indicated Rate Change Effective 7/1/07<br>(Based on a **98.9%** Combined Ratio @15% ROE) | 6.6% |

**Notes:**

(1) On-Level Loss Ratio, Column (6)
(2) Exhibit 1 - Selected column
(3) = (1) x [1 + (2)]
(4) Exhibit 1 - Selected column
(5) Exhibit 1 - Selected column
(6) Exhibit 1 - Selected column
(7) = (3) + (4) + (5) + (6)
(8) = [ (3) + (6) ] / [ (.989 - (4) - (5) ] - 1

**CNA HealthPro - Chiropractors Professional Liability**
Calculation of On-Level Loss & ALAE Ratio
As of December 31, 2006

| Report Year | (1) Earned Premium | (2) CLEP | (3) Ultimate Loss & ALAE | (4) (4.5%) Trend Factor | (5) Ultimate Loss & ALAE Ratio | (6) On-Level Ultimate Loss & ALAE Ratio | (7) Adjusted & Trended Ultimate Loss & ALAE |
|---|---|---|---|---|---|---|---|
| 2003 (July - Dec.) | 794,659 | 806,610 | 664,750 | 1.210 | 83.7% | 99.7% | 804,574 |
| 2004 | 4,688,870 | 4,759,391 | 2,886,000 | 1.171 | 61.6% | 71.0% | 3,378,893 |
| 2005 | 5,752,976 | 5,743,365 | 3,540,956 | 1.120 | 61.6% | 69.1% | 3,967,186 |
| 2006 | 6,506,697 | 6,370,536 | 4,004,872 | 1.072 | 61.6% | 67.4% | 4,293,725 |
| Total | 17,743,201 | 17,679,903 | 11,096,578 | | 62.5% | 70.4% | 12,444,378 |
| **Selected** | | | | | | **70.4%** | |

## Answers to Questions 10, 11 and 12:

The most recently completed loss reserve analysis of this company, which is in the Continental Casualty Company Pool of the CNA Group, was as of 12/31/2003 valuation date.

This analysis was an actuarial exam of the pool completed by a consultant, Tillinghast-Towers Perrin, as part of a financial exam. The results of this analysis indicated that reserves of the pool make a reasonable provision for the Unpaid Loss and Loss Adjustment Expense obligation of the company.

Exhibit 3

CONTINENTAL CASUALTY COMPANY
CURRENT AND PROPOSED BASE RATES FOR
CHIROPRACTIC BENEFIT SERVICES RISK PURCHASING GROUP

| Territory | Class | Current Rates | Proposed Rates |
|---|---|---|---|
| I | I | 1,409 | 1,502 |
| I | II | 1,879 | 2,003 |
| II | I | 1,301 | 1,387 |
| II | II | 1,735 | 1,850 |
| III | I | 1,006 | 1,072 |
| III | II | 1,341 | 1,430 |

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

| 1. Reserved for Insurance Dept. Use Only | 2. Insurance Department Use only |
|---|---|
| DIVISION OF INSURANCE STATE OF ILLINOIS/IDFPR FILED SEP 01 2006 SPRINGFIELD, ILLINOIS | a. Date the filing is received: |
| | b. Analyst: |
| | c. Disposition: |
| | d. Date of disposition of the filing: |
| | e. Effective date of filing: |
| | f. State Filing #: |
| | g. SERFF Filing #: |
| | h. Subject Codes |

RECEIVED JUN 12 2006 IDFPR (MPO) DIVISION OF INSURANCE SPRINGFIELD

| 3. Group Name | Group NAIC # |
|---|---|
| CNA Insurance Companies | 0218 |

| 4. Company Name(s) | Domicile | NAIC # | FEIN # |
|---|---|---|---|
| Continental Casualty Company | IL | 20443 | 36-2114545 |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

| 5. Company Tracking Number | 06-R2126 |
|---|---|

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

| 6. Name and address | Title | Telephone #s | FAX # | e-mail |
|---|---|---|---|---|
| John Lockhart, 40 Wall Street, 9th Floor, New York, NY 10005 | Regulatory Filings Technician | 212-440-3270 | 212-440-2877 | john.lockhart@cna.com |
| | | 877-269-3277 x 3270 | | |

| | |
|---|---|
| 7. Signature of authorized filer | |
| 8. Please print name of authorized filer | John Lockhart |

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

| | |
|---|---|
| 9. Type of Insurance (TOI) | 05.2 Commercial Multi-Peril - Liability Portion Only |
| 10. Sub-Type of Insurance (Sub-TOI) | 05.2000 CMP Sub-TOI Combinations |
| 11. State Specific Product code(s) (if applicable)[See State Specific Requirements] | |
| 12. Company Program Title (Marketing title) | National Dental Program |
| 13. Filing Type | ☐ Rate/Loss Cost ☐ Rules ☒ Rates/Rules ☐ Forms ☐ Combination Rates/Rules/Forms ☐ Withdrawal ☐ Other |
| 14. Effective Date(s) Requested | New: 07/15/2006 Renewal: 07/15/2006 |
| 15. Reference Filing? | ☐ Yes ☒ No |
| 16. Reference Organization (if applicable) | N/A |
| 17. Reference Organization # & Title | N/A |
| 18. Company's Date of Filing | 07/08/2006 |
| 19. Status of filing in domicile | ☐ Not Filed ☐ Pending ☐ Authorized ☐ Disapproved |

# Property & Casualty Transmittal Document—

| 20. | **This filing transmittal is part of Company Tracking #** | 06-2126 |
|---|---|---|

| 21. | **Filing Description** [This area should be similar to the body of a cover letter and is free-form text] |
|---|---|

On behalf of Continental Casualty Company, we are submitting the above captioned filing for use with our approved National Dental Program currently on file with your department.

Enclosed for your review please find:

- The Actuarial memorandum, along with revised manual and state pages, which will replace what is currently on file.

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

**Check #:**
**Amount:**

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

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

# RATE/RULE FILING SCHEDULE

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

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

| | | |
|---|---|---|
| **1.** | **This filing transmittal is part of Company Tracking #** | **06-R2126** |
| **2.** | **This filing corresponds to form filing number** (Company tracking number of form filing, if applicable) | **06-F2126** |

☒ Rate Increase ☐ Rate Decrease ☐ Rate Neutral (0%)

**3. Filing Method (Prior Approval, File & Use, Flex Band, etc.)**

**4a. Rate Change by Company (As Proposed)**

| Company Name | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change (where required) | Minimum % Change (where required) |
|---|---|---|---|---|---|---|
| Continental Casualty Co | +2.2% | $20,969 | 242 | 964,560 | +3.0% | 0.0% |
| | | | | | | |

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

| Company Name | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change | Minimum % Change |
|---|---|---|---|---|---|---|
| | | | | | | |

**5. Overall Rate Information (Complete for Multiple Company Filings only)**

| | | COMPANY USE | STATE USE |
|---|---|---|---|
| 5a | Overall percentage rate impact for this filing | +2.2% | |
| 5b | Effect of Rate Filing – Written premium change for this program | $20,969 | |
| 5c | Effect of Rate Filing – Number of policyholders affected | 242 | |
| 6. | Overall percentage of last rate revision | -0.3% | |
| 7. | Effective Date of last rate revision | 7/1/2005 | |
| 8. | Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.) | | |

| 9. | Rule # or Page # Submitted for Review | Replacement or withdrawn? | Previous state filing number, if required by state |
|---|---|---|---|
| 01 | Countrywide Manual Pages:<br>CCC-DENTAL-PL-9<br>CCC-DENTAL-PROPERTY-1,2,4 | ☒ Replacement<br>☐ Withdrawn<br>☐ Neither | |
| 02 | State Exception Pages:<br>CCC-EX-3,6 | ☒ Replacement<br>☐ Withdrawn<br>☐ Neither | |
| 03 | | ☐ Replacement<br>☐ Withdrawn<br>☐ Neither | |
| 04 | | ☐ Replacement<br>☐ Withdrawn<br>☐ Neither | |


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Form (RF-3)

# ILLINOIS DEPARTMENT OF INSURANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 08/01/2006

| (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 | 58,460 | 0.0% |
| 4. Burglary and Theft | | |
| 5. Glass | | |
| 6. Fidelity | | |
| 7. Surety | | |
| 8. Boiler and Machinery | | |
| 9. Fire | 210,607 | 0.0% |
| 10. Extended Coverage | | |
| 11. Inland Marine | | |
| 12. Homeowners | | |
| 13. Commercial Multi-Peril | | |
| 14. Crop Hail | | |
| 15. Other Professional Liability (Line of Insurance) | 698,960 | 3.0% |

Does filing only apply to certain territory (territories) or certain classes? If so, specify: Yes. No change to PL base rate for class IV.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): With this filing, Continental Casualty Company ("CNA") proposes a number of rate/rule changes to its Dental Professional Program. The changes are itemized by coverage in the enclosed actuarial memorandum.

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

Continental Casualty Company
Name of Company

Sharon Robinson
Official – Title

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
RECEIVED
JUL 12 2006
SPRINGFIELD, ILLINOIS

Form (RF-3)

# ILL' OIS DEPARTMENT OF INSU' ANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 07/15/2006

| (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 | 964,560 | +2.2% |
| 14. Crop Hail | | |
| 15. Other _____ (Line of Insurance) | | |

Does filing only apply to certain territory (territories) or certain classes? If so, specify: Yes. No change to PL base rate for class IV.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): With this filing, Continental Casualty Company ("CNA") proposes a number of rate/rule changes to its Dental Professional Program. The changes are itemized by coverage in the enclosed actuarial memorandum.

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

Continental Casualty Company
Name of Company

SNR VICE PRESIDENT
Official – Title

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
RECEIVED
JUN 12 2006
SPRINGFIELD, ILLINOIS

# 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 Robinson, a duly authorized officer of CNA 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's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Sharon Robinson, a duly authorized actuary of CNA Insurance Companies am authorized to certify on behalf of Continental Casualty 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 the subject of this filing.

Sharon K Robinson Vice President & Actuary 7-10-06
Signature and Title of Authorized Insurance Company Officer Date

Sharon K Robinson Vice President & Actuary 7-10-06
Signature, Title and Designation of Authorized Actuary Date

Insurance Company FEIN 36-2114545 Filing Number 06-2126

Insurer's Address

333 S. Wabash Avenue

City Chicago State IL Zip Code 60613

Contact Person's:
-Name: Sharon Robinson E-mail: Sharon.Robinson@cna.com

-Direct Telephone: (312) 822-5411 Fax Number: _____

**Continental Casualty Company**
Dental Professional Program

Actuarial Memorandum
Illinois

With this filing, Continental Casualty Company ("CNA") proposes a number of rate/rule changes to its Dental Professional Program in Illinois. The overall impact of these changes is 2.2%, as shown in Exhibit 1. The changes are itemized, by coverage, below

*Professional Liability*

(1) The introduction of a $25 rate for a new consulting services endorsements. This is an optional coverage that can be added to the policy.
(2) The Professional Liability base rates for all classifications, except the faculty class, have been increased by 3.0%. The development of the indicated rate need in Illinois is shown in Exhibits 2 and 3.
(3) We've eliminated the $1M/$3M rates from the state exception page. Limits of $1M$3M are still available. They will be calculated using the 1.02 factor listed under the Increased Limit Factor rule in the countrywide manual.

*Property*

(4) An increase in the automatic coverage for Accounts Receivable from $13,500 to $25,000. This limit was increased as a coverage enhancement with no change in rate.
(5) A change in the base property deductible from 1% wind/$250 all other perils to $250 for all perils. The rates have been increased by 2% to offset the change in deductible. The 2% rate change was derived based on the deductible credits at the two deductible levels.
(6) The introduction of premium credits for a $10,000 all other peril property deductible option. In addition, while calculating the deductible credit for the new $10,000 option, we noticed that there were reversals in the credits for other options. Therefore, with this filing we are also slightly increasing some of the deductible credits for existing options to eliminate reversals. The $10,000 deductible credits were derived considering the losses expected to be eliminated under the increased deductible.
(7) Revised wording related to the waiting period for the property time element coverages. Currently the manual lists the waiting period at 24 hours. We have changed it to read "no sooner than 24 hours" to recognize that a longer 72 hour BI deductible is available by endorsement.
(8) The rating rule for Time Element Coverages on an Actual Loss Sustained basis has been revised to reflect that the Actual Loss Sustained charge of 11.5% does not apply if the amount of daily value limit purchased matches the actual daily income.
(9) Reduction in the charge for the optional PPP Gold Endorsement from $135 to $100.

Revised versions of the countrywide manual pages for the professional liability and property sections, as well as revised state exception pages, reflecting the changes outlined above are included with this submission.

Exhibit 1

**Continental Casualty Company**
Dental Professional Program

Calculation of Overall Premium Level Change
Illinois

| | 2005 Written Premium | Proposed Rate Change | Premium Level Impact |
|---|---|---|---|
| Professional Liability | 698,960 | +3.0% | 20,969 |
| General Liability | 58,460 | 0.0% | 0 |
| Property | 207,140 | 0.0% | 0 |
| Total | 964,560 | +2.2% | 20,969 |

Exhibit 2.1

**Continental Casualty Company**
Dental Professional Program

Derivation of Indicated Professional Liability Premium Level Change
Illinois

| Calendar Accident Year | (1) On-Leveled Earned Premium | (2) Limited Ultimate Indemnity | (3) Large Loss Loading | (4) =(2)+(3) Total Ultimate Indemnity | (5) 4.5% Indemnity Trend Factor |
|---|---|---|---|---|---|
| 1995 | 4,943,492 | 1,559,340 | 273,687 | 1,833,028 | 1.696 |
| 1996 | 4,126,806 | 1,392,347 | 263,694 | 1,656,041 | 1.623 |
| 1997 | 3,442,566 | 1,284,215 | 270,419 | 1,554,634 | 1.553 |
| 1998 | 2,967,689 | 505,186 | 46,268 | 551,454 | 1.486 |
| 1999 | 2,646,909 | 832,259 | 174,513 | 1,006,772 | 1.422 |
| 2000 | 2,415,502 | 453,396 | 88,634 | 542,030 | 1.361 |
| 2001 | 2,336,576 | 147,457 | 41,333 | 188,789 | 1.302 |
| 2002 | 1,990,323 | 340,317 | 66,900 | 407,217 | 1.246 |
| 2003 | 1,182,480 | 307,043 | 93,448 | 400,490 | 1.193 |
| 2004 | 704,194 | 1,288 | 150 | 1,438 | 1.141 |

| Calendar Accident Year | (6) Ultimate ALAE | (7) 2.5% ALAE Trend Factor | (8) Frequency Adjustment Factor | (9) =[(4)x(5)+(6)x(7)]x(8) Trended Ultimate Loss & ALAE | (10) =(9)/(1) Projected Loss & ALAE Ratio |
|---|---|---|---|---|---|
| 1995 | 623,152 | 1.345 | 0.929 | 3,668,184 | 74.2% |
| 1996 | 1,755,422 | 1.312 | 0.988 | 4,930,291 | 119.5% |
| 1997 | 943,208 | 1.280 | 0.684 | 2,477,809 | 72.0% |
| 1998 | 330,571 | 1.249 | 0.616 | 758,616 | 25.6% |
| 1999 | 684,293 | 1.218 | 0.620 | 1,405,074 | 53.1% |
| 2000 | 430,145 | 1.189 | 0.784 | 979,532 | 40.6% |
| 2001 | 165,476 | 1.160 | 0.846 | 370,252 | 15.8% |
| 2002 | 168,547 | 1.131 | 0.951 | 664,186 | 33.4% |
| 2003 | 249,764 | 1.104 | 0.919 | 692,399 | 58.6% |
| 2004 | 32,846 | 1.077 | 1.167 | 43,195 | 6.1% |

| | | |
|---|---|---|
| (11) | Selected Ultimate Loss & ALAE Ratio | 48.2% |
| (12) | Credibility =(1)-5Yr / [(1)-5Yr + K], K = 12,743,138 | 40.4% |
| (13) | Countrywide Ultimate Loss & ALAE Ratio (Exhibit 2.2) | 61.3% |
| (14) | Credibility Weighted Ultimate Loss & ALAE Ratio = (11) x (12) + (13) x [1 - (12 | 56.0% |
| (15) | Average Premium Modification Factor | 0.796 |
| (16) | Ultimate Loss & ALAE Ratio and Manual Rate Level = (14) / (15) | 70.4% |
| (17) | Permissible Loss & ALAE Ratio (Exhibit 3) | 62.5% |
| (18) | Indicated Premium Level Change = (16) / (17) | +12.6% |
| (19) | Selected Professional Liability Premium Level Change | +3.0% |

Exhibit 2.2

**Continental Casualty Company**
Dental Professional Program

Derivation of Professional Liability Complement to Credibility
Countrywide

| Calendar Accident Year | (1) On-Leveled Earned Premium | (2) Limited Ultimate Indemnity | (3) Large Loss Loading | (4) =(2)+(3) Total Ultimate Indemnity | (5) 4.5% Indemnity Trend Factor |
|---|---|---|---|---|---|
| 1995 | 65,955,569 | 17,512,017 | 3,073,616 | 20,585,633 | 1.696 |
| 1996 | 63,763,982 | 18,895,906 | 3,578,664 | 22,474,570 | 1.623 |
| 1997 | 61,847,142 | 16,379,893 | 3,449,142 | 19,829,034 | 1.553 |
| 1998 | 58,996,933 | 16,631,076 | 1,523,160 | 18,154,235 | 1.486 |
| 1999 | 52,523,508 | 14,338,899 | 3,006,656 | 17,345,555 | 1.422 |
| 2000 | 47,371,353 | 13,300,000 | 2,600,000 | 15,900,000 | 1.361 |
| 2001 | 44,685,347 | 13,200,000 | 3,700,000 | 16,900,000 | 1.302 |
| 2002 | 41,167,644 | 11,700,000 | 2,300,000 | 14,000,000 | 1.246 |
| 2003 | 40,384,816 | 11,500,000 | 3,500,000 | 15,000,000 | 1.193 |
| 2004 | 39,503,990 | 10,300,000 | 1,200,000 | 11,500,000 | 1.141 |

| Calendar Accident Year | (6) Ultimate ALAE | (7) 2.5% ALAE Trend Factor | (8) Frequency Adjustment Factor | (9) =[(4)x(5)+(6)x(7)]x(8) Trended Ultimate Loss & ALAE | (10) =(9)/(1) Projected Loss & ALAE Ratio |
|---|---|---|---|---|---|
| 1995 | 10,900,000 | 1.345 | 0.929 | 46,050,605 | 69.8% |
| 1996 | 12,000,000 | 1.312 | 0.988 | 51,587,303 | 80.9% |
| 1997 | 11,600,000 | 1.280 | 0.684 | 31,218,107 | 50.5% |
| 1998 | 10,100,000 | 1.249 | 0.616 | 24,388,309 | 41.3% |
| 1999 | 9,000,000 | 1.218 | 0.620 | 22,092,306 | 42.1% |
| 2000 | 9,500,000 | 1.189 | 0.784 | 25,815,309 | 54.5% |
| 2001 | 9,000,000 | 1.160 | 0.846 | 27,447,419 | 61.4% |
| 2002 | 8,000,000 | 1.131 | 0.951 | 25,198,775 | 61.2% |
| 2003 | 8,000,000 | 1.104 | 0.919 | 24,554,101 | 60.8% |
| 2004 | 7,200,000 | 1.077 | 1.167 | 24,361,643 | 61.7% |

(11) Selected Countrywide Ultimate Loss & ALAE Ratio 61.3%

Exhibit 3

**Continental Casualty Company**
Dental Professional Program

Budgeted Expense Provisions and Permissible Loss & ALAE Ratio

| Premium Component | | % of Premium |
|---|---|---|
| (1) Fixed Expense Ratio as a Percentage of Premium | | 5.56% |
| (2) Variable Expense Ratio as a Percetage of Premium | | 24.46% |
| Commissions | 21.65% | |
| Premium Tax | 1.88% | |
| Other Acq | 0.93% | |
| (3) ULAE | | 5.35% |
| (4) Underwriting Profit Provision | | 2.10% |
| (5) Total Expenses & Profit Load = (1)+(2)+(3)+(4) | | 37.47% |
| (6) Permissible Loss & ALAE Ratio = 1.0 - (5) | | 62.53% |

## Neuman, Gayle

**From:** Houser,Lakesha [Lakesha.Houser@CNA.com]
**Sent:** Tuesday, August 29, 2006 10:28 AM
**To:** Neuman, Gayle
**Cc:** Alonzo,Robert A.; Lockhart,John C.
**Subject:** RE: NATIONAL DENTAL PROGRAM- RATE/RULE FILING #06R2126 (questions sent to John Lockhart 8/15/2006)
**Importance:** High
**Attachments:** IL Rate Response #5.doc; IL State Pages 0906.doc

Good Morning Ms. Neuman

Thank you for your email sent to John Lockhart and referenced below.

Attached please find our response.

Please contact us with any other questions or comments you may have.

Thanks

Lakesha Houser

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Friday, August 25, 2006 12:07 PM
**To:** Houser,Lakesha
**Subject:** FW: NATIONAL DENTAL PROGRAM- RATE/RULE FILING #06R2126 (questions sent to John Lockhart 8/15/2006)
**Importance:** High

Ms. Houser,

As Mr. Lockhart is out of the office until August 31, 2006, perhaps you can forward this e-mail for handling. Thank you for your assistance.

Gayle Neuman
Division of Insurance

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**From:** Neuman, Gayle
**Sent:** Friday, August 25, 2006 10:49 AM
**To:** 'John.Lockhart@CNA.com'
**Subject:** FW: NATIONAL DENTAL PROGRAM- RATE/RULE FILING #06R2126 (questions sent to John Lockhart 8/15/2006)
**Importance:** High

Mr. Lockhart,

We have reviewed CNA's 8/23/06 response. There are additional required changes for compliance.

1. The intent of the law is to offer every medical malpractice insured such quarterly premium payment installment plan, unless however their premium does not exceed $500 annually. Therefore we

require the wording "with acceptable loss experience & satisfactory credit history" be removed.

2. We request wording to be added that indicates that no interest charges are assessed.

3. We request the section be titled "Quarterly Installment Option".

4. We request wording to be added indicating additional premium resulting from changes will be spread equally over the remaining installements, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

Your prompt attention is appreciated.

Gayle Neuman
Division of Insurance

---

**From:** Houser,Lakesha [mailto:Lakesha.Houser@CNA.com]
**Sent:** Wednesday, August 23, 2006 2:34 PM
**To:** Neuman, Gayle
**Cc:** Lockhart,John C.; Alonzo,Robert A.
**Subject:** NATIONAL DENTAL PROGRAM- RATE/RULE FILING #06R2126 (questions sent to John Lockhart 8/15/2006)
**Importance:** High

Good Afternoon Mrs. Neuman

Thank you for your correspondence on August 15, 2006 mailed to ***John Lockhart*** and referenced below.

Attached please find CNA's response to your questions and concerns raised.

Please contact John with any other questions or comments you may have on this filing.

Sincerely,

Lakesha Houser
Regulatory Filings Technician
40 Wall Street- 9th Floor
New York, NY 10005
(212) 440-3470

<<IL Rate Response #3.pdf>> <<IL State Pages 0806.pdf>> **RESPONSE TO QUESTIONS DATED 8/15/2006**

<<IL Rate Objection #3.doc>> **QUESTIONS RAISED FOR REFERENCE**

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K

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 212-440-3270
Facsimile 212-440-2877
Toll Free 877-269-3277
x 3270
Internet
john.lockhart@cna.com

August 28, 2006

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

RE: Continental Casualty Company NAIC# 20443, FEIN# 36-2114545
National Dental Program – Rate/Rule Filing
Our File #: 06-R2126

Dear Ms. Neuman:

Thank you for your e-mail dated August 25, 2006. Please note our following response to the issue you raised.

1. In response to your comments, we revised an amended rule (section I.A) for the premium payment plan in the Illinois Company State Pages. The revised Illinois Company State Pages are attached and they replace any earlier editions that were submitted as part of this filing.

Thank you for your continued review of this filing.

Sincerely,

John Lockhart

COMPANY STATE PAGE
FOR
DENTAL PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

## I. Amended Rules - General

Reserved for future use.

## II. Amended Rules - General Liability (GL)

A. Rule II., MINIMUM LIMITS OF LIABILITY is deleted in its entirety and replaced by the following:

LIMITS OF LIABILITY

The rates listed above are for limits of $1,000,000 (each claim) / $2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the $1M/2M rate).

Individual Practice:

| Increased Limit | Increased Limit Factor |
|---|---|
| $1M/2M | 1.000 |
| $1M/3M | 1.011 |
| $2M/2M | 1.071 |
| $2M/3M | 1.085 |
| $2M/4M | 1.098 |
| $3M/3M | 1.160 |
| $3M/6M | 1.202 |
| $4M/4M | 1.240 |
| $5M/5M | 1.320 |
| $5M/8M | 1.351 |

## IV. Amended Rules – Professional Liability (PL)

A. Rule V, SUPPLEMENTAL MODIFICATIONS-PROFESSIONAL LIABILITY, C., Experience Rating, is deleted and replaced by the following:

C. Experience Rating

Experience period: 5 years preceding the forthcoming policy year.

Application of Experience debit:

| | Debit |
|---|---|
| No claims during the experience period: | 0% |
| One claim during the experience period: | |
| that occurred in the 5th previous year: | 5% |
| that occurred in the 4th previous year: | 10% |
| that occurred in the 3rd previous year: | 15% |
| that occurred in the 2nd previous year: | 20% |
| that occurred in the 1st previous year: | 25% |
| More than one claim during the experience period: | Refer to Company |

**COMPANY STATE PAGE**
**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

A claim is defined as paid indemnity or indemnity reserve in excess of $2,000.

Such debits developed in accordance with the above shall apply on a one year basis and will be subject to annual review.

B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.9., is amended to read as follows:

The factors in the following Table shall be applied to the annual premium in effect at the expiration of the most recent claims-made policy period.

C. Rule X., LOCATION OF PRACTICE is amended to delete the following sentence:

We will charge the higher rate if there is multi-state exposure.

D. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.1., is deleted and replaced as follows:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

E. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.4., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage.

F. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.5., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage. The number of consecutive years of insurance with CNA is based on the number of consecutive years of Professional Liability insurance with CNA.

**V. Territorial Definitions – Professional Liability (PL)**

| | |
|---|---|
| Territory I: | Cook County |
| Territory II: | Dupage, Kane, Lake and Will Counties |
| Territory III: | Remainder of State |

COMPANY STATE PAGE
FOR
DENTAL PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

## VI. Rates – Professional Liability (PL)

A. Professional Liability

**Occurrence Rates at $1M/$1M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,494 | $3,303 | $3,139 |
| III | 24,510 | 18,015 | 17,123 |
| IV | 200 | 200 | 200 |
| IX | 15,729 | 11,561 | 10,988 |
| X | 31,457 | 23,121 | 21,976 |

B. Employment Practices Liability – Defense Only

The annual charge for this coverage will be $60 per each named insured having separate $25,000 limits of liability.

Corporations will share the $25,000 limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the $60 charge.

Note: The required coverage and associated charge are waived when the insured purchases the EPL Indemnity & Defense Coverage as the rates below already contemplate the $60 defense charge.

Employment Practices Liability – Indemnity & Defense

The annual charge for this coverage is per each named insured having separate limits of liability. The following table is used to calculate the rate:

| Combined Indemnity & Defense Limit of Liability | Flat Rate for First 10 Employees |
|---|---|
| $ 25,000 | $ 235 |
| $ 50,000 | $ 270 |
| $ 75,000 | $ 305 |
| $100,000 | $ 355 |
| $250,000 | $ 494 |
| $500,000 | $ 586 |
| $750,000 | $ 622 |
| $1,000,000 | $ 657 |

$20 per employee over the first 10 employees.

**COMPANY STATE PAGE**
**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

Corporations will share the limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the rates listed in the table above.

C. Extended Reporting Period Coverage for Employment Practices Liability

Defense Only Coverage and Indemnity & Defense Coverage

A factor of 0.75 will be applied to the EPL rate.

Defense Only Coverage when converting to an Indemnity & Defense Coverage

No charge.

**VII. Amended Rules - Property**

A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence.

"Structure" means a dwelling, building or fixture permanently affixed to real property.

1. Eligibility

a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

| | | | |
|---|---|---|---|
| Bond | Jackson | Marshall | St. Clair |
| Bureau | Jefferson | Menard | Saline |
| Christian | Knox | Mercer | Sangamon |
| Clinton | LaSalle | Montgomery | Tazewell |
| Douglas | Logan | Peoria | Vermilion |
| Franklin | McDonough | Perr | Washington |
| Fulton | Macoupin | Putnam | Williamson |
| Gallatin | Madison | Randolph | |
| Grundy | Marion | Rock Island | |

b. Coverage must be provided in other counties if requested.

2. Ineligibility

The following are not eligible:

a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;

b. Coverage for Time element loss;

c. Limits of Liability in excess of $350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

**COMPANY STATE PAGE**
**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

3. Premiums

a. Premium for Mine Subsidence shall be shown separately.

b. Annual premiums per structure are as follows:

| Coverage Limit | Frame | Other than Frame* |
|---|---|---|
| $10,000 or less | $20.00 | $26.00 |
| 10,001 to 20,000 | 23.00 | 30.00 |
| 20,001 to 30,000 | 26.00 | 33.00 |
| 30,001 to 40,000 | 30.00 | 36.00 |
| 40,001 to 50,000 | 33.00 | 40.00 |
| 50,001 to 60,000 | 36.00 | 43.00 |
| 60,001 to 70,000 | 40.00 | 46.00 |
| 70,001 to 80,000 | 43.00 | 50.00 |
| 80,001 to 90,000 | 46.00 | 53.00 |
| 90,001 to 100,000 | 50.00 | 56.00 |
| 100,001 to 110,000 | 53.00 | 59.00 |
| 110,001 to 120,000 | 56.00 | 63.00 |
| 120,001 to 130,000 | 59.00 | 66.00 |
| 130,001 to 140,000 | 63.00 | 69.00 |
| 140,001 to 150,000 | 66.00 | 73.00 |
| 150,001 to 160,000 | 69.00 | 76.00 |
| 160,001 to 170,000 | 73.00 | 79.00 |
| 170,001 to 180,000 | 76.00 | 83.00 |
| 180,001 to 190,000 | 79.00 | 86.00 |
| 190,001 to 200,000 | 83.00 | 89.00 |
| 200,001 to 210,000 | 86.00 | 92.00 |
| 210,001 to 220,000 | 89.00 | 96.00 |
| 220,001 to 230,000 | 92.00 | 99.00 |
| 230,001 to 240,000 | 96.00 | 102.00 |
| 240,001 to 250,000 | 99.00 | 106.00 |
| 250,001 to 260,000 | 102.00 | 109.00 |
| 260,001 to 270,000 | 106.00 | 112.00 |
| 270,001 to 280,000 | 109.00 | 116.00 |
| 280,001 to 290,000 | 112.00 | 119.00 |
| 290,001 to 300,000 | 116.00 | 122.00 |
| 300,001 to 310,000 | 119.00 | 125.00 |
| 310,001 to 320,000 | 122.00 | 129.00 |
| 320,001 to 330,000 | 125.00 | 132.00 |
| 330,001 to 340,000 | 129.00 | 135.00 |
| 340,001 to 350,000 | 132.00 | 139.00 |

c. The deductible for other property perils in the policy is the applicable deductible for mine subsidence coverage.

* Any structure other than frame, this includes brick, brick veneer, steel frame, and any fire resistive construction, etc.

**COMPANY STATE PAGE**
**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

B. Rule II., INDIVIDUAL RISK PREMIUM MODIFICATION PLAN, C., Rating Procedure, is amended as follows:

The total credits or debits under the following table may not exceed 40%:

C. Additional Rule:

For "Flood" Coverage Endorsement [Form G145161-A] we will be using the flood rates that are currently filed and approved for use under Division 5.

For Earthquake [Form G145160-A] we will be using the ISO earthquake rates currently approved for use.

**VIII. Territorial Definitions – Property**

| | |
|---|---|
| Territory I: | 606XX (Chicago) |
| Territory II: | 607XX (Chicago - South Suburban) |
| Territory III: | 600XX - 604XX (Chicago North and West Suburban) |
| Territory IV: | 620XX and 622XX (East St. Louis) |
| Territory V: | 614XX, 618XX, 619XX, 623XX - 627XX (Central Illinois) |
| Territory VI: | Remainder of State |

**IX. Rates - Property**

A. Blanket Practice Personal Property:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.465 | 0.415 | 0.440 | 0.415 | 0.390 | 0.440 |
| Joisted Masonry (2) | 0.390 | 0.343 | 0.367 | 0.343 | 0.329 | 0.367 |
| Non-Comb or Masonry Non-Comb (4) | 0.233 | 0.207 | 0.220 | 0.207 | 0.195 | 0.220 |
| Mod Fire Res (5) or Fire Res (6) | 0.233 | 0.207 | 0.220 | 0.207 | 0.195 | 0.220 |

B. Building:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.183 | 0.165 | 0.174 | 0.165 | 0.156 | 0.174 |
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Note: For statistical reporting purposes, the protection class code must be included in the application.

COMPANY STATE PAGE
FOR
DENTAL PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

D. Base All-Risk Load - Per Policy

There will be a base All-Risk Loading of $65 per policy.

**X. Package Discount Factors**

A. These factors are applied to the Property rates, Professional Liability rates and General Liability rates when Property coverage is purchased in conjunction with Professional Liability or General Liability coverage.

B. Property and General Liability: 0.89
Professional Liability: 0.86

C. This factor is not applicable to:

1. Mine Subsidence

2. Base Loading for Building and Blanket Practice Personal Property

**XI. Protection Class Multipliers**

| Protection Class | Multiplier |
|---|---|
| 1 | 0.830 |
| 2 | 0.850 |
| 3 | 0.870 |
| 4 | 0.950 |
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| 10 | 2.080 |

## Neuman, Gayle

**From:** Neuman, Gayle
**Sent:** Friday, August 25, 2006 11:07 AM
**To:** 'Lakesha.Houser@CNA.com'
**Subject:** FW: NATIONAL DENTAL PROGRAM- RATE/RULE FILING #06R2126 (questions sent to John Lockhart 8/15/2006)
**Importance:** High
**Attachments:** IL Rate Response #3.pdf; IL State Pages 0806.pdf; IL Rate Objection #3.doc

Ms. Houser,

As Mr. Lockhart is out of the office until August 31, 2006, perhaps you can forward this e-mail for handling. Thank you for your assistance.

Gayle Neuman
Division of Insurance

---

**From:** Neuman, Gayle
**Sent:** Friday, August 25, 2006 10:49 AM
**To:** 'John.Lockhart@CNA.com'
**Subject:** FW: NATIONAL DENTAL PROGRAM- RATE/RULE FILING #06R2126 (questions sent to John Lockhart 8/15/2006)
**Importance:** High

Mr. Lockhart,

We have reviewed CNA's 8/23/06 response. There are additional required changes for compliance.

1. The intent of the law is to offer every medical malpractice insured such quarterly premium payment installment plan, unless however their premium does not exceed $500 annually. Therefore we require the wording "with acceptable loss experience & satisfactory credit history" be removed.

2. We request wording to be added that indicates that no interest charges are assessed.

3. We request the section be titled "Quarterly Installment Option".

4. We request wording to be added indicating additional premium resulting from changes will be spread equally over the remaining installements, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

Your prompt attention is appreciated.

Gayle Neuman
Division of Insurance

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**From:** Houser,Lakesha [mailto:Lakesha.Houser@CNA.com]
**Sent:** Wednesday, August 23, 2006 2:34 PM
**To:** Neuman, Gayle
**Cc:** Lockhart,John C.; Alonzo,Robert A.
**Subject:** NATIONAL DENTAL PROGRAM- RATE/RULE FILING #06R2126 (questions sent to John Lockhart 8/15/2006)

**Importance:** High

Good Afternoon Mrs. Neuman

Thank you for your correspondence on August 15, 2006 mailed to ***John Lockhart*** and referenced below.

Attached please find CNA's response to your questions and concerns raised.

Please contact John with any other questions or comments you may have on this filing.

Sincerely,

Lakesha Houser
Regulatory Filings Technician
40 Wall Street- 9th Floor
New York, NY 10005
(212) 440-3470

<<IL Rate Response #3.pdf>> <<IL State Pages 0806.pdf>> **RESPONSE TO QUESTIONS DATED 8/15/2006**

<<IL Rate Objection #3.doc>> **QUESTIONS RAISED FOR REFERENCE**

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

**Neuman, Gayle**

**From:** Lockhart,John C. [John.Lockhart@CNA.com]
**Sent:** Friday, August 25, 2006 10:49 AM
**To:** Neuman, Gayle
**Subject:** Out of Office AutoReply: NATIONAL DENTAL PROGRAM- RATE/RULE FILING #06R2126 (questions sent to John Lockhart 8/15/2006)

I will be out of the office from Wednesday, August 23, 2006 and will return on Thursday, August 31, 2006. During my time out of office, I will have extremely limited acces to e-mail and voice mail. If this is an urgent matter, please contact Robert Alonzo at 212-440-3478 or Lakesha Houser at 212-440-3470. Thank you.

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Gayle Neuman
Division of Insurance

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Lakesha Houser

Regulatory Filings Technician
40 Wall Street- 9th Floor
New York, NY 10005
(212) 440-3470

<<IL Rate Response #3.pdf>> <<IL State Pages 0806.pdf>> **RESPONSE TO QUESTIONS DATED 8/15/2006**

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CNA

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 212-440-3270
Facsimile 212-440-2877
Toll Free 877-269-3277 x 3270
Internet john.lockhart@cna.com

August 23, 2006

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

RE: Continental Casualty Company NAIC# 20443, FEIN# 36-2114545
National Dental Program – Rate/Rule Filing
Our File #: 06-R2126

Dear Ms. Neuman:

Thank you for your e-mail dated August 15, 2006. Please note our following response to the issue you raised.

1. In response to your request, we added a new rule (section I.A) for the premium payment plan in the Illinois Company State Pages. The revised Illinois Company State Pages are attached and they replace any earlier editions that were submitted as part of this filing. Section I.A has the title "Premium Payment Plan" which is substantially similar to "Quarterly Installment Option".

2. No, we did not implement this 8/1/06 as we were awaiting your approval. Yes, we will implement this once the filing is approved.

Thank you for your continued review of this filing.

Sincerely,

John Lockhart

**COMPANY STATE PAGE**
**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

## I. Amended Rules - General

A. Rule XIII, Premium Payment Plan is added:

The Company will offer individual insureds, with acceptable loss experience & satisfactory credit history, 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.

## II. Amended Rules - General Liability (GL)

A. Rule II., MINIMUM LIMITS OF LIABILITY is deleted in its entirety and replaced by the following:

LIMITS OF LIABILITY

The rates listed above are for limits of $1,000,000 (each claim) / $2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the $1M/2M rate).

Individual Practice:

| Increased Limit | Increased Limit Factor |
|---|---|
| $1M/2M | 1.000 |
| $1M/3M | 1.011 |
| $2M/2M | 1.071 |
| $2M/3M | 1.085 |
| $2M/4M | 1.098 |
| $3M/3M | 1.160 |
| $3M/6M | 1.202 |
| $4M/4M | 1.240 |
| $5M/5M | 1.320 |
| $5M/8M | 1.351 |

**COMPANY STATE PAGE**
**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

## IV. Amended Rules – Professional Liability (PL)

A. Rule V, SUPPLEMENTAL MODIFICATIONS-PROFESSIONAL LIABILITY, C., Experience Rating, is deleted and replaced by the following:

C. Experience Rating

Experience period: 5 years preceding the forthcoming policy year.

Application of Experience debit:

| | Debit |
|---|---|
| No claims during the experience period: | 0% |
| One claim during the experience period: | |
| that occurred in the 5th previous year: | 5% |
| that occurred in the 4th previous year: | 10% |
| that occurred in the 3rd previous year: | 15% |
| that occurred in the 2nd previous year: | 20% |
| that occurred in the 1st previous year: | 25% |
| More than one claim during the experience period: | Refer to Company |

A claim is defined as paid indemnity or indemnity reserve in excess of $2,000.

Such debits developed in accordance with the above shall apply on a one year basis and will be subject to annual review.

B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.9., is amended to read as follows:

The factors in the following Table shall be applied to the annual premium in effect at the expiration of the most recent claims-made policy period.

C. Rule X., LOCATION OF PRACTICE is amended to delete the following sentence:

We will charge the higher rate if there is multi-state exposure.

D. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.1., is deleted and replaced as follows:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

E. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.4., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage.

F. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.5., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage. The number of consecutive years of insurance with CNA is based on the number of consecutive years of Professional Liability insurance with CNA.

COMPANY STATE PAGE
FOR
DENTAL PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

## V. Territorial Definitions – Professional Liability (PL)

Territory I: Cook County
Territory II: Dupage, Kane, Lake and Will Counties
Territory III: Remainder of State

## VI. Rates – Professional Liability (PL)

A. Professional Liability

**Occurrence Rates at $1M/$1M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,494 | $3,303 | $3,139 |
| III | 24,510 | 18,015 | 17,123 |
| IV | 200 | 200 | 200 |
| IX | 15,729 | 11,561 | 10,988 |
| X | 31,457 | 23,121 | 21,976 |

B. Employment Practices Liability – Defense Only

The annual charge for this coverage will be $60 per each named insured having separate $25,000 limits of liability.

Corporations will share the $25,000 limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the $60 charge.

Note: The required coverage and associated charge are waived when the insured purchases the EPL Indemnity & Defense Coverage as the rates below already contemplate the $60 defense charge.

Employment Practices Liability – Indemnity & Defense

The annual charge for this coverage is per each named insured having separate limits of liability. The following table is used to calculate the rate:

| Combined Indemnity & Defense Limit of Liability | Flat Rate for First 10 Employees |
|---|---|
| $ 25,000 | $ 235 |
| $ 50,000 | $ 270 |
| $ 75,000 | $ 305 |
| $100,000 | $ 355 |
| $250,000 | $ 494 |
| $500,000 | $ 586 |
| $750,000 | $ 622 |
| $1,000,000 | $ 657 |

$20 per employee over the first 10 employees.

Corporations will share the limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the rates listed in the table above.

**COMPANY STATE PAGE**
**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

C. Extended Reporting Period Coverage for Employment Practices Liability

Defense Only Coverage and Indemnity & Defense Coverage

A factor of 0.75 will be applied to the EPL rate.

Defense Only Coverage when converting to an Indemnity & Defense Coverage

No charge.

**VII. Amended Rules - Property**

A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence.

"Structure" means a dwelling, building or fixture permanently affixed to real property.

1. Eligibility

a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

| | | | |
|---|---|---|---|
| Bond | Jackson | Marshall | St. Clair |
| Bureau | Jefferson | Menard | Saline |
| Christian | Knox | Mercer | Sangamon |
| Clinton | LaSalle | Montgomery | Tazewell |
| Douglas | Logan | Peoria | Vermilion |
| Franklin | McDonough | Perr | Washington |
| Fulton | Macoupin | Putnam | Williamson |
| Gallatin | Madison | Randolph | |
| Grundy | Marion | Rock Island | |

b. Coverage must be provided in other counties if requested.

2. Ineligibility

The following are not eligible:

a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;

b. Coverage for Time element loss;

c. Limits of Liability in excess of $350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

**COMPANY STATE PAGE**
**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

3. Premiums

a. Premium for Mine Subsidence shall be shown separately.

b. Annual premiums per structure are as follows:

| Coverage Limit | Frame | Other than Frame* |
|---|---|---|
| $10,000 or less | $20.00 | $26.00 |
| 10,001 to 20,000 | 23.00 | 30.00 |
| 20,001 to 30,000 | 26.00 | 33.00 |
| 30,001 to 40,000 | 30.00 | 36.00 |
| 40,001 to 50,000 | 33.00 | 40.00 |
| 50,001 to 60,000 | 36.00 | 43.00 |
| 60,001 to 70,000 | 40.00 | 46.00 |
| 70,001 to 80,000 | 43.00 | 50.00 |
| 80,001 to 90,000 | 46.00 | 53.00 |
| 90,001 to 100,000 | 50.00 | 56.00 |
| 100,001 to 110,000 | 53.00 | 59.00 |
| 110,001 to 120,000 | 56.00 | 63.00 |
| 120,001 to 130,000 | 59.00 | 66.00 |
| 130,001 to 140,000 | 63.00 | 69.00 |
| 140,001 to 150,000 | 66.00 | 73.00 |
| 150,001 to 160,000 | 69.00 | 76.00 |
| 160,001 to 170,000 | 73.00 | 79.00 |
| 170,001 to 180,000 | 76.00 | 83.00 |
| 180,001 to 190,000 | 79.00 | 86.00 |
| 190,001 to 200,000 | 83.00 | 89.00 |
| 200,001 to 210,000 | 86.00 | 92.00 |
| 210,001 to 220,000 | 89.00 | 96.00 |
| 220,001 to 230,000 | 92.00 | 99.00 |
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**COMPANY STATE PAGE**
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| 9 | 1.400 |
| 10 | 2.080 |

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

August 15, 2006

**Subject:** ***National Dental Program - Rate/Rule Filing #06-R2126***

Mr. Lockhart,

As you know, the new Medical Professional Liability law in Illinois, PA94-677 (Senate Bill 475), requires insurers to implement a quarterly premium payment installment plan as prescribed by the Secretary of the Illinois Department of Financial and Professional Regulation (IDFPR).

This email is to advise you of the requirements being prescribed by the Secretary and by the Director of the Division of Insurance regarding the quarterly premium payment installment plan you are required to offer to your insureds. In reviewing the filing referenced above, we note that your quarterly installment plan does not meet and/or address some or all of the following prescribed requirements.

Please amend your rate/rule manual's quarterly installment plan provisions to comply with all of the following prescribed requirements and send me your updated manual pages no later than August 22, 2006.

Quarterly Premium Payment Installment Plan Prescribed Requirements

All companies writing medical liability insurance shall file with the Secretary or Director a plan to offer each medical liability insured the option to make premium payments, in at least quarterly installments. For purposes of this requirement, insurers may, but are not required to, offer such premium installment plans to insureds whose annual premiums are less than $500, or for premium for any extension of a reporting period. Quarterly installment premium payment plans subject to this Section shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer may, but need not re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available. All quarterly installment premium payment plan provisions shall be contained in the filed rate and/or rule manual in a section entitled, "Quarterly Installment Option" or a substantially similar title. If the company uses a substantially similar title, the Rule Submission Letter must indicate the name of the section that complies with this requirement. All quarterly installment premium payment plans shall include the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below.

i) An initial payment of no more than 40% of the estimated total premium due at policy inception;

ii) The remaining premium 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) No interest charges;

iv) Installment charges or fees of no more than 1% of the total premium or $25.00, whichever is less;

v) A provision stating that additional premium resulting from changes to the policy 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.

Additionally, please confirm if the company implemented these changes as of August 1, 2006? If not, is the company planning to implement the changes as of the date the review of the filing is completed?

Your immediate attention is requested.

Gayle Neuman

Gayle.Neuman@illinois.gov

## Neuman, Gayle

**From:** Neuman, Gayle

**Sent:** Tuesday, August 15, 2006 10:54 AM

**To:** 'John.Lockhart@CNA.com'

**Subject:** National Dental Program - Rate/Rule Filing #06-R2126

Mr. Lockhart,

As you know, the new Medical Professional Liability law in Illinois, PA94-677 (Senate Bill 475), requires insurers to implement a quarterly premium payment installment plan as prescribed by the Secretary of the Illinois Department of Financial and Professional Regulation (IDFPR).

This email is to advise you of the requirements being prescribed by the Secretary and by the Director of the Division of Insurance regarding the quarterly premium payment installment plan you are required to offer to your insureds. In reviewing the filing referenced above, we note that your quarterly installment plan does not meet and/or address some or all of the following prescribed requirements.

Please amend your rate/rule manual's quarterly installment plan provisions to comply with all of the following prescribed requirements and send me your updated manual pages no later than August 22, 2006.

Quarterly Premium Payment Installment Plan Prescribed Requirements

All companies writing medical liability insurance shall file with the Secretary or Director a plan to offer each medical liability insured the option to make premium payments, in at least quarterly installments. For purposes of this requirement, insurers may, but are not required to, offer such premium installment plans to insureds whose annual premiums are less than $500, or for premium for any extension of a reporting period. Quarterly installment premium payment plans subject to this Section shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer may, but need not re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available. All quarterly installment premium payment plan provisions shall be contained in the filed rate and/or rule manual in a section entitled, "Quarterly Installment Option" or a substantially similar title. If the company uses a substantially similar title, the Rule Submission Letter must indicate the name of the section that complies with this requirement. All quarterly installment premium payment plans shall include the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below.

i) An initial payment of no more than 40% of the estimated total premium due at policy inception;

ii) The remaining premium 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) No interest charges;

iv) Installment charges or fees of no more than 1% of the total premium or $25.00, whichever is less;

v) A provision stating that additional premium resulting from changes to the policy 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.

Additionally, please confirm if the company implemented these changes as of August 1, 2006? If not, is the company planning to implement the changes as of the date the review of the filing is completed?

Your immediate attention is requested.

Gayle Neuman

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

## Neuman, Gayle

**From:** Lockhart,John C. [John.Lockhart@CNA.com]
**Sent:** Tuesday, July 18, 2006 2:24 PM
**To:** Neuman, Gayle
**Subject:** RE: National Dental Program - Rate/Rule Filing #06-R2126
**Importance:** High

Dear Ms. Neuman:
Thank you for your email of July 17, 2006.

I confirm that the effective date requested is 8/1/06.

We had mistakenly applied the on-level factor to the written premiums for property. The corrected IL RF3 is attached ad is consistent with Exhibit !.

We apologize for the confusion and thank you for your patient review of this filing.

Sincerely,

**John Lockhart**
CNA Global Specialty Lines
P&C State Filing Unit
Telephone: (212) 440-3270
Fax: (212) 440-2877

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Monday, July 17, 2006 3:29 PM
**To:** Lockhart,John C.
**Subject:** RE: National Dental Program - Rate/Rule Filing #06-R2126

Mr. Lockhart,

The Property & Casualty Transmittal Document submitted with this filing indicates the requested effective date was 7/15/06. However, on the RF-3 Summary Sheet submitted with your 7/12/06 e-mail, it indicated 8/1/06. Please confirm the date the filing did or will take effect.

Additionally, comparing the 7/12/06 RF-3 Summary Sheet to the Actuarial Exhibit 1, the premium written for the property business varies. Please explain.

Your prompt attention is appreciated.

---

**From:** Lockhart,John C. [mailto:John.Lockhart@CNA.com]
**Sent:** Wednesday, July 12, 2006 7:58 AM
**To:** Gayle_Neuman@ins.state.il.us
**Cc:** Lockhart,John C.
**Subject:** FW: National Dental Program - Rate/Rule Filing #06-R2126
**Importance:** High

Dear Ms. Neuman:

Thank you for your e-mail dated June 26, 2006. We attach our response with supporting documents.
Thank you for your continued review of this filing.

John Lockhart, CNA Global Specialty Lines
P&C State Filing Unit
Telephone: (212) 440-3270
Fax: (212) 440-2877

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## Neuman, Gayle

**From:** Lockhart,John C. [John.Lockhart@CNA.com]
**Sent:** Wednesday, July 12, 2006 7:58 AM
**To:** Gayle_Neuman@ins.state.il.us
**Cc:** Lockhart,John C.
**Subject:** FW: National Dental Program - Rate/Rule Filing #06-R2126
**Importance:** High

Dear Ms. Neuman:

Thank you for your e-mail dated June 26, 2006. We attach our response with supporting documents.
Thank you for your continued review of this filing.

John Lockhart, CNA Global Specialty Lines
P&C State Filing Unit
Telephone: (212) 440-3270
Fax: (212) 440-2877

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Monday, June 26, 2006 11:57 AM
**To:** Lockhart,John C.
**Subject:** National Dental Program - Rate/Rule Filing #06-R2126

Mr. Lockhart,

We are in receipt of the above referenced filing submitted by your letter (no date) received on June 12, 2006.

We require Continental Casualty submit a revised RF-3 Summary Sheet. The professional liability should be separated from any commercial property coverage or general liability coverage. Professional liability (or medical malpractice) should be reported on line 15. Other.

SB 475 requires insurers that issue a medical malpractice policy offer the insured a quarterly premium payment installment plan. The premium payment installment plan must be filed in the rate/rule manual. Please provide us with information, not limited to:

a. Are these quarterly payments each 25% of the premium?
b. Do you charge the insured anything for the payment plan, i.e. installment fees, etc.? Are any other payment installment plans offered?

c. Will you offer every new insured and every renewal insured such plan(s) after January 1, 2006?

We additionally request you provide a complete copy of each of the three sections containing changes (CCC-DENTAL-PL, CCC-DENTAL-PROPERTY, and CCC-EX).

Your prompt attention is appreciated.

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

Please refer to the Property and Casualty Review Requirement Checklists before submitting a paper filing or an electronic filing (SERFF). The checklists can be accessed through our website at http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm.

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Monday, June 26, 2006 12:00 PM
**To:** Lockhart,John C.
**Subject:** Filing #06-R2126

Mr. Lockhart,

Additionally on this filing, you are required to 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. Please complete the attached certification form.

Indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agenc is being used?

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

Please refer to the Property and Casualty Review Requirement Checklists before submitting a paper filing or an electronic filing (SERFF). The checklists can be accessed through our website at http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm.

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**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, _____(Name of officer typed or printed)_____, a duly authorized officer of _____(Name of Insurer typed o printed)_____, am authorized to certify on behalf of the Company making this filing that the company's rates are based o sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations an bulletins applicable to the policy rates that are the subject of this filing.

I, _____(Name of actuary typed or printed)_____, a duly authorized actuary of _____(Name of actuary fir typed or printed)_____ am authorized to certify on behalf of (Name of Insurance Company) making this filing that the company's rate are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws regulations and bulletins applicable to the policy rates that are the subject of this filing.

_____ _____
Signature and Title of Authorized Insurance Company Officer Date

_____ _____
Signature, Title and Designation of Authorized Actuary Date

Insurance Company FEIN _ _ - _ _ _ _ _ _ _ Filing Number _____

Insurer's Address _____

City _____ State_____ Zip Code_____

Contact Person's:
-Name and E-mail _____

-Direct Telephone and Fax Number_____

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

July 10, 2006

**To**: Illinois

**Re**: IL Rate Objection #1.doc

**Question #1**: We require Continental Casualty submit a revised RF-3 Summary Sheet. The professional liability should be separated from any commercial property coverage or general liability coverage. Professional liability (or medical malpractice) should be reported on line 15. Other.

Revised RF-3 file is attached.

**Question #2**: SB 475 requires insurers that issue a medical malpractice policy offer the insured a quarterly premium payment installment plan. The premium payment installment plan must be filed in the rate/rule manual.

Under the 2005 medical liability reform statute, an option must be offered to each of the medical liability insureds of every company writing medical liability insurance in Illinois to make premium payments in quarterly installments. On February 10, 2006, a proposed regulation was issued to implement this law that would require medical liability insurance companies to file with the Secretary or Director a plan to offer each medical liability insured the option to make **premium** payments, including **premium** for extended reporting period coverage, in at least quarterly **installments.** These provisions would be required to be maintained in the filed rate and/or rule manual in a section entitled "Quarterly Installment Option" or a substantially similar title. ***50 Ill. Adm. Code 930 (e).***

In our view, installment premium payment options are costly to administer. While it may be possible to offer this option to insureds whose premium charge is significant, this option would become administratively burdensome for those insureds whose premium charge is nominal. At the present time, CNA is working with Director McRaith to respond to the proposed regulation and offer a viable recommendation to implement the statutory intent without posing an impediment to transacting business on other medical professional liability business segments. We look forward to Director McRaith's consideration of our concerns. As such, we will defer developing a premium payment installment plan until issuance of the final regulation..

**Question #3**: We additionally request you provide a complete copy of each of the three sections containing changes (CCC-DENTAL-PL, CCC-DENTAL-PROPERTY, and CCC-EX).

'IL State Pages 0406.pdf' and 'CCC CW Pages PL Prop.pdf' are attached.

**Question #4:** Additionally on this filing, you are required to 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. Please complete the attached certification form.

The certification form is attached.

**Question #5:** 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 or it is in-house?

CNA is an ISO reporting company and as such reports to ISO as required.

CNA

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

RECEIVED
NOV 28 2005
IDFPR (MPC)
DIVISION OF INSURANCE
SPRINGFIELD

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

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED
AUG 16 2006
SPRINGFIELD, ILLINOIS

November 21, 2005

Illinois Department of Financial and Professional Regulation
Division of Insurance
320 West Washington Street
Springfield, IL 62767
Attn: P&C Compliance Unit

**RE: CONTINENTAL CASUALTY COMPANY NAIC#218-20443; FEIN#36-2114545**
**CHIROPRACTIC PROFESSIONAL**
**FORMS, RATES AND RULES FILING**
**LIABILITY POLICY – OCCURRENCE**
**OUR FILE #: 05-FR2100 -R**

Honorable Director:

The Continental Casualty Company, a member company of the CNA group of insurance companies, submits for your review and approval the captioned Chiropractic Professional Liability Policy-Occurrence. This policy has been developed for use with the Chiropractic Benefit Services Risk Purchasing Group program currently on file with your department. The captioned policy provides professional liability coverage to named insured students on an Occurrence basis. The master policy is issued to the purchasing group and Certificates of Insurance are then issued to each individual insured student Chiropractor.

Also enclosed are revisions to the Chiropractic Benefit Services Risk Purchasing Group Program rates and rules. Please see the enclosed actuarial memorandum for further details.

Included in this submission are:

- Filing forms memorandum, along with copies of the new forms being submitted;
- The actuarial memorandum; and
- Revised state exception pages for this program.

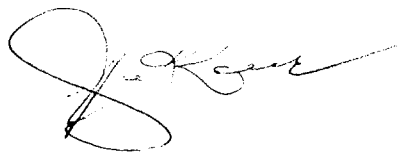
We propose that this filing become applicable to all policies written on or after January 1, 2007, or the earliest date permitted by your state.

A duplicate copy of this letter is enclosed along with a self addressed stamped envelope for your convenience in approving or acknowledgement.

Please feel free to contact us if you have any questions.

Sincerely,

Sincerely,



John Lockhart

Form (RF-3)

# ILL[illegible]OIS DEPARTMENT OF INSU[illegible]ANCE

## SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 01/01/2006

| (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 - Chiropractic Professional Liability | $121,754 | N/A |
| Line of Insurance | | |

Does filing only apply to certain territory (territories) or certain classes? If so, specify: Only chiropractic students

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): Inclusion of chiropractic students' policy within our current Chiropractic Professional Liability program

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

Continental Casualty Company
Name of Company

John Lockhart, Regulatory Filings Technician
Official – Title

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
RECEIVED
NOV 28 2005
SPRINGFIELD, ILLINOIS

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, a duly authorized officer of Continental Casualty Company, 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 he 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.

I, Sharon K. Robinson, FCAS, MAAA, a duly authorized actuary of The Casualty Actuarial Society, am authorized to certify on behalf of Continental Casualty 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 — 11-14-05
Signature and Title of Authorized Insurance Company Officer — Date

Sharon K Robinson — 11-14-05
Signature and Title of Authorized Actuary — Date

Insurance Company FEIN 3 6 - 2 1 1 4 5 4 5 Filing Number 05-FR2100

Insurer's Address 40 Wall Street - 9th Fl

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 877-269-3077 ext 3270 Fax (203) 440-2877

*Continental Casualty Company*

*Chiropractic Professional Liability*
*Illinois*

*Exploratory Memorandum*

Continental Casualty Company (the Company) is proposing one change to its Chiropractic Benefit Services Risk Purchasing Group program (the program) in Illinois.

Exhibit 1 provides historical expense experience for the Company based on the Company's Insurance Expense Exhibit for the medical malpractice line of business. Also provided in Exhibit 1 are the projected expenses for the program.

The Company is filing for the inclusion of a new student policy with occurrence $100,000/$300,000 limits of liability. The rates and forms for this program are based primarily on our Dental student policy program.

The rate for this new policy is shown in the table of rates on the enclosed State Exception / Rate Page.

Exhibit 1

**Continental Casualty Company**
Chiropractic Professional Liability - Chiropractic Benefit Risk Purchasing Group

Development of Permissible Loss Ratio

| | | 2002 | | 2003 | | 2004 | | 3 Year | |
|---|---|---|---|---|---|---|---|---|---|
| | | $000 | % | $000 | % | $000 | % | Average | Selected |
| (1) | Written Premium | 177,502 | | 173,039 | | 196,630 | | | |
| (2) | Earned Premium | 149,846 | | 171,245 | | 189,085 | | | |
| (3) | Commission & Brokerage Fees | 16,017 | 9.0% | 14,772 | 8.5% | 15,852 | 8.1% | 8.5% | 20.0% |
| (4) | General and Other Acquisition Expense | 12,085 | 8.1% | 8,287 | 4.8% | 4,316 | 2.3% | 5.1% | 5.0% |
| (5) | Taxes, Licenses & Fees | 5,084 | 2.9% | 3,184 | 1.8% | 7,532 | 3.8% | 2.8% | 2.6% |
| (6) | Profit & Contingencies | | | | | | | | 1.8% |
| (7) | Total Expenses & Profit = (3)+(4)+(5)+(6) | | | | | | | | 29.4% |
| (8) | Permissible Loss & LAE Ratio = 1.0 - (7) | | | | | | | | 70.6% |

Calculation of ULAE Factor

| | | 2002 | | 2003 | | 2004 | | 3 Year | |
|---|---|---|---|---|---|---|---|---|---|
| | | $000 | % | $000 | % | $000 | % | Average | Selected |
| (9) | Incurred Loss | 119,139 | | 196,292 | | 172,376 | | | |
| (10) | Incurred Allocated Loss Adj. Expense | 47,705 | | 53,770 | | (5,906) | | | |
| (11) | Incurred Loss & ALAE = (9) + (10) | 166,844 | | 250,062 | | 166,470 | | | |
| (12) | Unallocated Loss Adj. Expense | 13,755 | 8.2% | 14,445 | 5.8% | 5,345 | 3.2% | 5.7% | 6.5% |

Source: Continental Casualty Company Insurance Expense Exhibit, Line 11.0

## Neuman, Gayle

**From:** Gayle Neuman [Gayle_Neuman@ins.state.il.us]
**Sent:** Tuesday, January 03, 2006 9:27 AM
**To:** john.lockhart@cna.com
**Subject:** Chiropractic Rate/Rule Filing #05-FR2100-R

Mr. Lockhart,

We are in receipt of the above referenced filing submitted by your letter dated November 21, 2005. Rate/rule filings must be submitted separately from form filings - therefore we divided this filing and copied the cover letter, adding "-R" to the rate/rule section.

Please address the following:

1. On the Illinois State Exception Rate Page, please explain what is referred to as "St. Louis East". We are not aware of a county by this name.

2. SB 475 requires insurers that issue a medical malpractice policy offer the insured a quarterly premium payment installment plan. Please provide us with information, not limited to:
a. Are these quarterly payments each 25% of the premium?
b. Is this identical for the extended reporting period premium?
c. Do you charge the insured anything for the payment plan, i.e. installment fees, etc.? Are any other payment installment plans offered?
d. Will you offer every new insured and every renewal insured such plan(s) after January 1, 2006?

3. Additionally, we request you provide a copy of the entire rate/rule manual for the Chiropractic Benefit Services Risk Purchasing Group program.

4. On page 8 of the currently filed pages of the rate/rule manual, item 8 should clarify the premium the factors will be applied to. Extended reporting period (tail coverage) premium must be priced as a factor of one of the following: (1) the last twelve months premium; (2) the premium in effect at policy issuance; or (3) the expiring annual premium. The form must list the factor(s) to be used to figure the premium, which of the three premiums the factor will be applied to, and any credits, discounts, etc. that will be added or removed when determining the final premium.

Your prompt reply is appreciated.

Gayle Neuman
Property & Casualty Compliance Unit
Illinois Department of Financial & Professional Regulation, Division of Insurance fax (217) 524-2122

Please refer to the Property and Casualty Review Requirement Checklists before submitting a paper filing or an electror filing (SERFF). 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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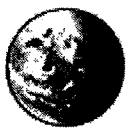
IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: gayle_neuman@ins.state.il.us



"Shah,Vikas"
<Vikas.Shah@cna.com>
01/24/2006 08:55 AM

To <Gayle_Neuman@ins.state.il.us>
cc "Leonard,Jim" <James1.Leonard@cna.com>
bcc
Subject RE: Chiropractic Rate Filing (#05-2100-R)

Hi Gayle,

We are located in Chicago, and 1:30 CST would work well for us also. We look forward to speaking with you then.

Thank you again for your time,

**Vikas Shah**
**CNA**
HealthPro
312.822.7069
Vikas.Shah@cna.com

-----Original Message-----
**From:** Gayle_Neuman@ins.state.il.us [mailto:Gayle_Neuman@ins.state.il.us]
**Sent:** Tuesday, January 24, 2006 7:52 AM
**To:** Shah,Vikas
**Subject:** Re: Chiropractic Rate Filing (#05-2100-R)

Are you in New York? If so, that would be during our lunch hours as I am in the CST. Is 1:30 CST (or 2:30 EST) ok instead?

"Shah,Vikas" <Vikas.Shah@cna.com>

01/23/2006 01:06 PM

To <gayle_neuman@ins.state.il.us>
cc "Flick,Daniel J." <Daniel.Flick@cna.com>, "Leonard,Jim" <James1.Leonard@cna.com>
Subject Chiropractic Rate Filing (#05-2100-R)

Hi Gayle,

In regards to the objection dated January 3, 2006 to our Chiropractic Rate Filing (#05-2100-R), we would like to set up a time to call you in order to address your outstanding issues with this filing.

Will you be available this Thursday, January 26, from 1:00-1:30 PM?

Thank you for your time and consideration of our filing.

**Vikas Shah**
**CNA**
HealthPro
312.822.7069
Vikas.Shah@cna.com

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"Shah,Vikas"
<Vikas.Shah@cna.com>
01/25/2006 11:59 AM

To <Gayle_Neuman@ins.state.il.us>
cc "Leonard,Jim" <James1.Leonard@cna.com>
bcc
Subject RE: Chiropractic Rate Filing (#05-2100-R)

Hi Gayle,

I had to set up a phone conference as Dan Flick will be calling in from his home.

To access the phone conference, would you please:

1. Dial into 877-262-3500

2. Press **1** to attend the meeting

3. Follow the prompts to enter the Meeting ID **02981743** and join the meeting

Thank you again.

**Vikas Shah**
**CNA**
HealthPro
312.822.7069
Vikas.Shah@cna.com

-----Original Message-----
**From:** Gayle_Neuman@ins.state.il.us [mailto:Gayle_Neuman@ins.state.il.us]
**Sent:** Tuesday, January 24, 2006 7:52 AM
**To:** Shah,Vikas
**Subject:** Re: Chiropractic Rate Filing (#05-2100-R)

Are you in New York? If so, that would be during our lunch hours as I am in the CST. Is 1:30 CST (or 2:30 EST) ok instead?

"Shah,Vikas" <Vikas.Shah@cna.com>

01/23/2006 01:06 PM

To <gayle_neuman@ins.state.il.us>
cc "Flick,Daniel J." <Daniel.Flick@cna.com>, "Leonard,Jim" <James1.Leonard@cna.com>
Subject Chiropractic Rate Filing (#05-2100-R)

Hi Gayle,

In regards to the objection dated January 3, 2006 to our Chiropractic Rate Filing (#05-2100-R), we would like to set up a time to call you in order to address your outstanding issues with this filing.

Will you be available this Thursday, January 26, from 1:00-1:30 PM?

Thank you for your time and consideration of our filing.

**Vikas Shah**
**CNA**
HealthPro
312.822.7069
Vikas.Shah@cna.com

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State of Illinois
Financial and Professional Regulation
Division of Insurance
Report of *Ex Parte* Communication

Name of employee making report: Gayle Neuman

Job Title of employee making report: Ins. Analyst

Date of communication: 11/26/06

Date of First Notice (if applicable): _____

Mode of communication (e.g. in person, telephone, fax, e-mail, mail): phone

On whose behalf communication is made: CNA

Person(s) with whom communication occurred: Dan Flick, Jim Leonard

Summary of Nature and Substance of communication: In regard to #2 on my 11/3/06 e-mail.
See below

What action, if any, the person(s) requested: _____

Responses made to communication: _____

Other Pertinent Information: _____

Please attach any and all documents to this form including e-mails, faxes, papers or other documents.

An agent sells the insurance for CNA. They contract w/ premium finance specialists in Arizona, and handle it all for them. PF contract is #65.
Informed CNA they would have to offer a separate installment payment plan that is not financed.

"Lockhart,John C." <John.Lockhart@CNA.com>
02/06/2006 08:02 AM

To <Gayle_Neuman@ins.state.il.us>
cc
bcc
Subject RE: Chiropractic Rate/Rule Filing #05-FR2100-R

Dear Ms. Neuman:
In response to yours of January 3, 2006, I now attach our response with corresponding support.
Thank you.
Sincerely

John Lockhart

**CNA** Global Specialty Lines
P&C State Filing Unit
Telephone: (212) 440-3270
Fax: (212) 440-2877

-----Original Message-----
**From:** Gayle_Neuman@ins.state.il.us [mailto:Gayle_Neuman@ins.state.il.us]
**Sent:** Tuesday, January 03, 2006 10:27 AM
**To:** Lockhart,John C.
**Subject:** Chiropractic Rate/Rule Filing #05-FR2100-R

Mr. Lockhart,

We are in receipt of the above referenced filing submitted by your letter dated November 21, 2005. Rate/rule filings must be submitted separately from form filings - therefore we divided this filing and copied the cover letter, adding "-R" to the rate/rule section.

Please address the following:

1. On the Illinois State Exception Rate Page, please explain what is referred to as "St. Louis East". We are not aware of a county by this name.

2. SB 475 requires insurers that issue a medical malpractice policy offer the insured a quarterly premium payment installment plan. Please provide us with information, not limited to:
a. Are these quarterly payments each 25% of the premium?
b. Is this identical for the extended reporting period premium?
c. Do you charge the insured anything for the payment plan, i.e. installment fees, etc.? Are any other payment installment plans offered?
d. Will you offer every new insured and every renewal insured such plan(s) after January 1, 2006?

3. Additionally, we request you provide a copy of the entire rate/rule manual for the Chiropractic Benefit Services Risk Purchasing Group program.

4. On page 8 of the currently filed pages of the rate/rule manual, item 8 should clarify the premium the factors will be applied to. Extended reporting period (tail coverage) premium must

CONTINENTAL CASUALTY COMPANY
STATE EXCEPTION/RATE PAGE FOR
CHIROPRACTIC BENEFIT SERVICES RISK PURCHASIN GROUP

## I. Amended Rules - Professional Liability

**Section XIII, Credits and Surcharges,** is amended to include the following:
The maximum discount applicable to any one risk shall be governed by the following:

| | |
|---|---|
| First Year New Graduate | 75% |
| Second Year New Graduate | 40% |
| Part-Time Chiropractor | 50% |
| All Others | 30% |

**Section XIII.K., Schedule Modifications,** is amended to include the following:
"The maximum schedule modification shall be capped at +/-25%."

## II. Territorial Definitions - Professional Liability

| | |
|---|---|
| Territory I | St. Louis East |
| Territory II | Cook |
| Territory III | Rest of State |

## III. Rates - Professional Liability

**Mature Claims-made Rate at $100K/$300K Limits**

| Class | Territory I | Territory II | Territory III |
|---|---|---|---|
| I | $1,409 | $1,301 | $1,006 |
| II | $1,879 | $1,735 | $1,341 |

**Occurrence Rate at $100K/$300K Limits**

| Class | Territory I | Territory II | Territory III |
|---|---|---|---|
| Student | $35 | $35 | $35 |

be priced as a factor of one of the following: (1) the last twelve months premium; (2) the premium in effect at policy issuance; or (3) the expiring annual premium. The form must list the factor(s) to be used to figure the premium, which of the three premiums the factor will be applied to, and any credits, discounts, etc. that will be added or removed when determining the final premium.

Your prompt reply is appreciated.

Gayle Neuman
Property & Casualty Compliance Unit
Illinois Department of Financial & Professional Regulation, Division of Insurance
fax (217) 524-2122

Please refer to the Property and Casualty Review Requirement Checklists before submitting a paper filing or an electronic filing (SERFF). 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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IL Rate Response#1 R2100.doc

CW Gen_Rule_Pages-update 1.doc

IL_State_Exception - Revised.xls

K

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 212-440-3270
Facsimile 212-440-2877
Toll Free 877-269-3277
x 3270
Internet
john.lockhart@cna.com

February 6, 2006

Ms. Gayle Neumann
Property & Casualty Compliance Unit
Illinois Department of Financial and Professional Regulation
Division of Insurance
320 West Washington Street
Springfield, IL 62767

Chiropractic Rate/Rule Filing #05-FR2100-R

In response to your e-mail dated January 3, 2006, for item 1, "St. Louis East" refers to St. Clair County. The revised exception page (attached) reflects the correct county associated with this territory.

The Illinois State Exception Page is attached, which shows that each quarterly payment totals 25% of the premium. This is identical for the Extended Reporting Period. The Exception Page also indicated that there is a charge for the payment plan and that other payment plans are offered. These plans will be offered to new insured and every renewal insured after January 1, 2006.

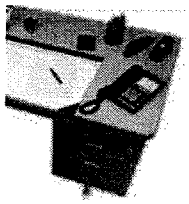
In response to your request, we have included a copy of the entire rate/rule manual for the Chiropractic Benefit Services Risk Purchasing Group program.

Finally, we have revised the Illinois State Exception Page to state that the factors are applied to the "expiring annual premium".

Thank you for your continued review.

Sincerely,

John Lockhart



Gayle Neuman/INS
02/06/2006 10:56 AM

To "Lockhart,John C." <John.Lockhart@CNA.com>
cc
bcc
Subject Premium Payment Plan - Chiropractic Rate/Rule Filing #05-FR2100-R

Mr. Lockhart,

The Division of Insurance has proposed amending regulations pertaining to the premium payment plan issue. This is an informational notice - no action to this notice is required.

Proposed medical malpractice rules pertaining to the premium payment plan are in the first notice period. If Continental Casualty Company has any comments they wish to make regarding such rules (which includes the premium installment plan), you should forward such written information to Tim Cena (tim_cena@ins.state.il.us) or Barb Smith (BSmith1@idfpr.com) of this Department.

1. Go to the website ilga.gov - click on "Additional Resources - Legislative Support Services" - then choose "Joint Committee on Administrative Rules" - you will see the Illinois Rulemaking Process. This tells about the "first notice" period.

2. Our medical malpractice rules have been officially published in the February 10, 2006, Illinois Register which is available on-line now. The 45 day public comment period will run from 02/10/06 through 03/27/06. Here is a direct link to the Register where our rules appear: http://www.sos.state.il.us/departments/index/register/register_volume30_issue6.pdf

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

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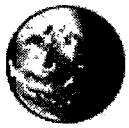

"Lockhart,John C."
<John.Lockhart@CNA.com>
02/07/2006 07:32 AM

To <Gayle_Neuman@ins.state.il.us>
cc
bcc
Subject RE: Chiropractic Rate/Rule Filing #05-FR2100-R

Dear Ms. Neuman:
In response to yours of February 6, 2006, I now attach our response with corresponding support.
Thank you.
Sincerely

John Lockhart

**CNA** Global Specialty Lines
P&C State Filing Unit
Telephone: (212) 440-3270
Fax: (212) 440-2877

-----Original Message-----
**From:** Gayle_Neuman@ins.state.il.us [mailto:Gayle_Neuman@ins.state.il.us]
**Sent:** Monday, February 06, 2006 11:48 AM
**To:** Lockhart,John C.
**Subject:** RE: Chiropractic Rate/Rule Filing #05-FR2100-R

Mr. Lockhart,

Thank you for your reply.

In regard to the State Exception Rate Page, please address the following changes:

1. In the title on this page, "Purchasing" is misspelled.

2. On one change, the wording "amended to state" is used - on another, it states "deleted and replaced by". You do intend for this to mean the same?

3. The change to Section XIII Credits and Surcharges - does this apply to a certain paragraph (such as A. New Graduate)?

4. For consistency, the change to Section XV should reference the title of "Extended Reporting Period Coverage".

Thank you for your attention.

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

Please refer to the Property and Casualty Review Requirement Checklists before submitting a

paper filing or an electronic filing (SERFF). The checklists can be accessed through our website at http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm.

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IL Rate Response#2 R2100.doc

IL_State_Exception - Revised 2-6-06.xls

K

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 212-440-3270
Facsimile 212-440-2877
Toll Free 877-269-3277
x 3270
Internet
john.lockhart@cna.com

February 7, 2006

Ms. Gayle Neumann
Property & Casualty Compliance Unit
Illinois Department of Financial and Professional Regulation
Division of Insurance
320 West Washington Street
Springfield, IL 62767

Chiropractic Rate/Rule Filing #05-FR2100-R

Dear Ms. Neumann:

Thank you for your e-mail of February 6, 2006. In response to the issues raised, we have now corrected the spelling of the word "Purchasers" and attached the manual.

In response to your second item, we have removed the wording "deleted and replaced by" and have changed it to "amended to state".

With regards item 3, the change to Section XIII, credits and Surcharges is intended to cap all credits and surcharges (A-K) and is not specifically applicable to any one paragraph.

Finally, the change to Section XV has been updated to reflect the section title.

We truly appreciate your taking the time to point out these areas for clarification and thank you for your continued review.

Sincerely,

John Lockhart

CONTINENTAL CASUALTY COMPANY
STATE EXCEPTION/RATE PAGE FOR
CHIROPRACTIC BENEFIT SERVICES RISK PURCHASIN GROUP

## I. Amended Rules - Professional Liability

**Section VI, Premium Payment Plan,** is amended to state the following:
The company will offer to the Named Insured a quarterly premium payment option. Each quarterly payment will be 25% of the premium, plus a quarterly installment fee of $20.

**Section XIII, Credits and Surcharges,** is amended to include the following:
The maximum discount applicable to any one risk shall be governed by the following:

| | |
|---|---|
| First Year New Graduate | 75% |
| Second Year New Graduate | 40% |
| Part-Time Chiropractor | 50% |
| All Others | 30% |

**Section XIII.K., Schedule Modifications,** is amended to include the following:
"The maximum schedule modification shall be capped at +/-25%."

**Section XV.A.8.,** is deleted and replaced by the following:
The factors in the following Table shall be applied to the *expiring annual premium*.

| Years of Claims-Made Coverage | Factor |
|---|---|
| 1 | 142% |
| 2 | 134% |
| 3 | 123% |
| 4 or more | 121% |

## II. Territorial Definitions - Professional Liability

| | |
|---|---|
| Territory I | St. Clair County |
| Territory II | Cook |
| Territory III | Rest of State |

## III. Rates - Professional Liability

Mature Claims-made Rate at $100K/$300K Limits

| Class | Territory I | Territory II | Territory III |
|---|---|---|---|
| I | $1,409 | $1,301 | $1,006 |
| II | $1,879 | $1,735 | $1,341 |

Occurrence Rate at $100K/$300K Limits

| Class | Territory I | Territory II | Territory III |
|---|---|---|---|
| Student | $35 | $35 | $35 |

"Leonard,Jim"
<James1.Leonard@cna.com
>

02/21/2006 12:58 PM

To <Gayle_Neuman@ins.state.il.us>

cc

bcc

Subject FW: Illinois Chiropractic Professional Liability Rate/Rule Filing Objection Filing #:05-2100-R

Ms. Neuman,

I was wondering if you needed anything further on our Chiropractor filing to complete your review. Please let me know if I can help answer any additional questions.

Thank you.

Jim
James J. Leonard, ACAS, MAAA
Actuarial Director
312-822-2165

-----Original Message-----

**From:** Lockhart,John C.

**Sent:** Monday, February 06, 2006 2:03 PM

**To:** Shah,Vikas; Stern,Adrienne H.

**Cc:** Fleischner,Jean K.; Rolwood,Scott J.; Miller,Rachel; Tobin,Anna; Leonard,Jim; Alonzo,Robert A.; Houser,Lakesha

**Subject:** Illinois Chiropractic Professional Liability Rate/Rule Filing Objection Filing #:05-2100-R

2/6/06

Continental Casualty Company

Chiropractic Professional Liability

Rates/Rules Revision

Filing #:05-2100-R

*All questions of an actuarial nature are to be handled by the actuary. All other questions will be handled by Product Development unless we specifically direct otherwise. We will follow this e-mail up with specific directions on who is assigned to handle the response to each question .*

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you
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storage of this message or any attachment is strictly prohibited.

"Leonard,Jim"
<James1.Leonard@cna.com>

04/04/2006 11:17 AM

To <Gayle_Neuman@ins.state.il.us>
cc
bcc
Subject RE: Chiropractic - Rate/Rule Filing #05-FR2100-R

Ms. Neuman,

Yes, we report everything to ISO.

Jim

-----Original Message-----
**From:** Gayle_Neuman@ins.state.il.us [mailto:Gayle_Neuman@ins.state.il.us]
**Sent:** Tuesday, April 04, 2006 10:20 AM
**To:** Leonard,Jim
**Subject:** Chiropractic - Rate/Rule Filing #05-FR2100-R

Mr. Leonard,

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? Or is it in-house?

Your prompt attention is appreciated.

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

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## Neuman, Gayle

**From:** Leonard,Jim [James1.Leonard@cna.com]
**Sent:** Tuesday, August 15, 2006 12:07 PM
**To:** Neuman, Gayle; Anderson, Julie
**Cc:** Lockhart,John C.; Stern,Adrienne H.
**Subject:** RE: Chiropractic - Rate/Rule Filing #05-FR2100-R
**Attachments:** IL_State_Exception - Revised 8-15-06.xls

Ms. Neuman,

Here are our revised state pages. Please let me know if you think they need additional tweaking.

To answer the last question in your email:
No, we did not implement this 1/1/06 as we were awaiting your approval. Yes, we will implement this once the filing is approved.

Thanks.

Jim

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Tuesday, August 15, 2006 10:26 AM
**To:** Leonard,Jim
**Subject:** Chiropractic - Rate/Rule Filing #05-FR2100-R

Mr. Leonard,

As you know, the new Medical Professional Liability law in Illinois, PA94-677 (Senate Bill 475), requires insurers to implement a quarterly premium payment installment plan as prescribed by the Secretary of the Illinois Department of Financial and Professional Regulation (IDFPR).

This email is to advise you of the requirements being prescribed by the Secretary and by the Director of the Division of Insurance regarding the quarterly premium payment installment plan you are required to offer to your insureds. In reviewing the filing referenced above, we note that your quarterly installment plan does not meet and/or address some or all of the following prescribed requirements.

Please amend your rate/rule manual's quarterly installment plan provisions to comply with all of the following prescribed requirements and send me your updated manual pages no later than August 22, 2006.

Quarterly Premium Payment Installment Plan Prescribed Requirements

All companies writing medical liability insurance shall file with the Secretary or Director a plan to offer each medical liability insured the option to make premium payments, in at least quarterly installments. For purposes of this requirement, insurers may, but are not required to, offer such premium installment plans to insureds whose annual premiums are less than $500, or for premium for any extension of a reporting period. Quarterly installment premium payment plans subject to this Section shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer may, but need not re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available. All quarterly installment premium payment plan provisions shall be contained in the filed rate and/or rule manual in a section entitled, "Quarterly Installment Option" or a substantially similar title. If the company uses a substantially similar title, the Rule Submission Letter must indicate the name of the section that complies with this requirement. All quarterly installment premium

payment plans shall include the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below.

i) An initial payment of no more than 40% of the estimated total premium due at policy inception;

ii) The remaining premium 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) No interest charges;

iv) Installment charges or fees of no more than 1% of the total premium or $25.00, whichever is less;

v) A provision stating that additional premium resulting from changes to the policy 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.

Additionally, please confirm if the company implemented these changes as of January 1, 2006? If not, is the company planning to implement the changes as of the date the review of the filing is completed?

Your immediate attention is requested.

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

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## Neuman, Gayle

**From:** Leonard,Jim [James1.Leonard@cna.com]
**Sent:** Tuesday, August 15, 2006 10:28 AM
**To:** Neuman, Gayle
**Subject:** RE: Chiropractic - Rate/Rule Filing #05-FR2100-R

Ms Neuman

Thank you. I will update and send you updated pages.

Jim

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Tuesday, August 15, 2006 10:26 AM
**To:** Leonard,Jim
**Subject:** Chiropractic - Rate/Rule Filing #05-FR2100-R

Mr. Leonard,

As you know, the new Medical Professional Liability law in Illinois, PA94-677 (Senate Bill 475), requires insurers to implement a quarterly premium payment installment plan as prescribed by the Secretary of the Illinois Department of Financial and Professional Regulation (IDFPR).

This email is to advise you of the requirements being prescribed by the Secretary and by the Director of the Division of Insurance regarding the quarterly premium payment installment plan you are required to offer to your insureds. In reviewing the filing referenced above, we note that your quarterly installment plan does not meet and/or address some or all of the following prescribed requirements.

Please amend your rate/rule manual's quarterly installment plan provisions to comply with all of the following prescribed requirements and send me your updated manual pages no later than August 22, 2006.

Quarterly Premium Payment Installment Plan Prescribed Requirements

All companies writing medical liability insurance shall file with the Secretary or Director a plan to offer each medical liability insured the option to make premium payments, in at least quarterly installments. For purposes of this requirement, insurers may, but are not required to, offer such premium installment plans to insureds whose annual premiums are less than $500, or for premium for any extension of a reporting period. Quarterly installment premium payment plans subject to this Section shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer may, but need not re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available. All quarterly installment premium payment plan provisions shall be contained in the filed rate and/or rule manual in a section entitled, "Quarterly Installment Option" or a substantially similar title. If the company uses a substantially similar title, the Rule Submission Letter must indicate the name of the section that complies with this requirement. All quarterly installment premium payment plans shall include the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below.

i) An initial payment of no more than 40% of the estimated total premium due at policy inception;

ii) The remaining premium 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) No interest charges;

iv) Installment charges or fees of no more than 1% of the total premium or $25.00, whichever is less;

v) A provision stating that additional premium resulting from changes to the policy 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.

Additionally, please confirm if the company implemented these changes as of January 1, 2006? If not, is the company planning to implement the changes as of the date the review of the filing is completed?

Your immediate attention is requested.

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

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## Neuman, Gayle

**From:** Petertonjes, Connie [Connie_Petertonjes@CINFIN.com]
**Sent:** Thursday, August 17, 2006 9:02 AM
**To:** Neuman, Gayle
**Subject:** RE: Dentists - Rate/Rule Filing #CDEN-06-7503-IL
**Attachments:** Pages from IL DEN 11-06 D.pdf

Ms. Neuman:

One of the items Allison Timmers handled in my absence for this Dentist's Professional filing was revising our Installment plan. She revised it and sent a copy to you in her response to your inquiries on June 1, 2006. I am attaching a copy of that page to this e-mail.

Am I correct in assuming that her revisions are not acceptable? She removed reference to the minimum premium required for an installment plan. (I do see that you indicated at the time that legislation was pending and that you might require additional changes, so I just need a little help determining what else I need to change about our plan.) I suppose there is something I am overlooking. Are you able to give me any guidance regarding what about the revised plan does not meet Illinois requirements?

Thank you for your assistance. I will wait to revise the Professional Liability version of our installment plan until after I hear back from you. I'd like for both of our programs to have the same wording.

Sincerely,

Connie Petertonjes, CPCU, AFSB, RPLU, CPIW
Senior Filings Specialist
Staff Underwriting Department

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Thursday, August 17, 2006 9:06 AM
**To:** Petertonjes, Connie
**Subject:** Dentists - Rate/Rule Filing #CDEN-06-7503-IL

Ms. Petertonjes,

As you know, the new Medical Professional Liability law in Illinois, PA94-677 (Senate Bill 475), requires insurers to implement a quarterly premium payment installment plan as prescribed by the Secretary of the Illinois Department of Financial and Professional Regulation (IDFPR).

This email is to advise you of the requirements being prescribed by the Secretary and by the Director of the Division of Insurance regarding the quarterly premium payment installment plan you are required to offer to your insureds. In reviewing the filing referenced above, we note that your quarterly installment plan does not meet and/or address some or all of the following prescribed requirements.

Please amend your rate/rule manual's quarterly installment plan provisions to comply with all of the following prescribed requirements and send me your updated manual pages no later than August 23, 2006.

Quarterly Premium Payment Installment Plan Prescribed Requirements

All companies writing medical liability insurance shall file with the Secretary or Director a plan to offer each medical liability insured the option to make premium payments, in at least quarterly installments. For purposes of this requirement, insurers may, but are not required to, offer such premium installment plans to insureds whose annual premiums are less than $500, or for premium for any extension of a reporting period. Quarterly installment premium payment plans subject to this Section shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer may, but need not re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available. All quarterly installment premium payment plan provisions shall be contained in the filed rate and/or rule manual in a section entitled, "Quarterly Installment Option" or a substantially similar title. If the company uses a substantially similar title, the Rule Submission Letter must indicate the name of the section that complies with this requirement. All quarterly installment premium payment plans shall include the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below.

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iii) No interest charges;

iv) Installment charges or fees of no more than 1% of the total premium or $25.00, whichever is less;

v) A provision stating that additional premium resulting from changes to the policy 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.

Your immediate attention is requested.

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

CNA

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

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IDFPR (MPC)
DIVISION OF INSURANCE
SPRINGFIELD

**Robert Alonzo**
*State Filing Analyst*
*P & C State Filing Unit*
*CNA Global Specialty Lines*

*Telephone* 212-440-3478
*Facsimile* 212-440-2877
*Toll Free* 877-269-3277 x 3478
*Internet* robert.alonzo@cna.com

November 15, 2005

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED
DEC 01 2005
SPRINGFIELD, ILLINOIS

Ms. Gayle Neuman
Property & Casualty Compliance Unit
Division of Insurance
Illinois Department of Financial & Professional Regulation
320 West Washington Street
Springfield, IL 62767

RE: Continental Casualty Company NAIC# 20443, FEIN# 36-2114545
National Dental Program – Rates Filing
Our File # 05-R2071 Rev

Dear Ms. Neuman:

The above captioned filing was stamped "filed" on July 1, 2005.

The changes noted in our forms response facilitated the need to amend item IV.B. on the Illinois Company State Page.

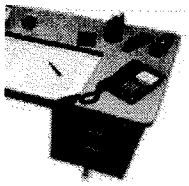
A copy of the revised Illinois Company State Pages is attached.

We would like these changes applicable to all policies written on or after December 1, 2005.

Sincerely,

*Robert Alonzo*

Robert Alonzo
State Filing Analyst



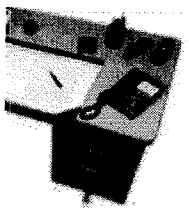
Gayle Neuman/INS
11/15/2005 10:03 AM

To Robert.Alonzo@CNA.com
cc
bcc
Subject Fw: Dental Program # 05-F2071 REV Response

Mr. Alonzo,

I just re-read this and realized my error. I meant to say we WILL stamp this as "filed" (effective 11/15/05) except for the rate/rule pages.

----- Forwarded by Gayle Neuman/INS on 11/15/2005 10:01 AM -----



Gayle Neuman/INS
11/15/2005 09:50 AM

To "Alonzo,Robert A." <Robert.Alonzo@CNA.com>
cc
Subject Re: Dental Program # 05-F2071 REV Response

Mr. Alonzo,

Upon receipt of the attached changes you provided, we will not stamp this as "filed". However, the rates pages that were attached to your 11/14/05 e-mail will need to be submitted under a separate filing. We cannot file both rate/rule change and forms in the same filing. Thank you for your cooperation.

"Alonzo,Robert A." <Robert.Alonzo@CNA.com>

"Alonzo,Robert A."
<Robert.Alonzo@CNA.com>
11/14/2005 02:59 PM

To <Gayle_Neuman@ins.state.il.us>
cc
Subject Dental Program # 05-F2071 REV Response

Dear Ms. Neuman,

Attach please find our response.

<<IL Resp 05-F2071 (11-14-05).doc>> <<G89667C12_112005_ERP Amendment Illinois.DOC>> <<G17698D12_112005_Amendatory Endorsement ERISA Exclusion Waiver and Extended Reporting Period Illinois.doc>> <<D30015D12_112005_Illinois EPL Defense Coverage Endorsement.doc>> <<G118920B12_112005_Illinois EPL Coverage Endorsement.doc>> <<05-2071 IL FFM_112005_IL Forms MEMO.doc>> <<IL State Pages 0105-updated.doc>>

Thanks.

Robert Alonzo

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IL Resp 05-F2071 (11-14-05).doc

G89667C12_112005_ERP Amendment Illinois.DOC

G17698D12_112005_Amendatory Endorsement ERISA Exclusion Waiver and Extended Reporting Period Illinois.doc

D30015D12_112005_Illinois EPL Defense Coverage Endorsement.doc

G118920B12_112005_Illinois EPL Coverage Endorsement.doc

05-2071 IL FFM_112005_IL Forms MEMO.doc

IL State Pages 0105-updated.doc

# COMPANY STATE PAGE
# FOR
# DENTAL PROFESSIONAL PROGRAM

## CONTINENTAL CASUALTY COMPANY

## I. Amended Rules - General

Reserved for future use.

## II. Amended Rules - General Liability (GL)

A. Rule II., MINIMUM LIMITS OF LIABILITY is deleted in its entirety and replaced by the following:

LIMITS OF LIABILITY

The rates listed above are for limits of $1,000,000 (each claim) / $2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the $1M/2M rate).

Individual Practice:

| Increased Limit | Increased Limit Factor |
|---|---|
| $1M/2M | 1.000 |
| $1M/3M | 1.011 |
| $2M/2M | 1.071 |
| $2M/3M | 1.085 |
| $2M/4M | 1.098 |
| $3M/3M | 1.160 |
| $3M/6M | 1.202 |
| $4M/4M | 1.240 |
| $5M/5M | 1.320 |
| $5M/8M | 1.351 |

## IV. Amended Rules – Professional Liability (PL)

A. Rule V, SUPPLEMENTAL MODIFICATIONS-PROFESSIONAL LIABILITY, C., Experience Rating, is deleted and replaced by the following:

C. Experience Rating

Experience period: 5 years preceding the forthcoming policy year.

Application of Experience debit:

| | Debit |
|---|---|
| No claims during the experience period: | 0% |
| One claim during the experience period: | |
| that occurred in the 5th previous year: | 5% |
| that occurred in the 4th previous year: | 10% |
| that occurred in the 3rd previous year: | 15% |
| that occurred in the 2nd previous year: | 20% |
| that occurred in the 1st previous year: | 25% |
| More than one claim during the experience period: | Refer to Company |

**COMPANY STATE PAGE**
**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

A claim is defined as paid indemnity or indemnity reserve in excess of $2,000.

Such debits developed in accordance with the above shall apply on a one year basis and will be subject to annual review.

B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.9., is amended to read as follows:

The factors in the following Table shall be applied to the annual premium in effect at the expiration of the most recent claims-made policy period.

C. Rule X., LOCATION OF PRACTICE is amended to delete the following sentence:

We will charge the higher rate if there is multi-state exposure.

D. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.1., is deleted and replaced as follows:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

E. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.4., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage.

F. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.5., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage. The number of consecutive years of insurance with CNA is based on the number of consecutive years of Professional Liability insurance with CNA.

**V. Territorial Definitions – Professional Liability (PL)**

| | |
|---|---|
| Territory I: | Cook County |
| Territory II: | Dupage, Kane, Lake and Will Counties |
| Territory III: | Remainder of State |

COMPANY STATE PAGE
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CONTINENTAL CASUALTY COMPANY

## VI. Rates – Professional Liability (PL)

A. Professional Liability

**Occurrence Rates at $1M/$1M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,363 | $3,207 | $3,048 |
| III | 23,796 | 17,490 | 16,624 |
| IV | 200 | 200 | 200 |
| IX | 15,271 | 11,224 | 10,668 |
| X | 30,541 | 22,448 | 21,336 |

**Occurrence Rates at $1M/$3M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,450 | $3,271 | $3,109 |
| III | 24,272 | 17,840 | 16,956 |
| IV | 204 | 204 | 204 |
| IX | 15,576 | 11,448 | 10,881 |
| X | 31,152 | 22,897 | 21,763 |

B. Employment Practices Liability – Defense Only

The annual charge for this coverage will be $60 per each named insured having separate $25,000 limits of liability.

Corporations will share the $25,000 limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the $60 charge.

Note: The required coverage and associated charge are waived when the insured purchases the EPL Indemnity & Defense Coverage as the rates below already contemplate the $60 defense charge.

Employment Practices Liability – Indemnity & Defense

The annual charge for this coverage is per each named insured having separate limits of liability. The following table is used to calculate the rate:

| Combined Indemnity & Defense Limit of Liability | Flat Rate for First 10 Employees |
|---|---|
| $ 25,000 | $ 235 |
| $ 50,000 | $ 270 |
| $ 75,000 | $ 305 |
| $100,000 | $ 355 |
| $250,000 | $ 494 |
| $500,000 | $ 586 |
| $750,000 | $ 622 |
| $1,000,000 | $ 657 |

$20 per employee over the first 10 employees.

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Corporations will share the limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the rates listed in the table above.

C. Extended Reporting Period Coverage for Employment Practices Liability

Defense Only Coverage and Indemnity & Defense Coverage

A factor of 0.75 will be applied to the EPL rate.

Defense Only Coverage when converting to an Indemnity & Defense Coverage

No charge.

## VII. Amended Rules - Property

A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence.

"Structure" means a dwelling, building or fixture permanently affixed to real property.

1. Eligibility

a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

| | | | |
|---|---|---|---|
| Bond | Jackson | Marshall | St. Clair |
| Bureau | Jefferson | Menard | Saline |
| Christian | Knox | Mercer | Sangamon |
| Clinton | LaSalle | Montgomery | Tazewell |
| Douglas | Logan | Peoria | Vermilion |
| Franklin | McDonough | Perr | Washington |
| Fulton | Macoupin | Putnam | Williamson |
| Gallatin | Madison | Randolph | |
| Grundy | Marion | Rock Island | |

b. Coverage must be provided in other counties if requested.

2. Ineligibility

The following are not eligible:

a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;

b. Coverage for Time element loss;

c. Limits of Liability in excess of $350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

**COMPANY STATE PAGE**
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3. Premiums

a. Premium for Mine Subsidence shall be shown separately.

b. Annual premiums per structure are as follows:

| Coverage Limit | Frame | Other than Frame* |
|---|---|---|
| $10,000 or less | $20.00 | $26.00 |
| 10,001 to 20,000 | 23.00 | 30.00 |
| 20,001 to 30,000 | 26.00 | 33.00 |
| 30,001 to 40,000 | 30.00 | 36.00 |
| 40,001 to 50,000 | 33.00 | 40.00 |
| 50,001 to 60,000 | 36.00 | 43.00 |
| 60,001 to 70,000 | 40.00 | 46.00 |
| 70,001 to 80,000 | 43.00 | 50.00 |
| 80,001 to 90,000 | 46.00 | 53.00 |
| 90,001 to 100,000 | 50.00 | 56.00 |
| 100,001 to 110,000 | 53.00 | 59.00 |
| 110,001 to 120,000 | 56.00 | 63.00 |
| 120,001 to 130,000 | 59.00 | 66.00 |
| 130,001 to 140,000 | 63.00 | 69.00 |
| 140,001 to 150,000 | 66.00 | 73.00 |
| 150,001 to 160,000 | 69.00 | 76.00 |
| 160,001 to 170,000 | 73.00 | 79.00 |
| 170,001 to 180,000 | 76.00 | 83.00 |
| 180,001 to 190,000 | 79.00 | 86.00 |
| 190,001 to 200,000 | 83.00 | 89.00 |
| 200,001 to 210,000 | 86.00 | 92.00 |
| 210,001 to 220,000 | 89.00 | 96.00 |
| 220,001 to 230,000 | 92.00 | 99.00 |
| 230,001 to 240,000 | 96.00 | 102.00 |
| 240,001 to 250,000 | 99.00 | 106.00 |
| 250,001 to 260,000 | 102.00 | 109.00 |
| 260,001 to 270,000 | 106.00 | 112.00 |
| 270,001 to 280,000 | 109.00 | 116.00 |
| 280,001 to 290,000 | 112.00 | 119.00 |
| 290,001 to 300,000 | 116.00 | 122.00 |
| 300,001 to 310,000 | 119.00 | 125.00 |
| 310,001 to 320,000 | 122.00 | 129.00 |
| 320,001 to 330,000 | 125.00 | 132.00 |
| 330,001 to 340,000 | 129.00 | 135.00 |
| 340,001 to 350,000 | 132.00 | 139.00 |

c. The deductible for other property perils in the policy is the applicable deductible for mine subsidence coverage.

* Any structure other than frame, this includes brick, brick veneer, steel frame, and any fire resistive construction, etc.

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**CONTINENTAL CASUALTY COMPANY**

B. Rule II., INDIVIDUAL RISK PREMIUM MODIFICATION PLAN, C., Rating Procedure, is amended as follows:

The total credits or debits under the following table may not exceed 40%:

C. Additional Rule:

For "Flood" Coverage Endorsement [Form G-145161-A] we will be using the flood rates that are currently filed and approved for use under Division 5.

For Earthquake [Form G-145160-A] we will be using the ISO earthquake rates currently approved for use.

## VIII. Territorial Definitions – Property

| | |
|---|---|
| Territory I: | 606XX (Chicago) |
| Territory II: | 607XX (Chicago - South Suburban) |
| Territory III: | 600XX - 604XX (Chicago North and West Suburban) |
| Territory IV: | 620XX and 622XX (East St. Louis) |
| Territory V: | 614XX, 618XX, 619XX, 623XX - 627XX (Central Illinois) |
| Territory VI: | Remainder of State |

## IX. Rates - Property

A. Blanket Practice Personal Property:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.456 | 0.407 | 0.431 | 0.407 | 0.382 | 0.431 |
| Joisted Masonry (2) | 0.382 | 0.336 | 0.36 | 0.336 | 0.323 | 0.36 |
| Non-Comb or Masonry Non-Comb (4) | 0.228 | 0.203 | 0.216 | 0.203 | 0.191 | 0.216 |
| Mod Fire Res (5) or Fire Res (6) | 0.228 | 0.203 | 0.216 | 0.203 | 0.191 | 0.216 |

B. Building:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.179 | 0.162 | 0.171 | 0.162 | 0.153 | 0.171 |
| Joisted Masonry (2) | 0.153 | 0.135 | 0.144 | 0.135 | 0.126 | 0.144 |
| Non-Comb or Masonry Non-Comb (4) | 0.09 | 0.081 | 0.09 | 0.081 | 0.072 | 0.09 |
| Mod Fire Res (5) or Fire Res (6) | 0.09 | 0.081 | 0.09 | 0.081 | 0.072 | 0.09 |

Note: For statistical reporting purposes, the protection class code must be included in the application.

COMPANY STATE PAGE
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CONTINENTAL CASUALTY COMPANY

D. Base All-Risk Load - Per Policy

There will be a base All-Risk Loading of $65 per policy.

## X. Package Discount Factors

A. These factors are applied to the Property rates, Professional Liability rates and General Liability rates when Property coverage is purchased in conjunction with Professional Liability or General Liability coverage.

B. Property and General Liability: 0.89
Professional Liability: 0.86

C. This factor is not applicable to:

1. Mine Subsidence

2. Base Loading for Building and Blanket Practice Personal Property

## XI. Protection Class Multipliers

| Protection Class | Multiplier |
|---|---|
| 1 | 0.830 |
| 2 | 0.850 |
| 3 | 0.870 |
| 4 | 0.950 |
| 5 | 1.000 |
| 6 | 1.030 |
| 7 | 1.200 |
| 8 | 1.310 |
| 9 | 1.400 |
| 10 | 2.080 |

USPH-6D4K24883

staff - g.c. folder

CNA

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

**Robert Alonzo**
*State Filing Analyst*
*P & C State Filing Unit*
*CNA Global Specialty Lines*

*Telephone* 212-440-3478
*Facsimile* 212-440-2877
*Toll Free* 877-269-3277 x 3478
*Internet* robert.alonzo@cna.com

June 6, 2005

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

Attn: Mr. John Gatlin
Supervising Insurance Analyst

eff 12/16/05

***RE:*** ***CONTINENTAL CASUALTY COMPANY*** ***NAIC #: 218-20443 FEIN#: 36-2114545***
***Allied HealthCare Professional Liability***
***Rates/Rules Filing***
***OUR FILE NO. : 05-R2084***

To Whom It May Concern:

On behalf of Continental Casualty Company, we hereby submit for your review and approval our revised rates and rules for Allied HealthCare Facilities Program on file with your department.

Enclose for your review is the actuarial memorandum outlining the changes proposed by this filing, along with revised pages which will replace what is currently on file with your office;

We propose that this filing become applicable to all policies written on or after July 1, 2005, or the earliest date permitted by your state.

A duplicate copy of this letter is enclosed along with a self addressed stamped envelope for your convenience in approving or acknowledgement.

Sincerely,

*Robert Alonzo*

Robert Alonzo
State Filing Analyst

IISPH- 6CPM74696

Serff - gen corr folder

CNA, 40Wall Street, 9th Floor, New York NY 10005-1401

*John C. Lockhart*
*Regulatory Filings Technician*
*P & C State Filing Unit*
*Telephone 877-269-3277 ext. 3270*
*Facsimile 212-440-2877*
*Internet john.lockhart@cna.com*

May 24, 2005

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

Attn: Mr. John Gatlin
Supervising Insurance Analyst

RE: **Continental Casualty Company NAIC#218-20443, FEIN#36-2114545**
**Physicians and Surgeons Professional Liability ("PPL") Program**
**Rate Filing**
**Company Filing No.: 05-R2085**

Dear Mr Gatlin:

The Continental Casualty Company submits for your review and approval the attached rate filing for use with our Physicians and Surgeons Professional Liability ("PPL") Program currently on file with your department.

This submission is described in the enclosed **Actuarial Memorandum**.

We respectfully submit this filing with an effective date of July 1, 2005, or the earliest date permitted by your state

Should you desire any additional information please feel free to contact us.

Sincerely,

John Lockhart
Regulatory Filings Technician

Scriff - g.c. folder

CNA

CNA 40 Wall Street- New York, NY 10005

**May 23, 2005**

***Lakesha Houser***
*Regulatory Filings Technician*
*CNA Insurance*
*Telephone 212-440-3470*
*Facsimile 212-440-2877*
*Internet: Lakesha.Houser@cna.com*

ILLIONOIS DEPARTMENT OF INSURANCE
PROPERTY AND CASUALTY COMPLIANCE UNIT
320 WEST WASHINGTON STREET
SPRINGFIELD, IL 62767-0001

RE: **Continental Casualty Company NAIC# 218-20443, FEIN# 36-2114545**
**HOSPITAL PROFESSIONAL LIBAILITY PROGRAM**
Our Filing No: 05-R2081

Honorable Director Manna:

The Continental Casualty Company, a member company of the CNA group of insurance companies, submits the above captioned filing for use with our current Hospitals Professional Liability Program in **Illinois**. This filing was last approved on **7/1/2004** under our filing previous filing No.: **04 R2043**.

Enclosed for your review please find:

- The Actuarial Memorandum, along with exhibits reflecting changes proposed by this program.
- The applicable manual with revised state pages.

We propose that these changes will become applicable to all policies written on or after **July 1, 2005**; or the earliest date permitted by your state

Sincerely yours,
*Lakesha Houser*
Lakesha Houser
Regulatory Filings Technician

+1.5%

CNA

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

**Robert Alonzo**
State Filing Analyst
P & C State Filing Unit
CNA Global Specialty Lines

Telephone 212-440-3478
Facsimile 212-440-2877
Toll Free 877-269-3277 x 3478
Internet robert.alonzo@cna.com

March 18, 2005

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
RECEIVED
MAR 24 2005
SPRINGFIELD, ILLINOIS

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED
JUL 01 2005
SPRINGFIELD, ILLINOIS

Honorable Nat Shapo
Director of Insurance
Illinois Department of Insurance
320 West Washington Street
Springfield, IL 62767

Attn: Mr. John Gatlin
Supervising Insurance Analyst

RE: Continental Casualty Company NAIC# 20443, FEIN# 36-2114545
National Dental Program – Rate Filing
Our File # 05-R2071

To Whom It May Concern:

On behalf of Continental Casualty Company, we are submitting the above captioned rate/rule filing to replace our current approved National Dental Program currently on file with your department.

Attach please find an explanatory memorandum, along with revised state pages which replaces what's on file.

We propose that these changes will become applicable to all policies written on or after July 1, 2005, or the earliest date permitted by your state.

The applicable forms are being filed under a separate cover.

Your approval, or acknowledgment otherwise, by stamping the extra copy of this letter and returning it in the envelope provided, will be appreciated.

If you should need additional information, please feel free to call me at 212-440-3478.

Sincerely,

*Robert Alonzo*

Robert Alonzo
State Filing Analyst

-3%

# Property & Casualty Transmittal Document (Revised 1/1/05)

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

RECEIVED MAR 24 2005 American Insurance Services

| 3. | Group Name | Group NAIC # |
|---|---|---|
| | CNA Insurance Companies | 0218 |

| 4. | Company Name(s) | Domicile | NAIC # | FEIN # |
|---|---|---|---|---|
| | Continental Casualty Company | IL | 20443 | 36-2114545 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| 5. | Company Tracking Number | 05-R2071 |
|---|---|---|

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

| 6. | Name and address | Title | Telephone #s | FAX # | e-mail |
|---|---|---|---|---|---|
| | Robert Alonzo, 40 Wall Street, 8th Floor, New York, NY 10005 | State Filings Analyst | 877-269-3277 x3478 | 212-440-2877 | robert.alonzo@cna.com |
| | | | | | |

| | | |
|---|---|---|
| 7. | Signature of authorized filer | Robert Alonzo |
| 8. | Please print name of authorized filer | Robert Alonzo |

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

| | | | |
|---|---|---|---|
| 9. | **Type of Insurance (TOI)** | Commercial Multiple Peril | |
| 10. | **Sub-Type of Insurance (Sub-TOI)** | | |
| 11. | **State Specific Product code(s)** (if applicable)[See State Specific Requirements] | | |
| 12. | **Company Program Title** (Marketing title) | Dentists Professional Liability | |
| 13. | **Filing Type** | ☐ Rate/Loss Cost ☐ Rules ☒ Rates/Rules<br>☐ Forms ☐ Combination Rates/Rules/Forms<br>☐ Withdrawal ☐ Other (give description) | |
| 14. | **Effective Date(s) Requested** | New: 7/1/2005 | Renewal: 7/1/2005 |
| 15. | **Reference Filing?** | ☐ Yes ☒ No | |
| 16. | **Reference Organization** (if applicable) | | |
| 17. | **Reference Organization # & Title** | | |
| 18. | **Company's Date of Filing** | | |
| 19. | **Status of filing in domicile** | ☐ Not Filed ☐ Pending ☒ Authorized ☐ Disapproved | |

# Property & Casualty Transmittal Document—

| 20. | This filing transmittal is part of Company Tracking # | 05-R2071 |
|---|---|---|

| 21. | **Filing Description** [This area should be similar to the body of a cover letter and is free-form text] |
|---|---|

Continental Casualty Company (CCC) proposes a change of -0.3% to its Dental Professional Program in Illinois filed under the Commercial Multiple Peril line of business. Revised manual pages are attached and include the following proposed changes to our Dental Professional Program (see actuarial memorandum).

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

**Check #: N/A**
**Amount:**

**Calculation:**

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

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

# RATE/RULE FILING SCHEDULE

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

**(Do not refer to the body of the filing for the component/exhibit listing.)**

| | | |
|---|---|---|
| **1.** | **This filing transmittal is part of Company Tracking #** | **05-R2071** |
| **2.** | **This filing corresponds to form filing number** (Company tracking number of form filing, if applicable) | **N/A** |

☐ Rate Increase ☒ Rate Decrease ☐ Rate Neutral (0%)

| | | |
|---|---|---|
| **3.** | **Overall percentage rate impact for this filing** | -0.3% |
| **4.** | **Effect of Rate Filing – Written premium change for this program** | -$2,958 |
| **5.** | **Effect of Rate Filing – Number of policyholders** | 23 |
| **6.** | **Filing Method (Prior Approval, File & Use, Flex Band, etc.)** | Prior Approval |

**7. Rate Change by Company**

| Company Name | Percentage Change | Effect of Rate Filing | |
|---|---|---|---|
| | | # of policyholders for this program | Written premium change for this program |
| Continental Casualty Company | -0.3% | 23 | -$2,958 |
| | | | |
| | | | |
| | | | |
| | | | |

| | | |
|---|---|---|
| **8.** | **Overall percentage of last rate revision** | +1.4% |
| **9.** | **Effective Date of last rate revision** | 9/01/04 |
| **10.** | **Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)** | Prior Approval |

| **11.** | **Exhibit Name/Description /Synopsis** | **Rule # or Page #** | **Replacement or Withdrawn?** | **Previous state filing number, if required by state** |
|---|---|---|---|---|
| 01 | Cover Page | 1 &2 | ☒ Replacement ☐ Withdrawn ☐ Neither | |
| 02 | Company Countrywide Pages | CCC-Dental-General 1 through 3 & CCC-Dental-PL 1 thorugh 9 & CCC-Dental-GL 1 & CCC-Dental-Property 1 through 6 & CCC-Dental-Board 1 | ☒ Replacement ☐ Withdrawn ☐ Neither | |
| 03 | Company State Page | CCC-EX-1 through CCC-EX-7 | ☐ Replacement ☐ Withdrawn ☐ Neither | |
| 04 | | | ☐ Replacement ☐ Withdrawn ☐ Neither | |
| 05 | | | ☐ Replacement ☐ Withdrawn ☐ Neither | |

**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, Rachel Miller, a duly authorized officer of CNA Insurance Company, 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's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Sharon K. Robinson, a duly authorized actuary of CNA Insurance Company, am authorized to certify on behalf of CNA 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 the subject of this filing.

Assistant Vice President 4/18/05
Signature and Title of Authorized Insurance Company Officer — Date

Sharon K. Robinson Vice President & Actuary 4-13-05
Signature, Title and Designation of Authorized Actuary — Date

Insurance Company FEIN 36-2114595 Filing Number 05-R2071

Insurer's Address 40 Wall Street – 9th Floor

City New York State NY Zip Code 10005

Contact Person's:
-Name and E-mail Robert.Alonzo@cna.com

-Direct Telephone and Fax Number 212-440-3478

"Alonzo,Robert A."
<Robert.Alonzo@CNA.com>
04/19/2005 11:06 AM

To <Gayle_Neuman@ins.state.il.us>
cc
bcc
Subject Illinois Dental Program Rates # 05-R2071 Response

Dear Ms. Neuman,

Attach please find our response. Please advise if I need to send you a copy via reg. mail.

Thanks.

*Robert Alonzo*
*CNA - Global Specialty Lines*
*40 Wall Street, 9th Floor*
*New York, NY 10005*
*Telephone (212) 440-3478*
*Fax (212) 440-2877*
*email: robert.alonzo@cna.com*

-----Original Message-----
**From:** Gayle_Neuman@ins.state.il.us [mailto:Gayle_Neuman@ins.state.il.us]
**Sent:** Monday, April 11, 2005 12:08 PM
**To:** Alonzo,Robert A.
**Subject:** National Dental Program - Rate Filing #05-R2071

Mr. Alonzo,

We are in receipt of the above referenced filing submitted by letter dated March 18, 2005. The following additional information is required to process this filing:

1. 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. Please complete the attached certification form.

2. Provide a copy of the complete rate/rule manual, including any changes made with this filing. 50 Ill. Adm. Code 929.30 requires identification of all changes from superseding filings. Please also provide us with a memorandum indicating (1) the superseded pages which is a revised page that is being replaced with an updated version, (2) pages that are withdrawn (and not replaced), and (3) new pages to be added that do not replace any previously filed page. We require a written statement certifying that nothing else has changed from what was previously filed except for the changes brought to our attention is this filing.

3. 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?

4. We require a written statement certifying that the insurance company does not unfairly discriminate in offering or administering this program.

5. In regard to the rate change, will every policy that provides professional liability for a dentist be

decreased by 4%, or is that an average?

6. Actuarial justification for the rate increase is required to be provided.

7. The language in the Extended Reporting Period Coverage must be changed to reflect requirements for general liability, as it can be written on the same policy as the professional liability. On all general liability coverage parts:
a. the extended reporting period must be offered when the policy is cancelled or not renewed for any reason
b. the insured gets a free 60 day period after the end of the policy to request the e.r.p.
c. the insured must be offered:
(1) a free 5 year tail (limits cannot be reduced), or
(2) an unlimited tail with limits reinstated (100% of aggregate expiring limits for the duration) and a premium cap of 200%
of the annual premium of the expiring policy.
d. after the premium is paid, the e.r.p. may not be cancelled for any reason.

8. In regard to the Packaging of Coverages (CCC-DENTAL-PROPERTY-5), please indicate the exact location on the State Rate Page where the discounts are disclosed.

Your response is requested by April 20, 2005.

Gayle Neuman
Property & Casualty Compliance Unit
Illinois Department of Financial & Professional Regulation, Division of Insurance
fax (217) 524-2122

Please refer to the Property and Casualty Review Requirement Checklists before submitting a paper filing or an electronic filing (SERFF). 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@ins.state.il.us

## 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, _____(Name of officer typed or printed)_____, a duly authorized officer of _____(Name of Insurer typed or printed)_____, 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's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this

filing.

I, _____(Name of actuary typed or printed)_____, a duly authorized actuary of _____(Name of actuary firm typed or printed)_____ am authorized to certify on behalf of (Name of 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 the subject of this filing.

_____ _____
Signature and Title of Authorized Insurance Company Officer Date

_____ _____
Signature, Title and Designation of Authorized Actuary Date

Insurance Company FEIN __ - _____ Filing Number _____

Insurer's Address _____

City _____State_____ Zip Code_____

Contact Person's:
-Name and E-mail _____

-Direct Telephone and Fax Number_____

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

IL State Pages 0105.doc

CCC CW Pages-Comparison.DOC

IL State Pages-Comparison.doc

Manual Memorandum.doc

IL certification.pdf

IL #05-R2071 RatesResp #1.doc

K

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

**Robert Alonzo**
State Filing Analyst
P & C State Filing Unit
CNA Global Specialty Lines

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Facsimile 212-440-2877
Toll Free 877-269-3277
x 3478
Internet
robert.alonzo@cna.com

April 18, 2005

Ms. Gayle Neuman
Property & Casualty Compliance Unit
Division of Insurance
Illinois Department of Financial & Professional Regulation
320 West Washington Street
Springfield, IL 62767

RE: Continental Casualty Company NAIC# 20443, FEIN# 36-2114545
National Dental Program – Rate Filing
Our File # 05-R2071

Dear Ms. Neuman:

Thank you for your letter dated April 8, 2005. Please note our following response to the issues you raised.

1. **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. Please complete the attached certification form.**

   The certification form is attached.

2. **Provide a copy of the complete rate/rule manual, including any changes made with this filing. 50 Ill. Adm. Code 929.30 requires identification of all changes from superseding filings. Please also provide us with a memorandum indicating (1) the superseded pages which is a revised page that is being replaced with an updated version, (2) pages that are withdrawn (and not replaced), and (3) new pages to be added that do not replace any previously filed page. We require a written statement certifying that nothing else has changed from what was previously filed except for the changes brought to our attention is this filing.**

   In response to your comments we are submitting the following:
   - Updated Illinois Company State Pages (01/05). We corrected the footer.
   - Comparison for the Countrywide Pages.
   - Comparison for the Illinois Company State Pages.
   - Memorandum for the Manual Pages

Nothing else has changed from what was previously filed except for the changes brought to our attention in this filing.

3. **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?**

CNA gathers all information necessary for statistical reporting purposes. No stat agency is used.

4. **We require a written statement certifying that the insurance company does not unfairly discriminate in offering or administering this program.**

We do not unfairly discriminate in offering or administering this program.

5. **In regard to the rate change, will every policy that provides professional liability for a dentist be decreased by 4%, or is that an average?**

The overall rate change is -0.4%. Only the policies renewing with the New Dentist Discount will see a decreased renewal rate.

6. **Actuarial justification for the rate increase is required to be provided.**

No policies will see an increase as a result of this rate filing.

7. **The language in the Extended Reporting Period Coverage must be changed to reflect requirements for general liability, as it can be written on the same policy as the professional liability. On all general liability coverage parts:**

   **a. the extended reporting period must be offered when the policy is cancelled or not renewed for any reason**
   **b. the insured gets a free 60 day period after the end of the policy to request the e.r.p.**
   **c. the insured must be offered:**
      **(1) a free 5 year tail (limits cannot be reduced), or**
      **(2) an unlimited tail with limits reinstated (100% of aggregate expiring limits for the duration) and a premium cap of 200% of the annual premium of the expiring policy.**
   **d. after the premium is paid, the e.r.p. may not be cancelled for any reason.**

Our General Liability Coverage Part provides coverage on an occurrence basis. From this we conclude that there is no reason to provide an extended reporting period for the General Liability Coverage Part. Since the extended reporting period is used in conjunction with Claims-Made Professional Liability and not Occurrence General Liability we have not made any changes at this time.

8. **In regard to the Packaging of Coverages (CCC-DENTAL-PROPERTY-5), please indicate the exact location on the State Rate Page where the discounts are disclosed.**

Package Discount Factors are located on state exception page CCC-EX-7.

Thank you for your continued review of this filing.

Sincerely,

Robert Alonzo

Robert Alonzo
State Filing Analyst

"Alonzo,Robert A." <Robert.Alonzo@CNA.com>
04/28/2005 11:48 AM

To <Gayle_Neuman@ins.state.il.us>
cc
bcc
Subject RE: Illinois Dental Program Rates # 05-R2071 Response

Dear Ms. Neuman,

Attach is our response.

Robert Alonzo
CNA

-----Original Message-----
**From:** Gayle_Neuman@ins.state.il.us [mailto:Gayle_Neuman@ins.state.il.us]
**Sent:** Monday, April 25, 2005 12:14 PM
**To:** Alonzo,Robert A.
**Subject:** Re: Illinois Dental Program Rates # 05-R2071 Response

Mr. Alonzo,

Thank you for your April 19, 2005 response.

I apologize that question #6 on my April 11, 2005 e-mail was incorrectly worded. Please provide the actuarial justification for the rate decrease at your earliest convenience.

Gayle Neuman
Property & Casualty Compliance Unit
Illinois Department of Financial & Professional Regulation, Division of Insurance
fax (217) 524-2122

Please refer to the Property and Casualty Review Requirement Checklists before submitting a paper filing or an electronic filing (SERFF). 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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storage of this message or any attachment is strictly prohibited.

IL #05-R2071 RatesResp #2.doc

K

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

**Robert Alonzo**
State Filing Analyst
P & C State Filing Unit
CNA Global Specialty Lines

Telephone 212-440-3478
Facsimile 212-440-2877
Toll Free 877-269-3277
x 3478
Internet
robert.alonzo@cna.com

April 27, 2005

Ms. Gayle Neuman
Property & Casualty Compliance Unit
Division of Insurance
Illinois Department of Financial & Professional Regulation
320 West Washington Street
Springfield, IL 62767

RE: Continental Casualty Company NAIC# 20443, FEIN# 36-2114545
National Dental Program – Rate Filing
Our File # 05-R2071

Dear Ms. Neuman:

Thank you for your e-mail dated April 25, 2005. Please note our following response to the issue you raised.

1. **I apologize that question #6 on my April 11, 2005 e-mail was incorrectly worded. Please provide the actuarial justification for the rate decrease at your earliest convenience.**

   The proposed changes are countrywide changes designed to help CNA become more competitive in the marketplace. Please note that the estimated impact of these proposed changes is a decrease of less than 1%.

Thank you for your continued review of this filing.

Sincerely,

Robert Alonzo

Robert Alonzo
State Filing Analyst

# MEMORANDUM FOR THE MANUAL PAGES

| Countrywide Pages For The Current Filing | Countrywide Pages On File With The Department | Comments |
|---|---|---|
| THIRD REPRINT CCC-DENTAL-GENERAL-1 (01/05) | SECOND REPRINT CCC-DENTAL-GENERAL-1 (09/00) | Revised with this current filing. |
| THIRD REPRINT CCC-DENTAL-GENERAL-2 (01/05) | SECOND REPRINT CCC-DENTAL-GENERAL-2 (09/00) | Revised with this current filing. |
| THIRD REPRINT CCC-DENTAL-GENERAL-3 (01/05) | SECOND REPRINT CCC-DENTAL-GENERAL-3 (09/00) | Revised with this current filing. |
| THIRD REPRINT CCC-DENTAL-PL-1 (01/05) | SECOND REPRINT CCC-DENTAL-PL-1 (09/00) | Revised with this current filing. |
| THIRD REPRINT CCC-DENTAL-PL-2 (01/05) | SECOND REPRINT CCC-DENTAL-PL-2 (09/00) | Revised with this current filing. |
| THIRD REPRINT CCC-DENTAL-PL-3 (01/05) | SECOND REPRINT CCC-DENTAL-PL-3 (09/00) | Revised with this current filing. |
| THIRD REPRINT CCC-DENTAL-PL-4 (01/05) | SECOND REPRINT CCC-DENTAL-PL-4 (09/00) | Revised with this current filing. |
| THIRD REPRINT CCC-DENTAL-PL-5 (01/05) | SECOND REPRINT CCC-DENTAL-PL-5 (09/00) | Revised with this current filing. |
| THIRD REPRINT CCC-DENTAL-PL-6 (01/05) | SECOND REPRINT CCC-DENTAL-PL-6 (09/00) | Revised with this current filing. |
| THIRD REPRINT CCC-DENTAL-PL-7 (01/05) | SECOND REPRINT CCC-DENTAL-PL-7 (09/00) | Revised with this current filing. |
| THIRD REPRINT CCC-DENTAL-PL-8 (01/05) | SECOND REPRINT CCC-DENTAL-PL-8 (09/00) | Revised with this current filing. |
| THIRD REPRINT CCC-DENTAL-PL-9 (01/05) | SECOND REPRINT CCC-DENTAL-PL-9 (09/00) | Revised with this current filing. |
| SECOND REPRINT CCC-DENTAL-GL-1 (12/02) | SECOND REPRINT CCC-DENTAL-GL-1 (12/02) | No change. |
| FOURTH REPRINT CCC-DENTAL-PROPERTY-1 (12/02) (c) | FOURTH REPRINT CCC-DENTAL-PROPERTY-1 (12/02) (c) | No change. |
| FOURTH REPRINT CCC-DENTAL-PROPERTY-2 (12/02) (c) | FOURTH REPRINT CCC-DENTAL-PROPERTY-2 (12/02) (c) | No change. |
| FOURTH REPRINT CCC-DENTAL-PROPERTY-3 (12/02) (c) | FOURTH REPRINT CCC-DENTAL-PROPERTY-3 (12/02) (c) | No change. |
| FOURTH REPRINT CCC-DENTAL-PROPERTY-4 (12/02) (c) | FOURTH REPRINT CCC-DENTAL-PROPERTY-4 (12/02) (c) | No change. |
| FOURTH REPRINT CCC-DENTAL-PROPERTY-5 (12/02) (c) | FOURTH REPRINT CCC-DENTAL-PROPERTY-5 (12/02) (c) | No change. |
| FOURTH REPRINT CCC-DENTAL-PROPERTY-6 (12/02) (c) | FOURTH REPRINT CCC-DENTAL-PROPERTY-6 (12/02) (c) | No change. |
| ORIGINAL PRINTING CCC-DENTAL-BOARD-1 (09/00) | ORIGINAL PRINTING CCC-DENTAL-BOARD-1 (09/00) | No change. |

| **Illinois Company State Pages For The Current Filing** | **Illinois Company State Pages On File With The Department** | **Comments** |
|---|---|---|
| NINTH REPRINT CCC-EX-1 (01/05) | EIGHTH REPRINT CCC-EX-1 (10/04) | Revised with this current filing. |
| NINTH REPRINT CCC-EX-2 (01/05) | EIGHTH REPRINT CCC-EX-2 (10/04) | Revised with this current filing. |
| NINTH REPRINT CCC-EX-3 (01/05) | EIGHTH REPRINT CCC-EX-3 (10/04) | Revised with this current filing. |
| NINTH REPRINT CCC-EX-4 (01/05) | EIGHTH REPRINT CCC-EX-4 (10/04) | Revised with this current filing. |
| NINTH REPRINT CCC-EX-5 (01/05) | EIGHTH REPRINT CCC-EX-5 (10/04) | Revised with this current filing. |
| NINTH REPRINT CCC-EX-6 (01/05) | EIGHTH REPRINT CCC-EX-6 (10/04) | Revised with this current filing. |
| NINTH REPRINT CCC-EX-7 (01/05) | EIGHTH REPRINT CCC-EX-7 (10/04) | Revised with this current filing. |

**NOTE: Please refer to the two (2) comparison documents for the specific changes.**

**COMPANY STATE PAGE**
**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

## I. Amended Rules - General

Reserved for future use.

## II. Amended Rules - General Liability (GL)

A. Rule II., MINIMUM LIMITS OF LIABILITY is deleted in its entirety and replaced by the following:

LIMITS OF LIABILITY

The rates listed above are for limits of $1,000,000 (each claim) / $2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the $1M/2M rate).

Individual Practice:

| Increased Limit | Increased Limit Factor |
|---|---|
| $1M/2M | 1.000 |
| $1M/3M | 1.011 |
| $2M/2M | 1.071 |
| $2M/3M | 1.085 |
| $2M/4M | 1.098 |
| $3M/3M | 1.160 |
| $3M/6M | 1.202 |
| $4M/4M | 1.240 |
| $5M/5M | 1.320 |
| $5M/8M | 1.351 |

Changes made are marked on this copy

## IV. Amended Rules – Professional Liability (PL)

A. Rule V, SUPPLEMENTAL MODIFICATIONS-PROFESSIONAL LIABILITY, C., Experience Rating, is deleted and replaced by the following:

C. Experience Rating

Experience period: 5 years preceding the forthcoming policy year.

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Application of Experience debit:

| | Debit |
|---|---|
| No claims during the experience period: | 0% |
| One claim during the experience period: | |
| that occurred in the 5th previous year: | 5% |
| that occurred in the 4th previous year: | 10% |
| that occurred in the 3rd previous year: | 15% |
| that occurred in the 2nd previous year: | 20% |
| that occurred in the 1st previous year: | 25% |
| More than one claim during the experience period: | Refer to Company |

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A claim is defined as paid indemnity or indemnity reserve in excess of $2,000.

Such debits developed in accordance with the above shall apply on a one year basis and will be subject to annual review.

B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.9., is amended to read as follows:

The factors in the following Table shall be applied to the mature claims-made rate in effect at the inception of the most recent claims-made policy period.

C. Rule X., LOCATION OF PRACTICE is amended to delete the following sentence:

We will charge the higher rate if there is multi-state exposure.

D. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.1., is deleted and replaced as follows:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

E. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.4., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage.

F. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.5., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage. The number of consecutive years of insurance with CNA is based on the number of consecutive years of Professional Liability insurance with CNA.

**V. Territorial Definitions – Professional Liability (PL)**

| | |
|---|---|
| Territory I: | Cook County |
| Territory II: | Dupage, Kane, Lake and Will Counties |
| Territory III: | Remainder of State |

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## VI. Rates – Professional Liability (PL)

A. Professional Liability

**Occurrence Rates at $1M/$1M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,363 | $3,207 | $3,048 |
| III | 23,796 | 17,490 | 16,624 |
| IV | 200 | 200 | 200 |
| IX | 15,271 | 11,224 | 10,668 |
| X | 30,541 | 22,448 | 21,336 |

**Occurrence Rates at $1M/$3M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,450 | $3,271 | $3,109 |
| III | 24,272 | 17,840 | 16,956 |
| IV | 204 | 204 | 204 |
| IX | 15,576 | 11,448 | 10,881 |
| X | 31,152 | 22,897 | 21,763 |

B. Employment Practices Liability – Defense Only

The annual charge for this coverage will be $60 per each named insured having separate $25,000 limits of liability.

Corporations will share the $25,000 limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the $60 charge.

Note: The required coverage and associated charge are waived when the insured purchases the EPL Indemnity & Defense Coverage as the rates below already contemplate the $60 defense charge.

Employment Practices Liability – Indemnity & Defense

The annual charge for this coverage is per each named insured having separate limits of liability. The following table is used to calculate the rate:

| Combined Indemnity & Defense Limit of Liability | Flat Rate for First 10 Employees |
|---|---|
| $ 25,000 | $ 235 |
| $ 50,000 | $ 270 |
| $ 75,000 | $ 305 |
| $100,000 | $ 355 |
| $250,000 | $ 494 |
| $500,000 | $ 586 |
| $750,000 | $ 622 |
| $1,000,000 | $ 657 |

$20 per employee over the first 10 employees.

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Corporations will share the limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the rates listed in the table above.

C. Extended Reporting Period Coverage for Employment Practices Liability

Defense Only Coverage and Indemnity & Defense Coverage

A factor of 0.75 will be applied to the EPL rate.

Defense Only Coverage when converting to an Indemnity & Defense Coverage

No charge.

**VII. Amended Rules - Property**

A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence.

"Structure" means a dwelling, building or fixture permanently affixed to real property.

1. Eligibility

a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

| | | | |
|---|---|---|---|
| Bond | Jackson | Marshall | St. Clair |
| Bureau | Jefferson | Menard | Saline |
| Christian | Knox | Mercer | Sangamon |
| Clinton | LaSalle | Montgomery | Tazewell |
| Douglas | Logan | Peoria | Vermilion |
| Franklin | McDonough | Perr | Washington |
| Fulton | Macoupin | Putnam | Williamson |
| Gallatin | Madison | Randolph | |
| Grundy | Marion | Rock Island | |

b. Coverage must be provided in other counties if requested.

2. Ineligibility

The following are not eligible:

a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;

b. Coverage for Time element loss;

c. Limits of Liability in excess of $350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

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3. Premiums

a. Premium for Mine Subsidence shall be shown separately.

b. Annual premiums per structure are as follows:

| Coverage Limit | Frame | Other than Frame* |
|---|---|---|
| $10,000 or less | $20.00 | $26.00 |
| 10,001 to 20,000 | 23.00 | 30.00 |
| 20,001 to 30,000 | 26.00 | 33.00 |
| 30,001 to 40,000 | 30.00 | 36.00 |
| 40,001 to 50,000 | 33.00 | 40.00 |
| 50,001 to 60,000 | 36.00 | 43.00 |
| 60,001 to 70,000 | 40.00 | 46.00 |
| 70,001 to 80,000 | 43.00 | 50.00 |
| 80,001 to 90,000 | 46.00 | 53.00 |
| 90,001 to 100,000 | 50.00 | 56.00 |
| 100,001 to 110,000 | 53.00 | 59.00 |
| 110,001 to 120,000 | 56.00 | 63.00 |
| 120,001 to 130,000 | 59.00 | 66.00 |
| 130,001 to 140,000 | 63.00 | 69.00 |
| 140,001 to 150,000 | 66.00 | 73.00 |
| 150,001 to 160,000 | 69.00 | 76.00 |
| 160,001 to 170,000 | 73.00 | 79.00 |
| 170,001 to 180,000 | 76.00 | 83.00 |
| 180,001 to 190,000 | 79.00 | 86.00 |
| 190,001 to 200,000 | 83.00 | 89.00 |
| 200,001 to 210,000 | 86.00 | 92.00 |
| 210,001 to 220,000 | 89.00 | 96.00 |
| 220,001 to 230,000 | 92.00 | 99.00 |
| 230,001 to 240,000 | 96.00 | 102.00 |
| 240,001 to 250,000 | 99.00 | 106.00 |
| 250,001 to 260,000 | 102.00 | 109.00 |
| 260,001 to 270,000 | 106.00 | 112.00 |
| 270,001 to 280,000 | 109.00 | 116.00 |
| 280,001 to 290,000 | 112.00 | 119.00 |
| 290,001 to 300,000 | 116.00 | 122.00 |
| 300,001 to 310,000 | 119.00 | 125.00 |
| 310,001 to 320,000 | 122.00 | 129.00 |
| 320,001 to 330,000 | 125.00 | 132.00 |
| 330,001 to 340,000 | 129.00 | 135.00 |
| 340,001 to 350,000 | 132.00 | 139.00 |

c. The deductible for other property perils in the policy is the applicable deductible for mine subsidence coverage.

* Any structure other than frame, this includes brick, brick veneer, steel frame, and any fire resistive construction, etc.

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B. Rule II., INDIVIDUAL RISK PREMIUM MODIFICATION PLAN, C., Rating Procedure, is amended as follows:

The total credits or debits under the following table may not exceed 40%:

C. Additional Rule:

For "Flood" Coverage Endorsement [Form G-145161-A] we will be using the flood rates that are currently filed and approved for use under Division 5.

For Earthquake [Form G-145160-A] we will be using the ISO earthquake rates currently approved for use.

## VIII. Territorial Definitions – Property

Territory I: 606XX (Chicago)
Territory II: 607XX (Chicago - South Suburban)
Territory III: 600XX - 604XX (Chicago North and West Suburban)
Territory IV: 620XX and 622XX (East St. Louis)
Territory V: 614XX, 618XX, 619XX, 623XX - 627XX (Central Illinois)
Territory VI: Remainder of State

## IX. Rates - Property

A. Blanket Practice Personal Property:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.456 | 0.407 | 0.431 | 0.407 | 0.382 | 0.431 |
| Joisted Masonry (2) | 0.382 | 0.336 | 0.36 | 0.336 | 0.323 | 0.36 |
| Non-Comb or Masonry Non-Comb (4) | 0.228 | 0.203 | 0.216 | 0.203 | 0.191 | 0.216 |
| Mod Fire Res (5) or Fire Res (6) | 0.228 | 0.203 | 0.216 | 0.203 | 0.191 | 0.216 |

B. Building:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.179 | 0.162 | 0.171 | 0.162 | 0.153 | 0.171 |
| Joisted Masonry (2) | 0.153 | 0.135 | 0.144 | 0.135 | 0.126 | 0.144 |
| Non-Comb or Masonry Non-Comb (4) | 0.09 | 0.081 | 0.09 | 0.081 | 0.072 | 0.09 |
| Mod Fire Res (5) or Fire Res (6) | 0.09 | 0.081 | 0.09 | 0.081 | 0.072 | 0.09 |

Note: For statistical reporting purposes, the protection class code must be included in the application.

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D. Base All-Risk Load - Per Policy

There will be a base All-Risk Loading of $65 per policy.

## X. Package Discount Factors

A. These factors are applied to the Property rates, Professional Liability rates and General Liability rates when Property coverage is purchased in conjunction with Professional Liability or General Liability coverage.

B. Property and General Liability: 0.89
Professional Liability: 0.86

C. This factor is not applicable to:

1. Mine Subsidence

2. Base Loading for Building and Blanket Practice Personal Property

## XI. Protection Class Multipliers

| Protection Class | Multiplier |
|---|---|
| 1 | 0.830 |
| 2 | 0.850 |
| 3 | 0.870 |
| 4 | 0.950 |
| 5 | 1.000 |
| 6 | 1.030 |
| 7 | 1.200 |
| 8 | 1.310 |
| 9 | 1.400 |
| 10 | 2.080 |

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## I. APPLICATION OF MANUAL RULES

A. This manual provides rules, rates, premiums and classifications and shall govern the writing of policies for the dental profession.

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.

C. Any exceptions to these manual rules are contained in the respective Section or State Rate Page.

## II. POLICY TERMS

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

## III. PREMIUM COMPUTATION

A. Compute the premium at policy inception using the rules, 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 less 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.

The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured. The rates shall be applied in accordance with each practitioner's classification and corresponding code number.

## IV. FACTORS OR MULTIPLIERS

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

## V. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be $250.00 per annual or lesser period.

## VI. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

A. any amount involving $.50 or over shall be rounded to the next highest whole dollar amount; or

B. any amount involving $.49 or less shall be rounded down to the next lowest whole dollar amount.

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## VII. 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, even if the policy inception premium was less than the policy writing minimum premium.

C. Waive additional premium of $15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

## VIII. RETURN PREMIUM

A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.

B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

C. 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.

D. Waive return premium of $15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.

E. Retain the policy writing minimum premium.

## IX. COVERAGES

Coverages under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy. The following are the combinations of coverages that are available under this policy:

Professional Liability and General Liability
Professional Liability, General Liability, and Property
Professional Liability only
General Liability and Property
Property Only
Non-Student Dental Board Exam

Note: ~~Professional Liability and~~ General Liability cannot be purchased on a stand-alone basis.

**Available coverages under this program are:**

A. Professional Liability on a claims-made basis or occurrence basis.

Required coverages under professional liability are:

1. Special Extra Expense (HIV);
2. Defense Coverage - Dental Professional Licensing Board; and
3. Employment Practices Liability - $25,000 per Claim/$25,000 Aggregate Defense Coverage*

   * Note: This required coverage is waived when the insured purchases EPL Indemnity & Defense Coverage as that endorsement already includes defense coverage.

4. Defendant's Reimbursement - $500 per day, and $5,000 per suit

B. Business Liability on an occurrence basis.

Required coverages under business liability are:

1. General Liability, including Products/Completed Operations, Host Liquor Liability and Incidental Contract coverage;
2. Fire and Water Legal Liability - ~~$250~~500,000 per occurrence;
3. Medical Payments Coverage - $5,000 per person/$10,000 per accident;
4. Non-Owned or Hired Automobile Liability Coverage - $1,000,000 each occurrence;
5. Medical Waste Legal Expense Reimbursement.

C. Property on an occurrence basis.

Required coverages under property are:

1. Blanket Dental Practice Personal Property
2. Practice Income

D. Non-Student Dental Board Exam on an occurrence basis.

Required coverage under board exam is Professional Liability.

## X. BLACK BAG COVERAGE - Equipment Floater

Black Bag Coverage may be purchased according to the following table:

$100.00 premium for $4,000.00 limits.

Higher limits may be purchased for $15.00 per $1,000.00 in values.

## XI. PACKAGING OF COVERAGES

If Professional Liability or General Liability coverages are purchased in conjunction with Property coverage, package discount factors shall be applied to the Professional Liability and General Liability rates. The package discount factors are stated on the respective State Rate Page.

## XII. POLICY CANCELLATIONS

A. The policy may be canceled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.

B. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.

C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

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## I. DENTAL PRACTITIONERS CLASSIFICATIONS - CALCULATION OF PREMIUM - Professional Liability Coverage

The premium for the policy shall be the sum of the applicable charges developed below.

A. The actual ISO Dental Classifications, definitions and rates for Class Codes 80210 and 80211 do not apply.

The following Codes shall apply under this plan:

| Class | Description | Code No. |
|---|---|---|
| I. | Dentists who perform dentistry on patients who have been treated with local anesthesia and/or oral medication and/or nitrous oxide/oxygen sedation and/or conscious sedation. Does not apply to treatment involving any general anesthesia or deep sedation unless administered in a hospital or state licensed and regulated surgical center. | 80211 |
| III. | All oral surgeons. In addition, this applies to dentists as defined in Class 80211 who perform dentistry utilizing general anesthesia or deep sedation, unless performed in a hospital or state licensed and regulated surgical center, in which case class 80211 will apply. | 80210 |
| IV. | Dental School Faculty – Teaching dentists and graduate students with no intramural practice. | 80213 |
| VI. | Professional Corporations or Partnerships | 80999 |
| IX. | Dental Anesthesiologists whose practice does not include deep sedation and/or general anesthesia. | 90100 |
| X. | Dental Anesthesiologists whose practice includes deep sedation and/or general anesthesia. | 90101 |

B. The annual rates, under occurrence, for each dentist are stated in the State Rate Page.

The annual rates, under claims-made, for each dentist shall be determined for Classes I., III., IX. and X. only, as follows:

1. If the dentist is just entering practice, or the dentist has continuously been insured under an "occurrence" policy, enter the step rate factor from the Table at the year one level.

2. If the dentist 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 dentist was covered under such claims-made policy(ies);

   b. determine the number of years in which the dentist 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., III., IX. or X. rate, found on the State Page, in effect at the inception of the last claims-made policy.

| | Step Rate Factors | | | | |
|---|---|---|---|---|---|
| Classes | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| I, III, IX, X | 0.29 | 0.54 | 0.73 | 0.81 | 0.90 |

C. Any (a) rated risk written under this program shall maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request. Rates shall not be inadequate, excessive or unfairly discriminatory and will follow individual state regulations.

## II. ADDITIONAL CLASSIFICATIONS

A. New Dentist

A "new" dentist is defined as a student who has completed their training within the previous twelve months from license date or the experienced military dentist who within twelve months of honorable military discharge or a foreign graduate of a 4-year program from an accredited U.S. dental school enters full-time private or group practice.

The following credits will apply:

~~50~~60% of the first year in practice
~~25~~40% of the second year in practice
~~15~~20% of the third year in practice
10% of the fourth year in practice

B. Corporations/Partnerships/Associations

It shall be permissible to provide coverage for a corporation, partnership or association for liability arising from the practice of member dentists insured by the Company. Such coverage may be provided either:

a. on a shared limit of liability basis with the member practitioner, in which case no additional premium shall be charged; or

b. on a separate limit of liability basis. The limit of liability shall be equal to the highest limits provided to any one individual member practitioner. Additional premium shall be 10% of the total developed liability premium for each member.

C. Additional Insured

An additional insured, other than Corporations/Partnerships/Associations, may be added to the policy at a charge of 5% of the policy's Professional Liability charge.

(This charge does not apply to an additional insured who owns or finances leased equipment to the insured.)

D. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence.

Leave of absence may include time to enhance the practitioner's education, but, does not include vacation time.

E. Part Time

A part time credit of 50% of the applicable rate will apply to any practitioner who works 20 hours or less per week. This credit will not apply if the first year "new dentist" credit has been applied.

F. Professional Societies

Professional Liability coverage may be provided to state or local societies or organizations established to support the professional community. The following charge will apply:

| Rating Basis | Premium |
|---|---|
| Insured Society | $255.00 Flat Charge |
| Component Society<br>(member society of insured society) | $ 51.00 Flat Charge |

G. Locum Tenens

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability. There is no additional charge for a period not to exceed 60 days.

## III. VICARIOUS LIABILITY - Independent Contractors and Non-Insured Employed Dentists

A charge of 10% of the named insured's premium per independent contractor and non-insured employed dentist will apply for the additional Vicarious Liability assumed by the insured as a result of such situations.

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## IV. MINIMUM LIMITS OF LIABILITY

Minimum limits of liability under this program shall be as follows:

Professional Liability:

| | | |
|---|---|---|
| 1. | Individual Practice: | |
| | a. Claims-Made: | $1,000,000 each claim<br>$3,000,000 aggregate |
| | b. Occurrence: | $1,000,000 each claim<br>$1,000,000 aggregate |
| 2. | Dental Societies:<br>(Claims-Made) | $1,000,000 each claim<br>$3,000,000 aggregate |
| 3. | Independent Contractor: | Equal to above as appropriate |

## V. SUPPLEMENTAL MODIFICATIONS - PROFESSIONAL LIABILITY

Any modifications developed under subitems A. and B. shall be summed and applied as a single factor.

A. Schedule Rating

Based on the following individual risk characteristics, the maximum debit or credit produced by the addition of the debit and/or credit will not exceed 25%:

| | Credit | Debit |
|---|---|---|
| Procedure Mix<br><br>Applicable to practitioners whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty. | 0 – 25% | 0 – 25% |
| Exposure Modification<br><br>Applicable to those insureds who have an increased or reduced exposure. | 0 – 25% | 0 – 25% |
| Unusual Risk Characteristics | 0 – 25% | 0 – 25% |

B. Loss Prevention / Risk Management — 5 – 10% — XXX

A credit will be applied to the dentist's classification Rate applicable to each dentist who attends an approved loss prevention/risk management workshop or successfully completes the CNA home study course. This credit will be applied for 3 consecutive years.

C. Experience Rating

Based on the claim history of an individual practitioner over the preceding five year period, a debit will be applied to the classification rate. If there is claim activity during the last 5 years, the preceding 5 years would be reviewed. Criteria used to determine the application of such debits shall include claim history including a review of a combination of cause of loss, frequency, severity, indemnity payments, expenses and reserves.

Such debits, if applied, shall apply on a one year basis and will be subject to annual review.

## VI. CHANGE OF CLASSIFICATION

In the event that the insured changes classifications, a charge reflecting the difference between the previous classification and the new classification shall be calculated and collected at the time of the change of classification unless:

A. both the prior and current classification falls within the same class;

B. the practitioner changed classifications more than 4 years ago while insured under claims-made coverage;

C. the practitioner changed classifications at any time while insured under occurrence coverage; or

D. the insured is otherwise eligible for Extended Reporting Period Coverage at no charge.

Premium Adjustment

The following procedure should be used to calculate the exposure surcharge applicable under this Rule:

A. Calculate the at-limits Extended Reporting Period premium appropriate for:

1. the previous classification according to the rates and rules contained herein; and

2. the premium appropriate for the current classification.

B. If the at-limits Extended Reporting Period premium for the current classification:

1. is less than the premium for the previous classification, the dollar amount of difference is the charge to be applied; or

2. exceeds the premium for the previous classification, there shall be no charge.

C. The amount of any additional charge is adjusted according to the following vesting schedule:

The vesting schedule also applies when going from full-time to part-time.

| Discount | |
|---|---|
| 100% | 10 consecutive years of CNA coverage |
| 90% | 9 consecutive years of CNA coverage |
| 80% | 8 consecutive years of CNA coverage |
| 70% | 7 consecutive years of CNA coverage |
| 60% | 6 consecutive years of CNA coverage |
| 50% | 5 consecutive years of CNA coverage |
| 40% | 4 consecutive years of CNA coverage |
| 30% | 3 consecutive years of CNA coverage |
| 20% | 2 consecutive years of CNA coverage |
| 10% | 1 full year of CNA coverage |
| 0% | Less than 1 full year of CNA coverage |

## VII. INCREASED LIMITS OF LIABILITY

Higher limits on ***claims-made*** policies may be elected up to a maximum liability limit of $5,000,000 per claim/$8,000,000 aggregate on the following basis:

| Limits of Liability | Increased Limit Factor Classes | | Minimum Additional Premium Classes | | |
|---|---|---|---|---|---|
| | I & IX | III & X | I | IX | III & X |
| $2,000,000/3,000,000 | .160 | .190 | $ 100 | $ 250 | $ 600 |
| $2,000,000/4,000,000 | .176 | .206 | $ 100 | $ 250 | $ 600 |
| $3,000,000/3,000,000 | .260 | .300 | $ 200 | $ 500 | $ 1,200 |
| $3,000,000/6,000,000 | .308 | .348 | $ 200 | $ 500 | $ 1,200 |
| $4,000,000/4,000,000 | .325 | .375 | $ 300 | $ 750 | $ 1,800 |
| $5,000,000/5,000,000 | .375 | .425 | $ 400 | $ 1,000 | $ 2,400 |
| $5,000,000/8,000,000 | .424 | .474 | $ 400 | $ 1,000 | $ 2,400 |

Rates are based off of the $1,000,000/1,000,000 rates. Divide the rate at $1,000,000/$3,000,000 by a factor of 1.02 to obtain the rate at $1,000,000/$1,000,000.

Higher limits on ***occurrence*** policies may be elected up to a maximum liability limit of $2,000,000 per claim/$2,000,000 aggregate on the following basis:

| Limits of Liability | Increased Limit Factor Classes | | Minimum Premium Classes | | |
|---|---|---|---|---|---|
| | I & IX | III & X | I | IX | III & X |
| $2,000,000/2,000,000 | .150 | .180 | $ 100 | $ 250 | $ 600 |

Rates are based off of the $1,000,000/1,000,000 rates.

**COMPANY PAGES**
**FOR**
**DENTAL PROFESSIONAL PROGRAM**

**CONTINENTAL CASUALTY COMPANY**

## VIII. EXTENDED REPORTING PERIOD COVERAGE (Claims-Made Coverage only)

A. The extension period is unlimited as respects time. The availability of Extended Reporting Period Coverage shall be governed by the following rules:

1. The limits of liability will not exceed the lowest limits of liability in force for the last 12 month policy period.

2. Extended Reporting Period Coverage will be available to all named insureds shown on the Declarations page of this policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.

3. Should the entity terminate coverage under the policy, the entity may purchase this coverage by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.

4. Upon termination of coverage under this policy by reason of death or disability, the insured's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.

5. There will be no charge for Extended Reporting Period Coverage in the event of retirement and provided the insured is at least 55 years of age and has been continuously insured by us for ~~the immediately preceding years according to the following table:~~

~~Age 55 with 10 consecutive years~~
~~Age 56 with 9 consecutive years~~
~~Age 57 with 8 consecutive years~~
~~Age 58 with 7 consecutive years~~
~~Age 59 with 6 consecutive years~~
~~Age 60 or older with~~at least 5 consecutive years.

This shall apply to all insureds otherwise qualifying for such coverage.

6. The Prior Acts date of coverage with this Company will determine the years of prior exposure in calculation of Extended Reporting Period Coverage.

7. Premium must be paid promptly when due. Premium may be paid in advance, or in three annual installments.

8. In the event the policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

9. The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy.

| Years of Prior Claims-Made Coverage | Installment Factors | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 | .31 | .23 | .30 | .79 |
| 2 | .51 | .35 | .46 | 1.23 |
| 3 | .61 | .49 | .46 | 1.45 |
| 4 or more | .73 | .49 | .46 | 1.57 |

B. A one year extended reporting period for both the Employment Practices Liability (EPL) Defense Only coverage and the EPL Indemnity & Defense coverage is available. The associated factor, as shown on the state rate/exception pages, is applied to the annual EPL premium.

Insureds that are converting their EPL Defense Only coverage to the EPL Indemnity & Defense coverage will be afforded a free unlimited extended reporting period on their expiring Defense Only coverage.

C. An extended reporting period is also available for the ERISA Fiduciary Liability coverage. The same factors as used for professional liability will be applied to the annual ERISA charge in calculation of the extended reporting period coverage.

## IX. PRIOR ACTS COVERAGE (Occurrence Coverage only)

A. The policy may be extended to provide Prior Acts Coverage as follows:

1. 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 occurrence policy to which the Prior Acts endorsement shall be applied.

2. 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 shown to the current rate under this policy for limits of $1,000,000/$1,000,000.

3. If the limit of liability under this coverage is less than $1,000,000/$1,000,000, the premium developed shall be adjusted by the Prior Acts Decreased Limits Factors shown.

B. The premium will be charged annually, but calculated in advance:

1. Determine the current premium under this policy for limits of $1,000,000/$1,000,000.

2. Enter the table at the appropriate Prior Acts Period.

3. Apply Reporting Period factor(s) successively for the desired number of years of Reporting Period:

| Prior Acts Period | Reporting Period | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 year prior | .28 | .25 | .22 | .71 |
| 2 years prior | .45 | .41 | .32 | 1.11 |
| 3 years prior | .55 | .44 | .40 | 1.31 |
| 4 or more years prior | .62 | .45 | .42 | 1.41 |

4. Apply the appropriate Decreased Limits Factor, if applicable:

| Decreased Limits (in $000s) | Factor |
|---|---|
| $100 / $300 | .449 |
| 200 / 600 | .590 |
| 250 / 750 | .638 |
| 300 / 800 | .682 |
| 400 / 900 | .760 |
| 500 / 1,000 | .816 |
| 1,000 / 1,000 | 1.000 |

C. Prior Acts for Employment Practices Liability Indemnity & Defense Coverage

For insureds that do not have an EPL Indemnity & Defense policy during the policy year prior to purchasing the coverage from CNA, the prior acts date is the inception date of the first EPL Indemnity & Defense policy with CNA.

For insureds that have a prior EPL Indemnity & Defense policy with another carrier during the policy year prior to purchasing the coverage from CNA, prior acts coverage may be afforded. The prior acts date is the date of the first year of that continuous coverage with the other carrier. The charge for the prior acts coverage is $30.

## X. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their practice time from outside the state. Those who derive more than 25% of their practice time outside the state shall be referred to the Company for underwriting approval and rating. We will charge the higher rate if there is multi-state exposure.

CNA

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

**October 15, 2004**

**Lakesha Houser**
P & C State Filing Unit
CNA Global Specialty Lines
Telephone 212-440-3470
Facsimile 212-440-2877
Internet: Lakesha.Houser@cna.com

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

RE: Continental Casualty Company NAIC# 20443, FEIN# 36-2114545
National Dental Program – Forms & Rule Filing
G-145160-A – Earthquake
G-145161-A – Flood Coverage Endorsement
Rule Pages
Our File # **04-FR2060 – R**

On behalf of Continental Casualty Company, we are submitting the above captioned filing for use with our approved National Dental Program currently on file with your department.

Enclosed for your review please find:

- The filing forms memorandum, along with copies of the ***new*** forms being submitted;
- Revised state pages adding a rule to be used with these ***new*** forms.

We propose that these changes will become applicable to all policies written on or after **November 15, 2004**; or the earliest date permitted by your state

Sincerely yours,
*Lakesha Houser*
Lakesha Houser
Regulatory Filings Technician

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED
NOV 15 2004
SPRINGFIELD, ILLINOIS

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DIVISION OF INSURANCE
SPRINGFIELD

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

**October 25, 2004**

**Lakesha Houser**
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CNA Global Specialty Lines
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Ms. Gayle Neuman
Illinois Department of Insurance
P&C Compliance Unit
320 West Washington Street
Springfield, IL 62767-0001

RE: Continental Casualty Company NAIC# 20443, FEIN# 36-2114545
National Dental Program – Forms & Rule Filing
G-145160-A – Earthquake
G-145161-A – Flood Coverage Endorsement
Rule Pages
Our File # **04-FR2060**

Thank you for your e-mail dated October 22, 2004. Please note our following response to the issues you raised.

Department Comment
In the rule pages provided with this filing, is there any change to a medical malpractice issue? Please provide a marked copy of the manual pages being changed to show exactly what was changed.

**Company Response**
**In this filing we are adding two endorsement for the Building, Blanket Dental Practice Personal Property & Income Coverage Part. The only change to the manual pages is the rule associated with these two endorsements. Please see the marked copy of the manual pages.**

Thank you for your continued review of this filing.

Sincerely yours,
*Lakesha Houser*
Lakesha Houser
Regulatory Filings Technician

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DIVISION OF INSURANCE
SPRINGFIELD

COMPANY STATE PAGE
FOR
DENTAL PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

**I. Amended Rules - General**

Reserved for future use.

**II. Amended Rules - General Liability (GL)**

A. Rule II., MINIMUM LIMITS OF LIABILITY is deleted in its entirety and replaced by the following:

LIMITS OF LIABILITY

The rates listed above are for limits of $1,000,000 (each claim) / $2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the $1M/2M rate).

Individual Practice:

| Increased Limit | Increased Limit Factor |
|---|---|
| $1M/2M | 1.000 |
| $1M/3M | 1.011 |
| $2M/2M | 1.071 |
| $2M/3M | 1.085 |
| $2M/4M | 1.098 |
| $3M/3M | 1.160 |
| $3M/6M | 1.202 |
| $4M/4M | 1.240 |
| $5M/5M | 1.320 |
| $5M/8M | 1.351 |

**IV. Amended Rules – Professional Liability (PL)**

A. Rule V, SUPPLEMENTAL MODIFICATIONS-PROFESSIONAL LIABILITY, C., Experience Rating, is deleted and replaced by the following:

C. Experience Rating

Experience period: 5 years preceding the forthcoming policy year.



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COMPANY STATE PAGE
FOR
DENTAL PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

Application of Experience debit:

| | Debit |
|---|---|
| No claims during the experience period: | 0% |
| One claim during the experience period: | |
| that occurred in the 5th previous year: | 5% |
| that occurred in the 4th previous year: | 10% |
| that occurred in the 3rd previous year: | 15% |
| that occurred in the 2nd previous year: | 20% |
| that occurred in the 1st previous year: | 25% |
| More than one claim during the experience period: | Refer to Company |

A claim is defined as paid indemnity or indemnity reserve in excess of $2,000.

Such debits developed in accordance with the above shall apply on a one year basis and will be subject to annual review.

B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.9., is amended to read as follows:

The factors in the following Table shall be applied to the mature claims-made rate in effect at the inception of the most recent claims-made policy period.

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C. Rule X., LOCATION OF PRACTICE is amended to delete the following sentence:

We will charge the higher rate if there is multi-state exposure.

D. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.1., is deleted and replaced as follows:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

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E. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.4., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage.

F. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.5., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage. The number of consecutive years of insurance with CNA is based on the number of consecutive years of Professional Liability insurance with CNA.

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**V. Territorial Definitions – Professional Liability (PL)**

Territory I: Cook County
Territory II: Dupage, Kane, Lake and Will Counties
Territory III: Remainder of State

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COMPANY STATE PAGE
FOR
DENTAL PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

## VI. Rates – Professional Liability (PL)

A. Professional Liability

**Occurrence Rates at $1M/$1M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,363 | $3,207 | $3,048 |
| III | 23,796 | 17,490 | 16,624 |
| IV | 200 | 200 | 200 |
| IX | 15,271 | 11,224 | 10,668 |
| X | 30,541 | 22,448 | 21,336 |

**Occurrence Rates at $1M/$3M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,450 | $3,271 | $3,109 |
| III | 24,272 | 17,840 | 16,956 |
| IV | 204 | 204 | 204 |
| IX | 15,576 | 11,448 | 10,881 |
| X | 31,152 | 22,897 | 21,763 |

B. Employment Practices Liability – Defense Only

The annual charge for this coverage will be $60 per each named insured having separate $25,000 limits of liability.

Corporations will share the $25,000 limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the $60 charge.

Note: The required coverage and associated charge are waived when the insured purchases the EPL Indemnity & Defense Coverage as the rates below already contemplate the $60 defense charge.

Employment Practices Liability – Indemnity & Defense

The annual charge for this coverage is per each named insured having separate limits of liability. The following table is used to calculate the rate:

| Combined Indemnity & Defense Limit of Liability | Flat Rate for First 10 Employees |
|---|---|
| $ 25,000 | $ 235 |
| $ 50,000 | $ 270 |
| $ 75,000 | $ 305 |
| $100,000 | $ 355 |

$20 per employee over the first 10 employees.

Corporations will share the limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the rates listed in the table above.

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FOR
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CONTINENTAL CASUALTY COMPANY

C. Extended Reporting Period Coverage for Employment Practices Liability

Defense Only Coverage and Indemnity & Defense Coverage

A factor of 0.75 will be applied to the EPL rate.

Defense Only Coverage when converting to an Indemnity & Defense Coverage

No charge.

**VII. Amended Rules - Property**

A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence.

"Structure" means a dwelling, building or fixture permanently affixed to real property.

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1. Eligibility

a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

| | | | |
|---|---|---|---|
| Bond | Jackson | Marshall | St. Clair |
| Bureau | Jefferson | Menard | Saline |
| Christian | Knox | Mercer | Sangamon |
| Clinton | LaSalle | Montgomery | Tazewell |
| Douglas | Logan | Peoria | Vermilion |
| Franklin | McDonough | Perr | Washington |
| Fulton | Macoupin | Putnam | Williamson |
| Gallatin | Madison | Randolph | |
| Grundy | Marion | Rock Island | |

b. Coverage must be provided in other counties if requested.

2. Ineligibility

The following are not eligible:

a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;

b. Coverage for Time element loss;

c. Limits of Liability in excess of $350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

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COMPANY STATE PAGE
FOR
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CONTINENTAL CASUALTY COMPANY

3. Premiums

a. Premium for Mine Subsidence shall be shown separately.

b. Annual premiums per structure are as follows:

| Coverage Limit | Frame | Other than Frame* |
|---|---|---|
| $10,000 or less | $20.00 | $26.00 |
| 10,001 to 20,000 | 23.00 | 30.00 |
| 20,001 to 30,000 | 26.00 | 33.00 |
| 30,001 to 40,000 | 30.00 | 36.00 |
| 40,001 to 50,000 | 33.00 | 40.00 |
| 50,001 to 60,000 | 36.00 | 43.00 |
| 60,001 to 70,000 | 40.00 | 46.00 |
| 70,001 to 80,000 | 43.00 | 50.00 |
| 80,001 to 90,000 | 46.00 | 53.00 |
| 90,001 to 100,000 | 50.00 | 56.00 |
| 100,001 to 110,000 | 53.00 | 59.00 |
| 110,001 to 120,000 | 56.00 | 63.00 |
| 120,001 to 130,000 | 59.00 | 66.00 |
| 130,001 to 140,000 | 63.00 | 69.00 |
| 140,001 to 150,000 | 66.00 | 73.00 |
| 150,001 to 160,000 | 69.00 | 76.00 |
| 160,001 to 170,000 | 73.00 | 79.00 |
| 170,001 to 180,000 | 76.00 | 83.00 |
| 180,001 to 190,000 | 79.00 | 86.00 |
| 190,001 to 200,000 | 83.00 | 89.00 |
| 200,001 to 210,000 | 86.00 | 92.00 |
| 210,001 to 220,000 | 89.00 | 96.00 |
| 220,001 to 230,000 | 92.00 | 99.00 |
| 230,001 to 240,000 | 96.00 | 102.00 |
| 240,001 to 250,000 | 99.00 | 106.00 |
| 250,001 to 260,000 | 102.00 | 109.00 |
| 260,001 to 270,000 | 106.00 | 112.00 |
| 270,001 to 280,000 | 109.00 | 116.00 |
| 280,001 to 290,000 | 112.00 | 119.00 |
| 290,001 to 300,000 | 116.00 | 122.00 |
| 300,001 to 310,000 | 119.00 | 125.00 |
| 310,001 to 320,000 | 122.00 | 129.00 |
| 320,001 to 330,000 | 125.00 | 132.00 |
| 330,001 to 340,000 | 129.00 | 135.00 |
| 340,001 to 350,000 | 132.00 | 139.00 |

c. The deductible for other property perils in the policy is the applicable deductible for mine subsidence coverage.

* Any structure other than frame, this includes brick, brick veneer, steel frame, and any fire resistive construction, etc.

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FOR
DENTAL PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

B. Rule II., INDIVIDUAL RISK PREMIUM MODIFICATION PLAN, C., Rating Procedure, is amended as follows:

The total credits or debits under the following table may not exceed 40%:

C. Additional Rule:

For "Flood" Coverage Endorsement [Form G-145161-A] we will be using the flood rates that are currently filed and approved for use under Division 5.

For Earthquake [Form G-145160-A] we will be using the ISO earthquake rates currently approved for use.

**VIII. Territorial Definitions – Property**

Territory I: 606XX (Chicago)
Territory II: 607XX (Chicago - South Suburban)
Territory III: 600XX - 604XX (Chicago North and West Suburban)
Territory IV: 620XX and 622XX (East St. Louis)
Territory V: 614XX, 618XX, 619XX, 623XX - 627XX (Central Illinois)
Territory VI: Remainder of State

**IX. Rates - Property**

A. Blanket Practice Personal Property:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.456 | 0.407 | 0.431 | 0.407 | 0.382 | 0.431 |
| Joisted Masonry (2) | 0.382 | 0.336 | 0.36 | 0.336 | 0.323 | 0.36 |
| Non-Comb or Masonry Non-Comb (4) | 0.228 | 0.203 | 0.216 | 0.203 | 0.191 | 0.216 |
| Mod Fire Res (5) or Fire Res (6) | 0.228 | 0.203 | 0.216 | 0.203 | 0.191 | 0.216 |

B. Building:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.179 | 0.162 | 0.171 | 0.162 | 0.153 | 0.171 |
| Joisted Masonry (2) | 0.153 | 0.135 | 0.144 | 0.135 | 0.126 | 0.144 |
| Non-Comb or Masonry Non-Comb (4) | 0.09 | 0.081 | 0.09 | 0.081 | 0.072 | 0.09 |
| Mod Fire Res (5) or Fire Res (6) | 0.09 | 0.081 | 0.09 | 0.081 | 0.072 | 0.09 |

Note: For statistical reporting purposes, the protection class code must be included in the application.

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COMPANY STATE PAGE
FOR
DENTAL PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

D. Base All-Risk Load - Per Policy

There will be a base All-Risk Loading of $65 per policy.

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**X. Package Discount Factors**

A. These factors are applied to the Property rates, Professional Liability rates and General Liability rates when Property coverage is purchased in conjunction with Professional Liability or General Liability coverage.

B. Property and General Liability: 0.89
Professional Liability: 0.86

C. This factor is not applicable to:

1. Mine Subsidence

2. Base Loading for Building and Blanket Practice Personal Property

**XI. Protection Class Multipliers**

| Protection Class | Multiplier |
|---|---|
| 1 | 0.830 |
| 2 | 0.850 |
| 3 | 0.870 |
| 4 | 0.950 |
| 5 | 1.000 |
| 6 | 1.030 |
| 7 | 1.200 |
| 8 | 1.310 |
| 9 | 1.400 |
| 10 | 2.080 |



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Gayle Neuman/INS
10/22/2004 10:00 AM

To Lakesha.Houser@cna.com
cc
bcc
Subject Filing #04-FR2060 - National Dental Program - Form & Rule Filing

Ms. Houser:

We are in receipt of the above referenced filing submitted by letter dated October 15, 2004.

First, rate/rule filings should not be submitted under the same cover letter as a form filing - that is for future reference.

In the rule pages provided with this filing, is there any change to a medical malpractice issue? Please provide a marked copy of the manual pages being changed to show exactly what was changed.

This is technically a commercial property filing as it pertains to the property utilized by the dentist and not the dentist's professional activities.

Your prompt attention is requested.

Gayle Neuman
Property & Casualty Compliance Unit
Illinois Department of Financial & Professional Regulation, Division of Insurance
fax (217) 524-2122
gayle_neuman@ins.state.il.us

Please refer to the Property and Casualty Review Requirement Checklists before submitting a paper filing or an electronic filing (SERFF). 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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CNA

CNA 40 Wall Street- New York, NY 10005

**June 1, 2004**

**Lakesha Houser**
*Regulatory Filings Technician*
*CNA Insurance*
*Telephone 212-440-3470*
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Illinois Department of Insurance
Property and Casualty Compliance Unit
320 West Washington Street
Springfield, IL 62767-0001

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED
NOV 15 2004
SPRINGFIELD, ILLINOIS

RE: **Continental Casualty Company NAIC# 218-20443, FEIN# 36-2114545**
**Columbia Casualty Company NAIC# 218-31127, FEIN# 47-0490411**
**HOSPITAL PROFESSIONAL LIBAILITY PROGRAM**
**Our File No.: *04 R2043 REV***

To Whom It May Concern:

The Continental Casualty Company and Columbia Casualty Company submit the above captioned rules for use with our Hospital Professional Liability Program filing which was approved by your department on ***July 1, 2004***. We are revising this approved filing by correcting a typo on Illinois rate pages **CNA-HOSP-3.** The per delivery rates for Territory 1 were off by a factor of 100, i.e. $3,031.85 (**CNA-HOSP-3** ***ED 7/04***) was listed instead of $30.31(**CNA-HOSP-3** ***ED 10/04***).

Included for your review is:

1. Hospital state page (CNA-HOSP-3) ***Ed 10/04***. With the correct per delivery information.
2. Hospital state page (CNA-HOSP-3) ***Ed 7/04.*** From the approved filing for reference.

We propose that this filing effective **November 15, 2004**, or the earliest date permitted by your state.

If you should have any questions or comments, please contact me at the above numbers.

Thank you,

*Lakesha Houser*

Lakesha Houser
Regulatory Filings Technician

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SPRINGFIELD

CNA Insurance Companies
Continental Casualty Company
Columbia Casualty Company
Hospital Professional Liability and Ancillary Coverages
State of Illinois

A. Professional Liability Rates - Limits of Liability - $100,000/$300,000

Territory 1
Other than Cook County

| Class | Claims-Made Step Rates | | | | | |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6+ |
| **Per Occupied Bed** | | | | | | |
| Acute | $671.12 | $1,270.47 | $1,499.71 | $1,567.99 | $1,628.96 | $1,683.43 |
| Extended Care | 67.11 | 127.05 | 149.97 | 156.80 | 162.90 | 168.34 |
| Psychiatric | 469.78 | 889.33 | 1,049.80 | 1,097.59 | 1,140.27 | 1,178.40 |
| Rehabilitation | 335.56 | 635.24 | 749.86 | 784.00 | 814.48 | 841.71 |
| Per Delivery | 1,208.69 | 2,288.12 | 2,700.98 | 2,823.95 | 2,933.76 | 3,031.85 |
| Per InPt. Surgery | 4.70 | 8.89 | 10.50 | 10.98 | 11.40 | 11.78 |
| Per OutPt. Surgery | 4.70 | 8.89 | 10.50 | 10.98 | 11.40 | 11.78 |
| **Per 100** | | | | | | |
| ER Visits | 100.67 | 190.57 | 224.96 | 235.20 | 244.34 | 252.51 |
| Other OPV Visits | 46.98 | 88.93 | 104.98 | 109.76 | 114.03 | 117.84 |
| Home Healthcare | 20.13 | 38.11 | 44.99 | 47.04 | 48.87 | 50.50 |

Territory 2
Cook County

| Class | Claims-Made Step Rates | | | | | |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6+ |
| **Per Occupied Bed** | | | | | | |
| Acute | $1,174.50 | $2,223.33 | $2,624.50 | $2,743.98 | $2,850.68 | $2,946.00 |
| Extended Care | 117.45 | 222.33 | 262.45 | 274.40 | 285.07 | 294.60 |
| Psychiatric | 822.15 | 1,556.33 | 1,837.15 | 1,920.79 | 1,995.48 | 2,062.20 |
| Rehabilitation | 587.25 | 1,111.67 | 1,312.25 | 1,371.99 | 1,425.34 | 1,473.00 |
| Per Delivery | 21.14 | 40.02 | 47.24 | 49.39 | 51.31 | 53.03 |
| Per InPt. Surgery | 8.22 | 15.56 | 18.37 | 19.21 | 19.95 | 20.62 |
| Per OutPt. Surgery | 8.22 | 15.56 | 18.37 | 19.21 | 19.95 | 20.62 |
| **Per 100** | | | | | | |
| ER Visits | 176.18 | 333.50 | 393.68 | 411.60 | 427.60 | 441.90 |
| Other OPV Visits | 82.22 | 155.63 | 183.72 | 192.08 | 199.55 | 206.22 |
| Home Healthcare | 35.24 | 66.70 | 78.74 | 82.32 | 85.52 | 88.38 |

CNA 40 Wall Street- New York, NY 10005

June 1, 2004

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED

JUL 0 1 2004

SPRINGFIELD, ILLINOIS

**Lakesha Houser**
*Regulatory Filings Technician*
*CNA Insurance*
*Telephone 212-440-3470*
*Facsimile 212-440-2877*
*Internet: Lakesha.Houser@cna.com*

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

RE: **Continental Casualty Company NAIC# 218-20443, FEIN# 36-2114545**
**Columbia Casualty Company NAIC# 218-31127, FEIN# 47-0490411**
**HOSPITAL PROFESSIONAL LIBAILITY PROGRAM (ID # 04-R2043)**
Hospital Professional Liability- State pages **CNA-HOSP 3 & 7** (7/04)

Dear Director Dutcher:

We are submitting the enclosed rate state page on behalf of the Continental Casualty Company and Columbia Casualty Company, for use with our Hospital Professional Liability Program in the state of Illinois.

This submission is briefly described in the enclosed Actuarial Filing Memorandum.

We respectfully submit this filing with a proposed effective date of July 1, 2004 or as soon as your State's regulation permit.

Should you desire any additional information, please feel free to contact us.

Please return the enclosed extra copy of this letter for our records.

Sincerely yours,

Lakesha Houser

Lakesha Houser
Regulatory Filings Technician

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
RECEIVED

JUN 0 3 2004

SPRINGFIELD, ILLINOIS

CNA

CNA 40 Wall Street- New York, NY 10005

June 1, 2004

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED
JUL 01 2004
SPRINGFIELD, ILLINOIS

**Lakesha Houser**
*Regulatory Filings Technician*
*CNA Insurance*
*Telephone 212-440-3470*
*Facsimile 212-440-2877*
*Internet: Lakesha.Houser@cna.com*

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

RE: **Continental Casualty Company NAIC# 218-20443, FEIN# 36-2114545**
**Columbia Casualty Company NAIC# 218-31127, FEIN# 47-0490411**
**HOSPITAL PROFESSIONAL LIBAILITY PROGRAM (ID # 04-R2043)**
Hospital Professional Liability- State pages **CNA-HOSP 3 & 7** (7/04)

Dear Director Dutcher:

We are submitting the enclosed rate state page on behalf of the Continental Casualty Company and Columbia Casualty Company, for use with our Hospital Professional Liability Program in the state of Illinois.

This submission is briefly described in the enclosed Actuarial Filing Memorandum.

We respectfully submit this filing with a proposed effective date of July 1, 2004 or as soon as your State's regulation permit.

Should you desire any additional information, please feel free to contact us.

Please return the enclosed extra copy of this letter for our records.

RECEIVED
SEP 22 2004

Sincerely yours,

Lakesha Houser

Lakesha Houser
Regulatory Filings Technician

RECEIVED
JUN 03 2004
MPC
Department of Insurance
Springfield

**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, a duly authorized officer and actuary of Continental Casualty Company and Columbia Casualty Company, 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's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

Sharon K Robinson Vice President + Actuary 6-3-04

Signature and Title of Authorized Insurance Company Officer & Actuary — Date

Insurance Company FEIN: (Continental) 36 - 2114545 Filing Number 04-R2043

Insurance Company FEIN: (Columbia) 47 - 0490411

Insurer's Address 333 S Wabash St.

City Chicago State Illinois Zip Code 60604

Contact Person's: Lakesha Houser
-Name and E-mail Lakesha Houser @Cna.com

-Direct Telephone and Fax Number 212 440-3470

RECEIVED
OCT 31 2003
MPC
Department of Insurance
Springfield

CNA

9th Floor
40 Wall Street New York, New York 10005
Telephone: 212-440-3478
Fax: 212-440-2877
email: robert.alonzo@cna.com

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
FILED
JAN 01 2004
SPRINGFIELD, ILLINOIS

October 29, 2003

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

***RE: CONTINENTAL CASUALTY COMPANY NAIC #: 218-20443 FEIN #: 36-2114545***
***Allied HealthCare/Hospitals – Rates, Rules & Forms Filing***
***Company Filing No.: 03-2024***

To Whom It May Concern:

On behalf of Continental Casualty Company, we hereby submit for your review and approval revised forms, rates and rules for Allied HealthCare Facilities and Hospitals classes of business. Please note the following specifics regarding this filing:

- **Forms:** Enclosed are new policy forms and endorsements to be used with both classes of business – Allied HealthCare Facilities and Hospitals. For the Allied HealthCare Facilities class this new filing replaces forms previously filed and approved under our filing number 99-F2013. For the Hospital class this new filing replaces forms previously filed and approved under 99-F2019. Terrorism forms previously filed and approved filing ids 03-2003 for both HealthCare facilities and Hospital will continue to be used with this new filing.

- **Rates:** Enclosed are new rates to be used with the Allied HealthCare facilities class. The Hospital class will continue to use rates previously filed and approved in this state.

We propose that this filing become applicable to all policies written on or January 1, 2004, or the earliest date permitted by your state.

A duplicate copy of this letter is enclosed along with a self addressed stamped envelope for your convenience in approving or acknowledgement.

Sincerely,

Robert Alonzo
State Filing Analyst

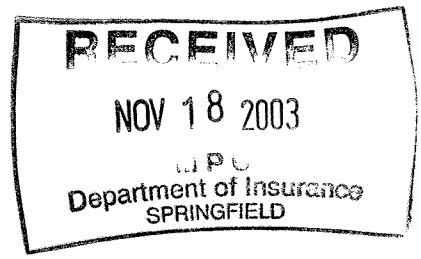
+40.1%

CASUALTY ACTUA
ILLINOIS DEPT. OF INSURANCE
RECEIVED/APPROVED
11/3/2003

CNA

CNA Plaza Chicago IL 60685

November 4, 2003




Gayle Neuman
Property & Casualty Compliance Unit
Illinois Department of Insurance
320 W. Washington Street
Springfield, Illinois 62767

**Re: Filing #03-2024 Allied HealthCare/Hospitals**

Ms. Neuman:

Pursuant to 215 ILCS 5/155.18, I have drawn this letter to provide certification of Continental Casualty Company's (the company) rates submitted in the above referenced filing.

I, Sharon K. Robinson, am a Vice President with CNA Insurance Companies and Fellow of the Casualty Actuarial Society. It is my opinion that the company's rates in the 03-2024 Allied HealthCare/Hospitals filing are based on sound actuarial principles and are not inconsistent with the company's experience.

Sincerely,

Sharon K Robinson

Sharon K. Robinson, FCAS, MAAA
Vice President & Actuary
Healthcare Professional Liability

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
FILED
OCT 15 2003
SPRINGFIELD, ILLINOIS

CNA

9th Floor
40 Wall Street New York, New York 10005 Telephone: 212-440-3478 Fax: 212-440-2877
email: robert.alonzo@cna.com

RECEIVED
SEP 08 2003
MPC
Department of Insurance
Springfield

September 4, 2003

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

RE: **CONTINENTAL CASUALTY COMPANY** **NAIC#218-20443, FEIN#36-2114545**
***Chiropractic Professional Liability Program***
***Rates, Rules [redacted] Filing***
***Our File #: 03-2013***

To Whom It May Concern:

The Continental Casualty Company, a member company of the CNA group of insurance companies, submits for your review and approval their new Chiropractic Professional Liability Program. This program has been developed to provide coverage to members of the Chiropractic Benefit Services Risk Purchasing Group. The master policy is issued to the captioned Risk Purchasing Group and Certificates of Insurance are then issued to each individual insured. This program provides professional liability coverage for Chiropractors on a claims-made and reported basis.

Enclosed for your review please find:

- Filing forms memorandum, along with copies of the new forms being submitted;
- The actuarial memorandum; and
- The applicable manual for this program.

We propose that this filing become applicable to all policies written on or after October 15, 2003, or the earliest date permitted by your state.

A duplicate copy of this letter is enclosed along with a self addressed stamped envelope for your convenience in approving or acknowledgement.

Sincerely,

Robert Alonzo
State Filing Analyst

Judy Paul Boutcher
CASUALTY ACTUARY
ILLINOIS DEPT. OF INSURANCE
RECEIVED/APPROVED
9/11/03

21-20 [illegible]
MTM
[illegible]

Jeh

8th Floor
40 Wall Street New York, New York 10005 Telephone: 212-440-3478 Fax: 212-440-2877
email: robert.alonzo@cna.com

May 1, 2003

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
FILED
AUG 01 2003
SPRINGFIELD, ILLINOIS

RECEIVED
MAY 06 2003
MPC
Department of Insurance
Springfield

Honorable Nat Shapo
Director of Insurance
Illinois Department of Insurance
320 West Washington Street
Springfield, IL 62767

Attn: Mr. John Gatlin
Supervising Insurance Analyst

RE: **CONTINENTAL CASUALTY COMPANY NAIC#218-20443, FEIN#36-2114545**
**Physicians & Surgeons Professional Liability Program**
Our File #: 03-R2009

Dear Mr. Gatlin:

On behalf of Continental Casualty Company, we hereby submit the enclosed revised state pages for use with our Physicians and Surgeons Professional Liability program.

Please see the enclosed Actuarial Memorandum for a brief summary of the proposed changes.

These changes will become applicable to all policies written on or after August 1, 2003 or the earliest permitted by you state.

Your approval, or acknowledgment otherwise, by stamping the extra copy of this letter and returning it in the envelope provided, will be appreciated.

If you should need additional information, please feel free to call me at 212-440-3478.

Thanks

Robert Alonzo
State Filing Analyst

Cindy Pool Boutchee
CASUALTY ACTUARY
ILLINOIS DEPT. OF INSURANCE
RECEIVED/APPROVED
5/6/03

***Continental Casualty Company***

***Physicians and Surgeons Professional Liability***
***Illinois***

***Actuarial Memorandum***

CNA proposes implementation of the following changes to our Illinois Physicians and Surgeons Professional Liability Program. Our indicated rate change is 58.6% and we are requesting a 58.6% base rate increase at this time. The following is a brief summary of the proposed changes.

**Base Rate**

CNA proposes increasing the mature Class 1 100K/300K base rate to **$2,625**, which reflects a **58.6**% rate increase.

**Specialty Class Amendment**

Bariatric surgeons have been added to the state exception pages class plan. They are listed under Class 6.

**Rule Changes**

The following changes were made to the countrywide pages:

Rule VI – Reference to Premises Liability has been removed.

Rule XII – ERP rule has been updated with new wording.

Rule XIII – New physician discount has been removed

Rule XVI – Some optional coverages have been removed
- Personal Umbrella
- Special Extra Expense
- Premises Liability

These Rules have been removed
- Loss Prevention Credit
- Longevity Credit
- Claims-Free Credit
- Size of Risk Credit

Please see the attached analysis for support of our rate change indication. The analysis is based on both Illinois and countrywide physicians and surgeons experience as of September 30, 2002. Revised state exception pages (edition 04/03) are attached to replace our prior state exception pages (edition 10/01) that were effective 1/1/02. The revised countrywide pages (edition 04/03) are also attached to replace the prior edition (04/96).

8th Floor
40 Wall Street New York, New York 10005 Telephone. 212-440-3478 Fax: 212-440-2877
email: robert.alonzo@cna.com

December 20, 2002

Honorable Nat Shapo
Director of Insurance
Illinois Department of Insurance
320 West Washington Street
Springfield, IL 62767

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
FILED
DEC 31 2001
SPRINGFIELD, ILLINOIS

Attn: Mr. John Gatlin
Supervising Insurance Analyst

| | | |
|---|---|---|
| ***RE:*** | ***Continental Casualty Company*** | ***218-20443*** |
| | ***National Fire Insurance Company of Hartford*** | ***218-20478*** |
| | ***American Casualty Company of Reading, PA*** | ***218-20427*** |
| | ***Transportation Insurance Company*** | ***218-20494*** |
| | ***Transcontinental Insurance Company*** | ***218-20486*** |
| | ***Valley Forge Insurance Company*** | ***218-20508*** |

***Long Term Care – Professional Liability Coverage – Rate/Rule Filing***
***Filing # LTC-501***

Dear Mr. Gatlin:

We are submitting on behalf of the above named companies our revised rate/rule changes to the Long Term Care – Professional Liability Coverage Program. We estimate the overall premium impact to be +12.1%. This filing is further described in detail in the attached Actuarial Memorandum.

We respectfully submit this filing requesting upon approval date permitted by your state regulations.

Your approval, or acknowledgment otherwise, by stamping the extra copy of this letter and returning it in the envelope provided, will be appreciated.

If you should need additional information, please feel free to call me at 212-440-3478 or contact Kevin Zhang, Actuarial Consultant at (312) 822-4372.

Sincerely,

Robert Alonzo
State Filing Analyst

CASUALTY ACTUARY
ILLINOIS DEPT. OF INSURANCE
APPROVED
11/30/02

RECEIVED
SEP 21 1992
Property/Casualty
Department of Insurance
Springfield, IL

# CNA INSURANCE COMPANIES

CNA Plaza, Chicago, Illinois 60685

SEP 15 1992

Honorable Stephen Selcke
Acting Director of Insurance
Attn: Property/Cas. Eval. Div.
320 W. Washington St.
Springfield IL 62767

36- 2114545

Re: Dental Professional Program (ID#92-R2042)
R-6400-DN(3) Company Rate and Rule Pages Revision
CONTINENTAL CASUALTY COMPANY - ~~06-3464510~~

Dear Commissioner:

The above named company submits the captioned filing which contains the revised rules and rates governing the issuance of our Dental Professional Program.

For further clarification of this filing, please examine the attached Rate/Rule Filing Memorandum.

We request an August 15, 1992 effective date for this filing.

An extra copy of this letter is enclosed which we request you to stamp and return to us for our records.

Yours truly,

David Sykes
Legal Compliance Coordinator
Law Dept. 43S
(312) 822-6060

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
FILED
NOV 16 1992
SPRINGFIELD, IL

CNA
For All the Commitments You Make®

CONTINENTAL CAS. CO.
SUPERCEDED

DENTAL PROFESSIONAL LIABILITY

CONTINENTAL CASUALTY INSURANCE COMPANY

RATE/RULE FILING MEMORANDUM

In conjunction with the new forms, we have made revisions to our rate and rule pages. These revisions are explained below. No quantifiable rating impact will be attributed to these revisions.

Part Time Rule

Enclosed herewith is revised Company Page 08. Rule e., Part Time, has been expanded to also apply to classes including III, IX and X.

Conscious Sedation Rate Reclassification

We are applying a 25% credit to dentists currently classified as Class I who are reclassified to Class II. Dentists with an increase in exposure are not eligible for this credit. Extended Claim Reporting Coverage will be offered through Form G-18472-A. This new rule is exhibited on the Company State Page attached.

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
FILED
APR 1 - 19[illegible]
[illegible]FIELD, IL

# CNA INSURANCE COMPANIES

CNA Plaza, Chicago, Illinois 60685

JAN 1 4 1993

Honorable Stephen Selcke
Acting Director of Insurance
Attn: Property/Cas. Eval. Div.
320 W. Washington St.
Springfield IL 62767

Re: Dental Professional Program (ID#92-R2072)
R-6400-DN(4) Company Rate and Rule Pages Revision
CONTINENTAL CASUALTY COMPANY- 36-2114545

Dear Commissioner:

The above named company submits the captioned filing which contains the revised rules and rates governing the issuance of our Dental Professional Program.

For further clarification of this filing, please examine the attached Rate/Rule Filing Memorandum.

We request an April 1, 1993 effective date for this filing.

An extra copy of this letter is enclosed which we request you to stamp and return to us for our records.

Yours truly,

David Sykes
Legal Compliance Coordinator
Law Dept. 43S
(312) 822-6060

DEPARTMENT OF INSURANCE
STATE OF ILLINOIS
FILED
APR 1 - 19
SPRINGFIELD, IL

PROFESSIONAL PROTECTOR PLAN

CONTINENTAL CASUALTY COMPANY

RATE/RULE FILING MEMORANDUM

As explained in the Form Filing Memorandum, we are introducing a new policy form for Dental Professional Liability. The form has been modified to reflect current industry standards and practices, and to respond to the needs of the dental community.

In conjunction with the new Form, we have made revisions to our rate and rule pages. Those revisions necessitating justification are explained within this memorandum. Note that no change was made to our currently filed base rates. This is because the revisions made should have negligible rate impact. Furthermore, there is not adequate data available to do a separate, comprehensive analysis on any of the revisions. As a result, any possible rate impact is non-quantifiable.

The revisions previously mentioned are explained below.

1. New Dentists Discount:

   The credit applied to the premium for "New Dentists" has been revised as follows. Currently, a discount applies only for the first year of practice, and is equal to 40% of the first year's premium. Upon this revision, there will be a "two-tier" discount. Specifically, a discount of 50% of the first year's premium will apply for the first year of practice, and a discount of 25% of the second year's premium will apply for the second year of practice.

   The revised discount structure is in the best interest of our insureds for the following reasons. First of all, the revised discount for the first year is greater than the current discount. Note that the first year of practice tends to be a time when there is a great need for financial assistance. Second, unlike the current discount structure, the revised structure also offers savings in the second year of practice. Note that the "two-year" discount approach provides the new dentist with a "smoother" financial transition. Under the current structure, the new dentist's first year premium will correspond to a 40% discount being applied to a Step 1 rate, and the second year premium will correspond to a Step 2 rate (which is greater than a Step 1 rate) with no discount applied. Thus, the premium increase can be significant from the first year to the second. The revised "two-year" discount will help alleviate this increase.

   Due to the limited number of dentists eligible for the discount, this revision should have negligible rate impact.

NOV 1 6 1992

2. Disability/Leave of Absence Rate Reduction:

The rate reduction for "Disability/Leave of Absence" has been increased from 50% to 75% of the applicable rate for the period of disability/leave of absence.

Note that as was true for the New Dentist Discount, this revision is also in the best interest of our insureds since it provides for a larger rate reduction than our current policy. Again, due to the limited number of dentists eligible for the rate reduction, this revision should have negligible rate impact.

3. Locum Tenens

This is a new feature that is not offered under our current policy. Briefly, professional liability coverage only is provided for a dentist substituting for our insured dentist. Coverage applies only to claims that both occur and are reported within the coverage period. Furthermore, no more than 60 days of coverage is provided per policy term. Currently, no coverage is provided for these locum tenens.

Note that our exposure to loss is small due to the limited scope of this coverage. As a result, the rate impact is negligible and no change has been made to our currently filed base rates. Furthermore, since this is a new coverage, any possible rate impact is difficult to quantify.

4. Classes IX and X

We have introduced two new classes into our rating structure. Class IX corresponds to a dental anesthesiologist whose practice does not include deep sedation and/or general anesthesia. Class X corresponds to a dental anesthesiologist whose practice includes deep sedation and/or general anesthesia. Since we do not yet have our own data on these two classes, their rates were determined based upon competitive information.

5. Medical Payments Coverage

The per person limit for Medical Payments coverage was increased from $1000 to $5000. (The $10,000 per accident limit was unchanged.) Note that this revised limit of $5000 corresponds to that used by ISO (and therefore CNA) in its Commercial General Liability policy.

The revised limit serves a two-fold purpose. First, it is in the best interest of our insureds since it represents increased coverage at no additional cost. Second, it brings us in line with both company and industry standards since it corresponds to ISO's CGL policy.

NOV 16 1992

6. Black Bag Coverage

We are providing property coverage only for the insured's "black bag". This coverage will be provided through forms filed on our behalf. The charge for this coverage will be $100 for $4000 limits, and $15 for each additional $1000 limit.

It was determined to use a countrywide rate since this is such incidental coverage in relationship to the policy. This rating structure offers simplicity, ease of administration, and reduced expenses, which is merited due to the small exposure from this coverage.

NOV 1 6 1992

Continental Casualty Insurance Company Rate & Rule Manual Revisions

Page:

02 Section IX. Coverages, B., 3. per person limit increased to $5,000.

03 Section XIII. Black Bag Coverage, New optional coverage.

04 Format rearranged due to new sections added.

05 Section XVII. Calculation of Premium, A., 1. Class Description I. was revised by deleting the term conscious sedation and replaced by the term anesthesia.

06 Class II. same as above.
Additionally we have added Class Codes IX. and X.

07 Section XVII. Calculation of Premium, Section A., 3.a., the new dentist discount has been increased from 40% to 50% the first year and a new addition of 25% the second year.

Section A., 3.d., the Disability/Leave of Absence rate recuction has been increased from 50% to 75%.

08 Section XVII. Calculation of Premium, Section A., 3., e., Part Time, has been amended to prevent a double credit.

Section XVII. Calculation of Premium, Section A., 3., g., Locum Tenens is a new feature.

Section XVIII. Supplemental Modifications, Section A., Exposure Modification, has been changed from Reduction. Wording has been modified for clarity and a debit % has been added.

09 Page format and numbering has been revised.

10 Page format and numbering has been revised.

11 No change.

12 Section XXIII. Calculation of Premiums, D., 2., f., Inflation Protection Coverage, Quarterly Increase Percentages have been corrected.

13 No change.

14 Section XXIII. Calculation of Premiums, H., has been rewritten for clarification.

NOV 16 1992

Continental Casualty Company
Dental Malpractice
Rate Justification for Illinois

## Summary

The following summarizes the proposed rate action for the Illinois Dental Malpractice program. Additional explanation of the proposal is given on subsequent pages.

Territorial Changes: Based on indicated rate need and competition within the Illinois marketplace, we are proposing the following revisions to our current territorial definitions and relativities:

Territory 1 - Cook County

Decrease the Territorial Rates by 20%.

Territory 2 - Lake, Du Page, Kane, and Will Counties

These counties were formerly part of Remainder of State. The Territorial Rates will remain unchanged.

Territory 3 - Remainder of State

Decrease the Territorial Rates by 5%.

The impact of the above changes is -9.5%.

Overall: Total professional liability impact of -9.5%.

Additional Support of the above proposed territorial changes is given on the following page.



NOV 1 6 1992

USPH-6D4K24883
Serff-manual

CNA

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

**Robert Alonzo**
State Filing Analyst
P & C State Filing Unit
CNA Global Specialty Lines

Telephone 212-440-3478
Facsimile 212-440-2877
Toll Free 877-269-3277 x 3478
Internet robert.alonzo@cna.com

June 6, 2005

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

Attn: Mr. John Gatlin
Supervising Insurance Analyst

***RE:*** ***CONTINENTAL CASUALTY COMPANY*** ***NAIC #: 218-20443 FEIN#: 36-2114545***
***Allied HealthCare Professional Liability***
***Rates/Rules Filing***
***OUR FILE NO. : 05-R2084***

eff 12/16/05

To Whom It May Concern:

On behalf of Continental Casualty Company, we hereby submit for your review and approval our revised rates and rules for Allied HealthCare Facilities Program on file with your department.

Enclose for your review is the actuarial memorandum outlining the changes proposed by this filing, along with revised pages which will replace what is currently on file with your office;

We propose that this filing become applicable to all policies written on or after July 1, 2005, or the earliest date permitted by your state.

A duplicate copy of this letter is enclosed along with a self addressed stamped envelope for your convenience in approving or acknowledgement.

Sincerely,
*Robert Alonzo*
Robert Alonzo
State Filing Analyst

USPH- 6CPM74696

serff- manual

CNA, 40Wall Street, 9th Floor, New York NY 10005-1401

*John C. Lockhart*
*Regulatory Filings Technician*
*P & C State Filing Unit*
*Telephone 877-269-3277 ext. 3270*
*Facsimile 212-440-2877*
*Internet john.lockhart@cna.com*

May 24, 2005

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

Attn: Mr. John Gatlin
Supervising Insurance Analyst

RE: **Continental Casualty Company NAIC#218-20443, FEIN#36-2114545**
**Physicians and Surgeons Professional Liability ("PPL") Program**
**Rate Filing**
**Company Filing No.: 05-R2085**

Dear Mr Gatlin:

The Continental Casualty Company submits for your review and approval the attached rate filing for use with our Physicians and Surgeons Professional Liability ("PPL") Program currently on file with your department.

This submission is described in the enclosed **Actuarial Memorandum**.

We respectfully submit this filing with an effective date of July 1, 2005, or the earliest date permitted by your state

Should you desire any additional information please feel free to contact us.

Sincerely,

John Lockhart
Regulatory Filings Technician

# CNA HealthPro
# for
# Medical Practitioners Professional Liability Coverages

AMERICAN CASUALTY COMPANY OF READING, PA
CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
CONTINENTAL INSURANCE COMPANY

FILED

OCT 2 0 2009

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

CNA

# CNA HealthPro
# Medical Practitioners
# Countrywide Pages

## I. APPLICATION OF MANUAL

A. This manual provides rules, rates, premiums, classifications and territories for the writing of Medical Practitioners Professional Liability for the following Health Care Providers:

1. Physicians or Surgeons
2. Osteopathic Physicians or Surgeons
3. Podiatrists

B. These company pages shall not apply to Hospital Professional Liability as set forth in:
   1. Commercial Lines Manual, Professional Liability Division, VII, Medical Professional Liability, or
   2. Any independently filed Hospital Professional Liability Program by a CNA member company .

C. Any exceptions to these rules are contained in the respective State Rate/Exception Pages.

## II. COVERAGE

Coverage under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy.

## III. POLICY TERM

Policies may be written for a term of one year or less, and renewed annually thereafter, or as otherwise specified for the respective coverage.

## IV. INDIVIDUAL PRACTICE

For the purpose of these rules, individual practice shall be defined as a solo practitioner, partner(s) of an insured partnership, officers of a professional corporation, or employed practitioners who are otherwise ineligible under the rules applicable to group practice.

## V. GROUP PRACTICE

For the purpose of these rules, group practice shall be defined as a group of physicians rendering out-patient care who:

1. number 3 or more, and
2. are organized as a legal entity.

## VI. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for liability coverage under this program shall be:

1. Professional Liability: $100,000 Each Claim / $300,000 Aggregate

## VII. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be $250 per annual or lesser period, unless otherwise specified for the respective coverage.

## VIII. INCREASED LIMITS OF LIABILITY

Increased Limits of Liability and the corresponding Increased Limit Factors shall be as shown on the State Rate Page for the respective Coverage Part.

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## IX. PREMIUM COMPUTATION

A. The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured. The rates shall be applied in accordance with each practitioner's medical specialty and corresponding code number.

1. Compute the premium at policy inception using the rules, 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.
2. Prorate the premium when a policy is issued for other than a whole year.
3. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at the last step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding at each step.

B. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their annual income from outside the state. Those who derive more than 25% of their annual income outside the state shall be referred to the Company for underwriting approval and rating.

C. FACTORS OR MULTIPLIERS

Individual premium modifications are to be applied multiplicatively, modifications from the Scheduled Rating Modification Plan are to be added together and then applied multiplicatively.

D. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

i. any amount involving $.50 or over shall be rounded to the next highest whole dollar amount;
ii. any amount involving $.49 or less shall be rounded down to the next lowest whole dollar amount.

E. RETURN PREMIUM

1. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is cancelled.
2. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
3. 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.
4. Waive return premium of $15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.
5. Retain the policy writing minimum premium.

F. 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. Any installment fees for this option will be as shown on the respective State Rate Page.

G. RESERVE PREMIUM AND/OR PROFIT SHARING

The Company may agree with a sponsoring organization for a sharing of the profits, if any, in accordance with a predetermined formula. In the event of such an agreement, the policy shall be endorsed to either reflect the profit utilization formula or add the pertinent portion of the agreement with the organization to the policy by reference.

Any monies developed in accordance with an agreement set forth above shall be made available to the insureds in accordance with the provisions of such agreement.

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H. ADDITIONAL PREMIUM CHARGES

1. Prorate all changes requiring additional premium.
2. 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, even if the policy inception premium was less than the policy writing minimum premium.
3. Waive additional premium of $15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

I. CLAIMS-MADE 'STEP' RULE

The proper step into which the insured is placed for rating purposes when claims-made coverage has been provided for less than annual periods, is determined as follows:

1. if claims-made coverage has been in effect for less than 6 months, step 1 rates apply;
2. if claims-made coverage has been in effect for "x" years plus less than 6 months, step "x" plus 1 applies;
3. if claims-made coverage has been in effect for "x" years plus 6 months or more, step "x" plus 2 applies.

Note: The value of "x" is the number of whole years.

## X. POLICY CANCELLATIONS

A. Compute return premium 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 when:
   1. a policy is cancelled at the Company's request;
   2. the insured no longer has a financial or an insurable interest in the property or operations that is the subject of insurance;
   3. a policy is cancelled and rewritten in the same Company or Company group.

B. If cancellation is for any other reason than stated in A. above, compute the return premium at .90 of the pro rata unearned premium for the one year period and round in accordance with the Whole Dollar Rule.

C. Retain the Policy Writing Minimum Premium when the insured requests cancellation, except when a policy is cancelled as of the inception date.

## 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 Coverage Only)

The availability of Extended Reporting Period Coverage shall be governed by the following rules:

A. The limits of liability available for any Extended Reporting Period shall be as set forth in Policy.

B Available Extended Reporting Period options, and appropriate premium charges, shall be as shown in the applicable State Rate Page.

C. The prior acts date of coverage with this Company will determine the years of prior exposure for Extended Reporting Period coverage.

D. Premium must be paid promptly when due. Premium may be paid in advance, or at Company discretion, may be paid in three annual installments.

E. 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 premium charge.

F. 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. retirement takes place subject to the provisions as stated on the State Rate Page.

G. In the event the policy is cancelled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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



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monies received by the Company from the insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

## XIII. ADDITIONAL CLASSIFICATIONS

A. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, will be eligible for restricted coverage at a reduced rate. This would apply retroactively to the first day of disability or leave of absence. Rating basis as follows:

| | |
|---|---|
| Disability/Leave of Absence | 25% of Medical Specialty |

B. Part-Time

A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

| | |
|---|---|
| Practice less than 20 hours per week | 50% of Medical Specialty |

C. Teaching Physicians

To recognize the reduced exposure associated with practitioners away from their practice while teaching, a reduced rate will be charged upon the following basis:

| | |
|---|---|
| Due to teaching, your weekly patient contact is limited to: | |
| (Less than 8 Hours per week) | 35% of Medical Specialty |
| (8-16 hours per week) | 50% of Medical Specialty |
| (17 hours or more per week) | 100% of Medical Specialty |

D. Physicians in Training

Following graduation from medical school, a physician may elect to enter additional training periods. For rating purposes, they are defined as follows:

1. Residency Program - various lengths of time depending upon medical specialty; 3 years average. Following first year residency, generally licensed M.D. Upon completion of residency program physician becomes board eligible;
2. Preceptorship - A preceptee is a non-licensed medical student or licensed physician continuing their education. A licensed physician preceptee shall, for the purposes of this program be considered as a part-time physician and added to the insured physician's policy;
3. Fellowship Program - Follows completion of residency and is a higher level of training.

   NOTE: Do not confuse a physician in a fellowship training program with a fellow, for example, of American College of Surgeons, or fellow of American College of OB/GYN. These are honorary membership designations obtained by peer nomination and approval.

Rating basis as follows:

| | |
|---|---|
| Residency Program | 50% of Medical Specialty |
| Preceptee: | 35% of Medical Specialty |
| Fellowship | 100% of Medical Specialty |

E. Locum Tenens Physician

Coverage for a physician substituting for an insured physician will be limited to cover only professional services rendered on behalf of an insured physician for the specified time period. Locum Tenens will share in the insured physician's Limit of Liability.

The Locum Tenens physician must complete an application and submit it to the Company in advance for approval prior to the requested effective date of coverage. Rating basis as follows:

| | |
|---|---|
| Locum Tenens Physicians | No Charge |

F. Change of Exposure or Medical Specialty

In the event of a change in exposure or medical specialty of the practitioner, a charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Period coverage at no charge;
2. with regard to medical specialty, both the prior and the current specialty fall within the same class;

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3. the exposure or medical specialty of the practitioner changed more than 4 years prior while insured under claims-made coverage; or
4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

G. Premium Adjustment - Claims-Made Only

The following procedure should be used to calculate the exposure surcharge applicable under Rule F., above:

1. Calculate the at limits Extended Reporting Period premium appropriate for:
   a. the previous medical specialty or status according to the rates and rules contained herein; and
   b. the premium appropriate for the current medical specialty or status.
2. If the at limits Extended Reporting Period premium for the current specialty or status:
   a. is less than the premium for the previous medical specialty or status, the dollar amount of difference is the charge to be applied;
   b. exceeds the premium for the previous medical specialty or status, there shall be no charge.

H. Clinical Practice

The majority of residency training is within a hospital. However, there are periods where clinical experience is required. If a group practice desires individual coverage for these physicians, they may be covered provided that:

1. they are under direct supervision of a clinical physician; and
2. their purpose in the clinic is to receive the experience as part of their overall training program.

This rule shall not apply if the training institution (i.e. hospital) provides Professional Liability coverage for the physician in training while outside the institution.

## XIV. MISCELLANEOUS / ANCILLARY MEDICAL PERSONNEL

A. Professional Liability coverage for miscellaneous medical personnel may be provided. Refer to State Rate Page for medical specialties and rating instructions.

B. Premium shall be as shown on the State Rate Page.

## XV. CORPORATION / PARTNERSHIP / PROFESSIONAL ASSOCIATION

It shall be permissible to provide coverage for a Health Care corporation, Professional Association, or partnership, for liability arising from the practice of medicine by member physicians. Such coverage may be provided as follows:

A. Individual Practice

1. Solo Practice:

   on a shared Limit of Liability basis by endorsement to the policy, specifying such entity will share in the individual practitioner limit. In such case no additional premium shall be charged; or

2. All Others

   on a separate Limit of Liability basis by naming the corporation/partnership/professional association on the policy. The Limit of Liability shall be equal to the highest limits provided to any one individual member physician. Additional premium shall be as shown on the State Rate Page. In this case, all ancillary personnel shall be added to this corporation limit, and not to the policy of the individual physician.

B. Group Practice

on a separate Limit of Liability basis by naming the corporation/partnership/professional association on the policy. The Limit of Liability shall be equal to the limits provided to the individual member physicians. Additional premium shall be as shown on the State Rate Page.

## XVI. OPTIONAL COVERAGES / ENDORSEMENTS

A. It shall be permissible to add any of the following optional coverages/endorsements as appropriate to the particular situation and in accordance with the minimum basic Limits of Liability indicated herein:

1. Medical Laboratory

   It shall be permissible to add a Medical Laboratory:

   a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.



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b. as an additional insured at the premium charge shown on the State Rate Page, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

2. Deductibles/Self-Insured Retentions

Deductibles and self-insured retentions may be offered to qualified insureds.

3. First Aid Coverage Endorsement

When added to the practitioner(s) Professional Liability policy, coverage provided by this endorsement is limited to $5000 per person for first aid expenses. Complete coverage details are explained on the endorsement

## XVII. FULL-TIME EQUIVALENCY

It shall be permissible to add coverage for a Full-Time Equivalency position staffed by two or more part-time medical practitioners performing identical professional services for one job description, with their cumulative hours equivalent to one full-time medical practitioner.

The limits of liability apply separately to each position specifically named on the schedule, collectively with such incumbents who qualify for coverage under the definition of "you".

Compute the premium by applying the rates applicable to an individual physician charge for each Full-Time Equivalency position specifically named on the schedule.

## XVIII. STAFF POSITION

It shall be permissible to add coverage for a specific Staff Position having a specific job description with professional services being performed by a medical practitioner.

The limits of liability apply separately to each staff position specifically named on the staff position schedule, collectively with such incumbents included as "you" by occupational description, and specifically named on such staff position schedule.

Compute the premium by applying the rates applicable to an individual physician charge for each Staff Position specifically named on the schedule.

## XIX. SCHEDULED RATING MODIFICATION PLAN

The hazards of the practice of medicine vary with the organization, establishment of medical standards review and claims review committees, the effectiveness of such committees, loss prevention activities, professional liability claim experience, professional services rendered under written agreement, etc. To recognize specific characteristics unique to the risk, a rate modification as shown below may be applied based on the following:

1. Professional Liability Exposures

The maximum permissible modification of the Professional Liability premium(s) is as shown on the State Rate Page.

| | CREDIT | DEBIT |
|---|---|---|
| a. Loss Control Program<br>The underwriter will evaluate the procedures in place within the practice, including adherence to prior CNA recommendations. | 0-10% | 0-10% |
| b. Practice Characteristics<br>The underwriter will evaluate the impact of contracts with managed care organizations on utilization, referrals, and overall quality of patient care. | 0-15% | 0-15% |
| c. Continuing Education<br>Determine if the applicant's professional and para-professional staff participant in effective continuing medical education program(s); | 0-5% | 0-5% |
| d. Unusual Risk Characteristics | 0-10% | 0-10% |

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Company pages found in this manual shall apply to this program subject to the following:
General Rule XII, sub-item D. is deleted in its entirety and replaced by the following:

Premium must be paid promptly when due. Premium may be paid in advance, or be paid in three annual installments.

A. Medical Practitioners - Claims-Made Rates: (at $100,000/$300,000 Limits of Liability)

Territory I: Cook, Madison, St. Clair, Will, and Jackson Counties

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 2,815 | 5,119 | 6,825 | 7,508 | 8,532 |
| 1 | 4,022 | 7,313 | 9,751 | 10,726 | 12,188 |
| 2A | 4,827 | 8,776 | 11,701 | 12,871 | 14,626 |
| 2 | 5,631 | 10,238 | 13,651 | 15,016 | 17,064 |
| 3 | 7,240 | 13,163 | 17,551 | 19,306 | 21,939 |
| 4A | 8,849 | 16,088 | 21,451 | 23,596 | 26,814 |
| 4 | 11,262 | 20,476 | 27,302 | 30,032 | 34,127 |
| 5 | 13,273 | 24,133 | 32,177 | 35,395 | 40,221 |
| 6 | 14,480 | 26,327 | 35,102 | 38,612 | 43,878 |
| 7 | 24,535 | 44,609 | 59,478 | 65,426 | 74,348 |
| 8 | 32,981 | 59,966 | 79,955 | 87,950 | 99,943 |

Territory II: DuPage, Kane, Lake, McHenry, Winnebago, and Vermillion Counties

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 2,200 | 3,999 | 5,332 | 5,866 | 6,665 |
| 1 | 3,142 | 5,713 | 7,618 | 8,379 | 9,522 |
| 2A | 3,771 | 6,856 | 9,141 | 10,055 | 11,426 |
| 2 | 4,399 | 7,999 | 10,665 | 11,731 | 13,331 |
| 3 | 5,656 | 10,284 | 13,712 | 15,083 | 17,140 |
| 4A | 6,913 | 12,569 | 16,759 | 18,435 | 20,948 |
| 4 | 8,798 | 15,997 | 21,329 | 23,462 | 26,662 |
| 5 | 10,370 | 18,854 | 25,138 | 27,652 | 31,423 |
| 6 | 11,312 | 20,568 | 27,423 | 30,166 | 34,279 |
| 7 | 19,168 | 34,851 | 46,468 | 51,114 | 58,084 |
| 8 | 25,767 | 46,848 | 62,465 | 68,711 | 78,081 |

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Territory III: Champaign, Grundy, Kankakee, LaSalle, Macon, Sangamon, Bureau, Coles, Dekalb, Effingham, Ogle, and Randolph Counties

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 1,716 | 3,119 | 4,159 | 4,575 | 5,199 |
| 1 | 2,451 | 4,456 | 5,942 | 6,536 | 7,427 |
| 2A | 2,941 | 5,348 | 7,130 | 7,843 | 8,913 |
| 2 | 3,431 | 6,239 | 8,318 | 9,150 | 10,398 |
| 3 | 4,412 | 8,021 | 10,695 | 11,765 | 13,369 |
| 4A | 5,392 | 9,804 | 13,072 | 14,379 | 16,340 |
| 4 | 6,863 | 12,478 | 16,637 | 18,301 | 20,796 |
| 5 | 8,088 | 14,706 | 19,608 | 21,569 | 24,510 |
| 6 | 8,824 | 16,043 | 21,390 | 23,529 | 26,738 |
| 7 | 14,951 | 27,184 | 36,245 | 39,869 | 45,306 |
| 8 | 20,098 | 36,542 | 48,722 | 53,595 | 60,903 |

Territory IV: Remainder of State

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 1,342 | 2,440 | 3,253 | 3,578 | 4,066 |
| 1 | 1,917 | 3,485 | 4,647 | 5,111 | 5,808 |
| 2A | 2,300 | 4,182 | 5,576 | 6,134 | 6,970 |
| 2 | 2,684 | 4,879 | 6,505 | 7,156 | 8,132 |
| 3 | 3,450 | 6,273 | 8,364 | 9,201 | 10,455 |
| 4A | 4,217 | 7,667 | 10,223 | 11,245 | 12,779 |
| 4 | 5,367 | 9,758 | 13,011 | 14,312 | 16,264 |
| 5 | 6,325 | 11,501 | 15,334 | 16,868 | 19,168 |
| 6 | 6,900 | 12,546 | 16,728 | 18,401 | 20,910 |
| 7 | 11,692 | 21,259 | 28,345 | 31,180 | 35,432 |
| 8 | 15,718 | 28,578 | 38,103 | 41,914 | 47,629 |

A 25% credit shall be applied to the medical practitioners' rate if the Limits of Liability are shared with all medical practitioners within a Corporation or Partnership.

B. Scheduled Rating Modification Plan

The maximum permissible modification of the Professional Liability premium(s) under the Schedule Rating Modification Plan is ± 25%.

C. Corporation/Partnership/Professional Association Charge:

1. If on a separate limit of liability basis, the rate is computed, per Corporation/Partnership/ Professional Association, as up to 20% of the total developed professional liability premium for each practitioner and ancillary person charged a rate.
2. If a solo-practitioner desires coverage for the corporation/partnership/professional association, coverage can be provided for no additional premium charge, in which case the practitioner and the corporation/partnership/association share in the limit of liability.

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D. Optional Coverages:

| *Coverage* | *Rate* |
|---|---|
| 1. All Insureds: | |
| First Aid Coverage Endorsement | Included |
| Medical Laboratory | 25% of the Class 1 rate. |

E. Ancillary Personnel - Claims-Made Rates

1. The following ancillary personnel may be added to the Corporation policy (Individual Physicians policy if no Corporation) as additional named insureds at the premium shown below. Limits of Liability must be equal those of the Corporation (Individual Physicians) and shall apply separately to each individual:

Territory I: Cook, Madison, St. Clair, Will and Jackson Counties

(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant, Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse | 603 | 1,097 | 1,463 | 1,609 | 1,828 |
| H/L Perfusionist | 724 | 1,316 | 1,755 | 1,931 | 2,194 |
| Nurse Midwife | 4,907 | 8,922 | 11,896 | 13,085 | 14,870 |
| Nurse Anesthetist | 1,207 | 2,194 | 2,925 | 3,218 | 3,656 |
| Nurse Practitioners | 248 | 451 | 601 | 661 | 751 |

Territory II: DuPage, Kane, Lake, McHenry, Winnebago, and Vermillion Counties

(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant, Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse | 989 | 1,798 | 2,398 | 2,637 | 2,997 |
| H/L Perfusionist | 1,187 | 2,158 | 2,877 | 3,165 | 3,597 |
| Nurse Midwife | 8,044 | 14,626 | 19,501 | 21,451 | 24,376 |
| Nurse Anesthetist | 1,978 | 3,597 | 4,795 | 5,275 | 5,994 |
| Nurse Practitioners | 248 | 451 | 601 | 661 | 751 |

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Territory III: Champaign, Grundy, Kankakee, LaSalle, Macon, Sangamon, Bureau, Coles, Dekalb, Effingham, Ogle, and Randolph Counties

(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant, Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse | 1,265 | 2,299 | 3,066 | 3,372 | 3,832 |
| H/L Perfusionist | 1,518 | 2,759 | 3,679 | 4,047 | 4,599 |
| Nurse Midwife | 10,286 | 18,702 | 24,936 | 27,429 | 31,170 |
| Nurse Anesthetist | 2,529 | 4,599 | 6,132 | 6,745 | 7,665 |
| Nurse Practitioners | 248 | 451 | 601 | 661 | 751 |

Territory IV: Remainder of State

(at $100,000/$300,000 Limits of Liability)

| Class | Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant, Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse | 288 | 523 | 697 | 767 | 871 |
| H/L Perfusionist | 345 | 627 | 836 | 920 | 1,046 |
| Nurse Midwife | 2,338 | 4,252 | 5,669 | 6,236 | 7,086 |
| Nurse Anesthetist | 575 | 1,046 | 1,394 | 1,533 | 1,743 |
| Nurse Practitioners | 248 | 451 | 601 | 661 | 751 |

2. A 25% credit shall be applied to the ancillary personnel rate if the Limits of Liability are shared with the Corporation (Individual Physicians).

3. The following ancillary personnel may be added to the Corporation policy as additional insureds at no additional charge, provided that Limits of Liability are on a shared basis:

All other under Code 80998 (Audiologist, Medical Aide, R.N., L.P.N., Psychologist, Research Ph.D.)
Full Time Medical Students
Medical Laboratory Technician
O.R. Technician (Code 80998)
Optometrist/Optician
Pharmacists
Physiotherapists
Dental Hygienist
Scrub Nurse (Code 80998)
X-Ray Technician with/without Therapy

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F. Increased Limits:

| *Desired Limit* | *Increase Factor* |
|---|---|
| $100,000/300,000 | 1.00 |
| $500,000/1,000,000 | 1.76 |
| 1,000,000/1,000,000 | 2.09 |
| 1,000,000/3,000,000 | 2.15 |

{Higher Limits are available - Refer to Company.}

G. Extended Reporting Period:

**1. Automatic Extended Reporting Period**

There is no additional premium charge for this coverage

**2. Optional Extended Reporting Period**

The additional premium for the optional extended reporting period shall be based on the rates for such coverage in effect on the date the Policy terminated.

The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy:

| Years of Prior Claims Made Coverage | Installment Factors | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st Year | 2nd Year | 3rd Year | |
| 1 | .36 | .34 | .28 | 0.92 |
| 2 | .58 | .55 | .39 | 1.43 |
| 3 | .67 | .55 | .59 | 1.70 |
| 4 or more | .84 | .55 | .59 | 1.87 |

**3. Death or Disability Extended Reporting Period**

There is no additional premium charge for this coverage.

**4. Retirement Extended Reporting Period**

A. There is no additional premium charge for this coverage. provided that retirement takes place during the policy period and the insured is:
   1. age 55 or older and has been insured by us for at least 5 years of claims-made coverage; or
   2. any age and has been insured by us for at least 10 years of claims-made coverage.

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B. The Retirement Extended Reporting Period coverage will be granted with the following discounts, provided the above rule does not apply, and retirement takes place subject to the following schedule:

| Years of Continuous Coverage with a CNA Company | Premium Discount |
|---|---|
| 9 | 90% |
| 8 | 80% |
| 7 | 70% |
| 6 | 60% |
| 5 | 50% |
| 4 | 40% |
| 3 | 30% |
| 2 | 20% |
| 1 | 10% |

- Years of coverage must be with a CNA group company on a Claims-Made basis.

H. Quarterly Installment Option

Section F. Premium Payment Plan of the company pages is deleted in its entirety and replaced with the following:

The company will offer to the Named Insured a premium payment option as follows:

a. Each quarterly premium payment will be 25% of the total annual premium;

b. There will be no interest charges;

c. There will be quarterly installment charges equal to the lesser of 1% of the total annual premium or $25.00;

d. Any additional premium resulting from changes to the policy, mid-term, shall be spread equally over the remaining installment payments.

e. Second, third, and fourth quarterly premium payments will be due three, six, and nine months, respectively, after policy inception.

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I. Medical Practitioners Classifications

Each medical practitioner is assigned a classification code according to their medical specialty. When more than one classification is applicable, the highest rate classification shall apply.

**Class 1A -**

| *Medical Specialty* | *Code* |
|---|---|
| Administrative Medicine | 80178 |
| Allergy/Immunology | 80254 |
| Diabetes - no surgery | 80237 |
| Forensic or Legal Medicine | 80240 |
| General Preventive Medicine | 80231 |
| Nephrology - no surgery | 80260 |
| Ophthalmology - no surgery | 80263 |
| Pathology - All Other | 80266 |
| Preventive Medicine - no surgery - Aerospace Medicine | 80230 |
| Preventive Medicine - no surgery - Occupational Medicine | 80233 |
| Preventive Medicine - no surgery - Public/General Health Medicine | 80236 |
| Psychiatry - All Other | 80249 |

**Class 1 -**

| *Medical Specialty* | *Code* |
|---|---|
| Cardiovascular Disease - no surgery | 80255 |
| Dermatology - no surgery | 80256 |
| Diabetes - minor surgery | 80271 |
| Endocrinology - no surgery | 80238 |
| Family/General Practice - no surgery | 80420 |
| Gastroenterology - no surgery | 80241 |
| Geriatrics - no surgery | 80243 |
| Gynecology - no surgery | 80244 |
| Hematology - no surgery | 80245 |
| Hospitalists | 80222 |
| Infectious Disease | 80246 |
| Internal Medicine - no surgery | 80257 |
| Neoplastic Diseases - no surgery | 80259 |
| Nephrology - minor surgery | 80287 |
| Nuclear Medicine | 80262 |
| Nutritionist | 80248 |
| Oncology - no surgery | 80302 |
| Otorhinolaryngology - no surgery | 80265 |
| Pathology - Cytopathology | 80292 |
| Pediatrics - no surgery | 80267 |
| Pharmacology - clinical | 80234 |
| Physical Medicine and Rehabilitation - All Other | 80235 |
| Physicians - no surgery - NOC | 80268 |
| Preventive Medicine - no surgery - Undersea/Hyperbaric Medicine | 80139 |
| Pulmonary Diseases - no surgery | 80269 |
| Rheumatology - no surgery | 80252 |
| Sports Medicine - no surgery | 80205 |
| Urgent Care Medicine | 80424 |
| Urology - no surgery | 80121 |

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**Class 2A -**

| *Medical Specialty* | *Code* |
|---|---|
| Anesthesiology - All Other | 80181 |

**Class 2 –**

| *Medical Specialty* | *Code* |
|---|---|
| Dermatology - minor surgery | 80282 |
| Endocrinology - minor surgery | 80272 |
| Family/General Practice - minor surgery - excluding obstetrics | 80421 |
| Gastroenterology - minor surgery | 80274 |
| Gynecology - minor surgery | 80277 |
| Intensive Care Medicine | 80283 |
| Internal Medicine - minor surgery | 80284 |
| Neurology - including child - no surgery - All Other | 80261 |
| Ophthalmology - minor surgery | 80289 |
| Otorhinolaryngology - minor surgery | 80291 |
| Phys. - no major surgery - Acupuncture | 80437 |
| Phys. - no major surgery - Angiography, Arteriography, Catheterization | 80422 |
| Phys. - no major surgery - Colonoscopy, ERCP, esophageal dilation | 80443 |
| Phys. - no major surgery - Discograms, Myelography, Pneumoenceph. | 80428 |
| Phys. - no major surgery - Lymphangiography, Phlebography | 80434 |
| Phys. - no major surgery - Needle Biopsy | 80446 |
| Phys. - no major surgery - Radiopaque Dye | 80449 |
| Phys. - no major surgery - Shock Therapy | 80431 |
| Physicians - minor surgery - NOC | 80294 |
| Physicians or Surgeons Assistants | 80116 |
| Radiology - Diagnostic | 80253 |
| Radiology - Theraputic | 80359 |
| Surgery - Ophthalmology | 80114 |
| Urology - minor surgery | 80120 |

**Class 3 –**

| *Medical Specialty* | *Code* |
|---|---|
| Anesthesiology - Chronic Pain Management | 80182 |
| Bronco - Esophagology | 80101 |
| Cardiovascular Disease - minor surgery | 80281 |
| Dermatology - All Other | 80297 |
| Neonatology - non-critical care | 80804 |
| Podiatrists - below the ankle | 80993 |
| Radiology - Diagnostic - Including Interventional | 80280 |
| Radiology - Theraputic - Including Interventional & Radiation TX | 80358 |
| Surgery - Colon & Rectal | 80115 |
| Surgery - Maxillofacial | 80210 |
| Surgery - Otorhinolaryngology | 80159 |
| Surgery - Pediatric | 80180 |
| Surgery - Urological | 80145 |

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**Class 4A –**

| *Medical Specialty* | *Code* |
|---|---|
| Emergency Medicine - no major surgery | 80102 |
| Podiatrists - above the ankle | 80993a |
| Surgery - Gastroenterology | 80104 |

**Class 4 –**

| *Medical Specialty* | *Code* |
|---|---|
| Surgery - Family/General Practice - Incl. OB | 80117 |
| Surgery - General - Excluding Bariatric | 80143 |
| Surgery - Gynecology | 80167 |
| Surgery - Neoplastic Diseases/Oncology | 80107 |

**Class 5 –**

| *Medical Specialty* | *Code* |
|---|---|
| Emergency Medicine - including major surgery | 80157 |
| Neonatology - critical care | 80804a |
| Surgery - Abdominal | 80166 |
| Surgery - Hand | 80169 |
| Surgery - Head and Neck | 80170 |
| Surgery - Orthopedic - excluding spine | 80154 |
| Surgery - Plastic - NOC | 80156 |
| Surgery - Plastic - Otorhinolaryngology | 80155 |
| Surgery - Trauma | 80171 |

**Class 6 –**

| *Medical Specialty* | *Code* |
|---|---|
| Surgery - Cardiac | 80141 |
| Surgery - Cardiovascular Disease | 80150 |
| Surgery - Orthopedic - including spine | 80154a |
| Surgery - Thoracic | 80144 |
| Surgery - Vascular | 80146 |

**Class 7 –**

| *Medical Specialty* | *Code* |
|---|---|
| Perinatology | 80804b |
| Surgery - General - Including Bariatric | 80143a |
| Surgery - Obstetrics - Gynecology | 80153 |

**Class 8 –**

| *Medical Specialty* | *Code* |
|---|---|
| Surgery - Neurology - including child | 80152 |

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**Ancillary Medical Personnel**

The following medical personnel have been assigned the specialty classification codes as shown:

| *Medical Specialty* | *Code* |
|---|---|
| Heart/Lung Perfusionist | 80945 |
| Nurse Midwife | 80962 |
| Nurse Practitioner | 80998 |
| Nurse Anesthetist | 80960 |
| Paramedics | 80116 |
| Physician Assistant | 80116 |
| Scrub Nurse/Operating Room Technician: | |
| 1. whose duties require them to assist & remain in the O.R. for a surgical procedure. | 80116 |
| 2. whose duties are to set up the O.R., but who do not remain in O.R. during a procedure. | 80998 |
| Surgeon Assistant | 80116 |

**Additional Classifications (Corporation/Partnership/Professional Association):**

| | |
|---|---|
| Corporation/Partnership/Professional Association | 80999 |
| Medical Laboratory | 80715 |

The following classifications identify additional potential exposures applicable to each individual Group Practice. These classifications require prior underwriting approval by the Company.

| | |
|---|---|
| Clinical Surgery Center | 80610 |
| Emergency Room | 80610 |
| Medical Facility | 80610 / 80611 |

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**COMPANY EXCEPTION PAGE**
**COMMERCIAL LINES MANUAL**
**DIVISION NINE - MULTIPLE LINE**
**COMMERCIAL PACKAGE POLICY SUBDIVISION**

AMERICAN CASUALTY COMPANY OF READING, PENNSYLVANIA
CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
TRANSCONTINENTAL INSURANCE COMPANY
TRANSPORTATION INSURANCE COMPANY
VALLEY FORGE INSURANCE COMPANY

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Company Exception Page CNA-EX-CWR-27 is amended to include the following:

**HEALTH AND PERSONAL CARE FACILITIES**

1. The following forms are added to the list of those available for Health and Personal Care Facilities including hospitals, clinics, nursing homes and other facilities engaged in providing health and/or personal care:

| **Form** | **Form No.** |
|---|---|
| Resident Health Care Facility Property Endorsement | SCP 04 505A |
| Crime Coverage Extensions Endorsement | SCP 04 507A |
| Reward Endorsement | SCP 99 500 |
| Continuing Care Retirement Community Property Extensions | SCP 04 529 |

**2. Forms Description and Premiums**

**a. Reward Endorsement (SCP 99 500)**

This endorsement provides up to $5,000 for information or capture of persons who are convicted of committing arson or burglary. This endorsement shall be attached to every policy without charge.

**3. OPTIONAL COVERAGES**

The following optional coverages are available:

**a. Resident Health Care Facility Property Endorsement (SCP 04 505) and Crime Coverage Extensions Endorsement (SCP 04 507)**

Both endorsements must be attached when this option is selected. These endorsements expand the property coverages by providing the following:

- Residents' Personal Property/Money and Securities (personal property -- $2,500 each resident, $10,000 per loss, money and securities -- $300 pre resident, $3,000 pr loss).
- Emergency vacating expense ($10,000).
- Automatic increase in insurance (8% annual increase).

- All risk building glass ($1,000).
- Newly acquired property (real or personal) -- 180 days).
- Coverage for valuable papers of residents.
- Extended coverage and increased limit on property in transit ($10,000).
- Resident health care facility's property other than money and securities Robbery and Safe Burglary inside and outside the premises ($3,000 limit of insurance).
- All risk outdoor signs ($5,000).

The annual premium for this endorsement is $100 per location and is not subject to further modification of any type.

**b. Continuing Care Retirement Community Property Extensions Endorsement (SCP 04 529)**

When this optional endorsement is selected, it must be attached in addition to the Crime Coverage Extensions Endorsement (SCP 04 507) and CONTINUING CARE RETIREMENT COMMUNITY PROPERTY EXTENSION ENDORSEMENT must be typed on the Crime Coverage Extensions Endorsement in the area following the last preprinted endorsement name. This endorsement may be used in place of the Resident Health Care Facility Property Endorsement (SCP 04 505).

When this option is elected, the property coverages are extended as follows:

1. Under the Building and Personal Property Coverage Form:

   a. The period of automatic coverage under the Newly Acquired Or Constructed Property Coverage Extension is increased from 90 days to 180 days.

   b. Under the Valuable Papers and Records/Accounts Receivable Coverage Extension:

      (1) The insurance provided on valuable papers and records is extended to apply to residents' valuable papers and records in the insured's care, custody or control.

      (2) The limits on valuable papers and records are increased to $15,000 on premises and $5,000 in transit.

      (3) The limits on accounts receivable are increased to $15,000 on premises and $5,000 in transit.



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c. Under the Property Off-Premises Coverage Extension, the coverage on property in transit is extended to include coverage for loss by any covered cause of loss and the limit on this property is increased to $10,000.

d. Coverage is added for residents' personal property in the insured's care, custody or control located on the insured's premises. The limit on this extension is $25,000 per occurrence, $2,500 per person.

e. Coverage is added for residents' personal property in the insured's care, custody or control while in transit, at a temporary location or at a newly acquired location. The limit on this extension is $25,000 per occurrence, $2,500 per person.

f. Coverage is added for expenses incurred in the emergency vacating of the continuing care retirement community.

g. Electronic data processing equipment, data and media are covered on an all-risk basis, with limited exclusions. The limit on this extension is $10,000 per occurrence.

h. Coverage is added for spoilage loss to the insured's perishable food and beverage goods caused by contamination from a refrigerant, or by changes in temperature or humidity resulting from lack of electric power to, or the mechanical breakdown of, the heating, cooling or humidity control equipment. The basic limit on this extension is $10,000 per occurrence. Higher limits may be purchased.

   The applicable limit must be indicated on the Schedule of endorsement SCP 04 529.

i. Coverage is added for loss or damage to Covered Property caused by water that backs up from the sewer or drain. The limit on this extension is $25,000 per occurrence. This extension is subject to a deductible of $1,000 or the deductible applying to the damaged property, whchever is greater. This extension may be deleted by an indication on the Schedule of endorsement SCP 04 529.

j. Building glass and outdoor signs are covered on an all-risk basis, with limited exclusions. The limit on building glass under this extension is $1,000 per occurrence. The limit on outdoor signs under this extension is $5,000 per occurrence.

k. The following crime coverage extensions are added:

   (1) Theft, Disappearance and Destruction Coverage.

   (2) Robbery and Safe Burglary Coverage.

l. A provision is added which automatically increases the real property and personal property limits of insurance in the policy by 8%.



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When the Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form or Comprehensive Business Income Coverage Form is included in the policy, this endorsement also amends the "business income" definition in these forms to specifically include maintenance fees that would have been collected from the residents of the continuing care retirement community to which this insurance applies.

This annual premium for this option is $525 per location. The premium is not subject to further modification of any type except:

a. To add a charge for increased limits on the Food and Beverage Spoilage Coverage. The additional annual per location charge for limits in excess of $10,000 on this coverage is $2.00 for each $100 of increase.

b. To apply a premium credit for the deletion of the Water Back-Up Coverage. When this coverage is deleted, a premium credit of $125 shall apply.



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CONTINENTAL CASUALTY COMPANY
COMPANY PAGES
FOR
CHIROPRACTIC BENEFIT SERVICES RISK PURCHASING GROUP

## I. APPLICATION OF MANUAL RULES

A. This manual provides rules, rates, premiums and classifications and shall govern the writing of policies for the chiropractic profession.

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.

C. Any exceptions to these manual rules are contained in the respective Section or State Rate Page.

## II. POLICY TERMS

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

## III. PREMIUM COMPUTATION

A. Compute the premium at policy inception using the rules, 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 used for less than a whole year.

C. Premiums are calculated as specified for the respective coverage. Premium rounding will be done in accordance with the Whole Dollar Rule.

The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds. The rates shall be applied in accordance with each practitioner's classification.

## IV. FACTORS OR MULTIPLIERS

Unless stated otherwise, factors or multipliers are to be applied consecutively and not added together.

## V. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be $200.00 per annual or lesser period.

## VI. PREMIUM PAYMENT PLAN

The Company may, at its discretion, offer to the Named Insured various premium payment options, including monthly, quarterly, and annual payment plans.

## VII. WHOLE DOLLAR RULE

If the result of the rating procedure is not a whole dollar, the result will be adjusted as follows:

A. any amount involving $.50 or over shall be rounded to the next higher whole dollar amount; or

B. any amount involving $.49 or less shall be rounded down to the next lower whole dollar amount.

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## VIII. 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, even if the policy inception premium was less than the policy writing minimum premium.

C. Waive additional premium of $10.00 or less.

## IX. RETURN PREMIUM

A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.

B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

C. 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.

D. Retain the policy writing minimum premium.

## X. COVERAGES

| | Coverage | Limit |
|---|---|---|
| A | Professional Liability | Claims-Made Basis |
| B | Licensure Defense Assistance | $30,000 Each Civil Proceeding<br>$30,000 Each Policy Period Aggregate |
| C | Deposition Assistance | $2,500 Each Deposition<br>$7,500 Each Policy Period Aggregate |
| D | Reimbursement for Attendance at Dispute Resolution | $500 Each Day<br>$5,000 Each Policy Period Aggregate |
| E | Property Damage Payment | $500 Each Claim<br>$1,000 Each Policy Period Aggregate |
| F | First Aid Reimbursement | $5,000 Each Person<br>$10,000 Each Policy Period Aggregate |

## XI. POLICY CANCELLATIONS

A. The policy may be canceled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.

B. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.

C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% (subject to Rule V. Policy Writing Minimum Premium) unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

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## XII. CLASSIFICATIONS – CALCULATION OF PREMIUM – Professional Liability Coverage

The base premium for the policy shall be the sum of the applicable charge for each insured based on his/her class, as developed below. The annual mature claims-made base rate for each class is stated on the respective State Exception page:

A. The following class descriptions will apply:

| Class | Description |
|---|---|
| 1 | Doctors of Chiropractic in Class 1 have as their sole objective the detection and correction of the vertebral subluxation. While they may be aware of the patient's symptoms or specific health problems, they do not attempt to treat those symptoms or conditions.<br><br>In addition, they use a "Terms of Acceptance" (TOA) document, which clearly explains their practice objective. In their report of findings, they note unusual findings not related to vertebral subluxations that they observed, but do not attempt to diagnose or label those findings and do not refer patients to medical practitioners in specific disciplines. They allow their patients to determine the need for medical advice or care.<br><br>Class 1 chiropractors use manual adjusting techniques, which can include hand-held, non-electric devices such as a Toftness Instrument, Atlas Orthogonal Instrument, Integrator Or Activator, etc.<br><br>In addition, they may use traction, extremity adjusting, massage, hot and cold packs, orthotics or other non-invasive modalities which they consider necessary in order to properly detect or correct subluxations, or which they feel will help patients maintain their adjustments.<br><br>Class 1 doctors do not use therapeutic agents, including nutritional supplements, homeopatic or naturopathic remedies, to treat diseases or suppress symptoms.<br><br>Surface electromyography (SEMG) is the paraspinal area may be used to measure a variety of physiological changes to determine if subluxation exists. Evidence-based documentation from spinal range of motion and computerized muscle testing studies fall within Class 1. Skin temperature measurement instruments may be used to evaluate neurological changes associated with vertebral subluxation.<br><br>No invasive procedures or diagnostic or treatment equipment or techniques should be used which are not directly related to the detection and correction or vertebral subluxation. X-ray and other imaging techniques may be used to assist in determining the presence or vertebral subluxation in the spine. |

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| | |
|---|---|
| 2 | Doctors of chiropractic in this class focus on the detection and correction of the vertebral subluxation. In addition, they may address neuromusculoskeletal complaints and treat spinal-related conditions and symptoms such as strains and sprains.<br><br>To achieve their practice objective, doctors in Class 2 may utilize everything included under Class 1 and, additionally, modalities such as electrical stimulation, ultrasound, diathermy whirlpool, cryotherpay, orthopedic supports, homeopathy related to the spine, athletic taping, etc., all for the purpose of detecting or correcting vertebral subluxation or diagnosing and treating neuromusculoskeletal complaints.<br><br>Although invasive procedures are not used, neurologic and orthopedic tests are sometimes utilized. Those chiropractors who hold licenses in acupuncture and perform techniques which require such a license shall be categorized in this class. |

B. The annual mature claims-made rates for each chiropractor are stated on the State Rate Page.

The annual step rates, under claims-made, for each Chiropractor shall be determined as follows:

1. If the chiropractor is just entering practice, or the chiropractor has continuously been insured under an "occurrence" policy, enter the step rate factor from the Table at the year one level.

2. If the chiropractor 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 chiropractor was covered under such claims-made policy(ies);

   b. determine the number of years in which the chiropractor 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 rate, found on the State Page, in effect at the inception of the policy.

| Step 1 | Step 2 | Step 3 | Step 4 |
|---|---|---|---|
| .49 | .75 | .95 | 1.00 |

C. **LOCATION OF PRACTICE**

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their practice time from outside the state. Those who derive more than 25% of their practice time outside the state shall be referred to the Company for underwriting approval and rating. We will charge the higher rate if there is multi-state exposure.



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## XIII. CREDITS AND SURCHARGES

The following applicable factors will be added together and the sum will be applied to the associated risk. The maximum credit applicable to any risk is shown on the respective State Rate page.

A. New Graduate

A "new" graduate is defined as an individual who is receiving his or her first chiropractic license and beginning a practice.

The following credits will apply:

75% for the first year in practice
40% for the second year in practice
25% for the third year in practice
15% for the fourth year in practice

B. Corporations/Partnerships/Associations

It shall be permissible to provide coverage for a corporation, partnership or association for liability arising from the practice of member chiropractors insured by the Company. Such coverage may be provided either:

a. on a shared limit of liability with the member practitioner, in which case no additional premium shall be charged; or

b. on a separate limit of liability basis. All practitioners of the corporation must purchase the same limit of liability. Additional premium shall be 15% of the total developed liability premium for each member.

C. Additional Insured

An additional insured, other than Corporations/Partnerships (such as an outpatient surgical center, managed care organization, hospital, etc.) may be added to the policy for an additional premium charge of 20% of the policy's total manual premium. All other Additional Insureds must be referred to the Company for approval and rating.

D. Vicarious Liability

A charge of 10% of the named insured's premium will be charged for each chiropractor not insured by CNA who presents a vicarious liability exposure to the named insured.

E. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of at least 30 days, but less that 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence. Leaves of absence are subject to underwriting approval.

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F. Part Time

A part time credit of:

50% of the applicable rate will apply to any practitioner who works 20 hours or less per week

G. Terms of Acceptance (for Class 2 only)
Class 2 Chiropractors who agree to use a "Terms of Acceptance" form for all patients will receive a 15% credit.

H. Locum Tenens

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability, and the substituting professional is subject to standard underwriting approval. There is no additional charge for a period not to exceed 60 days.

I. Loss Prevention/Risk Management
A Risk management credit of up to 10% will be applied to the rate, based upon completion of Company-sponsored risk management or Company-approved courses. Course content must include one or more of the following topics: patient communication, documentation, informed consent, confidentiality of records, litigation and other legal issues. Verifiable active participation is required in any such program. The course must be completed by the insured within 24 months of the policy effective date. This credit will be reapplied to subsequent coverage terms, provided that the course completion date is within 24 months of the effective date. This is subject to underwriting approval.

J. Experience Rating

The following claims-free credits will apply to the chiropractor's applicable class rate:

| **Minimum Number of Consecutive Years Claims-Free** | **Credit** |
|---|---|
| 5 | 10% |
| 10 | 15% |
| 20 | 20% |

K. Schedule Modification
A modification reflecting the specific individual characteristics of a risk shall be applied to the professional liability premium for chiropractors. The criteria (shown below) used in evaluating the risk will be applied objectively and uniformly to all risks. All applicable debits and credits from this Section K shall be added together and the sum shall be the total Schedule Modification. The total schedule modification shall be capped by the amount listed in state rate/exception page.

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| Criteria | Credit | to | Debit |
|---|---|---|---|
| 1. Qualifications and experience of management | 10% | | 10% |
| 2. Cooperation with insurer | 10% | | 10% |
| 3. Selection and supervision of staff | 10% | | 10% |
| 4. Effective risk management program | 10% | | 10% |
| 5. Ongoing quality improvement program | 10% | | 10% |
| 6. Communication vehicle for patient questions and concerns | 10% | | 10% |
| 7. Use of recognized system of clinical guidelines | 10% | | 10% |
| 8. Well-maintained patient record system | 10% | | 10% |
| 9. Thorough documentation of patient care and interaction | 10% | | 10% |
| 10. Established policies and procedures for patient relations | 10% | | 10% |
| 11. Rehearsed emergency plan/equipment in place | 10% | | 10% |
| 12. High risk or experimental procedures or treatments | 0% | | 25% |
| 13. Loss experience | 10% | | 25% |
| 14. Demographics of Patient Group | 10% | | 25% |
| 15. Other risk deviations specific to the account | 15% | | 15% |

## XIV. LIMITS OF LIABILITY

The base rate on the state rate page contemplates a limit of $100K/$300K. Higher limits of liability may be selected by insureds. The associated factors listed below will apply to the $100K/$300K rate.

| Limits of Liability | Factor |
|---|---|
| **$100,000/$300,000** | **1.000** |
| **$200,000/$600,000** | **1.300** |
| **$250,000/$750,000** | **1.365** |
| **$500,000/$1,500,000** | **1.600** |
| **$1,000,000/$3,000,000** | **1.950** |
| **$2,000,000/$4,000,000** | **2.380** |
| **$2,000,000/$6,000,000** | **2.430** |

## XV. EXTENDED REPORTING PERIOD COVERAGE

A. The extension period is unlimited with respect to time. The availability of Extended Reporting Period Coverage shall be governed by the following rules:

1. The limits of liability will equal the limits of liability of the expiring policy.

2. Extended Reporting Period Coverage will be available to all named insureds shown on the Declarations page of this policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.

3. Should the entity terminate coverage under the policy, the entity may purchase this coverage by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.

4. Upon termination of coverage under this policy by reason of death or permanent disability, the insured's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.

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There will be no charge for Extended Reporting Period Coverage in the event of retirement from the practice of chiropractic and provided the insured is at least 52 years old and has been continuously insured by the Company for at least one year immediately preceding retirement.

This shall apply to all insureds otherwise qualifying for such coverage.

5. The Prior Acts date of coverage with this Company will determine the years of prior exposure in calculation of Extended Reporting Period Coverage.

6. Premium must be paid promptly when due.

7. In the event the policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

8. The factors in the following Table shall be applied to the *expiring premium*:

| **Years of Claims-Made Coverage** | **Factor** |
|---|---|
| **1** | **142%** |
| **2** | **134%** |
| **3** | **123%** |
| **4 or more** | **121%** |



DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
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SPRINGFIELD, ILLINOIS

## I. Amended Rules - Professional Liability

**Section VI, Quarterly Installment Option,** is amended to state the following:
The company will offer to all Named Insured a premium payment option as follows:
a. Each quarterly premium payment will be 25% of the total annual premium;
b. There will be no interest charges;
c. There will be quarterly installment charges equal to the lesser of 1% of the total annual premium or $25.00;
d. Any additional premium resulting from changes to the policy, mid-term, shall be spread equally over the remaining installment payments.

**Section XIII, Credits and Surcharges,** is amended to include the following:
The maximum discount applicable to any one risk shall be governed by the following:

| | |
|---|---|
| First Year New Graduate | 75% |
| Second Year New Graduate | 40% |
| Part-Time Chiropractor | 50% |
| All Others | 30% |

**Section XIII.K., Schedule Modifications,** is amended to include the following:
"The maximum schedule modification shall be capped at +/-25%."

**Section XV.A.8., Extended Reporting Period Coverage,** is amended to state the following:
The factors in the following Table shall be applied to the *expiring annual premium* .

| Years of Claims-Made Coverage | Factor |
|---|---|
| 1 | 142% |
| 2 | 134% |
| 3 | 123% |
| 4 or more | 121% |

## II. Territorial Definitions - Professional Liability

| | |
|---|---|
| Territory I | St. Clair County |
| Territory II | Cook |
| Territory III | Rest of State |

## III. Rates - Professional Liability

**Mature Claims-made Rate at $100K/$300K Limits**

| Class | Territory I | Territory II | Territory III |
|---|---|---|---|
| I | $1,488 | $1,374 | $1,062 |
| II | $1,984 | $1,832 | $1,416 |

**Occurrence Rate at $100K/$300K Limits**

| Class | Territory I | Territory II | Territory III |
|---|---|---|---|
| Student | $35 | $35 | $35 |

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# COMPANY PAGES
# FOR
# CHIROPRACTIC PROFESSIONAL PROGRAM

## CONTINENTAL CASUALTY COMPANY

## I. APPLICATION OF MANUAL RULES

A. This manual provides rules, rates and premiums and shall govern the writing of policies for the Chiropractic profession.

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.

C. Any exceptions to these manual rules are contained in the respective Section or State Rate Page.

## II. POLICY TERMS

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

## III. PREMIUM COMPUTATION

A. Compute the premium at policy inception using the rules, 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 less 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.

The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured.

## IV. FACTORS OR MULTIPLIERS

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

## V. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be $250.00 per annual or lesser period.

## VI. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

A. any amount involving $.50 or over shall be rounded to the next highest whole dollar amount; or

B. any amount involving $.49 or less shall be rounded down to the next lowest whole dollar amount.

COMPANY PAGES
FOR
CHIROPRACTIC PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

## VII. 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, even if the policy inception premium was less than the policy writing minimum premium.

C. Waive additional premium of $15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

## VIII. RETURN PREMIUM

A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.

B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

C. 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.

D. Waive return premium of $15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.

E. Retain the policy writing minimum premium.

## IX. COVERAGES

Coverages under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy.

Required coverages under this program are:

A. Professional Liability on a claims-made basis or occurrence basis, including the following:

1. Special Extra Expense (HIV);
2. Defense Coverage - Chiropractic Professional Licensing Board; and
3. Employment Practices Liability - $25,000 Defense Coverage

B. Business Liability on an occurrence basis, including the following:

1. General Liability, including Products/Completed Operations, Host Liquor Liability and Incidental Contract coverage;
2. Fire and Water Legal Liability - $250,000 per occurrence;
3. Medical Payments Coverage - $5,000 per person/$10,000 per accident;
4. Non-Owned or Hired Automobile Liability Coverage - $1,000,000 each occurrence;
5. Defendant's Reimbursement - $500 per day, and $5,000 per suit; and
6. Medical Waste Legal Expense.



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COMPANY PAGES
FOR
CHIROPRACTIC PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

## X. PACKAGING OF COVERAGES

When an insured has purchased Professional Liability coverage in accordance with the foregoing rules, coverage may be further extended to include property exposures. A package discount factor shall be applied to the Professional Liability rate. The package discount factor is stated on the respective State Rate Page.

## XI. POLICY CANCELLATIONS

A. The policy may be canceled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.

B. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.

C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

COMPANY PAGES
FOR
CHIROPRACTIC PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

## I. CHIROPRACTOR PROFESSIONAL LIABILITY - CALCULATION OF PREMIUM

A. The annual rates, under occurrence, for each Classification of Chiropractor are stated in the State Rate Page. The Classifications are defined in B. below.

The annual rates, under claims-made, for each Classification of Chiropractor shall be determined as follows:

1. If the Chiropractor is just entering practice, or the Chiropractor has continuously been insured under an "occurrence" policy, enter the step rate factor from the Table at the year one level.

2. If the Chiropractor 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 Chiropractor was covered under such claims-made policy(ies);

   b. determine the number of years in which the Chiropractor 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 Classification rate, found on the State Page, in effect at the inception of the last claims-made policy. The Classifications are defined in B. below.

Step Rate Factors

| Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
|---|---|---|---|---|
| 0.35 | 0.65 | 0.85 | 0.92 | 0.97 |

B. CLASSIFICATIONS

Class I: Straight Chiropractors - consists solely of analyzing and adjusting vertebral subluxation. They do not engage in the medical procedure of diagnosing and treatment of disease by medical methods. They may only use manual palpation, visual examination, thermographic differentiation and x-ray to identify and locate subluxations of the spine. Straights only use "hands-on" or non-electrical instrumental adjusting techniques. They refer out for medical diagnosis/treatment anything other than vertebral subluxation.

Class II: Modified Straight Chiropractors - follow the same straight chiropractic philosophy as Straights, with one difference. Modified Straights will use low voltage stimulation, traction, ultrasound and hydrotherapy. They do not engage in the medical procedure of diagnosing and treatment of disease by medical methods.

Class III: Mixer Chiropractors - differ from Straights and Modified Straights in their frequency of use of modalities and their purpose for use of modalities. The mixer uses certain modalities for treatment, rather than simply as aids or enhancements to vertebral subluxation adjustments. May perform some manipulation under anesthesia.

Class IV: Liberal Mixer Chiropractors - uses medical testing procedures for the purpose of diagnosing and treatment of disease in addition to vertebral subluxation. Mixers who perform invasive EMG's, surgical procedures of any kind, draw blood or order tests for other than nutritional or vitamin analysis, colon irrigation or manipulation under anesthesia. They have assumed the responsibility of the primary health care provider.

C. Any (a) rated risk written under this program shall maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request. Rates shall not be inadequate, excessive or unfairly discriminatory and will follow individual state regulations.

## II. ADDITIONAL CLASSIFICATIONS

A. New Chiropractor

A "new" Chiropractor is defined as a student who has completed their training within the previous six months from license date or the experienced military Chiropractor who within six months of honorable military discharge or a foreign graduate of a 4-year program from an accredited U.S. Chiropractic school enters full-time private or group practice.

The following credits will apply:

50% of the first year in practice
25% of the second year in practice
15% of the third year in practice
10% of the fourth year in practice

B. Corporations/Partnerships/Associations

It shall be permissible to provide coverage for a corporation, partnership or association for liability arising from the practice of member Chiropractors insured by the Company. Such coverage may be provided either:

a. on a shared limit of liability basis with the member practitioner, in which case no additional premium shall be charged; or

b. on a separate limit of liability basis. The limit of liability shall be equal to the highest limits provided to any one individual member practitioner. Additional premium shall be up to 20% of the total developed liability premium for each member.

C. Additional Insured

An additional insured, other than Corporations/Partnerships/Associations, may be added to the policy at a charge of 5% of the policy's Professional Liability charge.

(This charge does not apply to an additional insured who owns or finances leased equipment to the insured.)

D. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence.

Leave of absence may include time to enhance the practitioner's education, but, does not include vacation time.



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E. Part Time

A part time credit of 50% of the applicable rate will apply to any practitioner who works 16 hours or less per week. This credit will not apply if the first year "new Chiropractor" credit has been applied.

F. Interns/Externs

A credit of 50% of the applicable rate will apply to any practitioner who is an intern/extern.

G. Faculty without practice

A credit of 50% of the applicable rate will apply to any practitioner who is a faculty member but does not have his/her own practice.

H. Locum Tenens

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability. There is no additional charge for a period not to exceed 60 days.

## III. VICARIOUS LIABILITY - Independent Contractors

A charge of 10% of the named insured's premium per independent contractor will apply for the additional Vicarious Liability assumed by the insured as a result of such situations.

## IV. MINIMUM LIMITS OF LIABILITY

Minimum limits of liability under this program shall be as follows:

Professional Liability:

1. Individual Practice:
   - a. Claims-Made: $100,000 each claim / $300,000 aggregate
   - b. Occurrence: $100,000 each claim / $300,000 aggregate
2. Independent Contractor: Equal to above as appropriate

## V. SUPPLEMENTAL MODIFICATIONS - PROFESSIONAL LIABILITY

Any modifications developed under subitems A. and B. shall be summed and applied as a single factor.

A. Schedule Rating

Based on the following individual risk characteristics, the maximum debit or credit produced by the addition of the debit and/or credit will not exceed 25%:

| | CREDIT | DEBIT |
|---|---|---|
| Procedure Mix | 0-25% | 0-25% |

Applicable to practitioners whose procedures or practice specialties are primarily concentrated in areas other than their practice specialty.



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| | | |
|---|---|---|
| Exposure Modification | 0-25% | 0-25% |
| Applicable to those insureds who have an increased or reduced exposure. | | |
| Unusual Risk Characteristics | 0-25% | 0-25% |
| B. Loss Prevention/Risk Management | 5-10% | XXX |

A credit will be applied to the Chiropractor's rate applicable to each Chiropractor who attends an approved loss prevention/risk management workshop. This credit will be applied for 3 consecutive years.

C. Experience Rating

Based on the claim history of an individual practitioner over the preceding five year period, a debit will be applied to the classification rate. If there is claim activity during the last 5 years, the preceding 5 years would be reviewed. Criteria used to determine the application of such debits shall include claim history including a review of a combination of cause of loss, frequency, severity, indemnity payments, expenses and reserves.

Such debits, if applied, shall apply on a one year basis and will be subject to annual review.

## VI. CHANGE OF PRACTICE HOURS

In the event the insured decreases practice hours, a charge reflecting the difference between the previous hours and the new hours shall be calculated and collected at the time of the change unless:

A. the practitioner changed hours more than 4 years ago while insured under claims-made coverage;

B. the practitioner changed hours at any time while insured under occurrence coverage; or

C. the insured is otherwise eligible for Extended Reporting Period Coverage at no charge.

Premium Adjustment

The following procedure should be used to calculate the exposure surcharge applicable under this Rule:

A. Calculate the at-limits Extended Reporting Period premium appropriate for:

1. Full time practice according to the rates and rules contained herein; and

2. the premium appropriate for part-time practice.

B. The at-limits Extended Reporting Period premium for the part time practice will be less than the premium for the full time practice and the dollar amount of difference is the charge to be applied.

C. The amount of any additional charge is adjusted according to the following vesting schedule:

| Discount | |
|---|---|
| 100% | 10 consecutive years of CNA coverage |
| 90% | 9 consecutive years of CNA coverage |
| 80% | 8 consecutive years of CNA coverage |
| 70% | 7 consecutive years of CNA coverage |
| 60% | 6 consecutive years of CNA coverage |
| 50% | 5 consecutive years of CNA coverage |
| 40% | 4 consecutive years of CNA coverage |
| 30% | 3 consecutive years of CNA coverage |
| 20% | 2 consecutive years of CNA coverage |
| 10% | 1 full year of CNA coverage |
| 0% | Less than 1 full year of CNA coverage |

## VII. INCREASED LIMITS OF LIABILITY

Higher separate limits of liability on claims-made policies may be elected up to a maximum liability limit of $2,000,000 per claim/$4,000,000 aggregate on the following basis:

| Limits of Liability | Increased Limit Factor |
|---|---|
| $100,000/300,000 | 1.000 |
| $200,000/600,000 | 1.300 |
| $250,000/750,000 | 1.365 |
| $500,000/1,000,000 | 1.600 |
| $1,000,000/1,000,000 | 1.800 |
| $1,000,000/3,000,000 | 1.880 |
| $2,000,000/4,000,000 | 2.450 |

Higher shared limits are available to groups of more than 10 chiropractors. Requests must be referred to the company.

## VIII. EXTENDED REPORTING PERIOD COVERAGE (Claims-Made Coverage only)

A. The extension period is unlimited as respects time. The availability of Extended Reporting Period Coverage shall be governed by the following rules:

1. The limits of liability will not exceed the lowest limits of liability in force for the last 12 month policy period.

2. Extended Reporting Period Coverage will be available to all named insureds shown on the Declarations page of this policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.

3. Should the entity terminate coverage under the policy, the entity may purchase this coverage by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.



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4. Upon termination of coverage under this policy by reason of death or disability, the insured's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.

5. There will be no charge for Extended Reporting Period Coverage in the event of retirement and provided the insured has been continuously insured by us for the immediately preceding years according to the following table:

   Age 55 with 10 consecutive years
   Age 56 with 9 consecutive years
   Age 57 with 8 consecutive years
   Age 58 with 7 consecutive years
   Age 59 with 6 consecutive years
   Age 60 or older with 5 consecutive years

   This shall apply to all insureds otherwise qualifying for such coverage.

6. The Prior Acts date of coverage with this Company will determine the years of prior exposure in calculation of Extended Reporting Period Coverage.

7. Premium must be paid promptly when due. Premium may be paid in advance, or in three annual installments.

8. In the event the policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

9. The factors in the following Table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy.

| Years of Prior Claims-Made Coverage | Installment Factors 1st year | 2nd year | 3rd year | Prepaid Factors |
|---|---|---|---|---|
| 1 | .31 | .23 | .30 | 0.79 |
| 2 | .51 | .35 | .46 | 1.23 |
| 3 | .61 | .49 | .46 | 1.45 |
| 4 or more | .73 | .49 | .46 | 1.57 |

B. A one year extended reporting period is also available for the Employment Practices Liability coverage. The associated factor, as shown on the state rate/exception pages, is applied to the annual EPL premium.

C. An extended reporting period is also available for the ERISA Fiduciary Liability coverage. The same factors as used for professional liability will be applied to the annual ERISA charge in calculation of the extended reporting period coverage.



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## IX. PRIOR ACTS COVERAGE (Occurrence Coverage only)

A. The policy may be extended to provide Prior Acts Coverage as follows:

1. 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 occurrence policy to which the Prior Acts endorsement shall be applied.

2. 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 shown to the current rate under this policy for limits of $100,000/$300,000.

3. If the limit of liability under this coverage is more than $100,000/$300,000, the premium developed shall be adjusted by the Prior Increased Limits Factors shown.

B. The premium will be charged annually, but calculated in advance:

1. Determine the current premium under this policy for limits of $100,000/$300,000.

2. Enter the Table at the appropriate Prior Acts Period.

3. Apply Reporting Period factor(s) successively for the desired number of years of Reporting Period:

| | Reporting Period | | | |
|---|---|---|---|---|
| Prior Acts Period | First Year | Second Year | Third Year | Prepaid Factors |
| 1 year prior | .28 | .25 | .22 | .71 |
| 2 years prior | .45 | .41 | .32 | 1.11 |
| 3 years prior | .55 | .44 | .40 | 1.31 |
| 4+ years prior | .62 | .45 | .42 | 1.41 |

4. Apply the appropriate Increased Limits Factor, if applicable:

| Limits of Liability | Increased Limit Factor |
|---|---|
| $100,000/300,000 | 1.000 |
| $200,000/600,000 | 1.300 |
| $250,000/750,000 | 1.365 |
| $500,000/1,000,000 | 1.600 |
| $1,000,000/1,000,000 | 1.800 |
| $1,000,000/3,000,000 | 1.880 |
| $2,000,000/4,000,000 | 2.450 |

## X. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their practice time from outside the state. Those who derive more than 25% of their practice time outside the state shall be referred to the Company for underwriting approval and rating. We will charge the higher rate if there is multi-state exposure.

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COMPANY PAGES
FOR
CHIROPRACTIC PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

## I. BUSINESS LIABILITY - (General Liability)

When written for a Chiropractor's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. The "each additional office" charge shall not apply to Independent Contractors. The following rates are offered at $1M/$2M limits:

First Office: $159.00

Each Additional Office: $111.00

It shall not be permissible to provide coverage at a location where the Chiropractor does not maintain a practice.

## II. OPTIONAL LIMITS OF LIABILITY

Business Liability - General Liability

| Limits of Liability | Factor |
|---|---|
| $100,000/300,000 | 0.739 |
| $200,000/600,000 | 0.832 |
| $250,000/750,000 | 0.857 |
| $500,000/1,000,000 | 0.929 |
| $1,000,000/1,000,000 | 0.989 |
| $1,000,000/2,000,000 | 1.000 |
| $1,000,000/3,000,000 | 1.011 |
| $2,000,000/4,000,000 | 1.087 |

## III. ERISA FIDUCIARY LIABILITY INSURANCE

This coverage may be provided with a limit of liability of $100,000 for an annual premium of $132.00. Increased limits may be purchased at $1.50 per each $1,000.00 of coverage.



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CONTINENTAL CASUALTY COMPANY

## I. CALCULATION OF PREMIUMS - Property Coverages

A. The premium shall be the sum of the applicable charges developed below.

B. The premium for coverage shall be determined by applying the following to the limits of liability:

1. Building

Charge shall be determined by applying the following total rate to the limit of liability:

a. The applicable rates as shown on the State Rate Page (as determined by the insured's construction code).

b. The applicable rate in (a) will be modified by the applicable protection class factor shown on the State Rate Pages, subject to the package discount factor.

2. Blanket Practice Personal Property

a. Limits of Liability for this coverage shall be calculated as the sum of the values for:

i. Contents at the premises;

ii. Property in Transit and/or otherwise off premises;

iii. Values represented by Accounts Receivable and/or Practice Records; we will automatically provide $13,500 of coverage for these items.

b. Base rate shall be:

i. Specific annual Blanket Practice Personal Property rate (as shown on State Rate Page) based on the building's contruction code,

ii. Multiplied by the appropriate protection class factor, subject to the package discount factor.

c. Earthquake and Flood are covered perils applicable to Blanket Practice Personal Property, subject to an annual aggregate limit of $1,000,000. Additional charges for these perils, per location, are shown on the State Rate Page.

3. Base rates for building and/or contents contemplate a deductible of $100. Higher deductibles are available as follows:

| Deductible Amount | Factor |
|---|---|
| $ 100 | 1.00 |
| 250 | .96 |
| 500 | .92 |
| 1,000 | .84 |
| Higher | Refer to Co. |



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4. Inflation Protection Coverage

The insured must select to have the applicable limits of liability for Buildings increased automatically every quarter. In addition, the insured may elect to have the applicable limits of liability for Blanket Practice Personal Property increased automatically every quarter. Either coverage will be associated with an increase in accordance with the following table:

| Quarterly Increase Percentage | % of Annual Building/ Blanket Property Premium | Quarterly Increase Percentage | % of Annual Building/ Blanket Property Premium |
|---|---|---|---|
| 0.30% | 0.45% | 2.5% | 3.75% |
| 0.40% | 0.60% | 3.0% | 4.50% |
| 0.50% | 0.75% | 3.5% | 5.25% |
| 1.00% | 1.50% | 4.0% | 6.00% |
| 1.50% | 2.25% | 4.5% | 6.75% |
| 2.00% | 3.00% | 5.0% | 7.50% |

The Quarterly percentage selected by the insured must apply to the selected subject(s) of insurance at all locations insured under the policy.

5. Time Element Coverages - Practice Income, Rents, Extra Expense

a. Practice Income is provided on:

i. A Valued basis, contemplating minimum values of $200 per day for 32.5 days - $6,500. Coverage may be increased by lengthening the number of days coverage applies, up to a maximum of 180 days.

Additional premium charge for any such increase shall be calculated as follows:

(a) From the desired total aggregate limit, subtract the minimum value of $6,500. To the remaining limits, apply the Blanket Practice Personal Property rate.

(b) The sum of the above shall be the additional annual premium, subject to the package discount factor.

(c) In addition, coverage is provided on an Actual Loss Sustained basis for a period of 12 months from the date of loss. This coverage is provided at no additional charge.

b. Rents Coverage

Charges will be determined by applying the following to the limit of liability:

i. the applicable building rates modified by the package discount factor; and

ii. modified by a factor of .55.



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c. Extra Expense Coverage

Extra Expense Coverage is provided up to a maximum of $50,000 for a period of 12 months from the date of loss. This coverage is provided at no charge.

C. Optional Coverages

1. Dishonesty Coverage

a. Employee Dishonesty Insurance applicable to Blanket Practice Personal Property may be purchased in accordance with Limit options shown in the following Table. When such coverage is purchased, it shall include, at no additional premium, coverage for Welfare and Pension Plans for which coverage is required under ERISA in an amount of $15,000. This amount shall apply to coverage for Welfare and Pension Plans in addition to the purchased Employee Dishonesty Limit for Blanket Practice Personal Property.

b. Employee Dishonesty Insurance will be charged on a "per policy" basis.

c. Additional coverage beyond that provided in 1., above, for Welfare and Pension Plans, shall be charged by applying the rate shown to each additional $1,000 of coverage.

| Limits of Liability | | |
|---|---|---|
| Money/Securities | Pension/Welfare | Premium |
| $ 10,000 | $ 25,000 | $ 72.00 |
| 15,000 | 30,000 | 104.00 |
| 25,000 | 40,000 | 158.00 |
| 50,000 | 65,000 | 245.00 |
| 75,000 | 90,000 | 332.00 |
| 100,000 | 115,000 | 425.00 |
| Increased Limits - Pension/Welfare Per $1,000 | | $ 1.50 |

2. Increased Values of Signs not attached to the Building may be purchased. Value of signs attached to the building shall be included in the valuation of the Building.

3. Ordinance or Law Coverage - The first $100,000 is provided at no charge. Additional limits may be purchased according to the following:

a. Loss of value to Undamaged Portion of Building may be purchased. No separate limit of insurance is required. When this coverage is increased, an additional charge equal to 10% of the building premium will apply.

b. Demolition Cost and Increased Cost of Construction may be purchased. When this coverage is increased, multiply the Building Base Rates by the limit of additional insurance, per $100.

4. Electronic Data Processing (EDP) may be purchased. The rate for such additional coverage shall be $0.50 per $100.00 of coverage.

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CONTINENTAL CASUALTY COMPANY

## II. INDIVIDUAL RISK PREMIUM MODIFICATION PLAN - PROPERTY COVERAGE

This Plan shall be applied after the application of all other rating procedures.

A. Eligibility: This Plan may be applied to:

Blanket Practice Personal Property Coverages
Building Coverages

B. Limitations: This Plan may not be applied to:

Earthquake Coverage
Employee Dishonesty Coverage
Welfare and Pension Plan Coverage
Base Loading

C. Rating Procedure

The following modifications may be applied to recognize such special characteristics of the risk as are not fully reflected in the basic premium or rates. These modifications contemplate the standard allowance for expenses. If the expenses are less than standard, such modification, if a credit, shall be increased, or if a debit, shall be decreased by the amount of reduction in expenses. The total credits or debits under the following Table may not exceed 25%:

| RISK CHARACTERISTICS | RANGE OF MODIFICATIONS | | |
|---|---|---|---|
| | Credits | | Debits |
| 1. LOCATION: | | | |
| Accessibility, congestion and exposures | 10% | to | 10% |
| 2. BUILDING FEATURES: | | | |
| Age, condition and unusual structural features | 10% | to | 10% |
| 3. PREMISES AND EQUIPMENT: | | | |
| Care, condition and type | 10% | to | 10% |
| 4. PROTECTION: | | | |
| Not otherwise recognized | 10% | to | 10% |



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## CONTINENTAL CASUALTY COMPANY

### I. State Endorsements

| | | |
|---|---|---|
| State Provisions: | G-11715-E12 | Mandatory on All Policies |
| Exclusion Waiver: | D-30065-A12 | Mandatory on ERISA D-30095-A |
| Extended Reporting: | G-89667-C12 | Mandatory on Claims-Made Policies |
| Mine Subsidence: | D-30064-A12 | Must be offered in designated Counties |
| Amended Policy Conditions: | G-18481-A12 | Mandatory on All Policies |
| Medical Waste Endorsement: | G-18479-A | Mandatory on All Claims-Made Policies |
| Medical Waste Endorsement: | G-18522-A | Mandatory on All Occurrence Policies |
| Prior Acts Schedule: | G-42057-B12 | Optional on All Occurrence Policies |
| Amendatory Endorsement: | G-114491-B12 | Mandatory on All Occurrence Policies |

### II. Amended Rules - PL

A. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A., 1., is deleted in its entirety and replaced by the following:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A., 9., is amended to read as follows:

The factors in the following Table shall be applied to the mature claims-made rate in effect at the inception of the most recent claims-made policy period.

C. Rule X., LOCATION OF PRACTICE, is amended so that the following sentence is deleted:

We will charge the higher rate if there is multi-state exposure.

### III. Territorial Definitions - PL

Territory I: Cook, St. Clair and Madison Counties
Territory II: Remainder of State

### IV. Rates - PL

1. Professional Liability - $100K/$300K Occurrence Base Rates

| Classification | TER I | TER II |
|---|---|---|
| 1 | 1,517 | 1,335 |
| 2 | 1,734 | 1,525 |
| 3 | 2,167 | 1,906 |
| 4 | 3,575 | 3,145 |



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2. Employment Practices Liability - Defense Coverage
The annual charge for this coverage will be $60 per each named insured having separate limits of liability.

Note: Corporations will share limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the $60 charge.

3. Extended Reporting Period Coverage for Employment Practices Liability
A factor of .75 will be applied to the EPL rate.

**V. Amended Rules - Property**

A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence. "Structure" means a dwelling, building or fixture permanently affixed to real property.

1. Eligibility

a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

| | | | |
|---|---|---|---|
| Bond | Jackson | Marshall | St. Clair |
| Bureau | Jefferson | Menard | Saline |
| Christian | Knox | Mercer | Sangamon |
| Clinton | LaSalle | Montgomery | Tazewell |
| Douglas | Logan | Peoria | Vermilion |
| Franklin | McDonough | Perry | Washington |
| Fulton | Macoupin | Putnam | Williamson |
| Gallatin | Madison | Randolph | |
| Grundy | Marion | Rock Island | |

b. Coverage must be provided in other counties if requested.

2. Ineligibility

The following are not eligible:

a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;

b. Coverage for Time element loss;

c. Limits of Liability in excess of $350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.



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3. Premiums

   a. Premium for Mine Subsidence shall be shown separately.

   b. Annual premiums per structure are as follows:

| Coverage Limit | Frame | Other than Frame* |
|---|---|---|
| $10,000 or less | $ 20.00 | $ 26.00 |
| 10,001 to 20,000 | 23.00 | 30.00 |
| 20,001 to 30,000 | 26.00 | 33.00 |
| 30,001 to 40,000 | 30.00 | 36.00 |
| 40,001 to 50,000 | 33.00 | 40.00 |
| 50,001 to 60,000 | 36.00 | 43.00 |
| 60,001 to 70,000 | 40.00 | 46.00 |
| 70,001 to 80,000 | 43.00 | 50.00 |
| 80,001 to 90,000 | 46.00 | 53.00 |
| 90,001 to 100,000 | 50.00 | 56.00 |
| 100,001 to 110,000 | 53.00 | 59.00 |
| 110,001 to 120,000 | 56.00 | 63.00 |
| 120,001 to 130,000 | 59.00 | 66.00 |
| 130,001 to 140,000 | 63.00 | 69.00 |
| 140,001 to 150,000 | 66.00 | 73.00 |
| 150,001 to 160,000 | 69.00 | 76.00 |
| 160,001 to 170,000 | 73.00 | 79.00 |
| 170,001 to 180,000 | 76.00 | 83.00 |
| 180,001 to 190,000 | 79.00 | 86.00 |
| 190,001 to 200,000 | 83.00 | 89.00 |
| 200,001 to 210,000 | 86.00 | 92.00 |
| 210,001 to 220,000 | 89.00 | 96.00 |
| 220,001 to 230,000 | 92.00 | 99.00 |
| 230,001 to 240,000 | 96.00 | 102.00 |
| 240,001 to 250,000 | 99.00 | 106.00 |
| 250,001 to 260,000 | 102.00 | 109.00 |
| 260,001 to 270,000 | 106.00 | 112.00 |
| 270,001 to 280,000 | 109.00 | 116.00 |
| 280,001 to 290,000 | 112.00 | 119.00 |
| 290,001 to 300,000 | 116.00 | 122.00 |
| 300,001 to 310,000 | 119.00 | 125.00 |
| 310,001 to 320,000 | 122.00 | 129.00 |
| 320,001 to 330,000 | 125.00 | 132.00 |
| 330,001 to 340,000 | 129.00 | 135.00 |
| 340,001 to 350,000 | 132.00 | 139.00 |

*Any structure other than frame, this includes brick, brick veneer, steel frame, and any fire resistive construction, etc.

   c. The deductible for other property perils in the policy is the applicable deductible for mine subsidence coverage.



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B. Rule II., INDIVIDUAL RISK PREMIUM MODIFICATION PLAN, C., Rating Procedure, is amended as follows:

The total credits or debits under the following table may not exceed 40%:

**VI. Territorial Definitions - Property**

| | |
|---|---|
| Territory I: | 606XX (Chicago) |
| Territory II: | 607XX (Chicago - South Suburban) |
| Territory III: | 600XX - 604XX (Chicago North and West Suburban) |
| Territory IV: | 620XX and 622XX (East St. Louis) |
| Territory V: | 614XX, 618XX, 619XX, 623XX - 627XX (Central Illinois) |
| Territory VI: | Remainder of State |

**VII. Rates - Property**

1. Blanket Practice Personal Property:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | .403 | .361 | .382 | .361 | .339 | .382 |
| Joisted Masonry (2) | .339 | .297 | .318 | .297 | .286 | .318 |
| Non-Comb (3) or Masonry Non-Comb (4) | .202 | .180 | .191 | .180 | .169 | .191 |
| Mod Fire Res (5) or Fire Res (6) | .202 | .180 | .191 | .180 | .169 | .191 |

2. Building:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | .212 | .191 | .202 | .191 | .180 | .202 |
| Joisted Masonry (2) | .180 | .159 | .169 | .159 | .149 | .169 |
| Non-Comb (3) or Masonry Non-Comb (4) | .106 | .096 | .106 | .096 | .085 | .106 |
| Mod Fire Res (5) or Fire Res (6) | .106 | .096 | .106 | .096 | .085 | .106 |

Note: For statistical reporting purposes, the protection class code must be included in the application.



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3. Optional Perils - Blanket Practice Personal Property - Per Location

| | |
|---|---|
| Earthquake: | $ 33.00 |
| Flood | $ 33.00 |

4. Base All-Risk Load - Per Policy

There will be a base All-Risk Loading of $65 per policy.

**VIII. Package Discount Factor - Not applicable to:**

A. Mine Subsidence

B. Base Loading for Building and Blanket Practice Personal Property

All Territories: .94

**IX. Protection Class Multipliers**

| Protection Class | Multiplier |
|---|---|
| 1 | 0.830 |
| 2 | 0.850 |
| 3 | 0.870 |
| 4 | 0.950 |
| 5 | 1.000 |
| 6 | 1.030 |
| 7 | 1.200 |
| 8 | 1.310 |
| 9 | 1.400 |
| 10 | 2.080 |

CNA EXCEPTION PAGE
FOR
COMMERCIAL LINES MANUAL
DIVISION SEVEN - PROFESSIONAL LIABILITY

AMERICAN CASUALTY COMPANY
CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY
TRANSCONTINENTAL INSURANCE COMPANY
TRANSPORTATION INSURANCE COMPANY
VALLEY FORGE INSURANCE COMPANY

## A. RESIDENT HEALTH CARE FACILITY PROFESSIONAL LIABILITY COVERAGE PART

### 1. Coverage (SAC 00 526)

This coverage form provides coverage for liability which results from a professional incident that occurs in the course of performing professional services for a resident health care facility. Medical directors and administrators are automatically covered as additional insureds. There is also an option available to add professional employees and students in training as additional insureds. The additional charge for this optional coverage shall be contemplated in the development of the Resident Health Care Facility liability insurance endorsement premium. In addition to coverage form SAC 00 526, also attach Resident Health Care Facility Professional Liability Coverage Part Declarations (SDEC 36).

This form may also be used with a policy that has the Resident Health Care Facility liability insurance endorsement (SAC 22 504) attached.

### 2. Premium

The basic limits rates contemplate limits of $100,000 per occurrence and $300,000 aggregate. The aggregate only applies to the professional liability coverage. Use the increased limits table below to increase these limits.

| Increased Limits | Factors |
|---|---|
| 25/75 | 0.73 |
| 100/100 | 0.99 |
| 100/300 | 1.00 |
| 250/500 | 1.10 |
| 300/300 | 1.13 |
| 300/500 | 1.15 |
| 500/500 | 1.17 |
| 500/1000 | 1.20 |
| 1000/1000 | 1.30 |
| 1000/2000 | 1.32 |

**Note:**

1. Rehabilitation facilities operated in conjunction with any class should be separately classified and rated for professional liability at a rate per: 100 out-patient visits equal to 10% of the "convalescent facility" rate.

2. Combination facilities: Classify and rate each seperate section of a facility according to the class description.

3. Unusual or unique activities (e.g. fund raising events) should be separately classified and rated.

The minimum premium shall be the annual premium for ten beds.

**(a) Availability of Additional Optional Endorsements.**

**(1)** Coverage may be restricted to liability arising out of the performance of professional services at only designated locations by attaching Exclusion--Non-Resident Facility Activities Endorsement (SAC 21 518) to the involved Resident Health Care Facility Professional Liability Coverage Part.

**(2)** Coverage may be extended to cover the non-resident activities of insureds occupying designated positions by attaching Non-Resident Facility Activities Endorsement (SAC 22 513) to the involved Resident Health Care Facility Professional Liability Coverage Part. Rates for this amendment will be developed on an individual risk basis.

## 2. Eligibility

**a.** The following classes are eligible for the application of the rules and rates contained on these additional rule pages:

| FACILITY CLASSIFICATION | PRIMARY MEDICAL SERVICES PERFORMED |
|---|---|
| **Level IV** | Ventilator care<br>Wound management<br>Post operative/trauma recovery<br>Intravenous/antibiotic/hydration therapy<br>Spinal cord/head injury management<br>Oncology<br>Total parental nutrition (TPN)<br>Blood/plasma transfusion |
| **Level III** | Administering of medications by injection<br>Catheter insertion and sterile irrigation<br>Administration of oxygen and inhalation therapy<br>Routine changing of dressings<br>Tube feeding |
| **Level II** | Administration of oral medications<br>Assistance with ADLs<br>Preventative turning<br>Restorative rehabilitation |
| **Level I** | Security<br>Nutritional meals<br>Transportation<br>Recreation<br>Self-administration/assistance with medications<br>Guidance with ADLs (Activities of Daily Living; bathing, dressing, walking, eating) |

**b.** Eligibility is limited to facilities that provide care and services for developmentally disabled persons. A developmental disability is a severe chronic disability which:

**(1)** Is attributable to mental or physical impairment or a combination of a mental and physical impairment; and

**(2)** Is manifest before age 22; and

**(3)** Is likely to continue indefinitely; and

**(4)** Results in substantial functional limitations in three or more of the following areas of major life activities:

(a) Self care;
(b) Receptive and expressive language;
(c) Learning;
(d) Mobility;
(e) Self direction;
(f) Capacity for independent living; or
(g) Economic self-sufficiency; and

**(5)** Requires a combination and sequence of special interdisciplinary or generic treatment of life-long or extended duration which is individually planned or coordinated.

**b.** Medical and vocational rehabilitation facilities, meaning facilities that are primarily engaged in evaluation, diagnosis, treatment and procedures which seek to:

**(1)** Minimize physical and cognitive impairments, prevent institutionalization and re institutionalization, maximize functional ability and restore lost functional capacity, thereby reducing the impact of disabilities on the quality and productivity of patients' lives; and / or

**(2)** Get patients into or back into the work force or, depending on age and development, into school with an appropriate individual education plan or into an active, meaningful retirement.

But eligible medical and vocational rehabilitation facilities do not include hospices, or any facilities that are primarily engaged in providing services to persons with disabilities or engaged in providing services to persons with disabilities or disorders due to:

**(a)** Any social, economic or home environment disadvantage;
**(b)** Drug or alcohol use;
**(c)** Eating disorders;
**(d)** Old age;
**(e)** Any religious cult or belief;
**(f)** Family or child abuse;
**(g)** Any communicable disease; or;
**(h)** Mental health.

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**Hospital Professional Liability and Ancillary Coverages**
**State of Illinois**

## Definitions

| | |
|---|---|
| Acute Beds: | All medical-surgical beds including pediatrics, special care, intensive care and burn units. Included in this category are newborn bassinets and neonatal intensive care beds. Any licensed medical-surgical bed defined under another category should not be included in this category. |
| Deliveries: | The actual number of deliveries including stillbirths during the policy period. Do not include infants transferred from other institutions. |
| Occupied Beds: | Licensed beds times (x) occupancy rate or number of inpatient days for the policy period divided by 365 days. |
| Psychiatric Beds: | Provide acute care to emotionally disturbed patients including, but not limited to, the chronically mentally ill, mentally disordered or other mentally incompetent persons. |
| Chem/Rehab/ Skilled Nursing Beds: | Include in this category alcoholism/substance abuse units, rehabilitation units, and skilled nursing beds (that is, for patients not in an acute phase of illness. Services are provided under the supervision of a licensed registered nurse on a 24-hour basis.) |
| Extended Care: | Provide intermediate care (the provision of health-related care and services, on a regular basis of health-related care and services to individuals who do not require the degree of care or treatment that a skilled nursing unit is designed to provide), typically in nursing home type units. Skilled nursing beds should be included with Chem/Rehab beds. |
| Outpatient Visits: | The actual number of persons (counting each visit) who come through the door and use your outpatient facilities or services. Office visits to hospital owned physician practices should be counted in this category as outpatient visits.<br><br>(1) Use visits rather than occasions of service. For example, a patient referred to the hospital by a physician for a laboratory test and an x-ray would be counted as one visit but two occasions of service. A visit is a person's physical threshold crossing into a facility which may involve multiple occasions of service from more than one clinical department.<br><br>(2) For serial visits or registrations, whereby several visits are necessary for the same type of treatment, use visits or occasions of service rather than number of registrations. For example, if a chemotherapy registration commonly requires 8 visits or episodes of treatment and there are 100 chemotherapy registrations, report 800 outpatient visits. |

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**Definitions (continued)**

(3) Registrations through the emergency room for "23 hour" observations services should be reported as emergency room or all other outpatient visits (as currently registered by the institution).

(4) Specimens delivered for evaluations do not constitute OPV's.

Emergency Room Visits: Unscheduled outpatient services (including psychiatric emergency) to patients whose conditions are considered to require immediate care. These visits may occur in a hospital or urgent/walk-in facility.

Other Outpatient Visits: Scheduled or unscheduled professional contact visits, outpatient therapy and treatment visits, and ancillary service visits not performed in the emergency room.

Outpatient Surgical Visits: Scheduled surgical services provided to patients who do not remain in the hospital overnight. The surgery may be performed in operating suites also used for inpatient surgery, specially designated surgical suites for ambulatory surgery, or procedure rooms within an ambulatory care facility.

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**State of Illinois**

**A. Professional Liability Rates - Limits of Liability - $100,000/$300,000**

**Territory 1**
**Remainder of State**

| Class | Claims-Made Step Rates | | | | | |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6+ |
| **Per Occupied Bed** | | | | | | |
| **Acute** | $643.28 | $1,217.77 | $1,437.50 | $1,502.94 | $1,561.38 | $1,613.59 |
| **Extended Care** | 64.33 | 121.78 | 143.75 | 150.29 | 156.14 | 161.36 |
| **Psychiatric** | 450.30 | 852.44 | 1,006.25 | 1,052.06 | 1,092.97 | 1,129.51 |
| **Rehabilitation** | 321.64 | 608.89 | 718.75 | 751.47 | 780.69 | 806.80 |
| **Per Delivery** | 11.58 | 21.92 | 25.88 | 27.05 | 28.10 | 29.04 |
| **Per InPt. Surgery** | 4.50 | 8.52 | 10.06 | 10.52 | 10.93 | 11.30 |
| **Per OutPt. Surgery** | 4.50 | 8.52 | 10.06 | 10.52 | 10.93 | 11.30 |
| **Per 100** | | | | | | |
| **ER Visits** | 96.49 | 182.67 | 215.63 | 225.44 | 234.21 | 242.04 |
| **Other OPV Visits** | 45.03 | 85.24 | 100.63 | 105.21 | 109.30 | 112.95 |
| **Home Healthcare** | 19.30 | 36.53 | 43.13 | 45.09 | 46.84 | 48.41 |

**Territory 2**
**Cook, St. Clair, and Madison Counties**

| Class | Claims-Made Step Rates | | | | | |
|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6+ |
| **Per Occupied Bed** | | | | | | |
| **Acute** | $1,383.72 | $2,619.38 | $3,092.01 | $3,232.78 | $3,358.48 | $3,470.78 |
| **Extended Care** | 138.37 | 261.94 | 309.20 | 323.28 | 335.85 | 347.08 |
| **Psychiatric** | 968.60 | 1,833.57 | 2,164.41 | 2,262.95 | 2,350.94 | 2,429.55 |
| **Rehabilitation** | 691.86 | 1,309.69 | 1,546.01 | 1,616.39 | 1,679.24 | 1,735.39 |
| **Per Delivery** | 24.91 | 47.15 | 55.66 | 58.19 | 60.45 | 62.47 |
| **Per InPt. Surgery** | 9.69 | 18.34 | 21.64 | 22.63 | 23.51 | 24.30 |
| **Per OutPt. Surgery** | 9.69 | 18.34 | 21.64 | 22.63 | 23.51 | 24.30 |
| **Per 100** | | | | | | |
| **ER Visits** | 207.56 | 392.91 | 463.80 | 484.92 | 503.77 | 520.62 |
| **Other OPV Visits** | 96.86 | 183.36 | 216.44 | 226.29 | 235.09 | 242.95 |
| **Home Healthcare** | 41.51 | 78.58 | 92.76 | 96.98 | 100.75 | 104.12 |

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**B. Employed Physicians, Residents, and Fellows Professional Liability Rates**
**- Limits of Liability $100,000 / $300,000**

Rate using filed Continental Casualty Company rates, without application of longevity or loss prevention credit. Apply 25% credit for shared limits and defense with hospital for limits up to $1 million. For higher limits, refer to company.

**C. Other Employees Subject to Individual Rating Professional Liability Rates**
**- Limits of Liability $100,000 / $300,000**

Rate the following types of employees using filed Continental Casualty Company rates:

| | |
|---|---|
| Physician Assistants | Nurse Anesthetists |
| Surgeon Assistants | Dentists |
| Nurse Midwives | Oral Surgeons |

**D. Healthcare Ancillary Business Professional Liability Rates**
**- Limits of Liability $100,000 / $300,000**

1. *Managed Care Organizations* - Rate based upon hospital outpatient visit rate and physician exposures, including credit for shared limits and defense, if applicable. Add 5% surcharge for managed care.

2. *Kidney Dialysis Centers* - Rate based upon other outpatient visit rate.

3. *Contract Chemical Dependency Units* - Charge extended care rate for occupied beds; charge 50% of other outpatient visit rate.

4. *Birthing Center* - Charge based upon bed rate, delivery rate, and other outpatient visit rate.

5. *Pathology Laboratory* - $1.50 per $100 of gross revenue.

6. *Pharmacy* - $1.50 per $100 of gross revenue.

7. *Medical Equipment Rental* - $0.50 per $100 of gross revenue.

8. *Urgent Care Clinics* - Rate based upon employed physicians and other outpatient visit rate.

9. *Home Healthcare* - Rate based upon home healthcare visit rate.

10. *Free-standing Nursing Facilities:*
*Skilled Nursing* - 50% of extended care rate per occupied bed.
*Intermediate Nursing* - 30% of extended care rate per occupied bed.
*Personal Care and Individual Living* - 20% of extended care rate per occupied bed.

11. *Emergency Physicians Groups* - Rate based upon number of full-time equivalent physicians. If full-time equivalent physician count is not available, rate using 2.6% of the physician rate per 100 visits for the physician exposures. (Emergency room visit rate is also applicable to the other outpatient visits, for hospital coverage.)

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## E. Increased Limits

| Desired Limits | Increased Limit Factors |
|---|---|
| $100,000 / $300,000 | 1.000 |
| $250,000 / $750,000 | 1.381 |
| $1,000,000 / $1,000,000 | 1.957 |
| $1,000,000 / $3,000,000 | 2.060 |
| $2,000,000 / $4,000,000 | 2.580 |
| $3,000,000 / $5,000,000 | 2.950 |

## F. Extended Reporting Period

The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy.

| Years of Prior Claims-Made Coverage | Installment Factors | | | Unlimited Prepaid Factors |
|---|---|---|---|---|
| | 1st Year | 2nd Year | 3rd Year | |
| 1 | 0.32 | 0.27 | 0.17 | 0.74 |
| 2 | 0.53 | 0.31 | 0.25 | 1.05 |
| 3 | 0.60 | 0.40 | 0.25 | 1.19 |
| 4 | 0.67 | 0.40 | 0.25 | 1.27 |
| 5 or more | 0.69 | 0.41 | 0.26 | 1.31 |

- A free five year ERP will be offered; or
- An unlimited ERP with the limits reinstated will be offered;
- The premium will be capped at 200% of the annual premium of the expiring policy; and
- The insured will be given a free-60 day period after the end of the policy to request the coverage.

## G. Hospital General Liability Rates - Limits of Liability - $100,000/$300,000

To obtain rates for hospital general liability, multiply the hospital professional liability rates for the same limits, deductible, and maturity by 8%.

## H. Inclusion of Hospital Required

Since this is a hospital professional liability program, these rates apply only when one or more hospitals together with affiliated health care providers are rated.

## I. Umbrella Coverage

Umbrella Liability Coverage is available to 1) provide coverage for those sums in excess of the amount payable under primary insurance and 2) provide coverage for bodily injury, property damage, personal injury or advertising injury claims brought against those covered. These risks will be individually rated, based upon primary premium and limits purchased, loss experience, scope of underlying coverages, scope of this umbrella coverage, and any other unique or unusual characteristics.

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## EXPERIENCE RATING PLAN

A. Eligibility

This plan may apply to the hospital professional liability, physician and surgeon professional liability, other professional liability, and general liability experience of a health care facility or an affiliated group of health care providers which includes at least one health care facility.

The experience of all members of an affiliated group of health care providers may be combined to establish an experience rating applicable to the group. The experience modification so established shall be applied uniformly to all participating members.

B. Application of Modification

The experience modification, determined according to the procedures described in this manual, applies to the manual premium at $1,000,000/$3,000,000 limits (or the policy limits, if less than $1,000,000/$3,000,000).

In addition to any experience rating modification developed under this plan, a modification reflecting specific risk characteristics may be applied to the premium for the health care facility or affiliated group, in accordance with the Schedule Rating Table, which is part of this plan.

C. Experience Used

The experience modification factor will be determined using loss data complied on a report year basis. Report year data may include a combination of experience complied under prior claims-made and occurrence policies, compiled on the basis of the report date of the losses.

The experience modification will be determined from the latest available five complete report years of experience. In the event that the experience for the full five year period is not available, the total experience which is available (subject to a minimum of one complete report year) is to be used.

The experience period will end at least six months prior to the effective date of the experience modification being established. Experience incurred by other companies or self-insured experience may be used subject to the periods described above and given credence in accordance with its apparent reliability.

D. Experience Period Premium at Present Rates

The experience period premium at present rates is the total of the premiums computed by extending the actual exposures developed during the experience period at present manual rates for $100,000 limits. If loss data is available such that each report year is mature (that is, if the retroactive date is at least 5 years prior to the effective date of the experience year), then the experience period premium will be the mature claims made premium extended by the exposures. If the retroactive date is less than 5 years before the effective date of the experience year, then the exposures will be extended by the appropriate claims-made rates.

Ratable exposures in effect during the experience period may be estimated if not available.

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E. Experience Period Premium Subject to Experience Rating

The experience period premium is the premium calculated in D, multiplied by the following adjustments for trend:

| Experience Period Year | Multiplier |
|---|---|
| Latest Report Year | .80 |
| 2nd Latest Report Year | .71 |
| 3rd Latest Report Year | .64 |
| 4th Latest Report Year | .61 |
| 5th Latest Report Year | .58 |

F. Losses Subject to Experience Rating

The losses subject to experience rating include paid and outstanding losses. The indemnity portion of each claim is to be limited to $100,000 per claim, with no aggregate limit. Allocated loss adjustment expenses are then added and are subject to no limitation.

G. Actual Loss Ratio

The actual loss ratio for the risk is determined by dividing the "Losses Subject to Experience Rating" by the "Experience Period Premium Subject to Experience Rating".

H. Credibility

The credibility is calculated as the square root of

$$\frac{\text{Experience Period Premium Subject to Experience Rating}}{\$8{,}000{,}000}$$

The maximum credibility a risk may receive is .50.

I. Experience Modification

The experience modification shall be determined by application of the following formula, with the expected loss ratio equal to 75.0%.

((Actual Loss Ratio - Expected Loss Ratio) / (Expected Loss Ratio)) x Credibility

For rate calculation, the experience modification must be added to 1.00, to produce an experience modification multiplier. The experience modification multiplier is limited to a minimum of .75, and a maximum of 1.5.

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J. Schedule Rating

The hazard of a health care facility, or of an affiliated group of health care providers which includes at least one health care facility, varies with the organization, loss prevention activities, the types of services rendered, and other factors. To a significant extent these factors can be expected to be reflected in the loss experience. However, many facilities/groups are not large enough to have significant credibility in their historical loss experience, or have not been in business in their current organizational form for a very long period. Recent changes may have been made in loss prevention programs. To recognize these and other factors peculiar to a particular health care provider or group, it shall be permissible to apply a debit or credit to the rates and premiums otherwise developed, dependent upon the underwriter's overall evaluation of the risk. The table below identifies the characteristics applicable for rating and the credit and debit ranges for them. The maximum net schedule or debit may not exceed 25%.

**Schedule Rating Table**

| | | Maximum Credit/Debit |
|---|---|---|
| 1. | Loss Control Program | |
| | The underwriter will evaluate the procedures in place with the facility or group, including adherence to prior CNA recommendations. | +/- 10% |
| 2. | Accreditation | |
| | The underwriter will determine whether the risks in the group are accredited by the appropriate authority (Joint Commission on Accreditation of Hospitals; Accreditation Association for Ambulatory Health Care; or similar agencies). | +/- 5% |
| 3. | Patient Advocate Program | |
| | The underwriter will determine whether a mechanism exists for patients or their families to communicate concerns about the institution, and will determine whether a program exists for early intervention when a problem exists. | +/- 5% |

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| | | |
|---|---|---|
| 4. | Physician Insurance Limits | |
| | All physicians practicing at the health care facility (or facilities) are required to carry liability insurance limits of at least $1,000,000/$3,000,000. | +/- 5% |
| 5. | Continuing Education Program | |
| | Existence of a continuing education program including risk management topics for employed and staff physicians, administration, governing board, and nurses. | +/- 5% |
| 6. | Unusual Risk Characteristics | +/- 10% |

## Credit for Shared Limits and Defense

If physicians and hospitals are written in a combined program such that

(1) for each occurrence, the limit of liability applies to the combined indemnity costs of all physicians and the hospital,

(2) the company is permitted to provide a common defense for all physicians and the hospital, when both are named in suits arising from a single occurrence,

Then the physician premium shall receive a 25% rate credit.

## Quarterly Installment Option

The company will offer to the Named Insured a premium payment option as follows:

a. Each quarterly premium payment will be 25% of the total annual premium;
b. After the initial payment is made at policy issuance, the three remaining installments are due 3, 6, and 9 months from policy issuance;
c. There will be no interest charges;
d. There will be quarterly installment charges equal to the lesser of 1% of the total annual premium or $25.00;
e. Any additional premium resulting from changes to the policy, mid-term, shall be spread equally over the remaining installment payments.

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## Company Pages
## Allied HealthCare Facilities

## Continental Casualty Company

### I. Application of Manual Rules

A. This manual provides the rules, rates, premiums and classifications and shall govern the writing of policies for Miscellaneous Medical Facilities Professional Liability

B. Any other rules, rates, rating plans, and forms filed on behalf of the Company may apply when not in conflict with this program.

### II. Policy Term

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

### III. Premium Computation

A. Compute the premium at policy inception using the rules, 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. Pro-rate the premium when a policy is issued for other than a whole year.

### Factor or Multipliers

Unless otherwise indicated in this manual, factors or multipliers are to be applied consecutively and not added together.

### V. Additional Premium Charges

A. Pro-rate all changes requiring additional premium.

B. Apply the rates and rules in effect on the inception date of this policy.

### VI. Return Premium

A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is cancelled.

B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

### VII. Policy Cancellations

A. If cancellation is initiated by the insured, return premium will be computed at .90 of the pro-rata premium for the one year period, unless coverage is concurrently written by the Company, in which case no penalty will apply.

B. Cancellation initiated by other than the insured shall be computed pro-rata.

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## VIII. Special Rating Rules

### A. Sizable Risk Rating

If a risk develops an annual manual premium of $100,000 or more at $1,000,000 / $3,000,000 limits of liability, the risk may be submitted to the company for "a" rating. Proper documentation as to the determination of such rate will be maintained in the underwriting file.

### B. Additional Classifications

1. **Employed Physicians, Surgeons, Residents, and Fellows Professional Liability Rates**
   - Limits of Liability $100,000/$300,000

   Rate using filed Continental Casualty Company rates without application of longevity or loss prevention credit. For higher limits, refer to company.

2. **Other Employees Subject to Individual Rating Professional Liability Rates**
   - Limits of Liability $100,000/$300,000.

   Rate the following types of employees using filed Continental Casualty Company rates:

   | | |
   |---|---|
   | Physician Assistants | Nurse Anesthetists |
   | Surgeon Assistants | Dentists |
   | Nurse Midwives | Chiropractors |

   For higher limits, refer to company.

3. **Hospital Professional Liability Exposures**
   - Limits of Liability $100,000/$300,000

   Rate using filed Continental Casualty Company bed rates and/or other outpatient visit rates for exposures not specifically included within this filing.

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## IX. Base Rates

The base rates (on a mature, claims-made basis, at $100K/$300K limits) can be found on the state rate/exception pages.

## X. Definition of Exposure Types

| | |
|---|---|
| **Donations:** | Rate per unit donated |
| **Receipts:** | Rate per $1,000 in gross receipts |
| **Staff:** | Rate per individual health care professional, including employees and students |
| **Visits:** | Rate per 100 visits |

## XI. Claims-Made Factors

The annual rates for a claims-made policy shall be determined as follows:

1. If the facility has continuously been insured under an occurrence policy, enter the step rate factor from the table at the *year one* level.
2. If the facility 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 has been uninsured, the following procedure shall apply:
   a. determine the number of years in which the facility was covered under such claims-made policy(ies);
   b. determine the number of years in which the facility 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;

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d. the sum of years developed in **c.** above shall be the Years of Prior Exposure. The table is entered at the total Years of Prior Exposure, plus one.

| Years of Prior Exposure | Step Factor |
|---|---|
| 1 | 0.40 |
| 2 | 0.70 |
| 3 | 0.85 |
| 4 | 0.95 |
| 5 | 1.00 |

## XII. Increased Limits of Liability

| Desired Limits | Increased Limits Factor |
|---|---|
| $100,000/$300,000 | 1.00 |
| $1,000,000/$1,000,000 | 1.74 |
| $1,000,000/$3,000,000 | 1.85 |
| Other Limits | Refer to Company |

## XIII. Territory Relativities

Refer to the specific state exception pages for territory relativities.

## XIV. Deductible Options

**A.** The following deductible options are available:

| Deductible Amount per occ/aggregate | Deductible Credit |
|---|---|
| $1,000 / $3,000 | 3% |
| $1,000 / unlimited | 4% |
| $2,500 / $7,500 | 6% |
| $2,500 / unlimited | 7% |
| $5,000 / $15,000 | 11% |
| $5,000 / unlimited | 12% |
| $10,000 / $30,000 | 19% |
| $10,000 / unlimited | 20% |
| $15,000 / $45,000 | 24% |
| $15,000 / unlimited | 26% |
| $20,000 / $60,000 | 29% |
| $20,000 / unlimited | 31% |
| $25,000 / $75,000 | 32% |
| $25,000 / unlimited | 35% |
| $25,000+ | Refer to Company |

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**B. Application of Deductible Credits**

The above deductible credits are applied to the premium calculated at $100,000/$300,000 limits of liability to determine a dollar deductible amount. This amount is then subtracted from the premium calculated at policy limits.

**C. Transition Rule**

In order to gradually reflect the impact of applying the new deductible credits as outlined in Section B above, a transition rule will apply to renewing insureds. During the first year that this filing applies, the renewing insureds will receive one-half of the credit impact that results from applying the new deductible credits as outlined in Section B and one-half of the credit impact from the current filing. During the second year, the credit as developed in Section B will be applied without adjustment.

## XV. Experience & Schedule Rating Plan

**A. Eligibility**

This plan applies only to the facility professional liability exposures of any one insured including allied or subsidiary interests if the insured either holds a majority financial interest or exercises management control.

The plan should be applied to all medical professional exposures that share in one limit of liability. If any of these exposures are also subject to a different experience and schedule rating plan, then the plan related to the exposures developing the most premium should be applied to the total medical professional exposure.

Any risk that develops at least a $50,000 annual premium for facility professional liability exposures, using manual rates and policy limits, is eligible for rating under this plan.

**B. Application of Modification**

The experience modification, determined according to the following described procedures, applies to the manual facility professional liability premium at $1,000,000/$3,000,000 limits (or the policy limits if less than $1,000,000/$3,000,000).

In addition to any experience modification, a modification reflecting specific risk characteristics may be applied to the premium in accordance with the Schedule Rating Table which is part of this plan.

**C. Experience Period**

The experience modification will be determined from the insured's latest available complete three years of experience, excluding the expiring 12-month period. In the event that the experience for the full three year period is not available, the total experience which is available (subject to a minimum of one completed policy year) will be used in determining the experience modification.

**D. Limits of Liability**

The limits of liability used for the purpose of determining the experience modification will be $1,000,000/$3,000,000

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## E. Experience Rating Formula

The experience rating modification is calculated using the following formula:

$$\frac{\text{(Adjusted Actual Loss Ratio – Expected Loss Ratio)}}{\text{Adjusted Expected Loss Ratio}} \times \text{Credibility} = \text{Experience Mod.}$$

Each component of this formula is described in the following sections. In order to compute the *Adjusted Actual Loss Ratio* it is first necessary to determine the *Adjusted Actual Losses* and *Premium Subject to Experience Rating.*

### 1. Adjusted Actual Losses

The losses subject to experience rating are the total (paid and reserved) losses and loss expense during the experience period subject to the following limitations/adjustments for individual losses, in the order shown:

**Step 1 (Paid and Reserved)**
Each insured loss is first trended to current loss levels. A 3.5% annual trend is used to modify historic losses to account for recent and anticipated future loss trends. Losses are net of any deductible which may have applied during an experience period year.

**Step 2 (Paid and Reserved)**
For each insured loss, excluding loss expense, deduct any portion of the loss that exceeds the limits of liability used for the experience rating.

**Step 3 (Reserved Only)**
This modification applies only to the reserve losses and loss expense. Multiply these reserve losses and loss expense by 1.069, 1.178, or 1.635 for the first (oldest), second, or third (most recent) experience periods, respectively. This adjustment reflects case loss development (net effect of payments over reserves, payments within reserves, and reserves closed without payment) and loss expense development.

**Step 4 (Paid and Reserved)**
Each limited loss plus the total loss expense, after modification in Step 3, that is greater than $100,000 is then adjusted to reduce the impact of a single large loss on the final experience modification. The proposed experience rating plan allows losses up to a maximum of $300,000 per claim to flow into the plan.

The attached Table A converts actual limited loss and loss expense to adjusted actual loss and loss expense. This table is applicable to individual losses, not total losses.

The adjusted paid and reserved losses following the above four steps are the total *Adjusted Actual Losses.*

### 2. Premium Subject to Experience Rating

The premium used for experience rating is developed by applying current manual rates at $1,000,000/$3,000,000 limits (or the policy limits if less than $1,000,000/$3,000,000) and actual level of claims-made maturity for that year, to the actual exposures for each of the experience

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periods. Prior experience or schedule rating modifications are not used.

Any additional premiums charged in the experience period for other medical professional exposures that share in the facility limit of liability will be included in the premium determination at current rate levels.

For deductibles which may have applied during any experience period year, current deductible credits will be included in the experience rating premium calculations.

Add together the premium of each year in the experience period to arrive at the total *Premium Subject to Experience Rating.*

**3. Adjusted Actual Loss Ratio**

The actual loss ratio for the risk is determined by dividing the *Adjusted Actual Losses* by the *Premium Subject to Experience Rating.*

**4. Expected Loss Ratio**

This is the ratio of expected loss and loss expenses to earned premium. The *Expected Loss Ratio* is shown in Table B.

**5. Credibility Factors**

The *Credibility Factors* displayed on the attached Table C are based on the facility *Premium Subject to Experience Rating.* The factors measure the reliability of the experience period data in terms of forecasting future losses.

**6. Experience Modification Formula**

The experience modification is determined by applying the following formula:

$$\text{Experience Mod} = \frac{(\text{Adjusted Actual Loss Ratio} - \text{Expected Loss Ratio (Table B)})}{\text{Expected Loss Ratio (Table B)}} \times \text{Credibility (Table C)}$$

If the *Adjusted Actual Loss Ratio* is lower than the *Expected Loss Ratio,* the modification is a credit. If the *Adjusted Actual Loss Ratio* is higher than the *Expected Loss Ratio,* the modification is a debit. The credit or debit applies to the manual premium for facility professional liability at $1,000,000/$3,000,000 limits (or the policy limits if less than $1,000,000/$3,000,000).

The experience modification must be added to 1.0 to produce the modification factor for rating and data entry. For example, a -0.05 experience modification credit would produce a 0.95 (1.00 – 0.05) experience modification factor. The experience modification factor is limited to a minimum of 0.50 and a maximum of 2.50.

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# Table A
## Individual Loss and Loss Expense Adjustments

| Actual Limited Loss & Total Loss Expense | | | Adjusted Loss & Expense |
|---|---|---|---|
| 0 | - | 99,999 | Actual |
| 100,000 | - | 100,754 | 100,000 |
| 100,755 | - | 102,269 | 101,000 |
| 102,270 | - | 103,799 | 102,000 |
| 103,800 | - | 105,345 | 103,000 |
| 105,346 | - | 106,907 | 104,000 |
| 106,908 | - | 108,485 | 105,000 |
| 108,486 | - | 110,080 | 106,000 |
| 110,081 | - | 111,690 | 107,000 |
| 111,691 | - | 113,318 | 108,000 |
| 113,319 | - | 114,963 | 109,000 |
| 114,964 | - | 116,625 | 110,000 |
| 116,626 | - | 118,305 | 111,000 |
| 118,306 | - | 120,002 | 112,000 |
| 120,003 | - | 121,718 | 113,000 |
| 121,719 | - | 123,452 | 114,000 |
| 123,453 | - | 125,206 | 115,000 |
| 125,207 | - | 126,978 | 116,000 |
| 126,979 | - | 128,770 | 117,000 |
| 128,771 | - | 130,581 | 118,000 |
| 130,582 | - | 132,413 | 119,000 |
| 132,414 | - | 134,264 | 120,000 |
| 134,265 | - | 136,137 | 121,000 |
| 136,138 | - | 138,031 | 122,000 |
| 138,032 | - | 139,946 | 123,000 |
| 139,947 | - | 141,883 | 124,000 |
| 141,884 | - | 143,842 | 125,000 |
| 143,843 | - | 145,824 | 126,000 |
| 145,825 | - | 147,829 | 127,000 |
| 147,830 | - | 149,857 | 128,000 |
| 149,858 | - | 151,909 | 129,000 |
| 151,910 | - | 153,985 | 130,000 |
| 153,986 | - | 156,086 | 131,000 |
| 156,087 | - | 158,212 | 132,000 |
| 158,213 | - | 160,364 | 133,000 |
| 160,365 | - | 162,541 | 134,000 |
| 162,542 | - | 164,745 | 135,000 |
| 164,746 | - | 166,976 | 136,000 |
| 166,977 | - | 169,234 | 137,000 |
| 169,235 | - | 171,521 | 138,000 |
| 171,522 | - | 173,835 | 139,000 |
| 173,836 | - | 176,179 | 140,000 |
| 176,180 | - | 178,533 | 141,000 |
| 178,534 | - | 180,956 | 142,000 |
| 180,957 | - | 183,390 | 143,000 |
| 183,391 | - | 185,856 | 144,000 |
| 185,857 | - | 188,354 | 145,000 |
| 188,355 | - | 190,884 | 146,000 |
| 190,885 | - | 193,447 | 147,000 |
| 193,448 | - | 196,044 | 148,000 |
| 196,045 | - | 198,675 | 149,000 |
| 198,676 | - | 201,342 | 150,000 |
| 201,343 | - | 204,045 | 151,000 |
| 204,046 | - | 206,784 | 152,000 |
| 206,785 | - | 209,561 | 153,000 |
| 209,562 | - | 212,376 | 154,000 |
| 212,377 | - | 215,230 | 155,000 |
| 215,231 | - | 218,124 | 156,000 |
| 218,125 | - | 221,058 | 157,000 |
| 221,059 | - | 224,034 | 158,000 |
| 224,035 | - | 227,052 | 159,000 |
| 227,053 | - | 230,113 | 160,000 |
| 230,114 | - | 233,219 | 161,000 |
| 233,220 | - | 236,369 | 162,000 |
| 236,370 | - | 239,566 | 163,000 |
| 239,567 | - | 242,810 | 164,000 |
| 242,811 | - | 246,103 | 165,000 |
| 246,104 | - | 249,445 | 166,000 |
| 249,446 | - | 252,837 | 167,000 |
| 252,838 | - | 256,280 | 168,000 |
| 256,281 | - | 259,777 | 169,000 |
| 259,778 | - | 263,327 | 170,000 |
| 263,328 | - | 266,933 | 171,000 |
| 266,934 | - | 270,595 | 172,000 |
| 270,596 | - | 274,316 | 173,000 |
| 274,317 | - | 278,095 | 174,000 |
| 278,096 | - | 281,935 | 175,000 |
| 281,936 | - | 285,838 | 176,000 |
| 285,839 | - | 289,804 | 177,000 |
| 289,805 | - | 293,836 | 178,000 |

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# Table A
## Individual Loss and Loss Expense Adjustments

| Actual Limited Loss & Total Loss Expense | | | Adjusted Loss & Expense |
|---|---|---|---|
| 293,837 | - | 297,934 | 179,000 |
| 297,935 | - | 302,101 | 180,000 |
| 302,102 | - | 306,338 | 181,000 |
| 306,339 | - | 310,648 | 182,000 |
| 310,649 | - | 315,031 | 183,000 |
| 315,032 | - | 319,490 | 184,000 |
| 319,491 | - | 324,027 | 185,000 |
| 324,028 | - | 328,645 | 186,000 |
| 328,646 | - | 333,344 | 187,000 |
| 333,345 | - | 338,127 | 188,000 |
| 338,128 | - | 342,998 | 189,000 |
| 342,999 | - | 347,957 | 190,000 |
| 347,958 | - | 353,007 | 191,000 |
| 353,008 | - | 358,152 | 192,000 |
| 358,153 | - | 363,393 | 193,000 |
| 363,394 | - | 368,733 | 194,000 |
| 368,734 | - | 374,176 | 195,000 |
| 374,177 | - | 379,724 | 196,000 |
| 379,725 | - | 385,380 | 197,000 |
| 385,381 | - | 391,147 | 198,000 |
| 391,148 | - | 397,030 | 199,000 |
| 397,031 | - | 403,030 | 200,000 |
| 403,031 | - | 409,153 | 201,000 |
| 409,154 | - | 415,401 | 202,000 |
| 415,402 | - | 421,778 | 203,000 |
| 421,779 | - | 428,289 | 204,000 |
| 428,290 | - | 434,938 | 205,000 |
| 434,939 | - | 441,730 | 206,000 |
| 441,731 | - | 448,668 | 207,000 |
| 448,669 | - | 455,757 | 208,000 |
| 455,758 | - | 463,004 | 209,000 |
| 463,005 | - | 470,412 | 210,000 |
| 470,413 | - | 477,988 | 211,000 |
| 477,989 | - | 485,737 | 212,000 |
| 485,738 | - | 493,665 | 213,000 |
| 493,666 | - | 501,778 | 214,000 |
| 501,779 | - | 510,084 | 215,000 |
| 510,085 | - | 518,589 | 216,000 |
| 518,590 | - | 527,299 | 217,000 |
| 527,300 | - | 536,224 | 218,000 |

| Actual Limited Loss & Total Loss Expense | | | Adjusted Loss & Expense |
|---|---|---|---|
| 536,225 | - | 545,370 | 219,000 |
| 545,371 | - | 554,747 | 220,000 |
| 554,748 | - | 564,362 | 221,000 |
| 564,363 | - | 574,226 | 222,000 |
| 574,227 | - | 584,347 | 223,000 |
| 584,348 | - | 594,737 | 224,000 |
| 594,738 | - | 605,405 | 225,000 |
| 605,406 | - | 616,364 | 226,000 |
| 616,365 | - | 627,626 | 227,000 |
| 627,627 | - | 639,202 | 228,000 |
| 639,203 | - | 651,107 | 229,000 |
| 651,108 | - | 663,354 | 230,000 |
| 663,355 | - | 675,959 | 231,000 |
| 675,960 | - | 688,938 | 232,000 |
| 688,939 | - | 702,307 | 233,000 |
| 702,308 | - | 716,084 | 234,000 |
| 716,085 | - | 730,288 | 235,000 |
| 730,289 | - | 744,940 | 236,000 |
| 744,941 | - | 760,061 | 237,000 |
| 760,062 | - | 775,674 | 238,000 |
| 775,675 | - | 791,803 | 239,000 |
| 791,804 | - | 808,475 | 240,000 |
| 808,476 | - | 825,716 | 241,000 |
| 825,717 | - | 843,557 | 242,000 |
| 843,558 | - | 862,030 | 243,000 |
| 862,031 | - | 881,169 | 244,000 |
| 881,170 | - | 901,010 | 245,000 |
| 901,011 | - | 921,593 | 246,000 |
| 921,594 | - | 942,961 | 247,000 |
| 942,962 | - | 965,158 | 248,000 |
| 965,159 | - | 988,235 | 249,000 |
| 988,236 | - | 1,012,245 | 250,000 |
| 1,012,246 | - | 1,037,245 | 251,000 |
| 1,037,246 | - | 1,063,298 | 252,000 |
| 1,063,299 | - | 1,090,472 | 253,000 |
| 1,090,473 | - | 1,118,841 | 254,000 |
| 1,118,842 | - | 1,148,485 | 255,000 |
| 1,148,486 | - | 1,179,493 | 256,000 |
| 1,179,494 | - | 1,211,960 | 257,000 |
| 1,211,961 | - | 1,245,993 | 258,000 |

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# Table A
## Individual Loss and Loss Expense Adjustments

| Actual Limited Loss & Total Loss Expense | | | Adjusted Loss & Expense | Actual Limited Loss & Total Loss Expense | | | Adjusted Loss & Expense |
|---|---|---|---|---|---|---|---|
| 1,245,994 | - | 1,281,707 | 259,000 | 2,728,572 | - | 2,878,947 | 280,000 |
| 1,281,708 | - | 1,319,231 | 260,000 | 2,878,948 | - | 3,045,614 | 281,000 |
| 1,319,232 | - | 1,358,704 | 261,000 | 3,045,615 | - | 3,231,373 | 282,000 |
| 1,358,705 | - | 1,400,284 | 262,000 | 3,231,374 | - | 3,439,706 | 283,000 |
| 1,400,285 | - | 1,444,144 | 263,000 | 3,439,707 | - | 3,675,000 | 284,000 |
| 1,444,145 | - | 1,490,476 | 264,000 | 3,675,001 | - | 3,942,857 | 285,000 |
| 1,490,477 | - | 1,539,496 | 265,000 | 3,942,858 | - | 4,250,549 | 286,000 |
| 1,539,497 | - | 1,591,444 | 266,000 | 4,250,550 | - | 4,607,692 | 287,000 |
| 1,591,445 | - | 1,646,591 | 267,000 | 4,607,693 | - | 5,027,273 | 288,000 |
| 1,646,592 | - | 1,705,242 | 268,000 | 5,027,274 | - | 5,527,273 | 289,000 |
| 1,705,243 | - | 1,767,742 | 269,000 | 5,527,274 | - | 6,133,333 | 290,000 |
| 1,767,743 | - | 1,834,483 | 270,000 | 6,133,334 | - | 6,883,333 | 291,000 |
| 1,834,484 | - | 1,905,911 | 271,000 | 6,883,334 | - | 7,835,714 | 292,000 |
| 1,905,912 | - | 1,982,540 | 272,000 | 7,835,715 | - | 9,085,714 | 293,000 |
| 1,982,541 | - | 2,064,957 | 273,000 | 9,085,715 | - | 10,800,000 | 294,000 |
| 2,064,958 | - | 2,153,846 | 274,000 | 10,800,001 | - | 13,300,000 | 295,000 |
| 2,153,847 | - | 2,250,000 | 275,000 | 13,300,001 | - | 17,300,000 | 296,000 |
| 2,250,001 | - | 2,354,348 | 276,000 | 17,300,001 | - | 24,800,000 | 297,000 |
| 2,354,349 | - | 2,467,984 | 277,000 | 24,800,001 | - | 44,800,000 | 298,000 |
| 2,467,985 | - | 2,592,208 | 278,000 | 44,800,001 | - | 100,000,000 | 299,000 |
| 2,592,209 | - | 2,728,571 | 279,000 | 100,000,001 | - | INFINITY | 300,000 |

# Table B

## Adjusted Expected Loss Ratios
## Expected Loss Ratios

| Limits of Liability Used In Experience Rating Plan | Expected Loss Ratio |
|---|---|
| $1,000,000 / $3,000,000 | 61.7% |

## Company Pages
## Allied HealthCare Facilities

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# Table C
# Credibility Factors

| Premium Subject to Experience Rating | | | Credibility Factor |
|---|---|---|---|
| 0 | - | 6,102 | 0.01 |
| 6,103 | - | 10,267 | 0.02 |
| 10,268 | - | 14,519 | 0.03 |
| 14,520 | - | 18,860 | 0.04 |
| 18,861 | - | 23,292 | 0.05 |
| 23,293 | - | 27,820 | 0.06 |
| 27,821 | - | 32,445 | 0.07 |
| 32,446 | - | 37,172 | 0.08 |
| 37,173 | - | 42,002 | 0.09 |
| 42,003 | - | 46,941 | 0.10 |
| 46,942 | - | 51,992 | 0.11 |
| 51,993 | - | 57,158 | 0.12 |
| 57,159 | - | 62,443 | 0.13 |
| 62,444 | - | 67,852 | 0.14 |
| 67,853 | - | 73,389 | 0.15 |
| 73,390 | - | 79,059 | 0.16 |
| 79,060 | - | 84,866 | 0.17 |
| 84,867 | - | 90,816 | 0.18 |
| 90,817 | - | 96,914 | 0.19 |
| 96,915 | - | 103,165 | 0.20 |
| 103,166 | - | 109,575 | 0.21 |
| 109,576 | - | 116,151 | 0.22 |
| 116,152 | - | 122,898 | 0.23 |
| 122,899 | - | 129,825 | 0.24 |
| 129,826 | - | 136,937 | 0.25 |
| 136,938 | - | 144,243 | 0.26 |
| 144,244 | - | 151,750 | 0.27 |
| 151,751 | - | 159,468 | 0.28 |
| 159,469 | - | 167,404 | 0.29 |
| 167,405 | - | 175,569 | 0.30 |
| 175,570 | - | 183,973 | 0.31 |
| 183,974 | - | 192,625 | 0.32 |
| 192,626 | - | 201,538 | 0.33 |
| 201,539 | - | 210,723 | 0.34 |
| 210,724 | - | 220,192 | 0.35 |
| 220,193 | - | 229,960 | 0.36 |
| 229,961 | - | 240,041 | 0.37 |
| 240,042 | - | 250,449 | 0.38 |
| 250,450 | - | 261,202 | 0.39 |
| 261,203 | - | 272,316 | 0.40 |
| 272,317 | - | 283,811 | 0.41 |
| 283,812 | - | 295,705 | 0.42 |
| 295,706 | - | 308,020 | 0.43 |
| 308,021 | - | 320,779 | 0.44 |
| 320,780 | - | 334,007 | 0.45 |
| 334,008 | - | 347,729 | 0.46 |
| 347,730 | - | 361,974 | 0.47 |
| 361,975 | - | 376,772 | 0.48 |
| 376,773 | - | 392,157 | 0.49 |
| 392,158 | - | 408,163 | 0.50 |
| 408,164 | - | 424,830 | 0.51 |
| 424,831 | - | 442,199 | 0.52 |
| 442,200 | - | 460,315 | 0.53 |
| 460,316 | - | 479,227 | 0.54 |
| 479,228 | - | 498,990 | 0.55 |
| 498,991 | - | 519,662 | 0.56 |
| 519,663 | - | 541,307 | 0.57 |
| 541,308 | - | 563,995 | 0.58 |
| 563,996 | - | 587,805 | 0.59 |
| 587,806 | - | 612,821 | 0.60 |
| 612,822 | - | 639,136 | 0.61 |
| 639,137 | - | 666,856 | 0.62 |
| 666,857 | - | 696,096 | 0.63 |
| 696,097 | - | 726,984 | 0.64 |
| 726,985 | - | 759,664 | 0.65 |
| 759,665 | - | 794,296 | 0.66 |
| 794,297 | - | 831,061 | 0.67 |
| 831,062 | - | 870,161 | 0.68 |
| 870,162 | - | 911,828 | 0.69 |
| 911,829 | - | 956,322 | 0.70 |
| 956,323 | - | 1,003,941 | 0.71 |
| 1,003,942 | - | 1,055,026 | 0.72 |
| 1,055,027 | - | 1,109,972 | 0.73 |
| 1,109,973 | - | 1,169,231 | 0.74 |
| 1,169,232 | - | 1,233,333 | 0.75 |
| 1,233,334 | - | 1,302,899 | 0.76 |
| 1,302,900 | - | 1,378,656 | 0.77 |
| 1,378,657 | - | 1,461,472 | 0.78 |

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## Company Pages
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### Table C
### Credibility Factors

| Premium Subject to Experience Rating | Credibility Factor | Premium Subject to Experience Rating | Credibility Factor |
|---|---|---|---|
| 1,461,473 - 1,552,381 | 0.79 | 3,418,183 - 3,822,222 | 0.90 |
| 1,552,382 - 1,652,632 | 0.80 | 3,822,223 - 4,322,222 | 0.91 |
| 1,652,633 - 1,763,743 | 0.81 | 4,322,223 - 4,957,143 | 0.92 |
| 1,763,744 - 1,887,582 | 0.82 | 4,957,144 - 5,790,476 | 0.93 |
| 1,887,583 - 2,026,471 | 0.83 | 5,790,477 - 6,933,333 | 0.94 |
| 2,026,472 - 2,183,333 | 0.84 | 6,933,334 - 8,600,000 | 0.95 |
| 2,183,334 - 2,361,905 | 0.85 | 8,600,001 - 11,266,667 | 0.96 |
| 2,361,906 - 2,567,033 | 0.86 | 11,266,668 - 16,266,667 | 0.97 |
| 2,567,034 - 2,805,128 | 0.87 | 16,266,668 - 29,600,000 | 0.98 |
| 2,805,129 - 3,084,848 | 0.88 | 29,600,001 - 80,000,000 | 0.99 |
| 3,084,849 - 3,418,182 | 0.89 | 80,000,001 - Infinity | 1.00 |

## F. Schedule Rating

A rate credit or debit reflecting the specific characteristics of a facility risk may be applied to the facility professional liability premium. The table below identifies the applicable characteristics and the credit and debit ranges for them.

### Schedule Rating Table

| Risk Characteristics | Maximum Credit | Maximum Debit |
|---|---|---|
| 1. Qualifications and experience of senior management | 5% | 5% |
| 2. Timeliness and quality of responses to company requests, including recommendations related to critical findings. | 5% | 5% |
| 3. Exposure to loss when compared to the average risk in the same category. | 10% | 10% |
| 4. Effective biomedical program for clinical equipment which is used in the facility. The type of equipment and its impact on patient care will be considered. | 5% | 5% |
| 5. Adequacy of staffing and selection, supervision and experience of staff personnel. | 5% | 5% |
| 6. Effective continuing education programs, which include risk management topics, for clinical and administrative staff. | 5% | 5% |
| 7. Administrative staff commitment to and support for an effective risk management program designed to promote patient and visitor safety. | 5% | 5% |
| 8. Effective mechanism for visitors, patients or their families to communicate concerns regarding the facility operations. | 5% | 5% |

The maximum net schedule credit or debit percentage is shown on the state rate/exception pages.

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## XVI. Allied Medical Facilities General Liability Rates

To obtain rates for miscellaneous medical facilities general liability multiply the facility professional liability rates for the same limits, deductible, and maturity by 25%.

### A. Other Coverages *(only available if General Liability is included)*

#### 1. Employee Benefits Liability Coverage

This coverage is based on the number of employed personnel. The rates below contemplate a $1,000 deductible which applies per employee, $5,000 aggregate. Three limit options are available:

| Number of Employees | $500,000 / $500,000 Rate per employee | $1,000,000 / $1,000,000 Rate per employee | $1,000,000 / $3,000,000 Rate per employee |
|---|---|---|---|
| 0 - 1,000 | $0.28 | $0.32 | $0.42 |
| 1,001 - 2,000 | $0.21 | $0.24 | $0.31 |
| Greater than 2,000 | $0.14 | $0.16 | $0.21 |
| Minimum Premium | $350 | $400 | $500 |

**Example**
If an insured employs 2,500 personnel and requests $500,000 / $500,000 limits, the rate would be calculated as:

$$\$0.28*1,000 + \$0.21*1,000 + \$0.14*500 = \$560.00$$

## XVII. Policy Minimum Premium

The minimum premium shall be $5,000 (at basic limits of liability), per annual or lesser period, unless otherwise specified for the respective Coverage Part.

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## XVIII. Extended Reporting Period (Claims-Made Only)

### A. Rules Governing Extended Reporting Period

1. The limits of liability for all claims reported during any automatic or optional extended reporting periods shall be part of, and not in addition to the limits of liability for the policy period as set forth in the Declarations for the applicable coverage part to which the extended Reporting Period applies.

2. The Automatic 60-day Extended Reporting Period will be provided as set forth in the policy.

   The Optional Extended Reporting Period will be made available to the first named insured shown on the Declarations. Should a request be made for Extended Reporting Period notice must be given to the Company, along with payment of the applicable Optional Extended Reporting Period premium, and any remaining unpaid premiums for the terminated policy, within 60 days. The limits of liability for all claims reported during such extended reporting period are subject to rule XVIII.A.1 above and shall be excess of the deductible. The deductible is reinstated to the amount of the deductible applicable at policy inception.

3. The prior acts date of coverage with this Company will determine the years of prior exposure for Extended Reporting Period.

4. Premium must be paid promptly when due.

5. In the event the policy is cancelled, any return premium due the insured shall be credited toward the premium for Optional Extended Reporting Period. 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period.

### B. Rates for Extended Reporting Period

1. Automatic Extended Reporting Period - There is no additional premium charge for this coverage

2. Optional Extended Reporting Period

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

| Years of Prior Claims-Made Coverage | Reporting Endorsement Factor for Unlimited Tail | Reporting Endorsement Factor for 3-Year Tail |
|---|---|---|
| 1 | 0.75 | 0.65 |
| 2 | 1.15 | 1.00 |
| 3 | 1.30 | 1.15 |
| 4 | 1.35 | 1.23 |
| 5 | 1.40 | 1.27 |

## I. Amended Rules - Professional Liability

A. **Section XV.F., Schedule Rating,** is amended to include the following:
"The maximum schedule modification shall be capped at +/-40%."

B. **Section XVIII. Extended Reporting Period (Claims-Made Only), paragraph A., Rules Governing Extended Reporting Period, sub-paragraph 1.** is deleted in its entirety and replaced with the following:

1a. When an optional extended reporting period is purchased for the Professional Liability Coverage Form: The limits of liability for all claims reported during any automatic or optional extended reporting periods shall be part of, and not in addition to the limits of liability for the policy period as set forth in the Declarations.

1b. When an optional extended reporting period is purchased for the General Liability Coverage Form: The limits of liability for all claims reported during any automatic extended reporting period shall be part of, and not in addition to the limits of liability for the policy period as set forth in the Declarations. The limits of liability for all claims reported during any optional extended reporting period shall be equal to the limits of liability for the policy period as set forth in the Declarations.

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C. **Section XVIII. Extended Reporting Period (Claims-Made Only), paragraph B., Rates for Extended Reporting Period, sub-paragraph 2. Optional Extended Reporting Period** is deleted in its entirety and replaced with the following:

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

| Years of Prior Claims-Made Coverage | Reporting Endorsement Factor for Unlimited Tail | Reporting Endorsement Factor for 5-Year Tail |
|---|---|---|
| 1 | 0.75 | 0.73 |
| 2 | 1.15 | 1.13 |
| 3 | 1.30 | 1.28 |
| 4 | 1.35 | 1.33 |
| 5 | 1.40 | 1.38 |

## II. Territorial Definitions - Professional Liability

| Territory | Territorial Relativity |
|---|---|
| Cook County | 2.500 |
| Dupage, Lake, St. Clair and Madison Counties | 2.500 |
| Mason, McHenry and Sangamon Counties | 1.500 |
| Will County | 1.000 |
| Remainder of State | 1.000 |

## III. Rates - Professional Liability

**Mature Claims-Made Rate at $100K/$300K**

| Risk Classification | Exposure Type | Mature Claims-made Rate |
|---|---|---|
| Surgicenter | Visits | 179.05 |
| All Other - Not Otherwise Classified | (a) rated | (a) rated |
| Ambulance | Staff | 100% of GP rate |
| Blood/Plasma Bank | Donations | 1.34 |
| Crisis Stabilization Center | Visits | 43.88 |
| Developmental Disability Rehabilitation | Visits | 26.00 |
| Dialysis Center | Visits | 37.87 |
| Emergicenter | Visits | 75.20 |
| Fertility Clinic | Visits | (a) rated |
| Health Department - Incl. Community Health Centers | Visits | 21.63 |
| Home Health Care - All Other | Visits | 8.30 |
| Home Health Care - Durable Medical Equipment | Visits | 12.21 |
| Home Health Care - Intravenous Therapy | Visits | 8.30 |
| Home Health Care - Personal | Visits | 2.49 |
| Home Health Care - Rehabilitation | Visits | 8.30 |
| Home Health Care - Respiratory | Visits | 8.30 |
| Home Health Care - Skilled | Visits | 8.30 |
| Hospice Care - Out Patient Only | Visits | 4.98 |

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## III. Rates - Professional Liability (Continued)

### Mature Claims-Made Rate at $100K/$300K

| Risk Classification | Exposure Type | Mature Claims-made Rate |
|---|---|---|
| Laboratory - All Other | Receipts | (a) rated |
| Laboratory - Dental | Receipts | 1.63 |
| Laboratory - Medical/Pathology/X-Ray | Receipts | 2.33 |
| Laboratory - Ocular | Receipts | 1.63 |
| Laboratory - Pharmaceutical | Receipts | (a) rated |
| Laboratory - Quality Control / Reference | Receipts | 2.33 |
| Laboratory - Routine Clinical Pathology | Receipts | 2.33 |
| Med'l Registry/Staffing/Med'l Employee Contract | (a) rated | (a) rated |
| Mental Health Counseling Services - OP Only | Visits | 33.09 |
| MRI Facilities | Receipts | 2.33 |
| Optical Establishment | Receipts | 3.38 |
| Organ Bank - Direct Processing | Receipts | (a) rated |
| Organ Bank - No Direct Processing | Receipts | (a) rated |
| Pharmacies | Receipts | 1.91 |
| Rehabilitation - Cardiac | Visits | 36.86 |
| Rehabilitation - Physical/Occupational | Visits | 29.95 |
| Schools - Healthcare Providers Excl. Physicians | (a) rated | (a) rated |
| Student Health Center | Visits | 17.31 |
| Substance Abuse - Counseling - Outpatient Only | Visits | 33.76 |
| Substance Abuse - Skilled Medical | Visits | 47.26 |
| Trauma Rehabilitation - Skilled Medical | Visits | 70.89 |
| Trauma Rehabilitation - Therapy | Visits | 42.53 |
| Urgicenter | Visits | 43.88 |
| Weight Loss Center | Visits | 10.40 |

- For risks in the above classes that also have bed exposures, rate using filed Continental Casualty Company bed rates.

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# Company Pages
# for
# Miscellaneous HealthCare Facilities

## Continental Casualty Company

## I. Application of Manual Rules

A. This manual provides rules, rates, premiums, and classifications and shall govern the writing of policies for Miscellaneous Medical Facilities Professional Liability.

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.

C. Any exceptions to these manual rules are contained in the respective Section or State Rate Page.

## II. Policy Term

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

## III. Premium Computation

A. Compute the premium at policy inception using the rules, 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.

## IV. Factors or Multipliers

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

## V. 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.

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## VI. Return Premium

A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is cancelled.

B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

## VII. Coverage

Coverage under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy.

## VIII. Policy Minimum Premium

The minimum premium shall be $5,000 (at basic limits of liability), per annual or lesser period, unless otherwise specified for the respective Coverage Part.

## IX. Policy Cancellations

A. The policy may be canceled flat within 60 days of the effective date. The Company must receive evidence of such cancellation within those 60 days.

B. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.

C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

## X. Restriction of Coverage or Increased Rates

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.

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## XI. Extended Reporting Period Coverage (Claims-Made Only)

The extension period is automatic for 60 days, except when other coverage with the same prior acts date is secured to replace our policy, and can be extended beyond that as shown below. The extension period is unlimited as respects time. The availability of the Extended Reporting Period shall be governed by the following rules:

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

B. Extended Reporting Period Coverage will be available to all named insureds shown on the declarations page of the policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also included by this Company.

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. The prior acts date of coverage with this Company will determine the years of prior exposure for Extended Reporting Period Coverage.

E. Premium must be paid promptly when due.

F. In the event the policy is cancelled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period Coverage.

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

| Years of Prior Claims-Made Coverage | Reporting Endorsement Factor |
|---|---|
| 1 | 0.75 |
| 2 | 1.15 |
| 3 | 1.30 |
| 4 | 1.35 |
| 5 | 1.40 |

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## XII. Prior Acts Coverage (Occurrence Coverage Only)

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

1. 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 occurrence policy to which the Prior Acts endorsement shall be applied.

2. The premium for Prior Acts Coverage is a one time only charge payable in advance, calculated by applying the applicable factors from the table shown below to the current rate under this policy for limits of $100,000/$300,000 per occurrence.

3. If the limit of liability under this coverage is other than $100,000/$300,000 per occurrence, the premium developed shall be adjusted by the increased limit factors shown in Section **XVII.** for the applicable limit.

| Prior Acts Period | Reporting Period Factor |
|---|---|
| 1 Year Prior | 0.73 |
| 2 Years Prior | 1.10 |
| 3 Years Prior | 1.25 |
| 4 Years Prior | 1.33 |
| 5 Years Prior | 1.37 |

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## XIII. Additional Classifications

### A. Employed Physicians, Surgeons, Residents, and Fellows Professional Liability Rates

- Limits of Liability $100,000/$300,000

Rate using filed Continental Casualty Company rates without application of longevity or loss prevention credit. Apply 25% credit for shared limits and defense with facility for limits up to $1,000,000. For higher limits, refer to company.

### B. Other Employees Subject to Individual Rating Professional Liability Rates

- Limits of Liability $100,000/$300,000.

Rate the following types of employees using filed Continental Casualty Company rates:

| | |
|---|---|
| Physician Assistants | Nurse Anesthetists |
| Surgeon Assistants | Dentists |
| Nurse Midwives | |

A credit of 25% will be provided for shared limits and defense with facility for limits up to $1,000,000. For higher limits, refer to company.

### C. Hospital Professional Liability Exposures

- Limits of Liability $100,000/$300,000

Rate using filed Continental Casualty Company acute care bed rates and/or other outpatient visit rates for exposures not specifically included within this filing.

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## XIV. Base Rates

The following base rates are on an **occurrence** basis, at $100,000/$300,000 limits for Territory 1. See the tables in Sections **XVI.**, **XVII.**, and **XVIII.** for the claims-made step factors, increased limits factors, and territory relativity factors, respectively.

| Facility | Exposure Type | Base Rate per Exposure Type |
|---|---|---|
| All Other - Not Otherwise Classified (NOC) | (a) rated | (a) rated |
| Ambulance | Staff | (a) rated |
| Blood/Plasma Bank | Donations | 0.53 |
| Developmental Disability Rehabilitation | Visits | 17.50 |
| Dialysis Center | Visits | 26.00 |
| Emergicenter | Visits | (a) rated |
| Fertility Clinic | Visits | (a) rated |
| Health Department –including community health centers | Visits | 17.50 |
| Home Health Care | Visits | 15.00 |
| Home Health Care – Durable Medical Equipment | Receipts | 9.90 |
| Home Health Care – Homemaker | Hours | 4.50 |
| Home Health Care – Licensed Health Care Professional | Hours | 11.00 |
| Hospice Care - Out Patient only | Visits | 4.00 |
| Laboratory – All Other | Receipts | (a) rated |
| Laboratory – Dental | Receipts | 1.25 |
| Laboratory - Medical/Pathology/X-Ray | Receipts | 1.50 |
| Laboratory – Ocular | Receipts | 1.25 |
| Laboratory – Pharmaceutical | Receipts | (a) rated |
| Mental Health Counseling Services – OP only | Visits | 26.00 |
| MRI Facilities | Receipts | 1.50 |
| Optical Establishment | Receipts | (a) rated |
| Organ Bank | Receipts | (a) rated |
| Pharmacies | Receipts | 1.50 |
| Rehabilitation – Physical/Occupational/Cardiac | Visits | 26.00 |
| Student Health Center | Visits | 11.00 |
| Substance Abuse – Counseling – Outpatient only | Visits | 32.00 |
| Surgicenter | Visits | 150.00 |
| Trauma Rehabilitation – Skilled Medical | Visits | 51.00 |
| Trauma Rehabilitation – Therapy and Transitional Living | Visits | 32.00 |
| Urgicenter / Crisis Stabilization Center | Visits | 32.00 |
| Weight Loss Center | Visits | 7.00 |

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## XV. Definition of Exposure Types

| | |
|---|---|
| **Donations:** | Rate per unit donated |
| **Hours:** | Rate per 100 hours |
| **Procedures:** | Rate per procedure performed |
| **Receipts:** | Rate per $1,000 in gross receipts |
| **Staff:** | Rate per individual health care professional, including employees and students |
| **Visits:** | Rate per 100 visits |

## XVI. Claims-Made Factors

The annual rates for an occurrence policy are shown in Section **XIV**.

The annual rates for a claims-made policy shall be determined as follows:

1. If the facility has continuously been insured under an occurrence policy, enter the step rate factor from the table at the *year one* level.
2. If the facility 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 has been uninsured, the following procedure shall apply:
   a. determine the number of years in which the facility was covered under such claims-made policy(ies);
   b. determine the number of years in which the facility 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 Years of Prior Exposure, plus one.

| Years of Prior Exposure | Step Factor |
|---|---|
| 1 | 0.40 |
| 2 | 0.65 |
| 3 | 0.80 |
| 4 | 0.90 |
| 5 | 0.95 |

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## XVII. Increased Limits of Liability

| Desired Limits | Increased Limits Factor |
|---|---|
| $100,000/$300,000 | 1.00 |
| $1,000,000/$1,000,000 | 1.74 |
| $1,000,000/$3,000,000 | 1.85 |
| $2,000,000/$4,000,000 | 2.19 |
| $3,000,000/$5,000,000 | 2.40 |
| $5,000,000/$5,000,000 | 2.66 |
| Other Limits | Refer to Company |

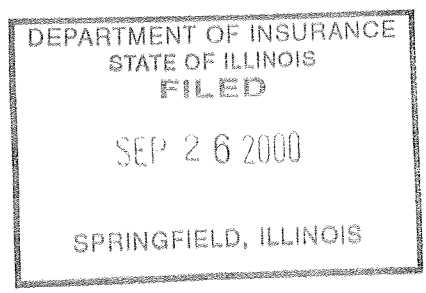
## XVIII. Territory Relativities

Refer to the specific state exception pages for territory relativities.

## XIX. Deductible Options

The following deductible options are available:

| Deductible Amount | Deductible Credit |
|---|---|
| $1,000 | 3% |
| $2,500 | 6% |
| $5,000 | 11% |
| $10,000 | 19% |
| $15,000 | 24% |
| $20,000 | 29% |
| $25,000 | 32% |
| $25,000+ | Refer to Company |



## XX. Schedule Credits/Debits

Any modifications developed under subitems **A.**, **B.**, or **C.** shall be summed and applied as a single factor, and in no event will be more than plus or minus 25%. The maximum net schedule credit/debit may be modified in the state exception pages.

### A. Persistency Credits

When an insured has had a policy with CNA for five or more consecutive years, a 5% credit will be applied to the annual premium. When the insured has been covered for ten or more consecutive years with CNA, a 10% credit will apply.

### B. Years Continuously in Business

The longer a facility has operated successfully, the more stability it has exhibited. Conversely, newer facilities have a higher failure rate and therefore an increased loss potential. Premium may be modified plus or minus 10%.

### C. Claim History

Important considerations are the number and severity of actual claims submitted and/or paid. High frequency and/or severity may indicate weaknesses within the facility. Low frequency may, however, indicate tighter controls. Premium may be modified from a range of -15% to +15%.

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## XXI. Miscellaneous Medical Facilities General Liability Rates

To obtain rates for miscellaneous medical facilities general liability multiply the facility professional liability rates for the same limits, deductible, and maturity by 25%.

### A. Other Coverages *(only available if General Liability is included)*

#### 1. Employee Benefits Liability Coverage

This coverage is based on the number of employed personnel. The rates below contemplate a $1,000 deductible which applies per employee, $5,000 aggregate. Three limit options are available:

| Number of Employees | $500,000 / $500,000 Rate per employee | $1,000,000 / $1,000,000 Rate per employee | $1,000,000 / $3,000,000 Rate per employee |
|---|---|---|---|
| 0 - 1,000 | $0.28 | $0.32 | $0.42 |
| 1,001 - 2,000 | $0.21 | $0.24 | $0.31 |
| Greater than 2,000 | $0.14 | $0.16 | $0.21 |
| Minimum Premium | $350 | $400 | $500 |

**Example**
If an insured employs 2,500 personnel and requests $500,000 / $500,000 limits, the rate would be calculated as:

$$\$0.28*1,000 + \$0.21*1,000 + \$0.14*500 = \$560.00$$

#### 2. Hired / Non-Owned Auto Liability Coverage

This coverage is only available to Home Health Care Facilities. The limit for this coverage is $1,000,000 / $1,000,000. The exposure base is Number of Employees. Please refer to the specific state exception pages for the rates.

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**Company State Pages**
**for**
**Miscellaneous HealthCare Facilities**

**Continental Casualty Company**

## I. Amended Rule XVIII - Territory Relativities

This rule is amended as follows:

| Territory | Territory Relativity |
|---|---|
| Territory 1 – Cook County | **3.00** |
| Territory 2 – DuPage, Lake, McHenry, Mason, Madison, and Sangamon Counties | **1.50** |
| Territory 3 – Remainder of State | **1.00** |

## II. Amended Rule XXI A. 2. – Hired / Non-Owned Auto Liability Coverage

The rates for this coverage are as follows:

| Number of Employees | Rate |
|---|---|
| 0 – 25 | 92 |
| 26 – 100 | 216 |
| 101 – 500 | 472 |
| 501 – 1,000 | 741 |
| Over 1,000 | 1,663 |

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**COMPANY PAGES**
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**CONTINENTAL CASUALTY COMPANY**

## I. APPLICATION OF MANUAL RULES

A. This manual provides rules, rates, premiums and classifications and shall govern the writing of policies for the dental profession.

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.

C. Any exceptions to these manual rules are contained in the respective Section or State Rate Page.

## II. POLICY TERMS

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

## III. PREMIUM COMPUTATION

A. Compute the premium at policy inception using the rules, 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 less 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.

The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured. The rates shall be applied in accordance with each practitioner's classification and corresponding code number.

## IV. FACTORS OR MULTIPLIERS

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

## V. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be $250.00 per annual or lesser period.

## VI. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

A. any amount involving $.50 or over shall be rounded to the next highest whole dollar amount; or

B. any amount involving $.49 or less shall be rounded down to the next lowest whole dollar amount.

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## VII. 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, even if the policy inception premium was less than the policy writing minimum premium.

C. Waive additional premium of $15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

## VIII. RETURN PREMIUM

A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is canceled.

B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

C. 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.

D. Waive return premium of $15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.

E. Retain the policy writing minimum premium.

## IX. COVERAGES

Coverages under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy. The following are the combinations of coverages that are available under this policy:

Professional Liability and General Liability
Professional Liability, General Liability, and Property
Professional Liability only
General Liability and Property
Property Only
Non-Student Dental Board Exam
Student Dental

Note: General Liability cannot be purchased on a stand-alone basis.

**Available coverages under this program are:**

A. Professional Liability on a claims-made basis or occurrence basis.

Required coverages under professional liability are:

1. Special Extra Expense (HIV);
2. Defense Coverage - Dental Professional Licensing Board; and
3. Employment Practices Liability - $25,000 per Claim/$25,000 Aggregate Defense Coverage*

   * Note: This required coverage is waived when the insured purchases EPL Indemnity & Defense Coverage as that endorsement already includes defense coverage.

4. Defendant's Reimbursement - $500 per day, and $5,000 per suit

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B. Business Liability on an occurrence basis.

Required coverages under business liability are:

1. General Liability, including Products/Completed Operations, Host Liquor Liability and Incidental Contract coverage;
2. Fire and Water Legal Liability - $500,000 per occurrence;
3. Medical Payments Coverage - $5,000 per person/$10,000 per accident;
4. Non-Owned or Hired Automobile Liability Coverage - $1,000,000 each occurrence;
5. Medical Waste Legal Expense Reimbursement.

C. Property on an occurrence basis.

Required coverages under property are:

1. Blanket Dental Practice Personal Property
2. Practice Income

D. Non-Student Dental Board Exam on an occurrence basis.

Required coverage under board exam is Professional Liability.

E. Student Dental on a claimsmade basis.

Required coverage under student dental is Professional Liability.

## X. BLACK BAG COVERAGE - Equipment Floater

Black Bag Coverage may be purchased according to the following table:

$100.00 premium for $4,000.00 limits.

Higher limits may be purchased for $15.00 per $1,000.00 in values.

## XI. PACKAGING OF COVERAGES

If Professional Liability coverage is purchased in conjunction with Property coverage, package discount factors shall be applied to the Professional Liability and General Liability rates. The package discount factors are stated on the respective State Rate Page.

## XII. POLICY CANCELLATIONS

A. The policy may be canceled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.

B. Any cancellation initiated, other than by the insured, after more than 60 days will be canceled pro-rata.

C. Cancellation initiated by the insured will be canceled pro-rata less a penalty of 10% unless coverage is concurrently rewritten by the Company, in which case no penalty shall be applied.

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## I. DENTAL PRACTITIONERS CLASSIFICATIONS - CALCULATION OF PREMIUM - Professional Liability Coverage

The premium for the policy shall be the sum of the applicable charges developed below.

A. The actual ISO Dental Classifications, definitions and rates for Class Codes 80210 and 80211 do not apply.

The following Codes shall apply under this plan:

| Class | Description | Code No. |
|---|---|---|
| I. | Dentists who perform dentistry on patients who have been treated with local anesthesia and/or oral medication and/or nitrous oxide/oxygen sedation and/or conscious sedation. Does not apply to treatment involving any general anesthesia or deep sedation unless administered in a hospital or state licensed and regulated surgical center. | 80211 |
| III. | All oral surgeons. In addition, this applies to dentists as defined in Class 80211 who perform dentistry utilizing general anesthesia or deep sedation, unless performed in a hospital or state licensed and regulated surgical center, in which case class 80211 will apply. | 80210 |
| IV. | Dental School Faculty – Teaching dentists and graduate students with no intramural practice. | 80213 |
| VI. | Professional Corporations or Partnerships | 80999 |
| IX. | Dental Anesthesiologists whose practice does not include deep sedation and/or general anesthesia. | 90100 |
| X. | Dental Anesthesiologists whose practice includes deep sedation and/or general anesthesia. | 90101 |

B. The annual rates, under occurrence, for each dentist are stated in the State Rate Page.

The annual rates, under claims-made, for each dentist shall be determined for Classes I., III., IX. and X. only, as follows:

1. If the dentist is just entering practice, or the dentist has continuously been insured under an "occurrence" policy, enter the step rate factor from the Table at the year one level.

2. If the dentist 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 dentist was covered under such claims-made policy(ies);

   b. determine the number of years in which the dentist was uninsured;

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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., III., IX. or X. rate, found on the State Page, in effect at the inception of the last claims-made policy.

| | Step Rate Factors | | | | |
|---|---|---|---|---|---|
| Classes | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 |
| I, III, IX, X | 0.29 | 0.54 | 0.73 | 0.81 | 0.90 |

C. Any (a) rated risk written under this program shall maintain a complete file, including all details of the factors used in determining the modification and make the file available to state regulators on request. Rates shall not be inadequate, excessive or unfairly discriminatory and will follow individual state regulations.

## II. ADDITIONAL CLASSIFICATIONS

A. New Dentist

A "new" dentist is defined as a student who has completed their training within the previous twelve months from license date or the experienced military dentist who within twelve months of honorable military discharge or a foreign graduate of a 4-year program from an accredited U.S. dental school enters full-time private or group practice.

The following credits will apply:

60% of the first year in practice
40% of the second year in practice
20% of the third year in practice
10% of the fourth year in practice

B. Corporations/Partnerships/Associations

It shall be permissible to provide coverage for a corporation, partnership or association for liability arising from the practice of member dentists insured by the Company. Such coverage may be provided either:

a. on a shared limit of liability basis with the member practitioner, in which case no additional premium shall be charged; or

b. on a separate limit of liability basis. The limit of liability shall be equal to the highest limits provided to any one individual member practitioner. Additional premium shall be 10% of the total developed liability premium for each member.

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C. Additional Insured

An additional insured, other than Corporations/Partnerships/Associations, may be added to the policy at a charge of 5% of the policy's Professional Liability charge.

(This charge does not apply to an additional insured who owns or finances leased equipment to the insured.)

A Special Events endorsement (PL) may be added at a charge of $50 per day / per event.

D. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, but less than 180 days, may be eligible for restricted coverage at a rate reduction of 75% of the applicable rate for the period of disability or leave of absence. This will apply retroactively to the first day of disability or leave of absence.

Leave of absence may include time to enhance the practitioner's education, but, does not include vacation time.

E. Part Time

A part time credit of 50% of the applicable rate will apply to any practitioner who works 20 hours or less per week. This credit will not apply if the first year "new dentist" credit has been applied.

F. Professional Societies

Professional Liability coverage may be provided to state or local societies or organizations established to support the professional community. The following charge will apply:

| Rating Basis | Premium |
|---|---|
| Insured Society | $255.00 Flat Charge |
| Component Society<br>(member society of insured society) | $ 51.00 Flat Charge |

G. Locum Tenens

Coverage for a practitioner substituting for an insured will be limited to cover only professional services rendered on behalf of an insured for the specified time period. Locum Tenens will share in the insured's limit of liability. There is no additional charge for a period not to exceed 60 days.

## III. VICARIOUS LIABILITY - Independent Contractors and Non-Insured Employed Dentists

A charge of 10% of the named insured's premium per independent contractor and non-insured employed dentist will apply for the additional Vicarious Liability assumed by the insured as a result of such situations.

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## IV. MINIMUM LIMITS OF LIABILITY

Minimum limits of liability under this program shall be as follows:

Professional Liability:

| | | |
|---|---|---|
| 1. | Individual Practice: | |
| | a. Claims-Made: | $1,000,000 each claim<br>$3,000,000 aggregate |
| | b. Occurrence: | $1,000,000 each claim<br>$1,000,000 aggregate |
| 2. | Dental Societies:<br>(Claims-Made) | $1,000,000 each claim<br>$3,000,000 aggregate |
| 3. | Independent Contractor: | Equal to above as appropriate |

## V. SUPPLEMENTAL MODIFICATIONS - PROFESSIONAL LIABILITY

Any modifications developed under subitems A. and B. shall be summed and applied as a single factor.

A. Schedule Rating

Based on the following individual risk characteristics, the maximum debit or credit produced by the addition of the debit and/or credit will not exceed 25%:

| | Credit | Debit |
|---|---|---|
| Procedure Mix<br><br>Applicable to practitioners whose procedures or practice specialties are primarily concentrated in areas other than their practice classification and/or specialty. | 0 – 25% | 0 – 25% |
| Exposure Modification<br><br>Applicable to those insureds who have an increased or reduced exposure. | 0 – 25% | 0 – 25% |
| Unusual Risk Characteristics | 0 – 25% | 0 – 25% |

B. Loss Prevention / Risk Management — 5 – 10% — XXX

A credit will be applied to the dentist's classification Rate applicable to each dentist who attends an approved loss prevention/risk management workshop or successfully completes the CNA home study course. This credit will be applied for 3 consecutive years.

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C. Experience Rating

Based on the claim history of an individual practitioner over the preceding five year period, a debit will be applied to the classification rate. If there is claim activity during the last 5 years, the preceding 5 years would be reviewed. Criteria used to determine the application of such debits shall include claim history including a review of a combination of cause of loss, frequency, severity, indemnity payments, expenses and reserves.

Such debits, if applied, shall apply on a one year basis and will be subject to annual review.

## VI. CHANGE OF CLASSIFICATION

In the event that the insured changes classifications, a charge reflecting the difference between the previous classification and the new classification shall be calculated and collected at the time of the change of classification unless:

A. both the prior and current classification falls within the same class;

B. the practitioner changed classifications more than 4 years ago while insured under claims-made coverage;

C. the practitioner changed classifications at any time while insured under occurrence coverage; or

D. the insured is otherwise eligible for Extended Reporting Period Coverage at no charge.

Premium Adjustment

The following procedure should be used to calculate the exposure surcharge applicable under this Rule:

A. Calculate the at-limits Extended Reporting Period premium appropriate for:

1. the previous classification according to the rates and rules contained herein; and

2. the premium appropriate for the current classification.

B. If the at-limits Extended Reporting Period premium for the current classification:

1. is less than the premium for the previous classification, the dollar amount of difference is the charge to be applied; or

2. exceeds the premium for the previous classification, there shall be no charge.

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C. The amount of any additional charge is adjusted according to the following vesting schedule:

The vesting schedule also applies when going from full-time to part-time.

| Discount | |
|---|---|
| 100% | 10 consecutive years of CNA coverage |
| 90% | 9 consecutive years of CNA coverage |
| 80% | 8 consecutive years of CNA coverage |
| 70% | 7 consecutive years of CNA coverage |
| 60% | 6 consecutive years of CNA coverage |
| 50% | 5 consecutive years of CNA coverage |
| 40% | 4 consecutive years of CNA coverage |
| 30% | 3 consecutive years of CNA coverage |
| 20% | 2 consecutive years of CNA coverage |
| 10% | 1 full year of CNA coverage |
| 0% | Less than 1 full year of CNA coverage |

## VII. INCREASED LIMITS OF LIABILITY

Higher limits on ***claims-made*** policies may be elected up to a maximum liability limit of $5,000,000 per claim/$8,000,000 aggregate on the following basis:

| Limits of Liability | Increased Limit Factor Classes | |
|---|---|---|
| | I & IX | III & X |
| $1,000,000/3,000,000 | .020 | .020 |
| $2,000,000/3,000,000 | .160 | .190 |
| $2,000,000/4,000,000 | .176 | .206 |
| $3,000,000/3,000,000 | .260 | .300 |
| $3,000,000/6,000,000 | .308 | .348 |
| $4,000,000/4,000,000 | .325 | .375 |
| $5,000,000/5,000,000 | .375 | .425 |
| $5,000,000/8,000,000 | .424 | .474 |

Rates are based off of the $1,000,000/1,000,000 rates.

Higher limits on ***occurrence*** policies may be elected up to a maximum liability limit of $2,000,000 per claim/$2,000,000 aggregate on the following basis:

| Limits of Liability | Increased Limit Factor Classes | |
|---|---|---|
| | I & IX | III & X |
| $1,000,000/3,000,000 | .020 | .020 |
| $2,000,000/2,000,000 | .150 | .180 |

Rates are based off of the $1,000,000/1,000,000 rates.

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## VIII. EXTENDED REPORTING PERIOD COVERAGE (Claims-Made Coverage only)

A. The extension period is unlimited as respects time. The availability of Extended Reporting Period Coverage shall be governed by the following rules:

1. The limits of liability will not exceed the lowest limits of liability in force for the last 12 month policy period.

2. Extended Reporting Period Coverage will be available to all named insureds shown on the Declarations page of this policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.

3. Should the entity terminate coverage under the policy, the entity may purchase this coverage by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.

4. Upon termination of coverage under this policy by reason of death or disability, the insured's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional charge.

5. There will be no charge for Extended Reporting Period Coverage in the event of retirement and provided the insured is at least 55 years of age and has been continuously insured by us for at least 5 consecutive years.

   This shall apply to all insureds otherwise qualifying for such coverage.

6. The Prior Acts date of coverage with this Company will determine the years of prior exposure in calculation of Extended Reporting Period Coverage.

7. Premium must be paid promptly when due. Premium may be paid in advance, or in three annual installments.

8. In the event the policy is canceled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

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9. The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy.

| Years of Prior Claims-Made Coverage | Installment Factors | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 | .31 | .23 | .30 | .79 |
| 2 | .51 | .35 | .46 | 1.23 |
| 3 | .61 | .49 | .46 | 1.45 |
| 4 or more | .73 | .49 | .46 | 1.57 |

B. A one year extended reporting period for both the Employment Practices Liability (EPL) Defense Only coverage and the EPL Indemnity & Defense coverage is available. The associated factor, as shown on the state rate/exception pages, is applied to the annual EPL premium.

Insureds that are converting their EPL Defense Only coverage to the EPL Indemnity & Defense coverage will be afforded a free unlimited extended reporting period on their expiring Defense Only coverage.

C. An extended reporting period is also available for the ERISA Fiduciary Liability coverage. The same factors as used for professional liability will be applied to the annual ERISA charge in calculation of the extended reporting period coverage.

## IX. PRIOR ACTS COVERAGE (Occurrence Coverage only)

A. The policy may be extended to provide Prior Acts Coverage as follows:

1. 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 occurrence policy to which the Prior Acts endorsement shall be applied.

2. 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 shown to the current rate under this policy for limits of $1,000,000/$1,000,000.

3. If the limit of liability under this coverage is less than $1,000,000/$1,000,000, the premium developed shall be adjusted by the Prior Acts Decreased Limits Factors shown.

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B. The premium will be charged annually, but calculated in advance:

1. Determine the current premium under this policy for limits of $1,000,000/$1,000,000.

2. Enter the table at the appropriate Prior Acts Period.

3. Apply Reporting Period factor(s) successively for the desired number of years of Reporting Period:

| Prior Acts Period | Reporting Period | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 year prior | .28 | .25 | .22 | .71 |
| 2 years prior | .45 | .41 | .32 | 1.11 |
| 3 years prior | .55 | .44 | .40 | 1.31 |
| 4 or more years prior | .62 | .45 | .42 | 1.41 |

4. Apply the appropriate Decreased Limits Factor, if applicable:

| Decreased Limits (in $000s) | Factor |
|---|---|
| $100 / $300 | .449 |
| 200 / 600 | .590 |
| 250 / 750 | .638 |
| 300 / 800 | .682 |
| 400 / 900 | .760 |
| 500 / 1,000 | .816 |
| 1,000 / 1,000 | 1.000 |

C. Prior Acts for Employment Practices Liability Indemnity & Defense Coverage

For insureds that do not have an EPL Indemnity & Defense policy during the policy year prior to purchasing the coverage from CNA, the prior acts date is the inception date of the first EPL Indemnity & Defense policy with CNA.

For insureds that have a prior EPL Indemnity & Defense policy with another carrier during the policy year prior to purchasing the coverage from CNA, prior acts coverage may be afforded. The prior acts date is the date of the first year of that continuous coverage with the other carrier. The charge for the prior acts coverage is $30.

## X. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their practice time from outside the state. Those who derive more than 25% of their practice time outside the state shall be referred to the Company for underwriting approval and rating. We will charge the higher rate if there is multi-state exposure.

## XI. Consulting Service Liability

Consulting Service Liability coverage may be added to the policy on a shared limit basis. The rate will be $25.

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## I. BUSINESS LIABILITY - (General Liability)

A. General Liability coverage written in conjunction with Property coverage (with or without Professional Liability coverage)

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. The "each additional office" charge shall not apply to Independent Contractors.

| | |
|---|---|
| First Office: | $175.00 |
| Each Additional Office: | $122.00 |

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

B. General Liability coverage written in conjunction with Professional Liability coverage only

When written for a Dentist's premises, this coverage shall be rated on the basis of "first office" location and "each additional office" location. The "each additional office" charge shall not apply to Independent Contractors.

| | |
|---|---|
| First Office: | $50.00 |
| Each Additional Office: | $39.00 |

It shall not be permissible to provide coverage at a location where the dentist does not maintain a practice.

C. Additional Insured

An employer may be added to the policy at a charge of 5% of the policy's General Liability charge.

A Special Events endorsement (GL) may be added at a charge of $50 per day / per event.

## II. LIMITS OF LIABILITY – (General Liability)

The rates listed above are for limits of $1,000,000 (each claim) / $2,000,000 (aggregate). Other limits are available and are associated with the following factors (which are with respect to the $1M/2M rate).

Individual Practice:

| Increased Limit | Increased Limit Factor |
|---|---|
| $1M/2M | 1.000 |
| $1M/3M | 1.011 |
| $2M/2M | 1.071 |
| $2M/3M | 1.085 |
| $2M/4M | 1.098 |
| $3M/3M | 1.160 |
| $3M/6M | 1.202 |
| $4M/4M | 1.240 |
| $5M/5M | 1.320 |
| $5M/8M | 1.351 |

## III. ERISA FIDUCIARY LIABILITY INSURANCE

This coverage may be provided with a limit of liability of $100,000 per claim/$100,000 aggregate for an annual premium of $132.00.

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## I. CALCULATION OF PREMIUMS - Property Coverages

A. The premium shall be the sum of the applicable charges developed below.

B. The premium for coverage shall be determined by applying the following to the limits of liability:

1. Building

Charge shall be determined by applying the following total rate to the limit of liability:

a. The applicable rates as shown on the State Rate Page (as determined by the insured's construction code).

b. The applicable rate in (a) will be modified by the applicable protection class factor shown on the State Rate Pages.

2. Blanket Practice Personal Property

a. Limits of Liability for this coverage shall be calculated as the sum of the values for:

i. Contents at the premises;

ii. Property Off Premises;

iii. Accounts Receivable and Valuable Papers including x-rays and charts, we will automatically provide $25,000 of coverage for these items.

b. Base rate shall be:

i. Specific annual Blanket Practice Personal Property rate (as shown on State Rate Page) based on the building's contruction code,

ii. Multiplied by the appropriate protection class factor.

3. Base rates for Building and/or Blanket Practice Personal Property contemplate a $250 fixed dollar deductible with no Windstorm or Hail cause of loss. Higher fixed dollar deductibles and percentage deductibles for Windstorm or Hail are available with the following credit factors:

| Fixed Dollar Deductible | Windstorm or Hail Deductible | | | |
|---|---|---|---|---|
| | None | 1% | 2% | 5% |
| 250 | 1.00 | 0.98 | 0.97 | 0.96 |
| 500 | 0.96 | 0.94 | 0.93 | 0.92 |
| 1,000 | 0.88 | 0.87 | 0.86 | 0.85 |
| 2,500 | 0.82 | 0.81 | 0.80 | 0.79 |
| 5,000 | 0.72 | 0.71 | 0.70 | 0.69 |
| 10,000 | 0.57 | 0.56 | 0.55 | 0.54 |

4. Inflation Protection Coverage

The insured must select to have the applicable limits of liability for Buildings increased automatically every quarter. In addition, the insured may elect to have the applicable limits of liability for Blanket Practice Personal Property increased automatically every quarter. Either coverage will be associated with an increase in accordance with the following table:

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| Quarterly Increase Percentage | % of Annual Building / Blanket Property Premium | Quarterly Increase Percentage | % of Annual Building / Blanket Property Premium |
|---|---|---|---|
| 0.30% | 0.45% | 2.5% | 3.75% |
| 0.40% | 0.60% | 3.0% | 4.50% |
| 0.50% | 0.75% | 3.5% | 5.25% |
| 1.00% | 1.50% | 4.0% | 6.00% |
| 1.50% | 2.25% | 4.5% | 6.75% |
| 2.00% | 3.00% | 5.0% | 7.50% |

The Quarterly percentage selected by the insured must apply to the selected subject(s) of insurance at all locations insured under the policy.

5. Time Element Coverages - Practice Income, Rents, Extra Expense

   a. Practice Income is provided on:

      i. A Value Daily Limit basis, beginning no sooner than 24 hours after the loss occurs for 32.5 days. Coverage may be increased by lengthing the number of days coverage applies (up to a maximum of 180 days). Coverage limit equals the daily income. Apply the Blanket Practice Personal Property rate to the total aggregate limit to calculate premium charge.

      ii. An Actual Loss Sustained basis, beginning no sooner than 24 hours after the loss occurs for a maximum of 12 months. Premium charge equals 11.5% of the final Blanket Practice Personal Property premium as calculated in Rule I.B.2.b. There is no charge for the Actual Loss Sustained if the amount of Daily Value Limit purchased is equal to the actual daily income as supported by financial documentation.

   b. Rents Coverage

      Charges will be determined by applying the following to the limit of liability:

      i. the applicable building rates; and

      ii. modified by a factor of .55.

   c. Extra Expense Coverage

      Extra Expense Coverage is provided on an Actual Loss Sustained Basis for a period of 12 months beginning no sooner than 24 hours after the loss occurs. This coverage is provided at no charge.

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C. Optional Coverages

1. Dishonesty Coverage

   a. Employee Dishonesty Insurance applicable to Blanket Practice Personal Property may be purchased in accordance with Limit options shown in the following Table. When such coverage is purchased, it shall include, at no additional premium, coverage for Welfare and Pension Plans for which coverage is required under ERISA in an amount of $15,000. This amount shall apply to coverage for Welfare and Pension Plans in addition to the purchased Employee Dishonesty Limit for Blanket Practice Personal Property.

   b. Employee Dishonesty Insurance will be charged on a "per policy" basis.

   c. Additional coverage beyond that provided in 1., above, for Welfare and Pension Plans, shall be charged by applying the rate shown to each additional $1,000 of coverage.

| Limits of Liability | | |
|---|---|---|
| Money / Securities | Pension / Welfare | Premium |
| $10,000 | $15,000 | $72.00 |
| 15,000 | 15,000 | 104.00 |
| 25,000 | 15,000 | 158.00 |
| 50,000 | 15,000 | 245.00 |
| 75,000 | 15,000 | 332.00 |
| 100,000 | 15,000 | 425.00 |
| Increased Limits – Pension / Welfare (per $1,000) | | $1.50 |

2. Increased Theft coverage for Precious Metals, beyond the $2,500 provided by the policy, may be purchased. The rate for such additional coverage shall be $0.60 per $100 of value.

3. Increased Values of Signs not attached to the Building may be purchased. Value of signs attached to the building shall be included in the valuation of the Building.

4. Ordinance or Law Coverage - The first $100,000 is provided at no charge. Additional limits may be purchased according to the following:

   a. Loss of value to Undamaged Portion of Building may be purchased. No separate limit of insurance is required. When this coverage is increased, an additional charge equal to 10% of the building premium will apply.

   b. Demolition Cost and Increased Cost of Construction may be purchased. When this coverage is increased, multiply the Building Base Rates by the limit of additional insurance, per $100.

5. Increased amounts of Dentist's Electronic Equipment coverage and Dentist's Electronic Equipment Extra Expense coverage may be purchased. The rate for such additional coverage shall be $0.50 per $100.00 of coverage, if the insureds meets specified underwriting criteria. Otherwise, the rate for such additional coverage shall be $0.75 per $100.00 of coverage.

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6. Dentist's Equipment Breakdown coverage may be purchased. The rates for such coverage are:

| Coverage Limit | Dental Equipment | Dental & HVAC Equipment |
|---|---|---|
| $100,000 or less | $186 | 247 |
| 200,000 | 302 | 430 |
| 300,000 | 357 | 584 |
| 400,000 | 428 | 592 |
| 500,000 | 460 | 675 |
| 600,000 | 474 | 756 |
| 700,000 | 511 | 805 |
| 800,000 | 552 | 832 |
| 900,000 | 585 | 858 |
| 1,000,000 | 610 | 880 |
| 1,250,000 | 713 | 975 |
| 1,500,000 | 795 | 1035 |
| 1,750,000 | 858 | 1,102 |
| 2,000,000 | 933 | 1,144 |
| 2,500,000 | 1,029 | 1,228 |
| 3,000,000 | 1,075 | 1,312 |
| 3,500,000 | 1,125 | 1,372 |
| 4,000,000 | 1,162 | 1,433 |
| 4,500,000 | 1,193 | 1,479 |
| 5,000,000 | 1,221 | 1,522 |

7. The PPP Gold endorsement is available at a rate of $100.

8 A flat premium of $25 will be charged each policy.

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## II. INDIVIDUAL RISK PREMIUM MODIFICATION PLAN - PROPERTY COVERAGE

This Plan shall be applied after the application of all other rating procedures.

A. Eligibility: This Plan may be applied to:

Blanket Practice Personal Property Coverages
Building Coverages

B. Limitations: This Plan may not be applied to:

Employee Dishonesty Coverage
Welfare and Pension Plan Coverage
Base Loading
PPP Gold Endorsement
Flat Premium
Equipment Breakdown Coverage

C. Rating Procedure

The following modifications may be applied to recognize such special characteristics of the risk as are not fully reflected in the basic premium or rates. These modifications contemplate the standard allowance for expenses. If the expenses are less than standard, such modification, if a credit, shall be increased, or if a debit, shall be decreased by the amount of reduction in expenses. The total credits or debits under the following Table may not exceed 25%:

| RANGE OF RISK CHARACTERISTICS | MODIFICATIONS | | |
|---|---|---|---|
| | Credits | | Debits |
| 1. LOCATION | | | |
| Accessibility, congestion and exposures | 10% | to | 10% |
| 2. BUILDING FEATURES | | | |
| Age, condition, and unusual structural features | 10% | to | 10% |
| 3. PREMISES AND EQUIPMENT | | | |
| Care, condition, and type | 10% | to | 10% |
| 4. PROTECTION | | | |
| Not otherwise recognized | 10% | to | 10% |

## III. PACKAGING OF COVERAGES

If Property coverage is purchased in conjunction with Professional Liability coverage, a package discount factor shall be applied to a number of the Property rates. The package discount factor is stated on the respective State Rate Page and will be applied to the following coverages:

Blanket Practice Personal Property
Building
Practice Income
Rents
Dentists Equipment Breakdown
Additional Building Coverage
Increased Limits for Pension/Welfare

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The following coverages are excluded from application of the package discount factor:

Increased Limits on Fine Arts
Loss Assessment
Builders Risk
PPP Gold Endorsement
Flat Premium

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## BOARD EXAM COVERAGE

A. It is permissible to provide restricted coverage for individuals who sit for Board Exams, but are not students (e.g., military personnel, dental graduates, or other dentists without professional liability coverage that are required to take a state board exam).

B. Coverage provided to eligible insureds shall:

1. be limited to Dental Professional Liability only;
2. be provided on an occurrence basis;
3. apply only for the length of time for which the person is eligible;
4. have maximum limits of liability in the amounts of :

| | |
|---|---|
| $1,000,000 | each claim |
| $3,000,000 | aggregate |

C. Policies will be issued on an annual basis.

D. Class Description

| Class | Description | Code No. |
|---|---|---|
| VIII. | Any individual not currently enrolled in an accredited institution, but while a candidate for certification and/or licensure as a dentist. | 80221 |

E. Premium

| Class | Premium |
|---|---|
| VIII. | $75.00 |

Premium is fully earned at inception.

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## I. APPLICATION OF MANUAL

This manual provides rules and premium, applicable to Dental Students.

## II. POLICY TERM

A. The policy term shall be continuous until canceled.

B. Individual Student Certificates will be written for a term of one year, and, automatically extended at no charge during the expected graduation year for up to a maximum of 6 months from the date of graduation in the event that certification or license is not immediately obtained.

## III. PREMIUM COMPUTATION

Compute the premium at policy inception and subsequently as the sum of the premiums represented by the number of Certificates being issued, using the rules, rates and rating plans in effect at the time.

## IV. CANCELLATION

Premium for individual Certificates is considered as fully earned and no return premium shall be granted.

## V. COVERAGE

A. Coverage under the Certificate shall be as described in the Policy, with the issuance of summarized Certificates to the Insured Dental Student.

B. Coverage under this program is Professional Liability on a Claims-Made basis.

## VI. PRIOR ACTS COVERAGE

Prior Acts Coverage shall not be provided under this program.

## VII. EXTENDED CLAIM REPORTING PERIOD COVERAGE

The extended claim reporting period under this program shall be unlimited and shall be provided at no additional charge. The aggregate limit shall be separate from and equal to the aggregate limit provided by the Certificate.

## VIII. LIMITS OF LIABILITY

Limits of Liability for this program shall be as follows:

| | |
|---|---|
| Each Certificate | $1,000,000,000 Each Claim |
| | $3,000,000,000 Aggregate |

## IX. CERTIFICATE PREMIUM

| Class | Premium |
|---|---|
| Dental Student | $30.00 |

## X. CLASS DESCRIPTION

| | Code No. |
|---|---|
| Any undergraduate student who is in the process of completing their training in dentistry while enrolled in an accredited institution. | 80225 |

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## I. Amended Rules - General

A. Rule XIII is added:

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;

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

## II. Amended Rules - General Liability (GL)

Reserved for future use.

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## IV. Amended Rules – Professional Liability (PL)

A. Rule V, SUPPLEMENTAL MODIFICATIONS-PROFESSIONAL LIABILITY, C., Experience Rating, is deleted and replaced by the following:

C. Experience Rating

Experience period: 5 years preceding the forthcoming policy year.

Application of Experience debit:

| | Debit |
|---|---|
| No claims during the experience period: | 0% |
| One claim during the experience period: | |
| that occurred in the 5th previous year: | 5% |
| that occurred in the 4th previous year: | 10% |
| that occurred in the 3rd previous year: | 15% |
| that occurred in the 2nd previous year: | 20% |
| that occurred in the 1st previous year: | 25% |
| More than one claim during the experience period: | Refer to Company |

A claim is defined as paid indemnity or indemnity reserve in excess of $2,000.

Such debits developed in accordance with the above shall apply on a one year basis and will be subject to annual review.

B. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.9., is amended to read as follows:

The factors in the following Table shall be applied to the annual premium in effect at the expiration of the most recent claims-made policy period.

C. Rule X., LOCATION OF PRACTICE is amended to delete the following sentence:

We will charge the higher rate if there is multi-state exposure.

D. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.1., is deleted and replaced as follows:

The limits of liability stated under this policy at the time of termination, death, disability, or retirement will be the limits of liability applying to the extended reporting period.

E. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.4., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage.

F. Rule VIII., EXTENDED REPORTING PERIOD COVERAGE, A.5., applies to Employment Practices Liability Defense Only and Indemnity & Defense coverage. The number of consecutive years of insurance with CNA is based on the number of consecutive years of Professional Liability insurance with CNA.

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## V. Territorial Definitions – Professional Liability (PL)

Territory I: Cook County
Territory II: Dupage, Kane, Lake and Will Counties
Territory III: Remainder of State

## VI. Rates – Professional Liability (PL)

A. Professional Liability

**Occurrence Rates at $1M/$1M Limits**

| Class | Terr I | Terr II | Terr III |
|---|---|---|---|
| I | $4,045 | $2,973 | $2,825 |
| III | 22,059 | 16,214 | 15,411 |
| IV | 200 | 200 | 200 |
| IX | 14,156 | 10,405 | 9,889 |
| X | 28,311 | 20,809 | 19,778 |

B. Employment Practices Liability – Defense Only

The annual charge for this coverage will be $60 per each named insured having separate $25,000 limits of liability.

Corporations will share the $25,000 limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the $60 charge.

Note: The required coverage and associated charge are waived when the insured purchases the EPL Indemnity & Defense Coverage as the rates below already contemplate the $60 defense charge.

Employment Practices Liability – Indemnity & Defense

The annual charge for this coverage is per each named insured having separate limits of liability. The following table is used to calculate the rate:

| Combined Indemnity & Defense Limit of Liability | Flat Rate for First 10 Employees |
|---|---|
| $ 25,000 | $ 235 |
| $ 50,000 | $ 270 |
| $ 75,000 | $ 305 |
| $100,000 | $ 355 |
| $250,000 | $ 494 |
| $500,000 | $ 586 |
| $750,000 | $ 622 |
| $1,000,000 | $ 657 |

$20 per employee over the first 10 employees.

Corporations will share the limits of liability with the named insured, unless specifically requesting separate limits. Separate limits will be subject to the rates listed in the table above.

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C. Extended Reporting Period Coverage for Employment Practices Liability

Defense Only Coverage and Indemnity & Defense Coverage

A factor of 0.75 will be applied to the EPL rate.

Defense Only Coverage when converting to an Indemnity & Defense Coverage

No charge.

## VII. Amended Rules - Property

A. Illinois Public Act 84-1032 requires a Mine Subsidence Insurance Program for coverage on structures for loss caused by mine subsidence.

"Structure" means a dwelling, building or fixture permanently affixed to real property.

1. Eligibility

a. Coverage must be provided, unless waived in writing, for direct loss to structures located in the following counties:

| | | | |
|---|---|---|---|
| Bond | Jackson | Marshall | St. Clair |
| Bureau | Jefferson | Menard | Saline |
| Christian | Knox | Mercer | Sangamon |
| Clinton | LaSalle | Montgomery | Tazewell |
| Douglas | Logan | Peoria | Vermilion |
| Franklin | McDonough | Perr | Washington |
| Fulton | Macoupin | Putnam | Williamson |
| Gallatin | Madison | Randolph | |
| Grundy | Marion | Rock Island | |

b. Coverage must be provided in other counties if requested.

2. Ineligibility

The following are not eligible:

a. Blanket Practice Personal Property Coverage, except to the extent that improvements and betterments would be considered structures;

b. Coverage for Time element loss;

c. Limits of Liability in excess of $350,000, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

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3. Premiums

a. Premium for Mine Subsidence shall be shown separately.

b. Annual premiums per structure are as follows:

| Coverage Limit | Frame | Other than Frame* |
|---|---|---|
| $10,000 or less | $20.00 | $26.00 |
| 10,001 to 20,000 | 23.00 | 30.00 |
| 20,001 to 30,000 | 26.00 | 33.00 |
| 30,001 to 40,000 | 30.00 | 36.00 |
| 40,001 to 50,000 | 33.00 | 40.00 |
| 50,001 to 60,000 | 36.00 | 43.00 |
| 60,001 to 70,000 | 40.00 | 46.00 |
| 70,001 to 80,000 | 43.00 | 50.00 |
| 80,001 to 90,000 | 46.00 | 53.00 |
| 90,001 to 100,000 | 50.00 | 56.00 |
| 100,001 to 110,000 | 53.00 | 59.00 |
| 110,001 to 120,000 | 56.00 | 63.00 |
| 120,001 to 130,000 | 59.00 | 66.00 |
| 130,001 to 140,000 | 63.00 | 69.00 |
| 140,001 to 150,000 | 66.00 | 73.00 |
| 150,001 to 160,000 | 69.00 | 76.00 |
| 160,001 to 170,000 | 73.00 | 79.00 |
| 170,001 to 180,000 | 76.00 | 83.00 |
| 180,001 to 190,000 | 79.00 | 86.00 |
| 190,001 to 200,000 | 83.00 | 89.00 |
| 200,001 to 210,000 | 86.00 | 92.00 |
| 210,001 to 220,000 | 89.00 | 96.00 |
| 220,001 to 230,000 | 92.00 | 99.00 |
| 230,001 to 240,000 | 96.00 | 102.00 |
| 240,001 to 250,000 | 99.00 | 106.00 |
| 250,001 to 260,000 | 102.00 | 109.00 |
| 260,001 to 270,000 | 106.00 | 112.00 |
| 270,001 to 280,000 | 109.00 | 116.00 |
| 280,001 to 290,000 | 112.00 | 119.00 |
| 290,001 to 300,000 | 116.00 | 122.00 |
| 300,001 to 310,000 | 119.00 | 125.00 |
| 310,001 to 320,000 | 122.00 | 129.00 |
| 320,001 to 330,000 | 125.00 | 132.00 |
| 330,001 to 340,000 | 129.00 | 135.00 |
| 340,001 to 350,000 | 132.00 | 139.00 |

c. The deductible for other property perils in the policy is the applicable deductible for mine subsidence coverage.

* Any structure other than frame, this includes brick, brick veneer, steel frame, and any fire resistive construction, etc.

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DENTAL PROFESSIONAL PROGRAM

CONTINENTAL CASUALTY COMPANY

B. Rule II., INDIVIDUAL RISK PREMIUM MODIFICATION PLAN, C., Rating Procedure, is amended as follows:

The total credits or debits under the following table may not exceed 40%:

C. Additional Rule:

For "Flood" Coverage Endorsement [Form G-145161-A] we will be using the flood rates that are currently filed and approved for use under Division 5.

For Earthquake [Form G-145160-A] we will be using the ISO earthquake rates currently approved for use.

## VIII. Territorial Definitions – Property

| | |
|---|---|
| Territory I: | 606XX (Chicago) |
| Territory II: | 607XX (Chicago - South Suburban) |
| Territory III: | 600XX - 604XX (Chicago North and West Suburban) |
| Territory IV: | 620XX and 622XX (East St. Louis) |
| Territory V: | 614XX, 618XX, 619XX, 623XX - 627XX (Central Illinois) |
| Territory VI: | Remainder of State |

## IX. Rates - Property

A. Blanket Practice Personal Property:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.419 | 0.374 | 0.396 | 0.374 | 0.351 | 0.396 |
| Joisted Masonry (2) | 0.351 | 0.309 | 0.330 | 0.309 | 0.296 | 0.330 |
| Non-Comb (3) or Masonry Non-Comb (4) | 0.210 | 0.186 | 0.198 | 0.186 | 0.176 | 0.198 |
| Mod Fire Res (5) or Fire Res (6) | 0.210 | 0.186 | 0.198 | 0.186 | 0.176 | 0.198 |

B. Building:

| Construction (Code) | TER I | TER II | TER III | TER IV | TER V | TER VI |
|---|---|---|---|---|---|---|
| Frame (1) | 0.165 | 0.149 | 0.157 | 0.149 | 0.140 | 0.157 |
| Joisted Masonry (2) | 0.140 | 0.124 | 0.132 | 0.124 | 0.116 | 0.132 |
| Non-Comb (3) or Masonry Non-Comb (4) | 0.083 | 0.075 | 0.083 | 0.075 | 0.066 | 0.083 |
| Mod Fire Res (5) or Fire Res (6) | 0.083 | 0.075 | 0.083 | 0.075 | 0.066 | 0.083 |

Note: For statistical reporting purposes, the protection class code must be included in the application.

## ADDITIONAL PROVISIONS & EXCEPTIONS

### Renewal Credit
### CNA HealthPro - Long Term Care

American Casualty Company of Reading, PA.
Continental Casualty Company
National Fire Insurance Company of Hartford
Transcontinental Insurance Company
Transportation Insurance Company
Valley Forge Insurance Company

**The following Additional Rules apply to HealthPro - Long Term Care for Property and Liability only:**

**Section A - General:**

Renewal Policies that have been in effect for a minimum of 4 consecutive years or longer may be eligible for a renewal credit based upon the incurred loss ratio and following criteria:

a) if the 3 year experience period incurred loss ratio is less than 10%, a credit of 10% will apply.

b) if the 3 year experience period incurred loss ratio is more than 10% but less than 20%, a 7% credit will apply.

c) if the 3 year experience incurred loss ratio is more than 20% but less than 25%, a 5% credit will apply.

CNA

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**Coverage Rules**
**Illinois**

# COMPANY EXCEPTION PAGE
# COMMERCIAL LINES MANUAL
# DIVISION SEVEN - PROFESSIONAL LIABILITY

American Casualty Company of Reading, PA
Continental Casualty Company
National Fire Insurance Company of Hartford
Transcontinental Insurance Company
Transportation Insurance Company
Valley Forge Insurance Company

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The Company Pages for Commercial Lines Manual Division Seven – Professional Liability are amended as follows:

**Section C – General/Professional Liability**

Resident Health Care Facility Professional Liability Coverage Part (SAC 00526)

The rates for this coverage are as follows:

| Terr. | Sub Acute Care | | Skilled Care | | Intermediate Care | | Assisted Living | | Personal Care | | Independent Living | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 80909 | 80928 | 80908 | 80929 | 80907 | 80914 | 80920 | 80932 | 80906 | 80915 | 80905 | 80930 |
| 1 | 425 | 383 | 387 | 348 | 251 | 226 | 251 | 226 | 97 | 87 | 97 | 87 |
| 4 | 419 | 377 | 381 | 343 | 247 | 223 | 247 | 223 | 95 | 86 | 95 | 86 |
| 6 | 423 | 381 | 384 | 346 | 250 | 225 | 250 | 225 | 96 | 86 | 96 | 86 |
| 7 | 425 | 382 | 386 | 348 | 251 | 226 | 251 | 226 | 97 | 87 | 97 | 87 |
| 8 | 384 | 345 | 349 | 314 | 227 | 204 | 227 | 204 | 87 | 78 | 87 | 78 |
| 9 | 424 | 381 | 385 | 347 | 250 | 225 | 250 | 225 | 96 | 87 | 96 | 87 |
| 14 | 381 | 343 | 347 | 312 | 225 | 203 | 225 | 203 | 87 | 78 | 87 | 78 |

Additional Premises Liability Charges - All Territories

| | Class Code | Premium Base | Rate |
|---|---|---|---|
| Swimming Pools | 80901 | Per Pool | $475 |
| Saunas/Hot Tubs | 80902 | Per Item | 40 |
| Tennis/Racquetball/Handball Courts | 80903 | Per Court | 110 |
| Exercise/Weight Rooms | 80904 | Per Room | 100 |
| Indoor Parking | 80910 | Per Space | 290 |
| Community Center | 80922 | Square Foot | 32 |

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## CNA HEALTHPRO - LONG TERM CARE

## RULES & RATES

3. **PREMIUM**

To determine the premiums for SAC 00526A, refer to the Company's State Exception Page in this manual.

The basic limits rates contemplate limits of $100,000 per occurrence and $300,000 aggregate. The aggregate only applies to the General Liability/Professional Liability Coverage. Use the Increased Limits table below to increase these limits.

| Increased Limits | Factors |
|---|---|
| 25/75 | 0.72 |
| 100/100 | 0.97 |
| 100/300 | 1.00 |
| 250/500 | 1.22 |
| 300/300 | 1.20 |
| 300/500 | 1.27 |
| 500/500 | 1.37 |
| 500/1000 | 1.46 |
| 1000/1000 | 1.63 |
| 1000/2000 | 1.72 |
| 1000/3000 | 1.74 |

**Note:**

**1.**Rehabilitation facilities operated in conjunction with any class should be separately classified and rated for professional liability at a rate per: 100 out-patient visit is equal to 10% of the "Skilled Facility" rate.

**2.**Combination facilities: Classify & rate the facility that best reflects the risk's operations. If there are separate floors or wings or building providing a different level of medical service, classify according to the class description.

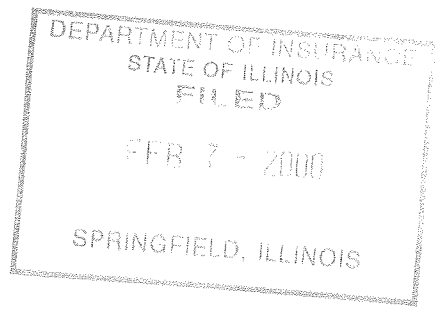
**3.**Unusual or unique activities (ie. fund raising events) should be separately classified and rated.

The minimum premium shall be the annual premium for ten beds.

**A)** Increased Limits for Data Restoration Expense

The additional annual premium charges for Data Restoration Expense:

| Limit | Premium |
|---|---|
| $10,000 | $14.00 |
| $20,000 | $ 28.00 |
| $30,000 | $ 42.00 |
| $40,000 | $ 56.00 |
| $50,000 | $ 70.00 |
| $75,000 | $105.00 |



**B)** Increased Limits for Valuable Papers and/or Accounts Receivable Coverages

The additional annual premium charges for Valuable Papers and/or Accounts Receivable:

| Limit | Valuable Papers Premium | Accounts Receivable Premium |
|---|---|---|
| $10,000 | $ 18.00 | $ 3.00 |
| $15,000 | $ 27.00 | $ 4.00 |
| $25,000 | $ 45.00 | $ 7.00 |
| $40,000 | $ 71.00 | $ 12.00 |
| $50,000 | $ 89.00 | $ 15.00 |
| $75,000 | $134.00 | $ 22.00 |

**C)** Increased Limits for Form C - Theft, Disappearance & Destruction and/or Form D - Robbery and Safe Burglary Coverages

The additional annual premium charges for Form C - Theft, Disappearance & Destruction and Form D - Robbery & Safe Burglary Other than Money & Securities:

| Limit | Form C Premium | Form D Premium |
|---|---|---|
| $ 5,000 | $ 46.00 | $ 64.00 |
| $10,000 | $ 91.00 | $129.00 |
| $15,000 | $137.00 | $193.00 |
| $20,000 | $183.00 | $258.00 |
| $25,000 | $229.00 | $323.00 |
| $30,000 | $274.00 | $386.00 |
| $40,000 | $366.00 | $515.00 |
| $50,000 | $457.00 | $644.00 |

**D)** Sprinkler Leakage - Limited Earth Movement Extension

The additional annual premium charges for Sprinkler Leakage - Limited Earth Movement Extension:

| Limit | Premium |
|---|---|
| $100,000 | $ 53.00 |
| $250,000 | $133.00 |
| $500,000 | $265.00 |
| $750,000 | $398.00 |
| $1,000,000 | $530.00 |

**E)** Fire Damage Legal Liability

The additional annual premium charges for Fire Damage limits excess of automatic $50,000:

| Limit | Premium |
|---|---|
| $50,000 | $13.00 |
| $100,000 | $ 25.00 |
| $150,000 | $ 38.00 |
| $200,000 | $ 50.00 |
| $350,000 | $ 63.00 |
| $450,000 | $113.00 |
| $550,000 | $138.00 |

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## CNA HEALTHPRO - LONG TERM CARE

## RULES & RATES

### SECTION A

### GENERAL

The CNA Long Term Care Program was developed with the framework by extending certain additional coverage parts in addition to standard forms for eligible risks.

### 1.ELIGIBILITY

**a.** The following classes are eligible for the application of the rules and rates contained on these additional rule pages:

| CLASS CODE | FACILITY CLASSIFICATION | PRIMARY MEDICAL SERVICES PERFORMED |
|---|---|---|
| 80909<br>80928 | Sub-Acute; FP<br>Sub-Acute; NFP | -Ventilator Care<br>-Wound Management<br>-Post Operative/Trauma Recovery<br>-Intravenous/Antibiotic/Hydration Therapy<br>-Spinal Cord/Head Injury Management<br>-Oncology<br>-Total Parenternal Nutrition (TPN)<br>-Blood/ Plasma Transfusion<br>-Central Line Care<br>-Tracheostomy<br>-Dialysis |
| 80908<br>80929 | Skilled Nursing; FP<br>Skilled Nursing; NFP | -Administering of Medications by Injection<br>-Catheter Insertion and Sterile Irrigation<br>-Physical/Occupational Therapy<br>-Administration of Oxygen and InhalationTherapy<br>-Routine Changing of Dressings<br>-Tube Feeding |
| 80907<br>80914 | Intermediate Care; FP<br>Intermediate Care; NFP | -Administration of Oral Medications<br>-Assistance with ADL's(Activities of Daily Living, Bathing, Dressing, Walking, Eating)<br>-Preventative Turning/Positioning<br>-Restorative Rehabilitation |
| 80920<br>80932 | Assisted Living; FP<br>Assisted Living; NFP | -Combination of Housing<br>-Personalized Supportive Services<br>-Health Care Services designed for Individual needs for those requiring with ADL's (Activities of Daily Living, Bathing, Dressing, Walking, Eating) but not Skilled Medical Care |

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| CLASS CODE | FACILITY CLASSIFICATION | PRIMARY MEDICAL SERVICES PERFORMED |
|---|---|---|
| 80906<br>80915 | Personal Care; FP<br>Personal Care; NFP | -Security<br>-Nutritional Meals<br>-Transportation<br>-Recreation<br>-Self-Administration/Assistance with<br>-Medications<br>-Guidance with ADL's (Activities of Daily Living, Bathing, Dressing, Walking, Eating) |
| 80905<br>80930 | Independent Living; FP<br>Independent Living; NFP | -Residents are of retirement age<br>-Occupy apartment/dwelling units that normally include cooking facilities<br>-Do not receive health care services<br>-Administer their own medications without assistance<br>-Full Time Caretaker 24 hours per day |

**SECTION B**

**COMMERCIAL PROPERTY/INLAND MARINE/CRIME**

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1. Commercial Property
Section VIII - Rating Plans

Rule 81. Deductible Insurance Plan

Refer to Company's State Exception Pages in this manual.

2. The following Long Term Care Program Forms are available:

Health and Personal Care Facilities - Building and Personal Property Coverage Form SCP 00504(5/92)

Commercial Property Coverage Part Declarations - Health & Personal Care Facilities SDEC 190(5/92)

Commercial Inland Marine Coverage Part Declarations - Health & Personal Care Facilities - Accounts Receivable SDEC 191(5/92)

Commercial Inland Marine Coverage Part Declarations - Health & Personal Care Facilities - Valuable Papers SDEC 192(5/92)

Mobile Medical Equipment Coverage Form SCM 00532(6/92)

Mobile Medical Equipment Coverage Form Declarations SDEC 195(6/92)

Health and Personal Care - Coverage Limitation Endorsement SCP 04558(5/92)

Health and Personal Care Facilities - Coinsurance and Automatic Adjustment of Covered Property Limit Endorsement SCP 04559(5/92)

Health and Personal Care Facilities - Ordinance or Law - Increased Period of Restoration SCP 15503 (5/92)

Commercial Crime Coverage Part Declaration - Health and Personal Care Facilities SDEC 193(5/92)

Sprinkler Leakage - Limited Earth Movement Extension G120168-A (2/89)

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3. Forms Description and Premiums

a. Health and Personal Care Facilities - Building and Personal Property Coverage Form (SCP00504)
Commercial Property Coverage Part Declarations - Health & Personal Care Facilities (SDEC 190)

This Coverage Form and Declarations are designed to provide broad, flexible property coverage for hospitals, clinics, and other health and personal care facilities. The coverage provided approximates the insurance provided under the Building and Personal Property Coverage Form (CP 0010) and the Causes of Loss - Special Form (CP 1030), with the additional features listed below. Do **not** attach a Causes of Loss Form to the Health and Personal Care Facilities - Building and Personal Property Coverage Form. Commercial Property Conditions (SCP 0090A - 2/89) and any mandatory state endorsements applicable to the Commercial Property Part must continue to be attached.

Features of the Health and Personal Care Facilities Building and Personal Property Coverage Form

(1) Real property and business personal property, including property of others (other than property of patients or residents), is automatically covered subject to a single Covered Property Limit of Insurance, unless otherwise indicated in the Declarations.

(2) Coverage is automatically provided on an "all risks" basis, including coverage for loss caused by the breakdown of:

a) Boilers, fired and unfired pressure vessels, or piping and its accessory equipment;
b) Refrigeration or air conditioning systems; and
c) Mechanical or electrical machines or appartus used for the generation, transmission or utilization of mechanical or electrical power.

By indication in the Declarations, this coverage may be deleted or limited to only the described in "a" above.

(3) Under the Preservation of Property Additional Coverage, the 10 day coverage period limitation is deleted.

(4) Coverage for loss of business income and extra expense due to a covered loss at any described premises, including the premises of dependent properties, described in the Declarations, is automatically provided subject to the Covered Property Limit of Insurance, unless a separate limit is shown in the Declarations. This coverage applies for up to 60 days after the date when the property should be repaired or replaced, or up to the date when business operations are restored to normal, whichever occurs first.

Coverage is also provided for loss of business income and extra expense due to a civil authority action prohibiting access to the described premises. This coverage applies for 30 days from the date of the civil authority action.

(5) Coverage is added for loss caused by surface water, water that backs up from a sewer or drain, or water under the ground that flows or seeps through basements, walls, floors, foundations, doors, windows, or other openings. A $25,000 limit applies to this additional coverage unless a higher limit is shown in the Declarations. This is not additional insurance.

(6) Coverage is added for loss to perishable business personal property caused by spoilage which results from:
(a) Complete or partial interruption of electrical power to the described premises; or
(b) Mechanical breakdown of the heating, cooling, or humidity control equipment at the described premises.

This limit on this additional coverage is $25,000 unless a higher limit is shown in the Declarations. This additional coverage is not additional insurance. A $1,000 deductible applies to this coverage.

(7) Under the Newly Acquired Property Coverage Extension:
(a) The coverage for newly acquired or constructed buildings is extended to include buildings being constructed at any newly acquired location, and additions and alterations being made to existing covered buildings.
(b) Coverage is provided for loss of business income and extra expense incurred due to loss to property at a newly acquired location, subject to a $25,000 limit; and
(c) The period of time this extension applies is increased to 180 days.

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(8) The per premises limit that applies to the Personal Effects Coverage Extension is increased to $25,000 per occurrence/$5,000 per person. A $250 deductible applies to this extension.

(9) Coverage for loss to property of patients and residents at the described premises, at temporary locations, at newly acquired locations or in transit is provided up to $25,000 per occurrence/$5,000 per person, unless higher limits are shown in the Declarations. Coverage for loss of money and securities of patients and residents while in buildings at the described premises is provided up to $5,000 per occurrence/$500 per person. A $250 deductible applies to this extension.

(10) Coverage is provided for the cost to research, replace or restore data on lost or damaged media in the data processing operations, subject to a limit of $25,000 per occurrence unless a higher limit is shown in the Declarations

(11) The limit that applies to property at a temporary location is increased to 20% of the Covered Property Limit of Insurance or $500,000, whichever is less.

(12) Property in transit is covered for loss caused by any Covered Cause of Loss (not just named perils), subject to a $25,000 limit unless a higher limit is shown in the Declarations. Coverage is also provided for loss of business income and extra expense incurred due to a covered loss to property in transit, subject to a $25,000 limit unless a higher limit is shown in the Declarations.

(13) Coverage for emergency vacating expenses is provided subject to a $50,000 limit and a $250 deductible.

(14) Coverage is provided for loss of business income and extra expense incurred due to loss to property at the premises of an undesignated dependent property. The limit on this coverage is $10,000.

(15) Extended perils coverage on Fine Arts is provided subject to a $25,000 limit.

(16) When Equipment Breakdown is a Covered Cause of Loss, Equipment Breakdown is added to the list of perils for which resulting loss by pollutants is covered.

(17) The following exclusions are deleted:

(a) Loss to the interior of a building caused by rain, snow, sleet, ice, sand and dust unless the building is first damaged by a covered cause, or the loss results the thawing of ice or snow on the building.

(b) Loss to gutters and downspouts caused by the weight of snow, ice or sleet.

(c) Loss of building materials and supplies caused by theft.

(18) Building glass is covered on an "all risk" basis, without sublimit.

(19) The Theft limitation on jewelry, watches, furs, precious and semi-precious stones and precious alloys and metals is increased to $25,000 per occurrence/$5,000 per article.

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(20) Coverage is automatically provided on a replacement cost basis.

(21) No coinsurance provision applies.

The premium for this form is developed in accordance with rule 4. PREMIUM for the Health and Personal Care Facilities - Building and Personal Property Coverage Form.

b. Commercial Inland Marine Coverage Part Declarations - Health and Personal Care Facilities - Accounts Receivable (SDEC 191) and Valuable Papers (SDEC 192)

Coverage for loss of accounts receivable and coverage for the cost to research, replace or restore lost data on lost or damaged valuable papers and records, other than those which exist on media used in data processing operations, are each provided using the Accounts Receivable and Valuable Papers and records Commercial Inland Marine Coverage Forms and these Declarations. A $25,000 limit applies to each of these coverages unless higher limits are indicated in these Declarations. These forms must be attached to all policies unless the Health and Personal Care Facilities - Coverage Limitation Endorsement (SCP 04558) applies.

The premium for these coverages at the automatic $25,000 limits is included in the premium for the Health and Personal Care Facilities - Building and Personal Property Coverage Form

c. Health and Personal Care Facilities - Coverage Limitation Endorsement (SCP 04558)

This optional endorsement reduces the limits on several coverages under the Health and Personal Care Facilities - Building and Personal Property Coverage Form (SCP 00504), as follows:

| COVERAGE | REDUCED LIMIT of INSURANCE |
|---|---|
| Limited Water Damage Additional Coverage | $10,000 |
| Spoilage Additional Coverage | $10,000 |
| Data Restoration Expense Coverage Extension | $15,000 |
| Property Off Premises Coverage Extension | the lesser of 20% of the Covered Property Limit or $50,000 |
| Property In Transit Coverage Extension: | |
| Direct Damage | $10,000 |
| Business Income and Extra Expense | $10,000 |
| Emergency Vacating Expense Coverage | $25,000 |
| Theft of Jewelry, Watches, Jewels, Pearls, Precious and Semi-Precious Stones, Precious Alloys, etc | $5,000 per occurrence/ $2,500 per person |

In addition, Accounts Receivable and Valuable Papers and Records Coverages are each provided subject to a $15,000 limit. **Note**: Do not attach the Accounts Receivable and Valuable Papers and Records Commercial Inland Marine Coverage Forms and Declarations (SDEC 191 and SDEC 192) when this option is elected.

When this optional endorsement applies, the premium for the Health and Personal Care Facilities - Building and Personal Property Coverage Form is developed in accordance with rule 4. PREMIUM Development for the Health and Personal Care Facilities - Building and Personal Property Coverage Form.

d. Health and Personal Care Facilities - Coinsurance and Automatic Adjustment of Covered Property Limit Endorsement (SCP 04559)

This optional endorsement:

(1) Converts the insurance provided under the Health and Personal Care Facilities - Building and Personal Property Coverage Form (SCP 00504) to a coinsurance basis; and

(2) Provides an automatic annual increase in the Covered Property Limit equal to 8% of the value of Covered Property contemplated in the Covered Property Limit.

When this endorsement applies, premiums for the Health and Personal Care Facilities - Building and Personal Property Coverage Form are developed using the applicable coinsurance rates in effect for the Company.

e) Health and Personal Care Facilities Ordinance or Law Increased period of Restoration (SCP 15503) This optional endorsement extends the insurance provided for loss of income and extra expense to apply to loss incurred during increased period of time operations are suspended due to an ordinance or law that regulates the construction or repair, or requires the tearing down of any property. This endorsement is to be used instead of CP 1531, but the rates and rules in effect for the Company for form CP 1531 continue to apply for this optional coverage.

f) Commercial Crime Coverage Part Declarations - Health and Personal Care Facilities (SDEC 193)

These Declarations and the following Coverage Forms under the Commercial Crime Coverage Part must be automatically attached when the Health and Personal Care Facilities - Building and Personal Property Coverage Form is written for eligible risks:

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(1) Theft, Disappearance and Destruction Coverage Form C; and

(2) Robbery and Safe Burglary Coverage Form D

These coverages are each provided subject to a $3,000 limit. The premium for these coverages is contemplated in the premium developed for eligible Resident Health Care Facility risks written under the Health and Personal Care Facilities - Building and Personal Property Coverage Form.

**4. PREMIUM**

**a**. Premiums for the Health and Personal Care Facilities - Building and Personal Property Coverage Form will be developed as follows:

(1) Premiums for direct damage, business income and extra expense coverages will be developed in accordance with the rates, rating plans and rating modifications in effect for the Company.

(2) An additional premium charge must be added for the Equipment Breakdown Coverage, unless the Equipment Breakdown Cause of Loss is deleted. This additional premium charge shall be developed in accordance with rule 4.b. below.

(3) Finally, an additional premium must be added to reflect the additional coverages provided, as follows:

(a) When the Health and Personal Care Facilities - Coverage Limitation Endorsement (SCP 04558) applies, the additional annual premium charge is $200 per location.

(b) Otherwise, the additional annual premium charge is $500 per location.

These additional premiums are not subject to modification af any type, except:

(a) To add a charge for any Increased Limit of Insurance Options developed under rule 4.c.; or

(b) To apply a multiple location credit for three or more locations in accordance with rule 4.d.

**b.** Equipment Breakdown Coverage Additional Premium Charge

(1) The additional premium charge for Equipment Breakdown Coverage is developed as follows:

(a) For each location, select the applicable premium shown in the $1,000 Deductible Equipment Breakdown Premium Table in provision (2) below, for the 100% replacement cost value of the buildings at that location.

(b) Deductibles other than $1,000 are available, subject to the following minimum deductibles:

| 100% Replacement Cost Cost Value of Buildings at Location | Minimum Deductible | |
|---|---|---|
| | Eqpmn't Breakdown | Limited Eqpmn't Breakdown |
| $20,000,000 or less | $500 | $250 |
| $20,000,001 to $30,000,000 | $1,000 | $500 |
| $30,000,001 to $60,000,000 | $2,500 | $1,000 |
| $60,000,000 to $100,000,000 | $5,000 | $2,500 |

(c) If a deductible other than $1,000 applies, multiply the premium determined in (a) above by the applicable factor shown below:

| Deductible Amount | Factor | Deductible Amount | Factor |
|---|---|---|---|
| $250 | 1.064 | $10,000 | .85 |
| $500 | 1.032 | $25,000 | .81 |
| $2,500 | .96 | $50,000 | .78 |
| $5,000 | .90 | $75,000 | .75 |

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This amount is the Equipment Breakdown Coverage additional premium charge for the location, and is not subject to further modification of any type.

(2) $1,000 Deductible Equipment Breakdown Premium Table

| 100% Building RC Value @ Location ** | Equipment Brkdw'n With Boilers | Equipment Brkdw'n Without Boilers | Limited Equipment Breakdown Coverage |
|---|---|---|---|
| Up to $ 100,000 | $ 500* | $ 500* | $ 300* |
| $ 200,000 | $ 513 | $ 500* | $ 300* |
| $ 300,000 | $ 525 | $ 500* | $ 300* |
| $ 400,000 | $ 589 | $ 500* | $ 300* |
| $ 500,000 | $ 644 | $ 500* | $ 300* |
| $ 600,000 | $ 688 | $ 502 | $ 300* |
| $ 700,000 | $ 731 | $ 516 | $ 300* |
| $ 800,000 | $ 775 | $ 533 | $ 300* |
| $ 900,000 | $ 818 | $ 577 | $ 310 |
| $ 1,000,000 | $ 860 | $ 620 | $ 322 |
| $ 1,250,000 | $ 945 | $ 710 | $ 343 |
| $ 1,500,000 | $1,017 | $ 792 | $ 362 |
| $ 1,750,000 | $1,074 | $ 863 | $ 376 |
| $ 2,000,000 | $1,129 | $ 924 | $ 390 |
| $ 2,500,000 | $1,211 | $1,108 | $ 411 |
| $ 3,000,000 | $1,292 | $1,062 | $ 431 |
| $ 3,500,000 | $1,350 | $1,111 | $ 447 |
| $ 4,000,000 | $1,409 | $1,147 | $ 462 |
| $ 4,500,000 | $1,453 | $1,177 | $ 472 |
| $ 5,000,000 | $1,495 | $1,204 | $ 484 |
| $ 5,500,000 | $1,523 | $1,218 | $ 491 |
| $ 6,000,000 | $1,552 | $1,243 | $ 498 |
| $ 6,500,000 | $1,579 | $1,264 | $ 505 |
| $ 7,000,000 | $1,596 | $1,277 | $ 509 |
| $ 7,500,000 | $1,611 | $1,292 | $ 513 |
| $ 8,000,000 | $1,628 | $1,306 | $ 517 |
| $ 8,500,000 | $1,645 | $1,318 | $ 522 |
| $ 9,000,000 | $1,554 | $1,326 | $ 524 |
| $ 9,500,000 | $1,664 | $1,337 | $ 525 |
| $10,000,000 | $1,672 | $1,341 | $ 528 |
| $11,000,000 | $1,682 | $1,351 | $ 530 |
| $12,000,000 | $1,700 | $1,370 | $ 537 |
| $13,000,000 | $1,717 | $1,378 | $ 541 |
| $14,000,000 | $1,731 | $1,394 | $ 545 |
| $15,000,000 | $1,746 | $1,416 | $ 553 |
| $17,500,000 | $1,782 | $1,453 | $ 566 |
| $20,000,000 | $1,816 | $1,488 | $ 578 |
| $25,000,000 | $2,216 | $1,833 | $ 709 |
| $30,000,000 | $2,438 | $2,016 | $ 780 |
| $35,000,000 | $2,750 | $2,274 | $ 871 |
| $40,000,000 | $2,948 | $2,438 | $ 934 |
| $45,000,000 | $3,133 | $2,591 | $ 993 |
| $50,000,000 | $3,308 | $2,735 | $1,049 |

| | | | |
|---|---|---|---|
| $60,000,000 | $3,640 | $3,009 | $1,154 |
| $70,000,000 | $4,204 | $3,477 | $1,302 |
| $80,000,000 | $4,507 | $3,727 | $1,396 |
| $90,000,000 | $4,791 | $3,961 | $1,483 |
| $100,000,000 | $5,059 | $4,183 | $1,567 |

** Risks with 100% Building Replacement Cost Value in excess of $100,000,000 at any one location are not eligible for this coverage.
Refer to Company for proper building values of buildings in which the insured is a tenant.

**c**. Additional Premium Charges for Increased Limit of Insurance Options

The additional premium charges developed below for increased Limits of Insurance on the coverages listed below apply per location, and are not subject to further modification of any type except to apply a multiple location credit for three or more locations in accordance with rule 4.d.

(1) Limited Water Damage

The additional annual per location charge for increased limits on the Limited Water Damage Additional Coverage is developed by multiplying the amount of the limit increase (in hundreds) by $0.75.

(2) Spoilage

The additional annual per location charge for increased limits on the Spoilage Additional Coverage is developed by multiplying the amount of limit increase (in hundreds) by $1.00.

(3) Property of Patients or Residents (Other than Money & Securities)

The additional annual per location charge for increased limits on the Property of Patients or Residents Coverage Extension, other than money and securities, is developed by multiplying the amount of the per occurrence limit increase (in hundreds) by the final rate developed for the Covered Property under the policy. This additional charge contemplates an automatic increase in the per person limit to 20% of the increased per occurrence limit.

(4) Property In Transit

To develop the annual per location charge for increased limits under the Property In Transit Coverage Extension on:

(a) Direct Damage to property in transit, use the rates and rules in effect for the Company.

(b) Loss of busines income and extra expense due to direct damge to property in transit, multiply the amount of limit increase (in hundreds) by $2.35.

(5) Miscellaneous Dependent Property Locations

To develop the annual per location charge for increased limits on the Miscellaneous Dependent Property Locations Coverage Extensions, multiply the amount of the limit increase (in hundreds) by $2.35.

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(6) Increased Limits for Demolition Cost and Increased Cost of Construction

The additional annual premium charges for Demolition Cost and Increased Cost of Construction:

| Limit | Demolition Cost Premium | Increased Cost of Construction Premium |
|---|---|---|
| $10,000 | $ 12.00 | $ 12.00 |
| $20,000 | $ 23.00 | $ 23.00 |
| $30,000 | $ 35.00 | $ 35.00 |
| $40,000 | $ 46.00 | $ 46.00 |
| $50,000 | $ 58.00 | $ 58.00 |
| $75,000 | $ 86.00 | $ 86.00 |

(7) Increased Limits for Data Restoration Expense

The additional annual premium charges for Data Restoration Expense:

| Limit | Premium |
|---|---|
| $10,000 | $14.00 |
| $20,000 | $ 28.00 |
| $30,000 | $ 42.00 |
| $40,000 | $ 56.00 |
| $50,000 | $ 70.00 |
| $75,000 | $105.00 |

(8) Increased Limits for Valuable Papers and/or Accounts Receivable Coverages

The additional annual premium charges for Valuable Papers and/or Accounts Receivable:

| Limit | Valuable Papers Premium | Accounts Receivable Premium |
|---|---|---|
| $10,000 | $ 18.00 | $ 3.00 |
| $15,000 | $ 27.00 | $ 4.00 |
| $25,000 | $ 45.00 | $ 7.00 |
| $40,000 | $ 71.00 | $ 12.00 |
| $50,000 | $ 89.00 | $ 15.00 |
| $75,000 | $134.00 | $ 22.00 |

(9) Increased Limits for Form C - Theft, Disappearance & Destruction and/or Form D - Robbery and Safe Burglary Coverages

The additional annual premium charges for Form C - Theft, Disappearance & Destruction and Form D - Robbery & Safe Burglary Other than Money & Securities:

| Limit | Form C Premium | Form D Premium |
|---|---|---|
| $ 5,000 | $ 46.00 | $ 64.00 |
| $10,000 | $ 91.00 | $129.00 |
| $15,000 | $137.00 | $193.00 |
| $20,000 | $183.00 | $258.00 |
| $25,000 | $229.00 | $323.00 |
| $30,000 | $274.00 | $386.00 |
| $40,000 | $366.00 | $515.00 |
| $50,000 | $457.00 | $644.00 |

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(10)Sprinkler Leakage - Limited Earth Movement Extension

The additional annual premium charges for Sprinkler Leakage - Limited Earth Movement Extension:

| Limit | Premium |
|---|---|
| $100,000 | $ 53.00 |
| $250,000 | $133.00 |
| $500,000 | $265.00 |
| $750,000 | $398.00 |
| $1,000,000 | $530.00 |

**d.** Multiple Location Credits for Three or More Locations

Credits apply for risks with three or more locations. These credits apply only to the per location additional premium charges for the additional coverages under the Health and Personal Care Facilities - Building and Personal Property Coverage Form in rule 4.a.(3) and to the additional premium charges for the Increased Limit of Insurance Options in rule 4.c. above. These credits do not apply to the additional premium charge for Equipment Breakdown coverage.

The credit for each location in excess of two is applied by multiplying the additional premium charges for the location by the applicable Location Factor shown below:

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| | Location Factor |
|---|---|
| Locations 3, 4 and 5 | .80 |
| Locations 6 through 10 | .65 |
| Each Location Over 10 | .50 |

4. Other Forms Applicable

Forms in effect for the Company which modify the "Building and Personal Property Coverage Form ", "Business Income Coverage Form" or "Causes of Loss - Special Form" may be used, subject to the rates and rules in effect for the Company for such forms, and the compatibility of such forms with the coverages provided under the Health and Personal Care facilities - Building and Personal Property Coverage Form.

**SECTION C**
**GENERAL/PROFESSIONAL LIABILITY**

1. The following Long Term Care Program Forms are available:

| | |
|---|---|
| Resident Health Care Facility Liability Insurance Endorsement | SAC 22504(11/85) |
| Resident Health Care Facility Professional Liability Coverage Part | SAC 00526(11/85) |
| Resident Health Care Facility Professional Liability Coverage Part Declarations | SDEC 36(11/85) |
| Non-Resident Facility Activities Endorsement | SAC 21518(5/89) |
| Non-Resident Facility Activities Endorsement | SAC 22513(5/89) |
| Hired Auto and Non-Owned Auto Liability Endorsement | G-59786C (10/93) |
| Absolute Pollution Exclusion Endorsement | G-120165-A (9/97) |

2. Form Description and Premiums

a. Resident Health Care Facility Liability Insurance Endorsement (SAC 22504)

This endorsement expands Commercial General Liability Coverage by providing the following:
- Violations of Rights of Residents Coverage (Patient's Rights)
- Vicarious Beauticians and Barbers Professional Services Coverage
- Waiver of Charitable Immunity Doctrine as a basis of claim denial
- Additional Persons Insured - including medical directors, administrators, authorized Volunteers and non-professional employees with an option to cover professional employees and students in training
- Fire, Explosion and Leaks from Sprinklers Legal Liability ($50,000)
- Medical Payment Extension.

The premium for this endorsement will be developed on an individual risk basis.

Option to add Professional Employees and Students in Training as additional insureds.

b. Resident Health Care Facility Professional Liability Coverage Part (SAC 00526)

This coverage provides coverage for liability which results from a professional incident that occurs in the course of performing professional services for a Resident Health Care Facility. Medical directors and administrators are automatically covered as additional insureds. There is also an option available to add professional employees and students in training as additional insureds. The additional charge for this optional coverage shall be contemplated in the development of the Resident Health Care Facility Liability Insurance Endorsement premium. In addition to coverage form SAC 00526, also attach Resident Health Care Facility Professional Liability Coverage Part Declarations (SDEC 36).

This form may also be used with a policy that has the Resident Health Care Facility Liability Insurance Liability Endorsement (SAC 22504) attached.

c. Non-Resident Facility Activities Endorsement (SAC 21518)

Coverage may be restricted to liability arising out of the performance of professional services at only designated locations that are involved Resident Health Care Facility Professional Liability Coverage Part.

No credit is applicable with this exclusion. This simply highlights that Professional Services at designated locations can be restricted for the performance of professional services.

d. Non-Resident Facility Activities Endorsement (SAC 22513)

Coverage may be extended to cover the non-resident activities of insureds occupying designated positions involved Resident Health Care Facility Professional Liability Coverage Part. Rates for this amendment will be developed on an individual risk basis.

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e. Hired Auto and Non-Owned Auto Liability (G-59786C) - Class Code 80918

Coverage may be extended to cover Hired and Non-Owned Automobile Liability provided that the insured does not own any Power Units. The additional annual premium charges for this amendment:

| Limit | Hired Premium | Non-Owned Premium |
|---|---|---|
| $500,000/$500,000 | $38.00 | $31.00 |
| $500,000/$1,000,000 | $39.00 | $32.00 |
| $1,000,000/$1,000,000 | $42.00 | $34.00 |
| $1,000,000/$2,000,000 | $43.00 | $35.00 |
| $1,000,000/$3,000,000 | $44.00 | $36.00 |

f. Fire Damage Legal Liability

The additional annual premium charges for Fire Damage limits excess of automatic $50,000:

| Limit | Premium |
|---|---|
| $50,000 | $13.00 |
| $100,000 | $ 25.00 |
| $150,000 | $ 38.00 |
| $200,000 | $ 50.00 |
| $350,000 | $ 63.00 |
| $450,000 | $113.00 |
| $550,000 | $138.00 |

3. **PREMIUM**

To determine the premiums for SAC 00526A, refer to the Company's State Exception Page in this manual.

The basic limits rates contemplate limits of $100,000 per occurrence and $300,000 aggregate. The aggregate only applies to the General Liability/Professional Liability Coverage. Use the Increased Limits table below to increase these limits.

| Increased Limits | Factors |
|---|---|
| 100/300 | 1.00 |
| 250/500 | 1.29 |
| 300/300 | 1.17 |
| 300/500 | 1.33 |
| 500/500 | 1.42 |
| 500/1000 | 1.62 |
| 1000/1000 | 1.80 |
| 1000/2000 | 1.98 |
| 1000/3000 | 2.00 |

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**Note:**

1. Rehabilitation facilities operated in conjunction with any class should be separately classified and rated for professional liability at a rate per: 100 out-patient visit is equal to 10% of the "Skilled Facility" rate.

2. Combination facilities: Classify & rate the facility that best reflects the risk's operations. If there are separate floors or wings or building providing a different level of medical service, classify according to the class description.

3. Unusual or unique activities (ie. fund raising events) should be separately classified and rated.

The minimum premium shall be the annual premium for ten beds.

**ADDITIONAL PREMISES LIABILITY CLASSES**

| CLASS CODE | CLASSIFICATION | PREMIUM BASE |
|---|---|---|
| 80901 | Swimming Pools | per pool |
| 80902 | Saunas/Hot Tubs | per item |
| 80903 | Tennis/Racquet Ball/ Handball Courts | per court |
| 80904 | Exercise/Weight Rooms | per room |
| 80910 | Indoor Parking | per space |
| 80922 | Community Center | per area |

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# COMPANY PAGES FOR
# PSYCHIATRIST PROFESSIONAL PROGRAM
# CONTINENTAL CASUALTY COMPANY

## I. APPLICATION OF MANUAL RULES

A. The rules contained in these pages shall govern the writing of Professional Liability policies for physicians specializing in the field of Psychiatry.

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. POLICY MINIMUM PREMIUM

The minimum premium shall be $500 for an annual period, or lesser.

## VI. 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.

## VII. 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, even if the policy inception premium was less than the policy minimum premium.



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C. Waive additional premium of $15.00 or less. This waiver applies only to cash exchange due on an endorsement effective date.

## VIII. RETURN PREMIUM

A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is cancelled.

B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

C. 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.

D. Waive return premium of $15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.

E. Retain the minimum premium of the policy.

## IX. COVERAGE

Required coverages are:

A. Professional Liability on an individual basis for physicians who specialize in Psychiatry, their employees, and those for whom they are legally responsible. More than one individual can be named on the policy, each receiving a separate limit of liability.

B. Defendants Reimbursement for loss of time due to being required to attend a civil suit - $500 per day/$12,500 per suit.

C. Good Samaritan acts in emergency situations.

D. Defense costs associated with state regulatory investigations.

E. Special Extra Expense Coverage (HIV) - $150,000

## X. PREMISES LIABILITY

When this coverage is provided, the limits of liability shall be $100,000 for a combined single limit. Coverage is fully explained on the Premises Liability Coverage Part.

## XI. LIMITS OF LIABILITY

Limits of liability under this program shall be:

| | |
|---|---|
| Professional Liability: | $1,000,000 each claim<br>$3,000,000 aggregate |

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## XII. POLICY CANCELLATIONS

A. The policy may be cancelled flat within 60 days of the effective date. Evidence of such cancellation must be received by the Company within 60 days of such cancellation.

B. If cancellation occurs more than 60 days after the effective date, 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 when:

1. a policy is cancelled at the Company's request;
2. the insured no longer has a financial or an insurable interest in the property or operations that is the subject of insurance;
3. a policy is cancelled and rewritten in the same Company or Company group.

C. If cancellation is for any other reason than stated in B. above, compute the return premium at .90 of the pro rata unearned premium for the one year period and round in accordance with the Whole Dollar Rule.

D. Retain the Minimum Policy Premium when the insured requests cancellation except when a policy is cancelled as of, or within 60 days of the inception date.

## XIII. 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.

## XIV. EXTENDED REPORTING PERIOD COVERAGE

The extension period is automatic for 60 days, and can be extended beyond that as shown below. The availability of the Extended Reporting Period shall be governed by the following rules:

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

B. Extended Reporting Period Coverage will be available to all named insureds shown on the declarations page of the policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.

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.



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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. Premium may be paid in advance, or in three annual installments.

H. In the event the policy is cancelled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period Coverage.

I. 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:

| Years of Prior Claims-made Coverage | Installment Factors Years 1 | 2 | 3 | Prepaid Factors |
|---|---|---|---|---|
| 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 |

## XV. 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.

## XVI. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their

annual income from outside the state. Those who derive more than 25% of their annual income outside the state shall be referred to the Company for underwriting approval and rating.

## XVII. CALCULATION OF PREMIUM

The premium for the policy shall be the sum of the applicable charges developed below:

A. The following ISO Classification codes shall apply to this program:

| Class | Description | Code Number |
|---|---|---|
| I | Psychiatrists who perform medical services generally associated with the practice of psychiatry with respect to directly evaluating, diagnosing or treating a mental disorder and routine medical care incidental to the provision of such services to patients. | 80249 |
| II | Psychiatrists/Neurologists who perform medical services generally associated with the practice of neurology, excluding the administration of neurological procedures such as angiograms, arteriograms, myelograms, CAT scans, and magnetic resonance imaging. | 80261 |
| III | Psychiatrists/Neurologists who perform medical services generally associated with the practice of neurology, including the administration of neurological procedures such as angiograms, arteriograms, myelograms, CAT scans, and magnetic resonance imaging. | 80288 |
| IV | Corporation, Partnership or Organization | 80999 |

If the above services are performed by a DO, the second digit (0) in the code number shall be replaced with a "4".

B. The annual rates for each psychiatrist shall be determined for Classes I, II and III as follows:

1. If the psychiatrist is just entering practice, or the psychiatrist has continuously been insured under an occurrence policy, enter the step rate factor from the table at the year one level.
2. If the psychiatrist 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 psychiatrist was covered under such claims-made policy(ies);
   b. determine the number of years in which the psychiatrist 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;

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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, II, or III rate, found on the State Page:

| Classes | | Step Rate Factors | | | | |
|---|---|---|---|---|---|---|
| | Years: | 1 | 2 | 3 | 4 | 5 |
| I, II, III | | .32 | .57 | .77 | .84 | .99 |

## XVIII. ADDITIONAL CLASSIFICATIONS

A. New Psychiatrists: A new psychiatrist is defined as a psychiatrist who has completed his training in psychiatry within the previous six months and who will be joining a group practice, or opening his own practice.

The following credits will apply:

75% in the first year of practice;
50% in the second year of practice; and
25% in the third year of practice.

B. Corporations/Partnerships/Organizations: It shall be permissible to provide coverage for a corporation, partnership or organization for liability arising from the practice of psychiatry by member psychiatrists. Such coverage may be provided either:
1. on a shared limit of liability basis with the first named insured, in which case no additional premium shall be charged, or
2. on a separate limit of liability basis, with an additional premium of 10% of total developed professional liability premium.

C. An additional insured, other than a Corporation/Partnership/Organization, may be added to the policy at a charge of 10% of the policy's professional liability charge.

D. Disability/Leave of Absence: A psychiatrist who becomes disabled or is on leave of absence for a period of 45 days or more may be eligible for restricted coverage at a rate reduction of 75%. The reduced rate may be applied retroactively to the first day of disability or leave of absence, on the condition that the Company is notified within ten (10) days of the disability or leave of absence. If the company is notified at a later date, the discount may be applied as of the date the Company received the notice. The reduced rate may be applied for a period of twelve (12) months, or less.

Leave of absence may include time to enhance the psychiatrist's education, but does not include vacation time.

E. Part Time: A part time credit of 50% of the applicable rate will apply to any psychiatrist who works 20 hours or less per week. This credit will not apply if the psychiatrist is rated at a year 1 step rate to which the new psychiatrist or psychiatrist in training credit has been applied.



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F. Locum Tenens: Coverage for a psychiatrist substituting for an insured psychiatrist will be limited to cover only psychiatric services rendered on behalf of an insured psychiatrist for the specified time period. Locum Tenens will share in the insured psychiatrist's limit of liability. There is no additional charge for a period not to exceed 60 days.

G. Teaching Psychiatrists: To recognize the reduced exposure associated with psychiatrists away from their practice while teaching, a reduced rate will be charged on the following basis:

| Due to teaching, your weekly patient contact is limited to: | Credit |
|---|---|
| less than 8 hours per week | 65% |
| 8-16 hours per week | 50% |
| 17 or more hours per week | 0% |

H. Psychiatrists in Training: Following graduation from medical school, a psychiatrist may elect to enter additional training periods. For rating purposes, they are defined as follows:

1. Residency Program - various lengths of time depending upon medical specialty; 3 years average. Following first year residency, generally licensed MD. Upon completion of residency program psychiatrist becomes board eligible;
2. Preceptorship - A preceptee is a non-licensed medical student continuing his education.

Rating basis is as follows:

| | |
|---|---|
| Residency Program | 50% credit |
| Preceptee | 65% credit |

This credit will not apply if the new psychiatrist or part time discount is applied.

## XIX. SUPPLEMENTAL MODIFICATIONS

Any modifications developed under subitems A, B, or C shall be summed and applied as a single factor.

A. Longevity Credits

When an insured has been insured with CNA for five (5) or more consecutive years, a 5% credit will be applied to the annual premium. When the insured has been insured for ten (10) or more consecutive years with CNA, a 10% credit will apply.

B. Experience Rating

Based on the claim history of an individual insured over the preceding five year period, a debit not to exceed 50% may be applied to the premium. Criteria used to determine the application of such debits shall include:

- Number of claims in the past five (5) years
- Incurred losses in the past five (5) years



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- Paid losses in the past five (5) years
- Cause of such losses
- Nature of practice

Such debits, if applied, shall be on a one year basis, and will be subject to annual review.

C. Claim Free Credit

A psychiatrist who for each of the past 3 years has had no claim with an incurred indemnity amount greater than $5,000 will be eligible for a 5% credit.

## XX. LOSS PREVENTION CREDIT

A 5% credit will be applied to the annual premium applicable to each psychiatrist who attends a CNA approved loss prevention workshop. This credit will apply for three (3) consecutive years.

## XXI. SIZE OF RISK CREDIT

A credit will be applied to the premium for risks generating manual premium levels, at total limits, according to the table below:

| Premium | Credit |
|---|---|
| $100,001 - 200,000 | 0.5% |
| 200,001 - 300,000 | 1.0% |
| 300,001 - 400,000 | 1.5% |
| 400,001 - 500,000 | 2.0% |
| 500,001 - 600,000 | 2.5% |
| 600,001 - 700,000 | 3.0% |
| 700,001 - 800,000 | 3.5% |
| 800,001 - 900,000 | 4.0% |
| 900,001 - 1,000,000 | 4.5% |
| over $ 1,000,000 | 5.0% |

## XXII. SCHEDULED RATING MODIFICATION PLAN

The hazards of the practice of psychiatry vary with the organization, establishment of medical standards review and claims review committees, the effectiveness of such committees, loss prevention activities, professional liability claim experience, professional services rendered under written agreement, etc. To recognize specific characteristics unique to the risk, a rate modification as shown below may be applied based on the following:

Professional Liability Exposures

The maximum permissible modification of the Professional Liability premium is +/- 25%.



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| | CREDIT | DEBIT |
|---|---|---|
| A. Loss Control Program | | |
| The underwriter will evaluate the procedures in place within the practice, including adherence to prior CNA recommendations. | 0-10% | 0-10% |
| B. Practice Characteristics | | |
| The underwriter will evaluate the impact of contracts with managed care organizations on utilization, referrals, and overall quality of patient care. | 0-15% | 0-15% |
| C. Continuing Education | | |
| Determine if the applicant's professional and para-professional staff participant in effective continuing medical education program(s); | 0-5% | 0-5% |
| D. Unusual Risk Characteristics | 0-10% | 0-10% |

### XXIII. CHANGE OF CLASSIFICATION

In the event that the insured changes classifications, a charge reflecting the difference between the previous classification and the new classification shall be calculated and collected at the time of the change of classification unless:

A. both the prior and current classification fall within the same class;

B. the insured changed classifications more than 4 years ago while insured under claims-made coverage;

C. the insured changed classifications at any time while insured under occurrence coverage; or

D. the insured is otherwise eligible for Extended Reporting Period Coverage at no charge.

Premium Adjustment:

The following procedure should be used to calculate the exposure surcharge applicable under this Rule:

A. Calculate the at-limits Extended Reporting Period premium appropriate for:

1. the previous classification according to the rates and rules contained herein; and
2. the current classification.

B. If the at-limits Extended Reporting Period premium for the current classification:

1. is less than the premium for the previous classification, the dollar amount of difference is the charge to be applied.
2. exceeds the premium for the previous classification, there shall be no charge.

C. The amount of any additional charge is adjusted according to the following vesting schedule:

CNA
For All the Commitments You Make®

## COMPANY PAGES FOR
## PSYCHIATRIST PROFESSIONAL PROGRAM
## CONTINENTAL CASUALTY COMPANY

| Discount | Consecutive years of CNA coverage |
|---|---|
| 100% | 10 |
| 90% | 9 |
| 80% | 8 |
| 70% | 7 |
| 60% | 6 |
| 50% | 5 |
| 40% | 4 |
| 30% | 3 |
| 20% | 2 |
| 10% | 1 |
| 0% | Less than one (1) full year of CNA coverage |



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# COMPANY STATE PAGE FOR PSYCHIATRIST PROFESSIONAL PROGRAM CONTINENTAL CASUALTY COMPANY

## I. STATE ENDORSEMENTS

| | | |
|---|---|---|
| State Provisions | G-11715-E12 | Mandatory on all policies |
| Illinois Amendatory | G-118925-A12 | Mandatory on all policies |

## II. AMENDED RULES

A. Rule IX. E. Special Extra Expense Coverage (HIV) is hereby deleted in its entirety.

B. Under Rule XXII, Schedule Rating, the maximum modification is +/- 40%.

## III. TERRITORY

I. Cook, Madison, and St. Clair Counties
II. DuPage, Kane, Lake, McHenry, and Will Counties
III. Champaign, Hamilton, Jackson, Kankakee, LaSalle, Macon, and Sangamon Counties
IV. ROS

## IV. RATES

All rates indicated below are for Professional liability limits of $1,000,000 each claim, with a $3,000,000 aggregate.

| Classification | Territory I | Territory II | Territory III | Territory IV |
|---|---|---|---|---|
| I | 14,326 | 11,214 | 8,738 | 6,820 |
| II | 28,652 | 22,428 | 17,476 | 13,640 |
| III | 57,304 | 44,856 | 34,952 | 27,280 |

Continental Ins.

# PHYSICIANS, SURGEONS AND DENTISTS PROFESSIONAL LIABILITY COVERAGE RULES

## I. Coverage

This coverage affords protection against claims for injuries arising out of the insured's acts or omissions of a professional nature.

For details of coverage, refer to the Doctors Professional Liability Insurance Agreement - Claims Made form. All coverage is written on a claims made basis. The Insuring Agreement plus the General Rules plus the Nuclear Exclusion make up a policy.

Policies may be written to cover individual liability, partnership liability, professional association liability or corporate liability.

## II. Limits of Liability

Manual rates provide a basic limit of $100,000 each person and $300,000 total limit, for all classes except dentists. Dentist classes have a basic limit of $1,000,000 each person and $1,000,000 total limit.

The above limits may apply separately to individual and partnership or corporate liability. Coverage for a partnership, professional association or corporation may be provided on a shared limit of liability basis with the member practitioner, in which case no additional premium shall be charged or on a separate limit of liability basis for an additional premium charge.

## III. Increased Limit Factors

Refer to the rate pages for appropriate table.

## IV. Policy Period

Policies may be written for a specific term up to one year.

## V. Territory

Refer to rate pages for appropriate territory. If the physician practices in more than one territory, rates shall apply where the majority of the practice is conducted.



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## VI. Classifications - Codes

1. Allopathic (M.D.) and Osteopathic (D.O.) Physicians and Surgeons

| M.D. | D.O. | ILF Table | |
|---|---|---|---|
| 80230 | 84230 | A | Aerospace Medicine - No Surgery - The branch of medicine which deals with the physiological, medical, psychological and epidemiological (i.e. disease-related) problems in present day air and space travel. |
| 80254 | 84254 | A | Allergy - No Surgery - A condition in which an individual is sensitive to a substance (or temperature) that does not affect most other people--such as pollen, dust or food. |
| 80151 | 84151 | A | Anesthesiology - The branch of medicine specializing in anesthesia--the abolition of sensation or the rendering unconscious by artificial means. Thisclassification applies to all general practitioners or specialists who perform general anesthesia or acupuncture anesthesia. |
| 80248 | 84248 | A | Bariatric Medicine (formerly Nutrition) - The branch of medicine that deals with the act or process of nourishing or taking nourishment, especially the process by which food is assimilated. |
| 80101 | 84101 | A | Bronco Esophagology - The branch of medicine which deals with the bronchial tree (body tubes which carry air) and the esophagus (muscular tubular organ which carries food from mouth to stomach). |
| 80281 | 84281 | A | Cardiovascular Disease - Minor Surgery - Including arterial, cardiac, or diagnostic catheterization. |
| 80255 | 84255 | A | Cardiovascular Disease - No Surgery - Any diseases that are pertaining to the heart and blood vessels. |
| 80452 | 84452 | A | Certified Registered Nurse Anesthetists |
| 80211 | --- | See Rate Pages | Dentistry - General - Dentists who perform dentistry on patients who are treated with local anesthesia or inhalation sedation. |





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| M.D. | D.O. | ILF Table | |
|---|---|---|---|
| 80222 | --- | See Rate Pages | Dentistry - General - Dentists as defined for class 80211, but including dentistry on patients who are treated by intravenous or intramuscular sedation. If performed in a hospital, 80211 applies. |
| 80210 | --- | See Rate Pages | Dentistry - Surgery - Dentists who perform oral and maxillofacial surgery. Oral - denotes that aspect of the teeth which faces the oral cavity or tongue. Maxillofacial - pertains to the maxilla and the face. |
| 80282 | 84282 | A | Dermatology - Minor Surgery - The branch of medicine that deals with diagnosis and treatment of diseases of the skin (including hair transplants). |
| 80256 | 84256 | A | Dermatology - No Surgery - The branch of medicine that deals with diagnosis and treatment of diseases of the skin (not including hair transplants). |
| | | | Diabetes - (see endocrinology) |
| 80157 | 84157 | B | Emergency Medicine - Major Surgery - This classification applies to any general practitioner or specialist primarily engaged in emergency practice at a clinic, hospital, or rescue facility who performs major surgery. |
| 80102 | 84102 | A | Emergency Medicine - No Major Surgery - This classification applies to any general practitioner or specialist primarily engaged in emergency practice at a clinic, hospital, or rescue facility who **does not** perform major surgery. |
| 80246 | 84246 | A | Epidemiology (formerly Infectious Diseases - No Surgery) - Any diseases that are due to the growth and action of microorganisms or parasites in the body, and that may or may not be contagious. |
| 80279 | 84279 | A | Epidemiology (formerly Infectious Diseases - Minor Surgery) - Any diseases that are due to the growth and action of microorganisms or parasites in the body, and that may or may not be contagious. |





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| M.D. | D.O. | ILF Table | |
|---|---|---|---|
| 80272<br>80271 | 84272<br>84271 | A | Endocrinology - Minor Surgery - The branch of medicine that deals with the endocrine (ductless) glands (e.g. thyroid) and the various internal secretions. |
| 80238<br>80237 | 84238<br>84237 | A | Endocrinology - No Surgery - The branch of medicine that deals with the endocrine (ductless) glands (e.g. thyroid) and the various internal secretions. |
| 80420 | 84420 | A | Family Physician/General Practitioner - No Surgery - The medical specialty concerned with the planning and provision of the comprehensive primary health care of all members of a family, regardless of age or sex, on a continuing basis. This classification includes unlimited assisting in surgery and swan ganz procedures. It does not include obstetrics. |
| 80421 | 84421 | A | Family Physician/General Practitioner - Minor Surgery With Obstetrics - The medical specialty concerned with the planning and provision of the comprehensive primary health care of all members of a family, regardless of age and sex, on a continuing basis. This classification includes prenatal care and normal vaginal deliveries. |
| 80423 | 84423 | A | Family Physician/General Practitioner - Minor Surgery - No Obstetrics - The medical specialty concerned with the planning and provision of the comprehensive primary health care of all members of a family, regardless of age and sex, on a continuing basis. This classification includes any physician who performs the following: Colonoscopy, ERCP (endoscopic retrograde cholangiopancreatography), pneumatic or mechanical esophagial dilation (not with bougie or olive), tonsillectomies, and adenoidectomies. |
| 80240 | 84240 | A | Forensic Medicine/Legal Medicine - The application of medical principles in law. (autopsies) |
| 80274 | 84274 | A | Gastroenterology - Minor Surgery - The branch of medicine that deals with the anatomy, physiology and pathology of the stomach and intestines. |





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| MD | DO | ILF Table | |
|---|---|---|---|
| 80241 | 84241 | A | Gastroenterology - No Surgery - The branch of medicine that deals with the anatomy, physiology and pathology of the stomach and intestines. |
| 80231 | 84231 | A | General Preventive Medicine - No Surgery - The branch of medicine which aims at the prevention of disease. |
| 80276 | 84276 | A | Geriatrics - Minor Surgery - The branch of medicine that deals with the structural changes, physiology, diseases and hygiene of old age. |
| 80243 | 84243 | A | Geriatrics - No Surgery - The branch of medicine that deals with the structural changes, physiology, diseases and hygiene of old age. |
| 80277 | 84277 | A | Gynecology - Minor Surgery - The branch of medicine that deals with the functions and diseases of women. |
| 80244 | 84244 | A | Gynecology - No Surgery - The branch of medicine that deals with the functions and diseases of women. |
| 80278 | 84278 | A | Hematology - Minor Surgery - The branch of medicine that deals with the blood and its diseases. |
| 80245 | 84245 | A | Hematology - No Surgery - The branch of medicine that deals with the blood and its diseases. |
| 80283 | 84283 | A | Intensive Care Medicine/Pulmonary Critical Care - This classification applies to any general practitioner or specialist who practices in an intensive care hospital unit. Pulmonary Critical Care - Intensivist specializing in pulmonary medicine. |
| 80284 | 84284 | A | Internal Medicine - Minor Surgery - The branch of medicine that is concerned with diseases of the internal organs. |
| 80257 | 84257 | A | Internal Medicine - No Surgery - The branch of medicine that is concerned with the diseases of the internal organs. |
| 80285 | 84285 | A | Laryngology - Minor Surgery - The branch of medicine that deals with the larynx (throat part, vocal cords), its functions and its pathology. |





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| MD | DO | ILF Table | |
|---|---|---|---|
| 80258 | 84258 | A | Laryngology - No Surgery - The branch of medicine that deals with the larynx (throat part, vocal cords), its functions and its pathology. |
| | | | Legal Medicine - (see Forensic Medicine) |
| 84801 | 84801 | A | Manipulation - Skillful handling in the adjustment of an abnormality or the bringing about of a desirable condition as the changing of the position of the fetus, the alignment of the fragments of a broken bone, the replacement of a protruding organ (hernia), etc. |
| 80286 | 84286 | A | Neoplastic Diseases - Minor Surgery - Any diseases that are concerned with any new or abnormal growth, such as a tumor. |
| 80259 | 84259 | A | Neoplastic Diseases - No Surgery - Any diseases that are concerned with any new and abnormal growths such as a tumor. |
| 80287 | 84287 | A | Nephrology - Minor Surgery - The branch of medicine that deals with the kidney and its diseases. |
| 80260 | 84260 | A | Nephrology - No Surgery - The branch of medicine that deals with the kidney and its diseases. |
| 80288 | 84288 | A | Neurology - including child - Minor Surgery - The branch of medicine that deals with the nervous system and its disorders. |
| 80261 | 84261 | A | Neurology - including child - No surgery - The branch of medicine that deals with the nervous system and its disorders. |
| 80262 | 84262 | A | Nuclear Medicine - No Surgery - The branch of medicine that deals with diagnostic, therapeutic and investigative use of radioactive materials. |
| 80233 | 84233 | A | Occupational Medicine - No Surgery - The branch of medicine that deals with treatment of work related illness and injuries. |
| 80289 | 84289 | A | Ophthalmology - Minor Surgery - The branch of medicine that deals with the structure, functions and diseases of the eye. |





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| MD | DO | ILF Table | |
|---|---|---|---|
| 80263 | 84263 | A | Ophthalmology - No Surgery - The branch of medicine that deals with the structure, functions and diseases of the eye. |
| 80291 | 84291 | A | Otolaryngology - Minor Surgery - The branch of medicine that treats the ear, nose, and throat. |
| 80265 | 84265 | A | Otolaryngology - No Surgery - The branch of medicine that treats the ear, nose, and throat. |
| 80290 | 84290 | A | Otology - Minor Surgery - The branch of medicine that deals with the ear and its diseases. |
| 80264 | 84264 | A | Otology - No Surgery - The branch of medicine that deals with the ear and its diseases. |
| 80292 | 84292 | A | Pathology - Minor Surgery - The branch of medicine that deals the origin, nature, causes and development of diseases. Coverage is included for pathological laboratories. |
| 80266 | 84266 | A | Pathology - No Surgery - The branch of medicine that deals with the origin, nature, causes and development of diseases. Coverage is included for pathological laboratories. |
| 80293 | 84293 | A | Pediatrics - Minor Surgery/Neonatology - The branch of medicine that deals with the diseases and hygienic care of children. |
| 80267 | 84267 | A | Pediatrics - No Surgery - The branch of medicine that deals with the diseases and hygienic care of children. |
| 80235 | 84235 | A | Physical Medicine and Rehabilitation/Physiatry - The practice of physical medicine. A consultative, diagnostic, therapeutic medical specialty coordinating and integrating the use of physical therapy (use of light, heat, cold, water, electricity and exercises) occupational therapy and physical reconditioning in the professional management of the diseased and injured. |
| 80294 | 84294 | A | Physicians - Minor Surgery - Not otherwise classified. |





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| MD | DO | ILF Table | |
|---|---|---|---|
| | | | Physicians - No Major Surgery - The following classifications apply to all general practitioners or specialists except those performing major surgery who perform the medical procedures or technique indicated: |
| 80422 | | A | Angiography |
| 80425 | | A | Lasers, Radiation Therapy |
| 80428 | | A | Discograms, Myelography |
| 80434 | | A | Lymphangiography, Phlebography |
| 80437 | | A | Acupuncture |
| 80440 | | A | Laparoscopy |
| 80443 | | A | Colonoscopy, ERCP |
| 80446 | | A | Needle Biopsy |
| 80449 | | A | Radiopaque Dye Injections |
| 80268 | 84268 | A | Physicians - No Surgery - Not otherwise classified. |
| 80116 | | A | Physicians or Surgeons Assistants - This classification applies to physicians or surgical assistants who have completed an approved course of study leading to university certification and who perform their duties under the direct supervision of a licensed physician or surgeon assisting in the clinical and/or research endeavors of the physician or surgeon. |
| 80249 | 84249 | A | Psychiatry - including child - No Surgery - The branch of medicine that deals with the diagnosis, treatment and prevention of mental disorders. |
| 80431 | 84431 | A | Psychiatry with Shock Therapy - The branch of medicine that deals with the diagnosis, treatment and prevention of mental disorders. |
| 80250 | 84250 | A | Psychoanalysis - No Surgery - A system used in the treatment of nervous and mental disorders. |
| 80236 | 84236 | A | Public Health - No Surgery - The branch of medicine that deals with the protection and improvement of community health by organized community effort and including preventive medicine and sanitary and social science. |





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| MD | DO | ILF Table | |
|---|---|---|---|
| 80269 | 84269 | A | Pulmonary Disease - No Surgery - Any diseases that are affecting the lungs. |
| 80165 | 84165 | A | Radiation Therapy |
| 80280 | 84280 | A | Radiology - diagnostic - Minor Surgery - The branch of medicine that relates to radiant energy and its application especially in the diagnosis and treatment of disease. Coverage is included for x-ray laboratories. |
| 80253 | 84253 | A | Radiology - diagnostic - No Surgery - The branch of medicine that relates to radiant energy and its application especially in the diagnosis and treatment of disease. Coverage is included for x-ray laboratories. |
| 80252 | 84252 | A | Rheumatology - No Surgery - The branch of medicine that treats rheumatism, a disease marked by inflammation of the connective tissue structures of the body, especially the muscles and joints. |
| 80270 | 84270 | A | Rhinology - Minor Surgery - The branch of medicine that relates to the nose and its diseases. |
| 80247 | 84247 | A | Rhinology - No Surgery - The branch of medicine that relates to the nose and its diseases. |
| 84802 | 84802 | A | Sclerotherapy - Minor Surgery - The use of a chemical irritant (a sclerosant) to produce a hardening of a structure, as by injecting it into a varicose vein. Sclerosant - medicinal substance which induces inflammation in a tissue and a subsequent hardening or shrinkage. |
| 80162 | 84162 | A | Shock Therapy - (see Psychiatry with Shock Therapy) |
| 80166 | 84166 | B | Surgery - Abdominal - Surgery of the abdominal viscera. |
| 80141 | 84141 | B | Surgery - Cardiac - Surgery of the heart. |





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| MD | DO | ILF Table | |
|---|---|---|---|
| 80150 | 84150 | B | Surgery - Cardiovascular disease - Surgery pertaining to the heart and blood vessels. |
| 80115 | 84115 | A | Surgery - Colon and Rectal - Surgery pertaining to the colon and rectum. |
| 80103 | 84103 | A | Surgery - Endocrinology - The branch of medicine that deals with the endocrine (ductless) glands (e.g. thyroid) and the various internal secretions. |
| 80104 | 84104 | A | Surgery - Gastroenterology - The branch of medicine that deals with the anatomy, physiology and pathology of the stomach and intestines. |
| 80143 | 84143 | B | Surgery - General - That which deals with surgical problems of all kinds. This is an N.O. C. classification. |
| 80117 | 84117 | B | Surgery - General Practice or Family Practice - The medical specialty concerned with the planning and provision of the comprehensive primary health care of all members of a family, regardless of age or sex, on a continuing basis. |
| 80105 | 84105 | A | Surgery - Geriatrics - The branch of medicine that deals with the structural changes, physiology, diseases and hygiene of old age. |
| 80167 | 84167 | B | Surgery - Gynecology - Surgery pertaining to the functions and diseases of women. |
| 80169 | 84169 | B | Surgery - Hand - Surgery of the hand. |
| 80170 | 84170 | B | Surgery - Head and Neck - Surgery of the head and neck. |
| 80106 | 84106 | B | Surgery - Laryngology - The branch of medicine that deals with the larynx (throat part, vocal cords), its functions and its pathology. |
| 80107 | 84107 | A | Surgery - Neoplastic - Any diseases that are concerned with any new and abnormal growths such as a tumor. |





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| MD | DO | ILF Table | |
|---|---|---|---|
| 80108 | 84108 | A | Surgery - Nephrology - The branch of medicine that deals with the kidney and its diseases. |
| 80152 | 84152 | B | Surgery - Neurology - including child - Surgery pertaining to the nervous system. |
| 80153 | 84153 | B | Surgery - Obstetrics - Gynecology - Surgery pertaining to obstetrics and gynecology. |
| 80114 | 84114 | A | Surgery - Ophthalmology - Surgery of the eye. |
| 80154 | 84154 | B | Surgery - Orthopedic - The branch of surgery concerned with the preservation and restoration of the function of the skeletal system including surgery of the spine. |
| 80195 | 84295 | B | Surgery - Orthopedic - The branch of surgery concerned with the preservation and restoration of the function of the skeletal system EXCLUDING surgery of the spine. |
| 80158 | 84158 | B | Surgery - Otology - The branch of medicine that deals with the ear and its diseases. This classification does not apply to general practitioners or specialists performing plastic surgery. |
| 80159 | 84159 | B | Surgery - Otolaryngology - The branch of medicine that treats the ear, nose, and throat. This classification does not apply to general practitioners or specialists performing cosmetic plastic surgery. |
| 80156 | 84156 | B | Surgery - Plastic - Major Surgery - Surgery concerned with the restoration of body structures that are defective or damaged by injury or disease. This is an N.O.C. classification. |
| 80155 | 84155 | B | Surgery - Plastic/Otolaryngology - Major Surgery - Surgery pertaining to the restoration or reconstruction of body structures, ear, nose or throat. (no cosmetic except for medically-necessary procedures. |





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| MD | DO | ILF Table | |
|---|---|---|---|
| 80160 | 84160 | B | Surgery - Rhinology - The branch of medicine that relates to the nose and its diseases. |
| 80144 | 84144 | B | Surgery - Thoracic - Surgery pertaining to the chest. |
| 80171 | 84171 | B | Surgery - Traumatic - Surgery pertaining to trauma (e.g.a wound or injury). |
| 80145 | 84145 | A | Surgery - Urological - The branch of medicine pertaining to the urinary tract of both male and female, and with the genital organs of the male. |
| 80146 | 84146 | B | Surgery - Vascular - Surgery of the blood vessels within the limbs of the body, or the trunk, neck, abdomen or head. |

2. Special Classifications

The following classifications and codes apply to physicians and surgeons in active United States Military Service and are to be referred to the Company for rating.

| | | |
|---|---|---|
| Physicians - no surgery | 80131 | A |
| Physicians - minor surgery | 80132 | A |
| Physicians or Surgeons - minor or major surgery | 80172 | B |

This classification applies to those specialists who would normally be assigned to one of the following M.D. Codes:

| | | | | |
|---|---|---|---|---|
| 80101 | 80105 | 80115 | 80428 | 80440 |
| 80102 | 80107 | 80117 | 80431 | 80443 |
| 80103 | 80108 | 80422 | 80434 | 80446 |
| 80104 | 80114 | 80425 | 80437 | 80449 |





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| | | |
|---|---|---|
| Physicians or Surgeons - major surgery | 80173 | A |

This classification applies to the specialist who would normally be assigned to M.D. Code 80145.

| | | |
|---|---|---|
| Physicians or Surgeons - major surgery | 80174 | B |

This classification applies to those specialists who would normally be assigned to one of the following M.D. Codes:

| | | |
|---|---|---|
| 80106 | 80151 | 80158 |
| 80141 | 80155 | 80159 |
| 80143 | 80156 | 80160 |
| | | 80166 |

| | | |
|---|---|---|
| Physicians or Surgeons - major surgery | 80175 | B |

This classification applies to those specialists who would normally be assigned to one of the following M.D. Codes:

| | |
|---|---|
| 80153 | 80169 |
| 80156 | 80170 |
| 80167 | |

| | | |
|---|---|---|
| Physicians or Surgeons - major surgery | 80176 | B |

This classification applies to those specialists who would normally be assigned to one of the following M.D. Codes:

| | |
|---|---|
| 80144 | 80152 |
| 80146 | 80154 |
| 80150 | 80171 |





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Government Employees Classification

| | | |
|---|---|---|
| The following classification applies to all physicians and surgeons who are full-time government employees | 80178 | A |

Teaching Doctors Classification

| | | |
|---|---|---|
| Teaching Physicians - no surgery<br>This classification applies to those physicians who would normally be assigned to codes 80230 through 80269 inclusive. | 80321 | A |
| Teaching Physicians - minor surgery<br>This classification applies to those physicians who would normally be assigned to codes 80270 through 80294 inclusive, and 80437, 80440, 80443, 80446, 80449. | 80322 | A |
| Teaching Physicians or Surgeons - major surgery | 80323 | B |

This classification applies to those specialists who would normally be assigned to one of the following codes:

| | | | |
|---|---|---|---|
| 80101 | 80105 | 80115 | 80428 |
| 80102 | 80107 | 80117 | 80431 |
| 80103 | 80108 | 80422 | 80434 |
| 80104 | 80114 | 80425 | |

| | | |
|---|---|---|
| Teaching Physicians or Surgeons - major surgery | 80324 | A |

This classification applies to those specialists who would normally be assigned to Code 80145.

| | | |
|---|---|---|
| Teaching Physicians or Surgeons - major surgery | 80325 | B |

This classification applies to





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those specialists who would normally be assigned to one of the following codes:

| | | | |
|---|---|---|---|
| 80106 | 80151 | 80158 | 80166 |
| 80141 | 80155 | 80159 | |
| 80143 | 80157 | 80160 | |

Teaching Physicians or Surgeons - major surgery — 80326 — B

This classification applies to those specialists who would normally be assigned to one of the following codes:

| | | |
|---|---|---|
| 80153 | 80167 | 80170 |
| 80156 | 80169 | |

Teaching Physicians or Surgeons - major surgery — 80327 — B

This classification applies to those specialists who would normally be assigned to one of the following codes:

| | | |
|---|---|---|
| 80144 | 80150 | 80154 |
| 80146 | 80152 | 80171 |

3. Osteopathic Physicians and Surgeons

Code numbers for Osteopathic Physicians and Surgeons: The second digit of the code number will be 4 instead of a 0.

4. Each allied health care practitioner is assigned a classification code according to their medical specialty.

| | |
|---|---|
| Dental Hygienists | 80210 |
| Medical Laboratory Technicians | 80771 |
| Midwife | 80962 |
| Nurse Practitioner | 80998 |
| Optician | 80937 |
| Paramedics | 80116 |
| Pharmacists | 59112 |





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| | |
|---|---|
| Physiotherapists | 80938 |
| Scrub Nurse | 80998 |
| X-Ray Technician (with therapy) | 80714 |
| X-Ray Technician (without therapy) | 80713 |
| Nurse, Registered | 80964 |
| Nurse, Licensed Practical | 80963 |
| All other medical personnel | 80998 |

## VII. Rates and Premium Calculations

A. Rates are shown on the rate pages opposite the identifying code numbers.

B. Additional Premium Charges

Prorate all charges requiring additional premium.

Apply the rates and rules in effect at the inception of the policy.

Waive additional premium of $50.00 or less.

C. Return Premium Charges

Compute return premium pro rata when any coverage or exposure is deleted or an amount of insurance is reduced.

Compute the return premium using the rates and rules in effect on the effective date of the policy.

Waive return premium of $50.00 or less. Grant any return premium if requested by the insured.

Retain the policy writing minimum premium. See Rule VII S.

D. Rates are to be rounded to the nearest whole dollar. Any amount involving .50 or greater shall be rounded to the next highest whole dollar. Any amount involving .49 or less shall be rounded down to the next lowest whole dollar.

E. Policy Cancellation

Compute return premium pro rata and round to the nearest whole dollar when:

1. A policy is canceled at the Company's request.

2. The insured no longer has a financial or insurable interest in the property or business operations that is the subject of insurance.

3. A policy is canceled and rewritten with the Company.



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Otherwise, compute the return premium at .90 of the pro rata unearned premium and round to the nearest whole dollar. Retain the policy writing minimum premium. See Rule VII (s).

F. Individual Professional Liability

The rates apply per annum.

If two or more classifications apply to the same individual, refer to company for underwriting.

Refer to the rate page corresponding to the number of years the retroactive date precedes the policy expiration date. If the retroactive date does not coincide with the policy date, use the column applicable to the nearest number of years the retroactive date precedes the policy expiration date.

G. Partnership, Corporate, or Professional Association Liability

The partnership, professional association or corporation will be covered under a policy issued by us. A separate limit (separate from that provided to the individual practitioners), shall apply to a partnership, professional association or corporation that has two or more physicians as members. When there is a solo practitioner, the professional association or corporation will share in the practitioner's individual limit of liability.

H. Additional Interests

1. Shared Limits

(a) Employees and authorized volunteers, except certified registered nurse anesthetists, physician's assistants, surgical assistants, nurse practitioners and certified nurse midwives are covered as additional insureds and share in the limits of the organization. If the named insured is not an organization, then these additional insureds shall share in the limits of the individual practitioner who is the named insured. OR

(b) Employees and authorized volunteers, including certified registered nurse anesthetists, physician's assistants, surgical assistants, nurse practitioners and certified nurse midwives may be covered as additional insureds and share limits with the organization by applying a charge to the premium for certain individuals designated above. Any charge made shall include a 50% credit for a shared limit with the organization. If the named insured is not an organization, then these additional insureds shall share in the limits of the individual practitioner who is the named insured.

(c) A physician who is a sole stockholder in a professional corporation or professional association will be provided coverage for the corporation or association at no additional charge. The corporation or association will be added to the policy as a named insured and will share the limits with the physician.



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2. Separate Limits

(a) Employees and authorized volunteers, except certified registered nurse anesthetists, physician's assistants, surgical assistants, nurse practitioners, and certified nurse midwives may be included as additional insureds by applying a charge up to 10% of the premium developed for the physician(s) insured by the same policy. A separate employee limit shared by all of these employees and authorized volunteers applies. The policy will be endorsed to show that separate limits apply. OR

(b) Employees and authorized volunteers, including certified registered nurse anesthetists, physician's assistants, surgical assistants, nurse practitioners, and certified nurse midwives may be included as additional insureds at an additional premium with a separate limit for each of the certified nurse anesthetists, physician's assistants, surgical assistants and certified nurse midwives (who will be specifically named on the policy), and a separate employee limit shared by all other employees and authorized volunteers computed as follows:

(i) For certified registered nurse anesthetist - refer to rates
(ii) For physician's assistant/surgical assistant - refer to rates
(iii) For nurse practitioner - refer to company for rating
(iv) For certified nurse midwife - refer to company for rating
(v) For all others, charge as shown in VII H. (2a) above.

The policy will be endorsed to show that separate limits apply. In all cases, if a person is not specifically named, but is listed as part of a group, then the person shares in the limits which apply to that group.

(c) A partnership, professional association or corporation that has two or more physicians as members will be provided coverage with a separate limit (separate from that provided to individual practitioners) for a charge in an amount up to 10% of the per person rate for each individual member.

I. Deductibles

1. If the policy is written with a deductible, apply the credit from the rate pages to the basic limits premium and deduct the result from the increased limit premium.

A policy with a deductible will only be written if the insured elects such deductible.

2. Refer to Company for other deductibles or when an aggregate is desired.

J. Rating Modification Schedule - A rate modification, reflecting specified characteristics of the risk, may be applied based on the following:



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| | Maximum Credit | Maximum Debit |
|---|---|---|
| 1. Risk Management: | | |
| (a) Participation in loss prevention activities sponsored or endorsed by a recognized medical organization and approved by the company or attendance at a company sponsored risk management seminar. Credit for attendance at a company sponsored risk management seminar will be applied for 3 consecutive years.<br>(b) Compliance with company's loss prevention recommendations.<br>(c) Existence of effective incident reporting system. | 10% | 10% |
| 2. Continuing Education | | |
| Participation of office staff in continuing education programs | 5% | 5% |
| 3. Collection Procedures | | |
| Effective handling of fee complaints | 5% | 5% |
| 4. Unusual Characteristics | | |
| Many risks due to the unusual characteristics of the risk are eligible for modifications | 15% | 15% |

K. Change of Carrier

Claim reporting requirements of the insured vary by insurance company. To acknowledge this nonstandardization in the claims made form, a maximum debit or credit of 10% may be applied.

L. Premium Size Discount

A policy generating a premium of at least $10,000 is eligible for a premium discount determined by the following table. If a group of doctors practice together as a partnership, corporation, or professional association, the total premium generated by their individual policies will be used to determine the premium discount.





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| Premium before discount | Discount | Multiplicative Factor |
|---|---|---|
| 10,000 - 30,000 | 3.5% | .965 |
| 30,001 - 40,000 | 4.0% | .960 |
| 40,001 - 65,000 | 4.5% | .955 |
| 65,001 - 100,000 | 5.0% | .950 |
| 100,001 or more | 5.5% | .945 |

M. Large Risk Modifications - Any risk that develops an annual manual premium of $100,000 or more at limits of $100,000/$300,000, the risk may be eligible for additional premium modifications due to the unusual risk characteristics of such a risk. Such a risk may be submitted to the company for "a" rating.

N. State Majority of Practice Rule

The state where the physician has the majority of his or her practice will be the state from which the rate will be determined.

O. Additional Classifications

1. New Physicians

Physicians who are starting a private practice within six months following completion of their residency program are rated as follows (part-time rates cannot be used in conjunction with the first or second year discounts):

First Year - 25% of Medical Specialty at first year claims made rate.
Second Year - 50% of Medical Specialty at second year claims made rate.
Third Year - 75% of Medical Specialty at third year claims made rate.

2. Physicians in Training

First Year Residency (the 1 year period immediately following graduation) - 25% of Medical Specialty at the appropriate step factor claims made rate.

Residency Program (various lengths of time depending upon medical specialty with three years being average) - 50% of Medical Specialty at the appropriate step factor claims made rate.

3. Limited Practice (new physician discounts for the first and second year cannot be used in conjunction with part-time rates)





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Part-Time Physician (work less than 25 hour per week) - 50% of Medical Specialty at appropriate step factor claims made rate.
Teaching Physician - If amount of Patient Contact is:
- Less than 15 hours per week - 40% of Medical Specialty at appropriate step factor claims made rate.
- Less than 25 hours per week - 50% of Medical Specialty at appropriate step factor claims made rate.
- Less than 35 hours per week - 60% of Medical Specialty at appropriate step factor claims made rate.

4. Change of Exposure

In the event of a change in exposure or medical specialty of the physician, a charge reflecting the difference between the previous and new such exposure or specialty shall be calculated and collected at the time of such change unless:

(a) otherwise eligible for Extended Reporting Coverage at no charge;

(b) the exposure or medical specialty of the physician changed more than 4 years prior while insured under claims made coverage;

(c) the exposure or medical specialty of the physician changed while insured under occurrence coverage.

(d) when there is an exposure change in a full-time equivalency rated position

P. Disability/Leave of Absence

Physicians who wish to take a leave of absence from the practice of medicine may do so at a reduced rate subject to the following criteria:

1. The leave of absence must be for a period of at least 45 days to one year or the date of expiration of the policy, whichever is sooner.

2. The leave of absence is renewable yearly thereafter up to three years.

3. The request for a leave of absence must be in written form and signed by the insured.

4. Step factors will be frozen, and credits accrued toward the purchase of the extended reporting endorsement will continue as long as premiums are paid.

5. At the end of three years, the insured must decide to either resume practice or purchase an extended reporting endorsement.





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6. The premium charged will be 25% of medical specialty at the appropriate step factor claims made rate at the time the leave is requested.

Q. Locum Tenens

Coverage for temporary substitute physicians may be provided by adding them as additional insureds.

The locum tenens physician shall complete an application and submit it in advance of the effective date of coverage.

The locum tenens physician shares the limit of liability with the physician for whom he/she is substituting, for no additional premium.

This coverage is available to a substitute physician for a maximum of 90 days in any policy year.

R. Full-Time Equivalency

It shall be permissible to add coverage for a full-time equivalency position staffed by physicians performing professional services for one job position with cumulative hours equivalent to one full-time physician.

The limits of liability apply separately to each position specifically named and scheduled with the list of incumbents who qualify for coverage under the position.

Compute the premium by applying the rates applicable to an individual physician charge for each full-time equivalency position specifically named on the schedule.

Any equivalency rated position that remains open without a specifically named physician who qualifies for coverage under the position for a period of six months, must purchase an extended reporting endorsement to provide continued coverage.

S. Policy Writing Minimum Premium

Apply a $250.00 minimum premium per policy regardless of term.

T. Clinics, Preferred Providers Organizations (PPO's), and Health Maintenance Organizations (HMO's)

These alternative health care provider systems generally present unique exposures to the company. Due to their variety and complexity, they must be submitted to the company for rating.

**VIII. Premium Payment Plan**



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The Company may, at its discretion, offer to the named insured various premium payment options, ranging from monthly to annual payment plans.

## IX. Optional Extended Reporting Endorsement

(a) The Reporting Endorsement provides coverage for the reporting of claims arising from professional services which occur after the retroactive date and prior to the end of the policy period.

(b) The individual or entity may purchase this coverage by giving the Company written notice, within 60 days after the policy ends, of its intent to purchase and paying the appropriate premium.

(c) The Reporting Endorsement is provided at no cost to your beneficiary if you die; to you, if you retire after age 55 and have been insured with us 5 or more years immediately preceding your retirement; to you, if you have become totally and continuously disabled for at least 6 months as a result of sickness or accidental bodily injury.

(d) The premium for the Reporting Endorsement is determined by applying the factors from the rate pages to the rate for the applicable classification effective on the date of the policy.

(e) In the event that an insured age 55 or older wishes to retire with less than five years of continuous coverage with us, a prorata credit will be given against the extended reporting endorsement in the amount of 20% per year for every year the insured has been covered by us.

(f) In the event an insured is at least 51 years old and has been covered with us for five continuous years, the insured is eligible for a discounted reporting endorsement as follows:

| Age | Discount |
|---|---|
| 51 | 20% |
| 52 | 40% |
| 53 | 60% |
| 54 | 80% |

(g) The Reporting Endorsement provides coverage to report incidents/claims for an unlimited period of time provided the incident or claim occurred after the retroactive date and prior to the end of the policy period.

(h) If no extended reporting period endorsement is purchased, a Basic Extended Reporting Period is automatically provided without additional charge for a period of sixty (60) days from the end of the policy period. See the General Rules section of the policy for the details of this extension.

## X. Restrictions of Coverage or Increase Rate



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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.

**XI. Definitions**

(a) Major Surgery - includes operations in or upon any body cavity including but not limited to the cranium, thorax, abdomen, or pelvis or any other operation which because of the condition of the patient or length of the circumstances of the operation presents a distinct hazard to life. It also includes: removal of tumors, open bone fractures, amputations, abortions, the removal of any gland or organ, plastic surgery, and any operation done using general anesthesia.

(b) Minor Surgery - This classification applies to all general practitioners or specialists, except those performing major surgery or anesthesiology, who may perform any of the following medical techniques or procedures: colonoscopy, ERCP (endoscopic retrograde cholangiopancreatography), pneumatic or mechanical esophagial dilation (not with bougie or olive), tonsillectomies, and adenoidectomies.

(c) No Surgery - neither performing surgery or obstetrical procedures. Incising of boils and superficial fascia, suturing of minor lacerations, removal of superficial skin lesions by other than surgical excision and assisting in surgery and swan ganz procedures.





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COMPANY PAGES

FOR

PROFESSIONAL LIABILITY COVERAGES

AMERICAN CASUALTY COMPANY OF READING, PA

CONTINENTAL CASUALTY COMPANY

TRANSPORTATION INSURANCE COMPANY

JUN - 6 1994

# COMPANY PAGES FOR PROFESSIONAL LIABILITY COVERAGES

## I. APPLICATION OF MANUAL

This manual provides rules, rates, premiums, classifications and territories for the following lines of insurance:

Section

II. Accountant's Professional Liability

III. Design Professional's Liability

- A. Architects and Engineers
- B. Land Surveyors
- C. Landscape Architects
- D. Design/Build Firms
- E. Related Miscellaneous Design classifications

IV. Health Care Providers

- A. Dentists
- B. Physicians/Surgeons
  - 1. Individual Practice
  - 2. Group Practice
- C. Nurses (Not Nurse Midwives)
- D. Nurse Midwives
- E. Allied Health Care Professionals

V. Legal Professionals

VI. Miscellaneous Classifications

## II. APPLICATION OF GENERAL RULES

These rules apply to all Sections of this manual. Any exceptions to these rules are contained in the respective Section, or State Rate Page.

All other rules, rates and rating plans filed on behalf of the Company and not in conflict with these pages shall continue to apply to Professional Liability coverages as described in these pages.

## III. POLICY TERM

Policies may be written for a term of one year, and renewed annually thereafter, or as otherwise specified for the respective coverage.

## IV. PREMIUM COMPUTATION

A. Compute the premium at policy inception using the rules, 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.



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# COMPANY PAGES FOR PROFESSIONAL LIABILITY COVERAGES

## V. FACTORS OR MULTIPLIERS

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

## VI. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be $100 per annual or lesser period, unless otherwise specified for the respective coverage.

## VII. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual where the result is not a whole dollar, each rate and premium shall be adjusted as follows:

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 lowest whole dollar amount.

## VIII. 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, even if the policy inception premium was less than the policy writing minimum premium.

C. Waive additional premium of $15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

## IX. RETURN PREMIUM

A. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is cancelled.

B. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

C. 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.

D. Waive return premium of $15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.

E. Retain the policy writing minimum premium.

## X. COVERAGE

Coverage under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy.

## XI. MINIMUM LIMITS OF LIABILITY

Minimum Limits of Liability shall be those shown as applicable to the respective Coverage Part.



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# COMPANY PAGES FOR PROFESSIONAL LIABILITY COVERAGES

## XII. INCREASED LIMITS OF LIABILITY

A. Increased Limits of Liability shall be as shown for the respective Coverage Part.

B. Increased Limits factors shall be those shown as applicable for the respective Coverage Part.

## XIII. POLICY CANCELLATIONS

A. Compute return premium 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 when:

1. a policy is cancelled at the Company's request;

2. the insured no longer has a financial or an insurable interest in the property or operations that is the subject of insurance;

3. a policy is cancelled and rewritten in the same Company or Company group.

B. If cancellation is for any other reason than stated in A. above, compute the return premium at .90 of the pro rata unearned premium for the one year period and round in accordance with the Whole Dollar Rule.

C. Retain the Policy Writing Minimum Premium when the insured requests cancellation, except when a policy is cancelled as of the inception date.

## XIV. 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.

## XV. PRIOR ACTS COVERAGE

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;

B. the proper step into which the insured is placed for rating purposes when claims-made coverage has been provided for less than annual periods, is determined as follows:

1. if claims-made coverage has been in effect for less than 6 months, step 1 rates apply;
2. if claims-made coverage has been in effect for "x" years plus less than 6 months, step "x" plus 1 applies;
3. if claims-made coverage has been in effect for "x" years plus 6 months or more, step "x" plus 2 applies.

Note: The value of "x" is the number of whole years.

## XVI. EXTENDED REPORTING PERIOD COVERAGE (Claims-Made Coverage Only)

The extension period is limited to the applicable period as shown on the State Rate Page. The availability of Extended Reporting Period Coverage shall be governed by the following rules:



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## COMPANY PAGES FOR PROFESSIONAL LIABILITY COVERAGES

A. The Limits of Liability may not exceed those afforded under the terminating policy.

B. Extended Reporting Period Coverage will be available to all named insureds shown on the Declarations Page of this policy. Should an insured terminate association with an entity, coverage will also be offered for the liability of the entity provided that such entity was also insured by this Company.

C. Should the entity terminate coverage under this policy, the entity may purchase this coverage by giving the Company written notice, within 60 days, of its intent to purchase, and paying the appropriate premium.

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, but only for the period specified as applicable on the State Rate Page.

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. retirement takes place subject to the provisions as stated on the State Rate Page.

F. Available Extended Reporting Period options, and appropriate premium charges, shall be as shown in the respective Section or State Rate Page.

G. The prior acts date of coverage with this Company will determine the years of prior exposure for Extended Reporting Period coverage.

H. Premium must be paid promptly when due. Premium may be paid in advance, or in three annual installments.

I. In the event the policy is cancelled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the 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 insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

## XVII. RESERVE PREMIUM AND/OR PROFIT SHARING

The Company may agree with a sponsoring organization for a sharing of the profits, if any, in accordance with a predetermined formula. In the event of such an agreement, the policy shall be endorsed to either reflect the profit utilization formula or add the pertinent portion of the agreement with the organization to the policy by reference.

Any monies developed in accordance with an agreement set forth above shall be made available to the insureds in accordance with the provisions of such agreement.

## XVIII. 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.

## XIX. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their annual income from outside the state. Those who derive more than 25% of their annual income outside the state shall be referred to the Company for underwriting approval and rating.

# COMPANY PAGES FOR PROFESSIONAL LIABILITY COVERAGES

American Casualty Company
Continental Casualty Company
Transportation Insurance Company

## I. APPLICATION OF MANUAL

A. This manual provides rules, rates, premiums, classifications and territories for the writing of Professional Liability for the following Health Care Providers:

1. Physicians/Surgeons:

   a. Individual Practice
   b. Group Practice

B. These company pages shall not apply to Hospital Professional Liability as set forth in Commercial Lines Manual, Professional Liability Division, VII, Medical Professional Liability.

C. Any exceptions to these rules are contained in the respective State Rate Pages.

## II. INDIVIDUAL PRACTICE

For the purpose of these rules, individual practice shall be defined as a solo practitioner, partner(s) of an insured partnership, officers of a professional corporation, or employed practitioners who are otherwise ineligible under the rules applicable to group practice.

## IIIA. GROUP PRACTICE - Continental Casualty/Transportation Only

For the purpose of these rules, group practice shall be defined as a group of physicians rendering out-patient care who:

A. number 3 or more;

B. are organized as a legal entity;

C. share common facilities and support personnel; and

D. maintain medical records of patients of the group as a medical library.

## IIIB. GROUP PRACTICE - American Casualty Only

For the purpose of these rules, group practice shall be defined as a group of physicians rendering out-patient care who:

A. number 3 or more;

B. are members of an association, organization or similar entity for which an insurance program has been developed;

C. share common facilities and support personnel; or

D. staff a facility with common support personnel and a medical records library.

## IV. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for Liability Coverage under this program shall be:

| | | |
|---|---|---|
| A. | Professional Liability: | $100,000 Each Claim / $300,000 Aggregate |
| B. | Premises Liability | $300,000 Combined Single Limit |



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**COMPANY PAGES FOR**
**PROFESSIONAL LIABILITY COVERAGES**
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## V. PREMIUM COMPUTATION

The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured. The rates shall be applied in accordance with each practitioner's medical specialty and corresponding code number.

## VI. ADDITIONAL CLASSIFICATIONS

A. Disability/Leave of Absence

A practitioner who becomes disabled, or is on leave of absence for a period of 45 days or more, will be eligible for restricted coverage at a reduced rate. This would apply retroactively to the first day of disability or leave of absence.

B. Part-Time

A part-time rate will apply to physicians or surgeons who work 20 hours or less per week.

C. Change of Exposure or Medical Specialty

In the event of a change in exposure or medical specialty of the practitioner, a charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Period coverage at no charge;
2. with regard to medical specialty, both the prior and the current specialty fall within the same class;
3. the exposure or medical specialty of the practitioner changed more than 4 years prior while insured under claims-made coverage; or
4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

D. Premium Adjustment - Claims-Made Only

The following procedure should be used to calculate the exposure surcharge applicable under Rule C., above:

1. Calculate the at limits Extended Reporting Period premium appropriate for:
   a. the previous medical specialty or status according to the rates and rules contained herein; and
   b. the premium appropriate for the current medical specialty or status.
2. If the at limits Extended Reporting Period premium for the current specialty or status:
   a. is less than the premium for the previous medical specialty or status, the dollar amount of difference is the charge to be applied;
   b. exceeds the premium for the previous medical specialty or status, there shall be no charge.



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E. Physicians in Training

Following graduation from medical school, a physician may elect to enter additional training periods. For rating purposes, they are defined as follows:

1. First year Residency (formerly Internship) - a 1 year period immediately following graduation. During this period a physician may or may not be licensed, depending upon state requirements;

2. Residency Program - various lengths of time depending upon medical specialty; 3 years average. Following first year residency, generally licensed M.D. Upon completion of residency program physician becomes board eligible;

3. Preceptorship - A preceptee is a non-licensed medical student or licensed physician continuing their education. A licensed physician preceptee shall, for the purposes of this program be considered as a part-time physician and added to the insured physician's policy;

4. Fellowship Program - Follows completion of residency and is a higher level of training.

Note: Do not confuse a physician in a fellowship training program with a fellow, for example, of American College of Surgeons, or fellow of American College of OB/GYN. These are honorary membership designations obtained by peer nomination and approval.

F. Locum Tenens Physician

Coverage for a physician substituting for an insured physician will be limited to cover only professional services rendered on behalf of an insured physician for the specified time period. Locum Tenens will share in the insured physician's Limit of Liability.

The Locum Tenens physician must complete an application and submit it to the Company in advance for approval prior to the requested effective date of coverage.

G. Residency Program

Any physician who has not completed a residency program must be referred to the Company.

H. New Physician

For the purpose of clarification, a "New" physician will be a physician who has recently completed one of the following programs and will be either joining a medical group or will be opening their own medical practice:

1. Residency;

2. Fellowship program in their medical specialty;

3. Fulfillment of a military obligation in remuneration for medical school tuition, commonly referred to as the Berry Plan.

To qualify, the applicant will be required to apply for a reduced rate within 6 months after the completion of any of the above programs.

A reduced rate will be applied as shown on the State Rate Page.

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I. Clinical Practice

The majority of residency training is within a hospital. However, there are periods where clinical experience is required. If a group practice desires individual coverage for these physicians, they may be covered provided that:

1. they are under direct supervision of a clinical physician; and

2. their purpose in the clinic is to receive the experience as part of their overall training program.

This rule shall not apply if the training institution (i.e. hospital) provides Professional Liability coverage for the physician in training while outside the institution.

## VII. MISCELLANEOUS / ANCILLARY MEDICAL PERSONNEL

A. Professional Liability coverage for miscellaneous medical personnel may be provided. Refer to State Rate Page for medical specialties and rating instructions.

B. Premium shall be as shown on the State Rate Page.

## VIII. CORPORATION / PARTNERSHIP / ASSOCIATION

It shall be permissible to provide coverage for a Health Care corporation, Professional Association, or partnership, for liability arising from the practice of medicine by member physicians. Such coverage may be provided as follows:

A. Individual Practice

1. Solo Practice

on a shared Limit of Liability basis by naming such entity as an additional insured. In such case no additional premium shall be charged; or

2. All Others

on a separate Limit of Liability basis by issuance of a separate policy. The Limit of Liability shall be equal to the highest limits provided to any one individual member physician. Additional premium shall be as shown on the State Rate Page. In this case, all ancillary personnel shall be added to this separate policy, and not to the policy of the individual physician.

B. Group Practice

on a separate Limit of Liability basis on the same policy. The Limit of Liability shall be equal to the limits provided to the individual member physicians. Additional premium shall be as shown on the State Rate Page.

## IX. OPTIONAL COVERAGES / ENDORSEMENTS

A. It shall be permissible to add any of the following optional coverages/endorsements as appropriate to the particular situation and in accordance with the minimum basic Limits of Liability indicated herein:



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## COMPANY PAGES FOR PROFESSIONAL LIABILITY COVERAGES

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1. Medical Laboratory

It shall be permissible to add a Medical Laboratory:

a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.

b. as an additional insured at the premium charge shown on the State Rate Page, if a separate entity.

2. Deductibles/Self-Insured Retention - Group Practice Only

Deductibles and self-insured retentions may be offered to qualified insureds.

3. Defendant's Reimbursement

When this coverage is to be provided, the Limits of Liability shall be $500 per day / $12,500 per suit.

B. In addition to all of the foregoing optional coverage rules, the following rules shall also apply to Individual Practice only:

1. Premises Liability Coverage

When this coverage is to be provided, the minimum Limit of Liability shall be equal to that of the Professional Liability Limit.

2. Fire and Water Legal Liability *

When this coverage is to be provided, the Limits of Liability shall be $100,000 per incident.

3. Premises Medical Payments *

When this coverage is to be provided, the Limits of Liability shall be $1,000 each person / $10,000 each accident.

4. Host Liquor Liability Coverage *

This coverage shall be provided, without additional premium, when Premises Liability Coverage is provided.

5. Additional Insured - Premises/Equipment *

The owner of leased premises or equipment may be named as additional insureds under this policy at no additional charge.

6. Contractual Liability (Designated)

Coverage for Contractual Liability applicable to designated contracts may be added to the policy. Refer to the Company for underwriting consideration and rating.

7. Personal Umbrella - Excess

When this coverage is to be provided, the minimum Limit of Liability shall be $1,000,000 per accident.

* These coverages/endorsements can only be provided when Premises Liability Coverage is provided.



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## X. MEDICAL PRACTITIONERS CLASSIFICATIONS

A. Each medical practitioner is assigned a classification code according to their medical specialty. When more than one classification is applicable, the highest rate classification shall apply.

Any exceptions to these classifications, if any, will be contained on the State Rate Page.

### Class 1A - No Surgery

NOTE: No surgery is defined as neither performing surgery or obstetrical procedures nor assisting in surgery. (Incising of boils and superficial fascia, suturing of minor lacerations and removal of superficial skin lesions by other than surgical excision are not surgery.)

| Medical Specialty | Code |
|---|---|
| Allergy | 80254 |
| Dermatology | 80256 |
| Diabetes | 80237 |
| Forensic/Legal Medicine | 80240 |
| Geriatrics | 80243 |
| Hypnosis | 80232 |
| Ophthalmology | 80263 |
| Pathology | 80266 |
| Pharmacology | 80234 |
| Psychiatry (including child) | 80249 |
| Psychoanalysis | 80250 |
| Public Health | 80236 |

### Class 1 - No Surgery/Limited Minor Surgery

NOTE: See Class 2 for complete definition of minor surgery. Obstetrics procedures are ineligible for this class. A physician may perform unlimited assisting in surgery on their own patients. Other minor surgery may be performed if no more than 20 such procedures are done per year.

All Class 1 physicians who perform any of the following medical techniques or procedures will be classified as a Class 2 physician:

| Medical Specialty | | Code |
|---|---|---|
| Angiography | Class 2 | 80422 |
| Arteriography | Class 2 | 80422 |
| Catheterization - Arterial, Cardiac or Diagnostic | Class 2 | 80422 |

The occasional emergency insertion of pulmonary wedge pressure recording catheters or temporary pacemakers; urethral catheterization; umbilical cord catheterization for diagnostic purposes or for monitoring blood gases in newborns receiving oxygen; Swan-Ganz catheterizations are considered Class 1 physician exposures.

| Medical Specialty | Code |
|---|---|
| Acupuncture | 80437 |
| Aerospace Medicine | 80230 |



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HEALTH CARE PROVIDERS

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Class 1 - No Surgery/Limited Minor Surgery *(Continued from previous page)*

| Medical Specialty | Code |
|---|---|
| Cardiovascular Disease | 80255 |
| Colonoscopy | 80443 |
| Discograms | 80428 |
| Endocrinology | 80238 |
| Endoscopic Retrograde Cholangiopancreatography | 80443 |
| Family Physicians/General Practitioners | 80420 |
| Gastroenterology | 80241 |
| General Preventive Medicine | 80231 |
| Gynecology | 80244 |
| Hematology | 80245 |
| Infectious Disease | 80246 |
| Internal Medicine | 80257 |
| Laparoscopy | 80440 |
| Laryngology | 80258 |
| Lymphangiography | 80434 |
| Myelography | 80428 |
| Needle Biopsy | 80446 |
| Neoplastic Medicine/Oncology | 80259 |
| Nephrology | 80260 |
| Neurology | 80261 |
| Nuclear Medicine | 80262 |
| Nutrition | 80248 |
| Occupational/Industrial Medicine | 80233 |
| Otology | 80264 |
| Otorhinolaryngology | 80265 |
| Pediatrics | 80267 |
| Phlebography | 80434 |
| Physical Medicine and Rehabilitation | 80235 |
| Physicians (N.O.C.) | 80268 |
| Pneumatic or Mechanical Esophageal Dilation (Not with Bougie or Olive) | 80443 |
| Pneumoencephalography | 80428 |
| Psychosomatic Medicine | 80251 |
| Pulmonary Medicine | 80269 |
| Radiology (Diagnostic) | 80253 |
| Radiopaque Dye Injections into blood vessels, lymphatics, sinus tracts or fistulae | 80449 |
| Rheumatology | 80252 |
| Rhinology | 80247 |
| Shock Therapy | 80162 |

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## Class 2 Physicians - Minor Surgery

NOTE: Minor surgery is defined as performing minor surgery (including up to 20 obstetrical procedures per year which are not major surgery) or unlimited assisting in major surgery on patients other than the insured's. Major surgery, excluding cesarean sections, may be performed if it does not exceed 20 such procedures annually. Most ophthalmologists performing major surgery will be Class 2. See Class 3 for exception.

| Medical Specialty | Code |
|---|---|
| Angiography | 80422 |
| Arteriography | 80422 |
| Cardiovascular Disease | 80281 |
| Catheterization - Arterial, Cardiac or Diagnostic | 80422 |
| Dermatology | 80282 |
| Diabetes | 80271 |
| Endocrinology | 80272 |
| Family Physicians/General Practitioners | 80421 |
| Gastroenterology | 80274 |
| Geriatrics | 80276 |
| Gynecology | 80277 |
| Hematology | 80278 |
| Infectious Disease | 80279 |
| Intensive Care Medicine | 80283 |
| Internal Medicine | 80284 |
| Laryngology | 80285 |
| Neoplastic Medicine/Oncology | 80286 |
| Nephrology | 80287 |
| Neurology | 80288 |
| Ophthalmology (including lens implants) | 80289 |
| Otology | 80290 |
| Otorhinolaryngology | 80291 |
| Pathology | 80292 |
| Pediatrics | 80293 |
| Physicians (N.O.C.) | 80294 |
| Physicians - Minor Surgery | 80533 |
| Podiatrists - Surgical Procedures limited to: no more than 20 such procedures annually | 80993 |
| Radiation Therapy | 80165 |
| Rhinology | 80270 |

## Class 3 - Major Surgery

NOTE: Major surgery is defined as:

1. Performing major surgery, or
2. Tonsillectomies, adenoidectomies, and cesarean sections are major surgery.
3. Class 2 physicians who perform more than 20 but less than 40 major surgical procedures, per year, including obstetrics.



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4. This classification will apply to Dermatologists who perform the following procedures:
   -Blepharoplasty;
   -Chemical Peels (Baker's and Phenol);
   -Large and/or complex flaps and grafts;
   -Scalp reduction (midline).
5. Any surgical procedure which appears to be extraordinary should be referred to the Company for classification decision.

| Medical Specialty | Code |
|---|---|
| Broncho-Esophagology | 80101 |
| Colon and Rectal Surgery | 80115 |
| Dermatology | 80282 |
| Emergency Medicine | 80102 |
| Endocrinology | 80103 |
| Gastroenterology | 80104 |
| General or Family Practice (Not primarily engaged in major surgery) | 80117 |
| Geriatrics | 80105 |
| Laryngology | 80106 |
| Maxillofacial Surgery | 80211 |
| Nephrology | 80108 |
| Ophthalmology (including Radial Keratotomies) | 80114 |
| Otology | 80158 |
| Otolaryngology/Head and Neck Surgery | 80159 |
| Pediatrics (Neonatology) | 80293 |
| Physicians (N.O.C.) | 80294 |
| Podiatrists - Surgical procedures limited to: No more than 100 such procedures annually | 80993 |
| Rhinology | 80160 |
| Urology | 80145 |
| **Class 4 - Major Surgery** | |
| Anesthesiology | 80151 |
| Neoplastic Diseases/Oncology | 80107 |
| **Class 5 - Major Surgery** | |
| Abdominal Surgery | 80166 |
| Cardiac Surgery | 80141 |
| General Surgery | 80143 |
| Gynecology Surgery | 80167 |
| Emergency Medicine | 80157 |
| Hand Surgery | 80169 |
| Head and Neck Surgery | 80170 |
| Otolaryngology/Head and Neck Surgery (Elective Plastic Surgery) | 80155 |
| **Class 6 - Major Surgery** | |
| Gynecology | 80167 |
| Orthopedic Surgery (excluding spinal surgery and/or Chymopapain) | 80154 |
| Plastic Surgery | 80156 |
| Thoracic Surgery | 80144 |



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**Class 7 - Major Surgery**

| | |
|---|---|
| Cardiovascular Surgery | 80150 |
| Orthopedic Surgery | 80154 |
| Podiatrists (more than 100 surgical procedures per year) | 80993 |
| Traumatic Surgery | 80171 |
| Vascular Surgery | 80146 |

**Class 8 - Major Surgery**

| | |
|---|---|
| Neurology - Major Surgery | 80152 |
| Obstetric | 80168 |
| Obstetrics - Gynecology | 80153 |

B. Miscellaneous/Ancillary Medical Personnel

The following medical personnel have been assigned specialty classification codes as follows:

| Medical Classification | Code |
|---|---|
| Dental Hygienists | 80210 |
| Medical Laboratory Technician | 80711 |
| Midwife | 80962 |
| Nurse Practitioner | 80998 |
| Nurse Anesthetist | 80960 |
| Opticians | 80937 |
| Optometrist | 80994 |
| Paramedics | 80116 |
| Pharmacists | 59112 |
| Physician Assistant | 80116 |
| Physiotherapists | 80938 |
| Scrub Nurse/Operating Room Technician: | |
| 1. whose duties require them to assist & remain in the O.R. for a surgical procedure. | 80116 |
| 2. whose duties are to set up the O.R., but who do not remain in O.R. during a procedure. | 80998 |
| Surgeon Assistant | 80116 |
| X-Ray Technician | |
| 1. with Therapy | 80714 |
| 2. without Therapy | 80713 |

All other medical personnel including:

| | |
|---|---|
| 1. Audiologist, Medical Aide | 80998 |
| 2. R.N., L.P.N. | 80964 / 80963 |



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| Medical Classification | | Code |
|---|---|---|
| 3. | Psychologist, Research Ph.D. | 80998 |
| 4. | Unlicensed Preceptee or other similar employed medical personnel | 80998 |

Limits of Liability - Premium

1. The following ancillary personnel may be added to the Corporation policy as additional insureds at no additional charge, provided that Limits of Liability are on a shared basis.

| | |
|---|---|
| All other under Code 80998 (Audiologist, Medical Aide, R.N., L.P.N., Psychologist, Research PhD) Full Time Medical Students Medical Laboratory Technician O.R. Technician (Code 80998) | Optometrist Pharmacists Physiotherapists Dental Hygienist Scrub Nurse (Code 80998) X-Ray Technician with/without Therapy |

2. The following ancillary personnel may be added to the Corporation policy (Individual Physicians policy if no Corporation) as additional named insureds at the premium shown on the State Rate Page. Limits of Liability must equal those of the Corporation (Individual Physicians) and shall apply separately to each individual.

| | |
|---|---|
| Midwife | Paramedic |
| Nurse Anesthetist | Physician Assistant |
| Nurse Practitioner | Scrub Nurse (80116) |
| O.R. Technician (80116) | Surgeon Assistant |

C. Additional Classifications

| | |
|---|---|
| Corporation/Partnership/Professional Association | 80999 |
| Medical Laboratory | 80715 |

The following classifications identify additional potential exposures applicable to each individual Group Practice. These classifications require prior underwriting approval by the Company.

| | |
|---|---|
| Clinical Surgery Center | 80610 |
| Emergency Room | 80610 |
| Medical Facility | 80610 / 80611 |
| Independent Contracting Physician | 80999 |

## XI. LOSS PREVENTION CREDIT

A 5% credit will be applied to the Medical Specialty rate applicable to each physician who attends a CNA approved loss prevention workshop. This credit will be applied for three (3) consecutive years.

## XII. LONGEVITY CREDIT

A credit of 5% will be applied to the Medical Specialty rate applicable to each physician who has been continuously insured by CNA for five (5) or more consecutive years.

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## XIII. GROUP PRACTICE CREDIT AND SURCHARGE SCHEDULED RATING PLAN

The hazards of physicians engaged in a group practice, vary with the organization, establishment or medical standards review and claim review committees, the effectiveness of such committees, loss prevention activities, Professional Liability claim experience, professional services rendered under written agreement, etc. To recognize these and other factors peculiar to a particular group practice, it shall be permissible to apply a debit or credit to the rates and premiums otherwise developed, dependent upon the underwriter's overall evaluation of the risk.

1. Professional Liability Exposures

The maximum permissible modification of the Professional Liability premium(s) of the Group Practice/clinic entity is as shown on the State Rate Page.

| | | CREDIT | DEBIT |
|---|---|---|---|
| a. | Loss Control Program<br><br>The underwriter will evaluate the procedures in place within a Group Practice or clinic facility, including adherence to prior CNA recommendations. | 0 - 10% | XXX |
| b. | Professional Liability Loss History<br><br>In addition to the evaluation of an individual physician's losses, incurred during the term of employment by the applicant entity or before, the underwriter may view the applicant's losses as a function of the ineffectiveness of the loss control program. | XXX | 0 - 25% |
| c. | Medical Laboratory/Radiology Services<br><br>The review of such exposures will include the following considerations and the modifications will be applied ONLY to the premium applicable to the medical laboratory/radiology exposure(s). | | |
| | 1) If services are performed for other than the applicant's own patients, the terms of any contracts or agreements will also be reviewed for hold harmless clauses, etc. | XXX | 0 - 7% |
| | 2) Qualifications of supervisor/director; Physician with appropriate specialty board certifications; Technician with proper training/experience; non-professional with business background. | 0 - 3% | 0 - 3% |
| d. | Pharmacy<br><br>The modifications will be applied ONLY to the premium applicable to the pharmacy exposure. | | |
| | 1) The pharmacy must be owned and operated by the applicant; | 0 - 3% | XXX |

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| | | CREDIT | DEBIT |
|---|---|---|---|
| 2) | When the pharmacy operation includes the performance of activities other than the dispensing of drugs or filling of prescriptions for applicant's patients; | XXX | 0 - 3% |
| 3) | If the pharmacy's supervisor is/is not a licensed pharmacist. | 0 - 2% | 0 - 2% |

e. Collection Procedures

The modification will be applied ONLY to the premium applicable to the Corporation/Partnership as shown below:

| | | | |
|---|---|---|---|
| 1) | If applicant has given a collection agency the authority to file a collection suit at its own direction: | | |
| | 0 - 4 suits in past 5 years | XXX | 0 - 5% |
| | 5 - 9 suits in past 5 years | XXX | 0 - 10% |
| | 10 or more suits in past 5 years | XXX | 0 - 15% |
| 2) | If a collection agency does not have such authority, determine what formal procedures are used for handling of patient fee complaints. | 0 - 5% | 0 - 5% |

f. Continuing Education

| | | |
|---|---|---|
| Determine if the applicant's professional and para-professional staff participate in effective continuing medical education program; | 0 - 2% | 0 - 2% |

g. Accreditation

| | | |
|---|---|---|
| Determine if the Group Practice/clinic are accredited by the Accreditation Association for Ambulatory Health Care, Inc. or the Joint Commission of Accreditation of Hospitals; | 0 - 5% | 0 - 5% |
| Determine if the single specialty pathology or radiology Group Practice/clinic is certified by the College of American Pathology or American College of Radiology. | 0 - 5% | 0 - 5% |

| | | | |
|---|---|---|---|
| h. | Unusual Risk Characteristics | 0 - 10% | 0 - 10% |



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A. Claims-Made Rates - Limits of Liability - $100,000/$300,000

The maximum permissible modification of the Professional Liability premium(s) under the Group Practice Credit and Surcharge Schedule Rating Plan is 40%.

**Territory I: Cook, Madison and St. Clair Counties**

| Class | Claims-Made Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 1986 | 3610 | 4814 | 5295 | 6017 |
| 1 | 2647 | 4813 | 6418 | 7059 | 8022 |
| 2 | 3971 | 7220 | 9626 | 10,589 | 12,033 |
| 3 | 5295 | 9626 | 12,835 | 14,119 | 16,044 |
| 4 | 7942 | 14,440 | 19,253 | 21,178 | 24,066 |
| 5 | 10,589 | 19,253 | 25,670 | 28,237 | 32,088 |
| 6 | 11,913 | 21,659 | 28,879 | 31,767 | 36,099 |
| 7 | 15,222 | 27,676 | 36,902 | 40,592 | 46,127 |
| 8 | 17,207 | 31,286 | 41,714 | 45,886 | 52,143 |

**Territory II: Dupage, Kane, Lake, McHenry & Will Counties**

| Class | Claims-Made Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 1551 | 2820 | 3760 | 4136 | 4700 |
| 1 | 2068 | 3760 | 5014 | 5515 | 6267 |
| 2 | 3102 | 5641 | 7521 | 8273 | 9401 |
| 3 | 4136 | 7520 | 10,027 | 11,030 | 12,534 |
| 4 | 6204 | 11,281 | 15,041 | 16,545 | 18,801 |
| 5 | 8272 | 15,041 | 20,054 | 22,060 | 25,068 |
| 6 | 9307 | 16,921 | 22,562 | 24,818 | 28,202 |
| 7 | 11,892 | 21,621 | 28,828 | 31,711 | 36,035 |
| 8 | 13,443 | 24,442 | 32,589 | 35,848 | 40,736 |



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**Territory III: Champaign, Jackson, Kankakee, LaSalle, Macon, Sangamon & Vermilion Counties**

| Class | Claims-Made Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 1210 | 2200 | 2933 | 3226 | 3666 |
| 1 | 1613 | 2933 | 3910 | 4301 | 4888 |
| 2 | 2420 | 4399 | 5866 | 6452 | 7332 |
| 3 | 3226 | 5866 | 7821 | 8603 | 9776 |
| 4 | 4839 | 8798 | 11,731 | 12,904 | 14,664 |
| 5 | 6452 | 11,731 | 15,642 | 17,206 | 19,552 |
| 6 | 7259 | 13,198 | 17,597 | 19,356 | 21,996 |
| 7 | 9275 | 16,864 | 22,485 | 24,733 | 28,106 |
| 8 | 10,485 | 19,063 | 25,418 | 27,959 | 31,772 |

**Territory IV: Remainder of State**

| Class | Claims-Made Step Rates | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1A | 946 | 1720 | 2294 | 2523 | 2867 |
| 1 | 1262 | 2294 | 3058 | 3364 | 3823 |
| 2 | 1893 | 3441 | 4588 | 5047 | 5735 |
| 3 | 2523 | 4588 | 6117 | 6728 | 7646 |
| 4 | 3785 | 6881 | 9175 | 10,093 | 11,469 |
| 5 | 5046 | 9175 | 12,234 | 13,457 | 15,292 |
| 6 | 5677 | 10,322 | 13,763 | 15,140 | 17,204 |
| 7 | 7254 | 13,189 | 17,586 | 19,344 | 21,982 |
| 8 | 8201 | 14,910 | 19,880 | 21,868 | 24,850 |

B. Corporation/Partnership/Professional Association Charge:

If on a separate limit of liability basis, the rate is computed as up to 10% of the total developed professional liability premium for each physician.

C. Optional Coverages--Group Practice

Independent Contracting Physicians (Limits of $100,000/300,000)

| Number Physicians | Premium | Minimum Premium |
|---|---|---|
| 5 or less | 5% of Corp. charge | $ 500 |
| 6-10 | 10% of Corp. charge | $1,000 |
| 11-15 | 15% of Corp. charge | $1,500 |
| 16-20 | 20% of Corp. charge | $2,000 |



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| | |
|---|---|
| Medical Laboratory: | Rates filed on behalf of Company. |
| Medical Facilities Hospital Professional Liability: | Rates filed on behalf of Company. |

Individual Risk Rating Plan:

Accounts generating more than $100,000 in manual premium of $100,000/300,000 limits of liability are to be referred to the Company for rating.

| | |
|---|---|
| Defendant's Reimbursement | Included |

D. Additional Classifications — Rating Basis

1. New Physician

| | |
|---|---|
| First Year | 25% of Medical Specialty |
| Second Year | 50% of Medical Specialty |
| Third Year | 75% of Medical Specialty |

2. Physicians In Training

| | |
|---|---|
| First Year Residency | 50% of Medical Specialty |
| Residency Program | 100% of Medical Specialty |
| Preceptee: | |
| Licensed | 35% of Medical Specialty |
| Unlicensed | $20.00 |
| Fellowship | 100% of Medical Specialty |

3. Limited Practice

| | |
|---|---|
| Part Time Physician | 50% of Medical Specialty |
| Disability/Leave of Absence | 25% of Medical Specialty |
| Teaching Physician: | |
| (Less than 8 Hours per week) | 35% of Medical Specialty |
| (8-16 hours per week) | 50% of Medical Specialty |
| (17 hours or more per week) | 100% of Medical Specialty |
| Locum Tenens Physician | No charge |



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E. Physicians/Surgeons Assistants, Paramedics, Operating Room Technicians (80116), Scrub Nurse (80116) and Other Ancillary Personnel

Claims-made Rates - Limits of Liability - $100,000/$300,000

**Territory I: Cook, Madison & St. Clair Counties**

| Class | Step Rate | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant | 397 | 722 | 962 | 1059 | 1203 |
| Surgeon Assistants<br>O. R. Technicians<br>Paramedics,<br>H/L Perfusionist<br>Scrub Nurse | 794 | 1444 | 1926 | 2118 | 2407 |
| Nurse Midwife | 2647 | 4813 | 6418 | 7059 | 8022 |
| Nurse Anesthetist* | 2647 | 4813 | 6418 | 7059 | 8022 |
| Nurse Practitioners | 211 | 384 | 512 | 563 | 640 |

**Territory II: Dupage, Kane, Lake, McHenry & Will Counties**

| Class | Step Rate | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant | 310 | 564 | 752 | 827 | 940 |
| Surgeon Assistants<br>O. R. Technicians<br>Paramedics,<br>H/L Perfusionist<br>Scrub Nurse | 620 | 1128 | 1504 | 1654 | 1880 |
| Nurse Midwife | 2068 | 3760 | 5014 | 5515 | 6267 |
| Nurse Anesthetist* | 2068 | 3760 | 5014 | 5515 | 6267 |
| Nurse Practitioners | 165 | 300 | 400 | 440 | 500 |

**Territory III: Champaign, Jackson, Kankakee, LaSalle, Macon, Sangamon & Vermilion Counties**

| Class | Step Rate | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant | 242 | 440 | 586 | 645 | 733 |
| Surgeon Assistants<br>O. R. Technicians<br>Paramedics,<br>H/L Perfusionist<br>Scrub Nurse | 484 | 880 | 1173 | 1290 | 1466 |
| Nurse Midwife | 1613 | 2933 | 3910 | 4301 | 4888 |
| Nurse Anesthetist* | 1613 | 2933 | 3910 | 4301 | 4888 |
| Nurse Practitioners | 129 | 234 | 312 | 343 | 390 |



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**Territory IV: Remainder of State**

| Class | Step Rate | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant | 189 | 344 | 458 | 504 | 573 |
| Surgeon Assistants<br>O. R. Technicians<br>Paramedics,<br>H/L Perfusionist<br>Scrub Nurse | 379 | 688 | 918 | 1009 | 1147 |
| Nurse Midwife | 1262 | 2294 | 3058 | 3364 | 3823 |
| Nurse Anesthetist* | 1262 | 2294 | 3058 | 3364 | 3823 |
| Nurse Practitioners | 101 | 183 | 244 | 268 | 305 |

*Applies to no more than 2 CRNA's who are employed or supervised by an insured anesthesiologist. If more than 2 CRNA's per anesthesiologist, submit to Company for rating.

F. Miscellaneous Medical Personnel - Claims-Made Rates Limits of Liability - $100,000/$300,000

| Class | Rate |
|---|---|
| Dental Hygienist | $30.00 |
| Licensed Practical Nurse | 47.00 |
| Medical Laboratory Technician | 21.00 |
| Opticians | 36.00 |
| Optometrist | 90.00 |
| Pharmacist | 30.00 |
| Physiotherapist | 41.00 |
| Registered nurse | 47.00 |
| X-ray technician | |
| without therapy | 30.00 |
| with therapy | 61.00 |
| All Other including: | 30.00 |
| Audiologists, medical aides, psychologists, research PhD, unlicensed preceptee or other similar medical personnel | |

G. Increased Limits

| Desired Limits | Increase Factors | |
|---|---|---|
| | Class 1A-4 | Class 5-8 |
| $ 100,000/ 300,000 | 1.00 | 1.00 |
| 1,000,000/ 1,000,000 | 2.04 | 2.31 |
| 1,000,000/ 3,000,000 | 2.08 | 2.42 |
| Higher Limits | Refer to Company | |

Miscellaneous/Ancillary personnel shall be treated as Class 1A for Increased Limits.



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H. Deductible/Self-insured Retention

Extended Reporting Period Coverage will be granted for no additional charge provided, retirement takes place subject to the following schedule:

I. Extended Reporting Period

1. Extended Reporting Period Coverage will be granted for no additional charge provided, retirement takes place subject to the following schedule:

Age 55 with 10 consecutive years of coverage;
Age 56 with 9 consecutive years of coverage;
Age 57 with 8 consecutive years of coverage;
Age 58 with 7 consecutive years of coverage;
Age 59 with 6 consecutive years of coverage;
Age 60 or older with 5 consecutive years of coverage;

Consecutive years must be with CNA on Occurrence and/or Claims-Made basis.

2. Extended Reporting Period Coverage will be granted with the following discounts to an individual named insured should they leave their association with the named insured group practice, provided;

a. Rule I., Extended Reporting Period, Item 1. does not apply and;

b. termination of coverage occurs for reasons other than cancellation or non-renewal of the entire policy for the named insured group practice; and

c. termination of coverage takes place subject to 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% |



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3. The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy.

| Years of Prior Claims Made Coverage | Installment Factors | | | Prepaid Factors |
|---|---|---|---|---|
| | 1st Year | 2nd Year | 3rd Year | |
| 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 |

J. Full-Time Equivalency

It shall be permissible to add coverage for a Full-Time Equivalency position staffed by two or more part-time medical practitioners performing identical professional services for one job description, with their cumulative hours equivalent to one full-time medical practitioner.

The limits of liability apply separately to each position specifically named on the schedule, collectively with such incumbents who qualify for coverage under the definition of "you".

Compute the premium by applying the rates applicable to an individual physician charge for each Full-Time Equivalency position specifically named on the schedule.

K. Staff Position

It shall be permissible to add coverage for a specific Staff Position having a specific job description with professional services being performed by a medical practitioner.

The limits of liability apply separately to each staff position specifically named on the staff position schedule, collectively with such incumbents included as "you" by occupational description, and specifically named on such staff position schedule.

Compute the premium by applying the rates applicable to an individual physician charge for each Staff Position specifically named on the schedule.



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VII. Extended Reporting Period

The insured has the option to purchase Extended Reporting Period Coverage. The conditions and premium calculations are as follows:

A. The premium for the extended reporting period is the product of the appropriate factor from Table E and the Step 5 claims made premium.

B. The rates to be used in calculating mature claims made premiums for the extended reporting coverage premium will be the Step 5 rates in effect at the time the extended reporting coverage policy is purchased.

C. The limits of liability on the extended reporting coverage policy cannot be higher than the limits on the Claims Made Policy in force immediately prior to purchasing the extended reporting coverage policy.

VIII. Minimum Premium

A minimum premium of $1,000.00 shall apply per facility. If coverage is being provided for the medical director a minimum premium of $1,300.00 shall apply.

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IX. Mandatory State Funds

In those states which are subject to Mandatory State Funds, applicable percentage of premium will be collected as a surcharge in addition to the annual premium. Specific information is shown on the appropriate state page.

X. Trust Requirements

The company may agree with a sponsoring organization for a sharing of the profits, if any, in accordance with a predetermined formula. In the event of such an agreement, the policy shall be endorsed to either reflect the profit utilization formula or add the pertinent portion of the agreement with the organization to the policy by reference.

Any monies developed in accordance with an agreement as set forth above shall be paid, by the company, into a trust fund. Actual return of such monies shall then be in accordance with the provisions of such trust.

XI. Dialysis Facilities Step Rates for Professional Liability are shown below at basic limits of $100/300.

TABLE A

Facility Only - All States

| Step Year | Rate Per Treatment |
|---|---|
| 1 | $ 0.72 |
| 2 | 1.14 |
| 3 | 1.39 |
| 4 | 1.47 |
| 5 or more | 1.55 |



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DIALYSIS FACILITIES

TABLE B

Dialysis Facilities including Medical Director

| State | Step 1 | Step 2 | Step 3 | Step 4 | 5 or more |
|---|---|---|---|---|---|
| Alabama | $ .81 | $1.29 | $1.59 | $1.69 | $1.78 |
| Alaska | .81 | 1.30 | 1.60 | 1.70 | 1.79 |
| Arizona | .92 | 1.49 | 1.86 | 1.97 | 2.08 |
| Arkansas | .82 | 1.31 | 1.62 | 1.72 | 1.81 |
| California | .98 | 1.60 | 2.01 | 2.13 | 2.25 |
| Colorado | .87 | 1.40 | 1.74 | 1.84 | 1.94 |
| Connecticut | .85 | 1.36 | 1.69 | 1.79 | 1.89 |
| Delaware | .82 | 1.32 | 1.63 | 1.72 | 1.82 |
| Dist. of Columbia | .87 | 1.40 | 1.74 | 1.84 | 1.94 |
| Florida | .92 | 1.50 | 1.88 | 1.99 | 2.10 |
| Georgia | .84 | 1.34 | 1.66 | 1.76 | 1.86 |
| Hawaii | .87 | 1.40 | 1.74 | 1.84 | 1.94 |
| Idaho | .84 | 1.34 | 1.66 | 1.76 | 1.86 |
| Illinois | .89 | 1.44 | 1.80 | 1.90 | 2.01 |
| Indiana | .83 | 1.33 | 1.65 | 1.74 | 1.84 |
| Iowa | .83 | 1.33 | 1.65 | 1.74 | 1.84 |
| Kansas | .86 | 1.38 | 1.72 | 1.82 | 1.92 |
| Kentucky | .83 | 1.34 | 1.66 | 1.75 | 1.85 |
| Louisiana | .83 | 1.33 | 1.65 | 1.74 | 1.84 |
| Maine | .82 | 1.32 | 1.63 | 1.72 | 1.82 |
| Maryland | .83 | 1.33 | 1.65 | 1.74 | 1.84 |
| Massachusetts | .89 | 1.44 | 1.79 | 1.89 | 2.00 |
| Michigan | .90 | 1.45 | 1.81 | 1.91 | 2.02 |
| Minnesota | .84 | 1.34 | 1.66 | 1.76 | 1.86 |
| Mississippi | .83 | 1.34 | 1.66 | 1.75 | 1.85 |

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DIALYSIS FACILITIES

TABLE B (Continued)

Dialysis Facilities including Medical Director

| State | Step 1 | Step 2 | Step 3 | Step 4 | 5 or more |
|---|---|---|---|---|---|
| Missouri | .83 | 1.34 | 1.66 | 1.75 | 1.85 |
| Montana | .82 | 1.32 | 1.64 | 1.73 | 1.83 |
| Nebraska | .82 | 1.31 | 1.62 | 1.72 | 1.81 |
| Nevada | .90 | 1.46 | 1.82 | 1.92 | 2.03 |
| New Hampshire | .79 | 1.27 | 1.57 | 1.66 | 1.15 |
| New Jersey | .87 | 1.40 | 1.74 | 1.84 | 1.94 |
| New Mexico | .85 | 1.36 | 1.69 | 1.79 | 1.89 |
| New York | .89 | 1.44 | 1.79 | 1.89 | 2.00 |
| North Carolina | .89 | 1.44 | 1.79 | 1.89 | 2.00 |
| North Dakota | .82 | 1.32 | 1.64 | 1.73 | 1.83 |
| Ohio | .85 | 1.38 | 1.71 | 1.81 | 1.91 |
| Oklahoma | .82 | 1.31 | 1.62 | 1.72 | 1.81 |
| Oregon | .89 | 1.44 | 1.79 | 1.89 | 2.00 |
| Pennsylvania | .83 | 1.34 | 1.66 | 1.75 | 1.85 |
| Rhode Island | .80 | 1.28 | 1.58 | 1.67 | 1.76 |
| South Carolina | .81 | 1.30 | 1.60 | 1.70 | 1.79 |
| South Dakota | .85 | 1.36 | 1.69 | 1.79 | 1.89 |
| Tennessee | .82 | 1.31 | 1.62 | 1.72 | 1.81 |
| Texas | .89 | 1.44 | 1.79 | 1.89 | 2.00 |
| Utah | .84 | 1.34 | 1.66 | 1.76 | 1.86 |
| Vermont | .82 | 1.32 | 1.63 | 1.72 | 1.82 |
| Virginia | .83 | 1.34 | 1.66 | 1.75 | 1.85 |
| Washington | .84 | 1.34 | 1.66 | 1.76 | 1.86 |
| West Virginia | .84 | 1.34 | 1.66 | 1.76 | 1.86 |
| Wisconsin | .83 | 1.34 | 1.66 | 1.75 | 1.85 |
| Wyoming | .83 | 1.33 | 1.66 | 1.74 | 1.84 |



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DIALYSIS FACILITIES

TABLE C

Professional Liability
Increased Limits Factors

| Desired Per Claim/Aggregate Limit (000's omitted) | Increase Factor |
|---|---|
| 100/300 | 1.000 |
| 250/500 | 1.281 |
| 500/1000 | 1.495 |
| 1000/1000 | 1.647 |
| 1000/3000 | 1.707 |
| 2000/2000 | 1.990 |
| 3000/3000 | 2.140 |
| 4000/4000 | 2.270 |
| 5000/5000 | 2.390 |

TABLE D

Professional Liability
Deductible Credit Schedule
(Credits Applicable to Premium at 100/300 Limits)

| Deductible Amount | Deductible Credit% |
|---|---|
| $1,000 | 1 |
| 2,500 | 3 |
| 3,500 | 4 |
| 5,000 | 5 |

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TABLE E

Extended Reporting Coverage
Premium Conversion Factors

| Number of Years Insured has been in the program | Facility Only Factor | Combined Facility & Medical Director Factor |
|---|---|---|
| 1 | .76 | .87 |
| 2 | 1.08 | 1.31 |
| 3 | 1.21 | 1.46 |
| 4 or more | 1.32 | 1.53 |

XII. Premises liability rates shown below are at basic limits of $25,000 each occurrence

TABLE F

Premises Liability

| State | Rate per 100 treatments | State | Rate per 100 treatments |
|---|---|---|---|
| | | Illinois | .65 |
| Alabama | $ .45 | Indiana | .60 |
| Alaska | .55 | Iowa | .35 |
| Arizona | .75 | Kansas | .30 |
| Arkansas | .20 | Kentucky | .35 |
| California | 1.25 | Louisiana | .45 |
| Colorado | .25 | Maine | .45 |
| Connecticut | 1.65 | Maryland | .60 |
| Delaware | .30 | Massachusetts | .75 |
| District of Columbia | .35 | Michigan | .75 |
| Florida | 1.05 | Minnesota | .45 |
| Georgia | .35 | Mississippi | .45 |
| Hawaii | .40 | Missouri | .45 |
| Idaho | .20 | | |



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DIALYSIS FACILITIES

TABLE F (Continued)

Premises Liability

| State | Rate per 100 treatments | State | Rate per 100 treatments |
|---|---|---|---|
| Montana | $ .30 | Puerto Rico | .75 |
| Nebraska | .30 | Rhode Island | .45 |
| Nevada | .30 | South Carolina | .10 |
| New Hampshire | .60 | South Dakota | .10 |
| New Jersey | 1.80 | Tennessee | .45 |
| New Mexico | .30 | Texas | .60 |
| New York | 1.50 | Utah | .30 |
| North Carolina | .45 | Vermont | .20 |
| North Dakota | .15 | Virginia | .65 |
| Ohio | .95 | Washington | .40 |
| Oklahoma | .35 | West Virginia | .20 |
| Oregon | .40 | Wisconsin | .50 |
| Pennsylvania | 1.10 | Wyoming | .10 |

TABLE G

Premises Liability
Increased Limits Factors

| Desired Occurrence Limit | Increase Factor |
|---|---|
| $ 50,000 | 1.15 |
| 100,000 | 1.28 |
| 300,000 | 1.44 |
| 500,000 | 1.50 |



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# COMPANY PAGES

# FOR

# PROFESSIONAL LIABILITY COVERAGES

# CONTINENTAL CASUALTY COMPANY

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## DIVISION SIX--GENERAL LIABILITY
## PROFESSIONAL LIABILITY SUBDIVISION

## CONTINENTAL CASUALTY COMPANY

I. GENERAL INSTRUCTIONS

The rules contained in these Company Pages supersede and replace the provisions of Division Six, Professional Liability Subdivision, of the ISO Commercial Lines Manual, with respect to the writing of the Professional Insurance Coverage.

II. COMMON GENERAL RULES

All of the Common General Rules of the ISO Commercial Lines Manual shall apply except as follows:

A. Rule 2, Application of Common General Rules is amended to read:

These rules apply to all Division of this manual. Any exceptions to these rules are contained within the Company Pages for Division Six--General Liability, Professional Liability Subdivision, or in the respective State Page.

B. Rules 5, Policy Term, is amended to read:

Policies may be written for an annual term and renewed annually thereafter.

III. COVERAGE

Coverage under the policy shall be as described in the respective coverage parts. It shall be permissible to attach more than one coverage part to the policy.

IV. RATES

All rates shown in these Company Pages are for an annual period.

V. MINIMUM LIMITS OF LIABILITY

Minimum Limits of Liability shall be those shown as applicable to the respective coverage part.



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VI. INCREASED LIMITS OF LIABILITY

Increased Limits of Liability shall be as shown for the respective coverage part.

Increased Limits Factors shall be those shown as applicable for the respective coverage part.



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## MEDICAL PROFESSIONAL LIABILITY

CONTINENTAL CASUALTY COMPANY

I. GENERAL INSTRUCTIONS

These pages contain the rules and rates for the writing of Medical Professional Liability.

II. PREMIUM COMPUTATION

The premium shall be computed by applying the rate per practitioner, shown on the State Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured.

Rates shall be applied in accordance with each practitioner's medical specialty and identifying code number.

III. ADDITIONAL CLASSIFICATIONS

A. Part-Time

A part-time rate will apply to any

1. Physician or surgeon, or

2. Physician or surgeon assistant, paramedic or surgical operating room technician

who works 16 hours or less per week

B. Reserved for Future Use

C. Disability/Leave of Absence

A physician who becomes disabled or is on leave of absence for a period of 45 days or more, may be eligible for restricted coverage at a reduced rate. This will apply retroactively to the first day of disability or leave of absence.

Note: Leave of absence can include time spent to enhance one's education but will not include vacation time.



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D. Physicians in Training

Following graduation from medical school, a physician may elect to enter additional training periods as follows:

1. First year Residency (formerly Internship) - a 1 year period immediately following graduation. During this period a doctor may or may not be licensed, depending upon state requirements.

2. Residency Program - various lengths of time depending upon medical specialty; 3 years average. Following first year residency, generally licensed M.D. Upon completion of residency program physician becomes board eligible.

3. Preceptorship - A preceptee is a non-licensed medical student or a licensed physician continuing his education. A licensed physician preceptee shall, for the purposes of this program be considered as a part-time physician and added to the insured physicians' policy.

4. Fellowship Program - Follows completion of residency and is a higher level of training.

Note: Do not confuse a physician in a fellowship training program with a fellow, for example, of American College of Surgeons, or fellow of American College of OB/GYN. These are honorary membership designations obtained by peer nomination and approval.

E. Locum Tenens Physician

Coverage for a physician substituting for an insured physician will be limited to cover only professional services rendered on behalf of an insured physician for the specified time period.

The locum tenens physician shall complete an application and submit it in advance of the effective date of coverage. Any additional premium will be charged on a pro rata basis based on the physician's medical specialty and the number of days coverage is requested.

F. New Physicians

For the purposes of definition a "new" physician will be a physician who has recently completed one of the following programs and will be either joining a medical group or will be opening their own medical practice.



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1. Residency program

2. Fellowship program in their medical specialty

3. Fulfillment of a military obligation in remuneration for medical school tuition, commonly referred to as the Berry Plan.

To qualify, the applicant will be required to apply for a reduced rate within 6 months after the completion of any of the above programs.

A reduced rate will be applied for the new physician's first year in practice.

G. Weight Control

1. A physician whose medical practice includes weight reduction will be subject to prior underwriting approval.

2. All physicians whose medical practice includes 50% or more weight reduction will not be eligible under this program.

IV. MISCELLANEOUS MEDICAL PERSONNEL

A. Professional Liability Coverage for miscellaneous medical personnel may be provided. See State Page for medical specialties.

B. Full-time medical students enrolled in an appropriate complete program shall be eligible for a reduced rate.

Premium shall be as shown on the state page.

V. LOCATION OF MEDICAL PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from the practice of medicine within the State. An exception will be allowed for those who derive 25% or less of their annual income from outside the State. Those who derive more than 25% of their annual income outside the State shall be referred to the Company for underwriting approval and rating.

VI. PRIOR ACTS COVERAGE

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.



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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 shown on the State Page to the current premium under this policy for limits of $100,000/$300,000 per occurrence.

C. If the limit of liability under this coverage is other than $100,000/$300,000 per occurrence, the premium developed under B above shall be adjusted by the prior acts increased limits factors shown on the State Page for the applicable limit.

D. Upon termination of this policy an insured, having this coverage for 12 months or more, may apply to purchase an unlimited reporting period. The premium for such extension will be a single charge equal to the total of:

1. that portion of the return premium for the remaining policy period, if any, applicable to prior acts coverage; and

2. the total remaining annual charges, if any, for prior acts coverage remaining to be paid.

E. Upon termination of coverage under this policy by reason of death, the deceased's unearned premium for this coverage will be waived and an unlimited reporting period granted for no additional charge.

VII. CORPORATION/PARTNERSHIP

It shall be permissible to issue a policy naming a medical corporation or partnership to provide coverage for liability arising from the practice of medicine by member physicians. The Limit of Liability shall be equal to the highest limits provided to the individual member physician.

VIII. OPTIONAL COVERAGES/ENDORSEMENTS

It shall be permissible to add any of the following optional coverages/endorsements as appropriate to the particular situation and in accordance with the minimum basic limits of liability indicated herein:

A. ADDITIONAL INSURED--PREMISES/EQUIPMENT

The owner of leased premises or equipment may be named as additional insureds under the policy at no additonal premium charge.



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B. ADDITIONAL MEDICAL LABORATORY

It shall be permissible to add a Medical Laboratory as an additional insured.

C. DEFENDANT'S REIMBURSEMENT

When this coverage is to be provided, the Limits of Liability shall be either of the following:

$200 per day/$5,000 per suit
$300 per day/$7,500 per suit

D. FIRE AND WATER DAMAGE LEGAL LIABILITY

When this coverage is to be provided, the Limits of Liability shall be $100,000 per occurrence.

E. PREMISES MEDICAL PAYMENTS

When this coverage is to be provided, the Limits of Liability shall be $1,000 each person/$10,000 each occurrence.

F. HOST LIQUOR LIABILITY COVERAGE

This coverage shall be provided, without additional premium, when Premises Liability Coverage is to be provided.

Rates for such optional coverages shall be as shown on the State Rate Page.

IX. CLAIMS-MADE COVERAGE

If professional liability coverage is to be provided on a claims-made basis, the following rule shall apply:

A. Change of Specialty Classification

1. If a physician presently covered under a claims-made policy changes medical specialties, a surcharge shall be calculated and added to the physician's current medical speciality class rate unless:

   a. The current medical specialty falls within the same class as his previous specialty;



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b. The physician changed medical specialties more than four years ago while insured under claims-made coverage; or

c. The physician changed medical specialties at anytime while insured under occurrence coverage.

2. The following procedure should be used to calculate the charge to be inserted into the medical system.

a. Multiply the 100/300 mature claims-made rate appropriate for the physician's old medical specialty by the factor given below.

b. Determine the 100/300 claims-made rate appropriate for the physician's current medical specialty. The step number equals the number of years the physician has practiced under his current medical specialty plus one.

c. Add the results of Steps a and b. This is the 100/300 annual premium to be charged. To determine the factor to be entered into the medical system, divide the above premium by the 100/300 claims-made premium appropriate for the physician's current medical specialty. For limits other than 100/300, multiply annual premium by the appropriate increased factor.

| Number of years under claims-made coverage prior to change of specialty | Percentage of prior class rate to be charged by year of practice in current medical specialty | | | |
|---|---|---|---|---|
| | 1st Year | 2nd Year | 3rd Year | 4th Year |
| 1 | 37.0 | 23.5 | 8.3 | 7.4 |
| 2 | 60.5 | 31.8 | 15.7 | 7.4 |
| 3 | 68.8 | 39.2 | 15.7 | 7.4 |
| 4 or more | 76.2 | 39.2 | 15.7 | 7.4 |

B. Extended Reporting Period

The availability of Extended Reporting Period coverage shall be governed by the following rules, subject to underwriting approval.

1. The available Limits of Liability shall not exceed those afforded under the current claims-made policy.



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2. Reporting periods shall be rounded to the nearest year. January through June will encompass the first year; July through December shall be incorporated as the second year.

3. The Date of Coverage with this Company will determine eligibility for Extended Reporting Coverage at no charge in the event of death or disability.

4. Extended Reporting coverage will be available to individual physicians only. Should the insured terminate their association with the firm, coverage will be provided for the Liability of the partnership or Corporation provided that such entity was also insured by this Company.

5. Should an insured terminate coverage under this policy, the physician may purchase Extended Reporting Period coverage. The physician is eligible for this coverage provided:

   a. The physician requests Extended Reporting Period coverage within 30 days of policy termination; and

   b. Premium is paid promptly when due. Premium may be paid in advance, or in three annual installments.

X. NON-GROUP PRACTICE

For the purpose of these rules, non-group practice shall be defined as a solo practitioner, partner(s) of an insured partnership, officers of a professional corporation, or employed practitioners who are otherwise ineligible under the rules applicable to group practice.

In addition to all of the foregoing rules, the following rules shall also apply to non-group practice:

A. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual does not result in rates or premiums which are evenly divisible by four, each rate and premium shall be adjusted as follows:

1. The annual amount shall be divided by four.



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2. Where the result is not a whole dollar amount:

a. any amount involving $.75 or over shall be rounded up to the next highest whole dollar amount.

b. any amount involving $.74 or less shall be rounded down to the next lowest whole dollar amount.

c. such whole dollar amount is then multiplied by four to determine the annual rate or reserve premium.

B. OPTIONAL COVERAGES

It shall by permissible to provide any of the following as options under this program.

1. PREMISES LIABILITY COVERAGE

When this coverage is to be provided, the minimum Limit of Liability shall be $300,000 Bodily Injury and Property Damage.

2. RESERVE FOR FUTURE USE

3. PERSONAL UMBRELLA EXCESS

When this coverage is to be provided, the minimum Limit of Liability shall be $1,000,000 per accident.

Rates for such optional coverages shall be as shown on the State Rate Page.

XI. GROUP PRACTICE

For the purposes of these rules, group practice shall be defined as a group of 3 or more medical practitioners rendering out-patient care who:

A. are organized as a legal entity;

B. share common facilities and support personnel; and

C. maintain medical records of patients of the group as a medical record library.

In addition to all of the foregoing rules, except Rule IX, Non-Group Practice, the following rules shall also apply to Group Practice:



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## MEDICAL PROFESSIONAL LIABILITY

A. Clinical Practice

The majority of residency training is within a hospital. However, there are periods where clinical experience is required. If a group practice desires individual coverage for these physicians, they may be covered provided that:

1. they are under direct supervision of a clinic physician, and

2. their purpose in the clinic is to receive the clinical experience as part of their overall training program.

This rule shall not apply if the training institution (i.e. hospital) provides professional liability coverage for the physician in training outside the institution.

B. Additional Classifications

The following classifications identify additional exposures applicable to each individual group practice. Those classifications marked with an asterisk (*) require prior underwriting approval by the company.

| Classification | Code |
|---|---|
| Clinic Charge (if applicable) | 80999 |
| Clinical Surgery Center* | 80610 |
| Comprehensive General Liability | 80613 |
| Druggist/Optician Liability | 59181 |
| Emergency Room* | 80610 |
| Medical Facility* | 80610/80611 |
| Independent Contracting physician | 80999 |
| Shock Therapy | 80162 |
| X-Ray Therapy | 80165 |

C. Optional Coverages

It shall be permissible to provide any of the following optional coverages in accordance with the minimum basic limits of liability indicated herein:

1. Comprehensive General Liability

When this coverage is provided, basic limits for premises liability shall be:

Bodily Injury: $300,000 Each Occurrence
$300,000 Aggregate



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Property Damage: $100,000 Each Occurrence
$100,000 Aggregate

Independent Contractors Coverage for project values up to $50,000 are included. Coverage for project values exceeding $50,000 shall be available subject to underwriting approval.

Also available are:

a. Personal Injury Liability

$300,000 Aggregate

b. Non-Owned Automobile Liability

Bodily Injury: $100,000 per person
$300,000 per occurrence

Property Damage: $100,000 per person
100,000 per occurrence

2. Druggist/Optician Liability

When this coverage is provided, basic limits shall be:

$100,000 each occurrence
300,000 aggregate

3. Contractual Liability

When this coverage is provided, basic limits shall be:

Bodily Injury: $100,000 each occurrence

Property Damage: $100,000 each occurrence
$100,000 aggregate

4. Medical Facilities Professional Liability

When this coverage is provided, basic limits shall be:

$100,000 each claim
300,000 aggregate

D. Reserved for future use



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## PHYSICIANS PROFESSIONAL LIABILITY

E. Credit and Surcharge Scheduled Rating Plan

The hazards of Medical Practitioners engaged in group practice varies with the organization, establishment of medical standards review and claims review committees, the effectiveness of such committees, loss prevention activities, professional liability claim experience, professional services rendered under written agreement, etc. To recognize these and other factors peculiar to a particular group practice, it shall be permissible to apply a debit or credit, to the rates and premiums otherwise developed, dependent upon the underwriter's overall evaluation of the risk.

1. Professional Liability Exposures
The maximum permissible modification of the professional liability premium(s) of and/or the group practice/clinic entity is 40%.

| | CREDIT | DEBIT |
|---|---|---|
| a. Loss Control Program<br>The underwriter will evaluate the procedures in place within the facility, including adherence to prior CNA recommendations. | 0-10% | xxx |
| b. Professional Liability Loss History<br>In addition to the evaluation of an individual physician's losses, incurred during the term of employment by the applicant entity or before, the underwriter may view the applicant's losses as a function of the ineffectiveness of the loss control program, if any. | xxx | 0-25% |
| c. Medical Laboratory/Radiology Services<br>The review of such exposures will include the following considerations and the modifications will be applied | | |



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| | CREDIT | DEBIT |
|---|---|---|
| ONLY to the premium applicable to the medical laboratory/radiology exposure(s). | | |
| (1) Are such services performed for other than the applicant's own patients? If so, the terms of any contracts or agreements will also be reviewed for hold harmless clauses, etc. | xxx | 0-7% |
| (2) Certified/accredited by College of American Pathologists or American College of Radiology? | 0-7% | xxx |
| (3) Qualifications of supervisor/ director? Physician with appropriate specialty board certification? Technician with proper training/experience? Non-professional with business background? | 0-3% | 0-3% |

d. Pharmacy

| | | |
|---|---|---|
| The modifications will be applied ONLY to the premium applicable to the pharmacy exposure. | | |
| (1) Is the pharmacy owned and operated by the applicant? | 3% | xxx |
| (2) Does the pharmacy operation include the performance of activities other than the dispensing of drugs or filling of prescriptions for applicant's patients? | xxx | 0-3% |
| (3) Is the pharmacy's supervisor a licensed pharmacist? | 0-2% | 0-2% |



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| | | CREDIT | DEBIT |
|---|---|---|---|
| e. | Collection Procedures | | |
| (1) | If applicant has given a collection agency the authority to file a collection suit at its own discretion: | | |
| | 0-4 suits in past 5 years | xxx | 0-5% |
| | 5-9 suits in past 5 years | xxx | 0-10% |
| | 10 or more suits in past 5 years | xxx | 0-15% |
| (2) | If a collection agency does not have such authority, what are formal procedures for handling of patient fee complaints? | 0-5% | 0-5% |
| f. | Continuing Education | | |
| | Does the applicant's professional and paraprofessional staff participate in effective continuing medical education program? | 0-2% | 0-2% |
| g. | Accreditation | | |
| | Is the group practice/clinic accredited by the Accreditation Association for Ambulatory Health Care, Inc.? | 0-5% | 0-5% |
| h. | Unusual Risk Characteristics | 0-10% | 0-10% |

2. Comprehensive General Liability Exposures

The maximum permissible modification of the premium applicable to CGL exposures is 10%.

| | | CREDIT | DEBIT |
|---|---|---|---|
| a. | Management | | |
| | Written patient safety policy? Employee safety consciousness? Emergency provisions? Willingness to follow prior recommendations? | 0-5% | 0-5% |

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| | | CREDIT | DEBIT |
|---|---|---|---|
| b. | Location | | |
| | Off-street parking? Quality of external lighting? Condition of walkways and parking areas? | 0-3% | 0-3% |
| c. | Building Features | | |
| | Age and condition of structure? Unusual structural features, including fire resistive construction, complete sprinkler system? Barrierfree access for the aged and handicapped? | 0-3% | 0-3% |
| d. | Premises and Equipment | | |
| | Care, condition and type? | 0-5% | 0-5% |
| e. | CGL Loss History | 0-4% | 0-4% |
| f. | Unusual Risk Characteristics | 0-2% | 0-2% |



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XI. Physicians and Surgeons Classifications

A. Each physician is assigned a classification code dependent upon their medical specialty. When more than one classification is applicable the rate for the highest rated classification shall apply.

Class 1 - Physicians - No Surgery (See Notes)

| Medical Specialty | Code |
|---|---|
| Aerospace Medicine | 80230 |
| Allergy | 80254 |
| Cardiovascular Disease | 80255 |
| Dermatology | 80256 |
| Diabetes | 80237 |
| Endocrinology | 80238 |
| Family Physicians/General Practitioners | 80420 |
| Forensic/Legal Medicine | 80240 |
| Gastroenterology | 80241 |
| General Preventive Medicine | 80231 |
| Geriatrics | 80243 |
| Gynecology | 80244 |
| Hematology | 80245 |
| Hypnosis | 80232 |
| Infectious Diseases | 80246 |
| Internal Medicine | 80257 |
| Laryngology | 80258 |
| Neoplastic Diseases/Oncology | 80259 |
| Nephrology | 80260 |
| Neurology | 80261 |
| Nuclear Medicine | 80262 |
| Nutrition | 80248 |
| Occupational Medicine | 80233 |
| Ophthalmology | 80263 |
| Otology | 80264 |
| Otorhinolaryngology | 80265 |
| Pathology | 80266 |
| Pediatrics | 80267 |
| Pharmacology | 80234 |
| Physical Medicine and Rehabilitation | 80235 |



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| Medical Specialty | Code |
|---|---|
| Physicians (N.O.C.) | 80268 |
| Psychiatry (including child) | 80249 |
| Psychoanalysis | 80250 |
| Psychosomatic Medicine | 80251 |
| Public Health | 80236 |
| Pulmonary Medicine | 80269 |
| Radiology (Diagnostic) | 80253 |
| Rheumatology | 80252 |
| Rhinology | 80247 |

Notes: 1. All class 1 physicians listed above who perform any of the following medical techniques or procedures, will be classified as either class 2 or 3 physicians:

Acupuncture - Other than acupuncture anesthesia
Angiography
Arteriography
Catheterization - Arterial, Cardiac or Diagnostic other than:

a. The occasional emergency insertion of pulmonary wedge pressure recording catheters or temporary pacemakers.

b. Urethral catheterization or

c. Umbilical cord catheterization for diagnostic purposes or for monitoring blood gases in newborns receiving oxygen

Colonoscopy
Endoscopic Retrograde Cholangiopancreatography
Laparoscopy (Peritoneoscopy)
Lymphangiography
Myelography



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Needle Biopsy:
Including: Lung and Prostate
Excluding: Liver, Kidney or Bone Marrow
Phlebography
Pneumoencephalography
Pneumatic or Mechanical Esophageal Dilation
(Not with Bougie or Olive)
Radiopaque Dye Injections - into Blood Vessels, Lymphatics, Sinus Tracts or Fistulae (Radiologist)
Radiopaque Dye Injections - into Blood Vessels Lymphatics, Sinus Tracts or Fistulae (Not Radiologist)

Class 2 Physicians - Minor Surgery (See Notes)

| Medical Specialty | Code |
|---|---|
| Cardiovascular Disease | 80281 |
| Colonoscopy | 80443 |
| Dermatology | 80282 |
| Diabetes | 80271 |
| Diagnostic Radiology | 80280 |
| Endocrinology | 80272 |
| Endoscopic Retrograde Cholangiopancreatography | 80443 |
| Family Physicians/General Practitioners | 80421 |
| Gastroenterology | 80274 |
| Geriatrics | 80276 |
| Gynecology | 80277 |
| Hematology | 80278 |
| Infectious Disease | 80279 |
| Intensive Care Medicine | 80283 |
| Internal Medicine | 80284 |
| Laparoscopy (Peritonescopy) | 80440 |
| Laryngology | 80285 |
| Needle Biopsy: | |
| Including: Lung and Prostate Biopsy | |
| Excluding: Liver, Kidney or Bone Marrow | 80446 |
| Neoplastic Medicine/Oncology | 80286 |
| Nephrology | 80287 |
| Neurology | 80288 |
| Ophthalmology | 80289 |

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| | |
|---|---|
| Otology | 80290 |
| Otorhinolaryngology | 80291 |
| Pathology | 80292 |
| Pediatrics | 80293 |
| Physicians (N.O.C.) | 80294 |
| Pneumatic or Mechanical Esophageal Dilation (Not with Bougie or Olive) | 80443 |
| Radiopaque Dye Injections - into Blood Vessels Lymphatics, Sinus Tracts or Fistulae (Not Radiologist) | 80449 |
| Radiopaque Dye Injections - into Blood Vessels, Lymphatics, Sinus Tracts or Fistulae (Radiologist) | 80280 |
| Rhinology | 80270 |

Class 3 Physicians - Major Surgery (See Note)

| Medical Specialty | Code |
|---|---|
| Acupuncture - Other than acupuncture anesthesia | 80437 |
| Angiography | 80422 |
| Arteriography | 80422 |
| Broncho-Esophagology | 80101 |
| Catheterization - Arterial, Cardiac or Diagnostic other than:<br>1. The occasional emergency insertion of pulmonary wedge pressure recording catheters or temporary pacemakers.<br>2. Urethral catheterization or<br>3. Umbilical cord catheterization for diagnostic purposes or for monitoring blood gases in newborns receiving oxygen | 80422 |
| Colon and Rectal Surgery | 80115 |
| Emergency Medicine | 80102 |
| Endocrinology | 80103 |
| Gastroenterology | 80104 |
| General or Family Practice (Not primarily engaged in major surgery) | 80117 |
| Geriatrics | 80105 |
| Lymphangiography | 80434 |
| Maxillofacial Surgery | 80211 |

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| | |
|---|---|
| Myelography | 80428 |
| Neoplastic Disease/Oncology | 80107 |
| Nephrology | 80108 |
| Ophthalmology | 80114 |
| Phlebography | 80434 |
| Pneumoencephalography | 80428 |
| Urology | 80145 |

Note: Major surgery exceeds 5 percent but less than 40 percent of annual income. Includes Obstetrics, Assisting in Surgery, Administration of Anesthesia and Plastic.

Class 4 Physicians - Major Surgery

| Medical Specialty | Code |
|---|---|
| Laryngology | 80106 |
| Otology | 80158 |
| Otorhinolaryngology - No Plastic Surgery | 80159 |
| Rhinology | 80160 |

Class 5 Physicians - Major Surgery

| Medical Specialty | Code |
|---|---|
| Abdominal Surgery | 80166 |
| Cardiac Surgery | 80141 |
| General Surgery | 80143 |
| Gynecology | 80167 |
| Otorhinolaryngology- with Plastic Surgery | 80155 |

Class 6 Physicians - Major Surgery

| Medical Specialty | Code |
|---|---|
| Anesthesiology | 80151 |
| Emergency Medicine | 80157 |
| Hand Surgery | 80169 |
| Head and Neck Surgery | 80170 |
| Obstetrics | 80168 |
| Obstetrics - Gynecology | 80153 |
| Plastic Surgery | 80156 |



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Class 7 Physicians - Major Surgery

| Medical Specialty | Code |
|---|---|
| Cardiovascular Surgery | 80150 |
| Orthopedic | 80154 |
| Thoracic Surgery | 80144 |
| Traumatic Surgery | 80171 |
| Vascular Surgery | 80146 |

Class 8 Physicians - Major Surgery

| Medical Specialty | Code |
|---|---|
| Neurosurgery | 80152 |

Additional Classifications

| | |
|---|---|
| Podiatrist | 80993 |
| Radiation Therapy | 80165 |
| Shock Therapy | 80162 |

B. Miscellaneous Medical Personnel

The following medical personnel have been assigned specialty classification codes as follows:

| Medical Classification | Code |
|---|---|
| Dental Hygienists | 80210 |
| Medical Laboratory Technicians | 80711 |
| Midwife | 80116 |
| Nurse Practitioner | 80998 |
| Nurse Anesthetist | 80960 |
| Opticians | 80937 |
| Optometrist | 80994 |
| Paramedics | 80116 |
| Pharmacists | 59112 |
| Physician Assistant | 80116 |
| Physiotherapists | 80938 |

Scrub Nurse/Operating Room Technician:

| | | |
|---|---|---|
| 1. | whose duties require them to assist and remain in the O.R. for a surgical procedure | 80116 |
| 2. | whose duties are to set up the O.R., but who do not remain in or during a procedure | 80998 |



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| | |
|---|---|
| Surgeon Assistant | 80116 |
| X-Ray Technician | |
| with Therapy | 80714 |
| without Therapy | 80713 |

All other medical personnel including:

1. Audiologist, Medical Aide

2. R.N., L.P.N.

3. Psychologist, Research Ph.D.

4. Unlicensed Preceptee or other similar employed medical personnel 80998

C. Additional Classification

| | |
|---|---|
| Medical Laboratory | 80715 |



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I. These company exception pages shall not apply to Hospital Professional Liability as set forth in Commercial Lines Manual, Professional Liability Subdivision, Section II, Medical Professional Liability.

II. General Rule VII., Page 6001, is deleted and shall not apply.

III. Rule X, Non-Group Practice, Page 6306, is deleted and shall not apply.

IV. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for Professional Liability under this program shall be:

A. All members of a group practice, podiatrists, and Class 1 or 2 Physicians:

$100,000 Each Claim
300,000 Aggregate

B. Reserved for Future Use

V. PHYSICIANS PROFESSIONAL LIABILITY ($100,000/$300,000 LIMITS OF LIABILITY)

A. Not Applicable to:

- Podiatrists
- Physicians or Surgeon Assistants
- Paramedics
- Operating Room Technician (Code 80116)
- Scrub Nurse (Code 80116)
- Student Physicians or Surgeon Assistant



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B. Occurrence Rates

| Physicians Class | Territory 01 | Territory 02 |
|---|---|---|
| Class 1--No Surgery | $ 2,223 | $ 1,475 |
| Class 2--Minor Surgery | 3,890 | 2,581 |
| Class 3--Limited Major Surgery | 6,669 | 4,425 |
| Class 4--Major Surgery | 8,892 | 5,900 |
| Class 5--Major Surgery | 11,115 | 7,375 |
| Class 6--Major Surgery | 13,338 | 8,850 |
| Class 7--Major Surgery | 17,784 | 11,800 |
| Class 8--Major Surgery | 24,453 | 16,225 |
| Corporation/Partnership | 0-10 doctors--10% of each physician's individual premium. Over 10 doctors--average professional liability premium. | |

C. Claims-Made Rates

1. Territory 01

| Class | Step Rate | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1 | 556 | 1112 | 1667 | 1778 | 1890 |
| 2 | 973 | 1946 | 2917 | 3112 | 3308 |
| 3 | 1668 | 3336 | 5001 | 5334 | 5670 |
| 4 | 2224 | 4448 | 6668 | 7112 | 7560 |
| 5 | 2780 | 5560 | 8335 | 8890 | 9450 |
| 6 | 3336 | 6672 | 10002 | 10668 | 11340 |
| 7 | 4448 | 8896 | 13336 | 14224 | 15120 |
| 8 | 6116 | 12232 | 18337 | 19558 | 20790 |
| Corp/ Prtshp | 0-10 doctors--10% of each physician's individual premium. Over 10 doctors--average professional liability premium. | | | | |



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2. Territory 02

| Class | Step Rate | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| 1 | 369 | 738 | 1106 | 1180 | 1254 |
| 2 | 646 | 1292 | 1936 | 2065 | 2195 |
| 3 | 1107 | 2214 | 3318 | 3540 | 3762 |
| 4 | 1476 | 2952 | 4424 | 4720 | 5016 |
| 5 | 1845 | 3690 | 5530 | 5900 | 6270 |
| 6 | 2214 | 4428 | 6636 | 7080 | 7524 |
| 7 | 2952 | 5904 | 8848 | 9440 | 10032 |
| 8 | 4059 | 8118 | 12166 | 12980 | 13794 |
| Corp/ Prtshp | 0-10 doctors--10% of each physician's individual premium.<br><br>Over 10 doctors--average professional liability premium. | | | | |

3. Territories:

01 = Cook, Lake, DuPage, Peoria, Madison, St. Clair Counties
02 = Remainder of State

D. Physicians in Training

| | |
|---|---|
| First Year Residency | 35% of Medical Specialty |
| Residency Program | 35% of Medical Specialty |
| Preceptee: | |
| Licensed | 35% of Medical Specialty |
| Unlicensed | $20 |
| Fellowship | 100% of Medical Specialty |

E. Limited Practice

| | |
|---|---|
| Part Time Physician | 50% of Medical Specialty |
| Disability/Leave of Absence | 25% of Class 1 |
| New Physician | 50% of Medical Specialty |
| Locum Tenens Physician | No charge for first 30 days |

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F. Miscellaneous Medical Personnel

When any of the following ancillary personnel are to be covered under a policy issued in accordance with this Physicians Professional Liability Program, the Limit of Liability shall apply separately to each such person.

1. The maximum limit of liability shall be $100,000/$300,000 and there shall be a $20 charge for the following personnel:

| | |
|---|---|
| All other under code 80988 | Pharmacists |
| Audiologist, Medical Aide, | Physiotherapists |
| Dentist Hygienist | Psychologist; Research Ph.D. |
| Full Time Med. Students | R.N., L.P.N. |
| Medical Laboratory Technician | Scrub Nurse (Code 80998) |
| O.R. Technician (Code 80998) | X-Ray Technician |
| Optometrist | with/without Therapy |

2. Occurrence Rates

The rate shall be shown for each of the following personnel:

| Classification | Rates ($100,000/$300,000) |
|---|---|
| Midwife | $ 750 |
| Nurse Anesthetist | $1,000 |
| Nurse Practitioner | $ 225 |

3. Claims-Made Rates

| Classification | STEP | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Midwife | 187 | 374 | 561 | 598 | 636 |
| Nurse Practitioner | 56 | 112 | 168 | 179 | 190 |
| Nurse Anesthetist | 250 | 500 | 750 | 800 | 850 |

G. Shock Therapy and X-Ray Therapy

The additional premium applicable to any Class 1, 2, or 3 physician performing these procedures shall be:

| | |
|---|---|
| Shock Therapy | 40% of Class 1 |
| Radiation Therapy | 80% of Class 1 |



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H. Increased Limits

Increased Limits shall be available as follows:

| Desired Limits | Increase Factors |
|---|---|
| $ 100,000/300,000 | 1.00 |
| 250,000/500,000 | 1.29 |
| 500,000/1,000,000 | 1.53 |
| 1,000,000/1,000,000 | 1.81 |
| Higher Limits | Refer to Company |

I. Optional Coverages - All Practices

| | Annual Premium |
|---|---|
| 1. Defendants Reimbursement | |
| $200 per day/$5,000 per suit | $30.00 |
| $300 per day/$7,500 per suit | $40.00 |
| 2. Fire and Water Damage Legal Liability | Rates filed on behalf of the Company subject to a $10 minimum. |

3. Medical Laboratory

An additional premium of 25 percent of the Class I rate will apply.

J. Reserved for Future Use

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K. Optional Coverages-Group Practice

| | | |
|---|---|---|
| 1. | Comprehensive General Liability Including Host Liquor Liability | ISO CGL rates subject to a minimum of $38 (B.I.) and $36 (P.D.) |
| 2. | Premises Increase Limits Coverage | |
| | Desired Limits | Increase Factor |
| | $1,000,000/$1,000,000 | 1.16 |
| | Higher limits | Refer to Company |
| 3. | Personal Injury Coverage | 15% of basic B.I. premium |
| 4. | Non-Owned Auto/Hired Car | $10 for each full-time Physician, Surgeon, or Dentist for $100,000/ $300,000 Limits |
| 5. | Premises Medical Payments | |
| 6. | Independent Contractors (O&CP) | 20.7% of basic B.I. premium |



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| | # or Physicians | Minimum Premium |
|---|---|---|
| 7. Independent Contracting Physicians (Limits of $100,000/$300,000) | 5 or less | $ 500 |
| | 6-10 | 1,000 |
| | 11-15 | 1,500 |
| | 16-20 | 2,000 |
| 8. Druggist's Professional Liability (Limits of $100,000/$300,000) | .97 per $1,000 or annual gross receipts | |
| 9. Optician's Professional Liability (Limits of $100,000/$300,000) | $1.62 per $1,000 of annual gross receipts | |
| 10. Medical Facilities Hospital Professional Liability | Rates filed on behalf of the Company | |
| 11. Contractual Liability (Designated or Blanket) | Refer to Company. Minimum premium of $50 | |

L. Prior Acts Coverage (All Practices--Occurrence Coverage Only)

1. If Prior Acts Coverage is to be provided, the following factors shall apply for limits of $100,000/$300,000:

| Prior Coverage Period | Prior Acts Reporting Period | | | Pre-Paid |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 Year Prior | .32 | .24 | .21 | .71 |
| 2 Years Prior | .52 | .33 | .30 | 1.07 |
| 3 Years Prior | .59 | .40 | .30 | 1.22 |
| 4 Years Prior | .65 | .40 | .30 | 1.28 |



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2. Increased Limits

| Desired Limits | Increase Factors |
|---|---|
| $ 100,000/300,000 | 1.00 |
| 250,000/500,000 | 1.29 |
| 500,000/1,000,000 | 1.53 |
| 1,000,000/1,000,000 | 1.81 |
| Higher Limits | Refer to Company |

M. Extended Reporting Coverage (All Practices-Claims-Made Coverage Only)

The factors in the following Table shall be applied to the mature claims-made rate in the year coverage is being purchased.

| Years of Prior Claims Made Coverage | Installment Factors | | | Prepaid Factor |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 | .41 | .34 | .30 | .94 |
| 2 | .67 | .47 | .43 | 1.42 |
| 3 | .77 | .57 | .43 | 1.60 |
| 4 or more | .85 | .57 | .43 | 1.69 |

VI. PODIATRISTS - ALL PRACTICES-$100,000/$300,000 LIMITS OF LIABILITY

A. Occurrence Rates

| | |
|---|---|
| 1. Performing Surgery | $3,285 |
| 2. Non-performing Surgery | $2,299 |

B. Claims-Made Rates

| | STEP RATES | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Surgery | 851 | 1794 | 2402 | 2615 | 2828 |
| Non-Surgery | 597 | 1258 | 1685 | 1834 | 1984 |



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C. When non-surgical rates apply under A or B above, the Surgical Exclusion Endorsement shall be added to the policy.

D. Rule III. D., page 6301, is deleted and replaced by:

Podiatrists in Training

Coverage is available only to those individuals in a recognized training program, and it is limited as follows:

1. No coverage applies to work done by the individual outside of the program; and

2. The only limit available to an individual under this coverage is: $100,000 each claim/$300,000 aggregate

3. Restricted Coverage - Podiatrists in Training Endorsement shall be attached to the policy naming the individual and stating the restrictions.

4. Rate is $600.

E. Rule III. F., page 6301, is deleted and replaced by:

Recent Graduate

1. Recent graduate premiums apply to any licensed doctor of podiatric medicine, who is just beginning his practice;

2. Application of this Rule F is not retroactive, but begins upon the date of application subject to underwriting approval;

3. Individuals who have been in practice for less than 12 months may enter the program by paying the "first year graduate" rates, while those who have been in practice between 12 and 24 months shall be subject to "second year graduate" rates.

| Graduate | % of Class Rate |
|---|---|
| 1st Year | 51.0% |
| 2nd Year | 78.0% |



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F. Increased Limits

| Desired Limits | Increased Factor |
|---|---|
| $100,000/$300,000 | 1.00 |
| 250,000/500,000 | 1.20 |
| 500,000/1,000,000 | 1.32 |
| 1,000,000/1,000,000 | 1.51 |
| Higher Limits | Refer to Company |

G. Rule IV., Miscellaneous Medical Personnel, page 6302, is deleted and replaced with:

Other Personnel

Coverage for clerical and nurse employees shall be provided at no charge. The term "employee" shall not mean:

1. Nurse anesthesists, preceptees, or physicians assistants; nor

2. Physiotherapists or acupuncture technicians.

H. Prior Acts Coverage

1. If Prior Acts Coverage is to be provided, the following rates shall apply for limits of $100,000/$300,000.

| SURGICAL | | | | |
|---|---|---|---|---|
| | | Annual Installments | | |
| Years of Prior Exposure | Total Advance Premium | 1st | 2nd | 3rd |
| One Yr. or Less | $1,807 | $ 986 | $ 427 | $ 394 |
| Two Years | 2,562 | 1,347 | 624 | 591 |
| Three Years | 2,924 | 1,544 | 789 | 591 |
| Four Yrs. or More | 3,121 | 1,708 | 822 | 591 |



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PHYSICIANS PROFESSIONAL LIABILITY

| NON-SURGICAL | | | | |
|---|---|---|---|---|
| | | Annual Installments | | |
| Years of Prior Exposure | Total Advance Premium | 1st | 2nd | 3rd |
| One Yr. or Less | $1,265 | $ 690 | $ 299 | $ 276 |
| Two Years | 1,794 | 943 | 437 | 414 |
| Three Years | 2,047 | 1,081 | 552 | 414 |
| Four Yrs. or More | 2,185 | 1,196 | 575 | 414 |

2. Increased Limits

| Desired Limits | Increased Factor |
|---|---|
| $100,000/$300,000 | 1.00 |
| 250,000/500,000 | 1.20 |
| 500,000/1,000,000 | 1.32 |
| 1,000,000/1,000,000 | 1.51 |
| Higher Limits | Refer to Company |

I. Rule VIII., Optional Coverages/Endorsements, A through F, pages 6303-6304 is deleted and replaced with:

Professional Contractual Liability

Contractual Liability Coverage is not automatically included within the policy. It is permissable to add this coverage to the policy on a specific contract basis in accordance with the rules and rates approved for use by the company.



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J. Reserved for Future Use

VII. PHYSICIANS/SURGEONS ASSISTANTS, PARAMEDICS, OPERATING ROOM TECHNICIANS (80116), SCRUB NURSE (80116)

A. Limits of Liability - $100,000/$300,000

B. Occurrence Rates

| | Territory 01 | | Territory 02 | |
|---|---|---|---|---|
| | Full-Time | Part-Time | Full-Time | Part-Time |
| Physicians Assistants | $ 500 | 250 | $295 | 148 |
| Surgeon Assistant; O.R. Technician; Paramedic; Scrub Nurse | $1,000 | 500 | $590 | 295 |
| Students-PA/SA | $ 20 | N/A | $ 20 | N/A |

C. Claims-Made Rates

1. Territory 01

Full-Time

| | STEP | | | | |
|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 |
| Physician Assistant | 145 | 280 | 370 | 400 | 435 |
| Surgeon Assistants O.R. Technicians Paramedics, Scrub Nurse | 290 | 560 | 740 | 800 | 870 |
| Students-PA/SA | Not Applicable | | | | |



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Part-Time

| Class | STEP 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Physician Assistant | 73 | 140 | 185 | 200 | 218 |
| Surgeon Assistant<br>O.R. Technicians<br>Paramedics<br>Scrub Nurse | 145 | 280 | 370 | 400 | 435 |
| Students PA/SA | Not Applicable | | | | |

2. Territory 02

Full-Time

| | STEP 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Physician Assistant | 90 | 165 | 220 | 240 | 265 |
| Surgeon Assistants<br>O.R. Technicians<br>Paramedics,<br>Scrub Nurse | 180 | 330 | 440 | 480 | 530 |
| Students-PA/SA | Not Applicable | | | | |

Part-Time

| Class | STEP 1 | 2 | 3 | 4 | 5 |
|---|---|---|---|---|---|
| Physician Assistant | 45 | 82 | 110 | 120 | 132 |
| Surgeon Assistant<br>O.R. Technicians<br>Paramedics<br>Scrub Nurse | 90 | 165 | 220 | 240 | 265 |
| Students PA/SA | Not Applicable | | | | |

D. Increased Limits

| Desired Limits | Increase Factors |
|---|---|
| $ 100,000/300,000 | 1.00 |
| 250,000/500,000 | 1.25 |
| 500,000/1,000,000 | 1.71 |
| 1,000,000/1,000,000 | 2.00 |
| Higher Limits | Refer to Company |

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E. Prior Acts Coverage

1. If Prior Acts Coverage is to be provided, the following factors shall apply for limits of $100,000/$300,000:

| Prior Coverage Period | Prior Acts Reporting Period | | | Pre-Paid Factors |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 Year Prior | .32 | .24 | .21 | .71 |
| 2 Years Prior | .52 | .33 | .30 | 1.07 |
| 3 Years Prior | .59 | .40 | .30 | 1.22 |
| 4 Years Prior | .65 | .40 | .30 | 1.28 |

2. Increased limits

| Desired Limits | Increased Factor |
|---|---|
| 1,000,000/300,000 | 1.00 |
| 250,000/500,000 | 1.25 |
| 500,000/1,000,000 | 1.71 |
| 1,000,000/1,000,000 | 2.00 |
| Higher Limits | Refer to Company |

F. Extended Reporting Coverage (Claims-Made Coverage Only)

The factors in the following Table shall be applied to the mature claims-made rate in the year coverage is being purchased.

| Years of Prior Claims Made Coverage | Installment Factors | | | Prepaid Factor |
|---|---|---|---|---|
| | 1st year | 2nd year | 3rd year | |
| 1 | .41 | .34 | .30 | .94 |
| 2 | .67 | .47 | .43 | 1.42 |
| 3 | .77 | .57 | .43 | 1.60 |
| 4 or more | .85 | .57 | .43 | 1.69 |



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## DIVISION SIX--GENERAL LIABILITY
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## PODIATRISTS PROFESSIONAL LIABILITY

I. General Instructions

These pages contain the rules and rates for the writing of Podiatrists Professional Liability.

II. Coverage

Coverage under this program is described in the company's form titled: Professional Liability Coverage Part - Podiatrists.

III. Limits of Liability

Rates shown in these exception pages are for the limit options shown.

IV. Premium Computation

A. Except as stated below, the premium shall be computed by applying the appropriate rate separately to each full or part time doctor of podiatric medicine.

B. Recent Graduate

1. Recent graduate premiums apply to any licensed doctor of podiatric medicine who is just beginning his practice;

2. Application of this Rule B is not retroactive, but begins upon the date of application subject to underwriting approval;

3. Individuals who have been in practice for less than 12 months may enter the program by paying the "first year graduate" rates;

4. Individuals who have been in practice between 12 and 24 months may enter the program by paying the "second year graduate" rates.



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C. Podiatrists in Training

Coverage is available only to those individuals in a recognized training program. Coverage is limited as follows:

1. No coverage applies to work done by the individual outside of the program; and

2. The only limit available to an individual under this coverage is $100,000 each claim, $300,000 aggregate.

3. Restricted Coverage - Podiatrists in Training Endorsement shall be attached to the policy naming the individual and stating the restrictions.

4. Rates for Podiatrists in Training Coverage are shown on the appropriate State Page.

D. Locum Tenens Podiatrists

Coverage for a podiatrist substituting for an insured podiatrist will be limited to cover only professional services rendered on behalf of an insured podiatrist for the specified time period.

The locum tenens podiatrist shall complete an application and submit it in advance of the effective date of coverage. Coverage will be provided for the first 30 days at no charge. Any additional period of coverage will be charged on a pro-rata basis.

E. Other Personnel

1. Coverage for professional corporations, as shown on the application, shall be provided at no charge.

2. Coverage for clerical and nurse employees shall be provided at no charge. The term "employee" shall not mean:

   a. Nurse anesthetists, preceptees, or physicians assistants, nor

   b. Physiotherapists or acupuncture technicians.



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## PODIATRISTS PROFESSIONAL LIABILITY

F. Location of the Podiatrists Practice

The rates as shown in this manual contemplate the exposure as being derived from the practice of podiatry within the state. An exception will be allowed for those who derive 25% or less of their annual income from outside of the state. Those who derive more than 25% of their annual income outside of the state shall be referred to the company for underwriting approval and rating.

G. Claim Frequency

Coverage for any Podiatrist with a high claim frequency will be (a) rated.

V. Optional Coverages

A. Professional Contractual Liability

Contractual Liability Coverage is not automatically included within the policy. It is permissable to add this coverage to the policy on a blanket contract basis. The charge shall be 10% of the individual's professional liablity premium.

B. Prior Acts Coverage

Individuals who were previously insured under a "claims-made" insurance policy who desire coverage for occurrences which took place prior to the effective date of coverage with CNA may purchase Prior Acts Coverage for a one-time only charge payable in advance or over the first three policy years in annual installments. Rates for Prior Acts Coverage are shown on the appropriate State Page.

VI. Rates per Podiatrist are shown on the appropriate State Page.



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## DIVISION SIX--GENERAL LIABILITY
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## PODIATRISTS PROFESSIONAL LIABILITY

Territory-IA

The rates on this page apply only in the States of Illinois, Florida (except Dade & Broward Counties), and New York (except New York City).

I. Rates per Podiatrist:

| SURGICAL | | | |
|---|---|---|---|
| | Individual Podiatrist | Recent Graduate Annual Premiums | |
| Limits of Liability | Annual Premiums | 1st Yr. Graduate | 2nd Yr. Graduate |
| $100,000/$300,000 | $5,140 | $3,084 | $4,112 |
| $500,000/$500,000 | 6,940 | 4,164 | 5,552 |
| $1,000,000/$1,000,000 | 8,224 | 4,932 | 6,580 |

II. Podiatrists in Training rates for $100,000/$300,000 limits: $1,544

III. Contractual Liability Rate: 10% of Individual Podiatrists Rate.

IV. Rates for Prior Acts Coverage

$500,000/$500,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| | | Annual Installments | | |
| Years of Prior Exposure | Total Advance Premium | 1st | 2nd | 3rd |
| One Yr. or Less | $3,816 | $2,080 | $ 904 | $ 832 |
| Two Years | 5,412 | 2,844 | 1,320 | 1,248 |
| Three Years | 6,176 | 3,264 | 1,664 | 1,248 |
| Four Yrs. or More | 6,592 | 3,608 | 1,736 | 1,248 |

$1,000,000/$1,000,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| | | Annual Installments | | |
| Years of Prior Exposure | Total Advance Premium | 1st | 2nd | 3rd |
| One Yr. or Less | $4,524 | $2,468 | $1,068 | $ 988 |
| Two Years | 6,416 | 3,372 | 1,564 | 1,480 |
| Three Years | 7,320 | 3,864 | 1,976 | 1,480 |
| Four Yrs. or More | 7,812 | 4,276 | 2,056 | 1,480 |



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## PODIATRISTS PROFESSIONAL LIABILITY

The rates on this page apply only in the states of California, Florida, Michigan, New Jersey, New York City.

I. Rates per Podiatrist:

| SURGICAL | | | |
|---|---|---|---|
| Limits of Liability | Individual Podiatrist Annual Premiums | Recent Graduate Annual Premiums | |
| | | 1st Yr. Graduate | 2nd Yr. Graduate |
| $500,000/$500,000 | $6,230 | $3,450 | $4,840 |
| $1,000,000/$1,000,000 | 7,390 | 4,080 | 5,740 |

II. Podiatrists in Training rates for $100,000/$300,000 limits: $900

III. Rates for Prior Acts Coverage

$500,000/$500,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| Years of Prior Exposure | Total Advance Premium | Annual Installments | | |
| | | 1st | 2nd | 3rd |
| One Yr. or Less | $3,430 | $1,870 | $ 810 | $ 750 |
| Two Years | 4,860 | 2,550 | 1,190 | 1,120 |
| Three Years | 5,550 | 2,930 | 1,500 | 1,120 |
| Four Yrs. or More | 5,920 | 3,240 | 1,560 | 1,120 |

$1,000,000/$1,000,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| Years of Prior Exposure | Total Advance Premium | Annual Installments | | |
| | | 1st | 2nd | 3rd |
| One Yr. or Less | $4,060 | $2,220 | $ 960 | $ 880 |
| Two Years | 5,760 | 3,030 | 1,400 | 1,330 |
| Three Years | 6,570 | 3,470 | 1,770 | 1,330 |
| Four Yrs. or More | 7,020 | 3,840 | 1,850 | 1,330 |

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## PODIATRISTS PROFESSIONAL LIABILITY

The rates on this page apply only in the states of Illinois, Massachusetts, Nevada, New York (Except New York City), Oregon, Texas.

I. Rates per Podiatrist:

| SURGICAL | | | |
|---|---|---|---|
| | Individual Podiatrist | Recent Graduate Annual Premiums | |
| Limits of Liability | Annual Premiums | 1st Yr. Graduate | 2nd Yr. Graduate |
| $500,000/$500,000 | $4,600 | $2,620 | $3,600 |
| $1,000,000/$1,000,000 | 5,460 | 3,100 | 4,280 |

II. Podiatrists in Training rates for $100,000/$300,000 limits: $750

III. Rates for Prior Acts Coverage

$500,000/$500,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| | | Annual Installments | | |
| Years of Prior Exposure | Total Advance Premium | 1st | 2nd | 3rd |
| One Yr. or Less | $2,530 | $1,380 | $ 600 | $ 550 |
| Two Years | 3,590 | 1,890 | 870 | 830 |
| Three Years | 4,100 | 2,160 | 1,110 | 830 |
| Four Yrs. or More | 4,370 | 2,390 | 1,150 | 830 |

$1,000,000/$1,000,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| | | Annual Installments | | |
| Years of Prior Exposure | Total Advance Premium | 1st | 2nd | 3rd |
| One Yr. or Less | $3,000 | $1,640 | $ 710 | $ 650 |
| Two Years | 4,260 | 2,240 | 1,040 | 980 |
| Three Years | 4,860 | 2,560 | 1,320 | 980 |
| Four Yrs. or More | 5,180 | 2,840 | 1,360 | 980 |



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## PODIATRISTS PROFESSIONAL LIABILITY

The rates on this page apply only in the states of Arizona, Colorado, Connecticut, District of Columbia, Georgia, Hawaii, Indiana, Louisiana, Maryland, Missouri, Oklahoma, Rhode Island, Tennessee, Utah, Virginia, Washington.

I. Rates per Podiatrist:

| SURGICAL | | | |
|---|---|---|---|
| | Individual Podiatrist | Recent Graduate Annual Premiums | |
| Limits of Liability | Annual Premiums | 1st Yr. Graduate | 2nd Yr. Graduate |
| $500,000/$500,000 | $3,276 | $1,970 | $2,340 |
| $1,000,000/$1,000,000 | 3,880 | 2,340 | 3,110 |

II. Podiatrists in Training rates for $100,000/$300,000 limits: $600

III. Rates for Prior Acts Coverage

$500,000/$500,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| | | Annual Installments | | |
| Years of Prior Exposure | Total Advance Premium | 1st | 2nd | 3rd |
| One Yr. or Less | $ 1,800 | $ 980 | $ 430 | $ 390 |
| Two Years | 2,560 | 1,340 | 630 | 590 |
| Three Years | 2,920 | 1,540 | 790 | 590 |
| Four Yrs. or More | 3,110 | 1,700 | 820 | 590 |

$1,000,000/$1,000,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| | | Annual Installments | | |
| Years of Prior Exposure | Total Advance Premium | 1st | 2nd | 3rd |
| One Yr. or Less | $ 2,140 | $1,160 | $ 500 | $ 470 |
| Two Years | 3,030 | 1,590 | 740 | 700 |
| Three Years | 3,460 | 1,830 | 930 | 700 |
| Four Yrs. or More | 3,690 | 2,020 | 970 | 700 |



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## PODIATRISTS PROFESSIONAL LIABILITY

The rates on this page apply only in the states of Alabama, Alaska, Arkansas, Delaware, Idaho, Iowa, Kentucky, Maine, Minnesota, Mississippi, Montana, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Puerto Rico, South Carolina, South Dakota, Vermont, West Virginia, Wisconsin, Wyoming.

I. Rates per Podiatrist:

| SURGICAL | | | |
|---|---|---|---|
| | Individual Podiatrist Annual Premiums | Recent Graduate Annual Premiums | |
| Limits of Liability | | 1st Yr. Graduate | 2nd Yr. Graduate |
| $500,000/$500,000 | $2,600 | $1,630 | $2,110 |
| $1,000,000/$1,000,000 | 3,080 | 1,930 | 2,500 |

II. Podiatrists in Training rates for $100,000/$300,000 limits: $600

III. Rates for Prior Acts Coverage

$500,000/$500,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| | | Annual Installments | | |
| Years of Prior Exposure | Total Advance Premium | 1st | 2nd | 3rd |
| One Yr. or Less | $ 1,430 | $ 780 | $ 340 | $ 310 |
| Two Years | 2,030 | 1,070 | 490 | 470 |
| Three Years | 2,310 | 1,220 | 620 | 470 |
| Four Yrs. or More | 2,470 | 1,350 | 650 | 470 |

$1,000,000/$1,000,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| | | Annual Installments | | |
| Years of Prior Exposure | Total Advance Premium | 1st | 2nd | 3rd |
| One Yr. or Less | $ 1,700 | $ 920 | $ 400 | $ 370 |
| Two Years | 2,400 | 1,260 | 590 | 550 |
| Three Years | 2,740 | 1,450 | 740 | 550 |
| Four Yrs. or More | 2,930 | 1,600 | 700 | 550 |



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## PODIATRISTS PROFESSIONAL LIABILITY

The rates on this page apply only in the state of Ohio.

I. Rates per Podiatrist:

| SURGICAL | | | |
|---|---|---|---|
| Limits of Liability | Individual Podiatrist Annual Premiums | Recent Graduate Annual Premiums | |
| | | 1st Yr. Graduate | 2nd Yr. Graduate |
| $500,000/$500,000 | $ 4,185 | $ 2,383 | $ 3,281 |
| $1,000,000/$1,000,000 | 4,960 | 2,824 | 3,888 |

II. Podiatrists in Training rates for $100,000/$300,000 limits: $750

III. Rates for Prior Acts Coverage

$500,000/$500,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| Years of Prior Exposure | Total Advance Premium | Annual Installments | | |
| | | 1st | 2nd | 3rd |
| One Yr. or Less | $ 2,302 | $1,256 | $ 544 | $ 502 |
| Two Years | 3,264 | 1,716 | 795 | 753 |
| Three Years | 3,725 | 1,967 | 1,005 | 753 |
| Four Yrs. or More | 3,976 | 2,176 | 1,047 | 753 |

$1,000,000/$1,000,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| Years of Prior Exposure | Total Advance Premium | Annual Installments | | |
| | | 1st | 2nd | 3rd |
| One Yr. or Less | $ 2,728 | $1,488 | $ 645 | $ 595 |
| Two Years | 3,869 | 2,034 | 942 | 893 |
| Three Years | 4,414 | 2,331 | 1,190 | 893 |
| Four Yrs. or More | 4,712 | 2,579 | 1,240 | 893 |



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## PODIATRISTS PROFESSIONAL LIABILITY

The rates on this page apply only in the state of Kansas.

I. Rates per Podiatrist:

| SURGICAL | | | |
|---|---|---|---|
| | | Recent Graduate Annual Premiums | |
| Limits of Liability | Individual Podiatrist Annual Premiums | 1st Yr. Graduate | 2nd Yr. Graduate |
| $100,000/$300,000 | $2,425 | $1,463 | $1,944 |

II. Podiatrists in Training rates for $100,000/$300,000 limits: $600

III. Rates for Prior Acts Coverage

$100,000/$300,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| | | Annual Installments | | |
| Years of Prior Exposure | Total Advance Premium | 1st | 2nd | 3rd |
| One Yr. or Less | $1,309 | $ 727 | $ 291 | $ 291 |
| Two Years | 1,891 | 994 | 461 | 436 |
| Three Years | 2,158 | 1,140 | 582 | 436 |
| Four Yrs. or More | 2,303 | 1,261 | 606 | 436 |



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## PODIATRISTS PROFESSIONAL LIABILITY

The rates on this page apply only in the states of Illinois, Massachusetts, Nevada, New York (Except New York City), Oregon, Ohio, and Texas.

III. Rates for Prior Acts Coverage

$1,000,000/$1,000,000 LIMIT

| SURGICAL | | | | |
|---|---|---|---|---|
| | | Annual Installments | | |
| Years of Prior Exposure | Total Advance Premium | 1st | 2nd | 3rd |
| One Yr. or Less | $2,728 | $1,488 | $ 645 | $ 595 |
| Two Years | 3,869 | 2,034 | 942 | 893 |
| Three Years | 4,414 | 2,331 | 1,190 | 893 |
| Four Yrs. or More | 4,712 | 2,579 | 1,240 | 893 |

| NON-SURGICAL | | | | |
|---|---|---|---|---|
| | | Annual Installments | | |
| Years of Prior Exposure | Total Advance Premium | 1st | 2nd | 3rd |
| One Yr. or Less | $1,910 | $1,042 | $ 451 | $ 417 |
| Two Years | 2,708 | 1,424 | 659 | 625 |
| Three Years | 3,090 | 1,632 | 833 | 625 |
| Four Yrs. or More | 3,298 | 1,805 | 868 | 625 |



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DIVISION SIX - GENERAL LIABILITY
PROFESSIONAL LIABILITY SUBDIVISION

CHIROPRACTORS PROFESSIONAL LIABILITY

CONTINENTAL CASUALTY COMPANY

## I. GENERAL INSTRUCTIONS

A. These pages contain the rules and rates for the writing of the Chiropractors' Professional Liability Policy.

B. General Rule VII - Reserve Premium and/or Profit Sharing, shall not apply.

## II. COVERAGE

Coverage under this program is described in the Company's form titled: Professional Liability Coverage Part - Chiropractors.

## III. LIMITS OF LIABILITY

Rates shown in these exception pages are for basic limits. Basic limits under this program are as follows:

$100,000 Each Claim
$300,000 Aggregate

## IV. CALCULATION OF PREMIUM

A. The premium shall be computed by applying the appropriate rate per Chiropractor to the total number of chiropractors who are:

1. Named Insureds;
2. partners of an insured partnership;
3. officers of an insured professional corporation;
4. employed chiropractors of any Named Insured.



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CHIROPRACTORS PROFESSIONAL LIABILITY

B. Rate per Chiropractor - $100,000/300,000 limits $500

C. New Chiropractors shall have the following factors applied to the basic rate:

| | |
|---|---|
| First Year in Practice: | .60 |
| Second Year in Practice: | .75 |

D. Part-time Chiropractors shall have a factor of .50 applied to the otherwise applicable rate. For the purpose of this rule, part-time shall mean less than 20 hours of practice per week.

E. If prior acts coverage is desired, the following additional charges shall be applied:

| | |
|---|---|
| 1 year Prior Exposure | $145 |
| 2 Years Prior Exposure | $210 |
| 3 or More Years | $250 |

V. AVAILABLE LIMITS OF LIABILITY

The following Limits of Liability are available under this program:

| Professional Liability | Premises Liability | Fire & Water Legal Liability |
|---|---|---|
| Each Occurrence/Aggregate | Each Occurrence | Each Occurrence |
| $ 50,000/$ 100,000 | $ 50,000 | $ 50,000 |
| 100,000/ 300,000 | 100,000 | 100,000 |
| 250,000/ 500,000 | 250,000 | 100,000 |
| 500,000/ 500,000 | 500,000 | 100,000 |
| 1,000,000/1,000,000 | 1,000,000 | 100,000 |
| For higher limits refer to Company | | |



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PROFESSIONAL LIABILITY SUBDIVISION

CHIROPRACTORS PROFESSIONAL LIABILITY

## VI. OPTIONAL COVERAGES/DELETIONS

### A. PREMISES LIABILITY/FIRE & WATER LEGAL LIABILITY

It shall be permissible to delete coverage for Premises Liability and Fire and Water Legal Liability. When such coverage is to be deleted, a credit of $14 shall be allowed.

### B. PERSONAL UMBRELLA LIABILITY

It shall be permissible to add coverage for Personal Umbrella Excess liability. Available limits and corresponding premiums are shown on the State Page.



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CHIROPRACTORS PROFESSIONAL LIABILITY

CONTINENTAL CASUALTY COMPANY

INCREASED LIMITS FACTORS/PREMIUMS

1. If limits other than $100,000/$300,000 for Professional Liability are desired, the following factors shall be applied to the Basic Limits rate:

| Desired Limits | Factor |
|---|---|
| $ 50,000/$ 100,000 | 0.82 |
| 250,000/ 500,000 | 1.17 |
| 500,000/ 500,000 | 1.28 |
| 1,000,000/ 1,000,000 | 1.48 |

2. PERSONAL UMBRELLA COVERAGE

The following annual premium shall be charged based upon the desired limits.

| Desired Limits | Annual Premium |
|---|---|
| $1,000,000 | $110 |
| 2,000,000 | 165 |
| 3,000,000 | 203 |
| 4,000,000 | 231 |
| 5,000,000 | 258 |



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## 7. Physicians, Surgeons and Dentists Professional Liability Coverage

The classifications and rates appearing in this manual shall not apply to Physician Assistants, Surgeon Assistants, paramedics, operating room technician (surgical assistant only), or student physician or surgeon assistant. All such risks shall be rated in accordance with the following:

A. Rates shown herein shall apply separately to each insured.

### 1. Full Time Rates - Physicians Assistants

| TERRITORY | Limits of Liability | | | | |
|---|---|---|---|---|---|
| | 100/ 300 | 200/ 600 | 500/ 1,000 | 1,000/ 1,000 | 1,000/ 3,000 |
| California, Florida (Broward & Dade Counties), Illinois (Cook County) & New York (Metro.) | $600 | $750 | $1,026 | $1,230 | $1,272 |
| Remainder of Country | $354 | $438 | $606 | $725 | $750 |
| Students - Countrywide | $24 | $30 | n/a | $49 | n/a |

### 2. Full Time Rates - Surgeons Assistants

| TERRITORY | Limits of Liability | | | | |
|---|---|---|---|---|---|
| | 100/ 300 | 200/ 600 | 500/ 1,000 | 1,000/ 1,000 | 1,000/ 3,000 |
| California, Florida (Broward & Dade Counties), Illinois (Cook County) & New York (Metro.) | $1,200 | $1,500 | $2,058 | $2,460 | $2,544 |
| Remainder of Country | $708 | $900 | $1,212 | $1,451 | $1,500 |
| Students - Countrywide | $24 | $30 | n/a | $49 | n/a |

3. The rate shown above for students shall apply only to those full time students enrolled in an entire physician or surgeon assistants program.



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1. **Part-Time Rates - Physicians Assistants**

| TERRITORY | Limits of Liability | | | | |
|---|---|---|---|---|---|
| | 100/ 300 | 200/ 600 | 500/ 1,000 | 1,000/ 1,000 | 1,000/ 3,000 |
| California, Florida (Broward & Dade Counties), Illinois (Cook County) & New York (Metro.) | $300 | $376 | $514 | $615 | $636 |
| Remainder of Country | $178 | $220 | $304 | $365 | $376 |

2. **Part-Time Rates - Surgeons Assistants**

| TERRITORY | Limits of Liability | | | | |
|---|---|---|---|---|---|
| | 100/ 300 | 200/ 600 | 500/ 1,000 | 1,000/ 1,000 | 1,000/ 3,000 |
| California, Florida (Broward & Dade Counties), Illinois (Cook County) & New York (Metro.) | $600 | $750 | $1,026 | $1,230 | $1,272 |
| Remainder of Country | $354 | $438 | $606 | $725 | $750 |

B. **Prior Acts Coverage**

Individuals who were previously insured under a "**claims-made**" insurance policy who desire coverage for occurrences which took place prior to the effective date of coverage with CNA may purchase Prior Acts Coverage. The annual premiums, calculated in advance, will be determined as follows:

1. Determine the appropriate Limits of Liability for the Prior Acts period by identifying and selecting the lesser of:

   a. The current Limits of Liability under the CNA policy then in effect, or



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b. The Limits of Liability applicable under the claims-made policy immediately preceding the effective date of the CNA policy then in effect.

2. Calculate the annual premium due at inception by applying the appropriate factor from the table below to the current annual occurrence rate for the applicable physician or surgeon assistant classification.

Prior Acts Period
1-3 Years Prior

| Years of Prior Continuous Claims-Made Coverage | Factor |
|---|---|
| 1 | .94 |
| 2 | 1.42 |
| 3 | 1.64 |
| 4 or more | 1.76 |



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7. Physicians, Surgeons and Dentists
Professional Liability Coverage

The classifications and rates appearing in this manual shall not apply to podiatrists. All such risks shall be rated in accordance with the following rules and rates:

A. INDIVIDUAL PODIATRIST PREMIUMS apply to all full or part time doctors of podiatric medicine.

B. RECENT GRADUATE PREMIUMS apply to any licensed doctor of podiatric medicine who is just beginning his practice. Coverage is not retroactive but begins upon date of application pending approval. Individuals who have been in practice for less than twelve (12) months may enter the program by paying the first-year graduate rates. Individuals in practice between twelve (12) months and twenty-four (24) months pay the second year graduate rates. Thereafter full Individual Podiatrist premiums apply.

C. PRECEPTEE COVERAGE is only available for individuals of a recognized preceptee program and will not cover work the individual does outside of the program. The $100,000/$300,000 limit of liability is the only one available to preceptees.

D.

These rates apply in*: California, Florida, Michigan, New Jersey, New York City

| Limit of Liability | Surgical | | | Non-Surgical [1] | | |
|---|---|---|---|---|---|---|
| | Individual Podiatrist Annual Premiums | Recent Graduate Premiums | | Individual Podiatrists Annual Premium | Recent Graduate Premiums | |
| | | First Yr. Graduate | Second Yr. Graduate | | First Yr. Graduate | Second Yr. Graduate |
| $500,000/$500,000 | $5,420 | $2,997 | $4,212 | $3,794 | $2,099 | $2,950 |
| $1,000,000/$1,000,000 [2] | 6,424 | 3,552 | 4,992 | 4,496 | 2,488 | 3,496 |

Preceptee rates for $100,000/$300,000 limits: $900



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These rates apply in*: Illinois, Massachusetts, Nevada, New York (Except New York City), Oregon, Ohio, Texas

| Limit of Liability | Surgical | | | Non-Surgical [1] | | |
|---|---|---|---|---|---|---|
| | Individual Podiatrist Annual Premiums | Recent Graduate Annual Premiums | | Individual Podiatrists Annual Premium | Recent Graduate Annual Premiums | |
| | | First Yr. Graduate | Second Yr. Graduate | | First Yr. Graduate | Second Yr. Graduate |
| $500,000/$500,000 | $4,185 | $2,383 | $3,281 | $2,930 | $1,667 | $2,295 |
| $1,000,000/$1,000,000 [2] | 4,960 | 2,824 | 3,888 | 3,472 | 1,976 | 2,720 |

Preceptee rates for $100,000/$300,000 limits: $750

These rates apply in*: Arizona, Colorado, Connecticut, District of Columbia, Georgia, Hawaii, Indiana, Louisiana, Maryland, Missouri, Oklahoma, Kansas, Rhode Island Tennessee, Utah, Virginia, Washington

| Limit of Liability | Surgical | | | Non-Surgical [1] | | |
|---|---|---|---|---|---|---|
| | Individual Podiatrist Annual Premiums | Recent Graduate Annual Premiums | | Individual Podiatrists Annual Premium | Recent Graduate Annual Premiums | |
| | | First Yr. Graduate | Second Yr. Graduate | | First Yr. Graduate | Second Yr. Graduate |
| $500,000/$500,000 | $2,849 | $1,715 | $2,282 | $1,998 | $1,202 | $1,607 |
| $1,000,000/$1,000,000 [2] | 3,376 | 2,032 | 2,704 | 2,368 | 1,424 | 1,904 |

Preceptee rates for $100,000/$300,000 limits: $600

These rates apply in*: Alabama, Alaska, Arkansas, Delaware, Idaho, Iowa, Kentucky, Maine, Minnesota, Mississippi, Montana, Nebraska, New Hampsnire, New Mexico, North Carolina, North Dakota, Puerto Rico, South Carolina, South Dakota, Vermont, West Virginia, Wisconsin, Wyoming

| Limit of Liability | Surgical | | | Non-Surgical [1] | | |
|---|---|---|---|---|---|---|
| | Individual Podiatrist Annual Premiums | Recent Graduate Annual Premiums | | Individual Podiatrists Annual Premium | Recent Graduate Annual Premiums | |
| | | First Yr. Graduate | Second Yr. Graduate | | First Yr. Graduate | Second Yr. Graduate |
| $500,000/$500,000 | $2,261 | $1,418 | $1,836 | $1,586 | $ 992 | $1,283 |
| $1,000,000/$1,000,000 [2] | 2,680 | 1,680 | 2,176 | 1,880 | 1,176 | 1,520 |

Preceptee rates for $100,000/$300,000 limits: $600

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These rates apply in*: California, Florida, Michigan, New Jersey, New York City

### $500,000/$500,000 LIMIT

| Years of Prior Exposure | Surgical Total Advance Premium | Surgical 1st Annual Inst. | Surgical 2nd Annual Inst. | Surgical 3rd Annual Inst. | Non-Surgical Total Advance Premium | Non-Surgical 1st Annual Inst. | Non-Surgical 2nd Annual Inst. | Non-Surgical 3rd Annual Inst. |
|---|---|---|---|---|---|---|---|---|
| One Year or Less | $2,981 | $1,626 | $ 705 | $ 650 | $2,087 | $1,138 | $ 494 | $ 455 |
| Two Years | 4,228 | 2,222 | 1,030 | 976 | 2,959 | 1,556 | 720 | 683 |
| Three Years | 4,824 | 2,547 | 1,301 | 976 | 3,377 | 1,783 | 911 | 683 |
| Fours Years or More | 5,149 | 2,818 | 1,355 | 976 | 3,604 | 1,973 | 948 | 683 |

### $1,000,000/$1,000,000 LIMIT

| Years of Prior Exposure | Surgical Total Advance Premium | Surgical 1st Annual Inst. | Surgical 2nd Annual Inst. | Surgical 3rd Annual Inst. | Non-Surgical Total Advance Premium | Non-Surgical 1st Annual Inst. | Non-Surgical 2nd Annual Inst. | Non-Surgical 3rd Annual Inst. |
|---|---|---|---|---|---|---|---|---|
| One Year or Less | $3,533 | $1,927 | $ 835 | -$ 771 | $2,473 | $1,349 | $ 584 | $ 540 |
| Two Years | 5,011 | 2,634 | 1,221 | 1,156 | 3,507 | 1,843 | 855 | 809 |
| Three Years | 5,717 | 3,019 | 1,542 | 1,156 | 4,001 | 2,113 | 1,079 | 809 |
| Four Years or More | 6,103 | 3,340 | 1,607 | 1,156 | 4,271 | 2,338 | 1,124 | 809 |

These rates apply in*: Illinois, Massachusetts, Nevada, New York (Except New York City), Oregon, Ohio, Texas

### $500,000/$500,000 LIMIT

| Years of Prior Exposure | Surgical Total Advance Premium | Surgical 1st Annual Inst. | Surgical 2nd Annual Inst. | Surgical 3rd Annual Inst. | Non-Surgical Total Advance Premium | Non-Surgical 1st Annual Inst. | Non-Surgical 2nd Annual Inst. | Non-Surgical 3rd Annual Inst. |
|---|---|---|---|---|---|---|---|---|
| One Yr. or Less | $2,302 | $1,256 | $ 544 | $ 502 | $1,612 | $ 879 | $ 381 | $ 352 |
| Two Years | 3,264 | 1,716 | 795 | 753 | 2,285 | 1,201 | 557 | 527 |
| Three Years | 3,725 | 1,967 | 1,005 | 753 | 2,608 | 1,377 | 704 | 527 |
| Four Yrs. or More | 3,976 | 2,176 | 1,047 | 753 | 2,784 | 1,524 | 733 | 527 |

### $1,000,000/$1,000,000 LIMIT

| Years of Prior Exposure | Surgical Total Advance Premium | Surgical 1st Annual Inst. | Surgical 2nd Annual Inst. | Surgical 3rd Annual Inst. | Non-Surgical Total Advance Premium | Non-Surgical 1st Annual Inst. | Non-Surgical 2nd Annual Inst. | Non-Surgical 3rd Annual Inst. |
|---|---|---|---|---|---|---|---|---|
| One Yr. or Less | $2,728 | $1,488 | $ 645 | $ 595 | $1,910 | $1,042 | $ 451 | $ 417 |
| Two Years | 3,869 | 2,034 | 942 | 893 | 2,708 | 1,424 | 659 | 625 |
| Three Years | 4,414 | 2,331 | 1,190 | 893 | 3,090 | 1,632 | 833 | 625 |
| Four Yrs. or More | 4,712 | 2,579 | 1,240 | 893 | 3,298 | 1,805 | 868 | 625 |

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These rates apply in*: Pennsylvania

| Limit of Liability | Surgical | | | Non-Surgical[1] | | |
|---|---|---|---|---|---|---|
| | Individual Podiatrist Annual Premiums | Recent Graduate Annual Premiums | | Individual Podiatrists Annual Premium | Recent Graduate Annual Premiums | |
| | | First Yr. Graduate | Second Yr. Graduate | | First Yr. Graduate | Second Yr. Graduate |
| $100,000/$300,000 | $2,110 | $1,270 | $1,690 | $1,480 | $ 890 | $1,190 |

Preceptee rates for $100,000/$300,000 limits: $600

For Limits in excess of $1,000,000/$1,000,000 refer to Company.

E. ADDITIONAL COVERAGE INFORMATION - At no additional premium, the Policy will include coverage for professional corporations, as shown on the application. The policy will also provide coverage for clerical and nurse employees at no additional charge. However, this employee coverage does not include nurse anesthetists, preceptees, physician assistants, physiotherapists or acupuncture technicians who shall be added to the policy in accordance with appropriate rules and rates contained in this manual.

F. PROFESSIONAL CONTRACTUAL LIABILITY - Contractual Liability coverage is not automatically included in the policy, but can be added on a specific contract basis in accordance with the rules and rates contained elsewhere in this manual.

G. PRIOR ACTS ("TAIL BUY-OUT") COVERAGE - Individuals who were previously insured under a "claims-made" insurance policy who desire coverage for occurrences which took place prior to the effective date of coverage with CNA may purchase Prior Acts Coverage for a one-time only charge payable in advance or over the first three policy years in annual installments.



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These rates apply in*: Arizona, Colorado, Connecticut, District of Columbia, Georgia, Hawaii, Indiana, Louisiana, Maryland, Missouri, Oklahoma, Kansas, Rhode Island, Tennessee, Utah, Virginia, Washington

$500,000/$500,000 LIMIT

| Years of Prior Exposure | Surgical Total Advance Premium | Surgical 1st Annual Inst. | Surgical 2nd Annual Inst. | Surgical 3rd Annual Inst. | Non-Surgical Total Advance Premium | Non-Surgical 1st Annual Inst. | Non-Surgical 2nd Annual Inst. | Non-Surgical 3rd Annual Inst. |
|---|---|---|---|---|---|---|---|---|
| One Yr. or Less | $1,567 | $ 855 | $ 370 | $ 342 | $1,099 | $ 599 | $ 260 | $ 240 |
| Two Years | 2,222 | 1,168 | 541 | 513 | 1,558 | 819 | 379 | 360 |
| Three Years | 2,536 | 1,339 | 684 | 513 | 1,778 | 939 | 479 | 360 |
| Four Yrs. or More | 2,707 | 1,481 | 713 | 513 | 1,898 | 1,039 | 499 | 360 |

$1,000,000/$1,000,000 LIMIT

| | Surgical | | | | Non-Surgical | | | |
|---|---|---|---|---|---|---|---|---|
| One Yr. or Less | $1,857 | $1,013 | $ 439 | $ 405 | $1,302 | $ 710 | $ 308 | $ 284 |
| Two Years | 2,633 | 1,384 | 641 | 608 | 1,847 | 971 | 450 | 426 |
| Three Years | 3,005 | 1,587 | 810 | 608 | 2,108 | 1,113 | 569 | 426 |
| Four Yrs. or More | 3,207 | 1,756 | 843 | 608 | 2,250 | 1,231 | 593 | 426 |

These rates apply in*: Alabama, Alaska, Arkansas, Delaware, Idaho, Iowa, Kentucky, Maine, Minnesota, Mississippi, Montana, Nebraska, New Hampshire, New Mexico, North Carolina, North Dakota, Puerto Rico, South Carolina, South Dakota, Vermont, West Virginia, Wisconsin, Wyoming

$500,000/$500,000 LIMIT

| Years of Prior Exposure | Surgical Total Advance Premium | Surgical 1st Annual Inst. | Surgical 2nd Annual Inst. | Surgical 3rd Annual Inst. | Non-Surgical Total Advance Premium | Non-Surgical 1st Annual Inst. | Non-Surgical 2nd Annual Inst. | Non-Surgical 3rd Annual Inst. |
|---|---|---|---|---|---|---|---|---|
| One Yr. or Less | $1,244 | $ 678 | $ 295 | $ 271 | $ 872 | $ 476 | $ 206 | $ 190 |
| Two Years | 1,764 | 927 | 430 | 407 | 1,237 | 650 | 302 | 285 |
| Three Years | 2,012 | 1,063 | 542 | 407 | 1,412 | 745 | 382 | 285 |
| Four Yrs. or More | 2,148 | 1,176 | 565 | 407 | 1,507 | 825 | 397 | 285 |

$1,000,000/$1,000,000 LIMIT

| | Surgical | | | | Non-Surgical | | | |
|---|---|---|---|---|---|---|---|---|
| One Yr. or Less | $1,474 | $ 804 | $ 348 | $ 322 | $1,034 | $ 564 | $ 244 | $ 225 |
| Two Years | 2,090 | 1,099 | 509 | 482 | 1,466 | 771 | 357 | 338 |
| Three Years | 2,385 | 1,260 | 643 | 482 | 1,673 | 884 | 451 | 338 |
| Four Yrs. or More | 2,546 | 1,394 | 670 | 482 | 1,786 | 978 | 470 | 338 |

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These rates apply in*: Pennsylvania

| | $100,000/$300,000 LIMIT | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Surgical | | | | Non-Surgical | | | |
| Years of Prior Exposure | Total Advance Premium | 1st Annual Inst. | 2nd Annual Inst. | 3rd Annual Inst. | Total Advance Premium | 1st Annual Inst. | 2nd Annual Inst. | 3rd Annual Inst. |
| One Yr. or Less | $1,244 | $ 678 | $ 295 | $ 271 | $ 872 | $ 476 | $ 206 | $ 190 |
| Two Years | 1,764 | 927 | 430 | 407 | 1,237 | 650 | 302 | 285 |
| Three Years | 2,012 | 1,063 | 542 | 407 | 1,412 | 745 | 382 | 285 |
| Four Yrs. or More | 2,148 | 1,176 | 565 | 407 | 1,507 | 825 | 397 | 285 |

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DIALYSIS FACILITIES

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I. Application of These Rules

The rules, classifications and rates contained in these pages apply to the writing of Dialysis Facilities Policies. The provisions of Division Six - General Liability of the Commercial Lines Manual shall not apply.

II. Coverage

Coverage under this program is as described in the company's form titled: Dialysis Facilities Policy

III. Limits of Liability

Rates contained in these pages are for standard limits. Standard limits under this program shall be:

| | |
|---|---|
| Professional Liability | $100,000 each claim<br>300,000 aggregate |
| Premises Liability | $25,000 each occurrence |

IV. Coverage Period

Policies may not be issued for a term in excess of one year. Policies may, however, be renewed for up to two successive additional annual periods by renewal declarations.

V. Premium Computation

A. The premium shall be computed by applying the applicable basic limits rate to the number of dialysis treatments performed. For limits higher than basic limits, the appropriate increased limits factor shall be applied. Rates shall be determined from the appropriate table as follows:

1. Table A - Coverage for the facility only

2. Table B - Coverage for the facility and the medical director

B. The annual rate per facility shall be determined as follows:

1. If the facility has been covered under an "occurrence" policy

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DIALYSIS FACILITIES

prior to issuance of a Dialysis Facilities Policy, the applicable rate shall be the Step 1 claims-made rate shown in Table A or B.

2. If the facility has been covered under a claims-made policy prior to issuance of a Dialysis Facilities Policy, the number of years of claims-made coverage, increased by 1 shall be the appropriate step rate. Example: 3 years of claims-made coverage plus 1 = Step 4 rate.

3. If the facility has been previously uninsured:

   a. The Step 1 claims-made rate from Table A or B shall apply;
   b. No prior acts coverage shall be provided.

VI. Modified Coverage

A. Increased limits may be purchased. Appropriate increased limits factors may be found in Table C.

B. Premises Liability is available on an optional basis. Rates and increased limits factors are found in Tables F & G.

C. Deductibles. If required, deductible credits are available. These credits assume the following:

   1. In the event of a claim closed with indemnity, the deductible will apply to the sum of the claim expense and indemnity payment;

   2. In the event of a claim closed without indemnity, the deductible will not apply;

   3. The Deductible Credit Schedule is shown on Table D.

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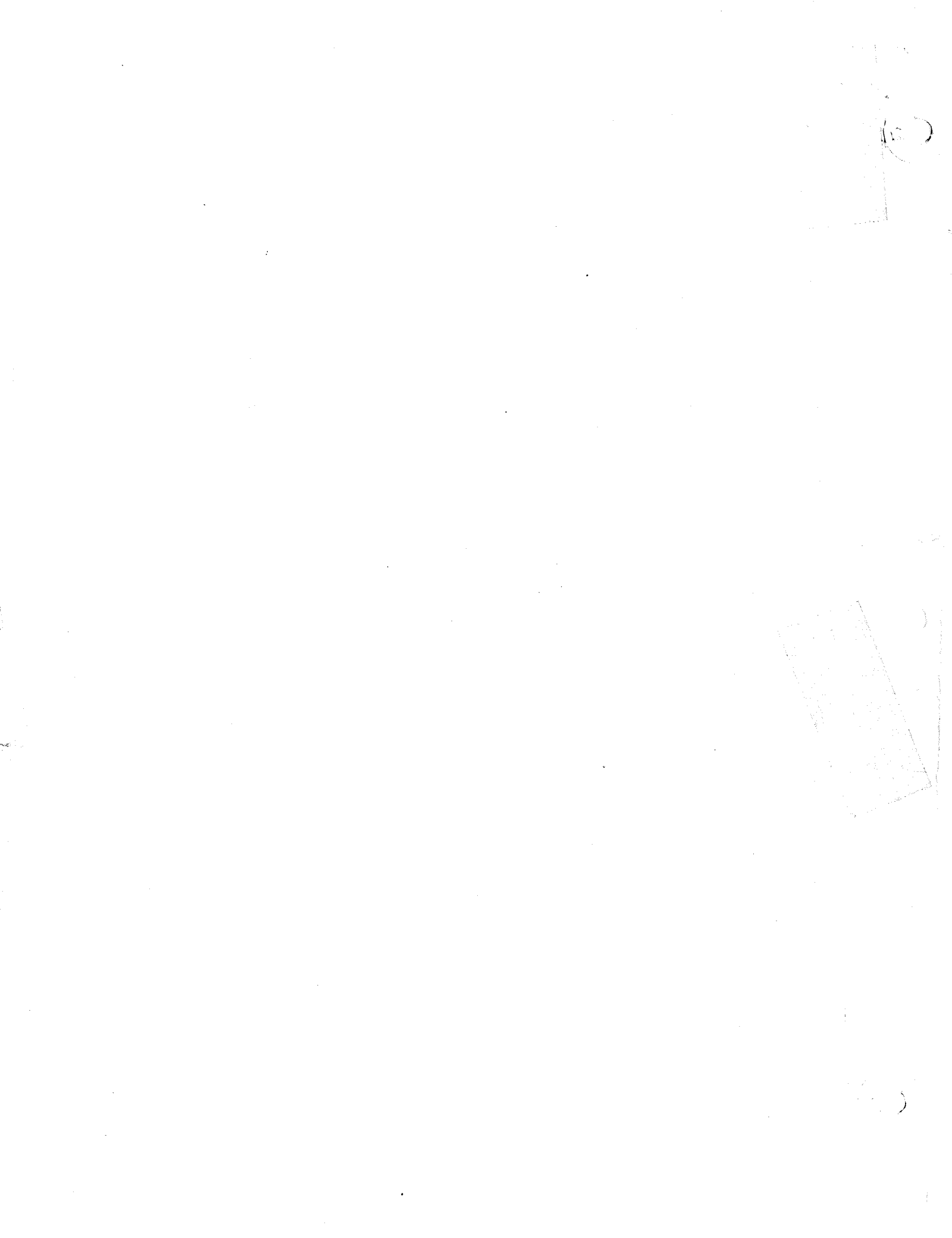
## DENTISTS' PROFESSIONAL LIABILITY - CLAIMS-MADE

### PRIOR ACTS COVERAGE:

To cover the insured for prior acts not made on the previous carrier's Claims-Made policy, the retro date must be moved back to the same date as the retro date of the prior Claims-Made policy. The Claims-Made factor used is the one shown below:

### Prior Retro Date Used in Claims-Made Program

| Retro Date 1 Year Prior to Eff. Date | Retro Date 2 Years Prior to Eff. Date | Retro Date 3 Years Prior to Eff. Date | Retro Date 4 Years Prior to Eff. Date |
|---|---|---|---|
| 1.33 | 2.00 | 2.13 | 2.27 |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