COMMERCIAL INSURANCE, A DIVISION OF AIU HOLDINGS
STATE FILINGS DIVISION
175 WATER STREET, 17TH FLOOR
NEW YORK, NEW YORK 10038

Jameka Y. Harris
Filings Analyst

Telephone: (212) 458-7056
Facsimile: (212) 458-7077
E-mail: jameka.harris@aig.com

RECEIVED
JUL 24 2009
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

July 14, 2009

FILED
FEB 04 2010
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Honorable Michael T. McRaith
Director of Insurance
Illinois Department of Financial & Professional Regulation
Illinois Department of Insurance
320 West Washington Street, 4th Floor
Springfield, Illinois 62767-0001
Attn.: Mr. John Gatlin
Supervisor, Property and Casualty Compliance Unit

RE: NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
NAIC #012-19445, FEIN #25-0687550
RATE/RULE Healthcare Agency Professional Liability Program
Rate Filing
File Number: AIC-09-EO-08

Dear Mr. Gatlin:

-5%

National Union Fire Insurance Company of Pittsburgh, Pa. (the "Company") has on file with your Department its Healthcare Agency Professional Liability Program (the "Program"). The Company submits, for your review and approval, its revised rates to be used with this Program. Please be advised that this filing replaces the rates currently on file with your Department.

Please refer to the attached actuarial materials for information about the rates included in this submission.

We wish to make this filing effective August 21, 2009, or the earliest date permitted by your Department.

Your favorable review and consideration are respectfully requested.

Regards,

Jameka Y. Harris

1-0
MEM
RAT

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

I, Adam C. Reed, a duly authorized officer American Home/National Union Group 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, Peter McNamara, a duly authorized actuary of American Home/National Union Group am authorized to certify on behalf of American Home/National Union Group making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

Assistant Vice President
Signature and Title of Authorized Insurance Company Officer — Date

Assistant Actuary — 6/17/09
Signature, Title and Designation of Authorized Actuary — Date

Insurance Company FEIN 25-0687550 — Filing Number: AIC-09-EO-08

Insurer's Address 175 Water Street

City : New York State: New York Zip Code: 10038

Contact Person's:
-Name and E-mail Janeka Y. Harris / janeka.harris@aig.com

-Direct Telephone and Fax Number: Telephone: (212)-458-7086
Fax: (212) 458-7077

RECEIVED

JUL 24 2009

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

Form (RF-3)

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 8/21/2009 -$25,700

(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	$514,000	-5%
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other Medical malpractice		

Line of Insurance

Does filing only apply to certain territory (territories) or certain classes? If so, specify:
Applies to all territories and classes

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):
Base Rate Change

Healthcare Agency

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

National Union Fire Insurance Co.
Name of Company of Pittsburgh, PA

Adam Reed, Assitant Vice Presi
Official-Title

H29219D

FILE # AIC-09-EO-08

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 #**	AIC-09-EO-08
2.	**This filing corresponds to form filing number** (Company tracking number of form filing, if applicable)	

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

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

4a. Rate Change by Company (As Proposed)

Company Name	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
National Union Fire Insurance Company of Pittsburgh, Pa.	-5.0%	($25,700)	27	$514,000	-5.0%	-5.0%

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

Company Name	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	STATE USE
5a.	**Overall percentage rate impact for this filing**		
5b.	**Effect of Rate Filing – Written premium change for this program**		
5c.	**Effect of Rate Filing – Number of policyholders affected**		

6.	**Overall percentage of last rate revision**	15.0%
7.	**Effective Date of last rate revision**	12/24/04
8.	**Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)**	

9.	**Rule # or Page # Submitted for Review**	**Replacement or Withdrawn?**	**Previous state filing number, if required by state**
01		☐ New ☐ Replacement ☐ Withdrawn	
02		☐ New ☐ Replacement ☐ Withdrawn	
03		☐ New ☐ Replacement ☐ Withdrawn	

© 2007 National Association of Insurance Commissioners

Neuman, Gayle

From: Harry, Myron [Myron.Harry@chartisinsurance.com]
Sent: Friday, February 05, 2010 8:19 AM
To: Neuman, Gayle
Subject: RE: National Union Fire of Pittsburgh, PA - Filing #AIC-09-EO-08

Ms. Neuman,

We would like a February 4, 2010 effective date. This filing was not put into effect in August.

Myron Harry

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, February 04, 2010 4:34 PM
To: Harry, Myron
Subject: National Union Fire of Pittsburgh, PA - Filing #AIC-09-EO-08

Ms. Harry,

The Department has now completed its review of the filing referenced above. The Director signed off on this filing on February 4, 2010. Originally, National Union Fire requested the filing be effective August 21, 2009. Was the filing put in effect on August 21, 2009 or do you wish to use some other 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.

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

HEALTH CARE AGENCY PROFESSIONAL LIABILITY

RATE SHEET

ILLINOIS - COOK COUNTY

I. **OCCURRENCE RATES**

Charge per:	$100,000/$300,000	$300,000/$300,000	$500,000/$500,000	$1,000,000/$1,000,000	$1,000,000/$3,000,000
A. Agency	$1,796	$2,119	$2,298	$2,622	$2,783
B. Full Time Equivalent Employee:					
Home Health Aide	$210	$247	$268	$306	$325
Nurse Aide/Sitter/Companion/ Clerical/Administrative/ Bereaval Therapist/Homemaker	$156	$184	$200	$228	$242
Dietician/Nutritionist	$252	$297	$322	$367	$390
LPN/Dental Hygenist/Pharmacy Ass't/Lab Tech/EKG-Ultrasound Tech/Medical Tech/Echocardiogram Tech/X-Ray Tech/Radiology Tech/ Certified Medical Ass't.	$337	$397	$431	$492	$522
Nurse/Enterstomal Therapist/ Social Worker/Dialysis Tech	$416	$491	$532	$608	$645
Occupational Therapist/Speech Pathologist	$495	$584	$634	$723	$767
Pharmacist	$739	$872	$945	$1,079	$1,145
Physical Therapist/Respiratory Therapist/Phlebotomist/Clergy/ Nuclear Medicine Tech/Radiation Therapist	$962	$1,135	$1,231	$1,405	$1,491
Psychologist	$1,583	$1,868	$2,026	$2,312	$2,453
Nurse Practitioner/Physician Ass't/Paramedic/EMT	$2,074	$2,447	$2,655	$3,029	$3,214
Medical Director	$566	$668	$725	$827	$877

C. Non Medical Office Staff (Rates per $1,000 payroll):

$0-$500,000	$1.68	$1.98	$2.15	$2.46	$2.61
$500,001-$2,000,000	$0.84	$0.99	$1.07	$1.22	$1.30
$2,000,001-$7,000,000	$0.58	$0.68	$0.74	$0.85	$0.90
$7,000,001-$20,000,000	$0.26	$0.30	$0.33	$0.37	$0.40
Over $20,000,000	$0.13	$0.16	$0.17	$0.19	$0.21

The above rates are based on the total payroll of the insured's non medical office staff. Each individual payroll layer should be rated separately and added together, in order to determine the total premium. This premium includes the payroll of all non medical office staff.

II. **RATING METHODOLOGY**

A. Agency Rate-The rate indicated applies to every risk written under this program.

B. Employee Rates-The rate indicated for each category is applied to the number of Full Time Equivalent Employees (FTE's) in each category. The number of FTE's is calculated as follows:

1. FTE's/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 that category of employee.
2. FTE's/Payroll-When the number of hours worked is unavailable or invalid, the number of FTE's is determined using payroll information. The total annual payroll for each category is divided by the estimated average payroll for that category. This number is then multiplied by the rate for that category.

Average Salaries:*	
Nurse (RN)	$29,403
Licensed Prac Nurse	$22,762
Physical Ther.	$50,498
Occupational Ther.	$40,395
Speech Therapist	$37,367
Social Worker	$31,650
Home Health Aide	$15,796

*Salaries are based on Home Health Agency Compensation Survey Report, Washington, DC, National Association of Home Care (NAHC). Salaries used to calculate FTE's will be revised as the report is updated. Average salaries for categories not listed at the left will be estimated by comparing the educational requirements for unlisted categories with those categories listed.

C. For agencies that use independent contractors, the number of FTE's are calculated as described above. If the independent contractors are not to be covered, individually, 50% of the rate indicated under I.B is charged. If independent contractors are to be covered individually, 100% of the rate indicated is charged.

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

HEALTH CARE AGENCY PROFESSIONAL LIABILITY

RATE SHEET

ILLINOIS - REST OF STATE

I. **OCCURRENCE RATES**

Charge per:	$100,000/$300,000	$300,000/$300,000	$500,000/$500,000	$1,000,000/$1,000,000	$1,000,000/$3,000,000
A. Agency	$1,796	$2,119	$2,298	$2,622	$2,783
B. Full Time Equivalent Employee:					
Home Health Aide	$142	$167	$181	$207	$219
Nurse Aide/Sitter/Companion/ Clerical/Administrative/ Bereaval Therapist/Homemaker	$106	$125	$136	$155	$164
Dietician/Nutritionist	$171	$201	$219	$249	$265
LPN/Dental Hygenist/Pharmacy Ass't/Lab Tech/EKG-Ultrasound Tech/Medical Tech/Echocardiogram Tech/X-Ray Tech/Radiology Tech/ Certified Medical Ass't.	$229	$270	$293	$334	$354
Nurse/Enterstomal Therapist/ Social Worker/Dialysis Tech	$282	$333	$361	$412	$437
Occupational Therapist/Speech Pathologist	$336	$396	$430	$491	$521
Pharmacist	$501	$591	$642	$732	$777
Physical Therapist/Respiratory Therapist/Phlebotomist/Clergy/ Nuclear Medicine Tech/Radiation Therapist	$653	$770	$835	$953	$1,012
Psychologist	$1,074	$1,267	$1,375	$1,569	$1,665
Nurse Practitioner/Physician Ass't/Paramedic/EMT	$1,407	$1,661	$1,801	$2,055	$2,181
Medical Director	$384	$453	$492	$561	$595
C. Non Medical Office Staff (Rates per $1,000 payroll):					
$0-$500,000	$1.68	$1.98	$2.15	$2.46	$2.61
$500,001-$2,000,000	$0.84	$0.99	$1.07	$1.22	$1.30
$2,000,001-$7,000,000	$0.58	$0.68	$0.74	$0.85	$0.90
$7,000,001-$20,000,000	$0.26	$0.30	$0.33	$0.37	$0.40
Over $20,000,000	$0.13	$0.16	$0.17	$0.19	$0.21

The above rates are based on the total payroll of the insured's non medical office staff. Each individual payroll layer should be rated separately and added together, in order to determine the total premium. This premium includes the payroll of all non medical office staff.

II. **RATING METHODOLOGY**

A. Agency Rate-The rate indicated applies to every risk written under this program.

B. Employee Rates-The rate indicated for each category is applied to the number of Full Time Equivalent Employees (FTE's) in each category. The number of FTE's is calculated as follows:

1. FTE's/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 that category of employee.
2. FTE's/Payroll-When the number of hours worked is unavailable or invalid, the number of FTE's is determined using payroll information. The total annual payroll for each category is divided by the estimated average payroll for that category. This number is then multiplied by the rate for that category.

Average Salaries:*	
Nurse (RN)	$29,403
Licensed Prac Nurse	$22,762
Physical Ther.	$50,498
Occupational Ther.	$40,395
Speech Therapist	$37,367
Social Worker	$31,650
Home Health Aide	$15,796

*Salaries are based on Home Health Agency Compensation Survey Report, Washington, DC, National Association of Home Care (NAHC). Salaries used to calculate FTE's will be revised as the report is updated. Average salaries for categories not listed at the left will be estimated by comparing the educational requirements for unlisted categories with those categories listed.

C. For agencies that use independent contractors, the number of FTE's are calculated as described above. If the independent contractors are not to be covered, individually, 50% of the rate indicated under I.B is charged. If independent contractors are to be covered individually, 100% of the rate indicated is charged.

HEALTHCARE AGENCY PROFESSIONAL LIABILITY PROGRAM
ILLINOIS

III. SURCHARGES, CREDITS AND DEBITS

A. Surcharges

1. Malplacement- A malplacement surcharge of 25% of the developed premium, before credits and debits, will apply to agencies engaged in supplemental staffing.

2. Registry- A registry surcharge of 25% of the developed premium, before credits and debits, will apply to agencies that do supplemental staffing. This is in addition to the malplacement surcharge.

3. Background Check- A surcharge of 10% to agencies not performing background checks on their employees and independent contractors.

4. Nrsng Hms/Asstd Lvng Ctrs/Lng Trm Care Fac- A surcharge of 25% of the developed premium, before debits and credits, will apply to agencies that do staffing of Nursing Home Facilities, Assisted Living Centers, or Long Term Care Facilities.

5. High Tech/Crtcl Care- A malplacement Surcharge of 25% of the developed premium, before credits and debits, will apply to Agencies engaged in High Tech/Critical Care services including Surgical, Pediatric, Infusion Therapy, and Tracheotomy/Ventilator Care.

B. Credits/Debits

Debits		Credit
0-25%	Claims History	0-25%
0-20%	Risk Management	0-20%
0-15%	Nature of Operations	0-15%
	MAXIMUM DEBIT/CREDIT +/-40%	

IV. ADDITIONAL INSUREDS

For each additional insured charge 25% of the developed premium, before debits/credits are applied; maximum $1,000.

V. MINIMUM PREMIUMS

Home Health Agency in business less than 3 yrs	$3,000
Home Health Agency	$1,000
Hospice	$500
Pure Registry	$2,500

VI. ADDITIONAL LIMITS AND DEDUCTIBLES

A. Increased Limits Factors

$1,000,000/$1,000,000	1.000
$2,000,000/$2,000,000	1.783
$2,000,000/$4,000,000	1.372
$3,000,000/$3,000,000	1.326
$3,000,000/$5,000,000	1.486
$4,000,000/$4,000,000	1.444
$4,000,000/$5,000,000	1.511
$5,000,000/$5,000,000	1.550

B. Deductible

Deductible	Discount
$1,000	1%
$2,500	2.5%
$5,000	5%
$10,000	10%
$25,000	15%
$50,000	35%
$100,000	50%

VII. CLAIMS MADE CONVERSION FACTORS & EXTENDED REPORTING PERIOD

I. Claims Made Factors

	% of Occurrence Premium
1 year	0.55
2 year	0.79
3 year	0.91
4 year	0.96
5 year	0.98

II. Extended Reporting Period Endorsement

One Year Option at 55% of mature claims made rate
Two Year Option at 85% of mature claims made rate
Three Year Option at 100% of mature claims made rate
Unlimited Option at 110% of mature claims made rate

Neuman, Gayle

From: Harris, Jameka [Jameka.Harris@aiuholdings.com]
Sent: Thursday, July 30, 2009 3:28 PM
To: Neuman, Gayle
Subject: RE: National Union Fire of Pittsburgh, PA - Filing #AIC-09-EO-08
Attachments: ILLINOIS - REST OF STATE-HCA-Rate Page-06-15-2009.pdf; ILLINOIS - COOK COUNTY-HCA-Rate Page-06-15-2009.pdf

Ms. Neuman,

Pursuant to our phone conversation, please find attached the PDF version of our rate pages.

Should you need anything else, please do not hesitate to contact me.

Kind Regards,

Jameka Y. Harris
Filings Analyst
State Filings Division
(212) 458-7056

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, July 30, 2009 12:36 PM
To: Harris, Jameka
Subject: RE: National Union Fire of Pittsburgh, PA - Filing #AIC-09-EO-08

Ms. Harris,

I did receive both pages of the manual. Please again review the end of the wording on page 1 – you can see how some of the wording was just left off the form after the font and spacing was changed.

Gayle Neuman
Department of Insurance

From: Harris, Jameka [mailto:Jameka.Harris@aiuholdings.com]
Sent: Thursday, July 30, 2009 10:58 AM
To: Neuman, Gayle
Subject: RE: National Union Fire of Pittsburgh, PA - Filing #AIC-09-EO-08

Ms. Neuman,

Thank you for your comments below. In response to the below we offer the following:

1. Yes. We use ISO as our statistical reporting agency.
2. Please find attached the rate pages for the referenced filing. There are 2 (two) pages in each excel document.

We hope this additional information will enable you to continue with a favorable review of our filing.

Kind Regards,

Jameka Y. Harris
Filings Analyst

State Filings Division
(212) 458-7056

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, July 30, 2009 11:28 AM
To: Harris, Jameka
Subject: National Union Fire of Pittsburgh, PA - Filing #AIC-09-EO-08

Ms. Harris,

I am in receipt of the above referenced filing submitted with your letter dated July 14, 2009. Please address the following issues:

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. In reviewing the previously filed manual pages, there was additional text regarding II. Rating Methodology. The text on the page submitted with this filing concludes with "is calculated as follows:" so it appears there is a page missing from your submission.

I request receipt of your response by August 7, 2009.

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.

National Union Fire Insurance Company of Pittsburgh, Pa.
Healthcare Agency Professional Liability

Explanatory Memorandum
ILLINOIS

National Union Fire Insurance Company of Pittsburgh, Pa. is proposing to decrease base rates by -5%

Exhibit 1: ***CALCULATION OF INDICATED RATE LEVEL CHANGE***

Ultimate developed, trended and on-level results are shown for countrywide and state loss experience for this program. Countrywide and state earned premiums have been adjusted to each state's present rate level by using the standard parallelogram method. Incurred Losses and Lae are trended to one year past the proposed effective date, in order to reflect changes in frequency and severity subsequent to the experience period. The indicated rate level change is based on a comparison of the credibility weighted loss ratio to the expected loss ratio. An offset for investment income is applied to the calculation of the target profit & contingency. The calculation of profit is based on the company's target rate of return of 15%.

Exhibit 2: ***DEVELOPMENT OF REPORTED INCURRED LOSS AND LAE TO ULTIMATE***

Countrywide and state calculation of ultimate loss and LAE ratios are shown for the most recent five years. Ratios are based on calendar year earned premiums and accident year ultimate loss and LAE, including unallocated LAE (Exhibit 6).

Exhibit 3: ***INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT***

Accident Year Loss and Allocated Loss Adjustment Expense experience for Healthcare Provider Professional Liability is shown as of 3/2009, along with age to age factors and the corresponding age to ultimate development factors (Exhibit 3A). Due to the volatility of the loss development data for this program, a larger database is used to select loss development factors. This is appropriate because of the homogenous nature of these claims, as well as the fact that they are all handled by the same claims specialists. In addition the program specific experience is included in Exhibit 3A. These factors are then applied to the countrywide Exhibit 3B and state Exhibit 3C loss experience for Healthcare Agency Professional Liabilitv.

Exhibit 4: ***TREND ANALYSIS***

Calculation of annual frequency/severity trend is based on the most recent policy year experience for Healthcare Professional Liability. The least squares method has been used to measure the average change in frequency and severity. The trend period extends from the midpoint of each accident year to one year beyond the assumed effective date.

Exhibit 5: ***EXPENSE PROVISIONS AND DETERMINATION OF EXPECTED LOSS RATIO***

Expense provisions are based on the expenses found for Medical Malpractice in the American Home/National Union Group Insurance Expense Exhibit. The commission expense is program specific. The expected loss & lae ratio is the complement of the total expenses and profit load. The profit & contingency factor has been calculated based on a target rate of return on equity of 15%.

Exhibit 6: ***DETERMINATION OF UNALLOCATED LOSS ADJUSTMENT EXPENSE FACTOR***

The unallocated loss adjustment expense provision is determined using data from the Healthcare cost statements for the five most recent years. The factor is expressed as a percentage of total incurred losses and allocated loss adjustment expense.

Exhibit 7: ***INVESTMENT INCOME EXHIBITS***

The investment income exhibits are based on American Home/ National Union/ New Hampshire Group's Annual Statement experience and incorporate the Medical Malpractice premium and program budgeted expense provisions to determine an indicated investment income offset. The calendar year method was used to determine investment income.

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
HEALTHCARE AGENCY PROFESSIONAL LIABILITY
($ IN 000'S)
DETERMINATION OF RATE LEVEL INDICATION

ILLINOIS

	Accident Year	(1) Basic Limits Premium at Present Rates (Note A)	(2) Basic Limits Ultimate Loss & LAE (Exhibit 2)		(3)=(2)/(1) Ultimate Loss & LAE Ratio	(4) Trend Factor (Exhibit 4) (Note B)	(5)=(3)*(4) Trended Loss & LAE Ratio	Weight
COUNTRYWIDE								
(1)	2004	37,499	14,488		0.386	1.229	0.475	
(2)	2005	30,876	7,294		0.236	1.188	0.281	0.10
(3)	2006	22,000	10,769		0.489	1.148	0.562	0.20
(4)	2007	16,439	9,121	(E)	0.555	1.109	0.615	0.30
(5)	2008	12,073	8,048	(E)	0.667	1.071	0.714	0.40
ILLINOIS								
(1)	2004	1,355	39		0.029	1.229	0.035	
(2)	2005	925	128		0.139	1.188	0.165	0.10
(3)	2006	771	264		0.343	1.148	0.393	0.20
(4)	2007	654	513	(E)	0.785	1.109	0.870	0.30
(5)	2008	542	324	(E)	0.597	1.071	0.640	0.40

		ILLINOIS	CW
(6)	Weighted Average Ultimate Trended Loss and LAE Ratio	0.612	0.611
(6a)	Credibility Weights (Note C):	0.121	0.560
(6b)	Credibility Weighted Ultimate Loss & LAE Ratio (Note D):	0.680	
(7)	Target Loss & LAE Ratio [Exhibit 5]	0.709	
(8)	Indicated Rate Level Change [(6b)/7] - 1	-4.0%	
(9)	Selected Rate Level Change	-5.0%	

NOTES:
(A) The calculation of premium at present rates is done using the parallelogram method.
(B) Trend periods extend from the midpoint of each accident year to one year past the assumed effective date. (Exhibit 4).
(C) The credibility standard is 683 claims for the experience period.
State Credibility = Square Root(10/683) CW Credibility = Square Root(214/683)
(D) Credibility Weighted Ultimate Loss & LAE Ratio =
[State(6)*State(6a) + CW(6)*CW(6a) + {1 - State (6a) - CW(6a)} * Trended ELR]
(E) Bornheutter-Ferguson Methodology used to develop ultimate loss & lae, i.e.,
Ultimate Loss & LAE=EPXELRX[1-1/LDF] + reported incurred loss & lae

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA. Exhibit 2
HEALTHCARE AGENCY PROFESSIONAL LIABILITY
($ IN 000'S)
DETERMINATION OF ULTIMATE LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

ILLINOIS

Accident Year	(1) Basic Limits Earned Premium	(2) Basic Limits Reported Incurred Loss & ALAE (Exhibit 3)	(3) Loss Development Factors (Exhibit 3A)	(4)=(2)*(3) Ultimate Loss & L.A.E. (Incl. 1.8% Unalloc L.A.E.)	(5)=(4)/(1) Ultimate Loss & L.A.E. Ratio
COUNTRYWIDE					
2004	31,537	11,850	1.201	14,488	0.459
2005	28,910	5,057	1.417	7,294	0.252
2006	21,660	5,732	1.846	10,769	0.497
2007	16,436	1,575	2.733	4,382	0.267
2008	11,970	823	5.818	4,873	0.407
Total	110,513	25,038		41,805	0.378
ILLINOIS					
2004	1,056	32	1.201	39	0.037
2005	864	89	1.417	128	0.148
2006	771	141	1.846	264	0.343
2007	654	211	2.733	586	0.896
2008	542	0	5.818	0	0.000
Total	3,887	472		1,017	0.262

National Union Fire Insurance Company of Pittsburgh, Pa.
Healthcare Provider Professional Liability
($ in 000'S)
COUNTRYWIDE

BASIC LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 3/2009

Accident Year	3	15	27	39	51	63	75	87	99	111
2000	263	5,422	12,358	21,655	24,942	28,705	31,104	34,532	34,858	35,974
2001	400	6,446	13,495	22,113	28,512	31,064	33,012	33,922	34,269	
2002	1,161	7,590	13,635	21,907	26,800	34,450	35,597	35,732		
2003	501	8,112	19,583	30,924	43,430	50,949	53,769			
2004	1,125	12,546	32,188	48,757	57,858	65,713				
2005	973	19,619	31,428	41,441	56,460					
2006	2,103	14,345	35,858	57,071						
2007	654	16,595	40,343							
2008	1,535	22,338								
2009	990									

INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111	111-ULT
2000	20.616	2.279	1.752	1.152	1.151	1.084	1.110	1.009	1.032	
2001	16.115	2.093	1.639	1.289	1.090	1.063	1.028	1.010		
2002	6.539	1.796	1.607	1.223	1.285	1.033	1.004			
2003	16.206	2.414	1.579	1.404	1.173	1.055				
2004	11.153	2.566	1.515	1.187	1.136					
2005	20.168	1.602	1.319	1.362						
2006	6.820	2.500	1.592							
2007	25.368	2.431								
2008	14.552									
Weighted Average	12.968	2.193	1.538	1.274	1.162	1.057	1.045	1.010	1.032	
4 Yr Wtd Average	13.845	2.216	1.497	1.290	1.163	1.057				
3 Yr Wtd Average	12.412	2.129	1.480	1.302	1.180	1.051	1.045			
2 Yr Wtd Average	17.784	2.463	1.464	1.267	1.152	1.046	1.015	1.010		
Selected Age-to-Age		2.129	1.480	1.302	1.180	1.051	1.045	1.010	1.032	
Ultimate Factors		5.818	2.733	1.846	1.417	1.201	1.143	1.094	1.084	1.050

National Union Fire Insurance Company of Pittsburgh, Pa. Exhibit 3B
HEALTHCARE AGENCY PROFESSIONAL LIABILITY
($ in 000'S)
COUNTRYWIDE

BASIC LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 3/2009

Accident Year	3	15	27	39	51	63	75	87	99	111
2000	5	2,968	7,902	11,718	12,240	13,228	15,701	17,671	17,803	18,326
2001	175	3,234	7,219	13,304	15,919	17,926	19,230	20,712	21,105	
2002	146	3,470	5,200	7,640	9,258	11,681	11,502	11,315		
2003	300	3,283	5,470	6,655	8,619	9,597	9,673			
2004	181	2,539	4,843	9,293	10,722	11,850				
2005	205	1,743	3,164	4,868	5,057					
2006	245	1,074	3,505	5,732						
2007	25	843	1,575							
2008	3	823								
2009	0									

INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111
2000	593.331	2.662	1.483	1.045	1.081	1.187	1.125	1.007	1.029
2001	18.483	2.232	1.843	1.197	1.126	1.073	1.077	1.019	
2002	23.818	1.499	1.469	1.212	1.262	0.985	0.984		
2003	10.944	1.666	1.217	1.295	1.113	1.008			
2004	14.013	1.907	1.919	1.154	1.105				
2005	8.486	1.816	1.538	1.039					
2006	4.384	3.262	1.636						
2007	33.715	1.868							
2008	274.190								
2009									
4 Yr Wtd Average	9.371	2.111	1.563	1.183	1.147	1.070			
3 Yr Wtd Average	10.036	2.252	1.728	1.172	1.158	1.031	1.070		
2 Yr Wtd Average	59.485	2.649	1.590	1.114	1.109	0.995	1.042	1.014	

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA. Exhibit 3C
HEALTHCARE AGENCY PROFESSIONAL LIABILITY
($ IN 000'S)

ILLINOIS

BASIC LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 3/2009

Accident Year	3	15	27	39	51	63	75	87	99	111
2000	0	98	429	1,071	470	435	417	417	421	421
2001	0	231	92	331	328	216	469	424	466	
2002	0	50	58	300	180	104	114	113		
2003	0	237	221	328	649	1,698	1,833			
2004	10	13	17	23	28	32				
2005	0	78	115	123	89					
2006	25	40	88	141						
2007	0	207	211							
2008	0	0								
2009	0									

INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year	3-15	15-27	27-39	39-51	51-63	63-75	75-87	87-99	99-111
2000	97863.000	4.383	2.497	0.439	0.926	0.959	1.000	1.010	1.000
2001	1.000	0.397	3.612	0.990	0.659	2.171	0.904	1.097	
2002	1.000	1.152	5.215	0.598	0.579	1.092	0.991		
2003	1.000	0.934	1.485	1.979	2.616	1.079			
2004	1.324	1.313	1.331	1.230	1.120				
2005	77516.000	1.483	1.072	0.722					
2006	1.614	2.192	1.591						
2007	1.000	1.019							
2008	1.000								
Average ex hi/lo	11074.705	1.349	2.103	0.885	0.902	1.086	0.991		
4 Yr Average	19379.903	1.502	1.370	1.132	1.244	1.325			
3 Yr Average	1.205	1.565	1.331	1.310	1.438	1.447	0.965		
2 Yr Average	1.000	1.605	1.332	0.976	1.868	1.086	0.948	1.054	

Exhibit 4

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
HEALTHCARE PROFESSIONAL LIABILITY
Calculation of Annual Trend Factor

Countrywide as of 3/2009

Basic Limits Frequency Trend

(1) Policy Year	(2) Ultimate Closed With Payment Claims	(3) Number of Policies	(2)/(3) Closed With Payment Claims Per 100 Policies	(4) Exponential Curve of Best Fit
1997				
1998				
1999				
2000				
2001				
2002				
2003	261	89,554	0.29099	0.25032
2004	259	94,891	0.27252	0.32269
2005	414	97,306	0.42523	0.41600
2006	443	94,879	0.46656	0.53628
2007	677	85,478	0.79184	0.69135
Average Annual Change in Claim Frequency		[R Squared = 0.87812592]		28.91%

Basic Limits Severity Trend

(1) Policy Year	(2) Ultimate Closed With Payment Claims	(3) Ultimate Paid Losses	(3)/(2) Ultimate Paid Losses per Claim	(4) Exponential Curve of Best Fit
2003	261	50,353	193.2	182.6
2004	259	37,818	146.2	151.0
2005	414	44,198	106.8	124.9
2006	443	54,876	124.0	103.3
2007	677	55,020	81.3	85.5
Average Annual Change in Claim Severity		[R Squared = 0.84812479]		-17.28%

INDICATED COMBINDED TREND [Frequency x Severity]	6.64%
SELECTED OVERALL COMBINED TREND [Frequency x Severity]	3.50%

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
HEALTHCARE AGENCY PROFESSIONAL LIABILITY

Exhibit 5

Derivation of Expected Loss Ratio

(1) Target rate of return on equity			15.0%
(2) Premium to Surplus Ratio			79.0%
(3) Target rate of return on premium [(1)/(2)]			19.0%
(4) Rate of return on premium			22.2%
(5) Target underwriting profit (loss) [(3)-(4)/.65]			-4.9%
(6) Total Expenses			34.0%
	a. Commissions	22.00%	
	b. Other Acquisition	5.83%	
	c. General Expenses	1.86%	
	d. Taxes, Licenses & Fees	4.31%	
(7) Expected Loss Ratio [1-(6)-(5)]			70.9%

AMERICAN HOME/NATIONAL UNION GROUP
Healthcare
(000's)

Exhibit 6

Determination of Unallocated Loss Adjustment Expense Provision
(SOURCE: COMPANY COST STATEMENTS)

	ITEM	2004	2005	2006	2007	2008	5-year Average
(1)	Losses Paid	271,474	175,786	206,975	188,980	212,809	211,205
(2)	Changes in Unpaid Losses	273,715	465,082	52,387	2,547	-159,111	126,924
(3)	Losses Incurred (1) + (2)	545,189	640,868	259,362	191,527	53,698	338,129
(4)	Allocated Loss Adjustment Expenses	76,023	68,936	72,293	76,744	85,730	75,945
(5)	Total Loss & ALAE (3) + (4)	621,212	709,804	331,655	268,271	139,428	414,074
(6)	Unallocated Loss Adjustment Expenses	7,550	5,547	7,136	7,778	8,509	7,304
(7)	Unallocated Loss Expense Ratio (6)/(5)	1.2%	0.8%	2.2%	2.9%	6.1%	1.8%

AMERICAN HOME/NATIONAL UNION GROUP

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

A.	UNEARNED PREMIUM RESERVE				
1.	Medical Malpractice Direct Earned Premium for Calendar Year 2008				$114,663
2.	Mean Unearned Premium Reserve [0.501* (1)] (See Notes p. 2)				57,497
3.	Deduction for Prepaid Expenses (See notes p. 2)				
	a) Commission and Brokerage	22.00%			
	b) Taxes, Licenses and Fees	4.31%			
	c) 50% of Other Acquisition Expenses	2.92%			
	d) 50% of General Expenses	0.93%			
	e) Total	30.15%			
4.	Deduction for Federal Taxes Payable (See Notes p. 2)				7.0%
5.	Net Amount Subject to Investment Income [(2) x (1.000 - (3) - (4))]				36,134
B.	DELAYED REMISSION OF PREMIUMS (Agents' Balances)				
1.	Direct Earned Premium [(A.1)]				114,663
2.	Average Agents' Balance (See Notes pp. 2-3)				0.124
3.	Delayed Remission [(1) x (2)]				14,193
C.	LOSS RESERVE:				
1.	Direct Earned Premium [(A.1)]				114,663
2.	Expected Incurred Loss and L.A.E. Reserves		@ ELR:	0.709	81,264
3.	Expected Mean Loss Reserves [4.664 x (2)] (See Notes p. 3)				379,030
D.	SURPLUS				
1.	Direct Written Premium				125,884
2.	Surplus Subject to Investment [(D.1)/prem to surp]				159,346
E.	NET AMOUNT SUBJECT TO INVESTMENT: [(A.5) - (B.3) + (C.3) + (D.2)]				560,317
F.	AVERAGE RATE OF RETURN ON INVESTED ASSETS (See Notes p. 4)				5.03%
G.	INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT [(E) x (F)]				28,186
H.	AVERAGE RATE OF RETURN (As % of Direct Earned Premium) [(G) / (A.1)]				24.58%
I.	AVERAGE RATE OF RETURN (After Federal Income Taxes) [(H) x 0.901]				22.16%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

Line A.1

Medical Malpractice direct earned premium for calendar year 2008 as provided by American Home/National Union Group.

Line A.2

The mean direct unearned premium reserve is determined by multiplying the Medical Malpractice direct earned premium in line (A.1) by the countrywide ratio of the mean direct unearned premium reserve to the direct earned premium for 2008. See below for calculation of this ratio. This ratio is based on data for Medical Malpractice from page 15 of the Annual Statement for American Home/National Union Group

	(In 000's)
1. Direct Earned Premium for Calendar Year 2008	$ 114,663
2. Direct Unearned Premium Reserve as of 12/31/07	51,886
3. Direct Unearned Premium Reserve as of 12/31/08	63,107
4. Mean Direct Unearned Premium Reserve 1/2 [(2) + (3)]	57,497
5. Ratio [(4) / (1)]	0.501

Line A.3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of the filed insurance coverage exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedure as shown.

Line A.4

Deduction for Federal Taxes Payable:

Taxable percentage of unearned premium reserves (Tax Reform Act of 1986):	20.0%
Corporate Tax Rate:	35.0%
Total Percentage of Unearned Premium Reserve:	7.0%

Line B.2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premiums beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus. (continued)

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

Line B.2 (continued)

Agents' balances or uncollected premiums for premiums due less than 90 days are calculated as follows:

	(In 000's)
1. Net Earned Premium for Calendar Year 2008	$ 19,629,152
2. Net Agents' Balances as of 12/31/07	1,648,866
3. Net Agents' Balances as of 12/31/08	2,283,776
4. Mean Agents' Balances 1/2 x [(2) + (3)]	1,966,321
5. Ratio [(4) / (1)]	0.100

The above percentage must be multiplied by a factor of1.236 to include the effect of agents' balances or uncollected premiums overdue for more than 90 days. The factor 1.236 is based on 2008 company data.

Final adjusted Agents' Balance:	0.1238

Line C.2

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing.

Line C.3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (C.2) by the average countrywide ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses in 2007 and 2008 for Medical Malpractice Insurance. This ratio is based on Annual Statement Data.

	(In 000's)
1. Incurred Losses and L.A.E. for Calendar Year 2007	69,179
2. Incurred Losses and L.A.E. for Calendar Year 2008	96,751
3. Loss Reserves and L.A.E. as of 12/31/06	482,785
4. Loss Reserves and L.A.E. as of 12/31/07	465,875
5. Loss Reserves and L.A.E. as of 12/31/08	473,807
6. Mean Loss Reserve 2007: 1/2 [(3) + (4)]	474,330
7. Mean Loss Reserve 2008: 1/2 [(4) + (5)]	469,841
8. Ratio (6) / (1)	6.857
9. Ratio (7) / (2)	4.856
10. Average Ratio 1/2 [(8) + (9)]	5.856
11. Loss reserve for American Home/National Union Group, selected	4.856
12. Estimated Reserve Discount	11.3%
13. Federal Taxes Payable (% of Reserves): (12) x .35	0.040
14. (11) x [1.0 - (13)]	4.664

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

Line E

The rate of return is the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends, and real estate income due and accrued).

Year	Net Investment Income Earned (In 000's)	Mean Cash and Invested Assets (In 000's)	Rate of Return
2007	3,101,303	64,895,846	4.78%
2008	3,034,220	65,870,295	4.61%
Total	6,135,523	130,766,141	4.69%

Year	Realized Capital Gains (or Losses) (In 000's)	Mean Cash and Invested Assets (In 000's)	Rate of Return
1999-2008	1,413,815	418,605,174	0.34%

Total Rate of Return:

Net Investment Income Earned and Net Realized Capital Gains (or Losses)	5.03%

Line H

The average rate of Federal Income Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2008 for the American Home/National Union Group.

	Rate of Return	Federal Income Tax Rate
Net Investment Income Earned	4.69%	0.081
Net Realized Capital Gains (or Losses)	0.34%	0.350
Total	5.03%	0.099

1.000 - Federal Income Tax Rate	0.901

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

Line H (continued)		Investment Income Earned		Federal Income Tax Rate
Bonds				
Taxable	$	263,160		0.350
Non-Taxable		1,581,483		0.026
Total	$	1,844,643	(A)	0.072
Stocks				
Taxable	$	130,203		0.123
Non-Taxable		788,092		---
Total	$	918,295	(B)	0.017
Mortgage Loans and Real Estate				
Mortgage Loans	$	0		
Real Estate		0		
Collateral Loans		0		
Cash on Deposit		0		
Short Term Investments		21,465		
All Other		352,694		
Sub-Total	$	374,159		0.350
Total	$	3,137,097		0.089
Investment Deductions	$	102,877		0.350
Net Investment Income Earned	$	3,034,220		0.081

(A) Assume 50% of the income on tax-exempt bonds is subject to proration; that is, 15% of that income is taxed at the full corporate income tax rate of 35%. The applicable tax rate is thus 2.6%. ((.50 x .15 x .35) = .026)

(B) 30% of dividend income is subject to the full corporate income tax rate of 35%. Assume 50% of the dividend income on stocks is subject to proration; that is, 15% of the remaining 70% of dividend income is taxed at a rate of 35%. The applicable tax rate is thus 12% ((.30 x .35) + (.50 x .70 x .15 x .35) = .123).

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

HEALTH CARE AGENCY PROFESSIONAL LIABILITY

RATE SHEET

ILLINOIS - COOK COUNTY

I. OCCURRENCE RATES

Charge per:	$100,000/$300,000	$300,000/$300,000	$500,000/$500,000	$1,000,000/$1,000,000	$1,000,000/$3,000,000
A. Agency	$1,796	$2,119	$2,298	$2,622	$2,783
B. Full Time Equivalent Employee:					
Home Health Aide	$210	$247	$268	$306	$325
Nurse Aide/Sitter/Companion/ Clerical/Administrative/ Bereaval Therapist/Homemaker	$156	$184	$200	$228	$242
Dietician/Nutritionist	$252	$297	$322	$367	$390
LPN/Dental Hygenist/Pharmacy Ass't/Lab Tech/EKG-Ultrasound Tech/Medical Tech/Echocardiogram Tech/X-Ray Tech/Radiology Tech/ Certified Medical Ass't.	$337	$397	$431	$492	$522
Nurse/Enterstomal Therapist/ Social Worker/Dialysis Tech	$416	$491	$532	$608	$645
Occupational Therapist/Speech Pathologist	$495	$584	$634	$723	$767
Pharmacist	$739	$872	$945	$1,079	$1,145
Physical Therapist/Respiratory Therapist/Phlebotomist/Clergy/ Nuclear Medicine Tech/Radiation Therapist	$962	$1,135	$1,231	$1,405	$1,491
Psychologist	$1,583	$1,868	$2,026	$2,312	$2,453
Nurse Practitioner/Physician Ass't/Paramedic/EMT	$2,074	$2,447	$2,655	$3,029	$3,214
Medical Director	$566	$668	$725	$827	$877

C. Non Medical Office Staff (Rates per $1,000 payroll):

$0-$500,000	$1.68	$1.98	$2.15	$2.46	$2.61
$500,001-$2,000,000	$0.84	$0.99	$1.07	$1.22	$1.30
$2,000,001-$7,000,000	$0.58	$0.68	$0.74	$0.85	$0.90
$7,000,001-$20,000,000	$0.26	$0.30	$0.33	$0.37	$0.40
Over $20,000,000	$0.13	$0.16	$0.17	$0.19	$0.21

The above rates are based on the total payroll of the insured's non medical office staff. Each individual payroll layer should be rated separately and added together, in order to determine the total premium. This premium includes the payroll of all non medical office staff.

II. RATING METHODOLOGY

A. Agency Rate-The rate indicated applies to every risk written under this program.

B. Employee Rates-The rate indicated for each category is applied to the number of Full Time Equivalent Employees (FTE's) in each category. The number of FTE's is calculated as follows:

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

HEALTH CARE AGENCY PROFESSIONAL LIABILITY

RATE SHEET

ILLINOIS - REST OF STATE

I. OCCURRENCE RATES

Charge per:	$100,000/$300,000	$300,000/$300,000	$500,000/$500,000	$1,000,000/$1,000,000	$1,000,000/$3,000,000
A. Agency	$1,796	$2,119	$2,298	$2,622	$2,783
B. Full Time Equivalent Employee:					
Home Health Aide	$142	$167	$181	$207	$219
Nurse Aide/Sitter/Companion/ Clerical/Administrative/ Bereaval Therapist/Homemaker	$106	$125	$136	$155	$164
Dietician/Nutritionist	$171	$201	$219	$249	$265
LPN/Dental Hygenist/Pharmacy Ass't/Lab Tech/EKG-Ultrasound Tech/Medical Tech/Echocardiogram Tech/X-Ray Tech/Radiology Tech/ Certified Medical Ass't.	$229	$270	$293	$334	$354
Nurse/Enterstomal Therapist/ Social Worker/Dialysis Tech	$282	$333	$361	$412	$437
Occupational Therapist/Speech Pathologist	$336	$396	$430	$491	$521
Pharmacist	$501	$591	$642	$732	$777
Physical Therapist/Respiratory Therapist/Phlebotomist/Clergy/ Nuclear Medicine Tech/Radiation Therapist	$653	$770	$835	$953	$1,012
Psychologist	$1,074	$1,267	$1,375	$1,569	$1,665
Nurse Practitioner/Physician Ass't/Paramedic/EMT	$1,407	$1,661	$1,801	$2,055	$2,181
Medical Director	$384	$453	$492	$561	$595

C. Non Medical Office Staff (Rates per $1,000 payroll):

$0-$500,000	$1.68	$1.98	$2.15	$2.46	$2.61
$500,001-$2,000,000	$0.84	$0.99	$1.07	$1.22	$1.30
$2,000,001-$7,000,000	$0.58	$0.68	$0.74	$0.85	$0.90
$7,000,001-$20,000,000	$0.26	$0.30	$0.33	$0.37	$0.40
Over $20,000,000	$0.13	$0.16	$0.17	$0.19	$0.21

The above rates are based on the total payroll of the insured's non medical office staff. Each individual payroll layer should be rated separately and added together, in order to determine the total premium. This premium includes the payroll of all non medical office staff.

II. RATING METHODOLOGY

A. Agency Rate-The rate indicated applies to every risk written under this program.

B. Employee Rates-The rate indicated for each category is applied to the number of Full Time Equivalent Employees (FTE's) in each category. The number of FTE's is calculated as follows:

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

HEALTH CARE AGENCY PROFESSIONAL LIABILITY

RATE SHEET

ILLINOIS - COOK COUNTY

I. OCCURRENCE RATES

Charge per:	$100,000/$300,000	$300,000/$300,000	$500,000/$500,000	$1,000,000/$1,000,000	$1,000,000/$3,000,000
A. Agency	$1,796	$2,119	$2,298	$2,622	$2,783
B. Full Time Equivalent Employee:					
Home Health Aide	$210	$247	$268	$306	$325
Nurse Aide/Sitter/Companion/ Clerical/Administrative/ Bereaval Therapist/Homemaker	$156	$184	$200	$228	$242
Dietician/Nutritionist	$252	$297	$322	$367	$390
LPN/Dental Hygenist/Pharmacy Ass't/Lab Tech/EKG-Ultrasound Tech/Medical Tech/Echocardiogram Tech/X-Ray Tech/Radiology Tech/ Certified Medical Ass't.	$337	$397	$431	$492	$522
Nurse/Enterstomal Therapist/ Social Worker/Dialysis Tech	$416	$491	$532	$608	$645
Occupational Therapist/Speech Pathologist	$495	$584	$634	$723	$767
Pharmacist	$739	$872	$945	$1,079	$1,145
Physical Therapist/Respiratory Therapist/Phlebotomist/Clergy/ Nuclear Medicine Tech/Radiation Therapist	$962	$1,135	$1,231	$1,405	$1,491
Psychologist	$1,583	$1,868	$2,026	$2,312	$2,453
Nurse Practitioner/Physician Ass't/Paramedic/EMT	$2,074	$2,447	$2,655	$3,029	$3,214
Medical Director	$566	$668	$725	$827	$877

C. Non Medical Office Staff (Rates per $1,000 payroll):

$0-$500,000	$1.68	$1.98	$2.15	$2.46	$2.61
$500,001-$2,000,000	$0.84	$0.99	$1.07	$1.22	$1.30
$2,000,001-$7,000,000	$0.58	$0.68	$0.74	$0.85	$0.90
$7,000,001-$20,000,000	$0.26	$0.30	$0.33	$0.37	$0.40
Over $20,000,000	$0.13	$0.16	$0.17	$0.19	$0.21

The above rates are based on the total payroll of the insured's non medical office staff. Each individual payroll layer should be rated separately and added together, in order to determine the total premium. This premium includes the payroll of all non medical office staff.

II. RATING METHODOLOGY

A. Agency Rate-The rate indicated applies to every risk written under this program.

B. Employee Rates-The rate indicated for each category is applied to the number of Full Time Equivalent Employees (FTE's) in each category. The number of FTE's is calculated as follows:

1. FTE's/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 that category of employee.
2. FTE's/Payroll-When the number of hours worked is unavailable or invalid, the number of FTE's is determined using payroll information. The total annual payroll for each category is divided by the estimated average payroll for that category. This number is then multiplied by the rate for that category.

Average Salaries:*	
Nurse (RN)	$29,403
Licensed Prac Nurse	$22,762
Physical Ther.	$50,498
Occupational Ther.	$40,395
Speech Therapist	$37,367
Social Worker	$31,650
Home Health Aide	$15,796

*Salaries are based on Home Health Agency Compensation Survey Report, Washington, DC, National Association of Home Care (NAHC). Salaries used to calculate FTE's will be revised as the report is updated. Average salaries for categories not listed at the left will be estimated by comparing the educational requirements for unlisted categories with those categories listed.

C. For agencies that use independent contractors, the number of FTE's are calculated as described above. If the independent contractors are not to be covered, individually, 50% of the rate indicated under I.B is charged. If independent contractors are to be covered individually, 100% of the rate indicated is charged.

FILED
FEB 04 2010
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.

HEALTH CARE AGENCY PROFESSIONAL LIABILITY

RATE SHEET

ILLINOIS - REST OF STATE

I. OCCURRENCE RATES

Charge per:	$100,000/$300,000	$300,000/$300,000	$500,000/$500,000	$1,000,000/$1,000,000	$1,000,000/$3,000,000
A. Agency	$1,796	$2,119	$2,298	$2,622	$2,783
B. Full Time Equivalent Employee:					
Home Health Aide	$142	$167	$181	$207	$219
Nurse Aide/Sitter/Companion/ Clerical/Administrative/ Bereaval Therapist/Homemaker	$106	$125	$136	$155	$164
Dietician/Nutritionist	$171	$201	$219	$249	$265
LPN/Dental Hygenist/Pharmacy Ass't/Lab Tech/EKG-Ultrasound Tech/Medical Tech/Echocardiogram Tech/X-Ray Tech/Radiology Tech/ Certified Medical Ass't.	$229	$270	$293	$334	$354
Nurse/Enterstomal Therapist/ Social Worker/Dialysis Tech	$282	$333	$361	$412	$437
Occupational Therapist/Speech Pathologist	$336	$396	$430	$491	$521
Pharmacist	$501	$591	$642	$732	$777
Physical Therapist/Respiratory Therapist/Phlebotomist/Clergy/ Nuclear Medicine Tech/Radiation Therapist	$653	$770	$835	$953	$1,012
Psychologist	$1,074	$1,267	$1,375	$1,569	$1,665
Nurse Practitioner/Physician Ass't/Paramedic/EMT	$1,407	$1,661	$1,801	$2,055	$2,181
Medical Director	$384	$453	$492	$561	$595

C. Non Medical Office Staff (Rates per $1,000 payroll):

$0-$500,000	$1.68	$1.98	$2.15	$2.46	$2.61
$500,001-$2,000,000	$0.84	$0.99	$1.07	$1.22	$1.30
$2,000,001-$7,000,000	$0.58	$0.68	$0.74	$0.85	$0.90
$7,000,001-$20,000,000	$0.26	$0.30	$0.33	$0.37	$0.40
Over $20,000,000	$0.13	$0.16	$0.17	$0.19	$0.21

The above rates are based on the total payroll of the insured's non medical office staff. Each individual payroll layer should be rated separately and added together, in order to determine the total premium. This premium includes the payroll of all non medical office staff.

II. RATING METHODOLOGY

A. Agency Rate-The rate indicated applies to every risk written under this program.

B. Employee Rates-The rate indicated for each category is applied to the number of Full Time Equivalent Employees (FTE's) in each category. The number of FTE's is calculated as follows:

1. FTE's/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 that category of employee.
2. FTE's/Payroll-When the number of hours worked is unavailable or invalid, the number of FTE's is determined using payroll information. The total annual payroll for each category is divided by the estimated average payroll for that category. This number is then multiplied by the rate for that category.

Average Salaries:*	
Nurse (RN)	$29,403
Licensed Prac Nurse	$22,762
Physical Ther.	$50,498
Occupational Ther.	$40,395
Speech Therapist	$37,367
Social Worker	$31,650
Home Health Aide	$15,796

*Salaries are based on Home Health Agency Compensation Survey Report, Washington, DC, National Association of Home Care (NAHC). Salaries used to calculate FTE's will be revised as the report is updated. Average salaries for categories not listed at the left will be estimated by comparing the educational requirements for unlisted categories with those categories listed.

C. For agencies that use independent contractors, the number of FTE's are calculated as described above. If the independent contractors are not to be covered, individually, 50% of the rate indicated under I.B is charged. If independent contractors are to be covered individually, 100% of the rate indicated is charged.

FILED
FEB 04 2010
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

HEALTHCARE AGENCY PROFESSIONAL LIABILITY PROGRAM

ILLINOIS

III. **SURCHARGES, CREDITS AND DEBITS**

A. Surcharges

1. Malplacement- A malplacement surcharge of 25% of the developed premium, before credits and debits, will apply to agencies engaged in supplemental staffing.

2. Registry- A registry surcharge of 25% of the developed premium, before credits and debits, will apply to agencies that do supplemental staffing. This is in addition to the malplacement surcharge.

3. Background Check- A surcharge of 10% to agencies not performing background checks on their employees and independent contractors.

4. Nrsng Hms/Asstd Lvng Ctrs/Lng Trm Care Fac- A surcharge of 25% of the developed premium, before debits and credits, will apply to agencies that do staffing of Nursing Home Facilities, Assisted Living Centers, or Long Term Care Facilities.

5. High Tech/Crtcl Care- A malplacement Surcharge of 25% of the developed premium, before credits and debits, will apply to Agencies engaged in High Tech/Critical Care services including Surgical, Pediatric, Infusion Therapy, and Tracheotomy/Ventilator Care.

B. Credits/Debits

Debits		Credit
0-25%	Claims History	0-25%
0-20%	Risk Management	0-20%
0-15%	Nature of Operations	0-15%
	MAXIMUM DEBIT/CREDIT +/-25%	

IV. **ADDITIONAL INSUREDS**

For each additional insured charge 25% of the developed premium, before debits/credits are applied; maximum $1,000.

V. **MINIMUM PREMIUMS**

Home Health Agency in business less than 3 yrs	$3,000
Home Health Agency	$1,000
Hospice	$500
Pure Registry	$2,500

VI. **ADDITIONAL LIMITS AND DEDUCTIBLES**

A. **Increased Limits Factors**

$1,000,000/$1,000,000	1.000
$2,000,000/$2,000,000	1.183
$2,000,000/$4,000,000	1.372
$3,000,000/$3,000,000	1.326
$3,000,000/$5,000,000	1.486
$4,000,000/$4,000,000	1.444
$4,000,000/$5,000,000	1.511
$5,000,000/$5,000,000	1.550

B. Deductible

Deductible	Discount
$1,000	1%
$2,500	2.5%
$5,000	5%
$10,000	10%
$25,000	15%
$50,000	35%
$100,000	50%

VII. **CLAIMS MADE CONVERSION FACTORS & EXTENDED REPORTING PERIOD**

I. Claims Made Factors

	% of Occurrence Premium
1 year	0.55
2 year	0.79
3 year	0.91
4 year	0.96
5 year	0.98

II. Extended Reporting Period Endorsement

One Year Option at 55% of mature claims made rate
Two Year Option at 85% of mature claims made rate
Three Year Option at 100% of mature claims made rate
Unlimited Option at 110% of mature claims made rate

FILED
FEB 04 2010
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS