

SERFF Tracking Number: PCWA-127935301 State: Illinois  
Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
Company Tracking Number: IL-PRAC-2012-DPL-RR  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
Made/Occurrence  
Product Name: Healthcare Professional Liability Program  
Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

## Filing at a Glance

Company: ProAssurance Casualty Company

Product Name: Healthcare Professional Liability SERFF Tr Num: PCWA-127935301 State: Illinois

Program

TOI: 11.0 Medical Malpractice - Claims SERFF Status: Closed-Filed State Tr Num: PCWA-127935301

Made/Occurrence

Sub-TOI: 11.0007 Dentists - Oral Surgeons Co Tr Num: IL-PRAC-2012-DPL-RR State Status:

Filing Type: Rate/Rule

Author: LaQuita Goodwin

Reviewer(s): Gayle Neuman

Date Submitted: 12/28/2011

Disposition Date: 06/28/2012

Disposition Status: Filed

Effective Date Requested (New): 01/01/2012

Effective Date (New): 01/01/2012

Effective Date Requested (Renewal): 01/01/2012

Effective Date (Renewal):

01/01/2012

State Filing Description:

routed 3/8/12

## General Information

Project Name: Adoption of ProAssurance Wisconsin's rates, rules and forms Status of Filing in Domicile: Authorized

Project Number:

Domicile Status Comments: None

Reference Organization: None

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 06/28/2012

State Status Changed:

Deemer Date:

Created By: LaQuita Goodwin

Submitted By: LaQuita Goodwin

Corresponding Filing Tracking Number: PCWA-127383456 for

ProAssurance Wisconsin Insurance Company

Filing Description:

Please find enclosed the Healthcare Professional Rates and Rules Manual and Healthcare Professional Liability Policy being submitted for ProAssurance Casualty Company.

In anticipation of merging ProAssurance Wisconsin Insurance Company into ProAssurance Casualty Company, we are

SERFF Tracking Number: PCWA-127935301 State: Illinois  
 Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
 Company Tracking Number: IL-PRAC-2012-DPL-RR  
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
 Made/Occurrence  
 Product Name: Healthcare Professional Liability Program  
 Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

filing the same rates, rules and forms currently on file with your department. Upon merger, all policies will be issued through the surviving company, ProAssurance Casualty Company.

If you have any questions during the review process, please let me know.

Thank you for your immediate attention to this matter.

State Narrative:

## Company and Contact

### Filing Contact Information

LaQuita Goodwin, Compliance Specialist lgoodwin@proassurance.com  
 100 Brookwood Place 205-877-4426 [Phone]  
 Birmingham, AL 35209 205-414-2887 [FAX]

### Filing Company Information

ProAssurance Casualty Company CoCode: 38954 State of Domicile: Michigan  
 100 Brookwood Place Group Code: 2698 Company Type: Property & Casualty  
 Birmingham, AL 35209 Group Name: ProAssurance State ID Number: 12  
 (205) 877-4426 ext. [Phone] FEIN Number: 38-2317569

-----

## Filing Fees

Fee Required? No  
 Retaliatory? No  
 Fee Explanation:  
 Per Company: No

| COMPANY                       | AMOUNT | DATE PROCESSED | TRANSACTION # |
|-------------------------------|--------|----------------|---------------|
| ProAssurance Casualty Company | \$0.00 |                |               |

## State Specific

Refer to our checklists prior to submitting filing  
 ([http://www.idfpr.com/DOI/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.htm](http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm)): Acknowledged

SERFF Tracking Number: PCWA-127935301 State: Illinois  
Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
Company Tracking Number: IL-PRAC-2012-DPL-RR  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
Made/Occurrence  
Product Name: Healthcare Professional Liability Program  
Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

Refer to our updated (04/06/2007) SERFF General Instructions prior to submitting filing. They have been updated to clarify what rates and rules are required to be filed as well as what rates and rules are not required to be filed. Also, the "Product Name" is the Filing Title and not the Project Number.: Acknowledged

NO RATES and/or RULES ARE REQUIRED TO BE FILED FOR LINES OF COVERAGE SUCH AS COMMERCIAL AUTO (except taxicabs), BURGLARY AND THEFT, GLASS, FIDELITY, SURETY, COMMERCIAL GENERAL LIABILITY, CROP HAIL, COMMERCIAL PROPERTY, DIRECTORS AND OFFICERS, ERRORS AND OMISSIONS, COMMERCIAL MULTI PERIL just to mention a few. However, a Summary Sheet (RF-3) is required to be filed. Please refer to the State Specific Field below for what rates/rules are required to be filed and to our checklists for specific statutes, regulations, etc. : [http://www.idfpr.com/DOI/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.htm](http://www.idfpr.com/DOI/Prop_Cas_IS3_Checklists/IS3_Checklists.htm): N/A

Medical Malpractice rates/rules may only be submitted in paper.: Med mal rates/rules can now be submitted in SERFF  
The only rates and/or rules that are required to be filed are Homeowners, Mobile Homeowners, Dwelling Fire and Allied Lines, Workers' Compensation, Liquor Liability, Private Passenger Automobiles, Taxicabs, Motorcycles and Group Inland Marine Insurance which only applies to insurance involving personal property owned by, being purchased by or pledged as collateral by individuals, and not used in any business, trade or profession per Regulation Part 2302 which says in part, "each company shall file with the Director of Insurance each rate, rule and minimum premium before it is used in the State of Illinois.": N/A

When selecting a form filing type for a multiple form filing, use the dominant type from these choices: APP - application; CER - certificate; COF - coverage form; DPS - declaration page; END - endorsement; POJ - policy jacket; ORG - Companies adopting an Advisory or Rating Organization's filing. Example: If you are submitting a policy as well as endorsements, a declaration page and an application, you would select "POL" for policy.: N/A

SERFF Tracking Number: PCWA-127935301 State: Illinois  
 Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
 Company Tracking Number: IL-PRAC-2012-DPL-RR  
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
 Made/Occurrence  
 Product Name: Healthcare Professional Liability Program  
 Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

## Correspondence Summary

### Dispositions

| Status | Created By   | Created On | Date Submitted |
|--------|--------------|------------|----------------|
| Filed  | Gayle Neuman | 06/28/2012 | 06/28/2012     |

### Objection Letters and Response Letters

| Objection Letters               |              |            |                | Response Letters |            |                |
|---------------------------------|--------------|------------|----------------|------------------|------------|----------------|
| Status                          | Created By   | Created On | Date Submitted | Responded By     | Created On | Date Submitted |
| Pending<br>Industry<br>Response | Gayle Neuman | 02/29/2012 | 02/29/2012     | LaQuita Goodwin  | 03/07/2012 | 03/07/2012     |
| Pending<br>Industry<br>Response | Gayle Neuman | 01/06/2012 | 01/06/2012     | LaQuita Goodwin  | 01/06/2012 | 01/06/2012     |

### Amendments

| Schedule               | Schedule Item Name  | Created By      | Created On | Date Submitted |
|------------------------|---------------------|-----------------|------------|----------------|
| Supporting<br>Document | Revised page 21     | LaQuita Goodwin | 01/05/2012 | 01/05/2012     |
| Rate                   | Underwriting Manual | LaQuita Goodwin | 01/04/2012 | 01/04/2012     |
| Supporting<br>Document | Revised page 21     | LaQuita Goodwin | 01/04/2012 | 01/04/2012     |

### Filing Notes

| Subject | Note Type | Created By | Created On | Date Submitted |
|---------|-----------|------------|------------|----------------|
|---------|-----------|------------|------------|----------------|

SERFF Tracking Number: PCWA-127935301 State: Illinois  
Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
Company Tracking Number: IL-PRAC-2012-DPL-RR  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
Made/Occurrence  
Product Name: Healthcare Professional Liability Program  
Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

|                                   |                  |                                       |
|-----------------------------------|------------------|---------------------------------------|
| Effective date to remain 1/1/2012 | Note To Reviewer | LaQuita Goodwin 06/28/2012 06/28/2012 |
| effective date                    | Note To Filer    | Gayle Neuman 06/28/2012 06/28/2012    |
| 1/4/12 change                     | Note To Filer    | Gayle Neuman 01/05/2012 01/05/2012    |

*SERFF Tracking Number:* PCWA-127935301 *State:* Illinois  
*Filing Company:* ProAssurance Casualty Company *State Tracking Number:* PCWA-127935301  
*Company Tracking Number:* IL-PRAC-2012-DPL-RR  
*TOI:* 11.0 Medical Malpractice - Claims *Sub-TOI:* 11.0007 Dentists - Oral Surgeons  
*Made/Occurrence*  
*Product Name:* Healthcare Professional Liability Program  
*Project Name/Number:* Adoption of ProAssurance Wisconsin's rates, rules and forms/

## **Disposition**

Disposition Date: 06/28/2012

Effective Date (New): 01/01/2012

Effective Date (Renewal): 01/01/2012

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: PCWA-127935301 State: Illinois  
 Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
 Company Tracking Number: IL-PRAC-2012-DPL-RR  
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
 Made/Occurrence  
 Product Name: Healthcare Professional Liability Program  
 Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

| Schedule                      | Schedule Item              | Schedule Item Status | Public Access |
|-------------------------------|----------------------------|----------------------|---------------|
| Supporting Document           | Explanatory Memorandum     |                      | Yes           |
| Supporting Document           | Form RF3 - (Summary Sheet) |                      | Yes           |
| Supporting Document (revised) | Certification              |                      | Yes           |
| Supporting Document           | Manual                     |                      | Yes           |
| Supporting Document (revised) | Revised page 21            |                      | Yes           |
| Supporting Document           | Certification              |                      | Yes           |
| Supporting Document           | Revised page 21            |                      | Yes           |
| Rate (revised)                | Underwriting Manual        |                      | Yes           |
| Rate                          | Underwriting Manual        |                      | Yes           |

SERFF Tracking Number: PCWA-127935301 State: Illinois  
Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
Company Tracking Number: IL-PRAC-2012-DPL-RR  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
Made/Occurrence  
Product Name: Healthcare Professional Liability Program  
Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 02/29/2012  
Submitted Date 02/29/2012  
Respond By Date 03/14/2012

Dear LaQuita Goodwin,

This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:

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?

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.

Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>

Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:

[http://insurance.illinois.gov/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.htm](http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.htm)

Please submit compliant form(s) no later than the date shown above or the entire filing may be disapproved. Please be advised that when the Director disapproves the form(s) you must immediately cease using the form(s) in Illinois.

Please give this matter your immediate attention. If you have any question regarding this filing please feel free to contact me.

Sincerely,  
Gayle Neuman

SERFF Tracking Number: PCWA-127935301 State: Illinois  
Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
Company Tracking Number: IL-PRAC-2012-DPL-RR  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
Made/Occurrence  
Product Name: Healthcare Professional Liability Program  
Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 03/07/2012  
Submitted Date 03/07/2012

Dear Gayle Neuman,

### Comments:

The response to your 2/29/2012 objections follows below.

### Response 1

Comments: The Independent Statistical Service, Inc. (ISS) is our statistical reporting agency.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Certification

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please let me know if you need anything else. Thank you.

Sincerely,  
LaQuita Goodwin

SERFF Tracking Number: PCWA-127935301 State: Illinois  
Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
Company Tracking Number: IL-PRAC-2012-DPL-RR  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
Made/Occurrence  
Product Name: Healthcare Professional Liability Program  
Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 01/06/2012  
Submitted Date 01/06/2012  
Respond By Date 01/13/2012

Dear LaQuita Goodwin,

This is to acknowledge receipt of your filing. Your submission is not acceptable for filing in Illinois due to the following reasons:

Pursuant to your information yesterday that the merger will not go into effect until December 31, 2012, I am requesting that you withdraw this filing as I cannot process it for an entire year.

Sign up to get e-mail notification for updates to the Department's website. <http://insurance.illinois.gov/RSS/>

Please refer to the appropriate Property Casualty IS3 Review Requirements Checklist before submitting any filing. The checklists are available at the Department's Web site or at the following link:

[http://insurance.illinois.gov/Prop\\_Cas\\_IS3\\_Checklists/IS3\\_Checklists.htm](http://insurance.illinois.gov/Prop_Cas_IS3_Checklists/IS3_Checklists.htm)

Please submit compliant form(s) no later than the date shown above or the entire filing may be disapproved. Please be advised that when the Director disapproves the form(s) you must immediately cease using the form(s) in Illinois.

Please give this matter your immediate attention. If you have any question regarding this filing please feel free to contact me.

Sincerely,  
Gayle Neuman

SERFF Tracking Number: PCWA-127935301 State: Illinois  
Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
Company Tracking Number: IL-PRAC-2012-DPL-RR  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
Made/Occurrence  
Product Name: Healthcare Professional Liability Program  
Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 01/06/2012  
Submitted Date 01/06/2012

Dear Gayle Neuman,

### Comments:

Response to your objection is below.

### Response 1

Comments: The merger was approved by the states of domicile, Michigan and Wisconsin, effective 12/31/2011. Our Legal Counsel is in the process of filing the necessary paperwork with all applicable states now.

According to counsel, Illinois 215 ILCS 5/117 (Ch. 73, para. 729) and email:

File certified copy of the Agreement and Plan of Merger bearing the approval of the appropriate state(s) of domicile. No need to withdraw nonsurvivor's certificate; it will merge with surviving entity's (per email from Dept) / terminates (per statute).

I will make sure this has been done.

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Please continue your review of this filing. If you have any other concerns, please let me know.

Sincerely,  
LaQuita Goodwin

*SERFF Tracking Number:* PCWA-127935301 *State:* Illinois  
*Filing Company:* ProAssurance Casualty Company *State Tracking Number:* PCWA-127935301  
*Company Tracking Number:* IL-PRAC-2012-DPL-RR  
*TOI:* 11.0 Medical Malpractice - Claims *Sub-TOI:* 11.0007 Dentists - Oral Surgeons  
*Made/Occurrence*  
*Product Name:* Healthcare Professional Liability Program  
*Project Name/Number:* Adoption of ProAssurance Wisconsin's rates, rules and forms/

**Note To Reviewer**

**Created By:**

LaQuita Goodwin on 06/28/2012 09:31 AM

**Last Edited By:**

Gayle Neuman

**Submitted On:**

06/28/2012 01:06 PM

**Subject:**

Effective date to remain 1/1/2012

**Comments:**

This filing was implemented on 1/1/2012 and this is the same date we would like to keep.

Thank you.

SERFF Tracking Number: PCWA-127935301 State: Illinois  
Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
Company Tracking Number: IL-PRAC-2012-DPL-RR  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
Made/Occurrence  
Product Name: Healthcare Professional Liability Program  
Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

**Note To Filer**

**Created By:**

Gayle Neuman on 06/28/2012 08:01 AM

**Last Edited By:**

Gayle Neuman

**Submitted On:**

06/28/2012 01:06 PM

**Subject:**

effective date

**Comments:**

The Department of Insurance has now completed its review of this filing. Originally, you requested the filing be effective January 1, 2012. Was the filing put in effect on January 1, 2012 or do you wish to have a different effective date? Your prompt response is appreciated.

SERFF Tracking Number: PCWA-127935301 State: Illinois  
Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
Company Tracking Number: IL-PRAC-2012-DPL-RR  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
Made/Occurrence  
Product Name: Healthcare Professional Liability Program  
Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

**Amendment Letter**

Submitted Date: 01/05/2012

**Comments:**

Marked page showing changes have been added.

**Changed Items:**

**Supporting Document Schedule Item Changes:**

**User Added -Name: Revised page 21**

Comment:

revised page 21.PDF

revised page 21-marked.PDF

SERFF Tracking Number: PCWA-127935301 State: Illinois  
Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
Company Tracking Number: IL-PRAC-2012-DPL-RR  
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
Made/Occurrence  
Product Name: Healthcare Professional Liability Program  
Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

**Note To Filer**

**Created By:**

Gayle Neuman on 01/05/2012 08:06 AM

**Last Edited By:**

Gayle Neuman

**Submitted On:**

06/28/2012 01:06 PM

**Subject:**

1/4/12 change

**Comments:**

I reviewed the version of page 21 received with the filing and the "revised" page 21 - and I can't see where any change was made. Please advise.

SERFF Tracking Number: PCWA-127935301 State: Illinois  
 Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
 Company Tracking Number: IL-PRAC-2012-DPL-RR  
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
 Made/Occurrence  
 Product Name: Healthcare Professional Liability Program  
 Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

**Amendment Letter**

Submitted Date: 01/04/2012

**Comments:**

We would like to correct the factors on page 21 for dental assistants and dental hygienist to rate off 80211, Dentists, instead of 80420, Family Practitioners.

**Changed Items:**

**Rate/Rule Schedule Item Changes:**

| Exhibit Name:       | Rule # or Page #: | Rate Action: | Previous State Filing Number: | Attach Document:           |
|---------------------|-------------------|--------------|-------------------------------|----------------------------|
| Underwriting Manual | Entire Manual     | New          |                               | Illinois Dental 1_1_12.pdf |

**Supporting Document Schedule Item Changes:**

**User Added -Name: Revised page 21**

Comment:  
revised page 21.PDF

**Rate/Rule Schedule**

| Schedule Item Status: | Exhibit Name:       | Rule # or Page #: | Rate Action | Previous State Filing Number: | Attachments                |
|-----------------------|---------------------|-------------------|-------------|-------------------------------|----------------------------|
|                       | Underwriting Manual | Entire Manual     | New         |                               | Illinois Dental 1_1_12.pdf |



PROASSURANCE®

Treated Fairly

PROASSURANCE CASUALTY COMPANY

HEALTHCARE PROFESSIONALS

UNDERWRITING RULES AND RATES

**ILLINOIS MANUAL**

## TABLE OF CONTENTS

\*\*\*\*\*

|                  | PAGE   |                |
|------------------|--|----------------|
| <b>SECTION 1</b> | <b>INTRODUCTION</b>  | <b>3 - 4</b>   |
| <b>SECTION 2</b> | <b>CLASSIFICATION AND/OR RATING MODIFICATIONS<br/>AND PROCEDURES RATES</b>                 | <b>5 - 9</b>   |
| <b>SECTION 3</b> | <b>PROFESSIONAL LIABILITY DISCOUNTS</b>  | <b>10 - 14</b> |
| <b>SECTION 4</b> | <b>ADDITIONAL PRACTICE CHARGES</b>   | <b>15 - 18</b> |
| <b>SECTION 5</b> | <b>PHYSICIAN EXTENDER, PARAMEDICAL AND<br/>ALLIED HEALTH PROFESSIONAL LIABILITY RATING</b> | <b>19 - 21</b> |
| <b>SECTION 6</b> | <b>DENTAL PROFESSIONAL LIABILITY<br/>SPECIALTY CODES AND DESCRIPTIONS</b>                  | <b>22 - 25</b> |
| <b>SECTION 7</b> | <b>STATE RATES AND EXCEPTIONS - DENTISTS</b>   | <b>26 - 38</b> |

**SECTION 1**

**INTRODUCTION**

## INTRODUCTION

This manual contains the classifications and rates governing the underwriting of Dentists and Allied Health Professionals' Professional Liability Insurance by ProAssurance Casualty Company, hereinafter referred to as "the Company."

### **I. RATES AND PREMIUM CALCULATIONS**

- A. Rates apply on a per incident and annual aggregate basis. The rates for the premium classifications selected by the Company or any special situations not delineated herein are those described in the Professional Liability State Rates and Exceptions Section of this manual, with a minimum premium being \$500 (\$250 first and second-year claims-made coverage and for Allied Health Professionals). If an individual's practice involves two or more rating territories or rating classifications, the highest rating territory or classification applies. Endorsements adding risks/exposures mid-term will be rated in accordance with the Rates and Rules in effect as of the endorsement effective date. Subject to Section 2., V, (Rate Adjustments for Changes in Exposure) of this manual, Reporting Endorsements will be rated in accordance with the Rates and Rules in effect as of the endorsement effective date. Subject to Section 2, V, (Rate Adjustments for Changes in Exposure) of this manual, endorsements effecting changes on risks/exposures currently insured will be rated using the Rules (e.g., rating classification, limits of liability and rating territory) in effect on the date of the change combined with the rates in effect on the later date of either i) the policy term effective date or ii) risk effective date.
- B. Refer to the Company for: Agents should refer to the Company any risk meeting one of the following criteria: a) Any risk or exposure for which there is no manual rate or applicable classification, or b) Risks developing annualized premium of \$100,000 or more for basic limits for individual (a) rating.
- C. Whole Dollar Premium Rule: The premiums appearing in the State Rates and Exceptions Section of this manual have been rounded to the nearest whole dollar. This procedure shall also apply to all interim premium adjustments, including endorsements or cancellations. A premium involving \$.50 or over, shall be rounded to the next higher whole dollar.

### **II. CANCELLATIONS**

Cancellations shall be made only within the parameters established by the State of policy issuance as framed in the Cancellation provisions of the policy including any State-specific endorsement thereto.

- A. By the Company: The earned premium shall be determined on a "pro rata" basis.
- B. By the Insured: The earned premium may be determined on a "short rate" basis if the entire policy is cancelled. Pro-rata calculation shall be used if a portion of the coverages or risks are cancelled but other portions of the policy remains in force. "Short rate" calculation means that total earned premium shall equal actual earned premium as of the date of cancellation plus a short rate penalty equal to ten percent (10%) of unearned premium for the remainder of the policy period.
- C. Removal from the State: Subject to state provisions, the policy may be canceled by the Company after the insured no longer maintains at least 75% of his dental practice within the state of issuance, subject to proper notice.

**SECTION 2**

**CLASSIFICATION AND/OR RATING MODIFICATIONS  
AND PROCEDURES**

## CLASSIFICATION AND/OR RATING MODIFICATIONS AND PROCEDURES

### **I. PART-TIME AND SEMI-RETIRED PROFESSIONALS**

The Part-Time Discount is available to dentists:

- A. who have at least 15 years of postgraduate clinical practice experience and are scaling back their practice in anticipation of retirement; or
- B. who practice less than 20 hours per week due to family needs (caring for young children and/or ill or disabled family members); or
- C. who are required to practice on a reduced basis as a result of a physical or medical condition, with the company's approval; or
- D. who practice at least 30 hours per week at a hospital, community health center or other health care facility where medical professional liability insurance is provided by the facility. A certificate of insurance listing the Company as certificate holder must be presented annually for the credit to apply.

Insureds eligible for the New Dentist Discount are not eligible for the Part-Time Discount. Also, dentists employing or supervising paramedicals (as listed in Section V, Item I) are not eligible for the Part-Time Discount.

This discount is intended to more accurately rate the insured who practices his specialty on a limited basis. The available discounts are:

| <u>TYPE</u> | <u>Class</u> | <u>Average Weekly Practice</u><br><u>Hours &lt; 20 hours</u> |
|-------------|--------------|--|
| Dentist     | 1A to 5      | 50%  |
| All other   |              | None   |

Practice hours are defined as:

- hospital rounds,
- charting and patient planning,
- on call hours involving patient contact, whether direct or by telephone,
- consultation with other dentists, and
- patient visits/consultations.

Practice hours of dentists receiving the Part-Time Discount are subject to random audit by the Company.

### **II. LOCUM TENENS**

Coverage for temporary substitute health care providers may be provided through the issuance of an Additional Insured endorsement or the Locum Tenens Endorsement. In states not requiring a separate set of limits for the substitute, the Locum Tenens health care providers will be added to the insured's policy as an additional insured, sharing in the insured health care provider's limits. In states requiring separate limits for each health care provider, a Locum Tenens endorsement will be added to the insured health care provider's policy, providing a separate set of temporary limits to the Locum Tenens. Locum tenens coverage should not exceed a period of 90 days.

The locum tenens dentist must submit an application for Company approval in advance of the requested effective date of coverage.

### III. CORPORATE LIABILITY - SHARED LIMIT

Where allowed by law, no charge will be made for entities sharing in the available limits of liability of the insured dentists or other insured organizations, providing each member is insured by the Company and the risk is otherwise acceptable.

### IV. FULL-TIME EQUIVALENT RATING

Rating of certain multi-dentist groups may, at the Company's option, be determined on a full-time equivalent (FTE) unit basis. Under this rating method, policies may be issued to positions with individuals who may fill such positions identified rather than being issued to specific individuals. An FTE rate will be determined based upon the filed and approved rate for a given classification of dentists but will be allocated based upon either the number of average hours of practice for a given specialty (2,080 hours of work per FTE) or the average number of patient contacts/visits in a 12 month period (4,000 visits per FTE). A risk with fewer than 50,000 encounters each year will not qualify for full-time equivalent rating.

All FTE rated applications shall be referred to the Company.

### V. RATE ADJUSTMENTS FOR CHANGES IN EXPOSURE -- CLAIMS-MADE, RETROACTIVE, AND REPORTING ENDORSEMENT COVERAGE

#### A. Claims-Made Coverage

The calculations for changes in exposure are performed by taking the difference between claims-made rates for each period of differing exposures. These calculations are appropriate for changes in practice specialty, changes in rating territory or practice in other states, changes between part-time and full-time practice, and other changes that would affect a calculated rate. Currently approved rates, classification tables and discount or surcharge factors for the appropriate state(s) are used. This method can be generalized by using the following formula to calculate a rate for the upcoming year.

1. Rate for current practice, determined using a retroactive date equal to the date that the *current* practice patterns began,
2. plus rate for prior practice, determined using a retroactive date equal to the date that the *previous* practice patterns began,
3. less rate for prior practice, determined using a retroactive date equal to the date that the *current* practice patterns began.

This method is applied in a similar manner if more than one practice change occurred during the previous four years, and the components are pro-rated if the change occurred at a date other than the policy anniversary date.

For example, if a dentist had practiced general dentistry with cosmetic Botox for many years, then stopped practicing cosmetic Botox and began to practice general dentistry-no surgery only, the appropriate premium for the upcoming policy period would be:

General dentist-No surgery rate for claims-made year one,  
plus General dentists, Cosmetic Botox rate for claims-made year five,  
less General dentists, Cosmetic Botox rate for claims-made year one.

This produces a blended rate, reflecting the remaining General dentists, Cosmetic Botox exposure that makes up the majority of the expected reported claims in the upcoming year, plus the initial General dentist-No surgery exposure.

The rate for the second year of gynecology-only practice would be:

General dentist-No surgery rate for claims-made year two,  
plus General dentists, Cosmetic Botox rate for claims-made year five,  
less General dentists, Cosmetic Botox rate for claims-made year two.

This adjustment process continues for two more years, until the beginning of the fifth year in the new specialty. At that time, the blended rate would be:

General dentist-No surgery rate for claims-made year five,  
plus General dentists, Cosmetic Botox rate for claims-made year five,  
less General dentists, Cosmetic Botox rate for claims-made year five, which is  
simply equal to the General dentist-No surgery rate for claims-made year five.

Although this method of adjusting rates is designed to accommodate most situations, changes in dental practice often result from increasing or decreasing patient loads, additional dental training, relocation of the practice, gradual reduction in practice nearing retirement and other underwriting factors which affect the risk of loss. As a result, the Company may choose to waive the exposure change adjustment process in specific situations, thereby utilizing the current rating variables without modification. Conversely, a debit under the Scheduled Rating Plan may be applied at the underwriter's discretion, based on more than five years of practice in specialties with long claim emergence patterns.

**B. Prior Acts Coverage**

When prior acts coverage is provided, the same method is utilized, as if the insured had been with the Company during the prior acts period. Practice information regarding the prior acts period is obtained from the insurance application.

**C. Reporting Endorsement Coverage**

If reporting endorsement coverage is to be rated, the same method is utilized, substituting the reporting endorsement rates for the claims-made rates. For example, a reporting endorsement purchased at the end of the second year of general dentist-no surgery practice in the general dentists, cosmetic Botox example described above would be:

general dentist-no surgery reporting endorsement premium for claims-made year two,  
plus general dentists, cosmetic Botox reporting endorsement premium for claims-made year five, less general dentists, cosmetic Botox reporting endorsement premium for claims-made year two.

**D. Occurrence Coverage**

The calculations for changes in exposure are performed by prorating the rates for the periods of differing exposures. These calculations are appropriate for changes in practice specialty, changes in rating territory or practice in other states, changes between part-time and full-time practice, and other changes that would affect a calculated rate. Currently approved rates, classification tables and discount or surcharge factors for the appropriate state(s) are used.

Although this method of adjusting rates is designed to accommodate most situations, changes in dental practice often result from increasing or decreasing patient loads, additional dental training, relocation of the practice, gradual reduction in practice nearing retirement and other underwriting factors which affect the risk of loss. As a result, the Company may choose to waive the exposure change adjustment process in specific situations, thereby utilizing the current rating variables without modification. Conversely, a debit under the Scheduled Rating Plan may be applied at the underwriter's discretion, based on more than five years of practice in specialties with long claim emergence patterns, such as Pediatrics or Obstetrics.

## **VI. REPORTING ENDORSEMENTS (Claims-made only)**

### **A. Reporting Endorsement Premium Calculation**

With respect to calculation of Reporting Endorsement premium, all credits/discounts, with the exception of the New Doctor or Dentist Discount, and all debit/surcharges will apply to Reporting Endorsement premium calculations. With respect to risks or exposures written on a (a) rated basis or Full-Time Equivalent Rating basis at the time the Reporting Endorsement is issued, Reporting Endorsement premium will be calculated on that same basis. If the policy is terminated during the first year, pro-rate the tail premium. For terminations during the second, third or fourth claims-made policy year, blend the applicable tail factors. The Company may refuse to offer deductible options for premium credit on reporting endorsements in the case of insufficient securitization.

### **B. Waiver of Reporting Endorsement Premium**

The premium for the reporting endorsement may be waived as provided by the contract in force.

**SECTION 3**  
**PROFESSIONAL LIABILITY DISCOUNTS**

## PROFESSIONAL LIABILITY DISCOUNTS

### I. MAXIMUM CREDIT

Maximum credit available per insured will be limited to 25% except for the following:

- Part-time exposure rating: up to 50%. Deductible credits and attendance of a ProAssurance Loss Prevention Seminar credit may be combined with the part-time credit but no other credits or discounts apply.
- New Dentist Discounts: up to 60%. Deductible credits may be combined with the New Dentist Discount but no other credits or discounts apply.
- Deductibles/Self-Insured Retentions.

### II. NEW DENTIST DISCOUNT

This discount will apply only to solo practicing dentists who have never been in practice and proceed directly into practice from training, or dentists who fit within that category except for an interim period of employment not to exceed two years. Dentists who would otherwise qualify but who are joining an established group practice insured by the Company where their clinical exposure will not exceed 30 hours per week credited as if they have had one additional year of practice. This discount will also apply only to dentists who proceed directly into practice from training, or dentists who fit within the category except for an interim period of employment not to exceed two years.

| <u>Year of Coverage<br/>Since Training</u> | <u>Annual Premium Discount per Policy<br/>Dentists</u> |
|--|--|
| Year 1                                     | 60%  |
| Year 2                                     | 40%  |
| Year 3                                     | 0%   |

Note that these discounts do not apply to occurrence or extended reporting endorsement rates.

### III. SCHEDULED RATING PROGRAM

The Company has determined that significant variability exists in the hazards faced by dentists engaged in the practice of dentistry. Exposure conditions vary with respect to:

| <u>Activity</u>   | <u>Credit</u> |
|---|---------------|
| 1. Number of years experience in dentistry;   | 0% to -5%     |
| 2. Number of patient exposures;   | -5% to 5%     |
| 3. Organization (if any) and size;  | -5% to 5%     |
| 4. Dental standards review and claims review committees;  | -10% to 10%   |
| 5. Other risk management practices and procedures;  | -10% to 10%   |
| 6. Training, accreditation and credentialing;   | -10% to 10%   |
| 7. Continuing Dental Education activities;  | -5% to 5%     |
| 8. Professional liability claim experience;   | -10% to 10%   |
| 9. Record-keeping practices;  | -10% to 10%   |
| 10. Maintenance and utilization of certain monitoring equipment, diagnostic tests or diagnostic procedures; | -5% to 5%     |
| 11. Participation in capitation contracts; and*   | 0% to 25%     |
| 12. Insured group maintains differing limits of liability on members.*                                      | 0% to 25%     |
| 13. Services provided at correctional facilities, nursing homes or mobile dental units.                     | 0% to 25%     |

In order to recognize these and other factors affecting a particular practitioner or group practice, the Company proposes to apply a debit or credit to the otherwise applicable rate dependent upon the underwriter's overall evaluation of the risk.

The maximum credit will be 25%; the maximum debit will be 25%.

The Scheduled Rating Plan will apply to individuals as well as groups of two or more dentists as the Company becomes aware of variability in the risk characteristics of the individual or group.

\* NOTE: No credit will be given for #11, #12 or #13 above.

#### IV. DEDUCTIBLES

Deductibles are available to dentists only and may apply either to indemnity only, to indemnity and allocated loss adjustment expenses (ALAE), or to indemnity and ALAE and supplemental payments. Any discount will apply only to the primary limit premium layer (\$1M/\$3M). Deductibles are subject to approval by the company based on financial statements to be submitted by the insured and financial guarantees as required. The company reserves the right to require acceptable securitization in the amount of the per claim or per incident and/or aggregate deductible amount from any insured covered by a policy to which a deductible is attached.

##### A. Individual Deductibles

##### Discount as a Percentage of Rate for Applicable Primary Limit

These per incident and aggregate (if any) deductibles apply to each insured separately.

| <u>INDEMNITY ONLY</u><br><u>Deductible Per Incident</u> |       | <u>INDEMNITY AND ALAE</u><br><u>Deductible Per Incident</u> |        |
|---|-------|---|--------|
| \$ 1,000  | 2.4%  | \$ 1,000  | 3.0%   |
| \$ 2,000  | 4.8%  | \$ 2,000  | 6.1%   |
| \$ 5,000  | 8.5%  | \$ 5,000  | 10.6%  |
| \$10,000  | 10.9% | \$10,000  | 13.6%  |
| \$25,000  | 16.9% | \$25,000  | 21.20% |
| \$50,000  | 21.8% | \$50,000  | 27.2%  |
| \$75,000  | 27.8% | \$75,000  | 34.8%  |
| \$100,000   | 33.9% | \$100,000   | 42.4%  |
| \$150,000   | 41.1% | \$150,000   | 51.4%  |
| \$250,000   | 48.4% | \$250,000   | 60.5%  |
| \$400,000   | 53.2% | \$400,000   | 66.6%  |
| \$500,000   | 60.5% | \$500,000   | 75.60% |

| <u>Per Incident/Aggregate</u> |       | <u>Per Incident/Aggregate</u> |       |
|-------------------------------|-------|-------------------------------|-------|
| \$ 1,000/ 3,000               | 2.2%  | \$ 1,000/ 3,000               | 2.8%  |
| \$ 2,000/ 6,000               | 4.4%  | \$ 2,000/ 6,000               | 5.5%  |
| \$ 5,000/15,000               | 7.7%  | \$ 5,000/15,000               | 9.6%  |
| \$10,000/30,000               | 9.9%  | \$10,000/30,000               | 12.4% |
| \$25,000/75,000               | 15.4% | \$25,000/75,000               | 19.3% |
| \$50,000/150,000              | 19.8% | \$50,000/150,000              | 24.8% |
| \$75,000/225,000              | 25.3% | \$75,000/225,000              | 31.6% |
| \$100,000/300,000             | 30.8% | \$100,000/300,000             | 38.5% |
| \$150,000/450,000             | 37.4% | \$150,000/450,000             | 46.8% |
| \$250,000/750,000             | 44.0% | \$250,000/750,000             | 55.0% |
| \$400,000/1,200,000           | 48.4% | \$250,000/750,000             | 60.5% |
| \$500,000/1,500,000           | 55.0% | \$250,000/750,000             | 68.8% |

For deductible to apply per certificate holder, apply a factor of 1.100 to the appropriate deductible factor. For other deductible amounts selected by policyholders, refer to management for rating.

### B. Group Deductibles

An optional deductible which limits the amount the entire group will have to pay, if multiple claims are made in a policy year, is available. Under this program, the per incident deductible continues to apply separately to each insured involved in a suit. However, the aggregate deductible applies to all insureds in the group combined thereby reducing the organization's maximum potential liability in a policy year.

When an organization is insured with a separate limit of coverage, the organization is counted when totaling the number of insureds below.

Group aggregate deductible discounts apply to \$1M/\$3M premiums only. The applicable Deductible Discount will not change during the policy term despite changes in the number of insureds, but will be limited by any applicable maximum credit amount.

| Indemnity Deductible                            |                           |                |                |                 |                                 |
|---|---------------------------|----------------|----------------|-----------------|---------------------------------|
| <u>Per Incident/Aggregate</u><br><u>(\$000)</u> | <u>Number of Insureds</u> |                |                |                 | <u>Maximum</u><br><u>Credit</u> |
|   | <u>2 - 19</u>             | <u>20 - 40</u> | <u>41 - 60</u> | <u>61 - 100</u> |                                 |
| 5/15  | .073                      | .066           | .055           | .044            | \$ 12,750                       |
| 10/30   | .096                      | .089           | .076           | .061            | 25,500                          |
| 25/75   | .152                      | .143           | .127           | .105            | 63,750                          |
| 50/150  | .205                      | .197           | .180           | .154            | 127,500                         |
| 100/300   | .300                      | .293           | .277           | .252            | 255,000                         |
| 250/750   | .424                      | .424           | .419           | .405            | 637,500                         |

| Indemnity & ALAE<br>Deductible                  |                           |                |                |                 |                                 |
|---|---------------------------|----------------|----------------|-----------------|---------------------------------|
| <u>Per Incident/Aggregate</u><br><u>(\$000)</u> | <u>Number of Insureds</u> |                |                |                 | <u>Maximum</u><br><u>Credit</u> |
|   | <u>2 - 19</u>             | <u>20 - 40</u> | <u>41 - 60</u> | <u>61 - 100</u> |                                 |
| 5/15  | .093                      | .083           | .067           | .055            | \$ 12,750                       |
| 10/30   | .120                      | .111           | .095           | .076            | 25,500                          |
| 25/75   | .191                      | .180           | .159           | .132            | 63,750                          |
| 50/150  | .256                      | .246           | .224           | .193            | 127,500                         |
| 100/300   | .375                      | .366           | .347           | .314            | 255,000                         |
| 250/750   | .530                      | .530           | .524           | .506            | 637,500                         |

### C. Mandatory Deductibles

The deductible mechanism may be applicable when a policyholder exhibits a pattern of claim frequency that exceeds the average for his/her specialty. In the consideration of a deductible assessment, severity is usually not an issue.

Deductibles may be imposed in amounts from \$1,000 to \$250,000 per claim. There is no corresponding premium discount, and there are no aggregate limits on mandatory deductibles.

An amendatory deductible endorsement will be added to the policy at renewal and will be maintained for no less than one year. The policy will be subject to an annual review thereafter for consideration of a revised sanction.

## V. **GENERAL RULES**

- A. Discounts will only be applied to qualifying insureds at the initial issuance of such policy or at the next renewal date.
- B. Discounts will apply in the following order:
  - 1. Deductible Discount (primary premium only).
  - 2. All other discounts.
- C. Additional practice charges will be applied to the premium after all discounts have been applied.
- D. Corporate Liability premium will be determined after all discounts and surcharges have been applied.

**SECTION 4**

**ADDITIONAL PRACTICE CHARGES**

## ADDITIONAL PRACTICE CHARGES

### **I. DENTAL SERVICES PROVIDED IN A STATE OUTSIDE THE STATE OF POLICY ISSUANCE**

Insureds engaging in the routine care and treatment of patients outside the state in which the policy is issued may be subject to appropriate surcharge or credit based upon rates consistent with those charged for a like risk in said state.

### **II. PARTNERSHIP - CORPORATION - PROFESSIONAL ASSOCIATION COVERAGE**

Coverage for partnerships, corporations, or professional associations may be written with a separate limit of liability. The premium charge will be a percentage (selected from the table below) of the sum of each member dentist's net individual premium. The minimum premium charge for this coverage is \$100 for dental. However, this minimum premium may be waived for a specific market or program applying to eligible members of an association. For each member dentist not individually insured by the Company, a premium charge for vicarious liability will be made equal to 30% of the appropriate specialty rate if the Company agrees to provide such coverage. In order for the entity to be eligible for coverage under the separate policy, the Company must insure all member dentists, or at least 60% of the dentist members must be insured by the Company and the remaining dentists must be insured by another professional liability program acceptable to the Company.

| # of Insureds | \$1M/\$3M Charge | \$500K/\$1M | \$200K/\$600K | \$100K/\$300K |
|---------------|------------------|-------------|---------------|---------------|
| 1             | N/A              | N/A         | N/A           | N/A           |
| 2 – 5         | 10.0%            | 18.0%       | 24.0%         | 26.0%         |
| 6 – 9         | 10.0%            | 17.0%       | 22.0%         | 24.0%         |
| 10 – 19       | 9.0%             | 13.0%       | 18.0%         | 20.0%         |
| 20 – 49       | 7.0%             | 9.0%        | 14.0%         | 16.0%         |
| 50 or more    | 5.0%             | 7.5%        | 10.5%         | 11.5%         |

### **III. PARTNERSHIP-CORPORATION-PROFESSIONAL ASSOCIATION EXTENDED REPORTING ENDORSEMENT COVERAGE**

Partnerships, corporations, or professional associations that purchase a separate limit of liability may be eligible to purchase an Extended Reporting Endorsement upon cancellation of the coverage. The premium charge for the entity extended reporting endorsement will be a percentage of the sum of each member dentist's net individual reporting endorsement premium, based on the number of insureds and the table in Paragraph II, above.

#### IV. CLAIMS FREE CREDIT PROGRAM

A dentist will be considered claims free for purposes of this credit program if:

1. no loss payment has been made during the Evaluation Period, and
2. the total of allocated loss adjustment expense [ALAE] payments made during the Evaluation Period plus any Company established reserves for loss or ALAE does not exceed \$35,000.

Only claims reported during the Evaluation Period shall be included in measuring the payment and reserve criteria stated above. The Evaluation Period is based upon the dentist's rating class as defined in the table below and shall end on the effective date of the policy period to be rated. The Evaluation Period shall begin no earlier than the time when the dentist first begins the practice of dentistry following formal training (residency or a continuous period of residency and fellowship). The Company will review the claims history of each insured or applicant for the purpose of evaluating the applicability of each claim based upon the facts and circumstances of specific claims. Reported incidents that do not involve a demand for damages by a third party will not be included in the evaluation.

| Dentist Class | Evaluation Period |
|---------------|-------------------|
| 1A – 5        | 10 Yrs.           |

The claims free dentist will receive a 3% credit for compliance with the minimum Claims Free Period and will earn an additional 1% credit for each continuous claims free year thereafter up to 15% in total. However, if the dentist has been continuously insured by the Company for 10 or more years, the maximum allowable Claims Free Credit that can be earned will be increased to 20%.

Credits will be applied or removed at policy inception or renewal only. Inclusion of claims history with prior carriers is subject to presentation of information acceptable to the Company. The determination of claims to be included and payment or reserve amounts to be considered will be based upon information available at the time the policy is rated, typically 60 days prior to effective date.

Dentists will be treated as "Class 1" for determination of their Evaluation Period and will be eligible for a maximum Claims Free Credit of 15%, in accordance with the earning schedule above. However, the Claims Free Dentist must have no incurred losses or ALAE (payments or reserves) during the Evaluation Period. Notwithstanding any other provisions of this section, no dentist with 2 or more reported claims will be eligible for a claims free credit without management approval.

## V. LEGAL DEFENSE COVERAGE

The Company offers the Professional Legal Defense Extended Coverage to insured dentists at no charge.

Limits of Liability will be offered as follows:

| <u># of insureds</u> | <u>“Each Covered Investigation”</u> | <u>“Each Policy Period”</u> |
|----------------------|-------------------------------------|-----------------------------|
| 1 - 5                | \$25,000                            | \$25,000 X (# of insureds)  |
| 6 - 10               | \$25,000                            | \$125,000                   |
| 11 - 20              | \$25,000                            | \$175,000                   |
| 21 +                 | \$25,000                            | \$225,000                   |

The limit of liability for “covered audits” will be \$5,000 per covered insured with a deductible of \$1,000 per audit per insured.

**SECTION 5**

**PHYSICIAN EXTENDER, PARAMEDICAL AND  
ALLIED HEALTH PROFESSIONAL LIABILITY RATING**

**I. PHYSICIAN EXTENDER, PARAMEDICAL, ALLIED HEALTH EMPLOYEE PROFESSIONAL LIABILITY**

Professional employees (other than dentists, certified registered nurse anesthetists, nurse practitioners, physicians, physicians’ assistants, surgeons, surgeons’ assistants, advanced practice nurse prescribers) are automatically included, at no additional charge, as additional insureds under policies issued to their employers. The limits of liability are on a shared basis with the employer.

The following paramedical employees may be individually covered by the Company by payment of an additional premium or covered elsewhere through a program deemed acceptable to the Company with minimum limits of liability equal to or greater than those of the insured employer. Coverage is available on a shared-limits basis or with separate individual limits. To determine the additional premium for the coverage selected, apply the appropriate factor from the premium assigned to dentist Class Code 80211, as specified, for the applicable claims-made year and limits of liability:

(Paramedical employees written on a shared-limits basis will be charged a fourth year claims-made premium regardless of retroactive date and the shared-limits factors stated above will always be applied to a fourth year claims-made premium.)

| Employee                                  | (Factors based on 80211) |                        |  |
|---|--------------------------|------------------------|--|
|   | Shared Limits Factor     | Separate Limits Factor | Non-insured Vicarious Liability Factor |
| Physician Assistant (PA)                  | 0.1684                   | 0.765                  | 0.1473                                 |
| Surgeon’s Assistant (SA)                  | 0.1684                   | 0.765                  | 0.1473                                 |
| Certified Nurse Practitioner (CNP)        | 0.1684                   | 0.765                  | 0.1473                                 |
| Advanced Practice Nurse Prescriber (APNP) | 0.1684                   | 0.765                  | 0.1473                                 |

| Employee   | (Factors based on 80211) |                        |  |
|--|--------------------------|------------------------|--|
|  | Shared Limits Factor     | Separate Limits Factor | Non-insured Vicarious Liability Factor |
| Certified Nurse Anesthetist (CRNA) – not part of an insured group  | N/A                      | 1.540                  | 0.186                                  |
| CRNA employed by an insured group - separate limits basis  | N/A                      | 1.025                  | 0.133                                  |
| CRNA employed by an insured group – shared limits basis with ratio of CRNAs to anesthesiologists between 2:1 and 4:1 | N/A                      | N/A                    | N/A                                    |
| CRNA employed by an insured group – shared limits basis with ratio of CRNAs to anesthesiologists no more than 2:1    | N/A                      | N/A                    | N/A                                    |

**NOTE:** When the limits of liability apply on a shared basis with the dentists of the group, the premium charge for the excess limits for the paramedical employees will be calculated at the level that the majority of dentists carry.

## II. ALLIED HEALTH PROFESSIONAL EMPLOYEES

Certain Allied Health professionals are eligible for separate insurance by the Company at individual limits of liability. The premium charge will be determined by applying the factors below to the appropriate rate for the designated Dentist Class Code in the applicable rating territory.

### STEP-RATING FACTORS

|             |                        |
|-------------|------------------------|
| First Year  | 50% of mature premium  |
| Second Year | 80% of mature premium  |
| Third Year  | 100% of mature premium |

| SPECIALTY                              | CLASS CODE | \$1M/\$3M<br>(Factors based on 80211) |
|--|------------|---------------------------------------|
| Physician Assistant                    | 80116      | 0.765                                 |
| Surgeon Assistant                      | 80116(B)   | 0.765                                 |
| Certified Registered Nurse Anesthetist | 80960      | 1.540                                 |
| Dental Assistant                       | 80207      | 0.100                                 |
| Dental Hygienist                       | 80208      | 0.100                                 |

At the discretion of the underwriter, additional insured status may be granted to the non-insured allied health entity for a 10% additional charge. The entity will share in the limits of liability of the insured allied health provider but only for the activities of such provider but only for the activities of such provider.

Mature premiums under \$500 are not eligible for the step-rating factors.

Reporting Endorsements:

Reporting Endorsements are available to Allied Health Professionals insured under separate policies by application of the factors below.

| <u>Prior Year<br/>Claims-Made</u> | <u>Factors</u> |
|-----------------------------------|----------------|
| 1                                 | 1.00           |
| 2                                 | 1.25           |
| 3+                                | 1.50           |

**SECTION 6**

**DENTAL PROFESSIONAL LIABILITY  
SPECIALTY CODES AND DESCRIPTIONS**

## DENTAL SPECIALTY CODES & CLASSIFICATIONS

\*\*\*\*\*

### DENTISTS - CLASS 1A

- 80213 Applies to dentists who perform dentistry on patients who have been treated with local anesthesia or by inhalation sedation and does not apply to treatment involving any general anesthesia or intravenous or intramuscular agent unless performed in a hospital. **This class does not apply to dentists performing extractions, root canals or other oral surgery or endodontic procedures.** This class does not apply to oral surgeons.

### DENTISTS - CLASS 1

- 80211 Applies to dentists who perform dentistry on patients who have been treated with local anesthesia or by inhalation sedation and does not apply to treatment involving any general anesthesia or intravenous or intramuscular agent unless performed in a hospital. This class does not apply to dentists performing the initial placement of dental implants. This class does not apply to oral surgeons.
- 80214 Applies to orthodontists and endodontists who perform dentistry on patients who have been treated with local anesthesia or by inhalation sedation and does not apply to treatment involving any general anesthesia or intravenous or intramuscular agent unless performed in a hospital. This class does not apply to dentists performing the initial placement of dental implants. This class does not apply to oral surgeons.
- 80215 Applies to periodontists who perform dentistry on patients who have been treated with local anesthesia or by inhalation sedation and does not apply to treatment involving any general anesthesia or intravenous or intramuscular agent unless performed in a hospital. This class does not apply to dentists performing the initial placement of dental implants. This class does not apply to oral surgeons.

### DENTISTS - CLASS 2

- 80211(F) Applies to dentists, endodontists and periodontists as defined for Class 1 but, in addition, permits the initial placement of dental implants.
- 80211(G) Applies to dentists, endodontists and periodontists as defined for Class 1 but, in addition, permits dentistry on patients who have been treated by intravenous or intramuscular sedation in the office, but only if the sedation is administered by a Dental or Medical Anesthetist. If intravenous or intramuscular sedation is performed in a hospital only, Class 1 will apply. This class does not apply to oral surgeons.

### DENTISTS - CLASS 3

- 80209 Applies to dentists as defined for Classes 1 or 2 but, in addition, permits dentistry on patients who have been treated by intravenous or intramuscular sedation in the office, administered by the dentist or a CRNA. If intravenous or intramuscular sedation is performed in a hospital only, Class 1 or 2 will apply, as appropriate. This class does not apply to oral surgeons.

### ORAL SURGERY - CLASS 4

- 80210 Includes all oral surgeons and also applies to dentists as defined in Classes 1A through 3 who additionally perform dentistry on patients who are being treated with general anesthesia in the office.

DENTISTS - CLASS 5

80211(I) Applies to dentists as defined for Classes 1 or 2 but, in addition, permits use of cosmetic Botox on patients who have been treated by intravenous or intramuscular sedation in the office, administered by the dentist or a CRNA. This class does not apply to oral surgeons.

## **PARADENTAL EMPLOYEE COVERAGE**

Coverage on a shared limits basis is automatically provided for professional employees of the Policyholder or an insured under the policy with no additional charge (e.g., dental assistants, dental hygienists and lab technicians).

While a dental insured's insured paradental employees are automatically covered under the policy, a premium charge for Certified Registered Nurse Anesthetists (CRNAs) will be made as indicated in Section 6, I – Employed Certified Registered Nurse Anesthetist.

**SECTION 7**

**STATE RATES AND EXCEPTIONS – DENTISTS**

## I. RATES

### A. Dental Rating Classes – Illinois

The following indicates the specialty classification codes applicable to the rating classes on the following pages:

|    |                         |
|----|-------------------------|
| 1A | 80213                   |
| 1  | 80211<br>80214<br>80215 |
| 2  | 80211(F)<br>80211(G)    |
| 3  | 80209                   |
| 4  | 80210                   |
| 5  | 80211(I)                |

## B. Dentists Professional Liability Rates

### 1. Claims-Made Rates by Year

Territory 1: Cook, Lake, Monroe, St. Clair and Will counties

| \$100,000 / \$300,000     |       |        |        |        |        |
|---------------------------|-------|--------|--------|--------|--------|
| Class Code                | 1     | 2      | 3      | 4      | 5+     |
| 1A                        | 400   | 565    | 675    | 780    | 890    |
| 1                         | 450   | 660    | 795    | 915    | 1,040  |
| 2                         | 450   | 660    | 795    | 915    | 1,040  |
| 3                         | 850   | 1,365  | 1,705  | 1,945  | 2,180  |
| 4                         | 1,915 | 3,250  | 4,140  | 4,680  | 5,220  |
| 5                         | 4,175 | 7,255  | 9,305  | 10,445 | 11,585 |
| \$200,000 / \$600,000     |       |        |        |        |        |
| Class Code                | 1     | 2      | 3      | 4      | 5+     |
| 1A                        | 420   | 600    | 720    | 835    | 950    |
| 1                         | 480   | 705    | 855    | 985    | 1,115  |
| 2                         | 480   | 705    | 855    | 985    | 1,115  |
| 3                         | 920   | 1,480  | 1,860  | 2,115  | 2,370  |
| 4                         | 2,090 | 3,555  | 4,535  | 5,125  | 5,715  |
| 5                         | 4,575 | 7,960  | 10,220 | 11,470 | 12,725 |
| \$500,000 / \$1,500,000   |       |        |        |        |        |
| Class Code                | 1     | 2      | 3      | 4      | 5+     |
| 1A                        | 470   | 690    | 835    | 960    | 1,090  |
| 1                         | 540   | 815    | 995    | 1,145  | 1,290  |
| 2                         | 540   | 815    | 995    | 1,145  | 1,290  |
| 3                         | 1,070 | 1,755  | 2,210  | 2,505  | 2,805  |
| 4                         | 2,485 | 4,260  | 5,445  | 6,145  | 6,850  |
| 5                         | 5,495 | 9,585  | 12,315 | 13,830 | 15,350 |
| \$1,000,000 / \$3,000,000 |       |        |        |        |        |
| Class Code                | 1     | 2      | 3      | 4      | 5+     |
| 1A                        | 515   | 770    | 940    | 1,080  | 1,220  |
| 1                         | 600   | 915    | 1,130  | 1,295  | 1,460  |
| 2                         | 600   | 915    | 1,130  | 1,295  | 1,460  |
| 3                         | 1,215 | 2,010  | 2,540  | 2,885  | 3,225  |
| 4                         | 2,865 | 4,935  | 6,310  | 7,125  | 7,935  |
| 5                         | 6,370 | 11,140 | 14,320 | 16,090 | 17,855 |

**1. Claims-Made Rates by Year (cont.)**

Territory 2: Remainder of State

| Class Code | \$100,000 / \$300,000 |       |       |       |       |
|------------|-----------------------|-------|-------|-------|-------|
|            | 1                     | 2     | 3     | 4     | 5+    |
| 1A         | 350                   | 475   | 560   | 655   | 745   |
| 1          | 390                   | 550   | 655   | 760   | 865   |
| 2          | 390                   | 550   | 655   | 760   | 865   |
| 3          | 700                   | 1,095 | 1,355 | 1,550 | 1,740 |
| 4          | 1,515                 | 2,540 | 3,225 | 3,655 | 4,080 |
| 5          | 3,255                 | 5,625 | 7,200 | 8,080 | 8,955 |

| Class Code | \$200,000 / \$600,000 |       |       |       |       |
|------------|-----------------------|-------|-------|-------|-------|
|            | 1                     | 2     | 3     | 4     | 5+    |
| 1A         | 365                   | 505   | 600   | 695   | 795   |
| 1          | 410                   | 585   | 700   | 810   | 925   |
| 2          | 410                   | 585   | 700   | 810   | 925   |
| 3          | 750                   | 1,185 | 1,475 | 1,680 | 1,885 |
| 4          | 1,650                 | 2,780 | 3,530 | 3,995 | 4,460 |
| 5          | 3,565                 | 6,165 | 7,905 | 8,870 | 9,835 |

| Class Code | \$500,000 / \$1,500,000 |       |       |        |        |
|------------|-------------------------|-------|-------|--------|--------|
|            | 1                       | 2     | 3     | 4      | 5+     |
| 1A         | 405                     | 570   | 685   | 795    | 900    |
| 1          | 460                     | 670   | 810   | 935    | 1,055  |
| 2          | 460                     | 670   | 810   | 935    | 1,055  |
| 3          | 865                     | 1,390 | 1,740 | 1,980  | 2,225  |
| 4          | 1,955                   | 3,320 | 4,230 | 4,780  | 5,335  |
| 5          | 4,270                   | 7,415 | 9,515 | 10,685 | 11,850 |

| Class Code | \$1,000,000 / \$3,000,000 |       |        |        |        |
|------------|---------------------------|-------|--------|--------|--------|
|            | 1                         | 2     | 3      | 4      | 5+     |
| 1A         | 440                       | 635   | 765    | 885    | 1,005  |
| 1          | 505                       | 750   | 910    | 1,050  | 1,185  |
| 2          | 505                       | 750   | 910    | 1,050  | 1,185  |
| 3          | 980                       | 1,590 | 2,000  | 2,270  | 2,545  |
| 4          | 2,250                     | 3,840 | 4,900  | 5,535  | 6,170  |
| 5          | 4,945                     | 8,615 | 11,060 | 12,420 | 13,780 |

## 2. Reporting Endorsement Rates by Year

Territory 1: Cook, Lake, Monroe, St. Clair and Will counties

| Class Code | \$100,000 / \$300,000 |        |        |        |        |
|------------|-----------------------|--------|--------|--------|--------|
|            | 1                     | 2      | 3      | 4      | 5+     |
| 1A         | 573                   | 868    | 1,026  | 1,103  | 1,140  |
| 1          | 670                   | 1,014  | 1,199  | 1,289  | 1,332  |
| 2          | 670                   | 1,014  | 1,199  | 1,289  | 1,332  |
| 3          | 1,404                 | 2,126  | 2,514  | 2,701  | 2,793  |
| 4          | 3,362                 | 5,090  | 6,019  | 6,468  | 6,687  |
| 5          | 7,461                 | 11,295 | 13,358 | 14,354 | 14,840 |

| Class Code | \$200,000 / \$600,000 |        |        |        |        |
|------------|-----------------------|--------|--------|--------|--------|
|            | 1                     | 2      | 3      | 4      | 5+     |
| 1A         | 612                   | 926    | 1,095  | 1,177  | 1,217  |
| 1          | 718                   | 1,087  | 1,286  | 1,381  | 1,428  |
| 2          | 718                   | 1,087  | 1,286  | 1,381  | 1,428  |
| 3          | 1,526                 | 2,311  | 2,733  | 2,936  | 3,036  |
| 4          | 3,680                 | 5,572  | 6,589  | 7,081  | 7,321  |
| 5          | 8,195                 | 12,407 | 14,672 | 15,766 | 16,301 |

| Class Code | \$500,000 / \$1,500,000 |        |        |        |        |
|------------|-------------------------|--------|--------|--------|--------|
|            | 1                       | 2      | 3      | 4      | 5+     |
| 1A         | 702                     | 1,063  | 1,257  | 1,351  | 1,396  |
| 1          | 831                     | 1,258  | 1,487  | 1,598  | 1,652  |
| 2          | 831                     | 1,258  | 1,487  | 1,598  | 1,652  |
| 3          | 1,806                   | 2,735  | 3,234  | 3,475  | 3,593  |
| 4          | 4,411                   | 6,679  | 7,898  | 8,487  | 8,775  |
| 5          | 9,885                   | 14,966 | 17,699 | 19,019 | 19,663 |

| Class Code | \$1,000,000 / \$3,000,000 |        |        |        |        |
|------------|---------------------------|--------|--------|--------|--------|
|            | 1                         | 2      | 3      | 4      | 5+     |
| 1A         | 786                       | 1,190  | 1,407  | 1,512  | 1,563  |
| 1          | 940                       | 1,424  | 1,683  | 1,809  | 1,870  |
| 2          | 940                       | 1,424  | 1,683  | 1,809  | 1,870  |
| 3          | 2,077                     | 3,144  | 3,718  | 3,996  | 4,131  |
| 4          | 5,110                     | 7,737  | 9,149  | 9,831  | 10,165 |
| 5          | 11,499                    | 17,409 | 20,587 | 22,122 | 22,872 |

## 2. Reporting Endorsement Rates by Year (cont.)

Territory 2: Remainder of State

| Class Code | \$100,000 / \$300,000 |       |        |        |        |
|------------|-----------------------|-------|--------|--------|--------|
|            | 1                     | 2     | 3      | 4      | 5+     |
| 1A         | 480                   | 726   | 859    | 923    | 954    |
| 1          | 557                   | 843   | 997    | 1,072  | 1,108  |
| 2          | 557                   | 843   | 997    | 1,072  | 1,108  |
| 3          | 1,121                 | 1,697 | 2,006  | 2,156  | 2,229  |
| 4          | 2,628                 | 3,978 | 4,704  | 5,055  | 5,226  |
| 5          | 5,767                 | 8,731 | 10,325 | 11,095 | 11,471 |

  

| Class Code | \$200,000 / \$600,000 |       |        |        |        |
|------------|-----------------------|-------|--------|--------|--------|
|            | 1                     | 2     | 3      | 4      | 5+     |
| 1A         | 512                   | 775   | 917    | 985    | 1,018  |
| 1          | 596                   | 902   | 1,067  | 1,146  | 1,185  |
| 2          | 596                   | 902   | 1,067  | 1,146  | 1,185  |
| 3          | 1,214                 | 1,838 | 2,173  | 2,336  | 2,415  |
| 4          | 2,872                 | 4,349 | 5,142  | 5,526  | 5,713  |
| 5          | 6,334                 | 9,589 | 11,340 | 12,186 | 12,599 |

  

| Class Code | \$500,000 / \$1,500,000 |        |        |        |        |
|------------|-------------------------|--------|--------|--------|--------|
|            | 1                       | 2      | 3      | 4      | 5+     |
| 1A         | 580                     | 878    | 1,038  | 1,115  | 1,153  |
| 1          | 679                     | 1,029  | 1,216  | 1,307  | 1,351  |
| 2          | 679                     | 1,029  | 1,216  | 1,307  | 1,351  |
| 3          | 1,433                   | 2,169  | 2,565  | 2,757  | 2,850  |
| 4          | 3,436                   | 5,202  | 6,151  | 6,610  | 6,834  |
| 5          | 7,631                   | 11,554 | 13,663 | 14,682 | 15,180 |

  

| Class Code | \$1,000,000 / \$3,000,000 |        |        |        |        |
|------------|---------------------------|--------|--------|--------|--------|
|            | 1                         | 2      | 3      | 4      | 5+     |
| 1A         | 647                       | 980    | 1,159  | 1,245  | 1,287  |
| 1          | 763                       | 1,155  | 1,366  | 1,468  | 1,518  |
| 2          | 763                       | 1,155  | 1,366  | 1,468  | 1,518  |
| 3          | 1,639                     | 2,481  | 2,934  | 3,153  | 3,260  |
| 4          | 3,973                     | 6,016  | 7,114  | 7,645  | 7,904  |
| 5          | 8,874                     | 13,436 | 15,888 | 17,073 | 17,652 |

### 3. Occurrence Rates by Year

Territory 1: Cook, Lake, Monroe, St. Clair and Will counties

| <u>Class Code</u> | <u>100/300</u> | <u>200/600</u> | <u>500/1500</u> | <u>1000/3000</u> |
|-------------------|----------------|----------------|-----------------|------------------|
| 1A                | 1,015          | 1,090          | 1,260           | 1,425            |
| 1                 | 1,200          | 1,295          | 1,510           | 1,720            |
| 2                 | 1,200          | 1,295          | 1,510           | 1,720            |
| 3                 | 2,610          | 2,845          | 3,385           | 3,905            |
| 4                 | 6,370          | 6,980          | 8,385           | 9,730            |
| 5                 | 14,360         | 15,770         | 19,010          | 22,115           |

Territory 2: Remainder of State

| <u>Class Code</u> | <u>100/300</u> | <u>200/600</u> | <u>500/1500</u> | <u>1000/3000</u> |
|-------------------|----------------|----------------|-----------------|------------------|
| 1A                | 840            | 900            | 1,030           | 1,160            |
| 1                 | 985            | 1,055          | 1,225           | 1,380            |
| 2                 | 985            | 1,055          | 1,225           | 1,380            |
| 3                 | 2,070          | 2,250          | 2,665           | 3,065            |
| 4                 | 4,960          | 5,430          | 6,510           | 7,545            |
| 5                 | 11,105         | 12,190         | 14,685          | 17,070           |

#### 4. Excess Limits Premium Factors

Excess limits premium shall be derived by applying the appropriate factor below to the appropriate primary rate. Excess limits are only offered above underlying limits of \$1,000,000.

\$1M/\$3M Primary

| EXCESS LIMITS | Dentists/<br>Oral Surgeons |
|---------------|----------------------------|
| \$1M          | 0.0480                     |
| \$2M          | 0.0960                     |
| \$3M          | 0.1450                     |
| \$4M          | 0.1935                     |
| \$5M          | 0.2225                     |

These factors are based upon negotiated reinsurance agreements. Deviation from these factors up to 25% based upon negotiated agreements with reinsurers and/or underwriting judgment may apply.

## II. EXCEPTIONS

### A. Policy Issuance

1. If the insured elects to accept the Waiver of Consent to Settle Endorsement, Form PRA-HCP-612, a credit of 7% will be applied.
2. The Illinois State Amendatory Endorsement must be attached to the policy at the time of issuance.
3. Item III, Premium Payments, is hereby added to Section 1, Introduction, as follows:

### III. PREMIUM PAYMENTS

1. Annual Payment Plan – The premium must be paid in full prior to the inception date of the policy.
2. Semi-Annual Payment Plan – 60% of the premium must be paid prior to the policy inception date and one installment of 40% is due six months after inception.
3. Quarterly Payment Plan – 35% of the premium must be paid prior to the policy inception date, with second and third quarterly payments of 25% each and a final quarterly payment of 15%.
4. Nine Payment Plan – 20% down and eight consecutive monthly installments of 10% each. This plan requires that the policyholder participate in the Electronic Payment Plan in which premiums are automatically deducted from the policyholder's bank account.

No finance charges or fees apply to these payment plans. The option to pay premium on other than the Annual Payment Plan may be withdrawn by the Company if the insured has failed to make premium payments when due.

### B. Rules

1. Section 3, Professional Liability Discounts, is amended by adding the following:

#### VI. BLENDING CREDIT OR DEBIT

A blending credit is available for those accounts that are rated in one territory, but have a percentage of their practice in another (one or more) territory. This credit is intended to bring the premium in line with the exposure per territory. It is not intended to reduce the premium below that of which they would pay in the outside territory. The Named Insured must provide a complete distribution of their practice. This distribution may include percentages for office and hospital practice along with a further breakdown into territory for each facet. This information must be completed in order to provide an accurate credit.

2. Section 3, Professional Liability Discounts, is amended by adding the following:

#### VII. GROUP PRACTICE MODIFICATION PLAN

Credits or debits for groups will be determined annually on the basis of our evaluation of each individual group's risk profile, which assesses such characteristics as changes in maturity, number of healthcare providers, specialty composition, management, employees, patient records, quality assurance, facilities, billing procedures and loss history.

#### Group Practice Eligibility

1. a. For a group of dental healthcare providers, two or more permanently licensed, practicing dentists.  
b. Other markets are not eligible for group practice (entity) policies or rating, unless specifically addressed in this manual.

2. Group must be a corporation, partnership, joint venture, or limited partnership association.
3. Primary location where both professional services are rendered and administrative functions (billing, patient records) are undertaken.
4. Satellites are acceptable to the extent they are controlled and are practicing as part of the primary location.
5. The entity must be organized for the purpose of delivering professional services to patients.

#### **Group Practice Primary Evaluation Criteria**

1. Length of time entity has operated as a group.
2. Degree of specialization within the group.
3. Stability of members and locations.
4. Reputation and standard within the community served.
5. Promotional materials, advertising, sign on the door.
6. Hospitals where healthcare provider(s) has admitting privileges.

#### **Group Practice Risk Profile**

This risk profile should ascertain the level of the group's involvement and commitment in their effort to provide risk management. It is the Company's philosophy that the greater effort clinics use to reduce risk, the more awareness they have of methods to limit the exposure to malpractice litigation. If properly instituted, a good risk management program will:

1. Reduce the risk of malpractice claims by the recognition and elimination of problem areas;
2. Augment a defensible position;
3. Increase awareness of potential areas of risk;
4. Improve the standard of care;
5. Provide a mechanism for patient advocacy.

#### **Group Practice Claims History Evaluation**

This evaluation ascertains the level of the group's prior claims and loss history and to obtain the appropriate claim information and assess the liability, if any, of a healthcare provider. To make the assessment, identify the following factors:

1. Did the healthcare provider depart from the accepted standard of care? Did that departure result in injury, loss, or damage to the patient?
2. What was the opinion of the peer review committee, if any, or experts who reviewed the case as to the standard of care rendered?
3. Are there any patterns or trends noted in the healthcare provider's practice which could give rise to subsequent professional incidents, such as the same surgical procedure improperly performed, inadequate patient histories or workups, lack of informed consent, improper record keeping and documentation, etc.?
4. Assess the number of claims which have occurred from inception of the healthcare provider's practice. Evaluate those that have occurred against the nature of the insured's specialty.
5. If a renewal, review the claim representative's case summary, trial review or other evaluation report for their assessment of the merits of the case. Often the Litigation Specialist is in contact with the healthcare provider and is the most knowledgeable of the facts in the case. Did the healthcare provider cooperate with the Litigation Specialist and the Company in preparing the defense?

Upon evaluation of these factors, either a decision or a recommendation for coverage will be formed by the Underwriter.

### **Non-Group Primary Evaluation Criteria**

1. Length of time healthcare provider(s) has practiced;
2. Stability of practice;
3. Reputation and standing within the community served;
4. Hospitals where healthcare provider(s) has admitting privileges;

### **Non-Group Risk Profile**

This risk profile should ascertain the level of the healthcare provider's involvement and commitment in their effort to provide risk management. It is the Company's philosophy that the greater effort healthcare providers use to reduce risk, the more awareness they have of methods to limit the exposure to malpractice litigation. If properly instituted, a good risk management program will:

1. Reduce the risk of malpractice claims by the recognition and elimination of problem areas;
2. Augment a defensible position;
3. Increase awareness of potential areas of risk;
4. Improve the standard of care;
5. Provide a mechanism for patient advocacy.

The maximum credit or debit is 25 percent for dentists, based on the eligibility, primary evaluation criteria, risk profile and loss ratio evaluation, as described in the rules pages.

The combined credit/debit for the Schedule Rating Program and the Group Practice Modification Plan cannot exceed 25%.

3. Section 3, Professional Liability Discounts, is amended by adding the following

First Aid Coverage – Standard coverage will be offered with a sublimit of \$5,000.

4. Section 4, Professional Liability Discounts, is hereby amended by replacing Item IV, Claims Free Credit Program, with the following:

## **V. LOSS FREE DISCOUNT PROGRAM**

Loss-Free Credit: Healthcare providers who have not experienced losses may be able to receive premium credits as follows:

| <u># Of Loss-Free<br/>Years</u> | <u>Annual<br/>Credit</u> | <u>Accumulated<br/>Credit</u> |
|---------------------------------|--------------------------|-------------------------------|
| 1                               | 5%                       | 5%                            |
| 2                               | 10%                      | 10%                           |
| 3                               | 15%                      | 15%                           |

New Business: Dentists who have been loss-free (with no indemnity payments) for the past three years will receive the full premium credit of 15 percent. Dentists who have been loss-free for two years will receive a 10 percent credit, while dentists with one year of loss-free experience will receive a 5 percent credit.

Definition of a Meritorious Claim: If any one claim results in an indemnity payment of more than \$3,000 for dentists or all other healthcare providers, the premium for the healthcare provider will revert to the base level. Otherwise, loss-free credits will continue to apply and accumulate, subject to the maximum available credit, as well as Underwriting review.

If a Loss (As Defined) Occurs After Enrollment Into the Program: In this situation, the rates upon renewal revert back to the 100 percent level until the health care provider has been loss free for a full policy year, at which time credits again begin to accumulate.

5. Section 4, Professional Liability Discounts, is hereby amended by adding the following:

#### **V. DENTISTS RISK MANAGEMENT PREMIUM CREDITS**

Insured dentists who participate in risk management activities approved by the Company are eligible for the following premium credits.

- A. Individual Risk Management Activities: Individual dentist insureds shall receive premium credits as indicated for completion, within the 12 months prior to the effective date of the policy being rated, of the following activities:

| <u>Activity</u>  | <u>Credit</u>   |
|--|---|
| A Company-produced online Loss Prevention seminar.         | 2.5%  |
| Company-produced Supplemental Online Modules (up to four). | 0.5% premium credit for every 30 minutes of online coursework (up to a maximum of 2.0%) |

- B. Any risk management credit will be revoked or withheld for any of the following reasons:
1. Failure by an individual insured to certify adherence to risk management guidelines adopted by the Company and in effect at the time of application;
  2. Demonstrable evidence which indicates that the insured has been or is practicing in violation of guidelines or underwriting criteria adopted by the Company;
  3. Results of an underwriting audit which show serious deficiencies, including but not limited to non-compliance with specialty risk management guidelines; or
  4. Evidence of falsification of attendance, credit or completion of risk management activities applied towards a risk management credit.

Information obtained in the process of handling a claim will be used in evaluating an insured with respect to the above condition; however, the filing of a claim or incurring any expense or indemnity on behalf of an insured shall not alone be considered grounds for reducing, revoking or withholding a credit.

6. Section 4, Additional Practice Charges, is amended by adding the following

#### **VII. Dental Board Examination Coverage**

Dental students taking their licensing examinations will be offered occurrence coverage for their exposure while taking a dental licensing board examination. Coverage will be provided at limits of \$1,000,000 per incident, \$3,000,000 aggregate. The policy definition of Professional Health Care Services referred to in the policy is limited to only those services rendered by the insured during a dental board examination.

A \$15 charge per examinee will be charged to cover the exposure for these dental candidates. In addition, if the examinee obtains professional liability coverage with the Company after obtaining his/her license to practice dentistry, the Company will apply this fee as a reduction to the insured's first-year premium. The dentist's first professional policy to insure his/her full-time dental practice must be purchased from the Company in order to receive that \$15 reduction.

SERFF Tracking Number: PCWA-127935301 State: Illinois  
 Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
 Company Tracking Number: IL-PRAC-2012-DPL-RR  
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
 Made/Occurrence  
 Product Name: Healthcare Professional Liability Program  
 Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

## Supporting Document Schedules

|  | <b>Item Status:</b> | <b>Status Date:</b> |
|--|---------------------|---------------------|
| <b>Bypassed - Item:</b> Explanatory Memorandum |                     |                     |
| <b>Bypass Reason:</b> N/A                      |                     |                     |
| <b>Comments:</b>                               |                     |                     |

|  | <b>Item Status:</b> | <b>Status Date:</b> |
|--|---------------------|---------------------|
| <b>Bypassed - Item:</b> Form RF3 - (Summary Sheet) |                     |                     |
| <b>Bypass Reason:</b> N/A                          |                     |                     |
| <b>Comments:</b>                                   |                     |                     |

|   | <b>Item Status:</b> | <b>Status Date:</b> |
|---|---------------------|---------------------|
| <b>Satisfied - Item:</b> Certification    |                     |                     |
| <b>Comments:</b>                          |                     |                     |
| <b>Attachment:</b>                        |                     |                     |
| Certification for IL-PRAC-2012-DPL-RR.PDF |                     |                     |

|                                | <b>Item Status:</b> | <b>Status Date:</b> |
|--------------------------------|---------------------|---------------------|
| <b>Bypassed - Item:</b> Manual |                     |                     |
| <b>Bypass Reason:</b> N/A      |                     |                     |
| <b>Comments:</b>               |                     |                     |

|  | <b>Item Status:</b> | <b>Status Date:</b> |
|--|---------------------|---------------------|
| <b>Satisfied - Item:</b> Revised page 21 |                     |                     |
| <b>Comments:</b>                         |                     |                     |
| <b>Attachments:</b>                      |                     |                     |
| revised page 21.PDF                      |                     |                     |

*SERFF Tracking Number:* PCWA-127935301      *State:* Illinois  
*Filing Company:* ProAssurance Casualty Company      *State Tracking Number:* PCWA-127935301  
*Company Tracking Number:* IL-PRAC-2012-DPL-RR  
*TOI:* 11.0 Medical Malpractice - Claims      *Sub-TOI:* 11.0007 Dentists - Oral Surgeons  
*Made/Occurrence*  
*Product Name:* Healthcare Professional Liability Program  
*Project Name/Number:* Adoption of ProAssurance Wisconsin's rates, rules and forms/  
revised page 21-marked.PDF

# ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Kathryn A. Neville, a duly authorized officer of ProAssurance Casualty Company, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing. I also certify that all changes made were disclosed, no written statement that the insurer, in offering, administering, or applying the filed rate/rule manual and/or any amended provisions, does not unfairly discriminate.

I, Howard H. Friedman, a duly authorized actuary of ProAssurance Casualty Company, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.



\_\_\_\_\_  
Kathryn A. Neville, Secretary  
Signature and Title of Authorized Insurance Company Officer

\_\_\_\_\_  
3/7/2012  
Date



\_\_\_\_\_  
Howard H. Friedman, ACAS, MAAA, Senior Vice President  
Signature, Title and Designation of Authorized Actuary

\_\_\_\_\_  
3/7/2012  
Date

Insurance Company FEIN 38-2317569 Filing Number IL-PRAC-2012-DPL-RR  
Insurer's Address 100 Brookwood Place  
City Birmingham State Alabama Zip Code 35209

Contact Person's:

-Name and E-mail LaQuita B. Goodwin, Compliance Specialist – [lgoodwin@proassurance.com](mailto:lgoodwin@proassurance.com)

-Direct Telephone and Fax Number (205) 877-4426 – Fax (205) 414-2887

## II. ALLIED HEALTH PROFESSIONAL EMPLOYEES

Certain Allied Health professionals are eligible for separate insurance by the Company at individual limits of liability. The premium charge will be determined by applying the factors below to the appropriate rate for the designated Dentist Class Code in the applicable rating territory.

### STEP-RATING FACTORS

|             |                        |
|-------------|------------------------|
| First Year  | 50% of mature premium  |
| Second Year | 80% of mature premium  |
| Third Year  | 100% of mature premium |

| SPECIALTY                              | CLASS CODE | \$1M/\$3M<br>(Factors based on 80211) |
|--|------------|---------------------------------------|
| Physician Assistant                    | 80116      | 0.765                                 |
| Surgeon Assistant                      | 80116(B)   | 0.765                                 |
| Certified Registered Nurse Anesthetist | 80960      | 1.540                                 |
| Dental Assistant                       | 80207      | 0.100                                 |
| Dental Hygienist                       | 80208      | 0.100                                 |

At the discretion of the underwriter, additional insured status may be granted to the non-insured allied health entity for a 10% additional charge. The entity will share in the limits of liability of the insured allied health provider but only for the activities of such provider but only for the activities of such provider.

Mature premiums under \$500 are not eligible for the step-rating factors.

Reporting Endorsements:

Reporting Endorsements are available to Allied Health Professionals insured under separate policies by application of the factors below.

| <u>Prior Year<br/>Claims-Made</u> | <u>Factors</u> |
|-----------------------------------|----------------|
| 1                                 | 1.00           |
| 2                                 | 1.25           |
| 3+                                | 1.50           |

## II. ALLIED HEALTH PROFESSIONAL EMPLOYEES

Certain Allied Health professionals are eligible for separate insurance by the Company at individual limits of liability. The premium charge will be determined by applying the factors below to the appropriate rate for the designated Dentist Class Code in the applicable rating territory.

### STEP-RATING FACTORS

|             |                        |
|-------------|------------------------|
| First Year  | 50% of mature premium  |
| Second Year | 80% of mature premium  |
| Third Year  | 100% of mature premium |

| SPECIALTY                              | CLASS CODE | \$1M/\$3M<br>(Factors based on 80211) |
|--|------------|---------------------------------------|
| Physician Assistant                    | 80116      | 0.765                                 |
| Surgeon Assistant                      | 80116(B)   | 0.765                                 |
| Certified Registered Nurse Anesthetist | 80960      | 1.540                                 |
| Dental Assistant                       | 80207      | <del>0.0180</del> .100                |
| Dental Hygienist                       | 80208      | <del>0.0180</del> .100                |

At the discretion of the underwriter, additional insured status may be granted to the non-insured allied health entity for a 10% additional charge. The entity will share in the limits of liability of the insured allied health provider but only for the activities of such provider but only for the activities of such provider.

Mature premiums under \$500 are not eligible for the step-rating factors.

Reporting Endorsements:

Reporting Endorsements are available to Allied Health Professionals insured under separate policies by application of the factors below.

| <u>Prior Year<br/>Claims-Made</u> | <u>Factors</u> |
|-----------------------------------|----------------|
| 1                                 | 1.00           |
| 2                                 | 1.25           |
| 3+                                | 1.50           |

SERFF Tracking Number: PCWA-127935301 State: Illinois  
 Filing Company: ProAssurance Casualty Company State Tracking Number: PCWA-127935301  
 Company Tracking Number: IL-PRAC-2012-DPL-RR  
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0007 Dentists - Oral Surgeons  
 Made/Occurrence  
 Product Name: Healthcare Professional Liability Program  
 Project Name/Number: Adoption of ProAssurance Wisconsin's rates, rules and forms/

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

| Creation Date: | Schedule      | Schedule Item Name                  | Replacement Creation Date | Attached Document(s)                    |
|----------------|---------------|-------------------------------------|---------------------------|---|
| 12/28/2011     |               | Supporting Certification Document   | 03/07/2012                |   |
| 01/04/2012     |               | Supporting Revised page 21 Document | 01/05/2012                | revised page 21.PDF                     |
| 12/28/2011     | Rate and Rule | Underwriting Manual                 | 01/04/2012                | Illinois Dental 1_1_12.pdf (Superseded) |



PROASSURANCE<sup>®</sup>

Treated Fairly

PROASSURANCE CASUALTY COMPANY

HEALTHCARE PROFESSIONALS

UNDERWRITING RULES AND RATES

**ILLINOIS MANUAL**

## TABLE OF CONTENTS

\*\*\*\*\*

|                  | PAGE   |                |
|------------------|--|----------------|
| <b>SECTION 1</b> | <b>INTRODUCTION</b>  | <b>3 - 4</b>   |
| <b>SECTION 2</b> | <b>CLASSIFICATION AND/OR RATING MODIFICATIONS<br/>AND PROCEDURES RATES</b>                 | <b>5 - 9</b>   |
| <b>SECTION 3</b> | <b>PROFESSIONAL LIABILITY DISCOUNTS</b>  | <b>10 - 14</b> |
| <b>SECTION 4</b> | <b>ADDITIONAL PRACTICE CHARGES</b>   | <b>15 - 18</b> |
| <b>SECTION 5</b> | <b>PHYSICIAN EXTENDER, PARAMEDICAL AND<br/>ALLIED HEALTH PROFESSIONAL LIABILITY RATING</b> | <b>19 - 21</b> |
| <b>SECTION 6</b> | <b>DENTAL PROFESSIONAL LIABILITY<br/>SPECIALTY CODES AND DESCRIPTIONS</b>                  | <b>22 - 25</b> |
| <b>SECTION 7</b> | <b>STATE RATES AND EXCEPTIONS - DENTISTS</b>   | <b>26 - 38</b> |

## **SECTION 1**

### **INTRODUCTION**

## INTRODUCTION

This manual contains the classifications and rates governing the underwriting of Dentists and Allied Health Professionals' Professional Liability Insurance by ProAssurance Casualty Company, hereinafter referred to as "the Company."

### **I. RATES AND PREMIUM CALCULATIONS**

- A. Rates apply on a per incident and annual aggregate basis. The rates for the premium classifications selected by the Company or any special situations not delineated herein are those described in the Professional Liability State Rates and Exceptions Section of this manual, with a minimum premium being \$500 (\$250 first and second-year claims-made coverage and for Allied Health Professionals). If an individual's practice involves two or more rating territories or rating classifications, the highest rating territory or classification applies. Endorsements adding risks/exposures mid-term will be rated in accordance with the Rates and Rules in effect as of the endorsement effective date. Subject to Section 2., V, (Rate Adjustments for Changes in Exposure) of this manual, Reporting Endorsements will be rated in accordance with the Rates and Rules in effect as of the endorsement effective date. Subject to Section 2, V, (Rate Adjustments for Changes in Exposure) of this manual, endorsements effecting changes on risks/exposures currently insured will be rated using the Rules (e.g., rating classification, limits of liability and rating territory) in effect on the date of the change combined with the rates in effect on the later date of either i) the policy term effective date or ii) risk effective date.
- B. Refer to the Company for: Agents should refer to the Company any risk meeting one of the following criteria: a) Any risk or exposure for which there is no manual rate or applicable classification, or b) Risks developing annualized premium of \$100,000 or more for basic limits for individual (a) rating.
- C. Whole Dollar Premium Rule: The premiums appearing in the State Rates and Exceptions Section of this manual have been rounded to the nearest whole dollar. This procedure shall also apply to all interim premium adjustments, including endorsements or cancellations. A premium involving \$.50 or over, shall be rounded to the next higher whole dollar.

### **II. CANCELLATIONS**

Cancellations shall be made only within the parameters established by the State of policy issuance as framed in the Cancellation provisions of the policy including any State-specific endorsement thereto.

- A. By the Company: The earned premium shall be determined on a "pro rata" basis.
- B. By the Insured: The earned premium may be determined on a "short rate" basis if the entire policy is cancelled. Pro-rata calculation shall be used if a portion of the coverages or risks are cancelled but other portions of the policy remains in force. "Short rate" calculation means that total earned premium shall equal actual earned premium as of the date of cancellation plus a short rate penalty equal to ten percent (10%) of unearned premium for the remainder of the policy period.
- C. Removal from the State: Subject to state provisions, the policy may be canceled by the Company after the insured no longer maintains at least 75% of his dental practice within the state of issuance, subject to proper notice.

**SECTION 2**

**CLASSIFICATION AND/OR RATING MODIFICATIONS  
AND PROCEDURES**

## CLASSIFICATION AND/OR RATING MODIFICATIONS AND PROCEDURES

### **I. PART-TIME AND SEMI-RETIRED PROFESSIONALS**

The Part-Time Discount is available to dentists:

- A. who have at least 15 years of postgraduate clinical practice experience and are scaling back their practice in anticipation of retirement; or
- B. who practice less than 20 hours per week due to family needs (caring for young children and/or ill or disabled family members); or
- C. who are required to practice on a reduced basis as a result of a physical or medical condition, with the company's approval; or
- D. who practice at least 30 hours per week at a hospital, community health center or other health care facility where medical professional liability insurance is provided by the facility. A certificate of insurance listing the Company as certificate holder must be presented annually for the credit to apply.

Insureds eligible for the New Dentist Discount are not eligible for the Part-Time Discount. Also, dentists employing or supervising paramedicals (as listed in Section V, Item I) are not eligible for the Part-Time Discount.

This discount is intended to more accurately rate the insured who practices his specialty on a limited basis. The available discounts are:

| <u>TYPE</u> | <u>Class</u> | <u>Average Weekly Practice</u><br><u>Hours &lt; 20 hours</u> |
|-------------|--------------|--|
| Dentist     | 1A to 5      | 50%  |
| All other   |              | None   |

Practice hours are defined as:

- hospital rounds,
- charting and patient planning,
- on call hours involving patient contact, whether direct or by telephone,
- consultation with other dentists, and
- patient visits/consultations.

Practice hours of dentists receiving the Part-Time Discount are subject to random audit by the Company.

### **II. LOCUM TENENS**

Coverage for temporary substitute health care providers may be provided through the issuance of an Additional Insured endorsement or the Locum Tenens Endorsement. In states not requiring a separate set of limits for the substitute, the Locum Tenens health care providers will be added to the insured's policy as an additional insured, sharing in the insured health care provider's limits. In states requiring separate limits for each health care provider, a Locum Tenens endorsement will be added to the insured health care provider's policy, providing a separate set of temporary limits to the Locum Tenens. Locum tenens coverage should not exceed a period of 90 days.

The locum tenens dentist must submit an application for Company approval in advance of the requested effective date of coverage.

### III. CORPORATE LIABILITY - SHARED LIMIT

Where allowed by law, no charge will be made for entities sharing in the available limits of liability of the insured dentists or other insured organizations, providing each member is insured by the Company and the risk is otherwise acceptable.

### IV. FULL-TIME EQUIVALENT RATING

Rating of certain multi-dentist groups may, at the Company's option, be determined on a full-time equivalent (FTE) unit basis. Under this rating method, policies may be issued to positions with individuals who may fill such positions identified rather than being issued to specific individuals. An FTE rate will be determined based upon the filed and approved rate for a given classification of dentists but will be allocated based upon either the number of average hours of practice for a given specialty (2,080 hours of work per FTE) or the average number of patient contacts/visits in a 12 month period (4,000 visits per FTE). A risk with fewer than 50,000 encounters each year will not qualify for full-time equivalent rating.

All FTE rated applications shall be referred to the Company.

### V. RATE ADJUSTMENTS FOR CHANGES IN EXPOSURE -- CLAIMS-MADE, RETROACTIVE, AND REPORTING ENDORSEMENT COVERAGE

#### A. Claims-Made Coverage

The calculations for changes in exposure are performed by taking the difference between claims-made rates for each period of differing exposures. These calculations are appropriate for changes in practice specialty, changes in rating territory or practice in other states, changes between part-time and full-time practice, and other changes that would affect a calculated rate. Currently approved rates, classification tables and discount or surcharge factors for the appropriate state(s) are used. This method can be generalized by using the following formula to calculate a rate for the upcoming year.

1. Rate for current practice, determined using a retroactive date equal to the date that the *current* practice patterns began,
2. plus rate for prior practice, determined using a retroactive date equal to the date that the *previous* practice patterns began,
3. less rate for prior practice, determined using a retroactive date equal to the date that the *current* practice patterns began.

This method is applied in a similar manner if more than one practice change occurred during the previous four years, and the components are pro-rated if the change occurred at a date other than the policy anniversary date.

For example, if a dentist had practiced general dentistry with cosmetic Botox for many years, then stopped practicing cosmetic Botox and began to practice general dentistry-no surgery only, the appropriate premium for the upcoming policy period would be:

General dentist-No surgery rate for claims-made year one,  
plus General dentists, Cosmetic Botox rate for claims-made year five,  
less General dentists, Cosmetic Botox rate for claims-made year one.

This produces a blended rate, reflecting the remaining General dentists, Cosmetic Botox exposure that makes up the majority of the expected reported claims in the upcoming year, plus the initial General dentist-No surgery exposure.

The rate for the second year of gynecology-only practice would be:

General dentist-No surgery rate for claims-made year two,  
plus General dentists, Cosmetic Botox rate for claims-made year five,  
less General dentists, Cosmetic Botox rate for claims-made year two.

This adjustment process continues for two more years, until the beginning of the fifth year in the new specialty. At that time, the blended rate would be:

General dentist-No surgery rate for claims-made year five,  
plus General dentists, Cosmetic Botox rate for claims-made year five,  
less General dentists, Cosmetic Botox rate for claims-made year five, which is  
simply equal to the General dentist-No surgery rate for claims-made year five.

Although this method of adjusting rates is designed to accommodate most situations, changes in dental practice often result from increasing or decreasing patient loads, additional dental training, relocation of the practice, gradual reduction in practice nearing retirement and other underwriting factors which affect the risk of loss. As a result, the Company may choose to waive the exposure change adjustment process in specific situations, thereby utilizing the current rating variables without modification. Conversely, a debit under the Scheduled Rating Plan may be applied at the underwriter's discretion, based on more than five years of practice in specialties with long claim emergence patterns.

**B. Prior Acts Coverage**

When prior acts coverage is provided, the same method is utilized, as if the insured had been with the Company during the prior acts period. Practice information regarding the prior acts period is obtained from the insurance application.

**C. Reporting Endorsement Coverage**

If reporting endorsement coverage is to be rated, the same method is utilized, substituting the reporting endorsement rates for the claims-made rates. For example, a reporting endorsement purchased at the end of the second year of general dentist-no surgery practice in the general dentists, cosmetic Botox example described above would be:

general dentist-no surgery reporting endorsement premium for claims-made year two,  
plus general dentists, cosmetic Botox reporting endorsement premium for claims-made year five, less general dentists, cosmetic Botox reporting endorsement premium for claims-made year two.

**D. Occurrence Coverage**

The calculations for changes in exposure are performed by prorating the rates for the periods of differing exposures. These calculations are appropriate for changes in practice specialty, changes in rating territory or practice in other states, changes between part-time and full-time practice, and other changes that would affect a calculated rate. Currently approved rates, classification tables and discount or surcharge factors for the appropriate state(s) are used.

Although this method of adjusting rates is designed to accommodate most situations, changes in dental practice often result from increasing or decreasing patient loads, additional dental training, relocation of the practice, gradual reduction in practice nearing retirement and other underwriting factors which affect the risk of loss. As a result, the Company may choose to waive the exposure change adjustment process in specific situations, thereby utilizing the current rating variables without modification. Conversely, a debit under the Scheduled Rating Plan may be applied at the underwriter's discretion, based on more than five years of practice in specialties with long claim emergence patterns, such as Pediatrics or Obstetrics.

## **VI. REPORTING ENDORSEMENTS (Claims-made only)**

### **A. Reporting Endorsement Premium Calculation**

With respect to calculation of Reporting Endorsement premium, all credits/discounts, with the exception of the New Doctor or Dentist Discount, and all debit/surcharges will apply to Reporting Endorsement premium calculations. With respect to risks or exposures written on a (a) rated basis or Full-Time Equivalent Rating basis at the time the Reporting Endorsement is issued, Reporting Endorsement premium will be calculated on that same basis. If the policy is terminated during the first year, pro-rate the tail premium. For terminations during the second, third or fourth claims-made policy year, blend the applicable tail factors. The Company may refuse to offer deductible options for premium credit on reporting endorsements in the case of insufficient securitization.

### **B. Waiver of Reporting Endorsement Premium**

The premium for the reporting endorsement may be waived as provided by the contract in force.

**SECTION 3**  
**PROFESSIONAL LIABILITY DISCOUNTS**

## PROFESSIONAL LIABILITY DISCOUNTS

### I. MAXIMUM CREDIT

Maximum credit available per insured will be limited to 25% except for the following:

- Part-time exposure rating: up to 50%. Deductible credits and attendance of a ProAssurance Loss Prevention Seminar credit may be combined with the part-time credit but no other credits or discounts apply.
- New Dentist Discounts: up to 60%. Deductible credits may be combined with the New Dentist Discount but no other credits or discounts apply.
- Deductibles/Self-Insured Retentions.

### II. NEW DENTIST DISCOUNT

This discount will apply only to solo practicing dentists who have never been in practice and proceed directly into practice from training, or dentists who fit within that category except for an interim period of employment not to exceed two years. Dentists who would otherwise qualify but who are joining an established group practice insured by the Company where their clinical exposure will not exceed 30 hours per week credited as if they have had one additional year of practice. This discount will also apply only to dentists who proceed directly into practice from training, or dentists who fit within the category except for an interim period of employment not to exceed two years.

| <u>Year of Coverage<br/>Since Training</u> | <u>Annual Premium Discount per Policy<br/>Dentists</u> |
|--|--|
| Year 1                                     | 60%  |
| Year 2                                     | 40%  |
| Year 3                                     | 0%   |

Note that these discounts do not apply to occurrence or extended reporting endorsement rates.

### III. SCHEDULED RATING PROGRAM

The Company has determined that significant variability exists in the hazards faced by dentists engaged in the practice of dentistry. Exposure conditions vary with respect to:

| <u>Activity</u>   | <u>Credit</u> |
|---|---------------|
| 1. Number of years experience in dentistry;   | 0% to -5%     |
| 2. Number of patient exposures;   | -5% to 5%     |
| 3. Organization (if any) and size;  | -5% to 5%     |
| 4. Dental standards review and claims review committees;  | -10% to 10%   |
| 5. Other risk management practices and procedures;  | -10% to 10%   |
| 6. Training, accreditation and credentialing;   | -10% to 10%   |
| 7. Continuing Dental Education activities;  | -5% to 5%     |
| 8. Professional liability claim experience;   | -10% to 10%   |
| 9. Record-keeping practices;  | -10% to 10%   |
| 10. Maintenance and utilization of certain monitoring equipment, diagnostic tests or diagnostic procedures; | -5% to 5%     |
| 11. Participation in capitation contracts; and*   | 0% to 25%     |
| 12. Insured group maintains differing limits of liability on members.*                                      | 0% to 25%     |
| 13. Services provided at correctional facilities, nursing homes or mobile dental units.                     | 0% to 25%     |

In order to recognize these and other factors affecting a particular practitioner or group practice, the Company proposes to apply a debit or credit to the otherwise applicable rate dependent upon the underwriter's overall evaluation of the risk.

The maximum credit will be 25%; the maximum debit will be 25%.

The Scheduled Rating Plan will apply to individuals as well as groups of two or more dentists as the Company becomes aware of variability in the risk characteristics of the individual or group.

\* NOTE: No credit will be given for #11, #12 or #13 above.

#### IV. DEDUCTIBLES

Deductibles are available to dentists only and may apply either to indemnity only, to indemnity and allocated loss adjustment expenses (ALAE), or to indemnity and ALAE and supplemental payments. Any discount will apply only to the primary limit premium layer (\$1M/\$3M). Deductibles are subject to approval by the company based on financial statements to be submitted by the insured and financial guarantees as required. The company reserves the right to require acceptable securitization in the amount of the per claim or per incident and/or aggregate deductible amount from any insured covered by a policy to which a deductible is attached.

##### A. Individual Deductibles

##### Discount as a Percentage of Rate for Applicable Primary Limit

These per incident and aggregate (if any) deductibles apply to each insured separately.

| <u>INDEMNITY ONLY</u>          |       | <u>INDEMNITY AND ALAE</u>      |        |
|--------------------------------|-------|--------------------------------|--------|
| <u>Deductible Per Incident</u> |       | <u>Deductible Per Incident</u> |        |
| \$ 1,000                       | 2.4%  | \$ 1,000                       | 3.0%   |
| \$ 2,000                       | 4.8%  | \$ 2,000                       | 6.1%   |
| \$ 5,000                       | 8.5%  | \$ 5,000                       | 10.6%  |
| \$10,000                       | 10.9% | \$10,000                       | 13.6%  |
| \$25,000                       | 16.9% | \$25,000                       | 21.20% |
| \$50,000                       | 21.8% | \$50,000                       | 27.2%  |
| \$75,000                       | 27.8% | \$75,000                       | 34.8%  |
| \$100,000                      | 33.9% | \$100,000                      | 42.4%  |
| \$150,000                      | 41.1% | \$150,000                      | 51.4%  |
| \$250,000                      | 48.4% | \$250,000                      | 60.5%  |
| \$400,000                      | 53.2% | \$400,000                      | 66.6%  |
| \$500,000                      | 60.5% | \$500,000                      | 75.60% |

| <u>Per Incident/Aggregate</u> |       | <u>Per Incident/Aggregate</u> |       |
|-------------------------------|-------|-------------------------------|-------|
| \$ 1,000/ 3,000               | 2.2%  | \$ 1,000/ 3,000               | 2.8%  |
| \$ 2,000/ 6,000               | 4.4%  | \$ 2,000/ 6,000               | 5.5%  |
| \$ 5,000/15,000               | 7.7%  | \$ 5,000/15,000               | 9.6%  |
| \$10,000/30,000               | 9.9%  | \$10,000/30,000               | 12.4% |
| \$25,000/75,000               | 15.4% | \$25,000/75,000               | 19.3% |
| \$50,000/150,000              | 19.8% | \$50,000/150,000              | 24.8% |
| \$75,000/225,000              | 25.3% | \$75,000/225,000              | 31.6% |
| \$100,000/300,000             | 30.8% | \$100,000/300,000             | 38.5% |
| \$150,000/450,000             | 37.4% | \$150,000/450,000             | 46.8% |
| \$250,000/750,000             | 44.0% | \$250,000/750,000             | 55.0% |
| \$400,000/1,200,000           | 48.4% | \$250,000/750,000             | 60.5% |
| \$500,000/1,500,000           | 55.0% | \$250,000/750,000             | 68.8% |

For deductible to apply per certificate holder, apply a factor of 1.100 to the appropriate deductible factor. For other deductible amounts selected by policyholders, refer to management for rating.

### B. Group Deductibles

An optional deductible which limits the amount the entire group will have to pay, if multiple claims are made in a policy year, is available. Under this program, the per incident deductible continues to apply separately to each insured involved in a suit. However, the aggregate deductible applies to all insureds in the group combined thereby reducing the organization's maximum potential liability in a policy year.

When an organization is insured with a separate limit of coverage, the organization is counted when totaling the number of insureds below.

Group aggregate deductible discounts apply to \$1M/\$3M premiums only. The applicable Deductible Discount will not change during the policy term despite changes in the number of insureds, but will be limited by any applicable maximum credit amount.

| Indemnity Deductible                            |                           |                |                |                 |                                 |
|---|---------------------------|----------------|----------------|-----------------|---------------------------------|
| <u>Per Incident/Aggregate</u><br><u>(\$000)</u> | <u>Number of Insureds</u> |                |                |                 | <u>Maximum</u><br><u>Credit</u> |
|   | <u>2 - 19</u>             | <u>20 - 40</u> | <u>41 - 60</u> | <u>61 - 100</u> |                                 |
| 5/15  | .073                      | .066           | .055           | .044            | \$ 12,750                       |
| 10/30   | .096                      | .089           | .076           | .061            | 25,500                          |
| 25/75   | .152                      | .143           | .127           | .105            | 63,750                          |
| 50/150  | .205                      | .197           | .180           | .154            | 127,500                         |
| 100/300   | .300                      | .293           | .277           | .252            | 255,000                         |
| 250/750   | .424                      | .424           | .419           | .405            | 637,500                         |

| Indemnity & ALAE<br>Deductible                  |                           |                |                |                 |                                 |
|---|---------------------------|----------------|----------------|-----------------|---------------------------------|
| <u>Per Incident/Aggregate</u><br><u>(\$000)</u> | <u>Number of Insureds</u> |                |                |                 | <u>Maximum</u><br><u>Credit</u> |
|   | <u>2 - 19</u>             | <u>20 - 40</u> | <u>41 - 60</u> | <u>61 - 100</u> |                                 |
| 5/15  | .093                      | .083           | .067           | .055            | \$ 12,750                       |
| 10/30   | .120                      | .111           | .095           | .076            | 25,500                          |
| 25/75   | .191                      | .180           | .159           | .132            | 63,750                          |
| 50/150  | .256                      | .246           | .224           | .193            | 127,500                         |
| 100/300   | .375                      | .366           | .347           | .314            | 255,000                         |
| 250/750   | .530                      | .530           | .524           | .506            | 637,500                         |

### C. Mandatory Deductibles

The deductible mechanism may be applicable when a policyholder exhibits a pattern of claim frequency that exceeds the average for his/her specialty. In the consideration of a deductible assessment, severity is usually not an issue.

Deductibles may be imposed in amounts from \$1,000 to \$250,000 per claim. There is no corresponding premium discount, and there are no aggregate limits on mandatory deductibles.

An amendatory deductible endorsement will be added to the policy at renewal and will be maintained for no less than one year. The policy will be subject to an annual review thereafter for consideration of a revised sanction.

## V. **GENERAL RULES**

- A. Discounts will only be applied to qualifying insureds at the initial issuance of such policy or at the next renewal date.
- B. Discounts will apply in the following order:
  - 1. Deductible Discount (primary premium only).
  - 2. All other discounts.
- C. Additional practice charges will be applied to the premium after all discounts have been applied.
- D. Corporate Liability premium will be determined after all discounts and surcharges have been applied.

**SECTION 4**

**ADDITIONAL PRACTICE CHARGES**

## ADDITIONAL PRACTICE CHARGES

### **I. DENTAL SERVICES PROVIDED IN A STATE OUTSIDE THE STATE OF POLICY ISSUANCE**

Insureds engaging in the routine care and treatment of patients outside the state in which the policy is issued may be subject to appropriate surcharge or credit based upon rates consistent with those charged for a like risk in said state.

### **II. PARTNERSHIP - CORPORATION - PROFESSIONAL ASSOCIATION COVERAGE**

Coverage for partnerships, corporations, or professional associations may be written with a separate limit of liability. The premium charge will be a percentage (selected from the table below) of the sum of each member dentist's net individual premium. The minimum premium charge for this coverage is \$100 for dental. However, this minimum premium may be waived for a specific market or program applying to eligible members of an association. For each member dentist not individually insured by the Company, a premium charge for vicarious liability will be made equal to 30% of the appropriate specialty rate if the Company agrees to provide such coverage. In order for the entity to be eligible for coverage under the separate policy, the Company must insure all member dentists, or at least 60% of the dentist members must be insured by the Company and the remaining dentists must be insured by another professional liability program acceptable to the Company.

| # of Insureds | \$1M/\$3M Charge | \$500K/\$1M | \$200K/\$600K | \$100K/\$300K |
|---------------|------------------|-------------|---------------|---------------|
| 1             | N/A              | N/A         | N/A           | N/A           |
| 2 – 5         | 10.0%            | 18.0%       | 24.0%         | 26.0%         |
| 6 – 9         | 10.0%            | 17.0%       | 22.0%         | 24.0%         |
| 10 – 19       | 9.0%             | 13.0%       | 18.0%         | 20.0%         |
| 20 – 49       | 7.0%             | 9.0%        | 14.0%         | 16.0%         |
| 50 or more    | 5.0%             | 7.5%        | 10.5%         | 11.5%         |

### **III. PARTNERSHIP-CORPORATION-PROFESSIONAL ASSOCIATION EXTENDED REPORTING ENDORSEMENT COVERAGE**

Partnerships, corporations, or professional associations that purchase a separate limit of liability may be eligible to purchase an Extended Reporting Endorsement upon cancellation of the coverage. The premium charge for the entity extended reporting endorsement will be a percentage of the sum of each member dentist's net individual reporting endorsement premium, based on the number of insureds and the table in Paragraph II, above.

#### IV. CLAIMS FREE CREDIT PROGRAM

A dentist will be considered claims free for purposes of this credit program if:

1. no loss payment has been made during the Evaluation Period, and
2. the total of allocated loss adjustment expense [ALAE] payments made during the Evaluation Period plus any Company established reserves for loss or ALAE does not exceed \$35,000.

Only claims reported during the Evaluation Period shall be included in measuring the payment and reserve criteria stated above. The Evaluation Period is based upon the dentist's rating class as defined in the table below and shall end on the effective date of the policy period to be rated. The Evaluation Period shall begin no earlier than the time when the dentist first begins the practice of dentistry following formal training (residency or a continuous period of residency and fellowship). The Company will review the claims history of each insured or applicant for the purpose of evaluating the applicability of each claim based upon the facts and circumstances of specific claims. Reported incidents that do not involve a demand for damages by a third party will not be included in the evaluation.

| Dentist Class | Evaluation Period |
|---------------|-------------------|
| 1A – 5        | 10 Yrs.           |

The claims free dentist will receive a 3% credit for compliance with the minimum Claims Free Period and will earn an additional 1% credit for each continuous claims free year thereafter up to 15% in total. However, if the dentist has been continuously insured by the Company for 10 or more years, the maximum allowable Claims Free Credit that can be earned will be increased to 20%.

Credits will be applied or removed at policy inception or renewal only. Inclusion of claims history with prior carriers is subject to presentation of information acceptable to the Company. The determination of claims to be included and payment or reserve amounts to be considered will be based upon information available at the time the policy is rated, typically 60 days prior to effective date.

Dentists will be treated as "Class 1" for determination of their Evaluation Period and will be eligible for a maximum Claims Free Credit of 15%, in accordance with the earning schedule above. However, the Claims Free Dentist must have no incurred losses or ALAE (payments or reserves) during the Evaluation Period. Notwithstanding any other provisions of this section, no dentist with 2 or more reported claims will be eligible for a claims free credit without management approval.

## V. LEGAL DEFENSE COVERAGE

The Company offers the Professional Legal Defense Extended Coverage to insured dentists at no charge.

Limits of Liability will be offered as follows:

| <u># of insureds</u> | <u>“Each Covered Investigation”</u> | <u>“Each Policy Period”</u> |
|----------------------|-------------------------------------|-----------------------------|
| 1 - 5                | \$25,000                            | \$25,000 X (# of insureds)  |
| 6 - 10               | \$25,000                            | \$125,000                   |
| 11 - 20              | \$25,000                            | \$175,000                   |
| 21 +                 | \$25,000                            | \$225,000                   |

The limit of liability for “covered audits” will be \$5,000 per covered insured with a deductible of \$1,000 per audit per insured.

**SECTION 5**

**PHYSICIAN EXTENDER, PARAMEDICAL AND  
ALLIED HEALTH PROFESSIONAL LIABILITY RATING**

**I. PHYSICIAN EXTENDER, PARAMEDICAL, ALLIED HEALTH EMPLOYEE PROFESSIONAL LIABILITY**

Professional employees (other than dentists, certified registered nurse anesthetists, nurse practitioners, physicians, physicians’ assistants, surgeons, surgeons’ assistants, advanced practice nurse prescribers) are automatically included, at no additional charge, as additional insureds under policies issued to their employers. The limits of liability are on a shared basis with the employer.

The following paramedical employees may be individually covered by the Company by payment of an additional premium or covered elsewhere through a program deemed acceptable to the Company with minimum limits of liability equal to or greater than those of the insured employer. Coverage is available on a shared-limits basis or with separate individual limits. To determine the additional premium for the coverage selected, apply the appropriate factor from the premium assigned to dentist Class Code 80211, as specified, for the applicable claims-made year and limits of liability:

(Paramedical employees written on a shared-limits basis will be charged a fourth year claims-made premium regardless of retroactive date and the shared-limits factors stated above will always be applied to a fourth year claims-made premium.)

| Employee                                  | (Factors based on 80211) |                        |  |
|---|--------------------------|------------------------|--|
|   | Shared Limits Factor     | Separate Limits Factor | Non-insured Vicarious Liability Factor |
| Physician Assistant (PA)                  | 0.1684                   | 0.765                  | 0.1473                                 |
| Surgeon’s Assistant (SA)                  | 0.1684                   | 0.765                  | 0.1473                                 |
| Certified Nurse Practitioner (CNP)        | 0.1684                   | 0.765                  | 0.1473                                 |
| Advanced Practice Nurse Prescriber (APNP) | 0.1684                   | 0.765                  | 0.1473                                 |

| Employee   | (Factors based on 80211) |                        |  |
|--|--------------------------|------------------------|--|
|  | Shared Limits Factor     | Separate Limits Factor | Non-insured Vicarious Liability Factor |
| Certified Nurse Anesthetist (CRNA) – not part of an insured group  | N/A                      | 1.540                  | 0.186                                  |
| CRNA employed by an insured group - separate limits basis  | N/A                      | 1.025                  | 0.133                                  |
| CRNA employed by an insured group – shared limits basis with ratio of CRNAs to anesthesiologists between 2:1 and 4:1 | N/A                      | N/A                    | N/A                                    |
| CRNA employed by an insured group – shared limits basis with ratio of CRNAs to anesthesiologists no more than 2:1    | N/A                      | N/A                    | N/A                                    |

**NOTE:** When the limits of liability apply on a shared basis with the dentists of the group, the premium charge for the excess limits for the paramedical employees will be calculated at the level that the majority of dentists carry.

## II. ALLIED HEALTH PROFESSIONAL EMPLOYEES

Certain Allied Health professionals are eligible for separate insurance by the Company at individual limits of liability. The premium charge will be determined by applying the factors below to the appropriate rate for the designated Dentist Class Code in the applicable rating territory.

### STEP-RATING FACTORS

|             |                        |
|-------------|------------------------|
| First Year  | 50% of mature premium  |
| Second Year | 80% of mature premium  |
| Third Year  | 100% of mature premium |

| SPECIALTY                              | CLASS CODE | \$1M/\$3M<br>(Factors based on 80211) |
|--|------------|---------------------------------------|
| Physician Assistant                    | 80116      | 0.765                                 |
| Surgeon Assistant                      | 80116(B)   | 0.765                                 |
| Certified Registered Nurse Anesthetist | 80960      | 1.540                                 |
| Dental Assistant                       | 80207      | 0.018                                 |
| Dental Hygienist                       | 80208      | 0.018                                 |

At the discretion of the underwriter, additional insured status may be granted to the non-insured allied health entity for a 10% additional charge. The entity will share in the limits of liability of the insured allied health provider but only for the activities of such provider but only for the activities of such provider.

Mature premiums under \$500 are not eligible for the step-rating factors.

Reporting Endorsements:

Reporting Endorsements are available to Allied Health Professionals insured under separate policies by application of the factors below.

| <u>Prior Year<br/>Claims-Made</u> | <u>Factors</u> |
|-----------------------------------|----------------|
| 1                                 | 1.00           |
| 2                                 | 1.25           |
| 3+                                | 1.50           |

**SECTION 6**

**DENTAL PROFESSIONAL LIABILITY  
SPECIALTY CODES AND DESCRIPTIONS**

## DENTAL SPECIALTY CODES & CLASSIFICATIONS

\*\*\*\*\*

### DENTISTS - CLASS 1A

- 80213 Applies to dentists who perform dentistry on patients who have been treated with local anesthesia or by inhalation sedation and does not apply to treatment involving any general anesthesia or intravenous or intramuscular agent unless performed in a hospital. **This class does not apply to dentists performing extractions, root canals or other oral surgery or endodontic procedures.** This class does not apply to oral surgeons.

### DENTISTS - CLASS 1

- 80211 Applies to dentists who perform dentistry on patients who have been treated with local anesthesia or by inhalation sedation and does not apply to treatment involving any general anesthesia or intravenous or intramuscular agent unless performed in a hospital. This class does not apply to dentists performing the initial placement of dental implants. This class does not apply to oral surgeons.
- 80214 Applies to orthodontists and endodontists who perform dentistry on patients who have been treated with local anesthesia or by inhalation sedation and does not apply to treatment involving any general anesthesia or intravenous or intramuscular agent unless performed in a hospital. This class does not apply to dentists performing the initial placement of dental implants. This class does not apply to oral surgeons.
- 80215 Applies to periodontists who perform dentistry on patients who have been treated with local anesthesia or by inhalation sedation and does not apply to treatment involving any general anesthesia or intravenous or intramuscular agent unless performed in a hospital. This class does not apply to dentists performing the initial placement of dental implants. This class does not apply to oral surgeons.

### DENTISTS - CLASS 2

- 80211(F) Applies to dentists, endodontists and periodontists as defined for Class 1 but, in addition, permits the initial placement of dental implants.
- 80211(G) Applies to dentists, endodontists and periodontists as defined for Class 1 but, in addition, permits dentistry on patients who have been treated by intravenous or intramuscular sedation in the office, but only if the sedation is administered by a Dental or Medical Anesthetist. If intravenous or intramuscular sedation is performed in a hospital only, Class 1 will apply. This class does not apply to oral surgeons.

### DENTISTS - CLASS 3

- 80209 Applies to dentists as defined for Classes 1 or 2 but, in addition, permits dentistry on patients who have been treated by intravenous or intramuscular sedation in the office, administered by the dentist or a CRNA. If intravenous or intramuscular sedation is performed in a hospital only, Class 1 or 2 will apply, as appropriate. This class does not apply to oral surgeons.

### ORAL SURGERY - CLASS 4

- 80210 Includes all oral surgeons and also applies to dentists as defined in Classes 1A through 3 who additionally perform dentistry on patients who are being treated with general anesthesia in the office.

DENTISTS - CLASS 5

80211(I) Applies to dentists as defined for Classes 1 or 2 but, in addition, permits use of cosmetic Botox on patients who have been treated by intravenous or intramuscular sedation in the office, administered by the dentist or a CRNA. This class does not apply to oral surgeons.

## **PARADENTAL EMPLOYEE COVERAGE**

Coverage on a shared limits basis is automatically provided for professional employees of the Policyholder or an insured under the policy with no additional charge (e.g., dental assistants, dental hygienists and lab technicians).

While a dental insured's insured paradental employees are automatically covered under the policy, a premium charge for Certified Registered Nurse Anesthetists (CRNAs) will be made as indicated in Section 6, I – Employed Certified Registered Nurse Anesthetist.

**SECTION 7**

**STATE RATES AND EXCEPTIONS – DENTISTS**

## I. RATES

### A. Dental Rating Classes – Illinois

The following indicates the specialty classification codes applicable to the rating classes on the following pages:

|    |                         |
|----|-------------------------|
| 1A | 80213                   |
| 1  | 80211<br>80214<br>80215 |
| 2  | 80211(F)<br>80211(G)    |
| 3  | 80209                   |
| 4  | 80210                   |
| 5  | 80211(I)                |

## B. Dentists Professional Liability Rates

### 1. Claims-Made Rates by Year

Territory 1: Cook, Lake, Monroe, St. Clair and Will counties

| Class Code | \$100,000 / \$300,000 |       |       |        |        |
|------------|-----------------------|-------|-------|--------|--------|
|            | 1                     | 2     | 3     | 4      | 5+     |
| 1A         | 400                   | 565   | 675   | 780    | 890    |
| 1          | 450                   | 660   | 795   | 915    | 1,040  |
| 2          | 450                   | 660   | 795   | 915    | 1,040  |
| 3          | 850                   | 1,365 | 1,705 | 1,945  | 2,180  |
| 4          | 1,915                 | 3,250 | 4,140 | 4,680  | 5,220  |
| 5          | 4,175                 | 7,255 | 9,305 | 10,445 | 11,585 |

| Class Code | \$200,000 / \$600,000 |       |        |        |        |
|------------|-----------------------|-------|--------|--------|--------|
|            | 1                     | 2     | 3      | 4      | 5+     |
| 1A         | 420                   | 600   | 720    | 835    | 950    |
| 1          | 480                   | 705   | 855    | 985    | 1,115  |
| 2          | 480                   | 705   | 855    | 985    | 1,115  |
| 3          | 920                   | 1,480 | 1,860  | 2,115  | 2,370  |
| 4          | 2,090                 | 3,555 | 4,535  | 5,125  | 5,715  |
| 5          | 4,575                 | 7,960 | 10,220 | 11,470 | 12,725 |

| Class Code | \$500,000 / \$1,500,000 |       |        |        |        |
|------------|-------------------------|-------|--------|--------|--------|
|            | 1                       | 2     | 3      | 4      | 5+     |
| 1A         | 470                     | 690   | 835    | 960    | 1,090  |
| 1          | 540                     | 815   | 995    | 1,145  | 1,290  |
| 2          | 540                     | 815   | 995    | 1,145  | 1,290  |
| 3          | 1,070                   | 1,755 | 2,210  | 2,505  | 2,805  |
| 4          | 2,485                   | 4,260 | 5,445  | 6,145  | 6,850  |
| 5          | 5,495                   | 9,585 | 12,315 | 13,830 | 15,350 |

| Class Code | \$1,000,000 / \$3,000,000 |        |        |        |        |
|------------|---------------------------|--------|--------|--------|--------|
|            | 1                         | 2      | 3      | 4      | 5+     |
| 1A         | 515                       | 770    | 940    | 1,080  | 1,220  |
| 1          | 600                       | 915    | 1,130  | 1,295  | 1,460  |
| 2          | 600                       | 915    | 1,130  | 1,295  | 1,460  |
| 3          | 1,215                     | 2,010  | 2,540  | 2,885  | 3,225  |
| 4          | 2,865                     | 4,935  | 6,310  | 7,125  | 7,935  |
| 5          | 6,370                     | 11,140 | 14,320 | 16,090 | 17,855 |

**1. Claims-Made Rates by Year (cont.)**

Territory 2: Remainder of State

| Class Code | \$100,000 / \$300,000 |       |       |       |       |
|------------|-----------------------|-------|-------|-------|-------|
|            | 1                     | 2     | 3     | 4     | 5+    |
| 1A         | 350                   | 475   | 560   | 655   | 745   |
| 1          | 390                   | 550   | 655   | 760   | 865   |
| 2          | 390                   | 550   | 655   | 760   | 865   |
| 3          | 700                   | 1,095 | 1,355 | 1,550 | 1,740 |
| 4          | 1,515                 | 2,540 | 3,225 | 3,655 | 4,080 |
| 5          | 3,255                 | 5,625 | 7,200 | 8,080 | 8,955 |

| Class Code | \$200,000 / \$600,000 |       |       |       |       |
|------------|-----------------------|-------|-------|-------|-------|
|            | 1                     | 2     | 3     | 4     | 5+    |
| 1A         | 365                   | 505   | 600   | 695   | 795   |
| 1          | 410                   | 585   | 700   | 810   | 925   |
| 2          | 410                   | 585   | 700   | 810   | 925   |
| 3          | 750                   | 1,185 | 1,475 | 1,680 | 1,885 |
| 4          | 1,650                 | 2,780 | 3,530 | 3,995 | 4,460 |
| 5          | 3,565                 | 6,165 | 7,905 | 8,870 | 9,835 |

| Class Code | \$500,000 / \$1,500,000 |       |       |        |        |
|------------|-------------------------|-------|-------|--------|--------|
|            | 1                       | 2     | 3     | 4      | 5+     |
| 1A         | 405                     | 570   | 685   | 795    | 900    |
| 1          | 460                     | 670   | 810   | 935    | 1,055  |
| 2          | 460                     | 670   | 810   | 935    | 1,055  |
| 3          | 865                     | 1,390 | 1,740 | 1,980  | 2,225  |
| 4          | 1,955                   | 3,320 | 4,230 | 4,780  | 5,335  |
| 5          | 4,270                   | 7,415 | 9,515 | 10,685 | 11,850 |

| Class Code | \$1,000,000 / \$3,000,000 |       |        |        |        |
|------------|---------------------------|-------|--------|--------|--------|
|            | 1                         | 2     | 3      | 4      | 5+     |
| 1A         | 440                       | 635   | 765    | 885    | 1,005  |
| 1          | 505                       | 750   | 910    | 1,050  | 1,185  |
| 2          | 505                       | 750   | 910    | 1,050  | 1,185  |
| 3          | 980                       | 1,590 | 2,000  | 2,270  | 2,545  |
| 4          | 2,250                     | 3,840 | 4,900  | 5,535  | 6,170  |
| 5          | 4,945                     | 8,615 | 11,060 | 12,420 | 13,780 |

## 2. Reporting Endorsement Rates by Year

Territory 1: Cook, Lake, Monroe, St. Clair and Will counties

| Class Code | \$100,000 / \$300,000 |        |        |        |        |
|------------|-----------------------|--------|--------|--------|--------|
|            | 1                     | 2      | 3      | 4      | 5+     |
| 1A         | 573                   | 868    | 1,026  | 1,103  | 1,140  |
| 1          | 670                   | 1,014  | 1,199  | 1,289  | 1,332  |
| 2          | 670                   | 1,014  | 1,199  | 1,289  | 1,332  |
| 3          | 1,404                 | 2,126  | 2,514  | 2,701  | 2,793  |
| 4          | 3,362                 | 5,090  | 6,019  | 6,468  | 6,687  |
| 5          | 7,461                 | 11,295 | 13,358 | 14,354 | 14,840 |

| Class Code | \$200,000 / \$600,000 |        |        |        |        |
|------------|-----------------------|--------|--------|--------|--------|
|            | 1                     | 2      | 3      | 4      | 5+     |
| 1A         | 612                   | 926    | 1,095  | 1,177  | 1,217  |
| 1          | 718                   | 1,087  | 1,286  | 1,381  | 1,428  |
| 2          | 718                   | 1,087  | 1,286  | 1,381  | 1,428  |
| 3          | 1,526                 | 2,311  | 2,733  | 2,936  | 3,036  |
| 4          | 3,680                 | 5,572  | 6,589  | 7,081  | 7,321  |
| 5          | 8,195                 | 12,407 | 14,672 | 15,766 | 16,301 |

| Class Code | \$500,000 / \$1,500,000 |        |        |        |        |
|------------|-------------------------|--------|--------|--------|--------|
|            | 1                       | 2      | 3      | 4      | 5+     |
| 1A         | 702                     | 1,063  | 1,257  | 1,351  | 1,396  |
| 1          | 831                     | 1,258  | 1,487  | 1,598  | 1,652  |
| 2          | 831                     | 1,258  | 1,487  | 1,598  | 1,652  |
| 3          | 1,806                   | 2,735  | 3,234  | 3,475  | 3,593  |
| 4          | 4,411                   | 6,679  | 7,898  | 8,487  | 8,775  |
| 5          | 9,885                   | 14,966 | 17,699 | 19,019 | 19,663 |

| Class Code | \$1,000,000 / \$3,000,000 |        |        |        |        |
|------------|---------------------------|--------|--------|--------|--------|
|            | 1                         | 2      | 3      | 4      | 5+     |
| 1A         | 786                       | 1,190  | 1,407  | 1,512  | 1,563  |
| 1          | 940                       | 1,424  | 1,683  | 1,809  | 1,870  |
| 2          | 940                       | 1,424  | 1,683  | 1,809  | 1,870  |
| 3          | 2,077                     | 3,144  | 3,718  | 3,996  | 4,131  |
| 4          | 5,110                     | 7,737  | 9,149  | 9,831  | 10,165 |
| 5          | 11,499                    | 17,409 | 20,587 | 22,122 | 22,872 |

## 2. Reporting Endorsement Rates by Year (cont.)

Territory 2: Remainder of State

| Class Code | \$100,000 / \$300,000 |       |        |        |        |
|------------|-----------------------|-------|--------|--------|--------|
|            | 1                     | 2     | 3      | 4      | 5+     |
| 1A         | 480                   | 726   | 859    | 923    | 954    |
| 1          | 557                   | 843   | 997    | 1,072  | 1,108  |
| 2          | 557                   | 843   | 997    | 1,072  | 1,108  |
| 3          | 1,121                 | 1,697 | 2,006  | 2,156  | 2,229  |
| 4          | 2,628                 | 3,978 | 4,704  | 5,055  | 5,226  |
| 5          | 5,767                 | 8,731 | 10,325 | 11,095 | 11,471 |

  

| Class Code | \$200,000 / \$600,000 |       |        |        |        |
|------------|-----------------------|-------|--------|--------|--------|
|            | 1                     | 2     | 3      | 4      | 5+     |
| 1A         | 512                   | 775   | 917    | 985    | 1,018  |
| 1          | 596                   | 902   | 1,067  | 1,146  | 1,185  |
| 2          | 596                   | 902   | 1,067  | 1,146  | 1,185  |
| 3          | 1,214                 | 1,838 | 2,173  | 2,336  | 2,415  |
| 4          | 2,872                 | 4,349 | 5,142  | 5,526  | 5,713  |
| 5          | 6,334                 | 9,589 | 11,340 | 12,186 | 12,599 |

  

| Class Code | \$500,000 / \$1,500,000 |        |        |        |        |
|------------|-------------------------|--------|--------|--------|--------|
|            | 1                       | 2      | 3      | 4      | 5+     |
| 1A         | 580                     | 878    | 1,038  | 1,115  | 1,153  |
| 1          | 679                     | 1,029  | 1,216  | 1,307  | 1,351  |
| 2          | 679                     | 1,029  | 1,216  | 1,307  | 1,351  |
| 3          | 1,433                   | 2,169  | 2,565  | 2,757  | 2,850  |
| 4          | 3,436                   | 5,202  | 6,151  | 6,610  | 6,834  |
| 5          | 7,631                   | 11,554 | 13,663 | 14,682 | 15,180 |

  

| Class Code | \$1,000,000 / \$3,000,000 |        |        |        |        |
|------------|---------------------------|--------|--------|--------|--------|
|            | 1                         | 2      | 3      | 4      | 5+     |
| 1A         | 647                       | 980    | 1,159  | 1,245  | 1,287  |
| 1          | 763                       | 1,155  | 1,366  | 1,468  | 1,518  |
| 2          | 763                       | 1,155  | 1,366  | 1,468  | 1,518  |
| 3          | 1,639                     | 2,481  | 2,934  | 3,153  | 3,260  |
| 4          | 3,973                     | 6,016  | 7,114  | 7,645  | 7,904  |
| 5          | 8,874                     | 13,436 | 15,888 | 17,073 | 17,652 |

### 3. Occurrence Rates by Year

Territory 1: Cook, Lake, Monroe, St. Clair and Will counties

| <u>Class Code</u> | <u>100/300</u> | <u>200/600</u> | <u>500/1500</u> | <u>1000/3000</u> |
|-------------------|----------------|----------------|-----------------|------------------|
| 1A                | 1,015          | 1,090          | 1,260           | 1,425            |
| 1                 | 1,200          | 1,295          | 1,510           | 1,720            |
| 2                 | 1,200          | 1,295          | 1,510           | 1,720            |
| 3                 | 2,610          | 2,845          | 3,385           | 3,905            |
| 4                 | 6,370          | 6,980          | 8,385           | 9,730            |
| 5                 | 14,360         | 15,770         | 19,010          | 22,115           |

Territory 2: Remainder of State

| <u>Class Code</u> | <u>100/300</u> | <u>200/600</u> | <u>500/1500</u> | <u>1000/3000</u> |
|-------------------|----------------|----------------|-----------------|------------------|
| 1A                | 840            | 900            | 1,030           | 1,160            |
| 1                 | 985            | 1,055          | 1,225           | 1,380            |
| 2                 | 985            | 1,055          | 1,225           | 1,380            |
| 3                 | 2,070          | 2,250          | 2,665           | 3,065            |
| 4                 | 4,960          | 5,430          | 6,510           | 7,545            |
| 5                 | 11,105         | 12,190         | 14,685          | 17,070           |

#### 4. Excess Limits Premium Factors

Excess limits premium shall be derived by applying the appropriate factor below to the appropriate primary rate. Excess limits are only offered above underlying limits of \$1,000,000.

##### \$1M/\$3M Primary

| EXCESS LIMITS | Dentists/<br>Oral Surgeons |
|---------------|----------------------------|
| \$1M          | 0.0480                     |
| \$2M          | 0.0960                     |
| \$3M          | 0.1450                     |
| \$4M          | 0.1935                     |
| \$5M          | 0.2225                     |

These factors are based upon negotiated reinsurance agreements. Deviation from these factors up to 25% based upon negotiated agreements with reinsurers and/or underwriting judgment may apply.

## II. EXCEPTIONS

### A. Policy Issuance

1. If the insured elects to accept the Waiver of Consent to Settle Endorsement, Form PRA-HCP-612, a credit of 7% will be applied.
2. The Illinois State Amendatory Endorsement must be attached to the policy at the time of issuance.
3. Item III, Premium Payments, is hereby added to Section 1, Introduction, as follows:

### III. PREMIUM PAYMENTS

1. Annual Payment Plan – The premium must be paid in full prior to the inception date of the policy.
2. Semi-Annual Payment Plan – 60% of the premium must be paid prior to the policy inception date and one installment of 40% is due six months after inception.
3. Quarterly Payment Plan – 35% of the premium must be paid prior to the policy inception date, with second and third quarterly payments of 25% each and a final quarterly payment of 15%.
4. Nine Payment Plan – 20% down and eight consecutive monthly installments of 10% each. This plan requires that the policyholder participate in the Electronic Payment Plan in which premiums are automatically deducted from the policyholder's bank account.

No finance charges or fees apply to these payment plans. The option to pay premium on other than the Annual Payment Plan may be withdrawn by the Company if the insured has failed to make premium payments when due.

### B. Rules

1. Section 3, Professional Liability Discounts, is amended by adding the following:

#### VI. BLENDING CREDIT OR DEBIT

A blending credit is available for those accounts that are rated in one territory, but have a percentage of their practice in another (one or more) territory. This credit is intended to bring the premium in line with the exposure per territory. It is not intended to reduce the premium below that of which they would pay in the outside territory. The Named Insured must provide a complete distribution of their practice. This distribution may include percentages for office and hospital practice along with a further breakdown into territory for each facet. This information must be completed in order to provide an accurate credit.

2. Section 3, Professional Liability Discounts, is amended by adding the following:

#### VII. GROUP PRACTICE MODIFICATION PLAN

Credits or debits for groups will be determined annually on the basis of our evaluation of each individual group's risk profile, which assesses such characteristics as changes in maturity, number of healthcare providers, specialty composition, management, employees, patient records, quality assurance, facilities, billing procedures and loss history.

#### Group Practice Eligibility

1. a. For a group of dental healthcare providers, two or more permanently licensed, practicing dentists.  
b. Other markets are not eligible for group practice (entity) policies or rating, unless specifically addressed in this manual.

2. Group must be a corporation, partnership, joint venture, or limited partnership association.
3. Primary location where both professional services are rendered and administrative functions (billing, patient records) are undertaken.
4. Satellites are acceptable to the extent they are controlled and are practicing as part of the primary location.
5. The entity must be organized for the purpose of delivering professional services to patients.

#### **Group Practice Primary Evaluation Criteria**

1. Length of time entity has operated as a group.
2. Degree of specialization within the group.
3. Stability of members and locations.
4. Reputation and standard within the community served.
5. Promotional materials, advertising, sign on the door.
6. Hospitals where healthcare provider(s) has admitting privileges.

#### **Group Practice Risk Profile**

This risk profile should ascertain the level of the group's involvement and commitment in their effort to provide risk management. It is the Company's philosophy that the greater effort clinics use to reduce risk, the more awareness they have of methods to limit the exposure to malpractice litigation. If properly instituted, a good risk management program will:

1. Reduce the risk of malpractice claims by the recognition and elimination of problem areas;
2. Augment a defensible position;
3. Increase awareness of potential areas of risk;
4. Improve the standard of care;
5. Provide a mechanism for patient advocacy.

#### **Group Practice Claims History Evaluation**

This evaluation ascertains the level of the group's prior claims and loss history and to obtain the appropriate claim information and assess the liability, if any, of a healthcare provider. To make the assessment, identify the following factors:

1. Did the healthcare provider depart from the accepted standard of care? Did that departure result in injury, loss, or damage to the patient?
2. What was the opinion of the peer review committee, if any, or experts who reviewed the case as to the standard of care rendered?
3. Are there any patterns or trends noted in the healthcare provider's practice which could give rise to subsequent professional incidents, such as the same surgical procedure improperly performed, inadequate patient histories or workups, lack of informed consent, improper record keeping and documentation, etc.?
4. Assess the number of claims which have occurred from inception of the healthcare provider's practice. Evaluate those that have occurred against the nature of the insured's specialty.
5. If a renewal, review the claim representative's case summary, trial review or other evaluation report for their assessment of the merits of the case. Often the Litigation Specialist is in contact with the healthcare provider and is the most knowledgeable of the facts in the case. Did the healthcare provider cooperate with the Litigation Specialist and the Company in preparing the defense?

Upon evaluation of these factors, either a decision or a recommendation for coverage will be formed by the Underwriter.

### **Non-Group Primary Evaluation Criteria**

1. Length of time healthcare provider(s) has practiced;
2. Stability of practice;
3. Reputation and standing within the community served;
4. Hospitals where healthcare provider(s) has admitting privileges;

### **Non-Group Risk Profile**

This risk profile should ascertain the level of the healthcare provider's involvement and commitment in their effort to provide risk management. It is the Company's philosophy that the greater effort healthcare providers use to reduce risk, the more awareness they have of methods to limit the exposure to malpractice litigation. If properly instituted, a good risk management program will:

1. Reduce the risk of malpractice claims by the recognition and elimination of problem areas;
2. Augment a defensible position;
3. Increase awareness of potential areas of risk;
4. Improve the standard of care;
5. Provide a mechanism for patient advocacy.

The maximum credit or debit is 25 percent for dentists, based on the eligibility, primary evaluation criteria, risk profile and loss ratio evaluation, as described in the rules pages.

The combined credit/debit for the Schedule Rating Program and the Group Practice Modification Plan cannot exceed 25%.

3. Section 3, Professional Liability Discounts, is amended by adding the following

First Aid Coverage – Standard coverage will be offered with a sublimit of \$5,000.

4. Section 4, Professional Liability Discounts, is hereby amended by replacing Item IV, Claims Free Credit Program, with the following:

### **V. LOSS FREE DISCOUNT PROGRAM**

Loss-Free Credit: Healthcare providers who have not experienced losses may be able to receive premium credits as follows:

| <u># Of Loss-Free<br/>Years</u> | <u>Annual<br/>Credit</u> | <u>Accumulated<br/>Credit</u> |
|---------------------------------|--------------------------|-------------------------------|
| 1                               | 5%                       | 5%                            |
| 2                               | 10%                      | 10%                           |
| 3                               | 15%                      | 15%                           |

New Business: Dentists who have been loss-free (with no indemnity payments) for the past three years will receive the full premium credit of 15 percent. Dentists who have been loss-free for two years will receive a 10 percent credit, while dentists with one year of loss-free experience will receive a 5 percent credit.

Definition of a Meritorious Claim: If any one claim results in an indemnity payment of more than \$3,000 for dentists or all other healthcare providers, the premium for the healthcare provider will revert to the base level. Otherwise, loss-free credits will continue to apply and accumulate, subject to the maximum available credit, as well as Underwriting review.

If a Loss (As Defined) Occurs After Enrollment Into the Program: In this situation, the rates upon renewal revert back to the 100 percent level until the health care provider has been loss free for a full policy year, at which time credits again begin to accumulate.

5. Section 4, Professional Liability Discounts, is hereby amended by adding the following:

#### **V. DENTISTS RISK MANAGEMENT PREMIUM CREDITS**

Insured dentists who participate in risk management activities approved by the Company are eligible for the following premium credits.

- A. Individual Risk Management Activities: Individual dentist insureds shall receive premium credits as indicated for completion, within the 12 months prior to the effective date of the policy being rated, of the following activities:

| <u>Activity</u>  | <u>Credit</u>   |
|--|---|
| A Company-produced online Loss Prevention seminar.         | 2.5%  |
| Company-produced Supplemental Online Modules (up to four). | 0.5% premium credit for every 30 minutes of online coursework (up to a maximum of 2.0%) |

- B. Any risk management credit will be revoked or withheld for any of the following reasons:
1. Failure by an individual insured to certify adherence to risk management guidelines adopted by the Company and in effect at the time of application;
  2. Demonstrable evidence which indicates that the insured has been or is practicing in violation of guidelines or underwriting criteria adopted by the Company;
  3. Results of an underwriting audit which show serious deficiencies, including but not limited to non-compliance with specialty risk management guidelines; or
  4. Evidence of falsification of attendance, credit or completion of risk management activities applied towards a risk management credit.

Information obtained in the process of handling a claim will be used in evaluating an insured with respect to the above condition; however, the filing of a claim or incurring any expense or indemnity on behalf of an insured shall not alone be considered grounds for reducing, revoking or withholding a credit.

6. Section 4, Additional Practice Charges, is amended by adding the following

#### **VII. Dental Board Examination Coverage**

Dental students taking their licensing examinations will be offered occurrence coverage for their exposure while taking a dental licensing board examination. Coverage will be provided at limits of \$1,000,000 per incident, \$3,000,000 aggregate. The policy definition of Professional Health Care Services referred to in the policy is limited to only those services rendered by the insured during a dental board examination.

A \$15 charge per examinee will be charged to cover the exposure for these dental candidates. In addition, if the examinee obtains professional liability coverage with the Company after obtaining his/her license to practice dentistry, the Company will apply this fee as a reduction to the insured's first-year premium. The dentist's first professional policy to insure his/her full-time dental practice must be purchased from the Company in order to receive that \$15 reduction.