RECEIVED

APR 19 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

Everest National Insurance Company
477 Martinsville Road
P.O. Box 830
Liberty Corner, NJ 07938-0830
Tel: 908.604.3000 Fax: 908.604.3546

EVEREST

April 13, 2010

FILED

SEP 01 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Illinois Department of Insurance
Property and Casualty Compliance Unit
320 W. Washington St.
Springfield, IL 62767-0001

RE: EVEREST NATIONAL INSURANCE COMPANY
NAIC#:1120-10120 FEIN#22-2660372
Professional Liability – Rate/Rule Filing ALLIED HEALTH CARE
Our Effective Date: June 1, 2010
Our Filing Number: IL-PL-20029892R

Dear Sir/Madam:

Everest National Insurance Company hereby files certain specialized rating and coverages for risks of the Allied Health Care industry under the Professional Liability Line of Insurance.

As a new program, there will be no rate impact on existing insureds.

We request an effective date of June 1, 2010 or the earliest permissible date consistent with your requirements.

Your prompt approval of our filing is greatly appreciated. Should you have any questions regarding this submission, do not hesitate to contact me directly at (908) 604-3267 or via email to vanessa.king@everestre.com

Sincerely,

Vanessa King

Vanessa King
Manager, Filing & Regulation

I-O
MEM
RAT
gfh
JEH

Form (RF-3)

ILLINOIS DEPARTMENT OF INSURANCE

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective June 1, 2010

(1) Coverage	(2) Annual Premium Volume (Illinois)*	(3) Percent Change (+ or -)**
1. Automobile Liability Private Passenger Commercial		
2. Automobile Physical Damage Private Passenger Commercial		
3. Liability Other Than Auto	$0	$0
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 _____ (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): We are introducing rating for a new program specializing in coverages for risks of the Allied Health Care industry under the Professional Liability Line of business.

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

Everest National Insurance Company
Name of Company

Mitchel Merberg, Vice President
Official – Title

RECEIVED

APR 19 2010

STATE OF ILLINOIS
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, Daryl Bradley a duly authorized officer of Everest National 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, Mitchel Merberg a duly authorized actuary of Everest National Insurance Company, am authorized to certify on behalf of Everest National 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.

President

Signature and Title of Authorized Insurance Company Officer Date

VP, FCAS, MAAA

Signature, Title and Designation of Authorized Actuary Date

Insurance Company FEIN 22 - 2660372 Filing Number IL-PL-20029892R

Insurer's Address 477 Martinsville Road

City Liberty Corner State NJ Zip Code 07938-0830

Contact Person's:

-Name and E-mail Vanessa King vanessa.king@everestre.com

-Direct Telephone and Fax Number (908) 604-3267 Fax: (908) 604-3526

April 22, 2010
Date

STATE OFILLINOIS

CERTIFICATION FORM

In compliance with 215 ILCS 5/155.18, we hereby certify to the best of our knowledge and belief that the filing complies with the company's rates, are based on sound actuarial principles, and are not inconsistent with the company's experience.

Actuary's Signature

Mitchel Merberg
Name (Typed or Printed)

Vice President, FCAS, MAAA
Title

Officer's Signature

Reid Bellanca
Name (Typed or Printed)

Vice President
Title

Neuman, Gayle

From: Neuman, Gayle
Sent: Wednesday, August 25, 2010 8:54 AM
To: 'Vanessa.King@everestre.com'
Subject: RE: Everest National - Filing #IL-PL-20029892R

I will put your cover letter with the September 1, 2010 filed date in the mail to you.

Gayle Neuman

Illinois Department of Insurance
(217)524-6497

From: Vanessa.King@everestre.com [mailto:Vanessa.King@everestre.com]
Sent: Wednesday, August 25, 2010 8:52 AM
To: Neuman, Gayle
Subject: RE: Everest National - Filing #IL-PL-20029892R

9/1/10 is okay. Thanks

Vanessa King
Manager, Filing & Regulation
EVEREST NATIONAL INSURANCE COMPANY
vanessa.king@everestre.com
Tel. 908-604-3267
Fax 908-604-3526

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, August 25, 2010 9:43 AM
To: Vanessa King
Subject: Everest National - Filing #IL-PL-20029892R

Ms. King,

The Department of Insurance has now completed its review of the filing referenced above. Originally, Everest National requested the filing be effective June 1, 2010. Was the filing put in effect on June 1, 2010 or do you wish to have a different effective date?

Your prompt response is appreciated.

Gayle Neuman

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

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

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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please contact the sender immediately and delete the original message and all copies from your system. State...nts and representations made in this message are not necessarily that of the Company.

Neuman, Gayle

From: Vanessa.King@everestre.com
Sent: Wednesday, August 25, 2010 8:51 AM
To: Neuman, Gayle
Subject: RE: Everest National - Filing #IL-PL-20029892R

We were awaiting your approval before implementing this submission. Please provide us with the earliest permissible effective date consistent with your requirements. Thank you.

Vanessa King
Manager, Filing & Regulation
EVEREST NATIONAL INSURANCE COMPANY
vanessa.king@everestre.com
Tel. 908-604-3267
Fax 908-604-3526

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
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Filing Summary/Comparison with ACE
COMMERCIAL MEDICAL PROFESSIONAL LIABILITY COVERAGE
ALLIED HEALTH CARE PROGRAM

INTRODUCTION

This program is designed for Allied Health Care Providers. Generally these exposures can be serviced through the countrywide and state rates, loss costs, forms and endorsements that exist for Commercial General Liability and Medical Professional Liability insurance as filed by the Insurance Services Office, Inc. ("ISO") and adopted by ENIC. However, since ISO does not provide Medical Professional Rates and some members of the industry have the need and desire for more specialized coverage's ENIC has developed specific rating and amendatory endorsements for this industry.

RULES

This program is based on the current Insurance Services Office (ISO) Commercial Lines Manual (CLM), Division Seven – Medical Professional Liability loss costs, rules and forms.

In addition to the above, the following rule exceptions will apply. These rules when used in conjunction with the ISO CLM make up the entire rating rule manual to be used with the Allied Health Care Program.

As requested by your office, the differences from the ACE Allied Health Care program are indicated in the last column.

Division Five – Medical Professional Liability

Rule Number and Title	Change from ISO	Explanation	*Comparison with ACE Filing*
Additional Rule 1. Licensing Board Defense	Additional rule for Program.	Provides factors for the exclusion of licensing board defense.	*Included in Ace's form as well as ENIC's. If coverage not provided then a 1% credit is applied.*
Additional Rule 2. Abuse and Molestation	Additional rule for Program.	Provides factors for abuse & molestation coverage.	*ENIC used Philadelphia Companies Abuse and Molestation Coverage as the basis of Rates and Forms. See separate exhibit.*
Additional Rule 3. Punitive Damages	Additional rule for Program.	Provides factor for the inclusion of punitive damage.	*The exclusion is included in Ace's form as well as ENIC's. If coverage is provided then a 5%-15% charge is applied under both programs.*
Additional Rule 4. Defense Within Limits	Additional rule for Program.	Provides for defense within limits coverage.	*Ace's filing does not address defense within limits.*
State Insurance Manual	Amends the ISO rule 8. Policy	The Programs minimum premium of $100.00 is	*Ace's filing does not address policy*

(SIM) 8. Policy Writing Minimum Premium	Writing Minimum Premium	established and is to be used to offset the expenses incurred in underwriting and writing/issuing policies for this line of business. (Applies regardless of term and not subject to adjustment for any reason.)	*writing minimum premium.*
SIM 9. Additional Premium Changes	Amends ISO rule 9. Additional Premium Changes	A procedure whereby Company will waive any additional charge for premium of $15.00 or less. The ISO rule has no amount.	*Ace's filing allows additional premiums of $24.00 or to be waived.*
SIM 10. Return Premium Changes	Amends ISO rule 10. Return Premium Changes	As with rule 9. a $15.00 threshold has been established for waiving return premium. The ISO verbiage in the rule which indicates that all premiums due the insured will be paid if requested by the insured has not been amended.	*Ace's filing does not address this ISO rule.*
SIM 13. Minimum Premiums	Amends ISO rule 14. Minimum Premiums	For both GL and PL policies a single minimum premium will apply and is based on ENIC's GL minimum premium with the state.	*Ace also has a minimum for GL which is $250.*
SIM 17. Increased Limit Tables	Amends ISO rule 17. Increased Limit Tables	Provides Increased Limit Factors for limits lower than $1,000,000/$3,000,000.	*Ace has the same increased limit factors.*
SIM 18. Deductibles	Amends ISO rule 18. Deductibles	This exception was created paragraph c) to allow the for a percentage discount for various deductible amounts. These discount factors apply to both occurrence and per claim deductibles.	*Both Ace and ENIC use the same deductible factors. ENIC also has a factor for a $1,000 deductible and a table for indemnity & expense deductibles..*
SIM 19. Premium Determination	Amends ISO rule 19. Premium Determination	Provides instructions on how to calculate premium.	*Ace and ENIC have a similar approach to rating. However, ENIC includes a more precise approach to determining full time equivalents professionals and allows for a slightly lower entity rating factor for those organizations which have obtained accreditation. ENIC does not have an internet discount.*
SIM 20. Description Of Additional Optional Endorsements	Amends ISO rule 20. Description Of Additional Optional Endorsements	Reference to various Allied Health risk forms in this ISO rule is made. These forms are optional and are attached either at the request of the insured or because of the nature of the risk.	*Ace does have a rule for optional forms usage.*
SIM 21. Special Rules Applicable to Claims-made	Amends ISO rule 21. Special Rules Applicable to Claims-made	Provides instructions on how to determine claims- made multipliers.	*ENIC is offering the same Extended Reporting periods with*

Coverage Forms.	Coverage Forms		*the associated premium costs as Ace. ENIC is using the ISO claims-made step factors.*
SIM 28. Allied Health Care Providers Professional Liability Coverage	Amends ISO rule 28. Allied Health Care Providers Professional Liability Coverage	Provides for basic limits of $1,000,000 each Medical Incident, subject to a $3,000,000 Aggregate Limit.	*ISO does not provide rates but the basic limits stated in the manual are $500,000/$1,500,000 so this rule is to make s*
SIM 28. Allied Health Care Providers Professional Liability Coverage	Amends ISO rule 28. Allied Health Care Providers Professional Liability Coverage	Indicates the charge for additional interests.	*Ace and ENIC have an additional insured charge of $250.00. Ace offers a reduction to $50.00 for members of the National Association of Alcoholism and Drug Abuse counselors. ENIC also offers a Blanket Additional Insured Endorsement for a charge of $350.00. Ace rules do not address Blanket Insured coverage.*
SIM 33. Classification Procedures	Amends ISO rule 33. Classification Procedures	Indicates that this ISO rule is not applicable and is superseded by the company filed rate and rules.	*ISO uses a different premium basis and classifications then provided for in this filing. Ace and ENIC are similar in this regard.*

RATES

The premium will be established using the Rules and Rates described in the attached Rate Sheet. All other premium charges will be made in accordance with the filed and approved ISO/State filings with any exceptions being noted in the rules listed above.

Since ENIC has not been actively writing medical malpractice for Allied Health Care providers and ISO does not provide loss costs, we have no company data upon which to base our proposed rates. What we have done is make some estimates based on industry data available and the underwriting judgment of our underwriters responsible for this business. This underwriting judgment has been a combined effort of our underwriting staff and the agents who know what is being offered in the market

The rates are the same as Ace countrywide rates with the exception of Physicians Assistants which are not provided for in Ace's filing. See comparison sheet attached.

I. APPLICATION OF MANUAL

A. The rules contained in these pages govern the writing of Professional and General Liability policies for Allied Health professionals.

B. The rules, rates, rating plans and forms filed on behalf of the Company, and not in conflict herewith, will govern in all cases not specifically provided for herein.

II. POLICY TERM

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

Coverage may be extended for a period not to exceed sixty (60) days beyond expiration date, subject to the consent of the Company and the rates and forms in effect for the expiring policy term. Premiums for this extension shall be calculated on a pro-rata basis.

Coverage may be renewed, subject to the consent of the Company, for additional periods by payment of a premium calculated according to the company's rates, rules and forms in effect at the time of renewal.

III. PREMIUM COMPUTATION

A. Premiums at policy inception will be computed using rules, rates and rating plan in effect at that time.

B. When a policy is issued for other than a whole year, the premiums will be computed on a pro-rata basis.

IV. FACTORS OR MULTIPLIERS

Unless otherwise noted, factors or multipliers are to be applied consecutively, as opposed to being added together.

V. POLICY WRITING MINIMUM PREMIUM

No policy minimum premium applies.

VI. WHOLE DOLLAR RULE

A. The premium for each peril, coverage or exposure for which a separate premium is calculated will be rounded to the nearest whole dollar as follows:

1. Any value involving $.50 or more will be rounded up to the next highest whole dollar amount.

2. Any value involving $.49 or less will be rounded down to the next lowest whole dollar amount.

VII. ADDITIONAL PREMIUM CHARGES

A. All coverage changes or additions involving additional premiums will be pro-rated based upon the effective date of the change.

B. The rates and rules that were in effect at the inception date of the policy period are to be used in all additional premium calculations.

C. Additional premiums of $24 or less may be waived. This waiver only applies to charges due on the effective date of change endorsements.

VIII. RETURN PREMIUMS

A. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.

B. Return premiums are computed using rates in effect at the policy inception.

C. Return premiums are computed pro rata and rounded in accordance with the whole dollar rule when any coverage or exposure is deleted, or an amount of insurance is reduced.

IX. POLICY CANCELLATIONS

A. This policy may be canceled flat by the Insured within 60 days of the effective date. Evidence of such cancellation must be received by the Company within the 60-day period.

B. Any cancellation initiated by the Company more than 60 days from inception will be computed on a pro-rata basis.

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

X. COVERAGE

A. Professional Liability is available on an occurrence or claims made basis.

B. General Liability is provided on an occurrence or claims made basis.

XI. ELIGIBILITY

Rate Tables I and II under Section XVI. of these rules list the categories of service providers that are eligible for coverage.

The following additional eligibility/rating criteria apply to entities:

1. Entities with more than 75 full time equivalent employees will be written on a Refer to Company basis.

XII. LIMITS OF LIABILITY

A. The rates displayed in Rate Tables I and II under Section XVI. are to be treated as follows:

1. Table I provides Professional Liability rates for all allied health professionals, other than Optometrists and Opticians, for limits of $1,000,000/$3,000,000.

   The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits below $1,000,000/$3,000,000. For Differential Limits Factors for limits above $1,000,000/$3,000,000, refer to company for the factor to be used.

Aggregate	25	100	200	250	500	1,000
75	0.395					
300		0.632				
500				0.752	0.822	
600			0.712			
750				0.758	0.830	
1,000					0.834	0.944
3,000						1.000

2. Table II provides Professional Liability rates for Optometrists and Opticians for limits of $1,000,000/$1,000,000.

   The table below provides the Differential Limits Factors used in calculating Professional Liability rates for other optional limits up to $1,000,000/$3,000,000. For Differential Limits Factors for limits above $1,000,000/$3,000,000, refer to company for the factor to be used.

Per Professional Incident (000) / Aggregate	
100 / 300	0.449
200 / 600	0.590
250 / 750	0.638
300 / 800	0.682
400 / 900	0.760
500 / 1,000	0.816
1,000 / 1,000	1.000
1,000 / 2,000	1.010
1,000 / 3,000	1.020

XIII. DEDUCTIBLE

The basic Allied Health Professional Liability policy has no deductible.

For firms or entities, the following deductible options may be selected, and the insured is responsible for the entire amount of each loss up to the selected deductible amount.

Deductible eroded by Indemnity	Factor
$2,500	.975
$ 5,000	.950
$10,000	.925
$15,000	.900
$20,000	.875
$25,000	.850
Over $25,000	Refer to Company

Deductible eroded by Indemnity and Other Payments	Factor
$2,500	0.968
$ 5,000	0.935
$10,000	0.903
$15,000	0.870
$20,000	0.838
$25,000	0.805
Over $25,000	Refer to Company

XIV. OPTIONAL COVERAGES

A. Additional Insured

An additional insured may be added to the policy for a charge of $250, with the exception of certified members of the National Association of Alcoholism and Drug Abuse Counselors (NAADAC) as defined in Note 1 under Rate Table 1 of Section XVI of these rules. For certified members of NAADAC the additional insured charge is $50. Such additional insureds may include clinics, hospitals, etc., to which the insured may be contracted.

Lessors may be added to the policy as an additional insured at no additional premium. (All other additional insureds must be referred to the Company for underwriting.)

Additional insureds as described in this section will be added on a shared limits basis.

B. General Liability

General Liability is available for an additional premium. The occurrence General Liability premium is calculated at 10% of the mature claims made professional liability premium at the same limit of liability. If the General Liability coverage is provided on a claims made basis then the premium must be calculated as the occurrence premium multiplied by the appropriate step factor. The premium for other limits will be rated on a refer to company basis. Entities (Organizations including Corporations, Partnership, Joint Venture, Trust or Limited Liability Company) are subject to a minimum charge of $250.
If General Liability coverage is purchased, then Employee Benefits Liability coverage is available at no additional premium.

Insureds that purchase General Liability may obtain coverage for Certified Acts of Terrorism, as defined in the Terrorism Risk Insurance Act of 2002, for an additional premium charge of up to 5% of the otherwise applicable General Liability premium.

C. Non-Owned Automobile Liability

This coverage option is available for entities only. The premium is calculated by multiplying the applicable rate by the total number of employees. The rates for the available limits options (000) are shown in the table below, along with the minimum premiums applicable to this coverage option.

	$250/$250	$500/$500	$1,000/$1,000	$1,000/$3,000
Per Employee Charge	$14	$16	$18	$20
Minimum Premium	$250	$500	$1,000	$1,000

D. Claims Made Coverage

The following rating procedures apply to professional liability written on a claims made basis:

1. Determine the applicable occurrence premium.

2. Determine the retroactive date. If the date goes back 5 years or more, the Mature Claims-Made Factor from the Claims Made Step Factor table should be applied to the premium developed in 1. above.

   Note: The retroactive date may be advanced only at the request of the insured or with the insured's written acknowledgement.

3. If the allied health professional is just entering practice, has been continuously insured under an occurrence policy or if no prior acts coverage is being provided, select the year 1 claims made factor from the Claims Made Step Factor table and apply it to the occurrence premium determined in 1. above.

4. If the allied health professional has been insured under a claims made policy for one or more years immediately preceding the effective date of the policy to be issued, and prior acts coverage is being provided, the following procedure will apply:

   a. Determine the number of years in which the allied health professional has been insured under a claims made policy;

   b. The number determined in a. above will be the "prior years of exposure". Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.

   c. The selection from the Claims Made Step Factor table is made by adding one year to the "prior years of exposure" developed in a. and b. above. The additional year is to account for the new policy to be issued.

   d. The applicable factor in the Claims Made Step Factor **table** is to be applied to the premium developed in 1. above.

TABLE OF CLAIMS-MADE STEP FACTORS

YEARS	STEP FACTORS
YEAR 1	**.55**
YEAR 2	**.69**
YEAR 3	**.82**
YEAR 4	**.91**
YEAR 5 OR MORE (Mature)	**1.00**

E. Extended Reporting Period Coverage

An extended reporting period may be provided for up to an unlimited basis, subject to the following:

1. Except as described in 6. below, the extended reporting period is available only if the policy is cancelled or nonrenewed by either the company or the insured.

2. The insured must notify us in writing of his or her election of the extended reporting period within 60 days of the effective date of termination of the policy.

3. Any earned premium due on the policy and the premium for the extended reporting period must be paid in full before the extended reporting period will be effective.

4. The entire premium for the extended reporting period will be deemed earned when the extended reporting period begins.

5. The premium for the extended reporting period will be developed by applying the appropriate factor from the table below to the mature claims made premium for Coverage A otherwise developed for the risk based on the rates and rules in effect for us at the time of purchase of the extended reporting period:

Claims-Made Year	Length of ERP (Years)				
	1	2	3	5	Unlimited
1	0.278	0.428	0.533	0.556	0.579
2	0.424	0.676	0.824	0.847	0.870
3	0.539	0.843	0.995	1.019	1.042
4+	0.602	0.915	1.071	1.095	1.119

6. The premium for the extended reporting period will be waived if the insured is an individual and:

   i. Dies or becomes totally and permanently disabled during the policy period; or
   ii. Retires, if at least age 55 and insured for professional liability by us for 5 or more continuous years.

   If the insured returns to the practice of his or her professional services after retirement or after a period of total and permanent disability and after the issuance of the extended reporting period Endorsement and premium waiver, the extended endorsement will be cancelled unless the insured contacts us within 30 days to request an extended reporting period without waiver of premium and pays the appropriate extended reporting period premium developed from the rates, rules and rating plans in effect for us at the time of the insured's retirement or disability.

7. The extended reporting period does not increase or reinstate the limits of liability.

F. Leave of Absence

Subject to Company underwriting approval, coverage under an in-force policy may be suspended for a period of not less than 30 days, and not more than six months. This suspension may be made without premium adjustment. The expiration of the policy is extended by the same length of time that the policy was suspended. This feature can be used for a parental leave, medical leave, military call-up to active duty, or a sabbatical.

XV. [redacted]

A. Base Rates.

The premium for this policy is calculated on a "per professional" basis. The base rates will be applied in accordance with the allied health professional specialty as shown in Tables I and II of Section XVI. If two or more classifications apply to the same professional, the highest rated classification is to be used.

B. Base Rate Adjustments.

1. Part Time. A part-time base rate adjustment factor of .50 will apply to any individual allied health professional who is self-employed and works 16 hours or less per week.

C. Surcharges

Category	Surcharge
Supplemental Staffing	A surcharge of up to 25% will apply to entities or individuals engaged in supplemental staffing.
Registry	A registry surcharge of up to 25% will apply to entities or individuals that do registry services.
Background Check	A surcharge of up to 10% will apply to entities or individuals not performing background checks on their employees and independent contractors.
Nursing Homes / Assisted Living Centers / Long Term Care Facilities / Prisons	A surcharge of up to 25% will apply to entities or individuals that do staffing of Nursing Home Facilities, Assisted Living Centers, Long Term Care Facilities, or Prisons.
High Tech / Critical Care	A surcharge of up to 25% will apply to entities or individuals engaged in high tech / critical care services, including Surgical, Pediatric, Infusion Therapy, and Tracheotomy/Ventilator Care.

The surcharges shown above are additive if more than one applies, subject to a maximum surcharge of 65%.

D. Full Time Equivalent (FTE).

For all types of risks other than individuals and students, calculate the number of applicable FTEs as follows:

In accordance with the professional rate classifications, sum the total annual hours worked for each classification. Divide each of these totals by classification by 2000 hours (one Full Time Equivalent) to establish the number of FTE slots to be charged for each classification. Fractions of FTE slots per applicable classification grouping will be rounded up to the next highest FTE.

E. Schedule Rating

The schedule rating credit or debit will be equal to the sum of the selected credits or debits given for each of the individual risk characteristics shown in the table below, subject to a maximum credit or debit of 25%.

Characteristic	Max Credit	Max Debit
Claims History	25%	25%
Risk Management	20%	20%
Nature of Operations	15%	15%

F. Territorial Multiplier

Apply the territorial multiplier shown in the state exception pages. Select the territorial multiplier associated with the territory in which the individual works.

G. Entity Rating Factor

An entity rating factor of up to 1.20 will apply to all entities (Organizations including Corporations, Partnership, Joint Venture, Trust or Limited Liability Company) in addition to any other rating factors that apply, subject to a minimum charge of $1,000. This rating rule is applied after the application of the increased limits factor but before any other rating factors. This rating rule also applies to student blanket policies.

H. Internet Discount

A 5% credit shall be applied to policies marketed through electronic commerce distribution channels.

XVI. Rates

Table I

Professional Classification	Professional Rate	Student Rate
Addiction Counselor (NAADAC Program) (1)	169	21
Addiction Counselor (Non-NAADAC) (2)	368	21
Addiction Interventionist	490	N/A
Administrative/Clerical	110	37
All other Aide, Assistant, or Technician	264	88
Art, Music, Dance, Pet, and Recreation Therapist (2)	264	N/A
Audiologist	264	88
Auricular & Full Body Acupuncture Therapy and Counseling	736	243
Auricular Acupuncture Therapy and Counseling	368	122
Behavioral Analyst	368	21
Blood Bank Technician	264	88
Cardiology Technician	264	88
Case Workers and Case Manager (2)	368	122
Certified Employee Assistance Professional	283	21
Certified Tech./ Assistant	264	88
Companion	128	43
Cytotechnologist	264	88
Dental Assistant	111	37
Dental Hygienist	264	88
Dialysis Technician	264	88
Dietician/Nutritionist	264	88
EKG/EEG Technician	264	88
Health Educator (2)	264	88
Home Health Aide	170	57
Homemaker	128	43
Intern Mental Health/Addiction Counselor	264	NA
Lab Technician	264	88
Licensed or Certified Mental Health Counselor (2)	368	21
LPN	264	88
Marriage and Family Therapists/Counselor (2)	368	21
Massage Therapist	490	163
Medical Office Assistant	111	37
Medical Records Technician	264	88
Medical Technologist	264	88
MRI Technician	264	88
Nurse Aide	153	51
Nurse Practitioner	1063	354
Nurse/RN	298	99
Occupational Therapist	340	113
Paramedics/EMTs (Eligible for Students Only)	N/A	170
Pastoral Counselor	368	N/A
Pathology Assistant	264	88
Patient Intake Technician	111	N/A
Personal Coach	368	N/A
Pharmacist (Mail Order, Nuclear)	638	213

Professional Classification	Professional Rate	Student Rate
Pharmacist (Non-Mail Order – Non-Nuclear)	510	170
Pharmacy Assistant	170	57
Pharmacy Technician (Dispensing)	255	85
Phlebotomist	264	88
Physical Therapist	490	163
Physician's Assistant	N/A	567
Psychological Assistant (Masters Degree) (2)	490	N/A
Psychologist (Bachelors or Masters Degree) (2)	1063	N/A
Psychologist (Doctorate Degree)	1063	Post Doctoral 264
Radiological Technologist	264	88
Rehabilitation Counselor/Therapist	368	21
Rehabilitation Counselor/Therapist Assistant	264	N/A
Respiratory Assistant	264	88
Respiratory Therapist	510	170
Social Worker (2)	368	21
Speech Therapist (2)	340	113
Surgical Assistant	N/A	567
Surgical Technologist	264	88
Surgical Technologist/First Assistant	264	88
Ultrasound Technician	264	88
Utilization Review Technician (2)	368	N/A
Volunteer	111	N/A
Wellness Counselor (2)	368	21
X-Ray Machine Operator/Technician	264	88

Note 1. Certified Members of the National Association of Alcoholism and Drug Abuse Counselors (NAADAC) are to be written in conjunction with the Behavioral Health Purchasing Group with the rate shown in Table I for limits of $ 1,000,000 Per Professional Incident / $ 3,000,000 Aggregate. This rate contemplates coverage for individuals who have been NCAC certified as members of NAADAC. The only Optional Coverages under Section XIV offered for these members are the Entity Coverage Extension, the Additional Insured Endorsement and Claims Made Coverage.

Note 2. A credit of up to 50% applies to individuals who receive primary professional liability coverage from their employer.

Table II

Allied Health Professional Liability Rate Table – Optometrists/Opticians Basic Limits - $1,000,000 / $1,000,000		
Professional Classification	**Professional Rate**	**Student Rate**
Optometrists	354	118
Opticians	249	83

Philadelphia Indemnity Insurance Company
Professional Liability
Human Services Organization Program

The following independent professional liability endorsement is available for human services organization risks.

I. Forms

1. Abuse or Molestation Sublimit Endorsement

   a. Description:

   This optional endorsement pays for damages because of a professional incident arising out of actual or threatened physical or sexual abuse or molestation. It modifies Human Services Organization Professional Liability Claims - Made Coverage Form PI- HS- 004.

   b. Form: PI-HS-012-NY

   c. Premium Determination: See Rates below

II. Rates

Charge as % of the Human Services Professional Liability premium, subject to a $100.00 minimum premium.

Per Person Abused or Molested Limit	Aggregate Per Policy Period Limit	Charge as Percentage of PL Premium
$ 100,000	$ 300,000	6.5%
$ 300,000	$ 600,000	8.0%
$ 500,000	$1,000,000	9.0%
$1,000,000	$3,000,000	10.0%

Everest National Insurance Company (Countrywide)		
Per Person Abused or Molested Limit	Aggregate Per Policy Period Limit	Charge as Percentage of PL Premium
$100,000	$100,000	6.5%
$300,000	$300,000	8.0%
$500,000	$500,000	9.0%
$1,000,000	$1,000,000	10.0%

Philadelphia Insuance Company (Countrywide)			
Per Person Abused or Molested Limit	Aggregate Per Policy Period Limit	Charge as Percentage of PL Premium	Charge Diff
$100,000	$300,000	6.5%	0%
$300,000	$600,000	8.0%	0%
$500,000	$1,000,000	9.0%	0%
$1,000,000	$3,000,000	10.0%	0%

Rates are identical for Occurrence Limits, Philadelphia had higher Aggregate Policy Limits

Neuman, Gayle

From: Vanessa.King@everestre.com
Sent: Thursday, April 22, 2010 1:51 PM
To: Neuman, Gayle
Subject: RE: Professional Liability Rate/Rule Filing #IL-PL-20029892R

Ok-thanks

Vanessa King
Manager, Filing & Regulation
EVEREST NATIONAL INSURANCE COMPANY
vanessa.king@everestre.com
Tel. 908-604-3267
Fax 908-604-3526

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, April 22, 2010 2:48 PM
To: Vanessa King
Subject: RE: Professional Liability Rate/Rule Filing #IL-PL-20029892R

Ms. King,

Please print out all of the attachments involving ISO for mailing to the Department. I share a printer with 10 other employees and am unable to print out hundreds of pages for your filing.

Thank you for your assistance.

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

From: Vanessa.King@everestre.com [mailto:Vanessa.King@everestre.com]
Sent: Thursday, April 22, 2010 1:18 PM
To: Neuman, Gayle
Subject: RE: Professional Liability Rate/Rule Filing #IL-PL-20029892R

Dear Gayle,

Our reply is attached. Thank you for your prompt reply.

Vanessa King
Manager, Filing & Regulation
EVEREST NATIONAL INSURANCE COMPANY
vanessa.king@everestre.com
Tel. 908-604-3267
Fax 908-604-3526

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tuesday, April 20, 2010 10:30 AM
To: Vanessa King
Subject: Professional Liability Rate/Rule Filing #IL-PL-20029892R

Ms. King,

I am in receipt of the above referenced filing submitted with your cover letter dated April 13, 2010. Please provide the following:

1. 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?

2. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. This information is required in every rate/rule filing for medical malpractice.

3. Pursuant to 50 Ill. Adm. Code 929, 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.

4. You must submit the referenced ISO material as they do not file this with our Department.

I request receipt of your response by no later than April 27, 2010.

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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Everest National Insurance Company
477 Martinsville Road
P.O. Box 830
Liberty Corner, NJ 07938-0830
Tel: 908.604.3000 Fax: 908.604.3546

EVEREST

April 22, 2010

Illinois Department of Insurance
Property And Casualty Compliance Unit
320 W Washington St
Springfield, IL 62767-0001
Attn: Gayle Neuman
Property and Casualty Compliance

RE: EVEREST NATIONAL INSURANCE COMPANY
NAIC#:1120-10120 FEIN#22-2660372
Professional Liability – Rate/Rule Filing
Our Effective Date: May 1, 2010
Our Filing Number: IL PL-20029892R

Dear Ms. Neuman:

Thank you for your email request dated April 20, 2010. Our response to your concerns is as follows:

1. The statistics reporting agency for this program is Insurance Services Office (ISO)
2. A signed certification is attached to comply with 215 IL/CS 5/155.18.
3. We have updated our company manual to include the installment payment option.
4. Copies of the ISO material being adopted by the Company is attached.

We trust this additional information is satisfactory. Should you have any questions regarding this submission, do not hesitate to contact me directly at (908) 604-3267 or via email to vanessa.king@everestre.com

Sincerely,

Vanessa King

Vanessa King
Manager, Filing & Regulation

Neuman, Gayle

From: Neuman, Gayle
Sent: Monday, May 24, 2010 1:48 PM
To: 'Vanessa.King@everestre.com'
Subject: Filing #PL-20029892R

Ms. King,

I am in receipt of your April 22, 2010 letter and the enclosed copies. The copies included various ISO circulars from 2006 through 2009. I need your rate/rule manual. I am not in a position to go through hundreds of pages of circulars and decide which pages will make up your manual. Please forward a copy of the manual as you want it to be filed.

Thank you for your prompt assistance.

Gayle Neuman

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

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

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RECEIVED

MAY 26 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

Everest National Insurance Company
477 Martinsville Road
P.O. Box 830
Liberty Corner, NJ 07938-0830
Tel: 908.604.3000 Fax: 908.604.3546

EVEREST

May 24, 2010

Illinois Department of Insurance
Property And Casualty Compliance Unit
320 W Washington St
Springfield, IL 62767-0001
Attn: Gayle Neuman
Property and Casualty Compliance

RE: EVEREST NATIONAL INSURANCE COMPANY
NAIC#:1120-10120 FEIN#22-2660372
Professional Liability – Rate/Rule Filing
Our Effective Date: May 1, 2010
Our Filing Number: IL PL-20029892R

Dear Ms. Neuman:

This will refer to your email message dated May 24, 2010. Attached is a complete copy of the ISO CLM for Medical Professional Liability, as requested.

We trust this additional information is satisfactory. Should you have any questions regarding this submission, do not hesitate to contact me directly at (908) 604-3267 or via email to vanessa.king@everestre.com

Sincerely,

Vanessa King
Manager, Filing & Regulation

Neuman, Gayle

From: Vanessa.King@everestre.com
Sent: Tuesday, June 22, 2010 2:31 PM
To: Neuman, Gayle
Subject: RE: Everest National Ins Co - Filing #IL PL-20029892R
Attachments: Cover Letter.doc; MSP-IL-PL-Revised'.pdf

Dear Mr. Neuman,

Attached is our response to your comments dated June 15, 2010.

Vanessa King
Manager, Filing & Regulation
EVEREST NATIONAL INSURANCE COMPANY
vanessa.king@everestre.com
Tel. 908-604-3267
Fax 908-604-3526

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tuesday, June 15, 2010 11:37 AM
To: Vanessa King
Subject: Everest National Ins Co - Filing #IL PL-20029892R

Ms. King,

I have reviewed material provided and have the following questions/concerns to be addressed:

1. In regard to punitive damages, an insurer may not reimburse for punitive damages in Illinois.
2. On page 11 under 33. Classification Procedures, it states "This rule is does not apply. Rates and rules filed by the company supersede this rule." ISO does not file rates for classes or territory factors.
3. I previously wrote to you about the premium installment payment plan. The plan provided does not provide as favorable factors as the one required by our law. Therefore, please make applicable changes.
4. Please indicate the page(s) that contain information about the cancellation requirements.

I request receipt of your response by June 25, 2010.

Gayle Neuman

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

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

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Everest National Insurance Company
477 Martinsville Road
P.O. Box 830
Liberty Corner, NJ 07938-0830
Tel: 908.604.3000 Fax: 908.604.3546

EVEREST

June 22, 2010

Mr. Gayle Neuman
Illinois Department of Insurance
Property & Casualty Compliance
320 West Washington Street
Springfield, IL 62767-0001

RE: EVEREST NATIONAL INSURANCE COMPANY
NAIC#:1120-10120 FEIN#22-2660372
Professional Liability – Rate/Rule Filing
Our Effective Date: June 1, 2010
Our Filing Number: IL-PL-20029892R

Dear Mr. Neuman:

This will respond to your email dated June 15, 2010. Our reply follows the order outlined in your correspondence:

1. We have revised Additional Rule 3. to indicate that EEO 21 616 is mandatory.
2. Rule 33. which is incorporated on our state exception pages is intended to delete ISO rule 33. in its entirety. The classes we intend to utilize with this program are clearly identified as part of this state exception.
3. We have revised the Installment Payment Plan rule to be more favorable to the insured.
4. ISO cancellation endorsements/rules apply.

Should you have any questions regarding this submission, do not hesitate to contact me directly at (908) 604-3267 or via email to vanessa.king@everestre.com

Sincerely,

Vanessa King

Vanessa King
Manager, Filing & Regulation

COMMERCIAL LINES MANUAL
DIVISION SEVEN—MEDICAL PROFESSIONAL LIABILITY
COMPANY EXCEPTION PAGE

ALLIED HEALTH CARE PROGRAM

The otherwise applicable Division Seven—Medical Professional Liability rules apply except as modified by these Exception pages.

ADDITIONAL RULE 1. LICENSING BOARD DEFENSE

Attach endorsement EEO 04 571 – Coverage Extension – Licensing Board Defense Expense Reimbursement to reimburse fees the insured incurs in the defense of a professional licensing board investigation resulting from a medical or business entity incident arising out of healthcare services. .If the endorsement for Licensing Board Defense is not included in the policy, apply a 1% credit to the developed premium.

ADDITIONAL RULE 2. ABUSE & MOLESTATION

Attach endorsement EEO 04 568 – Abuse or Molestation Sublimit Endorsement to provide coverage for Abuse or Molestation at specified limits. Apply the factors shown in the table below. A minimum premium of $100.00 applies.

Per Person Abused or Molested Limit	Aggregate Per Policy Period Limit	Charge as a Percentage of PL Premium
$100,000	$100,000	6.5%
$300,000	$300,000	8.0%
$500,000	$500,000	9.0%
$1,000,000	$1,000,000	10.0%

ADDITIONAL RULE 3. PUNITIVE DAMAGES

Attach endorsement EEO 21 616 – Exclusion – Punitive or Exemplary Damages to exclude punitive or exemplary damages. If this exclusion is removed, apply a factor of 1.05-1.15 to the developed premium.

ADDITIONAL RULE 4. DEFENSE WITHIN LIMITS

Attach endorsement EEO 02 529 – Defense Expenses Within Limits to allow defense expenses to erode the Limits of Insurance. If this endorsement is added to the policy, apply a 10% credit to the developed premium.

WITHDRAWN

JUN 22 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

PREMIUM PAYMENT INSTALLMENTS

The following installment premium payment plans shall be offered:

1. For annual premiums up to an including $80,000, a three-installment payment plan payable as follows:
   - **a.** An initial payment equal to 50% of the premium due at policy inception;
   - **b.** A second payment equal to 25% of the premium due 2 months from policy inception; and
   - **c.** A third payment equal to 25% of the premium due 4 months from policy inception.

2. For annual premiums in excess of $80,000, a five-installment payment plan payable as follows:
   - **a.** An initial payment equal to 30% of the premium due at policy inception;
   - **b.** A second payment equal to 25% of the premium due 2 months from policy inception;
   - **c.** A third payment equal to 20% of the premium due 4 months from policy inception;
   - **d.** A fourth payment equal to 15% of the premium due 6 months from policy inception;
   - **e.** A fifth payment equal to 10% of the premium due 8 months from policy inception.

Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction.

WITHDRAWN

JUN 22 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Neuman, Gayle

From: Vanessa.King@everestre.com
Sent: Monday, June 28, 2010 11:06 AM
To: Neuman, Gayle
Subject: PL-Allied Health Care Filing - IL-PL-20029892R
Attachments: PREMIUM PAYMENT INSTALLMENTS.docx

Dear Gayle,

We have revised our installment payment rule as reflected on the attached page.

We trust this is acceptable. Thank you for your consideration in this matter.

Vanessa King
Manager, Filing & Regulation
EVEREST NATIONAL INSURANCE COMPANY
vanessa.king@everestre.com
Tel. 908-604-3267
Fax 908-604-3526

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PREMIUM PAYMENT INSTALLMENTS

The following installment premium payment plans options shall be offered at no additional charge:

a. An initial payment equal to 40% of the premium due at policy inception and the remaining premiums spread equally among three quarterly installments; or

b. An initial payment equal to 25% of the premium due at policy inception and the remaining premium spread equally among six equal installments.

Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction.

WITHDRAWN

JUN 28 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Neuman, Gayle

From: Vanessa.King@everestre.com
Sent: Wednesday, June 30, 2010 12:00 PM
To: Neuman, Gayle
Subject: RE: PL-Allied Health Care Filing - IL-PL-20029892R
Attachments: MSP-IL-PL-02012010.doc

Dear Gayle,

The manual has been re-numbered, as requested.

This will confirm that no interest or installment charges apply to the payment options.

I trust this is acceptable. Thank you.

Vanessa King
Manager, Filing & Regulation
EVEREST NATIONAL INSURANCE COMPANY
vanessa.king@everestre.com
Tel. 908-604-3267
Fax 908-604-3526

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, June 30, 2010 12:24 PM
To: Vanessa King
Subject: FW: PL-Allied Health Care Filing - IL-PL-20029892R

I was rereading my e-mail and I am worried you might be confused. I was requesting you reprint the premium payment page to make it consistent with the rest of the manual.

Thank you for your prompt attention.

Gayle Neuman

Illinois Department of Insurance
(217)524-6497

From: Neuman, Gayle
Sent: Wednesday, June 30, 2010 10:51 AM
To: 'Vanessa.King@everestre.com'
Subject: RE: PL-Allied Health Care Filing - IL-PL-20029892R

Vanessa,

The page with the premium payments installments was previously labeled as page 13 of 13. Now, it would just be placed after page 12 of 13. Additionally, pages 2 through 12 don't include the heading that is provided on page 1. Perhaps you could reprint this page for consistency.

Additionally, please confirm for the filing that no interest or installment charges apply to the payment options.

Your prompt attention is appreciated.

Gayle Neuman

Illinois Department of Insurance
(217)524-6497

From: Vanessa.King@everestre.com [mailto:Vanessa.King@everestre.com]
Sent: Monday, June 28, 2010 11:06 AM
To: Neuman, Gayle
Subject: PL-Allied Health Care Filing - IL-PL-20029892R

Dear Gayle,

We have revised our installment payment rule as reflected on the attached page.

We trust this is acceptable. Thank you for your consideration in this matter.

Vanessa King
Manager, Filing & Regulation
EVEREST NATIONAL INSURANCE COMPANY
vanessa.king@everestre.com
Tel. 908-604-3267
Fax 908-604-3526

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COMMERCIAL LINES MANUAL
DIVISION SEVEN—MEDICAL PROFESSIONAL LIABILITY
COMPANY EXCEPTION PAGE

ALLIED HEALTH CARE PROGRAM

PREMIUM PAYMENT INSTALLMENTS

The following installment premium payment plans shall be offered:

1. For annual premiums up to an including $80,000, a three-installment payment plan payable as follows:
   - **a.** An initial payment equal to 40% of the premium due at policy inception;
   - **b.** A second payment equal to 20% of the premium due 3 months from policy inception; and
   - **c.** A third payment equal to 20% of the premium due 6 months from policy inception.
   - **d.** A fourth payment equal to 20% of the premium due 9 months from policy inception;

2. For annual premiums in excess of $80,000, a six-installment payment plan payable as follows:
   - **a.** An initial payment equal to 25% of the premium due at policy inception;
   - **b.** A second payment equal to 25% of the premium due 2 months from the policy inception;
   - **c.** A third payment equal to 25% of the premium due 4 months from policy inception;
   - **d.** A fourth payment equal to 25% of the premium due 6 months from policy inception;
   - **e.** A fifth payment equal to 25% of the premium due 8 months from policy inception;
   - **f.** A sixth payment equal to 25% of the premium due 10 months from policy inception.

Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction.

WITHDRAWN

JUN 30 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

COMMERCIAL LINES MANUAL
DIVISION SEVEN—MEDICAL PROFESSIONAL LIABILITY
COMPANY EXCEPTION PAGE

ALLIED HEALTH CARE PROGRAM

The otherwise applicable Division Seven—Medical Professional Liability rules apply except as modified by these Exception pages.

ADDITIONAL RULE 1. LICENSING BOARD DEFENSE

Attach endorsement EEO 04 571 – Coverage Extension – Licensing Board Defense Expense Reimbursement to reimburse fees the insured incurs in the defense of a professional licensing board investigation resulting from a medical or business entity incident arising out of healthcare services. .If the endorsement for Licensing Board Defense is not included in the policy, apply a 1% credit to the developed premium.

ADDITIONAL RULE 2. ABUSE & MOLESTATION

Attach endorsement EEO 04 568 – Abuse or Molestation Sublimit Endorsement to provide coverage for Abuse or Molestation at specified limits. Apply the factors shown in the table below. A minimum premium of $100.00 applies.

Per Person Abused or Molested Limit	Aggregate Per Policy Period Limit	Charge as a Percentage of PL Premium
$100,000	$100,000	6.5%
$300,000	$300,000	8.0%
$500,000	$500,000	9.0%
$1,000,000	$1,000,000	10.0%

ADDITIONAL RULE 3. PUNITIVE DAMAGES

Attach endorsement EEO 21 616 – Exclusion – Punitive or Exemplary Damages to exclude punitive or exemplary damages. If this exclusion is removed, apply a factor of 1.05-1.15 to the developed premium. ***This endorsement is mandatory on all policies issued in the state of Illinois.***

ADDITIONAL RULE 4. DEFENSE WITHIN LIMITS

Attach endorsement EEO 02 529 – Defense Expenses Within Limits to allow defense expenses to erode the Limits of Insurance. If this endorsement is added to the policy, apply a 10% credit to the developed premium.

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8. POLICY WRITING MINIMUM PREMIUM

The following replaces **Rule 8. Policy Writing Minimum Premium:**

A. Prepaid polices, regardless of term: **$100.**
B. Annual premium payment plan policies or continuous policies, apply this amount for each annual period: **$100.**

9. ADDITIONAL PREMIUM CHANGES

The following replaces Subparagraph **1.** of Paragraph **B. Waiver of Premium**:

B. Waiver of Premium
1. Waive additional premium of **$ 15 or less.**

10. RETURN PREMIUM CHANGES

The following replaces Subparagraph **1.** of Paragraph **B. Waiver of Premium**:

C. Waiver of Premium
1. Waive return premium of **$ 15 or less.**

13. MINIMUM PREMIUMS

The following replaces Paragraph **B. Determination**:

B. Determination

For risks with both GL and PL policies, a single minimum premium will apply and will be based on ENIC's GL minimum premium on file with the state. For risks with just a PL policy, the GL minimum premium on file with the state will apply. Allied Health Classes are defined as Prem Ops 2.

Paragraph **C. Sublines** does not apply to the Allied Health Care Program.

The following replaces Paragraph **D. Multiple Classifications:**

D. Multiple Classifications

Minimum premiums are not determined by classification under the Allied Health Care Program.

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17. INCREASED LIMITS TABLES

Company State Rate pages provide Professional Liability rates for all allied health professionals at limits of $1,000 /$3,000.

The table below provides the Increases Limits Factors used in calculating Professional Liability rates for other optional limits below $1,000/$3,000. For Increased Limits Factors above $1,000/$3,000, refer to company for the factor to be used.

Per Professional Incident (000)/Aggregate	
25/75	0.395
100/300	0.632
200/600	0.712
250/500	0.752
250/750	0.758
500/500	0.822
500/750	0.830
500/1,000	0.834
1,000/1,000	0.944
1,000/3,000	1.000

The following interpolation procedure shall be used in determining increased limits factors or combinations of limits not shown in the tables:

1. Determine the factor in the increased limits table for the next lower and for the next higher limit or combination of limits.

2. The factor for the limit or combination of limits desired shall be determined by interpolation. All fractions in the third decimal place shall be considered as an additional unit in the second decimal place.

3. Where neither limit required appears in the table, refer to company.

18. DEDUCTIBLES

The following replaces paragraph **C. Deductible Discount Factors**:

C. Deductible Discount Factors:

A discount is available to the insured when insurance is provided on a deductible basis. Determine the applicable discount by referring to the table below.

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Deductible Amount Indemnity Only	Factor
$1,000	0.990
$2,500	0.975
$5,000	0.950
$10,000	0.925
$15,000	0.900
$20,000	0.875
$25,000	0.850
$50,000	0.782
$75,000	0.732
$100,000	0.693
Over $100,000 Refer to Company	

Deductible Amount Indemnity & Expense	Factor
$1,000	0.990
$2,500	0.968
$5,000	0.935
$10,000	0.903
$15,000	0.870
$20,000	0.838
$25,000	0.805
$50,000	0.721
$75,000	0.660
$100,000	0.614
Over $100,000 Refer to Company	

The following is added to Paragraph **D. Endorsement:**
The following is added:

1. Attach endorsement EEO 03 530 – Deductible Liability Insurance Including Claim Expenses to include claim expenses, in addition to the amount paid to claimants as damages, in the deductible. Refer to the table above for the appropriate discount factor.

The following replaces paragraph **E. Procedures**:

E. Procedures:
Where deductibles are purchased, apply the applicable factor to the final premium determined by the company.

19. PREMIUM DETERMINATION

The following replaces rule **19. PREMIUM DETERMINATION**:

A. Base Rates
The premium for this policy is calculated on a "per professional" basis. The base rates will be applied in accordance with the allied health professional specialty as shown in Company Rate Pages. If two or more classifications apply to the same professional, the highest rated classification is to be used.

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B. Base Rate Adjustments

Part Time- A part-time base rate adjustment factor of .50 will apply to any individual allied health professional who is self-employed and works 16 hours or less per week.

Independent Contractor (IC) – An independent contractor base rate adjustment factor of .50 will apply to any individual allied health care professional who works for an insured entity WITH proof of individual professional liability insurance for each IC (or a signed warranty statement at time of application.) An independent base rate adjustment factor of 1.00 will apply to any individual allied health care professional who works for an insured entity WITHOUT proof of individual professional liability insurance for each IC (or a signed warranty statement at time of application.)

C. Surcharges

Category	Surcharge
Supplemental Staffing	A surcharge of up to 25% will apply to entities individuals engaged in supplemental staffing.
Registry	A registry surcharge of up to 25% will apply to entities or individuals that do registry services.
Background Check	A surcharge of up to 10% will apply to entities or individuals not performing background checks on their employees and independent contractors.
Nursing Homes / Assisted Living Centers / Long Term Care Facilities / Prisons	A surcharge of up to 25% will apply to entities or individuals that do staffing of Nursing Home Facilities, Assisted Living Centers, Long Term Care.
High Tech / Critical Care	A surcharge of up to 25% will apply to entities or individuals engaged in high tech / critical care services, including Surgical, Pediatric, Infusion Therapy, and Tracheotomy/Ventilator Care.

The surcharges shown above are additive if more than one applies, subject to a maximum surcharge of 65%.

D. Full Time Equivalent (FTE)

Rating units are defined as the number of Full Time Equivalent Employees (FTEs) in each category.

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The number of FTEs is calculated as follows:

1. FTE/hours -The annual number of hours worked by all employees in each category is divided by 2,000. The number obtained is then multiplied by the rate indicated for the category of employee.

2. FTE/payroll – When the number of hours worked cannot be verified or are unavailable or invalid, the number of FTEs is determined using payroll information. The total annual payroll for each category is divided by the estimated average payroll for that category. The number is then multiplied by the rate for that category.

The average payroll is determined using the most current Home Health Agency Compensation Survey Report, Washington, DC; National Association of Home Care (NAHC). Average salaries for categories not listed in the Survey Report will be estimated by comparing the educational requirements for unlisted categories with those categories listed.

E. Schedule Rating

The schedule rating credit or debit will be equal to the sum of the selected credits or debits given for each of the individual risk characteristics shown in the table below, subject to the maximum credit or debit of contained in the General Liability Company Exception Pages.

Characteristic	Max Credit	Max Debit
Claims History	25%	25%
Risk Management	20%	20%
Nature of Operations	15%	15%

F. Territorial Multiplier

Apply the territorial multiplier shown in the state exception pages. Select the territorial multiplier associated with the territory in which the individual works.

G. Entity Rating Factor

An entity rating factor of o 1.10 will apply to all accredited entities (Organizations including Corporations, Partnership, Joint Venture, Trust or Limited Liability Company) in addition to any other rating factors that apply, subject to a minimum charge of $1,000. The accreditation has to be by either The Joint Commission (JCAHO), or Accreditation Commission or Health Care (ACHC), or Community Health Accreditation Program (CHAP). All entities that are not accredited, by any of the above, will receive a 1.20 rating factor. This rating rule is applied after the application of the increased limits factor but before any other rating factors.

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20. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS

The following forms are added to Paragraph **C. Exclusion Endorsements,** Paragraph **D. Coverage Amendment Endorsements and** Paragraph **E. Additional Coverage Endorsements.**

C. Exclusion Endorsements

1. Attach endorsement EEO 21 611 – Exclusions – Allied Health Care to add various exclusionary terms to the policy. When this endorsement is attached, do not attach the separate, individual exclusions contained in this form to the policy.
2. Attach endorsement EEO 21 613 - Exclusion – Personal And Advertising Injury to exclude liability arising out of personal or advertising injury.
3. Attach endorsement EEO 21 614 – Exclusion – Guarantee of Results to exclude liability arising out of the insured's guarantee of cure or particular results.
4. Attach endorsement EEO 21 615 – Exclusion – Recreational Activities to exclude injury or damage arising out of specified recreational activities.
5. Attach endorsement EEO 21 617 – Exclusion – Obstetrics to exclude injury or damage arising out of obstetrical services provided by the insured.
6. Attach endorsement EEO 21 618 – Exclusion – Lead to exclude injury or damage arising out of lead.
7. Attach endorsement EEO 21 619 – Exclusion – Injunctive Relief to exclude injury or damage arising out of injunctive, equitable or declaratory relief.
8. Attach endorsement EEO 21 620 – Exclusion – Employed Physician Or Medical/Dental Staff to exclude liability arising out of employed physicians, surgeons, dentists and other listed staff.
9. Attach endorsement EEO 21 621 – Exclusion - Communicable Disease to exclude liability arising out the transmission of a communicable disease.
10. Attach endorsement EEO 21 622 – Exclusion – Clinical Trials to exclude injury or damage arising out of indemnification for a clinical trial.
11. Attach endorsement EEO 21 624 – Exclusion – Assault or Battery to exclude injury or damage arising out assault or battery committed by any insured or the failure to suppress or prevent such assault or battery.
12. Attach endorsement EEO 21 640 – Exclusion – Employed Physicians Or Designated Staff to exclude injury or damage arising out of employed physicians, surgeons, dentists and any other staff designated in the Schedule of the form.

The following endorsements are available to be attached on an individual basis if endorsement EEO 21 611 is not attached to the policy.

1. Attach endorsement EEO 21 612 – Abuse or Molestation Exclusion to exclude abuse or molestation.
2. Attach endorsement EEO 21 623 – Exclusion – Aircraft, Automobile or Watercraft to exclude injury or damage arising the ownership, maintenance use or entrustment to others of any aircraft, auto or watercraft.

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3. Attach endorsement EEO 21 625 – Exclusion – Asbestos to exclude injury or damage involving or arising out of asbestos in any manner or form.
4. Attach endorsement EEO 21 626 – Exclusion – Directors or Officers to exclude injury or damage for wrongful acts, errors, or omissions or breach of duties in a claim against an insured in their capacity as a director or officer of an organization.
5. Attach endorsement EEO 21 627 – Exclusion – Cross Suits to exclude injury or damage initiated, alleged or caused to be brought about by this policy against any other insured covered by this policy.
6. Attach endorsement EEO 21 628 – Exclusion – Fee Disputes to exclude injury or damage for billing for the cost of goods or services or the insured's failure to pay the cost of goods or services furnished to the insured.
7. Attach endorsement EEO 21 629 – Exclusion – Anti-trust to exclude injury or damage arising out of the insured's involvement in unfair trade, restraint of trade or any other practices described in the endorsement.
8. Attach endorsement EEO 21 630 – Exclusion – Discrimination to exclude injury or damage arising out of the insured's discrimination due to race, color, creed or other discrimination described in the form.
9. Attach endorsement EEO 21 631 – Exclusion – Employment – Related Practices to exclude injury or damage to a person arising out of refusal to employ that person, termination of that person or employment-related practices directed at that person.
10. Attach endorsement EEO 21 633 – Total Pollution Exclusion to exclude injury, damage, loss cost or expense arising out of pollutants.
11. Attach endorsement EEO 21 634 – Exclusion – ERISA and Employee Benefits to exclude obligations of the insured under ERISA or injury or damage arising out of the administration of insured's employee benefit program.
12. Attach endorsement EEO 21 635 – Exclusion – Bodily Injury to exclude bodily injury, unless caused by the providing or failure to provide healthcare services.
13. Attach endorsement EEO 21 636 – Exclusion – Confidential Patient Information to exclude injury or damage due to HIPAA violations and redirect such coverage to endorsement EEO 04 570 -Coverage – Extension – Confidential Patient Information when attached to the policy. No additional charge applies this endorsement.
14. Attach endorsement EEO 21 637 – Exclusion – Unlicensed or Uncertified Practitioners; Unauthorized Services to exclude injury or damage arising out of unlicensed or unregistered practices or services that are not authorized or permitted by state laws.
15. Attach endorsement EEO 21 638 – Exclusion – Property Damage to exclude loss, cost or expense arising out of property damage. Coverage for certain property damage to patient's property may be redirected to endorsement EEO 04 572 - Exclusion – Property Damage; Exception For Property Of Your Patients.

D. Coverage Amendment Endorsements

1. To prevent the "stacking" of limits of liability when writing multiple policies for the same insured, attach endorsement - EIL 24 508– Limitation – No Stacking of Limits Of Insurance.

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2. To add to the policy that the insurer has the right to seek reimbursement of the insurer's defense costs from the insured if, after defending under a reservation of rights, it is determined that the claim is not covered under the policy, attach Endorsement EEO 04 569 - Reimbursement of Defense Costs.
3. To revise the Premium Audit Condition to determine the payroll basis for leased workers whose payroll is not furnished by the labor leasing firm, attach endorsement EIL 24 507 – Leased Workers Premium Audit Endorsement.
4. Attach endorsement EEO 04 572 – Exclusion – Property Damage; Exception For Property Of Your Patients to exclude property damage, except property damage to the insured's patients tangible property if resulting directly from a medical incident or business entity incident. No additional charge applies.
5. Attach endorsement EEO 04 573 – Definitions – Allied Health Care to add and amend various definitions of the policy. No additional charge applies.
6. Attach endorsement EEO 20 522 – Who Is An Insured – Allied Health Care to add and amend various portions of the policy's Who Is An Insured Section.
7. Attach endorsement EEO 20 549 – Other Insurance – Excess to make the policy excess over other valid and collectible insurance.
8. Attach endorsement EEO 24 519 – Representations Condition – Application to make the professional liability application part of the policy.
9. Attach endorsement EEO 04 574 – Abuse or Molestation Exclusion – Exception For Limited Defense to excludes abuse or molestation, but provides an exception to provide limited defense of an insured that did not engage in or knowingly allow the abuse or molestation.

E. Additional Coverage Endorsements.

1. To waive our right to recovery we may have against the designated entity in the endorsement, attach Waiver of Transfer of Rights of Recovery Against Others to Us - EEO 20 551.
2. To provide coverage on a primary and noncontributory basis for the designated entity in the endorsement, attach Primary/Noncontributory – For Named Additional Insured EEO 20 550.

21. SPECIAL RULES APPLICABLE TO THE CLAIMS-MADE COVERAGE FORMS

The following replaces paragraph **A. Extended Reporting Periods** and **C. Claims-made Rates**, under rule **21. SPECIAL RULES APPLICABLE TO THE CLAIMS-MADE COVERAGE FORMS:**

A. Extended Reporting Periods

An extended reporting period may be provided for up to an unlimited basis, subject to the following:

1. Except as described in 6. below, the extended reporting period is available only if the policy is cancelled or nonrenewed by either the company or the insured.
2. The insured must notify us in writing of his or her election of the extended reporting period within 60 days of the effective date of termination of the policy.

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3. Any earned premium due on the policy and the premium for the extended reporting period must be paid in full before the extended reporting period will be effective.
4. The entire premium for the extended reporting period will be deemed earned when the extended reporting period begins.
5. The premium for the extended reporting period will be developed by applying the appropriate factor from the table below to the mature claims made premium otherwise developed for the risk based on the rates and rules in effect for us at the time of purchase of the extended reporting period.

Claims-Made Year	1 year ERP	2 year ERP	3 year ERP	5 year ERP	Unlimited ERP
1	0.278	0.428	0.533	0.556	0.579
2	0.424	0.676	0.824	0.847	0.870
3	0.539	0.843	0.995	1.019	1.042
4+	0.602	0.915	1.071	1.095	1.119

6. The premium for the extended reporting period will be waived if the insured is an individual and:
   i. Dies or becomes totally and permanently disabled during the policy period; or
   ii. Retires, if at least age 55 and insured for professional liability by us for 5 or more continuous years.
   If the insured returns to the practice of his or her professional services after retirement or after a period of total and permanent disability and after the issuance of the extended reporting period Endorsement and premium waiver, the extended endorsement will be cancelled unless the insured contacts us within 30 days to request an extended reporting period without waiver of premium and pays the appropriate extended reporting period premium developed from the rates, rules and rating plans in effect for us at the time of the insured's retirement or disability.
7. The extended reporting period does not increase or reinstate the limits of liability.

C. Claims-made Rates

The following rating procedures apply to professional liability written on a claims made basis:

1. Determine the applicable occurrence premium.
2. Determine the retroactive date. If the date goes back 5 years or more, the Mature Claims-Made factor from the Claims Made Step Factor table should be applied to the premium developed in paragraph 1. above.
   Note: The retroactive date may be advanced only at the request of the insured or with the insured's written acknowledgement.
3. If the allied health professional is just entering practice, has been continuously insured under an occurrence policy or if no prior acts coverage is being provided, select the year 1 claims made factor from the Claims Made Step Factor table and apply it to the occurrence premium determined in 1. above.

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4. If the allied health professional has been insured under a claims made policy for one or more years immediately preceding the effective date of the policy to be issued, and prior acts coverage is being provided, the following procedure will apply:
   a. Determine the number of years in which the allied health professional has been insured under a claims made policy;
   b. The number determined in a. above will be the "prior years of exposure". Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.
   c. The selection from the Claims Made Step Factor table is made by adding one year to the "prior years of exposure" developed in a. and b. above. The additional year is to account for the new policy to be issued.
   d. The applicable multiplier in Table **21.C.#2(RF)** is to be applied to the premium developed in 1. above.

28. ALLIED HEALTH CARE PROVIDERS PROFESSIONAL LIABILITY COVERAGE

The following replaces subparagraph **1.** in Paragraph **B. Basic Limits**:

1. Company rates are shown at a **$1,000,000** limits.
   a. For each Medical Incident, subject to a **$3,000,000** Individual Professional Liability Aggregate Limit; or
   b. For each Business Entity Incident, subject to a **$3,000,000** Partnership, Limited Liability Company, Association or Corporation Professional Liability Aggregate Limit.

28. ALLIED HEALTH CARE PROVIDERS PROFESSIONAL LIABILITY COVERAGE

The following is added to subparagraph **1. No Additional Charge** in Paragraph **D. Additional Interests:**

Lessors may also be added to the policy as an additional insured.

The following is added to subparagraph **2. Additional Charge** in Paragraph **D. Additional Interests**:

An additional insured may be added to the policy for a charge of $250.00. Attach endorsement EEO 20 547 – Additional Insured – Designated Person or Organization. Such additional insureds may include clinics, hospitals, etc., to which the insured may be contracted. After the first two additional insureds, any remaining designated additional insureds may be added for a charge of $100.00.

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Endorsement EEO 20 549 -Additional Insured Endorsement (Blanket). may be added to the policy for a charge of $350.00. Any individual additional insureds on a policy with a Blanket Additional Insured endorsement may be added for a charge of $100.00.

(All other additional insureds must be referred to the Company for underwriting.)

33. CLASSIFICATION PROCEDURES

This rule does not apply. Rates and rules filed by the company supersede this rule.

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Allied Health Professional Liability Rate Table
Basic Limits - $1,000,000 Each claim / $3,000,000 Aggregate

Professional Classification	Rate
Addiction Counselor (NAADAC Program) (1)	169
Addiction Counselor (Non-NAADAC) (2)	368
Addiction Interventionist	490
Administrative/Clerical	110
All other Aide, Assistant, or Technician	264
Art, Music, Dance, Pet, and Recreation Therapist (2) 264 N/A	264
Audiologist	264
Auricular & Full Body Acupuncture Therapy and Counseling	736
Auricular Acupuncture Therapy and Counseling	368
Behavioral Analyst	368
Blood Bank Technician	264
Cardiology Technician	264
Case Workers and Case Manager	368
Certified Employee Assistance Professional	283
Certified Tech./ Assistant	264
Companion	128
Cytotechnologist	264
Dental Assistant	111
Dental Hygienist	254
Dialysis Technician	264
Dietician/Nutritionist	264
EKG/EEG Technician	264
Health Educator (2)	264
Home Health Aide	170
Homemaker	128
Intern Mental Health/Addiction Counselor	264
Lab Technician	264

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Licensed or Certified Mental Health Counselor (2)	368
LPN	264
Marriage and Family Therapists/Counselor	368
Massage Therapist	490
Medical Office Assistant	111
Medical Records Technician	264
Medical Technologist	264
MRI Technician	264
Nurse Aide	153
Nurse Practitioner	1063
Nurse/RN	298
Occupational Therapist	340
Pastoral Counselor	368
Pathology Assistant	264
Patient Intake Technician	111
Personal Coach	368
Pharmacist (Mail Order, Nuclear)	638
Pharmacist (Non-Mail Order – Non-Nuclear)	510
Pharmacy Assistant	170
Pharmacy Technician (Dispensing)	255
Phlebotomist	264
Physical Therapist	490
Physician's Assistant	2045
Psychological Assistant (Masters Degree) (2)	490
Psychologist (Bachelors or Masters Degree) (2)	1063
Psychologist (Doctorate Degree)	1063
Radiological Technologist	264
Rehabilitation Counselor/Therapist	368
Rehabilitation Counselor/Therapist Assistant	264
Respiratory Assistant	264
Respiratory Therapist	510
Social Worker (2)	368
Speech Therapist (2)	340
Surgical Technologist	264
Surgical Technologist/First Assistant	264
Ultrasound Technician	264
Utilization Review Technician (2)	368
Volunteer	111
Wellness Counselor (2)	368
X-Ray Machine Operator/Technician	264

Note- A credit of up to 50% applies to individuals who receive primary professional liability coverage from their employer.

The following Territorial Multipliers apply to the Countrywide Company State Rates:

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Terr	Territory Definitions	Multiplier
001	Cook County	1.40
002	Dupage, Lake, Will Counties	1.20
100	Remainder of State	1.00

PREMIUM PAYMENT INSTALLMENTS

The following installment premium payment plans shall be offered:

1. For annual premiums up to an including $80,000, a three-installment payment plan payable as follows:
   - **a.** An initial payment equal to 40% of the premium due at policy inception;
   - **b.** A second payment equal to 20% of the premium due 3 months from policy inception; and
   - **c.** A third payment equal to 20% of the premium due 6 months from policy inception.
   - **d.** A fourth payment equal to 20% of the premium due 9 months from policy inception;

2. For annual premiums in excess of $80,000, a six-installment payment plan payable as follows:
   - **a.** An initial payment equal to 25% of the premium due at policy inception;
   - **b.** A second payment equal to 25% of the premium due 2 months from the policy inception;
   - **c.** A third payment equal to 25% of the premium due 4 months from policy inception;
   - **d.** A fourth payment equal to 25% of the premium due 6 months from policy inception;
   - **e.** A fifth payment equal to 25% of the premium due 8 months from policy inception;
   - **f.** A sixth payment equal to 25% of the premium due 10 months from policy inception.

Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction.

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The otherwise applicable Division Seven—Medical Professional Liability rules apply except as modified by these Exception pages.

ADDITIONAL RULE 1. LICENSING BOARD DEFENSE

Attach endorsement EEO 04 571 – Coverage Extension – Licensing Board Defense Expense Reimbursement to reimburse fees the insured incurs in the defense of a professional licensing board investigation resulting from a medical or business entity incident arising out of healthcare services. .If the endorsement for Licensing Board Defense is not included in the policy, apply a 1% credit to the developed premium.

ADDITIONAL RULE 2. ABUSE & MOLESTATION

Attach endorsement EEO 04 568 – Abuse or Molestation Sublimit Endorsement to provide coverage for Abuse or Molestation at specified limits. Apply the factors shown in the table below. A minimum premium of $100.00 applies.

Per Person Abused or Molested Limit	Aggregate Per Policy Period Limit	Charge as a Percentage of PL Premium
$100,000	$100,000	6.5%
$300,000	$300,000	8.0%
$500,000	$500,000	9.0%
$1,000,000	$1,000,000	10.0%

ADDITIONAL RULE 3. PUNITIVE DAMAGES

Attach endorsement EEO 21 616 – Exclusion – Punitive or Exemplary Damages to exclude punitive or exemplary damages. If this exclusion is removed, apply a factor of 1.10 to the developed premium. ***This endorsement is mandatory on all policies issued in the state of Illinois.***

ADDITIONAL RULE 4. DEFENSE WITHIN LIMITS

Attach endorsement EEO 02 529 – Defense Expenses Within Limits to allow defense expenses to erode the Limits of Insurance. If this endorsement is added to the policy, apply a 10% credit to the developed premium.

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

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8. POLICY WRITING MINIMUM PREMIUM

The following replaces **Rule 8. Policy Writing Minimum Premium:**

A. Prepaid polices, regardless of term: **$100.**
B. Annual premium payment plan policies or continuous policies, apply this amount for each annual period: **$100.**

9. ADDITIONAL PREMIUM CHANGES

The following replaces Subparagraph **1.** of Paragraph **B. Waiver of Premium**:

B. Waiver of Premium
1. Waive additional premium of **$ 15 or less**.

10. RETURN PREMIUM CHANGES

The following replaces Subparagraph **1.** of Paragraph **B. Waiver of Premium**:

C. Waiver of Premium
1. Waive return premium of **$ 15 or less**.

13. MINIMUM PREMIUMS

The following replaces Paragraph **B. Determination**:

B. Determination

For risks with both GL and PL policies, a single minimum premium will apply and will be based on ENIC's GL minimum premium on file with the state. For risks with just a PL policy, the GL minimum premium on file with the state will apply. Allied Health Classes are defined as Prem Ops 2.

Paragraph **C. Sublines** does not apply to the Allied Health Care Program.

The following replaces Paragraph **D. Multiple Classifications:**

D. Multiple Classifications

Minimum premiums are not determined by classification under the Allied Health Care Program.

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17. INCREASED LIMITS TABLES

Company State Rate pages provide Professional Liability rates for all allied health professionals at limits of $1,000 /$3,000.

The table below provides the Increases Limits Factors used in calculating Professional Liability rates for other optional limits below $1,000/$3,000. For Increased Limits Factors above $1,000/$3,000, refer to company for the factor to be used.

Per Professional Incident (000)/Aggregate	
25/75	0.395
100/300	0.632
200/600	0.712
250/500	0.752
250/750	0.758
500/500	0.822
500/750	0.830
500/1,000	0.834
1,000/1,000	0.944
1,000/3,000	1.000

The following interpolation procedure shall be used in determining increased limits factors or combinations of limits not shown in the tables:

1. Determine the factor in the increased limits table for the next lower and for the next higher limit or combination of limits.

2. The factor for the limit or combination of limits desired shall be determined by interpolation. All fractions in the third decimal place shall be considered as an additional unit in the second decimal place.

3. Where neither limit required appears in the table, refer to company.

18. DEDUCTIBLES

The following replaces paragraph **C. Deductible Discount Factors**:

C. Deductible Discount Factors:

A discount is available to the insured when insurance is provided on a deductible basis. Determine the applicable discount by referring to the table below.

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Deductible Amount Indemnity Only	Factor
$1,000	0.990
$2,500	0.975
$5,000	0.950
$10,000	0.925
$15,000	0.900
$20,000	0.875
$25,000	0.850
$50,000	0.782
$75,000	0.732
$100,000	0.693
Over $100,000 Refer to Company	

Deductible Amount Indemnity & Expense	Factor
$1,000	0.990
$2,500	0.968
$5,000	0.935
$10,000	0.903
$15,000	0.870
$20,000	0.838
$25,000	0.805
$50,000	0.721
$75,000	0.660
$100,000	0.614
Over $100,000 Refer to Company	

The following is added to Paragraph **D. Endorsement:**
The following is added:

1. Attach endorsement EEO 03 530 – Deductible Liability Insurance Including Claim Expenses to include claim expenses, in addition to the amount paid to claimants as damages, in the deductible. Refer to the table above for the appropriate discount factor.

The following replaces paragraph **E. Procedures**:

E. Procedures:
Where deductibles are purchased, apply the applicable factor to the final premium determined by the company.

19. PREMIUM DETERMINATION

The following replaces rule **19. PREMIUM DETERMINATION**:

A. Base Rates
The premium for this policy is calculated on a "per professional" basis. The base rates will be applied in accordance with the allied health professional specialty as shown in Company Rate Pages. If two or more classifications apply to the same professional, the highest rated classification is to be used.

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B. Base Rate Adjustments

Part Time- A part-time base rate adjustment factor of .50 will apply to any individual allied health professional who is self-employed and works 16 hours or less per week.

Independent Contractor (IC) – An independent contractor base rate adjustment factor of .50 will apply to any individual allied health care professional who works for an insured entity WITH proof of individual professional liability insurance for each IC (or a signed warranty statement at time of application.) An independent base rate adjustment factor of 1.00 will apply to any individual allied health care professional who works for an insured entity WITHOUT proof of individual professional liability insurance for each IC (or a signed warranty statement at time of application.)

C. Surcharges

Service Category	*Surcharge*	
Supplemental Staffing Services provided in Nursing Homes, Assisted Living Centers, Long Term Care Facilities, Prisons Registry Services performed in High Tech/Critical Care	*A surcharge as indicated below shall apply to entities or individuals engaged in the service category listed based upon the percentage of exposure generated by such:*	
	Surcharge applicable	*Percentage of Exposure in the category*
	No surcharge	*Less than 10% of revenues*
	5%	*≥ 10% but < 15%*
	10%	*≥ 15% but < 20%*
	15%	*≥ 20% but < 30%*
	20%	*≥ 30% but < 40%*
	25%	*Greater than 40%*
Background Check	*A surcharge as indicated below shall apply to entities or individuals based upon the background checks on prospective employees.*	
	Surcharge Applicable	*Background Check Performed*
	No Surcharge	*Background check completed on all prospective employees at the county and state level*
	10%	*Background check not completed on prospective employees*

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The surcharges shown above are additive if more than one applies, subject to a maximum surcharge of 65%

D. Full Time Equivalent (FTE)

Rating units are defined as the number of Full Time Equivalent Employees (FTEs) in each category.

The number of FTEs is calculated as follows:

1. FTE/hours -The annual number of hours worked by all employees in each category is divided by 2,000. The number obtained is then multiplied by the rate indicated for the category of employee.

2. FTE/payroll – When the number of hours worked cannot be verified or are unavailable or invalid, the number of FTEs is determined using payroll information. The total annual payroll for each category is divided by the estimated average payroll for that category. The number is then multiplied by the rate for that category.

The average payroll is determined using the most current Home Health Agency Compensation Survey Report, Washington, DC; National Association of Home Care (NAHC). Average salaries for categories not listed in the Survey Report will be estimated by comparing the educational requirements for unlisted categories with those categories listed.

E. Schedule Rating

The schedule rating credit or debit will be equal to the sum of the selected credits or debits given for each of the individual risk characteristics shown in the table below, subject to the maximum credit or debit of 25%.

Risk Characteristics	Range of Modification Credit		Debit
a. Location:			
(I) exposure inside premises	10%	to	10%
(II) exposure outside premises	10%	to	10%
b. Premises - condition, care	10%	to	10%
c. Equipment - type, condition, care	10%	to	10%
d. Classification peculiarities	10%	to	10%
e. Employees - selection, training, supervision, experience	10%	to	10%

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f. Cooperation:

(I) medical facilities	5%	to	5%
(II) safety program	5%	to	5%

F. Territorial Multiplier

Apply the territorial multiplier shown in the state exception pages. Select the territorial multiplier associated with the territory in which the individual works.

G. Entity Rating Factor

An entity rating factor of o 1.10 will apply to all accredited entities (Organizations including Corporations, Partnership, Joint Venture, Trust or Limited Liability Company) in addition to any other rating factors that apply, subject to a minimum charge of $1,000. The accreditation has to be by either The Joint Commission (JCAHO), or Accreditation Commission or Health Care (ACHC), or Community Health Accreditation Program (CHAP). All entities that are not accredited, by any of the above, will receive a 1.20 rating factor. This rating rule is applied after the application of the increased limits factor but before any other rating factors.

20. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS

The following forms are added to Paragraph **C. Exclusion Endorsements,** Paragraph **D. Coverage Amendment Endorsements and** Paragraph **E. Additional Coverage Endorsements.**

C. Exclusion Endorsements

1. Attach endorsement EEO 21 611 – Exclusions – Allied Health Care to add various exclusionary terms to the policy. When this endorsement is attached, do not attach the separate, individual exclusions contained in this form to the policy.
2. Attach endorsement EEO 21 613 - Exclusion – Personal And Advertising Injury to exclude liability arising out of personal or advertising injury.
3. Attach endorsement EEO 21 614 – Exclusion – Guarantee of Results to exclude liability arising out of the insured's guarantee of cure or particular results.
4. Attach endorsement EEO 21 615 – Exclusion – Recreational Activities to exclude injury or damage arising out of specified recreational activities.
5. Attach endorsement EEO 21 617 – Exclusion – Obstetrics to exclude injury or damage arising out of obstetrical services provided by the insured.
6. Attach endorsement EEO 21 618 – Exclusion – Lead to exclude injury or damage arising out of lead.

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7. Attach endorsement EEO 21 619 – Exclusion – Injunctive Relief to exclude injury or damage arising out of injunctive, equitable or declaratory relief.
8. Attach endorsement EEO 21 620 – Exclusion – Employed Physician Or Medical/Dental Staff to exclude liability arising out of employed physicians, surgeons, dentists and other listed staff.
9. Attach endorsement EEO 21 621 – Exclusion - Communicable Disease to exclude liability arising out the transmission of a communicable disease.
10. Attach endorsement EEO 21 622 – Exclusion – Clinical Trials to exclude injury or damage arising out of indemnification for a clinical trial.
11. Attach endorsement EEO 21 624 – Exclusion – Assault or Battery to exclude injury or damage arising out assault or battery committed by any insured or the failure to suppress or prevent such assault or battery.
12. Attach endorsement EEO 21 640 – Exclusion – Employed Physicians Or Designated Staff to exclude injury or damage arising out of employed physicians, surgeons, dentists and any other staff designated in the Schedule of the form.

The following endorsements are available to be attached on an individual basis if endorsement EEO 21 611 is not attached to the policy.

1. Attach endorsement EEO 21 612 – Abuse or Molestation Exclusion to exclude abuse or molestation.
2. Attach endorsement EEO 21 623 – Exclusion – Aircraft, Automobile or Watercraft to exclude injury or damage arising the ownership, maintenance use or entrustment to others of any aircraft, auto or watercraft.
3. Attach endorsement EEO 21 625 – Exclusion – Asbestos to exclude injury or damage involving or arising out of asbestos in any manner or form.
4. Attach endorsement EEO 21 626 – Exclusion – Directors or Officers to exclude injury or damage for wrongful acts, errors, or omissions or breach of duties in a claim against an insured in their capacity as a director or officer of an organization.
5. Attach endorsement EEO 21 627 – Exclusion – Cross Suits to exclude injury or damage initiated, alleged or caused to be brought about by this policy against any other insured covered by this policy.
6. Attach endorsement EEO 21 628 – Exclusion – Fee Disputes to exclude injury or damage for billing for the cost of goods or services or the insured's failure to pay the cost of goods or services furnished to the insured.
7. Attach endorsement EEO 21 629 – Exclusion – Anti-trust to exclude injury or damage arising out of the insured's involvement in unfair trade, restraint of trade or any other practices described in the endorsement.
8. Attach endorsement EEO 21 630 – Exclusion – Discrimination to exclude injury or damage arising out of the insured's discrimination due to race, color, creed or other discrimination described in the form.

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9. Attach endorsement EEO 21 631 – Exclusion – Employment – Related Practices to exclude injury or damage to a person arising out of refusal to employ that person, termination of that person or employment-related practices directed at that person.
10. Attach endorsement EEO 21 633 – Total Pollution Exclusion to exclude injury, damage, loss cost or expense arising out of pollutants.
11. Attach endorsement EEO 21 634 – Exclusion – ERISA and Employee Benefits to exclude obligations of the insured under ERISA or injury or damage arising out of the administration of insured's employee benefit program.
12. Attach endorsement EEO 21 635 – Exclusion – Bodily Injury to exclude bodily injury, unless caused by the providing or failure to provide healthcare services.
13. Attach endorsement EEO 21 636 – Exclusion – Confidential Patient Information to exclude injury or damage due to HIPAA violations and redirect such coverage to endorsement EEO 04 570 -Coverage – Extension – Confidential Patient Information when attached to the policy. No additional charge applies this endorsement.
14. Attach endorsement EEO 21 637 – Exclusion – Unlicensed or Uncertified Practitioners; Unauthorized Services to exclude injury or damage arising out of unlicensed or unregistered practices or services that are not authorized or permitted by state laws.
15. Attach endorsement EEO 21 638 – Exclusion – Property Damage to exclude loss, cost or expense arising out of property damage. Coverage for certain property damage to patient's property may be redirected to endorsement EEO 04 572 - Exclusion – Property Damage; Exception For Property Of Your Patients.

D. Coverage Amendment Endorsements

1. To prevent the "stacking" of limits of liability when writing multiple policies for the same insured, attach endorsement - EIL 24 508– Limitation – No Stacking of Limits Of Insurance.
2. To add to the policy that the insurer has the right to seek reimbursement of the insurer's defense costs from the insured if, after defending under a reservation of rights, it is determined that the claim is not covered under the policy, attach Endorsement EEO 04 569 - Reimbursement of Defense Costs.
3. To revise the Premium Audit Condition to determine the payroll basis for leased workers whose payroll is not furnished by the labor leasing firm, attach endorsement EIL 24 507 – Leased Workers Premium Audit Endorsement.
4. Attach endorsement EEO 04 572 – Exclusion – Property Damage; Exception For Property Of Your Patients to exclude property damage, except property damage to the insured's patients tangible property if resulting directly from a medical incident or business entity incident. No additional charge applies.
5. Attach endorsement EEO 04 573 – Definitions – Allied Health Care to add and amend various definitions of the policy. No additional charge applies.
6. Attach endorsement EEO 20 522 – Who Is An Insured – Allied Health Care to add and amend various portions of the policy's Who Is An Insured Section.
7. Attach endorsement EEO 20 549 – Other Insurance – Excess to make the policy excess over other valid and collectible insurance.

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8. Attach endorsement EEO 24 519 – Representations Condition – Application to make the professional liability application part of the policy.
9. Attach endorsement EEO 04 574 – Abuse or Molestation Exclusion – Exception For Limited Defense to excludes abuse or molestation, but provides an exception to provide limited defense of an insured that did not engage in or knowingly allow the abuse or molestation.

E. Additional Coverage Endorsements.

1. To waive our right to recovery we may have against the designated entity in the endorsement, attach Waiver of Transfer of Rights of Recovery Against Others to Us - EEO 20 551.
2. To provide coverage on a primary and noncontributory basis for the designated entity in the endorsement, attach Primary/Noncontributory – For Named Additional Insured EEO 20 550.

21. SPECIAL RULES APPLICABLE TO THE CLAIMS-MADE COVERAGE FORMS

The following replaces paragraph **A. Extended Reporting Periods** and **C. Claims-made Rates**, under rule **21. SPECIAL RULES APPLICABLE TO THE CLAIMS-MADE COVERAGE FORMS:**

A. Extended Reporting Periods

An extended reporting period may be provided for up to an unlimited basis, subject to the following:

1. Except as described in 6. below, the extended reporting period is available only if the policy is cancelled or nonrenewed by either the company or the insured.
2. The insured must notify us in writing of his or her election of the extended reporting period within 60 days of the effective date of termination of the policy.
3. Any earned premium due on the policy and the premium for the extended reporting period must be paid in full before the extended reporting period will be effective.
4. The entire premium for the extended reporting period will be deemed earned when the extended reporting period begins.
5. The premium for the extended reporting period will be developed by applying the appropriate factor from the table below to the mature claims made premium otherwise developed for the risk based on the rates and rules in effect for us at the time of purchase of the extended reporting period.

Claims-Made Year	1 year ERP	2 year ERP	3 year ERP	5 year ERP	Unlimited ERP
1	0.278	0.428	0.533	0.556	0.579
2	0.424	0.676	0.824	0.847	0.870
3	0.539	0.843	0.995	1.019	1.042
4+	0.602	0.915	1.071	1.095	1.119

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6. The premium for the extended reporting period will be waived if the insured is an individual and:
   i. Dies or becomes totally and permanently disabled during the policy period; or
   ii. Retires, if at least age 55 and insured for professional liability by us for 5 or more continuous years.
   If the insured returns to the practice of his or her professional services after retirement or after a period of total and permanent disability and after the issuance of the extended reporting period Endorsement and premium waiver, the extended endorsement will be cancelled unless the insured contacts us within 30 days to request an extended reporting period without waiver of premium and pays the appropriate extended reporting period premium developed from the rates, rules and rating plans in effect for us at the time of the insured's retirement or disability.
7. The extended reporting period does not increase or reinstate the limits of liability.

C. Claims-made Rates

The following rating procedures apply to professional liability written on a claims made basis:

1. Determine the applicable occurrence premium.
2. Determine the retroactive date. If the date goes back 5 years or more, the Mature Claims-Made factor from the Claims Made Step Factor table should be applied to the premium developed in paragraph 1. above.
   Note: The retroactive date may be advanced only at the request of the insured or with the insured's written acknowledgement.
3. If the allied health professional is just entering practice, has been continuously insured under an occurrence policy or if no prior acts coverage is being provided, select the year 1 claims made factor from the Claims Made Step Factor table and apply it to the occurrence premium determined in 1. above.
4. If the allied health professional has been insured under a claims made policy for one or more years immediately preceding the effective date of the policy to be issued, and prior acts coverage is being provided, the following procedure will apply:
   a. Determine the number of years in which the allied health professional has been insured under a claims made policy;
   b. The number determined in a. above will be the "prior years of exposure". Fractional years of 6 months or more will be rounded up to the next higher year; less than 6 months will be rounded down to the next lower year.
   c. The selection from the Claims Made Step Factor table is made by adding one year to the "prior years of exposure" developed in a. and b. above. The additional year is to account for the new policy to be issued.
   d. The applicable multiplier in Table **21.C.#2(RF)** is to be applied to the premium developed in 1. above.

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The following replaces subparagraph **1.** in Paragraph **B. Basic Limits**:

1. Company rates are shown at a **$1,000,000** limits.
   a. For each Medical Incident, subject to a **$3,000,000** Individual Professional Liability Aggregate Limit; or
   b. For each Business Entity Incident, subject to a **$3,000,000** Partnership, Limited Liability Company, Association or Corporation Professional Liability Aggregate Limit.

28. ALLIED HEALTH CARE PROVIDERS PROFESSIONAL LIABILITY COVERAGE

The following is added to subparagraph **1. No Additional Charge** in Paragraph **D. Additional Interests:**

Lessors may also be added to the policy as an additional insured.

The following is added to subparagraph **2. Additional Charge** in Paragraph **D. Additional Interests**:

An additional insured may be added to the policy for a charge of $250.00. Attach endorsement EEO 20 547 – Additional Insured – Designated Person or Organization. Such additional insureds may include clinics, hospitals, etc., to which the insured may be contracted. After the first two additional insureds, any remaining designated additional insureds may be added for a charge of $100.00.

Endorsement EEO 20 549 -Additional Insured Endorsement (Blanket). may be added to the policy for a charge of $350.00. Any individual additional insureds on a policy with a Blanket Additional Insured endorsement may be added for a charge of $100.00.

(All other additional insureds must be referred to the Company for underwriting.)

33. CLASSIFICATION PROCEDURES

This rule does not apply. Rates and rules filed by the company supersede this rule.

ALLIED HEALTH CARE PROGRAM - EDITION 01/10

Allied Health Professional Liability Rate Table
Basic Limits - $1,000,000 Each claim / $3,000,000 Aggregate

Professional Classification	Rate
Addiction Counselor (NAADAC Program) (1)	169

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Addiction Counselor (Non-NAADAC) (2)	368
Addiction Interventionist	490
Administrative/Clerical	110
All other Aide, Assistant, or Technician	264
Art, Music, Dance, Pet, and Recreation Therapist (2) 264 N/A	264
Audiologist	264
Auricular & Full Body Acupuncture Therapy and Counseling	736
Auricular Acupuncture Therapy and Counseling	368
Behavioral Analyst	368
Blood Bank Technician	264
Cardiology Technician	264
Case Workers and Case Manager	368
Certified Employee Assistance Professional	283
Certified Tech./ Assistant	264
Companion	128
Cytotechnologist	264
Dental Assistant	111
Dental Hygienist	254
Dialysis Technician	264
Dietician/Nutritionist	264
EKG/EEG Technician	264
Health Educator (2)	264
Home Health Aide	170
Homemaker	128
Intern Mental Health/Addiction Counselor	264
Lab Technician	264
Licensed or Certified Mental Health Counselor (2)	368
LPN	264
Marriage and Family Therapists/Counselor	368
Massage Therapist	490
Medical Office Assistant	111
Medical Records Technician	264
Medical Technologist	264
MRI Technician	264
Nurse Aide	153
Nurse Practitioner	1063
Nurse/RN	298
Occupational Therapist	340
Pastoral Counselor	368
Pathology Assistant	264
Patient Intake Technician	111
Personal Coach	368
Pharmacist (Mail Order, Nuclear)	638
Pharmacist (Non-Mail Order – Non-Nuclear)	510
Pharmacy Assistant	170
Pharmacy Technician (Dispensing)	255

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Phlebotomist	264
Physical Therapist	490
Physician's Assistant	2045
Psychological Assistant (Masters Degree) (2)	490
Psychologist (Bachelors or Masters Degree) (2)	1063
Psychologist (Doctorate Degree)	1063
Radiological Technologist	264
Rehabilitation Counselor/Therapist	368
Rehabilitation Counselor/Therapist Assistant	264
Respiratory Assistant	264
Respiratory Therapist	510
Social Worker (2)	368
Speech Therapist (2)	340
Surgical Technologist	264
Surgical Technologist/First Assistant	264
Ultrasound Technician	264
Utilization Review Technician (2)	368
Volunteer	111
Wellness Counselor (2)	368
X-Ray Machine Operator/Technician	264

Note- A credit of 50% applies to individuals who receive primary professional liability coverage from their employer.

The following Territorial Multipliers apply to the Countrywide Company State Rates:

Terr	Territory Definitions	Multiplier
001	Cook County	1.40
002	Dupage, Lake, Will Counties	1.20
100	Remainder of State	1.00

PREMIUM PAYMENT INSTALLMENTS

The following installment premium payment plans shall be offered:

1. For annual premiums up to an including $80,000, a three-installment payment plan payable as follows:
   a. An initial payment equal to 40% of the premium due at policy inception;
   b. A second payment equal to 20% of the premium due 3 months from policy inception; and
   c. A third payment equal to 20% of the premium due 6 months from policy inception.

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d. A fourth payment equal to 20% of the premium due 9 months from policy inception;

2. For annual premiums in excess of $80,000, a six-installment payment plan payable as follows:
- **a.** An initial payment equal to 25% of the premium due at policy inception;
- **b.** A second payment equal to 25% of the premium due 2 months from the policy inception;
- **c.** A third payment equal to 25% of the premium due 4 months from policy inception;
- **d.** A fourth payment equal to 25% of the premium due 6 months from policy inception;
- **e.** A fifth payment equal to 25% of the premium due 8 months from policy inception;
- **f.** A sixth payment equal to 25% of the premium due 10 months from policy inception.

Additional premium resulting from changes to the policy shall be spread over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy shall be billed immediately as a separate transaction.

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SECTION I-GENERAL RULES

SECTION I-GENERAL RULES

1. APPLICATION OF THIS DIVISION

A. Contents

Division Seven contains the rules, rating procedures, state exceptions and may contain individual company rates for the following liability coverages:

1. Hospital Professional Liability Coverage
2. Physicians, Surgeons And Dentists Professional Liability Coverage
3. Allied Health Care Providers Professional Liability Coverage
4. Blood Banks Professional Liability Coverage
5. Diagnostic Testing Laboratories Professional Liability Coverage
6. Optometrists Professional Liability Coverage
7. Veterinarian Professional Liability Coverage

B. Sections

This Division is divided into separate Sections for:

1. Section **I** - General Rules
2. Section **II** - Coverage Rules
3. Rating Relativities And Factors
4. Classification Table

C. Rule Exceptions

Refer to state exceptions for any exception to the rules in this division.

D. Company Rates/ISO Loss Costs

1. ISO does not distribute either rates or loss costs for this division. Insurers will individually distribute either loss costs with their own adjustment factors or their individual company rates. A loss cost is that portion of the premium which covers only losses and the costs associated with settling losses.
2. All rules in this division are designed to be utilized with rates. All references in the rules and examples to rates and/or premiums (including base premiums) shall be interpreted to mean those established by the individual insurance company. Refer to company for specific instructions and procedures and rates.

E. Statistical Codes

Most statistical codes are shown with the state company rates or in the specific rules. For statistical codes not shown, refer to the General Liability module of the Commercial Statistical Plan, using the Medical Professional Liability subline.

2. REFERRALS TO COMPANY

Refer to company for:

A. Any applicable rating plan modification.

B. Rating or classifying any risk or exposure for which there is no manual rate or applicable classification. Rates shall not be inadequate, excessive or unfairly discriminatory. (For other refer-to-company situations, see Rule **15.** Special Rule For Individual Risk Situations.)

Companies should maintain complete files, including all details of the factors used in determining the rate or

classification for a particular risk and make these files available to state regulators on request. Such rates or classifications need not be filed with the state regulator.

The second paragraph of Paragraph **B.** shall not apply when a company has developed or prepared a manual or schedule of rates which includes a classification applicable to a risk being written. To the extent that filing requirements apply to such a manual or schedule of rates, they must be followed.

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3. EFFECTIVE DATE

The date shown on the bottom of the manual page is a printing date and not necessarily the effective date. The effective date,if any, will be announced on the Notice to Manualholders accompanying new or revised manual pages.

4. POLICY TERM

A. Policies may be written for a specific term up to three years or on a continuous basis.

B. A policy may be renewed by renewal certificates. When renewal certificates are used, they must conform in every respect to current rules, rates and forms at the time of renewal.

5. PREMIUM COMPUTATION

A. Prepaid Policies

1. Compute the premium using the annual rates in effect at policy inception multiplied by the policy term expressed in years (term factor). Refer to Table **5.A.1.(RF)** for the appropriate term factor.
2. If the term of the policy is less than one year, multiply the premium determined in Paragraph **1.** by the factor shown in Table **5.A.2.(RF)** unless the policy is issued to obtain anniversary dates common with other policies.

B. Continuous And Annual Premium Payment Plan Policies

1. Compute the premium for each annual payment on the basis of the annual rates in effect on each anniversary date of the policy.

   If the estimated annual premium is less than $500, the rate and premium adjustment for a policy written for a period of more than one year may be deferred until termination of the policy.
2. Prorate the premium in Paragraph **1.** when the policy is issued for other than a whole number of years.

6. FACTORS OR MULTIPLIERS

Factors or multipliers are to be applied consecutively and not added together, unless otherwise specified.

7. ROUNDING PROCEDURE

A. Rates

Round rates, factors and multipliers after the final calculation to three decimal places. Five-tenths or more of a mill shall be considered one mill. For example, .1245 = .125.

B. Premium

Round the premium for each coverage for which a separate premium is calculated to the nearest whole dollar. Round a premium involving $.50 or over to the next higher whole dollar.

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8. POLICYWRITING MINIMUM PREMIUM

A. Definition

Policywriting minimum premium is the lowest amount of premium for which a policy may be written and such amount is not subject to adjustment for any reason.

B. Prepaid Policies

1. Refer to company for policywriting minimum premium.
2. Apply a minimum premium regardless of term.

C. Annual Premium Payment Plan Policies Or Continuous Policies

1. Refer to company for policywriting minimum premium.
2. Apply a minimum premium for each annual period.

9. ADDITIONAL PREMIUM CHANGES

A. Calculation Of Premium

1. Prorate all changes requiring additional premium.
2. Apply the rates and rules in effect on the effective date of the policy, or, if the change is made after an anniversary date of the policy, apply the rates and rules in effect on that anniversary date. The additional premium developed is in addition to any applicable policywriting minimum premium.

B. Waiver Of Premium

1. Additional premiums at or below a specified amount may be waived. Refer to company for the maximum amount to be waived.
2. This waiver applies only to that portion of the premium due on the effective date of the policy change.

10. RETURN PREMIUM CHANGES

A. Premium Computation

1. Compute return premium at the rates used to calculate the policy premium.
2. Compute return premium pro rata and round to the next higher whole dollar when any coverage or exposure is deleted or an amount of insurance is reduced. Retain the policywriting minimum premium.

B. Waiver Of Premium

1. Return premiums at or below a specified amount may be waived. Refer to company for the maximum amount to be waived.
2. This waiver applies only to that portion of the return premium due on the effective date of the policy change.
3. Any return premium due the insured must be granted if the insured requests it.

11. POLICY CANCELLATIONS

A. Pro Rata Calculation

Compute return premium pro rata and round to the next higher whole dollar when a policy is cancelled:

1. At the company's request.
2. Because the insured no longer has a financial or insurable interest in the business operation that is the subject of insurance.
3. And rewritten in the same company or company group.
4. After the first year for a prepaid policy written for a term of more than one year.

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B. Other Calculations

If Paragraph **A.** does not apply, compute the return premium as follows:

1. **Continuous And Annual Premium Payment Policies**

   Compute return premium by applying the factor shown in Table **11.B.(RF)** to the pro rata unearned premium for the one year or annual installment period and round to the next higher whole dollar.

2. **Prepaid Policies**

   If cancelled during the first year, compute the return premium by applying the factor shown in Table **11.B.(RF)** to the pro rata unearned premium for the first year, plus the full annual premium for the subsequent years and round to the next higher whole dollar.

3. **Policies With Term Less Than One Year**

   Compute return premium by applying the factor shown in Table **11.B.(RF)** to the pro rata unearned premium and round to the next higher whole dollar.

C. Retention Of Policywriting Minimum Premium

Retain the policywriting minimum premium when return premium is calculated under Paragraph **B.** except when a policy is cancelled as of the inception date.

12. FORMS PORTFOLIO REFERENCE

Refer to the forms portfolio for information on:

A. Sample forms; and

B. Applicability and edition dates of forms.

13. MINIMUM PREMIUMS

A. Definition

Minimum premiums are the lowest amounts for which insurance may be written for each full year of coverage.

B. Determination

Refer to company for minimum premium.

C. Sublines

1. With respect to Physicians, Surgeons And Dentists, Allied Health Care Providers, Optometrists And Veterinarians Professional Liability Coverage, minimum premiums apply separately to each subline for which a premium is charged.
2. With respect to Hospital, Blood Banks And Diagnostic Testing Laboratories Professional Liability Coverage, for risks written under these sublines, minimum premiums apply separately on an each-location basis.

D. Multiple Classifications

Regardless of the number of classifications on the policy, choose the highest minimum premium for each subline, as the minimum premium for that subline.

E. Adjustment

All minimum premiums except for the policywriting minimum premium are subject to adjustment for additional interests and increased limits.

F. Policywriting Minimum Premium

Use the policywriting minimum premium if the total amount developed using this rule is less than the policywriting minimum premium.

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14. RESIDENT AGENT COUNTERSIGNATURE

This rule does not apply.

14. RESIDENT AGENT COUNTERSIGNATURE

If a resident agent's countersignature is required by state law, use Resident Agent Countersignature Endorsement **IL 09 17**, unless state law prohibits use of such an endorsement, or so restricts such use as to make it inappropriate.

15. SPECIAL RULE FOR INDIVIDUAL RISK SITUATIONS

A. Refer To The Company

1. For rating or classifying any risk or exposure for which:
   - **a.** The manual rate or applicable classification is clearly demonstrated to be inappropriate because of a unique or unusual feature of the risk; or

     Note

     To the extent that consent-to-rate procedures apply, they must be followed.
   - **b.** The coverage to be written is broader than that contained in the applicable standard coverage part; or

     Note

     To the extent that forms filing requirements apply, they must be followed.
   - **c.** There is proof that, for a specified medical professional liability coverage, the named risk is qualified in this jurisdiction for placement of such insurance with an unauthorized insurer, and the insured agrees to the proposed rate or premium to be charged; or
   - **d.** Excess insurance is being provided. Excess insurance means liability insurance provided in an amount not less than $1,000,000 in excess of a specified retained limit provided that such retained limit is not less than:
     - **(1)** $350,000 per claim, as respects those exposures covered by underlying insurance; and
     - **(2)** $10,000 per claim, as respects those exposures not covered by underlying insurance; or
   - **e.** Increased limits are provided and the annual increased limits written premium determined by the customary rating procedures is $5,000 or more.

     Note

     Refer to company only for that portion of the premium in excess of the basic limit written premium.
2. If a coverage part providing the insurance contemplated by an applicable classification and rate is endorsed to restrict coverage for hazards not common to all risks within the class.

   Note

   To the extent that forms filing requirements apply, they must be followed.
3. Where liability increased limits are provided and the risk is reinsured on a facultative basis.

   The following rating procedure is available for the determination of the applicable premium:
   - **a.** Manual rules and rates shall apply to the portion of the limits of liability retained by the company.
   - **b.** For limits of liability obtained by means of facultative reinsurance, the premium shall be the facultative cost for such insurance increased by a charge up to but not exceeding 50%.
4. If an aggregate limit of medical professional liability insurance is adjusted at any time during the policy period.

B. Filing Obligations

When a particular risk is modified in accordance with Paragraph **A.**, companies should 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. Such modifications need not be filed with the state regulator.

Note

Rates shall not be inadequate, excessive or unfairly discriminatory.

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16. BASIC LIMITS

A. Basic limits is an amount of insurance upon which company rates are based. Basic limits may be adjusted by the appropriate increased limits factors.

B. For basic limits, refer to the appropriate coverage rule in Section **II** of this manual.

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17. INCREASED LIMITS TABLES

A. All limits are expressed in thousands of dollars.

B. Policy limit codes are shown in parentheses under factors.

C. The tables indicate which factors must be referred to company before using.

D. The following interpolation procedure shall be used in determining increased limits factors or combinations of limits not shown in the tables:

1. Determine the factor in the increased limits table for the next lower and for the next higher limit or combination of limits.
2. The factor for the limit or combination of limits desired shall be determined by interpolation. All fractions in the third decimal place shall be considered as an additional unit in the second decimal place.
3. Where neither limit required appears in the table, refer to company.

E. For increased limits tables, refer to state Tables **17.E.#1(RF)** through **17.E.#7(RF).**

18. DEDUCTIBLES

A. Definition

This is a method of coverage under which the insured agrees to contribute up to a specific sum towards the amount paid to claimants as damages.

B. Application

When deductible insurance is selected by the insured, the company's obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of any deductible amount stated as applicable to such coverage.

C. Deductible Discount Factors

A discount is available to the insured when insurance is provided on a deductible basis. Determine the applicable discount by referring to Tables **18.C.#1(RF)** through **18.C.#7(RF).**

D. Endorsement

Refer to applicable Coverage Rules.

E. Procedures

Where deductibles are purchased, utilize the following procedure in determining the final rate:

1. Subtract the deductible factor from the applicable increased limits factor to determine an adjusted limits factor.
2. Determine the applicable rate by multiplying the basic limits rate by the adjusted limits factor determined in **1.**

19. PREMIUM DETERMINATION

The premium for a risk is calculated as follows:

A. Determine the applicable classifications(s).

B. Determine the premium base applicable to the classification(s).

C. Select the basic limit rate(s) for the classification(s) from the appropriate company state rates.

D. Adjust the basic limits rate(s) to reflect any coverage change (other than deductibles). Refer to Tables **21.C.#1(RF)** through **21.C.#3(RF)** for claims-made multipliers. When physicians, surgeons and dentists are written on a Hospital policy, refer to Rule **33.** Classification Procedures.

E. Adjust the resulting basic limits rate(s) by the appropriate increased limit factors and any other applicable rate modification(s). Adjust for coverage written on a deductible basis; refer to Tables **18.C.#1(RF)** through **18.C.#7(RF).**

F. Multiply the number of units of exposure developed under the premium base for each classification by the corresponding adjusted rate(s) developed in Paragraph **E.**

G. Determine the application of any minimum premiums.

H. Determine any other additional premiums.

I. Add the premium determined in Paragraph **F.** or **G.**, whichever is greater, to the premium determined in Paragraph **H.** to obtain the total policy premium.

J. Use the premium developed in Paragraph **I.** or the policywriting minimum premium, whichever is greater.

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20. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS

Paragraph **B.** does not apply.

Paragraph **G.2.** is replaced by the following:

G. Interline Endorsements

2. To change the following items of a policy:

a. Insured's Name
b. Insured's Mailing Address
c. Policy Number
d. Company
e. Effective/Expiration Date
f. Insured's Legal Status/Business of Insured
g. Payment Plan
h. Premium Determination
i. Additional Interested Parties
j. Coverage Forms and Endorsements
k. Limits/Exposures
l. Deductibles
m. Covered Property/Located Description
n. Classification/Class Codes
o. Rates
p. Underlying Insurance,

use Illinois Policy Changes Endorsement **IL 12 04.**

This endorsement applies to all Medical Professional Liability Coverage Parts.

Do not attach Policy Changes Endorsement **IL 12 01** to any Medical Professional Liability policy of insurance issued in the State of Illinois.

20. DESCRIPTION OF ADDITIONAL OPTIONAL ENDORSEMENTS

A. Additional Optional Endorsements

In addition to endorsements referenced in other rules under Division Seven - Medical Professional Liability, including the Classification Table Section, the endorsements in this rule may be used with the indicated Medical Professional Liability Coverage Part(s). The endorsements are listed in numerical sequence under the line of insurance identification and category identification. The descriptions are for ease of identification. Refer to each endorsement to determine its

contents. With regard to these optional endorsements, refer to company for rating.

B. Termination And Suspension Endorsements

The number of days' notice required for cancellation for any statutory permitted reason (other than nonpayment of premium) may be increased to an amount that is mutually agreed upon by the insurer and the insured by attaching Earlier Notice Of Cancellation Provided By Us Endorsement **PR 02 00.** Any applicable state cancellation endorsement must still be attached to the policy.

This endorsement applies to all Medical Professional Liability Coverage Parts.

C. Exclusion Endorsements

1. Liability arising out of the rendering of or failure to render professional services by a specific physician while engaged in activities other than those within the scope of his or her duties as a teaching physician or surgeon may be excluded under the Physicians, Surgeons And Dentists Professional Liability Coverage Part by attaching Exclusion - Non-Teaching Activities Of Teaching Physicians And Surgeons Endorsement **PR 21 00.**
2. Coverage for employees may be deleted by attaching Exclusion - Employees As Insureds Endorsement **PR 21 01** to the:
   a. Hospital Professional Liability Coverage Part;
   b. Blood Banks Professional Liability Coverage Part; or
   c. Diagnostic Testing Laboratories Professional Liability Coverage Part.
3. Coverage for partnership, limited liability company, association or corporation medical professional liability may be deleted by attaching Exclusion - Partnership, Limited Liability Company, Association Or Corporation (Coverage **B**) Endorsement **PR 21 02** to either the:
   a. Physicians, Surgeons And Dentists Professional Liability Coverage Part;
   b. Allied Health Care Providers Professional Liability Coverage Part;
   c. Optometrists Professional Liability Coverage Part; or
   d. Veterinarians Professional Liability Coverage Part.

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D. Coverage Amendment Endorsements

1. To state that the company will not settle any claim or suit without the insured's consent and to set forth the most the company will pay if the insured does not consent to a settlement which is acceptable to the claimant, use Consent To Settle Endorsement **PR 24 00.**

   This endorsement applies to all Medical Professional Liability Coverage Parts, except Hospital Professional, Blood Bank Professional, and Diagnostic Testing Laboratories Professional Liability Coverage Parts.
2. Coverage disputes between the company and an insured may be submitted to arbitrators by mutual agreement between the parties. When there is prior agreement that arbitration of a dispute will be binding on both parties, attach Binding Arbitration Endorsement **PR 24 02.** When, by prior agreement, the decision of the arbitrators may be appealed to a court, attach Non-binding Arbitration Endorsement **PR 24 01.**

   This endorsement applies to all Medical Professional Liability Coverage Parts.
3. The company agrees that its right to use charitable immunity, where applicable as a defense for liability suits, will be waived, unless the insured requests otherwise, by attaching Waiver Of Charitable Immunity Endorsement **PR 24 03.**

   This endorsement applies to all Medical Professional Liability Coverage Parts.
4. The company agrees that its right to use governmental immunity, where applicable as a defense for liability against an insured governmental entity, will be waived, unless the insured requests otherwise, by attaching Waiver Of Governmental Immunity Endorsement **PR 24 04.**

   This endorsement applies to all Medical Professional Liability Coverage Parts.

E. Additional Coverage Endorsements

1. To provide products liability coverage for diagnostic testing laboratories use Products Liability Coverage For Diagnostic Testing Laboratories Endorsement **PR 04 00.**

   This endorsement applies to all Medical Professional Liability Coverage Parts.
2. To provide for the payment of defense expenses on behalf of the named insured, when the named insured has assumed the tort liability of another under a contract or agreement pertaining to the named insured's business, use Contractual Liability Coverage Extension Endorsement:
   a. **PR 04 01** for use with the Hospital Professional Liability Coverage Part.
   b. **PR 04 02** for use with the Allied Health Care Providers and Physicians, Surgeons And Dentists Professional Liability Coverage Parts.
   c. **PR 04 03** for use with the Blood Banks Professional Liability Coverage Part.
   d. **PR 04 04** for use with the Diagnostic Testing Laboratories Professional Liability Coverage Part.
   e. **PR 04 05** for use with the Optometrists Professional Liability Coverage Part.
   f. **PR 04 06** for use with the Veterinarians Professional Liability Coverage Part.

F. Amendment Of Limits Of Insurance Endorsements

1. For hospitals, blood banks and diagnostic testing laboratories, the policy Aggregate Limit may be changed for certain medical or laboratory incidents from a per-policy basis to a per-location basis. The policy Aggregate Limit, with respect to certain medical or laboratory incidents, may be replaced for each designated location with a Designated Location Aggregate Limit which is equal to the amount of the Aggregate Limit shown in the Declarations of the policy, by attaching Amendment - Aggregate Limits Of Insurance (Designated Locations) Endorsement:
   a. **PR 25 00** for use with the Blood Banks and Hospital Professional Liability Coverage Parts.
   b. **PR 25 01** for use with the Diagnostic Testing Laboratories Professional Liability Coverage Part.
2. The limits of insurance may be amended to combine the aggregate limits when individual liability and partnership, limited liability company, association or corporation professional liability is provided. Use Amendment - Combined Aggregate Limit Of Insurance Endorsement:
   a. **PR 25 02** for use with the Physicians, Surgeons And Dentists Professional Liability Coverage Part.
   b. **PR 25 03** for use with the Allied Health Care Providers Professional Liability Coverage Part.
   c. **PR 25 04** for use with the Optometrists Professional Liability Coverage Part.
   d. **PR 25 05** for use with the Veterinarians Professional Liability Coverage Part.

G. Interline Endorsements

1. To state that the company will use the rules and rates in effect at the time of renewal or anniversary date of the policy, attach Calculation Of Premium Endorsement **IL 00 03.**

   This endorsement applies to all Medical Professional Liability Coverage Parts.
2. To amend various Declarations and endorsement schedule elements, such as the Named Insured, mailing address, policy period, deductible amounts and limits of insurance, use Policy Changes Endorsement **IL 12 01.**

   This endorsement applies to all Medical Professional Liability Coverage Parts.

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21. SPECIAL RULES APPLICABLE TO THE CLAIMS-MADE COVERAGE FORMS

A. Extended Reporting Periods

1. If the requirements relating to the termination, renewal or replacement of the claims-made coverage specified in Section **V** - Extended Reporting Period of the appropriate medical professional liability claims-made coverage form are met, an extended reporting period of unlimited duration is available for an additional charge. Attach Extended Reporting Period Endorsements:
   a. **PR 27 00** for use with the Allied Health Care Providers, Optometrists, Physicians, Surgeons And Dentists and Veterinarians Professional Liability Coverage Parts; and
   b. **PR 27 01** for use with the Blood Banks, Diagnostic Testing Laboratories and Hospital Professional Liability Coverage Parts.
2. The Named Insured must notify the company of their intent to purchase the Extended Reporting Period Endorsement within 30 days after the end of the policy period or the date of termination of the policy, whichever comes first.
3. The Extended Reporting Period starts with the end of the policy period and applies only to claims for injury caused by an incident which occurred on or after the Retroactive Date shown in the Declarations and before the end of the policy period, provided a claim for such injury is first made during the Extended Reporting Period.
4. If the Extended Reporting Period is in effect, supplemental aggregate limits will be provided for any claim first made during the Extended Reporting Period.

   The supplemental aggregate limits will be equal to the dollar amount shown in the Declarations or any amendments thereto in effect at the end of the policy period. When Extended Reporting Period Endorsements **PR 27 00** or **PR 27 01** are used, these supplemental aggregate limits will apply separately for the Individual Professional Liability Aggregate Limit and the Partnership, Limited Liability Company, Association Or Corporation Professional Liability Aggregate Limit.
5. The following applies only to Physicians, Surgeons And Dentists, Allied Health Care Providers, Optometrists and Veterinarians Professional Liability Coverage:

   If the circumstances relating to the insured's death, permanent disability or permanent retirement are met, as specified in Section **V** - Extended Reporting Period, an Extended Reporting Period In Case Of Death, Permanent Disability Or Retirement of unlimited duration will be automatically provided without charge. This Extended Reporting Period starts with the end of the policy period and does not apply to claims that are covered under any subsequent insurance or extended reporting period purchased or to claims that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

The Extended Reporting Period In Case Of Death, Permanent Disability Or Retirement does not reinstate or increase the limits under the policy.

B. Retroactive Date

The Retroactive Date is a specific date entered on the Declarations of the policy. Any injury which occurred prior to the Retroactive Date is not covered, even if a claim for such injury is first made during the policy period or any Extended Reporting Period. Once a Retroactive Date is established for an insured, it can only be advanced with the written consent of the first Named Insured, and then only:

1. If there is a change in carrier;
2. If there is a substantial change in the insured's operations which results in an increased exposure to loss;
3. If the insured fails to provide the company with information:
   a. The insured knew or should have known about the nature of the risk insured which would have been material to the insurer's acceptance of the risk; or
   b. Which was requested by the company; or
4. At the request of the insured.

Prior to the advancement of the Retroactive Date under any of these conditions, the company must obtain the written acknowledgment of the first Named Insured acknowledging that the first Named Insured has been advised of the right to purchase the Extended Reporting Period Endorsement.

If "none" is entered on the Declarations of the policy, there is no Retroactive Date. If there is no Retroactive Date, coverage may be afforded for injury occurring prior to the inception date of the policy.

C. Claims-made Rates

To obtain the claims-made rates, apply the multipliers in Tables **21.C.#1(RF)** through **21.C.#3(RF)** to the basic limits rate shown on the state rates.

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22. YEAR 2000 COMPUTER-RELATED ENDORSEMENTS

Choose one of the following four options:

A. Option One - Exclusion - Year 2000 Computer-related And Other Electronic Problems Endorsements

To exclude coverage for all risks associated with a computer or computer-related, actual or alleged failure, malfunction, inadequacy or inability to correctly recognize, distinguish, interpret or accept the year 2000 and beyond, attach Exclusion - Year 2000 Computer-related And Other Electronic Problems Endorsements:

1. **PR 21 04** to the Blood Banks Professional Liability Coverage Part, Diagnostic Testing Laboratories Professional Liability Coverage Part and the Hospital Professional Liability Coverage Part.
2. **PR 21 05** to the Allied Health Care Providers Professional Liability Coverage Part, Optometrists Professional Liability Coverage Part, Physicians, Surgeons And Dentists Professional Liability Coverage Part and the Veterinarians Professional Liability Coverage Part.

B. Option Two - Year 2000 Computer-related And Other Electronic Problems - Limited Coverage Options Endorsements

Optional coverage for liability arising out of computer-related problems due to the year 2000 may be provided by attaching Year 2000 Computer-related And Other Electronic Problems - Limited Coverage Options Endorsements:

1. **PR 04 07** to the Blood Banks Professional Liability Coverage Part, Diagnostic Testing Laboratories Professional Liability Coverage Part and the Hospital Professional Liability Coverage Part.
2. **PR 04 08** to the Allied Health Care Providers Professional Liability Coverage Part, Optometrists Professional Liability Coverage Part, Physicians, Surgeons And Dentists Professional Liability Coverage Part and the Veterinarians Professional Liability Coverage Part.

Insurers and insureds must agree on the location, operations, tests, treatments, products or services that will receive coverage by filling in the proper information in Schedule **A** - Description Of Location, Operations, Tests, Treatments, Products Or Services To Be Covered.

This coverage may be provided with a deductible by attaching the applicable Deductible Liability Insurance Endorsement.

Refer to company for rating.

C. Option Three - Year 2000 Computer-related And Other Electronic Problems - Exclusion Of Designated Locations, Operations, Tests, Treatments, Products Or Services

To exclude coverage for specific aspects of insured risks arising out of computer-related problems due to the change to the year 2000, for specified locations, operations, tests, treatments, products or services, attach Year 2000 Computer-related And Other Electronic Problems - Exclusion Of Designated Locations, Operations, Tests, Treatments,

Products Or Services Endorsements:

1. **PR 21 06** to the Blood Banks Professional Liability Coverage Part, Diagnostic Testing Laboratories Professional Liability Coverage Part and the Hospital Professional Liability Coverage Part.
2. **PR 21 07** to the Allied Health Care Providers Professional Liability Coverage Part, Optometrists Professional Liability Coverage Part, Physicians, Surgeons and Dentists Professional Liability Coverage Part and the Veterinarians Professional Liability Coverage Part.

Insurers and insureds must agree on the location, operations, tests, treatments, products or services that will be excluded by filling in the proper information in the Schedule - Description Of Location, Operations, Tests, Treatments, Products Or Services To Be Excluded.

Refer to company for rating.

D. Option Four - No Endorsements

If a risk does not have a year 2000 exposure or you are willing to accept the year 2000 exposure of a risk at no additional premium, attach no endorsement.

If a risk presents a unique or unusual exposure due to the change to the year 2000 and you accept that risk without any endorsements, refer to company for rating.

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23. - 25. RESERVED FOR FUTURE USE

SECTION II-COVERAGE RULES

SECTION II-COVERAGE RULES

26. HOSPITAL PROFESSIONAL LIABILITY COVERAGE

Paragraph **A.4.c.** is replaced by the following:

c. Refer to mandatory state endorsements:

(1) Illinois Changes - Cancellation And Nonrenewal **PR 02 05.**

(2) Illinois Changes **PR 01 56.**

(3) Illinois Changes - Defense Costs Endorsement **IL 01 62.**

26. HOSPITAL PROFESSIONAL LIABILITY COVERAGE

A. Description Of Hospital Professional Liability Coverage

1. Two standard coverage forms are available for Hospital Professional Liability risks. One coverage form provides coverage on an occurrence basis and one coverage form provides coverage on a claims-made basis.
2. These coverage forms provide coverage against claims for injuries arising out of acts or omissions:
   a. In the providing of or failure to provide professional health care services; or
   b. Arising out of the involvement of any person with a formal accreditation, standards review or equivalent professional board or committee or by a person charged with executing the directives of such board or committee.
3. For a description of the risks for which this coverage form may be used, refer to the Classification Table Section.
4. For details of coverage:
   a. Refer to coverage forms:
      (1) Hospital Professional Liability Coverage Form (Occurrence Version) **PR 00 03.**
      (2) Hospital Professional Liability Coverage Form (Claims-made Version) **PR 00 04.**
   b. Refer to mandatory multistate endorsements:
      (1) Broad Form Nuclear Exclusion Endorsement **IL 00 21.**
      (2) Common Policy Conditions Endorsement **IL 00 17.**
   c. Refer to mandatory state endorsements listed in the state exceptions.
5. The appropriate:
   a. Coverage form;
   b. Mandatory endorsements (including those required for use in a particular jurisdiction);
   c. Other applicable endorsements; and
   d. Declarations

   make up a Coverage Part.

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B. Basic Limits

1. Company rates are shown at a $500,000 limit for each Medical Incident, subject to a $1,500,000 Aggregate Limit.
2. The Aggregate Limit applies separately to each year of the policy or any applicable policy period less than one year (other than an extension of less than one year after the policy is issued).
3. The Aggregate Limit may be reinstated when exhausted. Refer to company.

C. Increased Limits

For increased limits tables, refer to state tables in accordance with Rule **17.**

D. Additional Interests

Policies may be written to cover the following additional interests:

1. **No Additional Charge**
   a. Additional Insured - Controlling Interest Endorsement **PR 20 09.**
   b. Additional Insured - Executors, Administrators, Trustees Or Beneficiaries Endorsement **PR 20 12.**
2. **Additional Charge - Refer To Company**

   For health care professionals who are not employed by the named insured, use Additional Insured - Health Care Professionals Not Employed By You Endorsement **PR 20 08.**

E. Deductible Endorsement

When deductible insurance is selected by the insured, the deductible applies on a per medical incident basis. Use Deductible Liability Insurance Endorsement **PR 03 00.**

27. PHYSICIANS, SURGEONS AND DENTISTS PROFESSIONAL LIABILITY COVERAGE

Paragraph **A.5.c.** is replaced by the following:

c. Refer to mandatory state endorsements:

(1) Illinois Changes - Cancellation And Nonrenewal **PR 02 05.**
(2) Illinois Changes **PR 01 55.**
(3) Illinois Changes - Defense Costs Endorsement **IL 01 62.**

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27. PHYSICIANS, SURGEONS AND DENTISTS PROFESSIONAL LIABILITY COVERAGE

A. Description Of Physicians, Surgeons And Dentists Professional Liability Coverage

1. Two standard coverage forms are available for Physicians, Surgeons And Dentists risks. One coverage form provides coverage on an occurrence basis and one coverage form provides coverage on a claims-made basis.
2. These coverage forms provide coverage against claims for injuries arising out of acts or omissions:
   a. In the providing of or failure to provide professional medical or dental services; and
   b. Arising out of the insured's involvement with a formal accreditation, standards review or equivalent professional board or committee.
3. For a description of the risks for which this coverage form may be used, refer to the Classification Table Section.
4. Policies may be written to cover:
   a. Individual liability;
   b. Partnership, limited liability company, association or corporation professional liability; or
   c. both **a.** and **b.**
5. For details of coverage:
   a. Refer to coverage forms:
      (1) Physicians, Surgeons And Dentists Liability Professional Coverage Form (Occurrence Version) **PR 00 01.**
      (2) Physicians, Surgeons And Dentists Professional Liability Coverage Form (Claims-made Version) **PR 00 02.**
   b. Refer to mandatory multistate endorsements:
      (1) Broad Form Nuclear Exclusion Endorsement **IL 00 21.**
      (2) Common Policy Conditions Endorsement **IL 00 17.**
   c. Refer to mandatory state endorsements listed in the state exceptions.
6. The appropriate:
   a. Coverage form;
   b. Mandatory endorsements (including those required for use in a particular jurisdiction);
   c. Other applicable endorsements; and
   d. Declarations

   make up a Coverage Part.

B. Basic Limits

1. Company rates are shown at a $500,000 limit:
   a. For each Medical Incident, subject to a $1,500,000 Individual Professional Liability Aggregate Limit; or
   b. For each Business Entity Incident, subject to a $1,500,000 Partnership, Limited Liability Company, Association Or Corporation Professional Liability Aggregate Limit.
2. The limits described in Paragraph **1.** apply separately to individual and partnership liability. For individual liability, the limits also apply separately to each individual named insured. For partnership liability, only one set of limits applies regardless of the number of insureds.
3. The Aggregate Limit applies separately to each year of the policy or any applicable policy period less than one year (other than an extension of less than one year after the policy is issued).
4. The Aggregate Limit may be reinstated when exhausted. Refer to company.

C. Increased Limits

For increased limits tables, refer to state tables in accordance with Rule **17.**

D. Additional Interests

Policies may be written to cover the following additional interests:

1. **No Additional Charge**
   a. Additional Insured - Controlling Interest Endorsement **PR 20 11.**

b. Additional Insured - Executors, Administrators, Trustees Or Beneficiaries Endorsement **PR 20 12.**

2. **Additional Charge - Refer To Company**

For the named insured's employees, other than employed physicians, surgeons or dentists use Additional Insured - Employees Endorsement **PR 20 00** (For Occurrence Version) or **PR 20 01** (For Claims-made Version).

E. **Deductible Endorsement**

When deductible insurance is selected by the insured, the deductible applies on a per medical incident and/or per business entity incident basis. Use Deductible Liability Insurance Endorsement **PR 03 02.**

When both partnership, or limited liability company, professional liability and individual liability are covered, compute the premium using:

1. The partnership liability rate for each partner (or member of a limited liability company); and
2. The appropriate rate for each employee of the partnership or limited liability company, if any.

F. **Partnership Or Limited Liability Company Professional Liability**

When both partnership, or limited liability company, professional liability and individual liability are covered, compute the premium using:

1. The partnership liability rate for each partner (or member of a limited liability company); and
2. The appropriate rate for each employee of the partnership or limited liability company, if any.

G. **Professional Association Or Corporation Professional Liability**

1. Classify and rate such risks which practice medicine or dentistry the same as partnerships; that is, classify the stockholders in the same manner as partners and the association or corporation in the same manner as partnerships.
2. Professional corporations consisting of a single individual must be treated as additional insureds.

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28. ALLIED HEALTH CARE PROVIDERS PROFESSIONAL LIABILITY COVERAGE

Paragraph **A.4.c.** is replaced by the following:

c. Refer to mandatory state endorsements:

(1) Illinois Changes - Cancellation And Nonrenewal **PR 02 05.**

(2) Illinois Changes **PR 01 55.**

(3) Illinois Changes - Defense Costs Endorsement **IL 01 62.**

28. ALLIED HEALTH CARE PROVIDERS PROFESSIONAL LIABILITY COVERAGE

A. **Description Of Allied Health Care Providers Professional Liability Coverage**

1. Two standard coverage forms are available for Allied Health Care Providers risks. One coverage form provides coverage on an occurrence basis and one coverage form provides coverage on a claims-made basis.
2. These coverage forms provide coverage against claims for injuries arising out of acts or omissions:
   a. In the providing of or failure to provide professional health care services; or
   b. Arising out of the insured's involvement with a formal accreditation, standards review or equivalent professional board or committee.
3. Allied Health Care Providers risks are those health care professionals that are not licensed physicians or surgeons. This group includes nurses, chiropractors, chiropodists, podiatrists, lab or x-ray technicians and physiotherapists. For a description of the risks for which this coverage form may be used, refer to the Classification Section.
4. For details of coverage:
   a. Refer to coverage forms:
      (1) Allied Health Care Providers Professional Liability Coverage Form (Occurrence Version) **PR 00 05.**
      (2) Allied Health Care Providers Professional Liability Coverage Form (Claims-made Version) **PR 00 06.**
   b. Refer to mandatory multistate endorsements:

(1) Broad Form Nuclear Exclusion Endorsement **IL 00 21.**

(2) Common Policy Conditions Endorsement **IL 00 17.**

c. Refer to mandatory state endorsements listed in the state exceptions.

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5. The appropriate:

a. Coverage form;

b. Mandatory endorsements (including those required for use in a particular jurisdiction);

c. Other applicable endorsements; and

d. Declarations

make up a Coverage Part.

B. Basic Limits

1. Company rates are shown at a $500,000 limit:

a. For each Medical Incident, subject to a $1,500,000 Individual Professional Liability Aggregate Limit; or

b. For each Business Entity Incident, subject to a $1,500,000 Partnership, Limited Liability Company, Association Or Corporation Professional Liability Aggregate Limit.

2. The limits described in Paragraph **1.** apply separately to individual and partnership liability. For individual liability, the limits also apply separately to each individual named insured. For partnership liability, only one set of limits applies regardless of the number of insureds.

3. The Aggregate Limit applies separately to each year of the policy or any applicable policy period less than one year (other than an extension of less than one year after the policy is issued).

4. The Aggregate Limit may be reinstated when exhausted. Refer to company.

C. Increased Limits

For increased limits tables, refer to state tables in accordance with Rule **17.**

D. Additional Interests

Policies may be written to cover the following additional interests:

1. **No Additional Charge**

a. Additional Insured - Controlling Interest Endorsement **PR 20 11.**

b. Additional Insured - Executors, Administrators, Trustees Or Beneficiaries Endorsement **PR 20 12.**

2. **Additional Charge - Refer To Company**

For the named insured's employees, use Additional Insured - Employees Endorsement **PR 20 02** (For Occurrence Version) or **PR 20 03** (For Claims-made Version).

E. Deductible Endorsement

When deductible insurance is selected by the insured, the deductible applies on a per medical incident and/or per business entity incident basis. Use Deductible Liability Insurance Endorsement **PR 03 02.**

F. Partnership Or Limited Liability Company Professional Liability

When both partnership, or limited liability company, professional liability and individual liability are covered, compute the premium using:

1. The partnership liability rate for each partner (or member of a limited liability company); and

2. The appropriate rate for each employee of the partnership or limited liability company, if any.

G. Professional Association Or Corporation Professional Liability

1. Classify and rate such risks which practice medicine or dentistry the same as partnerships; that is, classify the stockholders in the same manner as partners and the association or corporation in the same manner as partnerships.

2. Professional corporations consisting of a single individual must be treated as additional insureds.

29. BLOOD BANKS PROFESSIONAL LIABILITY COVERAGE

Paragraph **A.3.c.** is replaced by the following:

c. Refer to mandatory state endorsements:

(1) Illinois Changes - Cancellation And Nonrenewal **PR 02 05.**

(2) Illinois Changes **PR 01 56.**

(3) Illinois Changes - Defense Costs Endorsement IL 01 62.

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29. BLOOD BANKS PROFESSIONAL LIABILITY COVERAGE

A. Description Of Blood Banks Professional Liability Coverage

1. Two standard coverage forms are available for Blood Banks risks. One coverage form provides coverage on an occurrence basis and one coverage form provides coverage on a claims-made basis.
2. These coverage forms provide coverage against claims for injuries arising out of acts or omissions in:
   a. The providing of or failure to provide professional health care services in connection with the making of a blood donation; and
   b. The handling or distribution of any blood products, including any representation or warranty made at any time with respect to any blood product.
3. For details of coverage:
   a. Refer to coverage forms:
      (1) Blood Banks Professional Liability Coverage Form (Occurrence Version) PR 00 07.
      (2) Blood Banks Professional Liability Coverage Form (Claims-made Version) PR 00 08.
   b. Refer to mandatory multistate endorsements:
      (1) Broad Form Nuclear Exclusion Endorsement IL 00 21.
      (2) Common Policy Conditions Endorsement IL 00 17.
   c. Refer to mandatory state endorsements listed in the state exceptions.
4. The appropriate:
   a. Coverage form;
   b. Mandatory endorsements (including those required for use in a particular jurisdiction);
   c. Other applicable endorsements; and
   d. Declarations

   make up a Coverage Part.

B. Basic Limits

1. Company rates are shown at a $500,000 limit for each Medical Incident, subject to the $1,500,000 Aggregate Limit.
2. The Aggregate Limit applies separately to each year of the policy or any applicable policy period less than one year (other than an extension of less than one year after the policy is issued).
3. The Aggregate Limit may be reinstated when exhausted. Refer to company.

C. Increased Limits

1. For increased limits tables, refer to state tables in accordance with Rule 17.
2. Use the increased limit factors applicable to Allied Health Care Providers.

D. Additional Interests

Policies may be written to cover the following additional interests:

1. **No Additional Charge**
   a. Additional Insured - Controlling Interest Endorsement PR 20 09.
   b. Additional Insured - Executors, Administrators, Trustees Or Beneficiaries Endorsement PR 20 12.
2. **Additional Charge - Refer To Company**

   For health care professionals who are not employed by the named insured, use Additional Insured - Health Care Professionals Not Employed By You Endorsement PR 20 08.

E. Deductible Endorsement

1. When deductible insurance is selected by the insured, the deductible applies on a per medical incident basis. Use Deductible Liability Insurance Endorsement PR 03 00.
2. Use the deductible discount factors applicable to Allied Health Care Providers.

30. DIAGNOSTIC TESTING LABORATORIES PROFESSIONAL LIABILITY COVERAGE

Paragraph **A.3.c.** is replaced by the following:

c. Refer to mandatory state endorsements:

(1) Illinois Changes - Cancellation And Nonrenewal **PR 02 05.**

(2) Illinois Changes **PR 01 56.**

(3) Illinois Changes - Defense Costs Endorsement **IL 01 62.**

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30. DIAGNOSTIC TESTING LABORATORIES PROFESSIONAL LIABILITY COVERAGE

A. Description Of Diagnostic Testing Laboratories Professional Liability Coverage

1. Two standard coverage forms are available for Diagnostic Testing Laboratories risks. One coverage form provides coverage on an occurrence basis and one coverage form provides coverage on a claims-made basis.

2. These coverage forms provide coverage against claims for injuries arising out of acts or omissions in the providing of or failure to provide professional diagnostic testing services in the:

a. Performance of clinical-pathological examinations and services for diagnosing the status of health, disease or injury of human beings or animals; or

b. Taking of diagnostic tests.

3. For details of coverage:

a. Refer to coverage forms:

(1) Diagnostic Testing Laboratories Professional Liability Coverage Form (Occurrence Version) **PR 00 09.**

(2) Diagnostic Testing Laboratories Professional Liability Coverage Form (Claims-made Version) **PR 00 10.**

b. Refer to mandatory multistate endorsements:

(1) Broad Form Nuclear Exclusion Endorsement **IL 00 21.**

(2) Common Policy Conditions Endorsement **IL 00 17.**

c. Refer to mandatory state endorsements listed in the state exceptions.

4. The appropriate:

a. Coverage form;

b. Mandatory endorsements (including those required for use in a particular jurisdiction);

c. Other applicable endorsements; and

d. Declarations

make up a Coverage Part.

B. Basic Limits

1. Company rates are shown at a $500,000 limit for each Laboratory Incident, subject to the $1,500,000 Aggregate Limit.

2. The Aggregate Limit applies separately to each year of the policy or any applicable policy period less than one year (other than an extension of less than one year after the policy is issued).

3. The Aggregate Limit may be reinstated when exhausted. Refer to company.

C. Increased Limits

1. For increased limits tables, refer to state tables in accordance with Rule **17.**

2. Use the increased limit factors applicable to Allied Health Care Providers.

D. Additional Interests

Policies may be written to cover the following additional interests:

1. No Additional Charge

a. Additional Insured - Controlling Interest Endorsement **PR 20 10.**

b. Additional Insured - Executors, Administrators, Trustees Or Beneficiaries Endorsement **PR 20 12.**

2. Additional Charge - Refer To Company

For health care professionals who are not employed by the named insured, use Additional Insured - Health Care Professionals Not Employed By You Endorsement **PR 20 08.**

E. Deductible Endorsement

1. When deductible insurance is selected by the insured, the deductible applies on a per laboratory incident basis. Use Deductible Liability Insurance Endorsement **PR 03 01.**
2. Professional corporations consisting of a single individual must be treated as additional insureds.
3. Use the deductible discount factors applicable to Allied Health Care Providers.

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31. OPTOMETRISTS PROFESSIONAL LIABILITY COVERAGE

Paragraph A.3.c. is replaced by the following:

c. Refer to mandatory state endorsements:

(1) Illinois Changes - Cancellation And Nonrenewal **PR 02 05.**

(2) Illinois Changes **PR 01 55.**

(3) Illinois Changes - Defense Costs Endorsement **IL 01 62.**

31. OPTOMETRISTS PROFESSIONAL LIABILITY COVERAGE

A. Description Of Optometrists Professional Liability Coverage

1. Two standard coverage forms are available for Optometrists risks. One coverage form provides coverage on an occurrence basis and one coverage form provides coverage on a claims-made basis.
2. These coverage forms provide coverage against claims for injuries arising out of acts or omissions:
   - **a.** In the providing of or failure to provide professional optometric services; or
   - **b.** Arising out of the insured's involvement with a formal accreditation, standards review or equivalent professional board or committee.
3. For details of coverage:
   - **a.** Refer to coverage forms:
     - **(1)** Optometrists Professional Liability Coverage Form (Occurrence Version) **PR 00 11.**
     - **(2)** Optometrists Professional Liability Coverage Form (Claims-made Version) **PR 00 12.**
   - **b.** Refer to mandatory multistate endorsements:
     - **(1)** Broad Form Nuclear Exclusion Endorsement **IL 00 21.**
     - **(2)** Common Policy Conditions Endorsement **IL 00 17.**
   - **c.** Refer to mandatory state endorsements listed in the state exceptions.
4. The appropriate:
   - **a.** Coverage form;
   - **b.** Mandatory endorsements (including those required for use in a particular jurisdiction);
   - **c.** Other applicable endorsements; and
   - **d.** Declarations

   make up a Coverage Part.

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B. Basic Limits

1. Company rates are shown at a $500,000 limit:
   - **a.** For each Optometric Incident, subject to a $1,500,000 Individual Professional Liability Aggregate Limit; or
   - **b.** For each Business Entity Incident, subject to a $1,500,000 Partnership, Limited Liability Company, Association Or Corporation Professional Liability Aggregate Limit.
2. The limits described in Paragraph **1.** apply separately to individual and partnership liability. For individual liability, the limits also apply separately to each individual named insured. For partnership liability, only one set of limits applies regardless of the number of insureds.
3. The Aggregate Limit applies separately to each year of the policy or any applicable policy period less than one year (other than an extension of less than one year after the policy is issued).
4. The Aggregate Limit may be reinstated when exhausted. Refer to company.

C. Increased Limits

For increased limits tables, refer to state tables in accordance with Rule **17.**

D. Additional Interests

Policies may be written to cover the following additional interests:

1. **No Additional Charge**
   - **a.** Additional Insured - Controlling Interest Endorsement **PR 20 11.**
   - **b.** Additional Insured - Executors, Administrators, Trustees Or Beneficiaries Endorsement **PR 20 12.**
2. **Additional Charge - Refer To Company**

   For the named insured's employees, other than employed optometrists, use Additional Insured - Employees Endorsement **PR 20 04** (For Occurrence Version) or **PR 20 05** (For Claims-made Version).

E. Deductible Endorsement

1. When deductible insurance is selected by the insured, the deductible applies on a per optometric incident and/or per business entity incident basis. Use Deductible Liability Insurance Endorsement **PR 03 03.**
2. Use the deductible discount factors applicable to Allied Health Care Providers.

F. Partnership Or Limited Liability Company Professional Liability

When both partnership, or limited liability company, professional liability and individual liability are covered, compute the premium using:

1. The partnership liability rate for each partner (or member of a limited liability company); and
2. The appropriate rate for each employee of the partnership or limited liability company, if any.

G. Professional Association Or Corporation Professional Liability

1. Classify and rate such risks which practice medicine or dentistry the same as partnerships; that is, classify the stockholders in the same manner as partners and the association or corporation in the same manner as partnerships.
2. Professional corporations consisting of a single individual must be treated as additional insureds.

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32. VETERINARIANS PROFESSIONAL LIABILITY COVERAGE

Paragraph **A.3.c.** is replaced by the following:

c. Refer to mandatory state endorsements:
   (1) Illinois Changes - Cancellation And Nonrenewal **PR 02 05.**
   (2) Illinois Changes - Defense Costs Endorsement **IL 01 62.**

32. VETERINARIANS PROFESSIONAL LIABILITY COVERAGE

A. Description Of Veterinarians Professional Liability Coverage

1. Two standard coverage forms are available for Veterinarian risks. One coverage form provides coverage on an occurrence basis and one coverage form provides coverage on a claims-made basis.
2. These coverage forms provide coverage against claims for injuries arising out of acts or omissions:
   a. In the providing of or failure to provide professional veterinarian services; or
   b. Arising out of the insured's involvement with a formal accreditation, standards review or equivalent professional board or committee.
3. For details of coverage:
   a. Refer to coverage forms:
      (1) Veterinarians Professional Liability Coverage Form (Occurrence Version) **PR 00 13.**
      (2) Veterinarians Professional Liability Coverage Form (Claims-made Version) **PR 00 14.**
   b. Refer to mandatory endorsements:
      (1) Broad Form Nuclear Exclusion Endorsement **IL 00 21.**
      (2) Common Policy Conditions Endorsement **IL 00 17.**
   c. Refer to mandatory state endorsements listed in the state exceptions.
4. The appropriate:
   a. Coverage form;
   b. Mandatory endorsements (including those required for use in a particular jurisdiction);
   c. Other applicable endorsements; and
   d. Declarations

   make up a Coverage Part.

B. Basic Limits

1. Company rates are shown at a $500,000 limit:
   a. For each Veterinary Incident, subject to a $1,500,000 Individual Professional Liability Aggregate Limit; or
   b. For each Business Entity Incident, subject to a $1,500,000 Partnership, Limited Liability Company, Association Or Corporation Professional Liability Aggregate Limit.
2. The limits described in Paragraph **1.** apply separately to individual and partnership liability. For individual liability, the limits also apply separately to each individual named insured. For partnership liability, only one set of limits applies regardless of the number of insureds.
3. The Aggregate Limit applies separately to each year of the policy or any applicable policy period less than one year (other than an extension of less than one year after the policy is issued).

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4. The Aggregate Limit may be reinstated when exhausted. Refer to company.

C. Increased Limits

For increased limits tables, refer to state tables in accordance with Rule **17.**

D. Additional Interests

Policies may be written to cover the following additional interests:

1. **No Additional Charge**
   a. Additional Insured - Controlling Interest Endorsement **PR 20 11.**
   b. Additional Insured - Executors, Administrators, Trustees Or Beneficiaries Endorsement **PR 20 12.**
2. **Additional Charge - Refer To Company**
   For the named insured's employees, other than employed veterinarians, use Additional Insured - Employees Endorsement **PR 20 06** (For Occurrence Version) or **PR 20 07** (For Claims-made Version).

E. Deductible Endorsement

When deductible insurance is selected by the insured, the deductible applies on a per veterinary incident and/or per business entity incident basis. Use Deductible Liability Insurance Endorsement **PR 03 04.**

F. Partnership Or Limited Liability Company Professional Liability

When both partnership, or limited liability company, professional liability and individual liability are covered, compute the premium using:

1. The partnership liability rate for each partner (or member of a limited liability company); and
2. The appropriate rate for each employee of the partnership or limited liability company, if any.

G. Professional Association Or Corporation Professional Liability

1. Classify and rate such risks which practice medicine or dentistry the same as partnerships; that is, classify the stockholders in the same manner as partners and the association or corporation in the same manner as partnerships.
2. Professional corporations consisting of a single individual must be treated as additional insureds.

SECTION III-CLASSIFICATIONS

33. CLASSIFICATION PROCEDURES

For classification assignment purposes, classification wording or classification notes takes precedence over any General or Coverage Rules.

A. Hospital Risks

1. **For Classification Assignment Purposes**
   a. Based on the insured's business operation, choose the classification from Table **#1(CT)** which best describes the operation.
   b. More than one classification may be necessary for risks with multiple business operations.
   c. If none of the classifications adequately describe an operation, refer to company.
   d. The "Convalescent or Nursing Homes", "Mental-psychopathic Institutions" and "Rehabilitation Hospital" classifications shall apply to any osteopathic institution other than osteopathic hospitals and osteopathic clinics.
   e. The classification for "Clinics, Dispensaries or Infirmaries" does not apply to drugless healing institutions such as chiropractic, naturopathic, sanipractic and Christian Science Institutions. Such risks shall be submitted for rating.
   f. Hospitals, institutions and clinics operated by the federal government or a state, county, city or other governmental unit shall be rated as not-for-profit hospitals, institutions or clinics, as appropriate.
2. **For Premium Computation Purposes**
   a. Hospital classifications, depending on the service provided, are rated on either a "beds" or an "outpatient visits" basis or both.
   b. Hospitals are subject to additional premium charges for each of their employed staff physicians, surgeons or dentists, other than interns, who do not have their own private practices. Follow the same rules for classifying

the physicians, surgeons or dentists insured for Physicians, Surgeons And Dentists Professional Liability insurance, as described in this manual, to determine the appropriate rating for such employed physicians, surgeons or dentists. Apply the factor shown in Table **33.A.2.b.(RF)** to the rates from the appropriate classifications for each employed physician, surgeon or dentist to calculate the additional charges.

B. Physicians And Surgeons Risks

1. For Classification Assignment Purposes

a. When multiple physicians and surgeons are covered under the same policy, each insured physician or surgeon shall be assigned to one classification only, based on that person's medical specialty.

b. If two or more classifications apply to the same individual, use the highest rated classification.

c. Any individual who would normally be assigned to a classification whose code number is followed by an asterisk must be classified under the appropriate "Physicians - no major surgery" table if he or she performs any of the following medical techniques or procedures, as shown in Table **#3(CT)**:

(1) Acupuncture other than acupuncture anesthesia

(2) Angiography

(3) Arteriography

(4) 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

(5) Cryosurgery, other than use on benign or premalignant dermatological lesions

(6) Discograms

(7) Lasers used in therapy

(8) Lymphangiography

(9) Myelography

(10) Phlebography

(11) Pneumoencephalography

(12) Radiation therapy, including X-ray laboratories

(13) Shock Therapy

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d. Any individual who would normally be assigned to a classification whose code number is followed by a cross-hatch must be classified under the appropriate "Physicians - no major surgery" table if he or she performs any of the following medical techniques or procedures, as shown in Table **#4(CT)**:

(1) Colonoscopy

(2) Endoscopic Retrograde Cholangiopancreatography

(3) Laparoscopy (Peritonoscopy)

(4) Needle Biopsy, including lung and prostate, but not including liver, kidney or bone marrow biopsy

(5) Pneumatic or mechanical esophageal dilation (not with bougie or olive)

(6) Radiopaque Dye Injections, into blood vessels, lymphatics, sinus tracts or fistulae (Not applicable to radiologists)

e. Table **#18(CT)** provides information regarding the correlation between the medical specialties under the General Certificates and Subspecialty Categories, as approved by the American Board of Medical Specialties (ABMS). Refer to Table **#18(CT)** to determine the appropriate classification for an insured physician or surgeon when the medical specialty provided by such insured physician or surgeon is only listed in the Subspecialty Categories as described by the ABMS.

f. Physicians or surgeons that teach on a full-time basis shall be classified in accordance with the Teaching Physicians And Surgeons classifications as shown in Table **#2(CT)**.

g. Physicians and surgeons in active United States Military Service shall be classified in accordance with Table **#6(CT)**.

h. Medical Doctors (M.D.) and Doctors of Osteopathy (D.O.) are to be coded separately for statistical reporting purposes in accordance with the codes shown in the applicable Classification Tables.

i. Retired physicians or surgeons who practice on a limited basis may be insured on a "refer-to-company" basis. For statistical purposes, use Code 80179 for medical doctors and Code 84179 for osteopathic doctors.

j. Any insured physician or surgeon who provides regular bed and board facilities for patients shall be classified and rated as a hospital. Refer to the rules for Hospital Professional Liability Coverage.

k. Refer to the definitions of Medical and Surgical Dental Terminology section of the classification table for the

Medical and Surgical Specialties Glossary, and the Medical and Surgical Procedures Glossary, for reference.

l. For partnership or corporate liability coverage, use the appropriate additional charge classifications in Table **#7(CT).**

m. Physicians and surgeons who serve on medical review boards are subject to an additional charge as provided in Table **#8(CT).**

2. For Premium Computation Purposes

a. Physicians and surgeons classifications are rated on a "per-person" basis.

b. For physicians or surgeons employed full time by the Federal Government, apply the factor shown in Table **33.B.2.b.(RF)** of the rates which would otherwise apply to such physicians or surgeons, based on the classification assignment which reflects their medical specialty. For statistical reporting purposes use Code 80178 for medical doctors and Code 84178 for osteopathic doctors.

c. Insured physicians or surgeons are subject to additional premium charges based on the applicable additional charges classification shown in Table **#7(CT).** These additional charge classifications are not designed to be used as governing classifications, except for the Partnership Liability and Corporate Liability classifications (Codes 80999 and 84999). Refer to the notes for the application of these classifications.

C. Dentists Risks

1. For Classification Assignment Purposes

a. When multiple dentists are covered under the same policy, each insured dentist shall be assigned to one classification only. Refer to Table **#9(CT),** for the appropriate classification.

b. If two or more classifications apply to the same individual, use the highest rated classification.

c. Refer to Paragraph **C.** in the definitions of Definition of Medical and Surgical Dental Terminology section of the classification table for information regarding the special areas of dental practice recognized by the American Dental Association.

d. Dentists that teach on a full-time basis shall be classified in accordance with the Teaching Dentists classifications as shown in Table **#9(CT).**

e. Dentists in active United States Military Service shall be classified in accordance with the Table **#11(CT).**

f. Retired dentists who practice on a limited basis may be insured on a "refer-to-company" basis. For statistical purposes, use Code 80220.

g. For partnership or corporate liability coverage, use the appropriate additional charge classifications in Table **#10(CT).**

2. For Premium Computation Purposes

a. Dentists classifications are rated on a "per-person" basis.

b. For dentists employed full time by the Federal Government, refer to Table **#12(CT)** to determine the appropriate classification.

c. Insured dentists are subject to additional premium charges for specific situations shown in Table **#10(CT).** Refer to Table **#10(CT)** to determine the appropriate additional charges.

D. Miscellaneous Medical Professional Risks

1. Classifications

Miscellaneous classifications are composed of those classifications which are not assignable to Hospitals, Physicians and Surgeons or Dentists categories. Refer to:

a. Tables **#13(CT)** and **#14(CT)** for miscellaneous medical - individual risks.

b. Table **#15(CT)** for additional charges for certain miscellaneous medical individual risks classifications, in accordance with Tables **#13(CT)** and **#14(CT).**

c. Table **#16(CT)** for other than individual risks for blood banks and medical or x-ray laboratories.

d. Table **#17(CT)** for paraprofessionals for emergency medical technicians, paramedics and ambulance attendants.

2. Rating Bases

The classifications have various rating bases. Choose a classification that best describes the risk's operations and determine whether the insured is or is not an employee.

a. Blood Banks classifications are rated on a "donations" basis.

b. Medical or X-ray Laboratories classifications are rated on a "receipts" basis.

c. Acupuncturists are rated on a "per-person" basis.

d. Art, Music and Dance Therapists are rated on a "per-person" basis.

e. Nurses classifications are rated on a "per-person" basis.

f. All other classifications shown under Other Than Employees Professional Liability in Table **#13(CT)** are rated on either a "per-person" or "per-partner" basis.

g. All classifications shown under Employees Professional Liability in Table **#13(CT)** are rated on a "per-person" basis.

h. Paraprofessionals are rated on a "per-person" basis.

3. Classification Assignment And Premium Computation Purposes

a. For the following risks:

(1) Blood Banks; and

(2) Medical or X-ray Laboratories,

follow the same rules which apply for Hospital Professional Liability Coverage, to the extent such rules apply to miscellaneous medical professional risks.

b. For all other risks shown in Tables **#13(CT)** and **#14(CT)** follow the same rules which apply for Physicians And Surgeons Professional Liability Coverage, to the extent such rules apply to miscellaneous medical professional risks.

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RATING RELATIVITIES AND FACTORS

RATING RELATIVITIES AND FACTORS SUPPLEMENTAL TABLE(S)

Description	M.D. Code No.	D.O. Code No.	Factor
Employed Nurse Anesthetist	80452	84452	.10
Employed Physician And Surgeons	80177	84177	.25

Table #1(RF) Physicians And Surgeons - Additional Charges

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RATING RELATIVITIES AND FACTORS

SECTION I - GENERAL RULES

SECTION I - GENERAL RULES

5. PREMIUM COMPUTATION

Term Of Policy	Term Factor
6 months	0.5
18 months	1.5
2 years	2.0
3 years	3.0

Table 5.A.1.(RF) Prepaid Policies

Factor
1.1

Table 5.A.2.(RF) Prepaid Policies

11. POLICY CANCELLATIONS

Factor
.90

Table 11.B.(RF) Other Calculations

17. INCREASED LIMITS TABLES

Aggregate	Per Medical Incident $ 100	200	250	300	500	750	1,000
$ 300	0.58	0.67	0.70	0.71			
400	0.59	0.70	0.74	0.76			
500	0.60	0.72	0.76	0.80	0.85		
600	0.61	0.74	0.78	0.82	0.89		
750		0.76	0.80	0.84	0.93	0.96	
900		0.78	0.82	0.86	0.96	1.01	
1,000		0.79	0.83	0.87	0.97	1.03	1.07
1,500		0.80	0.84	0.88	1.00	1.10	1.16
2,000				0.89	1.01	1.12	1.20
2,500						1.13	1.21
3,000							1.22

The following factors MUST be referred to company before using.

Aggregate	Per Medical Incident $ 1,500	2,000	2,500	3,000
$ 1,500	1.22			
2,000	1.28	1.33		
2,500	1.32	1.38	1.42	
3,000	1.33	1.41	1.46	1.49
4,000	1.35	1.43	1.49	1.55
5,000	1.36	1.44	1.51	1.57

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Table 17.E.#1(RF) Convalescent Or Nursing Homes, Rehabilitation Hospitals And Skilled Nursing Facilities - Short Term

Aggregate	Per Medical Incident $ 100	200	250	300	500	750	1,000
$ 300	0.80	0.84	0.85	0.86			
400	0.81	0.86	0.87	0.88			
500	0.82	0.88	0.89	0.90	0.92		
600	0.83	0.90	0.91	0.92	0.94		
750		0.92	0.93	0.94	0.96	0.98	
900		0.94	0.95	0.96	0.98	1.00	

1,000	0.95	0.96	0.97	0.99	1.01	1.03
1,500	0.96	0.97	0.98	1.00	1.02	1.04
2,000			0.99	1.01	1.03	1.05
2,500					1.04	1.06
3,000						1.07

The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.06			
2,000	1.07	1.09		
2,500	1.08	1.10	1.11	
3,000	1.09	1.11	1.12	1.13
4,000	1.10	1.12	1.13	1.14
5,000	1.11	1.13	1.14	1.15

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Table 17.E.#2(RF) Dentists

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.58	0.64	0.65	0.66			
400	0.59	0.68	0.70	0.71			
500	0.60	0.70	0.73	0.75	0.80		
600	0.61	0.72	0.76	0.78	0.84		
750		0.74	0.78	0.81	0.89	0.90	
900		0.76	0.80	0.83	0.93	0.96	
1,000		0.77	0.81	0.84	0.95	0.99	1.03
1,500		0.78	0.82	0.86	1.00	1.11	1.18
2,000				0.87	1.03	1.18	1.27
2,500						1.21	1.32
3,000							1.34

The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.24			
2,000	1.37	1.42		
2,500	1.45	1.52	1.55	

3,000	1.50	1.59	1.64	1.67
4,000	1.55	1.67	1.74	1.80
5,000	1.57	1.70	1.79	1.86

Table 17.E.#3(RF) Hospitals

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.52	0.62	0.67	0.70			
400	0.53	0.64	0.69	0.73			
500	0.54	0.66	0.71	0.76	0.87		
600	0.55	0.68	0.73	0.78	0.90		
750		0.70	0.75	0.80	0.93	1.02	
900		0.72	0.77	0.82	0.96	1.07	
1,000		0.73	0.78	0.83	0.97	1.09	1.16
1,500		0.74	0.79	0.84	1.00	1.16	1.26
2,000				0.85	1.01	1.19	1.31
2,500						1.20	1.33
3,000							1.34

The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.38			
2,000	1.46	1.54		
2,500	1.50	1.60	1.66	
3,000	1.52	1.63	1.71	1.75
4,000	1.54	1.67	1.76	1.82
5,000	1.55	1.68	1.77	1.85

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Table 17.E.#4(RF) Physicians

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.50	0.60	0.65	0.68			
400	0.51	0.62	0.67	0.72			
500	0.52	0.64	0.69	0.74	0.86		
600	0.53	0.66	0.71	0.76	0.89		

750	0.68	0.73	0.78	0.93	1.02	
900	0.70	0.75	0.80	0.96	1.07	
1,000	0.71	0.76	0.81	0.97	1.09	1.18
1,500	0.72	0.77	0.82	1.00	1.18	1.29
2,000			0.83	1.01	1.21	1.34
2,500					1.22	1.37
3,000						1.38

The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.41			
2,000	1.50	1.58		
2,500	1.55	1.65	1.72	
3,000	1.58	1.70	1.78	1.83
4,000	1.60	1.74	1.84	1.91
5,000	1.61	1.75	1.86	1.95

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Table 17.E.#5(RF) Surgeons

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.63	0.71	0.74	0.77			
400	0.64	0.73	0.76	0.79			
500	0.65	0.75	0.78	0.81	0.92		
600	0.66	0.77	0.80	0.83	0.94		
750		0.79	0.82	0.85	0.96	1.05	
900		0.81	0.84	0.87	0.98	1.08	
1,000		0.82	0.85	0.88	0.99	1.09	1.14
1,500		0.83	0.86	0.89	1.00	1.11	1.17
2,000				0.90	1.01	1.12	1.18
2,500						1.13	1.19
3,000							1.20

The following factors MUST be referred to company before using.

	Per Medical Incident*			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.26			
2,000	1.27	1.33		

2,500	1.28	1.34	1.40	
3,000	1.29	1.35	1.41	1.45
4,000	1.30	1.36	1.42	1.46
5,000	1.31	1.37	1.43	1.47
* Per Optometric Incident for Optometrists				

Table 17.E.#6(RF) Allied Health Care And Optometrists

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.83	0.85	0.86	0.87			
400	0.84	0.87	0.88	0.89			
500	0.85	0.89	0.90	0.91	0.92		
600	0.86	0.91	0.92	0.93	0.94		
750		0.93	0.94	0.95	0.96	0.97	
900		0.95	0.96	0.97	0.98	0.99	
1,000		0.96	0.97	0.98	0.99	1.00	1.01
1,500		0.97	0.98	0.99	1.00	1.01	1.02
2,000				1.00	1.01	1.02	1.03
2,500						1.03	1.04
3,000							1.05

The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.03			
2,000	1.04	1.05		
2,500	1.05	1.06	1.07	
3,000	1.06	1.07	1.08	1.09
4,000	1.07	1.08	1.09	1.10
5,000	1.08	1.09	1.10	1.11

Table 17.E.#7(RF) Veterinarians

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18. DEDUCTIBLES

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.006
3,000	0.009
4,000	0.012
5,000	0.015
10,000	0.027
15,000	0.039
20,000	0.049
25,000	0.059
50,000	0.104
75,000	0.141
100,000	0.172
150,000	0.225
200,000	0.268
250,000	0.302
500,000	0.419
750,000	0.491
1,000,000	0.540

Table 18.C.#1(RF) Hospitals

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Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.005
3,000	0.006
4,000	0.008
5,000	0.010
10,000	0.020
15,000	0.029
20,000	0.038
25,000	0.046
50,000	0.086
75,000	0.121
100,000	0.153
150,000	0.210
200,000	0.257
250,000	0.299
500,000	0.448
750,000	0.538
1,000,000	0.595

Table 18.C.#2(RF) Physicians

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.005
3,000	0.006
4,000	0.007

5,000	0.009
10,000	0.018
15,000	0.027
20,000	0.035
25,000	0.043
50,000	0.080
75,000	0.114
100,000	0.144
150,000	0.198
200,000	0.245
250,000	0.286
500,000	0.435
750,000	0.530
1,000,000	0.593

Table 18.C.#3(RF) Surgeons

Deductible Amount	Discount Factor
$ 250	0.002
500	0.005
750	0.007
1,000	0.009
2,000	0.018
3,000	0.026
4,000	0.034
5,000	0.041
10,000	0.073
15,000	0.100
20,000	0.123
25,000	0.144
50,000	0.221
75,000	0.275
100,000	0.314
150,000	0.367
200,000	0.401
250,000	0.423
500,000	0.480
750,000	0.505
1,000,000	0.518

Table 18.C.#4(RF) Dentists

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.008
3,000	0.012
4,000	0.015
5,000	0.019
10,000	0.035
15,000	0.051
20,000	0.065
25,000	0.079
50,000	0.139
75,000	0.188
100,000	0.229
150,000	0.293
200,000	0.341
250,000	0.381
500,000	0.510
750,000	0.580
1,000,000	0.620

Table 18.C.#5(RF) Allied Health Care

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Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.005
3,000	0.008
4,000	0.010
5,000	0.013
10,000	0.025
15,000	0.036
20,000	0.048
25,000	0.058
50,000	0.107
75,000	0.150
100,000	0.188
150,000	0.251
200,000	0.302
250,000	0.344
500,000	0.479
750,000	0.552
1,000,000	0.598

Table 18.C.#6(RF) Nursing Homes

Deductible Amount	Discount Factor
$ 250	0.034
500	0.065
750	0.092
1,000	0.117
2,000	0.191
3,000	0.239
4,000	0.270
5,000	0.292
10,000	0.342
15,000	0.370
20,000	0.392
25,000	0.409
50,000	0.469
75,000	0.497
100,000	0.510
150,000	0.522
200,000	0.525
250,000	0.528
500,000	0.539
750,000	0.547
1,000,000	0.554

Table 18.C.#7(RF) Veterinarians

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21. SPECIAL RULES APPLICABLE TO THE CLAIMS-MADE COVERAGE FORMS

Hospital, Blood Banks And Diagnostic Testing Laboratories Professional Liability Coverage												
Number Of Whole Years In Claims-made Program	Number Of Months In Claims-made Program											
	0	1	2	3	4	5	6	7	8	9	10	11
0	.35	.37	.39	.41	.43	.45	.47	.50	.52	.54	.56	.58
1	.60	.61	.62	.64	.65	.66	.67	.69	.70	.71	.72	.74
2	.75	.75	.76	.76	.77	.77	.77	.78	.78	.79	.79	.80
3	.80	.80	.81	.81	.82	.82	.82	.83	.83	.84	.84	.85
4	.85											

Table 21.C.#1(RF) Hospital, Blood Banks And Diagnostic Testing Laboratories

Physicians And Surgeons, Allied Health Care And Optometrists Professional Liability Coverage												
Number Of Whole Years In Claims-made Program	Number Of Months In Claims-made Program											
	0	1	2	3	4	5	6	7	8	9	10	11
0	.25	.27	.29	.31	.33	.35	.37	.40	.42	.44	.46	.48
1	.50	.52	.54	.56	.58	.60	.62	.65	.67	.69	.71	.73
2	.75	.75	.76	.76	.77	.77	.77	.78	.78	.79	.79	.80
3	.80	.80	.81	.81	.82	.82	.82	.83	.83	.84	.84	.85
4	.85											

Table 21.C.#2(RF)Physicians And Surgeons, Allied Health Care And Optometrists

Anesthesiologists, Neurosurgeons, Dentists And Veterinarians Professional Liability Coverage												
Number Of Whole Years In Claims-made Program	Number Of Months In Claims-made Program											
	0	1	2	3	4	5	6	7	8	9	10	11
0	.375	.39	.40	.41	.42	.43	.44	.45	.46	.47	.48	.49
1	.50	.52	.54	.56	.58	.60	.62	.65	.67	.69	.71	.73
2	.75	.75	.76	.76	.77	.77	.77	.78	.78	.79	.79	.80
3	.80	.80	.81	.81	.82	.82	.82	.82	.83	.83	.84	.85
4	.85											

Table 21.C.#3(RF) Anesthesiologists, Neurosurgeons, Dentists And Veterinarians

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SECTION III - CLASSIFICATIONS

33. CLASSIFICATION PROCEDURES

Factor
.35

Table 33.A.2.b.(RF) For Premium Computation Purposes

Factor
.75

Table 33.B.2.b.(RF) For Premium Computation Purposes

RATING RELATIVITIES AND FACTORS SUPPLEMENTAL TABLE(S)

Description	M.D. Code No.	D.O. Code No.	Factor
Employed Nurse Anesthetist	80452	84452	.10
Employed Physician And Surgeons	80177	84177	.25

Table #1(RF) Physicians And Surgeons - Additional Charges

RATING RELATIVITIES AND FACTORS

SECTION I - GENERAL RULES

SECTION I - GENERAL RULES

5. PREMIUM COMPUTATION

Term Of Policy	Term Factor
6 months	0.5
18 months	1.5
2 years	2.0
3 years	3.0

Table 5.A.1.(RF) Prepaid Policies

Factor
1.1

Table 5.A.2.(RF) Prepaid Policies

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11. POLICY CANCELLATIONS

Factor
.90

Table 11.B.(RF) Other Calculations

17. INCREASED LIMITS TABLES

Aggregate	Per Medical Incident $ 100	200	250	300	500	750	1,000
$ 300	0.58	0.67	0.70	0.71			
400	0.59	0.70	0.74	0.76			
500	0.60	0.72	0.76	0.80	0.85		
600	0.61	0.74	0.78	0.82	0.89		
750		0.76	0.80	0.84	0.93	0.96	
900		0.78	0.82	0.86	0.96	1.01	
1,000		0.79	0.83	0.87	0.97	1.03	1.07
1,500		0.80	0.84	0.88	1.00	1.10	1.16
2,000				0.89	1.01	1.12	1.20
2,500						1.13	1.21
3,000							1.22

The following factors MUST be referred to company before using.

Aggregate	Per Medical Incident $ 1,500	2,000	2,500	3,000
$ 1,500	1.22			
2,000	1.28	1.33		
2,500	1.32	1.38	1.42	
3,000	1.33	1.41	1.46	1.49
4,000	1.35	1.43	1.49	1.55
5,000	1.36	1.44	1.51	1.57

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Table 17.E.#1(RF) Convalescent Or Nursing Homes, Rehabilitation Hospitals And Skilled Nursing Facilities - Short Term

Aggregate	Per Medical Incident $ 100	200	250	300	500	750	1,000
$ 300	0.80	0.84	0.85	0.86			
400	0.81	0.86	0.87	0.88			
500	0.82	0.88	0.89	0.90	0.92		
600	0.83	0.90	0.91	0.92	0.94		
750		0.92	0.93	0.94	0.96	0.98	
900		0.94	0.95	0.96	0.98	1.00	

1,000	0.95	0.96	0.97	0.99	1.01	1.03
1,500	0.96	0.97	0.98	1.00	1.02	1.04
2,000			0.99	1.01	1.03	1.05
2,500					1.04	1.06
3,000						1.07

The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.06			
2,000	1.07	1.09		
2,500	1.08	1.10	1.11	
3,000	1.09	1.11	1.12	1.13
4,000	1.10	1.12	1.13	1.14
5,000	1.11	1.13	1.14	1.15

Table 17.E.#2(RF) Dentists

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.58	0.64	0.65	0.66			
400	0.59	0.68	0.70	0.71			
500	0.60	0.70	0.73	0.75	0.80		
600	0.61	0.72	0.76	0.78	0.84		
750		0.74	0.78	0.81	0.89	0.90	
900		0.76	0.80	0.83	0.93	0.96	
1,000		0.77	0.81	0.84	0.95	0.99	1.03
1,500		0.78	0.82	0.86	1.00	1.11	1.18
2,000				0.87	1.03	1.18	1.27
2,500						1.21	1.32
3,000							1.34

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The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.24			
2,000	1.37	1.42		
2,500	1.45	1.52	1.55	

3,000	1.50	1.59	1.64	1.67
4,000	1.55	1.67	1.74	1.80
5,000	1.57	1.70	1.79	1.86

Table 17.E.#3(RF) Hospitals

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.52	0.62	0.67	0.70			
400	0.53	0.64	0.69	0.73			
500	0.54	0.66	0.71	0.76	0.87		
600	0.55	0.68	0.73	0.78	0.90		
750		0.70	0.75	0.80	0.93	1.02	
900		0.72	0.77	0.82	0.96	1.07	
1,000		0.73	0.78	0.83	0.97	1.09	1.16
1,500		0.74	0.79	0.84	1.00	1.16	1.26
2,000				0.85	1.01	1.19	1.31
2,500						1.20	1.33
3,000							1.34

The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.38			
2,000	1.46	1.54		
2,500	1.50	1.60	1.66	
3,000	1.52	1.63	1.71	1.75
4,000	1.54	1.67	1.76	1.82
5,000	1.55	1.68	1.77	1.85

Table 17.E.#4(RF) Physicians

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.50	0.60	0.65	0.68			
400	0.51	0.62	0.67	0.72			
500	0.52	0.64	0.69	0.74	0.86		
600	0.53	0.66	0.71	0.76	0.89		

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750	0.68	0.73	0.78	0.93	1.02	
900	0.70	0.75	0.80	0.96	1.07	
1,000	0.71	0.76	0.81	0.97	1.09	1.18
1,500	0.72	0.77	0.82	1.00	1.18	1.29
2,000			0.83	1.01	1.21	1.34
2,500					1.22	1.37
3,000						1.38

The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.41			
2,000	1.50	1.58		
2,500	1.55	1.65	1.72	
3,000	1.58	1.70	1.78	1.83
4,000	1.60	1.74	1.84	1.91
5,000	1.61	1.75	1.86	1.95

Table 17.E.#5(RF) Surgeons

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.63	0.71	0.74	0.77			
400	0.64	0.73	0.76	0.79			
500	0.65	0.75	0.78	0.81	0.92		
600	0.66	0.77	0.80	0.83	0.94		
750		0.79	0.82	0.85	0.96	1.05	
900		0.81	0.84	0.87	0.98	1.08	
1,000		0.82	0.85	0.88	0.99	1.09	1.14
1,500		0.83	0.86	0.89	1.00	1.11	1.17
2,000				0.90	1.01	1.12	1.18
2,500						1.13	1.19
3,000							1.20

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The following factors MUST be referred to company before using.

	Per Medical Incident*			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.26			
2,000	1.27	1.33		

2,500	1.28	1.34	1.40	
3,000	1.29	1.35	1.41	1.45
4,000	1.30	1.36	1.42	1.46
5,000	1.31	1.37	1.43	1.47
* Per Optometric Incident for Optometrists				

Table 17.E.#6(RF) Allied Health Care And Optometrists

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.83	0.85	0.86	0.87			
400	0.84	0.87	0.88	0.89			
500	0.85	0.89	0.90	0.91	0.92		
600	0.86	0.91	0.92	0.93	0.94		
750		0.93	0.94	0.95	0.96	0.97	
900		0.95	0.96	0.97	0.98	0.99	
1,000		0.96	0.97	0.98	0.99	1.00	1.01
1,500		0.97	0.98	0.99	1.00	1.01	1.02
2,000				1.00	1.01	1.02	1.03
2,500						1.03	1.04
3,000							1.05

The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.03			
2,000	1.04	1.05		
2,500	1.05	1.06	1.07	
3,000	1.06	1.07	1.08	1.09
4,000	1.07	1.08	1.09	1.10
5,000	1.08	1.09	1.10	1.11

Table 17.E.#7(RF) Veterinarians

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18. DEDUCTIBLES

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.006
3,000	0.009
4,000	0.012
5,000	0.015
10,000	0.027
15,000	0.039
20,000	0.049
25,000	0.059
50,000	0.104
75,000	0.141
100,000	0.172
150,000	0.225
200,000	0.268
250,000	0.302
500,000	0.419
750,000	0.491
1,000,000	0.540

Table 18.C.#1(RF) Hospitals

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.005
3,000	0.006
4,000	0.008
5,000	0.010
10,000	0.020
15,000	0.029
20,000	0.038
25,000	0.046
50,000	0.086
75,000	0.121
100,000	0.153
150,000	0.210
200,000	0.257
250,000	0.299
500,000	0.448
750,000	0.538
1,000,000	0.595

Table 18.C.#2(RF) Physicians

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.005
3,000	0.006
4,000	0.007

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5,000	0.009
10,000	0.018
15,000	0.027
20,000	0.035
25,000	0.043
50,000	0.080
75,000	0.114
100,000	0.144
150,000	0.198
200,000	0.245
250,000	0.286
500,000	0.435
750,000	0.530
1,000,000	0.593

Table 18.C.#3(RF) Surgeons

Deductible Amount	Discount Factor
$ 250	0.002
500	0.005
750	0.007
1,000	0.009
2,000	0.018
3,000	0.026
4,000	0.034
5,000	0.041
10,000	0.073
15,000	0.100
20,000	0.123
25,000	0.144
50,000	0.221
75,000	0.275
100,000	0.314
150,000	0.367
200,000	0.401
250,000	0.423
500,000	0.480
750,000	0.505
1,000,000	0.518

Table 18.C.#4(RF) Dentists

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.008
3,000	0.012
4,000	0.015
5,000	0.019
10,000	0.035
15,000	0.051
20,000	0.065
25,000	0.079
50,000	0.139
75,000	0.188
100,000	0.229
150,000	0.293
200,000	0.341
250,000	0.381
500,000	0.510
750,000	0.580
1,000,000	0.620

Table 18.C.#5(RF) Allied Health Care

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Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.005
3,000	0.008
4,000	0.010
5,000	0.013
10,000	0.025
15,000	0.036
20,000	0.048
25,000	0.058
50,000	0.107
75,000	0.150
100,000	0.188
150,000	0.251
200,000	0.302
250,000	0.344
500,000	0.479
750,000	0.552
1,000,000	0.598

Table 18.C.#6(RF) Nursing Homes

Deductible Amount	Discount Factor
$ 250	0.034
500	0.065
750	0.092
1,000	0.117
2,000	0.191
3,000	0.239
4,000	0.270
5,000	0.292
10,000	0.342
15,000	0.370
20,000	0.392
25,000	0.409
50,000	0.469
75,000	0.497
100,000	0.510
150,000	0.522
200,000	0.525
250,000	0.528
500,000	0.539
750,000	0.547
1,000,000	0.554

Table 18.C.#7(RF) Veterinarians

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21. SPECIAL RULES APPLICABLE TO THE CLAIMS-MADE COVERAGE FORMS

Hospital, Blood Banks And Diagnostic Testing Laboratories Professional Liability Coverage												
Number Of Whole Years In Claims-made Program	Number Of Months In Claims-made Program											
	0	1	2	3	4	5	6	7	8	9	10	11
0	.35	.37	.39	.41	.43	.45	.47	.50	.52	.54	.56	.58
1	.60	.61	.62	.64	.65	.66	.67	.69	.70	.71	.72	.74
2	.75	.75	.76	.76	.77	.77	.77	.78	.78	.79	.79	.80
3	.80	.80	.81	.81	.82	.82	.82	.83	.83	.84	.84	.85
4	.85											

Table 21.C.#1(RF) Hospital, Blood Banks And Diagnostic Testing Laboratories

Physicians And Surgeons, Allied Health Care And Optometrists Professional Liability Coverage												
Number Of Whole Years In Claims-made Program	Number Of Months In Claims-made Program											
	0	1	2	3	4	5	6	7	8	9	10	11
0	.25	.27	.29	.31	.33	.35	.37	.40	.42	.44	.46	.48
1	.50	.52	.54	.56	.58	.60	.62	.65	.67	.69	.71	.73
2	.75	.75	.76	.76	.77	.77	.77	.78	.78	.79	.79	.80
3	.80	.80	.81	.81	.82	.82	.82	.83	.83	.84	.84	.85
4	.85											

Table 21.C.#2(RF)Physicians And Surgeons, Allied Health Care And Optometrists

Anesthesiologists, Neurosurgeons, Dentists And Veterinarians Professional Liability Coverage												
Number Of Whole Years In Claims-made Program	Number Of Months In Claims-made Program											
	0	1	2	3	4	5	6	7	8	9	10	11
0	.375	.39	.40	.41	.42	.43	.44	.45	.46	.47	.48	.49
1	.50	.52	.54	.56	.58	.60	.62	.65	.67	.69	.71	.73
2	.75	.75	.76	.76	.77	.77	.77	.78	.78	.79	.79	.80
3	.80	.80	.81	.81	.82	.82	.82	.82	.83	.83	.84	.85
4	.85											

Table 21.C.#3(RF) Anesthesiologists, Neurosurgeons, Dentists And Veterinarians

SECTION III - CLASSIFICATIONS

33. CLASSIFICATION PROCEDURES

Factor
.35

Table 33.A.2.b.(RF) For Premium Computation Purposes

Factor
.75

Table 33.B.2.b.(RF) For Premium Computation Purposes

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SECTION I - GENERAL RULES

5. PREMIUM COMPUTATION

Term Of Policy	Term Factor
6 months	0.5
18 months	1.5
2 years	2.0
3 years	3.0

Table 5.A.1.(RF) Prepaid Policies

Factor
1.1

Table 5.A.2.(RF) Prepaid Policies

11. POLICY CANCELLATIONS

Factor
.90

Table 11.B.(RF) Other Calculations

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17. INCREASED LIMITS TABLES

Aggregate	Per Medical Incident $ 100	200	250	300	500	750	1,000
$ 300	0.58	0.67	0.70	0.71			
400	0.59	0.70	0.74	0.76			
500	0.60	0.72	0.76	0.80	0.85		
600	0.61	0.74	0.78	0.82	0.89		
750		0.76	0.80	0.84	0.93	0.96	
900		0.78	0.82	0.86	0.96	1.01	
1,000		0.79	0.83	0.87	0.97	1.03	1.07
1,500		0.80	0.84	0.88	1.00	1.10	1.16
2,000				0.89	1.01	1.12	1.20
2,500						1.13	1.21
3,000							1.22

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The following factors MUST be referred to company before using.

Aggregate	Per Medical Incident $ 1,500	2,000	2,500	3,000
$ 1,500	1.22			
2,000	1.28	1.33		
2,500	1.32	1.38	1.42	
3,000	1.33	1.41	1.46	1.49
4,000	1.35	1.43	1.49	1.55
5,000	1.36	1.44	1.51	1.57

Table 17.E.#1(RF) Convalescent Or Nursing Homes, Rehabilitation Hospitals And Skilled Nursing Facilities - Short Term

Aggregate	Per Medical Incident $ 100	200	250	300	500	750	1,000
$ 300	0.80	0.84	0.85	0.86			
400	0.81	0.86	0.87	0.88			
500	0.82	0.88	0.89	0.90	0.92		
600	0.83	0.90	0.91	0.92	0.94		
750		0.92	0.93	0.94	0.96	0.98	
900		0.94	0.95	0.96	0.98	1.00	

1,000	0.95	0.96	0.97	0.99	1.01	1.03
1,500	0.96	0.97	0.98	1.00	1.02	1.04
2,000			0.99	1.01	1.03	1.05
2,500					1.04	1.06
3,000						1.07

The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.06			
2,000	1.07	1.09		
2,500	1.08	1.10	1.11	
3,000	1.09	1.11	1.12	1.13
4,000	1.10	1.12	1.13	1.14
5,000	1.11	1.13	1.14	1.15

Table 17.E.#2(RF) Dentists

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.58	0.64	0.65	0.66			
400	0.59	0.68	0.70	0.71			
500	0.60	0.70	0.73	0.75	0.80		
600	0.61	0.72	0.76	0.78	0.84		
750		0.74	0.78	0.81	0.89	0.90	
900		0.76	0.80	0.83	0.93	0.96	
1,000		0.77	0.81	0.84	0.95	0.99	1.03
1,500		0.78	0.82	0.86	1.00	1.11	1.18
2,000				0.87	1.03	1.18	1.27
2,500						1.21	1.32
3,000							1.34

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The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.24			
2,000	1.37	1.42		
2,500	1.45	1.52	1.55	

3,000	1.50	1.59	1.64	1.67
4,000	1.55	1.67	1.74	1.80
5,000	1.57	1.70	1.79	1.86

Table 17.E.#3(RF) Hospitals

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.52	0.62	0.67	0.70			
400	0.53	0.64	0.69	0.73			
500	0.54	0.66	0.71	0.76	0.87		
600	0.55	0.68	0.73	0.78	0.90		
750		0.70	0.75	0.80	0.93	1.02	
900		0.72	0.77	0.82	0.96	1.07	
1,000		0.73	0.78	0.83	0.97	1.09	1.16
1,500		0.74	0.79	0.84	1.00	1.16	1.26
2,000				0.85	1.01	1.19	1.31
2,500						1.20	1.33
3,000							1.34

The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.38			
2,000	1.46	1.54		
2,500	1.50	1.60	1.66	
3,000	1.52	1.63	1.71	1.75
4,000	1.54	1.67	1.76	1.82
5,000	1.55	1.68	1.77	1.85

Table 17.E.#4(RF) Physicians

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.50	0.60	0.65	0.68			
400	0.51	0.62	0.67	0.72			
500	0.52	0.64	0.69	0.74	0.86		
600	0.53	0.66	0.71	0.76	0.89		

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750	0.68	0.73	0.78	0.93	1.02	
900	0.70	0.75	0.80	0.96	1.07	
1,000	0.71	0.76	0.81	0.97	1.09	1.18
1,500	0.72	0.77	0.82	1.00	1.18	1.29
2,000			0.83	1.01	1.21	1.34
2,500					1.22	1.37
3,000						1.38

The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.41			
2,000	1.50	1.58		
2,500	1.55	1.65	1.72	
3,000	1.58	1.70	1.78	1.83
4,000	1.60	1.74	1.84	1.91
5,000	1.61	1.75	1.86	1.95

Table 17.E.#5(RF) Surgeons

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.63	0.71	0.74	0.77			
400	0.64	0.73	0.76	0.79			
500	0.65	0.75	0.78	0.81	0.92		
600	0.66	0.77	0.80	0.83	0.94		
750		0.79	0.82	0.85	0.96	1.05	
900		0.81	0.84	0.87	0.98	1.08	
1,000		0.82	0.85	0.88	0.99	1.09	1.14
1,500		0.83	0.86	0.89	1.00	1.11	1.17
2,000				0.90	1.01	1.12	1.18
2,500						1.13	1.19
3,000							1.20

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The following factors MUST be referred to company before using.

	Per Medical Incident*			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.26			
2,000	1.27	1.33		

2,500	1.28	1.34	1.40	
3,000	1.29	1.35	1.41	1.45
4,000	1.30	1.36	1.42	1.46
5,000	1.31	1.37	1.43	1.47
* Per Optometric Incident for Optometrists				

Table 17.E.#6(RF) Allied Health Care And Optometrists

	Per Medical Incident						
Aggregate	**$ 100**	**200**	**250**	**300**	**500**	**750**	**1,000**
$ 300	0.83	0.85	0.86	0.87			
400	0.84	0.87	0.88	0.89			
500	0.85	0.89	0.90	0.91	0.92		
600	0.86	0.91	0.92	0.93	0.94		
750		0.93	0.94	0.95	0.96	0.97	
900		0.95	0.96	0.97	0.98	0.99	
1,000		0.96	0.97	0.98	0.99	1.00	1.01
1,500		0.97	0.98	0.99	1.00	1.01	1.02
2,000				1.00	1.01	1.02	1.03
2,500						1.03	1.04
3,000							1.05

The following factors MUST be referred to company before using.

	Per Medical Incident			
Aggregate	**$ 1,500**	**2,000**	**2,500**	**3,000**
$ 1,500	1.03			
2,000	1.04	1.05		
2,500	1.05	1.06	1.07	
3,000	1.06	1.07	1.08	1.09
4,000	1.07	1.08	1.09	1.10
5,000	1.08	1.09	1.10	1.11

Table 17.E.#7(RF) Veterinarians

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18. DEDUCTIBLES

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.006
3,000	0.009
4,000	0.012
5,000	0.015
10,000	0.027
15,000	0.039
20,000	0.049
25,000	0.059
50,000	0.104
75,000	0.141
100,000	0.172
150,000	0.225
200,000	0.268
250,000	0.302
500,000	0.419
750,000	0.491
1,000,000	0.540

Table 18.C.#1(RF) Hospitals

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.005
3,000	0.006
4,000	0.008
5,000	0.010
10,000	0.020
15,000	0.029
20,000	0.038
25,000	0.046
50,000	0.086
75,000	0.121
100,000	0.153
150,000	0.210
200,000	0.257
250,000	0.299
500,000	0.448
750,000	0.538
1,000,000	0.595

Table 18.C.#2(RF) Physicians

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.005
3,000	0.006
4,000	0.007

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5,000	0.009
10,000	0.018
15,000	0.027
20,000	0.035
25,000	0.043
50,000	0.080
75,000	0.114
100,000	0.144
150,000	0.198
200,000	0.245
250,000	0.286
500,000	0.435
750,000	0.530
1,000,000	0.593

Table 18.C.#3(RF) Surgeons

Deductible Amount	Discount Factor
$ 250	0.002
500	0.005
750	0.007
1,000	0.009
2,000	0.018
3,000	0.026
4,000	0.034
5,000	0.041
10,000	0.073
15,000	0.100
20,000	0.123
25,000	0.144
50,000	0.221
75,000	0.275
100,000	0.314
150,000	0.367
200,000	0.401
250,000	0.423
500,000	0.480
750,000	0.505
1,000,000	0.518

Table 18.C.#4(RF) Dentists

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.008
3,000	0.012
4,000	0.015
5,000	0.019
10,000	0.035
15,000	0.051
20,000	0.065
25,000	0.079
50,000	0.139
75,000	0.188
100,000	0.229
150,000	0.293
200,000	0.341
250,000	0.381
500,000	0.510
750,000	0.580
1,000,000	0.620

Table 18.C.#5(RF) Allied Health Care

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Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.005
3,000	0.008
4,000	0.010
5,000	0.013
10,000	0.025
15,000	0.036
20,000	0.048
25,000	0.058
50,000	0.107
75,000	0.150
100,000	0.188
150,000	0.251
200,000	0.302
250,000	0.344
500,000	0.479
750,000	0.552
1,000,000	0.598

Table 18.C.#6(RF) Nursing Homes

Deductible Amount	Discount Factor
$ 250	0.034
500	0.065
750	0.092
1,000	0.117
2,000	0.191
3,000	0.239
4,000	0.270
5,000	0.292
10,000	0.342
15,000	0.370
20,000	0.392
25,000	0.409
50,000	0.469
75,000	0.497
100,000	0.510
150,000	0.522
200,000	0.525
250,000	0.528
500,000	0.539
750,000	0.547
1,000,000	0.554

Table 18.C.#7(RF) Veterinarians

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21. SPECIAL RULES APPLICABLE TO THE CLAIMS-MADE COVERAGE FORMS

Hospital, Blood Banks And Diagnostic Testing Laboratories Professional Liability Coverage												
Number Of Whole Years In Claims-made Program	Number Of Months In Claims-made Program											
	0	1	2	3	4	5	6	7	8	9	10	11
0	.35	.37	.39	.41	.43	.45	.47	.50	.52	.54	.56	.58
1	.60	.61	.62	.64	.65	.66	.67	.69	.70	.71	.72	.74
2	.75	.75	.76	.76	.77	.77	.77	.78	.78	.79	.79	.80
3	.80	.80	.81	.81	.82	.82	.82	.83	.83	.84	.84	.85
4	.85											

Table 21.C.#1(RF) Hospital, Blood Banks And Diagnostic Testing Laboratories

Physicians And Surgeons, Allied Health Care And Optometrists Professional Liability Coverage												
Number Of Whole Years In Claims-made Program	Number Of Months In Claims-made Program											
	0	1	2	3	4	5	6	7	8	9	10	11
0	.25	.27	.29	.31	.33	.35	.37	.40	.42	.44	.46	.48
1	.50	.52	.54	.56	.58	.60	.62	.65	.67	.69	.71	.73
2	.75	.75	.76	.76	.77	.77	.77	.78	.78	.79	.79	.80
3	.80	.80	.81	.81	.82	.82	.82	.83	.83	.84	.84	.85
4	.85											

Table 21.C.#2(RF)Physicians And Surgeons, Allied Health Care And Optometrists

Anesthesiologists, Neurosurgeons, Dentists And Veterinarians Professional Liability Coverage												
Number Of Whole Years In Claims-made Program	Number Of Months In Claims-made Program											
	0	1	2	3	4	5	6	7	8	9	10	11
0	.375	.39	.40	.41	.42	.43	.44	.45	.46	.47	.48	.49
1	.50	.52	.54	.56	.58	.60	.62	.65	.67	.69	.71	.73
2	.75	.75	.76	.76	.77	.77	.77	.78	.78	.79	.79	.80
3	.80	.80	.81	.81	.82	.82	.82	.82	.83	.83	.84	.85
4	.85											

Table 21.C.#3(RF) Anesthesiologists, Neurosurgeons, Dentists And Veterinarians

SECTION III - CLASSIFICATIONS

33. CLASSIFICATION PROCEDURES

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Factor
.35

Table 33.A.2.b.(RF) For Premium Computation Purposes

Factor
.75

Table 33.B.2.b.(RF) For Premium Computation Purposes

RATING RELATIVITIES AND FACTORS

RATING RELATIVITIES AND FACTORS SUPPLEMENTAL TABLE(S)

Description	M.D. Code No.	D.O. Code No.	Factor
Employed Nurse Anesthetist	80452	84452	.10
Employed Physician And Surgeons	80177	84177	.25

Table #1(RF) Physicians And Surgeons - Additional Charges

RATING RELATIVITIES AND FACTORS

SECTION I - GENERAL RULES

SECTION I - GENERAL RULES

5. PREMIUM COMPUTATION

Term Of Policy	Term Factor
6 months	0.5
18 months	1.5
2 years	2.0
3 years	3.0

Table 5.A.1.(RF) Prepaid Policies

Factor
1.1

Table 5.A.2.(RF) Prepaid Policies

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11. POLICY CANCELLATIONS

Factor
.90

Table 11.B.(RF) Other Calculations

18. DEDUCTIBLES

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.006
3,000	0.009
4,000	0.012
5,000	0.015
10,000	0.027
15,000	0.039
20,000	0.049
25,000	0.059
50,000	0.104
75,000	0.141
100,000	0.172
150,000	0.225
200,000	0.268
250,000	0.302
500,000	0.419
750,000	0.491
1,000,000	0.540

Table 18.C.#1(RF) Hospitals

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.005
3,000	0.006
4,000	0.008
5,000	0.010
10,000	0.020
15,000	0.029
20,000	0.038
25,000	0.046
50,000	0.086
75,000	0.121
100,000	0.153
150,000	0.210
200,000	0.257
250,000	0.299
500,000	0.448
750,000	0.538
1,000,000	0.595

Table 18.C.#2(RF) Physicians

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.005
3,000	0.006
4,000	0.007

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5,000	0.009
10,000	0.018
15,000	0.027
20,000	0.035
25,000	0.043
50,000	0.080
75,000	0.114
100,000	0.144
150,000	0.198
200,000	0.245
250,000	0.286
500,000	0.435
750,000	0.530
1,000,000	0.593

Table 18.C.#3(RF) Surgeons

Deductible Amount	Discount Factor
$ 250	0.002
500	0.005
750	0.007
1,000	0.009
2,000	0.018
3,000	0.026
4,000	0.034
5,000	0.041
10,000	0.073
15,000	0.100
20,000	0.123
25,000	0.144
50,000	0.221
75,000	0.275
100,000	0.314
150,000	0.367
200,000	0.401
250,000	0.423
500,000	0.480
750,000	0.505
1,000,000	0.518

Table 18.C.#4(RF) Dentists

Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.008
3,000	0.012
4,000	0.015
5,000	0.019
10,000	0.035
15,000	0.051
20,000	0.065
25,000	0.079
50,000	0.139
75,000	0.188
100,000	0.229
150,000	0.293
200,000	0.341
250,000	0.381
500,000	0.510
750,000	0.580
1,000,000	0.620

Table 18.C.#5(RF) Allied Health Care

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Deductible Amount	Discount Factor
$ 250	0.001
500	0.002
750	0.003
1,000	0.004
2,000	0.005
3,000	0.008
4,000	0.010
5,000	0.013
10,000	0.025
15,000	0.036
20,000	0.048
25,000	0.058
50,000	0.107
75,000	0.150
100,000	0.188
150,000	0.251
200,000	0.302
250,000	0.344
500,000	0.479
750,000	0.552
1,000,000	0.598

Table 18.C.#6(RF) Nursing Homes

Deductible Amount	Discount Factor
$ 250	0.034
500	0.065
750	0.092
1,000	0.117
2,000	0.191
3,000	0.239
4,000	0.270
5,000	0.292
10,000	0.342
15,000	0.370
20,000	0.392
25,000	0.409
50,000	0.469
75,000	0.497
100,000	0.510
150,000	0.522
200,000	0.525
250,000	0.528
500,000	0.539
750,000	0.547
1,000,000	0.554

Table 18.C.#7(RF) Veterinarians

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21. SPECIAL RULES APPLICABLE TO THE CLAIMS-MADE COVERAGE FORMS

Hospital, Blood Banks And Diagnostic Testing Laboratories Professional Liability Coverage												
Number Of Whole Years In Claims-made Program	Number Of Months In Claims-made Program											
	0	1	2	3	4	5	6	7	8	9	10	11
0	.35	.37	.39	.41	.43	.45	.47	.50	.52	.54	.56	.58
1	.60	.61	.62	.64	.65	.66	.67	.69	.70	.71	.72	.74
2	.75	.75	.76	.76	.77	.77	.77	.78	.78	.79	.79	.80
3	.80	.80	.81	.81	.82	.82	.82	.83	.83	.84	.84	.85
4	.85											

Table 21.C.#1(RF) Hospital, Blood Banks And Diagnostic Testing Laboratories

Physicians And Surgeons, Allied Health Care And Optometrists Professional Liability Coverage												
Number Of Whole Years In Claims-made Program	Number Of Months In Claims-made Program											
	0	1	2	3	4	5	6	7	8	9	10	11
0	.25	.27	.29	.31	.33	.35	.37	.40	.42	.44	.46	.48
1	.50	.52	.54	.56	.58	.60	.62	.65	.67	.69	.71	.73
2	.75	.75	.76	.76	.77	.77	.77	.78	.78	.79	.79	.80
3	.80	.80	.81	.81	.82	.82	.82	.83	.83	.84	.84	.85
4	.85											

Table 21.C.#2(RF)Physicians And Surgeons, Allied Health Care And Optometrists

Anesthesiologists, Neurosurgeons, Dentists And Veterinarians Professional Liability Coverage												
Number Of Whole Years In Claims-made Program	Number Of Months In Claims-made Program											
	0	1	2	3	4	5	6	7	8	9	10	11
0	.375	.39	.40	.41	.42	.43	.44	.45	.46	.47	.48	.49
1	.50	.52	.54	.56	.58	.60	.62	.65	.67	.69	.71	.73
2	.75	.75	.76	.76	.77	.77	.77	.78	.78	.79	.79	.80
3	.80	.80	.81	.81	.82	.82	.82	.82	.83	.83	.84	.85
4	.85											

Table 21.C.#3(RF) Anesthesiologists, Neurosurgeons, Dentists And Veterinarians

SECTION III - CLASSIFICATIONS

33. CLASSIFICATION PROCEDURES

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Factor
.35

Table 33.A.2.b.(RF) For Premium Computation Purposes

Factor
.75

Table 33.B.2.b.(RF) For Premium Computation Purposes

CLASSIFICATION TABLE

INTRODUCTION

A. Introduction

This section contains an alphabetical listing of classification and rating information for Division Seven - Medical Professional Liability. The classification listing has been divided into four tables for:

1. Hospitals
2. Physicians And Surgeons
3. Dentists
4. Miscellaneous Medical Professionals

B. Explanation Of Classification System

The purpose of the classification system is to group insureds into classifications so that the rate for each classification reflects the hazards common to those insureds.

The classification system used in this manual basically reflects the grouping methods adopted by the involved medical professional associations (e.g., the American Hospital Association, American Board of Medical Specialties) for their statistical gathering purposes. However, this classification system may not necessarily be identical to those utilized by different medical professional associations.

BASES OF PREMIUM

The exposure base used for determining the premium charge for each classification is indicated in the specific classification. The definitions of the bases of premium are as follows:

A. Beds

The daily average number of beds, cribs and bassinets occupied during the policy period.

The rates apply per bed.

B. Donations

The total of all blood donations administered by the named insured during the policy period.

The rates apply per donation.

C. Outpatient Visits

The total number of visits made during the policy period by patients who do not receive bed and board service.

The rates apply per 100 outpatient visits.

D. Person

Each individual who is being insured.

The rates apply per person.

DEFINITIONS, ABBREVIATIONS AND SYMBOLS

A. Premium Bases

The following premium bases are used with the classifications in this manual:

Symbol	Description
o	Outpatient Visits
b	Beds
d	Donations
r	Person
t	See classification notes

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B. NOC

"NOC" means Not Otherwise Classified. A classification designated "NOC" shall apply only if no other classification more specifically describes the insured's business.

C. Notes

The last column in the Classification Tables, "Notes For Company Use", may be used by companies for additional information.

D. Including

If a classification contains the descriptive phrase "including...", the operations which are so designated shall not be assigned to a separate classification even though such operations are described by another classification or are at a

separate location.

E. D.O.

D.O. means Doctor of Osteopathy.

F. For-profit Hospital, Institution Or Clinic

For-profit Hospital, Institution or Clinic means one which is neither a "Governmental Hospital, Institution or Clinic" nor a "Not-for-profit Hospital, Institution or Clinic", as defined in this section.

G. Major Surgery

Major Surgery means:

a. Performing major surgery; or

b. Assisting in major surgery on patients other than the insured's.

Tonsillectomies, adenoidectomies and cesarean sections are major surgery.

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H. M.D.

M.D. means Medical Doctor.

I. Minor Surgery

Minor Surgery means:

a. Performing minor surgery (including obstetrical procedures which are not major surgery);

b. Assisting in major surgery on the insured's patients.

J. No Surgery

No Surgery means neither performing surgery nor 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 incision are not surgery.

K. Not-for-profit Hospital, Institution Or Clinic

Not-for-profit Hospital, Institution or Clinic means one which is not operated by a governmental unit and the net earnings of which do not inure to the benefit of any private individual.

L. Teaching Physician Or Surgeon

Teaching Physician or Surgeon means one who teaches on a full-time basis and has no private practice.

DEFINITIONS OF MEDICAL AND SURGICAL/DENTAL TERMINOLOGY

A. Medical And Surgical Specialties Glossary

1. Aerospace Medicine means the branch of medicine which deals with physiological, medical, psychological and epidemiological (i.e., disease-related) problems in present day air and space travel.
2. Allergy means 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.
3. Anesthesiology means the branch of medicine specializing in anesthesia - the abolition of sensation or the rendering unconscious by artificial means.
4. Broncho-esophagology means 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).
5. Cardiovascular Disease means any disease pertaining to the heart and blood vessels.
6. Critical Care Medicine means the branch of medicine which provides around-the-clock monitoring and treatment of life-endangered patients by highly-trained physicians and nurses in emergency departments and special care units.
7. Dermatology means the branch of medicine that deals with diagnosis and treatment of diseases of the skin.
8. Diabetes means the branch of medicine that deals with a disease associated with deficient insulin secretion.
9. Endocrinology means the branch of medicine that deals with the endocrine (ductless) glands (e.g., thyroid) and the various internal secretions.
10. Forensic Medicine, refer to Legal Medicine.
11. Gastroenterology means the branch of medicine that deals with the anatomy, physiology and pathology of the stomach and intestines.
12. General Preventive Medicine means the branch of medicine which aims at the prevention of disease.
13. Geriatrics means the branch of medicine that deals with the structural changes, physiology, diseases and hygiene of old age.
14. Gynecology means the branch of medicine that deals with the functions and diseases peculiar to women.
15. Hematology means the branch of medicine that deals with the blood and its diseases.
16. Hospitalist is a hospital-based general physician who manages the care of hospital patients in place of the patients' primary care physicians.

17. Hypnosis means a trance-like condition that can be artificially induced, characterized by an altered consciousness, diminished will power, and an increased responsiveness to suggestion.
18. Infectious Diseases means 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.
19. Internal Medicine means the branch of medicine that is concerned with the diagnosis, prevention and treatment of disease in adults.
20. Laryngology means the branch of medicine that deals with the larynx (throat part, vocal cords), its functions and its pathology.
21. Legal Medicine means the application of medical principles in law (also called Forensic Medicine).
22. Manipulation means the 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 (in hernia), etc.
23. Medical Technologist is a laboratory professional who performs clinical laboratory analysis as well as fine line discrimination and the correction of errors.
24. Neoplastic Diseases means any diseases that are concerned with any new and abnormal growth, such as a tumor.
25. Nephrology means the branch of medicine that deals with the kidney and its diseases.
26. Neurology means the branch of medicine that deals with the nervous system and its disorders.
27. Nuclear Medicine means the branch of medicine that deals with diagnostic, therapeutic and investigative use of radioactive materials or radiopharmaceuticals.
28. Nurse Practitioner is a registered nurse with advanced training who is qualified to assume some of the duties and responsibilities of a physician.
29. Nutrition means the branch of medicine that deals with the act or process of nourishing or taking nourishment, especially the processes by which the food is assimilated.
30. Obstetrics means the branch of medicine that deals with pregnancy and childbirth.
31. Occupational Medicine means the branch of medicine that deals with treatment of work-related illnesses and injuries.
32. Oncology means the branch of medicine that deals with the study of tumors.
33. Ophthalmology means the branch of medicine that deals with the structure, functions and diseases of the eye.
34. Orthotics means the branch of medicine dealing with the support and bracing of ineffective or weak joints and muscles.
35. Otology means the branch of medicine that deals with the ear.
36. Otorhinolaryngology means the branch of medicine that treats the ear, nose and throat.
37. Pathology means the branch of medicine that deals with the origin, nature, causes and development of diseases.
38. Pediatrics means the branch of medicine that deals with the diseases and hygienic care of children.
39. Pharmacology, Clinical means the branch of medicine concerned with the nature, preparation, administration and effects of drugs.
40. Physiatry means the practice of Physical Medicine.
41. Physical Medicine means a consultative, diagnostic and 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.
42. Preventive Medicine means the branch of medicine dealing with the prevention of disease.
43. Psychiatry means the branch of medicine that deals with the diagnosis, treatment and prevention of mental disorders.
44. Psychoanalysis means a system used in the investigation of the human mind and the treatment of mental disorders.
45. Psychosomatic Medicine means the branch of medicine that investigates the reciprocal influences of body and mind in the cause, prevention, treatment and cure of disease.
46. Public Health means the branch of medicine that deals with the protection and improvement of community health by organized community effort.
47. Pulmonary Diseases means any diseases that are affecting the lungs.
48. Radiology means the branch of medicine that relates to radiant energy and its application, especially in the diagnosis and treatment of disease.
49. Rheumatology means the branch of medicine that treats rheumatism, a disease marked by the inflammation of the connective tissue structures of the body, especially the muscles and joints.
50. Rhinology means the branch of medicine that relates to the nose and its diseases.

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51. Roentgenology, refer to Radiology.
52. Sclerosant means a medicinal substance which induces inflammation in a tissue and a subsequent hardening or shrinkage. It is often used, by injection, in the treatment of varicose veins.
53. Sclerotherapy means the use of a chemical irritant (a sclerosant) to produce a hardening of a structure, as by injecting it into a varicose vein. See under sclerosant.
54. Sports Medicine means the branch of medicine dealing with the prevention and treatment of injuries and diseases related to participation in sports.
55. Surgery, Cardiovascular means surgery pertaining to the heart and blood vessels.
56. Surgery, Neurological means surgery pertaining to the nervous system.
57. Surgery, Orthopaedic means the branch of surgery concerned with the preservation and restoration of the function of the skeletal system.
58. Surgery, Plastic means surgery concerned with the restoration or reconstruction of body structures that are defective or damaged by injury or disease.
59. Surgery, Thoracic means surgery pertaining to the chest.
60. Surgery, Traumatic means surgery pertaining to trauma - a wound or injury.
61. Surgery, Urological means surgery pertaining to the urinary tract of both male and female and the genital organs of the male.
62. Surgery, Vascular means surgery of the blood vessels within the limbs of the body, or the trunk, neck, abdomen or head.
63. Urology is the branch of medicine dealing with the urinary or urogenital organs.

B. Medical And Surgical Procedures Glossary

1. Acupuncture means puncture of the skin with long, fine needles to cure disease or relieve pain.
2. Angiography means the injection of radiopaque dye into a blood vessel (artery or vein), with or without catheterization, for the purpose of radiological study of the vessel or its branches.
3. Arteriography means X-ray studies of arterial circulation following injection of radiopaque material into the blood stream.
4. Catheterization, Cardiac means passage of a small catheter (tubular instrument) into a vein in the arm and through the blood vessels into the heart, permitting the securing of blood samples, determination of intracardiac pressure, and detection of cardiac anomalies (irregularities).
5. Catheterization means the employment or passage of a catheter.
6. Cryosurgery means surgery that uses liquid nitrogen or carbon dioxide to freeze and destroy abnormal tissue.
7. Discograms means a radiological film of an intervertebral disk.
8. Endoscopy means the inspection of cavities of the body by use of the endoscope.
9. Inhalation Therapy is the therapeutic use of inhaled gases.
10. Laparoscopy (Peritonescopy) means a method of examining the peritoneal cavity by means of a peritonescope.
11. Lasers means an operating assembly used to emit a powerful, highly directional and coherent (nonspreading), monochromatic beam of light which has been used as a surgical tool and in research.
12. Lymphangiography means radiological visualization of lymphatic vessels (absorbitant vessels which drain tissue fluid from various body tissues and return it to the blood) following injection of a contrast medium.
13. Major Surgery includes operations in or upon any body cavity, including, but not limited to, the cranium, thorax, abdomen or pelvis; any other operation which, because of the condition of the patient or the length or circumstances of the operation presents a distinct hazard to life. It also includes: removal of tumors, bone fractures, amputations, the removal of any gland or organ and plastic surgery.
14. Minor Surgery means a surgical procedure of slight extent and not hazardous to life.
15. Myelography means radiological visualization of the spinal cord after injection of a contrast medium.
16. Needle Biopsy means biopsy in which the tissue or fluid gathering procedure is accomplished through the use of a syringe.
17. Phlebography means radiological visualization of veins following injection of a contrast medium.
18. Pneumoencephalography means X-ray studies of the head following injection of air or gas into the spinal canal following removal of some spinal fluid.
19. Radiation Therapy means the treatment of disease with any type of radiation, most commonly with ionizing radiation, including the use of roentgen rays, radium or other radioactive substances.
20. Radiopaque means not permitting the passage of radiant energy such as X-rays. Radiopaque substances, frequently called "contrast media", are introduced to part of a patient's body to be studied by X-ray. X-rays will not penetrate the radiopaque substance which causes the part to be studied to show white on an exposed X-ray film.
21. Shock Therapy means the treatment of certain psychotic disorders by the injection of drugs, or by electrical

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shocks, both methods inducing coma, with or without convulsions.

C. Special Areas Of Dental Practice

The American Dental Association Council on Dental Education recognizes the following areas of dental practice.

1. Dental Public Health is the prevention and control of dental diseases and promotion of dental health through organized community efforts.
2. Endodontics is the area of dentistry concerned with the morphology, physiology and pathology of the human dental pulp and periradicular tissues.
3. Oral and Maxillofacial Pathology is the area of dentistry concerned with the nature, identification and management of diseases affecting the oral and maxillofacial regions.
4. Oral and Maxillofacial Radiology is the specialty of dentistry and discipline of radiology concerned with the production and interpretation of images and data produced by all modalities of radiant energy that are used for the diagnosis and management of diseases, disorders and conditions of the oral and maxillofacial region.
5. Oral and Maxillofacial Surgery is a specialty of dentistry which includes diagnosis, surgical and adjunctive treatment of diseases, injuries and defects involving both the functional and esthetic aspects of the hard and soft tissues of the oral and maxillofacial region.
6. Orthodontics and Dentofacial Orthopedics is the area of dentistry concerned with the supervision, guidance and correction of the growing or mature dentofacial structures, including those conditions that require movement of teeth or correction of malrelationships and malformation of their related structures and the adjustment of relationships between and among teeth and facial bones by the application of force and/or the stimulation and redirection of functional forces within the craniofacial complex.
7. Pediatric Dentistry is an age-defined specialty providing both primary and comprehensive preventive oral health care for infants and children through adolescence.
8. Periodontics encompasses the prevention, diagnosis and treatment of diseases of the supporting and surrounding tissues of the teeth or their substitutes.
9. Prosthodontics is that branch of dentistry pertaining to the restoration and maintenance of oral functions, comfort, appearance and health by the restoration of natural teeth and/or the replacement of missing teeth and contiguous oral and maxillofacial tissues with artificial substitutes.

D. Approved Specialty Boards and Certificate Categories

Refer to the table for approved specialty boards and certificate categories.

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CLASSIFICATIONS - HOSPITAL RISKS

Description	Class Code	Premium Base	Notes
Alcohol/Drug Rehabilitation Centers			
For-profit	80601	b	
	80602	o	
Not-for-profit	80603	b	
	80604	o	
Osteopathic	84158	b	
	84159	o	
Cardiac Stress Testing Centers			
For-profit	80605	o	
Not-for-profit	80606	o	
Osteopathic	84160	o	
Clinics, Dispensaries or Infirmaries - treatment of outpatients only - no regular bed and board facilities			
For-profit	80613	o	Clinics, dispensaries or infirmaries incidental to industrial or commercial risks shall be classified and rated under the "For-profit" classification.
Not-for-profit	80614	o	These classifications do not apply to not-for-profit dental clinics. Such risks shall be referred to company. Clinics, dispensaries or infirmaries operated by dentists or physicians shall be classified and rated as Physicians, Surgeons And Dentists Medical Professional Liability Insurance.
Osteopathic	84803	o	If regular bed and board facilities are provided, classify and rate in accordance with the appropriate classification in this manual.
Convalescent or Nursing Homes - not mental-psychopathic institutions			
For-profit	80923	b	Classify and rate homes for the aged operated for the purpose of providing care for the aged sick, infirm or injured as "Convalescent or Nursing Homes..." Other homes for the aged shall be submitted for rating.
	80951	o	
Not-for-profit	80924	b	
	80952	o	
Hospices			
For-profit	80510	b	These classifications apply to institutions specializing in the care and treatment of terminal illness. It does not apply to risks with surgical operating room facilities even though designated as hospices.
Not-for-profit	80512	b	
Hospitals			
For-profit	80611	b	These are NOC classifications.
	80610	o	These classifications apply to hospitals treating all general or special medical and surgical cases including sanitariums with surgical operating room facilities.
Not-for-profit	80612	b	
	80617	o	
Osteopathic	84965	b	Veterinary hospitals shall be classified and rated in accordance with the

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	84906	o	Miscellaneous Medical Professional Liability manual.
Mental-psychopathic Institutions For-profit Not-for-profit	80997 80999 80916 80917	b o b o	These classifications apply to institutions primarily for the restraint and treatment of mental, drug, narcotic or alcoholic cases.
Outpatient Surgical Facilities Osteopathic Not Osteopathic	84453 80453	o o	These classifications apply to institutions providing same-day surgical facilities.
Rehabilitation Hospitals For-profit Not-for-profit	80516 80517 80518 80519	b o b o	These classifications apply to institutions providing restorative and support services for the disabled. If regular bed and board facilities are provided, classify and rate in accordance with the appropriate classification in this manual.
Sanitariums or Health Institutions - not hospitals or mental-psychopathic institutions For-profit Not-for-profit	80925 80953 80926 80954	b o b o	These classifications apply to risks with regular bed and board facilities, and with laboratory or medical departments. It does not apply to risks with surgical operating room facilities even though designated as sanitariums or health institutions.
Skilled Nursing Facilities - Short Term For-profit Not-for-profit	80522 80523 80524 80525	b o b o	These classifications apply to institutions primarily engaged in providing skilled nursing care and related services for inpatients requiring medical supervision of their care or rehabilitation services on a daily basis. It does not apply to risks with surgical operating room facilities, laboratory or medical departments or X-ray apparatus.

Table #1(CT) Hospital Risks

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CLASSIFICATIONS - PHYSICIANS AND SURGEONS

Description	M.D. Code No.	D.O. Code No.	Premium Base	Notes
Aerospace Medicine				See Preventive Medicine - no surgery.
Allergy/Immunology	80254*#	84254*#	r	
Anesthesiology -				
Critical Care Medicine	80181	84181	r	These classifications apply to all general practitioners or specialists who perform general anesthesia or acupuncture anesthesia.
Pain Management	80182	84182	r	
All Other	80183	84183	r	
Broncho-esophagology	80101	84101	r	
Cardiovascular Disease -				
minor surgery	80281*	84281*	r	
no surgery	80255*#	84255*#	r	
Dermatology -				
Clinical and Dermatological Immunology	80295	84295	r	
Dermatopathology	80296	84296	r	
All Other	80297	84297	r	
Diabetes -				
minor surgery	80271*	84271*	r	
no surgery	80237*#	84237*#	r	
Emergency Medicine -				
including major surgery	80157	84157	r	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.
no major surgery	80102	84102	r	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.
Endocrinology -				
minor surgery	80272*	84272*	r	
no surgery	80238*#	84238*#	r	
Family Physicians or General Practitioners -				
no surgery	80420	84420	r	
minor surgery	80421	84421	r	
Forensic Medicine	80240*#	84240*#	r	
Gastroenterology -				
minor surgery	80274*	84274*	r	
no surgery	80241*#	84241*#	r	
General Preventive Medicine - no surgery				See Preventive Medicine - no surgery.
Geriatrics -				
minor surgery	80276*	84276*	r	
no surgery	80243*#	84243*#	r	
Gynecology -				
minor surgery	80277*	84277*	r	
no surgery	80244*#	84244*#	r	
Hematology -				

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minor surgery	80278*	84278*	r	
no surgery	80245*#	84245*#	r	
Hospitalists	80222	84222	r	
Hypnosis	80232*#	84232*#	r	
Infectious Diseases -				
minor surgery	80279*#	84279*#	r	
no surgery	80246*#	84246*#	r	
Intensive Care Medicine	80283	84283	r	This classification applies to any general practitioner or specialist employed in an intensive care hospital unit.
Internal Medicine -				
minor surgery	80284*	84284*	r	
no surgery	80257*#	84257*#	r	
Larynogology -				
minor surgery	80285*	84285*	r	
no surgery	80258*#	84258*#	r	
Legal Medicine	80240*#	84240*#	r	
Manipulator		84801*	r	
Neonatal/Perinatal Medicine	80804	84804	r	
Neoplastic Diseases -				
minor surgery	80286*	84286*	r	
no surgery	80259*#	84259*#	r	
Nephrology -				
minor surgery	80287*	84287*	r	
no surgery	80260*#	84260*#	r	
Nephrology - including child - minor surgery	80288*	84288*	r	
Neurology - including child - no surgery				
Pain Management	80298*#	84298*#	r	
All Other	80299*#	84299*#	r	
Nuclear Medicine	80262*#	84262*#	r	
Nutrition	80248*#	84248*#	r	
Occupational Medicine			r	See Preventive Medicine - no surgery.
Oncology -				
minor surgery	80301	84301	r	
no surgery	80302	84302	r	
Ophthalmology -				
minor surgery	80289*	84289*	r	
no surgery	80263*#	84263*#	r	
Otology -				
minor surgery	80290*	84290*	r	
no surgery	80264*#	84264*#	r	
Otorhinolaryngology -				
minor surgery	80291*#	84291*	r	
no surgery	80265*#	84265*#	r	
Pathology -				
Blood Banking/Transfusion Medicine				
minor surgery	80303*	84303*	r	
no surgery	80304*#	84304*#	r	
Cytopathology				These classifications include pathological laboratories operated by the insured.
minor surgery	80305	84305	r	
no surgery	80306*#	84306*#	r	
All Other	80307*#	84307*#		

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Pediatrics -				
minor surgery	80293*#	84293*#	r	
no surgery	80267*#	84267*#	r	
Pharmacology - clinical	80234*#	84234*#	r	
Physical Medicine and Rehabilitation -				
Pain Management	80208*#	84208*#	r	
All Other	80209*#	84209*#	r	
Physicians - minor surgery	80294*	84294*	r	This is an NOC classification.
Physicians - no surgery	80268*#	84268*#	r	This is an NOC classification.
Physicians' or Surgeons' Assistants	80116*#	84116*#	r	This classification applies to physicians' or surgeons' 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.
Preventive Medicine - no surgery				
Aerospace Medicine	80133*#	84133*#	r	
Occupational Medicine	80134*#	84134*#	r	
Public/General Health Medicine	80135*#	84135*#	r	
Medical Toxicology	80138*#	84138*#	r	
Undersea/Hyperbaric Medicine	80139*#	84139*#	r	
Psychiatry -				
Addiction Psychiatry	80224*#	84224*#	r	
Child and Adolescent Psychiatry	80226*#	84226*#	r	
Forensic Psychiatry	80227*#	84227*#	r	
Geriatric Psychiatry	80228*#	84228*#	r	
All Other	80229*#	84229*#	r	
Psychoanalysis	80250*#	84250*#	r	
Psychosomatic Medicine	80251*#	84251*#	r	
Public Health				See Preventive Medicine - no surgery.
Pulmonary Diseases - no surgery	80269*#	84269*#	r	
Radiology - diagnostic -				
minor surgery	80280*	84280*	r	These classifications include X-ray laboratories operated by the insured.
no surgery	80253*#	84253*#	r	
Radiology - therapeutic -				
minor surgery	80358	84358	r	
no surgery	80359	84359	r	
Radiology - interventional	80360	84360	r	
Rheumatology - no surgery	80252*#	84252*#	r	
Rhinology -				
minor surgery	80270*	84270*	r	
no surgery	80247*#	84247*#	r	
Sclerotherapy		84802*	r	
Sports Medicine -				For major surgery use Orthopaedic Surgery for the following classifications: 80154; 84154.
no surgery	80205	84205	r	
minor surgery	80204	84204	r	
Teaching Physicians -				
no surgery	80321	84321	r	This classification applies to those physicians who would normally be assigned to M.D. Codes 80230 through 80269 inclusive, or the

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				corresponding D.O. Codes, where applicable.
minor surgery	80322	84322	r	This classification applies to those physicians who would normally be assigned to M.D. Codes 80270 through 80294 inclusive, or the corresponding D.O. Codes, where applicable.
Teaching Physicians or Surgeons - major surgery	80323	84323	r	This classification applies to those specialists who would normally be assigned to one of the following M.D. Codes, or the corresponding D.O. Codes, where applicable: 80101; 80102; 80103; 80104; 80105; 80107; 80108; 80114; 80115; 80117.
	80324	84324	r	This classification applies to those specialists who would normally be assigned to the following Codes: 80145; 84145.
	80325	84325	r	This classification applies to those specialists who would normally be assigned to one of the following M.D. Codes, or the corresponding D.O. Codes, where applicable: 80106; 80141; 80143; 80151; 80155; 80157; 80158; 80159; 80160; 80166.
	80326	84326	r	This classification applies to those specialists who would normally be assigned to one of the following M.D. Codes, or the corresponding D.O. Codes, where applicable: 80153; 80156; 80167; 80168; 80169; 80170.
	80327	84327	r	This classification applies to those specialists who would normally be assigned to one of the following M.D. Codes, or the corresponding D.O. Codes, where applicable: 80144; 80146; 80150; 80152; 80154; 80171.
Urology				
no surgery	80121	84121	r	
minor surgery	80120	84120	r	

Table #2(CT) Physicians And Surgeons Classifications

These classifications apply to all general practitioners or specialists except those performing major surgery, anesthesiology or acupuncture anesthesiology, who perform any of the following medical techniques or procedures:

Description	M.D. Code No.	D.O. Code No.	Premium Base	Notes
Acupuncture - other than acupuncture anesthesia	80437	84437	r	
Angiography	80422	84422	r	
Arteriography	80422	84422	r	
Catheterization	80422	84422	r	Arterial, cardiac or diagnostic - other than **(a)** the occasional emergency insertion of pulmonary wedge pressure recording catheters or temporary pacemakers, **(b)** urethra catheterization or **(c)** umbilical cord catheterization for diagnostic purposes or for monitoring blood gases in newborns receiving oxygen.
Cryosurgery	80429	84429	r	
Discograms	80428	84428	r	
Lasers - used in therapy	80425	84425	r	
Lymphangiography	80434	84434	r	

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Myleography	80428	84428	r	
Phlebography	80434	84434	r	
Pneumoencephalography	80428	84428	r	
Radiation Therapy	80425	84425	r	This classification includes X-ray laboratories operated by the insured.
Shock Therapy	80431	84431	r	

Table #3(CT) Physicians - No Major Surgery Classifications (For Classifications With An *)

These classifications apply to all general practitioners or specialists except those performing major surgery, anesthesiology or acupuncture anesthesiology, who perform any of the following medical techniques or procedures:

Description	M.D. Code No.	D.O. Code No.	Premium Base	Notes
Colonoscopy	80443	84443	r	
Endoscopic Retrograde Cholangiopancreatography	80443	84433	r	
Laparoscopy (Peritonescopy)	80440	84440	r	
Needle Biopsy	80446	84446	r	Including lung and prostate, but not including liver, kidney or bone marrow biopsy.
Pneumatic or mechanical esophageal dilation (not bougie or olive)	80443	84443	r	
Radiopaque Dye Injections	80449	84449	r	Injection into blood vessels, lymphatics, sinus tracts and fistulae (Not applicable to Radiologists Codes 80280* and 84280*).

Table #4(CT) Physicians - No Major Surgery Classifications (For Classifications With A #)

Description	M.D. Code No.	D.O. Code No.	Premium Base	Notes
Abdominal	80166	84166	r	
Cardiac	80141	84141	r	
Cardiovascular disease	80150	84150	r	
Colon and rectal	80115	84115	r	
Endocrinology	80103	84103	r	
Gastroenterology	80104	84104	r	
General	80143	84143	r	This is an NOC classification. This classification does not apply to any family or general practitioner or to any specialist who occasionally performs major surgery.
General practice or family practice	80117	84117	r	
Geriatrics	80105	84105	r	
Gynecology	80167	84167	r	
Hand	80169	84169	r	
Head and neck	80170	84170	r	
Laryngology	80106	84106	r	
Neoplastic	80107	84107	r	
Nephrology	80108	84108	r	
Neurology - including child	80152	84152	r	
Obstetrics	80168	84168	r	
Obstetrics - gynecology	80153	84153	r	
Oncology	80164	84164	r	
Ophthalmology	80114	84114	r	
Orthopaedic	80154	84154	r	
Otology	80158	84858	r	This classification does not apply to general practitioners or specialists performing plastic surgery.
Otorhinolaryngology	80159	84859	r	This classification does not apply to general practitioners or specialists performing plastic surgery.
Pediatric	80180	84180	r	

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Plastic	80156	84156	r	This is an NOC classification.
Plastic-otorhino-laryngology	80155	84155	r	
Rhinology	80160	84860	r	
Thoracic	80144	84144	r	
Traumatic	80171	84171	r	
Urological	80145	84145	r	
Vascular	80146	84146	r	

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Table #5(CT) Surgery Classifications

The following classifications and additional charges apply for physicians and surgeons in active United States Military Service:

Description	M.D. Code No.	D.O. Code No.	Premium Base	Notes
Physicians - no surgery	80131	84131	r	Any U.S. Military doctors who administer radiation therapy or shock therapy are subject to an additional charge, as indicated.
no major surgery	80172	84172	r	The additional charges for radiation or shock therapy do not apply to this classification. Any U.S. Military doctors who administer radiation therapy or shock therapy are subject to an additional charge, as indicated.
minor surgery	80132	84132	r	Any U.S. Military doctors who administer radiation therapy or shock therapy are subject to an additional charge, as indicated.
Physicians or Surgeons - major surgery	80172	84172	r	This classification applies to those specialists who would normally be assigned to one of the following M.D. Codes, or the corresponding D.O. Codes, where applicable: 80101; 80102; 80103; 80104; 80105; 80107; 80108; 80114; 80115; 80117. Any U.S. Military doctors who administer radiation therapy or shock therapy are subject to an additional charge, as indicated.
	80173	84173	r	This classification applies to those specialists who would normally be assigned to the following Codes: 80145; 84145. Any U.S. Military doctors who administer radiation therapy or shock therapy are subject to an additional charge, as indicated.
	80174	84174	r	This classification applies to those specialists who would normally be assigned to one of the following M.D. Codes, or the corresponding D.O. Codes, where applicable: 80106; 80141; 80143; 80151; 80155; 80157; 80158; 80159; 80160; 80166. Any U.S. Military doctors who administer radiation therapy or shock therapy are subject to an additional charge, as indicated.
Physicians or Surgeons - major surgery (Cont'd)	80175	84175	r	This classification applies to those

				specialists who would normally be assigned to one of the following M.D. Codes, or the corresponding D.O. Codes, where applicable: 80153; 80156; 80167; 80168; 80169; 80170. Any U.S. Military doctors who administer radiation therapy or shock therapy are subject to an additional charge, as indicated.
	80176	84176	r	This classification applies to those specialists who would normally be assigned to one of the following M.D. Codes, or the corresponding D.O. Codes, where applicable: 80144; 80146; 80150; 80154; 80171. Any U.S. Military doctors who administer radiation therapy or shock therapy are subject to an additional charge, as indicated.
Additional Charges				
Radiation Therapy	80136	84136	r	
Shock Therapy	80137	84137	r	

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Table #6(CT) Physicians And Surgeons - In Active U.S. Military Service Classifications

The following additional charges apply for all previous classifications, except classifications applicable to physicians and surgeons in active United States Military Service or to those employed full time by the Federal Government. For Teaching Physicians, the additional charges may be used only to the extent that they apply.

Description	M.D. Code No.	D.O. Code No.	Premium Base	Notes
Corporate Liability	80999	84999	r	This classification is to be used as the governing classification when the individual insured physician or surgeon is also insured as either a partnership or corporation, as referenced in Coverage Rule **27.F.** and **G.**, respectively. This classification is subject to any applicable additional charge classifications for employed physicians, surgeons and technicians.
Employed Nurse Anesthetist	80452	84452	r	The manual rate for this classification will be the factor shown in Table **#1(RF)** applied to the rate for Anesthesiology Codes 80181 and 84181. The rate for this additional charge classification applies not only to employees of individual insured physicians or surgeons but also to employees of partnerships, limited liability companies, corporations or professional associations practicing medicine. It applies per employee regardless of the number of partners or members. It applies also to such personnel in pathological or X-ray laboratories operated or supervised by the insured.
Employed Physicians' or Surgeons' Assistants	80129	84129	r	This additional charge classification applies not only to individual insured physicians or surgeons but also to physicians or surgeons who are employees of partnerships, limited liability companies, corporations or

				professional associations practicing medicine.
Employed Physicians or Surgeons	80177	84177	r	The rate shall be the factor shown in Table **#1(RF)** applied to the rate applicable for the self-employed physician or surgeon.
Employed Technicians - radium, including diagnostic X-ray laboratory or pathological	80148	84148	r	The rate for this additional charge classification applies not only to employees of individual insured physicians or surgeons but also to employees of partnerships, limited liability companies, corporations or professional associations practicing medicine. It applies per employee regardless of the number of partners or members. It applies also to such personnel in pathological or X-ray laboratories operated or supervised by the insured.
Employed Technicians - radiation therapy	80149	84149	r	The rate for this additional charge classification applies not only to employees of individual insured physicians or surgeons but also to employees of partnerships, limited liability companies, corporations or professional associations practicing medicine. It applies per employee regardless of the number of partners or members. It applies also to such personnel in pathological or X-ray laboratories operated or supervised by the insured.
Partnership Liability	80999	84999	r	This classification is to be used as the governing classification when the individual insured physician or surgeon is also insured as either a partnership or corporation, as referenced in Coverage Rule **27.F.** and **G.**, respectively. This classification is subject to any applicable additional charge classifications for employed physicians, surgeons and technicians.
Shock Therapy - by employed physicians or surgeons involved with major surgery	80161	84161	r	This additional charge applies to each insured physician or surgeon doing shock therapy work. The rate for this additional charge classification applies not only to employees of individual insured physicians or surgeons but also to employees of partnerships, limited liability companies, corporations or professional associations practicing medicine. It applies per employee regardless of the number of partners or members. It applies also to such personnel in pathological or X-ray laboratories operated or supervised by the insured.
Shock Therapy - by insured physicians or surgeons involved with major surgery	80162	84162	r	This additional charge applies to each insured physician or surgeon doing shock therapy work.
Radiation Therapy - by employed physicians or surgeons involved with major surgery	80163	84163	r	This additional charge applies to each employed physician or surgeon doing X-ray therapy work. The rate for this additional charge

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				classification applies not only to employees of individual insured physicians or surgeons but also to employees of partnerships, limited liability companies, corporations or professional associations practicing medicine. It applies per employee regardless of the number of partners or members. It applies also to such personnel in pathological or X-ray laboratories operated or supervised by the insured.
Radiation Therapy - by insured physicians or surgeons involved with major surgery	80165	84165	r	This additional charge applies to each insured physician or surgeon doing X-ray therapy work.

Table #7(CT) Physicians And Surgeons - Additional Charges

An additional charge applies to each insured physician or surgeon serving on a medical review board. The charge is a percentage of the premium for the individual physician or surgeon. Refer to company for rating.

Description	M.D. Code No.	D.O. Code No.	Premium Base	Notes
Medical Review Boards	80130	84130	r	

Table #8(CT) Physicians And Surgeons - Additional Charges

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CLASSIFICATIONS - DENTISTS RISKS

Description	Class Code	Premium Base	Notes
Dentists	80210	r	This classification applies to any dentist engaged in oral surgery or operative dentistry on patients rendered unconscious through the administering of any anesthesia or analgesia. For increased limits for this classification, refer to Table **17.E.2.(RF).** This classification is subject to an additional charge when another dentist is employed by the insured dentist. Use the additional charge for employed dentists, Classification Code 80212. This classification is also subject to an additional charge when the insured dentist administers X-ray therapy. Use the additional charge Classification Code 80215.
Dentists	80211	r	This is an NOC classification. This classification is subject to an additional charge when another dentist is employed by the insured dentist. Use the additional charge for employed dentists, Classification Code 80213. This classification is also subject to an additional charge when the insured dentist administers X-ray therapy. Use the additional charge Classification Code 80215.
Teaching Dentists	80218	r	This classification is subject to an additional charge when the insured dentist does X-ray therapy work. Use the additional charge Classification Code 80215. This classification applies to any dentist engaged in oral surgery or operative dentistry on patients rendered unconscious through the administering of any anesthesia or analgesia.
Teaching Dentists	80219	r	This is an NOC classification. This classification is subject to an additional charge when the insured dentist does X-ray therapy work. Use the additional charge Classification Code 80215.

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Table #9(CT) Dentists Risks - General Classifications

Description	Class Code	Premium Base	Notes
Additional Charges Corporate Liability	80999	r	This classification is to be used as the governing classification when the individual insured dentist is also insured as either a partnership or corporation, as referenced in

			Coverage Rule **27.F.** and **G.**, respectively. This classification is subject to any applicable additional charge classifications for employed dentists.
Employed Dentists	80212	r	Employed dentists are also subject to an additional charge per person if they perform X-ray therapy. Use Classification Code 80214.
Employed Dentists	80213	r	Employed dentists are also subject to an additional charge per person if they perform X-ray therapy. Use Classification Code 80214. This is an NOC classification.
Partnership Liability	80999	r	This classification is to be used as the governing classification when the individual insured dentist is also insured as either a partnership or corporation, as referenced in Coverage Rule **27.F.** and **G.**, respectively. This classification is subject to any applicable additional charge classifications for employed dentists.
X-ray Therapy - by employed dentists	80214	r	
by insured dentists	80215	r	

Table #10(CT) Dentists Risks - General Classifications - Additional Charges

The following classification applies for dentists while in the active United States Military Service:

Description	Class Code	Premium Base	Notes
Dentists	80216	r	This classification is subject to an additional charge when the insured dentist does X-ray therapy work. Use the additional charge Classification Code 80217.
Additional Charge X-ray Therapy - by dentists in active United States Military Service only	80217	r	

Table #11(CT) Dentists - In Active U.S. Military Service Classifications

The following classifications apply for dentists employed full time by the Federal Government but not in active United States Military Service:

Description	Class Code	Premium Base	Notes
Dentists	80225	r	This classification applies to any dentist engaged in oral surgery or operative dentistry on patients rendered unconscious through the administering of any anesthesia or analgesia. Dentists who administer X-ray therapy are subject to an additional charge, as indicated.
Dentists	80223	r	This is an NOC classification. Dentists who administer X-ray therapy are subject to an additional charge, as indicated.
Additional Charge	80221	r	

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X-ray Therapy			

Table #12(CT) Dentists - Employed By Federal Government Classifications

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CLASSIFICATIONS - MISCELLANEOUS MEDICAL PROFESSIONAL

Description	Class Code	Premium Base	Notes
Other Than Employees Professional Liability			
Acupuncturists	80966	r	
Art, Music and Dance Therapists	80967	r	
Chiropodists/Podiatrists	80993	r	This is an NOC classification. This classification is subject to an additional charge when another chiropodist/podiatrist is employed by the insured chiropodist/podiatrist. Use the additional charge for employed chiropodists/podiatrists, Classification Code 80943, shown in Table **#15(CT).** Corporations and partnerships are subject to an additional charge, shown in Table **#15(CT).**
Chiropodists/Podiatrists in active United States Military Service	80935	r	
Chiropodists/Podiatrists employed full time by the Federal Government	80936	r	
Chiropractors	80410	r	This classification is subject to an additional charge when another chiropractor is employed by the insured chiropractor. Use the additional charge for employed chiropractors, Classification Code 80411, shown in Table **#15(CT).** Corporations and partnerships are subject to an additional charge, shown in Table **#15(CT).**
Hearing Aid Fitters/Audiologists	80968	r	
Inhalation/Respiratory Therapists	80969	r	
Massage Therapists	80970	r	
Medical Technologists	80971	r	
Nutritionists/Dietitians	80972	r	
Occupational Therapists	80973	r	
Orthotists/Prosthetists	80974	r	
Psychologists	80975	r	
Employees Medical Professional Liability			
Dental Hygienists	80712	r	
Hearing Aid Fitters/Audiologists	80716	r	
Inhalation/Respiratory Therapists	80717	r	
Massage Therapists	80718	r	
Medical Laboratory Technicians	80711	r	
Medical Technologists	80719	r	
Nutritionists/Dietitians	80720	r	
Occupational Therapists	80721	r	
Opticians	80937	r	
Orthotists/Prosthetists	80722	r	
Pharmacists	59112	r	
	80938	r	

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Physiotherapists Psychologists	80723	r	
X-ray Technicians	80713	r	This classification is subject to an additional charge when the insured X-ray technician does X-ray therapy work. Use additional charge Classification Code 80714, shown in Table **#15(CT).**

Table #13(CT) Miscellaneous Medical - Individual Risks

Description	Class Code	Premium Base	Notes
Nurses Medical Professional Liability Midwives	80962	r	This classification is subject to an additional charge when insured nurses or midwives are also anesthetists. Use additional charge Classification Code 80960, shown in Table **#15(CT).** This classification is also subject to an additional charge when the insured nurses or midwives administer X-ray therapy. Use additional charge Classification Code 80714, shown in Table **#15 (CT).**
Nurses - LPNs	80963	r	This classification is subject to an additional charge when insured nurses or midwives are also anesthetists. Use additional charge Classification Code 80960, shown in Table **#15(CT).** This classification is also subject to an additional charge when the insured nurses or midwives administer X-ray therapy. Use additional charge Classification Code 80714, shown in Table **#15 (CT).**
Nurses - RNs	80964	r	This classification is subject to an additional charge when insured nurses or midwives are also anesthetists. Use additional charge Classification Code 80960, shown in Table **#15(CT).** This classification is also subject to an additional charge when the insured nurses or midwives administer X-ray therapy. Use additional charge Classification Code 80714, shown in Table **#15 (CT).**
Nurse Practitioners	80965	r	
Optometrists	80994	r	This classification is subject to an additional charge when another optometrist is employed by the insured optometrist. Use the additional charge for employed optometrists, Classification Code 80944, shown in Table **#15(CT).** Corporations and partnerships are subject to an additional charge,

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			shown in Table **#15(CT).**
Physiotherapists	80995	r	This classification is subject to an additional charge when there is another physiotherapist employed by the insured physiotherapist. Use the additional charge for employed physiotherapists, Classification Code 80945, shown in Table **#15 (CT).** Corporations and partnerships are subject to an additional charge, shown in Table **#15(CT).** This is an NOC classification.
Physiotherapists in active United States Military Service	80911	r	
Physiotherapists employed full time by the Federal Government	80912	r	
Veterinarians	07226	r	This classification is subject to an additional charge when there is another veterinarian employed by the insured veterinarian. Use the additional charge for employed veterinarians, Classification Code 07221, shown in Table **#15(CT).** This is an NOC classification.
Veterinarians - Household Pets	07225	r	This classification is subject to an additional charge when there is another veterinarian employed by the insured veterinarian. Use the additional charge for employed veterinarians, Classification Code 07221, shown in Table **#15(CT).**

Table #14(CT) Miscellaneous Medical - Individual Risks

Description	Class Code	Premium Base	Notes
Chiropodists/Podiatrists			
Employed Chiropodists/Podiatrists	80943	r	The rate for this additional charge classification applies not only to employees who are individual insureds but also to employees of partnerships, limited liability companies, corporations or professional associations practicing medicine. It applies per employee regardless of the number of partners or members. It applies also to such personnel in pathological or X-ray laboratories operated or supervised by the insured.
Corporate Liability	80950	r	This classification is to be used as the governing classification when the individual insured chiropodist/podiatrist is also insured as either a partnership or corporation, as referenced in Rule **28.F.** and **G.,** respectively. This classification is subject to any applicable additional charge classifications for employed chiropodists/podiatrists.
Partnership Liability	80950	r	This classification is to be used as the governing classification when the individual insured

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			chiropodist/podiatrist is also insured as either a partnership or corporation, as referenced in Rule **28.F.** and **G.**, respectively. This classification is subject to any applicable additional charge classifications for employed chiropodists/podiatrists.
Chiropractors			
Employed Chiropractors	80411	r	The rate for this additional charge classification applies not only to employees who are individual insureds but also to employees of partnerships, limited liability companies, corporations or professional associations practicing medicine. It applies per employee regardless of the number of partners or members. It applies also to such personnel in pathological or X-ray laboratories operated or supervised by the insured.
Corporate Liability	80412	r	This classification is to be used as the governing classification when the individual insured chiropractor is also insured as either a partnership or corporation, as referenced in Rule **28.F.** and **G.**, respectively. This classification is subject to any applicable additional charge classifications for employed chiropractors.
Partnership Liability	80412	r	This classification is to be used as the governing classification when the individual insured chiropractor is also insured as either a partnership or corporation, as referenced in Rule **28.F.** and **G.**, respectively. This classification is subject to any applicable additional charge classifications for employed chiropractors.
Employees Medical Professional Liability			
X-ray Therapy	80714	r	
Nurses Medical Professional Liability			
Anesthetists	80960	r	
X-ray Therapy	80714	r	
Optometrists			
Employed Optometrists	80944	r	The rate for this additional charge classification applies not only to employees who are individual insureds but also to employees of partnerships, limited liability companies, corporations or professional associations practicing medicine. It applies per employee regardless of the number of partners or members. It applies also to such personnel in pathological or X-ray laboratories operated or supervised by the insured.
Corporate Liability	80956	r	This classification is to be used as the governing classification when the individual insured optometrist is also insured as either a partnership or corporation, as referenced in Rule **28.F.** and **G.**, respectively. This classification is subject to any

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			applicable additional charge classifications for employed optometrists.
Partnership Liability	80956	r	This classification is to be used as the governing classification when the individual insured optometrist is also insured as either a partnership or corporation, as referenced in Rule **28.F.** and **G.**, respectively. This classification is subject to any applicable additional charge classifications for employed optometrists.
Physiotherapists Employed Physiotherapists	80945	r	The rate for this additional charge classification applies not only to employees of individual insured physiotherapists but also to employees of partnerships, limited liability companies, corporations or professional associations practicing medicine. It applies per employee regardless of the number of partners or members. It applies also to such personnel in pathological or X-ray laboratories operated or supervised by the insured.
Corporate Liability	80955	r	This classification is to be used as the governing classification when the individual insured physiotherapist is also insured as either a partnership or corporation, as referenced in Rule **28.F.** and **G.**, respectively. This classification is subject to any applicable additional charge classifications for employed physiotherapists.
Partnership Liability	80955	r	This classification is to be used as the governing classification when the individual insured physiotherapist is also insured as either a partnership or corporation, as referenced in Rule **28.F.** and **G.**, respectively. This classification is subject to any applicable additional charge classifications for employed physiotherapists.
Veterinarians Employed Veterinarians	07221	r	The rate for this additional charge classification applies not only to employees of individual insured physiotherapists but also to employees of partnerships, limited liability companies, corporations or professional associations practicing medicine. It applies per employee regardless of the number of partners or members. It applies also to such personnel in pathological or X-ray laboratories operated or supervised by the insured.
Corporate Liability	07222	r	This classification is to be used as the governing classification when the individual insured veterinarian is also insured as either a partnership or corporation, as referenced in Rule **28.F.** and **G.**, respectively. This classification is subject to any applicable additional charge

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			classifications for employed veterinarians.
Partnership Liability	07222	r	This classification is to be used as the governing classification when the individual insured veterinarian is also insured as either a partnership or corporation, as referenced in Rule **28.F.** and **G.**, respectively. This classification is subject to any applicable additional charge classifications for employed veterinarians.

Table #15(CT) Miscellaneous Medical - Additional Charges - Individual Risks

Description	Class Code	Premium Base	Notes
Blood Banks	80992	d	
Medical or X-ray Laboratories	80715	t	The unit of exposure to which the rates are applied is each $1000 of receipts.

Table #16(CT) Other-Than-Individual Risks

Description	Class Code	Premium Base	Notes
Emergency Medical Technicians and Paramedics	80976	r	
Ambulance Attendants	80977	r	

Table #17(CT) Paraprofessionals

FOR APPROVED SPECIALTY BOARDS AND CERTIFICATE CATEGORIES

American Board Of	General Certificate	Subspecialty Categories
Allergy & Immunology	Allergy & Immunology	Clinical & Laboratory Immunology
Anesthesiology	Anesthesiology	Critical Care Medicine Hospice and Palliative Medicine Pain Medicine
Colon & Rectal Surgery	Colon & Rectal Surgery	
Dermatology	Dermatology	Dermatopathology Clinical & Laboratory Dermatological Immunology Pediatric Dermatology
Emergency Medicine	Emergency Medicine	Hospice and Palliative Medicine Medical Toxicology Pediatric Emergency Medicine Sports Medicine Undersea & Hyperbaric Medicine
Family Medicine	Family Medicine	Adolescent Medicine Geriatric Medicine Hospice and Palliative Medicine Sports Medicine
Internal Medicine	Internal Medicine	Adolescent Medicine Clinical Cardiac Electrophysiology Cardiovascular Disease Critical Care Medicine Clinical & Laboratory Immunology Endocrinology Diabetes and Metabolism Gastroenterology Geriatric Medicine

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		Hematology Hospice and Palliative Medicine Infectious Disease Interventional Cardiology Medical Oncology Nephrology Pulmonary Disease Rheumatology Sleep Medicine Sports Medicine Transplant Hepatology
Medical Genetics	Clinical Biochemical Genetics Clinical Cytogenetics Clinical Genetics (M.D.) Clinical Molecular Genetics Ph.D. Medical Genetics	Molecular Genetic Pathology
Neurological Surgery	Neurological Surgery	
Nuclear Medicine	Nuclear Medicine	
Obstetrics & Gynecology	Obstetrics & Gynecology	Critical Care Medicine Gynecological Oncology Hospice and Palliative Medicine Maternal & Fetal Medicine Reproductive Endocrinology
Opthalmology	Opthalmology	
Orthopaedic Surgery	Orthopaedic Surgery	Orthopaedic Sports Medicine Hand Surgery
Otolaryngology	Otolaryngology	Neurotology Pediatric Otolaryngology Plastic Surgery Within The Head and Neck Sleep Medicine
Pathology	Anatomic & Clinical Pathology Pathology - Anatomic Pathology - Clinical	Blood Banking/Transfusion Medicine Chemical Pathology Cytopathology Dermatopathology Forensic Pathology Hematology Immunopathology Medical Microbiology Molecular Genetic Pathology Neuropathology Pediatric Pathology
Pediatrics	Pediatrics	Adolescent Medicine Blood Banking/Transfusion Medicine Child Abuse Pediatrics Clinical & Laboratory Immunology Developmental Behavioral Pediatrics Hospice and Palliative Medicine Medical Toxicology Neonatal-perinatal Medicine Neurodevelopmental Disabilities Pediatric Cardiology Pediatric Critical Care Medicine Pediatric Emergency Medicine Pediatric Endocrinology Pediatric Gastroenterology Pediatric Hematology-Oncology Pediatric Infectious Disease Pediatric Nephrology Pediatric Pulmonology Pediatric Rheumatology Pediatric Transplant Hepatology Sleep Medicine

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		Sports Medicine
Physical Medicine & Rehabilitation	Physical Medicine & Rehabilitation	Hospice and Palliative Medicine Pain Medicine Neuromuscular Medicine Pediatric Rehabilitation Medicine Spinal Cord Injury Medicine Sports Medicine
Plastic Surgery	Plastic Surgery	Surgery of the Hand Plastic Surgery of the Head and Neck
Preventive Medicine	Aerospace Medicine Occupational Medicine Public Health & General Preventive Medicine	Medical Toxicology Undersea and Hyperbaric Medicine
Psychiatry & Neurology	Psychiatry Neurology Neurology with Special Qualifications In Child Neurology	Addiction Psychiatry Child & Adolescent Psychiatry Clinical Neurophysiology Forensic Psychiatry Geriatric Psychiatry Hospice and Palliative Medicine Neurodevelopmental Disabilities Neuromuscular Medicine Pain Medicine Psychosomatic Medicine Sleep Medicine Vascular Neurology
Radiology	Diagnostic Radiology Radiation Oncology Radiological Physics	Hospice and Palliative Medicine Neuroradiology Nuclear Radiology Pediatric Radiology Vascular & Interventional Radiology
Surgery	Vascular Surgery	Hospice and Palliative Medicine Pediatric Surgery Surgery of the Hand Surgical Critical Care
Thoracic Surgery	Thoracic Surgery	
Urology	Urology	Pediatric Urology
Reprinted from the *2006 Annual Report* and information available on the American Board of Medical Specialties (ABMS) website www.abms.org		

Table #18(CT) Approved Specialty Boards And Certificate Categories

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TERRITORIES

Hospital Professional Liability

Miscellaneous Liability - Professional - Excluding Veterinarians Professional Liability

Physicians, Surgeons and Dentists Professional Liability

COOK COUNTY.....	**001**
REMAINDER OF STATE.....	**002**

Veterinarians Professional Liability

ENTIRE STATE.....	**999**

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COMPOSITE RATING PLAN

1. INTRODUCTION

A. Purpose Of Composite Rating Plan

The Composite Rating Plan is an administrative tool to facilitate the rating of large, complex risks upon audit. Specifically, a composite rate determined at the beginning of each policy year is applied to the risk's composite exposures at the end of the year to produce the final audited company premium. The Plan consolidates the various types of exposure bases and company manual rates to simplify the final company premium determination.

B. Insurance For Which The Composite Rating Plan Applies

This Plan is applicable to General Liability insurance, Hospitals Professional Liability insurance, Commercial Automobile Liability insurance, Commercial Automobile Physical Damage insurance, Crime and Fidelity insurance either separately or in combination. Under this Plan, composite rates for a risk may be established on one or more special exposure bases, in lieu of the regular underwriting bases and company rates of the various manuals. This Plan also provides an effective procedure for rating those classifications for which the Manual exposures are not readily available and cannot be obtained without excessive difficulty.

C. Initial Survey Of Exposures

An initial survey will be made of the exposures of the risk and composite company rates established on special underwriting bases which will reflect and measure possible fluctuations in the exposure involved.

D. Scope Of Composite Rates

Such composite company rate may be restricted to any specified premises, operations or coverages.

2. ELIGIBILITY REQUIREMENTS

A. Premium Eligibility Per Line Of Insurance

In order to qualify for application of this Plan, the exposures to be rated on a composite rate basis shall produce a total annual company premium, for the period indicated in Rule **3.A.1.**, for all states of at least:

1. **Premium Eligibility When Plan Is Applied To A Single Kind Of Insurance**
   - **a.** Automobile Physical Damage - $20,000 for the amount of coverage written.
   - **b.** Automobile Liability - $60,000 at present company manual rates for basic limits.
   - **c.** General Liability and Hospitals Professional Liability individually (for combined see **2.b.**) - $80,000 at present company manual rates for basic limits.
   - **d.** Crime - $5,000 for the amount of coverage written.
   - **e.** Fidelity - $5,000 for the amount of coverage written.
2. **Premium Eligibility When Plan Is Applied To Combinations Of Kinds Of Insurance**
   - **a.** Combinations including Automobile Liability, Automobile Physical Damage, General Liability and Hospitals Professional Liability - $100,000.
   - **b.** Combinations including any two of the four types mentioned in Paragraph **a.** - $80,000.

B. Eligibility Exceptions In Certain Circumstances

However, if a risk does not meet this premium requirement, it may nevertheless be rated under this Plan provided a company premium equal to the required company premium for eligibility for basic limits is charged for the coverages to be insured on a composite rate basis.

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3. COMPUTATION OF COMPOSITE RATE

A. General Instructions For Development Of A Composite Rate

Except for a risk rated under the provisions of Rule **9.**, each composite rate shall be developed as follows:

1. **Determining Exposures On A Regular Underwriting Basis**

   Determine the exposures on the regular underwriting basis for the coverages to be insured on a composite rate basis, for a period of twelve consecutive months beginning not earlier than twenty-four months nor later than twelve months prior to the date on which the composite rate is to be effective. If these exposures are not susceptible of exact determination for any portion of the insurance to be rated, they shall be estimated from the use of such information as is available.

2. **Ascertaining Applicable Company Rates And Premiums At Basic Limits**

   Ascertain for the exposures referred to in Paragraph **1.** the applicable company manual rates and minimum company premiums at basic limits (including rates and minimum premiums for operations which must be submitted to the company for rating) and any rating modifications (including company expense modifications) developed under applicable rating plans in effect as of the date on which the composite rate is to be effective.

3. **Determine Actual Exposures On A Special Underwriting Basis**

   Determine the actual exposures on the special underwriting basis or bases to be used for the composite rate, for the same twelve month period as used in Paragraph **1.**

4. **Adjusting Exposures To Recognize Changes**

   The exposures referred to in Paragraph **1.** and Paragraph **3.** may be adjusted to recognize known changes in the risk's basic operations, other than exposure changes resulting from variations in price or wage levels.

5. **Computing Composite Rate**

   Compute the composite rate as follows:

   a. Extend the exposures in Paragraph **1.** at the company manual rates in Paragraph **2.**, subject to any applicable minimum premiums, multiplied by any applicable rating modifications indicated in Paragraph **2.**

   b. Divide the total of the company premiums obtained in Paragraph **a.** by the exposure in Paragraph **3.** The result is the composite rate for the risk.

   c. If the composite rate is to be applied to a policy written for a period in excess of one year, no term discount shall apply.

B. Risk Written Subject To Retrospective Rating

The composite rate so determined is appropriate for risks to be written on a guaranteed cost basis. If the risk to be written subject to Retrospective Rating, the promulgated rate modifications used shall be prior to the reflection of any authorized expense saving. Such authorized expense saving shall be reflected instead in the determination of the retrospective rating values.

C. New Risks

For risks not in existence during the period referred to in Paragraph **A.1.**, composite rates will also be computed in a similar manner using the classification exposures on the regular underwriting bases for the coverages to be insured on a composite rate basis, together with the exposures on the special underwriting basis selected, which are estimated to apply during the ensuing twelve month period.

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4. INCREASED LIMITS

A. Application

Where limits of liability in excess of the basic limits reflected in the rate computation are to be afforded, the company shall apply the appropriate increased limits table factor to the basic limits composite rate (or rates) for liability insurance developed under Rule **3.A.5.b.**

B. Multiple Increased Limits Tables

If more than one increased limits table applies to the liability exposures in Rule **3.A.1.**, the company premiums shall be subtotaled according to each underlying increased limits table.

5. EXPERIENCE RATING

Except for a risk rated under the provisions of Rule **9.** of this Plan, the prescribed procedures of applicable experience rating plans shall apply.

6. "REFER TO COMPANY" AND (a) RATED CLASSIFICATIONS

Classifications subject to such rating shall be processed in the regular manner as part of the determination of any composite rate for insurance covering such classifications.

7. REVISIONS OF COMPOSITE RATES

A. Annual Revision Of Rates

The composite rates shall be revised annually to reflect any revisions of company manual rates or rating modifications developed under applicable rating plans. Such re-ratings shall be based on the data contained in the latest available survey.

B. Re-survey Of Exposures

A complete re-survey of exposures and revision of the composite rates may be made annually, or at any time at the request of the carrier or the insured, to reflect thereafter the effect of marked exposure changes which would not otherwise be fully reflected by the special underwriting basis selected.

8. NEW COVERAGES DURING A POLICY YEAR

A composite rate may be adjusted to include other kinds of insurance or sub-divisions thereof or coverages added after the effective date of the policy, or any additional premises or operations if the rating was originally limited to certain specified premises or operations. Such adjustments may be made at the time of the addition or at the next rating anniversary date. If such composite rate adjustment is not made at the time of the addition, the regular company manual rating procedure and applicable experience modifications shall apply to such additional kinds of insurance, or sub-divisions thereof, or coverages, premises or operations during the period between the inception of coverage for such additional exposures and the date of the adjustment of the composite rate to include such exposures.

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10. ADMINISTRATION OF THE PLAN

The determination of composite rates under this Plan shall be administered in the same way that the experience rating plans are administered.

11. COMPANY EARNED PREMIUM DETERMINATION

A. Calculation Of Company Earned Premium

Upon policy expiration, the company earned premium of a risk rated under this Plan shall be determined by multiplying the audited exposure under the special underwriting basis (or bases) by the composite rate (or rates), subject to any applicable premium discounts. The company earned premium shall be allocated to individual lines as per the requirements of Paragraphs **B.** and **C.**

B. Risks Other Than Loss Rated Risks

A percentage breakdown determined from the ratio of the company premiums of the risk as determined in Rule **3.A.5.** increased for desired limits to the total of such company premiums thus increased

C. Loss Rated Risks

1. A percentage breakdown determined from the ratio of the company premiums in Rule **9.B.3.** increased for desired limits to the total of such company premiums thus increased.
2. Any appliccable premium discounts shall be applied to the state's portion of such company premiums.
3. No term dicount shall apply for policies written for a period in excess of one year.

12. STATISTICAL REPORTS

Statistical reports on risks written on a composite rate basis shall be submitted in accordance with the instructions contained in the applicable Statistical Plan.

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HOSPITAL PROFESSIONAL LIABILITY AND INCIDENTAL LIABILITY EXPERIENCE AND SCHEDULE RATING PLAN

1. APPLICATION OF THIS SECTION OF THE DIVISION

This section contains the Hospital Professional Liability and Incidental Liability Experience and Schedule Rating Plan.

2. ELIGIBILITY

A. Definition Of Term "Risk"

The term "risk" as used in this Plan means the exposures of any one insured which are to be rated. Allied or subsidiary interests shall not be included unless the insured holds a majority financial interest therein.

B. Additional Interests

Hospital Professional Liability shall include Ad-ditional Interests and any references in this Plan to Hospital Professional Liability shall be taken to include Additional Interests.

C. Non-eligible Risks And Exposures

This plan shall not apply to any risk classified as a Convalescent of Nursing Home. Individuals other than Additional Interests shall not be eligible for rating under this Plan, and neither shall this Plan apply to any exposures other than Hospital Professional Liability and Incidental Liability.

D. Expected Loss Ratio

Expenses other than allocated loss adjustment expenses are not taken into consideration in the parameters of this Plan. Instead, individual companies must multiply their basic limits premiums by their own Expected Loss Ratio (ELR) to produce the annual basic limits company loss costs (basic limits expected losses) for the risk which is being rated under this Plan. In this context, company ELR represents the company's manual provision for losses including only allocated loss adjustment expenses. This company ELR shall be that ELR which has been filed by the company for use with this Plan for the **class** of business being rated.

E. Eligibility For Experience Rating

Any risk that develops a credibility from the tables contained in Rule **13.** of 0.07 or more for the liability exposures to be rated shall be eligible for the application of the experience rating modification provisions of this Plan.

F. Eligibility For Schedule Rating

Any risk that develops a credibility from the tables contained in Rule **13.** of 0.03 or more for the liability exposures to be rated shall be eligible for the application of the schedule rating modification provisions of this Plan.

3. COMPANY RATE MODIFICATION

A. Determination Of Experience Modification

The experience modification for the risk shall be determined in accordance with the experience rating procedure described in this Plan. The resulting modification is appropriate regardless of whether the renewal policy will be an occurrence or a claims-made policy and is applied to the otherwise chargeable premium for the policy being rated.

B. Determination Of Schedule Modification

Apart form any experience modification, a modification reflecting specified characteristics of the risk may be applied in accordance with Rule **8.** to the extent that such characteristics are not reflected in the experience of the risk.

4. EXPERIENCE USED

A. Number Of Years Of Experience

The experience modification shall be determined from the latest available five years of experience incurred by the

company establishing the rating in this state or in all states. In the event that the experience for the full five year period is not available, the total experience (subject to a minimum of one completed policy year) that is available shall be used in determining the experience modification. The experience period shall end at least six months prior to the rating date.

B. Other Companies' Experience And Self-Insured Experience

Experience incurred by companies other that the company establishing the modification, or self-insured experience, may be used subject to the periods specified in Paragraph **A.** Such experience may be excluded from the rating if its reliability cannot be established.

C. Use Of Claims-Made And Occurrence Experience

There are procedures in this Plan, which describe use of both claims-made and occurrence experience, alone or in combination, as governed by the type(s) of policies in effect for the particular risk during the experience period defined in Paragraph **A.**

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5. DETERMINATION OF EXPERIENCE MODIFICATION

A. Basic Limits

The term "basic limits" shall mean the following limits of liability:

1. Hospital Professional Liability

$100,000 for all damages on account of each occurrence, and, subject to the foregoing limit, a basic aggregate limit of $300,000 for all damages. The foregoing limits apply separately for each location.

2. Incidental Liability

$100,000 for all damages arising out of bodily injury and property damage sustained by one or more persons or organizations as the result of any one occurrence.

B. Experience Period Premium At Present Rates

1. Determination Of Premium At Present Rates

The experience period premium at present rates are the premiums computed by extending the actual exposures developed during the experience period at present company rates for basic limits of liability regardless of whether the policies were written at increased limits of liability.

2. Effect Of Occurrence Experience

The recent policies of the particular hospital will determine whether the premium at present rates reflects occurrence experience only, claims-made experience only, or a combination of both. Exposures should be compiled separately for Hospital Professional Liability and Incidental Liability within each policy year of the experience period. For the years in the experience period written on an occurrence basis, the exposures should be extended by the present company occurrence rates. If none exist, the company mature claims-made rate should be increased to approximate an occurrence level.

3. Experience Period Exposures On A Claims-Made Basis

Since claims-made rates vary according to the number of years of participation in the claims-made program, the experience period exposures written on a claims-made basis should be extended by the appropriate company claims-made rates. That is, the experience period exposures associated with the risk's first claims-made policy should be extended by the company present first year claims-made rate, and so on. Again, if only occurrence rates are available, they should be lowered to approximate the necessary claims-made level.

4. Additional Interests Premiums

Additional Interests Premiums shall be determined at present company rates according to the procedures currently in use by the company. Ratable exposures in effect during the experience period may be estimated if not available.

C. Determination Of Annual Basic Limits Company Loss Cost (Basic Limits Expected Losses) Sub-ject To Experience Modification

1. Adjustment Of Experience Premium To A Loss Cost Basis

The experience period premium at present basic limits company rates now must be adjusted to a loss cost basis. Multiply the annual basic limits company premium by the company Expected Loss Ratio (ELR) for the risk. The result is the annual basic limits company loss cost (basic limits expected losses) for the risk.

2. Use Of Detrend Factors

The annual basic limits company loss costs (basic limits expected losses) for the risk is multiplied by the appropriate detrend factor from the table in Rule **11.** to obtain the annual basic limits company loss costs subject to experience rating.

D. Company Subject Loss Cost

1. Definition Of Company Subject Loss Cost

The term "company subject loss cost" is used to describe the total basic limits company loss costs (basic limits

expected losses) subject to experience modification.

2. **Determination Of Company Subject Loss Cost**

The sum of the annual basic limits company loss costs subject to experience modification, for the years included in the experience period, is the company subject loss cost.

E. Basic Limits Losses To Be Included In Experience Modification Calculation

The losses to be included in the rating shall be the total of the paid and outstanding losses and an adjustment to reflect the ultimate level of losses for each year in the experience period.

1. **Paid And Outstanding Losses**

Paid and Outstanding Losses for each year in the experience period are adjusted according to the provisions of Paragraphs **a.** and **b.**

a. The indemnity amount is limited to $100,000 per occurrence with no aggregate limit for Hospital Professional Liability, $100,000 per occurrence for Incidental Liability Bodily Injury and Property Damage; and

b. The amount of each loss (basic limits indemnity amount plus allocated claim expense) is limited by the maximum single loss (MSL) value specified in the tables contained in Rule **13.** based on the company subject loss cost.

2. **Adjustment To Reflect Ultimate Level Of Hospital Professional Liability Losses**

a. Claims-made losses are subject to variations in amount from initial reporting to ultimate settlement. The company establishing the rating may accordingly adjust claims-made losses to an estimate of the ultimate level of losses. ISO advisory factors are not available.

b. For occurrence policies effective during the experience period, an adjustment to reflect the ultimate level of losses should be calculated for each year in the experience period, by multiplying that year's Hospital Professional Liability (HPL) Loss Cost (LC) by the Expected Experience Ratio (EER) and by the appropriate basic limits Loss Development Factor (LDF), where:

(1) LC is the "Basic Limit Company Loss Cost Subject to Experience Modification" for Hospital Professional Liability insurance for each year in the experience period.

(2) EER is the expected experience ratio specified in the table contained in Rule **13.** based on the company subject loss cost.

(3) LDF is the appropriate ISO advisory basic limits loss development factor chosen according to state and maturity from the tables contained in Rule **12.** or the factor currently in use by the company establishing the rating.

3. **Ultimate Level Of Incidental Liability Losses**

Incidental Liability Losses are subject to variations in amount from initial reporting to ultimate settlement. The company establishing the rating may accordingly adjust these losses to an estimate of the ultimate level of losses. ISO advisory factors are not available.

F. Actual Experience Ratio

Determine the Actual Experience Ratio (AER) for the risk by dividing the "basic limits losses subject to experience modification" for Hospital Professional Liability and Incidental Liability combined, by the company subject loss cost.

G. Credibility

The credibility for the risk is obtained from the tables contained in Rule **13.** based on the company subject loss cost.

H. Experience Modification

The experience modification shall be determined by application of the following formula:

$$\frac{AER - EER}{EER} \times CREDIBILITY = EXPERIENCE\ MODIFICATION$$

If the experience modification is negative, it is a credit; if positive, it is a debit.

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6. RATING EXAMPLE

A. Introduction

This example shows how to apply the rating procedure of Rule **5.** The policy being rated is to be in effect from 7/1/05 to 6/30/06.

B. Using The Example

1. In calculating a modification to be effective 7/1/05 to 6/30/06 we assume we have a Maryland hospital risk, which has been written on a claims-made basis since 7/1/03 and whose Hospital Professional Liability exposures (assume no Incidental Liability exposures), present company rates, and basic limits losses for the annual policies expiring 6/30/00, 01, 02, 03, and 04 are as shown in Table **6.B.2.** Example Of Includable Losses For Hospital Professional Liability. The losses to be used are basic limits incurred losses plus Allocated Loss Adjustment Expenses (ALAE) limited by the Maximum Single Loss (MSL) for each occurrence and evaluated as of 3/31/05.
2. The loss information from the policies of the experience period is as follows:

Policy Year Ending	Exposures		Present Rates		Premium At Present Rates	Losses (Including Claim Expense)
6/30/00	500 beds	x	$ 1,023	=	$ 511,500	$ 0
6/30/01	500 beds	x	$ 1,023	=	$ 511,500	$ 661,050
6/30/02	500 beds	x	$ 1,023	=	$ 511,500	$ 110,000
6/30/03	500 beds	x	$ 1,023	=	$ 511,500	$ 0
6/30/04	500 beds	x	$ 358	=	$ 179,000	$ 125,000

Table 6.B.2. Example Of Includable Losses For Hospital Professional Liability

3. The annual basic limits company loss cost for the risk may now be calculated using the company ELR (in this example we will assume 0.65, for the risk) - as follows:

Policy Year Ending	Premium At Present Rates		Expected Loss Ratio		Annual Basic Limits Company Loss Cost
2000	$ 511,500	x	0.6500	=	$ 332,475
2001	$ 511,500	x	0.6500	=	$ 332,475
2002	$ 511,500	x	0.6500	=	$ 332,475
2003	$ 511,500	x	0.6500	=	$ 332,475
2004	$ 179,000	x	0.6500	=	$ 116,350

Table 6.B.3. Example Of Annual Basic Limits Company Loss Cost

4. The company subject loss cost is calculated from the annual basic limits company loss cost as follows:

Policy Year	Annual Basic Limits Company Loss Cost	HPL Detrend Factor	Annual Basic Limits Loss Cost Subject To Experience Rating
7/1/99 - 6/30/00	$ 332,475	.564	$ 187,516
7/1/00 - 6/30/01	$ 332,475	.621	$ 206,467
7/1/01 - 6/30/02	$ 332,475	.683	$ 227,080
7/1/02 - 6/30/03	$ 332,475	.751	$ 249,689
7/1/03 - 6/30/04	$ 116,350	.826	$ 96,105
			$ 966,857

Table 6.B.4. Example Of Company Subject Loss Cost

5. The company subject loss cost is $966,857 which falls into the $948,083 - $987,565 range in Table **13.C.2.** Credibility And Maximum Single Loss Average Rate Range (601-1200). Therefore, the expected experience ratio is 0.999. That table was used since the underlying occurrence rate is $1,023.
6. The total occurrence losses subject to experience rating are as follows: The LDF is taken from the table in Rule **12.** The loss of $661,050 represents a single occurrence, after limitation by the MSL.

	Paid And Outstanding	(Basic Limits Loss Cost Subject To Modification)	

Policy Year	Losses			*EER	*LDF		Losses
7/1/99 - 6/30/00	0	+	$ 187,516	*0.999	*.021	=	$ 3,934
7/1/00 - 6/30/01	$ 661,050	+	$ 206,467	*0.999	*.090	=	$ 679,613
7/1/01 - 6/30/02	$ 110,000	+	$ 227,080	*0.999	*.246	=	$ 165,806
7/1/02 - 6/30/03	0	+	$ 249,689	*0.999	*.437	=	$ 109,005
							$ 958,358

Table 6.B.6. Example Of Occurrence Losses

7. The total claims-made losses subject to experience modification are $125,000. Additionally, a provision for expected loss development on claims-made policies may be included if appropriate claims-made loss development factors are available. ISO does not include advisory claims-made LDFs in this Plan.
8. Thus the total basic limits losses subject to experience rating are $1,083,358 ($125,000 + $958,358) and the actual experience ratio used in the experience rating formula is: $1,083,358/$966,857 or 1.120.

The credibility factor is .43.

Therefore, the experience modification is

$$EM = \frac{1.120 - 0.999}{0.999} \times .43 = 0.052$$

or a 5.2% debit.

7. COMPANY EXPENSE VARIATION FACTOR

If the Expected Loss Ratio (ELR) underlying the company manual premium for the class is different than the actual ELR for the risk, multiply the otherwise chargeable premium (after experience modification) by the following Expense Variation Factor (EVF):

$$EVF = \frac{\text{ELR underlying the company manual premium}}{\text{Actual ELR for the risk}}$$

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8. SCHEDULE RATING

A schedule rating modification may also be applied to the otherwise chargeable premium in accordance with the following table, subject to a maximum credit or debit of 25% to reflect characteristics which may be either **(1)** known characteristics of the risk which are not reflected in its experience or company rate, or **(2)** changes in the nature of the risk since the end of the experience period.

Risk Characteristic	Description	Credit (Up To)	Debit (Up To)
Medical Audit System	Existence of an effective medical audit system which includes surgical procedures and ties into the physician credentialing process.	10%	XXX
	Lack of a system as described in the previous paragraph.	XXX	10%
Patient Safety	Existence of an effective management level patient safety committee.	5%	XXX
	Lack of the committee as described in the previous paragraph.	XXX	5%
Patient Incident Reporting System	Existence of an effective patient incident reporting and analysis system which includes all hospital and medical staff.	5%	XXX
	Lack of a system as described in the preceding paragraph.	XXX	5%
Education	Existence of effective continuing educational programs for nurses and physicians.	2%	XXX
	Lack of educational program as described in the preceding paragraph.	XXX	2%
Accreditations	Accreditation by Joint Commission on Accreditation of Hospitals or the American Osteopathic Association (or certification by Medicare).	5%	XXX
	Lack of accreditations as described in the preceding paragraph.	XXX	5%
Fire Protection	Compliance with National Fire Protection Association standards.	5%	XXX
	Lack of compliance with the standards described in the previous paragraph.	XXX	5%
Equipment	Effective preventive maintenance of professional and other equipment.	3%	XXX
	Lack of maintenance as described in the previous paragraph.	XXX	3%
Loss Prevention	Compliance with insurance company loss prevention recommendations, if any, relating to items other than those previously described.	10%	XXX
	Non-compliance with the recommendations as described in the preceding paragraph.	XXX	10%

Table 8. Schedule Rating Modifications

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9. TREATMENT OF IMMATURE LOSSES DUE TO CHANGE OF CARRIER

A. Unavailability Of Current Valuations Of Past Losses

In cases where an insured changes or has changed carriers, the company establishing the rating may be unable to obtain current valuations of past losses from previous carriers. If this happens, the maturity of the experience obtained from previous carriers must be carefully examined and the appropriate loss development factors selected.

B. Maturity Of The Losses

The maturity of the losses for any year in the experience period is defined as the number of months between the date of the latest loss valuation and the effective date of the policy to which those losses are assignable. A given year's losses

cannot mature unless the losses are revalued. The loss development factors applicable to the maturity level of the most recent evaluation of losses must be used in subsequent ratings as long as updated valuations are not available.

C. Example Of An Immature Loss Situation

A specific instance of this can be seen when the experience provided by previous carriers contains fragmented periods, such as nine months of losses which are a segment of a policy year valued as of nine months after the policy effective date and for which subsequent valuations were not obtained. If it is necessary to include this experience in subsequent ratings, factors must be applied which project nine months of losses to a complete policy year ultimate paid basis.

D. Supplementary Loss Development Factors

ISO advisory 6, 9, 12, and 15 month basic limits loss development factors for experience on an occurrence basis are included in this rule (see Rule **12.** for the composition of the State Groups). The existence of these supplementary loss development factors does not alter the requirements set forth in Rule **4.** The factors are appropriate for occurrence policies only.

Type	Six Month Maturity	Nine Month Maturity	Twelve Month Maturity	Fifteen Month Maturity
Group A States	.933	.867	.783	.712
Group B States	.961	.915	.852	.786

Table 9.D. ISO Advisory Hospitals Basic Limits Supplementary Loss Development Factors

10. PROCEDURE FOR CONVERSION OF THE PLAN TO A COMPANY PREMIUM BASIS

A. Conversion From A Loss Cost Basis To A Premium Basis

This Plan may be converted from a Loss Cost basis to a Premium basis so that annual company premium may be used in the rating in lieu of annual company loss costs. Under this option, once the annual company premium has been determined it is not converted to company loss cost using the company ELR for the risk as described under Rule **5.C.** All further references to company loss cost in the Plan shall then be assumed to refer instead to company premium.

B. Adjustments Needed To Complete Conversion

In order to complete the conversion, the following adjustments must be made to the tables contained in Rule **13.**

1. The EER values must be multiplied by the company ELR for the risk.
2. The upper bound of each subject loss cost range and the lower bound of the first range listed (.03 credibility) must be divided by the company ELR for the risk to obtain the corresponding subject premiums. The remaining lower bounds (credibilities .04 to 1.00) of subject premium ranges are then calculated as one dollar greater than the upper bound of the subject premium range corresponding to credibility (Z-.01). The Credibility and Maximum Single Loss values need no adjustment.

11. ISO ADVISORY DETREND FACTORS

The following detrend factors are based on the assumption that the experience period includes only full policy years with the latest policy year ending one year prior to the effective date of the policy being rated, the second latest policy year ending 2 years prior to the effective date and so on. If the experience period ends more than one year prior to the effective date, then the applicable detrend factors may be interpolated using the factors listed in the following table:

Year Of The Experience Period	Hospital Professional Liability Detrend Factor	Incidental Liability Detrend Factor
Latest Policy Year	.826	.925
2nd Latest Policy Year	.751	.889
3rd Latest Policy Year	.683	.855
4th Latest Policy Year	.621	.822
5th Latest Policy Year	.564	.790

Table 11. ISO Advisory Detrend Factors

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12. ISO ADVISORY HOSPITALS LOSS DEVELOPMENT FACTORS

Loss Development Factors are applied to the basic limits company loss cost for each of the years in the experience period as a part of the adjustment to reflect the ultimate level of losses. These factors are appropriate for occurrence policies only.

For Group A States (all jurisdictions except for Group B States), use Table **12.#1** ISO Advisory Hospitals Loss Development Factors Group A States.

For Group B States (Florida, Illinois, Maryland, and Missouri) use Table **12.#2** ISO Advisory Hospitals Loss Development Factors Group B States.

If the number of months, N, between the effective date of the latest policy and the loss evaluation date is not listed, interpolation may be used to obtain the appropriate loss development factors.

	HPL Development Factor				
Number Of Months, N	Latest Policy Year (N)	2nd Latest Policy Year (N+12)	3rd Latest Policy Year (N+24)	4th Latest Policy Year (N+36)	5th Latest Policy Year (N+48)
18	.648	.427	.243	.140	.073
21	.589	.374	.214	.122	.058
24	.534	.323	.186	.105	.043
27	.481	.273	.159	.088	.029
N = Number of months between the loss evaluation date and the effective date of the latest policy included in the experience period.					

Table 12.#1 ISO Advisory Hospitals Loss Development Factors - Group A States

	HPL Development Factor				
Number Of Months, N	Latest Policy Year (N)	2nd Latest Policy Year (N+12)	3rd Latest Policy Year (N+24)	4th Latest Policy Year (N+36)	5th Latest Policy Year (N+48)
18	.722	.487	.293	.122	.024
21	.660	.437	.246	.090	.021
24	.599	.388	.201	.058	.019
27	.539	.340	.156	.027	.016
N = Number of months between the loss evaluation date and the effective date of the latest policy included in the experience period.					

Table 12.#2 ISO Advisory Hospitals Loss Development Factors - Group B States

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13. CREDIBILITY AND MAXIMUM SINGLE LOSS TABLES

A. Explanation Of C&MSL Tables

This rule contains three Credibility and Maximum Single Loss Tables. The appropriate table for a given risk shall be selected according to the average company occurrence rate for Hospital Professional Liability insurance applicable to the exposures to be rated under this Plan. The average rate ranges and the appropriate table are as follows:

Average Rate Range (Average Company Basic Limits Per Bed Rate For The Risk)	Table
$ 1 - $ 600	13.C.1.
$ 601 - $ 1,200	13.C.2.
$ 1,201 - and Over	13.C.3.

Table 13.A. Average Rate Ranges

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B. Use Of Underlying Occurrence/Claims-Made Rate

Where it exists, the underlying company present occurrence rate should be utilized to determine the appropriate Credibility and Maximum Single Loss Table. Otherwise the present company claims-made rate should be increased to approximate an occurrence rate and then utilized to choose among the three tables.

C. Tables

1. The Credibility And Maximum Single Loss Table For Average Rate Range 1-600 follows:

Credibility And Maximum Single Loss Table For Average Rate Range 1-600

Company Subject Loss Cost			Credibility	Expected Experience Ratio	Maximum Single Loss
$ 14,454	-	$ 20,445	0.03	0.888	$ 128,350
20,446	-	26,561	0.04	0.908	139,250
26,562	-	32,807	0.05	0.919	146,500
32,808	-	39,187	0.06	0.927	152,000
39,188	-	45,705	0.07	0.932	156,550
45,706	-	52,365	0.08	0.937	160,550
52,366	-	59,172	0.09	0.941	164,200
59,173	-	66,132	0.10	0.944	167,550
66,133	-	73,249	0.11	0.947	170,800
73,250	-	80,528	0.12	0.950	173,900
80,529	-	87,976	0.13	0.952	176,900
87,977	-	95,598	0.14	0.954	179,900
95,599	-	103,400	0.15	0.957	182,900
103,401	-	111,389	0.16	0.959	185,850
111,390	-	119,572	0.17	0.960	188,800
119,573	-	127,956	0.18	0.962	191,750
127,957	-	136,548	0.19	0.964	194,750
136,549	-	145,356	0.20	0.966	197,800
145,357	-	154,389	0.21	0.967	200,850
154,390	-	163,654	0.22	0.969	203,950
163,655	-	173,162	0.23	0.970	207,100
173,163	-	182,922	0.24	0.972	210,300

182,923	-	192,944	0.25	0.973	213,550
192,945	-	203,238	0.26	0.974	216,900
203,239	-	213,817	0.27	0.975	220,300
213,818	-	224,691	0.28	0.977	223,750
224,692	-	235,874	0.29	0.978	227,300
235,875	-	247,379	0.30	0.979	230,900
247,380	-	259,219	0.31	0.980	234,600
259,220	-	271,411	0.32	0.981	238,400
$ 271,412	-	$ 283,969	0.33	0.982	$ 242,300
283,970	-	296,910	0.34	0.983	246,250
296,911	-	310,253	0.35	0.984	250,350
310,254	-	324,016	0.36	0.985	254,550
324,017	-	338,220	0.37	0.985	258,900
338,221	-	352,885	0.38	0.986	263,350
352,886	-	368,035	0.39	0.987	267,900
368,036	-	383,694	0.40	0.988	272,650
383,695	-	399,889	0.41	0.988	277,500
399,890	-	416,647	0.42	0.989	282,500
416,648	-	433,999	0.43	0.990	287,700
434,000	-	451,975	0.44	0.990	293,050
451,976	-	470,611	0.45	0.991	298,600
470,612	-	489,944	0.46	0.991	304,300
489,945	-	510,014	0.47	0.992	310,250
510,015	-	530,863	0.48	0.993	316,400
530,864	-	552,537	0.49	0.993	322,750
552,538	-	575,087	0.50	0.993	329,350
575,088	-	598,568	0.51	0.994	336,250
598,569	-	623,036	0.52	0.994	343,400
623,037	-	648,558	0.53	0.995	350,800
648,559	-	675,201	0.54	0.995	358,550
675,202	-	703,041	0.55	0.995	366,600
703,042	-	732,162	0.56	0.996	375,050
732,163	-	762,652	0.57	0.996	383,850
762,653	-	794,613	0.58	0.996	393,050
794,614	-	828,151	0.59	0.997	402,700
828,152	-	863,388	0.60	0.997	412,850
863,389	-	900,455	0.61	0.997	423,450
900,456	-	939,500	0.62	0.997	434,600
939,501	-	980,683	0.63	0.998	446,350
980,684	-	1,024,187	0.64	0.998	458,750
1,024,188	-	1,070,213	0.65	0.998	471,800
1,070,214	-	1,118,986	0.66	0.998	485,600

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1,118,987	-	1,170,761	0.67	0.998	500,250
$ 1,170,762	-	$ 1,225,823	0.68	0.999	$ 515,800
1,225,824	-	1,284,496	0.69	0.999	532,300
1,284,497	-	1,347,147	0.70	0.999	549,900
1,347,148	-	1,414,194	0.71	0.999	568,650
1,414,195	-	1,486,118	0.72	0.999	588,700
1,486,119	-	1,563,469	0.73	0.999	610,250
1,563,470	-	1,646,888	0.74	0.999	633,400
1,646,889	-	1,737,116	0.75	0.999	658,350
1,737,117	-	1,835,023	0.76	0.999	685,350
1,835,024	-	1,941,633	0.77	1.000	714,600
1,941,634	-	2,058,160	0.78	1.000	746,500
2,058,161	-	2,186,056	0.79	1.000	781,300
2,186,057	-	2,327,069	0.80	1.000	819,550
2,327,070	-	2,483,327	0.81	1.000	861,650
2,483,328	-	2,657,442	0.82	1.000	908,350
2,657,443	-	2,852,663	0.83	1.000	960,350
2,852,664	-	3,073,074	0.84	1.000	1,018,650
3,073,075	-	3,323,886	0.85	1.000	1,084,500
3,323,887	-	3,611,855	0.86	1.000	1,159,400
3,611,856	-	3,945,900	0.87	1.000	1,245,400
3,945,901	-	4,338,039	0.88	1.000	1,345,100
4,338,040	-	4,804,871	0.89	1.000	1,462,200
4,804,872	-	5,369,984	0.90	1.000	1,601,600
5,369,985	-	6,068,064	0.91	1.000	1,770,300
6,068,065	-	6,952,300	0.92	1.000	1,978,700
6,952,301	-	8,108,607	0.93	1.000	2,242,650
8,108,608	-	9,685,390	0.94	1.000	2,587,850
9,685,391	-	11,962,966	0.95	1.000	3,058,550
11,962,967	-	15,542,014	0.96	1.000	3,738,400
15,542,015	-	21,984,300	0.97	1.000	4,806,800
21,984,301	-	37,016,300	0.98	1.000	6,729,900
37,016,301	-	112,176,300	0.99	1.000	11,217,050
112,176,301	-	AND OVER	1.00	1.000	33,652,900

Table 13.C.1. Credibility And Maximum Single Loss Table For Average Rate Range 1-600

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2. The Credibility And Maximum Single Loss Table For Average Rate Range 601-1200 follows:

Credibility And Maximum Single Loss Table For Average Rate Range 601-1200

Company Subject Loss Cost			Credibility	Expected Experience Ratio	Maximum Single Loss
$ 32,890	-	$ 46,522	0.03	0.993	$ 326,700
46,523	-	60,441	0.04	0.995	347,000
60,442	-	74,654	0.05	0.995	360,900

74,655	-	89,171	0.06	0.996	371,650
89,172	-	104,002	0.07	0.996	380,650
104,003	-	119,157	0.08	0.996	388,550
119,158	-	134,648	0.09	0.997	395,800
134,649	-	150,484	0.10	0.997	402,600
150,485	-	166,678	0.11	0.997	409,150
166,679	-	183,242	0.12	0.997	415,450
183,243	-	200,190	0.13	0.997	421,700
200,191	-	217,533	0.14	0.997	427,850
217,534	-	235,288	0.15	0.997	433,950
235,289	-	253,467	0.16	0.998	440,100
253,468	-	272,087	0.17	0.998	446,250
272,088	-	291,165	0.18	0.998	452,500
291,166	-	310,716	0.19	0.998	458,750
310,717	-	330,759	0.20	0.998	465,150
330,760	-	351,312	0.21	0.998	471,600
351,313	-	372,396	0.22	0.998	478,200
372,397	-	394,032	0.23	0.998	484,900
394,033	-	416,240	0.24	0.998	491,750
416,241	-	439,044	0.25	0.998	498,700
439,045	-	462,470	0.26	0.998	505,850
462,471	-	486,541	0.27	0.999	513,100
486,542	-	511,286	0.28	0.999	520,600
511,287	-	536,732	0.29	0.999	528,250
536,733	-	562,911	0.30	0.999	536,050
562,912	-	589,854	0.31	0.999	544,100
589,855	-	617,596	0.32	0.999	552,400
$ 617,597	-	$ 646,172	0.33	0.999	$ 560,850
646,173	-	675,620	0.34	0.999	569,600
675,621	-	705,982	0.35	0.999	578,550
705,983	-	737,300	0.36	0.999	587,800
737,301	-	769,620	0.37	0.999	597,300
769,621	-	802,991	0.38	0.999	607,100
802,992	-	837,465	0.39	0.999	617,200
837,466	-	873,098	0.40	0.999	627,650
873,099	-	909,949	0.41	0.999	638,400
909,950	-	948,082	0.42	0.999	649,550
948,083	-	987,565	0.43	0.999	661,050
987,566	-	1,028,471	0.44	0.999	672,950
1,028,472	-	1,070,877	0.45	0.999	685,300
1,070,878	-	1,114,870	0.46	1.000	698,050

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1,114,871	-	1,160,538	0.47	1.000	711,300
1,160,539	-	1,207,979	0.48	1.000	725,000
1,207,980	-	1,257,300	0.49	1.000	739,300
1,257,301	-	1,308,613	0.50	1.000	754,100
1,308,614	-	1,362,042	0.51	1.000	769,500
1,362,043	-	1,417,721	0.52	1.000	785,550
1,417,722	-	1,475,794	0.53	1.000	802,250
1,475,795	-	1,536,420	0.54	1.000	819,650
1,536,421	-	1,599,771	0.55	1.000	837,850
1,599,772	-	1,666,035	0.56	1.000	856,800
1,666,036	-	1,735,417	0.57	1.000	876,650
1,735,418	-	1,808,143	0.58	1.000	897,450
1,808,144	-	1,884,460	0.59	1.000	919,200
1,884,461	-	1,964,641	0.60	1.000	942,050
1,964,642	-	2,048,988	0.61	1.000	966,050
2,048,989	-	2,137,833	0.62	1.000	991,300
2,137,834	-	2,231,546	0.63	1.000	1,017,900
2,231,547	-	2,330,539	0.64	1.000	1,045,900
2,330,540	-	2,435,271	0.65	1.000	1,075,500
2,435,272	-	2,546,255	0.66	1.000	1,106,850
2,546,256	-	2,664,069	0.67	1.000	1,140,000
$ 2,664,070	-	$ 2,789,363	0.68	1.000	$ 1,175,250
2,789,364	-	2,922,873	0.69	1.000	1,212,700
2,922,874	-	3,065,435	0.70	1.000	1,252,600
3,065,436	-	3,218,001	0.71	1.000	1,295,200
3,218,002	-	3,381,663	0.72	1.000	1,340,750
3,381,664	-	3,557,677	0.73	1.000	1,389,650
3,557,678	-	3,747,496	0.74	1.000	1,442,250
3,747,497	-	3,952,810	0.75	1.000	1,498,950
3,952,811	-	4,175,597	0.76	1.000	1,560,250
4,175,598	-	4,418,188	0.77	1.000	1,626,800
4,418,189	-	4,683,346	0.78	1.000	1,699,250
4,683,347	-	4,974,373	0.79	1.000	1,778,450
4,974,374	-	5,295,248	0.80	1.000	1,865,350
5,295,249	-	5,650,813	0.81	1.000	1,961,200
5,650,814	-	6,047,014	0.82	1.000	2,067,350
6,047,015	-	6,491,239	0.83	1.000	2,185,650
6,491,240	-	6,992,783	0.84	1.000	2,318,300
6,992,784	-	7,563,506	0.85	1.000	2,468,050
7,563,507	-	8,218,781	0.86	1.000	2,638,400
8,218,782	-	8,978,900	0.87	1.000	2,834,050

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8,978,901	-	9,871,213	0.88	1.000	3,061,000
9,871,214	-	10,933,490	0.89	1.000	3,327,350
10,933,491	-	12,219,405	0.90	1.000	3,644,500
12,219,406	-	13,807,888	0.91	1.000	4,028,350
13,807,889	-	15,819,966	0.92	1.000	4,502,550
15,819,967	-	18,451,146	0.93	1.000	5,103,200
18,451,147	-	22,039,118	0.94	1.000	5,888,650
22,039,119	-	27,221,744	0.95	1.000	6,959,700
27,221,745	-	35,365,871	0.96	1.000	8,506,800
35,365,872	-	50,025,300	0.97	1.000	10,937,900
50,025,301	-	84,230,633	0.98	1.000	15,313,850
84,230,634	-	255,257,300	0.99	1.000	25,524,450
255,257,301	-	AND OVER	1.00	1.000	76,577,200

Table 13.C.2. Credibility And Maximum Single Loss Table For Average Rate Range 601-1200

3. The Credibility And Maximum Single Loss Table For Average Rate Range 1201 and up follows:

Credibility And Maximum Single Loss Table For Average Rate Range 1201 And Up

Company Subject Loss Cost			Credibility	Expected Experience Ratio	Maximum Single Loss
$ 67,772	-	$ 95,863	0.03	0.999	$ 677,350
95,864	-	124,543	0.04	1.000	718,650
124,544	-	153,831	0.05	1.000	746,950
153,832	-	183,744	0.06	1.000	768,900
183,745	-	214,305	0.07	1.000	787,200
214,306	-	245,533	0.08	1.000	803,400
245,534	-	277,452	0.09	1.000	818,200
277,453	-	310,084	0.10	1.000	832,150
310,085	-	343,453	0.11	1.000	845,450
343,454	-	377,585	0.12	1.000	858,450
377,586	-	412,506	0.13	1.000	871,150
412,507	-	448,245	0.14	1.000	883,750
448,246	-	484,828	0.15	1.000	896,300
484,829	-	522,289	0.16	1.000	908,850
522,290	-	560,657	0.17	1.000	921,500
560,658	-	599,967	0.18	1.000	934,250
599,968	-	640,254	0.19	1.000	947,150
640,255	-	681,554	0.20	1.000	960,200
681,555	-	723,906	0.21	1.000	973,500
723,907	-	767,351	0.22	1.000	987,000
767,352	-	811,932	0.23	1.000	1,000,750
811,933	-	857,694	0.24	1.000	1,014,800
857,695	-	904,685	0.25	1.000	1,029,100
904,686	-	952,954	0.26	1.000	1,043,750
952,955	-	1,002,555	0.27	1.000	1,058,700

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1,002,556	-	1,053,543	0.28	1.000	1,074,050
1,053,544	-	1,105,978	0.29	1.000	1,089,750
1,105,979	-	1,159,921	0.30	1.000	1,105,850
1,159,922	-	1,215,440	0.31	1.000	1,122,400
1,215,441	-	1,272,603	0.32	1.000	1,139,350
$ 1,272,604	-	$ 1,331,486	0.33	1.000	$ 1,156,800
1,331,487	-	1,392,167	0.34	1.000	1,174,750
1,392,168	-	1,454,729	0.35	1.000	1,193,200
1,454,730	-	1,519,262	0.36	1.000	1,212,200
1,519,263	-	1,585,860	0.37	1.000	1,231,750
1,585,861	-	1,654,623	0.38	1.000	1,251,900
1,654,624	-	1,725,660	0.39	1.000	1,272,700
1,725,661	-	1,799,084	0.40	1.000	1,294,150
1,799,085	-	1,875,019	0.41	1.000	1,316,350
1,875,020	-	1,953,595	0.42	1.000	1,339,250
1,953,596	-	2,034,953	0.43	1.000	1,362,900
2,034,954	-	2,119,242	0.44	1.000	1,387,400
2,119,243	-	2,206,624	0.45	1.000	1,412,750
2,206,625	-	2,297,273	0.46	1.000	1,439,050
2,297,274	-	2,391,376	0.47	1.000	1,466,300
2,391,377	-	2,489,133	0.48	1.000	1,494,550
2,489,134	-	2,590,761	0.49	1.000	1,523,900
2,590,762	-	2,696,495	0.50	1.000	1,554,400
2,696,496	-	2,806,590	0.51	1.000	1,586,150
2,806,591	-	2,921,321	0.52	1.000	1,619,150
2,921,322	-	3,040,986	0.53	1.000	1,653,550
3,040,987	-	3,165,910	0.54	1.000	1,689,400
3,165,911	-	3,296,450	0.55	1.000	1,726,800
3,296,451	-	3,432,991	0.56	1.000	1,765,900
3,432,992	-	3,575,958	0.57	1.000	1,806,800
3,575,959	-	3,725,815	0.58	1.000	1,849,600
3,725,816	-	3,883,072	0.59	1.000	1,894,450
3,883,073	-	4,048,292	0.60	1.000	1,941,500
4,048,293	-	4,222,094	0.61	1.000	1,990,950
4,222,095	-	4,405,166	0.62	1.000	2,042,900
4,405,167	-	4,598,269	0.63	1.000	2,097,700
4,598,270	-	4,802,252	0.64	1.000	2,155,400
4,802,253	-	5,018,059	0.65	1.000	2,216,400
5,018,060	-	5,246,750	0.66	1.000	2,280,900
5,246,751	-	5,489,515	0.67	1.000	2,349,250

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$ 5,489,516	-	$ 5,747,693	0.68	1.000	$ 2,421,850
5,747,694	-	6,022,801	0.69	1.000	2,499,000
6,022,802	-	6,316,561	0.70	1.000	2,581,200
6,316,562	-	6,630,935	0.71	1.000	2,668,950
6,630,936	-	6,968,172	0.72	1.000	2,762,900
6,968,173	-	7,330,862	0.73	1.000	2,863,600
7,330,863	-	7,721,998	0.74	1.000	2,971,950
7,721,999	-	8,145,063	0.75	1.000	3,088,800
8,145,064	-	8,604,134	0.76	1.000	3,215,150
8,604,135	-	9,104,011	0.77	1.000	3,352,250
9,104,012	-	9,650,388	0.78	1.000	3,501,550
9,650,389	-	10,250,070	0.79	1.000	3,664,700
10,250,071	-	10,911,258	0.80	1.000	3,843,750
10,911,259	-	11,643,927	0.81	1.000	4,041,200
11,643,928	-	12,460,328	0.82	1.000	4,259,950
12,460,329	-	13,375,687	0.83	1.000	4,503,750
13,375,688	-	14,409,158	0.84	1.000	4,777,050
14,409,159	-	15,585,175	0.85	1.000	5,085,600
15,585,176	-	16,935,418	0.86	1.000	5,436,700
16,935,419	-	18,501,700	0.87	1.000	5,839,800
18,501,701	-	20,340,378	0.88	1.000	6,307,400
20,340,379	-	22,529,280	0.89	1.000	6,856,300
22,529,281	-	25,179,005	0.90	1.000	7,509,750
25,179,006	-	28,452,194	0.91	1.000	8,300,750
28,452,195	-	32,598,233	0.92	1.000	9,277,900
32,598,234	-	38,019,976	0.93	1.000	10,515,550
38,019,977	-	45,413,263	0.94	1.000	12,134,050
45,413,264	-	56,092,455	0.95	1.000	14,341,050
56,092,456	-	72,874,042	0.96	1.000	17,528,900
72,874,043	-	103,080,900	0.97	1.000	22,538,350
103,080,901	-	173,563,566	0.98	1.000	31,555,400
173,563,567	-	525,976,900	0.99	1.000	52,595,000
525,976,901	-	AND OVER	1.00	1.000	157,793,050

Table 13.C.3. Credibility And Maximum Single Loss Table For Average Rate Range 1201 And Up

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RETROSPECTIVE RATING PLAN

1. INTRODUCTION

The rules contained in this Plan apply only to General Liability, Hospitals Professional Liability, Commercial Automobile Liability, Commercial Automobile Physical Damage, Crime and Fidelity insurance when written either alone or in combination with Workers Compensation and Employers Liability insurance. Refer to the Retrospective Rating Plan Manual issued by the National Council on Compensation Insurance for rules governing the rating of Workers Compensation insurance.

2. GENERAL EXPLANATIONS

A. Use Of The Plan

The application of this Plan is optional and may be used only upon election by the insured and acceptance by the insurance carrier.

B. Purpose Of The Plan

This Plan adjusts the premium for the insurance to which it applies on the basis of losses incurred during the period covered by that insurance. The intent is to charge a premium which reflects those losses. Within the principle of insurance, retrospective rating establishes the reasonable cost of insurance by using losses incurred during the term of insurance and adding the insurance carrier's expenses and the taxes on premiums.

C. Loss Control Incentive In Use Of The Plan

The Plan provides an incentive to the insured to control and reduce losses because the retrospective premium will be the result of losses during the rating period. To the extent that the insured controls losses, there is a reward through lower premiums. The Plan also dispels any concern the insured may have that its premium depends mostly upon losses incurred by other risks, because the greatest part of the retrospective premium is used to pay for the insured's own losses.

D. Cost-Plus Feature Of The Plan

The cost-plus characteristics of this Plan exist because the retrospective premium for a rating period is based on the incurred losses during that period, so that it is in the nature of a dollar for dollar cost method. Premium under the Plan is the direct result of such incurred losses, because the Plan reflects the cost of losses plus the insurance carrier's expenses in providing the insurance.

E. Other Individual Risk Rating Plans

Retrospective rating is an independent option and it is not a substitute for prospective individual risk rating. Retrospective rating is superimposed upon the premium resulting from experience and schedule rating, composite rating or loss rating.

F. Risks Not Subject To Other Rating Plans

For risks not subject to other rating plans, the retrospective rating premium is based on the insurance carrier's manual premium.

G. Risks Operating In More Than One State

This Plan may be applied on an intrastate or interstate basis.

H. Premium Discount Or Expense Modification

The Standard Premium under this Plan is not subject to any additional premium discount which recognizes variations in issuing and servicing expenses from the insurance carrier's manual expenses for the class, since retrospective rating incorporates those elements by means of the factors used to compute premium under this Plan.

I. Expense Ratios

The amount of premium for company expenses, profit or contingencies, but not taxes, contemplated by the expense provisions underlying the insurance carrier's manual rates is determined by multiplying the Standard Premium of the risk by the appropriate manual company expense ratio factor.

J. Increased Limits For Liability Coverages

If the policy provides increased limits for Commercial Automobile Liability or General Liability Coverage, such premium and incurred losses are subject to the Plan up to the accident limit which applies for retrospective rating purposes. See

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Rule **3.F.1.c.**

3. DEFINITIONS

A. Insured

The insured may be an individual, partnership, joint venture, corporation, association, a fiduciary such as a trustee, receiver or executor, or other legal entity designated in the Declarations in the policy or policies to which this Plan is applied by the carrier which issued such insurance. Insured may mean two or more legal entities if the same person, or group of persons, owns the majority interest in such entities.

B. Risk

Risk means the exposures of any insured to which this Plan is applied.

C. Rates

1. Authorized Rate

Authorized rate means the insurance carrier's manual rate or any other rate that has been established by the company in accordance with state regulatory requirements.

2. Insurance Carrier's Manual Rate

Insurance carrier's manual rate means the rate shown in the manuals in use by the insurance carrier.

D. Standard Premium

For the purpose of this Plan, Standard Premium means the company premium for the risk determined on the basis of authorized rates, any individual risk rating modification (except expense modification), and company minimum premiums. The Standard Premium for Commercial Automobile Liability, General Liability and Hospitals Professional Liability insurance shall be the premium for the accident limit which applies for retrospective rating purposes. This limit, known as the retrospective rating limit, is discussed in Paragraph **F.** Where aggregate limits are involved, the Standard Premium shall be for any aggregate limits included in the policy limits. Conversion factors are provided in Rule **17.** to calculate the premium at limits below the basic limits for Commercial Automobile Liability, General Liability and Hospitals Professional Liability. For Crime insurance the standard premium means the premium developed for all crime coverages except Fidelity insurance. For Fidelity insurance, the standard premium means the premium developed for Employee Theft, Forgery or Alteration and Clients' Property coverages. For Commercial Automobile Physical Damage insurance, Standard Premium means the entire policy premium.

E. Incurred Losses

1. Incurred losses used in the rating formula for determining premium under this Plan includes indemnity losses paid and outstanding reported under the rules of the Commercial Statistical Plan, subject to the retrospective rating limit described in Paragraph **F.**
2. For Commercial Automobile Liability, General Liability and Hospitals Professional Liability, incurred losses shall also include allocated loss adjustment expenses, premiums on bonds, interest accruing after entry of judgment, and expenses incurred in seeking recovery against a third party. For Commercial Automobile Physical Damage, Crime and Fidelity, the incurred losses shall include expenses incurred in seeking recovery against a third party or other person or organization, but shall be exclusive of all loss adjustment expenses. Refer to the Commercial Statistical Plan for the definition of allocated loss adjustment expenses.

F. Retrospective Rating Limits

1. Commercial Automobile Liability, General Liability And Hospitals Professional Liability Retrospective Rating Limits

For Commercial Automobile Liability, General Liability and Hospitals Professional Liability insurance, the incurred losses to be included in the retrospective rating shall be subject to limitation as follows:

a. The sum of all indemnity losses actually paid and all reserves for unpaid indemnity losses shall be limited by the retrospective rating limit. This limit applies per accident separately for each coverage and hazard to which the policy limits of liability for each accident apply separately.

b. Such limitation shall not apply to allocated loss adjustment expenses, premiums on bonds, interest accruing after entry of judgment and expenses incurred in seeking recovery against a third party, which shall be included in full. Refer to the Commercial Statistical Plan for the definition of allocated loss adjustment expenses.

c. While it is necessary to have a retrospective rating limit, the insured and the insurance carrier, will agree upon a particular value of the limit. The limit can vary by line of business. For a given line, the retrospective rating limit defines the layer of indemnity loss that will be subject to retrospective rating. The limit must be less than or equal to the policy limit. If it is less than the policy limit, the layer of indemnity loss from the retrospective rating limit to the policy limit shall not be subject to retrospective rating and will therefore be priced using increased limits factors or some other approach outside the scope of this Plan. The insured will be charged a fixed premium, independent of the retrospective premium, for the coverage of losses in excess of the retrospective rating limit. The Plan includes plan parameters for several different representative retrospective rating limits, including $25,000, $50,000, $100,000, $250,000, $500,000 and $1,000,000.

d. Where aggregate limits are involved, the losses as limited in Paragraph **c.** shall be further limited to the aggregate limits contemplated in the Standard Premium.

e. The losses as limited above may be further limited through advance election by the risk of a combined accident limitation - explained in Rule **5.D.**

2. Crime And Fidelity Retrospective Rating Limits

For Crime and Fidelity insurance, the incurred losses to be included in the retrospective rating shall not be limited for the purpose of retrospective rating other than by policy provisions.

3. Commercial Automobile Physical Damage Retrospective Rating Limits

For Commercial Automobile Physical Damage insurance, the incurred losses to be included in the rating may be limited through advance election by the risk of a combined accident limitation - explained in Rule **5.D.**

G. Anniversary Rating Date

1. Single Policy Risk

The anniversary rating date for application of this Plan is the effective month and day of the policy in effect.

2. Multiple Policy Risk

If the risk subject to the Plan includes more than one policy with different effective dates, the anniversary rating date shall be determined by the company.

3. Change Of Date

This Plan applies for the period of the policy or policies subject to the Plan. If the period for the application of the Plan is changed, refer to Rule **8.B.**

H. Long Term Construction Project

A long term construction project means a construction or erection project expected to require more than 1 year for completion and let under one contract or more than one concurrent or consecutive contracts. Such a project may be insured under 1 year policies or policies issued for any period not longer than 3 years.

I. Wrap-Up Construction Project

A wrap-up construction project is a construction, erection or demolition project for which policies have been issued by one or more insurance carriers under the same management to insure two or more legal entities engaged in such a project. The entities insured shall be limited to the general contractor (including any owner or principal acting as a general contractor) and subcontractors performing work under contracts let on an ex-insurance basis. If the contract between the owner or principal and such general contractor is on an ex-insurance basis, the owner or principal is an eligible entity for the combination.

J. Large Risk Alternative Rating Option

The Large Risk Alternative Rating Option provides that a risk may be retrospectively rated as mutually agreed upon by carrier and insured. It is an available option for a risk with an estimated annual Standard Premium in excess of $1,000,000 individually or in any combination with General Liability, Hospitals Professional Liability, Commercial Automobile, Crime, Fidelity or Workers' Compensation.

K. 90% Factor

The term "90% Factor" when used in Rule **7.** Cancellation Of Policy, is a reference to the procedure in the policy cancellation rule of the appropriate manual, under which return premiums are required to be computed at .90 of the pro rata unearned premium for the period in question.

L. Short Rate Factor

The term "short rate" factor when used in Rule **7.** Cancellation Of Policy, is a reference to the procedure in the policy cancellation rule of the appropriate manual, under which return premiums are required to be computed at a specified percentage, (as set out in a short rate cancellation table), of the unearned premium for the period in question.

4. ELIGIBILITY

A. One Year Plan

A risk is eligible for a One Year Plan if the estimated Standard Premium is at least $25,000. The estimated Standard Premium may include Workers' Compensation insurance. Refer to the NCCI Retrospective Rating Plan Manual.

B. Three Year Plan

A risk is eligible for a Three Year Plan if the estimated Standard Premium for 3 years is at least $75,000. The Standard Premium may include Workers' Compensation insurance. Refer to the NCCI Retrospective Rating Plan Manual.

C. Long Term Construction Plan

A Long Term Construction Project is eligible for this Plan if the estimated Standard Premium is an average of $75,000

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or more per year. For such a project, the retrospective rating premium shall be based on the entire period required for completion of the project.

D. Wrap-Up Construction Project

Two or more policies on a Wrap-Up Construction Project may be combined for the purpose of retrospective rating. A Wrap-Up Construction Project may be treated as a Long Term Construction Project.

E. Large Risk Alternative Rating Option

A risk is eligible for the Large Risk Alternative Rating Option if the estimated Standard Premium individually or in any combination with General Liability, Hospitals Professional Liability, Commercial Automobile, Crime, Fidelity, or Workers' Compensation exceeds an average of $1,000,000 annually for the term of the Plan.

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5. DETERMINATION OF PREMIUM

A. Introduction

The retrospective premium is computed on the basis of the formulas in Paragraphs **B.** and **E.**

B. The Retrospective Premium Formula

1. The premium for a risk subject to this Plan is determined by the following retrospective premium formula:

   Retrospective Premium = (Basic Premium + Converted Losses) x Tax Multiplier

2. This formula produces a retrospective premium which shall be subject to the Minimum Retrospective Premium and the Maximum Retrospective Premium. If the risk to which the Plan is applied includes more than one legal entity, a single retrospective premium is computed on the basis of the combined entities, not individually for each legal entity.

3. Risks with an estimated annual Standard Premium in excess of $1,000,000 individually, or in any combination with General Liability, Hospitals Professional Liability, Commercial Automobile, Crime and Fidelity or Workers' Compensation may be rated under the Large Risk Alternative Rating Option. The option provides that such risks may be retrospectively rated as mutually agreed upon by carrier and insured.

C. Definitions Of Terms Used For The Formula

1. **Standard Premium**

   Standard Premium is defined in Rule **3.D.**

2. **Basic Premium**

   a. The Basic Premium is a percentage of the Standard Premium. It is determined by multiplying the Standard Premium by a Basic Premium Factor. Basic Premium Factors are based on the insurance carrier's manual expense ratios and the Table of Insurance Charges.

   b. The Basic Premium provides: insurance carrier expenses such as for acquiring and servicing the insured's account; loss control services, premium audit and general administration of the insurance; an adjustment for limiting the retrospective premium between the minimum retrospective premium and the maximum retrospective premium; and an allowance for the insurance carrier's possible profit or contingencies.

   c. The Basic Premium does not cover premium taxes nor claim adjustment expenses. The latter elements are usually provided by the Tax Multiplier and the Loss Conversion Factor.

3. **Converted Losses**

   Converted Losses are based on the Incurred Losses of the risk during the period of the policy or policies to which this Plan is applied. A Loss Conversion Factor is applied to such losses to produce the Converted Losses. Refer to Paragraph **4.** Incurred Losses are defined in Rule **3.E.**

4. **Loss Conversion Factor**

   The Loss Conversion Factor usually covers unallocated claim adjustment expenses and the cost of the insurance carrier's claim services such as investigation of claims and filing claim reports.

5. **Company Tax Multiplier**

   The Company Tax Multiplier covers licenses, fees, assessments and taxes which the insurance carrier must pay on the premium which it collects.

6. **Minimum Retrospective Premium**

   The Minimum Retrospective Premium is a percentage of the Standard Premium (subject to the tax multiplier). It is the least amount of premium to be paid by the risk subject to this Plan. The Minimum Retrospective Premium Factor is established by agreement between the risk and the insurance carrier. Refer to Rule **6.A.**

7. **Maximum Retrospective Premium**

The Maximum Retrospective Premium is a percentage of the Standard Premium (subject to the tax multiplier). It is the greatest amount of premium to be paid by the risk subject to this Plan. It has the effect of placing a limit on the impact of incurred losses on the retrospective premium. The Maximum Retrospective Premium Factor is established by agreement between the risk and the insurance carrier. Refer to Rule **6.A.**

D. Additional Elective Elements For The Retrospective Premium Formula

The insured and the insurance carrier may agree that either or both of two additional elective premium elements (Excess Loss Premium and Retrospective Development Premium) will be included in the Retrospective Premium formula. These elective elements are subject to the Tax Multiplier as shown in the Retrospective Premium formula in Paragraph **E.**:

1. Excess Loss Premium

a. Election of a combined accident limitation by agreement places a limit on the amount of incurred indemnity loss and allocated loss adjustment expense, arising out of any one accident, which will be included in the retrospective premium formula for liability insurance. The use of this elective element is intended to minimize the effect that high cost losses from combinations of coverages and the inclusion of any allocated loss adjustment expense will have on the retrospective premium. For Commercial Automobile Physical Damage, election of a combined accident limitation places a limit on the amount of incurred indemnity loss arising out of any one accident. Excess Loss Premium is the premium charge for such limitation on losses used in computing the retrospective premium.

This elective limitation, which applies across all lines of business, should not be confused with the by-line retrospective rating limit which is required as described in Rule **3.F.** Rather, it corresponds with the elective loss limitation in the NCCI Workers Compensation Retrospective Rating Plan.

b. The insurance carrier pays all incurred losses up to the policy limits purchased regardless of the combined accident limitation.

c. Excess Loss Premium is computed as follows:

(Standard Premium) x (Company Expected Loss Ratio for the Risk) x (Excess Loss Premium Factor) x (Loss Conversion Factor)

d. Advisory Excess Loss Premium Factors are detailed in Rule **14.**

e. A combined accident limitation may be changed, included, or excluded after this Plan has been applied to a risk provided the new agreement is not retroactive.

f. With respect to CGL "claims-made" or CGL "occurrence" policies, limitations on the amount of ratable loss (See Items **4.** and **6.** of the Retrospective Premium Endorsement) for General Liability only pertain to claims that are covered by the CGL "claims-made" or CGL "occurrence" policies listed in the schedule of the Retrospective Premium Endorsement.

2. Retrospective Development Premium

a. The purpose of this optional premium element is to stabilize premium adjustments for risks subject to this Plan. Refer to Rule **9.** for premium adjustment rules. Retrospective Development Premium anticipates future changes in the value of incurred losses. The Retrospective Development Premium is included only in the first four adjustments of the Retrospective Premium and is not included in any later premium computations.

b. Retrospective Development Premium is computed as follows:

(Standard Premium) x (Company Expected Loss Ratio for the Risk) x (Retrospective Premium Factor) x (Loss Conversion Factor)

c. Advisory Retrospective Development Factors are detailed in Rules **15.** and **16.**

E. The Retrospective Premium Formula When Additional Elective Premium Elements Are Included

1. The retrospective premium for a risk which has elected either or both of the additional elective premium elements is determined by the following formula:

Retrospective Premium = (Basic Premium + Converted Losses + Excess Loss Premium + Retrospective Development Premium) x Tax Multiplier

2. Excess Loss Premium or Retrospective Development Premium, or both, are included in the formula depending on whether such elective premium elements are in the retrospective agreement.

3. The result of this calculation is the retrospective premium when the risk has elected one or both of the elective premium elements. The retrospective premium shall not be less than the Minimum Retrospective Premium nor more than the Maximum Retrospective Premium.

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6. RETROSPECTIVE RATING PROCEDURES

A. Explanation

1. Many of the factors for retrospective rating are determined for each risk by agreement between the insured and the insurance carrier, subject to the procedures described in Paragraph **2.**
2. The Basic Premium is determined by using the insurance carrier's expenses and the Table of Insurance Charges. The Loss Conversion Factor and Minimum and Maximum Retrospective Premiums are subject to agreement between the insured and the insurance carrier. The Tax Multiplier is determined by the insurance carrier on the basis of the state or states included in the rating. The Excess Loss Premium Factor and Retrospective Development Factors, if any, are determined by the company.
3. This Plan may be applied to any of the following types of insurance alone, or to any combination of such insurance:

   Workers' Compensation and Employers' Liability (refer to NCCI Retrospective Rating Plan Manual), Third Party Liability, Commercial Automobile Physical Damage, Crime and Fidelity insurance.
4. When the retrospective rating includes Workers Compensation and other commercial casualty insurance, the total Retrospective Premium including the Minimum and Maximum Retrospective Premiums is determined on the basis of all insurance in the Plan.
5. For an interstate risk an average of the applicable company-specified state tax multipliers, weighted by the company Standard Premiums of the risk in each state, shall be used.
6. Refer to Rules **18.** and **19.** for explanations and examples on the use of Retrospective Rating.

B. Three Year Plan - Optional

This Plan may also be applied to a risk for a period of three years. Follow the procedure and examples cited in Paragraph **A.**, but determine the insurance carrier expenses on the basis of the annual Standard Premium and the remainder of the Basic Premium by use of the Standard Premium for the 3 year period of the Plan.

C. Long Term Or Wrap-Up Construction Projects

This Plan may be applied to such projects in the following manner:

1. The project may be insured under a series of 1 year policies. Refer to Paragraph **A.**
2. The project may be insured under a series of 3 year policies. Refer to Paragraph **B.**
3. The Plan shall apply to such projects so that the Retrospective Premium is computed on the basis of the Standard Premium for the entire duration of the project.

D. Retrospective Premium Determination For Three Year Plans And Long Term Or Wrap-Up Construction Projects

For determining retrospective premium for plans applied on a three year basis, or Long Term or Wrap-Up Construction Projects, any revision in Tax Multipliers and Excess Loss Premium Factors shall be applied to policies as of the first normal anniversary date of the risk, which is on or after the date of such revision, unless the revision is authorized for application to outstanding policies.

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7. CANCELLATION OF POLICY

A. Explanation

While cancellation of the policy is permitted by the insured or insurance carrier, the premium determination for a cancelled policy is controlled by the policy cancellation rule(s) of the applicable manual.

B. Retrospective Premium Determination Upon Cancellation

1. Calculation Of Retrospective Premium For A Cancelled Policy

If the reason for the cancellation is as indicated in Paragraph **2.** or Paragraph **3.**, Retrospective Premium for the cancelled policy shall be computed as follows:

a. Standard Premium

Determine the premium for the cancelled policy on a pro rata basis.

b. Retrospective Premium

The retrospective premium for the cancelled policy shall be determined by using the Retrospective Premium in Rule **5.E.** Use the Standard Premium in Paragraph **a.** to establish the Basic Premium, and if applicable, Excess Loss Premium and Retrospective Development Premium for the formula.

2. Cancellation By The Insurance Carrier

Cancellation by the insurance carrier, except for non-payment of premium.

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3. Cancellation By The Insured

Cancellation by the insured when retiring from business provided:

a. All work covered by the policy has been completed, or

b. All interest in any business covered by the policy has been sold, or

c. The insured has retired from all business covered by the policy.

4. Exception For Non-Payment Of Premium

If the cancellation by the insurance carrier is because of non-payment of premium by the insured, the Maximum Retrospective Premium shall be based on a Standard Premium which shall be the premium for the cancelled policy extended pro rata to an annual basis.

5. Cancellation By The Insured Except When Retiring From Business

Cancellation by the insured, except when retiring from business for the reasons stated in Paragraph **3.**

Determine the Retrospective Premium as follows:

a. The premium for the cancelled policy is to be calculated on the basis of the policy cancellation rule(s) of the applicable manual (using the "90% factor" or "short rate" factor).

b. Use the Retrospective Premium Formula in Rule **5.E.** to establish the Retrospective Premium as shown below:

(1) Basic Premium and, if applicable, Excess Loss Premium and Retrospective Development Premium shall be computed by using the premium in Paragraph **a.** as the Standard Premium.

(2) Minimum Retrospective Premium shall be the premium in Paragraph **a.**

(3) Maximum Retrospective Premium shall be based on a Standard Premium which shall be computed pro rata for the period the policies were in effect and then extended pro rata to the normal expiration date of the policies.

6. Cancellation Of Three Year Plan

If a policy for a Three Year Retrospective Rating Option is cancelled, the Retrospective Premium shall be computed as follows:

a. Determine premium for the cancelled policy in accordance with the policy cancellation rule(s) of the applicable manual depending on the reason for the cancellation. If the Plan was applied to a 3 year policy, each 12 month unit within such a policy is treated as a separate policy.

b. The "90% factor" or "short rate" factor does not apply to any premium for completed 12 month policy units. Apply the "90% factor" or "short rate" factor only to the premium for the 12 month unit cancelled by the insured when not retiring from the business.

c. If the reason for the cancellation of the Three Year Plan relates to Paragraph **2.** or **3.**, the Total Standard Premium is the sum of the pro rata premium in this paragraph, and the Standard Premium for each completed 12 month unit. Use this total Standard Premium to establish the Basic Premium, and if applicable, Excess Loss Premium and Retrospective Development Premium.

d. If the cancellation by the carrier is caused by non-payment of premium by the insured, the Maximum Retrospective Premium shall be based on a Total Standard Premium which shall be the sum of the premium, extended pro rata to an annual basis, for the cancelled 12 month unit of the policy and the Standard Premium

for each completed 12 month unit, such sum then extended pro rata to a 3 year basis.

e. If the reason for the cancellation of the Three Year Plan relates to Paragraph **5.**, the Total Standard Premium shall be the sum of the "90% factor" or "short rate" factor premium for the incomplete 12 month unit and the Standard Premium for each complete 12 month unit. This Total Standard Premium is the Minimum Retrospective Premium and also shall be used to determine the Basic Premium, and if applicable, Excess Loss Premium and Retrospective Development Premium. The Maximum Retrospective Premium shall be based on a Total Standard Premium which is the sum of the premium, extended pro rata to an annual basis, for the cancelled 12 month unit of the policy and the Standard Premium for each completed 12 month unit, such sum then extended pro rata to a 3 year basis.

C. Valuation Of Losses

If a policy is cancelled by the insured or insurance carrier, the first determination of retrospective premium shall be based upon incurred losses valued six months after the termination date.

D. Example Of A Retrospective Premium Calculation On Three-Year Policy Cancelled By The Insured After 185 Days

In the following example, the actual premium (Exposures x Rates) for 185 days is assumed to be $65,000, the Exposures modification is 1.00 and the Maximum Retrospective Premium Factor is 1.5.

Item	Description	Volume
1.	Premium extended to an annual basis $65,000 x (365 days/185 days) x Experience Modification =	$ 128,243
2.	Unearned premium = **1.** - $65,000 =	$ 63,243
3.	Return premium = **2.** x .90 =	$ 56,919
4.	Short rate premium for cancelled policy = **1.** - **3.** =	$ 71,324
5.	Standard premium (using "90% factor" or "short rate" factor) =	$ 71,324
6.	Minimum Retrospective Premium. Standard Premium is the Minimum Retrospective Premium and also is used to determine the Basic Premium, and if applicable, Excess Loss Premium and Retrospective Development Premium.	$ 71,324
7.	Maximum Retrospective Premium. The Maximum Retrospective Premium is based on the Standard Premium without "90% factor" or "short rate" factor extended pro rata to a 3-year basis Calculation:	
	a. Standard Premium for 185 days without "90% factor" or "short rate" factor = $65,000 x 1.00 =	$ 65,000
	b. Standard Premium without "90% factor" or "short rate" factor extended to a 3-year basis = $65,000 x (1095 days/185 days) =	$ 384,730
	c. Maximum Retrospective Premium = **b.** x 1.50 =	$ 577,095

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Table 7.D. Example Of A Retrospective Premium Calculation On Three-Year Policy Cancelled By The Insured After 185 Days

E. Example Of A Retrospective Premium Calculation On Three-Year Policy Cancelled By The Insured After One Year And 185 Days

In the following example, Standard Premium (Exposure x Rates) for the first 12 month unit is assumed to be $120,000, the Actual Premium for 185 days is $65,000, the Experience Modification (applicable for each 12 month unit) is 1.00, and the Maximum Retrospective Factor is 1.50.

Item	Description	Volume

1.	Premium for 185 days extended to an annual basis $65,000 x (365/185 days) x Experience Modification =	$ 128,243
2.	Unearned premium = **1.** - $65,000 =	$ 63,243
3.	Return premium = **2.** x .90 =	$ 56,919
4.	"90% factor" or "short rate" factor premium for incomplete 12 month unit = **1.** - **3.** =	$ 71,324
5.	Total Standard Premium (using "90% factor" or "short rate" factor = $120,000 + **4.** =	$ 191,324
6.	Minimum Retrospective Premium. Total Standard Premium is the Minimum Retrospective Premium and also is used to determine the Basic Premium, and if applicable, Excess Loss Premium and Retrospective Development Premium.	$ 191,324
7.	Maximum Retrospective Premium. The Maximum Retrospective Premium is based on the Standard Premium without "90% factor" or "short rate" factor extended pro rata to a 3-year basis: Calculation:	
	a. Standard Premium for 12 month unit	$ 120,000
	b. Actual Premium for 185 days without "90% factor" or "short rate" = $65,000 x 1.00 =	$ 65,000
	c. Standard Premium for 185 days without "90% factor" or "short rate" factor extended to an annual basis = $65,000 x (365 days/185 days) =	$ 128,243
	d. Total Standard Premium = **a.** + **c.** =	$ 248,243
	e. Total Standard Premium extended pro rata to a 3-year basis = **d.** x (3/2) =	$ 372,365
	f. Maximum Retrospective Premium = **e.** x 1.50 =	$ 558,548

Table 7.E. Example Of A Retrospective Premium Calculation On Three-Year Policy Cancelled By The Insured After One Year And 185 Days

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8. ELECTION OF INSURED TO BE SUBJECT TO RETROSPECTIVE RATING

A. How The Insured Elects To Be Subject To The Plan

1. The insured elects to be subject to this Plan by notifying the insurance carrier that it has agreed to application of the Plan. This notification shall be executed in writing.
2. Any form of election is acceptable provided it includes the information shown in Paragraph **C.**

B. How Carrier Accepts Election Of The Insured

The carrier agrees to the election of the insured to be subject to the Plan by accepting the insured's written notification. The carrier and the insured may agree to shorten or lengthen the period of the Plan's application, up to a maximum of 60 days.

C. Information In Election Of The Insured

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1. Mandatory Information

The following information is required in the election signed by the insured:

- **a.** Name of Insured.
- **b.** Effective date of Plan.
- **c.** Retrospective Rating Limit.
- **d.** Combined Accident Limitation and Retrospective Development Factors, if applicable.
- **e.** Minimum Retrospective Premium Factor, Maximum Retrospective Premium Factor, Loss Conversion Factor.
- **f.** One or Three Year application of the Plan.
- **g.** Long Term Construction Project - Details, if applicable.
- **h.** Wrap-Up Construction Project - Details, if applicable.
- **i.** Any special conditions affecting the selected Plan, such as the inclusion of Workers' Compensation insurance.
- **j.** Signature by the insured; for example, proprietor, partner, or duly authorized officer of corporation.

2. Optional Information

The following and any other additional information may also be included:

- **a.** Address of insured.
- **b.** A statement that the insured understands the term and obligations of this Plan, including the method of premium computation, payments and penalties for cancellations.

D. States In Which Selected Plan Applies

One or more additional states may be included in the Plan applicable to a risk after the Plan effective date.

9. COMPUTATION OF RETROSPECTIVE PREMIUM

A. First Computation Of Retrospective Premium

1. As soon as practicable after losses can be valued as of eighteen months after the beginning of the policy to be rated under this Plan, the first retrospective premium computation shall be made by the insurance carrier. The carrier shall notify the insured and return premium if the retrospective premium is less than premium previously paid. The insured shall pay any premium greater than premium previously paid. If the insured and carrier agree, the first computation of retrospective premium shall be the final adjustment of premium under this Plan. In the absence of such an agreement, additional retrospective premium computations shall be made by the carrier in accordance with Paragraph **B.** For plans applied on a three-year basis, or Long Term or Wrap-Up Construction Projects, interim tentative adjustments of premium may be made.
2. In certain cases a carrier may make an early computation of the retrospective premium. Such cases include bankruptcy, liquidation, reorganization, receivership, assignment for benefit of creditors, or other similar situations.

B. Retrospective Premium Adjustment After First Computation

1. If the first or any other retrospective premium computation is not final, a subsequent computation and adjustment of premium subject to this Plan shall be made by the carrier 12 months after the previous computation. The procedure for such later computations shall be the same as in Paragraph **A.**, except that such premium calculations shall be based upon losses valued as of twelve months later than the prior calculation. If the insured and carrier agree, the latest computation shall be the final retrospective premium. Unless such an agreement has been made, the carrier shall continue to make such additional retrospective premium computations at intervals of 12 months.

2. If a subsequent computation of retrospective premium results in no change from the previous computation, the insurance carrier shall notify the insured that there is no change in the premium payment and that subsequent computations of retrospective premium will be made in accordance with Paragraph **C.**

C. Final Computation Of Retrospective Premium

1. Subsequent computations of retrospective premium shall be issued by the carrier in accordance with Paragraph **B.** until both the carrier and insured agree that the latest computation shall be the final retrospective premium under this Plan.
2. When the carrier and insured have agreed to the final retrospective premium calculation, a revision of that premium adjustment is not permitted except for clerical error.

10. TABLE OF EXPECTED LOSS RANGES AND TABLE OF INSURANCE CHARGES

These tables are those which are used for retrospectively rating Workers' Compensation Insurance. There are no equivalent tables for ISO lines of insurance. A typical Table of Expected Loss Ranges is reproduced in Rule **13.** as an example. Due to the number of pages comprising the Table of Insurance Charges, this table is not included in this Plan. Users of this plan should always refer to the most recent editions of these tables that are used for retrospectively rating Workers Compensation insurance in each jurisdiction.

11. EXPECTED LOSS RATIOS

Manual Expected Loss Ratios (ELRs) for use in this Plan shall be determined by the individual carrier. For General Liability, Hospitals Professional Liability and Commercial Automobile Liability, the ELR represents the company's provision for losses including only Allocated Loss Adjustment Expenses. For Commercial Automobile Physical Damage and Crime and Fidelity insurance, the ELR represents the company's provision for incurred indemnity losses only. The company ELR shall not be adjusted based on the election of a combined accident limitation.

12. DETERMINATION OF THE EXPENSE ALLOWANCE FOR THE RISK (EXCLUDING ALLOCATED LOSS ADJUSTMENT EXPENSE AND TAX MULTIPLIERS)

A. Allowance For An Individual Risk's Expenses

The allowance for an individual risk's expenses (excluding allocated loss adjustment expense and taxes) and contingencies for Commercial Automobile Liability, Commercial Automobile Physical Damage, General Liability, Hospitals Professional Liability, Crime and Fidelity insurance shall be determined by the individual carrier.

B. Calculation Of Actual Expense Ratio

For most larger risks the company manual expense ratios will be too high. Companies should calculate the actual expense ratio that will be appropriate for a given individual risk, based on the general expense, production, profit and contingency, and unallocated loss adjustment expense components that they estimate to be correct.

C. Determination Where Rating Period Exceeds One Year

If the rating period exceeds one year, the expense provisions shall be determined as the sum of the expenses for each annual period.

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13. TABLE OF EXPECTED LOSS RANGES EXAMPLE

Refer to Rule **10.** for information about this table and to Rule **20.C.11.** for information as to its applicability.

Expected Loss Ranges Example

Expected Loss Group	Loss Range	Expected Loss Group	Loss Range
95	835 - 1,303	52	189,855 - 205,344
94	1,304 - 1,930	51	205,345 - 222,091
93	1,931 - 2,549	50	222,092 - 239,659
92	2,550 - 3,370	49	239,660 - 258,575
91	3,371 - 4,384	48	258,576 - 279,120
90	4,385 - 5,294	47	279,121 - 303,668
89	5,295 - 6,390	46	303,669 - 330,373
88	6,391 - 7,418	45	330,374 - 359,428
87	7,419 - 8,610	44	359,429 - 392,777
86	8,611 - 9,987	43	392,778 - 429,782
85	9,988 - 11,295	42	429,783 - 470,277
84	11,296 - 12,769	41	470,278 - 518,422
83	12,770 - 14,420	40	518,423 - 572,907
82	14,421 - 16,045	39	572,908 - 633,119
81	16,046 - 17,852	38	633,120 - 699,659
80	17,853 - 19,859	37	699,660 - 777,867
79	19,860 - 22,095	36	777,868 - 873,372
78	22,096 - 24,382	35	873,373 - 980,596
77	24,383 - 26,843	34	980,597 - 1,100,988
76	26,844 - 29,555	33	1,100,989 - 1,255,459
75	29,556 - 32,478	32	1,255,460 - 1,443,070
74	32,479 - 35,558	31	1,443,071 - 1,658,718
73	35,559 - 38,928	30	1,658,719 - 1,906,594
72	38,929 - 42,624	29	1,906,595 - 2,266,395
71	42,625 - 46,526	28	2,266,396 - 2,710,115
70	46,527 - 50,752	27	2,710,116 - 3,240,713
69	50,753 - 55,355	26	3,240,714 - 3,995,127
68	55,356 - 60,018	25	3,995,128 - 5,083,915
67	60,019 - 64,828	24	5,083,916 - 6,469,430
66	64,829 - 70,025	23	6,469,431 - 8,266,795
65	70,026 - 75,631	22	8,266,796 - 10,578,147
64	75,632 - 81,686	21	10,578,148 - 13,535,740
63	81,687 - 88,225	20	13,535,741 - 17,320,261
62	88,226 - 95,287	19	17,320,262 - 22,162,911
61	95,288 - 102,915	18	22,162,912 - 30,401,010
60	102,916 - 111,175	17	30,401,011 - 44,962,849
59	111,176 - 120,208	16	44,962,850 - 66,499,700
58	120,209 - 129,789	15	66,499,701 - 98,352,526
57	129,790 - 139,840	14	98,352,527 - 145,462,603
56	139,841 - 150,672	13	145,462,604 - 215,138,027
55	150,673 - 162,344	12	215,138,028 - 336,773,184
54	162,345 - 175,536	11	336,773,185 - 532,910,055
53	175,537 - 189,854	10	532,910,056 - 843,277,140
		9	843,277,141 - and over

Table 13. Expected Loss Ranges Example

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14. EXCESS LOSS PREMIUM FACTOR TABLES

A. Election Of A Combined Accident Limitation

Rule **5.D.** provides for the election of a combined accident limitation which may apply for retrospective rating purposes to risks that qualify. The Excess Loss Premium Factor for such limitation shall be determined by the company.

B. Information About Table 14

In the following tables, the Retrospective Rating Limit does not apply to Commercial Automobile Physical Damage. The Excess Loss Premium Factor for Commercial Automobile Physical Damage gives the extra charge associated with applying the combined accident limitation to the Commercial Automobile Physical Damage incurred indemnity losses only in the Plan. Allocated Loss Adjustment Expense is not included for Commercial Automobile Physical Damage.

The Excess Loss Premium Factor (ELPF) as defined in Rule **5.D.** contemplates combined loss and Allocated Loss Adjustment Expense accident limitations across lines of coverage. Therefore, for a particular coverage (except for Commercial Automobile Physical Damage), the ELPFs provide for the cost of limiting the sum of indemnity and ALAE for that coverage by the imposition of a combined loss and ALAE accident limitation. Note that the following ELPFs were developed by single line of insurance coverage. It is impractical for ISO to develop combination of coverage effects and impossible to address Workers' Compensation. The insured and the insurance carrier should decide which coverages are to be combined on an account and should adjust these factors as they see fit for the combining of coverages. The adjustment of these factors will be on a Refer to Company basis. In some instances the insurance carrier may determine that no adjustment is necessary.

Combined Accident Limitation	General Liability Prem/Ops	General Liability Products	Commercial Automobile Liability	Commercial Automobile Physical Damage
$ 25,000	34.9%	57.9%	15.8%	5.8%
$ 50,000	24.6%	45.9%	9.5%	2.1%
$ 75,000	20.4%	39.8%	7.5%	1.1%
$ 100,000	17.9%	35.9%	6.5%	0.7%
$ 150,000	15.0%	30.9%	5.3%	0.4%
$ 200,000	13.3%	27.7%	4.6%	0.3%
$ 250,000	12.1%	25.5%	4.2%	0.2%
$ 300,000	11.2%	23.8%	3.8%	0.1%
$ 500,000	9.0%	19.6%	3.0%	0.1%
$ 1,000,000	6.7%	14.9%	2.2%	0.0%

Table 14.B.#1 Excess Loss Premium Factors - $25,000 Retrospective Rating Limit

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Combined Accident Limitation	General Liability Prem/Ops	General Liability Products	Commercial Automobile Liability	Commercial Automobile Physical Damage
$ 50,000	27.6%	47.7%	13.0%	2.1%
$ 75,000	20.8%	40.1%	8.2%	1.1%
$ 100,000	17.5%	35.4%	6.5%	0.7%
$ 150,000	14.1%	29.8%	5.0%	0.4%
$ 200,000	12.2%	26.4%	4.3%	0.3%
$ 250,000	11.0%	24.1%	3.8%	0.2%
$ 300,000	10.1%	22.3%	3.5%	0.1%
$ 500,000	8.0%	18.2%	2.7%	0.1%
$ 1,000,000	5.9%	13.7%	1.9%	0.0%

Table 14.B.#2 Excess Loss Premium Factors - $50,000 Retrospective Rating Limit

Combined Accident Limitation	General Liability Prem/Ops	General Liability Products	Commercial Automobile Liability	Commercial Automobile Physical Damage
$ 100,000	21.1%	38.1%	10.1%	0.7%
$ 150,000	14.5%	30.0%	5.4%	0.4%
$ 200,000	11.8%	25.7%	4.2%	0.3%
$ 250,000	10.3%	22.9%	3.6%	0.2%
$ 300,000	9.3%	21.0%	3.2%	0.1%
$ 500,000	7.2%	16.6%	2.4%	0.1%

$ 1,000,000	5.2%	12.3%	1.6%	0.0%

Table 14.B.#3 Excess Loss Premium Factors - $100,000 Retrospective Rating Limit

Combined Accident Limitation	General Liability Prem/Ops	General Liability Products	Commercial Automobile Liability	Commercial Automobile Physical Damage
$ 250,000	13.7%	26.5%	6.4%	0.2%
$ 300,000	10.7%	22.5%	4.1%	0.1%
$ 500,000	6.9%	15.7%	2.3%	0.1%
$ 1,000,000	4.5%	10.7%	1.4%	0.0%

Table 14.B.#4 Excess Loss Premium Factors - $250,000 Retrospective Rating Limit

Combined Accident Limitation	General Liability Prem/Ops	General Liability Products	Commercial Automobile Liability	Commercial Automobile Physical Damage
$ 500,000	9.7%	19.3%	4.5%	0.1%
$ 1,000,000	4.6%	10.7%	1.5%	0.0%

Table 14.B.#5 Excess Loss Premium Factors - $500,000 Retrospective Rating Limit

Combined Accident Limitation	General Liability Prem/Ops	General Liability Products	Commercial Automobile Liability	Commercial Automobile Physical Damage
$ 1,000,000	6.9%	13.9%	3.2%	0.0%

Table 14.B.#6 Excess Loss Premium Factors - $1,000,000 Retrospective Rating Limit

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15. TABLE OF RETROSPECTIVE DEVELOPMENT FOR GENERAL LIABILITY AND HOSPITALS PROFESSIONAL LIABILITY COVERAGES

A. Selection Of Proper Factors For General Liability And Hospitals Professional Liability Coverages

Rule **5.D.** provides for the use of Retrospective Development Factors in the determination of Retrospective Premium. The proper factors for the General Liability and Hospitals Professional Liability Coverages to be rated may be selected from the Table of Advisory RDFs included in this Plan (or from the company's own RDFs based on loss development factors currently in use by the company establishing the rating).

B. Breakdown Of Premium By Coverages Not Available

If breakdown of premium by coverage is not available, an average RDF may be obtained by combining the applicable factors by coverage, taking into consideration the amount of the risk's total exposure or losses in each category as of the last survey or evaluation. The factors in the Table apply only in occurrence policies, **not** to claims-made policies.

C. State Groups For Hospitals Professional Liability

The Hospitals State Group B includes Florida, Illinois, Maryland and Missouri. The Hospitals State Group A includes all other jurisdictions.

D. Tables

The tables of Retrospective Premium Development Factors For General Liability And Hospitals Professional Liability Coverages follow:

Subline	First Retrospective Adjustment (18 Months)	Second Retrospective Adjustment (30 Months)	Third Retrospective Adjustment (42 Months)	Fourth Retrospective Adjustment (54 Months)
Hospitals State Group B	0.610	0.340	0.049	0.000
Hospitals State Group A	0.459	0.154	0.000	0.000
Premises/Operations	0.475	0.329	0.205	0.134
Products/Completed Operations	0.806	0.689	0.550	0.458

Table 15.D.#1 Retrospective Development Factors For General Liability And Hospitals Professional Liability - $25,000 Retrospective Rating Limit

Subline	First Retrospective Adjustment (18 Months)	Second Retrospective Adjustment (30 Months)	Third Retrospective Adjustment (42 Months)	Fourth Retrospective Adjustment (54 Months)
Hospitals State Group B	0.658	0.392	0.124	0.003
Hospitals State Group A	0.531	0.242	0.049	0.000
Premises/Operations	0.470	0.310	0.185	0.117
Products/Completed Operations	0.790	0.662	0.521	0.430

Table 15.D.#2 Retrospective Development Factors For General Liability And Hospitals Professional Liability - $50,000 Retrospective Rating Limit

Subline	First Retrospective Adjustment (18 Months)	Second Retrospective Adjustment (30 Months)	Third Retrospective Adjustment (42 Months)	Fourth Retrospective Adjustment (54 Months)
Hospitals State Group B	0.700	0.440	0.192	0.063
Hospitals State Group A	0.593	0.321	0.130	0.022
Premises/Operations	0.484	0.311	0.179	0.109
Products/Completed Operations	0.780	0.642	0.497	0.406

Table 15.D.#3 Retrospective Development Factors For General Liability And Hospitals Professional Liability - $100,000 Retrospective Rating Limit

Subline	First Retrospective Adjustment (18 Months)	Second Retrospective Adjustment (30 Months)	Third Retrospective Adjustment (42 Months)	Fourth Retrospective Adjustment (54 Months)

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Hospitals State Group B	0.748	0.497	0.274	0.137
Hospitals State Group A	0.662	0.413	0.226	0.109
Premises/Operations	0.518	0.334	0.192	0.114
Products/Completed Operations	0.779	0.632	0.483	0.389

Table 15.D.#4 Retrospective Development Factors For General Liability And Hospitals Professional Liability - $250,000 Retrospective Rating Limit

Subline	First Retrospective Adjustment (18 Months)	Second Retrospective Adjustment (30 Months)	Third Retrospective Adjustment (42 Months)	Fourth Retrospective Adjustment (54 Months)
Hospitals State Group B	0.779	0.537	0.331	0.189
Hospitals State Group A	0.707	0.474	0.292	0.170
Premises/Operations	0.543	0.357	0.208	0.124
Products/Completed Operations	0.785	0.635	0.482	0.388

Table 15.D.#5 Retrospective Development Factors For General Liability And Hospitals Professional Liability - $500,000 Retrospective Rating Limit

Subline	First Retrospective Adjustment (18 Months)	Second Retrospective Adjustment (30 Months)	Third Retrospective Adjustment (42 Months)	Fourth Retrospective Adjustment (54 Months)
Hospitals State Group B	0.806	0.573	0.383	0.237
Hospitals State Group A	0.746	0.529	0.352	0.226
Premises/Operations	0.571	0.384	0.229	0.141
Products/Completed Operations	0.800	0.653	0.503	0.410

Table 15.D.#6 Retrospective Development Factors For General Liability And Hospitals Professional Liability - $1,000,000 Retrospective Rating Limit

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16. TABLE OF RETROSPECTIVE DEVELOPMENT FACTORS FOR AUTOMOBILE LIABILITY COVERAGES

A. Selection Of The Proper Factors For Automobile Liability Coverages

Rule **5.D.** provides for the use of Retrospective Development Factors (RDFs) in the determination of Retrospective Premium. The proper factors for the Commercial Automobile Liability Coverages to be rated may be selected from the Table of Advisory RDFs included in this Plan (or from the company's own RDFs based on loss development factors currently in use by the company establishing the rating).

B. Breakdown Of Premium By Coverage Not Available

If breakdown of premium by coverage is not available, an average RDF may be obtained by combining the applicable factors by coverage, taking into consideration the amount of the risk's total exposure or losses in each category as of the last survey or evaluation.

C. State Groups

For the purposes of providing appropriate RDFs, six state groups are provided. RDFs are also provided for zone-rated risks.

State Group 1 consists of Colorado, Maryland, Minnesota, Nebraska, New Hampshire, North Carolina, Oregon, Rhode Island, Virginia, Washington and Wisconsin. State Group 3 consists of Alabama, Florida, Mississippi, Nevada and New Mexico. State Group 4 consists of Louisiana and Michigan. State Group 5 consists of California only and State Group 6 consists of New York only. State Group 2 consists of all states not listed in the other five groups.

D. Tables

The tables of Retrospective Development Factors For Commercial Automobile Liability Coverages follow:

Retrospective Development Factors For Commercial Automobile Liability - $25,000 Retrospective Rating Limit

Commercial Automobile Liability	First Retrospective Adjustment (18 Months)	Second Retrospective Adjustment (30 Months)	Third Retrospective Adjustment (42 Months)	Fourth Retrospective Adjustment (54 Months)
Zone Rated Risks	0.258	0.118	0.060	0.019
State Group 1				
Garages	0.261	0.132	0.040	0.017
All Except Garages	0.098	0.047	0.020	0.006
State Group 2				
Garages	0.254	0.126	0.032	0.005
All Except Garages	0.146	0.059	0.017	0.006
State Group 3				
Garages	0.439	0.218	0.090	0.051
All Except Garages	0.153	0.072	0.036	0.019
State Group 4				
Garages	0.336	0.126	0.007	0.001
All Except Garages	0.249	0.111	0.042	0.016
State Group 5				
Garages	0.368	0.182	0.072	0.004
All Except Garages	0.130	0.037	0.003	0.000
State Group 6				
Garages	0.398	0.160	0.029	0.000
All Except Garages	0.260	0.099	0.033	0.011

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Table 16.D.#1 Retrospective Development Factors For Commercial Automobile Liability - $25,000 Retrospective Rating Limit

Retrospective Development Factors For Commercial Automobile Liability - $50,000 Retrospective Rating Limit

Commercial Automobile Liability	First Retrospective Adjustment (18 Months)	Second Retrospective Adjustment (30 Months)	Third Retrospective Adjustment (42 Months)	Fourth Retrospective Adjustment (54 Months)

Zone Rated Risks	0.285	0.139	0.069	0.023
State Group 1				
Garages	0.281	0.144	0.047	0.020
All Except Garages	0.126	0.062	0.029	0.011
State Group 2				
Garages	0.285	0.147	0.044	0.012
All Except Garages	0.178	0.081	0.028	0.011
State Group 3				
Garages	0.460	0.233	0.109	0.058
All Except Garages	0.192	0.094	0.046	0.024
State Group 4				
Garages	0.361	0.137	0.013	0.000
All Except Garages	0.286	0.129	0.049	0.017
State Group 5				
Garages	0.398	0.201	0.081	0.013
All Except Garages	0.169	0.059	0.013	0.002
State Group 6				
Garages	0.430	0.189	0.059	0.000
All Except Garages	0.294	0.127	0.051	0.020

Table 16.D.#2 Retrospective Development Factors For Commercial Automobile Liability - $50,000 Retrospective Rating Limit

Retrospective Development Factors For Commercial Automobile Liability - $100,000 Retrospective Rating Limit

Commercial Automobile Liability	First Retrospective Adjustment (18 Months)	Second Retrospective Adjustment (30 Months)	Third Retrospective Adjustment (42 Months)	Fourth Retrospective Adjustment (54 Months)
Zone Rated Risks	0.310	0.159	0.079	0.029
State Group 1				
Garages	0.301	0.157	0.054	0.024
All Except Garages	0.154	0.078	0.037	0.015
State Group 2				
Garages	0.314	0.168	0.056	0.019
All Except Garages	0.208	0.102	0.040	0.016
State Group 3				
Garages	0.480	0.248	0.127	0.066
All Except Garages	0.230	0.115	0.056	0.029
State Group 4				
Garages	0.385	0.147	0.020	0.000
All Except Garages	0.322	0.147	0.055	0.019
State Group 5				
Garages	0.427	0.220	0.089	0.022
All Except Garages	0.206	0.080	0.022	0.008
State Group 6				
Garages	0.461	0.217	0.089	0.006
All Except Garages	0.326	0.154	0.068	0.028

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Table 16.D.#3 Retrospective Development Factors For Commercial Automobile Liability - $100,000 Retrospective Rating Limit

Retrospective Development Factors For Commercial Automobile Liability - $250,000 Retrospective Rating Limit

Commercial Automobile Liability	First Retrospective Adjustment (18 Months)	Second Retrospective Adjustment (30 Months)	Third Retrospective Adjustment (42 Months)	Fourth Retrospective Adjustment (54 Months)
Zone Rated Risks	0.343	0.185	0.091	0.035
State Group 1				
Garages	0.326	0.173	0.063	0.028
All Except Garages	0.188	0.098	0.049	0.020
State Group 2				
Garages	0.351	0.195	0.072	0.028
All Except Garages	0.247	0.128	0.054	0.022
State Group 3				
Garages	0.504	0.268	0.150	0.076
All Except Garages	0.278	0.142	0.069	0.035
State Group 4				
Garages	0.416	0.161	0.027	0.000
All Except Garages	0.366	0.170	0.064	0.020
State Group 5				
Garages	0.463	0.245	0.100	0.035
All Except Garages	0.253	0.108	0.034	0.017
State Group 6				
Garages	0.499	0.253	0.126	0.037
All Except Garages	0.366	0.188	0.090	0.038

Table 16.D.#4 Retrospective Development Factors For Commercial Automobile Liability - $250,000 Retrospective Rating Limit

Retrospective Development Factors For Commercial Automobile Liability - $500,000 Retrospective Rating Limit

Commercial Automobile Liability	First Retrospective Adjustment (18 Months)	Second Retrospective Adjustment (30 Months)	Third Retrospective Adjustment (42 Months)	Fourth Retrospective Adjustment (54 Months)
Zone Rated Risks	0.367	0.204	0.101	0.040
State Group 1				
Garages	0.344	0.184	0.070	0.032
All Except Garages	0.214	0.113	0.058	0.025
State Group 2				
Garages	0.378	0.214	0.083	0.035
All Except Garages	0.275	0.148	0.065	0.027
State Group 3				
Garages	0.522	0.282	0.167	0.083
All Except Garages	0.311	0.162	0.079	0.040
State Group 4				
Garages	0.438	0.171	0.033	0.000
All Except Garages	0.398	0.187	0.071	0.022
State Group 5				
Garages	0.489	0.262	0.108	0.043
All Except Garages	0.287	0.129	0.043	0.023
State Group 6				
Garages	0.526	0.279	0.153	0.060
All Except Garages	0.395	0.213	0.106	0.046

Table 16.D.#5 Retrospective Development Factors For Commercial Automobile Liability - $500,000 Retrospective

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Rating Limit

Retrospective Development Factors For Commercial Automobile Liability - $1,000,000 Retrospective Rating Limit

Commercial Automobile Liability	First Retrospective Adjustment (18 Months)	Second Retrospective Adjustment (30 Months)	Third Retrospective Adjustment (42 Months)	Fourth Retrospective Adjustment (54 Months)
Zone Rated Risks	0.390	0.223	0.109	0.044
State Group 1				
Garages	0.362	0.196	0.076	0.036
All Except Garages	0.238	0.128	0.066	0.029
State Group 2				
Garages	0.403	0.234	0.095	0.041
All Except Garages	0.302	0.167	0.076	0.032
State Group 3				
Garages	0.540	0.296	0.184	0.090
All Except Garages	0.343	0.181	0.089	0.045
State Group 4				
Garages	0.460	0.181	0.038	0.000
All Except Garages	0.428	0.204	0.078	0.023
State Group 5				
Garages	0.514	0.280	0.117	0.053
All Except Garages	0.319	0.149	0.053	0.030
State Group 6				
Garages	0.552	0.304	0.180	0.082
All Except Garages	0.423	0.237	0.122	0.054

Table 16.D.#6 Retrospective Development Factors For Commercial Automobile Liability - $1,000,000 Retrospective Rating Limit

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17. ADVISORY CONVERSION FACTORS FOR COMMERCIAL AUTOMOBILE LIABILITY, GENERAL LIABILITY, AND HOSPITALS PROFESSIONAL LIABILITY

A. State Groups

There are seventeen decreased limits tables for the Premises/Operations Liability state groups. The fourteen individually reviewed states are California, Florida, Illinois, Indiana, Massachusetts, Michigan, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Texas, Virginia and Wisconsin. The states comprising State Group A are Hawaii, Idaho, Iowa, Kansas, Kentucky, Maine, Maryland, Minnesota, Nebraska, North Dakota, Oklahoma, Oregon, Puerto Rico, Rhode Island and South Dakota. The Premises/Operations State Group C states are Alabama, Delaware, District of Columbia, Louisiana, Mississippi, Nevada and West Virginia. The Premises/Operations State Group B states are all other jurisdictions. For the state groups for Commercial Automobile Liability, please refer to Rule **16.C.** and the six corresponding decreased limits tables contained in Paragraph **B.** There is only one decreased limits table for Products/Completed Operations Liability and Hospitals Professional Liability.

B. Tables

The Tables of advisory conversion factors for decreased limits are provided in the following tables:

From $100,000/$200,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Table **A**	0.81	0.90	0.96
Table **B**	0.79	0.89	0.96
Table **C**	0.77	0.88	0.96

Table 17.B.#1 Advisory Conversion Factors For Products/Completed Operations Liability

From $100,000/$200,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Table **1**	0.78	0.88	0.95
Table **2**	0.77	0.87	0.95
Table **3**	0.80	0.89	0.95

Table 17.B.#2 Advisory Conversion Factors For Premises/Operations Liability - California

From $100,000/$200,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Table **1**	0.69	0.84	0.94
Table **2**	0.70	0.84	0.94
Table **3**	0.72	0.85	0.93

Table 17.B.#3 Advisory Conversion Factors For Premises/Operations Liability - Florida

From $100,000/$200,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Table **1**	0.74	0.86	0.94
Table **2**	0.74	0.85	0.94
Table **3**	0.75	0.86	0.94

Table 17.B.#4 Advisory Conversion Factors For Premises/Operations Liability - Illinois

From $100,000/$200,000 Manual To:

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Increased Limits Table	$25,000 Per Occurrence	$50,000 Per Occurrence	$75,000 Per Occurrence
Table 1	0.75	0.87	0.95
Table 2	0.73	0.86	0.94
Table 3	0.73	0.85	0.93

Table 17.B.#5 Advisory Conversion Factors For Premises/Operations Liability - Indiana

From $100,000/$200,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Table 1	0.69	0.84	0.94
Table 2	0.68	0.83	0.93
Table 3	0.69	0.83	0.93

Table 17.B.#6 Advisory Conversion Factors For Premises/Operations Liability - Massachusetts

From $100,000/$200,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Table 1	0.71	0.86	0.94
Table 2	0.70	0.84	0.93
Table 3	0.70	0.83	0.93

Table 17.B.#7 Advisory Conversion Factors For Premises/Operations Liability - Michigan

From $100,000/$200,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Table 1	0.67	0.83	0.93
Table 2	0.67	0.83	0.93
Table 3	0.69	0.83	0.93

Table 17.B.#8 Advisory Conversion Factors For Premises/Operations Liability - New Jersey

From $100,000/$200,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Table 1	0.67	0.83	0.93
Table 2	0.66	0.82	0.92
Table 3	0.68	0.82	0.92

Table 17.B.#9 Advisory Conversion Factors For Premises/Operations Liability - New York

From $100,000/$200,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Table 1	0.76	0.88	0.95
Table 2	0.74	0.86	0.94
Table 3	0.69	0.83	0.93

Table 17.B.#10 Advisory Conversion Factors For Premises/Operations Liability - North Carolina

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From $100,000/$200,000 Manual To:			
Increased Limits Table	$25,000 Per Occurrence	$50,000 Per Occurrence	$75,000 Per Occurrence
Table 1	0.77	0.88	0.95
Table 2	0.74	0.87	0.94
Table 3	0.72	0.85	0.93

Table 17.B.#11 Advisory Conversion Factors For Premises/Operations Liability - Ohio

From $100,000/$200,000 Manual To:			
Increased Limits Table	$25,000 Per Occurrence	$50,000 Per Occurrence	$75,000 Per Occurrence
Table 1	0.72	0.86	0.94
Table 2	0.71	0.85	0.94
Table 3	0.72	0.84	0.93

Table 17.B.#12 Advisory Conversion Factors For Premises/Operations Liability - Pennsylvania

From $100,000/$200,000 Manual To:			
Increased Limits Table	$25,000 Per Occurrence	$50,000 Per Occurrence	$75,000 Per Occurrence
Table 1	0.74	0.86	0.94
Table 2	0.75	0.87	0.94
Table 3	0.75	0.86	0.94

Table 17.B.#13 Advisory Conversion Factors For Premises/Operations Liability - Texas

From $100,000/$200,000 Manual To:			
Increased Limits Table	$25,000 Per Occurrence	$50,000 Per Occurrence	$75,000 Per Occurrence
Table 1	0.76	0.88	0.95
Table 2	0.75	0.87	0.95
Table 3	0.75	0.86	0.94

Table 17.B.#14 Advisory Conversion Factors For Premises/Operations Liability - Virginia

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From $100,000/$200,000 Manual To:			
Increased Limits Table	$25,000 Per Occurrence	$50,000 Per Occurrence	$75,000 Per Occurrence
Table 1	0.76	0.88	0.95
Table 2	0.76	0.88	0.95
Table 3	0.77	0.87	0.94

Table 17.B.#15 Advisory Conversion Factors For Premises/Operations Liability - Wisconsin

From $100,000/$200,000 Manual To:			
Increased Limits Table	$25,000 Per Occurrence	$50,000 Per Occurrence	$75,000 Per Occurrence
Table 1	0.75	0.88	0.95
Table 2	0.74	0.87	0.94

Table 3	0.72	0.85	0.93

Table 17.B.#16 Advisory Conversion Factors For Premises/Operations Liability - State Group A

From $100,000/$200,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Table 1	0.72	0.86	0.94
Table 2	0.72	0.85	0.94
Table 3	0.73	0.85	0.93

Table 17.B.#17 Advisory Conversion Factors For Premises/Operations Liability - State Group B

From $100,000/$200,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Table 1	0.73	0.86	0.94
Table 2	0.73	0.85	0.94
Table 3	0.73	0.85	0.93

Table 17.B.#18 Advisory Conversion Factors For Premises/Operations Liability - State Group C

From $100,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Light And Medium Trucks	0.73	0.88	0.96
Heavy Trucks And Truck-Tractors	0.72	0.87	0.95
Extra Heavy Trucks And Truck-Tractors	0.71	0.85	0.93
Trucks, Tractors, And Trailers Zone Rated	0.70	0.84	0.94
All Other Risks	0.74	0.88	0.95

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Table 17.B.#19 Advisory Conversion Factors For Commercial Automobile Liability - State Group 1

From $100,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Light And Medium Trucks	0.72	0.87	0.95
Heavy Trucks And Truck-Tractors	0.71	0.86	0.94
Extra Heavy Trucks And Truck-Tractors	0.69	0.84	0.93
Trucks, Tractors, And Trailers Zone Rated	0.70	0.84	0.94
All Other Risks	0.72	0.87	0.95

Table 17.B.#20 Advisory Conversion Factors For Commercial Automobile Liability - State Group 2

From $100,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Light And Medium Trucks	0.66	0.83	0.93

Heavy Trucks And Truck-Tractors	0.65	0.82	0.92
Extra Heavy Trucks And Truck-Tractors	0.64	0.81	0.92
Trucks, Tractors, And Trailers Zone Rated	0.70	0.84	0.94
All Other Risks	0.69	0.84	0.93

Table 17.B.#21 Advisory Conversion Factors For Commercial Automobile Liability - State Group 3

From $100,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Light And Medium Trucks	0.62	0.79	0.91
Heavy Trucks And Truck-Tractors	0.64	0.80	0.91
Extra Heavy Trucks And Truck-Tractors	0.64	0.80	0.91
Trucks, Tractors, And Trailers Zone Rated	0.70	0.84	0.94
All Other Risks	0.66	0.82	0.92

Table 17.B.#22 Advisory Conversion Factors For Commercial Automobile Liability - State Group 4

From $100,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Light And Medium Trucks	0.74	0.88	0.96
Heavy Trucks And Truck-Tractors	0.73	0.86	0.94
Extra Heavy Trucks And Truck-Tractors	0.71	0.85	0.94
Trucks, Tractors, And Trailers Zone Rated	0.70	0.84	0.94
All Other Risks	0.75	0.89	0.95

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Table 17.B.#23 Advisory Conversion Factors For Commercial Automobile Liability - State Group 5

From $100,000 Manual To:			
Increased Limits Table	**$25,000 Per Occurrence**	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
Light And Medium Trucks	0.65	0.82	0.93
Heavy Trucks And Truck-Tractors	0.66	0.82	0.93
Extra Heavy Trucks And Truck-Tractors	0.67	0.83	0.93
Trucks, Tractors, And Trailers Zone Rated	0.70	0.84	0.94
All Other Risks	0.65	0.82	0.93

Table 17.B.#24 Advisory Conversion Factors For Commercial Automobile Liability - State Group 6

From $100,000/$300,000 Manual To:		
$25,000 Per Occurrence	**$50,000 Per Occurrence**	**$75,000 Per Occurrence**
0.77	0.88	0.97

Table 17.B.#25 Advisory Conversion Factors For Hospitals Professional Liability

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18. EXPLANATION OF THE OPERATION OF RETROSPECTIVE RATING

The negotiating process between the insured and the insurance carrier is the basis on which Retrospective Rating provides flexibility so that the Plan may be designed to meet the needs and characteristics of a risk. As a result of this negotiation, minimum and maximum retrospective premium factors are established, as well as the loss conversion factor. Such selections are necessary for the determination of the other factors essential to the operation of the Plan. After these elements have been settled, the basic premium factor may be calculated and applied to the Standard Premium to produce the Basic Premium. The Basic Premium is the sum of certain insurance carrier expenses and a premium charge which reflects the selected premium limitations, the insured's loss potential and possible profit or contingency.

19. DETERMINATION OF THE FACTORS FOR RETROSPECTIVE RATING

The following is a summary and explanation of all of the component elements required in basic premium factor determination:

A. Minimum And Maximum Retrospective Premium Factors

These are established by negotiations between the insured and the insurance carrier.

B. Loss Conversion Factor

This is also established by negotiations between the insured and the insurance carrier.

C. Standard Premium

The estimated Standard Premium is determined according to the definition of Standard Premium in Rule **3.D.**

D. Additional Premium Sizes

1. Calculate factors for 50%, 100% and 150% of the estimated Standard Premium, and for any lower or higher premium sizes selected by agreement. The reason for determining such supplementary factors is the probability that the earned Standard Premium will be more or less than the estimated Standard Premium.
2. If the earned Standard Premium is between the selected premium sizes, the Basic Premium Factor for the retrospective premium is based on straight line interpolation between the Basic Premium Factors calculated on the estimated Standard premiums.
3. If the earned Standard Premium is beyond the lowest or highest selected premium sizes, the Basic Premium Factors shall be recalculated.

E. Expected Losses

Determine expected losses and Allocated Loss Adjustment Expense (ALAE) by multiplying the estimated Standard Premium by the applicable company manual Expected Loss Ratio. Total expected losses and ALAE are the sum of the expected losses and ALAE for the lines of insurance subject to the Plan.

F. Expense Allowance

This excludes ALAE and taxes.

G. Company Tax Multiplier

Tax multipliers are not included in this Plan; they are selected by the insurer.

H. The Table Of Insurance Charges

1. The Table Of Insurance Charges permits calculations of the net insurance charge component of the Basic Premium Factor. This table shows by expected loss group:
   a. A percentage of Standard Premium representing the premium charge for providing insurance against the probability that the losses of the risk may produce a premium greater than the selected Maximum Retrospective Premium.
   b. A percentage of the Standard Premium representing a premium savings to recognize the probability that the losses of the risk may produce a premium less than the selected Minimum Retrospective Premium.
2. Determination of the proper charge and savings on a testing process which is illustrated in Rule **20.**

I. Total Expected Loss Ratio

Divide the total expected losses by the total Standard Premium to determine total Expected Loss Ratio. Refer to Paragraph **C.**

J. Basic Premium Factor

1. The Basic Premium Factor is the sum of the following two elements:
   a. The expense-in-basic factor. This is the Expense Ratio (Refer to Paragraph **F.**) reduced by the provision for expense in the Loss Conversion Factor. This reduction is illustrated by Item **7.** in the example, in Rule **20.**

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b. The net premium charge. Determine the difference between the premium charge for the limitation of the Plan premium to the Maximum Retrospective Premium and the premium savings for limiting the Plan premium to the Minimum Retrospective Premium. Then multiply this difference by the product of the Expected Loss Ratio and the Loss Conversion Factor. This last calculation uses the expectation of loss indicated in the Table Of Insurance Charges to produce a factor applicable to Standard Premium as an element of the basic Premium Factor.

2. Any other calculation may be used to determine the Basic Premium Factor provided the selected factor is not over .005 different from the factor produced by the sum of the expense-in-basic factor and the net premium charge.

3. For risks on a One Year Plan, the premium charges and savings used in obtaining the Basic Premium Factor are based on the annual estimated Standard Premium. For risks on a Three Year Plan, the charges and savings are based on the estimated Standard Premium for three years. To determine factors for premium sizes other than 100% of Standard Premium as provided in Paragraph **D.**, use the percentage of annual Standard Premium represented by the premium size other than 100% of Standard Premium.

K. Excess Loss Premium For Combined Accident Limitation

Excess Loss Premium is an additional elective element in the retrospective premium formula and is determined in accordance with Rule **5.D.**

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20. BASIC PREMIUM FACTOR DETERMINATION EXAMPLE

A. Introduction

This example illustrates a generally accepted method of determining the Basic Premium Factor. Note the statement, in Rule **19.J.**, regarding different methods which may be used to determine the Basic Premium Factor. Paragraph **C.** explains the procedures for establishing the values and factors used in the example. The numbers in Paragraph **C.** equate to the numbers in the example. As indicated in the footnote to the example, the calculations are based on the Workers' Compensation 1998 Table of Insurance charges and the example of a Workers' Compensation multi-state Table of Expected Loss Ranges, which is contained in Rule **13.**

B. Using The Example

Assume the Plan agreement provides:

1. Minimum Retrospective Premium Factor = 60%
2. Maximum Retrospective Premium Factor = 140%
3. Company Loss Conversion Factor = 1.105 (this is the weighted average of 1.070 - General Liability, 1.066 - Commercial Automobile Liability and 1.130 - Workers Compensation)
4. Company Tax Multiplier = 1.046 (this is the weighted average of 1.040 - General Liability, 1.040 - Commercial Automobile Liability and 1.050 - Workers' Compensation)
5. Workers' Compensation State and Hazard Group Relativity = 1.000

Example Of Basic Premium Factor Determination

Item	Description	ALL LINES	GL	AL	WC
1.	Estimated Standard Premium	$ 350,000	$ 100,000	$ 50,000	$ 200,000
2.	Company Expected Losses & ALAE	200,000	50,000	30,000	120,000#
3.	Company Expected Loss Ratio*	.571	.500	.600	.600
4.	Expense and Profit or Contingency (Excluding ALAE and Taxes)	82,000	20,000	13,000	49,000
5.	Expected Loss and Expense Ratio* **(2. + 4.)/1.**	.806	.700	.860	.845
6.	Loss and Expense in Converted Losses **(3. x B.3.)**	.631	.535	.640	.678
7.	Expense and Contingency in Basic Premium Factor **(5. - 6.)**	.175	.165	.220	.167
8.	Minimum Retrospective Premium Factor (Excluding Taxes) **(B.1./B.4.)**	.574			
9.	Maximum Retrospective Premium Factor (Excluding Taxes) **(B.2./B.4.)**	1.338			
10.	Table Of Insurance Charges Value Difference **(5. - 8.)/6.**	.368			
11.	Table Of Insurance Charges Entry Difference **(9. - 8.)/6.**	1.21			
12.	Ratio of Losses for Minimum Retrospective Premium to Expected Losses From Expected Loss Range 52	.30			
13.	Ratio of Losses for Maximum Retrospective Premium to Expected Losses From Expected Loss Range 52	1.51			
14.	Table Of Insurance Charges - Premium Charge for **13.**	.4131	.4131	.4131	.4131

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15.	Table Of Insurance Charges - Premium Savings for **12.**	.0818	.0818	.0818	.0818
16.	Net Premium Charge **(14. - 15.) x 6.**	.209	.177	.212	.225
17.	Basic Premium Factor **7. + 16.**	.384	.342	.432	.392

* Substitute company values for these items.

Workers Compensation Company Expected Losses & ALAE = (Estimated Standard Premium) x (Company Expected Loss Ratio) **x B.5.** The above calculations are based on the Workers Compensation 1998 Table Of Insurance Charges and the Table of Expected Loss Ranges Example contained in Rule **13.**

Table 20.B. Example Of Basic Premium Factor Determination

C. Procedure For Establishing Values And Factors In The Example In Rule 20.

1. Estimated Standard Premium

This is the annual or three year Standard Premium. Refer to Paragraph **3.D.** For the purpose of this example, the Commercial Automobile Liability and General Liability Standard Premiums are for accident limits of $25,000 per occurrence.

2. Expected Losses

The expected losses equal the Estimated Standard Premium multiplied by the insurance carrier's applicable manual Expected Loss Ratio. Refer to the NCCI for the appropriate state Expected Loss Ratio for Workers' Compensation insurance. For an interstate risk, the expected losses equal the sum of the products of the Estimated Standard Premium for each state and the corresponding Expected Loss Ratio for each state. Refer to Table **13.** Expected Loss Ranges Example.

3. Company Total Expected Loss Ratio

This is the Expected Loss Ratio for the risk obtained by dividing the total expected losses for all states covered by the Plan by the Total Standard Premium.

4. Expense And Profit Or Contingency - Excluding Taxes

a. The expense and profit or contingency (excluding taxes) is determined, for One Year Plans, by multiplying the Standard Premium by the appropriate individual risk expense ratio. For Workers Compensation refer to the NCCI's Retrospective Rating Plan Manual.

b. For Three Year Plans, values are determined similarly for each of the years based on each annual Estimated Standard Premium, and the sum of these values is the provision for expense and profit or contingency.

5. Expected Loss And Expense Ratio

This ratio is obtained by dividing the company's applicable manual expected losses plus the individual risk's expenses and profit or contingency (excluding taxes) by the Standard Premium.

6. Loss And Expense In Converted Losses

This factor, which expresses the ratio of expected losses and expense to Estimated Standard Premium, is the product of the company expected loss ratio and the company loss conversion factor.

7. Expense And Profit Or Contingency In Basic Premium

The difference between the factor in Item **5.**, representing the total net premium provision for the risk under the Plan, and the factor in Item **6.**, representing expected losses and loss adjustment expense associated with insuring the risk, is the expense and contingency amount which must be included in the basic premium.

8. Minimum Retrospective Premium Factor - Excluding Taxes

Refer to the explanation provided in Paragraph **11.**

9. Maximum Retrospective Premium Factor - Excluding Taxes

Refer to the explanation provided in Paragraph **11.**

10. Table Of Insurance Charges - Value Difference

Refer to the explanation provided in Paragraph **11.**

11. Table Of Insurance Charges - Entry Difference

a. Items **8.**, **9.**, **10.** and **11.** of Table **20.B.** Example Of Basic Premium Factor Determination are determined in a way designed to facilitate the testing process by which the Basic Premium Factor is established. Item **8.** is derived by dividing the Minimum Retrospective Premium Factor by the Company Tax Multiplier. Item **9.** is derived by dividing the Maximum Retrospective Premium Factor by the Company Tax Multiplier. The factors entered for these items are obtained as indicated in the example.

b. Item **10.** Table Of Insurance Charges - Value Difference equals the difference between the table charge for the entry ratio from which the savings is taken and the table charge for the entry ratio from which the charge is taken.

c. Item **11.** Table Of Insurance Charges - Entry Difference, equals the difference between the entry ratios that determine the savings and charge for the risk.

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d. To use the Table Of Insurance Charges, to derive Items **12.** through **15.**, find the loss group in the Expected Loss Ranges in the table containing the expected loss value from Item **2.** For this example, the expected loss of $200,000 falls within group 52 in these ranges. Then choose two "Entry Ratios" from the Expected Loss Group in the table with a difference equal to Item **11.** Make this choice so that the difference in the charges for the Expected Loss Group and for the selected entries most closely approximates Item **10.**

e. To illustrate this testing procedure, several entry ratios and their corresponding charges in group 52 have been reproduced from the table:

Entry Ratio	Charges	Savings	Entry Ratio	Charges
.28	.7932	.0732	1.49	.4165
.29	.7875	.0775	1.50	.4148
.30	.7818	.0818	1.51	.4131
.31	.7763	.0863	1.52	.4113
.32	.7708	.0908	1.53	.4097

Table 20.C.11.e. Table Of Insurance Charges - Entries

f. Choose and list pairs of entry ratios with a difference equal to Item **11.**, in this case 1.21, and note the retrospective difference in these charges:

(0.28, 1.49).....(0.7932 - 0.4165) = .377
(0.29, 1.50).....(0.7875 - 0.4148) = .373
(0.30, 1.51).....(0.7818 - 0.4131) = .369
(0.31, 1.52).....(0.7763 - 0.4113) = .365
(0.32, 1.53).....(0.7708 - 0.4097) = .361

g. The pair of entry ratios whose charge difference most closely approximates Item **10.** is recorded under Item **12.** and **13.**

12. Ratio Of Losses Producing Minimum Retrospective Premium To Expected Losses

This item together with Item **13.** are the pair of table entry ratio values determined by the process outlined previously.

13. Ratio Of Losses Producing Maximum Retrospective Premium To Expected Losses

This Item together with Item **12.** are the pair of table entry ratio values determined by the process outlined previously.

14. Premium Charge For Item 13.

This is the premium charge for losses in excess of those provided by the Maximum Retrospective Premium. It is obtained by reading from the table as shown under Item **11.**

15. Premium Savings For Item 12.

This is the premium savings for losses less than those which would produce the Minimum Retrospective Premium. The values for premium savings are listed directly beneath the charge values in the Table Of Insurance Charges. In this example, the savings of .0818 for entry ratio .30 Item **12.** in group 52, as shown in the Table Of Insurance Charges, is found directly beneath the charge value of .7818.

16. Net Premium Charge

The net premium charge is determined by calculating the difference between the charge for possible losses which might produce more than the Maximum Retrospective Premium and the savings for losses which might produce less than the Minimum Retrospective Premium, and then multiplying that difference by the product of the Expected Loss Ratio and the Loss Conversion Factor. The Net Premium Charge may be less than zero, as long as the Basic Premium Factor is non-negative.

17. Basic Premium Factor

The Basic Premium Factor is the sum of the net premium charge and the expenses and profit or contingencies in the Basic Premium expressed as a percentage of the Standard Premium. The Standard Premium multiplied by the Basic Premium Factor produces the Basic Premium used in computing the Retrospective Premium.

The actual Basic Premium Factors to be used in the retrospective adjustment will be the individual line of insurance factors.

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