Effective March 1, 2007

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
FILED DEC 01 2008 STATE OF ILLINOIS DEPARTMENT OF INSURANCE SPRINGFIELD, ILLINOIS	a. Date the filing is received:	
RECEIVED AUG 15 2008 IDFPR (MPC) DIVISION OF INSURANCE SPRINGFIELD	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
	h. Subject Codes	

3. Group Name	Group NAIC #
The National Group	0508

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Fortress Insurance Company	Illinois	10801	36-4159841	

5. Company Tracking Number	FD-IL-R1-1208

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

6. Name and address	Title	Telephone #s	FAX #	e-mail
Mary Frisone 6133 N. River Road, Ste. 650 Rosemont, IL 60018	Sr. Compliance Analyst	847-653-8823	847-653-8843	mary.frisone@fortressins.com

7. Signature of authorized filer	Mary Frisone
8. Please print name of authorized filer	Mary Frisone

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

9.	**Type of Insurance (TOI)**	11.0000
10.	**Sub-Type of Insurance (Sub-TOI)**	11.0006, 11.0030
11.	**State Specific Product code(s)** (if applicable)[See State Specific Requirements]	RATE/RULE
12.	**Company Program Title** (Marketing title)	Dental Professional Liability 5%
13.	**Filing Type**	☐ Rate/Loss Cost ☐ Rules ☒ Rates/Rules ☐ Forms ☐ Combination Rates/Rules/Forms ☐ Withdrawal ☐ Other (give description)
14.	**Effective Date(s) Requested**	New: 12/1/2008 Renewal: 12/1/2008
15.	**Reference Filing?**	☐ Yes ☒ No
16.	**Reference Organization** (if applicable)	n/a
17.	**Reference Organization # & Title**	n/a
18.	**Company's Date of Filing**	August 12, 2008
19.	**Status of filing in domicile**	☐ Not Filed ☒ Pending ☐ Authorized ☐ Disapproved

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Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	FD-IL-R1-1208

21. Filing Description

Previously, the rate and rule pages of our Fortress Dental Professional Liability Program were separate documents. We've combined the rates and rules into one manual, which is now "FD Rate/Rule Manual (IL 1208)."

Changes in this filing are as follows:

The rates, now pages 1 and 2, indicate an increase of five percent (5%). Our new base rate is 1523 and the following factors have been changed:

1. 200,000/600,000 limit – from 0.731 to 0.73
2. 500,000/1,000,000 limit – from 0.84 to 0.852
3. Class II factor – from 1.87715 to 1.878
4. Occurrence factor – from 1.111 to 1.110

Amendments to five of the manual's rule pages are as follows:

- Rule page 8, Policy Limits now shows "increased limits will be available up to $2,000,000 per patient and $6,000,000 total limit" rather than the limits of $1,000,000 and $3,000,000, as previously filed.
- Rule page 18, Suspension of Insurance will now provide coverage when insured are removed from practice from "at least three (3) months but not more than two (2) years;" previously, "...not more than four (4) years."
- Rule page 19, New Dentist Discount: the first and second year premium discounts are increased from 50% and 25% to 60% and 40%, respectively. The third year premium discount remains 25%.
- In Part-Time Practice Discounts, page 20, for which we have amended the forms in our companion form filing, we have expanded the guidelines as well increased the number of hours allowed on a part-time basis.
- Rule page 24, Coverage for Dental Candidates now provides that the $25 premium paid by a Dental Candidate for coverage while taking the State or Regional Board Examination will, upon completion of the Exam, be credited to the applicant's first year premium, in the event they secure a Fortress policy for their practice activities.

22. Filing Fees – n/a

Check #:
Amount:

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

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Effective March 1, 2007

RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	**This filing transmittal is part of Company Tracking #**	**FD-IL-R1-1208**
2.	**This filing corresponds to form filing number** (Company tracking number of form filing, if applicable)	**FD-IL-F1-1208**

☒ Rate Increase ☐ Rate Decrease ☐ Rate Neutral (0%)

3.	**Filing Method (Prior Approval, File & Use, Flex Band, etc.)**	**File & Use**

4a. Rate Change by Company (As Proposed)

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
Fortress Insurance Company	5%	5%	30,174	56	603,489	5%	5%

4b. Rate Change by Company (As Accepted) For State Use Only

Company Name	Overall % Indicated Change (when applicable	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)		
5b.	Overall percentage rate impact for this filing		
5c.	Effect of Rate Filing – Written premium change for this program		
5d.	Effect of Rate Filing – Number of policyholders affected		

6.	Overall percentage of last rate revision	
7.	Effective Date of last rate revision	September 1, 2002
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File & Use

9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	FD Rate/Rule Manual (IL 1208)	☐ New ☒ Replacement ☐ Withdrawn	
02		☐ New ☐ Replacement ☐ Withdrawn	
03		☐ New ☐ Replacement ☐ Withdrawn	

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Form (RF-3)

ILLINOIS DEPARTMENT OF INSURANCE

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective December 1, 2008

(1) Coverage	(2) Annual Premium Volume (Illinois)*	(3) Percent Change (+ or -)**
1. Automobile Liability Private Passenger Commercial	0	0
2. Automobile Physical Damage Private Passenger Commercial	0	0
3. Liability Other Than Auto	0	0
4. Burglary and Theft	0	0
5. Glass	0	0
6. Fidelity	0	0
7. Surety	0	0
8. Boiler and Machinery	0	0
9. Fire	0	0
10. Extended Coverage	0	0
11. Inland Marine	0	0
12. Homeowners	0	0
13. Commercial Multi-Peril	0	0
14. Crop Hail	0	0
15. Other Medical Malpractice (Line of Insurance)	603,489.00 as of 12/21/2007	+5%

Does filing only apply to certain territory (territories) or certain classes? If so, specify: Filing applies to all classes and two territories: Cook County and Remainder of State.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): Increase of 5%; Our new base rate factor is 1523. Policyholders to be impacted: 20 at CM step 2, 14 at CM step 3 and 18 at CM step 4; also, there are only 4 policies at the 500/1M limit.

DENTAL

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

Fortress Insurance Company
Name of Company

Mary Frisone, Senior Compliance Analyst
Official – Title

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
RECEIVED
AUG 15 2008
SPRINGFIELD, ILLINOIS

filing# FD-IL-R1-1208

Form (RF-3)

ILLINOIS DEPARTMENT OF INSURANCE

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective December 1, 2008

(1) Coverage	(2) Annual Premium Volume (Illinois)*	(3) Percent Change (+ or -)**
1. Automobile Liability Private Passenger Commercial	0	0
2. Automobile Physical Damage Private Passenger Commercial	0	0
3. Liability Other Than Auto	0	0
4. Burglary and Theft	0	0
5. Glass	0	0
6. Fidelity	0	0
7. Surety	0	0
8. Boiler and Machinery	0	0
9. Fire	0	0
10. Extended Coverage	0	0
11. Inland Marine	0	0
12. Homeowners	0	0
13. Commercial Multi-Peril	0	0
14. Crop Hail	0	0
15. Other Medical Malpractice (Line of Insurance)	603,489.00 as of 12/31/2007	+5%

Does filing only apply to certain territory (territories) or certain classes? If so, specify: Filing applies to all classes and two territories: Cook County and Remainder of State.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): Increase of 5%; Our new base rate factor is 1523. Policyholders to be impacted: 20 at CM step 2, 14 at CM step 3 and 18 at CM step 4; also, there are only 4 policies at the 500/1M limit.

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

Fortress Insurance Company
Name of Company

Mary Frisone, Senior Compliance Analyst
Official – Title

Form (RF-3)

ILLINOIS DEPARTMENT OF INSURANCE

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective December 1, 2008

(1) Coverage	(2) Annual Premium Volume (Illinois)*	(3) Percent Change (+ or -)**
1. Automobile Liability Private Passenger Commercial	0	0
2. Automobile Physical Damage Private Passenger Commercial	0	0
3. Liability Other Than Auto	0	0
4. Burglary and Theft	0	0
5. Glass	0	0
6. Fidelity	0	0
7. Surety	0	0
8. Boiler and Machinery	0	0
9. Fire	0	0
10. Extended Coverage	0	0
11. Inland Marine	0	0
12. Homeowners	0	0
13. Commercial Multi-Peril	0	0
14. Crop Hail	0	0
15. Other Dental med mal (Line of Insurance)	603,489.00 as of 12/31/2007	+5%

Does filing only apply to certain territory (territories) or certain classes? If so, specify: Filing applies to all classes and two territories: Cook County and Remainder of State.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization): Increase of 5%; Our new base rate factor is 1523. Policyholders to be impacted: 20 at CM step 2, 14 at CM step 3 and 18 at CM step 4; also, there are only 4 policies at the 500/1M limit.

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

Fortress Insurance Company
Name of Company

Mary Frisone, Senior Compliance Analyst
Official – Title

Neuman, Gayle

From: Florence Marafatsos [Florence.Marafatsos@fortressins.com]
Sent: Tuesday, January 26, 2010 11:01 AM
To: Neuman, Gayle
Subject: RE: Fortress Insurance Company - Dental Filing #FD-IL-R1-1208

Gayle,

Thanks for calling, I have received your email and forwarding to our Underwriting department for their review.

Florence

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tuesday, January 26, 2010 10:39 AM
To: Florence Marafatsos
Subject: FW: Fortress Insurance Company - Dental Filing #FD-IL-R1-1208

Ms. Marafatsos,

We request receipt of a response to the e-mail below by January 29, 2010.

Gayle Neuman
Department of Insurance

From: Neuman, Gayle
Sent: Tuesday, January 26, 2010 10:36 AM
To: 'Mary Frisone'
Subject: FW: Fortress Insurance Company - Dental Filing #FD-IL-R1-1208

Ms. Frisone,

We request receipt of your response to the e-mail below by January 29, 2010.

Gayle Neuman
Department of Insurance

From: Neuman, Gayle
Sent: Friday, January 22, 2010 10:22 AM
To: 'Mary Frisone'
Subject: Fortress Insurance Company - Dental Filing #FD-IL-R1-1208

Ms. Frisone,

Pursuant to your correspondence with Dave Shepherd in the actuarial review of this filing, I am contacting you about the effective date for the filing.

We do not allow two effective dates for one filing. We are aware that the filing was originally submitted with a requested effective date of December 1, 2008. During the actuarial review, changes for the schedule credits and debits were proposed. To conclude this filing with a filed effective date of December 1, 2008, we would require Fortress rerate all policies pursuant to the changes for the schedule credis and debits as of December 1, 2008

and provide the number of policyholders affected, the amounts of refunds ($0 - $99, $100 - $199, $200 - $299, etc.), and provide a copy of the letter that was or will be sent to the policyholders acknowledging such changes. Additionally, we require the revised manual page to address the changes.

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.

RECEIVED

FEB - 5 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

FORTRESS

February 4, 2010

VIA FEDERAL EXPRESS
Ms. Gayle Neuman
IL Dept. of Financial and
Professional Regulation
Division of Insurance
P & C Compliance Unit
320 W Washington Street
Springfield IL 62767-0001

Re: Fortress Insurance Company

Company NAIC No.:	10801
Company FEIN:	36-4159841
Company File No.:	FD-IL-R1-1208
Effective date:	December 1, 2008

Fortress Insurance Company
6133 North River Road
Suite 650
Rosemont, IL 60018-5173

Telephone 847-384-0062
Toll free 800-522-6675
Fax 847-384-0048
www.dds4dds.com

Dear Ms. Neuman:

Thank you for providing us with the opportunity to amend the 12/2008 filing to comply with the recommendations of the actuarial review. We have reviewed our book of business and determined that two policyholders on or after 12/2008 were rated utilizing a debit greater than 25%.

	Policy Period	Debit Applied Via Surcharge	Amended Debit	refund
1. Policyholder A	10/26/2009 to 10/26/2010	30%	25%	$66.00
2. Policyholder B	02/24/2009 to 02/24/2010	50%	25%	$381.00

Per the schedule you provided this equates to:

Policyholders	Refund Range
1	($0 - $99)
1	($300 -$399)

Enclosed is a draft of the letter we anticipate sending to the above two individuals. The refund will be mailed by the end of February.

FORTRESS

We have also attached the revisions to our Rules & Rates Manual with the following changes:

- Page 12, entitled: "Rating Adverse Loss Experience" has been removed.
- Page 14 originally entitled: "Schedule Credit" has been amended to "Schedule Rating Program". This page reflects the changes recommended in the actuarial review to limit judgmental credit/debits to a maximum of +/-25%.

Historically, our maximum filed schedule credit has been 20%, which has not been amended.

Historically, our ability to debit based on adverse loss experience has been 50% as outlined on page 12 "Rating Adverse Loss Experience". This specific page of the filing has been removed and the ability to debit up to 25% has been incorporated into the Schedule Rating Program.

Trusting this filing is now in order, your approval would be greatly appreciated. If you have questions or comments please feel free to contact me.

Sincerely,

Florence R. Marafatsos

Florence R. Marafatsos, HIA, MHP, PAHM, ALHC
Senior Regulatory Analyst
Phone: (847) 653-8466
Fax: (847) 653-8886
E-mail: florence.marafatsos@fortressins.com

FORTRESS

Date

Address
Address
Address
Address

Re: Fortress Insurance Company
Policyholder Refund

Fortress Insurance Company
6133 North River Road
Suite 650
Rosemont, IL 60018-5173

Telephone 847-384-0062
Toll free 800-522-6675
Fax 847-384-0048
www.dds4dds.com

Dear Dr. _____:

In December 2008 Fortress Insurance Company filed a new rating plan for its Dental Professional Liability Insurance program. Included in this filing was a reduction in the company's ability to debit a policyholder to 25%.

Our records indicate that your policy was renewed effective < > with a < >% surcharge due to < >. This is < >% above our filed debit plan. As a result we have reduced the current debit on your policy to 25% effective < >. Enclosed is a refund for $< >.

Thank you for choosing to Fortress Insurance Company for your professional liability insurance needs. If you have any questions regarding the above matter, please don't hesitate to contact me at (847) 653-xxxx.

Sincerely,

Frode Brudvik
Assistant Vice President, Underwriting

Rating of Adverse Loss Experience

Insured with adverse loss experience for which the filed manual rates are not appropriate may be provided insurance if they agree to pay an increased premium as determined by the Company, but in no case will the increased premium be more than 50% of the otherwise applicable premium.

Schedule Credits

A schedule credit up to 20% may be applied based on the underwriter's judgment. The purpose of this credit is to recognize risk characteristics that are not reflected in the otherwise applicable premium. The underwriter should consider the following in determining whether to apply a Schedule Credit:

a. The historical loss experience of the applicant (5%);
b. Claim anomalies in the historical loss experience (5%);
c. The cumulative number of years of patient experience (5%);
d. Management control procedures (5%).

FORTRESS

Neuman, Gayle

From: Mary Frisone [Mary.Frisone@fortressins.com]
Sent: Wednesday, January 14, 2009 1:51 PM
To: Neuman, Gayle
Subject: RE: RF-3 typo
Attachments: RF-3SummarySheet corrected.pdf

Okay, let's start over:

1. I added "dental."
2. The effective date is to be December 1, 2008. I had called you and you said it was file and use, so we implemented it effective December 1, 2008.
3. The premium data was "as of December 31, 2007."
4. A new copy is attached.

I hope this clears everything up!

Please consider the environment before printing this e-mail.

Mary Frisone, *Paralegal*
Sr. Compliance Analyst
Fortress Insurance Company
6133 N. River Road
Suite 650
Rosemont, IL 60018
(847) 653-8823 – Direct
(800) 522-6675
(847) 653-8843 – Fax

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, January 14, 2009 1:49 PM
To: Mary Frisone
Subject: FW: RF-3 typo

Can we please just have a new copy of the RF-3 Summary Sheet. Under column 2, you indicated premium volume was as of 12/21/07. Additionally, please add "dental" to the description. And, correct the effective date. Thanks.

Gayle Neuman

From: Neuman, Gayle
Sent: Wednesday, January 14, 2009 1:44 PM
To: 'Mary Frisone'
Subject: RE: RF-3 typo

Ms. Frisone,

I have just started the actual review of filing #FD-IL-R1-1208. It was received in August, 2008 so you can't have an effective date of December 31, 2007. Please advise - the year and date (December 1, 21 or 31).

Gayle Neuman
Division of Insurance

From: Mary Frisone [mailto:Mary.Frisone@fortressins.com]
Sent: Wednesday, September 17, 2008 2:21 PM
To: Neuman, Gayle
Subject: RE: RF-3 typo

I just saw that and was ready to let you know; just a habit now to say 08! It's as of 12/31/2007. Thanks!

Please consider the environment before printing this e-mail.
Mary Frisone, *Paralegal*
Sr. Compliance Analyst
Fortress Insurance Company
6133 N. River Road
Suite 650
Rosemont, IL 60018
(847) 653-8823 – Direct
(800) 522-6675
(847) 653-8843 – Fax

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, September 17, 2008 2:20 PM
To: Mary Frisone
Subject: RE: RF-3 typo

The RF-3 you just sent indicates the premium is as of 12/31/07 - you indicated 12/31/08 in your e-mail - please clarify.

Gayle Neuman
Division of Insurance

From: Mary Frisone [mailto:Mary.Frisone@fortressins.com]
Sent: Wednesday, September 17, 2008 2:13 PM
To: Neuman, Gayle
Subject: RF-3 typo

Hi Gayle,

I just looked over the filing and I saw that I put on the RF-3 that our premium stated was as of 12/21/08, which was a typo; I meant to put 12/31/08. Here's a corrected one in case it's important.

I'm waiting to hear from Underwriting as to whether they want to "use" or wait. If they say they want to wait, we may want to change our requested effective date to "date of approval." In that case, I'll let you know. Thanks for your help!

Please consider the environment before printing this e-mail.
Mary Frisone, *Paralegal*
Sr. Compliance Analyst
Fortress Insurance Company
6133 N. River Road
Suite 650
Rosemont, IL 60018
(847) 653-8823 – Direct
(800) 522-6675
(847) 653-8843 – Fax

Neuman, Gayle

From: Mary Frisone [Mary.Frisone@fortressins.com]
Sent: Wednesday, January 14, 2009 1:45 PM
To: Neuman, Gayle
Subject: RE: RF-3 typo

Sorry for the misunderstanding. Apparently, the premium indicated in the RF-3 was "as of December 31, 2007;" however, our requested effective date would be December 31, 2008 – thanks!

Please consider the environment before printing this e-mail.
Mary Frisone, *Paralegal*
Sr. Compliance Analyst
Fortress Insurance Company
6133 N. River Road
Suite 650
Rosemont, IL 60018
(847) 653-8823 – Direct
(800) 522-6675
(847) 653-8843 – Fax

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, January 14, 2009 1:44 PM
To: Mary Frisone
Subject: RE: RF-3 typo

Ms. Frisone,

I have just started the actual review of filing #FD-IL-R1-1208. It was received in August, 2008 so you can't have an effective date of December 31, 2007. Please advise - the year and date (December 1, 21 or 31).

Gayle Neuman
Division of Insurance

From: Mary Frisone [mailto:Mary.Frisone@fortressins.com]
Sent: Wednesday, September 17, 2008 2:21 PM
To: Neuman, Gayle
Subject: RE: RF-3 typo

I just saw that and was ready to let you know; just a habit now to say 08! It's as of 12/31/2007. Thanks!

Please consider the environment before printing this e-mail.
Mary Frisone, *Paralegal*
Sr. Compliance Analyst
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6133 N. River Road
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Rosemont, IL 60018
(847) 653-8823 – Direct
(800) 522-6675
(847) 653-8843 – Fax

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]

Sent: Wednesday, September 17, 2008 2:20 PM
To: Mary Frisone
Subject: RE: RF-3 typo

The RF-3 you just sent indicates the premium is as of 12/31/07 - you indicated 12/31/08 in your e-mail - please clarify.

Gayle Neuman
Division of Insurance

From: Mary Frisone [mailto:Mary.Frisone@fortressins.com]
Sent: Wednesday, September 17, 2008 2:13 PM
To: Neuman, Gayle
Subject: RF-3 typo

Hi Gayle,

I just looked over the filing and I saw that I put on the RF-3 that our premium stated was as of 12/21/08, which was a typo; I meant to put 12/31/08. Here's a corrected one in case it's important.

I'm waiting to hear from Underwriting as to whether they want to "use" or wait. If they say they want to wait, we may want to change our requested effective date to "date of approval." In that case, I'll let you know. Thanks for your help!

Please consider the environment before printing this e-mail.
Mary Frisone, *Paralegal*
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6133 N. River Road
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Rosemont, IL 60018
(847) 653-8823 – Direct
(800) 522-6675
(847) 653-8843 – Fax

Neuman, Gayle

From: Mary Frisone [Mary.Frisone@fortressins.com]
Sent: Thursday, January 29, 2009 3:40 PM
To: Neuman, Gayle
Subject: RE: Fortress Insurance Company - Rate/Rule Filing #FD-IL-R1-1208
Attachments: IL CERT FD-IL-R1-1208.pdf; Rate Manual IL 1208 Rev pgs 14 & 17.pdf; IL.FD1212 1208.pdf

Dear Ms. Neuman:

Thank you for your email of January 15, 2009 regarding the referenced filing, as well as your patience while waiting for our response, which is as follows:

1. I've reviewed ILCS 215 5/155.18. At your request, I've attached a certification signed by an Officer of the Company and a qualified actuary.

2. Please note that we report statistics to ISO.

3. As a matter of course, initially and upon renewal, all our insured are offered a free-of-charge quarterly premium payment. We deviate only in two instances; first, an insured may choose to pay in full by credit card, and second, if we have an insured that historically has habitually "non-paid" we advise them that we require full payment.

4. We have attached a revised page 14, which more clearly reflects the application of credits. The schedule credits may total 20% maximum; items "a" through "d" are considerations, each of which is valued at 5%.

5. We have attached a revised page 17, which better clarifies the application of extended reporting period (ERP) coverage. Fortress will offer an ERP to all policyholders upon cancellation or non-renewal of the policy, for any reason. The ERP is unlimited in nature and is provided free of charge under the following situations:

   a. Insured's Death
   b. Total Disability
   c. Retirement – to qualify an insured has to permanently retire and be insured with Fortress for five consecutive years immediately preceding retirement. If the insured has not been insured with Fortress for five consecutive years, immediately preceding retirement, a credit of 20% for each consecutive 12 month period will be applied to the reporting endorsement premium.

   The calculations for an ERP, including credits which may apply, have been outlined in the manual. In addition to the changes on page 17, we submit the attached form for review and approval. This notice will provide the insured with the tail cost at the time of policy issuance.

6. No, there is not a minimum premium charged per policy. Premium is charged according to our base rate and credits applied thereto.

Please consider the environment before printing this e-mail.

Mary Frisone, *Paralegal*
Sr. Compliance Analyst
Fortress Insurance Company
6133 N. River Road
Suite 650
Rosemont, IL 60018
(847) 653-8823 – Direct
(800) 522-6675
(847) 653-8843 – Fax

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, January 15, 2009 1:54 PM
To: Mary Frisone
Subject: Fortress Insurance Company - Rate/Rule Filing #FD-IL-R1-1208

Ms. Frisone,

Upon reviewing the above referenced filing, we have the following issues/questions to be addressed:

1. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. This information is required in every rate/rule filing for medical malpractice.

2. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?

3. Pursuant to 50 Ill. Adm. Code 929, quarterly installment premium payment plans 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.

4. On page 14 of the manual, schedule credits are described. Is the 20% a maximum for a through d combined (therefore, 5% each) or for each (totaling 80%)? Please explain.

5. On the claims-made coverage forms, the extended reporting period must be offered when the policy is cancelled or nonrenewed for any reason including nonpayment of premium, and whether the policy is cancelled by the company or at the insured's request, pursuant to Company Bulletin CB88-50. The extended reporting period (tail) coverage premium must be priced as a factor of one of the following: (1) the last twelve months premium; (2) the premium in effect at policy issuance; or (3) the expiring annual premium. The manual must list the factor to be used to figure the premium. The manual should additionally indicate if the extended reporting period is for a year or unlimited, and any credits, discounts, etc. that will be added or removed when determining the final premium. Is a free extended reporting period offered anyone?

6. Is there a minimum premium charged per policy?

We request receipt of your response by January 29, 2009.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (http://www.idfpr.com/) by clicking on: Insurance; Industry; Regulatory; IS3
Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: Gayle.Neuman@illinois.gov

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, Judd A. Johnson a duly authorized officer of Fortress 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, Chad Karls a duly authorized actuary of Milliman am authorized to certify on behalf of Fortress 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.

Judd Johnson

Signature and Title of Authorized Insurance Company Officer — 1-29-2009 Date

Chad Karls

Signature, Title and Designation of Authorized Actuary — 1-29-2009 Date

Chad C. Karls, FCAS, MAAA
Principal and Consulting Actuary
Milliman, Inc.

Company FEIN is 36-4159841; Filing Number: FD-IL-R1-1208

Insurer's Address

Fortress Insurance Company
6133 North River Road, Suite 650
Rosemont, IL 60018-5173

Contact Person:

Mary Frisone, *Paralegal*
Sr. Compliance Analyst
Fortress Insurance Company
6133 N. River Road
Suite 650
Rosemont, IL 60018
(847) 653-8823 – Direct
(800) 522-6675
(847) 653-8843 – Fax

Schedule Credits

A schedule credit up to 20% may be applied based on the underwriter's judgment. The purpose of this credit is to recognize risk characteristics that are not reflected in the otherwise applicable premium. The underwriter should consider the following in determining whether to apply a Schedule Credit:

a. The historical loss experience of the applicant;
b. Claim anomalies in the historical loss experience;
c. The cumulative number of years of patient experience;
d. Management control procedures.

Extended Reporting (Tail) Coverage

Upon cancellation or nonrenewal of the policy, except when the cancellation or nonrenewal is a result of the nonpayment of premium or any deductible, the insured will be eligible for extended reporting (tail) coverage. The premium for this coverage will be calculated using the mature claims-made rate multiplied by a factor that reflects the percentage of mature claims-made exposure.

Years Covered Under Claims-Made	Percent of Mature Claims-made Rates
1 Year	.69
2 Year	1.06
3 Year	1.22
4 Year	1.29
5 or More Years	1.31

Neuman, Gayle

From: Neuman, Gayle
Sent: Monday, February 02, 2009 9:04 AM
To: 'Mary Frisone'
Subject: Fortress Insurance Company - Rate/Rule Filing #FD-IL-R1-1208

Ms. Frisone,

2/17/09

We are in receipt of your e-mail response dated January 29, 2009. Please address the following issues:

1. Unfortunately, 50 Ill. Adm. Code 929 does not make an exception for insureds with previous payment issues. The plan must be made available if an insured requests it and the manual must indicate that is your procedure. OK

2. No forms can be submitted in a rate/rule filing for consideration. Forms must be filed separately from rate/rule filings. Therefore, you should withdraw form FD1212 from this filing. OK

3. The information on page 17 conflicts with the information on form FD1212. The form indicates the premium is determined using the rates in effect when the policy was issued however page 17 indicates the rates in effect for the current policy period and the expiring premium. Why is a different factor used for individual risks vs. corporate?

4. On the actuarial analysis, it indicates the rates levels are to be effective November 1, 2008. We have already gone round and round about the effective date. Please explain and/or correct.

5. On the actuarial analysis, the final paragraph mentions limited distribution. All information associated with a medical malpractice rate/rule filing is public and could be provided to another party upon request through the Freedom of Information Act or a party could come to the Division of Insurance' s offices and copy such information. Therefore, we request confirmation from Fortress that you are aware of our policies and aware that this information could be distributed without the prior consent of Fortress.

We request receipt of your response by no later than February 17, 2009.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (http://www.idfpr.com/) by clicking on: Insurance; Industry; Regulatory; IS3
Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

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Neuman, Gayle

From: Florence Marafatsos [Florence.Marafatsos@fortressins.com]
Sent: Tuesday, February 17, 2009 4:19 PM
To: Neuman, Gayle
Subject: Fortress Insurance Company - Rate/Rule Filing #FD-IL-R1-1208
Attachments: Cover Letter 02.17.09.pdf; Rate Manual IL 1208_revised page 6.pdf

Dear Ms. Neumann,

Please see the attached response to your e-mail of February 9th. Mr. Brudvik and I sincerely appreciate your time today in discussing this filing.

As mentioned on the phone, Ms. Frisone is no longer with our company. Feel free to call or email me regarding this filing or any future requests from Fortress.

Thank you,

Florence Marafatsos, *HIA, MHP, PAHM, ALHC*
Senior Regulatory Analyst
Fortress Insurance
6133 N. River Road
Suite 650
Rosemont, IL 60018
Phone: 847-653-8466
Fax: 847-653-8486
Toll-free: 800-522-6675

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FORTRESS

February 17, 2009

Ms. Gayle Neuman
IL Dept. of Financial and
Professional Regulation
Division of Insurance
P & C Compliance Unit
320 W Washington Street
Springfield IL 62767-0001

Re:	Fortress Insurance Company	
	Company NAIC No.:	10801
	Company FEIN:	36-4159841
	Company File No.:	FD-IL-R1-1208
	Effective date:	December 1, 2008

Dear Ms. Neuman:

Fortress Insurance Company
6133 North River Road
Suite 650
Rosemont, IL 60018-5173

Telephone 847-384-0062
Toll free 800-522-6675
Fax 847-384-0048
www.dds4dds.com

Thank you for taking the time to speak with me and Mr. Brudvik today. As discussed, we are responding to your concerns emailed to Ms. Mary Frisone on February 2, 2009.

For convenience, we have retained the same numbering order as presented:

1) Thank you for brining this item to our attention. Attached is a revised Page 6 from our manual. We have amended the language to state *"...shall be available to all insured who request it, regardless of past payment history"*.

2) We hereby withdraw form FD1212 from this filing. We will submit a separate form filing.

3) The statement on page 17 of the manual "*rates in effect on expiring policy*" may appear to contradict the statement on Form FD1212 *"rates in effect when the policy was issued"*; however, the context of these statements is not the same. Form FD1212 refers to an insured's active Fortress policy. Page 17 of the manual refers to a tail policy issued to an insured after the conclusion of an active Fortress policy. In essence, both statements refer to the same rates – those used to develop the insured's premium on the active policy in force prior to the purchase of the tail policy.

Page 17 outlines the equations used to calculate the cost of the tail policy. The equation for the corporate policy is more simplistic in nature because the corporate premium is derived based on a percentage of the dentist members' premiums as outlined on Page 10 of the manual. Because the corporate premium is a function of multiple member dentists' premiums, rather than based on an independent equation utilizing a base rate, the tail policy is based on the expiring corporate policy's premium.

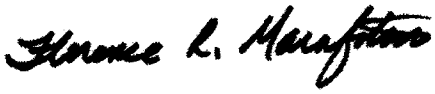
The calculation of tail for an individual policy is a slightly more complex formula. The individual tail policy is calculated utilizing an equation which is based on the mature rate in effect when the active policy (prior to the tail policy) was issued. The mature rate is then adjusted by various factors, as outlined in the equation, and multiplied by the appropriate tail factor to develop the cost of the tail premium. The independent calculation of the tail premium for an individual policy also allows for inclusion of applicable discounts, as outlined on page 17 of the manual.

4) We acknowledge our actuarial memorandum indicates a November 1, 2008 effective date of the increase. However, in order to allow sufficient processing time for notification to our policyholder, we requested to change the effective date to December 1, 2008. Please note, the Actuarial Analysis reflects our most recent experience available. The data would be the same regardless of a November 1st or December 1st effective date.

5) Fortress acknowledges that The Department does not accept confidentiality requests for medical malpractice rate/rule filing.

Trusting this filing is now in order, your approval would be greatly appreciated. If you have questions or comments please feel free to contact me.

Sincerely,



Florence R. Marafatsos, HIA, MHP, PAHM, ALHC
Senior Regulatory Analyst
Phone: (847) 653-8466
Fax: (847) 653-8886
E-mail: florence.marafatsos@fortressins.com

Premiums

Premiums payable on each policy of insurance will be stated on a Declarations Page of the policy when issued. Premiums are due and payable at the inception of the policy term, except that installment payments of annual premiums shall be permitted as follows: 25% of such premium shall be due on the policy inception date and 25% of such premium shall be due three, six and nine months thereafter. The installment payment option shall be available to all insured except for those dentists who have been delinquent in their payments on more than two occasions in the past three years. No additional charge will be applied for installment payments.

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
WITHDRAWN
FEB 17 2009
SPRINGFIELD, ILLINOIS

FORTRESS

INSURED NAME:
POLICY NUMBER:
POLICY PERIOD:
DATE OF NOTIFICATION:

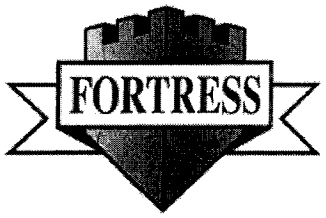
This is being provided in compliance with Illinois Directive CB 88-50.

IMPORTANT INFORMATION REGARDING THE
EXTENDED REPORTING POLICY (TAIL COVERAGE)

In the event that this Policy is cancelled, you will have the option to purchase an Extended Reporting Policy (Tail Coverage). The premium for an Extended Reporting Policy is determined using the rates in effect when your Policy was issued and by applying a claims-made factor to the mature claims-made rate in the state and/or territory where you practice along with all the credits (excluding suspension of insurance) and/or surcharges in place on your policy. The claims-made factor is based on the retroactive date on the policy and is noted in the table below.

Years covered under claims-made policy	Percent of mature claims-made rates
1 year	.69
2 years	1.06
3 years	1.22
4 years	1.29
5 or more years	1.31

Based on the terms and conditions in force upon issuance of this policy, the premium for the Extended Reporting Policy (tail coverage) would be $XXX.XX. Please note that you are eligible for a waiver of the tail premium upon your death, career-ending disability or after five years of continuous coverage with (insert Company name) upon your retirement.



PREVIOUSLY FILED
FOR REFERENCE

FORTRESS INSURANCE COMPANY

RATING RULES FOR

edited

DENTAL PROFESSIONAL LIABILITY INSURANCE

State of Illinois
7/02

Rule	Page Number

Eligibility 1
Policy Forms 2
Policy Issued 3
Policy Term 4
Premium 5
Basis of Coverage 6
Policy Limits 7
Classifications 8
Professional Corporation, Association or Partnership 9
Rating 10
Rating Adverse Loss Experience 11
Deductibles 12
Schedule Credits 13
Termination or Conditional Renewal 14
Computation of Return Premium 15
Extended Reporting (Tail) Coverage 16
Suspension of Insurance ..... 17 – amended
New Dentist Discount 18
Part-Time Practice Discounts ..... 19 – amended
Risk Management Credits 20
Coverage for Dental District Society 21
Sale of Practice Additional Insured Endorsement Coverage 22
Coverage for Dental Candidates ..... 23 – amended

rule pgs now 1+2

Rate pages now made part of Manual - pages 1+2 Combined CM+ occurrence rates on one page for each Territory: "Cook" + "Remainder of State"

FORTRESS INSURANCE COMPANY

ILLINOIS DENTISTS PROFESSIONAL LIABILITY RATES

CLASS I

Territory 1 – Cook County

Limits of Liability Per Patient/Total Aggregate	1st Year	2nd Year	3rd Year	4th Year	5th Year
$200,000/$600,000	$335	$642	$837	$928	$1,060
$500,000/$1,000,000	$385	$737	$962	$1,066	$1,218
$1,000,000/$3,000,000	$458	$878	$1,145	$1,270	$1,450

Territory 2 – Remainder of State

$200,000/$600,000	$289	$553	$722	$800	$914
$500,000/$1,000,000	$332	$636	$829	$919	$1,050
$1,000,000/$3,000,000	$395	$757	$987	$1,094	$1,250

FORTRESS INSURANCE COMPANY

ILLINOIS DENTISTS PROFESSIONAL LIABILITY RATES

OCCURRENCE

Class I

Territory 1 – Cook County

Limits of Liability Per Patient/Aggregate	1st Year	2nd Year	3rd year	4th Year	Mature
$200,000/$600,000	$372	$713	$930	$1,031	$1,178
$500,000/$1,000,000	$428	$819	$1,068	$1,184	$1,353
$1,000,000/$3,000,000	$509	$976	$1,272	$1,410	$1,611

Territory 1 – Rest of State

Limits of Liability Per Patient/Aggregate	1st Year	2nd Year	3rd year	4th Year	Mature
$200,000/$600,000	$321	$615	$802	$889	$1,016
$500,000/$1,000,000	$369	$707	$921	$1,021	$1,167
$1,000,000/$3,000,000	$439	$841	$1,097	$1,216	$1,389

Eligibility

In order for a dentist to be eligible for coverage, he or she must:

a. Have a valid state license to practice dentistry;
b. Not have knowingly made or caused to be made a false statement or misrepresentation of a material fact in applying for insurance;
c. Have a claims and practice history considered to be acceptable to the Company.

Policy Forms

Are as follows:

a. Application Form – Appendix A
b. Introduction and Declarations Page – Appendix B
c. Dentist Professional Liability Insurance Policy – Claims Made Form – Appendix C
d. Organization Professional Liability Insurance Policy – Claims Made Form – Appendix D
e. Dentist Professional Liability Insurance Policy – Occurrence – Appendix E
f. Organization Professional Liability Insurance Policy – Occurrence – Appendix F
g. Extended Reporting Professional Liability Insurance Policy – Claims Made Form – Appendix G
h. Endorsements – Appendix H

Policy Issued

A policy in a form approved by the Insurance Department will be delivered to each dentist insured upon receipt of the appropriate premium from said dentist.

Policy Term

The term of each policy of insurance will be stated in the Declarations Page of the policy when issued. Unless otherwise requested by the dentist, policies will be written for a period of one year.

Premiums

Premiums payable on each policy of insurance will be stated on a Declarations Page of the policy when issued. Premiums are due and payable at the inception of the policy term, except that installment payments of annual premiums shall be permitted as follows: 25% of such premium shall be due on the policy inception date and 25% of such premium shall be due three, six and nine months thereafter. The installment payment option shall be available to all insureds except for those dentists who have been delinquent in their payments on more than two occasions in the past three years. No additional charge will be applied for installment payments.

Basis of Coverage

Coverage will be issued by the Company on a claims-made and occurrence basis at the approved rates and conditions applicable to this type of insurance.

Policy Limits

The minimum policy limits offered by the Company to dentists will be $200,000 per patient and $600,000 total limit. Increased limits will be available up to $1,000,000 per patient and $3,000,000 total limit.

Classifications

The Company will provide coverage for the following classes of dentists:

Class I – General Practitioners or Specialists and for their Professional Corporations, Associations or Partnerships. Coverage would not apply to the general practitioner or specialist who is engaged in dentistry on patients rendered unconscious through the administrations of general anesthesia unless the general anesthesia is administered in a duly licensed hospital or outpatient surgical center by an anesthesiologist, or certified registered nurse anesthetist supervised by such anesthesiologist; other than an insured dentist, his or her employees, or any other person or organization for whose acts or omissions the insured dentist is legally responsible.

Class 2 – Dental Anesthesiologist; who maintain a valid dental anesthesia certificate and limit their administration of general anesthesia only to patients of other dentists. The premium for this coverage will be calculated at 187.7% of the rate applicable to a Class I dentist. Only limits of $1,000,000/$3,000,000 are available for Class II dentists.

If a dentist practice in more than one classification, then the higher rated classification will apply.

Professional Corporation, Association or Partnership

Coverage may be provided for a professional corporation, association or partnership on either:

a. a shared limits of liability basis with all other insureds, in which case no additional premium will be charged; or
b. a separate additional limits of liability basis at an additional premium. In this case an Organziation Policy will be issued. The limits shall be the equivalent of the highest limits applicable to the dentist insured by the Company who are members of the professional corporation, association or partnership. The premium would be the sum of the following:

    1. 10% of the premium for each dentist partner, shareholder and employee insured by the Company; and
    2. 20% of the premium calculated at the Company's rates, for each dentist partner, shareholder and employee insured by another company.

In all instances involving a solo professional corporation or association, consisting of one dentist, the corporation or association will be listed as an additional insured under the individual dentist's policy and will share his or her limits of liability.

Rating

The location of the dental practice determines the rating territory of an insured. If an insured practices in more than one territory, the higher rated territory shall be used to determine his or her premium.

The Territorial definitions are:

Territory 1 – Cook County
Territory 02 – Rest of State

Rating of Adverse Loss Experience

Insureds with adverse loss experience for which the filed manual rates are not appropriate may be provided insurance if they agree to pay an increased premium as determined by the Company, but in no case will the increased premium be more than 50% of the otherwise applicable premium.

Deductibles

Insureds who presented additional risk exposure may be provided insurance subject to a policy deductible of up to $25,000 per claim/$75,000 annual aggregate.

Schedule Credits

A schedule Credit up to 20% may be applied based on the underwriter's judgment. The purpose of this credit is to recognize risk characteristics that are not reflected in the otherwise applicable premium. The underwriter should consider the following in determining whether to apply a Schedule Credit:

a. The historical loss experience of the applicant;
b. Claim anomalies in the historical loss experience;
c. The cumulative number of years of patient experience;
d. Management control procedures.

Termination or Conditional Renewal

Policies may be cancelled by insureds at any time by submitting written notice to the Company or by surrender of the policy to the Company. Policies may be cancelled or non-renewed or conditionally renewed by or on behalf of the Company, as provided for under the Insurance Laws of the state.

Computation of Return Premium

Whether cancellation occurs by the insured or by the Company, earned premium shall be computed pro-rata.

Extended Reporting (Tail) Coverage

Upon cancellation or nonrenewal of the policy, except when the cancellation or nonrenewal is a result of the nonpayment of premium or any deductible, the insured will be eligible for extended reporting (tail) coverage. The premium for this coverage will be calculated using the mature claims-made rate multiplied by a factor that reflects the percentage of mature claims-made exposure.

Years Covered Under Claims-Made	Percent of Mature Claims-made Rates
1 Year	.69
2 Year	1.06
3 Year	1.22
4 Year	1.29
5 or More Years	1.31

changed to 2 years

Suspension of Insurance

In the event a dentist is removed from practice by reason of disability, sabbatical or other reason for a period of at least three (3) months by not more than four (4) years, the dentist will be issued a Suspension of Insurance Endorsement. This Endorsement will allow for the reporting of claims during the suspension period arising from acts performed by the dentist prior to the commencement of the suspension period. The Endorsement will further contain exclusion related to professional services rendered during the suspension period. The premium charged during the suspension period will be 15% of the otherwise applicable policy premium.

New Dentist Discount

The Company will provide premium discounts for a three year period to dentists who enter either a solo or a group private practice immediately following completion of their formal training. (Such formal training shall include the time spent on active military duty.)

The premium discounts will be applied as follows:

- For the first year- a 50% premium credit
- For the second year – a [illegible] premium credit
- For the third year – a 25% premium credit

The rates of discount will not be increased in the event a dentist concurrently qualifies for a rate credit related to the Company's Part-Time Practice Program. In such instances, the premium credit granted shall be the one contained in the program that would provide the greater rate of discount.

Part-Time Practice Discounts

A 50% premium credit will be applied to the rates of insureds who are 55 years of age or older and who request and qualify for coverage for 16 hours per week or less or 800 hours per year or less of dental practice.

See new page — more extensive + hours changed

Risk Management Credits

A 10% Risk Management credit will be applied to the applicable rate for dentists who successfully complete a Risk Management program approved by the Company. The credit will be allowed for three (3) successive policy periods with the initial credit being applied to the first full policy period after completion of the program. However, if such completion occurs within sixty (60) days of the effective date of the current policy period, the first of the three credits will be applied to the current policy period.

Coverage for District Dental Societies

Professional liability coverage will be available to district dental societies by endorsement. Protection will be provided for claims for injury arising out of the district dental society rendering or failure to render professional services.

The premium for this coverage will be calculated at 15% of the rate applicable to a dentist who functions as a general practitioner in the rating territory where the district society is located. In the event the district is situated in more than one territory, the higher rated territory premium will apply.

Sales of Practice Additional Insured Endorsement Coverage

An Additional Insured Endorsement will be made available to policyholders to cover the former owner(s) of their dental practice. The Endorsement names the former owner(s) as an additional insured(s) and the coverage afforded by the Endorsement will be limited to the former owner's liability arising out of professional services which were provided (or should have been provided) by the insured who purchased the dental practice or by a person for whose conduct the insured is responsible.

There will be no additional premium charge for this Endorsement.

Coverage for Dental Candidates

Professional liability coverage will be available to Dental Candidates while they are taking the State or Regional Board Examination for a license to practice dentistry in the state and only for that period of time.

All Dental Candidates will be insured by a policy providing limits of liability of $1,000,000 per patient/$3,000,000 total limit. The Company will charge a premium of $25 for the policy. The policy will be issued upon payment of the policy premium.

PP added paragraph re application of $25 toward Fortress policy upon Exam Completion

FORTRESS INSURANCE COMPANY
ILLINOIS DENTAL PROFESSIONAL LIABILITY
ACTUARIAL ANALYSIS OF INDICATED NOVEMBER 1, 2008 RATE LEVELS

This actuarial filing memorandum has been prepared in conjunction with Fortress Insurance Company's (Fortress) proposed rate levels to be effective November 1, 2008 for Illinois dental professional liability (DPL) coverage.

Given the limited volume of Fortress-specific DPL historical premium and claims experience in Illinois, we were unable to rely exclusively upon the historical performance of Fortress's Illinois book of business in estimating the indicated rate change. As such, we have supplemented the "raw" indicated rate change in Illinois with a trend-based indicated rate change in determining a credibility-weighted indicated rate change in an effort to enhance the stability of the ratemaking process. Exhibit 1 summarizes the results of this process and the remaining exhibits provide the supporting details.

The key assumptions underlying our rate level review are summarized below:

1) We have assumed a load for unallocated loss adjustment expenses (ULAE) of 7.5% of net ultimate loss and allocated loss adjustment expense (ALAE) based upon Fortress's historical companywide experience (see Exhibit 2 for details);

2) We have assumed that Fortress's underwriting expense requirements in Illinois will average 47.5% of premium, broken down as follows (see Exhibit 3 for details):

Expense Component	Provision
General Expenses	18.0%
Other Acquisition	13.0
Taxes, Licenses and Fees	4.0
Commissions	12.5
Total	**47.5%**

3) Our analysis contemplates a target combined ratio of 98.0%. The target combined ratio for Fortress of 98.0% is broken down as follows (see Exhibits 4 through 6 for details):

Provision	Ratio
Loss & LAE	50.5%
Underwriting Expenses	47.5
Target Combined	**98.0%**

4) With this filing Fortress proposes to maintain its currently filed and approved class plan:

Fortress Classification Plan	
Fortress Class	**Class Relativity**
I	1.000
II [1]	1.878

[1] Dental anesthesiologist

5) Fortress proposes to maintain its currently filed and approved claims-made step factors:

Year	Claims-Made Step Factors
1st	0.370
2nd	0.670
3rd	0.850
4th	0.940
Mature	1.000
Occurrence	1.110

6) Fortress proposes to maintain its currently filed and approved increased limits factors:

Policy Limit	Increased Limits Factor
$250,000 / $750,000	0.76
$500,000 / $1,000,000	0.85
$1,000,000 / $3,000,000	1.00
$2,000,000 / $6,000,000	1.25

Several final points should be noted. First, we relied on data and information provided by Fortress and did not audit or independently verify other than for general reasonableness. Additionally, this report was prepared for Fortress's internal business use only and is not to be provided to any third party. We understand that Fortress intends to provide a copy of this letter to the Illinois Division of Insurance in support of its proposed rates and we permit such distribution. Finally, actuarial estimates of medical malpractice rates are subject to uncertainty from various sources including, but not limited to, changes in claim reporting and settlement patterns, judicial decisions, legislation, etc. While the estimates contained herein represent our best professional judgment, it is not only possible, but in fact probable, that the ultimate cost of providing coverage may deviate, perhaps significantly, from our estimates.

Respectfully submitted,

Chad C. Karls, F.C.A.S., M.A.A.A.
Principal and Consulting Actuary

June 24, 2008

H:\AAO\2008\Fortress\Pricing\Rate Filings (Fortress)\Memos\Illinois Rate Filing.doc

Exhibit 1

FORTRESS INSURANCE COMPANY
Indicated Rate Change by State

State: Illinois

Report Year	Case O/S Loss & ALAE at Net Retention @ 3/31/2008	IBNR to Case O/S Ratio [1]	Indicated IBNR Loss & ALAE @ 3/31/2008	Incurred Loss & ALAE at Net Retention @ 3/31/2008	Ultimate Loss & ALAE at Net Retention @ 3/31/2008	Ultimate Loss & LAE [2] at Net Retention @ 3/31/2008	Ultimate Loss & ALAE at Net Retention Trended [3] to 11/1/2008 Effective Date	On-Level Net Earned Premium	Trended On-Level Loss & LAE Ratio at Net Retention
1999	0	NA	NA	0	0	0	0	0	0.0%
2000	0	0.058	0	0	0	0	0	703	0.0%
2001	0	NA	NA	0	0	0	0	612	0.0%
2002	0	0.083	0	0	0	0	0	0	0.0%
2003	0	0.159	0	0	0	0	0	15,830	0.0%
2004	0	0.518	0	13,350	13,350	14,351	18,148	83,461	21.7%
2005	0	1.267	0	17,908	17,908	19,251	23,296	121,112	19.2%
2006	0	1.206	0	37,166	37,166	39,953	46,267	125,973	36.7%
2007	23,225	1.604	37,260	29,225	66,485	71,471	79,202	140,183	56.5%
Total	23,225		37,260	97,649	134,909	145,026	166,913	487,875	34.2%

(1)	Projected Illinois Loss & LAE Ratio Limited to Retention	34.2%
(2)	Assumed Target Loss & LAE Ratio	50.5%
(3)	Raw Indicated Illinois Rate Change (1) / (2) - 1	-32.2%
(4)	Assigned Credibility [4]	10.5%
(5)	Trend-Based Indicated Rate Change [3]	14.1%
(6)	Credibility-Weighted Indicated Rate Change [(3) x (4)] + [{ 1 - (4) } x (5)]	9.3%

[1] Based upon companywide excluding Texas analysis as of March 31, 2008
[2] Includes ULAE load assumption of 7.5%
[3] Based upon trend assumption of 4.5% per annum
[4] Uses Fortress companywide (excluding Texas) on-level net earned premium as full credibility standard and square root rule

Exhibit 2

FORTRESS INSURANCE COMPANY
Dental Professional Liabililty
Countrywide

Calculation of ULAE Load

Report Year	($000's) Countrywide Indicated Net Ultimate Loss & ALAE	($000's) Booked Gross Ultimate ULAE[1]	Ultimate ULAE to Ultimate Loss & ALAE Ratio
1999	352	1	0.3%
2000	1,288	28	2.2%
2001	1,684	81	4.8%
2002	1,993	114	5.7%
2003	6,280	159	2.5%
2004	9,245	379	4.1%
2005	4,708	600	12.7%
2006	9,189	848	9.2%
2007	12,025	992	8.2%
Total	46,765	3,202	6.8%
2003 - 2007	41,448	2,978	7.2%
2005 - 2007	25,923	2,440	9.4%
Selected ULAE Load on a Net Basis			**7.5%**

[1] From Fortress Insurance Company's 2007 Annual Statement Schedule P - Part 1F (Claims Made)

Exhibit 3

FORTRESS INSURANCE COMPANY
Companywide Excluding Florida, Texas, New York, Connecticut and Oklahoma Dental Professional Liability
Selected Expense Ratios
(Amounts in $000's)

	2002		2003		2004		2005		2006		2007			
	$	%	$	%	$	%	$	%	$	%	$	%	Avg L3	Selected
Direct Premiums Written	48	xxx	4,856	xxx	2,989	xxx	4,601	xxx	5,984	xxx	7,261	xxx		xxx
Direct Premiums Earned	11	xxx	2,656	xxx	3,336	xxx	3,946	xxx	5,212	xxx	6,553	xxx		xxx
Direct Commission and Brokerage Incurred	4	8.3%	218	4.5%	357	11.9%	546	11.9%	741	12.4%	930	12.8%	12.4%	12.5%
Other Acquisition Expenses Incurred[1]	2	5.0%	672	13.8%	289	9.7%	540	11.7%	782	13.1%	980	13.5%	12.8%	13.0%
Taxes, Licenses and Fees Incurred	102	212.3%	174	3.6%	153	5.1%	172	3.7%	207	3.5%	292	4.0%	3.7%	4.0%
General Expenses Incurred[1]	14	123.9%	334	12.6%	427	12.8%	727	18.4%	847	16.2%	1,243	19.0%	17.9%	18.0%
Total		**349.5%**		**34.5%**		**39.5%**		**45.8%**		**45.2%**		**49.3%**	**46.7%**	**47.5%**

[1] Allocated in proportion to number of policyholders

Source: Exhibit of Premiums and Losses by State and Insurance Expense Exhibit (Medical Malpractice)

Exhibit 4

FORTRESS INSURANCE COMPANY
Dental Professional Liability
Derivation of Target Loss & LAE Ratio
Companywide Excluding Florida, Texas, New York, Connecticut and Oklahoma

Component	Provision
(1) Assumed Underwriting Expenses	47.5%
(2) Assumed Profit Load	5.0%
(3) Death, Disability and Retirement Prepaid Premium Provisions	3.8%
(4) Discount Factor for Investment Income Offset	86.6%
(5) Target Loss & LAE Ratio; [1.0 - (1) - (2) - (3)] / (4)	**50.5%**
(6) Target Combined Ratio; (1) + (5)	**98.0%**

FORTRESS INSURANCE COMPANY
Dental Professional Liabililty
Countrywide
Derivation of Discount Factor

(1)	(2)	(3)	(4)
Year	Selected Cumulative Payment Pattern[1]	Selected Incremental Payment Pattern[1]	Discounted Incremental Payment Pattern[2]
1	6.7%	6.7%	6.6%
2	32.7%	25.9%	24.3%
3	52.2%	19.6%	17.5%
4	66.6%	14.3%	12.3%
5	76.6%	10.0%	8.2%
6	86.6%	10.0%	7.9%
7	95.4%	8.8%	6.6%
8	97.9%	2.5%	1.8%
9	100.0%	2.1%	1.4%
Discount Factor			**86.6%**

[1] Based on Fortress-specific claims-made payment pattern

[2] Based on a 4.5% assumed yield

Exhibit 6

FORTRESS INSURANCE COMPANY
Dental Professional Liabililty
Derivation of Countrywide Payment Pattern
Claims-Made Coverage as of March 31, 2008

Report Year	Countrywide Paid Loss Limited to $500,000 & ALAE Unlimited									
	10	22	34	46	58	70	82	94	106	118
1999	4,897	171,984	336,061	351,490	351,490	351,490	351,490	351,490	351,490	351,490
2000	14,494	192,326	483,250	572,385	628,735	1,173,765	1,190,809	1,203,780	1,205,179	
2001	35,981	346,181	721,358	1,124,380	1,433,013	1,536,517	1,657,228	1,678,244		
2002	57,973	615,901	1,113,034	1,418,203	1,667,588	1,827,274	1,843,780			
2003	60,866	1,809,720	2,552,776	4,017,486	4,380,643	4,484,195				
2004	348,610	2,165,334	4,058,370	5,748,933	5,889,222					
2005	366,143	1,554,332	2,725,555	2,977,546						
2006	449,052	2,400,251	3,198,680							
2007	548,738	1,144,088								
2008	338									

Note: Last diagonal is as of March 31, 2008.

Report Year	Paid Loss & ALAE as a Percentage of Ultimate Loss & ALAE									
	10	22	34	46	58	70	82	94	106	118
1999	1.4%	48.9%	95.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2000	1.1%	14.9%	37.5%	44.4%	48.8%	91.1%	92.5%	93.5%	93.6%	
2001	2.1%	20.6%	42.8%	66.8%	85.1%	91.2%	98.4%	99.6%		
2002	2.9%	30.9%	55.9%	71.2%	83.7%	91.7%	92.5%			
2003	1.0%	28.8%	40.6%	64.0%	69.8%	71.4%				
2004	3.8%	23.4%	43.9%	62.2%	63.7%					
2005	7.8%	33.0%	57.9%	63.2%						
2006	4.9%	26.1%	34.8%							
2007	4.6%	9.5%								
2008	0.0%									
Average x last diag	3.3%	28.3%	53.5%	68.1%	77.5%	93.5%	96.9%	96.7%	100.0%	
Average L5 x last diag	4.4%	28.5%	48.2%	61.7%	77.5%					
Wght Avg x last diag	4.0%	26.6%	46.9%	63.5%	73.0%	92.0%	96.3%	94.9%	100.0%	

Prelim Selected	10 - Ult	22 - Ult	34 - Ult	46 - Ult	58 - Ult	70 - Ult	82 - Ult	94 - Ult	106 - Ult
Payment Pattern	5.0%	30.0%	50.0%	65.0%	75.0%	85.0%	95.0%	97.5%	100.0%

Interpolated	12 - Ult	24 - Ult	36 - Ult	48 - Ult	60 - Ult	72 - Ult	84 - Ult	96 - Ult	108 - Ult
Payment Pattern	6.7%	32.7%	52.2%	66.6%	76.6%	86.6%	95.4%	97.9%	100.0%

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FORTRESS INSURANCE COMPANY

DENTAL PROFESSIONAL LIABILITY INSURANCE

ILLINOIS

RATE/RULE MANUAL

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Rule	Page Number

Territory 1 Rates 1
Territory 2 Rates 2
Eligibility 3
Policy Issued 4
Policy Term 5
Premiums 6
Basis of Coverage 7
Policy Limits 8
Classifications 9
Professional Corporation, Association or Partnership 10
Rating 11
Deductibles 12
Schedule Rating Program 13
Termination or Conditional Renewal 14
Computation of Return Premium 15
Extended Reporting (Tail) Coverage 16
Suspension of Insurance 17
New Dentist Discount 18
Part-Time Practice Discounts 19
Risk Management Credits 20
Coverage for Dental District Society 21
Sale of Practice Additional Insured Endorsement Coverage 22
Coverage for Dental Candidates 23
Locum Tenens 24

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

FORTRESS INSURANCE COMPANY
ILLINOIS RATES
Territory 1 – Cook County

Class I

Limits of Coverage	Claims Made Maturity				
	1st Year	2nd Year	3rd year	4th Year	Mature
$200,000/$600,000	411	745	945	1045	1112
$500,000/$1,000,000	480	869	1103	1220	1298
$1,000,000/$3,000,000	564	1020	1295	1432	1523
$2,000,000/$6,000,000	704	1276	1618	1790	1904

Limits of Coverage	Occurrence
$200,000/$600,000	1234
$500,000/$1,000,000	1440
$1,000,000/$3,000,000	1691
$2,000,000/$6,000,000	2113

Class II

Limits of Coverage	Claims Made Maturity				
	1st Year	2nd Year	3rd year	4th Year	Mature
$1,000,000/$3,000,000	1058	1916	2431	2689	2860

Limits of Coverage	Occurrence
$1,000,000/$3,000,000	3175

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

FORTRESS INSURANCE COMPANY
ILLINOIS RATES
Territory 2 – Remainder of State

Class I

Limits of Coverage	Claims Made Maturity				
	1st Year	2nd Year	3rd year	4th Year	Mature
$200,000/$600,000	355	642	815	901	958
$500,000/$1,000,000	414	749	951	1051	1119
$1,000,000/$3,000,000	486	880	1116	1234	1313
$2,000,000/$6,000,000	607	1099	1395	1543	1641

Limits of Coverage	Occurrence
$200,000/$600,000	1064
$500,000/$1,000,000	1242
$1,000,000/$3,000,000	1457
$2,000,000/$6,000,000	1822

Class II

Limits of Coverage	Claims Made Maturity				
	1st Year	2nd Year	3rd year	4th Year	Mature
$1,000,000/$3,000,000	912	1652	2096	2318	2465

Limits of Coverage	Occurrence
$1,000,000/$3,000,000	2737

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Eligibility

In order for a dentist to be eligible for coverage, he or she must:

a. Have a valid state license to practice dentistry;
b. Not have knowingly made or caused to be made a false statement or misrepresentation of a material fact in applying for insurance.
c. Have a claims and practice history considered to be acceptable to the Company.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Policy Issued

A policy in a form approved by the Insurance Department will be delivered to each dentist insured upon receipt of the appropriate premium from said dentist.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Policy Term

The term of each policy of insurance will be stated in the Declarations Page of the policy when issued. Unless otherwise requested by the dentist, policies will be written for a period of one year.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Premiums

Premiums payable on each policy of insurance will be stated on a Declarations Page of the policy when issued. Premiums are due and payable at the inception of the policy term, except that installment payments of annual premiums shall be permitted as follows: 25% of such premium shall be due on the policy inception date and 25% of such premium shall be due three, six and nine months thereafter. The installment payment option shall be available to all insured except for those dentists who have been delinquent in their payments on more than two occasions in the past three years. No additional charge will be applied for installment payments.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Basis of Coverage

Coverage will be issued by the Company on a claims-made or occurrence basis at the approved rates and conditions applicable to this type of insurance.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Policy Limits

The minimum policy limits offered by the Company to dentists will be $200,000 per patient and $600,000 total limit. Increased limits will be available up to $2,000,000 per patient and $6,000,000 total limit.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Classifications

The Company will provide coverage for the following classes of dentists:

Class I – General Practitioners or Specialists and for their Professional Corporations, Associations or Partnerships. Coverage would not apply to the general practitioner or specialist who is engaged in dentistry on patients rendered unconscious through the administrations of general anesthesia unless the general anesthesia is administered in a duly licensed hospital or outpatient surgical center by an anesthesiologist, or certified registered nurse anesthetist supervised by such anesthesiologist; other than an insured dentist, his or her employees, or any other person or organization for whose acts or omissions the insured dentist is legally responsible.

Class 2 – Dental Anesthesiologist; who maintain a valid dental anesthesia certificate and limit their administration of general anesthesia only to patients of other dentists. The premium for this coverage will be calculated at 187.8% of the rate applicable to a Class I dentist. Only limits of $1,000,000/$3,000,000 are available for Class II dentists.

If a dentist practices in more than one classification the higher rated classification will apply.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Professional Corporation, Association or Partnership

Coverage may be provided for a professional corporation, association or partnership on either:

A. a shared limits of liability basis with all other insured, in which case no additional premium will be charged; or

B. a separate additional limits of liability basis at an additional premium. In this case an Organization Policy will be issued. The limits shall be the equivalent of the highest limits applicable to the dentist insured by the Company who are members of the professional corporation, association or partnership. The premium would be the sum of the following:

   1. 10% of the premium for each dentist partner, shareholder and employee insured by the Company; and

   2. 20% of the premium calculated at the Company's rates, for each dentist partner, shareholder and employee insured by another company.

In all instances involving a solo professional corporation or association, consisting of one dentist, the corporation or association will be listed as an additional insured under the individual dentist's policy and will share his or her limits of liability.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Rating

The location of the dental practice determines the rating territory of an insured. If an insured practices in more than one territory, the higher rated territory shall be used to determine his or her premium.

The Territorial definitions are:

Territory 1 – Cook County
Territory 2 – Remainder of state.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Deductibles

Insured who present additional risk exposure may be provided insurance subject to a policy deductible of up to $25,000 per claim/$75,000 annual aggregate.

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SPRINGFIELD, ILLINOIS

Schedule Rating Program

The Company may apply a schedule credit or debit, based on underwriting judgment, to policyholders who demonstrate certain risk characteristics not contemplated in the filed rate structure. The underwriter will consider the following when determining whether to apply a schedule credit or debit:

a. Historical loss experience;
b. Claim anomalies in the historical loss experience;
c. Cumulative number of years of patient experience;
d. Management control procedures.

In recognition of the above factors, the Company will apply a credit or debit to the applicable rate based on the overall evaluation of the risk.

The maximum schedule credit is 20%.

The maximum schedule debit is 25%.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Termination or Conditional Renewal

Policies may be cancelled by insured at any time by submitting written notice to the Company or by surrender of the policy to the Company. Policies may be cancelled or non-renewed or conditionally renewed by or on behalf of the Company, as provided for under the Insurance Laws of the state.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Computation of Return Premium

Whether cancellation occurs by the insured or by the Company, earned premium shall be computed pro-rata.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Extended Reporting (Tail) Coverage

Upon cancellation or nonrenewal of the policy, except when the cancellation or nonrenewal is a result of the nonpayment of premium or any deductible, the insured will be eligible for extended reporting (tail) coverage. The premium for this coverage will be calculated using the mature claims-made rate multiplied by a factor that reflects the percentage of mature claims-made exposure.

Years Covered Under Claims-Made	Percent of Mature Claims-made Rates
1 Year	.69
2 Year	1.06
3 Year	1.22
4 Year	1.29
5 or More Years	1.31

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Suspension of Insurance

In the event a dentist is removed from practice by reason of disability, sabbatical or other reason for a period of at least three (3) months but not more than two (2) years, the dentist will be issued a Suspension of Insurance Endorsement. This Endorsement will allow for the reporting of claims during the suspension period arising from acts performed by the dentist prior to the commencement of the suspension period. The Endorsement will further contain exclusion related to professional services rendered during the suspension period. The premium charged during the suspension period will be 15% of the otherwise applicable policy premium.

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

New Dentist Discount

The Company will provide premium discounts for a three year period to dentists who enter either a solo or a group private practice immediately following completion of their formal training. (Such formal training shall include the time spent on active military duty.)

The premium discounts will be applied as follows:

- For the first year- a 60% premium credit
- For the second year – a 40% premium credit
- For the third year – a 25% premium credit

The rates of discount will not be increased in the event a dentist concurrently qualifies for a rate credit related to the Company's Part-Time Practice Program. In such instances, the premium credit granted shall be the one contained in the program that would provide the greater rate of discount.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Part-Time Practice Discounts

Fortress has established a rating structure to provide coverage for a dentist that has restricted his or her practice. A dentist must meet the following guidelines for part-time coverage in order to qualify for a reduced premium.

1) Dentists who are 55 years of age or older and can document (per the part-time application) that they practice less than 20 hours per week or 1000 hours per year;

2) Dentists who have a medically-certifiable disability which prohibits a full-time practice and who practice less than 20 hours per week or 1000 hours per year as a direct consequence of that disability;

3) Dentists who teach full-time in an ADA-approved training program and who are engaged in a private practice with appropriate patient follow-up not to exceed a total of 20 hours per week or 1000 hours per year outside the training institution;

4) Dentists who are students pursuing a medical or graduate degree on a full-time basis and are engaged in a private practice with appropriate patient follow up not to exceed a total of 20 hours per week or 1000 hours per year.

5) Dentists who have not reached the age of 55 who can meet all of the following requirements shown below (subject to Underwriting approval.)

   a) Maintain a private practice of less than 20 hours per week or 1000 hours per year, and

   b) Provide evidence that they are employed by or provide services on a fee-for-service or independent contractor basis for at least 20 hours per week or 1000 hours per year at another facility. Furthermore, the dentist must provide evidence that this other facility is providing professional liability insurance for this activity. Note: The dentist's policy will be endorsed to exclude professional services at this other facility.

6) Dentists who are stay-at-home care givers, who practice less than 20 hours per week or 1000 hours per year in a private practice may qualify for part-time.

To apply for part-time coverage, the dentist must complete a supplemental application for part-time coverage and provide the appropriate additional documentation. The dentist will periodically be required to submit updated documentation to verify continued part-time eligibility.

Premium discounted to part-time (50%) is calculated in the following manner:

Base rate X .50 (50%)

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Risk Management Credits

A 10% Risk Management credit will be applied to the applicable rate for dentists who successfully complete a Risk Management program approved by the Company. The credit will be allowed for three (3) successive policy periods with the initial credit being applied to the first full policy period after completion of the program. However, if such completion occurs within sixty (60) days of the effective date of the current policy period, the first of the three credits will be applied to the current policy period.

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Coverage for District Dental Societies

Professional liability coverage will be available to district dental societies by endorsement. Protection will be provided for claims for injury arising out of the district dental society rendering or failing to render professional services.

The premium for this coverage will be calculated at 15% of the rate applicable to a dentist who functions as a general practitioner in the rating territory where the district society is located. In the event the district is situated in more than one territory, the higher rated territory premium will apply.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Sales of Practice Additional Insured Endorsement Coverage

An Additional Insured Endorsement will be made available to policyholders to cover the former owner(s) of their dental practice. The Endorsement names the former owner(s) as an additional insured(s) and the coverage afforded by the Endorsement will be limited to the former owner's liability arising out of professional services which were provided (or should have been provided) by the insured who purchased the dental practice or by a person for whose conduct the insured is responsible.

There will be no additional premium charge for this Endorsement.

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Coverage for Dental Candidates

Professional liability coverage will be available to Dental Candidates while they are taking the State or Regional Board Examination for a license to practice dentistry in the state and only for that period of time.

All Dental Candidates will be insured by a policy providing limits of liability of $1,000,000 per patient/$3,000,000 total limit. The Company will charge a premium of $25 for the policy. The policy will be issued upon payment of the policy premium.

After successfully completing the State or Regional Board Examination the $25 premium will be applied to the applicant's first year premium in the event they secure a Fortress policy for their practice activities.

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Locum Tenens

Locum tenens is a Latin term that means one person who substitutes for another. Coverage can be afforded when an insured is temporarily away from his or her practice and another person practices in his or her place. The locum tenens dentist is only covered for specified dates. He or she is not afforded his or her own set of limits, but shares in our insured's limits of coverage.

This is available to our insured with the following guidelines:

1) The locum tenens dentist must submit a fully completed application and be approved by the underwriter prior to the first date of coverage.

2) If approved, locum tenens coverage will be provided at no additional charge for no more than 45 days during any one-policy period for both the individual and organization policies. If the number of days in a policy year exceeds this number, an additional premium will be calculated at 100% of the daily rate for each additional day.

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