Professional Liability Insurance Company of America
NAIC 12513
FEIN 13-5667145

Exhibit 2B Reserve Study

1. Provide a general description of the actuarial methodologies used to determine and monitor carried loss and loss adjustment expense reserves for the medical malpractice business written, including frequency of reviews.

   Our loss and loss adjustment expense reserves are reviewed annually by an independent firm, Milliman, Inc., using data evaluated as of December 31. Our independent actuaries apply traditional loss development methods and the Bornhuetter-Ferguson methods to case incurred and paid loss and ALAE data. Our actuaries review the loss and ALAE data on a gross basis, and then calculate net loss and ALAE IBNR reserves using gross-to-net factors based on industry information, company information and judgment.

2. Discuss the adequacy of medical malpractice loss and loss adjustment expense reserves as of the most recent year-end and identify and describe any material changes in the past five years in amounts of carried reserves and in reserving methods. If a material unfavorable trend exists, indicate what actions were taken to address the issue. Identify the materiality standard used to respond to this question and provide the basis for this standard.

   As the Department knows from approving our rate filing, we insure rate adequacy by receiving 100% of claims-made premium at inception. Furthermore, our claims audit committee reviews loss and loss adjustment expense reserves periodically and we receive each year a review of all loss and loss adjustment expense reserves as of December 31 of the respective year from our independent actuarial consultant, Milliman, Inc. We began writing medical malpractice business in June 2004 and have consistently increased our loss reserves each year as the volume of our business has grown.

3. Compare company trends to industry trends, with regards to the medical malpractice line of business and include information about the specific business written by the company and, if necessary, reasons why company trends are different from industry.

   The Company's business has increased each year since we began writing medical malpractice claims-made coverage in 2004. On an annualized basis, the percentage of business written grew 35.7% in 2005 and 33.7% in 2006. To-date, PLICA emerged losses fall within industry-based expectations.

Exhibit 2B Surplus Study

1. Provide a general discussion regarding the adequacy of surplus reported on the Annual Statement, page 3 (Liabilities, Surplus and Other Funds), line 35, Surplus as regards policyholders, as of the last year-end.

   We believe Surplus As Regards Policyholders ($18,934,344 as of December 31, 2006) is more than adequate to satisfy policyholder reserves.
   Total Adjusted Capital is 3.48 times higher than our Authorized Control Level Risk-Based Capital.
   Our Net Premium Written to Surplus ratio is 1.56.

2. Identify and describe any material events or known material trends, favorable or unfavorable, in the insurer's surplus account in the past five years. This description should include any significant changes in the surplus ratios shown on Exhibit A. If a material unfavorable trend exists, indicate the courses of remedial actions already taken or that are available to the insurer and the effects of each. Identify the materiality standard used to respond to this item and provide the basis for this standard.

   There have been no material events in our surplus account in the past five years.

The Consulting Actuarial Report and Data Supporting the Company's Rate Filing shall be included in File 4, as referenced in Appendix B. Each company shall file the actuarial report providing justification and data supporting the most recent medical malpractice rate filing.

See following attachment.

PROFESSIONAL LIABILITY INSURANCE COMPANY OF AMERICA

ILLINOIS PHYSICIANS' RATES

Prepared by:

Richard S. Biondi, FCAS
Joel A. Vaag, ACAS

August 24, 2004

A MILLIMAN GLOBAL FIRM

Milliman

Consultants and Actuaries

One Pennsylvania Plaza, 38th Floor
New York, NY 10119
Tel +1 646 473.3000

CORRESPONDENCE ADDRESS
1325 Franklin Avenue, Suite 555
Garden City, NY 11530
Tel +1 516 535.6400
Fax +1 516 877.1316
www.milliman.com

August 24, 2004

Mr. Howard Nathans
President
Professional Liability Insurance Co. of America
148 Three Ponds Lane
Malvern, PA 19355

Dear Mr. Nathans:

Re: Illinois Physicians' Rates

This report contains a set of proposed rates for Illinois physicians based on information found in several competitor filings. Based upon our review of these filings, we believe that our proposed rates are based upon sound actuarial principles. Additionally, we believe that the proposed rates consider past and prospective loss and expense experience and provide for a reasonable margin for underwriting profit and contingencies. Presented below are several sections supporting our rate recommendations.

A. Overall Rate Level

We present physicians' rates by class group as shown in Table A. We mapped each specialty into one of eleven class groups (see Table C1 for details). The rate differentials for the class groups are based upon differentials from the rate filings of several insurers[1]. Each of the insurers whose rate filings we reviewed uses different classification definitions and class relativities. To compare the rates by class, the classes for each

[1] We compared the class relativities from recent rate filings from Intermed Insurance Company, Norcal Mutual Insurance Company, The Doctors' Company, SCPIE Indemnity Company, and the St. Paul Group of companies.

insurer were first mapped into the more numerous Insurance Services Office ("ISO") classes (sometimes judgment was required in situations where the classes were not strictly defined by either the insurers or ISO). Then the rate differentials from the insurers were averaged across each ISO class. Finally, the results for each ISO class were combined into the eleven classes proposed for use in this report.

The rate for each class was determined by multiplying the proposed base rate by the selected rate differentials. The base rate was determined by taking a weighted average of the Internal Medicine (ISO code 80257) rate from recent Illinois rate filings from five competitors[2]. The selected base rate equals **$41,000**, which was chosen to be larger than the rate for the leading writer in the state ("ISMIE"). This was done as a consideration of adverse selection, which is particularly likely for a new insurer entering the market.

We included a loading for internal expenses (and profit) in the attached rate sheets. We adjusted the internal expense amounts from competitor filings to be at the appropriate level for the new company. The company has informed us that 20% is the proper loading for internal expenses, which include the following items:

- Commissions
- Administrative expenses
- Taxes, licenses and fees
- Profit and Contingencies.

Rates are targeted to a 100% combined ratio on an undiscounted basis. Appendix A, Sheet 3 shows that, if credit is given for investment income on funds held as reserves, the provision for profit and contingencies equals 10.4% on a discounted basis.

We assumed 4.0% to be the new company's charge for death, disability and retirement ("DD&R") coverage (based on information found in competitor rate filings and

[2] The five recent filings we examined are the following:
1. American Continental Insurance Company 1/1/1999 effective date filing
2. Illinois State Medical Inter-Insurance Exchange 1/1/2003 effective date filing
3. ProNational Insurance Company 1/1/2004 effective date filing
4. St. Paul Fire and Marine Insurance Company 4/9/2001 effective date filing
5. The Doctors' Company 1/1/2004 effective date filing

judgment), and adjusted the loading for DD&R expense from the competitor filings to be at this level.

We did not adjust the results in the rate filings for differences in ULAE loads, relative to the 4.3% load that we assumed was appropriate for the new company. Our reason was that different companies allocate expenses to ULAE and to ALAE differently, and an insurer with a high ULAE load (one insurer that we previously analyzed had a 20% ULAE load) is likely to have an offsetting low provision for ALAE. The most important quantity is the total LAE, and we assumed that each Illinois insurer whose rates we reviewed, and the new company, would require the same total provision for LAE.

Further Adjustments to Data From Rate Filings

In addition to adjusting the internal expense amounts from competitor filings to be at the appropriate level for the new company, we also adjusted the base rates from the competitor filings for the following items (as displayed in Appendix A, Sheet 2):

- Additional Trend
- Proposed versus Indicated Rate Change
- Differences in the Application of Credits to Risk-Free Insureds

Additional Trend

The effective dates for the physician rates displayed in the various competitor filings varied. For example, the effective date for the rates in the ISMIE filing we reviewed was January 1, 2003. We have assumed that the new company will file for rates in Illinois with an effective date of June 1, 2004. Thus, for the ISMIE filing it is appropriate to trend the indicated rates an additional 17 months, at our selected physicians' trend rate of 6.0%, increasing the indicated change by about 8.6%. Similar trend adjustments were made to the other rate filings we reviewed.

Proposed versus Indicated Rate Change

The filings we reviewed either did not contain information about the indicated rate change or the indicated and proposed rate changes were the same, so no adjustments for differences between proposed and indicated rates were made.

Differences in the Application of Credits to Risk-Free Insureds

Physicians' rates vary due to a variety of discounts (e.g. new doctor discount, risk-free discount), which have a significant effect on total premium. We have assumed that the new company will offer discounts averaging to about 10% that are comparable to those offered by its competitors, and therefore no adjustment to the rates is necessary to adjust for differences in discount levels. An exception is the Doctors Company ("TDC"), where the filing indicates a rather large average discount of 19.4%. We therefore reduced the otherwise applicable TDC base rates by 10.4% (=(1-0.194)/(1-1.1)–1) to adjust for differences in the magnitude of the risk-free credit.

The rate filings we reviewed use slightly different territory definitions and territory relativities (see Table B for a comparison). We recommend that the new company use the territory relativities displayed in Table B of the attached exhibit package.

Most of the Illinois business is written on a claims-made basis. Our indicated rates are calculated based on data adjusted to a mature-claims-made basis.

Other Factors

Reinsurance pricing is likely to be a consideration in determining a profitable pricing level for the new company. The reinsurance market has greatly hardened since September 11, 2001, and rates have increased dramatically for medical malpractice excess reinsurance. Thus it seems important to price more conservatively to cover what is almost certain to be higher reinsurance costs.

We made no adjustments to the indicated rates for differences related to investment return or reinsurance pricing.

Conclusion

We have calculated rates that reflect a weighted average of the rates from recent peer company rate filings (as listed in footnote 2 above), adjusted to account for the items listed above. We have not reflected the "Other Factors" described above. The proposed rates are included in Table A. These rates are shown for mature claims-made policies with $1,000,000/$3,000,000 limits of coverage, separately for each recommended territory.

B. Class Relativities

Table C1 of the report contains a list of ISO specialty codes and definitions along with the indicated ISO rate differential for each specialty. We also show on Table C1 our recommended class that corresponds to each ISO specialty and our selected class relativities. To come up with our recommendations, we compared the class relativities displayed in rate filings from several competitors (as noted above in footnote 2) as well as the class relativities based upon ISO countrywide data[3]. In some cases, our selected class relativities are slightly higher than the relativities displayed in the competitor filings. This was done as a consideration of adverse selection, which is particularly likely for a new insurer entering the market.

C. Increased Limits Factors and Deductible Credit Factors

In Table D, we display proposed increased limits factors ("ILFs") and deductible credits for physicians.

The ILFs are based upon recent ISO increased limits information. These factors represent a reasonable estimate of ILFs, based upon industry information. Although we

[3] Reference: ISO Circular AS-PR-2000-011 dated July 28, 2000. Relativities are based on countrywide $100K/$300K limits data reported to ISO for policy years ended 6/30/92 through 6/30/99.

believe that these factors are appropriate, we suggest that you consider in your pricing the cost of reinsurance for excess layers. If your reinsurers charge more than our suggested ILFs, it may be appropriate to increase your rates proportionally to pass on the reinsurance cost to insureds. Increased limits factors are shown for coverages where defense costs are unlimited. The base rates in Table A apply to unlimited defense costs at $1M/$3M limits. The ILFs in Table D can be used to obtain rates at other limits.

The deductible credits were computed using recent ISO increased limits information. The deductible credits are shown for coverages where defense costs are unlimited.

The base rates in Table A reflect first-dollar coverage, i.e. no deductible. The factors in the tables can be used to obtain rates reflecting deductibles.

D. Tail Multipliers

We also show on Table D tail coverage multipliers. These multipliers vary according to the number of years reporting limitation (if any). The tail multipliers were computed from industry statistics, with an adjustment for adverse selection equal to approximately 2.00. This was done as a consideration of adverse selection, which is particularly likely for a new insurer entering the market.

The tail coverage multipliers are intended to be multiplied by the mature claims-made rates for expiring policies to determine the premiums for tail coverage. We also intend that a single aggregate limit should apply to all tail losses covered within a policy.

E. Other Items

Based on some data and judgment we recommend physicians' general liability rates equal to 10% of physicians' professional liability rates.

We also recommend a charge for professional liability entity coverage (i.e., coverage for a partnership or corporation), equal to 25% of physicians' professional liability premium.

Appendix B displays recent calendar year premium and loss statistics for some of the larger Illinois writers of medical malpractice insurance.

LIMITATIONS

Data

In performing this analysis we have relied on data and other information provided to us by Legal Insurance Services and other publicly available data sources. We have not audited, verified, or reviewed this data and other information for reasonableness and consistency. Such a review is beyond the scope of our assignment. If the underlying data or information is inaccurate or incomplete, the results of our analysis may likewise be inaccurate or incomplete.

Some of the information provided is based on rate filings of Milliman clients. In developing loss costs for the new company, we relied exclusively on the information that was contained in publicly available rate filings and statutory annual statements. This approach is identical to that taken in other states where we have relied on other competitors that are not clients of Milliman. While we do not believe our reliance on the publicly available information is a conflict, we do believe it warrants disclosure.

Uncertainty

During the course of our review, we applied generally accepted actuarial procedures. However, due to the uncertainty involved in projecting future events, it is likely that actual results will vary from our projections, perhaps materially.

It is not possible to guarantee the financial success of the new company's medical malpractice programs based on the use of the rates presented by Milliman. The selection of insureds to be written under the program is the responsibility of the company, and is critical to the success of the program. Responsibility for the profitability of the program ultimately rests with the company.

Distribution

This report was prepared for the use of and only to be relied upon by the management of the company. No portion of the report may be provided to any other party without Milliman's prior written consent. In the event such consent is provided, the report must be provided in its entirety. We recommend that any such party have their own actuary review this report to ensure that the party understands the assumptions and uncertainties inherent in our estimates. This report may not be filed with the SEC or other securities regulatory bodies.

* * * *

We appreciate this opportunity to perform consulting actuarial services for Legal Insurance Services, Inc..

Very truly yours,

Richard S. Biondi, FCAS, MAAA

Joel A. Vaag, ACAS, MAAA

G:\casybid\lis\LIS Illinois Phys Rates (Final).doc

ILLINOIS PHYSICIANS MATURE CLAIMS-MADE RATES					
Base Rate	$1M / $3M				
$41,000		*Territory*			
Class Rel	*Class Group*	1	2	3	4
0.500	1	20,500	17,425	16,400	12,300
0.750	2	30,750	26,138	24,600	18,450
1.000	**3**	**41,000**	**34,850**	**32,800**	**24,600**
1.250	4	51,250	43,563	41,000	30,750
1.500	5	61,500	52,275	49,200	36,900
2.000	6	82,000	69,700	65,600	49,200
2.500	7	102,500	87,125	82,000	61,500
3.250	8	133,250	113,263	106,600	79,950
4.000	9	164,000	139,400	131,200	98,400
5.000	10	205,000	174,250	164,000	123,000
6.000	11	246,000	209,100	196,800	147,600
	Territory Rel:	1.00	0.85	0.80	0.60

Notes:

Territory	Counties	Relativity
1	Cook, Madison, St. Clair, Will	1.00
2	DuPage, Kane, Lake, McHenry, Vermillion	0.85
3	Champaign, Jackson, Macon, Sangamon	0.80
4	Rest of State	0.60

Charge for General Liability Coverage - 10% of Physicians Professional Liability Premium.
Charge for Professional Liability Entity Coverage - 25% of Physicians Professional Liability Premium.

Comparison of Territory Relativities

County	ACIC	ISMIE	ProNatl	StPaul	TDC	Average Ex. Lo/Hi	Selected	Territory
Cook	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1
Madison	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1
St. Clair	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1
Will	0.85	1.00	0.80	1.00	0.80	0.88	1.00	1
DuPage	0.85	0.86	0.80	0.80	0.90	0.84	0.85	2
Kane	0.85	0.86	0.80	0.80	0.90	0.84	0.85	2
Lake	0.85	0.90	0.80	0.80	0.90	0.85	0.85	2
McHenry	0.85	0.86	0.80	1.00	0.80	0.84	0.85	2
Vermillion	0.75	0.90	0.75	1.00	0.90	0.85	0.85	2
Champaign	0.75	0.76	0.75	0.80	0.80	0.77	0.80	3
Jackson	0.75	0.90	0.75	0.80	0.55	0.77	0.80	3
Macon	0.75	0.76	0.75	0.80	0.55	0.75	0.80	3
Sangamon	0.60	0.76	0.75	0.80	0.80	0.77	0.80	3
DeKalb	0.60	0.66	0.50	0.55	0.55	0.57	0.60	4
Kenkakee	0.60	0.57	0.50	0.55	0.55	0.56	0.60	4
LaSalle	0.60	0.66	0.50	0.55	0.55	0.57	0.60	4
Ogle	0.60	0.66	0.50	0.55	0.55	0.57	0.60	4
Randolph	0.60	0.66	0.50	0.55	0.55	0.57	0.60	4
Winnebago	0.60	0.66	0.50	0.55	0.55	0.57	0.60	4
Rest of State	0.60	0.57	0.50	0.55	0.55	0.56	0.60	4

Selected

Territory	Counties	Relativity
1	Cook, Madison, St. Clair, Will	1.00
2	DuPage, Kane, Lake, McHenry, Vermillion	0.85
3	Champaign, Jackson, Macon, Sangamon	0.80
4	Rest of State	0.60

Notes:
ACIC - From American Continental Insurance Company 1/1/1996 effective date filing.
ISMIE - From Illinois State Medical Inter-Insurance Exchange 1/1/2002 effective date filing.
ProNatl - From ProNational Insurance Company 1/1/2002 effective date filing.
StPaul - From St. Paul Fire and Marine Insurance Company 4/9/2001 effective date filing.
TDC - From The Doctors' Company 5/15/1998 effective date filing.

Physician Class Mappings and ISO Class Plan Relativities

Specialty	Surgery	Code	Proposed Class	Intermed Relativity	NORCAL Relativity	TDC Relativity	SCPIE Relativity	St. Paul Relativity	ISO Relativity*	Average Relativity	Selected Relativity	Earned Exposures*
Physiotherapists		80995							0.020	0.020	-	
Corporate/Partnership Liability		80999							-	-	-	
Nurse Practitioner		80116	1						0.456	0.456	0.500	
Physician or Surgeon Assistant		80116	1						0.456	0.456	0.500	
Psychologist		80116	1						0.456	0.456	0.500	
Dental-Non oral surgery	No Surgery	80210	1						0.079	0.079	0.500	
Dental-Oral surgery	Surgery	80211	1						0.284	0.284	0.500	
Chiropracters	No Surgery	80410	1						0.289	0.289	0.500	
Optometrists		80994	1						0.052	0.052	0.500	
Nurses		80998	1						0.016	0.016	0.500	
Aerospace Medicine	No Surgery	80230	2		0.446	0.704	0.826	1.000	0.171	0.630	0.750	1,549
Hypnosis	No Surgery	80232	2		0.650	0.915	0.620	1.000		0.796	0.750	266
Occupational Medicine	No Surgery	80233	2	0.884	1.000	0.652	0.744	0.710	0.568	0.760	0.750	36,913
Pharmacology	No Surgery	80234	2		0.446	0.640	0.620	1.000	0.821	0.706	0.750	1,019
Physiatry, Physical Med & Rehabilitation	No Surgery	80235	2	0.884	0.446	0.458	0.744	1.000	0.656	0.698	0.750	91,504
Public Health	No Surgery	80236	2	1.000	0.446	0.704	0.744	0.710	0.158	0.627	0.750	8,928
Legal Medicine	No Surgery	80240	2	1.000	0.446	0.704	0.826	0.710	0.242	0.655	0.750	
Psychiatry-including child	No Surgery	80249	2	0.884	0.650	0.915	0.620	0.710	0.628	0.735	0.750	284,448
Psychoanalysis	No Surgery	80250	2	1.000	0.650	0.915	0.620	0.710	0.049	0.657	0.750	4,015
Psychosomatic Medicine	No Surgery	80251	2		0.650	0.915	0.620	0.710	0.213	0.622	0.750	482
Allergy	No Surgery	80254	2	0.884	0.446	0.640	0.620	0.710	0.314	0.602	0.750	53,256
Dermatology	No Surgery	80256	2	1.000	0.705	0.883	0.744	0.710	0.514	0.759	0.750	113,397
Ophthalmology	No Surgery	80263	2	1.000	0.705	0.711	0.826	1.000	0.225	0.745	0.750	24,941
General Preventative Medicine	No Surgery	80231	3	1.000	0.705	0.739	0.744	1.000	0.830	0.836	1.000	80,231
Diabetes	No Surgery	80237	3		0.879	0.924	1.000	1.000	0.981	0.957	1.000	2,313
Endocrinology	No Surgery	80238	3	1.000	0.879	0.924	1.157	1.000	0.836	0.966	1.000	25,061
Forensic Medicine	No Surgery	80240	3	1.000	0.446	0.704	0.826	0.710	0.242	0.655	1.000	8,898
Geriatrics	No Surgery	80243	3		1.000	1.000	1.000	1.000	1.020	1.004	1.000	18,834
Gynecology	No Surgery	80244	3	1.000	1.812	1.000	1.000	1.000	0.331	1.024	1.000	8,049
Rhinology	No Surgery	80247	3		0.879	0.924	1.157	1.000	0.003	0.793	1.000	203
Rheumatology	No Surgery	80252	3	1.000	0.879	0.924	1.157	1.000	0.683	0.940	1.000	40,150
Internal Medicine	**No Surgery**	**80257**	**3**	**1.000**	**0.879**	**1.087**	**1.157**	**1.000**	**1.012**	**1.022**	**1.000**	**1,020,702**
Laryngology	No Surgery	80258	3		0.879	1.087	1.157	1.000		1.031	1.000	127
Neoplastic Diseases	No Surgery	80259	3	1.050	0.879	1.000	1.000	1.000	1.242	1.028	1.000	16,174
Nephrology	No Surgery	80260	3		0.879	0.924	0.926	1.000	0.690	0.884	1.000	45,886
Nuclear Medicine	No Surgery	80262	3	1.000	0.879	0.673	0.744	1.000	0.593	0.815	1.000	8,438
Pathology	No Surgery	80266	3	1.000	0.650	0.808	1.000	0.710	0.816	0.831	1.000	182,436
Pediatrics	No Surgery	80267	3	0.942	0.879	1.331	1.000	0.855	0.813	0.970	1.000	505,000
Physicians - No other classification	No Surgery	80268	3		1.000	1.000	1.000	1.000	0.494	0.899	1.000	116,246
Family Physician	No Surgery	80420	3	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1,244,964
Shock Therapy incl. X-Ray Labs.	No Surgery	80431	3		0.879	1.494	0.744		0.879	0.999	1.000	13,604
Acupuncture (other than for anesthesia)	No Surgery	80437	3		0.879	0.640	0.620		0.690	0.707	1.000	4,782
Oncology	No Surgery	80473	3					1.000		1.000	1.000	
Certified Registered Nurse Anesthetist-Hospital based		80960	3		1.000	1.337	1.157		0.374	0.967	1.000	10,410
Certified Registered Nurse Anesthetist-Non-Hospital based		80960	3		1.000	1.337	1.157		0.374	0.967	1.000	
Gastroenterology	No Surgery	80241	4	1.050	1.000	1.437	1.322	1.000	1.264	1.179	1.250	59,141
Hematology	No Surgery	80245	4	1.050	0.879	0.924	1.157	1.000	0.802	0.969	1.250	42,507
Infectious Diseases	No Surgery	80246	4	1.050	0.879	0.924	1.157	1.000	1.667	1.113	1.250	28,280
Nutrition	No Surgery	80248	4		0.879	0.924	1.157	1.000	1.880	1.168	1.250	863
Cardiovascular Disease	No Surgery	80255	4	1.050	0.705	1.000	1.000	1.000	1.122	0.979	1.250	78,240
Otorhinolarygology	No Surgery	80265	4		1.342	1.885	1.322	1.000	0.249	1.160	1.250	6,682
Pulmonary Diseases	No Surgery	80269	4	1.050	1.000	1.437	1.653	1.000	1.198	1.223	1.250	66,548
Ophthalmology	Minor Surgery	80289	4		0.705	0.762	1.157	1.483	0.887	0.999	1.250	40,788
Family Physician	Assisting in Surgery	80423	4		1.000	1.337	1.157	1.483		1.244	1.250	
Anesthesiology	Surgery	80151	5	1.228	1.058	1.443	1.157	1.483	1.191	1.260	1.500	347,616
Radiology - Diagnostic	No Surgery	80253	5	1.000	0.879	1.494	1.322	1.483	1.180	1.226	1.500	134,210
Otology	No Surgery	80264	5		1.342	1.885	1.322	1.000		1.387	1.500	183
Rhinology	Minor Surgery	80270	5		1.000	1.337	1.157	1.483		1.244	1.500	91
Diabetes	Minor Surgery	80271	5		1.000	1.337	1.157	1.483		1.244	1.500	12
Endocrinology	Minor Surgery	80272	5		1.000	0.924	1.157	1.483	0.041	0.921	1.500	1,824
Gastroenterology	Minor Surgery	80274	5	1.606	1.000	1.437	1.322	1.483	1.177	1.338	1.500	29,455
Geriatrics	Minor Surgery	80276	5		1.000	1.337	1.157	1.483		1.244	1.500	779
Hematology	Minor Surgery	80278	5		1.342	0.924	1.157	1.483	0.508	1.083	1.500	3,799
Infectous Diseases	Minor Surgery	80279	5		1.000	0.924	1.157	1.483	0.511	1.015	1.500	585
Internal Medicine	Minor Surgery	80284	5	1.606	1.000	1.087	1.157	1.483	1.410	1.290	1.500	77,294
Laryngology	Minor Surgery	80285	5		1.000	1.337	1.157	1.483		1.244	1.500	62
Neoplastic Diseases	Minor Surgery	80286	5		1.000	1.337	1.157	1.483	0.715	1.138	1.500	799
Nephrology	Minor Surgery	80287	5		1.000	1.337	1.157	1.483	0.375	1.070	1.500	5,498
Otology	Minor Surgery	80290	5		1.000	1.337	1.157	1.483	2.298	1.455	1.500	48
Otorhinolarygology	Minor Surgery	80291	5	1.606	1.000	1.337	1.157	1.483	0.549	1.189	1.500	5,370
Pathology	Minor Surgery	80292	5		0.650	0.808	1.000	1.483	0.324	0.853	1.500	3,220
Pediatrics/Neonatolgy	Minor Surgery	80293	5		1.342	1.331	1.653	1.483	1.588	1.479	1.500	50,310
Physicians - No other classification	Minor Surgery	80294	5		1.000	1.337	1.157	1.483	0.599	1.115	1.500	45,379
Angiography, Arteriography or Catheterization	No Major Surgery	80422	5		1.000	1.661	1.322	1.483	1.676	1.428	1.500	367,374
Radiation Therapy, Lasers used in therapy	No Surgery	80425	5		0.879	1.494	0.744		0.778	0.974	1.500	33,883
Discograms, Myelography	No Surgery	80428	5		0.879	1.494	0.744		1.059	1.044	1.500	4,174
Laparoscopy (Peritonescopy)	No Surgery	80440	5		0.879	1.494	0.744		1.301	1.104	1.500	694
Needle biopsy (not liver, kidney or bone marrow)		80446	5		0.879	1.494	0.744		2.228	1.336	1.500	4,848
Radiopaque dye injections into blood vessels		80449	5		0.879	1.494	0.744	1.000	1.253	1.074	1.500	53,984
Neurology-including child	No Surgery	80261	5	1.050	1.000	1.718	1.653	1.483	1.576	1.413	1.500	129,079
Neurology-including child	Minor Surgery	80288	5	1.606	1.000	1.718	1.157	1.483	0.733	1.283	1.500	7,309
Ophthalmology	Surgery	80114	6	1.450	0.705	1.651	1.860	1.483	1.327	1.412	2.000	222,220
Radiology - Diagnostic	Minor Surgery	80280	6	1.000	1.342	1.494	1.653	1.483	1.519	1.415	2.000	156,248
Family Physician	Minor Surgery	80421	6	3.095	1.000	1.337	1.157	1.917	1.707	1.702	2.000	385,572
Broncho-Esophagology	Surgery	80101	6					1.917	1.862	1.890	2.000	1,029
Endocrinology	Surgery	80103	6		1.000	0.924	1.157	1.917	1.626	1.325	2.000	347
Gastroenterology	Surgery	80104	6		1.000	1.437	1.322	1.917	0.256	1.186	2.000	559
Nephrology	Surgery	80108	6		1.342	0.924	0.926	1.917		1.277	2.000	85
Surgery - Urological	Surgery	80145	6	1.731	1.342	2.160	1.860	1.917	1.910	1.820	2.000	149,847
Cardiovascular Disease	Minor Surgery	80281	6	2.112	1.342	1.661	1.860	1.483	1.591	1.675	2.000	48,079
Dermatology	Minor Surgery	80282	6		2.860	2.545	1.860	1.483	0.824	1.914	2.000	22,660
Intensive Care Medicine	Minor Surgery	80283	6	1.606	1.342	2.777	1.653	1.483	2.380	1.874	2.000	14,544
Lymphangiography, Phlebography	No Surgery	80434	6		0.879	1.494	0.744		3.435	1.638	2.000	2,769
Colonoscopy, ERCP or Esophageal dilation	No Major Surgery	80443	6		0.879	1.494	0.744	1.483	1.811	1.282	2.000	59,125
Podiatry	No Surgery	80993	6						1.652	1.652	2.000	
Podiatry	Minor Surgery	80993	6						1.652	1.652	2.000	
Emergency Medicine	No Major Surgery	80102	7	2.648	1.812	2.777		2.496	2.450	2.437	2.500	382,985
Geriatrics	Surgery	80105	7		1.342	1.337	1.157	1.917	3.826	1.916	2.500	61
Surgery - Colon and Rectal	Surgery	80115	7	2.112	2.860	3.499	3.471	1.917	1.685	2.591	2.500	14,099

Physician Class Mappings and ISO Class Plan Relativities

Specialty	Surgery	Code	Proposed Class	Intermed Relativity	NORCAL Relativity	TDC Relativity	SCPIE Relativity	St. Paul Relativity	ISO Relativity*	Average Relativity	Selected Relativity	Earned Exposures*
Family Physician-Major Surgery (Excl OB)	Surgery	80117	7	3.095	1.000	2.244	3.471	2.496	2.608	2.486	2.500	95,895
Otology	Surgery	80158	7		2.860	2.805	2.893	1.917	0.986	2.292	2.500	1,726
Otorhinolarygology Exc. Plastic/Reconstructive	Surgery	80159	7	2.849	1.342	1.885	1.322	1.917	1.829	1.857	2.500	76,735
Gynecology	Minor Surgery	80277	7	1.606	2.860	5.691	2.562	1.483	1.003	2.534	2.500	7,271
Certified Nurse Midwife-Hospital based		80962	7								2.500	
Certified Nurse Midwife-Non-Hospital based		80962	7								2.500	
Laryngology	Surgery	80106	8		2.860	3.499	2.893	1.917	2.414	2.716	3.250	932
Family Physician-Major Surgery (Incl. OB, Excl .C-Sec.)	Surgery	80117	8	3.095	1.983	3.543	3.471	2.496	2.608	2.866	3.250	
Surgery - Plastic-Otorhinolaryngology	Surgery	80155	8	3.635	2.860	2.805	2.893	3.896	2.242	3.055	3.250	30,292
Rhinology	Surgery	80160	8		2.860	2.548	5.041	1.917		3.092	3.250	24
Gynecology	Surgery	80167	8	3.242	1.812	2.514	2.562	2.496	1.991	2.436	3.250	48,439
Surgery - Hand	Surgery	80169	8	2.648	2.860	3.456	2.893	3.896	1.678	2.905	3.250	7,944
Surgery - Traumatic	Surgery	80171	8		2.860	3.499	3.967	4.620	1.533	3.296	3.250	5,838
Neoplastic Diseases	Surgery	80107	9		2.860	3.499	2.893	1.917	5.549	3.344	4.000	795
Surgery - Cardiac	Surgery	80141	9	4.554	3.185	3.629	3.471	4.620	4.543	4.000	4.000	12,281
Surgery - General	Surgery	80143	9	4.176	2.860	3.499	3.471	4.234	4.200	3.740	4.000	295,496
Surgery - Thoracic	Surgery	80144	9	4.554	2.860	3.629	3.967	4.620	3.605	3.873	4.000	25,074
Surgery - Vascular	Surgery	80146	9	3.635	3.185	3.629	3.471	4.620	3.935	3.746	4.000	37,964
Cardiovascular Disease	Surgery	80150	9		3.185	3.629	3.471	4.620	4.180	3.817	4.000	31,181
Surgery - Plastic	Surgery	80156	9	3.635	2.860	2.548	5.041	3.896	3.611	3.599	4.000	54,672
Emergency Medicine	Surgery	80157	9		2.860	2.777		3.896	0.886	2.605	4.000	19,007
Surgery - Abdominal	Surgery	80166	9		2.860	3.499	3.967	3.896	5.775	3.999	4.000	7,672
Surgery - Head and Neck	Surgery	80170	9		2.860	3.499	3.967	3.896	1.741	3.193	4.000	4,857
Pediatrics / Neonatal	Surgery	80474	9					3.896		3.896	4.000	
Family Physician-Major Surgery (w/OB, incl. C-Sec.)	Surgery	80153	10	4.176	3.897	5.691	5.702	4.958	4.651	4.846	5.000	357,946
Surgery - Obstetrics and Gynecology	Surgery	80153	10	4.176	3.897	5.691	5.702	4.958	4.651	4.846	5.000	
Surgery - Orthopedic (No back surgery)	Surgery	80154	10	3.242	3.185	3.831	3.967	4.620	3.774	3.770	5.000	
Surgery - Orthopedic (With back surgery)	Surgery	80154	10	3.242	3.185	3.831	3.967	4.620	3.774	3.770	5.000	226,572
Surgery - Obstetrics	Surgery	80168	10		3.897	5.691	5.702	4.958	5.891	5.228	5.000	1,591
Neurology-including child	Surgery	80152	11	6.750	5.307	6.105	5.702	7.227	5.778	6.145	6.000	52,593
Average				**1.754**	**1.324**	**1.743**	**1.652**	**1.745**	**1.610**	**1.636**	**1.803**	**8,467,180**

* Relativities are from Exhibit 7 of ISO MPL circular AS-PR-2000-011 (7/28/00).
Exposures are from Exhibit 5 of ISO MPL circular AS-PR-2000-011 (7/28/00).

MPL Class Relativities

Class Group	ISO c/w Exposures*	Intermed	NORCAL	TDC	SCPIE	St. Paul	ISO*	Average	Selected
1	-	-	-	-	-	-	-		-
2	620,718	0.908	0.632	0.791	0.679	0.766	0.552	0.722	0.750
3	3,352,508	0.928	0.914	1.058	1.042	0.953	0.928	0.981	1.000
4	323,049	0.893	0.871	1.141	1.255	1.061	1.124	1.083	1.250
5	1,307,879	0.679	1.007	1.508	1.261	1.413	1.351	1.307	1.500
6	1,063,084	1.934	1.088	1.609	1.504	1.698	1.623	1.598	2.000
7	578,772	2.714	1.657	2.625	0.876	2.391	2.353	2.373	2.500
8	93,469	3.083	2.317	2.760	2.789	3.196	2.021	2.733	3.250
9	488,999	3.560	2.914	3.393	3.549	4.255	3.964	3.697	4.000
10	586,109	3.804	3.622	4.972	5.032	4.828	4.316	4.431	5.000
11	52,593	6.750	5.307	6.105	5.702	7.227	5.778	6.145	6.000
Total	8,467,180	1.754	1.324	1.743	1.652	1.745	1.610	1.636	1.803

*Developed from Exhibit 7 of ISO MPL circular AS-PR-2000-011 (7/28/00).

Proposed Rates For Standard Physicians
OTHER ITEMS

Decreased Limits Factors For Standard Physicians

Limit Limit	Decreased Limits Factor
100/300	0.46
200/600	0.59
250/750	0.64
300/900	0.69
500/1500	0.82
1000/3000	1.00

Deductible Credits* For Standard Physicians

Amount	Deductible Credit
0	0.00
5,000	0.01
10,000	0.03
25,000	0.07
50,000	0.12
100,000	0.21
200,000	0.34
250,000	0.39
300,000	0.44
500,000	0.57

Tail Coverage

Limit on Reporting Tail Claims	Mature Claim-Made
1 Year	1.35
2 Yrs	2.05
3 Yrs	2.35
4 Yrs	2.50
5 or More	2.60

*Deductible Credit percentages are to be applied to Base Premium ($1M/$3M Limits) to obtain dollar amount of credit.
Increased Limits Factors and Deductible Credits based on information from ISO.
Tail Factors - Based on comparison to other insurers. Includes loading for adverse selection.

ILLINOIS PHYSICIANS
TERRITORY 1 BASE RATE
COVERAGE FOR BASE LAYER OF $1,000,000 / $3,000,000 LIMITS

Company	Type of Rate	Limit	Rate for Limit	ILF	$1M/$3M Rate	Rate Adjustment Factor*	Adjusted $1M/$3M Rate	Market Share	Selected Weight	Source
American Continental Insurance Company	Internal Medicine	$1M/$3M	17,589	1.000	17,589	1.371	24,114	2.3%	0.0%	Rate Filing
Illinois State Medical Inter-Insurance Exchange	Internal Medicine	$1M/$3M	35,756	1.000	35,756	1.086	38,830	48.3%	33.3%	Rate Filing
Pro National Insurance Company	Internal Medicine	$1M/$3M	50,789	1.000	50,789	0.987	50,134	3.3%	33.3%	Rate Filing
St. Paul Group	Internal Medicine	$1M/$1M	17,112	1.038	17,762	1.141	20,276	4.1%	0.0%	Rate Filing
The Doctors' Company	Internal Medicine	$1M/$3M	37,066	1.000	37,066	0.934	34,612	2.8%	33.3%	Rate Filing
								60.8%	100.0%	
						Arithmetic Average:	33,593			
						Volume Weighted Average Using Market Share Weights:	37,461			
						Volume Weighted Average Using Market Selected Weights:	41,192			
	Selected Internal Medicine (Physicians' Base Rate)						**41,000**			

* See Appendix A, Sheet 2 for derivation of Rate Adjustment Factors.

ILLINOIS PHYSICIANS
Calculation of Rate Adjustment Factors

	Company	Type of Rate	(a) Trend From**	(b) Trend To	(c) Trend At	(d) Trend Adjustment	(e) Rate Change Indicated	(f) Rate Change Proposed	(g) Expense Load	(h) Undiscounted Profit Load	(i) DDR Load	(j) ULAE Load	(k) Average Risk-Free Credit	(l) Rate Adjust Factor
(1)	American Continental Insurance Company	Internal Medicine	1/1/1999	6/1/2004	6.0%	1.371	-	-	0.200	-	0.040	0.043	0.100	1.371
(2)	Illinois State Medical Inter-Insurance Exchange	Internal Medicine	1/1/2003	6/1/2004	6.0%	1.086	-	-	0.200	-	0.040	0.043	0.100	1.086
(3)	ProNational Insurance Company	Internal Medicine	1/1/2004	6/1/2004	6.0%	1.025			0.225	(0.005)	0.050	0.055	0.100	0.987
(4)	St. Paul Group	Internal Medicine	4/9/2001	6/1/2004	6.0%	1.201	-	-	0.257	(0.013)	0.030	0.072	0.100	1.141
(5)	The Doctors' Company	Internal Medicine	1/1/2004	6/1/2004	6.0%	1.025			0.224	(0.032)	0.024	0.043	0.194	0.934
(6)	Professional Liability Insurance Co. of America			6/1/2004	6.0%				0.200	-	0.040	0.043	0.100	

Notes:
(1) - Expense Load, Profit Load, DDR Load, ULAE Load assumed to = Row (6) entries (American Continental information unavailable). Average Premium discount assumed to = 10%.
(2) - Expense Load, Profit Load, DDR Load, ULAE Load assumed to = Row (6) entries (ISMIE information unavailable). Average Premium discount assumed to = 10%.
(3) - Average Premium discount assumed to = 10%.
(4) - Average Premium discount assumed to = 10%.
(5) - ULAE Load assumed to = Row (6) entry (The Doctors' Company information unavailable).
(6) - See Appendix A, Sheet 3
(l) = (d) x [1+(e)]/[1+(f)] x [1-(g)]/[1-(6g)] x [1-(h)]/[1-(6h)] x [1-(i)]/[1-(6i)] x [1-(k)]/[1-(6k)]
No rate adjustment made for differences in ULAE load. Assumption is that all insurers require same provision for total LAE.

Illinois Medical Malpractice
Calculation of Indicated Rate
Effective Date 4/1/04

1	Target Combined Ratio		100.0%
2	Expense Provision (% of Premium)		24.0%
	Commissions	7.5%	
	General Expenses	7.5%	
	Other Acquisition	2.5%	
	Taxes, Licenses & Fees	2.5%	
	Death, Disability & Retirement	4.0%	
	Total	24.0%	
3	Permissible Loss & LAE Ratio { = (1) - (2)}		76.0%
4	ULAE to Loss Ratio		4.3%
5	Permissible Loss & ALAE Ratio {= (3) / [1.0 + (4)]}		72.9%
6	Loss Reserve Discount Factor*		86.4%
7	Discounted Loss & LAE {= (3) x (6)}		65.6%
8	Discounted Loss & LAE + Expense Provision {= (2) + (7)}		89.6%
9	Discounted Profit & Contingencies Provision {= (1) - (8)}		10.4%
10	Undiscounted Profit & Contingencies Provision {= (1) - (2) - (3)}		0.0%

* Calculation of Premium Discount at: 5.00%

Year	Professional Indemnity Incremental Payout	Discount Factor	PV of Annual Payout
1	0.070	0.976	0.068
2	0.230	0.929	0.214
3	0.275	0.885	0.243
4	0.175	0.843	0.148
5	0.125	0.803	0.100
6	0.050	0.765	0.038
7	0.035	0.728	0.025
8	0.020	0.694	0.014
9	0.010	0.661	0.007
10	0.005	0.629	0.003
11	0.005	0.599	0.003
Total	1.000		0.864

Calendar Year Medical Malpractice Statistics - Illinois Data Only
Top Writers - 2002

Company Code	Company Name	Year	MM:Dir Premiums Wrtn	MM:Dir Premiums Ern	MM:Direct Losses Pd	MM:Dir Losses Incurd	MM:Dir Defense Paid	MM:Dir Defense incrd	MM:Comm & Bkg Exp	MM:Taxes,Licenses & Fees	Ultimate L&ALAE Ratio
32921	**Ismie Mut Ins Co**	**2002**	**260,757**	**246,577**	**156,622**	**253,924**	**57,941**	**75,594**	**13,070**	**4,038**	**108.3%**
33006	**American Physicians Assur Corp**	**2002**	**35,548**	**22,993**	**0**	**11,930**	**256**	**4,435**	**3,455**	**532**	**66.9%**
19437	**Lexington Insurance Company**	**2002**	**29,427**	**25,528**	**17,654**	**46,710**	**515**	**6,198**	**1,166**	**19**	**187.5%**
26387	**Steadfast Insurance Company**	**2002**	**26,288**	**18,844**	**(6,899)**	**2,952**	**155**	**1,783**	**320**	**0**	**17.4%**
24767	**St Paul Fire & Marine Insurance Co**	**2002**	**21,774**	**33,358**	**167,963**	**198,428**	**7,887**	**10,722**	**601**	**660**	**596.6%**
38954	Pronational Insurance Co	2002	17,335	17,806	9,215	22,533	4,135	3,304	1,583	205	135.4%
11843	Medical Protective Co	2002	14,899	11,176	278	7,284	1,416	1,843	1,070	71	74.7%
23400	Physicians Insurance Co of Wi	2002	11,450	9,970	4,087	7,008	1,937	3,007	1,229	196	82.6%
34495	Doctors Co an Interinsurance Exchn	2002	10,662	9,685	20,156	16,997	3,320	(2,913)	1,003	242	185.9%
39020	Essex Insurance Co	2002	10,660	7,093	615	3,798	6	934	0	0	53.5%
25534	Tig Insurance Company	2002	10,175	8,235	2,088	9,340	347	1,469	1,015	240	125.7%
22810	Chicago Insurance Co	2002	9,313	11,580	1,522	8,084	1,614	762	1,524	140	83.0%
41807	Royal Surplus Lines Insurance Co	2002	8,056	6,336	(1)	447	(7)	104	899	0	21.2%
34916	First Specialty Insurance Corp	2002	6,345	4,965	788	(198)	31	(98)	182	3	-0.3%
10677	Cincinnati Insurance Co	2002	5,714	5,268	1,882	3,999	969	607	796	189	91.0%
11084	Ismie Ind Co	2002	5,338	4,803	0	3,316	63	1,201	0	58	69.0%
20443	Continental Casualty Co	2002	5,333	3,165	9,618	2,948	2,325	4,731	586	98	111.7%
34487	Professional Undrwtrs Liab Ins Co	2002	4,739	3,304	913	2,418	84	264	541	0	89.6%
35602	Ohic Insurance Company	2002	4,242	3,817	9,322	6,758	805	2,581	365	71	186.6%
15865	Ncmic Insurance Company	2002	3,818	3,610	672	1,426	446	774	16	141	39.9%
19445	National Union Fire Ins Co of Pitts	2002	3,787	1,668	17,786	18,171	584	71	606	83	1125.7%
20435	Cna Casualty of California	2002	3,761	2,421	2,236	828	519	955	208	2	42.8%
44792	Executive Risk Speciality Ins Co	2002	3,312	983	566	1,769	68	113	307	0	211.2%
44105	Ophthalmic Mutual Ins Co Rrg	2002	3,237	3,042	1,665	1,237	667	761	0	102	40.7%
21199	Arch Speciality Ins Co	2002	3,088	598	0	345	0	75	305	0	108.7%
ALL	**TOTAL**	**2002**	**550,503**	**496,050**	**474,898**	**676,968**	**98,679**	**130,399**	**35,108**	**7,678**	**143.5%**

Calendar Year Medical Malpractice Statistics - Illinois Data Only
32921 Ismie Mut Ins Co

Year	MM:Dir Premiums Wrtn	MM:Dir Premiums Ern	MM:Direct Losses Pd	MM:Dir Losses Incurd	MM:Dir Defense Paid	MM:Dir Defense incrd	MM:Comm & Bkg Exp	MM:Taxes,Licenses & Fees
1997	196,101	188,815	146,597	93,092	57,937	77,657	2,253	300
1998	179,597	177,381	153,674	107,764	55,069	51,660	2,782	168
1999	160,868	162,038	149,176	116,872	50,436	42,955	5,223	644
2000	163,848	164,673	163,221	112,895	51,041	32,663	7,201	90
2001	207,795	188,749	140,279	137,502	49,120	52,217	11,034	75
2002	260,757	246,577	156,622	253,924	57,941	75,594	13,070	4,038
Total	1,168,966	1,128,233	909,569	822,049	321,544	332,746	41,563	5,315

Year	MM:Direct Losses Pd	MM:Dir Losses Incurd	MM:Dir Defense Paid	MM:Dir Defense incrd	MM:Comm & Bkg Exp	MM:Taxes,Licenses & Fees	Loss & ALAE Ratio	U/W Expense	C/R Excl. ULAE/OH
1997	77.6%	49.3%	30.7%	41.1%	1.1%	0.2%	90.4%	1.3%	91.7%
1998	86.6%	60.8%	31.0%	29.1%	1.5%	0.1%	89.9%	1.6%	91.5%
1999	92.1%	72.1%	31.1%	26.5%	3.2%	0.4%	98.6%	3.6%	102.3%
2000	99.1%	68.6%	31.0%	19.8%	4.4%	0.1%	88.4%	4.4%	92.8%
2001	74.3%	72.8%	26.0%	27.7%	5.3%	0.0%	100.5%	5.3%	105.9%
2002	63.5%	103.0%	23.5%	30.7%	5.0%	1.5%	133.6%	6.6%	140.2%
Total	80.6%	72.9%	28.5%	29.5%	3.6%	0.5%	102.4%	4.0%	106.4%

Calendar Year Medical Malpractice Statistics - Illinois Data Only
33006 American Physicians Assur Corp

Year	MM:Dir Premiums Wrtn	MM:Dir Premiums Ern	MM:Direct Losses Pd	MM:Dir Losses Incurd	MM:Dir Defense Paid	MM:Dir Defense incrd	MM:Comm & Bkg Exp	MM:Taxes,Licenses & Fees
1997	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
1998	0	0	0	0	0	0	0	0
1999	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2000	0	0	0	0	0	0	0	0
2001	4,179	(1,231)	0	528	0	224	370	105
2002	35,548	22,993	0	11,930	256	4,435	3,455	532
Total	39,727	21,762	0	12,458	256	4,659	3,825	637

Year	MM:Direct Losses Pd	MM:Dir Losses Incurd	MM:Dir Defense Paid	MM:Dir Defense incrd	MM:Comm & Bkg Exp	MM:Taxes,Licenses & Fees	Loss & ALAE Ratio	U/W Expense	C/R Excl. ULAE/OH
1997									
1998									
1999									
2000									
2001	0.0%	-42.9%	0.0%	-18.2%	8.9%	2.5%	-61.1%	11.4%	-49.7%
2002	0.0%	51.9%	1.1%	19.3%	9.7%	1.5%	71.2%	11.2%	82.4%
Total	0.0%	57.2%	1.2%	21.4%	9.6%	1.6%	78.7%	11.2%	89.9%

Calendar Year Medical Malpractice Statistics - Illinois Data Only
19437 Lexington Insurance Company

Year	MM:Dir Premiums Wrtn	MM:Dir Premiums Ern	MM:Direct Losses Pd	MM:Dir Losses Incurd	MM:Dir Defense Paid	MM:Dir Defense incrd	MM:Comm & Bkg Exp	MM:Taxes,Licenses & Fees
1997	1,457	1,452	1,973	1,750	40	1,744	116	0
1998	2,518	2,018	160	1,012	81	(2,457)	156	0
1999	1,142	2,139	7,325	8,063	98	(1,537)	129	0
2000	1,845	1,285	2,645	(11,369)	152	(1,530)	18	4
2001	11,540	6,346	9,813	16,359	469	(66)	775	29
2002	29,427	25,528	17,654	46,710	515	6,198	1,166	19
Total	47,929	38,768	39,570	62,525	1,355	2,352	2,360	52

Year	MM:Direct Losses Pd	MM:Dir Losses Incurd	MM:Dir Defense Paid	MM:Dir Defense incrd	MM:Comm & Bkg Exp	MM:Taxes,Licenses & Fees	Loss & ALAE Ratio	U/W Expense	C/R Excl. ULAE/OH
1997	135.9%	120.5%	2.8%	120.1%	8.0%	0.0%	240.6%	8.0%	248.6%
1998	7.9%	50.1%	4.0%	-121.8%	6.2%	0.0%	-71.6%	6.2%	-65.4%
1999	342.4%	377.0%	4.6%	-71.9%	11.3%	0.0%	305.1%	11.3%	316.4%
2000	205.8%	-884.7%	11.8%	-119.1%	1.0%	0.2%	-1003.8%	1.2%	-1002.6%
2001	154.6%	257.8%	7.4%	-1.0%	6.7%	0.3%	256.7%	7.0%	263.7%
2002	69.2%	183.0%	2.0%	24.3%	4.0%	0.1%	207.3%	4.0%	211.3%
Total	102.1%	161.3%	3.5%	6.1%	4.9%	0.1%	167.3%	5.0%	172.4%

Calendar Year Medical Malpractice Statistics - Illinois Data Only
26387 Steadfast Insurance Company

Year	MM:Dir Premiums Wrtn	MM:Dir Premiums Ern	MM:Direct Losses Pd	MM:Dir Losses Incurd	MM:Dir Defense Paid	MM:Dir Defense incrd	MM:Comm & Bkg Exp	MM:Taxes,Licenses & Fees
1997	2,072	1,929	6,311	5,662	195	188	90	0
1998	1,233	1,554	118	256	239	458	20	0
1999	1,674	1,174	445	(2,692)	192	(343)	126	0
2000	4,650	1,515	299	656	191	403	274	0
2001	13,944	9,477	8,345	12,633	273	443	886	0
2002	26,288	18,844	(6,899)	2,952	155	1,783	320	0
Total	49,861	34,493	8,619	19,467	1,245	2,932	1,716	0

Year	MM:Direct Losses Pd	MM:Dir Losses Incurd	MM:Dir Defense Paid	MM:Dir Defense incrd	MM:Comm & Bkg Exp	MM:Taxes,Licenses & Fees	Loss & ALAE Ratio	U/W Expense	C/R Excl. ULAE/OH
1997	327.2%	293.5%	10.1%	9.7%	4.3%	0.0%	303.3%	4.3%	307.6%
1998	7.6%	16.5%	15.4%	29.5%	1.6%	0.0%	45.9%	1.6%	47.6%
1999	37.9%	-229.3%	16.4%	-29.2%	7.5%	0.0%	-258.5%	7.5%	-251.0%
2000	19.7%	43.3%	12.6%	26.6%	5.9%	0.0%	69.9%	5.9%	75.8%
2001	88.1%	133.3%	2.9%	4.7%	6.4%	0.0%	138.0%	6.4%	144.3%
2002	-36.6%	15.7%	0.8%	9.5%	1.2%	0.0%	25.1%	1.2%	26.3%
Total	25.0%	56.4%	3.6%	8.5%	3.4%	0.0%	64.9%	3.4%	68.4%

Calendar Year Medical Malpractice Statistics - Illinois Data Only
24767 St Paul Fire & Marine Insurance Co

Year	MM:Dir Premiums Wrtn	MM:Dir Premiums Ern	MM:Direct Losses Pd	MM:Dir Losses Incurd	MM:Dir Defense Paid	MM:Dir Defense incrd	MM:Comm & Bkg Exp	MM:Taxes,Licenses & Fees
1997	13,596	13,369	7,647	(3,258)	603	876	932	1,029
1998	8,114	14,270	4,075	20,640	429	1,255	640	232
1999	14,835	16,916	15,181	23,355	550	2,927	879	(339)
2000	14,956	16,645	18,091	55,933	1,067	4,288	782	307
2001	28,312	27,932	20,244	67,177	1,627	5,975	1,422	565
2002	21,774	33,358	167,963	198,428	7,887	10,722	601	660
Total	101,587	122,490	233,201	362,275	12,163	26,043	5,256	2,454

Year	MM:Direct Losses Pd	MM:Dir Losses Incurd	MM:Dir Defense Paid	MM:Dir Defense incrd	MM:Comm & Bkg Exp	MM:Taxes,Licenses & Fees	Loss & ALAE Ratio	U/W Expense	C/R Excl. ULAE/OH
1997	57.2%	-24.4%	4.5%	6.6%	6.9%	7.6%	-17.8%	14.4%	-3.4%
1998	28.6%	144.6%	3.0%	8.8%	7.9%	2.9%	153.4%	10.7%	164.2%
1999	89.7%	138.1%	3.3%	17.3%	5.9%	-2.3%	155.4%	3.6%	159.0%
2000	108.7%	336.0%	6.4%	25.8%	5.2%	2.1%	361.8%	7.3%	369.1%
2001	72.5%	240.5%	5.8%	21.4%	5.0%	2.0%	261.9%	7.0%	268.9%
2002	503.5%	594.8%	23.6%	32.1%	2.8%	3.0%	627.0%	5.8%	632.8%
Total	190.4%	295.8%	9.9%	21.3%	5.2%	2.4%	317.0%	7.6%	324.6%

Company Defined Items

1. For all reports requiring "by county" information, the company may group the data by policy issuing county or other method that is consistent with its ratemaking practices. The company must identify which method is used. The company must use a consistent method to group the data in all "by county" reports. Data grouped by territory is unacceptable. Describe any changes made to the way in which the data has been grouped during the past ten years and the impact of the changes on the reports.

   Data is grouped using the policy issuing county method. Data has been grouped consistently since we began writing business in 2004.

2. Describe any change(s) made to reserving or claim payment practices on the past ten years and the impact of the change(s) on the reports.

   Reserving and claim payment practices are unchanged since we began writing business in 2004.

3. Define closed claim, i.e., is a claim closed when it is assigned a closed date, or when both indemnity plus expense reserves are $0, or in some other instance? Describe any change(s) made to this definition in the past ten years and the impact of the change(s) on the reports.

   A closed claim is defined as a claim that has been settled or dismissed and we have received final settlement/dismissal papers and have assigned a closed date.

4. Explain/define the corporate policies written by the company.

   We offer corporate (entity) coverage to physician groups with either shared limits or separate limits.

5. Each company shall use the base class and territory that is consistent with its most recent rate filing. Please define your company's base class and territory. Describe any change(s) made to the base class and/or territory in the past ten years and the impact of the change(s) on the reports.

   The Base Class is "Internal Medicine-no surgery (ISO code 80257)."
   The Base Territory contains Cook, Madison, St. Clair and Will counties.
   There have been no changes to base class and territory in the past ten years.

6. Describe any adjustment(s) made to exposures for extended reporting endorsements and the impact of the adjustment(s) on the reports.

   None

7. For the maturity year and tail factors disclosure, list each tail factor with the corresponding maturity year if a different tail factor is used for each maturity year. If another method is used, list and describe factors and method used.

Maturity Year	Factor
1	1.35
2	2.05
3	2.35
4	2.50
5	2.60

8. Define what expenses are included in the expense factor.

   Items in the expense factor include: Rent, Contract labor, Legal/Professional fees, Travel/Entertainment, Office related expenses, Service charges, etc.

9. List and define individually any "other" factors used in the rate filing to establish rates. This could include but is not limited to the following: profit load, reinsurance load, investment income, schedule debits/credits, etc.

   Profit Load: Rates are targeted to a 100% combined ratio on an undiscounted basis. If credit is given for investment income on funds held as reserves, the provision for profit and contingencies equals 10.4% on a discounted basis. The calculation uses a 5.0% rate of interest assumption.

   Charge for Death, Disability and Retirement ("DDR") coverage: 4.0% of premiums was assumed to be PLICA's charge for DDR coverage, based on information found in peer company rate filings and judgment.

   Unallocated Loss Adjustment Expense ("ULAE"): 4.3% of losses was assumed to be PLICA's charge for ULAE, based on information found in peer company rate filings and judgment.

   Trend Rate: A 6.0% trend rate assumption was used in the attached rate filing, based on trend rates used in Illinois by peer companies and industry pure premium data.

Expected Average Overall Credit (Debit): The proposed base rate for Illinois physicians assumes an overall average credit of 10.0%, based on information found in peer company rate filings and judgment.

10. Describe any methods and/or assumptions used in creating Reserve Study Exhibit A and why these assumptions are necessary.

    Exhibit 2A Reserve Study
    All dollar amounts are stated in thousands.

Reconciliation

All reserve and surplus totals, where applicable, were compared to the respective annual statutory financial statement. No discrepancies were noted.

Certification

The data filed under these requirements is accurate and reasonably reconciles with the most recently filed annual statutory financial statement.

Signature

7/18/2007
Date

L. Keith Hale
Controller/Assistant Vice-President

A MILLIMAN GLOBAL FIRM

Milliman
Consultants and Actuaries

One Pennsylvania Plaza,38 th Floor
New York, NY 10119
Tel +1 646 473.3000
Fax +1 646 473.3499
www.milliman.com

July 18, 2007

Attn: Casualty Actuarial Section
Illinois Departmento f Financial and Professional Regulation
Illinois Division of Insurance
12/04 Data
320 West Washington Street
Springfield,I L 62786

Re: PLICA – Section 4203 Data Call

I have reviewedt he data compiled byP rofessional LiabilityI nsurance Companyo f America's ("PLICA") and included in PLICA's response to the Section 4203 data call. The data reasonably reconciles with PLICA's 2004 through 2006 filed annual statutory financial statements.

Sincerely,

Joel A. Vaag, FCAS, MAAA

m:\010lis\il_0607 update\PLICA Illinois Form 4203_071807.doc