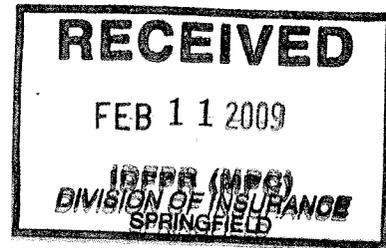


Pharmacists Mutual[®] Companies

- Pharm ts Mutual Insurance Company
- Pharmacists Life Insurance Company
- Pharmacists National Insurance Corporation
- Pro Advantage Services, Inc.
- PMC Quality Commitment, Inc.



February 9, 2009

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION
DIVISION OF INSURANCE
PROPERTY AND CASUALTY COMPLIANCE UNIT
320 W WASHINGTON ST
SPRINGFIELD IL 62767-0001
Attn: Gayle Neuman

FILED

AUG 01 2009

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

RE: PHARMACISTS MUTUAL INSURANCE COMPANY
NAIC #13714 NAIC GROUP #0775 FEIN: 42-0223390 ✓
Pharmacists Professional Liability Rule Filing IL-PHL/CSP-04-09
RATE/RULE - \$2M/6M LIMITS DELETED

Pharmacists Mutual Insurance Company (PHMIC) is filing a revision to their Individual Pharmacists professional Liability and Pharmacy Student Professional Liability programs. Please see Filing Memorandum for details.

Pharmacists Mutual is requesting that this filing become effective for all policies effective on and after April 1, 2009.

If you have any questions, please contact me at any of the numbers listed below.

Sincerely,

Heidi T. Allen
Mgr. Rates/Research & Development
800-247-5930 ext. 7219
Heidi.allen@phmic.com

1-0
MEM
RUL
gfn
Jeh

ILLINOIS DEPARTMENT OF INSURANCE

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 4/1/2009

| (1) <u>Coverage</u> | (2) <u>Annual Premium Volume (Illinois)*</u> | (3) <u>Percent Change (+ or -)**</u> |
|---|---|---|
| 1. Automobile Liability Private Passenger Commercial | _____ | _____ |
| 2. Automobile Physical Damage Private Passenger Commercial | _____ | _____ |
| 3. Liability Other Than Auto | _____ | _____ |
| 4. Burglary and Theft | _____ | _____ |
| 5. Glass | _____ | _____ |
| 6. Fidelity | _____ | _____ |
| 7. Surety | _____ | _____ |
| 8. Boiler and Machinery | _____ | _____ |
| 9. Fire | _____ | _____ |
| 10. Extended Coverage | _____ | _____ |
| 11. Inland Marine | _____ | _____ |
| 12. Homeowners | _____ | _____ |
| 13. Commercial Multi-Peril | _____ | _____ |
| 14. Crop Hail | _____ | _____ |
| 15. Other <u>Med Mal-Pharm Profes</u> <u>Line of Insurance</u> | 353,000 | 0% |

Does filing only apply to certain territory (territories) or certain classes? If so, specify: N/ABrief description of filing. (If filing follows rates of an advisory organization, specify organization): Elimination of \$2MM/\$6MM limit option, and general language clarifications. No rate changes

*Adjusted to reflect all prior rate changes.

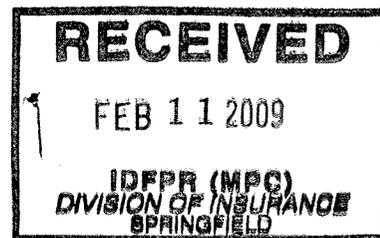
**Change in Company's premium level which will result from application of new rates.

Pharmacists Mutual Insurance Company

Name of Company

Ken Andrews - Regional VP

Official - Title



Property & Casualty Transmittal Document

| |
|---|
| 1. Reserved for Insurance Dept. Use Only |
|---|

| | |
|---|---|
| 2. Insurance Department Use only | |
| a. Date the filing is received: | |
| b. Analyst: | |
| c. Disposition: | |
| d. Date of disposition of the filing: | |
| e. Effective date of filing: | |
| New Business | <div style="border: 2px solid black; padding: 5px;"> <p style="font-size: 1.2em; font-weight: bold; margin: 0;">RECEIVED</p> <p style="font-size: 1.1em; margin: 0;">FEB 11 2009</p> <p style="font-size: 0.8em; margin: 0;">IDPPH (MPO) DIVISION OF INSURANCE SPRINGFIELD</p> </div> |
| Renewal Business | |
| f. State Filing #: | |
| g. SERFF Filing #: | |
| h. Subject Codes | |

| | |
|------------------------------|---------------------|
| 3. Group Name | Group NAIC # |
| Pharmacists Mutual Companies | 0775 |

| 4. Company Name(s) | Domicile | NAIC # | FEIN # | State # |
|--------------------------------------|----------|--------|------------|---------|
| Pharmacists Mutual Insurance Company | IA | 13714 | 42-0223390 | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

| | |
|-----------------------------------|-------------------------|
| 5. Company Tracking Number | IL-PHL/CSP-04-09 |
|-----------------------------------|-------------------------|

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

| 6. | Name and address | Title | Telephone #s | FAX # | e-mail |
|----|------------------|------------------------------|------------------------|--------------|-----------------------|
| | Heidi T. Allen | Mgr. Rates/Research & Dev | 800-247-5930 x-7219 | 515-395-7484 | heidi.allen@phmic.com |
| | | | | | |

| | |
|--|-----------------------|
| 7. Signature of authorized filer | <i>Heidi T. Allen</i> |
| 8. Please print name of authorized filer | Heidi T. Allen |

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

| | |
|--|--|
| 9. Type of Insurance (TOI) | Med Mal |
| 10. Sub-Type of Insurance (Sub-TOI) | Pharmacy Professional Liability |
| 11. State Specific Product code(s) (if applicable)[See State Specific Requirements] | |
| 12. Company Program Title (Marketing title) | PHL |
| 13. Filing Type | <input type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description) |
| 14. Effective Date(s) Requested | New: 4/1/2009 Renewal: 4/1/2009 |
| 15. Reference Filing? | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| 16. Reference Organization (if applicable) | |
| 17. Reference Organization # & Title | |

| | |
|---|---|
| 18. Company's Date of Filing | 2/9/2009 |
| 19. Status of filing in domicile | <input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved |

Property & Casualty Transmittal Document—

| | |
|--|---------------------------------|
| 20. This filing transmittal is part of Company Tracking # | SERFF Filing PHAR-125798942.pdf |
|--|---------------------------------|

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

Pharmacists Mutual Insurance Company (PHMIC) is filing a revision to their Individual Pharmacists professional Liability and Pharmacy Student Professional Liability programs. Please see Filing Memorandum for details. Pharmacists Mutual is requesting that this filing become effective for all policies effective on and after January 1, 2009.

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

Check #: n/a
Amount: 0.00

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

RATE/RULE FILING SCHEDULE

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

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

| | | |
|-----------|---|------------------|
| 1. | This filing transmittal is part of Company Tracking # | IL-PHL/CSP-04-09 |
| 2. | This filing corresponds to form filing number (Company tracking number of form filing, if applicable) | PHAR-125798942 |

Rate Increase
 Rate Decrease
 Rate Neutral (0%)

| | | |
|-----------|--|-----|
| 3. | Filing Method (Prior Approval, File & Use, Flex Band, etc.) | F&U |
|-----------|--|-----|

| 4a. Rate Change by Company (As Proposed) | | | | | | | |
|--|--|-----------------------|---|--|----------------------------------|-----------------------------------|-----------------------------------|
| Company Name | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change (where required) | Minimum % Change (where required) |
| | 0% | 0% | \$0 | 2,269 | 353,000 | | |

| 4b. Rate Change by Company (As Accepted) For State Use Only | | | | | | | |
|---|--|-----------------------|---|--|----------------------------------|-----------------------------------|-----------------------------------|
| Company Name | Overall % Indicated Change (when applicable) | Overall % Rate Impact | Written premium change for this program | # of policyholders affected for this program | Written premium for this program | Maximum % Change (where required) | Minimum % Change (where required) |
| | | | | | | | |

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

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

| 9. | Rule # or Page # Submitted for Review | Replacement or Withdrawn? | Previous state filing number, if required by state |
|----|---------------------------------------|---|--|
| 01 | PHL RATES-RULES 01-09 | <input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | |
| 02 | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | |
| 03 | | <input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn | |

FILING CERTIFICATION

I, Ken Andrews, certify that the rates submitted to the state of Illinois for Pharmacists Mutual's Individual Pharmacist Professional Liability policy, filing IL-PHL/CSP-04-09, have been reviewed by our actuary and are consistent with the company's experience.



Officer Signature

Ken Andrews, Regional Vice President
Officer Name (Please Print)

May 8, 2009
Date

PHARMACISTS MUTUAL INSURANCE COMPANY

Individual Pharmacist Professional Liability ILLINOIS

STATEMENT OF ACTUARIAL OPINION

My name is Steven J. Regnier and I am President of the actuarial consulting firm of Regnier Consulting Group, Inc. I am a member of the American Academy of Actuaries and an Associate of the Casualty Actuarial Society.

I work with Pharmacists Mutual Insurance Company with regard to certain ratemaking issues.

Pursuant to 215 ILCS 5/155.18 in regard to the filed Individual Pharmacist Professional Liability Rates:

- I have reviewed the material submitted to the Division;
- This material is true and accurate to the best of my knowledge, information, and belief; and
- It is my opinion that the premiums resulting from the rates shall not be excessive or inadequate nor shall they be unfairly discriminatory.

May 9, 2009

Date



Steven J. Regnier, ACAS, MAAA, FCA
Regnier Consulting Group, Inc.
3241 Business Park Dr, Suite C
Stevens Point, WI 54481
(715) 344-2745

Neuman, Gayle

From: Neuman, Gayle
Sent: Thursday, May 06, 2010 2:36 PM
To: 'Heidi Allen'
Subject: RE: Pharmacists Mutual Ins Co - Rate/Rule Filing #IL-PHL/CSP-04-09

Yes, we will use the effective date of 8/1/09.

Gayle Neuman

Illinois Department of Insurance
(217)524-6497

From: Heidi Allen [mailto:Heidi.Allen@phmic.com]
Sent: Thursday, May 06, 2010 2:35 PM
To: Neuman, Gayle
Subject: RE: Pharmacists Mutual Ins Co - Rate/Rule Filing #IL-PHL/CSP-04-09

Ms. Neuman,

Thank-you for the update on this filing.

As a result of the email discussion we had last June regarding whether or not this was an excess policy, and whether or not it needed to be filed, we understood that we did not need to file, and subsequently implemented this revision effective 8/1/09. As there was no rate impact with this revision, only the elimination of the higher policy limit, implementation did not affect our policy premiums.

Can you use the 8/1/09 effective date on your approval?

Heidi T. Allen, MBA, ACP
Research & Development Director
Pharmacists Mutual Insurance Company
1-800-247-5930 x – 7219
heidi.allen@phmic.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, May 06, 2010 1:18 PM
To: Heidi Allen
Subject: Pharmacists Mutual Ins Co - Rate/Rule Filing #IL-PHL/CSP-04-09

Ms. Allen,

The Department of Insurance has now completed its review of the filing referenced above. Originally, Pharmacists Mutual requested the filing be effective April 1, 2009. Was the filing put in effect on April 1, 2009 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

PHARMACISTS MUTUAL INSURANCE COMPANY

Individual Pharmacists Professional Liability (PHL) Pharmacy Student Professional Liability (CSP) Countrywide Rule Filing Memorandum

Pharmacists Mutual Insurance Company (PMIC) is filing a revision to their Individual Pharmacists Professional Liability and Pharmacy Student Professional Liability programs.

Coverage rates have not changed, however the \$2MM/\$6MM limit option has been eliminated. In addition, we have clarified our program rules to more clearly define eligibility under our five rating classifications: employed pharmacist, self-employed pharmacist, owner or partner, instructor and pharmacy student or intern.

Additionally, the Pharmacy Student Professional Liability program allows for group billing to a college while providing an individual professional liability policy for each student. Whereas this was filed as a separate “program” in the past, the student program is now simply a billing option under our Individual Pharmacists Professional Liability program, more accurately referred to as the “College Student Group Billing Program.” Pharmacy Student Professional Liability coverage form PM PHL 292 is being withdrawn. We will now use our filed and approved coverage form PM PHL 196, Individual Pharmacists Professional Liability, for all individual pharmacists professional liability policies. Under form PM PHL 196, students will no longer be provided violent assault protection coverage, nor will professional liability coverage be extended to a faculty member or the School of Pharmacy as an additional insured. The 15% additional insured charge previously included for each policy issued will be eliminated.

Rates under the student program have not changed, however, the rule and rate pages have been modified to more clearly address the College Student Group Billing option as follows:

- The \$16.00 policy charge is our minimum premium per student and will be the amount billed, regardless of the policy term.
- All student policies under a college group billing program will be issued with a common anniversary date.
- All students will be charged \$16.00 for professional liability coverage under the college group billing option. There is no longer a distinction between intern/extern students and other pharmacy students.

Neuman, Gayle

From: Neuman, Gayle
Sent: Tuesday, May 12, 2009 10:46 AM
To: 'Heidi.Allen@phmic.com'
Subject: RE: Pharmacists Mutual Ins Co - Rate/Rule Filing #IL-PHL/CSP-04-09

Heidi,

I have another question. The Rule Filing Memorandum indicates \$2MM/\$6MM limit option has been eliminated. However, it is still included on page RULES-3. Please explain.

Gayle Neuman
Division of Insurance

From: Heidi.Allen@phmic.com [mailto:Heidi.Allen@phmic.com]
Sent: Friday, May 08, 2009 3:25 PM
To: Neuman, Gayle
Subject: Re: Pharmacists Mutual Ins Co - Rate/Rule Filing #IL-PHL/CSP-04-09

Gayle,

I apologize for the delay in getting back to you on these concerns. I was out of the office for most of last week, and was unable to complete our responses until today. In the order listed in your email below:

1. I have attached a statement from our consulting actuary and a certification from our Regional VP for IL.
2. AAIS is Pharmacists Mutual's stat reporting agency.
3. Pharmacists Mutual does NOT offer any deductible plans, or scheduled rating plans for this product. We do not offer a premium payment plan on a stand-alone Individual Pharmacist Professional Liability (PHL) policy, however, if an insured also has another policy with us, we would offer payment plans on the combined premium. There are NO territorial factors used to determine the premium; our premiums are the same countrywide, have been approved in 48 jurisdictions and have not changed for over 10 years.

Please let me know if you have any further questions. Thank-you.

Heidi T. Allen, MBA, ACP
Research & Development Director
Pharmacists Mutual Insurance Company
1-800-247-5930 x - 7219
heidi.allen@phmic.com

5/12/2009

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

To <heidi.allen@phmic.com>

cc

04/23/2009 11:22 AM

Subject Pharmacists Mutual Ins Co - Rate/Rule Filing #IL-PHL/CSP-04-09

Ms. Allen,

We are in receipt of the above referenced filing submitted with your letter dated February 9, 2009. Please address the following:

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. Does Pharmacists Mutual offer any deductible plans, scheduled rating, or premium payment plans? Are there any territorial factors used to determine the premium?

We request receipt of your response by April 30, 2009.

Gayle Neuman

Property & Casualty Compliance, Division of Insurance

Illinois Department of Financial & Professional Regulation

(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Division's website at idfpr.com.

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.

5/12/2009

Neuman, Gayle

From: Heidi.Allen@phmic.com
Sent: Tuesday, May 12, 2009 3:42 PM
To: Neuman, Gayle
Subject: Re: IL-PHL/CSP-04-09
Attachments: PHL RATES-RULES 01-09.pdf; SIDE BY SIDE RATES-RULES 01-09 V 08-97.pdf

Gayle,

Now I understand. The Rate/Rule Filing Schedule correctly refers to the new manual as the 01/09 version, but I sent you a 09/06 version. This was an earlier version which captured only the College Student billing (CSP) portion of the what we are submitting now, and was filed only in those states in which we currently have existing CSPs, which does not include IL.

Attached below is the correct version of the manual as well as the correct side-by-side you should have received. The filing memorandum is correct. I apologize for the error. Please let me know if you have any further questions.

Thank-you.

Heidi T. Allen, MBA, ACP
 Research & Development Director
 Pharmacists Mutual Insurance Company
 1-800-247-5930 x - 7219
 heidi.allen@phmic.com

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

To <Heidi.Allen@phmic.com>

cc

05/12/2009 03:21 PM

Subject IL-PHL/CSP-04-09

Heidi,

Here is a copy of the filing as received. Page 9 is the update manual page that reflects the \$2MM/\$6MM limits.

Gayle Neuman
 Property & Casualty Compliance, Division of Insurance
 Illinois Department of Financial & Professional Regulation

5/13/2009

(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Division's website at idfpr.com.

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.

[attachment "PharmMutual.pdf" deleted by Heidi Allen/PMC]

Program Rules

MAY 12 2009

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

I. Program Description.

The Individual Pharmacist Professional Liability Policy provides coverage in excess of any underlying insurance which an insured is legally obligated to pay as damages because of an occurrence resulting in bodily injury, personal injury, or advertising injury to which this insurance applies, and arising out of rendering or failure to render pharmacy services.

Limited Pharmacist's License Defense Reimbursement coverage and Certified CPR Malpractice coverage is also included in the Individual Pharmacist Professional Liability Policy.

II. Eligibility

1. An Individual Pharmacist Professional Liability Policy may be issued to an individual who holds a valid license under the laws of the state where practicing pharmacy and who is:
 - a) an employed pharmacist; or
 - b) a self-employed or consultant pharmacist; or
 - c) a pharmacist who is an owner, partner or corporate officer of a pharmacy or a pharmacy related business, provided that the business maintains a business insurance policy which provides coverage for the professional liability of its pharmacists; or
 - d) a full-time instructor or staff pharmacist at an accredited college of pharmacy or pharmacy educational facility; or
 - e) an undergraduate student pharmacist who does not hold a valid license to practice pharmacy.

2. An Individual Pharmacist Professional Liability Policy may be issued under the College Student Group Billing Program providing coverage to students of an accredited school of pharmacy at a discounted group rate.

To qualify for the College Student Group Billing Program:

- a) a minimum of 35 Individual Pharmacist Professional Liability Policies must be issued to undergraduate student pharmacists within the accredited school of pharmacy; and
- b) all Individual Pharmacist Professional Liability Policies are issued with a common anniversary date; and
- c) the School agrees to provide a completed enrollment form each year for all undergraduate student pharmacists requesting coverage; and
- d) the School agrees to collect the insurance premium from each undergraduate student pharmacist and remit payment to Company upon receipt of the Group Bill.

The College Student Group Billing Program is not available for a licensed pharmacist who is attending the college of pharmacy to receive a Pharm D or Doctorate degree.

III. Term of Policy

An Individual Pharmacist Professional Liability Policy can be written for a term, not to exceed one year. The Policy may be continued for successive terms by payment of required premiums.

Program Rules

MAY 12 2009

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

IV. Limits of Liability

Professional Liability Limit -

- a) Individual Pharmacists Billing - \$1,000,000 per occurrence, \$3,000,000 aggregate;
or \$2,000,000 per occurrence, \$6,000,000 aggregate
- b) College Student Group Billing - \$1,000,000 per occurrence, \$3,000,000 aggregate only

Limited Pharmacists License Defense Reimbursement Limit - \$2,500 per incident, \$2,500 aggregate;

Certified CPR Malpractice Limit - \$50,000 per incident, \$50,000 aggregate

V. Minimum Premium

The Individual Pharmacist Professional Liability Policy is subject to a minimum premium, regardless of the policy term. The minimum premium is not subject to reduction in the event of cancellation. (Refer to Rates-1 for minimum premium)

VI. Cancellation

The Individual Pharmacist Professional Liability Policy will be canceled in accordance with the applicable state's laws. Any return premium will be computed on a pro-rata basis, subject to the minimum premium.

PHARMACISTS MUTUAL INSURANCE COMPANY
 Individual Pharmacist Professional Liability Insurance Policy

WITHDRAWN
MAY 12 2009
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Program Rules

| ANNUAL PREMIUMS | <u>1MM/3MM</u> | <u>2MM/6MM</u> |
|--|-----------------------|-----------------------|
| Employed Pharmacist | \$ 144.00 | \$ 176.00 |
| First year Graduate discount | 50% | 50% |
| Self-employed or consultant Pharmacist | | |
| 0 to 9 hours per week | \$ 144.00 | \$ 176.00 |
| 10 hours or greater, per week | \$ 375.00 | \$ 458.00 |
| First year Graduate discount | 50% | 50% |
| Owner, partner, or corporate officer Pharmacist | | |
| Business Insurance provided by PMIC..... | \$ 144.00 | \$ 176.00 |
| Business Insurance provided by another carrier | \$ 375.00 | \$ 458.00 |
| Full-time instructor or staff Pharmacist | | |
| Working up to 10 hours per week outside the college | \$ 75.00 | \$ 92.00 |
| Working 10 hours or greater per week outside the college | \$ 144.00 | \$ 176.00 |
| Undergraduate Student Pharmacist | | |
| Individual Pharmacists Billing | \$ 32.00 | |
| College Student Group Billing | \$ 16.00 | |

MINIMUM PREMIUM

| | |
|--|----------|
| Individual Pharmacists Professional Liability Policy | \$ 25.00 |
| College Student Group Billing Program | \$ 16.00 |

PHARMACISTS MUTUAL INSURANCE COMPANY
Individual Pharmacist Professional Liability Insurance Policy
Program Rules

Deleted: PHARMACISTS MUTUAL INSURANCE COMPANY¶
Individual Pharmacist Professional Liability Insurance Policy¶
Program Rules¶

Deleted: ¶
I. Program Description.¶
. The

I. Program Description.

The Individual Pharmacist Professional Liability Policy (PhL) provides coverage in excess of any underlying insurance which an insured is legally obligated to pay as damages because of an occurrence resulting in bodily injury, personal injury, or advertising injury to which this insurance applies, and arising out of rendering or failure to render pharmacy services.

Besides Professional Liability coverage the policy also includes Limited Pharmacist's License Defense Reimbursement coverage, Certified CPR Malpractice coverage and in the Student Professional Liability Master Policy there is Violent Assault Protection Coverage.

Deleted: and

Deleted: is also included

Deleted: Individual Pharmacist Professional Liability Policy.

Deleted: ¶
II. Eligibility¶
1. An Individual Pharmacist

Deleted: holds

Deleted: state where practicing pharmacy and who is:

Deleted: <#>an employed pharmacist; or ¶
<#>a self-employed or consultant pharmacist; or ¶
<#>a pharmacist who is an owner, partner or corporate officer of a pharmacy or a pharmacy related business, provided that the business maintains a business insurance policy which provides coverage for the professional liability of its pharmacists; or¶
a

II. Eligibility

1. A PhL may be issued to an individual who is either:

- (a) a person holding a valid license, certificate or registration under the laws of the state where that person practices as a pharmacist; (Any applicant applying for coverage in the 1st year following date of graduation is eligible for a 50% discount for the first year) or
- (b) A person who is a full-time instructor or staff pharmacist at an accredited college of pharmacy or pharmacy educational facility who is not employed as a full time pharmacist elsewhere.
- (c) a person who is a pharmacy student and has not yet passed the State Boards.
- (d) A pharmacist who is an owner, partner or corporate officer of a pharmacy or a pharmacy related business if they can produce evidence of a business policy that also provides business professional liability for that person.
- (e) A person who is a self employed/consultant pharmacist. The premium charge will depend on the number of consulting hours per week. See rate page for charges.

Deleted: attending the college of pharmacy to receive a Pharm D or Doctorate degree.

Deleted: . An Individual Pharmacist Professional Liability Policy can be

Deleted: a term, not to exceed

Deleted: Policy

Deleted: payment

Deleted: Professional Liability Limit -

Deleted: a) Individual Pharmacists Billing

Deleted: b) College Student Group Billing - \$1,000,000 per occurrence, \$3,000,000 aggregate only¶
Limited Pharmacists

Deleted: Reimbursement Limit

Deleted: incident, \$2,

Deleted: Certified

Deleted: Limit

Deleted: 09/01/2006

III. Term of Policy

A PhL will be written for one year. The PhL may be continued for successive terms by payments of required premiums.

IV. Limits of Liability

PHL

Professional Liability - \$1,000,000 per occurrence/\$3,000,000 aggregate
\$2,000,000 per occurrence/\$6,000,000 aggregate
License Defense - \$2,500 per occurrence/\$2,500 aggregate
CPR Malpractice - \$50,000 per incident/\$50,000 aggregate

STUDENT MASTER POLICY (Limits are per pharmacy student)

Professional Liability - \$1,000,000 per occurrence/\$3,000,000 aggregate
\$2,000,000 per occurrence/\$6,000,000 aggregate
License Defense - \$500 per occurrence/\$500 aggregate
CPR Malpractice - \$1,000 per incident/\$1,000 aggregate
Violent Assault - \$1,000 per incident/\$1,000 aggregate

WITHDRAWN

MAY 12 2009

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Deleted: PHARMACISTS MUTUAL INSURANCE COMPANY¶
Individual Pharmacist Professional Liability Insurance Policy¶
Program Rules¶

V. Minimum Premium

A minimum premium charge shall be made for each PhL. The minimum premium charge is not subject to reduction even in the event of cancellation or short term policy. (See rate page for minimum premium)

Deleted: The Individual Pharmacist Professional Liability Policy is subject to a minimum premium, regardless of the policy term.

Deleted: . (Refer to Rates-1)

VI. Cancellation

The PhL will be canceled in accordance with the applicable state's laws. Any return premium will be computed pro rata.

Deleted: Individual Pharmacist Professional Liability Policy

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Deleted: basis, subject to the minimum premium

VII. Master Student/College Professional Liability

For a school of pharmacy, a master policy can be issued to cover all of the students enrolled in the pharmacy program plus, as additional insured the school of pharmacy (this is not optional, the school must be additional insured). The coverage should be offered by the school to all students however enrollment for coverage under the policy is optional to the student.

Deleted: ANNUAL PREMIUMS
1MM/3MM . 2MM/6MM¶
Employed

Deleted: 09/01/2006

PMIC

RULES-2

8/1/97

WITHDRAWN

MAY 12 2009

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

Deleted: PHARMACISTS MUTUAL INSURANCE COMPANY
 Individual Pharmacist Professional Liability Insurance Policy
 Program Rules

PHARMACISTS MUTUAL INSURANCE COMPANY
Individual Pharmacist Professional Liability Insurance Policy

Limits of Liability

\$1,000,000 per occurrence or \$2,000,000 per occurrence
 \$3,000,000 aggregate \$6,000,000 aggregate

ANNUAL PREMIUMS

| | 1/3 | 2/6 |
|---|-----------|-----------|
| Employed Pharmacists and Interns..... | \$144.00* | \$176.00* |
| Self employed/consultant Pharmacist (0 to 9 hours per week)..... | \$144.00* | \$176.00* |
| Self employed/consultant Pharmacist (10 to 20 hours per week)... | \$375.00* | \$458.00* |
| Pharmacy Undergraduate Students..... | \$32.00 | \$40.00 |
| Owner, partner, corporate officer with primary insurance or other registered pharmacist with evidence of business professional liability insurance or other unusual situations..... | \$375.00 | \$458.00 |
| Instructors or staff pharmacists at an accredited college of pharmacy or pharmacy educational facility who is not employed as a full time pharmacist elsewhere..... | \$75.00 | \$92.00 |
| Minimum premium..... | \$25.00 | \$25.00 |

*Any applicant applying for coverage in the first year following date of graduation may qualify for a 50% discount.

Pharmacy Student Professional Liability Master Policy

| | 1/3 | 2/6 |
|---|---------|---------|
| Per enrolled Pharmacy student..... | \$16.00 | \$20.00 |
| All other "non-intern/extern" students - per student..... | \$10.00 | \$12.00 |

College of Pharmacy will be added as additional insured for 15% of total student premium (not an optional charge)

The Master policy can be written for any number of students subject to \$500 annual minimum premium.

Deleted: \$ 144.00
 \$ 176.00
 First year Graduate discount

 50% 50%
 Self-employed or consultant Pharmacist
 0 to 9 hours per week

 ...\$ 144.00 \$ 176.00
 10 hours or greater, per week
\$
 375.00 \$ 458.00
 First year Graduate discount

 50% 50%
 Owner, partner, or corporate officer Pharmacist
 Business Insurance provided by PMIC.....
 144.00 \$ 176.00
 Business Insurance provided by another carrier
 375.00 \$ 458.00
 Full-time instructor or staff Pharmacist
 Working up to 10 hours per week outside the college
 75.00 \$ 92.00
 Working 10 hours or greater per week outside the college \$ 144.00
 \$ 176.00
 Undergraduate Student Pharmacist Individual Pharmacists Billing \$
 32.00
 College Student Group Billing \$
 16.00
 ¶
 ¶
MINIMUM PREMIUM
 Individual Pharmacists

Deleted: \$ 25.00

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WITHDRAWN

MAY 12 2009

STATE OF ILLINOIS
 DEPARTMENT OF INSURANCE
 SPRINGFIELD, ILLINOIS

Neuman, Gayle

From: Heidi.Allen@phmic.com
Sent: Wednesday, May 13, 2009 12:03 PM
To: Neuman, Gayle
Subject: RE: IL-PHL/CSP-04-09
Attachments: PHL Rates-Rules side-by-side 0897 vs 0109.docx

Gayle,

No, this policy has always provided coverage over any underlying insurance, although perhaps the term "secondary" is more accurate than "excess." We are providing additional insurance to an individual over any business insurance that would cover him or her.

Both our policy language and manual have stated that in some way. I have reviewed the side-by-side Rules document I provided you yesterday, which was auto generated by Adobe Acrobat, and see that some of the earlier wording is not completely addressed. I have attached a Word comparison which provides a better review of the rules wording, although the rate section is messy.

Hopefully this is clearer.

Heidi T. Allen, MBA, ACP
Research & Development Director
Pharmacists Mutual Insurance Company
1-800-247-5930 x - 7219
heidi.allen@phmic.com

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

To <Heidi.Allen@phmic.com>

cc

05/13/2009 11:01 AM

Subject RE: IL-PHL/CSP-04-09

Heidi,

I just want to make sure I understand this right. So, Pharmacists Mutual just started writing excess only as of April 1, 2009? I don't see where "excess" was mentioned in the previous manual pages.

5/13/2009

Gayle Neuman
Division of Insurance

From: Heidi.Allen@phmic.com [mailto:Heidi.Allen@phmic.com]
Sent: Wednesday, May 13, 2009 10:44 AM
To: Neuman, Gayle
Subject: Re: IL-PHL/CSP-04-09

Hi, Gayle,

Our policy is designed to be an excess policy. There are times, however, when coverage under our policy turns out to be primary, since we cannot verify that an individual pharmacist's employer carries either adequate or any pharmacy professional liability coverage on his/her business. If it exists, the Businessowners coverage would be primary.

Yes, the manual I sent you yesterday is a revised version of the prior approved manual and replaces it in its entirety.

Heidi T. Allen, MBA, ACP
Research & Development Director
Pharmacists Mutual Insurance Company
1-800-247-5930 x -- 7219
heidi.allen@phmic.com

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

05/13/2009 10:30 AM

To <Heidi.Allen@phmic.com>

cc

Subject IL-PHL/CSP-04-09

Heidi,

Please clarify for me that the entire filing refers to excess coverage. And is the coverage to replace all of the existing rate/rule manual?

Gayle Neuman
Property & Casualty Compliance, Division of Insurance

5/13/2009

Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Division's website at idfpr.com.

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.

PHARMACISTS MUTUAL INSURANCE COMPANY
Individual Pharmacist Professional Liability
Insurance Policy Program

I. Program Description

The Individual Pharmacist Professional Liability Insurance Policy provides coverage on an excess basis for damages which an insured is legally obligated to pay because of an occurrence. The occurrence must result in bodily injury, property damage, or personal and advertising injury arising out of the rendering or failure to render pharmacy services.

The following are also included in the Individual Pharmacist Professional Liability Insurance Policy:

- a. Limited Pharmacist's License Defense Reimbursement provides reimbursement for legal fees incurred, arising out of an insured's rendering or failure to render pharmacy services. Reimbursement is subject to the conditions as set forth in the policy and applies in excess of a \$500 deductible per incident; and
- b. Certified CPR Coverage provides coverage on an excess basis for damages which an insured becomes legally obligated to pay due to bodily injury or property damage arising out of performing cardio-pulmonary resuscitation (CPR), but only if certified for CPR.

II. Eligibility

An Individual Pharmacist Professional Liability Insurance Policy may be issued to an individual who:

- a. holds a valid license to practice pharmacy; or
- b. is an undergraduate pharmacy student or graduate who does not hold a valid license to practice pharmacy.

III. College Student Group Billing Program

An Individual Pharmacist Professional Liability Insurance Policy may be issued under the College Student Group Billing Program providing coverage to students of an accredited school of pharmacy at a discounted group rate.

To qualify for the College Student Group Billing Program:

- a. a minimum of 35 Individual Pharmacist Professional Liability Insurance Policies must be issued to undergraduate pharmacy students within the accredited school of pharmacy; and
- b. all Individual Pharmacist Professional Liability Insurance Policies are issued with a common anniversary date; and
- c. the school agrees to:
 - 1) provide a completed enrollment form for all undergraduate pharmacy students requesting coverage; and
 - 2) remit the insurance premium for each undergraduate pharmacy student to Company upon receipt of the Group Bill.

The College Student Group Billing Program is not available to a licensed pharmacist who is attending a school of pharmacy.

Deleted: PHARMACISTS MUTUAL INSURANCE COMPANY¶ Individual Pharmacist Professional Liability Insurance Policy¶ Program Rules¶

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Deleted: of any underlying insurance

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Deleted: ¶ Besides Professional Liability coverage the policy

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Deleted: . Defense Reimbursement coverage, Certified CPR Malpractice coverage and in the Student¶ Professional Liability Master Policy there is Violent Assault Protection Coverage.¶

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Deleted: PMIC RULES-

Deleted: 8/1/97

PHARMACIS MUTUAL INSURANCE COMPANY
Individual Pharmacist Professional Liability
Insurance Policy Program

IV. Term of Policy

An Individual Pharmacist Professional Liability Insurance Policy can be written for a term not to exceed one year. The Policy may be continued for successive terms by payment of the required premiums.

V. Limits of Liability

| Coverage | Per Occurrence | Aggregate |
|-------------------------------------|----------------|-------------|
| Professional Liability | \$1,000,000 | \$3,000,000 |
| Limited Pharmacist's License | | |
| Defense Reimbursement | \$ 10,000 | \$ 10,000 |
| Certified CPR | \$ 50,000 | \$ 50,000 |

VI. Minimum Premium

The Individual Pharmacist Professional Liability Insurance Policy is subject to a minimum premium, regardless of the policy term. The minimum premium is not subject to reduction in the event of cancellation.

| | |
|---|----------|
| Individual Pharmacist Professional Liability Insurance Policy | \$ 25.00 |
| College Student Group Billing Program | \$ 16.00 |

NOTE: The \$25.00 minimum premium does not apply when the policy term is changed to coordinate with the renewal date of another Pharmacists Mutual Insurance policy.

VII. Cancellation

The Individual Pharmacist Professional Liability Insurance Policy, canceled by either the insured or the company, must be canceled in accordance with the terms of the cancellation provisions that apply. The return premium, if any, is computed on a pro rata basis, subject to the minimum premium.

Deleted: :

VIII. Rating Classifications

To be eligible for a rating classification, the applicant must meet the qualifications for the Classification.

A volunteer pharmacist working without pay does not affect the Rating Classification.

1 - Employed Pharmacist

- a. provides pharmacy services for a pharmacy operation;
- b. receives an IRS Form W-2 Wage and Tax Statement for wages earned;
- c. is not an owner or partner of a pharmacy or pharmacy-related business;
- d. works less than 10 hours per week as a self-employed pharmacist; and
- e. may work as a volunteer pharmacist without pay.

Deleted: a person holding a valid license, certificate or registration under the laws of the [] state where that person practices as a pharmacist ; (Any applicant applying for [] coverage in the 1st year following date of graduation is eligible for a 50% [] discount

Deleted: the first year)

Deleted: A person who is a full-time

Refer to Self-employed Pharmacist classification for an Employed Pharmacist who works 10 hours or more per week as a self-employed pharmacist.

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Deleted: 8/1/97

PHARMACISTS MUTUAL INSURANCE COMPANY
Individual Pharmacist Professional Liability
Insurance Policy Program

2 - Self-employed Pharmacist - includes relief (independent contractor) or consultant RPh

- a. provides pharmacy services for a pharmacy operation;
- b. receives an IRS Form 1099-MISC for pharmacy services provided; and
- c. is not an owner or partner of a pharmacy or pharmacy-related business other than a sole-proprietor of a relief (independent contractor) or consultant pharmacist business.

3 - Owner or Partner

- a. provides pharmacy services for a pharmacy operation; and
- b. is also an owner or partner of a pharmacy or pharmacy-related business other than a sole-proprietor of a relief (independent contractor) or consultant pharmacist business.

4 - Instructor

- a. works as an instructor at an accredited school of pharmacy or pharmacy educational facility, and
- b. works less than 10 hours per week outside the classroom as an employed or self-employed pharmacist.

Refer to Employed Pharmacist or Self-employed Pharmacist classification for an Instructor who works 10 hours or more per week outside the classroom.

5 - Pharmacy Student or Intern

- a. a non-licensed pharmacist working on a pharmacy degree; or
- b. a graduate from a school of pharmacy who has not yet received a pharmacy license.

Refer to Employed Pharmacist or Self-employed Pharmacist classification for a licensed pharmacist who is attending a school of pharmacy for an advanced pharmacy degree.

IX. ANNUAL PREMIUMS

| Rating Classifications | Premium |
|--------------------------------------|-----------|
| 1 - Employed Pharmacist | \$ 144.00 |
| First year graduate discount | 50% |
| 2 - Self-employed Pharmacist | \$ 375.00 |
| First year graduate discount | 50% |
| 3 - Owner or Partner | |
| Business Insurance provided by PhMIC | \$ 144.00 |
| First year graduate discount | 50% |
| 4 - Instructor | \$ 75.00 |
| 5 - Pharmacy Student or Intern | |
| Individual Billing | \$ 32.00 |
| College Student Group Billing | \$ 16.00 |

A first year graduate discount applies in the year following graduation. This is a one-time discount available to the following Rating Classifications: Employed Pharmacist, Self-employed Pharmacist, and Owner or Partner.

- Deleted:** or staff pharmacist
- Deleted:** college
- Deleted:** ¶
- Deleted:** who is not employed as a full time pharmacist
- Deleted:** elsewhere. ¶
a person who is a pharmacy student and
- Deleted:** passed the State Boards
- Deleted:** A
- Deleted:** an owner, partner or corporate officer of a pharmacy or a pharmacy related business if they can produce evidence of a business policy that also provides business professional liability for that person. ¶
A person who is a self employed/consultant pharmacist. The premium charge will depend on the number of consulting hours per week. See rate page for charges. ¶
- ¶ Term of Policy ¶
A PhL will be written for one year ... [1]
- Deleted:** , a master policy can be issued to cover all of the students
- Deleted:** enrolled in the pharmacy program plus, as additional insured ... [2]
- Deleted:**
- Deleted:** /3 2/6 ¶
- Deleted:** Pharmacists and Interns \$
- Deleted:** * \$176.00*
- Deleted:**
- Deleted:** /consultant Pharmacist (0 to 9 hours per week).....\$144.00* ... [3]
- Deleted:** (10 to 20 hours per week)...\$375.00* \$458.00*
- Deleted:** Pharmacy Undergraduate Students..... [4]
- Deleted:** following date of graduation may qualify for a 50%
- Deleted:** .
- Deleted:** ¶
- Deleted:** Professional Liability Master Policy
- Deleted:** ¶
1/3 2/6 ¶ ... [5]
- Deleted:** PMIC RULES-
- Deleted:** 8/1/97

an owner, partner or corporate officer of a pharmacy or a pharmacy related business if they can produce evidence of a business policy that also provides business professional liability for that person.

A person who is a self employed/consultant pharmacist. The premium charge will depend on the number of consulting hours per week. See rate page for charges.

Term of Policy

A PhL will be written for one year. The PhL may be continued for successive terms by payments of required premiums.

Limits of Liability

PHL

Professional Liability - \$1,000,000 per occurrence/\$3,000,000 aggregate

\$2,000,000 per occurrence/\$6,000,000 aggregate

License Defense - \$2,500 per occurrence/\$2,500 aggregate

CPR Malpractice - \$50,000 per incident/\$50,000 aggregate

STUDENT MASTER POLICY (Limits are per pharmacy student)

Professional Liability - \$1,000,000 per occurrence/\$3,000,000 aggregate

\$2,000,000 per occurrence/\$6,000,000 aggregate

License Defense - \$500 per occurrence/\$500 aggregate

CPR Malpractice - \$1,000 per incident/\$1,000 aggregate

Violent Assault - \$1,000 per incident/\$1,000 aggregate

Minimum Premium

A minimum premium charge shall be made for each PhL. The minimum premium charge is not subject to reduction even in the event of cancellation or short term policy. (See rate page for minimum premium)

Cancellation

The PhL will be canceled in accordance with the applicable state's laws. Any return premium will be computed pro rata.

Master Student/College Professional Liability

For

Page 3: [2] Deleted

Pharmacists Mutual Insurance

5/13/2009 11:52:00 AM

enrolled in the pharmacy program plus, as additional insured the school of pharmacy (this is not optional, the school must be additional insured). The coverage should be offered by the school to all students however enrollment for coverage under the policy is optional to the student.

PHARMACISTS MUTUAL INSURANCE COMPANY
Individual Pharmacist Professional Liability Insurance Policy

Limits of Liability

| | | |
|----------------------------|----|----------------------------|
| \$1,000,000 per occurrence | or | \$2,000,000 per occurrence |
| \$3,000,000 aggregate | | \$6,000,000 aggregate |

Page 3: [3] Deleted Pharmacists Mutual Insurance 5/13/2009 11:52:00 AM

/consultant Pharmacist (0 to 9 hours per week).....\$144.00* \$176.00*

Self employed/consultant

Page 3: [4] Deleted Pharmacists Mutual Insurance 5/13/2009 11:52:00 AM

Pharmacy Undergraduate Students..... \$32.00
 \$40.00
 Owner, partner, corporate officer with primary insurance or
 other registered pharmacist with evidence of business
 professional liability insurance or other unusual situations.....\$375.00
 \$458.00
 Instructors or staff pharmacists at an accredited college of
 pharmacy or pharmacy educational facility who is not
 employed as a full time pharmacist elsewhere.....\$75.00
 \$92.00
 Minimum premium..... \$25.00
 \$25.00

*Any applicant applying for coverage in the

Page 3: [5] Deleted Pharmacists Mutual Insurance 5/13/2009 11:52:00 AM

| | | |
|--|--|------------|
| 1/3 | | 2/6 |
| Per enrolled Pharmacy student.....\$16.00 | | \$20.00 |
| All other "non-intern/extern" students - per student.....\$10.00 | | \$12.00 |

College of Pharmacy will be added as additional insured for 15% of total student premium (not an optional charge)

The Master policy can be written for any number of students subject to \$500 annual minimum premium.

PHARMACISTS MUTUAL INSURANCE COMPANY
Individual Pharmacist Professional Liability
Insurance Policy Program

I. Program Description

The Individual Pharmacist Professional Liability Insurance Policy provides coverage on an excess basis for damages which an insured is legally obligated to pay because of an occurrence. The occurrence must result in bodily injury, property damage, or personal and advertising injury arising out of the rendering or failure to render pharmacy services.

The following are also included in the Individual Pharmacist Professional Liability Insurance Policy:

- a. Limited Pharmacist's License Defense Reimbursement provides reimbursement for legal fees incurred, arising out of an insured's rendering or failure to render pharmacy services. Reimbursement is subject to the conditions as set forth in the policy and applies in excess of a \$500 deductible per incident; and
- b. Certified CPR Coverage provides coverage on an excess basis for damages which an insured becomes legally obligated to pay due to bodily injury or property damage arising out of performing cardio-pulmonary resuscitation (CPR), but only if certified for CPR.

II. Eligibility

An Individual Pharmacist Professional Liability Insurance Policy may be issued to an individual who:

- a. holds a valid license to practice pharmacy; or
- b. is an undergraduate pharmacy student or graduate who does not hold a valid license to practice pharmacy.

III. College Student Group Billing Program

An Individual Pharmacist Professional Liability Insurance Policy may be issued under the College Student Group Billing Program providing coverage to students of an accredited school of pharmacy at a discounted group rate.

To qualify for the College Student Group Billing Program:

- a. a minimum of 35 Individual Pharmacist Professional Liability Insurance Policies must be issued to undergraduate pharmacy students within the accredited school of pharmacy; and
- b. all Individual Pharmacist Professional Liability Insurance Policies are issued with a common anniversary date; and
- c. the school agrees to:
 - 1) provide a completed enrollment form for all undergraduate pharmacy students requesting coverage; and
 - 2) remit the insurance premium for each undergraduate pharmacy student to Company upon receipt of the Group Bill.

The College Student Group Billing Program is not available to a licensed pharmacist who is attending a school of pharmacy.

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Limits of Liability¶
 \$1,000,000 per occurrence or \$2,000,000 per occurrence¶
 \$3,000,000 aggregate \$6,000,000 aggregate¶

ANNUAL PREMIUMS¶

| | | |
|---|-----------|------------|
| | 1/3 | 2/6 |
| Employed Pharmacists and Interns..... | \$176.00* | \$176.00* |
| Self employed/consultant Pharmacist (0 to 9 hours per week)..... | \$144.00* | \$176.00*¶ |
| Self employed/consultant Pharmacist (10 to 20 hours per week)..... | \$375.00* | \$458.00*¶ |
| Pharmacy Undergraduate Students..... | \$32.00 | \$40.00¶ |
| Owner, partner, corporate officer with primary insurance or other registered pharmacist with evidence of business professional liability insurance or other unusual situations..... | \$375.00 | \$458.00¶ |
| Instructors or staff pharmacists at an accredited college of pharmacy or pharmacy educational facility who is not employed as a full time pharmacist elsewhere..... | \$75.00 | \$92.00¶ |
| Minimum premium..... | \$25.00 | \$25.00¶ |

*Any applicant applying for

Deleted: in the first year following date of graduation may qualify for a 50% discount.

Deleted: ¶
 ¶
 Pharmacy Student

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| | | |
|---|---------|----------|
| | 1/3 | 2/6 |
| Per enrolled Pharmacy student..... | \$16.00 | \$20.00¶ |
| All other "non-intern/extern" students - per student..... | \$10.00 | \$12.00¶ |

¶
 College of Pharmacy will be added ... [1]

Deleted: PMIC RATES-1 8/1/97

PHARMACISTS MUTUAL INSURANCE COMPANY
Individual Pharmacist Professional Liability
Insurance Policy Program

IV. Term of Policy

An Individual Pharmacist Professional Liability Insurance Policy can be written for a term not to exceed one year. The Policy may be continued for successive terms by payment of the required premiums.

V. Limits of Liability

| Coverage | Per Occurrence | Aggregate |
|---|----------------|-------------|
| Professional Liability | \$1,000,000 | \$3,000,000 |
| Limited Pharmacist's License Defense Reimbursement | \$ 10,000 | \$ 10,000 |
| Certified CPR | \$ 50,000 | \$ 50,000 |

VI. Minimum Premium

The Individual Pharmacist Professional Liability Insurance Policy is subject to a minimum premium, regardless of the policy term. The minimum premium is not subject to reduction in the event of cancellation.

| | |
|---|----------|
| Individual Pharmacist Professional Liability Insurance Policy | \$ 25.00 |
| College Student Group Billing Program | \$ 16.00 |

NOTE: The \$25.00 minimum premium does not apply when the policy term is changed to coordinate with the renewal date of another Pharmacists Mutual Insurance policy.

VII. Cancellation

The Individual Pharmacist Professional Liability Insurance Policy, canceled by either the insured or the company, must be canceled in accordance with the terms of the cancellation provisions that apply. The return premium, if any, is computed on a pro rata basis, subject to the minimum premium.

VIII. Rating Classifications

To be eligible for a rating classification, the applicant must meet the qualifications for the Classification.

A volunteer pharmacist working without pay does not affect the Rating Classification.

1 - Employed Pharmacist

- a. provides pharmacy services for a pharmacy operation;
- b. receives an IRS Form W-2 Wage and Tax Statement for wages earned;
- c. is not an owner or partner of a pharmacy or pharmacy-related business;
- d. works less than 10 hours per week as a self-employed pharmacist; and
- e. may work as a volunteer pharmacist without pay.

Refer to Self-employed Pharmacist classification for an Employed Pharmacist who works 10 hours or more per week as a self-employed pharmacist.

Deleted: PMIC RATES-1 . 8/1/97

PHARMACISTS MUTUAL INSURANCE COMPANY
Individual Pharmacist Professional Liability
Insurance Policy Program

2 - Self-employed Pharmacist - includes relief (independent contractor) or consultant RPh

- a. provides pharmacy services for a pharmacy operation;
- b. receives an IRS Form 1099-MISC for pharmacy services provided; and
- c. is not an owner or partner of a pharmacy or pharmacy-related business other than a sole-proprietor of a relief (independent contractor) or consultant pharmacist business.

3 - Owner or Partner

- a. provides pharmacy services for a pharmacy operation; and
- b. is also an owner or partner of a pharmacy or pharmacy-related business other than a sole-proprietor of a relief (independent contractor) or consultant pharmacist business.

4 - Instructor

- a. works as an instructor at an accredited school of pharmacy or pharmacy educational facility; and
- b. works less than 10 hours per week outside the classroom as an employed or self-employed pharmacist.

Refer to Employed Pharmacist or Self-employed Pharmacist classification for an Instructor who works 10 hours or more per week outside the classroom.

5 - Pharmacy Student or Intern

- a. a non-licensed pharmacist working on a pharmacy degree; or
- b. a graduate from a school of pharmacy who has not yet received a pharmacy license.

Refer to Employed Pharmacist or Self-employed Pharmacist classification for a licensed pharmacist who is attending a school of pharmacy for an advanced pharmacy degree.

IX. ANNUAL PREMIUMS

| Rating Classifications | Premium |
|--------------------------------------|----------------|
| 1 - Employed Pharmacist | \$ 144.00 |
| First year graduate discount | 50% |
| 2 - Self-employed Pharmacist | \$ 375.00 |
| First year graduate discount | 50% |
| 3 - Owner or Partner | |
| Business Insurance provided by PhMIC | \$ 144.00 |
| First year graduate discount | 50% |
| 4 - Instructor | \$ 75.00 |
| 5 - Pharmacy Student or Intern | |
| Individual Billing | \$ 32.00 |
| College Student Group Billing | \$ 16.00 |

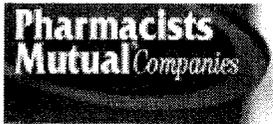
A first year graduate discount applies in the year following graduation. This is a one-time discount available to the following Rating Classifications: Employed Pharmacist, Self-employed Pharmacist, and Owner or Partner.

Deleted: PMIC RATES-I 8/1/97

| | 1/3 | 2/6 |
|---|------------|------------|
| Per enrolled Pharmacy student..... | \$16.00 | \$20.00 |
| All other "non-intern/extern" students - per student..... | \$10.00 | \$12.00 |

College of Pharmacy will be added as additional insured for 15% of total student premium (not an optional charge)

The Master policy can be written for any number of students subject to \$500 annual minimum premium.

**Secured Message**[Reply](#) [ReplyAll](#) [Forward](#)

From: Heidi.Allen@phmic.com
To: "Neuman Gayle" <Gayle.Neuman@illinois.gov>
CC: "Gatlin John" <John.Gatlin@illinois.gov>
Date: Fri, 22 May 2009 12:22:44 -0500
Subject: RE: IL-PHL/CSP-04-09
Attachments: [PHL Program Description Comparison.doc](#)

Gayle,

I have attached a new doc that shows, for the first section of the manual, the old vs. new versions side-by-side in a columnar format to show that our wording has always included the term "excess." In the past, the policy language and the manual language have both been: "excess over any underlying insurance," although we recognize that there will not always be underlying insurance. The policy language has remained the same; you reviewed/approved our most recent edition of policy form PMPHL196 0109 in SERFF filing PHAR-126106439. This is not a new program; Pharmacists Mutual has always filed, and always reported, premiums and losses for this line under A/S line 11, treating it as med mal, not excess. We report this program this way in 48 jurisdictions to date. With the exception of eliminating the \$2MM/\$6MM limit option, our manual revisions were meant to clarify language and program rules, not to change them.

Pharmacy professional liability coverage works a bit differently than physician's med mal. Pharmacy professional liability coverage is available under a BOP, but this business level of coverage rarely exists anymore for physicians because doctors rarely own their own practices; only individual med mal coverage is available. A BOP could provide pharmacy professional liability coverage for the business as well as for mistakes made by the business's pharmacists and pharmacy techs, but it would not cover the pharmacist as an individual. That is the coverage our policy provides.

Hopefully this explanation gives you a better understanding of our program. Please let me know if you have any further questions.

Heidi T. Allen, MBA, ACP
Research & Development Director
Pharmacists Mutual Insurance Company
1-800-247-5930 x - 7219
heidi.allen@phmic.com

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

To

05/14/2009 08:04 AM

<Heidi.Allen@phmic.com>

cc "Gatlin, John" <John.Gatlin@illinois.gov>

Subject RE: IL-PHL/CSP-04-09

Heidi,

I don't see where in the previously filed manual pages that "excess" is mentioned. And now, by the Program Description on page 1 of this submission, the new manual pages seem to only reflect "excess". Technically, excess medical malpractice rates don't have to be filed – but that ONLY applies to excess. If you are writing an entirely different product at this point, you would have been required to give us 90 days notice before terminating coverage. Unfortunately, I am having a difficult time understanding exactly what Pharmacists Mutual is doing. The terms "secondary" and "excess" do not imply the same type of coverage. Please provide any clarification available.

Gayle Neuman
Division of Insurance

From: Heidi.Allen@phmic.com [mailto:Heidi.Allen@phmic.com]
Sent: Wednesday, May 13, 2009 12:03 PM
To: Neuman, Gayle
Subject: RE: IL-PHL/CSP-04-09

Gayle,

No, this policy has always provided coverage over any underlying insurance, although perhaps the term "secondary" is more accurate than "excess." We are providing additional insurance to an individual over any business insurance that would cover him or her.

Both our policy language and manual have stated that in some way. I have reviewed the side-by-side Rules document I provided you yesterday, which was auto generated by Adobe Acrobat, and see that some of the earlier wording is not completely addressed. I have attached a Word comparison which provides a better review of the rules wording, although the rate section is messy.

Hopefully this is clearer.

Heidi T. Allen, MBA, ACP
Research & Development Director
Pharmacists Mutual Insurance Company
1-800-247-5930 x – 7219
heidi.allen@phmic.com

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

05/13/2009 11:01 AM

To <Heidi.Allen@phmic.com>

cc

Subject RE: IL-PHL/CSP-04-09

Heidi,

I just want to make sure I understand this right. So, Pharmacists Mutual just started writing excess only as of April 1, 2009? I don't see where "excess" was mentioned in the previous manual pages.

Gayle Neuman
Division of Insurance

From: Heidi.Allen@phmic.com [mailto:Heidi.Allen@phmic.com]
Sent: Wednesday, May 13, 2009 10:44 AM
To: Neuman, Gayle
Subject: Re: IL-PHL/CSP-04-09

Hi, Gayle,

Our policy is designed to be an excess policy. There are times, however, when coverage under our policy turns out to be primary, since we cannot verify that an individual pharmacist's employer carries either adequate or any pharmacy professional liability coverage on his/her business. If it exists, the Businessowners coverage would be primary.

Yes, the manual I sent you yesterday is a revised version of the prior approved manual and replaces it in its entirety.

Heidi T. Allen, MBA, ACP
Research & Development Director
Pharmacists Mutual Insurance Company
1-800-247-5930 x-7219
heidi.allen@phmic.com

"Neuman, Gayle" <Gayle.Neuman@illinois.gov>

05/13/2009 10:30 AM

To <Heidi.Allen@phmic.com>

cc

Subject IL-PHL/CSP-04-09

Heidi,

Please clarify for me that the entire filing refers to excess coverage. And is the coverage to replace all of the existing rate/rule manual?

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

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[Reply](#) [ReplyAll](#) [Forward](#)

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Individual Pharmacist Professional Liability Insurance Policy Program

Program Rules - 01/09

I. Program Description

The Individual Pharmacist Professional Liability Insurance Policy provides coverage on an excess basis for damages which an insured is legally obligated to pay because of an occurrence. The occurrence must result in bodily injury, property damage, or personal and advertising injury arising out of the rendering or failure to render pharmacy services.

The following are also included in the Individual Pharmacist Professional Liability Insurance Policy:

- a. Limited Pharmacist's License Defense Reimbursement provides reimbursement for legal fees incurred, arising out of an insured's rendering or failure to render pharmacy services. Reimbursement is subject to the conditions as set forth in the policy and applies in excess of a \$500 deductible per incident; and
- b. Certified CPR Coverage provides coverage on an excess basis for damages which an insured becomes legally obligated to pay due to bodily injury or property damage arising out of performing cardio-pulmonary resuscitation (CPR), but only if certified for CPR.

Program Rules – 08/97

I. Program Description.

The Individual Pharmacist Professional Liability Policy (PhL) provides coverage in excess of any underlying insurance which an insured is legally obligated to pay as damages because of an occurrence resulting in bodily injury, personal injury, or advertising injury to which this insurance applies, and arising out of rendering or failure to render pharmacy services.

Besides Professional Liability coverage the policy also includes Limited Pharmacist's License Defense Reimbursement coverage, Certified CPR Malpractice coverage and in the Student Professional Liability Master Policy there is Violent Assault Protection Coverage.

Individual Pharmacist Professional Liability Insurance Policy Program

II. Eligibility

An Individual Pharmacist Professional Liability Insurance Policy may be issued to an individual who:

- a. holds a valid license to practice pharmacy; or
- b. is an undergraduate pharmacy student or graduate who does not hold a valid license to practice pharmacy.

III. College Student Group Billing Program

PHARMACISTS MUTUAL INSURANCE COMPANY

Individual Pharmacist Professional Liability Insurance Policy Program

An Individual Pharmacist Professional Liability Insurance Policy may be issued under the College Student Group Billing Program providing coverage to students of an accredited school of pharmacy at a discounted group rate.

To qualify for the College Student Group Billing Program:

- a. a minimum of 35 Individual Pharmacist Professional Liability Insurance Policies must be issued to undergraduate pharmacy students within the accredited school of pharmacy; and
- b. all Individual Pharmacist Professional Liability Insurance Policies are issued with a common anniversary date; and
- c. the school agrees to:
 - 1) provide a completed enrollment form for all undergraduate pharmacy students requesting coverage; and
 - 2) remit the insurance premium for each undergraduate pharmacy student to Company upon receipt of the Group Bill.

The College Student Group Billing Program is not available to a licensed pharmacist who is attending a school of pharmacy.

PHARMACISTS MUTUAL INSURANCE COMPANY

**Individual Pharmacist Professional Liability
Insurance Policy Program**

IV. Term of Policy

An Individual Pharmacist Professional Liability Insurance Policy can be written for a term not to exceed one year. The Policy may be continued for successive terms by payment of the required premiums.

- a. provides pharmacy services for a pharmacy operation;
- b. receives an IRS Form W-2 Wage and Tax Statement for wages earned;
- c. is not an owner or partner of a pharmacy or pharmacy-related business;
- d. works less than 10 hours per week as a self-employed pharmacist; and
- e. may work as a volunteer pharmacist without pay.

V. Limits of Liability

| <u>Coverage</u> | <u>Per Occurrence</u> | <u>Aggregate</u> |
|--|-----------------------|------------------|
| Professional Liability | \$1,000,000 | \$3,000,000 |
| Limited Pharmacist's License Defense Reimbursement | \$ 10,000 | \$ 10,000 |
| Certified CPR | \$ 50,000 | \$ 50,000 |

Refer to Self-Employed Pharmacist classification for an Employed Pharmacist who works 10 hours or more per week as a self-employed pharmacist.

VI. Minimum Premium

The Individual Pharmacist Professional Liability Insurance Policy is subject to a minimum premium, regardless of the policy term. The minimum premium is not subject to reduction in the event of cancellation.

| | |
|---|----------|
| Individual Pharmacist Professional Liability Insurance Policy | \$ 25.00 |
| College Student Group Billing Program | \$ 16.00 |

NOTE: The \$25.00 minimum premium does not apply when the policy term is changed to coordinate with the renewal date of another Pharmacists Mutual Insurance policy.

VII. Cancellation

The Individual Pharmacist Professional Liability Insurance Policy, canceled by either the insured or the company, must be canceled in accordance with the terms of the cancellation provisions that apply. The return premium, if any, is computed on a pro rata basis, subject to the minimum premium.

VIII. Rating Classifications

To be eligible for a rating classification, the applicant must meet the qualifications for the Classification.

A volunteer pharmacist working without pay does not affect the Rating Classification.

1 - Employed Pharmacist

Individual Pharmacist Professional Liability Insurance Policy Program

2 - Self-employed Pharmacist - includes relief (independent contractor) or consultant RPh

- a. provides pharmacy services for a pharmacy operation;
- b. receives an IRS Form 1099-MISC for pharmacy services provided; and
- c. is not an owner or partner of a pharmacy or pharmacy-related business other than a sole-proprietor of a relief (independent contractor) or consultant pharmacist business.

3 - Owner or Partner

- a. provides pharmacy services for a pharmacy operation; and
- b. is also an owner or partner of a pharmacy or pharmacy-related business other than a sole-proprietor of a relief (independent contractor) or consultant pharmacist business.

4 - Instructor

- a. works as an instructor at an accredited school of pharmacy or pharmacy educational facility; and
- b. works less than 10 hours per week outside the classroom as an employed or self-employed pharmacist.

Refer to Employed Pharmacist or Self-employed Pharmacist classification for an Instructor who works 10 hours or more per week outside the classroom.

5 - Pharmacy Student or Intern

- a. a non-licensed pharmacist working on a pharmacy degree; or
- b. a graduate from a school of pharmacy who has not yet received a pharmacy license.

Refer to Employed Pharmacist or Self-employed Pharmacist classification for a licensed pharmacist who is attending a school of pharmacy for an advanced pharmacy degree.

First year graduate discount

3 - Owner or Partner

Business Insurance provided by PhMIC

First year graduate discount

4 - Instructor

5 - Pharmacy Student or Intern

Individual Billing

College Student Group Billing

A first year graduate discount applies in the year following graduation. This is a one-time discount available to the following Rating Classifications:

Employed Pharmacist, Self-employed Pharmacist, and Owner or Partner.

IX. ANNUAL PREMIUMS

Rating Classifications

- 1 - Employed Pharmacist
First year graduate discount
- 2 - Self-employed Pharmacist

Premium

- \$ 144.00
50%
- \$ 375.00

Neuman, Gayle

From: Neuman, Gayle
Sent: Thursday, May 28, 2009 1:51 PM
To: 'Heidi.Allen@phmic.com'
Subject: RE: IL-PHL/CSP-04-09

Ms. Allen,

I found one page in the manual effective 9/7/95 that referenced excess. Are the pages provided with your response all from the previous manual filing? Was the effective date August, 1997? Some of the text on these pages (when printed) is printed over other text.

Therefore, as this has been filed as excess coverage, we do not require excess medical malpractice rates/rules to be filed. Therefore, we request the filing be withdrawn as it is not required.

Gayle Neuman
Division of Insurance

From: Heidi.Allen@phmic.com [mailto:Heidi.Allen@phmic.com]
Sent: Friday, May 22, 2009 12:23 PM
To: Neuman, Gayle
Cc: Gatlin, John
Subject: RE: IL-PHL/CSP-04-09

You have received a secure message from Pharmacists Mutual, The Pharmacists Life, or Pro Advantage

To read the message, open the attachment and then click the OPEN button on the following page .

If you need to send an encrypted reply, please use the reply button provided WITHIN the secure message.

Mobile device users: Forward this message to mobile@pxmail.com. You will receive an email containing a link to a page where you can view the secure message.

To contact the sender, please reply to this message. If you are having difficulty opening the attachment in this email, please contact technical support at emailsupport@phmic.com with a description of your issue.

Neuman, Gayle

From: Neuman, Gayle
Sent: Tuesday, July 21, 2009 1:47 PM
To: 'Heidi.Allen@phmic.com'
Subject: Filing #IL-PHL/CSP-04-09

Ms. Allen,

On June 30, 2009, John Gatlin and I spoke with Karen Lyerly (I am unsure about the spelling of her name) about this filing. She indicated she would send an e-mail to me indicating the rate is the same for primary or excess coverage, and that there won't always be underlying insurance for excess. Unfortunately, I have not received any such e-mail and am awaiting it before further review. Please forward this e-mail or contact Karen to let her know of my request.

Thank you for your assistance.

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

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

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Neuman, Gayle

From: Karen.Lierley@phmic.com
Sent: Thursday, July 23, 2009 11:57 AM
To: Neuman, Gayle
Cc: Gatlin, John; Compliance@phmic.com
Subject: Pharmacists Mutual Insurance Company Filing -- IL-PHL/CSP-04-09

Ms. Neuman and Mr. Gatlin --

This is to confirm our telephone conversation on Tuesday, June 30, 2009 in which we agreed that Ms. Neuman will accept our manual filing for the following reasons.

- This policy serves both as a primary and excess policy (for example, we are the primary insurer where a hospital, clinic or other business entity has no coverage for an employed pharmacist).
- The rate for the policy is the same for either primary or excess coverage.

Please contact me if you have any questions, comments or suggestions. Thank you for your continuing courtesies and cooperation herein.

Karen Lierley, J.D.
Assistant Vice President, Compliance
Pharmacists Mutual Insurance Company
808 US Highway 18 W P O Box 370
Algona IA 50511
515-395-7262 – 800-247-5930, Ext. 7262
BB 515-341-6308
FAX 515-295-4332

Karen.Lierley@phmic.com

Neuman, Gayle

From: Heidi Allen [Heidi.Allen@phmic.com]
Sent: Tuesday, January 19, 2010 3:22 PM
To: Neuman, Gayle
Subject: RE: Pharmacist Mutual - Filing #IL-PHL/CSP-04-09

The 01 09 version of the manual I sent includes both Program Rules and Rates. The entire manual was updated with this revision. Item "V." on page 2 of the manual provides the Limits of Liability offered, showing the \$1MM/\$3MM limit for pharmacy professional.

Heidi Allen

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tuesday, January 19, 2010 2:33 PM
To: Heidi Allen
Subject: RE: Pharmacist Mutual - Filing #IL-PHL/CSP-04-09

Heidi,

The Rule Filing Memorandum states the \$2MM/\$6MM limit has been eliminated. However, the only language regarding this issue is a part of the Program Rules – which is still dated 090/1/2006. Have the Program Rules pages been updated too?

Gayle Neuman
Department of Insurance

From: Heidi Allen [mailto:Heidi.Allen@phmic.com]
Sent: Tuesday, January 19, 2010 12:30 PM
To: Neuman, Gayle
Subject: RE: Pharmacist Mutual - Filing #IL-PHL/CSP-04-09

Gayle,

I believe I now have this figured out. The 7/15/08 manual you are referring to is actually the 01 09 edition of the manual with our final revision review date, rather than the manual edition date, showing at the bottom. I have erroneously been sending you this "dated" version rather than the final version with the edition date correctly showing.

An amended version with the correct edition date showing on the manual pages themselves has been attached; the manual is the same in all other respects. Please accept my apologies for this confusion.

Do you still need a comparison document as well?

Heidi Allen

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tuesday, January 19, 2010 11:20 AM
To: Heidi Allen
Subject: RE: Pharmacist Mutual - Filing #IL-PHL/CSP-04-09

1/19/2010

Heidi,

Please reread my e-mail. I did not request a copy of either the 7/15/2008 or 9/1/2006 editions as I already have them. I asked for a copy of the 1/09 filing IF that is what you were attempting to file. We are apparently having difficulty in communicating.

Gayle Neuman
Department of Insurance

From: Heidi Allen [mailto:Heidi.Allen@phmic.com]
Sent: Tuesday, January 19, 2010 11:16 AM
To: Neuman, Gayle
Subject: RE: Pharmacist Mutual - Filing #IL-PHL/CSP-04-09

Gayle,

Yes, we are. My comment was only to explain why I was late in replying to you. Sorry for the confusion!

Heidi T. Allen, MBA, ACP
Research & Development Director
Pharmacists Mutual Insurance Company
1-800-247-5930 x – 7219
heidi.allen@phmic.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tuesday, January 19, 2010 11:11 AM
To: Heidi Allen
Subject: RE: Pharmacist Mutual - Filing #IL-PHL/CSP-04-09

Heidi,

I am really confused. Does your response mean that you are NOT trying to file the 1/09 version of the manual? Please advise at your earliest convenience.

Gayle Neuman
Department of Insurance

From: Heidi Allen [mailto:Heidi.Allen@phmic.com]
Sent: Monday, January 18, 2010 4:31 PM
To: Neuman, Gayle
Subject: RE: Pharmacist Mutual - Filing #IL-PHL/CSP-04-09

Gayle,

Somehow I confused this email with another you sent the same day regarding our commercial pharmacy professional program. I apologize that this is late in being returned to you.

I have attached the requested documents.

Heidi T. Allen, MBA, ACP
Research & Development Director
Pharmacists Mutual Insurance Company

1/19/2010

1-800-247-5930 x – 7219
heidi.allen@phmic.com

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Monday, January 11, 2010 11:14 AM
To: Heidi Allen
Subject: Pharmacist Mutual - Filing #IL-PHL/CSP-04-09

Ms. Allen,

I am again reviewing this filing. I see that you previously submitted a 9/01/2006 manual version, a 7/15/2008 manual version, and a side-by-side comparison. However in your 5/12/2009 e-mail, you indicated there should be a 01/09 version of the manual. I do not have this in the file. Please respond and provide the correct version of the manual pages to be filed along with pages showing the changes being made in this filing. I request receipt of your response by no later than January 15, 2010.

Gayle Neuman

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

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1/19/2010

PHARMACISTS MUTUAL INSURANCE COMPANY
Individual Pharmacist Professional Liability
Insurance Policy Program

I. Program Description

The Individual Pharmacist Professional Liability Insurance Policy provides coverage on an excess basis for damages which an insured is legally obligated to pay because of an occurrence. The occurrence must result in bodily injury, property damage, or personal and advertising injury arising out of the rendering or failure to render pharmacy services:

The following are also included in the Individual Pharmacist Professional Liability Insurance Policy:

- a. Limited Pharmacist's License Defense Reimbursement provides reimbursement for legal fees incurred, arising out of an insured's rendering or failure to render pharmacy services. Reimbursement is subject to the conditions as set forth in the policy and applies in excess of a \$500 deductible per incident; and
- b. Certified CPR Coverage provides coverage on an excess basis for damages which an insured becomes legally obligated to pay due to bodily injury or property damage arising out of performing cardio-pulmonary resuscitation (CPR), but only if certified for CPR.

II. Eligibility

An Individual Pharmacist Professional Liability Insurance Policy may be issued to an individual who:

- a. holds a valid license to practice pharmacy; or
- b. is an undergraduate pharmacy student or graduate who does not hold a valid license to practice pharmacy.

III. College Student Group Billing Program

An Individual Pharmacist Professional Liability Insurance Policy may be issued under the College Student Group Billing Program providing coverage to students of an accredited school of pharmacy at a discounted group rate.

To qualify for the College Student Group Billing Program:

- a. a minimum of 35 Individual Pharmacist Professional Liability Insurance Policies must be issued to undergraduate pharmacy students within the accredited school of pharmacy; and
- b. all Individual Pharmacist Professional Liability Insurance Policies are issued with a common anniversary date; and
- c. the school agrees to:
 - 1) provide a completed enrollment form for all undergraduate pharmacy students requesting coverage; and
 - 2) remit the insurance premium for each undergraduate pharmacy student to Company upon receipt of the Group Bill.

The College Student Group Billing Program is not available to a licensed pharmacist who is attending a school of pharmacy.

WITHDRAWN

JAN 19 2010

PHARMACISTS MUTUAL INSURANCE COMPANY
Individual Pharmacist Professional Liability
Insurance Policy Program

IV. Term of Policy

An Individual Pharmacist Professional Liability Insurance Policy can be written for a term not to exceed one year. The Policy may be continued for successive terms by payment of the required premiums.

V. Limits of Liability

| <u>Coverage</u> | <u>Per Occurrence</u> | <u>Aggregate</u> |
|---|-----------------------|------------------|
| Professional Liability | \$1,000,000 | \$3,000,000 |
| Limited Pharmacist's License Defense Reimbursement | \$ 10,000 | \$ 10,000 |
| Certified CPR | \$ 50,000 | \$ 50,000 |

VI. Minimum Premium

The Individual Pharmacist Professional Liability Insurance Policy is subject to a minimum premium, regardless of the policy term. The minimum premium is not subject to reduction in the event of cancellation.

| | |
|---|----------|
| Individual Pharmacist Professional Liability Insurance Policy | \$ 25.00 |
| College Student Group Billing Program | \$ 16.00 |

NOTE: The \$25.00 minimum premium does not apply when the policy term is changed to coordinate with the renewal date of another Pharmacists Mutual Insurance policy.

VII. Cancellation

The Individual Pharmacist Professional Liability Insurance Policy, canceled by either the insured or the company, must be canceled in accordance with the terms of the cancellation provisions that apply. The return premium, if any, is computed on a pro rata basis, subject to the minimum premium.

VIII. Rating Classifications

To be eligible for a rating classification, the applicant must meet the qualifications for the Classification.

A volunteer pharmacist working without pay does not affect the Rating Classification.

1 - Employed Pharmacist

- a. provides pharmacy services for a pharmacy operation;
- b. receives an IRS Form W-2 Wage and Tax Statement for wages earned;
- c. is not an owner or partner of a pharmacy or pharmacy-related business;
- d. works less than 10 hours per week as a self-employed pharmacist; and
- e. may work as a volunteer pharmacist without pay.

Refer to Self-employed Pharmacist classification for an Employed Pharmacist who works 10 hours or more per week as a self-employed pharmacist.

WITHDRAWN

PHARMACISTS MUTUAL INSURANCE COMPANY
Individual Pharmacist Professional Liability
Insurance Policy Program

- 2 - Self-employed Pharmacist - includes relief (independent contractor) or consultant RPh**
- a. provides pharmacy services for a pharmacy operation;
 - b. receives an IRS Form 1099-MISC for pharmacy services provided; and
 - c. is not an owner or partner of a pharmacy or pharmacy-related business other than a sole-proprietor of a relief (independent contractor) or consultant pharmacist business.

- 3 - Owner or Partner**
- a. provides pharmacy services for a pharmacy operation; and
 - b. is also an owner or partner of a pharmacy or pharmacy-related business other than a sole-proprietor of a relief (independent contractor) or consultant pharmacist business.

- 4 - Instructor**
- a. works as an instructor at an accredited school of pharmacy or pharmacy educational facility; and
 - b. works less than 10 hours per week outside the classroom as an employed or self-employed pharmacist.

Refer to Employed Pharmacist or Self-employed Pharmacist classification for an Instructor who works 10 hours or more per week outside the classroom.

- 5 - Pharmacy Student or Intern**
- a. a non-licensed pharmacist working on a pharmacy degree; or
 - b. a graduate from a school of pharmacy who has not yet received a pharmacy license.

Refer to Employed Pharmacist or Self-employed Pharmacist classification for a licensed pharmacist who is attending a school of pharmacy for an advanced pharmacy degree.

IX. ANNUAL PREMIUMS

| Rating Classifications | Premium |
|--------------------------------------|----------------|
| 1 - Employed Pharmacist | \$ 144.00 |
| First year graduate discount | 50% |
| 2 - Self-employed Pharmacist | \$ 375.00 |
| First year graduate discount | 50% |
| 3 - Owner or Partner | |
| Business Insurance provided by PhMIC | \$ 144.00 |
| First year graduate discount | 50% |
| 4 - Instructor | \$ 75.00 |
| 5 - Pharmacy Student or Intern | |
| Individual Billing | \$ 32.00 |
| College Student Group Billing | \$ 16.00 |

A first year graduate discount applies in the year following graduation. This is a one-time discount available to the following Rating Classifications: Employed Pharmacist, Self-employed Pharmacist, and Owner or Partner.

WITHDRAWN

JAN 19 2010

PHARMACISTS MUTUAL INSURANCE COMPANY

Individual Pharmacist Professional Liability Insurance Policy

Program Rules

I. Program Description.

The Individual Pharmacist Professional Liability Policy provides coverage in excess of any underlying insurance which an insured is legally obligated to pay as damages because of an occurrence resulting in bodily injury, personal injury, or advertising injury to which this insurance applies, and arising out of rendering or failure to render pharmacy services.

Limited Pharmacist's License Defense Reimbursement coverage and Certified CPR Malpractice coverage is also included in the Individual Pharmacist Professional Liability Policy.

II. Eligibility

1. An Individual Pharmacist Professional Liability Policy may be issued to an individual who holds a valid license under the laws of the state where practicing pharmacy and who is:
 - a) an employed pharmacist; or
 - b) a self-employed or consultant pharmacist; or
 - c) a pharmacist who is an owner, partner or corporate officer of a pharmacy or a pharmacy related business, provided that the business maintains a business insurance policy which provides coverage for the professional liability of its pharmacists; or
 - d) a full-time instructor or staff pharmacist at an accredited college of pharmacy or pharmacy educational facility; or
 - e) an undergraduate student pharmacist who does not hold a valid license to practice pharmacy.

2. An Individual Pharmacist Professional Liability Policy may be issued under the College Student Group Billing Program providing coverage to students of an accredited school of pharmacy at a discounted group rate.

To qualify for the College Student Group Billing Program:

- a) a minimum of 35 Individual Pharmacist Professional Liability Policies must be issued to undergraduate student pharmacists within the accredited school of pharmacy; and
- b) all Individual Pharmacist Professional Liability Policies are issued with a common anniversary date; and
- c) the School agrees to provide a completed enrollment form each year for all undergraduate student pharmacists requesting coverage; and
- d) the School agrees to collect the insurance premium from each undergraduate student pharmacist and remit payment to Company upon receipt of the Group Bill.

The College Student Group Billing Program is not available for a licensed pharmacist who is attending the college of pharmacy to receive a Pharm D or Doctorate degree.

III. Term of Policy

An Individual Pharmacist Professional Liability Policy can be written for a term, not to exceed one year. The Policy may be continued for successive terms by payment of required premiums.

WITHDRAWN

PHARMACISTS MUTUAL INSURANCE COMPANY

Individual Pharmacist Professional Liability Insurance Policy

Program Rules

IV. Limits of Liability

Professional Liability Limit -

- a) Individual Pharmacists Billing - \$1,000,000 per occurrence, \$3,000,000 aggregate;
or \$2,000,000 per occurrence, \$6,000,000 aggregate
- b) College Student Group Billing - \$1,000,000 per occurrence, \$3,000,000 aggregate
only

Limited Pharmacists License Defense Reimbursement Limit - \$2,500 per incident, \$2,500
aggregate;

Certified CPR Malpractice Limit - \$50,000 per incident, \$50,000 aggregate

V. Minimum Premium

The Individual Pharmacist Professional Liability Policy is subject to a minimum premium, regardless of the policy term. The minimum premium is not subject to reduction in the event of cancellation. (Refer to Rates-1 for minimum premium)

VI. Cancellation

The Individual Pharmacist Professional Liability Policy will be canceled in accordance with the applicable state's laws. Any return premium will be computed on a pro-rata basis, subject to the minimum premium.

WITHDRAWN

JAN 19 2010

PHARMACISTS MUTUAL INSURANCE COMPANY
 Individual Pharmacist Professional Liability Insurance Policy
Program Rules

| ANNUAL PREMIUMS | <u>1MM/3MM</u> | <u>2MM/6MM</u> |
|--|-----------------------|-----------------------|
| Employed Pharmacist | \$ 144.00 | \$ 176.00 |
| First year Graduate discount | 50% | 50% |
| Self-employed or consultant Pharmacist | | |
| 0 to 9 hours per week | \$ 144.00 | \$ 176.00 |
| 10 hours or greater, per week | \$ 375.00 | \$ 458.00 |
| First year Graduate discount | 50% | 50% |
| Owner, partner, or corporate officer Pharmacist | | |
| Business Insurance provided by PMIC..... | \$ 144.00 | \$ 176.00 |
| Business Insurance provided by another carrier | \$ 375.00 | \$ 458.00 |
| Full-time instructor or staff Pharmacist | | |
| Working up to 10 hours per week outside the college | \$ 75.00 | \$ 92.00 |
| Working 10 hours or greater per week outside the college | \$ 144.00 | \$ 176.00 |
| Undergraduate Student Pharmacist | | |
| Individual Pharmacists Billing | \$ 32.00 | |
| College Student Group Billing | \$ 16.00 | |

MINIMUM PREMIUM

| | |
|--|----------|
| Individual Pharmacists Professional Liability Policy | \$ 25.00 |
| College Student Group Billing Program | \$ 16.00 |

WITHDRAWN

JAN 19 2010

PHARMACISTS MUTUAL INSURANCE COMPANY
Individual Pharmacist Professional Liability
Insurance Policy Program

I. Program Description

The Individual Pharmacist Professional Liability Insurance Policy provides coverage on an excess basis for damages which an insured is legally obligated to pay because of an occurrence. The occurrence must result in bodily injury, property damage, or personal and advertising injury arising out of the rendering or failure to render pharmacy services.

The following are also included in the Individual Pharmacist Professional Liability Insurance Policy:

- a. Limited Pharmacist's License Defense Reimbursement provides reimbursement for legal fees incurred, arising out of an insured's rendering or failure to render pharmacy services. Reimbursement is subject to the conditions as set forth in the policy and applies in excess of a \$500 deductible per incident; and
- b. Certified CPR Coverage provides coverage on an excess basis for damages which an insured becomes legally obligated to pay due to bodily injury or property damage arising out of performing cardio-pulmonary resuscitation (CPR), but only if certified for CPR.

II. Eligibility

An Individual Pharmacist Professional Liability Insurance Policy may be issued to an individual who:

- a. holds a valid license to practice pharmacy; or
- b. is an undergraduate pharmacy student or graduate who does not hold a valid license to practice pharmacy.

III. College Student Group Billing Program

An Individual Pharmacist Professional Liability Insurance Policy may be issued under the College Student Group Billing Program providing coverage to students of an accredited school of pharmacy at a discounted group rate.

To qualify for the College Student Group Billing Program:

- a. a minimum of 35 Individual Pharmacist Professional Liability Insurance Policies must be issued to undergraduate pharmacy students within the accredited school of pharmacy; and
- b. all Individual Pharmacist Professional Liability Insurance Policies are issued with a common anniversary date; and
- c. the school agrees to:
 - 1) provide a completed enrollment form for all undergraduate pharmacy students requesting coverage; and
 - 2) remit the insurance premium for each undergraduate pharmacy student to Company upon receipt of the Group Bill.

The College Student Group Billing Program is not available to a licensed pharmacist who is attending a school of pharmacy.

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PHARMACISTS MUTUAL INSURANCE COMPANY
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IV. Term of Policy

An Individual Pharmacist Professional Liability Insurance Policy can be written for a term not to exceed one year. The Policy may be continued for successive terms by payment of the required premiums.

V. Limits of Liability

| <u>Coverage</u> | <u>Per Occurrence</u> | <u>Aggregate</u> |
|---|-----------------------|------------------|
| Professional Liability | \$1,000,000 | \$3,000,000 |
| Limited Pharmacist's License Defense Reimbursement | \$ 10,000 | \$ 10,000 |
| Certified CPR | \$ 50,000 | \$ 50,000 |

VI. Minimum Premium

The Individual Pharmacist Professional Liability Insurance Policy is subject to a minimum premium, regardless of the policy term. The minimum premium is not subject to reduction in the event of cancellation.

| | |
|---|----------|
| Individual Pharmacist Professional Liability Insurance Policy | \$ 25.00 |
| College Student Group Billing Program | \$ 16.00 |

NOTE: The \$25.00 minimum premium does not apply when the policy term is changed to coordinate with the renewal date of another Pharmacists Mutual Insurance policy.

VII. Cancellation

The Individual Pharmacist Professional Liability Insurance Policy, canceled by either the insured or the company, must be canceled in accordance with the terms of the cancellation provisions that apply. The return premium, if any, is computed on a pro rata basis, subject to the minimum premium.

VIII. Rating Classifications

To be eligible for a rating classification, the applicant must meet the qualifications for the Classification.

A volunteer pharmacist working without pay does not affect the Rating Classification.

1 - Employed Pharmacist

- a. provides pharmacy services for a pharmacy operation;
- b. receives an IRS Form W-2 Wage and Tax Statement for wages earned;
- c. is not an owner or partner of a pharmacy or pharmacy-related business;
- d. works less than 10 hours per week as a self-employed pharmacist; and
- e. may work as a volunteer pharmacist without pay.

Refer to Self-employed Pharmacist classification for an Employed Pharmacist who works 10 hours or more per week as a self-employed pharmacist.

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PHARMACISTS MUTUAL INSURANCE COMPANY
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- 2 - Self-employed Pharmacist - includes relief (independent contractor) or consultant RPh**
- a. provides pharmacy services for a pharmacy operation;
 - b. receives an IRS Form 1099-MISC for pharmacy services provided; and
 - c. is not an owner or partner of a pharmacy or pharmacy-related business other than a sole-proprietor of a relief (independent contractor) or consultant pharmacist business.

- 3 - Owner or Partner**
- a. provides pharmacy services for a pharmacy operation; and
 - b. is also an owner or partner of a pharmacy or pharmacy-related business other than a sole-proprietor of a relief (independent contractor) or consultant pharmacist business.

- 4 - Instructor**
- a. works as an instructor at an accredited school of pharmacy or pharmacy educational facility; and
 - b. works less than 10 hours per week outside the classroom as an employed or self-employed pharmacist.

Refer to Employed Pharmacist or Self-employed Pharmacist classification for an Instructor who works 10 hours or more per week outside the classroom.

- 5 - Pharmacy Student or Intern**
- a. a non-licensed pharmacist working on a pharmacy degree; or
 - b. a graduate from a school of pharmacy who has not yet received a pharmacy license.

Refer to Employed Pharmacist or Self-employed Pharmacist classification for a licensed pharmacist who is attending a school of pharmacy for an advanced pharmacy degree.

IX. ANNUAL PREMIUMS

| Rating Classifications | Premium |
|--------------------------------------|----------------|
| 1 - Employed Pharmacist | \$ 144.00 |
| First year graduate discount | 50% |
| 2 - Self-employed Pharmacist | \$ 375.00 |
| First year graduate discount | 50% |
| 3 - Owner or Partner | |
| Business Insurance provided by PhMIC | \$ 144.00 |
| First year graduate discount | 50% |
| 4 - Instructor | \$ 75.00 |
| 5 - Pharmacy Student or Intern | |
| Individual Billing | \$ 32.00 |
| College Student Group Billing | \$ 16.00 |

A first year graduate discount applies in the year following graduation. This is a one-time discount available to the following Rating Classifications: Employed Pharmacist, Self-employed Pharmacist, and Owner or Partner.

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