

DIVISION OF INSURANCE
STATE OF ILLINOIS
IDFPR
WITHDRAWN
OCT 10 2007
SPRINGFIELD, ILLINOIS

RECEIVED
SEP - 7 2007
IDFPR (MPC)
DIVISION OF INSURANCE
SPRINGFIELD

June 27, 2007

Director Michael T. McRaith
IL Dept of Financial and Professional Regulation
Insurance Division
320 West Washington St.
Springfield, IL 62767
Attn: Mr. John Gatlin

DIVISION OF INSURANCE
STATE OF ILLINOIS
IDFPR
WITHDRAWN
OCT 10 2007
SPRINGFIELD, ILLINOIS

RE: Carrier: The Dentists Insurance Company NAIC: 40975
Filing: Rate Filing
Lines of Business: Professional and Business Liability Program
Effective: January 1, 2008
Filing Number: PLR010108IL-R

The Dentists Insurance Company (TDIC) is submitting its Rate Filing for the revised Professional and Business Liability Policy. We request approval for use January 1, 2008 for the addition of an Identity Recovery Coverage endorsement. The Dentists Insurance Company is proposing to introduce Identity Recovery coverage as a standard endorsement to its Professional and Business Liability policies. The approved Identity Recovery form numbers are: Individual - TDIC2043-0108AS Family - TDIC2044-0108AS.

Our base program is designed to cover the Named Insured. The annual premium for this coverage is \$14.00 per policy. On an optional basis, coverage can be extended to the members of the Named Insured's resident household. The annual premium for this coverage is \$28.00 per policy.

For comparison, other insurers currently offering Identity Theft coverage as an endorsement to their Homeowners policies typically charge premiums in the range of \$25-45 per policy. Such coverage would apply to the resident household and therefore be comparable in scope to our extended coverage option.

Since this is our initial offering of this product, the proposed rates and rules reflect our research and are our best evaluation of the identity theft climate. We will monitor our book's performance as we develop our own experience to ensure that our product remains competitive and profitable.

If you have any questions please call me at 916-554-5363.

Sincerely,

Carolyn Unger
Vice President Underwriting

FO
MEM
RAT
Jeh

Property & Casualty Transmittal Document

Reset Form

1. Reserved for Insurance Dept. Use Only

2. Insurance Department Use only

a. Date the filing is received:

b. Analyst:

c. Disposition:

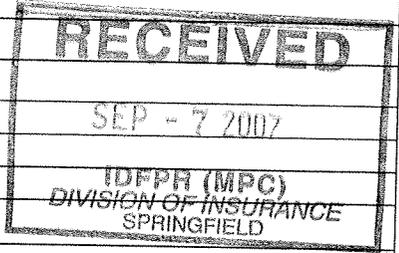
d. Date of disposition of the filing:

e. Effective date of filing:
 New Business
 Renewal Business

f. State Filing #:

g. SERFF Filing #:

h. Subject Codes



3. Group Name				Group NAIC #	
4. Company Name(s)	Domicile	NAIC #	FEIN #	State #	
The Dentists Insurance Company	California	40975	942698799		

5. Company Tracking Number PLR010108IL

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

6. Name and address	Title	Telephone #s	FAX #	e-mail
Carolyn Unger	Vice President Underwriting	916-554-5363	916-554-5957	carolyn.unger@cda.org

7. Signature of authorized filer *Carolyn Unger*

8. Please print name of authorized filer Carolyn Unger

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

9. Type of Insurance (TOI)	11.1 Med Mal-Claims Made Only
10. Sub-Type of Insurance (Sub-TOI)	11.1030 Dentist
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 01-01-08 Renewal:
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	8-28-07
19. Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #

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

Please See Cover letter for filing description.

Thanks!

[View Complete Filing Description](#)

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

Check #:

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.)**

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 #	PLR0101081L
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	DENT-125282628
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	File and Use
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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)
The Dentists Insurance Co.	0.013	0.013	\$6,454	461	\$506,765	0.000%	0.000%

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	Minimum % Change

5. 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	
7.	Effective Date of last rate revision	
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		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

FILING MEMO – RATE FILING
THE DENTISTS INSURANCE COMPANY
PROFESSIONAL AND BUSINESS LIABILITY POLICIES
IDENTITY RECOVERY COVERAGE ENDORSEMENT
FORM NUMBER: Individual - TDIC2043-0108AS Family - TDIC2044-0108AS

The Dentists Insurance Company is proposing to introduce Identity Recovery coverage as a standard endorsement to its Professional and Business Liability policies.

Our base program is designed to cover the Named Insured. The annual premium for this coverage is \$14.00 per policy.

On an optional basis, coverage can be extended to the members of the Named Insured's resident household. The annual premium for this coverage is \$28.00 per policy.

For comparison, other insurers currently offering Identity Theft coverage as an endorsement to their Homeowners policies typically charge premiums in the range of \$25-45 per policy. Such coverage would apply to the resident household and therefore be comparable in scope to our extended coverage option.

Since this is our initial offering of this product, the proposed rates and rules reflect our research and are our best evaluation of the identity theft climate. We will monitor our book's performance as we develop our own experience to ensure that our product remains competitive and profitable.

Neuman, Gayle

From: Hargon, Melissa [Melissa.Hargon@cda.org]
Sent: Wednesday, October 10, 2007 2:57 PM
To: Neuman, Gayle
Cc: Unger, Carolyn
Subject: The Dentists Insurance Company - Rate/Rule Filing #PLR010108IL-R

Dear Ms. Neuman,

After Carolyn Unger spoke with you, The Dentist Insurance Company has decided to withdraw Rate/Rule Filing # PLR010108IL-R. It is understood that due to the nature of this coverage, that filing is not necessary for use.

Thank you for your time on this matter.

Melissa Hargon

Administrative Assistant

CDA | CDA Foundation | **TDIC** | TDIC Insurance Solutions

1201 K Street, 17th Floor

Sacramento, CA 95814

916.554.5312

916.554.5957

melissa.hargon@cda.org

MOVING FORWARD. TOGETHER.

From: Hargon, Melissa
Sent: Wednesday, September 19, 2007 2:04 PM
To: Unger, Carolyn
Subject: RE: The Dentists Insurance Company - Rate/Rule Filing #PLR010108IL-R

Ms. Neuman,

We have answered your questions below:

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 see our Rate filing Memo. Since this is our initial offering of this product, the proposed rates and rules reflect Hartford Steam Boilers research and is the best evaluation of the identity theft climate.

2. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to

10/10/2007

statistical agencies? If yes, what stat agency is being used?

Hartford Steam Boiler will monitor our books performance as we develop our own experience to ensure that our product remains competitive and profitable.

3. You are requested to provide an actuarial memorandum and support for this filing, along with the RF-3 Summary Sheet.

Please see our Rate Filing Memo. The PCI State filing guide under Property and Commercial lines under the rate section states : If the rate is not a rate level change, Summary Sheet, Form RF3 is not required. Please advise if this is incorrect and this is needed.

4. 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.

Please see attached for our complete rate/rule manual. Also,

5. 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.

The Identity form is and endorsement attachment to our Professional and Business Liability policy. Please see our attached rules manual under page 1, under the Payment of Premium section.

We request receipt of your response by no later than September 24, 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

10/10/2007



September 24, 2007

Director Michael T. McRaith
IL Dept. of Financial and Professional Regulation
Insurance Division
320 W Washington St.
Springfield, IL 62767
Attn: Gayle Neuman

RE: Carrier: The Dentists Insurance Company NAIC: 40975 Filing: Revised Form Filing
Lines of Business: Building & Business Personal Property Program
Effective: January 1, 2008
Filing Number: PLR010108IL

Ms. Neuman,

We have answered your questions below:

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 see our Rate filing Memo. Since this is our initial offering of this product, the proposed rates and rules reflect Hartford Steam Boilers research and is the best evaluation of the identity theft climate.

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?

Hartford Steam Boiler will monitor our books performance as we develop our own experience to ensure that our product remains competitive and profitable.

3. You are requested to provide an actuarial memorandum and support for this filing, along with the RF-3 Summary Sheet.

Please see our Rate Filing Memo. The PCI State filing guide under Property and Commercial lines under the rate section states : If the rate is not a rate level change, Summary Sheet, Form RF3 is not required. Please advise if this is incorrect and this is needed.

4. 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.

Please see attached for our complete rate/rule manual.

5. 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,

The Dentists Insurance Company

a California Dental Association company

1201 K Street, 17th Floor, Sacramento, CA 95814 | t. 800.733.0634 | p. 916.443.4501 | f. 916.443.4468 | thedentists.com



“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.*

The Identity form is an endorsement attachment to our Professional and Business Liability policy. Please see our attached rules manual under page 1, under the Payment of Premium section.

We have attached copies of the Rule Manual and the certification for your review. The hard copy of this response will follow by overnight mail. Please advise if there are any additional questions. If you have any questions please call me at 916-554-5363.

Sincerely,

Carolyn Unger
Vice President Underwriting

The Dentists Insurance Company

a California Dental Association company

1201 K Street, 17th Floor, Sacramento, CA 95814 | t. 800.733.0634 | p. 916.443.4501 | f. 916.443.4468 | thedentists.com

ILLINOIS CERTIFICATION OF COMPLIANCE FORM

I, Carolyn Unger, a duly authorized officer of The Dentists Insurance Company, do hereby certify that I am authorized to certify on behalf of the Company or Advisory Organization making this filing, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy form(s) that is (are) the subject of this filing, and that, to the best of my knowledge and belief, this filing is complete, and said policy form(s), as presented, is (are) in compliance with applicable filing standards, Illinois laws, regulations, and bulletins, and applicable checklists on the Illinois Department of Insurance website dated September 19, 2007

I understand that the Illinois Department of Insurance will rely on this certification to expedite review of this filing, and should it be determined that the policy form(s) does (do) not comply with the applicable laws, regulations, bulletins, or checklists, or that this certification is materially false, misleading, or incorrect, appropriate corrective and disciplinary action, as authorized by law, will be taken by the Department against the insurer or advisory organization and the officer completing this certification.



Signature of Authorized Officer

September 19, 2007

Date

Name of Authorized Officer (print) Carolyn Unger

Title of Officer Vice President Underwriting

Insurer or Advisory Organization Name The Dentists Insurance Company

FEIN 40975

Address of Insurer or Advisory Organization 1201 K St Mall 17th Floor

City Sacramento

State California

Zip 95814

Direct Telephone Number 916-554-5363

Fax Number 916-554-5957

Email Address carolyn.unger@cda.org

Filing Number that Applies to this Filing PLR010108IL

**TDIC
RULES, RATES AND FORMS MANUAL
FOR ILLINOIS**

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PROFESSIONAL AND BUSINESS LIABILITY1
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PROFESSIONAL AND PREMISES LIABILITY

RULES

ELIGIBILITY

Membership may be a requirement of a state dental association or society for coverage. In some states, the state dental association/society may form a risk purchasing group in order to restrict our insurance to members only.

Applicants practicing in more than one state, in order to secure a policy, must practice the majority of the time in the state he or she is applying for coverage. Prior acts coverage is available to applicants previously practicing in other states.

TDIC may insure dentists who have been practicing uninsured. Prior acts coverage will not be provided, and applicant must be claims free for the past five (5) years. Uninsured dentists are only permitted to apply for TDIC coverage once.

Applicants who will not buy a tail policy from their previous company and refuse to buy prior acts from TDIC will be denied insurance.

Applicants with any personal health problems, including alcoholism, narcotics addiction or mental illness, must supply TDIC with a letter from their attending physician or other qualified person(s) or professional(s) explaining the condition.

A Declarations Insert is required for all applicants requesting prior acts coverage with the exception of those who have previously been provided professional liability coverage under a group policy.

POLICY TERM

All policies will have a common renewal date which will vary by state. Professional liability policies have a retroactive date which will trigger coverage if "prior acts" coverage is needed. Prior acts coverage can be granted back to July 1, 1984, if needed.

PAYMENT OF PREMIUM

Policies can be paid annually, semi-annually and monthly through automatic withdrawal from the applicant's bank. There are no service or interest charges on any of the payment options.

CLASSIFICATION

TDIC will insure the following specialties:

<u>Specialty Code</u>	<u>Specialty Name</u>
00	General Practice
10	Oral Surgery
15	Endodontics
20	Orthodontics
30	Pediatric Dentistry
40	Periodontics
50	Prosthodontics
60	Oral Pathology
90	Dental Anesthesiology

TDIC Rules, Rates and Forms Manual for Illinois

All rates are based on the specialty except for General Practitioners. They are rated by the anesthetic modality used. For those states which require a permit to administer general anesthesia and IV sedation, applicant must provide TDIC a permit number before coverage can be considered.

TDIC's class definitions are as follows:

Class 01	Volunteer Dentist – permits all types of anesthesia except I.V. or I.M. sedation and general anesthesia.
Class 09	Pediatric Dentist with all types of anesthesia allowed.
Class 10	Periodontist and Oral Pathologist with all types of anesthesia allowed.
Class 11	Endodontist with all types of anesthesia allowed and General Dentist with local, nitrous or oral sedation.
Class 12	Orthodontist with all types of anesthesia allowed.
Class 20	General Dentist with anesthesia included in Class 11 and I.V. or I.M. sedation or general anesthesia administered in office, hospital or surgi-center by M.D. Anesthesiologist, Dental Anesthesiologist or Oral Surgeon. Also includes any anesthetic delivered in a hospital or surgi-center.
Class 30	Prosthodontist with all types of anesthesia allowed.
Class 40	General Dentist with anesthesia included in Class 11, 20 and I.V. or I.M. sedation administered in office by policyholder.
Class 50	Oral Surgeon with all types of anesthesia allowed. Dental Anesthesiologist who also performs dental procedures and General Dentist with anesthesia included in Class 11, 20, and 40 and general anesthesia administered in office by policyholder.
Class 60	Dental Anesthesiologist who does not perform dental procedures.

TERRITORIAL GUIDELINES

Every dentist is assigned to a component dental society based on the address of the primary practice. The components are then assigned to a territory. The number of territories varies by state. See state specific pages.

LIMITS OF LIABILITY

Policy limits are based on a per claim/aggregate basis.

Limits available are:

\$500,000 per claim/\$1,500,000 aggregate
\$1,000,000 per claim/\$3,000,000 aggregate
\$1,500,000 per claim/\$4,500,000 aggregate
\$3,000,000 per claim/\$3,000,000 aggregate
\$5,000,000 per claim/\$5,000,000 aggregate

Business liability coverage will carry an occurrence limit of liability equal to the per claim professional limit. The aggregate limit applies to both the Professional Liability and Business Liability.

VOLUNTEER DENTIST

A policy will be issued to dentists who volunteer their time but do not receive compensation in excess of actual expenses. TDIC retired policyholders must have an ongoing extended reporting endorsement or be paying their installment premiums. If insured by another carrier a copy of an active extended reporting endorsement is required along with loss information.

A letter from the volunteer program or a copy of an agreement is required detailing the type of services to be provided by the volunteer dentist. A volunteer policy does not affect the insured's ability to be "Locum Tenens" on another policy.

Limits used are \$1,000,000/\$3,000,000.

Volunteer Dentist Premium is calculated at 10% of Class 11, subject to a \$100 minimum premium.

WAIVER OF PREMIUM

All policy changes that result in additional premium of \$10.00 or less will be waived.

DISCOUNTS/CREDITS

Recently graduated dentists are eligible for a new dentist discount for the first three years. The discount for the first two policy years is 45% and the third year is 25%. A new dentist discount will not be given in addition to a part-time discount. If an insured is eligible for both the new dentist and part-time discount, the applicant/insured will choose which discount they want applied to their account. Applicants who were previously uninsured are not eligible for this discount.

Full-time faculty members may qualify for a 50% discount for the period of time they teach full-time. Full-time postgraduate students may qualify for a 50% discount for the period of time they are a student.

Policyholders temporarily disabled for thirty (30) consecutive days or more may qualify for a 50% discount for the period of time they are disabled.

Policyholders who practice dentistry on a part-time basis (16 hours a week or less on average) will be given a 50% discount on their premium for the time they are practicing part time. Policyholders that practice 17-20 hours will be given a 40% discount.

A 5% discount of the initial policy term will be given upon evidence of attending a risk management seminar from a previous insurer. A 5% risk management discount is available for up to two years for taking a TDIC risk management course.

A policyholder may have their coverage suspended for up to 24 months for such things as long-term disability, natural disasters, military service, postgraduate education, sabbatical or care of newborn or family members. The suspension of coverage applies only to the active policy period.

A package discount is given to policyholders that purchase building or business personal property insurance in addition to their professional liability. See state specific rules.

OPTIONAL COVERAGES

LOCUM TENENS ENDORSEMENT

This endorsement is used for insureds who must leave their practice for an extended period of time and must have another dentist practice in their place. This endorsement provides coverage for the temporary replacement dentist. The replacement dentist is added as an additional insured, but solely with respect to

TDIC Rules, Rates and Forms Manual for Illinois

duties performed on behalf of the insured while serving temporarily in the insured's place. The insured is restricted to two (2) endorsements per policy year, subject to a 60 calendar day maximum. The replacement dentist must complete an application and be approved by underwriting. There is no premium charge for this endorsement.

EMPLOYMENT PRACTICES LIABILITY COVERAGE

Optional coverage. Limits offered:

\$50,000
\$100,000

With a 20% co-payment clause if the policyholder uses their own attorney. The premium charge is based on number of employees, previous claims activity and whether certain risk management criteria are being met.

When policy is renewed the following year, TDIC's EPLI losses will be reviewed prior to renewing, if there are losses the policy will be affected as follows:

If there has been one claim the premium charge will go to the next level, if there has been more than one claim, the policy will be re-evaluated as to whether coverage will be maintained.

PROFESSIONAL LIABILITY ADDITIONAL INSURED ENDORSEMENT

This endorsement will be added at the insured's request, at a premium charge of 10% of the professional liability premium.

CANCELLATION/NON-RENEWAL

See state specific pages for cancellation guidelines.

DECLINATION

An applicant to TDIC may be declined if, within the last five years, while a licensed dentist:

1. There have been two claims, suit or non-suit, open or closed;
2. There has been one claim closed with an indemnity payment of \$12,000 or more;
3. The applicant is uninsured and has a claim of any kind;
4. There has been a state board action;
5. Applicant has previously been approved as an uninsured dentist and is once again applying as an uninsured dentist;
6. Applicant is working with an uninsured dentist;
7. Applicant has had any felony convictions, misdemeanor convictions, falsification of the insurance application or health problems including alcoholism, drug addiction or mental illness;
8. Any applicant who previously has been non-renewed by TDIC for claims frequency or severity, or state board actions;
9. Pattern of practice that does not meet underwriting standards;
10. There are any open claims.

Prior acts coverage is not available to applicants who are applying uninsured. Applicants who insist they will not buy a tail policy from their previous company and refuse to buy prior acts from TDIC will be denied insurance.

NON-RENEWAL

TDIC Rules, Rates and Forms Manual for Illinois

Policies may be non-renewed for the following reasons:

1. Claims activity which can include frequency and/or severity;
2. State board actions;
3. Deterioration of the pattern of practice;
4. Felony or misdemeanor conviction (if in connection with a dental practice);
5. Falsification of the insurance application;
6. Alteration of patients' records;
7. Unsatisfactory audits;
8. Health problems such as alcoholism, drug addiction or mental illness;
9. Not reporting a claim or potential claim in a timely manner (if the claims department determines this delay affected the handling of the claim);
10. State dental association non-membership;
11. Practicing with an uninsured dentist;
12. Unlicensed dentist;
13. Failure to have proper permit for the administration of anesthesia.

See state specific non-renewal guidelines.

EXTENDED REPORTING PERIOD ENDORSEMENT

All policies canceled or non-renewed will be sent a certified letter offering an extended reporting period endorsement, and including the cost. The premium used for this endorsement are based on rates and rules in effect at the time the extended reporting endorsement is issued.

The entire extended reporting period endorsement premium may be waived for insureds upon retirement if they have been insured by TDIC for three consecutive years. Premium is also waived for death and for total permanent disability.

A one year extended reporting endorsement for EPLI coverage is included in the policy language.

UNDERWRITING COMMITTEE

The TDIC Underwriting Committee is composed of dentists who are active members of the individual State Dental Association/Society. An equitable form of insuring dentists for future years has been established by the underwriting committee of TDIC. Input from the individual states= insurance committees is always welcome. The primary responsibility of the underwriting committee is to review dentists who do not meet the criteria for acceptance by the underwriting department because of their practice characteristics and/or previous claims activity. Only those dentists who appeal the underwriting department's decision will be reviewed by the underwriting committee. Once identified, the underwriting committee will determine the appropriate action to be taken (i.e., acceptance, request for more information, declination).

The underwriting committee will also review non-renewals for claims activity that is brought to them by the underwriting staff each year.

ILLINOIS

ELIGIBILITY

Membership is a requirement of the Illinois Dental Association.

TERRITORIAL DEFINITIONS

Territory 1 – Cook County

Territory 2 – All counties except Cook County

DISCOUNTS

Package policy discount of 12%.

STATE BOARD OF DENTAL EXAMINERS COVERAGE

TDIC issues to the Illinois State Dental Society a policy for students taking the state board exams. The cost is \$100 a year. Certificates of Insurance are given to those student members sitting for a particular exam. A fully paid extended reporting period endorsement is also issued with the policy.

CANCELLATION

Notice of Cancellation:

Ten (10) days notice of cancellation for non-payment of premium must be mailed at least ten (10) days before the effective date of the cancellation.

Thirty (30) days notice of cancellation shall apply for any other reason provided that the policy has been in effect for sixty (60) days or less; or

Sixty (60) days notice of cancellation shall apply if the policy has been in effect for more than sixty (60) days and the cancellation is for one of the following reasons:

1. Non-payment of premium;
2. The policy was obtained through a material misrepresentation;
3. Any insured has submitted a fraudulent claim;
4. Any insured has violated any of the terms and conditions of the policy;
5. The risk originally accepted has measurably increased;
6. Certification to the Director of Insurance of the loss of reinsurance by the insurer which provided coverage to the insurer for all or a substantial part of the underlying risk insured; or
7. The determination by the director that the continuation of the policy could place the insurer in violation of the insurance laws of this state.

NON-RENEWAL

A notice of non-renewal will be sent at least sixty (60) days prior to the expiration of the policy.

REAL AND BUSINESS PERSONAL PROPERTY

RULES

ELIGIBILITY

Membership may be a requirement of a state dental association or society. In some states, the state dental association may form a risk purchasing group in order to restrict our insurance to members only. In order to secure a property policy, a dentist must own a building or lease office space. For building coverage, the dentist owner must occupy the building or part of the building. Multiple office locations are permitted. The dentist must practice dentistry from the location insured.

TDIC does not intend to insure buildings over 30,000 square feet or over seven stories in height. We will not insure dental offices located in buildings that have significant exposures from heavy public access such as restaurants, manufacturing operations, warehouses, wood working operations, repair shops, sawmills or prisons.

If the replacement cost for the building is greater than \$3,000,000, TDIC will not insure such a risk.

POLICY TERM

All policies will have a common anniversary date which will vary by state. The premium on the initial policy will be prorated based on the rates in effect at the time of coverage begins.

PAYMENT OF PREMIUM

Policies can be paid annually, semi-annually and monthly through automatic withdrawal from applicant's bank. There are no service or interest charges on any of the payment options.

CLASSIFICATION/TERRITORY

All property rates will be based on the individual state territories, protection classes and building construction class. See state specific pages.

LIMITS OF LIABILITY

Coverage amounts on real and personal property will vary. The limit of liability for building and personal property should be for the full value as there is no coinsurance provision in the policy. Coverage is on a replacement cost basis. The personal property limit should include Tenants, Improvements, and Betterments, if needed. The maximum amounts TDIC will insure are:

Building Coverage.....	\$3,000,000
Accounts Receivable.....	\$1,000,000
Valuable Papers.....	\$1,000,000
Money and Securities.....	\$20,000
Fine Arts.....	\$20,000
Gold/Other Metals.....	\$20,000
Employee Dishonesty.....	\$250,000

Coverage extensions providing limits beyond real and personal property at no additional cost are:

Newly Acquired Buildings.....	\$500,000
Newly Acquired Business Personal Property.....	\$500,000
Fine Arts (limit can be increased from an additional premium).....	\$5,000

TDIC Rules, Rates and Forms Manual for Illinois

Personal Property Off-Premises and In Transit	\$25,000
Personal Effects	\$10,000
Gold/Other Precious Metals (limit can be increased for an additional premium)	\$5,000
Loss of Income (\$750/day for 15 days (\$11,250) and then the excess on an Actual Loss Sustained basis. Option to purchase additional limits up to \$2,000 per day for 15 days)	
Sign Coverage	\$10,000
Extra Expense (limit can be increased for an additional premium).....	\$100,000
Accounts Receivable (limit can be increased for an additional premium)	\$100,000
Valuable Papers (limit can be increased for an additional premium).....	\$25,000
Employee Dishonesty	\$25,000

OPTIONAL COVERAGES

1. Ordinance or Law
2. Electronic Business Systems and Data
3. Loss of Rental Income

COVERAGES WHERE ADDITIONAL LIMITS CAN BE PURCHASED

1. Accounts Receivable
2. Valuable Papers and Records
3. Money and Securities
4. Fine Art
5. Gold and Other Precious Metals
6. Employee Dishonesty
7. Signs

INFLATION GUARD

The limits for real and personal property coverages are adjusted as renewal automatically with an inflation protection factor of 104%.

MINIMUM PREMIUM

The minimum annual premium for the property coverage is \$250 when added to a professional liability policy and \$500 for mono-line property policies. Any applicable state surcharges, taxes or fees would also apply.

WAIVER OF PREMIUM

All policy changes that result in additional premium of \$10.00 or less will be waived.

DEDUCTIBLES

TDIC offers a \$500 and \$1,000 deductible.

DISCOUNTS/CREDITS/DEBITS

Offices which have equipped all operatories with closed end water units are eligible for a 10% credit.

A package discount is given to policyholders that purchase professional liability insurance in addition to their building or business personal property insurance. See state specific rules.

Earthquake premium will not be discounted.

INDIVIDUAL RISK PREMIUM MODIFICATION PLAN

The policy may be modified to recognize special characteristics of the risk that are not fully reflected in the basic premium or rates. The total credits or debits may not exceed 25%. This plan may be applied to building and/or contents coverage. This plan can not be applied to earthquake or employee dishonesty/ERISA coverages.

<u>RISK CHARACTERISTICS</u>	<u>RANGE OF MODIFICATIONS</u>		
	<i>Credits</i>		<i>Debits</i>
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%

CANCELLATION

TDIC will give thirty (30) days notice of intention to cancel a policy unless based on non-payment of premium, then ten (10) days notice will be given.

DECLINATIONS

An applicant to TDIC may be declined subject to the underwriting process due to the following:

1. Undervaluation of real or personal property and the applicant does not or will not increase limits to meet TDIC standards;
2. Unacceptable occupancies located within or next to the premises of the insured;
3. Risk requesting limits outside of TDIC's limits available;
4. Multiple losses that result in a frequency of losses;
5. Risks that do not meet TDIC's underwriting standards;
6. There are any open claims.

NON-RENEWAL

Policies may be non-renewed for the following reasons:

1. Claims activity which can include frequency and/or severity;
2. State dental association non-membership;
3. Falsification of any insurance application;
4. Unsatisfactory inspection;
5. Not reporting a claim or potential claim in a timely manner (if the claims department determines this delay affected the handling of the claim);
6. An act or omission by the insured that substantially increases or changes the risk insured;
7. Felony or misdemeanor conviction (if in connection with a dental practice);
8. Health problems such as alcoholism, drug addiction or mental illness.

See state specific non-renewal guidelines.

UNDERWRITING COMMITTEE

The TDIC Underwriting Committee is composed of dentists who are active members of the individual State Dental Association/Society. An equitable form of insuring dentists for future years has been established by the underwriting committee of TDIC. Input from the individual states' insurance committees is always welcome. The primary responsibility of the underwriting committee is to review dentists who do not meet the criteria for acceptance by the underwriting department because of their practice characteristics and/or previous claims activity. Only those dentists who appeal the underwriting department's decision will be reviewed by the underwriting committee. Once identified, the underwriting committee will determine the appropriate action to be taken (i.e., acceptance, request for more information, declination).

The underwriting committee will also review non-renewals for claims activity that is brought to them by the underwriting staff each year.

ILLINOIS

ELIGIBILITY

Membership is a requirement of the Illinois State Dental Society.

TERRITORIAL DEFINITIONS

Territory 1 – Cook Country

Territory 2 – All counties except Cook County

DISCOUNTS/CREDITS/DEBITS

Package policy discount of 12%.

MINE SUBSIDENCE INSURANCE

1. Illinois Mine Subsidence Act – (Article XXXVIII A) requires a Mine Subsidence Program for coverage on buildings for loss causes by mine subsidence.

a. Eligible property:

(1) Commercial buildings up to a maximum limit of liability of \$350,000.

b. Ineligible property:

(1) Business Personal Property

(2) Time element coverages

(3) Limits of liability in excess of \$3,500,000 for commercial buildings, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

c. Coverage is mandatory in the following counties:

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

Insurance can be waived in these counties if the insured signs a waiver of Mine Subsidence Insurance.

d. Coverage in the remaining counties is not mandatory but must be provided if requested.

TDIC Rules, Rates and Forms Manual for Illinois

CANCELLATION

Notice of cancellation:

Ten (10) days notice of cancellation for non-payment of premium must be mailed at least ten (10) days before the effective date of the cancellation.

Thirty (30) days notice of cancellation shall apply for any other reason provided that the policy has been in effect for sixty (60) days or less; or

Sixty (60) days notice of cancellation shall apply if the policy has been in effect for more than sixty (60) days and the cancellation is for one of the following reasons:

1. Non-payment of premium;
2. The policy was obtained through a material misrepresentation;
3. Any insured has submitted a fraudulent claim;
4. Any insured has violated any of the terms and conditions of the policy;
5. The risk originally accepted has measurably increased;
6. Certification to the Director of Insurance of the loss of reinsurance by the insurer which provided coverage to the insurer for all or a substantial part of the underlying risk insured; or
7. The determination by the director that the continuation of the policy would place the insurer in violation of the insurance laws of this state.

NON-RENEWAL

A notice of non-renewal will be sent at least sixty (60) days prior to the expiration of the policy.

Neuman, Gayle

From: Neuman, Gayle
Sent: Wednesday, September 12, 2007 11:21 AM
To: 'Unger, Carolyn'
Subject: The Dentists Insurance Company - Rate/Rule Filing #PLR010108IL-R

Ms. Unger,

We are in receipt of the above referenced filing submitted via your letter dated June 27, 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. You are requested to provide an actuarial memorandum and support for this filing, along with the RF-3 Summary Sheet.
4. 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.
5. 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.

9/12/2007

We request receipt of your response by no later than September 24, 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

9/12/2007

Neuman, Gayle

From: Unger, Carolyn [Carolyn.Unger@cda.org]
Sent: Wednesday, September 19, 2007 5:08 PM
To: Neuman, Gayle
Cc: Hargon, Melissa
Subject: The Dentists Insurance Company - Rate/Rule Filing # PLR010108IL-R
Attachments: SelfCertificationForm (2).pdf; IL Rules Rates Manual (2).pdf

Ms. Neuman,

We have answered your questions below:

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 see our Rate filing Memo. Since this is our initial offering of this product, the proposed rates and rules reflect Hartford Steam Boilers research and is the best evaluation of the identity theft climate.

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?

Hartford Steam Boiler will monitor our books performance as we develop our own experience to ensure that our product remains competitive and profitable.

3. You are requested to provide an actuarial memorandum and support for this filing, along with the RF-3 Summary Sheet.

Please see our Rate Filing Memo. The PCI State filing guide under Property and Commercial lines under the rate section states : If the rate is not a rate level change, Summary Sheet, Form RF3 is not required. Please advise if this is incorrect and this is needed.

4. 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.

Please see attached for our complete rate/rule manual. Also,

5. 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,

9/20/2007

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.

The Identity form is and endorsement attachment to our Professional and Business Liability policy. Please see our attached rules manual under page 1, under the Payment of Premium section.

We request receipt of your response by no later than September 24, 2007.

We have attached copies of the Rule Manual and the certification for your review. The hard copy of this response will follow by overnight mail. Please advise if there are any additional questions.

Sincerely,

Carolyn Unger

Vice President, Underwriting

CDA / CDA Foundation / **TDIC** / TDIC Insurance Solutions

1201 K Street, 17th Floor

Sacramento, CA 95814

916.554.5363

916.443.4468 fax

carolyn.unger@cda.org

thedentists.com

MOVING FORWARD. TOGETHER.

<<SelfCertificationForm (2).pdf>> <<IL Rules Rates Manual (2).pdf>>

ILLINOIS CERTIFICATION OF COMPLIANCE FORM

I, Carolyn Unger, a duly authorized officer of The Dentists Insurance Company, do hereby certify that I am authorized to certify on behalf of the Company or Advisory Organization making this filing, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy form(s) that is (are) the subject of this filing, and that, to the best of my knowledge and belief, this filing is complete, and said policy form(s), as presented, is (are) in compliance with applicable filing standards, Illinois laws, regulations, and bulletins, and applicable checklists on the Illinois Department of Insurance website dated September 19, 2007

I understand that the Illinois Department of Insurance will rely on this certification to expedite review of this filing, and should it be determined that the policy form(s) does (do) not comply with the applicable laws, regulations, bulletins, or checklists, or that this certification is materially false, misleading, or incorrect, appropriate corrective and disciplinary action, as authorized by law, will be taken by the Department against the insurer or advisory organization and the officer completing this certification.



Signature of Authorized Officer

September 19, 2007

Date

Name of Authorized Officer (print) Carolyn Unger

Title of Officer Vice President Underwriting

Insurer or Advisory Organization Name The Dentists Insurance Company

FEIN 40975

Address of Insurer or Advisory Organization 1201 K St Mall 17th Floor

City Sacramento

State California

Zip 95814

Direct Telephone Number 916-554-5363

Fax Number 916-554-5957

Email Address carolyn.unger@cda.org

Filing Number that Applies to this Filing PLR010108IL

**TDIC
RULES, RATES AND FORMS MANUAL
FOR ILLINOIS**

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PROFESSIONAL AND PREMISES LIABILITY

RULES

ELIGIBILITY

Membership may be a requirement of a state dental association or society for coverage. In some states, the state dental association/society may form a risk purchasing group in order to restrict our insurance to members only.

Applicants practicing in more than one state, in order to secure a policy, must practice the majority of the time in the state he or she is applying for coverage. Prior acts coverage is available to applicants previously practicing in other states.

TDIC may insure dentists who have been practicing uninsured. Prior acts coverage will not be provided, and applicant must be claims free for the past five (5) years. Uninsured dentists are only permitted to apply for TDIC coverage once.

Applicants who will not buy a tail policy from their previous company and refuse to buy prior acts from TDIC will be denied insurance.

Applicants with any personal health problems, including alcoholism, narcotics addiction or mental illness, must supply TDIC with a letter from their attending physician or other qualified person(s) or professional(s) explaining the condition.

A Declarations Insert is required for all applicants requesting prior acts coverage with the exception of those who have previously been provided professional liability coverage under a group policy.

POLICY TERM

All policies will have a common renewal date which will vary by state. Professional liability policies have a retroactive date which will trigger coverage if "prior acts" coverage is needed. Prior acts coverage can be granted back to July 1, 1984, if needed.

PAYMENT OF PREMIUM

Policies can be paid annually, semi-annually and monthly through automatic withdrawal from the applicant's bank. There are no service or interest charges on any of the payment options.

CLASSIFICATION

TDIC will insure the following specialties:

<u>Specialty Code</u>	<u>Specialty Name</u>
00	General Practice
10	Oral Surgery
15	Endodontics
20	Orthodontics
30	Pediatric Dentistry
40	Periodontics
50	Prosthodontics
60	Oral Pathology
90	Dental Anesthesiology

TDIC Rules, Rates and Forms Manual for Illinois

All rates are based on the specialty except for General Practitioners. They are rated by the anesthetic modality used. For those states which require a permit to administer general anesthesia and IV sedation, applicant must provide TDIC a permit number before coverage can be considered.

TDIC's class definitions are as follows:

Class 01	Volunteer Dentist – permits all types of anesthesia except I.V. or I.M. sedation and general anesthesia.
Class 09	Pediatric Dentist with all types of anesthesia allowed.
Class 10	Periodontist and Oral Pathologist with all types of anesthesia allowed.
Class 11	Endodontist with all types of anesthesia allowed and General Dentist with local, nitrous or oral sedation.
Class 12	Orthodontist with all types of anesthesia allowed.
Class 20	General Dentist with anesthesia included in Class 11 and I.V. or I.M. sedation or general anesthesia administered in office, hospital or surgi-center by M.D. Anesthesiologist, Dental Anesthesiologist or Oral Surgeon. Also includes any anesthetic delivered in a hospital or surgi-center.
Class 30	Prosthodontist with all types of anesthesia allowed.
Class 40	General Dentist with anesthesia included in Class 11, 20 and I.V. or I.M. sedation administered in office by policyholder.
Class 50	Oral Surgeon with all types of anesthesia allowed. Dental Anesthesiologist who also performs dental procedures and General Dentist with anesthesia included in Class 11, 20, and 40 and general anesthesia administered in office by policyholder.
Class 60	Dental Anesthesiologist who does not perform dental procedures.

TERRITORIAL GUIDELINES

Every dentist is assigned to a component dental society based on the address of the primary practice. The components are then assigned to a territory. The number of territories varies by state. See state specific pages.

LIMITS OF LIABILITY

Policy limits are based on a per claim/aggregate basis.

Limits available are:

\$500,000 per claim/\$1,500,000 aggregate
\$1,000,000 per claim/\$3,000,000 aggregate
\$1,500,000 per claim/\$4,500,000 aggregate
\$3,000,000 per claim/\$3,000,000 aggregate
\$5,000,000 per claim/\$5,000,000 aggregate

Business liability coverage will carry an occurrence limit of liability equal to the per claim professional limit. The aggregate limit applies to both the Professional Liability and Business Liability.

TDIC Rules, Rates and Forms Manual for Illinois

VOLUNTEER DENTIST

A policy will be issued to dentists who volunteer their time but do not receive compensation in excess of actual expenses. TDIC retired policyholders must have an ongoing extended reporting endorsement or be paying their installment premiums. If insured by another carrier a copy of an active extended reporting endorsement is required along with loss information.

A letter from the volunteer program or a copy of an agreement is required detailing the type of services to be provided by the volunteer dentist. A volunteer policy does not affect the insured's ability to be "Locum Tenens" on another policy.

Limits used are \$1,000,000/\$3,000,000.

Volunteer Dentist Premium is calculated at 10% of Class 11, subject to a \$100 minimum premium.

WAIVER OF PREMIUM

All policy changes that result in additional premium of \$10.00 or less will be waived.

DISCOUNTS/CREDITS

Recently graduated dentists are eligible for a new dentist discount for the first three years. The discount for the first two policy years is 45% and the third year is 25%. A new dentist discount will not be given in addition to a part-time discount. If an insured is eligible for both the new dentist and part-time discount, the applicant/insured will choose which discount they want applied to their account. Applicants who were previously uninsured are not eligible for this discount.

Full-time faculty members may qualify for a 50% discount for the period of time they teach full-time. Full-time postgraduate students may qualify for a 50% discount for the period of time they are a student.

Policyholders temporarily disabled for thirty (30) consecutive days or more may qualify for a 50% discount for the period of time they are disabled.

Policyholders who practice dentistry on a part-time basis (16 hours a week or less on average) will be given a 50% discount on their premium for the time they are practicing part time. Policyholders that practice 17-20 hours will be given a 40% discount.

A 5% discount of the initial policy term will be given upon evidence of attending a risk management seminar from a previous insurer. A 5% risk management discount is available for up to two years for taking a TDIC risk management course.

A policyholder may have their coverage suspended for up to 24 months for such things as long-term disability, natural disasters, military service, postgraduate education, sabbatical or care of newborn or family members. The suspension of coverage applies only to the active policy period.

A package discount is given to policyholders that purchase building or business personal property insurance in addition to their professional liability. See state specific rules.

OPTIONAL COVERAGES

LOCUM TENENS ENDORSEMENT

This endorsement is used for insureds who must leave their practice for an extended period of time and must have another dentist practice in their place. This endorsement provides coverage for the temporary replacement dentist. The replacement dentist is added as an additional insured, but solely with respect to

TDIC Rules, Rates and Forms Manual for Illinois

duties performed on behalf of the insured while serving temporarily in the insured's place. The insured is restricted to two (2) endorsements per policy year, subject to a 60 calendar day maximum. The replacement dentist must complete an application and be approved by underwriting. There is no premium charge for this endorsement.

EMPLOYMENT PRACTICES LIABILITY COVERAGE

Optional coverage. Limits offered:

\$50,000
\$100,000

With a 20% co-payment clause if the policyholder uses their own attorney. The premium charge is based on number of employees, previous claims activity and whether certain risk management criteria are being met.

When policy is renewed the following year, TDIC's EPLI losses will be reviewed prior to renewing, if there are losses the policy will be affected as follows:

If there has been one claim the premium charge will go to the next level, if there has been more than one claim, the policy will be re-evaluated as to whether coverage will be maintained.

PROFESSIONAL LIABILITY ADDITIONAL INSURED ENDORSEMENT

This endorsement will be added at the insured's request, at a premium charge of 10% of the professional liability premium.

CANCELLATION/NON-RENEWAL

See state specific pages for cancellation guidelines.

DECLINATION

An applicant to TDIC may be declined if, within the last five years, while a licensed dentist:

1. There have been two claims, suit or non-suit, open or closed;
2. There has been one claim closed with an indemnity payment of \$12,000 or more;
3. The applicant is uninsured and has a claim of any kind;
4. There has been a state board action;
5. Applicant has previously been approved as an uninsured dentist and is once again applying as an uninsured dentist;
6. Applicant is working with an uninsured dentist;
7. Applicant has had any felony convictions, misdemeanor convictions, falsification of the insurance application or health problems including alcoholism, drug addiction or mental illness;
8. Any applicant who previously has been non-renewed by TDIC for claims frequency or severity, or state board actions;
9. Pattern of practice that does not meet underwriting standards;
10. There are any open claims.

Prior acts coverage is not available to applicants who are applying uninsured. Applicants who insist they will not buy a tail policy from their previous company and refuse to buy prior acts from TDIC will be denied insurance.

NON-RENEWAL

TDIC Rules, Rates and Forms Manual for Illinois

Policies may be non-renewed for the following reasons:

1. Claims activity which can include frequency and/or severity;
2. State board actions;
3. Deterioration of the pattern of practice;
4. Felony or misdemeanor conviction (if in connection with a dental practice);
5. Falsification of the insurance application;
6. Alteration of patients' records;
7. Unsatisfactory audits;
8. Health problems such as alcoholism, drug addiction or mental illness;
9. Not reporting a claim or potential claim in a timely manner (if the claims department determines this delay affected the handling of the claim);
10. State dental association non-membership;
11. Practicing with an uninsured dentist;
12. Unlicensed dentist;
13. Failure to have proper permit for the administration of anesthesia.

See state specific non-renewal guidelines.

EXTENDED REPORTING PERIOD ENDORSEMENT

All policies canceled or non-renewed will be sent a certified letter offering an extended reporting period endorsement, and including the cost. The premium used for this endorsement are based on rates and rules in effect at the time the extended reporting endorsement is issued.

The entire extended reporting period endorsement premium may be waived for insureds upon retirement if they have been insured by TDIC for three consecutive years. Premium is also waived for death and for total permanent disability.

A one year extended reporting endorsement for EPLI coverage is included in the policy language.

UNDERWRITING COMMITTEE

The TDIC Underwriting Committee is composed of dentists who are active members of the individual State Dental Association/Society. An equitable form of insuring dentists for future years has been established by the underwriting committee of TDIC. Input from the individual states' insurance committees is always welcome. The primary responsibility of the underwriting committee is to review dentists who do not meet the criteria for acceptance by the underwriting department because of their practice characteristics and/or previous claims activity. Only those dentists who appeal the underwriting department's decision will be reviewed by the underwriting committee. Once identified, the underwriting committee will determine the appropriate action to be taken (i.e., acceptance, request for more information, declination).

The underwriting committee will also review non-renewals for claims activity that is brought to them by the underwriting staff each year.

ILLINOIS

ELIGIBILITY

Membership is a requirement of the Illinois Dental Association.

TERRITORIAL DEFINITIONS

Territory 1 – Cook County

Territory 2 – All counties except Cook County

DISCOUNTS

Package policy discount of 12%.

STATE BOARD OF DENTAL EXAMINERS COVERAGE

TDIC issues to the Illinois State Dental Society a policy for students taking the state board exams. The cost is \$100 a year. Certificates of Insurance are given to those student members sitting for a particular exam. A fully paid extended reporting period endorsement is also issued with the policy.

CANCELLATION

Notice of Cancellation:

Ten (10) days notice of cancellation for non-payment of premium must be mailed at least ten (10) days before the effective date of the cancellation.

Thirty (30) days notice of cancellation shall apply for any other reason provided that the policy has been in effect for sixty (60) days or less; or

Sixty (60) days notice of cancellation shall apply if the policy has been in effect for more than sixty (60) days and the cancellation is for one of the following reasons:

1. Non-payment of premium;
2. The policy was obtained through a material misrepresentation;
3. Any insured has submitted a fraudulent claim;
4. Any insured has violated any of the terms and conditions of the policy;
5. The risk originally accepted has measurably increased;
6. Certification to the Director of Insurance of the loss of reinsurance by the insurer which provided coverage to the insurer for all or a substantial part of the underlying risk insured; or
7. The determination by the director that the continuation of the policy could place the insurer in violation of the insurance laws of this state.

NON-RENEWAL

A notice of non-renewal will be sent at least sixty (60) days prior to the expiration of the policy.

REAL AND BUSINESS PERSONAL PROPERTY

RULES

ELIGIBILITY

Membership may be a requirement of a state dental association or society. In some states, the state dental association may form a risk purchasing group in order to restrict our insurance to members only. In order to secure a property policy, a dentist must own a building or lease office space. For building coverage, the dentist owner must occupy the building or part of the building. Multiple office locations are permitted. The dentist must practice dentistry from the location insured.

TDIC does not intend to insure buildings over 30,000 square feet or over seven stories in height. We will not insure dental offices located in buildings that have significant exposures from heavy public access such as restaurants, manufacturing operations, warehouses, wood working operations, repair shops, sawmills or prisons.

If the replacement cost for the building is greater than \$3,000,000, TDIC will not insure such a risk.

POLICY TERM

All policies will have a common anniversary date which will vary by state. The premium on the initial policy will be prorated based on the rates in effect at the time of coverage begins.

PAYMENT OF PREMIUM

Policies can be paid annually, semi-annually and monthly through automatic withdrawal from applicant's bank. There are no service or interest charges on any of the payment options.

CLASSIFICATION/TERRITORY

All property rates will be based on the individual state territories, protection classes and building construction class. See state specific pages.

LIMITS OF LIABILITY

Coverage amounts on real and personal property will vary. The limit of liability for building and personal property should be for the full value as there is no coinsurance provision in the policy. Coverage is on a replacement cost basis. The personal property limit should include Tenants, Improvements, and Betterments, if needed. The maximum amounts TDIC will insure are:

Building Coverage.....	\$3,000,000
Accounts Receivable.....	\$1,000,000
Valuable Papers.....	\$1,000,000
Money and Securities.....	\$20,000
Fine Arts.....	\$20,000
Gold/Other Metals.....	\$20,000
Employee Dishonesty.....	\$250,000

Coverage extensions providing limits beyond real and personal property at no additional cost are:

Newly Acquired Buildings.....	\$500,000
Newly Acquired Business Personal Property.....	\$500,000
Fine Arts (limit can be increased from an additional premium).....	\$5,000

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Personal Property Off-Premises and In Transit.....	\$25,000
Personal Effects.....	\$10,000
Gold/Other Precious Metals (limit can be increased for an additional premium)	\$5,000
Loss of Income (\$750/day for 15 days (\$11,250) and then the excess on an Actual Loss Sustained basis. Option to purchase additional limits up to \$2,000 per day for 15 days)	
Sign Coverage	\$10,000
Extra Expense (limit can be increased for an additional premium).....	\$100,000
Accounts Receivable (limit can be increased for an additional premium)	\$100,000
Valuable Papers (limit can be increased for an additional premium).....	\$25,000
Employee Dishonesty.....	\$25,000

OPTIONAL COVERAGES

1. Ordinance or Law
2. Electronic Business Systems and Data
3. Loss of Rental Income

COVERAGES WHERE ADDITIONAL LIMITS CAN BE PURCHASED

1. Accounts Receivable
2. Valuable Papers and Records
3. Money and Securities
4. Fine Art
5. Gold and Other Precious Metals
6. Employee Dishonesty
7. Signs

INFLATION GUARD

The limits for real and personal property coverages are adjusted as renewal automatically with an inflation protection factor of 104%.

MINIMUM PREMIUM

The minimum annual premium for the property coverage is \$250 when added to a professional liability policy and \$500 for mono-line property policies. Any applicable state surcharges, taxes or fees would also apply.

WAIVER OF PREMIUM

All policy changes that result in additional premium of \$10.00 or less will be waived.

DEDUCTIBLES

TDIC offers a \$500 and \$1,000 deductible.

DISCOUNTS/CREDITS/DEBITS

Offices which have equipped all operatories with closed end water units are eligible for a 10% credit.

A package discount is given to policyholders that purchase professional liability insurance in addition to their building or business personal property insurance. See state specific rules.

Earthquake premium will not be discounted.

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INDIVIDUAL RISK PREMIUM MODIFICATION PLAN

The policy may be modified to recognize special characteristics of the risk that are not fully reflected in the basic premium or rates. The total credits or debits may not exceed 25%. This plan may be applied to building and/or contents coverage. This plan can not be applied to earthquake or employee dishonesty/ERISA coverages.

<u>RISK CHARACTERISTICS</u>	<u>RANGE OF MODIFICATIONS</u>		
	<i>Credits</i>		<i>Debits</i>
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%

CANCELLATION

TDIC will give thirty (30) days notice of intention to cancel a policy unless based on non-payment of premium, then ten (10) days notice will be given.

DECLINATIONS

An applicant to TDIC may be declined subject to the underwriting process due to the following:

1. Undervaluation of real or personal property and the applicant does not or will not increase limits to meet TDIC standards;
2. Unacceptable occupancies located within or next to the premises of the insured;
3. Risk requesting limits outside of TDIC's limits available;
4. Multiple losses that result in a frequency of losses;
5. Risks that do not meet TDIC's underwriting standards;
6. There are any open claims.

NON-RENEWAL

Policies may be non-renewed for the following reasons:

1. Claims activity which can include frequency and/or severity;
2. State dental association non-membership;
3. Falsification of any insurance application;
4. Unsatisfactory inspection;
5. Not reporting a claim or potential claim in a timely manner (if the claims department determines this delay affected the handling of the claim);
6. An act or omission by the insured that substantially increases or changes the risk insured;
7. Felony or misdemeanor conviction (if in connection with a dental practice);
8. Health problems such as alcoholism, drug addiction or mental illness.

See state specific non-renewal guidelines.

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UNDERWRITING COMMITTEE

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ILLINOIS

ELIGIBILITY

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TERRITORIAL DEFINITIONS

Territory 1 – Cook County

Territory 2 – All counties except Cook County

DISCOUNTS/CREDITS/DEBITS

Package policy discount of 12%.

MINE SUBSIDENCE INSURANCE

1. Illinois Mine Subsidence Act – (Article XXXVIII A) requires a Min Subsidence Program for coverage on buildings for loss causes by mine subsidence.

a. Eligible property:

(1) Commercial buildings up to a maximum limit of liability of \$350,000.

b. Ineligible property:

(1) Business Personal Property

(2) Time element coverages

(3) Limits of liability in excess of \$3,500,000 for commercial buildings, which is the maximum amount reinsured by the Illinois Mine Subsidence Fund.

c. Coverage is mandatory in the following counties:

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

Insurance can be waived in these counties if the insured signs a waiver of Mine Subsidence Insurance.

d. Coverage in the remaining counties is not mandatory but must be provided if requested.

CANCELLATION

Notice of cancellation:

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Sixty (60) days notice of cancellation shall apply if the policy has been in effect for more than sixty (60) days and the cancellation is for one of the following reasons:

1. Non-payment of premium;
2. The policy was obtained through a material misrepresentation;
3. Any insured has submitted a fraudulent claim;
4. Any insured has violated any of the terms and conditions of the policy;
5. The risk originally accepted has measurably increased;
6. Certification to the Director of Insurance of the loss of reinsurance by the insurer which provided coverage to the insurer for all or a substantial part of the underlying risk insured; or
7. The determination by the director that the continuation of the policy would place the insurer in violation of the insurance laws of this state.

NON-RENEWAL

A notice of non-renewal will be sent at least sixty (60) days prior to the expiration of the policy.