

# Philadelphia Indemnity Insurance Company

One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004

610-617-7900 Fax: 610-617-7600

September 20, 2010

**FILED**

APR 15 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

**RECEIVED**

SEP 23 2010

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD

Honorable Michael T. McRaith  
Director of Insurance  
Illinois Department of Insurance  
320 West Washington Street  
Springfield, Illinois 62767

Attention: Mr. John Gatlin  
Supervisor, Property and Casualty Compliance Unit

Subject: Philadelphia Indemnity Insurance Company  
NAIC# 677-18058 FEIN# 23-1738402 ✓  
Allied Health Care Providers Professional and Supplemental Liability Program  
Rate/Rule Filing  
Filing Number: IL004650200022

Dear Mr. Gatlin:

The Philadelphia Indemnity Insurance Company is filing to introduce rates for additional professions and additional coverage options in our Allied Health Providers program. The rating for the additional professions and coverages is based on Pennsylvania rates as this is our state of domicile. Please refer to the attached support.

The rates for additional professions in this program are based on our currently filed rates for the same professions in our BOP program. The BOP rates are at a \$1M / \$2M base limit and have been adjusted using Increased Limit Factors from ISO Premises & Operations Table 3 to a \$1M / \$3M base limit.

The rates for the currently available professions and limits are unchanged. The introduction of rates for additional professions, new optional coverages, and alternate limits will not affect the overall rate level. There will be no rate impact on any current insureds resulting from the addition of these professions and optional coverages to the program.

The endorsements are being filed separately under SERFF Tracking number PHLX-G126822608.

We would like to implement this filing to all policies effective on or after October 25, 2010 or as soon as possible after receiving your notice of acceptance. Your acknowledgement and where required approval will be appreciated.

Sincerely,



Diane Quarles  
Compliance Analyst  
(610) 617-7751 Fax 866-478-1433  
[quarlesd@phlyins.com](mailto:quarlesd@phlyins.com)

HO  
MEM  
RAT  
Jeh

# 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, Coleman Henry, a duly authorized officer of Philadelphia Indemnity 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, John Ferraro, a duly authorized actuary of Philadelphia Indemnity Insurance Company am authorized to certify on behalf of Philadelphia Indemnity 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.

Coleman V. Henry SVP  
Signature and Title of Authorized Insurance Company Officer

2-25-11  
Date

John Ferraro FCAS, MAAA, VP & Pricing Actuary  
Signature, Title and Designation of Authorized Actuary

2/25/2011  
Date

Insurance Company FEIN 23 - 1 7 3 8 4 0 2

Filing Number IL004650200022

Insurer's Address 1 Bala Plaza, Suite 100

City Bala Cynwyd State Pennsylvania Zip Code 19004

Contact Person's:

-Name and E-mail John Ferraro - jferraro@phlyins.com

-Direct Telephone and Fax Number 610-206-7865

## Neuman, Gayle

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**From:** Quarles, Diane [quarlesd@phlyins.com]  
**Sent:** Thursday, April 07, 2011 9:03 AM  
**To:** Neuman, Gayle  
**Subject:** RE: Philadelphia Indemnity - Rate/Rule #IL004650200022

Ms Neuman,

We are requesting an effective date of April 15, 2011.

Sincerely,

**Diane Quarles**

State Filing Analyst  
Philadelphia Insurance Companies  
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100  
Bala Cynwyd, Pa 19004  
**Direct Dial:** 610.617-7751

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Wednesday, April 06, 2011 4:24 PM  
**To:** Quarles, Diane  
**Subject:** Philadelphia Indemnity - Rate/Rule #IL004650200022

Ms. Quarles,

The Department of Insurance has now completed its review of the filing referenced above. Originally, Philadelphia indemnity requested the filing be effective October 25, 2010. Was the filing put in effect on October 25, 2010 or do you wish to have a different effective date?

Your prompt response is appreciated.

*Gayle Neuman*

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

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

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\*\*\*\*\*

## Mamoottile, Neetha

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**From:** Quarles, Diane [quarlesd@phlyins.com]  
**Sent:** Monday, February 28, 2011 10:11 AM  
**To:** DOI.MedMal  
**Subject:** RE: ILDOI - Philadelphia Indemnity Insurance Company - Rate Filing #IL004650200022

**Categories:** Philadelphia Indemnity

Dear Ms. Mamoottile,

I have a copy of Mr. Henry's biographical affidavit. The copy is not notarized. Please advise if this is acceptable. If not, please provide your mailing address and I will forward a notarized copy via FedEx Express to your attention.

Sincerely,

### Diane Quarles

Compliance Analyst  
Philadelphia Insurance Companies  
A Member of the Tokio Marine Group

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Bala Cynwyd, Pa 19004  
Direct Dial: 610.617-7751

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**From:** DOI.MedMal [mailto:DOI.MedMal@Illinois.gov]  
**Sent:** Friday, February 25, 2011 3:44 PM  
**To:** Quarles, Diane  
**Subject:** RE: ILDOI - Philadelphia Indemnity Insurance Company - Rate Filing #IL004650200022

Ms. Quarles,

Thank you for your prompt response. A proper biographical affidavit documentation was not included for Mr. Henry and until such documentation is submitted, the subject filing is still considered incomplete.

We expect to receive a response no later than March 2, 2011.

Thank You,  
Neetha Mamoottile

Neetha M. Mamoottile  
Actuarial Analyst  
Illinois Department of Insurance  
[DOI.MedMal@illinois.gov](mailto:DOI.MedMal@illinois.gov)  
217-557-1397

---

**From:** Quarles, Diane [mailto:quarlesd@phlyins.com]  
**Sent:** Friday, February 25, 2011 1:07 PM  
**To:** DOI.MedMal  
**Subject:** RE: ILDOI - Philadelphia Indemnity Insurance Company - Rate Filing #IL004650200022

Dear Ms. Mamoottile,

Attached is the Illinois Certification for Medical Malpractice Rates form for your review.

Sincerely,

**Diane Quarles**

Compliance Analyst  
Philadelphia Insurance Companies  
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100  
Bala Cynwyd, Pa 19004  
**Direct Dial:** 610.617-7751

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**From:** DOI.MedMal [mailto:DOI.MedMal@Illinois.gov]  
**Sent:** Friday, February 18, 2011 4:11 PM  
**To:** Quarles, Diane  
**Subject:** ILDOI - Philadelphia Indemnity Insurance Company - Rate Filing #IL004650200022

Ms. Quarles,

Please refer to the attached document regarding the incomplete certification form. We expect a response no later than February 25, 2011.

If you have any questions, you can email me at [DOI.MedMal@illinois.gov](mailto:DOI.MedMal@illinois.gov) or call at 217-557-1397.

Sincerely,

Neetha M. Mamoottile  
Actuarial Analyst  
Illinois Department of Insurance  
[Neetha.Mamoottile@illinois.gov](mailto:Neetha.Mamoottile@illinois.gov)  
217-557-1397

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# Illinois Department of Insurance

**PAT QUINN**  
Governor

**MICHAEL T. McRAITH**  
Director

February 18, 2011

Diane Quarles  
Philadelphia Insurance Companies  
One Bala Plaza, Suite 100  
Bala Cynwyd, PA 19004  
[Delivered via email to [quarlesd@phlyins.com](mailto:quarlesd@phlyins.com)]

Subject: ILDOI – Philadelphia Indemnity Insurance Company – Rate Filing #IL004650200022

Ms. Quarles,

According to Section 155.18(c)(3) of Illinois Insurance Code (215 ILCS 5/155.18(c)(3)), medical malpractice rate filings "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."

Mr. John Ferraro, has signed the certification accompanying the subject filing as both the Actuary and Vice President of Philadelphia Indemnity Insurance Company. The intent of the law is to have two separate people certify a rate filing.

In addition, pursuant to Section 155.04(2) of the Illinois Insurance Code (215 ILCS 5/155.04(2)), all companies licensed to transact insurance business in Illinois must notify the Director within 30 days of the appointment or election of any new officers or directors. Section 915.40 of the Illinois Administrative Code (50 Ill. Adm. Code 915.40) further stipulates biographical affidavits of newly elected or appointed officers must be filed within 30 days after the person's election or appointment.

The subject filing is considered incomplete until the following requirements are met;

1. Two separate individuals certify the rate filing.
2. An authorized officer certify the rate filing with proper biographical affidavit documentation.

We expect to receive a response no later than February 25, 2011.

Sincerely,

Neetha M. Mamoottille  
Illinois Department of Insurance  
Casualty Actuarial Section  
217-557-1397

*\*We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the previously approved pages\**

**ALLIED HEALTHCARE PROVIDES PROFESSIONAL AND  
SUPPLEMENTAL LIABILITY INSURANCE POLICY  
(Form #PI-PHCP-02)**

**GENERAL RATING RULES**

**A. APPLICATION OF RULES**

1. These rules govern the writing of Professional Liability policies for counselors, marriage and family therapists, psychologists, audiologists, dieticians/nutritionists, music therapists, occupational therapists, opticians, speech pathologists and students of the above classifications.
2. Other rules, rating plans and forms that are filed on behalf of this Company and that are not in conflict with this filing will govern in all cases not specifically provided for herein.

**B. POLICY TERM**

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

**C. LOCATION OF PRACTICE**

The rates shown on the State Rate Pages contemplate the exposure as being derived from professionals who practice within that state. Professionals who spend more than 25% of their practice time outside the domiciliary state will be referred to the Company for underwriting, approval and rating, as the rates may vary by state, depending on the classification.

**D. ~~MAXIMUM~~ LIMITS OF LIABILITY**

The ~~maximum~~ limits of liability available under this program are as follows:

**1. Professional Liability**

**a. Individual Coverage**

~~[\$5,000,000 Each Incident  
\$5,000,000 Aggregate]~~

See limit options as applicable, under State Rate Pages, Sections I. through IV.

**b. Entity Coverage (Associations, Partnerships or Corporations)**

~~[\$5,000,000 Each Incident  
\$5,000,000 Aggregate]~~

See limit options as applicable, under State Rate Pages, Sections I. through IV.

c. Shared Limits of Liability Coverage (Individual and Associations, Partnerships or Corporations)

~~[\$5,000,000 Each Incident  
\$5,000,000 Aggregate]~~

See limit options as applicable, under State Rate Pages, Sections I. through IV.

“Shared Limits of Liability” means a single limit of liability that applies to Each Incident, regardless of the number of insureds involved in the incident. A shared Aggregate limit of liability will apply per policy period to all insureds.

**2. Supplemental Liability**

Supplemental Liability limits must be equal to the Professional Liability limits.

~~[\$5,000,000 Each Incident  
\$5,000,000 Aggregate]~~

See limit options as applicable, under State Rate Pages, Sections I. through IV.

**E. FACTORS OR MULTIPLIERS RULE**

Whenever applicable, factors or multipliers are to be applied multiplicatively and not added together.

**F. ROUNDING RULE**

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

1. Any amount involving \$.50 or over will be rounded up to the next highest whole dollar amount.
2. Any amount involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

**G. ADDITIONAL PREMIUM CHARGES**

1. Prorate all changes requiring additional premium.
2. Additional premiums will be calculated based upon the rates and rules that were in effect as of the policy effective date.
3. Additional premiums of \$10 or less may be waived.

**H. RETURN PREMIUM**

1. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
2. Compute return premium at the rates used to calculate the policy premium.

3. Compute return premium pro rata and round in accordance with the Rounding Rule when any coverage or exposure is deleted or an amount of insurance reduced.

## **I. POLICY CANCELLATION**

1. The policy may be cancelled flat by the insured within 60 days of the effective date. Evidence of such cancellation must be received by the Company within the 60 days.
2. Any cancellation initiated by the Company more than 60 days from the effective date of the policy will be on a pro-rata basis.
3. Cancellation initiated by the insured will be cancelled prorata less a penalty of 10% (where allowed by law) unless coverage is concurrently written by the Company, in which case no penalty will be applied.

## **J. REQUIRED COVERAGE**

Required coverages under this program are:

1. Professional Liability on occurrence basis; and
2. Supplemental Liability, including Personal Injury, on an occurrence basis.

## **K. OPTIONAL COVERAGES**

### **1. ADDITIONAL INSURED (CORPORATIONS/PARTNERSHIPS) (Form #PI-PHCP-04)**

Coverage can be added for the professional corporation or partnership entity for the corporation or entity liability arising from the actions of the individual specified in the Declarations. Such coverage is provided on a shared limit of liability basis for no additional premium.

Coverage can be added with a separate limit of liability for an additional premium charge of 10%

### **2. ADDITIONAL INSURED (OTHER) (Form #PI-PHCP-03 and Form #PI-PHCP-05)**

An additional insured, other than Corporations/Partnerships, (such as a lessor, out-patient surgical center, managed care organization, hospital, etc.) may be added to the policy for an additional premium charge of ~~up to~~ 10% of the policy's total manual premium. Lessors may be added to the policy as an additional insured at no additional premium. All other additional insureds must be referred to the Company for approval and rating.

### **3. BLANKET STUDENT PROFESSIONAL LIABILITY ENDORSEMENT (Including School and Faculty as Additional Insureds) (Form #PI-PHCP-10)**

The school and faculty may be added as additional insureds for no additional premium charge.

**4. NON-OWNED AUTOMOBILE LIABILITY COVERAGE  
(Form #PI-PHCP-06)**

For 1-10 employees, a flat charge applies. For 11 or more employees, the premium is calculated based on the rate shown below multiplied by the total number of employees.

	500,000/500,000	1,000,000/1,000,000
1-10 Employees (flat charge)	\$70	\$80
11 or more Employees (each)	\$ 7	\$ 8

**5. PRIOR ACTS COVERAGE (this rule pertains to occurrence policies only)**

The policy may be extended to provide prior acts coverage onto an occurrence policy as follows:

- a. The prior acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously provided under a claims-made policy. The limits of liability provided under this policy will not exceed the limits of liability provided under the prior claims-made policy.
- b. The premium for Prior Acts Coverage is a one-time-only charge, payable in advance. It is calculated by applying the applicable factors from the table shown on the State Rate Pages, to the current rate by limits chosen by the Insured.
- c. If the limits of liability under this coverage are other than \$1,000,000/\$3,000,000, the premium developed above will be multiplied by the appropriate Prior Acts decreased/increased limits factor shown on the State Rate Pages.

**6. LOCUM TENENS COVERAGE**

Coverage may be provided for a replacement professional who temporarily replaces the insured. No premium charge is made for this coverage, but it is subject to underwriting approval.

**7. LEAVE OF ABSENCE COVERAGE  
(Form #PI-PHCP-07)**

Coverage can be suspended on an in-force policy, for a period of time not less than 30 days; and typically for not more than six months. This is without premium adjustment. The expiration date of the policy is extended by the same length of time that the policy is suspended. This can be used for a parenting leave, medical leave, military call-up to active duty, or a sabbatical. This is subject to underwriting approval.

**8. BUSINESS INCOME AND EXTRA EXPENSE COVERAGE  
(Form #PI-PHCP-013)**

Coverage can be added to address Business Income losses and Extra Expenses incurred. The premium for this optional coverage is determined by applying the Rate per 100 limit from Table a. below and the territorial multiplier from Table b. below.

Table a.

Rate per 100 limit	0.300
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Table b.

State	County	Factor
All	All	1.000

**9. LICENSING BOARD EXTENSION  
 (Form #PI-PHCP-014)**

Coverage for expenses incurred resulting from an investigation or proceeding by a state licensing board or other regulatory body may be increased from the automatic limit of \$35,000. The premium for this optional coverage is determined by applying the % charge shown in Table a. below (@ \$50,000 limit) to the professional liability premium.

If limits higher than \$50,000 are requested:

- a. Use the applicable factor from Table b. for the desired occurrence limit (or, if the desired occurrence limit is not shown, apply factors using ISO Premises/Operations ILF Table 2 and appropriate interpolation); and
- b. Determine the aggregate to occurrence ratio and apply the applicable aggregate to occurrence factor from Table c.

Table a.

Higher Limit	Additional % Charge
\$50,000	1.7%

Table b.

Occurrence Limit	Factor @ \$50k/\$50k
50,000	1.00
75,000	1.10
100,000	1.19

Table c.

Aggregate to Occurrence	Factor
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022

**10. SEXUAL OR PHYSICAL ABUSE OR MOLESTATION**  
**(Form #PI-PHCP-SO-008)**

Coverage may be extended to pay sums that the insured is legally obligated to pay as damages arising out of certain abusive conduct of another for whom the insured is responsible. The premium for this optional coverage is determined by applying the % charge in Table a. to the professional liability premium.

If limits other than \$1,000,000/\$1,000,000 are requested:

- a. Use the applicable factor from Table b. for the desired occurrence limit (or, if the desired occurrence limit is not shown, apply factors using ISO Premises/Operations ILF Table 3 and appropriate interpolation); and
- b. Determine the aggregate to occurrence ratio and apply the applicable aggregate to occurrence factor from Table c.

Table a.

Limit	% Charge of Premium
\$1,000,000	75%

Table b.

Occurrence Limit	Factor @ SIM / SIM
300,000	0.68
500,000	0.79
1,000,000	1.00

Table c.

Aggregate to Occurrence	Factor
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022

**L. PREMIUM RULES**

- 1. The premium basis is “per each professional.” The rates will be applied in accordance with each professional’s specialty and corresponding class number as shown on the State Rate Pages. If two or more classifications apply to the same professional, use the highest-rated classification. Refer to the Company for approval and rating of any risk or exposure for which there is no applicable classification.

2. Minimum premiums do not apply to a policy.
3. The premium is computed at policy inception using the rules, rates and rating plans in effect at that time. At each renewal, the premium is computed using the rules, rates and rating plans then in effect.

4. Maximum Premium Credits

All Classes:

The maximum credit percentage for all [~~Mental Health Counselors~~] professionals practicing in groups, including group discounts (but excluding part-time and New Graduate credits) will be 35%.

5. Premium rates are annual and subject to proration when a policy is issued for other than an entire year.
6. Premiums are calculated as specified for the respective coverage. Premium amounts are to be rounded to the nearest whole dollar.

7. **NEW GRADUATE**

a. **Psychologists**

A new graduate credit of 50% shall be given to the first year of coverage, a credit of 25% to the second year of coverage, and a credit of 15% to the third year of coverage. New Graduate is defined as “within 12 months of graduation from an accredited institution, leading to licensure in the profession specified in the Declarations.”

b. **All Other Professional Classes**

A new graduate credit of 50% shall be given to the first year of coverage, a credit of 25% to the second year of coverage. New Graduate is defined as “within 12 months of graduation from an accredited institution, leading to licensure in the profession specified in the Declarations.”

8. **RISK MANAGEMENT**

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

9. **SIZE OF GROUP CREDITS**

A credit will be applied to the total group premium for the ratable insured headcount as follows:

**All Classes**

Shared Limits of Liability - All Insureds	
Group Size	Premium Credit
3-5	4%
6-10	7%
11-20	10%
21+	15%

Shared Limits of Liability - Per Insured	
Group Size	Premium Credit
3-5	2%
6-10	5%
11-20	8%
21+	12%

“Group Size” means total number of ratable insured headcount (owners, partners, officers and professional employees) and does not include independent contractors or additional insureds.

**10. INTERNET CREDIT**

A 5% credit shall be applied to policies sold and delivered through an E-commerce distribution channel in recognition of the company’s lower costs.

**M. PREMIUM CALCULATION – PROFESSIONAL LIABILITY COVERAGE**

The premium will be calculated by applying the rate per professional, shown on the State Rate Pages, to the total number of professionals who are named as an insured, partners of an insured association or partnership, officers of an insured professional corporation or employed professionals of any insured.

Expressed as [a] formulas:

**Counselors, Marriage and Family Therapists and Psychologists**

**a. For occurrence limits ≤ \$5,000,000:**

Charged Premium = [Rate for the classification (employed, self-employed) @ selected limit x Number of professionals x Premium Credit (if applicable)] + Optional Coverage charge(s) (if applicable).

**b. If the desired occurrence limit is greater than \$5,000,000:**

Charged Premium = [Rate for the classification (employed, self-employed) @ \$1M/\$3M Limit x applicable interpolated Occurrence Limit Factor from Table 2. in Section IV x applicable Alternate Aggregate Limit Factor from Table 3. in Section IV x Number of professionals x Premium Credit (if applicable)] + Optional Coverage charge(s) (if applicable).

#### **Other Named Professions**

Charged Premium = [Rate for the classification (employed, self-employed) @ \$1M/\$3M Limit x Occurrence Limit Factor (if applicable, interpolating as necessary) x Alternate Aggregate Limit Factor (if applicable) x Number of professionals x Premium Credit (if applicable)] + Optional Coverage charge(s) (if applicable).

### **OCCURRENCE RATES**

The annual rates for each professional are stated in the State Rate Pages.

#### **All Classes**

- a. If the professional is just entering practice, or if they have been continuously insured under an occurrence policy, enter the step rate factor at the Year 1 level.
- b. If the professional has been insured under a claims-made policy for one or more years immediately preceding the effective date of this coverage, the following procedure will apply:
  - (1) Determine the number of years in which the professional was covered under such claims-made policy(ies); the sum of years developed will be the base exposure. Fractional years of six months or more of base exposure will be rounded to the next higher year. Less than six months will be rounded to the next lower year.
  - (2) The sum of years developed above will be the Years of Prior Exposure. The table is entered at the total prior Years of Exposure, plus one.
- c. The factors in the Claims-Made Step Factors table found on the State Rate Pages will be applied to the rate.

### **N. FULL-TIME EQUIVALENT (F.T.E.)**

This optional rating method is available to groups of insured professionals who provide healthcare services in a group practice setting and utilize two or more eligible healthcare professionals.

The premium will be calculated as follows:

1. Per applicable classification, the sum total weekly number of hours all insured professionals are staffing the group practice by providing professional services is divided by 40 hours (one Full-Time Equivalent), which equals the number of F.T.E. slots to be charged. Fractions of F.T.E. slots per applicable classification will be rounded up to either part-time or full-time F.T.E. slots based on the following schedule:

- a. Between .01 and .50 will be considered one (1) part-time F.T.E. and rated according to State Rate Page 1. Part-Time.
  - b. Between .51 and 1.00 will be considered one (1) full-time F.T.E.
2. The F.T.E. rating method will be limited to those policies issued with Shared Limits of Liability.
  3. This optional rating method is only available on an Occurrence policy form.

### STATE AMENDATORY ENDORSEMENTS

Refer to **Exhibit 1** for any applicable state amendatory endorsement(s).

STATE RATE PAGE  
 I. COUNSELORS

Clergy and Pastoral Counselor, Mental Health Counselor, Nutrition Counselor, Social Worker or Master of Social Work, Licensed Professional Counselor, Rehabilitation Counselor, School Counselor, Case Manager, Certified Hypnotist, Clinical Counselor, Drug/Alcohol Counselor, Other Counselors and Therapists

PROFESSIONAL LIABILITY	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
SUPPLEMENTAL LIABILITY	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
Employed/Part Time Self-Employed: 10 hrs or less a week	\$105.00	\$115.00	\$117.00	\$135.00	\$159.00
Employed/Part Time Self-Employed: 20 hrs or less a week	\$155.00	\$180.00	\$184.00	\$211.00	\$248.00
Self-Employed: 20 hrs or more a week	\$291.00	\$320.00	\$326.00	\$374.00	\$442.00
Interns	\$86.00	\$90.00	\$97.00	\$111.00	\$122.00
All Students	N/A	\$12.00	\$15.00	N/A	N/A

STATE RATE PAGE  
 II. MARRIAGE AND FAMILY THERAPISTS

PROFESSIONAL LIABILITY	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
SUPPLEMENTAL LIABILITY	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
<b>Employed/Part Time Self-Employed: 10 hrs or less a week</b>	\$83.00	\$111.00	\$118.00	\$118.00	\$138.00
<b>Employed/Part Time Self-Employed: 20 hrs or less a week</b>	\$92.00	\$123.00	\$131.00	\$131.00	\$173.00
<b>Self-Employed: 20 hrs or more a week</b>	\$185.00	\$246.00	\$263.00	\$263.00	\$346.00
<b>Interns</b>	\$83.00	\$95.00	\$97.00	\$111.00	\$122.00
<b>All Students</b>	N/A	\$12.00	\$15.00	N/A	N/A

STATE RATE PAGE  
III. PSYCHOLOGISTS

<b>PROFESSIONAL LIABILITY</b>	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
<b>SUPPLEMENTAL LIABILITY</b>	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
<b>Employed/Part Time Self-Employed: 10 hrs or less a week</b>	\$346.00	\$380.00	\$388.00	\$445.00	\$524.00
<b>Employed/Part Time Self-Employed: 20 hrs or less a week</b>	\$432.00	\$475.00	\$485.00	\$556.00	\$656.00
<b>Full Time Self-Employed: 20 hrs or more a week</b>	\$865.00	\$950.00	\$969.00	\$1,112.00	\$1,311.00
<b>Employed Post-Doctoral</b>	\$159.00	\$175.00	\$179.00	\$205.00	\$242.00
<b>Registered or Limited Psychology Assistant/Associate Part Time Self-Employed: 10 hrs or less a week</b>	\$159.00	\$175.00	\$179.00	\$205.00	\$242.00
<b>Registered or Limited Psychology Assistant/Associate Part Time Self-Employed: 20 hrs or less a week</b>	\$239.00	\$263.00	\$268.00	\$308.00	\$363.00
<b>Registered or Limited Psychology Assistant/Associate Full Time Self-Employed: 20 hrs or more</b>	\$478.00	\$525.00	\$599.00	\$614.00	\$725.00

**STATE RATE PAGE**  
**IV. OTHER NAMED PROFESSIONS**

**Table 1. Base Rate per professional @ \$1M/\$3M Limit**

<u>Named Profession</u>	<u>Full Time Self-Employed</u>	<u>Employed</u>
a. <u>Audiologist</u>	<u>\$130</u>	<u>\$80</u>
b. <u>Dietician / Nutritionist</u>	<u>\$249</u>	<u>\$90</u>
c. <u>Music Therapist</u>	<u>\$259</u>	<u>\$86</u>
d. <u>Occupational Therapist</u>	<u>\$215</u>	<u>\$77</u>
e. <u>Optician</u>	<u>\$215</u>	<u>\$77</u>
f. <u>Speech Pathologist</u>	<u>\$130</u>	<u>\$80</u>

**Table 2. Professional Occurrence Limit Factor**

<u>Occurrence Limit</u>	<u>Factor</u>
<u>300,000</u>	<u>0.66</u>
<u>500,000</u>	<u>0.78</u>
<u>1,000,000</u>	<u>0.98</u>
<u>1,500,000</u>	<u>1.11</u>
<u>2,000,000</u>	<u>1.21</u>
<u>3,000,000</u>	<u>1.36</u>
<u>4,000,000</u>	<u>1.45</u>
<u>5,000,000</u>	<u>1.52</u>
<u>10,000,000</u>	<u>1.73</u>

**Table 3. Alternate Aggregate Limit Factor**

<u>Aggregate to Occurrence</u>	<u>Factor</u>
<u>1.00</u>	<u>1.000</u>
<u>1.50</u>	<u>1.010</u>
<u>2.00</u>	<u>1.018</u>
<u>2.50</u>	<u>1.020</u>
<u>3.00</u>	<u>1.022</u>
<u>4.00</u>	<u>1.038</u>
<u>5.00</u>	<u>1.043</u>
<u>6.00</u>	<u>1.060</u>
<u>8.00</u>	<u>1.065</u>
<u>10.00</u>	<u>1.070</u>
<u>12.00</u>	<u>1.080</u>

**STEP RATE FACTORS FOR CLAIMS MADE POLICIES**

	<b>Counselors</b>	<b>Marriage and Family Therapists</b>	<b>Psychologists</b>	<b>Other Named Professions</b>
<b>1 Year</b>	0.52	0.52	0.18	<u>0.52</u>
<b>2 Years</b>	0.68	0.68	0.42	<u>0.68</u>
<b>3 Years</b>	0.83	0.83	0.63	<u>0.83</u>
<b>4 Years</b>	0.89	0.89	0.71	<u>0.89</u>
<b>5 Years or more (mature)</b>	0.95	0.95	0.80	<u>0.95</u>

PHILADELPHIA INDEMNITY INSURANCE COMPANY  
ALLIED HEALTHCARE PROVIDERS  
ACTUARIAL CERTIFICATION

This statement is being made to satisfy 215 ILCS 5/155.18. The rate development in this filing follows sound actuarial principals and is consistent with company experience. This statement is based on the following steps taken in the rate development. Use of existing rates within another program, use of loss costs, factors and relativities available from ISO, and use of company experience specific to sexual abuse and molestation. The development of all proposed rates has been clearly outlined.



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January 21, 2011

**ALLIED HEALTHCARE PROVIDES PROFESSIONAL AND  
SUPPLEMENTAL LIABILITY INSURANCE POLICY  
(Form #PI-PHCP-02)**

**GENERAL RATING RULES**

**A. APPLICATION OF RULES**

1. These rules govern the writing of Professional Liability policies for counselors, marriage and family therapists, psychologists, audiologists, dietitians/nutritionists, music therapists, occupational therapists, opticians, speech pathologists and students of the above classifications.
2. Other rules, rating plans and forms that are filed on behalf of this Company and that are not in conflict with this filing will govern in all cases not specifically provided for herein.

**B. POLICY TERM**

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

**C. LOCATION OF PRACTICE**

The rates shown on the State Rate Pages contemplate the exposure as being derived from professionals who practice within that state. Professionals who spend more than 25% of their practice time outside the domiciliary state will be referred to the Company for underwriting, approval and rating, as the rates may vary by state, depending on the classification.

**D. LIMITS OF LIABILITY**

The limits of liability available under this program are as follows:

**1. Professional Liability**

**a. Individual Coverage**

See limit options as applicable, under State Rate Pages, Sections I. through IV.

**b. Entity Coverage (Associations, Partnerships or Corporations)**

See limit options as applicable, under State Rate Pages, Sections I. through IV.

**c. Shared Limits of Liability Coverage (Individual and Associations, Partnerships or Corporations)**

See limit options as applicable, under State Rate Pages, Sections I. through IV.

“Shared Limits of Liability” means a single limit of liability that applies to Each Incident, regardless of the number of insureds involved in the incident. A shared Aggregate limit of liability will apply per policy period to all insureds.

## **2. Supplemental Liability**

Supplemental Liability limits must be equal to the Professional Liability limits.

See limit options as applicable, under State Rate Pages, Sections I. through IV.

## **E. FACTORS OR MULTIPLIERS RULE**

Whenever applicable, factors or multipliers are to be applied multiplicatively and not added together.

## **F. ROUNDING RULE**

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

1. Any amount involving \$.50 or over will be rounded up to the next highest whole dollar amount.
2. Any amount involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

## **G. ADDITIONAL PREMIUM CHARGES**

1. Prorate all changes requiring additional premium.
2. Additional premiums will be calculated based upon the rates and rules that were in effect as of the policy effective date.
3. Additional premiums of \$10 or less may be waived.

## **H. RETURN PREMIUM**

1. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
2. Compute return premium at the rates used to calculate the policy premium.
3. Compute return premium pro rata and round in accordance with the Rounding Rule when any coverage or exposure is deleted or an amount of insurance reduced.

## **I. POLICY CANCELLATION**

1. The policy may be cancelled flat by the insured within 60 days of the effective date. Evidence of such cancellation must be received by the Company within the 60 days.
2. Any cancellation initiated by the Company more than 60 days from the effective date of the policy will be on a pro-rata basis.

3. Cancellation initiated by the insured will be cancelled prorata less a penalty of 10% (where allowed by law) unless coverage is concurrently written by the Company, in which case no penalty will be applied.

## **J. REQUIRED COVERAGE**

Required coverages under this program are:

1. Professional Liability on occurrence basis; and
2. Supplemental Liability, including Personal Injury, on an occurrence basis.

## **K. OPTIONAL COVERAGES**

### **1. ADDITIONAL INSURED (CORPORATIONS/PARTNERSHIPS) (Form #PI-PHCP-04)**

Coverage can be added for the professional corporation or partnership entity for the corporation or entity liability arising from the actions of the individual specified in the Declarations. Such coverage is provided on a shared limit of liability basis for no additional premium.

Coverage can be added with a separate limit of liability for an additional premium charge of 10%

### **2. ADDITIONAL INSURED (OTHER) (Form #PI-PHCP-03 and Form #PI-PHCP-05)**

An additional insured, other than Corporations/Partnerships, (such as a lessor, out-patient surgical center, managed care organization, hospital, etc.) may be added to the policy for an additional premium charge of up to 10% of the policy's total manual premium. Lessors may be added to the policy as an additional insured at no additional premium. All other additional insureds must be referred to the Company for approval and rating.

### **3. BLANKET STUDENT PROFESSIONAL LIABILITY ENDORSEMENT (Including School and Faculty as Additional Insureds) (Form #PI-PHCP-10)**

The school and faculty may be added as additional insureds for no additional premium charge.

### **4. NON-OWNED AUTOMOBILE LIABILITY COVERAGE (Form #PI-PHCP-06)**

For 1-10 employees, a flat charge applies. For 11 or more employees, the premium is calculated based on the rate shown below multiplied by the total number of employees.

	500,000/500,000	1,000,000/1,000,000
1-10 Employees (flat charge)	\$70	\$80
11 or more Employees (each)	\$ 7	\$ 8

**5. PRIOR ACTS COVERAGE** (this rule pertains to occurrence policies only)

The policy may be extended to provide prior acts coverage onto an occurrence policy as follows:

- a. The prior acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously provided under a claims-made policy. The limits of liability provided under this policy will not exceed the limits of liability provided under the prior claims-made policy.
- b. The premium for Prior Acts Coverage is a one-time-only charge, payable in advance. It is calculated by applying the applicable factors from the table shown on the State Rate Pages, to the current rate by limits chosen by the Insured.
- c. If the limits of liability under this coverage are other than \$1,000,000/\$3,000,000, the premium developed above will be multiplied by the appropriate Prior Acts decreased/increased limits factor shown on the State Rate Pages.

**6. LOCUM TENENS COVERAGE**

Coverage may be provided for a replacement professional who temporarily replaces the insured. No premium charge is made for this coverage, but it is subject to underwriting approval.

**7. LEAVE OF ABSENCE COVERAGE**  
(Form #PI-PHCP-07)

Coverage can be suspended on an in-force policy, for a period of time not less than 30 days; and typically for not more than six months. This is without premium adjustment. The expiration date of the policy is extended by the same length of time that the policy is suspended. This can be used for a parenting leave, medical leave, military call-up to active duty, or a sabbatical. This is subject to underwriting approval.

**8. BUSINESS INCOME AND EXTRA EXPENSE COVERAGE**  
(Form #PI-PHCP-013)

Coverage can be added to address Business Income losses and Extra Expenses incurred. The premium for this optional coverage is determined by applying the Rate per 100 limit from Table a. below and the territorial multiplier from Table b. below.

Table a.

Rate per 100 limit	0.300
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Table b.

State	County	Factor
All	All	1.000

**9. LICENSING BOARD EXTENSION  
(Form #PI-PHCP-014)**

Coverage for expenses incurred resulting from an investigation or proceeding by a state licensing board or other regulatory body may be increased from the automatic limit of \$35,000. The premium for this optional coverage is determined by applying the % charge shown in Table a. below (@ \$50,000 limit) to the professional liability premium.

If limits higher than \$50,000 are requested:

- a. Use the applicable factor from Table b. for the desired occurrence limit (or, if the desired occurrence limit is not shown, apply factors using ISO Premises/Operations ILF Table 2 and appropriate interpolation); and
- b. Determine the aggregate to occurrence ratio and apply the applicable aggregate to occurrence factor from Table c.

Table a.

Higher Limit	Additional % Charge
\$50,000	2.1%

Table b.

Occurrence Limit	Factor @ \$50k/\$50k
50,000	1.00
75,000	1.11
100,000	1.22

Table c.

Aggregate to Occurrence	Factor
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022

**10. SEXUAL OR PHYSICAL ABUSE OR MOLESTATION  
(Form #PI-PHCP-SO-008)**

Coverage may be extended to pay sums that the insured is legally obligated to pay as damages arising out of certain abusive conduct of another for whom the insured is responsible. The premium for this optional coverage is determined by applying the % charge in Table a. to the professional liability premium.

If limits other than \$1,000,000/\$1,000,000 are requested:

- a. Use the applicable factor from Table b. for the desired occurrence limit (or, if the desired occurrence limit is not shown, apply factors using ISO Premises/Operations ILF Table 3 and appropriate interpolation); and
- b. Determine the aggregate to occurrence ratio and apply the applicable aggregate to occurrence factor from Table c.

Table a.

Limit	% Charge of Premium
\$1,000,000	75%

Table b.

Occurrence Limit	Factor @ \$1M / \$1M
300,000	0.72
500,000	0.84
1,000,000	1.00

Table c.

Aggregate to Occurrence	Factor
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022

**L. PREMIUM RULES**

1. The premium basis is "per each professional." The rates will be applied in accordance with each professional's specialty and corresponding class number as shown on the State Rate Pages. If two or more classifications apply to the same professional, use the highest-rated classification. Refer to the Company for approval and rating of any risk or exposure for which there is no

applicable classification.

2. Minimum premiums do not apply to a policy.
3. The premium is computed at policy inception using the rules, rates and rating plans in effect at that time. At each renewal, the premium is computed using the rules, rates and rating plans then in effect.
4. Maximum Premium Credits

All Classes:

The maximum credit percentage for all professionals practicing in groups, including group discounts (but excluding part-time and New Graduate credits) will be 35%.

5. Premium rates are annual and subject to proration when a policy is issued for other than an entire year.
6. Premiums are calculated as specified for the respective coverage. Premium amounts are to be rounded to the nearest whole dollar.

## 7. NEW GRADUATE

### a. Psychologists

A new graduate credit of 50% shall be given to the first year of coverage, a credit of 25% to the second year of coverage, and a credit of 15% to the third year of coverage. New Graduate is defined as "within 12 months of graduation from an accredited institution, leading to licensure in the profession specified in the Declarations."

### b. All Other Professional Classes

A new graduate credit of 50% shall be given to the first year of coverage, a credit of 25% to the second year of coverage. New Graduate is defined as "within 12 months of graduation from an accredited institution, leading to licensure in the profession specified in the Declarations."

## 8. RISK MANAGEMENT

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

## 9. SIZE OF GROUP CREDITS

A credit will be applied to the total group premium for the ratable insured headcount as follows:

### All Classes

Shared Limits of Liability - All Insureds	
Group Size	Premium Credit
3-5	4%
6-10	7%
11-20	10%
21+	15%

Shared Limits of Liability - Per Insured	
Group Size	Premium Credit
3-5	2%
6-10	5%
11-20	8%
21+	12%

“Group Size” means total number of ratable insured headcount (owners, partners, officers and professional employees) and does not include independent contractors or additional insureds.

## 10. INTERNET CREDIT

A 5% credit shall be applied to policies sold and delivered through an E-commerce distribution channel in recognition of the company’s lower costs.

## M. PREMIUM CALCULATION – PROFESSIONAL LIABILITY COVERAGE

The premium will be calculated by applying the rate per professional, shown on the State Rate Pages, to the total number of professionals who are named as an insured, partners of an insured association or partnership, officers of an insured professional corporation or employed professionals of any insured.

Expressed as formulas:

### Counselors, Marriage and Family Therapists and Psychologists

a. For occurrence limits ≤ \$5,000,000:

Charged Premium = [Rate for the classification (employed, self-employed) @ selected limit x Number of professionals x Premium Credit (if applicable)] + Optional Coverage charge(s) (if applicable).

b. If the desired occurrence limit is greater than \$5,000,000:

Charged Premium = [Rate for the classification (employed, self-employed) @ \$1M/\$3M Limit x applicable interpolated Occurrence Limit Factor from Table 2. in Section IV x applicable Alternate Aggregate Limit Factor from Table 3. in Section IV x Number of professionals x Premium Credit (if applicable)] + Optional Coverage charge(s) (if applicable).

#### **Other Named Professions**

Charged Premium = [Rate for the classification (employed, self-employed) @ \$1M/\$3M Limit x Occurrence Limit Factor (if applicable, interpolating as necessary) x Alternate Aggregate Limit Factor (if applicable) x Number of professionals x Premium Credit (if applicable)] + Optional Coverage charge(s) (if applicable).

### **OCCURRENCE RATES**

The annual rates for each professional are stated in the State Rate Pages.

#### All Classes

- a. If the professional is just entering practice, or if they have been continuously insured under an occurrence policy, enter the step rate factor at the Year 1 level.
- b. If the professional has been insured under a claims-made policy for one or more years immediately preceding the effective date of this coverage, the following procedure will apply:
  - (1) Determine the number of years in which the professional was covered under such claims-made policy(ies); the sum of years developed will be the base exposure. Fractional years of six months or more of base exposure will be rounded to the next higher year. Less than six months will be rounded to the next lower year.
  - (2) The sum of years developed above will be the Years of Prior Exposure. The table is entered at the total prior Years of Exposure, plus one.
- c. The factors in the Claims-Made Step Factors table found on the State Rate Pages will be applied to the rate.

### **N. FULL-TIME EQUIVALENT (F.T.E.)**

This optional rating method is available to groups of insured professionals who provide healthcare services in a group practice setting and utilize two or more eligible healthcare professionals.

The premium will be calculated as follows:

1. Per applicable classification, the sum total weekly number of hours all insured professionals are staffing the group practice by providing professional services is divided by 40 hours (one Full-Time Equivalent), which equals the number of F.T.E. slots to be charged. Fractions of F.T.E. slots per applicable classification will be rounded up to either part-time or full-time F.T.E. slots based on the

following schedule:

- a. Between .01 and .50 will be considered one (1) part-time F.T.E. and rated according to State Rate Page 1. Part-Time.
  - b. Between .51 and 1.00 will be considered one (1) full-time F.T.E.
2. The F.T.E. rating method will be limited to those policies issued with Shared Limits of Liability.
3. This optional rating method is only available on an Occurrence policy form.

### **STATE AMENDATORY ENDORSEMENTS**

Refer to **Exhibit 1** for any applicable state amendatory endorsement(s).

STATE RATE PAGE

I. COUNSELORS

Clergy and Pastoral Counselor, Mental Health Counselor, Nutrition Counselor, Social Worker or Master of Social Work, Licensed Professional Counselor, Rehabilitation Counselor, School Counselor, Case Manager, Certified Hypnotist, Clinical Counselor, Drug/Alcohol Counselor, Other Counselors and Therapists

<b>PROFESSIONAL LIABILITY</b>	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
<b>SUPPLEMENTAL LIABILITY</b>	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
<b>Employed/Part Time Self-Employed: 10 hrs or less a week</b>	\$105.00	\$115.00	\$117.00	\$135.00	\$159.00
<b>Employed/Part Time Self-Employed: 20 hrs or less a week</b>	\$155.00	\$180.00	\$184.00	\$211.00	\$248.00
<b>Self-Employed: 20 hrs or more a week</b>	\$291.00	\$320.00	\$326.00	\$374.00	\$442.00
<b>Interns</b>	\$86.00	\$90.00	\$97.00	\$111.00	\$122.00
<b>All Students</b>	N/A	\$12.00	\$15.00	N/A	N/A

STATE RATE PAGE  
II. MARRIAGE AND FAMILY THERAPISTS

PROFESSIONAL LIABILITY	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
SUPPLEMENTAL LIABILITY	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
Employed/Part Time Self-Employed: 10 hrs or less a week	\$83.00	\$111.00	\$118.00	\$118.00	\$138.00
Employed/Part Time Self-Employed: 20 hrs or less a week	\$92.00	\$123.00	\$131.00	\$131.00	\$173.00
Self-Employed: 20 hrs or more a week	\$185.00	\$246.00	\$263.00	\$263.00	\$346.00
Interns	\$83.00	\$95.00	\$97.00	\$111.00	\$122.00
All Students	N/A	\$12.00	\$15.00	N/A	N/A

STATE RATE PAGE  
III. PSYCHOLOGISTS

<b>PROFESSIONAL LIABILITY</b>	<b>\$500,000 Each Claim \$1,500,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$3,000,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$5,000,000 Annual Aggregate</b>	<b>\$2,000,000 Each Claim \$4,000,000 Annual Aggregate</b>	<b>\$5,000,000 Each Claim \$5,000,000 Annual Aggregate</b>
<b>SUPPLEMENTAL LIABILITY</b>	<b>\$500,000 Each Claim \$1,500,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$3,000,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$5,000,000 Annual Aggregate</b>	<b>\$2,000,000 Each Claim \$4,000,000 Annual Aggregate</b>	<b>\$5,000,000 Each Claim \$5,000,000 Annual Aggregate</b>
<b>Employed/Part Time Self-Employed: 10 hrs or less a week</b>	\$346.00	\$380.00	\$388.00	\$445.00	\$524.00
<b>Employed/Part Time Self-Employed: 20 hrs or less a week</b>	\$432.00	\$475.00	\$485.00	\$556.00	\$656.00
<b>Full Time Self-Employed: 20 hrs or more a week</b>	\$865.00	\$950.00	\$969.00	\$1,112.00	\$1,311.00
<b>Employed Post-Doctoral</b>	\$159.00	\$175.00	\$179.00	\$205.00	\$242.00
<b>Registered or Limited Psychology Assistant/Associate Part Time Self-Employed: 10 hrs or less a week</b>	\$159.00	\$175.00	\$179.00	\$205.00	\$242.00
<b>Registered or Limited Psychology Assistant/Associate Part Time Self-Employed: 20 hrs or less a week</b>	\$239.00	\$263.00	\$268.00	\$308.00	\$363.00
<b>Registered or Limited Psychology Assistant/Associate Full Time Self-Employed: 20 hrs or more</b>	\$478.00	\$525.00	\$599.00	\$614.00	\$725.00

STATE RATE PAGE  
IV. OTHER NAMED PROFESSIONS

**Table 1. Base Rate per professional @ \$1M/\$3M Limit**

<b>Named Profession</b>	<b>Full Time Self-Employed</b>	<b>Employed</b>
a. Audiologist	\$130	\$80
b. Dietician / Nutritionist	\$249	\$90
c. Music Therapist	\$259	\$86
d. Occupational Therapist	\$215	\$77
e. Optician	\$215	\$77
f. Speech Pathologist	\$130	\$80

**Table 2. Professional Occurrence Limit Factor**

<b>Occurrence Limit</b>	<b>Factor</b>
300,000	0.70
500,000	0.82
1,000,000	0.98
1,500,000	1.08
2,000,000	1.14
3,000,000	1.23
4,000,000	1.30
5,000,000	1.35
10,000,000	1.53

**Table 3. Alternate Aggregate Limit Factor**

<b>Aggregate to Occurrence</b>	<b>Factor</b>
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022
4.00	1.038
5.00	1.043
6.00	1.060
8.00	1.065
10.00	1.070
12.00	1.080

**STEP RATE FACTORS FOR CLAIMS MADE POLICIES**

	<b>Counselors</b>	<b>Marriage and Family Therapists</b>	<b>Psychologists</b>	<b>Other Named Professions</b>
<b>1 Year</b>	0.52	0.52	0.18	0.52
<b>2 Years</b>	0.68	0.68	0.42	0.68
<b>3 Years</b>	0.83	0.83	0.63	0.83
<b>4 Years</b>	0.89	0.89	0.71	0.89
<b>5 Years or more (mature)</b>	0.95	0.95	0.80	0.95

**Philadelphia Insurance Company**

One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004  
610-617-7900 Fax: 610-617-7600

**RECEIVED**

JAN 10 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD

January 6, 2011

Honorable Michael T. McRaith  
Director of Insurance  
Illinois Department of Insurance  
320 West Washington Street  
Springfield, Illinois 62767

Attention: Mr. John Gatlin  
Supervisor, Property and Casualty Compliance Unit

Subject: Philadelphia Indemnity Insurance Company  
NAIC# 677-18058 FEIN# 23-1738402  
Allied Health Care Providers Professional and Supplemental Liability Program  
Rate/Rule Filing  
Filing Number: IL004650200022

Dear Mr. Gatlin:

Please refer to our letter of September 20, 2010 regarding the above captioned. To date, we have no record of any response from you department.

We would like to update the status of this filing at this time.

Should you have any questions, please feel free to contact me at (610) 617-7751 or fax me at (610) 227-2287. A self-addressed envelope is enclosed for your convenience in replying.

Sincerely,



Diane Quarles  
Compliance Analyst  
quarlesd@phlyins.com

Enclosures

## Neuman, Gayle

---

**From:** Neuman, Gayle  
**Sent:** Monday, January 10, 2011 11:13 AM  
**To:** 'quarlesd@phlyins.com'  
**Subject:** Rate/Rule Filing #IL004650200022

Ms. Quarles,

Your filing referenced above with the cover letter dated September 20, 2010 was received by this office on September 23, 2010. The filing is pending review. Upon completion of my review of the filing, it will be routed through our Department for review by our Actuarial Unit and Legal Division before review by our Director.

Illinois is "use and file" as we must receive a medical malpractice rate filing within 30 days of its implementation. Pursuant to your cover letter, we assumed that the rate/rule manual was being implemented on October 25, 2010.

*Gayle Neuman*

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

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at [www.insurance.illinois.gov](http://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](mailto:GAYLE.NEUMAN@ILLINOIS.GOV).

## Neuman, Gayle

---

**From:** Quarles, Diane [quarlesd@phlyins.com]  
**Sent:** Monday, January 24, 2011 2:01 PM  
**To:** Neuman, Gayle  
**Subject:** RE: Philadelphia Indemnity Ins Co - Filing #IL004650200022  
**Attachments:** IL Response 1-24-11.doc; IL DOI Response Actuarial Cert.pdf; Exception - IL.doc

Dear Ms. Neuman,

Attached is our response to your objections below.

Sincerely,

**Diane Quarles**

Compliance Analyst  
Philadelphia Insurance Companies  
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100  
Bala Cynwyd, Pa 19004  
Direct Dial: 610.617-7751

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Tuesday, January 11, 2011 9:57 AM  
**To:** Quarles, Diane  
**Subject:** Philadelphia Indemnity Ins Co - Filing #IL004650200022

Ms. Quarles,

The Department of Insurance is in receipt of the above referenced filing number submitted by letter dated . The submission is not acceptable for filing in Illinois due to the following issue(s):

1. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. 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. Do you utilize a schedule rating plan?
4. In reference to Rating Plan Page 1 of 2, does Table 1 represent the rate for occurrence coverage? Please explain the Alternate Aggregate Limit Factor.
5. Under General Rating Rules – H. Return Premium, deletion of any coverage by the company requires the company to cancel the entire policy. An insured can request optional coverage be cancelled.
6. Pursuant to 215 ILCS 5/143(2), vicarious liability must be provided for exclusions involving sexual misconduct, sexual molestation, or physical or mental abuse of any person. Under K. Optional Coverages – 10. Sexual or Physical Abuse or Molestation, wording indicates coverage “may” be extended to pay sums the insured is legally obligated to pay as damages.
7. Under L. Premium Rules, please explain 2. Minimum premiums do not apply to a policy. Does this mean you don't charge a minimum earned premium for any medical malpractice coverage?

8. Under L. Premium Rules – 8. Risk Management, please explain why the credit requires underwriting approval.

9. Please explain the Step Rate Factors for Claims Made Policies – do you offer claims-made coverage?

I request receipt of your response by January 25, 2011.

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

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PHILADELPHIA INDEMNITY INSURANCE COMPANY  
ALLIED HEALTHCARE PROVIDERS  
ILLINOIS DOI RESPONSE

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.

**Response:**

Kindly refer to the attached statement.

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?

**Response:**

Yes we do have a plan for the gathering and reporting of statistics. We report to ISO.

3. Do you utilize a schedule rating plan?

**Response:**

No.

4. In reference to Rating Plan Page 1 of 2, does Table 1 represent the rate for occurrence coverage? Please explain the Alternate Aggregate Limit Factor.

**Response:**

All rates in the submitted rating plan are for occurrence coverage only. Table 1 represents the base rates for occurrence coverage with \$1,000,000 occurrence limit and \$3,000,000 aggregate claims limit. If other occurrence limits and aggregate limits are selected, the Occurrence Limit factors from Table 2 and Alternate Aggregate Limit Factors from Table 3 are utilized to calculate an overall Alternate Limit Factor to be applied to the base rate.

For example –

Coverage limits are selected to be \$5,000,000 occurrence and \$10,000,000 aggregate limit for one full time self-employed Audiologist.

a) The base rate determined from Table 1 is 130

b) The Occurrence Limit Factor for \$5,000,000 per occurrence limit from Table 2 is 1.35

d) The ratio of the aggregate limit to the occurrence limit is  $(\$10,000,000 / \$5,000,000) = 2.00$

c) The corresponding Alternate Aggregate Limit Factor for a ratio of 2.00 from Table 3 is 1.018

d) The overall Alternate Limit Factor that should be applied to the base rate is  $(1.35 \times 1.018) = 1.374$

e) The resulting rate for one full time audiologist with \$5,000,000 occurrence and \$10,000,000 aggregate limits will be  $(130 \text{ base rate} \times 1.374 \text{ alternate limit factor}) = 178.66$

5. Under General Rating Rules – H. Return Premium, deletion of any coverage by the company requires the company to cancel the entire policy. An insured can request optional coverage be cancelled.

**Response:**

Item 1. on that attached Illinois Exception Page adds language to Rating Rule H Return Premium, stating that "An insured can request optional coverage be cancelled."

6. Pursuant to 215 ILCS 5/143(2), vicarious liability must be provided for exclusions involving sexual misconduct, sexual molestation, or physical or mental abuse of any person. Under K. Optional Coverages – 10. Sexual or Physical Abuse or Molestation, wording indicates coverage "may" be extended to pay sums the insured is legally obligated to pay as damages.

**Response:**

Item 2. on the attached Illinois Exception Page revises Item 10. Sexual or Physical Abuse or Molestation under Rating Rule K. Optional Coverages. It changes "Coverage may be extended to pay sums that the insured is legally obligated to pay as damages arising out of certain abusive conduct of another for whom the insured is responsible." to read "Coverage will be extended to pay sums that the insured is legally obligated to pay as damages arising out of certain abusive conduct of another for whom the insured is responsible."

7. Under L. Premium Rules, please explain 2. Minimum premiums do not apply to a policy. Does this mean you don't charge a minimum earned premium for any medical malpractice coverage?

**Response:**

Yes, we don't charge a minimum earned premium

8. Under L. Premium Rules – 8. Risk Management, please explain why the credit requires underwriting approval.

**Response:**

We removed the requirement that the Risk Management credit is subject to underwriting approval from Rating Rule L Premium Rules. See Item 3. on the attached Illinois Exception Page.

9. Please explain the Step Rate Factors for Claims Made Policies – do you offer claims-made coverage?

**Response:**

No.

## Neuman, Gayle

---

**From:** Quarles, Diane [quarlesd@phlyins.com]  
**Sent:** Tuesday, February 01, 2011 7:47 AM  
**To:** Neuman, Gayle  
**Subject:** RE: Philadelphia Indemnity Ins Co - Filing #IL004650200022  
**Attachments:** IL DOI Response2 - 2011 01 31.doc

Ms. Neuman,

Attached is our response to your additional inquiries below.

Sincerely,

**Diane Quarles**

Compliance Analyst  
Philadelphia Insurance Companies  
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100  
Bala Cynwyd, Pa 19004  
**Direct Dial:** 610.617-7751

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---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]  
**Sent:** Wednesday, January 26, 2011 2:40 PM  
**To:** Quarles, Diane  
**Subject:** RE: Philadelphia Indemnity Ins Co - Filing #IL004650200022

Ms. Quarles,

I have a few follow-up questions in response to your reply.

1. In regard to Table 2 regarding the occurrence limit factor, I believe the factor for \$1,000,000 should be 1.000 instead of 0.98. Please explain.
2. Since you indicate the company does not offer claims-made coverage, please explain the chart on page on page 15 of the countrywide pages. What does this pertain to?

I request receipt of your response by February 1, 2011.

*Gayle Neuman*

Illinois Department of Insurance  
(217)524-6497

---

**From:** Quarles, Diane [mailto:quarlesd@phlyins.com]  
**Sent:** Monday, January 24, 2011 2:01 PM  
**To:** Neuman, Gayle  
**Subject:** RE: Philadelphia Indemnity Ins Co - Filing #IL004650200022

Dear Ms. Neuman,

Attached is our response to your objections below.

Sincerely,

**Diane Quarles**

Compliance Analyst  
Philadelphia Insurance Companies  
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100  
Bala Cynwyd, Pa 19004  
Direct Dial: 610.617-7751

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PHILADELPHIA INDEMNITY INSURANCE COMPANY  
 ALLIED HEALTHCARE PROVIDERS  
 ILLINOIS DOI RESPONSE 2

1. In regard to Table 2 regarding the occurrence limit factor, I believe the factor for \$1,000,000 should be 1.000 instead of 0.98. Please explain.

Response:

The overall Alternate Limit Factor is calculated as a product of the appropriate factor from Table 2 multiplied by the factor from Table 3. For the \$1,000,000 occurrence and \$3,000,000 aggregate limit, the alternate limit factor applied should be 1.000. Applying the occurrence limit factor 0.98 from Table 2 multiplied with the aggregate-to-occurrence ratio factor of 1.022 from Table results in an alternate limit factor of  $(0.98 \times 1.022) = 1.00$ , which is consistent with the appropriate factor for these limits.

For examples of a few different limit options, the table below illustrates the calculation of the Alternate Limit Factor.

Occurrence Limit / Aggregate Limit	Occurrence Factor from Table 2	Aggregate to Occurrence Factor from Table 3	Alternate Limit Factor (Table 2 x Table 3)	Example: Base Rate for a Full Time Self-Employed Audiologist
\$1M/\$1M	0.98	1.000	0.98	\$ 127
\$1M/\$3M	0.98	1.022	1.00	\$ 130
\$2M/\$2M	1.14	1.000	1.14	\$ 148
\$2M/\$4M	1.14	1.018	1.16	\$ 151

2. Since you indicate the company does not offer claims-made coverage, please explain the chart on page on page 15 of the countrywide pages. What does this pertain to?

Response:

The rates were filed at program inception, but have not been utilized to date.

## Neuman, Gayle

---

**From:** Quarles, Diane [quarlesd@phyins.com]  
**Sent:** Friday, February 11, 2011 8:37 AM  
**To:** Neuman, Gayle  
**Subject:** RE: Philadelphia Indemnity Ins Co - Filing #IL004650200022  
**Attachments:** Exception - IL (02-11).pdf

Dear Ms Neuman,

Attached is our State Exception page for your review.

Sincerely,

**Diane Quarles**

Compliance Analyst  
Philadelphia Insurance Companies  
A Member of the Tokio Marine Group

One Bala Plaza, Suite 100  
Bala Cynwyd, Pa 19004  
Direct Dial 610.617-7751

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---

**From:** Neuman, Gayle [<mailto:Gayle.Neuman@illinois.gov>]  
**Sent:** Friday, February 04, 2011 10:08 AM  
**To:** Quarles, Diane  
**Subject:** RE: Philadelphia Indemnity Ins Co - Filing #IL004650200022

Ms. Quarles,

All information contained in the manual should be applicable. If you will not write claims-made coverage, the rates for claims-made should be removed from the manual (add to State Exception page).

Your prompt attention is appreciated.

*Gayle Neuman*

Illinois Department of Insurance  
(217)524-6497

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\*\*\*\*\*

**ALLIED HEALTHCARE PROVIDERS PROFESSIONAL AND  
SUPPLEMENTAL LIABILITY INSURANCE  
State Exception**

1. Item 1. Under Rating Rule H. RETURN PREMIUM is deleted in its entirety and replaced with the following:

Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled. An insured can request optional coverage be cancelled.

2. The first paragraph of item 10, SEXUAL OR PHYSICAL ABUSE OR MOLESTATION under Rating Rule K. OPTIONAL COVERAGES is deleted in its entirety and replaced with the following

Coverage will be extended to pay sums that the insured is legally obligated to pay as damages arising out of certain abusive conduct of another for whom the insured is responsible. The premium for this optional coverage is determined by applying the % charge in Table a. to the professional liability premium.

3. Item 8, RISK MANAGEMENT under Rating Rule L. PREMIUM RULES is deleted in its entirety and replaced with the following:

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

**\*We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the previously approved pages\***

Philadelphia Indemnity Insurance Company  
Liability Coverage Enhancements Rate/Rule Addendum

ALLIED HEALTHCARE PROVIDERS PROFESSIONAL AND SUPPLEMENTAL LIABILITY INSURANCE POLICY

The following are optional Coverage Enhancements [is] available for this program. Only one of the two may be selected.

**A. Liability Coverage Enhancement PI-PHCP-11**

Coverage is extended under this endorsement to include General Liability, Fire and Water Legal Liability and Personal Liability.

1. Eligibility Rule

Eligibility requirements for this additional coverage include but are not limited to:

- (a) The insured is an allied health professional or group of professionals; and
- (b) Locations, being areas solely controlled by the insured, do not exceed 5,000 feet in the aggregate.

2. Election of The Liability Coverage Enhancement Endorsement form will generate the following charge, according to the Limits of Liability:

Multiply the (a) base premium, times  
(b) the limit factor for the selected limit, times  
(c) the additional locations factor

(a) Base Rate: \$150

(b) Limit Factor (Base Limits: \$1,000,000/\$1,000,000)

Option	Limit Factor
\$1,000,000/\$1,000,000	1.00
\$1,000,000/\$3,000,000	1.21
\$1,000,000/\$5,000,000	1.33
\$2,000,000/\$4,000,000	1.99
\$2,000,000/\$5,000,000	2.00

(c) Additional Locations Factor: This will equal: (i) one (1), plus  
(ii) the number of additional locations (Total locations minus 1\*) times .333

\* subject to a minimum of 0

**B. Liability Coverage Enhancement Plus PI-PHCP-12**

Coverage is extended under this endorsement to include General Liability, Special Events Liability, Fire and Water Legal Liability and Personal Liability.

1. Eligibility Rule

Eligibility requirements for this additional coverage include but are not limited to:

- (a) The insured is an allied health professional or group of professionals; and
- (b) Locations, being areas solely controlled by the insured, do not exceed 5,000 feet in the aggregate.

2. Election of The Liability Coverage Enhancement Endorsement form will generate the following charge, according to the Limits of Liability:

Multiply the (a) base premium, times  
(b) the limit factor for the selected limit, times  
(c) the additional locations factor

(a) Base Rate: \$270

(b) Limit Factor (Base Limits: \$1,000,000/\$1,000,000)

<u>Option</u>	<u>Limit Factor</u>
<u>\$1,000,000/\$1,000,000</u>	<u>1.00</u>
<u>\$1,000,000/\$3,000,000</u>	<u>1.21</u>
<u>\$1,000,000/\$5,000,000</u>	<u>1.33</u>
<u>\$2,000,000/\$4,000,000</u>	<u>1.99</u>
<u>\$2,000,000/\$5,000,000</u>	<u>2.00</u>

(c) Additional Locations Factor: This will equal: (i) one (1), plus  
(ii) the number of additional locations (Total locations  
minus 1\*) times .333

\* subject to a minimum of 0

**\*We have used a format of ~~striking through~~ deletions, underlining additions and inserting a revision bar in the left margin to indicate changes from the previously approved pages\***

**ALLIED HEALTHCARE PROVIDES PROFESSIONAL AND  
SUPPLEMENTAL LIABILITY INSURANCE POLICY  
(Form #PI-PHCP-02)**

**GENERAL RATING RULES**

**A. APPLICATION OF RULES**

1. These rules govern the writing of Professional Liability policies for counselors, marriage and family therapists, psychologists, audiologists, dieticians/nutritionists, music therapists, occupational therapists, opticians, speech pathologists and students of the above classifications.
2. Other rules, rating plans and forms that are filed on behalf of this Company and that are not in conflict with this filing will govern in all cases not specifically provided for herein.

**B. POLICY TERM**

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

**C. LOCATION OF PRACTICE**

The rates shown on the State Rate Pages contemplate the exposure as being derived from professionals who practice within that state. Professionals who spend more than 25% of their practice time outside the domiciliary state will be referred to the Company for underwriting, approval and rating, as the rates may vary by state, depending on the classification.

**D. ~~MAXIMUM~~ LIMITS OF LIABILITY**

The ~~maximum~~ limits of liability available under this program are as follows:

**1. Professional Liability**

**a. Individual Coverage**

~~[\$5,000,000 Each Incident  
\$5,000,000 Aggregate]~~

See limit options as applicable, under State Rate Pages, Sections I. through IV.

**b. Entity Coverage (Associations, Partnerships or Corporations)**

~~[\$5,000,000 Each Incident  
\$5,000,000 Aggregate]~~

See limit options as applicable, under State Rate Pages, Sections I. through IV.

c. Shared Limits of Liability Coverage (Individual and Associations, Partnerships or Corporations)

~~[\$5,000,000 Each Incident  
\$5,000,000 Aggregate]~~

See limit options as applicable, under State Rate Pages, Sections I. through IV.

“Shared Limits of Liability” means a single limit of liability that applies to Each Incident, regardless of the number of insureds involved in the incident. A shared Aggregate limit of liability will apply per policy period to all insureds.

**2. Supplemental Liability**

Supplemental Liability limits must be equal to the Professional Liability limits.

~~[\$5,000,000 Each Incident  
\$5,000,000 Aggregate]~~

See limit options as applicable, under State Rate Pages, Sections I. through IV.

**E. FACTORS OR MULTIPLIERS RULE**

Whenever applicable, factors or multipliers are to be applied multiplicatively and not added together.

**F. ROUNDING RULE**

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

1. Any amount involving \$.50 or over will be rounded up to the next highest whole dollar amount.
2. Any amount involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

**G. ADDITIONAL PREMIUM CHARGES**

1. Prorate all changes requiring additional premium.
2. Additional premiums will be calculated based upon the rates and rules that were in effect as of the policy effective date.
3. Additional premiums of \$10 or less may be waived.

**H. RETURN PREMIUM**

1. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
2. Compute return premium at the rates used to calculate the policy premium.

3. Compute return premium pro rata and round in accordance with the Rounding Rule when any coverage or exposure is deleted or an amount of insurance reduced.

#### **I. POLICY CANCELLATION**

1. The policy may be cancelled flat by the insured within 60 days of the effective date. Evidence of such cancellation must be received by the Company within the 60 days.
2. Any cancellation initiated by the Company more than 60 days from the effective date of the policy will be on a pro-rata basis.
3. Cancellation initiated by the insured will be cancelled prorata less a penalty of 10% (where allowed by law) unless coverage is concurrently written by the Company, in which case no penalty will be applied.

#### **J. REQUIRED COVERAGE**

Required coverages under this program are:

1. Professional Liability on occurrence basis; and
2. Supplemental Liability, including Personal Injury, on an occurrence basis.

#### **K. OPTIONAL COVERAGES**

##### **1. ADDITIONAL INSURED (CORPORATIONS/PARTNERSHIPS) (Form #PI-PHCP-04)**

Coverage can be added for the professional corporation or partnership entity for the corporation or entity liability arising from the actions of the individual specified in the Declarations. Such coverage is provided on a shared limit of liability basis for no additional premium.

Coverage can be added with a separate limit of liability for an additional premium charge of 10%

##### **2. ADDITIONAL INSURED (OTHER) (Form #PI-PHCP-03 and Form #PI-PHCP-05)**

An additional insured, other than Corporations/Partnerships, (such as a lessor, out-patient surgical center, managed care organization, hospital, etc.) may be added to the policy for an additional premium charge of up to 10% of the policy's total manual premium. Lessors may be added to the policy as an additional insured at no additional premium. All other additional insureds must be referred to the Company for approval and rating.

##### **3. BLANKET STUDENT PROFESSIONAL LIABILITY ENDORSEMENT (Including School and Faculty as Additional Insureds) (Form #PI-PHCP-10)**

The school and faculty may be added as additional insureds for no additional premium charge.

**4. NON-OWNED AUTOMOBILE LIABILITY COVERAGE**  
**(Form #PI-PHCP-06)**

For 1-10 employees, a flat charge applies. For 11 or more employees, the premium is calculated based on the rate shown below multiplied by the total number of employees.

	500,000/500,000	1,000,000/1,000,000
1-10 Employees (flat charge)	\$70	\$80
11 or more Employees (each)	\$ 7	\$ 8

**5. PRIOR ACTS COVERAGE** (this rule pertains to occurrence policies only)

The policy may be extended to provide prior acts coverage onto an occurrence policy as follows:

- a. The prior acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously provided under a claims-made policy. The limits of liability provided under this policy will not exceed the limits of liability provided under the prior claims-made policy.
- b. The premium for Prior Acts Coverage is a one-time-only charge, payable in advance. It is calculated by applying the applicable factors from the table shown on the State Rate Pages, to the current rate by limits chosen by the Insured.
- c. If the limits of liability under this coverage are other than \$1,000,000/\$3,000,000, the premium developed above will be multiplied by the appropriate Prior Acts decreased/increased limits factor shown on the State Rate Pages.

**6. LOCUM TENENS COVERAGE**

Coverage may be provided for a replacement professional who temporarily replaces the insured. No premium charge is made for this coverage, but it is subject to underwriting approval.

**7. LEAVE OF ABSENCE COVERAGE**  
**(Form #PI-PHCP-07)**

Coverage can be suspended on an in-force policy, for a period of time not less than 30 days; and typically for not more than six months. This is without premium adjustment. The expiration date of the policy is extended by the same length of time that the policy is suspended. This can be used for a parenting leave, medical leave, military call-up to active duty, or a sabbatical. This is subject to underwriting approval.

**8. BUSINESS INCOME AND EXTRA EXPENSE COVERAGE**  
**(Form #PI-PHCP-013)**

Coverage can be added to address Business Income losses and Extra Expenses incurred. The premium for this optional coverage is determined by applying the Rate per 100 limit from Table a. below and the territorial multiplier from Table b. below.

Table a.

Rate per 100 limit	0.300
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Table b.

State	County	Factor
All	All	1.000

**9. LICENSING BOARD EXTENSION**  
**(Form #PI-PHCP-014)**

Coverage for expenses incurred resulting from an investigation or proceeding by a state licensing board or other regulatory body may be increased from the automatic limit of \$35,000. The premium for this optional coverage is determined by applying the % charge shown in Table a. below (@ \$50,000 limit) to the professional liability premium.

If limits higher than \$50,000 are requested:

- a. Use the applicable factor from Table b. for the desired occurrence limit (or, if the desired occurrence limit is not shown, apply factors using ISO Premises/Operations ILF Table 2 and appropriate interpolation); and
- b. Determine the aggregate to occurrence ratio and apply the applicable aggregate to occurrence factor from Table c.

Table a.

Higher Limit	Additional % Charge
\$50,000	2.1%

Table b.

Occurrence Limit	Factor @ \$50k/\$50k
50,000	1.00
75,000	1.11
100,000	1.22

Table c.

Aggregate to Occurrence	Factor
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022

**10. SEXUAL OR PHYSICAL ABUSE OR MOLESTATION**  
**(Form #PI-PHCP-SO-008)**

Coverage may be extended to pay sums that the insured is legally obligated to pay as damages arising out of certain abusive conduct of another for whom the insured is responsible. The premium for this optional coverage is determined by applying the % charge in Table a. to the professional liability premium.

If limits other than \$1,000,000/\$1,000,000 are requested:

- a. Use the applicable factor from Table b. for the desired occurrence limit (or, if the desired occurrence limit is not shown, apply factors using ISO Premises/Operations ILF Table 3 and appropriate interpolation); and
- b. Determine the aggregate to occurrence ratio and apply the applicable aggregate to occurrence factor from Table c.

Table a.

<b>Limit</b>	<b>% Charge of Premium</b>
\$1,000,000	75%

Table b.

<b>Occurrence Limit</b>	<b>Factor @ \$1M / \$1M</b>
300,000	0.72
500,000	0.84
1,000,000	1.00

Table c.

<b>Aggregate to Occurrence</b>	<b>Factor</b>
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022

**L. PREMIUM RULES**

1. The premium basis is "per each professional." The rates will be applied in accordance with each professional's specialty and corresponding class number as shown on the State Rate Pages. If two or more classifications apply to the same professional, use the highest-rated classification. Refer to the Company for approval and rating of any risk or exposure for which there is no applicable classification.

2. Minimum premiums do not apply to a policy.
3. The premium is computed at policy inception using the rules, rates and rating plans in effect at that time. At each renewal, the premium is computed using the rules, rates and rating plans then in effect.

4. Maximum Premium Credits

All Classes:

The maximum credit percentage for all [~~Mental Health Counselors~~] professionals practicing in groups, including group discounts (but excluding part-time and New Graduate credits) will be 35%.

5. Premium rates are annual and subject to proration when a policy is issued for other than an entire year.
6. Premiums are calculated as specified for the respective coverage. Premium amounts are to be rounded to the nearest whole dollar.

7. **NEW GRADUATE**

- a. **Psychologists**

A new graduate credit of 50% shall be given to the first year of coverage, a credit of 25% to the second year of coverage, and a credit of 15% to the third year of coverage. New Graduate is defined as "within 12 months of graduation from an accredited institution, leading to licensure in the profession specified in the Declarations."

- b. **All Other Professional Classes**

A new graduate credit of 50% shall be given to the first year of coverage, a credit of 25% to the second year of coverage. New Graduate is defined as "within 12 months of graduation from an accredited institution, leading to licensure in the profession specified in the Declarations."

8. **RISK MANAGEMENT**

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

9. **SIZE OF GROUP CREDITS**

A credit will be applied to the total group premium for the ratable insured headcount as follows:

**All Classes**

<b>Shared Limits of Liability - All Insureds</b>	
<b>Group Size</b>	<b>Premium Credit</b>
<b>3-5</b>	<b>4%</b>
<b>6-10</b>	<b>7%</b>
<b>11-20</b>	<b>10%</b>
<b>21+</b>	<b>15%</b>

<b>Shared Limits of Liability - Per Insured</b>	
<b>Group Size</b>	<b>Premium Credit</b>
<b>3-5</b>	<b>2%</b>
<b>6-10</b>	<b>5%</b>
<b>11-20</b>	<b>8%</b>
<b>21+</b>	<b>12%</b>

“Group Size” means total number of ratable insured headcount (owners, partners, officers and professional employees) and does not include independent contractors or additional insureds.

**10. INTERNET CREDIT**

A 5% credit shall be applied to policies sold and delivered through an E-commerce distribution channel in recognition of the company’s lower costs.

**M. PREMIUM CALCULATION – PROFESSIONAL LIABILITY COVERAGE**

The premium will be calculated by applying the rate per professional, shown on the State Rate Pages, to the total number of professionals who are named as an insured, partners of an insured association or partnership, officers of an insured professional corporation or employed professionals of any insured.

Expressed as [a] formulas:

**Counselors, Marriage and Family Therapists and Psychologists**

**a. For occurrence limits ≤ \$5,000,000:**

Charged Premium = [Rate for the classification (employed, self-employed) @ selected limit x Number of professionals x Premium Credit (if applicable)] + Optional Coverage charge(s) (if applicable).

**b. If the desired occurrence limit is greater than \$5,000,000:**

Charged Premium = [Rate for the classification (employed, self-employed) @ \$1M/\$3M Limit x applicable interpolated Occurrence Limit Factor from Table 2. in Section IV x applicable Alternate Aggregate Limit Factor from Table 3. in Section IV x Number of professionals x Premium Credit (if applicable)] + Optional Coverage charge(s) (if applicable).

**Other Named Professions**

Charged Premium = [Rate for the classification (employed, self-employed) @ \$1M/\$3M Limit x Occurrence Limit Factor (if applicable, interpolating as necessary) x Alternate Aggregate Limit Factor (if applicable) x Number of professionals x Premium Credit (if applicable)] + Optional Coverage charge(s) (if applicable).

**OCCURRENCE RATES**

The annual rates for each professional are stated in the State Rate Pages.

All Classes

- a. If the professional is just entering practice, or if they have been continuously insured under an occurrence policy, enter the step rate factor at the Year 1 level.
- b. If the professional has been insured under a claims-made policy for one or more years immediately preceding the effective date of this coverage, the following procedure will apply:
  - (1) Determine the number of years in which the professional was covered under such claims-made policy(ies); the sum of years developed will be the base exposure. Fractional years of six months or more of base exposure will be rounded to the next higher year. Less than six months will be rounded to the next lower year.
  - (2) The sum of years developed above will be the Years of Prior Exposure. The table is entered at the total prior Years of Exposure, plus one.
- c. The factors in the Claims-Made Step Factors table found on the State Rate Pages will be applied to the rate.

**N. FULL-TIME EQUIVALENT (F.T.E.)**

This optional rating method is available to groups of insured professionals who provide healthcare services in a group practice setting and utilize two or more eligible healthcare professionals.

The premium will be calculated as follows:

1. Per applicable classification, the sum total weekly number of hours all insured professionals are staffing the group practice by providing professional services is divided by 40 hours (one Full-Time Equivalent), which equals the number of F.T.E. slots to be charged. Fractions of F.T.E. slots per applicable classification will be rounded up to either part-time or full-time F.T.E. slots based on the following schedule:

- a. Between .01 and .50 will be considered one (1) part-time F.T.E. and rated according to State Rate Page 1. Part-Time.
  - b. Between .51 and 1.00 will be considered one (1) full-time F.T.E.
2. The F.T.E. rating method will be limited to those policies issued with Shared Limits of Liability.
  3. This optional rating method is only available on an Occurrence policy form.

### STATE AMENDATORY ENDORSEMENTS

Refer to **Exhibit 1** for any applicable state amendatory endorsement(s).

**STATE RATE PAGE  
I. COUNSELORS**

Clergy and Pastoral Counselor, Mental Health Counselor, Nutrition Counselor, Social Worker or Master of Social Work, Licensed Professional Counselor, Rehabilitation Counselor, School Counselor, Case Manager, Certified Hypnotist, Clinical Counselor, Drug/Alcohol Counselor, Other Counselors and Therapists

<b>PROFESSIONAL LIABILITY</b>	<b>\$500,000 Each Claim \$1,500,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$3,000,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$5,000,000 Annual Aggregate</b>	<b>\$2,000,000 Each Claim \$4,000,000 Annual Aggregate</b>	<b>\$5,000,000 Each Claim \$5,000,000 Annual Aggregate</b>
<b>SUPPLEMENTAL LIABILITY</b>	<b>\$500,000 Each Claim \$1,500,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$3,000,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$5,000,000 Annual Aggregate</b>	<b>\$2,000,000 Each Claim \$4,000,000 Annual Aggregate</b>	<b>\$5,000,000 Each Claim \$5,000,000 Annual Aggregate</b>
<b>Employed/Part Time Self-Employed: 10 hrs or less a week</b>	\$105.00	\$115.00	\$117.00	\$135.00	\$159.00
<b>Employed/Part Time Self-Employed: 20 hrs or less a week</b>	\$155.00	\$180.00	\$184.00	\$211.00	\$248.00
<b>Self-Employed: 20 hrs or more a week</b>	\$291.00	\$320.00	\$326.00	\$374.00	\$442.00
<b>Interns</b>	\$86.00	\$90.00	\$97.00	\$111.00	\$122.00
<b>All Students</b>	N/A	\$12.00	\$15.00	N/A	N/A

STATE RATE PAGE  
II. MARRIAGE AND FAMILY THERAPISTS

<b>PROFESSIONAL LIABILITY</b>	<b>\$500,000 Each Claim \$1,500,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$3,000,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$5,000,000 Annual Aggregate</b>	<b>\$2,000,000 Each Claim \$4,000,000 Annual Aggregate</b>	<b>\$5,000,000 Each Claim \$5,000,000 Annual Aggregate</b>
<b>SUPPLEMENTAL LIABILITY</b>	<b>\$500,000 Each Claim \$1,500,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$3,000,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$5,000,000 Annual Aggregate</b>	<b>\$2,000,000 Each Claim \$4,000,000 Annual Aggregate</b>	<b>\$5,000,000 Each Claim \$5,000,000 Annual Aggregate</b>
<b>Employed/Part Time Self-Employed: 10 hrs or less a week</b>	\$83.00	\$111.00	\$118.00	\$118.00	\$138.00
<b>Employed/Part Time Self-Employed: 20 hrs or less a week</b>	\$92.00	\$123.00	\$131.00	\$131.00	\$173.00
<b>Self-Employed: 20 hrs or more a week</b>	\$185.00	\$246.00	\$263.00	\$263.00	\$346.00
<b>Interns</b>	\$83.00	\$95.00	\$97.00	\$111.00	\$122.00
<b>All Students</b>	N/A	\$12.00	\$15.00	N/A	N/A

STATE RATE PAGE  
III. PSYCHOLOGISTS

<b>PROFESSIONAL LIABILITY</b>	<b>\$500,000 Each Claim \$1,500,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$3,000,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$5,000,000 Annual Aggregate</b>	<b>\$2,000,000 Each Claim \$4,000,000 Annual Aggregate</b>	<b>\$5,000,000 Each Claim \$5,000,000 Annual Aggregate</b>
<b>SUPPLEMENTAL LIABILITY</b>	<b>\$500,000 Each Claim \$1,500,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$3,000,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$5,000,000 Annual Aggregate</b>	<b>\$2,000,000 Each Claim \$4,000,000 Annual Aggregate</b>	<b>\$5,000,000 Each Claim \$5,000,000 Annual Aggregate</b>
<b>Employed/Part Time Self-Employed: 10 hrs or less a week</b>	\$346.00	\$380.00	\$388.00	\$445.00	\$524.00
<b>Employed/Part Time Self-Employed: 20 hrs or less a week</b>	\$432.00	\$475.00	\$485.00	\$556.00	\$656.00
<b>Full Time Self-Employed: 20 hrs or more a week</b>	\$865.00	\$950.00	\$969.00	\$1,112.00	\$1,311.00
<b>Employed Post-Doctoral</b>	\$159.00	\$175.00	\$179.00	\$205.00	\$242.00
<b>Registered or Limited Psychology Assistant/Associate Part Time Self-Employed: 10 hrs or less a week</b>	\$159.00	\$175.00	\$179.00	\$205.00	\$242.00
<b>Registered or Limited Psychology Assistant/Associate Part Time Self-Employed: 20 hrs or less a week</b>	\$239.00	\$263.00	\$268.00	\$308.00	\$363.00
<b>Registered or Limited Psychology Assistant/Associate Full Time Self-Employed: 20 hrs or more</b>	\$478.00	\$525.00	\$599.00	\$614.00	\$725.00

**STATE RATE PAGE**  
**IV. OTHER NAMED PROFESSIONS**

**Table 1. Base Rate per professional @ \$1M/\$3M Limit**

<b><u>Named Profession</u></b>	<b><u>Full Time Self-Employed</u></b>	<b><u>Employed</u></b>
a. Audiologist	\$130	\$80
b. Dietician / Nutritionist	\$249	\$90
c. Music Therapist	\$259	\$86
d. Occupational Therapist	\$215	\$77
e. Optician	\$215	\$77
f. Speech Pathologist	\$130	\$80

**Table 2. Professional Occurrence Limit Factor**

<b><u>Occurrence Limit</u></b>	<b><u>Factor</u></b>
300,000	0.70
500,000	0.82
1,000,000	0.98
1,500,000	1.08
2,000,000	1.14
3,000,000	1.23
4,000,000	1.30
5,000,000	1.35
10,000,000	1.53

**Table 3. Alternate Aggregate Limit Factor**

<b><u>Aggregate to Occurrence</u></b>	<b><u>Factor</u></b>
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022
4.00	1.038
5.00	1.043
6.00	1.060
8.00	1.065
10.00	1.070
12.00	1.080

**STEP RATE FACTORS FOR CLAIMS MADE POLICIES**

	<b>Counselors</b>	<b>Marriage and Family Therapists</b>	<b>Psychologists</b>	<b>Other Named Professions</b>
<b>1 Year</b>	0.52	0.52	0.18	<u>0.52</u>
<b>2 Years</b>	0.68	0.68	0.42	<u>0.68</u>
<b>3 Years</b>	0.83	0.83	0.63	<u>0.83</u>
<b>4 Years</b>	0.89	0.89	0.71	<u>0.89</u>
<b>5 Years or more (mature)</b>	0.95	0.95	0.80	<u>0.95</u>

**FILED**

APR 15 2011

PROFESSIONAL LIABILITY  
Commercial Lines  
Illinois

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

**ALLIED HEALTHCARE PROVIDES PROFESSIONAL AND  
SUPPLEMENTAL LIABILITY INSURANCE POLICY  
(Form #PI-PHCP-02)**

**GENERAL RATING RULES**

**A. APPLICATION OF RULES**

1. These rules govern the writing of Professional Liability policies for counselors, marriage and family therapists, psychologists, audiologists, dietitians/nutritionists, music therapists, occupational therapists, opticians, speech pathologists and students of the above classifications.
2. Other rules, rating plans and forms that are filed on behalf of this Company and that are not in conflict with this filing will govern in all cases not specifically provided for herein.

**B. POLICY TERM**

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

**C. LOCATION OF PRACTICE**

The rates shown on the State Rate Pages contemplate the exposure as being derived from professionals who practice within that state. Professionals who spend more than 25% of their practice time outside the domiciliary state will be referred to the Company for underwriting, approval and rating, as the rates may vary by state, depending on the classification.

**D. LIMITS OF LIABILITY**

The limits of liability available under this program are as follows:

**1. Professional Liability**

**a. Individual Coverage**

See limit options as applicable, under State Rate Pages, Sections I. through IV.

**b. Entity Coverage (Associations, Partnerships or Corporations)**

See limit options as applicable, under State Rate Pages, Sections I. through IV.

**c. Shared Limits of Liability Coverage (Individual and Associations, Partnerships or Corporations)**

See limit options as applicable, under State Rate Pages, Sections I. through IV.

“Shared Limits of Liability” means a single limit of liability that applies to Each Incident, regardless of the number of insureds involved in the incident. A shared Aggregate limit of liability will apply per policy period to all insureds.

APR 15 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS  
**Supplemental Liability**

Supplemental Liability limits must be equal to the Professional Liability limits.

See limit options as applicable, under State Rate Pages, Sections I. through IV.

**E. FACTORS OR MULTIPLIERS RULE**

Whenever applicable, factors or multipliers are to be applied multiplicatively and not added together.

**F. ROUNDING RULE**

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

1. Any amount involving \$.50 or over will be rounded up to the next highest whole dollar amount.
2. Any amount involving \$.49 or less will be rounded down to the next lowest whole dollar amount.

**G. ADDITIONAL PREMIUM CHARGES**

1. Prorate all changes requiring additional premium.
2. Additional premiums will be calculated based upon the rates and rules that were in effect as of the policy effective date.
3. Additional premiums of \$10 or less may be waived.

**H. RETURN PREMIUM**

1. Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled.
2. Compute return premium at the rates used to calculate the policy premium.
3. Compute return premium pro rata and round in accordance with the Rounding Rule when any coverage or exposure is deleted or an amount of insurance reduced.

**I. POLICY CANCELLATION**

1. The policy may be cancelled flat by the insured within 60 days of the effective date. Evidence of such cancellation must be received by the Company within the 60 days.
2. Any cancellation initiated by the Company more than 60 days from the effective date of the policy will be on a pro-rata basis.
3. Cancellation initiated by the insured will be cancelled prorata less a penalty of 10% (where allowed by law) unless coverage is concurrently written by the Company, in which case no penalty will be applied.

APR 15 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

**J. REQUIRED COVERAGE**

Required coverages under this program are:

1. Professional Liability on occurrence basis; and
2. Supplemental Liability, including Personal Injury, on an occurrence basis.

**K. OPTIONAL COVERAGES**

**1. ADDITIONAL INSURED (CORPORATIONS/PARTNERSHIPS)  
(Form #PI-PHCP-04)**

Coverage can be added for the professional corporation or partnership entity for the corporation or entity liability arising from the actions of the individual specified in the Declarations. Such coverage is provided on a shared limit of liability basis for no additional premium.

Coverage can be added with a separate limit of liability for an additional premium charge of 10%

**2. ADDITIONAL INSURED (OTHER)  
(Form #PI-PHCP-03 and Form #PI-PHCP-05)**

An additional insured, other than Corporations/Partnerships, (such as a lessor, out-patient surgical center, managed care organization, hospital, etc.) may be added to the policy for an additional premium charge of 10% of the policy's total manual premium. Lessors may be added to the policy as an additional insured at no additional premium. All other additional insureds must be referred to the Company for approval and rating.

**3. BLANKET STUDENT PROFESSIONAL LIABILITY ENDORSEMENT (Including School and Faculty as Additional Insureds)  
(Form #PI-PHCP-10)**

The school and faculty may be added as additional insureds for no additional premium charge.

**4. NON-OWNED AUTOMOBILE LIABILITY COVERAGE  
(Form #PI-PHCP-06)**

For 1-10 employees, a flat charge applies. For 11 or more employees, the premium is calculated based on the rate shown below multiplied by the total number of employees.

	LIMIT OPTIONS (Each Occurrence/Aggregate)	
	500,000/500,000	1,000,000/1,000,000
I-10 Employees (flat charge)	\$70	\$80
11 or more Employees (each)	\$ 7	\$ 8

APR 15 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

**5. PRIOR ACTS COVERAGE (this rule pertains to occurrence policies only)**

The policy may be extended to provide prior acts coverage onto an occurrence policy as follows:

- a. The prior acts period may not exceed the term immediately preceding coverage under this policy during which similar coverage was continuously provided under a claims-made policy. The limits of liability provided under this policy will not exceed the limits of liability provided under the prior claims-made policy.
- b. The premium for Prior Acts Coverage is a one-time-only charge, payable in advance. It is calculated by applying the applicable factors from the table shown on the State Rate Pages, to the current rate by limits chosen by the Insured.
- c. If the limits of liability under this coverage are other than \$1,000,000/\$3,000,000, the premium developed above will be multiplied by the appropriate Prior Acts decreased/increased limits factor shown on the State Rate Pages.

**6. LOCUM TENENS COVERAGE**

Coverage may be provided for a replacement professional who temporarily replaces the insured. No premium charge is made for this coverage, but it is subject to underwriting approval.

**7. LEAVE OF ABSENCE COVERAGE  
(Form #PI-PHCP-07)**

Coverage can be suspended on an in-force policy, for a period of time not less than 30 days; and typically for not more than six months. This is without premium adjustment. The expiration date of the policy is extended by the same length of time that the policy is suspended. This can be used for a parenting leave, medical leave, military call-up to active duty, or a sabbatical. This is subject to underwriting approval.

**8. BUSINESS INCOME AND EXTRA EXPENSE COVERAGE  
(Form #PI-PHCP-013)**

Coverage can be added to address Business Income losses and Extra Expenses incurred. The premium for this optional coverage is determined by applying the Rate per 100 limit from Table a. below and the territorial multiplier from Table b. below.

Table a.

Rate per 100 limit	0.300
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Table b.

State	County	Factor
All	All	1.000

APR 15 2011

PROFESSIONAL LIABILITY  
Commercial Lines  
IllinoisSTATE OF ILLINOIS  
DEPARTMENT OF FINANCE AND INSURANCE  
9. LICENSING BOARD EXTENSION  
(Form #PI-PHCP-014)

Coverage for expenses incurred resulting from an investigation or proceeding by a state licensing board or other regulatory body may be increased from the automatic limit of \$35,000. The premium for this optional coverage is determined by applying the % charge shown in Table a. below (@ \$50,000 limit) to the professional liability premium.

If limits higher than \$50,000 are requested:

- a. Use the applicable factor from Table b. for the desired occurrence limit (or, if the desired occurrence limit is not shown, apply factors using ISO Premises/Operations ILF Table 2 and appropriate interpolation); and
- b. Determine the aggregate to occurrence ratio and apply the applicable aggregate to occurrence factor from Table c.

Table a.

Higher Limit	Additional % Charge
\$50,000	1.7%

Table b.

Occurrence Limit	Factor @ \$50k/\$50k
50,000	1.00
75,000	1.10
100,000	1.19

Table c.

Aggregate to Occurrence	Factor
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022

10. SEXUAL OR PHYSICAL ABUSE OR MOLESTATION  
(Form #PI-PHCP-SO-008)

Coverage may be extended to pay sums that the insured is legally obligated to pay as damages arising out of certain abusive conduct of another for whom the insured is responsible. The premium for this optional coverage is determined by applying the % charge in Table a. to the professional liability premium.

If limits other than \$1,000,000/\$1,000,000 are requested:

APR 15 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

- a. Use the applicable factor from Table b. for the desired occurrence limit (or, if the desired occurrence limit is not shown, apply factors using ISO Premises/Operations ILF Table 3 and appropriate interpolation); and
- b. Determine the aggregate to occurrence ratio and apply the applicable aggregate to occurrence factor from Table c.

Table a.

Limit	% Charge of Premium
\$1,000,000	75%

Table b.

Occurrence Limit	Factor @ \$1M / \$1M
300,000	0.68
500,000	0.79
1,000,000	1.00

Table c.

Aggregate to Occurrence	Factor
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022

**L. PREMIUM RULES**

1. The premium basis is "per each professional." The rates will be applied in accordance with each professional's specialty and corresponding class number as shown on the State Rate Pages. If two or more classifications apply to the same professional, use the highest-rated classification. Refer to the Company for approval and rating of any risk or exposure for which there is no applicable classification.
2. Minimum premiums do not apply to a policy.
3. The premium is computed at policy inception using the rules, rates and rating plans in effect at that time. At each renewal, the premium is computed using the rules, rates and rating plans then in effect.
4. Maximum Premium Credits

All Classes:

APR 15 2011

PROFESSIONAL LIABILITY  
Commercial Lines  
Illinois

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

The maximum credit percentage for all professionals practicing in groups, including group discounts (but excluding part-time and New Graduate credits) will be 35%.

- 5. Premium rates are annual and subject to proration when a policy is issued for other than an entire year.
- 6. Premiums are calculated as specified for the respective coverage. Premium amounts are to be rounded to the nearest whole dollar.

**7. NEW GRADUATE**

**a. Psychologists**

A new graduate credit of 50% shall be given to the first year of coverage, a credit of 25% to the second year of coverage, and a credit of 15% to the third year of coverage. New Graduate is defined as "within 12 months of graduation from an accredited institution, leading to licensure in the profession specified in the Declarations."

**b. All Other Professional Classes**

A new graduate credit of 50% shall be given to the first year of coverage, a credit of 25% to the second year of coverage. New Graduate is defined as "within 12 months of graduation from an accredited institution, leading to licensure in the profession specified in the Declarations."

**8. RISK MANAGEMENT**

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

**9. SIZE OF GROUP CREDITS**

A credit will be applied to the total group premium for the ratable insured headcount as follows:

**All Classes**

<b>Shared Limits of Liability - All Insureds</b>	
<b>Group Size</b>	<b>Premium Credit</b>
<b>3-5</b>	<b>4%</b>
<b>6-10</b>	<b>7%</b>
<b>11-20</b>	<b>10%</b>

APR 15 2011

PROFESSIONAL LIABILITY  
Commercial Lines  
Illinois

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

21+	15%
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Shared Limits of Liability - Per Insured	
Group Size	Premium Credit
3-5	2%
6-10	5%
11-20	8%
21+	12%

“Group Size” means total number of ratable insured headcount (owners, partners, officers and professional employees) and does not include independent contractors or additional insureds.

**10. INTERNET CREDIT**

A 5% credit shall be applied to policies sold and delivered through an E-commerce distribution channel in recognition of the company’s lower costs.

**M. PREMIUM CALCULATION – PROFESSIONAL LIABILITY COVERAGE**

The premium will be calculated by applying the rate per professional, shown on the State Rate Pages, to the total number of professionals who are named as an insured, partners of an insured association or partnership, officers of an insured professional corporation or employed professionals of any insured.

Expressed as formulas:

**Counselors, Marriage and Family Therapists and Psychologists**

a. For occurrence limits ≤ \$5,000,000:

Charged Premium = [Rate for the classification (employed, self-employed) @ selected limit x Number of professionals x Premium Credit (if applicable)] + Optional Coverage charge(s) (if applicable).

b. If the desired occurrence limit is greater than \$5,000,000:

Charged Premium = [Rate for the classification (employed, self-employed) @ \$1M/\$3M Limit x applicable interpolated Occurrence Limit Factor from Table 2. in Section IV x applicable Alternate Aggregate Limit Factor from Table 3. in Section IV x Number of professionals x Premium Credit (if applicable)] + Optional Coverage charge(s) (if applicable).

**Other Named Professions**

Charged Premium = [Rate for the classification (employed, self-employed) @ \$1M/\$3M Limit x Occurrence Limit Factor (if applicable, interpolating as necessary) x Alternate Aggregate Limit Factor (if applicable) x Number of professionals x Premium Credit (if applicable)] + Optional Coverage charge(s) (if applicable).

APR 15 2011

PROFESSIONAL LIABILITY  
Commercial Lines  
IllinoisSTATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS**OCCURRENCE RATES**

The annual rates for each professional are stated in the State Rate Pages.

All Classes

- a. If the professional is just entering practice, or if they have been continuously insured under an occurrence policy, enter the step rate factor at the Year 1 level.
- b. If the professional has been insured under a claims-made policy for one or more years immediately preceding the effective date of this coverage, the following procedure will apply:
  - (1) Determine the number of years in which the professional was covered under such claims-made policy(ies); the sum of years developed will be the base exposure. Fractional years of six months or more of base exposure will be rounded to the next higher year. Less than six months will be rounded to the next lower year.
  - (2) The sum of years developed above will be the Years of Prior Exposure. The table is entered at the total prior Years of Exposure, plus one.
- c. The factors in the Claims-Made Step Factors table found on the State Rate Pages will be applied to the rate.

**N. FULL-TIME EQUIVALENT (F.T.E.)**

This optional rating method is available to groups of insured professionals who provide healthcare services in a group practice setting and utilize two or more eligible healthcare professionals.

The premium will be calculated as follows:

1. Per applicable classification, the sum total weekly number of hours all insured professionals are staffing the group practice by providing professional services is divided by 40 hours (one Full-Time Equivalent), which equals the number of F.T.E. slots to be charged. Fractions of F.T.E. slots per applicable classification will be rounded up to either part-time or full-time F.T.E. slots based on the following schedule:
  - a. Between .01 and .50 will be considered one (1) part-time F.T.E. and rated according to State Rate Page 1. Part-Time.
  - b. Between .51 and 1.00 will be considered one (1) full-time F.T.E.
2. The F.T.E. rating method will be limited to those policies issued with Shared Limits of Liability.
3. This optional rating method is only available on an Occurrence policy form.

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APR 15 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

PROFESSIONAL LIABILITY  
Commercial Lines  
Illinois

**STATE AMENDATORY ENDORSEMENTS**

Refer to **Exhibit 1** for any applicable state amendatory endorsement(s).

APR 15 2011

PROFESSIONAL LIABILITY  
Commercial Lines  
Illinois

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

**STATE RATE PAGE  
I. COUNSELORS**

Clergy and Pastoral Counselor, Mental Health Counselor, Nutrition Counselor, Social Worker or Master of Social Work, Licensed Professional Counselor, Rehabilitation Counselor, School Counselor, Case Manager, Certified Hypnotist, Clinical Counselor, Drug/Alcohol Counselor, Other Counselors and Therapists

<b>PROFESSIONAL LIABILITY</b>	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
<b>SUPPLEMENTAL LIABILITY</b>	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
<b>Employed/Part Time Self-Employed: 10 hrs or less a week</b>	\$105.00	\$115.00	\$117.00	\$135.00	\$159.00
<b>Employed/Part Time Self-Employed: 20 hrs or less a week</b>	\$155.00	\$180.00	\$184.00	\$211.00	\$248.00
<b>Self-Employed: 20 hrs or more a week</b>	\$291.00	\$320.00	\$326.00	\$374.00	\$442.00
<b>Interns</b>	\$86.00	\$90.00	\$97.00	\$111.00	\$122.00
<b>All Students</b>	N/A	\$12.00	\$15.00	N/A	N/A

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APR 15 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOISPROFESSIONAL LIABILITY  
Commercial Lines  
Illinois**STATE RATE PAGE  
II. MARRIAGE AND FAMILY THERAPISTS**

<b>PROFESSIONAL LIABILITY</b>	<b>\$500,000 Each Claim \$1,500,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$3,000,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$5,000,000 Annual Aggregate</b>	<b>\$2,000,000 Each Claim \$4,000,000 Annual Aggregate</b>	<b>\$5,000,000 Each Claim \$5,000,000 Annual Aggregate</b>
<b>SUPPLEMENTAL LIABILITY</b>	<b>\$500,000 Each Claim \$1,500,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$3,000,000 Annual Aggregate</b>	<b>\$1,000,000 Each Claim \$5,000,000 Annual Aggregate</b>	<b>\$2,000,000 Each Claim \$4,000,000 Annual Aggregate</b>	<b>\$5,000,000 Each Claim \$5,000,000 Annual Aggregate</b>
<b>Employed/Part Time Self-Employed: 10 hrs or less a week</b>	\$83.00	\$111.00	\$118.00	\$118.00	\$138.00
<b>Employed/Part Time Self-Employed: 20 hrs or less a week</b>	\$92.00	\$123.00	\$131.00	\$131.00	\$173.00
<b>Self-Employed: 20 hrs or more a week</b>	\$185.00	\$246.00	\$263.00	\$263.00	\$346.00
<b>Interns</b>	\$83.00	\$95.00	\$97.00	\$111.00	\$122.00
<b>All Students</b>	N/A	\$12.00	\$15.00	N/A	N/A

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APR 15 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOISPROFESSIONAL LIABILITY  
Commercial Lines  
IllinoisSTATE RATE PAGE  
III. PSYCHOLOGISTS

<b>PROFESSIONAL LIABILITY</b>	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
<b>SUPPLEMENTAL LIABILITY</b>	\$500,000 Each Claim \$1,500,000 Annual Aggregate	\$1,000,000 Each Claim \$3,000,000 Annual Aggregate	\$1,000,000 Each Claim \$5,000,000 Annual Aggregate	\$2,000,000 Each Claim \$4,000,000 Annual Aggregate	\$5,000,000 Each Claim \$5,000,000 Annual Aggregate
<b>Employed/Part Time Self-Employed: 10 hrs or less a week</b>	\$346.00	\$380.00	\$388.00	\$445.00	\$524.00
<b>Employed/Part Time Self-Employed: 20 hrs or less a week</b>	\$432.00	\$475.00	\$485.00	\$556.00	\$656.00
<b>Full Time Self-Employed: 20 hrs or more a week</b>	\$865.00	\$950.00	\$969.00	\$1,112.00	\$1,311.00
<b>Employed Post-Doctoral</b>	\$159.00	\$175.00	\$179.00	\$205.00	\$242.00
<b>Registered or Limited Psychology Assistant/Associate Part Time Self-Employed: 10 hrs or less a week</b>	\$159.00	\$175.00	\$179.00	\$205.00	\$242.00
<b>Registered or Limited Psychology Assistant/Associate Part Time Self-Employed: 20 hrs or less a week</b>	\$239.00	\$263.00	\$268.00	\$308.00	\$363.00
<b>Registered or Limited Psychology Assistant/Associate Full Time Self-Employed: 20 hrs or more</b>	\$478.00	\$525.00	\$599.00	\$614.00	\$725.00

APR 15 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS**STATE RATE PAGE  
IV. OTHER NAMED PROFESSIONS****Table 1. Base Rate per professional @ \$1M/\$3M Limit**

Named Profession	Full Time Self-Employed	Employed
a. Audiologist	\$130	\$80
b. Dietician / Nutritionist	\$249	\$90
c. Music Therapist	\$259	\$86
d. Occupational Therapist	\$215	\$77
e. Optician	\$215	\$77
f. Speech Pathologist	\$130	\$80

**Table 2. Professional Occurrence Limit Factor**

Occurrence Limit	Factor
300,000	0.66
500,000	0.78
1,000,000	0.98
1,500,000	1.11
2,000,000	1.21
3,000,000	1.36
4,000,000	1.45
5,000,000	1.52
10,000,000	1.73

**Table 3. Alternate Aggregate Limit Factor**

Aggregate to Occurrence	Factor
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022
4.00	1.038
5.00	1.043
6.00	1.060
8.00	1.065
10.00	1.070
12.00	1.080

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APR 15 2011

PROFESSIONAL LIABILITY  
Commercial Lines  
Illinois

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

## STEP RATE FACTORS FOR CLAIMS MADE POLICIES

	Counselors	Marriage and Family Therapists	Psychologists	Other Named Professions
<b>1 Year</b>	0.52	0.52	0.18	0.52
<b>2 Years</b>	0.68	0.68	0.42	0.68
<b>3 Years</b>	0.83	0.83	0.63	0.83
<b>4 Years</b>	0.89	0.89	0.71	0.89
<b>5 Years or more (mature)</b>	0.95	0.95	0.80	0.95

APR 15 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

Philadelphia Indemnity Insurance Company  
Allied Health Providers  
Rating Plan

**Table 1. Base Rate per professional @ \$1M/\$3M Limit**

Named Profession	Full Time	
	Self-Employed	Employed
a. Audiologist	130	80
b. Dietician / Nutritionist	249	90
c. Music Therapist	259	86
d. Occupational Therapist	215	77
e. Optician	215	77
f. Speech Pathologist	130	80

**Table 2. Professional Occurrence Limit Factor**

Occurrence	Factor
300,000	0.70
500,000	0.82
1,000,000	0.98
1,500,000	1.08
2,000,000	1.14
3,000,000	1.23
4,000,000	1.30
5,000,000	1.35
10,000,000	1.53

**Table 3. Alternate Aggregate Limit Factor**

Aggregate to Occurrence	Factor
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022
4.00	1.038
5.00	1.043
6.00	1.060
8.00	1.065
10.00	1.070
12.00	1.080

**Table 4. Business Income and Extra Expense Coverage**

Rate per 100 limit	0.300
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**Table 5. Business Income & Extra Expense Territorial Multiplier**

State	County	Factor
All	All	1.000

APR 15 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

Philadelphia Indemnity Insurance Company  
Allied Health Providers  
Rating Plan

**Table 6. Licensing Board Higher Coverage Limit Option**

Higher Limit	Additional % Charge
\$50,000	2.1%

**Table 7. Licensing Board Defense Occurrence Limit Factor**

For alternate limits, apply factors using ISO Premises/Operations ILF Table 2 and appropriate interpolation.

Occurrence Limit	Factor @ \$50k/\$50k
50,000	1.00
75,000	1.11
100,000	1.22

**Table 8. Licensing Board Defense Aggregate to Occurrence Factor**

See Alternate Limits Factor Development Exhibit, Rate Dev page 6.

Aggregate to Occurrence	Factor
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022

**Table 9. Sexual Abuse & Molestation Coverage**

Limit	% Charge of GL Premium
\$1,000,000	75%

**Table 10. Sexual Abuse & Molestation Coverage Occurrence Limit Factor**

For alternate limits, apply factors using ISO Premises/Operations ILF Table 3 and appropriate interpolation.

Occurrence Limit	Factor @ \$1M / \$1M
300,000	0.72
500,000	0.84
1,000,000	1.00

**Table 11. Sexual Abuse & Molestation Coverage Aggregate to Occurrence Factor**

See Alternate Limits Factor Development Exhibit, Rate Dev page 6.

Aggregate to Occurrence	Factor
1.00	1.000
1.50	1.010
2.00	1.018
2.50	1.020
3.00	1.022

APR 15 2011

STATE OF ILLINOIS  
 DEPARTMENT OF INSURANCE  
 SPRINGFIELD, ILLINOIS

Philadelphia Indemnity Insurance Company  
 Liability Coverage Enhancements Rate/Rule Addendum

**ALLIED HEALTHCARE PROVIDERS PROFESSIONAL AND SUPPLEMENTAL LIABILITY INSURANCE POLICY**

The following are optional Coverage Enhancements available for this program. Only one of the two may be selected.

**A. Liability Coverage Enhancement PI-PHCP-011**

Coverage is extended under this endorsement to include General Liability, Fire and Water Legal Liability and Personal Liability.

1. Eligibility Rule

Eligibility requirements for this additional coverage include but are not limited to:

- (a) The insured is an allied health professional or group of professionals; and
- (b) Locations, being areas solely controlled by the insured, do not exceed 5,000 feet in the aggregate.

2. Election of The Liability Coverage Enhancement Endorsement form will generate the following charge, according to the Limits of Liability:

Multiply the (a) base premium, times  
 (b) the limit factor for the selected limit, times  
 (c) the additional locations factor

(a) Base Rate: \$150

(b) Limit Factor (Base Limits: \$1,000,000/\$1,000,000)

Option	Limit Factor
\$1,000,000/\$1,000,000	1.00
\$1,000,000/\$3,000,000	1.21
\$1,000,000/\$5,000,000	1.33
\$2,000,000/\$4,000,000	1.99
\$2,000,000/\$5,000,000	2.00

(c) Additional Locations Factor: This will equal: (i) one (1), plus  
 (ii) the number of additional locations (Total locations minus 1\*) times .333

\* subject to a minimum of 0

**B. Liability Coverage Enhancement Plus PI-PHCP-012**

Coverage is extended under this endorsement to include General Liability, Special Events Liability, Fire and Water Legal Liability and Personal Liability.

APR 15 2011

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS  
Eligibility Rule

Eligibility requirements for this additional coverage include but are not limited to:

- (a) The insured is an allied health professional or group of professionals; and
- (b) Locations, being areas solely controlled by the insured, do not exceed 5,000 feet in the aggregate.

2. Election of The Liability Coverage Enhancement Endorsement form will generate the following charge, according to the Limits of Liability:

Multiply the (a) base premium, times  
(b) the limit factor for the selected limit, times  
(c) the additional locations factor

(a) Base Rate: \$270

(b) Limit Factor (Base Limits: \$1,000,000/\$1,000,000)

Option	Limit Factor
\$1,000,000/\$1,000,000	1.00
\$1,000,000/\$3,000,000	1.21
\$1,000,000/\$5,000,000	1.33
\$2,000,000/\$4,000,000	1.99
\$2,000,000/\$5,000,000	2.00

(c) Additional Locations Factor: This will equal: (i) one (1), plus  
(ii) the number of additional locations (Total locations minus 1\*) times .333

\* subject to a minimum of 0

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APR 15 2011

PROFESSIONAL LIABILITY  
Commercial Lines  
Illinois

STATE OF ILLINOIS  
DEPARTMENT OF INSURANCE  
SPRINGFIELD, ILLINOIS

**ALLIED HEALTHCARE PROVIDERS PROFESSIONAL AND  
SUPPLEMENTAL LIABILITY INSURANCE  
State Exception**

1. Item 1. Under Rating Rule H. RETURN PREMIUM is deleted in its entirety and replaced with the following:

Deletion of any coverage other than an optional coverage is not permitted unless the entire policy is cancelled. An insured can request optional coverage be cancelled.

2. The first paragraph of item 10, SEXUAL OR PHYSICAL ABUSE OR MOLESTATION under Rating Rule K. OPTIONAL COVERAGES is deleted in its entirety and replaced with the following

Coverage will be extended to pay sums that the insured is legally obligated to pay as damages arising out of certain abusive conduct of another for whom the insured is responsible. The premium for this optional coverage is determined by applying the % charge in Table a. to the professional liability premium.

3. Item 8, RISK MANAGEMENT, under Rating Rule L. PREMIUM RULES is deleted in its entirety and replaced with the following:

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

4. The Step Rate Factors for Claims Made Policies, found on the State Rate Page, is deleted in its entirety.

5. Subparagraph c. of OCCURRENCE RATES under Rating Rule M. PREMIUM CALCULATION – PROFESSIONAL LIABILITY COVERAGE, which reads as follows: The factors in the Claims-Made Step Factors table found on the State Rate Pages will be applied to the rate, is deleted in its entirety.