Exhibit 2B Reserve Study

Item 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.

Response to Item 1:
Loss and loss adjustment expense reserves for medical malpractice are reviewed on a quarterly basis by the company's chief actuary who is qualified actuary (FCAS, MAAA). Loss and allocated loss adjustment expense reserves are reviewed by state and line of coverage, producing 20 different reserve categories. An example of a reserve category is Illinois – Claims Made. Within each reserve category, indemnity losses are analyzed on a gross and capped basis (e.g. $500,000, $1,000,000) to facilitate analysis of severity trend and application of reinsurance terms. Various methods are used to project ultimate losses at these levels, including paid and reported development, Bornhuetter-Ferguson, and counts time severity. Other methods may be employed to adjust for operational and environmental effects, such as the Berquist-Sherman method that adjusts for case reserve strengthening. Ultimate losses and ALAE are selected based on inspection of the method estimates and evaluated for reasonableness using measures of severity, frequency, and historical reserve development. Unallocated loss adjustment expense (ULAE) reserves are also reviewed quarterly by line of coverage (claims made vs. occurrence) and projected based on the traditional paid ULAE to paid loss method.

Item 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.

Response to Item 2:
Discussion of adequacy of loss and loss adjustment expense reserves as of December 31, 2008:
The company records reserves for medical malpractice loss and loss adjustment reserves based on management's review and discussion of the internal actuarial analysis as described above. In its selection of a "best estimate," management considers not only the quantitative indications but also current pricing and underwriting initiatives, an evaluation of reinsurance costs and retention levels, the claims reserving practices and philosophy, and other operational and environmental effects on reserves.

As required by insurance regulatory authorities, we receive an annual statement of opinion by an independent consulting actuary concerning the adequacy of our reserves. As of December 31, 2008, the opining actuary stated that our reserves made a reasonable provision for all unpaid losses and loss adjustment expenses under the terms of American Physicians' contracts and agreements. Further, based on the materiality standard set by the opining actuary, the opining actuary states that the potential risks and uncertainties that could bear on American Physicians' reserve development would not reasonably be expected to contribute to material adverse deviation of American Physicians' carried loss and loss adjustment expense reserves. For more information regarding the opining actuary's conclusions, please see the 2008 Statement of Actuarial Opinion for American Physicians Assurance Corporation.

Material changes in the past five years in amounts of carried reserves: The following table shows the change in loss and loss adjustment expense reserves for American Physicians over the past five years:

Year Ended December 31	Net Loss and Loss Adjustment Expense Reserves	% Change in Reserves from Prior Year
2008	527,015,642	1.6%
2007	518,739,921	-3.6%
2006	538,388,950	2.1%
2005	527,293,238	1.4%
2004	519,997,506	

There have been no material changes in loss and loss adjustment expense reserves since 2004. We deemed any change greater than 5% of reserves to be material.

Material changes in the past five years in reserving methods: There have been no material changes in the company's reserving methods over the past five years.

A note about the volatility of medical malpractice reserves: Due to the long-tailed nature of the medical professional liability line of insurance, changes in the actuarially projected ultimate loss severity can have an even greater impact on the balance of recorded reserves than with most other property and casualty insurance lines. While we believe that our estimate for ultimate projected losses are adequate based on our open and reported claim counts, there can be no assurance that additional significant reserve enhancements will not be necessary in the future given the many variables inherent in such estimates and the extended period of time that it can take for claim patterns to emerge.

Item 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 the industry.

Response to Item 3:
Due to the proximity to year end, many industry analyses have yet to be completed using data through December 31, 2008. As a result, we created our own industry benchmark using Schedule P data from insurers who focus primarily on medical practitioners (physicians, surgeons, other health care professionals). Two companies that write primarily medical practitioners were excluded, MLMIC and PRI, because of their size and influence on the rest of the companies included in the industry group. The selected benchmark is not a commonly accepted or reported benchmark but may be a close proxy to PIAA member companies.

Industry trends are difficult to determine as an appropriate benchmark against American Physicians due to the varying nature of medical professional liability business by state and health care practitioner/facility. Further complicating benchmarking and trend analysis are differences between companies in their underwriting and claims philosophies.

The American Physicians (AP) and benchmark data are pulled from the 2008 Schedule P, Part 1F, Section 2 – Medical Malpractice Claims Made. To avoid differences in reinsurance programs, the measures were calculated on a direct and assumed basis. The tables below show five year and ten year trends for the industry benchmark and AP, as well as a comparison of industry and AP statistics by report year.

	Frequency Reported Claims per Earned Premium			Ultimate LLAE Ratio Incurred LLAE / Earned Premium		
Report Year	Industry	AP	AP vs. Industry	Industry	AP	AP vs. Industry
1999	0.017	0.020	17.2%	115%	120%	4.6%
2000	0.018	0.021	15.0%	125%	136%	9.1%
2001	0.017	0.022	32.2%	123%	163%	31.8%
2002	0.013	0.016	21.0%	99%	118%	18.7%
2003	0.010	0.012	12.3%	81%	88%	9.8%
2004	0.007	0.008	3.3%	60%	67%	11.8%
2005	0.007	0.006	-4.0%	61%	71%	17.8%
2006	0.006	0.005	-12.4%	64%	61%	-4.4%
2007	0.006	0.006	-5.5%	71%	66%	-6.8%
2008	0.006	0.005	-8.5%	79%	67%	-15.2%
5 Yr Trend	-6.1%	-8.5%		7.1%	-1.0%	
10 Yr Trend	-14.0%	-17.3%		-7.3%	-9.8%	

	Paid LLAE Severity Paid LLAE / Closed Claims			Ultimate LLAE Severity Incurred LLAE / Reported Claims		
Report Year	Industry	AP	AP vs. Industry	Industry	AP	AP vs. Industry
1998	67,529	60,129	-11.0%	69,071	61,600	-10.8%
1999	66,743	61,558	-7.8%	69,234	65,699	-5.1%
2000	70,602	66,019	-6.5%	74,673	74,432	-0.3%
2001	67,270	60,550	-10.0%	73,960	72,556	-1.9%
2002	66,920	52,296	-21.9%	77,565	75,795	-2.3%
2003	62,131	47,498	-23.6%	80,583	87,196	8.2%
2004	60,381	44,447	-26.4%	91,279	111,983	22.7%
2005	54,198	38,458	-29.0%	107,024	116,811	9.1%
2006	44,634	20,989	-53.0%	119,983	118,308	-1.4%
2007	34,341	16,892	-50.8%	135,789	125,976	-7.2%
5 Yr Trend	na	na		14.1%	8.2%	
10 Yr Trend	na	na		7.8%	9.0%	

Because Schedule P data was used, it is difficult to analyze and investigate differences in trends due to significant operational changes beginning in 2002 and changes in the mix of business by state within AP and the industry. Descriptions of the operational changes can be found in responses to the Surplus Study items. Generally speaking, company trends are relatively consistent with industry trends with the exception of paid severity. Paid severity variation can be explained by a number of factors, most notably geographic and limit distributional differences. American Physicians experience is influenced by states where policy limits are generally lower than average.

Exhibit 2A – Surplus Study

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

Response to Item 1:
American Physicians' surplus has becoming increasingly adequate over the last five years as indicated by the amounts and ratios in the table below.

	2008	2007	2006	2005	2004
Net loss and LAE reserves	527,015,642	518,739,921	538,388,950	527,293,238	519,997,506
Net written premiums (NWP)	120,123,819	130,802,344	146,834,977	156,258,752	181,221,529
Capital and surplus	194,298,325	210,790,279	233,933,834	225,685,927	200,080,160
Reserves/surplus ratio	2.71	2.46	2.30	2.34	2.60
NWP/surplus ratio	0.62	0.62	0.63	0.69	0.91
Total adjusted capital/RBC	4.38	4.64	5.08	5.05	4.67

The reasons for the improved surplus adequacy are primarily the result of improved underwriting results, as shown in the table below, offset by shareholder dividends to APCapital to fund holding company initiatives such as share repurchases. The improved underwriting results have been achieved through more disciplined underwriting practices and enhanced claim handling initiatives relative to our medical malpractice line of business. Changes in underwriting and claims handling practices began in 2002. However, we did not really begin to see the benefits until sometime in 2004. In addition, we took double digit rate increases in most markets in 2003, 2004 and 2005, and exited certain poor performing medical malpractice markets, such as Florida, discontinued writing occurrence based policies in select markets and lowered policy limits in virtually all jurisdictions. In late 2003, we also announced our exit from the workers' compensation and health insurance lines of business. The last policies related to these exited lines of business expired on June 30, 2005.

	2008	2007	2006	2005	2004
Underwriting gain/(loss)	32,046,511	41,758,484	18,931,246	3,897,761	(8,341,434)
Net income/(loss)	47,986,747	63,106,799	52,615,687	44,264,335	26,376,059

Item 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 or potential effects of each. Identify the materiality standard used to respond to this item and provide the basis for this standard.

Response to Item 2:
The only significant items affecting the changes in surplus are (1) net income and (2) shareholder dividends. American Physicians has generated both favorable underwriting and investment results during the last several years. Cumulative net income from 2004 to 2008 was $235 million. As operating results have improved, American Physicians has elected to issue several ordinary dividend payments to its parent company, APCapital, who in turn has used the funds to repurchase shares of its outstanding common stock. This has been deemed by management to be the best use of these funds in light of American Physicians excellent financial position and limited premium growth opportunities. From 2004 to 2007, American Physicians paid $146.5 million in dividends to APCapital. In 2008, due to the continued profitability of American Physicians, dividends of $63.0 million were paid to APCapital. Despite the dividend payments, the premium-to-surplus ratios have improved from 0.91 in 2004 to 0.62 in 2008.

Company Defined Items

Item#1:
County is defined as the premium county, the county in which the premium was generated. This is consistent with our ratemaking methodology. No changes have been made to premium county definitions over the past 10 years.

Item#2:
Claims practices have not changed in past 10 years, but both internal and external actuaries have noted case reserve strengthening starting in 2004 as a result of a change in the claims manager responsible for handling Illinois.

Item#3:
Claims are defined as closed when a closed date is assigned. This definition is consistent throughout the database. Also note that claims are counted on a per defendant basis as requested. Thus, if multiple insureds are named in the same suit, separate claim records are established for each insured. No changes have occurred in this definition in the last 10 years.

Item#4:
The Company writes claims made professional liability policies for physicians and surgeons throughout Illinois. Coverage for professional corporations is offered either as an additional named insured under the physicians limit, or for an additional premium, the physicians may purchase separate limits for the corporation. Tail endorsements are issued either for additional premium as defined by our rating manual or for free if the physician meets certain eligibility criteria. In addition, the Company occasionally writes policies for emergency rooms, surgical centers, and urgent care facilities on a per patient visit basis, per our rating manual. Note the rating manual referenced herein is the one that has been maintained on file with the Division of Insurance.

Item#5:
The Company does not utilize a class system to develop rates. Rather, it develops rates for each individual specialty based on the experience of that particular specialty, credibility weighted with the experience of similar specialties. The Company's base class (specialty) and territory are defined as follows:

Base class (specialty)	Family/General Practitioners – No Surgery (Code 420)
Base territory	Territory 1 – Cook, Madison, and St. Clair Counties

Item#6:
Extended reporting endorsement (ERP) exposures are defined as a single policy within Exhibit 1b (File 1), earned immediately upon issue for unlimited ERPs and earned throughout the year for the 1st and 2nd annual extensions. Because the 3rd annual extension extends the reporting period to an indefinite period, the exposure issued on the 3rd extension is earned immediately similar to the unlimited ERPs. This approach to earning exposures is consistent with statutory accounting principles.

For Exhibit 1ci (File 1), the ERP exposures are earned on the basis of the company's step and tail factors to facilitate comparison with losses arrayed by accident year and development year.

Note the effective date of our extended reporting endorsement policies is the date in which the endorsement was issued, consistent with the General Instructions. For example, if the last claims made policy was issued on 1/1/2007 and subsequently endorsed for extended reporting, the effective date for the tail policy would be 1/1/2008. If a limited extension is issued (e.g. one year) and the policy is subsequently endorsed for an additional year, then the 2nd extension would have an effective date of 1/1/2009.

Item#7:
The following table lists the tail factors at each corresponding maturity year. The first column represents the factor that applies to the expiring claims made premium based on the claims made maturity from the expiring policy. The second column relates the filed tail factors in the first column to a mature claims-made premium.

Maturity Year	Reporting Period Extension Factors (per filing)	Reporting Period Extension Factors (ratio to Mature CM rate)
First Year	4.00	1.00
Second Year	3.88	1.55
Third Year	2.40	1.80
Fourth Year	2.11	1.90
Fifth Year	2.05	1.95
Sixth Year	2.01	1.97
Mature	1.97	1.97

Item#8:
The expenses included in the Expense factor on Exhibit 1cv (File 1) include all company expenses exclusive of loss adjustment expenses, premium taxes, and commissions. The Expense factor is intended to cover company activities including but not limited to underwriting and policy issuance, risk management, marketing, human resources, compliance, corporate management, accounting, actuarial, information systems, attorney fees, internal/external audit services, issuing of actuarial opinions, and facility management.

Item#9:
The "other" factors listed in Exhibit 1cv (File 1) include other expenses provided for in premiums: commissions, DDR, profit load, taxes, and investment income offset. The commissions represent the external agent and broker fees associated with writing insurance policies. DDR stands for death, disability, and retirement and is intended to provide funding for the cost of issuing free extended reporting period (ERP) endorsements based on certain eligibility criteria. The Company's profit load, in combination with the recognition of investment income earned on reserves, constitutes the provision required for the Company to meet its overall profit objectives.

An additional item that is considered in the ratemaking process is the adjustment for discounts from manual rates. This is shown on Exhibit 1cv (File 1) as "other" and was equal to -22.2% in our last rate filing. We recognize and expect a number of insureds will qualify for discounts such

as claims-free that reduce manual premiums. Also, based on the criteria within our rating manual, insureds may be eligible for schedule rating which further adjusts the manual rate for certain individual risk characteristics.

Note the investment income offset and the "other" factor is recorded in File 1 are actually negative numbers. As there was no guidance for handling negative numbers in the Decimal format, we have included the negative sign immediately in front of the amounts within the field.

Item#10:
Assumptions used in completing File 2 (Exhibit 2A):

- Although the instructions do not state explicitly, the first 15 characters have been used as a key for each record.
- The record layout only allows 2 spaces for Policy Type. However, the instructions indicate that the allowable policy types are CMPA and OERE. For this field we only filled in the first 2 positions with CM and OE.
- Note that only calendar year 2007 activity has been included for premiums, claim counts, paid losses and loss expenses, and incurred losses and expenses. Case reserves and IBNR estimates are shown as recorded on December 31, 2007. It is our understanding that the Division of Insurance recognized the difficulty for companies in populating and reconciling data from prior years and as a result the benefit of Exhibit 2A data will not be realized for some time.
- Due to the restriction of field lengths in Exhibit 2A-Surplus, amounts are shown in thousands of dollars.

Assumptions used in producing File 1 (Exhibit 1):

- Although the instructions do not state explicitly, the first 25 characters have been used as a key for each record.
- The two amount fields on position 90 and 128 for Exhibits 1b and 1ci are shown as DEC (3,3) although not in percentage format. Thus, if an exposure amount was 150.345, the amount would be shown as 150345.

Reconciliation

Loss, allocated loss adjustment expense, and premium amounts included in this filing have been reconciled wherever possible with American Physicians' statutory page 14 and/or Supplement A to Schedule T on a direct basis. No significant differences were noted.

Consulting Actuarial Report and
Data Supporting the Company's Rate Filing

Attached is a copy of our March 1, 2008 rate filing submitted to the Division of Insurance on February 26, 2008. Our internal actuarial department determines the rates based on its own analysis of loss and loss adjustment expenses, expense levels, and necessary profit provisions. Competitor rate and relativity levels as well as information available from ISMIE's latest rate filing are used to supplement American Physicians' own experience. As this filing represents rates that were in effect as of December 31, 2008, we are submitting the actuarial justification used to support our March 1, 2008 rate levels.

American Physicians℠
ASSURANCE CORPORATION

Practices That Set The Standard

February 26, 2008

Sent Certified Mail

Michael T. McRaith
Director of Insurance
Illinois Division of Insurance
320 West Washington Street, 4th Floor
Springfield, IL 62676

Attention: Property & Casualty Section
Gayle Neuman

APA's Filing No.: IL-2008-01
NAIC No.: 33006
Company FEIN: 38-2102867

Dear Ms. Neuman:

Subject: Professional Medical Malpractice Liability
Program: Health Care Providers Professional Liability Program
Type: Rate and Rule Filing
Effective Date: March 1, 2008

This is to advise that American Physicians Assurance Corporation wishes to place on file the below outlined revisions to its Health Care providers Professional Liability Program (HCP-PL). All changes are being disclosed via the updated manual pages and the NAIC transmittal form and this cover letter. The proposed rates with this filing are adequate, not excessive, and not unfairly discriminatory. We are requesting an effective date of March 1, 2008.

The following items are completed and attached:
1. Rate / Rule Review Requirements Checklist
2. NAIC Transmittal Form
3. RF-3 (Duplicate copies attached)
4. Actuarial memorandum
5. Illinois Certification Form for Medical Malpractice rates signed by Kevin Clinton, CEO and Kevin Dyke, Chief Actuary
6. Updated rate / rule manual pages including a final version and a highlighted version noting the changes made since the last major rate / rule filing.
7. Self-addressed stamped envelope to return a copy of the approved filing to my attention.

If you should have any questions, please contact me at 1-800-748-046, extension 6849 or e-mail me at pedgington@apcapital.com. Thank you for your assistance in this matter.

Sincerely,

Patty Edgington

Patty Edgington, AU
Compliance Manager

Enclosures

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Sent To: Michael M
Street, Apt. No.; or PO Box No.
City, State, ZIP+4

PS Form 3800, June 2002

1301 North Hagadorn Road ▪ PO Box 1471 ▪ East
1.800.748.0465 ▪ 517.351.1150 ▪ www.a

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, R. Kevin Clinton, a duly authorized officer of American Physicians Assurance Corporation, 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, Kevin M. Dyke, FCAS, MAAA, am authorized to certify on behalf of American Physicians Assurance Corporation, 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.

R. Kevin Clinton — 2-19-08

Signature and Title of Authorized Insurance Company Officer — Date

Kevin M. Dyke — 2-20-08

Signature, Title and Designation of Authorized Actuary — Date

Insurance Company FEIN 38-2102867 Filing Number IL-2008-01

Insurer's Address 1301 N. Hagadorn Road, PO Box 1471

City East Lansing State MI Zip Code 48826-1471

Contact Person Information:

-Name and E-mail: Patty Edgington, pedgington@apcapital.com

-Direct Telephone and Fax Number: 517-324-6849 (Direct Phone) 517-333-8232 (Fax)

ILLINOIS SUMMARY SHEET

FORM RF-3

Change in Company's premium or rate level produced by rate revision effective: 3-1-08

	(1) Coverage	(2) Annual Premium Volume (Illinois)*	(3) Percent Change (+ or -)**
1.	Automobile Liability		
	Private Passenger		
	Commercial		
2.	Automobile Physical Damage		
	Private Passenger		
	Commercial		
3.	Liability Other than Auto		
4.	Burglary and Theft		
5.	Glass		
6.	Fidelity		
7.	Surety		
8.	Boiler and Machinery		
9.	Fire		
10.	Extended Coverage		
11.	Inland Marine		
12.	Homeowners		
13.	Commercial Multi-Peril		
14.	Crop Hail		
15.	Workers Compensation		
16.	Other: Medical Malpractice Line of Insurance	48,421,229 estimated	(-)5.3%

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

Brief description of filing (if filing follows rates of an advisory organization, specify organization): This filing revises our specialty rates, territorial plan, increased limits aggregates, professional corporation charges, vicarious limit charges, and updates the manual to be in complete compiance with the rate/rule filing checklist.

* Adjusted to reflect all prior rate changes.

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

American Physicians Assurance Corporation
Name of Company

Patty Edgington

Patty Edgington, Compliance Manager

Effective March 1, 2007

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only	
	a. Date the filing is received:	
	b. Analyst:	
	c. Disposition:	
	d. Date of disposition of the filing:	
	e. Effective date of filing:	
	New Business	
	Renewal Business	
	f. State Filing #:	
	g. SERFF Filing #:	
	h. Subject Codes	

3.	Group Name	Group NAIC #
	APCapital Group, Inc.	0966

4.	Company Name(s)	Domicile	NAIC #	FEIN #	State #
	American Physicians Assurance Corp	Michigan	33006	38-2102867	967543-51

5.	Company Tracking Number	IL-2008-01

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

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Patty Edgington, 1301 N. Hagadorn Rd., PO Box 1471, East Lansing, MI 48826-1471	Compliance Manager	800-748-0465, ext 6849 or 517-324-6849	517-333-8232	pedgington@apcapital.com

7.	Signature of authorized filer	Patty Edgington
8.	Please print name of authorized filer	Patty Edgington

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

9.	**Type of Insurance (TOI)**	Medical Malpractice 11.000			
10.	**Sub-Type of Insurance (Sub-TOI)**	Claims-Made 11.10000			
11.	**State Specific Product code(s)**(if applicable)[See State Specific Requirements]	Physicians and Surgeons 11.0023			
12.	**Company Program Title** (Marketing title)	Health Care Providers Professional Liability Program			
13.	**Filing Type**	[ ] Rate/Loss Cost [ ] Rules [x] Rates/Rules [ ] Forms [ ] Combination Rates/Rules/Forms [ ] Withdrawal[ ] Other (give description)			
14.	**Effective Date(s) Requested**	New:	3-1-08	Renewal:	3-1-08
15.	**Reference Filing?**	[ ] Yes [x] No			
16.	**Reference Organization** (if applicable)	N/A			
17.	**Reference Organization # & Title**				
18.	**Company's Date of Filing**	2-26-08			
19.	**Status of filing in domicile**	[ ] Not Filed [ ] Pending [x] Authorized [ ] Disapproved			

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	IL-2008-01

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

Rate/Rule Manual Pages have been updated to reflect an overall premium level decrease of -5.3%. See actuarial memorandum for complete details and justification for the changes.

In addition, a minor clarification in the manual pages has been made regarding specialty descriptions. The Specialty Description of "Hospitalist/Intensive Care Medicine" has been deleted as it was a duplicate description for code 283. The code and description applicable for code 283 will be the one description of "Intensive Care Medicine/Hospitalist".

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

Check #:
Amount: To be invoiced

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

*****Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)**

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RATE/RULE FILING SCHEDULE

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

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

1.	**This filing transmittal is part of Company Tracking #**	**IL-2008-01**
2.	**This filing corresponds to form filing number** (Company tracking number of form filing, if applicable)	

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

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

4a. Rate Change by Company (As Proposed)

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
American Physicians Assurance Corporation	-5.3%	-5.3%	-2,566,325	1,308	48,421,229	(+)2.3%	(-)44.1%

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

Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	STATE USE
5a	**Overall percentage rate indication (when applicable)**	(-)5.3%	
5b	**Overall percentage rate impact for this filing**	(-)5.3%	
5c	**Effect of Rate Filing – Written premium change for this program**	-2,566,325	
5d	**Effect of Rate Filing – Number of policyholders affected**	1,308	

6.	**Overall percentage of last rate revision**	-14.0%
7.	**Effective Date of last rate revision**	3-1-07
8.	**Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)**	File and Use

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	Pages IL-1 through IL-5	[ ] New [x] Replacement [ ] Withdrawn	IL-2007-01 (Last major rate revision effective 3-1-07)
02		[ ] New [ ] Replacement [ ] Withdrawn	
03		[ ] New [ ] Replacement [ ] Withdrawn	

XII. RATES, STATE RULES EXCEPTIONS--Illinois HIGHLIGHTED VERSION

A. Illinois Rating Territories

Territory Code	Territory Description	Territory Factor
1	Cook, Madison and St. Clair Counties	1.000
2	Jackson, Vermilion and Will Counties	0.890
3	DuPage, Kane, Lake, McHenry and Winnebago Counties	0.800
4	Champaign, Macon and Sangamon Counties	0.630
5	Bureau, Coles, DeKalb, Kankakee, LaSalle, Ogle and Randolph Counties	0.720
6	Remainder of State	0.530
7	Peoria County	0.470

B. Mature Claims-Made Rates - Countrywide Manual Section II. General Rules, Rule A. Rates – is amended to read: Premiums are calculated by using the mature claims-made base rates, as shown below with limits of $1,000,000/$4,000,000 and by applying applicable claims-made maturity factors or other coverage option factors.

Specialty Code	ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr. 7
229		Addictionology	18,703	16,645	14,962	11,783	13,466	9,912	8,790
230		Aerospace Medicine	24,231	21,565	19,385	15,265	17,446	12,842	11,388
254		Allergy	17,349	15,441	13,879	10,930	12,491	9,195	8,154
151		Anesthesiology	41,530	36,962	33,224	26,164	29,902	22,011	19,519
196		Anesthesiology – Pain Management	41,530	36,962	33,224	26,164	29,902	22,011	19,519
255		Cardiovascular Disease – No Surgery	28,631	25,482	22,905	18,038	20,615	15,175	13,457
281		Cardiovascular Disease - Minor Surgery	59,659	53,097	47,727	37,585	42,955	31,619	28,040
256		Dermatology	20,790	18,503	16,632	13,098	14,969	11,019	9,771
282		Dermatology – Minor Surgery	37,497	33,373	29,998	23,623	26,998	19,874	17,624
237		Diabetes – No Surgery	26,946	23,982	21,557	16,976	19,401	14,281	12,665
271		Diabetes – Minor Surgery	39,821	35,441	31,857	25,087	28,671	21,105	18,716
102	S	Emergency Medicine – No Major Surgery	99,326	88,400	79,461	62,575	71,515	52,643	46,683
238		Endocrinology – No Surgery	25,678	22,853	20,542	16,177	18,488	13,609	12,068
272		Endocrinology – Minor Surgery	37,945	33,771	30,356	23,906	27,321	20,111	17,834

Specialty Code	ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr. 7
420		Family/General Practitioners – No Surgery	34,973	31,126	27,978	22,033	25,181	18,536	16,437
421		Family/General Practitioners – Minor Surgery	46,692	41,556	37,354	29,416	33,618	24,747	21,945
521		Family/General Practitioners –Minor Surgery – 0 to 24 deliveries	47,432	42,215	37,946	29,882	34,151	25,139	22,293
240		Forensic or Legal Medicine	16,963	15,097	13,570	10,686	12,213	8,990	7,972
241		Gastroenterology – No Surgery	43,206	38,454	34,565	27,220	31,109	22,899	20,307
274		Gastroenterology – Minor Surgery	46,076	41,007	36,860	29,028	33,174	24,420	21,655
231		General Preventive Medicine – No Surgery	15,933	14,180	12,746	10,038	11,472	8,444	7,488
243		Geriatrics – No Surgery	27,381	24,369	21,905	17,250	19,714	14,512	12,869
276		Geriatrics – Minor Surgery	40,464	36,013	32,371	25,492	29,134	21,446	19,018
244		Gynecology – No Surgery	26,562	23,640	21,250	16,734	19,125	14,078	12,484
277		Gynecology – Minor Surgery	42,589	37,905	34,072	26,831	30,664	22,572	20,017
245		Hematology – No Surgery	34,973	31,126	27,978	22,033	25,181	18,536	16,437
278		Hematology – Minor Surgery	49,603	44,147	39,682	31,250	35,714	26,290	23,313
~~283~~		~~Hospitalist/Intensive Care Medicine~~	~~38,772~~	~~34,507~~	~~31,018~~	~~24,426~~	~~27,916~~	~~20,549~~	~~18,223~~
232		Hypnosis	16,562	14,740	13,250	10,434	11,925	8,778	7,784
246		Infectious Diseases – No Surgery	50,711	45,132	40,568	31,948	36,512	26,877	23,834
279		Infectious Diseases – Minor Surgery	79,933	71,140	63,946	50,358	57,551	42,364	37,568
283		Intensive Care Medicine/Hospitalist	38,772	34,507	31,018	24,426	27,916	20,549	18,223
257		Internal medicine – No Surgery	41,066	36,548	32,853	25,871	29,567	21,765	19,301
284		Internal medicine – Minor Surgery	53,464	47,583	42,771	33,682	38,494	28,336	25,128
258		Laryngology – No Surgery	19,294	17,172	15,435	12,155	13,892	10,226	9,068
285		Laryngology – Minor Surgery	43,145	38,399	34,516	27,182	31,065	22,867	20,278
801		Manipulative Medicine	17,450	15,530	13,960	10,993	12,564	9,248	8,201
471		Neonatology - No Surgery	60,567	53,905	48,454	38,157	43,608	32,100	28,466
476		Neonatology – Minor Surgery	75,710	67,382	60,568	47,697	54,511	40,126	35,584
259		Neoplastic Diseases – No Surgery	35,523	31,615	28,418	22,379	25,576	18,827	16,696
260		Nephrology – No Surgery	31,476	28,014	25,181	19,830	22,663	16,682	14,794
287		Nephrology – Minor Surgery	46,515	41,399	37,212	29,305	33,491	24,653	21,862
261		Neurology – No Surgery	42,104	37,473	33,683	26,526	30,315	22,315	19,789
288		Neurology – Minor Surgery	49,989	44,490	39,991	31,493	35,992	26,494	23,495
262		Nuclear Medicine	25,581	22,767	20,465	16,116	18,418	13,558	12,023
248		Nutrition	15,022	13,369	12,017	9,464	10,816	7,961	7,060
233		Occupational Medicine	20,192	17,971	16,154	12,721	14,538	10,702	9,490
473		Oncology – No Surgery	35,523	31,615	28,418	22,379	25,576	18,827	16,696
286		Oncology – Minor Surgery	43,745	38,933	34,996	27,559	31,496	23,185	20,560
263		Ophthalmology – No Surgery	23,763	21,149	19,010	14,971	17,109	12,594	11,168
289		Ophthalmology – Minor Surgery	25,823	22,983	20,659	16,269	18,593	13,686	12,137
264		Otology – No Surgery	19,294	17,172	15,435	12,155	13,892	10,226	9,068
290		Otology – Minor Surgery	43,145	38,399	34,516	27,182	31,065	22,867	20,278

Specialty Code	ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr. 7
265		Otorhinolaryngology – No Surgery	19,294	17,172	15,435	12,155	13,892	10,226	9,068
291		Otorhinolaryngology – Minor Surgery	43,145	38,399	34,516	27,182	31,065	22,867	20,278
266		Pathology – No Surgery	27,602	24,566	22,082	17,390	19,874	14,629	12,973
292		Pathology – Minor Surgery	48,250	42,943	38,600	30,398	34,740	25,573	22,678
267		Pediatrics – No Surgery	27,698	24,651	22,159	17,450	19,943	14,680	13,018
293		Pediatrics – Minor Surgery	41,229	36,693	32,983	25,974	29,685	21,851	19,377
234		Pharmacology	24,231	21,565	19,385	15,265	17,446	12,842	11,388
235		Physiatry or Physical Medicine and Rehabilitation	17,450	15,530	13,960	10,993	12,564	9,248	8,201
437		Physicians – No Major Surgery – acupuncture	43,745	38,933	34,996	27,559	31,496	23,185	20,560
802		Physicians – No Major Surgery – Sclerotherapy	47,672	42,428	38,138	30,034	34,324	25,266	22,406
431		Physicians – No Major Surgery – shock therapy	47,672	42,428	38,138	30,034	34,324	25,266	22,406
268		Physicians – not otherwise classified – no surgery	28,039	24,955	22,431	17,665	20,188	14,861	13,178
294		Physicians – not othewise classified – minor surgery	43,745	38,933	34,996	27,559	31,496	23,185	20,560
249		Psychiatry	19,577	17,424	15,662	12,334	14,096	10,376	9,201
250		Psychoanalysis	18,296	16,283	14,637	11,526	13,173	9,697	8,599
251		Psychosomatic Medicine	14,770	13,146	11,816	9,305	10,635	7,828	6,942
236		Public Health	16,963	15,097	13,570	10,686	12,213	8,990	7,972
269		Pulmonary Diseases – No Surgery	36,216	32,232	28,972	22,816	26,075	19,194	17,021
298		Pulmonary Diseases – Minor Surgery	61,753	54,960	49,403	38,905	44,462	32,729	29,024
253	S	Radiology – diagnostic – No Surgery	43,268	38,508	34,614	27,259	31,153	22,932	20,336
280	S	Radiology – diagnostic – Minor Surgery	65,837	58,595	52,670	41,477	47,403	34,894	30,943
425	S	Radiology – Therapeutic	48,910	43,530	39,128	30,813	35,215	25,922	22,988
252		Rheumatology – No Surgery	26,236	23,350	20,989	16,529	18,890	13,905	12,331
247		Rhinology – No Surgery	19,294	17,172	15,435	12,155	13,892	10,226	9,068
270		Rhinology – Minor Surgery	43,145	38,399	34,516	27,182	31,065	22,867	20,278
166	S	Surgery – Abdominal	99,148	88,242	79,318	62,463	71,386	52,548	46,599
101	S	Surgery – Broncho-esophagology	50,336	44,799	40,269	31,712	36,242	26,678	23,658
141	H	Surgery – Cardiac	154,358	137,379	123,486	97,245	111,138	81,810	72,548
150	H	Surgery – Cardiovascular Disease	141,068	125,550	112,854	88,873	101,569	74,766	66,302
115	S	Surgery – Colon and Rectal	66,351	59,052	53,081	41,801	47,773	35,166	31,185
472	S	Surgery – Dermatology	50,971	45,365	40,777	32,112	36,699	27,015	23,957
157	S	Surgery – Emergency Medicine	110,140	98,025	88,112	69,388	79,301	58,374	51,766
103	S	Surgery – Endocrinology	43,943	39,109	35,154	27,684	31,639	23,290	20,653
117	S	Surgery – Family/General Practice	64,564	57,462	51,651	40,676	46,486	34,219	30,345
104	S	Surgery – Gastroenterology	61,371	54,620	49,096	38,663	44,187	32,526	28,844
143	S	Surgery – General – not otherwise classified	92,067	81,939	73,653	58,002	66,288	48,795	43,271
105	S	Surgery – Geriatrics	64,705	57,587	51,764	40,764	46,587	34,293	30,411
167	H	Surgery – Gynecology	71,422	63,565	57,137	44,996	51,424	37,854	33,568
169	S	Surgery – Hand	64,413	57,328	51,530	40,580	46,377	34,139	30,274
170	S	Surgery – Head and Neck	79,367	70,636	63,493	50,001	57,144	42,064	37,302
106	S	Surgery - Laryngology	59,041	52,546	47,233	37,196	42,509	31,292	27,749

Specialty Code	ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr. 7
474	H	Surgery – Neonatology or Pediatrics	106,511	94,794	85,208	67,102	76,688	56,451	50,060
107	S	Surgery – Neoplastic	55,916	49,765	44,733	35,227	40,260	29,636	26,281
108	S	Surgery – Nephrology	59,393	52,860	47,514	37,418	42,763	31,478	27,915
152	H	Surgery – Neurology	244,420	217,533	195,536	153,984	175,982	129,542	114,877
168	H	Surgery – Obstetrics	128,387	114,264	102,709	80,884	92,438	68,045	60,342
153	H	Surgery – Obstetrics – Gynecology	128,387	114,264	102,709	80,884	92,438	68,045	60,342
560	H	Surgery – Obstetrics – Gynecology – 0 to 49 deliveries	102,715	91,416	82,172	64,710	73,955	54,439	48,276
561	H	--50 to 69 deliveries	105,919	94,268	84,735	66,729	76,262	56,137	49,782
562	H	--70 to 89 deliveries	109,127	97,123	87,302	68,750	78,572	57,837	51,290
563	H	-- 90 to 109 deliveries	115,548	102,838	92,438	72,795	83,195	61,240	54,308
564	H	--110 to 129 deliveries	121,970	108,553	97,576	76,841	87,818	64,644	57,326
565	H	--130 to 149 deliveries	128,387	114,264	102,709	80,884	92,438	68,045	60,342
566	H	--150 to 169 deliveries	141,226	125,691	112,980	88,972	101,682	74,850	66,376
567	H	--170 to 189 deliveries	154,065	137,118	123,252	97,061	110,927	81,654	72,410
568	H	--190 to 209 deliveries	166,902	148,542	133,521	105,148	120,169	88,458	78,444
569	H	--210 to 229 deliveries	179,743	159,971	143,794	113,238	129,415	95,264	84,479
570	H	--230 to 249 deliveries	192,579	171,395	154,063	121,325	138,657	102,067	90,512
571	H	--250 to 269 deliveries	205,418	182,822	164,334	129,413	147,901	108,871	96,546
572	H	--270 to 289 deliveries	218,259	194,250	174,607	137,503	157,146	115,677	102,582
573	H	--290 to more deliveries	231,095	205,675	184,876	145,590	166,389	122,481	108,615
114	S	Surgery – Ophthalmology	45,753	40,721	36,603	28,825	32,942	24,249	21,504
804	S	Surgery – Ophthalmology – Plastic	59,866	53,281	47,893	37,716	43,104	31,729	28,137
154	H	Surgery – Orthopedic	157,096	139,816	125,677	98,971	113,109	83,261	73,835
164	H	Surgery – Orthopedic – without procedures on the back	115,759	103,026	92,607	72,928	83,347	61,352	54,407
158	S	Surgery – Otology	59,041	52,546	47,233	37,196	42,509	31,292	27,749
159	S	Surgery – Otorhinolaryngology	59,041	52,546	47,233	37,196	42,509	31,292	27,749
156	H	Surgery – Plastic – not otherwise classified	94,692	84,276	75,753	59,656	68,178	50,187	44,505
155	S	Surgery – Otorhinolaryngology	89,669	79,805	71,735	56,491	64,561	47,524	42,144
160	S	Surgery – Rhinology	59,041	52,546	47,233	37,196	42,509	31,292	27,749
144	H	Surgery – Thoracic	129,202	114,990	103,362	81,397	93,026	68,477	60,725
171	H	Surgery – Traumatic	128,187	114,086	102,550	80,758	92,295	67,939	60,248
145	S	Surgery – Urological	60,014	53,412	48,011	37,809	43,210	31,807	28,207
146	H	Surgery – Vascular	146,709	130,571	117,367	92,427	105,630	77,756	68,953
424		Urgent Care Medicine	34,973	31,126	27,978	22,033	25,181	18,536	16,437

Note: When $2,000,000/$4,000,000 Increased Limits Factor (ILF) is requested for a specialty code that displays an alpha code, either **S** or **H,** use the corresponding ILF factor as displayed in Rule F.

C. Mature Claims-Made Rates – Dentists

Specialty Code	ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr. 7
212		Dental Surgeons – Oral or Maxillofacial – Engaged in oral surgery or operative dentistry on patients rendered unconscious through the administering of any anesthesia or analgesia	38,655	34,403	30,924	24,353	27,832	20,487	18,168
210		Dentists – Minor Surgery	19,329	17,202	15,463	12,177	13,917	10,244	9,084
211		Dentists – No Surgery - not otherwise classified	7,731	6,881	6,185	4,871	5,566	4,097	3,634

D. Mature Claims-Made Rates – Healthcare Facilities

1. Emergency Room Groups*

ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr. 7
S	Emergency Room Groups ("Per 100 patient visits" basis). Separate limits per member physician/healthcare professional may be purchased for an additional 20% charge of the "per patient visit" premium.	1,993	1,774	1,594	1,256	1,435	1,056	937

2. Urgent Care Groups*

ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr.7
	Urgent Care Groups ("Per 100 patient visits" basis). Separate limits per member physician/healthcare professional may be purchased for an additional 20% charge of the "per patient visit" premium.	560	498	448	353	403	297	263

3. Outpatient Surgery Centers*

ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr.7
S	Outpatient Surgery Centers (Surgicenters) ("Per 100 patient visits" basis). All physicians must be separately insured by American Physicians in order to provide coverage for the outpatient surgery center.	2,833	2,521	2,266	1,785	2,040	1,501	1,331

4. Additional Healthcare Facility Rates (per $1000 receipts basis)*

ILFs Alpha Code	Specialty Description/Code	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr.7
	X-Ray / Imaging Laboratory/Code 88526	7.43	7.43	7.43	7.43	7.43	7.43	7.43

*Note: Minimum premium for each Facility Policy in Section D., Item 1, 2, 3, and 4 is $2,500.

E. Premium Charges for Vicarious, Shared and Separate Limits
Under Countrywide Rule IX., Item D., Premium Charges for Vicarious, Shared and Separate Limits is replaced in its entirety with the following:

Specialty Code	Healthcare Professional	Vicarious Limit Charge	Shared Limit Charge	Separate Limit Charge
411	Chiropractor	0%	35% of class 420	70% of class 420
452	Nurse Anesthetist	0%	7.5% of class 151	15% of class 151
962	Nurse Midwife	0%	25% of class 153	50% of class 153
963	Nurse Practitioner	0%	7.5% of class 420	15% of class 420
942	Perfusionist	0%	7.5% of class 420	15% of class 420
807	Physician Assistant	0%	7.5% of class 420	15% of class 420
943	Podiatrist/incl. surg.	0%	40% of class 143	50% of class 143
944	Podiatrist – no surg.	0%	35% of class 420	70% of class 420
946	Psychologist	0%	5% of class 249	10% of class 249
808	Surgeon Assistant	0%	7.5% of class 420	15% of class 420

F. Higher limits of liability may be purchased at premiums derived by applying the following factors to the $1,000,000/$4,000,000 rates:

Higher Limits of Liability	All Other Physicians and Dentists	Emergency Medicine, Radiologists, All Other Surgery **(S)**	Selected Surgical Specialties **(H)**
$2,000,000/$4,000,000	1.344	1.418	1.460

For higher Limits of Liability – Refer to Company

G. Limits that are less than these $1,000,000/$4,000,000 may be purchased at premiums derived from applying the following decreased limit factors to the $1,000,000/$4,000,000 rates (not including any credit applied for a deductible):

Limits of Liability	All Physicians, Surgeons, and Dentists
$100,000/$400,000	0.480
$200/000/$800,000	0.620
$250,000/$1,000,000	0.665
$300,000/$1,200,000	0.700
$500,000/$2,000,000	0.790
$750,000/$3,000,000	0.920
$1,000,000/$2,000,000	0.980
$1,000,000/$4,000,000	1.000

H. Claims-Made Maturity Factors

Note: If the retroactive date falls on a date other than the anniversary date, a factor will be used that is pro-rating the two applicable maturity factors. These factors are applied to the mature claims-made base rates.

First Year	0.25
Second Year	0.40
Third Year	0.75
Fourth Year	0.90
Fifth Year	0.95
Sixth Year	0.98
Mature	1.00

I. Reporting Period Extension Factors

Claims-made reporting period extension(s) ("tail" coverage) are offered (unless coverage is automatically provided within the terms of the policy) to any insured whose coverage is terminated for any reason.

1. A single extension for an unlimited reporting period may be purchased. One set of limits of liability is provided for the entire unlimited reporting period. The rates for this extension are computed by applying the applicable reporting period extension factor displayed below to the annual expiring premium.

2. Alternatively, three extensions may be purchased as of the policy termination and the next two anniversaries of that termination. Separate limits apply for each of the three extensions. The final extension is an unlimited extension. Premiums for each extension are 33.3% of the rate applicable to the single unlimited extension (1.).

J. Factors are applied to the claims-made rate applicable to the annual expiring policy at the time the extended reporting endorsement is offered.

First Year	4.00
Second Year	3.88
Third Year	2.40
Fourth Year	2.11
Fifth Year	2.05
Sixth Year	2.01
Mature	1.97

K. Corporate Entity Coverage

Under Countrywide Corporate Entity Coverage Rule, Item B. Organization Coverage Charge – Separate Limits, sub item 3. is replaced with the following:

3.

# of Insureds	Charge
2-5	15.0%
6-9	12.0%
10-19	9.0%
20 or more	7.0%

L. Part-Time Rule

Under Countrywide Rule VI. Special Rating Rules, Item A. Part Time is replaced with the following:

A. Part Time: 60% of the otherwise applicable rate applies to physicians (see eligibility requirements under General Rules) with American Physicians insured exposure averaging 20 hours or less per week. If evidence of insurance is provided for any professional liability exposure insured by any other carrier, that other exposure would be excluded from the American Physicians policy. Other credits may be reduced due to lower premiums with this rating.

XIII. Merit Rating

In order to be eligible for any merit-rating plan, the incurred loss ratio over the last 10 years shall not exceed **135%**. The total credit that may be applied under the Claims-Free Credit Rule is **-15%** and the total credit/debit that may be applied under the Schedule Rating Plan is **+/- 35%.**

A. Claim-Free Credit
See countrywide manual Section X. Merit Rating, Rule A. for the underwriting criteria. Below is the Claim-Free Credit Schedule for use in Illinois:

1. Credit Schedule:

Years of Claims-Free Experience	Credit
Three to Five Years	5%
Six to Seven Years	10%
Eight or More Years	15%

B. Schedule Rating Plan

The premium may be credited or debited based on the total of credits and debits derived from the following "risk characteristics" schedule. The maximum allowable credit/debit for the Schedule Rating Plan is **+/- 35%.**

	Maximum Credit	Maximum Debit
1. Professional Skills, Quality of Care Use of a recognized system of clinical guidelines. Relevant board certification. Accreditation status by a recognized regulatory body. The provision of medical care limited to qualified individuals. Continuing education of all professional staff beyond what is required by state licensing regulation. Maintenance of premises and equipment.	10%	10%
2. Patient Rapport Length of service and reputation in community. Established policies and procedures for patient services. Cooperation with the Company claims management and resolution procedures.	10%	10%
3. Record Keeping A well-maintained patient record system in place: thorough documentation of patient care and interaction; follow-up system for diagnostic studies, consultation and appointments.	10%	10%
4. Risk Characteristics a. Documented successful completion of an approved office risk analysis/communication skills assessment/risk management on-site visit and/or education program, including an appropriate response to recommendations made. b. Documented attendance at an approved risk management seminar, or successful completion of an approved risk management correspondence course.	5%	5%

XIV. Quarterly Installment Option and Monthly Installment Option

American Physicians offers the following: (does not apply to Claims-Made Reporting Period Extensions ("tail coverage").

4-pay (quarterly)	25% down payment	3 equal installments (Due 4th, 7th, and 10th months).
9-pay (monthly)	15% down payment	8 equal installments (Due 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, and 9th months).

- A $10 installment fee will be applied to all payment plans/per installment. No interest will be charged.

XV. Deductibles

See Countrywide Manual, Section V. for underwriting criteria.
Item C. from the Deductible section in the Countrywide Manual is deleted and replaced with the following: Deductible factors are applied to the $1,000,000/$4,000,000 base rate, Section IV, Rating Steps, Item D to derive the deductible credit amount.

Deductible Amount Per Incident	Indemnity Only Factor	Indemnity and Defense Factor
$5,000	.01	.03
$10,000	.03	.05
$15,000	.04	.08
$25,000	.07	.12
$30,000	.08	.13
$50,000	.12	.19
$75,000	.16	.25
$100,000	.19	.30
$200,000	.27	.43

XVI. Risk Management Activities Discounts

See Section XIII. Merit Rating, Rule B., Schedule Rating Plan, sub item 4 – Risk Characteristics on page IL-9 for the Underwriting Criteria.

XVII. Consent to Rate

Under Countrywide Rules, Rule XI. Consent to Rate is deleted in its entirety.

XII. RATES, STATE RULES EXCEPTIONS--Illino FINAL DRAFT VERSION

A. Illinois Rating Territories

Territory Code	Territory Description	Territory Factor
1	Cook, Madison and St. Clair Counties	1.000
2	Jackson, Vermilion and Will Counties	0.890
3	DuPage, Kane, Lake, McHenry and Winnebago Counties	0.800
4	Champaign, Macon and Sangamon Counties	0.630
5	Bureau, Coles, DeKalb, Kankakee, LaSalle, Ogle and Randolph Counties	0.720
6	Remainder of State	0.530
7	Peoria County	0.470

B. Mature Claims-Made Rates - Countrywide Manual Section II. General Rules, Rule A. Rates – is amended to read: Premiums are calculated by using the mature claims-made base rates, as shown below with limits of $1,000,000/$4,000,000 and by applying applicable claims-made maturity factors or other coverage option factors.

Specialty Code	ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr. 7
229		Addictionology	18,703	16,645	14,962	11,783	13,466	9,912	8,790
230		Aerospace Medicine	24,231	21,565	19,385	15,265	17,446	12,842	11,388
254		Allergy	17,349	15,441	13,879	10,930	12,491	9,195	8,154
151		Anesthesiology	41,530	36,962	33,224	26,164	29,902	22,011	19,519
196		Anesthesiology – Pain Management	41,530	36,962	33,224	26,164	29,902	22,011	19,519
255		Cardiovascular Disease – No Surgery	28,631	25,482	22,905	18,038	20,615	15,175	13,457
281		Cardiovascular Disease - Minor Surgery	59,659	53,097	47,727	37,585	42,955	31,619	28,040
256		Dermatology	20,790	18,503	16,632	13,098	14,969	11,019	9,771
282		Dermatology – Minor Surgery	37,497	33,373	29,998	23,623	26,998	19,874	17,624
237		Diabetes – No Surgery	26,946	23,982	21,557	16,976	19,401	14,281	12,665
271		Diabetes – Minor Surgery	39,821	35,441	31,857	25,087	28,671	21,105	18,716
102	S	Emergency Medicine – No Major Surgery	99,326	88,400	79,461	62,575	71,515	52,643	46,683
238		Endocrinology – No Surgery	25,678	22,853	20,542	16,177	18,488	13,609	12,068
272		Endocrinology – Minor Surgery	37,945	33,771	30,356	23,906	27,321	20,111	17,834

American Physicians Assurance Corporation

Health Care Providers Professional Liability Insurance

Illinois

Specialty Code	ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr. 7
420		Family/General Practitioners – No Surgery	34,973	31,126	27,978	22,033	25,181	18,536	16,437
421		Family/General Practitioners – Minor Surgery	46,692	41,556	37,354	29,416	33,618	24,747	21,945
521		Family/General Practitioners –Minor Surgery – 0 to 24 deliveries	47,432	42,215	37,946	29,882	34,151	25,139	22,293
240		Forensic or Legal Medicine	16,963	15,097	13,570	10,686	12,213	8,990	7,972
241		Gastroenterology – No Surgery	43,206	38,454	34,565	27,220	31,109	22,899	20,307
274		Gastroenterology – Minor Surgery	46,076	41,007	36,860	29,028	33,174	24,420	21,655
231		General Preventive Medicine – No Surgery	15,933	14,180	12,746	10,038	11,472	8,444	7,488
243		Geriatrics – No Surgery	27,381	24,369	21,905	17,250	19,714	14,512	12,869
276		Geriatrics – Minor Surgery	40,464	36,013	32,371	25,492	29,134	21,446	19,018
244		Gynecology – No Surgery	26,562	23,640	21,250	16,734	19,125	14,078	12,484
277		Gynecology – Minor Surgery	42,589	37,905	34,072	26,831	30,664	22,572	20,017
245		Hematology – No Surgery	34,973	31,126	27,978	22,033	25,181	18,536	16,437
278		Hematology – Minor Surgery	49,603	44,147	39,682	31,250	35,714	26,290	23,313
232		Hypnosis	16,562	14,740	13,250	10,434	11,925	8,778	7,784
246		Infectious Diseases – No Surgery	50,711	45,132	40,568	31,948	36,512	26,877	23,834
279		Infectious Diseases – Minor Surgery	79,933	71,140	63,946	50,358	57,551	42,364	37,568
283		Intensive Care Medicine/Hospitalist	38,772	34,507	31,018	24,426	27,916	20,549	18,223
257		Internal medicine – No Surgery	41,066	36,548	32,853	25,871	29,567	21,765	19,301
284		Internal medicine – Minor Surgery	53,464	47,583	42,771	33,682	38,494	28,336	25,128
258		Laryngology – No Surgery	19,294	17,172	15,435	12,155	13,892	10,226	9,068
285		Laryngology – Minor Surgery	43,145	38,399	34,516	27,182	31,065	22,867	20,278
801		Manipulative Medicine	17,450	15,530	13,960	10,993	12,564	9,248	8,201
471		Neonatology - No Surgery	60,567	53,905	48,454	38,157	43,608	32,100	28,466
476		Neonatology – Minor Surgery	75,710	67,382	60,568	47,697	54,511	40,126	35,584
259		Neoplastic Diseases – No Surgery	35,523	31,615	28,418	22,379	25,576	18,827	16,696
260		Nephrology – No Surgery	31,476	28,014	25,181	19,830	22,663	16,682	14,794
287		Nephrology – Minor Surgery	46,515	41,399	37,212	29,305	33,491	24,653	21,862
261		Neurology – No Surgery	42,104	37,473	33,683	26,526	30,315	22,315	19,789
288		Neurology – Minor Surgery	49,989	44,490	39,991	31,493	35,992	26,494	23,495
262		Nuclear Medicine	25,581	22,767	20,465	16,116	18,418	13,558	12,023
248		Nutrition	15,022	13,369	12,017	9,464	10,816	7,961	7,060
233		Occupational Medicine	20,192	17,971	16,154	12,721	14,538	10,702	9,490
473		Oncology – No Surgery	35,523	31,615	28,418	22,379	25,576	18,827	16,696
286		Oncology – Minor Surgery	43,745	38,933	34,996	27,559	31,496	23,185	20,560
263		Ophthalmology – No Surgery	23,763	21,149	19,010	14,971	17,109	12,594	11,168
289		Ophthalmology – Minor Surgery	25,823	22,983	20,659	16,269	18,593	13,686	12,137
264		Otology – No Surgery	19,294	17,172	15,435	12,155	13,892	10,226	9,068
290		Otology – Minor Surgery	43,145	38,399	34,516	27,182	31,065	22,867	20,278

American Physicians Assurance Corporation

Health Care Providers Professional Liability Insurance

Illinois

Specialty Code	ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr. 7
265		Otorhinolaryngology – No Surgery	19,294	17,172	15,435	12,155	13,892	10,226	9,068
291		Otorhinolaryngology – Minor Surgery	43,145	38,399	34,516	27,182	31,065	22,867	20,278
266		Pathology – No Surgery	27,602	24,566	22,082	17,390	19,874	14,629	12,973
292		Pathology – Minor Surgery	48,250	42,943	38,600	30,398	34,740	25,573	22,678
267		Pediatrics – No Surgery	27,698	24,651	22,159	17,450	19,943	14,680	13,018
293		Pediatrics – Minor Surgery	41,229	36,693	32,983	25,974	29,685	21,851	19,377
234		Pharmacology	24,231	21,565	19,385	15,265	17,446	12,842	11,388
235		Physiatry or Physical Medicine and Rehabilitation	17,450	15,530	13,960	10,993	12,564	9,248	8,201
437		Physicians – No Major Surgery – acupuncture	43,745	38,933	34,996	27,559	31,496	23,185	20,560
802		Physicians – No Major Surgery – Sclerotherapy	47,672	42,428	38,138	30,034	34,324	25,266	22,406
431		Physicians – No Major Surgery – shock therapy	47,672	42,428	38,138	30,034	34,324	25,266	22,406
268		Physicians – not otherwise classified – no surgery	28,039	24,955	22,431	17,665	20,188	14,861	13,178
294		Physicians – not othewise classified – minor surgery	43,745	38,933	34,996	27,559	31,496	23,185	20,560
249		Psychiatry	19,577	17,424	15,662	12,334	14,096	10,376	9,201
250		Psychoanalysis	18,296	16,283	14,637	11,526	13,173	9,697	8,599
251		Psychosomatic Medicine	14,770	13,146	11,816	9,305	10,635	7,828	6,942
236		Public Health	16,963	15,097	13,570	10,686	12,213	8,990	7,972
269		Pulmonary Diseases – No Surgery	36,216	32,232	28,972	22,816	26,075	19,194	17,021
298		Pulmonary Diseases – Minor Surgery	61,753	54,960	49,403	38,905	44,462	32,729	29,024
253	S	Radiology – diagnostic – No Surgery	43,268	38,508	34,614	27,259	31,153	22,932	20,336
280	S	Radiology – diagnostic – Minor Surgery	65,837	58,595	52,670	41,477	47,403	34,894	30,943
425	S	Radiology – Therapeutic	48,910	43,530	39,128	30,813	35,215	25,922	22,988
252		Rheumatology – No Surgery	26,236	23,350	20,989	16,529	18,890	13,905	12,331
247		Rhinology – No Surgery	19,294	17,172	15,435	12,155	13,892	10,226	9,068
270		Rhinology – Minor Surgery	43,145	38,399	34,516	27,182	31,065	22,867	20,278
166	S	Surgery – Abdominal	99,148	88,242	79,318	62,463	71,386	52,548	46,599
101	S	Surgery – Broncho-esophagology	50,336	44,799	40,269	31,712	36,242	26,678	23,658
141	H	Surgery – Cardiac	154,358	137,379	123,486	97,245	111,138	81,810	72,548
150	H	Surgery – Cardiovascular Disease	141,068	125,550	112,854	88,873	101,569	74,766	66,302
115	S	Surgery – Colon and Rectal	66,351	59,052	53,081	41,801	47,773	35,166	31,185
472	S	Surgery – Dermatology	50,971	45,365	40,777	32,112	36,699	27,015	23,957
157	S	Surgery – Emergency Medicine	110,140	98,025	88,112	69,388	79,301	58,374	51,766
103	S	Surgery – Endocrinology	43,943	39,109	35,154	27,684	31,639	23,290	20,653
117	S	Surgery – Family/General Practice	64,564	57,462	51,651	40,676	46,486	34,219	30,345
104	S	Surgery – Gastroenterology	61,371	54,620	49,096	38,663	44,187	32,526	28,844
143	S	Surgery – General – not otherwise classified	92,067	81,939	73,653	58,002	66,288	48,795	43,271
105	S	Surgery – Geriatrics	64,705	57,587	51,764	40,764	46,587	34,293	30,411
167	H	Surgery – Gynecology	71,422	63,565	57,137	44,996	51,424	37,854	33,568
169	S	Surgery – Hand	64,413	57,328	51,530	40,580	46,377	34,139	30,274
170	S	Surgery – Head and Neck	79,367	70,636	63,493	50,001	57,144	42,064	37,302
106	S	Surgery - Laryngology	59,041	52,546	47,233	37,196	42,509	31,292	27,749

Specialty Code	ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr. 7
474	H	Surgery – Neonatology or Pediatrics	106,511	94,794	85,208	67,102	76,688	56,451	50,060
107	S	Surgery – Neoplastic	55,916	49,765	44,733	35,227	40,260	29,636	26,281
108	S	Surgery – Nephrology	59,393	52,860	47,514	37,418	42,763	31,478	27,915
152	H	Surgery – Neurology	244,420	217,533	195,536	153,984	175,982	129,542	114,877
168	H	Surgery – Obstetrics	128,387	114,264	102,709	80,884	92,438	68,045	60,342
153	H	Surgery – Obstetrics – Gynecology	128,387	114,264	102,709	80,884	92,438	68,045	60,342
560	H	Surgery – Obstetrics – Gynecology – 0 to 49 deliveries	102,715	91,416	82,172	64,710	73,955	54,439	48,276
561	H	--50 to 69 deliveries	105,919	94,268	84,735	66,729	76,262	56,137	49,782
562	H	--70 to 89 deliveries	109,127	97,123	87,302	68,750	78,572	57,837	51,290
563	H	-- 90 to 109 deliveries	115,548	102,838	92,438	72,795	83,195	61,240	54,308
564	H	--110 to 129 deliveries	121,970	108,553	97,576	76,841	87,818	64,644	57,326
565	H	--130 to 149 deliveries	128,387	114,264	102,709	80,884	92,438	68,045	60,342
566	H	--150 to 169 deliveries	141,226	125,691	112,980	88,972	101,682	74,850	66,376
567	H	--170 to 189 deliveries	154,065	137,118	123,252	97,061	110,927	81,654	72,410
568	H	--190 to 209 deliveries	166,902	148,542	133,521	105,148	120,169	88,458	78,444
569	H	--210 to 229 deliveries	179,743	159,971	143,794	113,238	129,415	95,264	84,479
570	H	--230 to 249 deliveries	192,579	171,395	154,063	121,325	138,657	102,067	90,512
571	H	--250 to 269 deliveries	205,418	182,822	164,334	129,413	147,901	108,871	96,546
572	H	--270 to 289 deliveries	218,259	194,250	174,607	137,503	157,146	115,677	102,582
573	H	--290 to more deliveries	231,095	205,675	184,876	145,590	166,389	122,481	108,615
114	S	Surgery – Ophthalmology	45,753	40,721	36,603	28,825	32,942	24,249	21,504
804	S	Surgery – Ophthalmology – Plastic	59,866	53,281	47,893	37,716	43,104	31,729	28,137
154	H	Surgery – Orthopedic	157,096	139,816	125,677	98,971	113,109	83,261	73,835
164	H	Surgery – Orthopedic – without procedures on the back	115,759	103,026	92,607	72,928	83,347	61,352	54,407
158	S	Surgery – Otology	59,041	52,546	47,233	37,196	42,509	31,292	27,749
159	S	Surgery – Otorhinolaryngology	59,041	52,546	47,233	37,196	42,509	31,292	27,749
156	H	Surgery – Plastic – not otherwise classified	94,692	84,276	75,753	59,656	68,178	50,187	44,505
155	S	Surgery – Otorhinolaryngology	89,669	79,805	71,735	56,491	64,561	47,524	42,144
160	S	Surgery – Rhinology	59,041	52,546	47,233	37,196	42,509	31,292	27,749
144	H	Surgery – Thoracic	129,202	114,990	103,362	81,397	93,026	68,477	60,725
171	H	Surgery – Traumatic	128,187	114,086	102,550	80,758	92,295	67,939	60,248
145	S	Surgery – Urological	60,014	53,412	48,011	37,809	43,210	31,807	28,207
146	H	Surgery – Vascular	146,709	130,571	117,367	92,427	105,630	77,756	68,953
424		Urgent Care Medicine	34,973	31,126	27,978	22,033	25,181	18,536	16,437

Note: When $2,000,000/$4,000,000 Increased Limits Factor (ILF) is requested for a specialty code that displays an alpha code, either **S** or **H,** use the corresponding ILF factor as displayed in Rule F.

C. Mature Claims-Made Rates – Dentists

Specialty Code	ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr. 7
212		Dental Surgeons – Oral or Maxillofacial – Engaged in oral surgery or operative dentistry on patients rendered unconscious through the administering of any anesthesia or analgesia	38,655	34,403	30,924	24,353	27,832	20,487	18,168
210		Dentists – Minor Surgery	19,329	17,202	15,463	12,177	13,917	10,244	9,084
211		Dentists – No Surgery - not otherwise classified	7,731	6,881	6,185	4,871	5,566	4,097	3,634

D. Mature Claims-Made Rates – Healthcare Facilities

1. Emergency Room Groups*

ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr. 7
S	Emergency Room Groups ("Per 100 patient visits" basis). Separate limits per member physician/healthcare professional may be purchased for an additional 20% charge of the "per patient visit" premium.	1,993	1,774	1,594	1,256	1,435	1,056	937

2. Urgent Care Groups*

ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr.7
	Urgent Care Groups ("Per 100 patient visits" basis). Separate limits per member physician/healthcare professional may be purchased for an additional 20% charge of the "per patient visit" premium.	560	498	448	353	403	297	263

3. Outpatient Surgery Centers*

ILFs Alpha Code	Specialty Description	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr.7
S	Outpatient Surgery Centers (Surgicenters) ("Per 100 patient visits" basis). All physicians must be separately insured by American Physicians in order to provide coverage for the outpatient surgery center.	2,833	2,521	2,266	1,785	2,040	1,501	1,331

4. Additional Healthcare Facility Rates (per $1000 receipts basis)*

ILFs Alpha Code	Specialty Description/Code	Terr. 1	Terr. 2	Terr. 3	Terr. 4	Terr. 5	Terr. 6	Terr.7
	X-Ray / Imaging Laboratory/Code 88526	7.43	7.43	7.43	7.43	7.43	7.43	7.43

*Note: Minimum premium for each Facility Policy in Section D., Item 1, 2, 3, and 4 is $2,500.

E. Premium Charges for Vicarious, Shared and Separate Limits
Under Countrywide Rule IX., Item D., Premium Charges for Vicarious, Shared and Separate Limits is replaced in its entirety with the following:

Specialty Code	Healthcare Professional	Vicarious Limit Charge	Shared Limit Charge	Separate Limit Charge
411	Chiropractor	0%	35% of class 420	70% of class 420
452	Nurse Anesthetist	0%	7.5% of class 151	15% of class 151
962	Nurse Midwife	0%	25% of class 153	50% of class 153
963	Nurse Practitioner	0%	7.5% of class 420	15% of class 420
942	Perfusionist	0%	7.5% of class 420	15% of class 420
807	Physician Assistant	0%	7.5% of class 420	15% of class 420
943	Podiatrist/incl. surg.	0%	40% of class 143	50% of class 143
944	Podiatrist – no surg.	0%	35% of class 420	70% of class 420
946	Psychologist	0%	5% of class 249	10% of class 249
808	Surgeon Assistant	0%	7.5% of class 420	15% of class 420

F. Higher limits of liability may be purchased at premiums derived by applying the following factors to the $1,000,000/$4,000,000 rates:

Higher Limits of Liability	All Other Physicians and Dentists	Emergency Medicine, Radiologists, All Other Surgery **(S)**	Selected Surgical Specialties **(H)**
$2,000,000/$4,000,000	1.344	1.418	1.460

For higher Limits of Liability – Refer to Company

G. Limits that are less than these $1,000,000/$4,000,000 may be purchased at premiums derived from applying the following decreased limit factors to the $1,000,000/$4,000,000 rates (not including any credit applied for a deductible):

Limits of Liability	All Physicians, Surgeons, and Dentists
$100,000/$400,000	0.480
$200/000/$800,000	0.620
$250,000/$1,000,000	0.665
$300,000/$1,200,000	0.700
$500,000/$2,000,000	0.790
$750,000/$3,000,000	0.920
$1,000,000/$2,000,000	0.980
$1,000,000/$4,000,000	1.000

H. Claims-Made Maturity Factors

Note: If the retroactive date falls on a date other than the anniversary date, a factor will be used that is pro-rating the two applicable maturity factors. These factors are applied to the mature claims-made base rates.

First Year	0.25
Second Year	0.40
Third Year	0.75
Fourth Year	0.90
Fifth Year	0.95
Sixth Year	0.98
Mature	1.00

I. Reporting Period Extension Factors

Claims-made reporting period extension(s) ("tail" coverage) are offered (unless coverage is automatically provided within the terms of the policy) to any insured whose coverage is terminated for any reason.

1. A single extension for an unlimited reporting period may be purchased. One set of limits of liability is provided for the entire unlimited reporting period. The rates for this extension are computed by applying the applicable reporting period extension factor displayed below to the annual expiring premium.

2. Alternatively, three extensions may be purchased as of the policy termination and the next two anniversaries of that termination. Separate limits apply for each of the three extensions. The final extension is an unlimited extension. Premiums for each extension are 33.3% of the rate applicable to the single unlimited extension (1.).

J. Factors are applied to the claims-made rate applicable to the annual expiring policy at the time the extended reporting endorsement is offered.

First Year	4.00
Second Year	3.88
Third Year	2.40
Fourth Year	2.11
Fifth Year	2.05
Sixth Year	2.01
Mature	1.97

K. Corporate Entity Coverage

Under Countrywide Corporate Entity Coverage Rule, Item B. Organization Coverage Charge – Separate Limits, sub item 3. is replaced with the following:

3.

# of Insureds	Charge
2-5	15.0%
6-9	12.0%
10-19	9.0%
20 or more	7.0%

L. Part-Time Rule

Under Countrywide Rule VI. Special Rating Rules, Item A. Part Time is replaced with the following:

A. Part Time: 60% of the otherwise applicable rate applies to physicians (see eligibility requirements under General Rules) with American Physicians insured exposure averaging 20 hours or less per week. If evidence of insurance is provided for any professional liability exposure insured by any other carrier, that other exposure would be excluded from the American Physicians policy. Other credits may be reduced due to lower premiums with this rating.

XIII. Merit Rating

In order to be eligible for any merit-rating plan, the incurred loss ratio over the last 10 years shall not exceed **135%**. The total credit that may be applied under the Claims-Free Credit Rule is **-15%** and the total credit/debit that may be applied under the Schedule Rating Plan is +/- **35%.**

A. Claim-Free Credit
See countrywide manual Section X. Merit Rating, Rule A. for the underwriting criteria. Below is the Claim-Free Credit Schedule for use in Illinois:

1. Credit Schedule:

Years of Claims-Free Experience	Credit
Three to Five Years	5%
Six to Seven Years	10%
Eight or More Years	15%

B. Schedule Rating Plan

The premium may be credited or debited based on the total of credits and debits derived from the following "risk characteristics" schedule. The maximum allowable credit/debit for the Schedule Rating Plan is **+/- 35%.**

	Maximum Credit	Maximum Debit
1. Professional Skills, Quality of Care Use of a recognized system of clinical guidelines. Relevant board certification. Accreditation status by a recognized regulatory body. The provision of medical care limited to qualified individuals. Continuing education of all professional staff beyond what is required by state licensing regulation. Maintenance of premises and equipment.	10%	10%
2. Patient Rapport Length of service and reputation in community. Established policies and procedures for patient services. Cooperation with the Company claims management and resolution procedures.	10%	10%
3. Record Keeping A well-maintained patient record system in place: thorough documentation of patient care and interaction; follow-up system for diagnostic studies, consultation and appointments.	10%	10%
4. Risk Characteristics a. Documented successful completion of an approved office risk analysis/communication skills assessment/risk management on-site visit and/or education program, including an appropriate response to recommendations made. b. Documented attendance at an approved risk management seminar, or successful completion of an approved risk management correspondence course.	5%	5%

XIV. Quarterly Installment Option and Monthly Installment Option

American Physicians offers the following: (does not apply to Claims-Made Reporting Period Extensions ("tail coverage").

4-pay (quarterly)	25% down payment	3 equal installments (Due 4th, 7th, and 10th months).
9-pay (monthly)	15% down payment	8 equal installments (Due 2nd, 3rd, 4th, 5th, 6th, 7th, 8th, and 9th months).

- A $10 installment fee will be applied to all payment plans/per installment. No interest will be charged.

XV. Deductibles

See Countrywide Manual, Section V. for underwriting criteria.
Item C. from the Deductible section in the Countrywide Manual is deleted and replaced with the following: Deductible factors are applied to the $1,000,000/$4,000,000 base rate, Section IV, Rating Steps, Item D to derive the deductible credit amount.

Deductible Amount Per Incident	Indemnity Only Factor	Indemnity and Defense Factor
$5,000	.01	.03
$10,000	.03	.05
$15,000	.04	.08
$25,000	.07	.12
$30,000	.08	.13
$50,000	.12	.19
$75,000	.16	.25
$100,000	.19	.30
$200,000	.27	.43

XVI. Risk Management Activities Discounts

See Section XIII. Merit Rating, Rule B., Schedule Rating Plan, sub item 4 – Risk Characteristics on page IL-9 for the Underwriting Criteria.

XVII. Consent to Rate

Under Countrywide Rules, Rule XI. Consent to Rate is deleted in its entirety.

Contact Person:
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From: Patty Edgington at American Physicians Assurance Corp, NAIC #33006, Fein #38-2102867
Co Filing #IL-2008-01

Illinois Division of Insurance Review Requirements Checklist

320 West Washington Street
Springfield, IL 62767-0001

Effective as of 8/25/06

Line(s) of Business	Code(s)	
_x__ **MEDICAL MALPRACTICE**	**11.0000**	***This checklist is for rate/rule
_x_ Claims Made	11.10000	**filings only.**
___ Occurrence	11.2000	**See separate form checklist.**

Line(s) of Insurance	Code(s)	Line(s) of Insurance	Code(s)	Line(s) of Insurance	Code(s)
___ Acupuncture	11.0001	___ Hospitals	11.0009	___ Optometry	11.0019
___ Ambulance Services	11.0002	___ Professional Nurses	11.0032	___ Osteopathy	11.0020
___ Anesthetist	11.0031	___ Nurse – Anesthetists	11.0010	___ Pharmacy	11.0021
___ Assisted Living Facility	11.0033	___ Nurse – Lic. Practical	11.0011	___ Physical Therapy	11.0022
___ Chiropractic	11.0003	___ Nurse – Midwife	11.0012	_x_ Physicians & Surgeons	11.0023
___ Community Health Center	11.0004	___ Nurse – Practitioners	11.0013	___ Physicians Assistants	11.0024
___ Dental Hygienists	11.0005	___ Nurse – Private Duty	11.0014	___ Podiatry	11.0025
___ Dentists	11.0030	___ Nurse – Registered	11.0015	___ Psychiatry	11.0026
___ Dentists – General Practice	11.0006	___ Nursing Homes	11.0016	___ Psychology	11.0027
___ Dentists – Oral Surgeon	11.0007	___ Occupational Therapy	11.0017	___ Speech Pathology	11.0028
___ Home Care Service Agencies	11.0008	___ Ophthalmic Dispensing	11.0018	___ Other	11.0029

[redacted]	Illinois Compiled Statutes Online	
[redacted]	Administrative Regulations Online	
[redacted]	Product Coding Matrix	
[redacted]	50 IL Adm. Code 929 NAIC Uniform Transmittal Form	If insurers wish to use the NAIC Uniform Transmittal form in lieu of a cover letter/explanatory memorandum, the Division will accept such form, as long as all information required in the "Cover Letter & Explanatory Memorandum" section below are properly included.
[redacted]	Newsletter Article regarding Division's Participation Self-Certification form	If an authorized company officer completes the Self-Certification form, and submits such form as the 1st page of the filing, the Division will expedite review of the filing ahead of all other filings received to date. The Division will track company compliance with the laws, regulations, bulletins, and this checklist and report such information to the NAIC.
[redacted]	See checklist format below.	To expedite review of your filing, use this column to indicate location of the standard within the filing (e.g. page #, section title, etc.)
[redacted]	See checklist format below.	These brief summaries do not include all requirements of all laws, regulations, bulletins, or requirements, so review actual law, regulation, bulletin, or requirement for details to ensure that forms are fully compliant before filing with the Division of Insurance.

FILING REQUIREMENTS FOR FORM FILINGS	REFERENCE	DESCRIPTION OF REVIEW STANDARD - REQUIREMENT	LOCATION OF STANDARD WITHIN FILING
See separate form filing checklist.		To assist insurers in submitting compliant medical liability rate/rule filings as a result of newly-passed PA94-677 (SB475), the Division has created this separate, comprehensive rate/rule filing checklist for medical liability filings. Please see the separate form filing checklist for requirements related to medical liability forms.	N/A – This is a rate/rule filing.
GENERAL FILING REQUIREMENTS FOR ALL RATE/RULE FILINGS			
LINE OF AUTHORITY			
Must have proper Class and Clause authority to conduct this line of business in Illinois.	215 ILCS 5/4 List of Classes/Clauses	To write Medical Liability insurance in Illinois, companies must be licensed to write: 1. Class 2, Clause (c)	APA Certificate of Authority grants class 2, clause c authority, COA#967543-51
RATES AND RULES REQUIRED TO BE FILED			
Rates/Rules must be filed separately from forms			
Insurers shall make separate filings for rate/rules and for forms/endorsements, etc.		The laws and regulations for medical liability forms/endorsements and the laws for medical liability rates/rules are different and each must be reviewed according to its own set of laws/regulations/procedures. Therefore, insurers are required to file forms and rates/rules separately. For requirements regarding form filings, see separate form filing checklist.	This is a rate filing effective 3-1-08.
New Insurers			
New insurers must file their rates, rules, plans for gathering statistics, etc. upon commencement of business.	215 ILCS 5/155.18 50 IL Adm. Code 929	"New Insures" are insurers who are: • New to Illinois. • New writers of medical liability insurance in Illinois. • Writing a new Line of Insurance listed on Page 1 of this checklist, New insurers must file the following:	Not applicable with this filing. We are not a new insurer.

		a) Medical liability insurance rate manual, including all rates. b) Rules, including underwriting rule manuals which contain rules for applying rates or rating plans, c) Classifications and other such schedules used in writing medical liability insurance. d) Statement regarding whether the insurer: • Has its own plan for the gathering of medical liability statistics; or • Reports its medical liability statistics to a statistical agent (and if so, which agent). The Director, at any time, may request a copy of the insurer's statistical plan or request the insurer to provide written verification of membership and reporting status from the insurer's reported statistical agency. Insurers are instructed to review all requirements in this checklist, including the requirements for applicable actuarial documentation, as well as all medical liability laws and regulations, to ensure that the filing contains all essential elements before submitting the filing to the Division.	
Amendments of Initial Rate/Rule Filings			
After a new insurer has filed the rates/rules/information described above, insurers must file rates/rules, or advise of changes to statistical plans, as often as they are amended.	215 ILCS 5/155.18 50 IL Adm. Code 929	After a new insurer has filed the rates/rules/information described above, insurers must file rates/rules/rating schedules (as described above for new business) as often as such filings are changed or amended, or when any new rates or rules are added. Any change in premium to the company's insureds as a result of a change in the company's base rates or a change in its increased limits factors shall constitute a change in rates and shall require a filing with the Director. Insurers shall also advise the Director if its plans for the gathering of statistics has changed, or if the insurer has changed statistical agents. The Director, at any time, may request a copy of the insurer's statistical plan or request the insurer to provide written verification of membership and reporting status from the insurer's reported statistical agency. Insurers are instructed to review all requirements in this checklist, including the requirements for applicable actuarial documentation, as well as all medical liability laws and regulations, to ensure that the filing contains all essential elements before submitting the filing to the Division.	Rate/rule manual pages have been updated and actuarial documentation is attached.
Type of Rate Filing in Illinois			
Illinois is "file and use"	215 ILCS 5/155.18	A rate/rating plan/rule filing shall go into effect no	Filing is being mailed

for medical liability rates and rules.	50 IL Adm. Code 929	earlier than the date the filing is received by the Division of Insurance, Property & Casualty Compliance Section, except as otherwise provided in Section 155.18.	certified mail on 2-26-08 to be effective 3-1-08.
ADOPTIONS OF ADVISORY ORGANIZATION FILINGS			
Insurer must file all rates and rules on its own behalf.	50 IL Adm. Code 929	Although Rule 929 allows for insurers to adopt advisory organization rule filings, advisory organizations no longer file rules in Illinois.	We are filing on our own behalf.
COPIES, RETURN ENVELOPES, ETC.			
Requirement for duplicate copies and return envelope with adequate postage.	50 IL Adm. Code 929	Insurers that desire a stamped returned copy of the filing or submission letter must submit a duplicate copy of the filing/letter, along with a return envelope large enough and containing enough postage to accommodate the return filing.	Duplicate copy of filing in addition to return envelope with adequate postage is attached.
COVER LETTER & EXPLANATORY MEMORANDUM			
Two copies of a submission letter are required, and the submission letter must contain the information specified. "Me too" filings are not allowed. Use of NAIC Uniform Transmittal form is acceptable as long as all required information is included.	215 ILCS 5/155.18 50 IL Adm. Code 929 Company Bulletin 88-53 Actuarial Certification Form NAIC Uniform Transmittal Form	All filings must be accompanied by a submission letter which includes all of the following information: 1) Exact name of the company making the filing. 2) Federal Employer Identification Number (FEIN) of the company making the filing. 3) Unique filing identification number – may be alpha, numeric, or both. Each filing number must be unique within a company and may not be repeated on subsequent filings. If filing subsequent revisions to a pending filing, use the same filing number as the pending filing or the revision(s) will be considered a new filing. 4) Identification of the classes of medical liability insurance to which the filing applies (for identifying classes, refer to Lines of Insurance shown on Page 1 of this checklist, in compliance with the NAIC Product Coding Matrix). 5) Notification of whether the filing is new or supersedes a present filing. If filing supersedes a present filing, insurer must identify all changes in superseding filings, and all superseded filings, including the following information: • Copy of the complete rate/rule manual section(s) being changed by the filing with all changes clearly highlighted or otherwise identified. • Written statement that all changes made to the superseded filing have been disclosed. • List of all pages that are being completely superseded or replaced with new pages. • List of pages that are being withdrawn and not	Submission letter attached with all items including the NAIC transmittal document. Included in submission letter and NAIC transmittal form. Included in submission letter and NAIC transmittal form. Included in cover letter and NAIC transmittal form. Included in NAIC transmittal form. Included in cover letter and NAIC transmittal form.

		being replaced. • List of new pages that are being added to the superseded filing. • Copies of all manual pages that are affected by the new filing, including but not limited to subsequent pages that are amended solely by receiving new page numbers. 6) Effective date of use. 7) Actuarial certification (see Actuarial Certification section below). Insurers may use their own form or may use the sample form developed by the Division. 8) Statement that the insurer, in offering, administering, or applying the filed rate/rule manual and/or any amended provisions, does not unfairly discriminate. Companies under the same ownership or general management are required to make separate, individual company filings. Company Group ("Me too") filings are unacceptable. If insurers wish to use the NAIC Uniform Transmittal form in lieu of a cover letter/explanatory memorandum, the Division will accept such form, as long as all information required in this section is properly included.	Included in cover letter and NIAC transmittal form. The signed actuarial certification form is attached. Included in cover letter and NAIC transmittal form. Not applicable with this filing.
FORM RF-3 Summary Sheet			
For any rate change, duplicate copies of Form RF-3 must be filed, no later than the effective date.	50 IL Adm. Code 929 Form RF-3 Summary Sheet	For any rate level change, insurers must file two copies of Form RF-3 (Summary Sheet) which provides information on changes in rate level based on the company's premium volume, rating system, and distribution of business with respect to the classes of medical liability insurance to which the rate revision applies. Such forms must be received by the Division's Property & Casualty Compliance Section no later than the stated effective date of use. Insurers must report the rate change level and premium volume amounts on the "Other" Line and insert the words "Medical Liability" on the "Other" descriptive line. Do not list the information on the "Other Liability" line. If the Medical Liability premium is combined with any other Lines of Business (e.g. CGL, commercial property, etc.), the insurer must report the effect of rate changes to each line separately on the RF-3, indicating the premium written and percent of rate change for each line of business. The RF-3 form must indicate whether the information is "exact" or "estimated."	Duplicate copies of RF-3 are attached. Completed – See the RF-3. This is not applicable. RF-3 indicates "estimated".
PAYMENT PLANS			

Quarterly premium payment installment plan required as prescribed by the Director.	215 ILCS 5/155.18	A company writing medical liability insurance in Illinois shall offer to each of its medical liability insureds the option to make premium payments in quarterly installments as prescribed by and filed with the Director. Such option must be offered in the initial offer of the policy or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer need not offer the option, but if the insured requests it, must make it available. Such plans are subject to the following minimum requirements: • May not require more than 40% of the estimated total premium to be paid as the initial payment; • Must spread the remaining premium equally among the 2nd, 3rd, and 4th installments, with the maximum set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively; • May not apply interest charges; • May include an installment charge or fee of no more than the lesser of 1% of the total premium or $25; • Must spread any additional premium resulting from changes to the policy equally over the remaining installments, if any. If there are no remaining installments, the additional premium may be billed immediately as a separate transaction; and • May, but is not required to offer payment plan for extensions of a reporting period, or to insureds whose annual premiums are less than $500. However, if offered to either, the plan must be made available to all within that group.	We comply with these requirements.
Deductible plans should be filed if offered.	215 ILCS 5/155.18	A company writing medical liability insurance in Illinois is encouraged, but not required, to offer the opportunity for participation in a plan offering deductibles to its medical liability insureds. Any such plan shall be contained in a filed rate/rule manual section entitled "Deductibles Offered" or substantially similar title. If an insurer uses a substantially similar title, the Rate/Rule Submission Letter or NAIC Uniform Transmittal form must indicate the name of the section that applies.	See item XV titled Deductibles offered on page IL-10.
Premium discount for risk management activities should be filed if offered.	215 ILCS 5/155.18	A company writing medical liability insurance in Illinois is encouraged, but not required, to offer their medical liability insureds a plan providing premium discounts for participation in risk management activities. Any such plan shall be contained in a filed rate/rule manual section entitled "Risk Management Activities Discounts" or substantially similar title. If an insurer uses a substantially similar title, the	See item XVI titled Risk Management Activities Discounts on page IL-10.

		Rate/Rule Submission Letter or NAIC Uniform Transmittal form must indicate the name of the section that applies.	
CLAIMS MADE REQUIREMENTS			
Extended reporting period (tail coverage) requirements.	215 ILCS 5/143(2) Company Bulletin 88-50	When issuing claims-made medical liability insurance policies, insurers must include the following specific information in their rate/rule manuals: • Offer of an extended reporting period (tail coverage) of at least 12 months. The rate/rule manual must specify whether the extended reporting period is unlimited or indicate its term (i.e. number of years).*** • Cost of the extended reporting period, which must be priced as a factor of one of the following:*** o the last 12 months' premium. o the premium in effect at policy issuance. o the expiring annual premium. • List of any credits, discounts, etc. that will be added or removed when determining the final extended reporting period premium. • Insurer will inform the insured of the extended reporting period premium at the time the last policy is purchased. The insurer may not wait until the insured requests to purchase the extended reporting period coverage to tell the insured what the premium will be or how the premium would be calculated. • Insurer will offer the extended reporting period when the policy is terminated for any reason, including non-payment of premium, and whether the policy is terminated at the company's or insured's request. • Insurer will allow the insured 30 days after the policy is terminated to purchase the extended reporting period coverage.*** • Insurer will trigger the claims made coverage when notice of claim is received and recorded by the insured or company, whichever comes first. ***If the medical liability coverage is combined with other professional or general liability coverages, the medical liability insurer must meet all of the above requirements, except those indicated with ***, in which case, the insurer must: • Offer free 5-year extended reporting period (tail coverage) or	See Item I, Reporting Period Extension Rules on page IL-7. See Item I, Reporting Period Extension Rules and Item J. Reporting Period Extension Factors on page IL-7. We comply with this rule. See Item I Reporting Period Extension rules and Item J Reporting Period Extension Factors on page IL-7. See Item I. Reporting Period Extension Rules and Item J, Reporting Period Extension Factors on page IL-7. See Item I, Reporting Period Extension Rules, Page IL-7. This is not applicable in this area so disregard. We do not include general liability or other professional coverages so this is not applicable with our company.

		• Offer an unlimited extended reporting period with the limits reinstated (100% of aggregate expiring limits for the duration) • Cap the premium at 200% of the annual premium of the expiring policy; and • Give the insured a free-60 day period after the end of the policy to request the coverage.	
GROUP MEDICAL LIABILITY			
Group medical liability insurance is not specifically allowed under the Illinois Insurance Code.	50 IL Adm. Code 906	Part 906 of the Illinois Administrative Code prohibits writing of group casualty (liability) insurance unless specifically authorized by statute. The Illinois Insurance Code does not specifically authorize the writing of group medical liability insurance.	We are abiding by this rule.
CANCELLATION & NONRENEWAL PROVISION REQUIREMENTS			
If rate/rule manuals contain language pertaining to cancellation or nonrenewal, must comply with all cancellation/nonrenewal laws.	See Medical Liability Forms Checklist for Specific Information about Illinois Cancellation & Nonrenewal Laws and Regulations,	If a rate or rule manual contains language pertaining to cancellation or nonrenewal of any medical liability insurance coverage, such provisions must comply with all cancellation and nonrenewal provisions of the Illinois Insurance Code, including but not limited to the following: 143.10, 143.16, 143.16a, 143.17a. See Medical Liability Forms Checklist for Specific Information about Illinois Cancellation & Nonrenewal Laws and Regulations,	No rate or rule in the manual contains language pertaining to cancellation or non-renewal.
ACTUARIAL REVIEW REQUIREMENTS			
Rates shall not be excessive, inadequate, or unfairly discriminatory.	215 ILCS 5/155.18	In the making or use of rates pertaining to all classes of medical liability insurance, rates shall not be excessive, or inadequate, nor shall they be unfairly discriminatory. Rate and rule manual provisions should be defined and explained in a manner that allows the Division to ascertain whether the provision could be applied in an unfairly discriminatory manner. For example, if a rate/rule manual contains ranges of premiums or discounts, the provision must specify the criteria to determine the specific premium/discount an insured or applicant would receive. The Director may, by order, adjust a rate or take any other appropriate action at the conclusion of a public hearing.	Rates being proposed with this filing are adequate, not excessive, and not unfairly discriminatory.
[illegible]			

Insurers shall consider certain information when developing medical liability rates.	215 ILCS 5/155.18	Consideration shall be given, to the extent applicable, to past and prospective loss experience within and outside this State, to a reasonable margin for underwriting profit and contingencies, to past and prospective expenses both countrywide and those especially applicable to Illinois, and to all other factors, including judgment factors, deemed relevant within and outside Illinois. Consideration may also be given in the making and use of rates to dividends, savings or unabsorbed premium deposits allowed or returned by companies to their policyholders, members or subscribers. The systems of expense provisions included in the rates for use by any company or group of companies may differ from those of other companies or groups of companies to reflect the operating methods of any such company or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof.	Our own experience is shown in Exhibits 2 through Exhibit 4. We also relied on ISMIE's specialty and territorial relativities in Exhibit 7a, 8a and Exhibit 9. Our expense assumptions are shown in Exhibit 5a, 5b, 5c, 5d and 5e.
Minimum Premium Rules			
Insurers may group or classify risks for establishing rates and minimum premiums.	215 ILCS 5/155.18	Risks may be grouped by classifications for the establishment of rates and minimum premiums.	Not applicable with this filing.
RATED RISKS			
Individual Risk Rating			
Risks may be rated on an individual basis as long as all provisions required in Section 155.18 are met.	215 ILCS 5/155.18	Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any difference among risks that have a probable effect upon losses or expenses. Such classifications or modifications of classifications of risks may be established based upon size, expense, management, individual experience, location or dispersion of hazard, or any other reasonable considerations, and shall apply to all risks under the same or substantially the same circumstances or conditions. The rate for an established classification should be related generally to the anticipated loss and expense factors or the class.	Not applicable with this filing.
RISK CLASSIFICATION			
Risks may be grouped by classifications.	215 ILCS 5/155.18	Risks may be grouped by classifications for the establishment of rates and minimum premiums.	Exhibit 7b shows specialty groupings used in this filing.
Rating decisions based solely on domestic violence.	215 ILCS 5/155.22b	No insurer may that issues a property and casualty policy may use the fact that an applicant or insured incurred bodily injury as a result of a battery committed against him/her by a spouse or person in the same household as a sole reason for a rating decision.	Not applicable with this filing. Domestic violence considerations are not part of our rating plan.

Unfair methods of competition or unfair or deceptive acts or practices defined.	215 ILCS 5/424(3)	It is an unfair method of competition or unfair and deceptive act or practice if a company makes or permits any unfair discrimination between individuals or risks of the same class or of essentially the same hazard and expense element because of the race, color, religion, or national origin of such insurance risks or applicants.	Not applicable with this filing. Our rating plan does not unfairly discriminate as defined by statute.
Procedure as to unfair methods of competition or unfair or deceptive acts or practices not defined.	215 ILCS 5/429	Outlines the procedures the Director follows when he has reason to believe that a company is engaging in unfair methods of competition or unfair or deceptive acts or practices.	Not applicable.
Territorial Definitions			
Rate/rule manuals must contain correct and adequate definitions of Illinois territories.	215 ILCS 5/155.18	When an insurer's rate/rule program includes differing territories within the State of Illinois, rate/rule manuals must contain correct and adequate definitions of those territories, and that all references to the territories or definitions are accurate, so the Division does not need to request additional information.	Page IL-1 of the Illinois exception manual.
ACTUARIAL SUPPORTING INFORMATION REQUIRED			
ACTUARIAL CERTIFICATION			
Actuarial certification must accompany all rate filings and all rule filings that affect rates.	215 ILCS 5/155.18 50 IL Adm. Code 929 Actuarial Certification Form	Every rate and/or rating rule filing must include a certification by an officer of the company and a qualified actuary that the company's rates and/or rules are based on sound actuarial principles and are not inconsistent with the company's experience. Insurers may use their own form or may use the sample form created by the Division.	Included with this filing.
ACTUARIAL OR STATISTICAL INFORMATION			
Director may request actuarial and statistical information.	215 ILCS 5/155.18 50 IL Adm. Code 929	The Director may require the filing of statistical data and any other pertinent information necessary to determine the manner of promulgation and the acceptability or unacceptability of a filing for rules, minimum premiums, rates, forms or any combination thereof. If the Director requests information or statistical data to determine the manner the insurer used to set the filed rates and/or to determine the reasonableness of those rates, as well as the manner of promulgation and the acceptability or unacceptability of a filing for rules, minimum premiums, or any combination thereof, the insurer shall provide such data or information within 14 calendar days of the Director's request.	Not applicable with this filing.
ACTUARIAL MEMORANDUM			
Insurers shall include actuarial explanatory	215 ILCS 5/155.18	Insurers shall include actuarial explanatory memorandum with any rate filing, as well as any	Actuarial Memorandum

memorandum with any rate filing, as well as any rule filing that affects the ultimate premium.	50 IL Adm. Code 929	rule filing that affects the ultimate premium. The explanatory memorandum shall contain, at minimum, the following information: • Explanation of ratemaking methodologies. • Explanations of specific changes included in the filing. • Narrative that will assist in understanding the filing.	included.
Summary of Effects Exhibit			
Insurers shall include an exhibit illustrating the effect of each change and calculation indicating how the final effect was derived.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include an exhibit illustrating the effect of each individual change being made in the filing (e.g. territorial base rates, classification factor changes, number of exposures affected by each change being made, etc.), and include a supporting calculation indicating how the final effect was derived.	Exhibit 1.
Actuarial Indication			
Insurers shall include actuarial support justifying the overall changes being made.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include actuarial support justifying the overall changes being made, including but not limited to: • Pure premiums (if used). • Earned premiums. • Incurred losses. • Loss development factors. • Trend factors. • On-Level factors. • Permissible loss ratios, etc.	Exhibit 2 through 6b.
Loss Development Factors and Analysis			
Insurers shall include support for loss development factors and analysis.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include actuarial support for loss development factors and analysis, including but not limited to loss triangles and selected factors, as well as support for the selected factors.	Exhibit 3b-1 through 3c-1.
Ultimate Loss Selections			
Insurers shall include support for ultimate loss selections.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include support for ultimate loss selections, including an explanation of selected losses if results from various methods differ significantly.	Exhibit 3a and footnotes plus actuarial memorandum.
Trend Factors and Analysis			
Insurers shall include support for trend factors and analysis.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include support for trend factors and analysis, including loss and premium trend exhibits demonstrating the basis for the selections used.	Exhibit 4.
On-Level Factors and Analysis			
Insurers shall include support for on-level factors and analysis.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include support for on-level factors and analysis, including exhibits providing on-level factors and past rate changes included in calculations.	Exhibit 10.
Loss Adjustment			

Expenses			
Insurers shall include support for loss adjustment expenses.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include support for loss adjustment expenses, including exhibits providing documentation to support factors used for ALAE and ULAE. If ALAE is included in loss development analysis, no additional ALAE exhibit is required.	ALAE included in development Exhibit 3b through 3c. ULAE shown in Exhibit 5c.
Expense Exhibit			
Insurers shall include an expense exhibit. Insurers may use expense provisions that differ from those of other companies or groups of companies.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include an exhibit indicating all expenses used in the calculation of the permissible loss ratio, including explanations and support for selections. The systems of expense provisions included in the rates for use by any company or group of companies may differ from those of other companies or groups of companies to reflect the operating methods of any such company or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof.	Exhibit 5c and 5d.
Investment Income Calculation			
Insurers shall include an exhibit for investment income calculation.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include an exhibit demonstrating the calculation for the investment income factor used in the indication.	Exhibit 6a and 6b.
Profit and Contingencies Calculation			
Insurers shall include an exhibit for profit and contingencies load.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall include an exhibit illustrating the derivation of any profit and contingencies load.	Exhibit 5e.
Credibility Standard Used			
Insurers shall include the number of claims being used to calculate the credibility factor.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers should include the number of claims being used to calculate the credibility factor. If another method of calculating credibility is utilized, insurers should include a description of the method used.	$Z = P / (P + K)$ as indicated in actuarial memorandum.
Other Actuarial Information Required			
Insurers must include the information described in this section.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers shall also include the following information: • All actuarial support/justification for all rates being changed, including but not limited to changes in: o Base rates; o Territory definitions; o Territory factor changes; o Classification factor changes; o Classification definition changes; o Changes to schedule credits/debits, etc. • Exhibits containing current and proposed rates/factors for all rates and classification factors, etc. being changed.	Exhibits 7a, 8a and 9.

		• Any exhibits necessary to support the filing that are not mentioned elsewhere in this checklist.	
Schedule Rating			
Insurers must include the described information described at right.	215 ILCS 5/155.18 50 IL Adm. Code 929	Insurers should include appropriate actuarial justification when filing schedule rating plans and/or changes to schedule rating plans.	Not applicable

American Physicians Assurance Corporation

Medical Professional Liability – Illinois

Actuarial Memorandum

With this filing, the American Physicians Assurance Corporation (American Physicians) revises its medical professional liability specialty rates and territorial relativities resulting in an overall premium level decrease of (-) 5.3%. The requested effective date for all these changes is March 1, 2008.

Rate Change by Component

The rate changes by component are shown in Exhibit 1. The base rate for Family/General Practitioners – No Surgery is decreasing by (-)7.0%. Changes are also being proposed for individual specialty and territory relativities. Finally, we expect a reduction in our average deviation from manual rates which we discuss in greater length below. Exhibits 7a, 8a and 9 show the indicated experience by specialty and territory respectively.

Statewide Rate Level Indication

We analyzed the historical claims-made indemnity loss and allocated loss adjustment experience for our physicians and surgeons program as of September 30, 2007. Indemnity losses were capped to $1,000,000 per claim due to the limited credibility of experience above $1,000,000. As of September 30, 2007, less than 2.9% of our Illinois policies are at $2,000,000 per claim. Exhibit 2 shows our compiled claims made experience capped at $1M for the 1999-2006 report year period. Premiums limited to $1M were converted to current manual rate level (rates that became effective March 1, 2007) and current underwriting discounts. Incurred losses including ALAE were projected to ultimate using paid development, reported development, counts times averages, Bornhutter-Ferguson and Berquest-Sherman methods. These methods are generally accepted actuarial methods of projecting losses and ALAE to ultimate. A summary of all the methods can be seen on

Exhibit 3a. The triangles and historical development factors can be seen on Exhibits 3b and 3c. The projected loss ratio was trended by a factor of +3.5%. We based our selection of this trend factor by fitting exponential trend lines to the projected ultimate loss plus ALAE ratios over the four year period 2002-2005, the five year period 2001-2005, the six year period 2000-2005 and the seven year period 1999-2005 (Exhibit 4).

This adjusted, trended and projected loss ratio was compared with our target loss ratio to calculate the indicated premium level change. The target loss ratio was based on American Physicians' budgeted expense and profit load of 35.4% (as detailed on Exhibit 5a), which was offset for expected investment income to produce a target loss plus LAE ratio of 77.5%, for the overall book of business. Historical expense ratios are shown in Exhibit 5b and 5c. American Physicians' payout pattern for claims made in Illinois is included on Exhibits 6a and 6b. We have assumed an investment return of 4.0% per year in this analysis.

Specialty Changes

For each specialty group, we analyzed the experience historical claims-made indemnity loss and allocated loss adjustment experience for our physicians and surgeons program as of September 30, 2007 for the 8 year period 1999 through 2006. Indemnity losses were capped at $1,000,000 per claim to limit the effect of any single claim on the indicated relativities. Allocated loss adjustment expense (ALAE) were not capped or prorated based on the capping procedure for indemnity. Premiums limited to $1 M were converted to current manual rate level (rates that became effective March 1, 2007) and discounted for the projected underwriting discounts. Incurred losses capped to $1M plus ALAE were projected to ultimate using supplemental case reserve factors derived from the overall state analysis. The resulting loss ratios by specialty were trended to the projected cost level for policies to be written 3/1/08 to 2/28/09.

For each specialty group, the resulting loss ratios was compared with our target loss ratio to calculate the indicated premium level change which is labeled as "Indicated Raw Rate Change" column 3 on Exhibit 7a. The weighted rate (i.e. group rate) in column 4 is the

exposure weighted average of all the specialty rates within its group. For those cases where the total exposure for a specialty group is zero, a straight average is used. These calculations are depicted in greater detail in Exhibit 7b.

The current relativity is multiplied by (1+Indicated Specialty Rate Change)/ (1+ Indicated Specialty Rate Change for Family/General Practice-420) to calculate the "Indicated Raw Spec Wgtd. Rel. to 420" column 6 on Exhibit 7a.

The raw credibility shown on column 8 uses the following credibility formula:

Credibility = P / (P + K)

Where,
P = Manual Earned Premium at Current Rate Level
K = $20,000,000

The indicated relativities shown on column 12 are based on the three-way credibility of the current relativity (column 5), APA's relativity indication (column 6) and ISMIE relativities (column 7). The selected specialty group relativity changes in column 15 are brought forward to exhibit 8a, column 10.

A similar procedure as the one outlined above that does not use three-way credibility and shown in Exhibit 8a is carried out at an individual specialty level. Exhibit 8a, column 10 shows the selected relativities derived in Exhibit 7a, column 15 and their derivation was described above. The proposed specialty relativities shown in column 15 are selected based on the current relativity (column 5), indicated relativity (column 8), selected specialty group relativity (column 11) and the competitor relativities (columns 12 through 14).

The base rate (Family/General Practice No Surgery, Specialty 420) change under the proposed territory 1 shown in Exhibit 8a represents a decrease of -7.0% over the current territory 1 average rate. The change in specialty relativities is -3.9%. The estimated impact

of base rate and specialty relativity changes is -10.7%. Exhibit 8b illustrates the combined effect for each specialty.

Territorial Changes

We currently are using seven territorial rating areas in Illinois. With this filing we are revising the territory relativities.

For each proposed territory, we analyzed the experience historical claims-made indemnity loss and allocated loss adjustment experience for our physicians and surgeons program as of September 30, 2007 for the 8 year period 1999 through 2006. Indemnity losses were capped at $1,000,000 per claim to limit the effect of any single claim on the indicated relativities. Allocated loss adjustment expense (ALAE) were not capped or prorated based on the capping procedure for indemnity. Premiums limited to $1 M were converted to current manual rate level (rates that became effective March 1, 2007) and discounted for the projected underwriting discounts. Incurred losses capped to $1M plus ALAE were projected to ultimate using supplemental case reserve factors derived from the overall state analysis. The resulting loss ratios by proposed territory were trended to the projected cost level for policies to be written 3/1/08 to 2/28/09.

For each proposed territory, the resulting loss ratios was compared with our target loss ratio to calculate the indicated premium level change which is labeled as "Indicated Raw Territory Rate Change" column 4 on Exhibit 9. The current relativity is multiplied by (1+Indicated Territory Rate Change)/ (1+ Indicated Territory 1 Rate Change) to calculate the "Indicated Raw Relativity to Territory 1 shown in Exhibit 9, Column 6.

The raw credibility shown on column 8 uses the following credibility formula:

Credibility = P / (P + K)

Where,

P = Manual Earned Premium at Current Rate Level

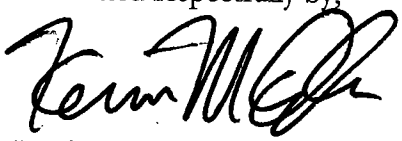
K = $20,000,000

The indicated relativities shown on column 12 are based on the three-way credibility of the current relativity (column 5), APA's relativity indication (column 6) and ISMIE relativities (column 7). The final territorial relativity selection is shown in Exhibit 9, Column 14. The estimated impact of this change is +0.2%.

Change in Schedule Rating (Budgeted)

Our company regularly monitors the deviation from manual rates and incorporates this information into the rate analysis to determine the overall rate need. The deviation from manual rates includes the effects of the loss free credit (up to 15%) and schedule rating (up to +/-35%). Due to increased competition this average deviation has increased from -8.8% in 2004 to -22.1% in 2007. Manual rates are intended to apply to the average risk, with schedule rating available to deviate up or down based on certain risk characteristics. With this filing we are taking a step toward bringing our schedule credits more in line with that philosophy. Therefore manual rates were decreased by more than the indicated rate change of (-)5.3%. The difference between the manual rate change of (-)10.3% and the overall rate change of (-)5.3% reflects our expectation that the average deviation from manual rates will be reduced from roughly -22.1% to -17.6%. The anticipated reduction in credits will have a +5.8% impact on our overall rate level. We will continue to monitor the use of schedule credits to ensure the deviation is consistent with the anticipated change.

Submitted respectfully by,



Kevin M. Dyke, FCAS, MAAA
Chief Actuary, Professional Liability
American Physicians Assurance Corporation
February 20, 2008

American Physician Assurance Corporation

Illinois Professional Liability

Summary of Premium Level Change
Evaluated as of 9/30/2007

Exhibit 1

		Exhibit
Base Rate Change*	-7.0%	See Exhibit 7a, Item (1)
Change in Specialty Relativities	-3.9%	See Exhibit 7a, Item (2)
Change in Territory Plan and Relativities	0.2%	See Exhibit 9
Overall Manual Rate Level Change	**-10.5%**	
Change in Schedule Rating (Budgeted)	**5.8%**	Discussed in memorandum
Overall Premium Change	**-5.3%**	

* Family/General Practice No Surgery, Mature Claims Made, 1M/4M (Territory 1)

American Physician Assurance Corporation

Exhibit 2

Illinois Professional Liability

Rate Indication - Claims Made Experience

Evaluated as of 9/30/2007

(000's omitted)

Report Year	(1) Manual EP at CRL	(2) Reported Loss + ALAE	(3) Proj'd Ult. Loss + ALAE	(4) Trend Period	(5) 3.5% Trend Factor	(6) Trended Proj'd Ult. Loss + ALAE	(7) Trended Proj'd Ult. Ratios
1999	31,273	11,825	11,825	9.67	1.395	16,491	52.7%
2000	37,847	15,166	15,166	8.67	1.347	20,434	54.0%
2001	43,648	22,289	21,614	7.67	1.302	28,137	64.5%
2002	55,171	33,314	33,314	6.67	1.258	41,901	75.9%
2003	56,050	40,414	36,100	5.67	1.215	43,870	78.3%
2004	51,111	39,441	34,800	4.67	1.174	40,860	79.9%
2005	41,368	34,153	22,990	3.67	1.134	26,081	63.0%
2006	37,012	13,216	16,925	2.67	1.096	18,551	50.1%
1999-2006	**353,481**	**209,818**	**192,734**		**1.226**	**236,325**	**66.9%**

Trended Projected Ultimate LALAE Ratio at Current Manual Rate Level	66.9%	(a)	
ULAE Load	10.0%	(b)	
Adjusted Trended Projected Ultimate LALAE Ratio at Current Actual Rate Level	73.5%	(c)	-12.4%
Target LLAE Ratio	77.6%	(d)	
Indicated Premium Level Change	-5.3%	(e)	
Selected Premium Level Change	**-5.3%**		

Note:

(1)	Dir. EP at Current Rates	(a)	Total (7)
(2)	Exhibit 3a, Column 2	(b)	Exhibit 5d, Line f
(3)	Exhibit 3a, Column 15	(c)	(a) * {1 + (b)}
(5)	Exhibit 4, Item (1)	(d)	Exhibit 5a, Line k.
(6)	(3) x (5)	(e)	(c) / (d) - 1.0

American Physician Assurance Corporation

Illinois Professional Liability

Loss plus ALAE @ 9/30/2007

(000's omitted)

Exhibit 3a

Claims Made

Year	(1) Paid	(2) Reported	(3) Paid Method	(4) Reported Method	(5) B&S Reported Method	(6) Preliminary Selected	(7) Projected CWA	(8) Implied Ultimate Severity	(9) 2001-2005 Fitted Severity	(10) Cnts X Avg Method (BF Seed)	(11) LDF_{pd}	(12) BF Paid Method	(13) LDF_{rep}	(14) BF Rep Method	(15) Selected Projection	(16) Selected Severity
2000	13,811	15,166	15,392	15,166	14,842	15,133	124	122,042	106,855	13,250	1.114	15,172	1.000	15,166	15,166	122,304
2001	16,910	22,289	20,069	22,289	21,614	21,324	193	110,487	110,131	21,255	1.187	20,256	1.000	22,289	21,614	111,988
2002	21,757	33,314	27,047	33,314	34,254	31,538	278	113,447	113,508	31,555	1.243	27,929	1.000	33,314	33,314	119,833
2003	15,739	40,414	26,713	38,597	35,752	33,687	289	116,565	116,988	33,809	1.697	29,628	0.955	38,823	36,100	124,913
2004	10,776	39,441	25,145	35,945	36,181	32,424	270	120,087	120,574	32,555	2.333	29,379	0.911	36,274	34,800	128,889
2005	3,157	34,153	14,156	32,827	22,332	23,105	185	124,891	124,271	22,990	4.484	21,020	0.961	33,224	22,990	124,271
2006	927	13,216	9,506	15,877	12,679	15,877	132	120,145	128,080	16,925	10.252	16,202	1.201	16,052	16,925	128,080
Total 00-06	**83,078**	**197,992**	**138,028**	**194,014**	**177,653**	**173,088**	**1,471**			**172,340**		**159,585**		**195,142**	**180,908**	

Trend	*3.07%*
R^2	**99.3%**

Notes:

(1) Exhibit 3b-2
(2) Exhibit 3b-1
(3) Exhibit 3b-2
(4) Exhibit 3b-1
(5) Exhibit 3b-3
(6) Actuarial Judgment
(7) Exhibit 3c-1
(8) 1,000 x (6) / (7)
(9) Exponential fit based on 2001 - 2005
(10) (7) x (9) / 1,000
(11) Exhibit 3b-2
(12) (1) + (10) x { 1.0 + 1.0 / (11) }
(13) Exhibit 3b-1
(14) (2) + (10) x { 1.0 + 1.0 / (13) }
(15) Actuarial Judgment
(16) 1,000 x (15) / (7)

American Physician Assurance Corporation

Illinois Professional Liability

(000's omitted)

Exhibit 3b-1

Case Incurred Loss plus ALAE @ 9/30/2007

	EVALUATED AS OF (in months)											
Year	9	21	33	45	57	69	81	93	105	117	129	141
1996	87	112	375	365	365	365	365	365	365	365	365	365
1997	1,193	953	1,129	1,681	1,156	902	1,384	1,384	1,409	1,434	1,509	
1998	4,353	6,259	6,582	5,165	4,917	6,750	6,576	6,278	6,113	6,369		
1999	3,946	8,044	9,675	11,182	12,708	12,020	11,345	11,810	11,825			
2000	4,936	10,722	15,459	15,685	15,530	15,659	15,104	15,166				
2001	9,039	19,787	20,978	29,047	25,547	23,444	22,289					
2002	13,613	27,556	36,589	41,055	36,581	33,314						
2003	17,356	34,701	42,615	39,619	40,414							
2004	14,030	31,368	40,342	39,441								
2005	12,965	26,833	34,153									
2006	6,877	13,216										
2007	3,757											
All Yr/Vol Wtd	1.523	1.250	1.055	0.954	0.955	0.965	1.007	0.994	1.036	1.042	1.000	
5 Yr/Vol Wtd	1.546	1.246	1.057	0.957	0.957	0.965	1.007					
3 Yr/Vol Wtd	1.581	1.261	1.005	0.935	0.932	0.953	1.007	0.994	1.036			
Select	1.546	1.250	1.055	0.954	0.955	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	1.857	1.201	0.961	0.911	0.955	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Actual	3,757	13,216	34,153	39,441	40,414	33,314	22,289	15,166	11,825	6,369	1,509	365
Proj'd Ultimate	6,978	15,877	32,827	35,945	38,597	33,314	22,289	15,166	11,825	6,369	1,509	365

American Physician Assurance Corporation

Illinois Professional Liability

(000's omitted)

Exhibit 3b-2

Paid Indemnity Loss Capped to $1M plus ALAE - Evaluated at 9/30/2007

	EVALUATED AS OF (in months)											
Year	9	21	33	45	57	69	81	93	105	117	129	141
1996	3	24	365	365	365	365	365	365	365	365	365	365
1997	14	72	788	839	860	865	867	881	894	927	977	
1998	49	405	1,676	3,066	3,672	3,829	4,114	5,917	6,068	6,369		
1999	92	668	2,139	4,433	8,218	10,821	10,954	10,985	10,993			
2000	88	1,468	4,902	10,137	10,637	13,579	13,772	13,811				
2001	308	1,442	5,026	7,380	11,745	15,351	16,910					
2002	158	2,373	5,222	11,310	14,743	21,757						
2003	294	3,198	6,308	11,170	15,739							
2004	270	2,176	4,962	10,776								
2005	173	1,603	3,157									
2006	99	927										
2007	75											
All Yr/Vol Wtd	6.952	2.572	1.895	1.355	1.325	1.048	1.063	1.009	1.046	1.038	1.000	
5 Yr/Vol Wtd	7.755	2.286	1.922	1.375	1.333	1.049	1.063					
3 Yr/Vol Wtd	6.509	2.068	2.016	1.414	1.365	1.047	1.065	1.010	1.046			
Select	6.952	2.286	1.922	1.375	1.365	1.047	1.065	1.040	1.020	1.010	1.005	1.000
Cumulative	71.275	10.252	4.484	2.333	1.697	1.243	1.187	1.114	1.072	1.051	1.040	1.035
Actual	75	927	3,157	10,776	15,739	21,757	16,910	13,811	10,993	6,369	977	365
Proj'd Ultimate	5,349	9,506	14,156	25,145	26,713	27,047	20,069	15,392	11,780	6,691	1,016	378

American Physician Assurance Corporation

Illinois Professional Liability

(000's omitted)

Exhibit 3b-3

B&S Adjustment - Case Incurred Indemnity Loss Capped to $1M plus ALAE - Evaluated at 9/30/2007

	EVALUATED AS OF (in months)											
Year	9	21	33	45	57	69	81	93	105	117	129	141
1996	180	304	663	365	365	365	365	365	365	365	365	365
1997	302	1,643	2,916	1,348	1,603	1,141	1,364	1,201	1,161	1,434	1,509	
1998	1,810	6,086	9,740	7,741	8,596	6,077	7,662	8,196	6,340	6,369		
1999	3,347	12,257	23,336	18,739	14,786	13,114	12,506	11,981	11,825			
2000	3,713	16,927	22,973	16,352	15,760	15,333	15,354	15,166				
2001	5,601	22,157	32,674	25,020	26,618	20,122	22,289					
2002	8,177	32,490	52,560	34,926	36,474	33,314						
2003	9,122	39,064	53,908	34,972	40,414							
2004	9,852	34,658	49,322	39,441								
2005	6,282	23,355	34,153									
2006	3,795	13,216										
2007	3,757											
All Yr/Vol Wtd	2.906	1.494	0.721	1.037	0.859	1.060	0.991	0.906	1.038	1.042	1.000	
5 Yr/Vol Wtd	2.877	1.467	0.713	1.031	0.860	1.061	0.991					
3 Yr/Vol Wtd	2.681	1.415	0.702	1.090	0.872	1.033	0.995	0.904	1.038			
Select	2.877	1.467	0.713	1.037	0.860	1.060	0.991	0.905	1.038	1.042		
Cumulative	2.760	0.959	0.654	0.917	0.885	1.028	0.970	0.979	1.082	1.042	1.000	
Actual	3,757	13,216	34,153	39,441	40,414	33,314	22,289	15,166	11,825	6,369	1,509	
Proj'd Ultimate	10,368	12,679	22,332	36,181	35,752	34,254	21,614	14,842	12,791	6,634	1,509	

American Physician Assurance Corporation

Exhibit 3c-1

Illinois Professional Liability

(000's omitted)

Closed with Amount @ 9/30/2007

	EVALUATED AS											
Year	9	21	33	45	57	69	81	93	105	117	129	141
1996	-	4	5	6	6	6	6	6	6	6	6	6
1997	-	6	10	15	15	16	16	16	16	16	16	
1998	1	19	36	44	49	54	55	55	61	62		
1999	9	53	66	80	117	126	131	131	131			
2000	6	28	71	101	111	118	121	120				
2001	6	61	108	129	156	177	183					
2002	3	118	158	194	225	240						
2003	22	114	160	213	237							
2004	12	113	147	172								
2005	16	80	116									
2006	14	80										
2007	15											
All Yr/Vol Wtd	5.697	1.471	1.254	1.171	1.085	1.030	0.997	1.029	1.012	1.000	1.000	
5 Yr/Vol Wtd	5.653	1.418	1.256	1.180	1.087	1.031	0.997					
3 Yr/Vol Wtd	4.875	1.378	1.245	1.153	1.087	1.033	0.997	1.030	1.012			
Select	4.875	1.418	1.254	1.171	1.087	1.031	0.997	1.020	1.010	1.005	1.004	
Cumulative	12.367	2.537	1.789	1.427	1.219	1.121	1.088	1.091	1.070	1.059	1.054	1.050
Actual	15	80	116	172	237	240	183	120	131	62	16	6
Proj'd Ultimate	**185**	**203**	**208**	**246**	**289**	**269**	**199**	**131**	**140**	**66**	**17**	**6**

	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
MEPCRL at $1M	32,676	47,574	53,172	65,695	72,044	70,914	56,103	48,647	40,196	21,189	7,061	1,809
Freq	5.662	4.267	3.912	3.745	4.011	3.793	3.547	2.693	3.483	3.115	2.408	3.317
BF Seed Select	3.865											
Expected	126	184										
BF % Exposure	**131**	**191**	**207**	**248**	**287**	**270**	**201**	**136**	**141**	**67**	**17**	**6**
SELECT	**99**	**132**	**185**	**270**	**289**	**278**	**193**	**124**	**134**	**62**	**17**	**6**

American Physician Assurance Corporation

Illinois Professional Liability

Claims Made Experience Trend Projection

Exhibit 4

Accident Year	(1) Manual Ea. Prem. at CRL	(2) Proj'd Ult. CWA	(3) (2)/(1) Frequency per $1M	(4) Proj'd Ult. Loss + ALAE	(5) (4)/(2) Severity
1999	31,273	134	4.28	11,825	88,250
2000	37,847	124	3.28	15,166	122,304
2001	43,648	193	4.42	21,614	111,988
2002	55,171	278	5.04	33,314	119,833
2003	56,050	289	5.16	36,000	124,567
2004	51,111	270	5.28	34,700	128,519
2005	41,368	185	4.47	22,990	124,271
2006	37,012	132	3.57	16,925	128,080

Data Output for Exponential Trend:

Period	R-Squared	Frequency Trend	R-Squared	Severity Trend
2002 - 2005	34.0%	-3.3%	40.1%	1.4%
2001 - 2005	1.8%	0.7%	69.6%	2.8%
2000 - 2005	40.5%	6.2%	36.3%	1.5%
1999 - 2005	34.1%	4.5%	54.2%	4.5%
Indication		**2.0%**		**2.1%**

	Indicated	Selected		
Frequency Trend	**2.0%**	**1.5%**		(a)
Severity Trend	**2.1%**	**2.0%**		(b)
Loss Rato Trend	**4.2%**	**3.5%**		= [1.0 + (a)] x [1.0 + (b)] - 1.0
Selected Loss Rato Trend		**3.5%**	**(1)**	

American Physician Assurance Corporation

Illinois Professional Liability

Development of Target Loss and LAE Ratio

Exhibit 5a

	Source/formula	Illinois	Countrywide
a. Commissions and brokerage	Exhibit 5b, Item (1)	8.1%	7.2%
b. Tax/licenses/fees	Exhibit 5b, Item (2)	1.5%	1.5%
c. Other acquisition expenses	Exhibit 5c, Item (3)	4.4%	4.4%
d. General expenses	Exhibit 5c, Item (4)	6.4%	6.4%
e. DDR Load		5.0%	5.0%
f. Profit provision	Exhibit 5e, Line e	10.0%	10.0%
g. Total expenses excluding LAE		35.4%	34.5%
h. Expected loss and LAE ratio	1 - expenses	64.6%	65.5%
i. Present Value Factor*	Exhibit 6a, Line e	0.832	
j. Investment income offset	(k) - (h)	13.0%	
k. **Target loss and LAE ratio**	(h) / (i)	**77.6%**	

* Discount rate = 4.00%

American Physician Assurance Corporation

Illinois Professional Liability

Calendar Year Loss and Expense Ratios

Annual Statement Page 24 - Statutory Page 14 Data

Exhibit 5b

Company-Specific Results (APAssurance & APSpecialty)

Company	(Multiple Items)
State	Illinois

2001 and prior includes APSpecialty data

	Year						
Data	2001	2002	2003	2004	2005	2006	Grand Total
DPW	21,867	35,499	54,108	55,439	54,536	48,421	269,870
DPE	16,664	29,336	45,510	54,560	52,423	52,137	250,630
Paid Loss	1,551	6,826	12,164	8,225	12,822	10,236	51,824
Incurred Loss	13,455	19,709	43,541	49,163	43,947	25,954	195,769
Paid ALAE	1,843	3,081	4,437	6,804	8,913	8,722	33,799
Incurred ALAE	6,363	6,373	8,962	13,620	14,420	11,376	61,114
Comm & Broker	2,059	3,425	4,995	4,693	4,327	3,808	23,307
Tax License Fees	256	532	441	973	628	763	3,593

	2001	2002	2003	2004	2005	2006	6 year total	3 year total	Illinois Selected	
Loss Ratio	80.7%	67.2%	95.7%	90.1%	83.8%	49.8%	78.1%	74.8%		
ALAE Ratio	38.2%	21.7%	19.7%	25.0%	27.5%	21.8%	24.4%	24.8%		
LALAE Ratio	118.9%	88.9%	115.4%	115.1%	111.3%	71.6%	102.5%	99.6%		
Comm%	9.4%	9.6%	9.2%	8.5%	7.9%	7.9%	8.6%	8.1%	8.1%	**(1)**
TLF%	1.2%	1.5%	0.8%	1.8%	1.2%	1.6%	1.3%	1.5%	1.5%	**(2)**

American Physician Assurance Corporation

Exhibit 5c

Illinois Professional Liability

Insurance Expense Exhibit Data

Line 11 - Medical Malpractice

	IEE, Calendar Year							Illinois	
	2001	2002	2003	2004	2005	2006	2001 - 2006	Selected	
Direct written premium	129,349	170,441	227,911	192,063	174,870	156,862	1,051,496		
Direct earned premium	101,210	160,977	220,646	191,856	180,752	165,568	1,021,009		
Commissions and brokerage	9,396	14,036	14,795	13,645	12,065	10,902	74,839		
Tax/licenses/fees	3,248	2,736	3,134	3,345	3,274	2,875	18,612		
Other acquisition expenses	6,306	5,908	9,216	8,891	8,096	7,809	46,226		
General expenses	9,171	9,019	13,551	12,852	11,665	10,998	67,256		
Direct incurred loss	115,346	124,505	189,256	119,911	87,472	60,853	697,343		
Direct incurred ALAE	53,315	45,196	61,715	38,353	44,936	33,809	277,324		
Direct incurred ULAE	10,106	8,910	10,215	19,552	18,292	15,860	82,935		
Commissions and brokerage	7.3%	8.2%	6.5%	7.1%	6.9%	7.0%	7.1%	8.1%	**(1)**
Tax/licenses/fees	2.5%	1.6%	1.4%	1.7%	1.9%	1.8%	1.8%	1.5%	**(2)**
Other acquisition expenses	6.2%	3.7%	4.2%	4.6%	4.5%	4.7%	4.5%	4.4%	**(3)**
General expenses	9.1%	5.6%	6.1%	6.7%	6.5%	6.6%	6.6%	6.4%	**(4)**
ULAE as a % of Loss and ALAE	6.0%	5.3%	4.1%	12.4%	13.8%	16.8%	8.5%	13.9%	**(5)**
ULAE as a % of DEP	10.0%	5.5%	4.6%	10.2%	10.1%	9.6%	8.1%	10.0%	**(6)**

American Physician Assurance Corporation

Illinois Professional Liability

ULAE Factor Conversion

Physicians and Surgeons Liability

Exhibit 5d

		Source/formula	Factor
a.	ULAE as a % of DEP	Exhibit 5c, Item (6)	7.1%
b.	Target Loss & LAE	Exhibit 5a, row k.	77.5%
c.	Target Loss & ALAE	b - a	70.4%
d.	ULAE as a % of Loss and ALAE	a/ c	10.1%
e.	ULAE as a % of Loss and ALAE	Exhibit 4c, Item (5)	13.9%
f.	ULAE as a % of Loss and ALAE - SELECT		10.0%

American Physician Assurance Corporation

Illinois Professional Liability

Profit Provision

Exhibit 5e

A	Premium to Surplus Ratio	0.8
B	After tax investment income (% of surplus)	9.80%
C	Tax rate on underwriting income	35.0%
D	After tax return on equity	15.0%
E	Pre-tax underwriting profit provision	10.0%

Note:

The underwriting profit provision is the result of a number of assumptions regarding prevailing interest rates, underwriting leverage (premium/surplus), underwriting expenses, the percentage of unearned premium and surplus available to support underwriting operations, and federal income taxes on underwriting and investment income. The proposed profit provision was derived assuming an after-tax 15% return on equity and the return model and assumptions shown above.

American Physician Assurance Corporation

Illinois Professional Liability

Present Value Factor
Evaluated as of 9/30/2007

Exhibit 6a

	Source/formula	Factor
a. LALAE Present Value Factor	Exhibit 6b, Total	0.829
b. ULAE Load	Exhibit 5d, Line f	10.0%
c. % ULAE Paid when reported		20.0%
d. ULAE Present Value Factor	= (c) x 1.000 + [1.0 - (c)] x (a)	0.863
e. LLAE Present Value Factor	= [(a) + (b) x (d)]/[1.0 + (b)]	0.832

Note:

a. Loss and allocated loss adjustment expense present value factor.
b. Unallocated loss adjustment load factor.
c. Judgement - assumes 20% of ULAE is paid at claim report and 80% paid out according to LALE payout pattern.
d. Unallocated loss adjustment present value factor.
e. Loss and loss adjustment expense present value factor

American Physician Assurance Corporation

Exhibit 6b

Illinois Professional Liability

Claims Made Net Present Value Factor

Midpoint	Balanced Payout	Discount Factor	Discounted Values
4.5	0.007	0.985	0.007
15	0.064	0.952	0.061
27	0.093	0.916	0.086
39	0.173	0.880	0.152
51	0.137	0.846	0.116
63	0.185	0.814	0.150
75	0.170	0.783	0.133
87	0.085	0.753	0.064
99	0.043	0.724	0.031
111	0.021	0.696	0.015
123	0.011	0.669	0.007
135	0.005	0.643	0.003
147	0.003	0.619	0.002
159	0.001	0.595	0.001
171	0.001	0.572	0.000
183	0.000	0.550	0.000
195	0.000	0.529	0.000
207	0.000	0.508	0.000
219	0.000	0.489	0.000
231	0.000	0.470	0.000
243	0.000	0.452	0.000
255	0.000	0.435	0.000
267	0.000	0.418	0.000
Total	1.000	***LALAE***	**0.829**

Assumes loss payments at the midpoint of the period and a 4.00% discount rate.

American Physician Assurance Corporation
Illinois Professional Liability
Specialty Group Rate Indication
Evaluated as of 9/30/2007

Exhibit 7a

Proposed Change in Base Rate (420)	-7.0%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
Specialty Group	**Inforce Count %**	**Indicated Raw Rt. Change**	**Territory 1 1M/4M Weighted Rate**	**Current Spec Wgtd Rel to 420**	**Indicated Raw Spec Wgtd Rel to 420**	**ISMIE Spec Wgtd Rel to 420**	**APA Raw Indication Credibility**	**APA NO Change Credibility**	**APA Indicated Change Credibility**	**ISMIE Credibility**	**Z-Wgtd Relativity to Terr 1**	**Z-Wgtd Change in Relativity**	**Proposed Spec Wgtd Relativity to 420**	**Proposed Change in Relativity**	**Proposed Weighted Rate**	**Overall Change**
Anesthesiology	9.6%	-14.5%	47,006	1.24999	1.08929	1.27874	0.511	-	0.511	0.489	1.18194	-5.4%	1.18749	-5.0%	41,530	-11.6%
Cardiovascular	5.4%	-10.4%	55,287	1.47020	1.34244	1.62891	0.420	-	0.420	0.580	1.50848	2.6%	1.47020	0.0%	51,417	-7.0%
Dental	0.0%	-1.9%	23,553	0.62634	0.62634	0.62634	-	0.250	-	0.750	0.62634	0.0%	0.62634	0.0%	21,905	-7.0%
Dermatology	2.4%	-34.4%	26,040	0.69245	0.46296	0.79461	0.131	0.119	0.131	0.750	0.73893	6.7%	0.70976	2.5%	24,823	-4.7%
Emergency	0.0%	357.4%	72,203	1.92004	8.94968	1.24138	0.058	0.192	0.058	0.750	1.81577	-5.4%	1.92004	0.0%	67,149	-7.0%
ENT	0.8%	-34.8%	59,416	1.58000	1.05067	1.70243	0.080	0.170	0.080	0.750	1.62952	3.1%	1.58000	0.0%	55,257	-7.0%
Fam/Gen - 420	**15.4%**	**-1.9%**	**37,605**	**1.00000**	**1.00000**	**1.00000**	**0.657**	**-**	**0.657**	**0.343**	**1.00000**	**0.0%**	**1.00000**	**0.0%**	**34,973**	**-7.0%**
Fam/Gen - Other	0.4%	-30.6%	50,684	1.34779	0.95268	1.55748	0.302	-	0.302	0.698	1.37461	2.0%	1.34779	0.0%	47,136	-7.0%
Geriatrics	0.0%	-1.9%	39,433	1.04861	1.04861	0.82450	-	0.250	-	0.750	0.88053	-16.0%	0.96996	-7.5%	33,923	-14.0%
Internal	8.0%	-7.3%	50,623	1.34617	1.27141	1.17015	0.733	-	0.733	0.267	1.24440	-7.6%	1.17790	-12.5%	41,195	-18.6%
Internal - Other	8.7%	-25.7%	38,886	1.03406	0.78276	1.16356	0.456	-	0.456	0.544	0.98992	-4.3%	1.03406	0.0%	36,164	-7.0%
Misc.	4.9%	-25.2%	19,982	0.53136	0.40532	0.49000	0.140	0.110	0.140	0.750	0.48273	-9.2%	0.51807	-2.5%	18,119	-9.3%
Neurology	2.2%	-94.3%	45,273	1.20391	0.06981	1.44599	0.184	0.066	0.184	0.750	1.17627	-2.3%	1.20391	0.0%	42,104	-7.0%
Obs/Gyn	7.0%	-28.4%	128,463	3.41612	2.49379	3.97844	0.739	-	0.739	0.261	2.88182	-15.6%	2.98911	-12.5%	104,538	-18.6%
Ophthalmology	0.8%	99.8%	52,017	1.38326	2.81647	0.88889	0.159	0.091	0.159	0.750	1.23995	-10.4%	1.24493	-10.0%	43,539	-16.3%
Pathology	5.7%	66.2%	28,956	0.77000	1.30440	0.66551	0.220	0.030	0.220	0.750	0.80926	5.1%	0.78925	2.5%	27,602	-4.7%
Pediatrics	5.6%	-22.4%	34,850	0.92675	0.73269	0.74222	0.449	-	0.449	0.551	0.73794	-20.4%	0.83407	-10.0%	29,170	-16.3%
Psychiatry	11.7%	-37.1%	19,557	0.52007	0.33355	0.64650	0.342	-	0.342	0.658	0.53962	3.8%	0.55907	7.5%	19,552	0.0%
Radiology	3.6%	-17.5%	62,188	1.65371	1.39014	1.60286	0.254	-	0.254	0.746	1.54875	-6.3%	1.61237	-2.5%	56,389	-9.3%
Surgery - CV	0.1%	127.3%	150,238	3.99516	9.25381	4.06603	0.098	0.152	0.098	0.750	4.56402	14.2%	4.19492	5.0%	146,709	-2.3%
Surgery - Major	2.2%	-14.2%	103,109	2.74190	2.39626	3.10128	0.421	-	0.421	0.579	2.80435	2.3%	2.67335	-2.5%	93,495	-9.3%
Surgery - Misc	0.6%	-88.2%	67,857	1.80447	0.21702	1.17670	0.139	0.111	0.139	0.750	1.11219	-38.4%	1.48869	-17.5%	52,064	-23.3%
Surgery - Neuro	0.1%	81.9%	256,404	6.81835	12.63985	7.07644	0.148	0.102	0.148	0.750	7.87474	**15.5%**	6.98881	2.5%	244,420	-4.7%
Surgery - Orthopedic	2.1%	-8.9%	128,027	3.40452	3.16195	3.59527	0.496	-	0.496	0.504	3.38034	-0.7%	3.40452	0.0%	119,066	-7.0%
Surgery - Plastic	1.0%	-46.6%	101,818	2.70757	1.47336	3.17418	0.332	-	0.332	0.668	2.60934	-3.6%	2.70757	0.0%	94,692	-7.0%
Urology	1.6%	-23.7%	66,185	1.76001	1.36918	1.66898	0.201	0.049	0.201	0.750	1.61313	-8.3%	1.71601	-2.5%	60,014	-9.3%
Total/Average	**100.0%**		**49,369**	**1.31282**	**1.12283**	**1.37304**					**1.24125**	**-5.5%**	**1.25720**	**-4.2%**	**43,968**	**-10.9%**

NOTE:

(1) See Exhibit 7b for list of specialties within each group
(2) Inforce Exposure Distribution (See Exh 7b, Col 4, Group Subtotal)
(3) Indicated Weighted Rate Change - Raw (without credibility)
(4) Exposure Weigthed Rate (See Exh. 7b, Col 7)
(5) Group Relativity to Fam/Gen 420
(6) Indicated Raw Relativity, (5) x {1.0 +(3)} / {(1.0 + (3); Fam/Gen 420}
(7) ISMIE Relativities based on APA distribution
(8) Raw Credibility = Prem / (Prem + K); where K = $20 M
(9) 3-way credibility - No Change Credibility = 1.0 - (10) - (11)
(10) 3-way credibility - APA Crediblity = (8)
(11) 3-way credibility - ISMIE = Min(1.0 - (8), 0.75)
(12) = (5)*(9) + (6)*(10) + (7)*(11)
(13) = (12) / (5) - 1.0
(14) Actuarial Judgment
(15) = (14) / (5) - 1.0
(16) Prop Group Rate = Current Fam/Gen 420 Rate x {1 - 0.07} x (14)
(17) = (16) / (4) - 1.0

American Physician Assurance Corporation

Exhibit 7b

Illinois Professional Liability

Claims Made, Mature, Territory 1 Specialty Group Weighted Rate
Evaluated as of 9/30/2007

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Code	**Group**	**Specialty Description**	**InForce Count (%)**	**Current Rate 3/1/2007**	**Current Relativity to 420**	**Wgtd Rate [(5)x(4)] / (4 Grp Ttl)**
151	Anesthesiology	Anesthesiology	7.1%	47,006	1.250	35,048
196	Anesthesiology	Anesthesiology - Pain Management	2.4%	47,006	1.250	11,958
	Total /Weighted Average		**9.6%**			**47,006**
255	Cardiovascular	Cardiovascular Disease - No Surgery	1.4%	30,786	0.819	8,178
281	Cardiovascular	Cardiovascular Disease - Minor Surgery	3.9%	64,149	1.706	47,109
	Total /Weighted Average		**5.4%**			**55,287**
211	Dental	Dentists - No Surgery	0.0%	8,313	0.221	2,771
210	Dental	Dentists - Minor Surgery	0.0%	20,783	0.553	6,928
212	Dental	Oral Surgeons	0.0%	41,564	1.105	13,855
	Total /Weighted Average		**0.0%**			**23,553**
256	Dermatology	Dermatology	1.8%	21,809	0.580	16,545
282	Dermatology	Dermatology - Minor Surgery	0.6%	39,336	1.046	9,495
	Total /Weighted Average		**2.4%**			**26,040**
424	Emergency	Urgent Care Medicine	0.0%	37,605	1.000	18,803
102	Emergency	Emergency Medicine - No Major Surgery	0.0%	106,801	2.840	53,401
	Total /Weighted Average		**0.0%**			**72,203**

American Physician Assurance Corporation

Exhibit 7b

Illinois Professional Liability

Claims Made, Mature, Territory 1 Specialty Group Weighted Rate
Evaluated as of 9/30/2007

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Code	**Group**	**Specialty Description**	**InForce Count (%)**	**Current Rate 3/1/2007**	**Current Relativity to 420**	**Wgtd Rate [(5)x(4)] / (4 Grp Ttl)**
265	ENT	Otorhinolaryngology - No Surgery	0.1%	20,746	0.552	2,075
258	ENT	Laryngology - No Surgery	0.0%	32,176	0.856	-
247	ENT	Rhinology - No Surgery	0.0%	32,176	0.856	-
264	ENT	Otology - No Surgery	0.0%	33,785	0.898	-
291	ENT	Otorhinolaryngology - Minor Surgery	0.0%	43,156	1.148	-
285	ENT	Laryngology - Minor Surgery	0.0%	47,551	1.264	-
290	ENT	Otology - Minor Surgery	0.0%	47,551	1.264	-
270	ENT	Rhinology - Minor Surgery	0.0%	47,551	1.264	-
106	ENT	Surgery - Laryngology	0.2%	61,569	1.637	12,314
159	ENT	Surgery - Otorhinolaryngology	0.5%	63,484	1.688	38,090
158	ENT	Surgery - Otology	0.1%	69,371	1.845	6,937
160	ENT	Surgery - Rhinology	0.0%	69,371	1.845	-
	Total /Weighted Average		**0.8%**			**59,416**
420	Fam/Gen - 420	Family/General Practitioners - No Surgery	15.4%	37,605	1.000	37,605
	Total /Weighted Average		**15.4%**			**37,605**
421	Fam/Gen - Other	Family/General Practitioners - Minor Surgery	0.2%	50,206	1.335	20,082
521	Fam/Gen - Other	Family/General Practitioners -Minor Surgery - 0 to 24 deli	0.3%	51,002	1.356	30,601
	Total /Weighted Average		**0.4%**			**50,684**
243	Geriatrics	Geriatrics - No Surgery	0.0%	31,829	0.846	15,915
276	Geriatrics	Geriatrics - Minor Surgery	0.0%	47,037	1.251	23,519
	Total /Weighted Average		**0.0%**			**39,433**
257	Internal	Internal medicine - No Surgery	8.0%	50,464	1.342	49,938
284	Internal	Internal medicine - Minor Surgery	0.1%	65,700	1.747	684
	Total /Weighted Average		**8.0%**			**50,623**

American Physician Assurance Corporation

Illinois Professional Liability

Claims Made, Mature, Territory 1 Specialty Group Weighted Rate
Evaluated as of 9/30/2007

Exhibit 7b

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Code	**Group**	**Specialty Description**	**InForce Count (%)**	**Current Rate 3/1/2007**	**Current Relativity to 420**	**Wgtd Rate [(5)x(4)] / (4 Grp Ttl)**
238	Internal - Other	Endocrinology - No Surgery	0.4%	27,610	0.734	1,327
252	Internal - Other	Rheumatology - No Surgery	0.3%	28,211	0.750	1,085
237	Internal - Other	Diabetes - No Surgery	0.0%	28,974	0.770	-
268	Internal - Other	Physicians - not otherwise classified - no surgery	0.3%	30,149	0.802	870
260	Internal - Other	Nephrology - No Surgery	0.6%	33,845	0.900	2,278
269	Internal - Other	Pulmonary Diseases - No Surgery	3.5%	36,224	0.963	14,629
245	Internal - Other	Hematology - No Surgery	0.2%	37,605	1.000	723
259	Internal - Other	Neoplastic Diseases - No Surgery	0.0%	38,196	1.016	-
473	Internal - Other	Oncology - No Surgery	1.3%	38,196	1.016	5,509
272	Internal - Other	Endocrinology - Minor Surgery	0.0%	40,801	1.085	-
283	Internal - Other	Hospitalist/Intensive Care Medicine	0.1%	41,690	1.109	401
271	Internal - Other	Diabetes - Minor Surgery	0.0%	42,818	1.139	-
241	Internal - Other	Gastroenterology - No Surgery	0.2%	46,458	1.235	893
286	Internal - Other	Oncology - Minor Surgery	0.0%	47,037	1.251	-
437	Internal - Other	Physicians - No Major Surgery - acupuncture	0.0%	47,037	1.251	-
294	Internal - Other	Physicians - not othewise classified - minor surgery	0.0%	47,037	1.251	-
274	Internal - Other	Gastroenterology - Minor Surgery	1.7%	49,543	1.317	9,528
287	Internal - Other	Nephrology - Minor Surgery	0.0%	50,016	1.330	-
802	Internal - Other	Physicians - No Major Surgery - Sclerotherapy	0.0%	51,260	1.363	-
431	Internal - Other	Physicians - No Major Surgery - shock therapy	0.0%	51,260	1.363	-
278	Internal - Other	Hematology - Minor Surgery	0.0%	53,336	1.418	-
246	Internal - Other	Infectious Diseases - No Surgery	0.2%	54,527	1.450	1,049
298	Internal - Other	Pulmonary Diseases - Minor Surgery	0.1%	61,768	1.643	594
279	Internal - Other	Infectious Diseases - Minor Surgery	0.0%	85,948	2.286	-
	Total /Weighted Average		**8.7%**			**38,886**

American Physician Assurance Corporation

Illinois Professional Liability

Claims Made, Mature, Territory 1 Specialty Group Weighted Rate
Evaluated as of 9/30/2007

Exhibit 7b

(1) Code	(2) Group	(3) Specialty Description	(4) InForce Count (%)	(5) Current Rate 3/1/2007	(6) Current Relativity to 420	(7) Wgtd Rate [(5)x(4)] / (4 Grp Ttl)
248	Misc.	Nutrition	0.1%	16,566	0.441	281
231	Misc.	General Preventive Medicine - No Surgery	0.3%	17,571	0.467	1,191
240	Misc.	Forensic or Legal Medicine	0.0%	18,707	0.497	-
236	Misc.	Public Health	0.0%	18,707	0.497	-
254	Misc.	Allergy	0.9%	19,133	0.509	3,567
801	Misc.	Manipulative Medicine	0.3%	19,244	0.512	979
235	Misc.	Physiatry or Physical Medicine and Rehabilitation	2.3%	19,244	0.512	9,133
233	Misc.	Occupational Medicine	0.8%	22,268	0.592	3,397
230	Misc.	Aerospace Medicine	0.0%	26,722	0.711	-
234	Misc.	Pharmacology	0.0%	26,722	0.711	-
262	Misc.	Nuclear Medicine	0.3%	28,211	0.750	1,434
	Total /Weighted Average		**4.9%**			**19,982**
261	Neurology	Neurology - No Surgery	2.2%	45,273	1.204	45,273
288	Neurology	Neurology - Minor Surgery	0.0%	53,751	1.429	-
	Total /Weighted Average		**2.2%**			**45,273**

American Physician Assurance Corporation

Illinois Professional Liability

Claims Made, Mature, Territory 1 Specialty Group Weighted Rate
Evaluated as of 9/30/2007

Exhibit 7b

(1) Code	(2) Group	(3) Specialty Description	(4) InForce Count (%)	(5) Current Rate 3/1/2007	(6) Current Relativity to 420	(7) Wgtd Rate [(5)x(4)] / (4 Grp Ttl)
244	Obs/Gyn	Gynecology - No Surgery	0.1%	27,201	0.723	324
277	Obs/Gyn	Gynecology - Minor Surgery	0.3%	43,614	1.160	1,558
167	Obs/Gyn	Surgery - Gynecology	0.6%	87,768	2.334	7,314
560	Obs/Gyn	Surgery - Obstetrics - Gynecology - 0 to 49 deliveries	1.2%	126,223	3.357	21,037
561	Obs/Gyn	Surgery - Obstetrics - Gynecology -50 to 69 deliveries	1.2%	130,160	3.461	21,693
562	Obs/Gyn	Surgery - Obstetrics - Gynecology -70 to 89 deliveries	1.1%	134,103	3.566	20,754
563	Obs/Gyn	Surgery - Obstetrics - Gynecology - 90 to 109 deliveries	1.6%	141,993	3.776	32,117
564	Obs/Gyn	Surgery - Obstetrics - Gynecology -110 to 129 deliveries	0.8%	149,885	3.986	17,843
168	Obs/Gyn	Surgery - Obstetrics	0.0%	157,770	4.195	-
153	Obs/Gyn	Surgery - Obstetrics - Gynecology	0.0%	157,770	4.195	-
565	Obs/Gyn	Surgery - Obstetrics - Gynecology -130 to 149 deliveries	0.2%	157,770	4.195	3,756
566	Obs/Gyn	Surgery - Obstetrics - Gynecology -150 to 169 deliveries	0.1%	173,547	4.615	2,066
567	Obs/Gyn	Surgery - Obstetrics - Gynecology -170 to 189 deliveries	0.0%	189,325	5.035	-
568	Obs/Gyn	Surgery - Obstetrics - Gynecology -190 to 209 deliveries	0.0%	205,100	5.454	-
569	Obs/Gyn	Surgery - Obstetrics - Gynecology -210 to 229 deliveries	0.0%	220,880	5.874	-
570	Obs/Gyn	Surgery - Obstetrics - Gynecology -230 to 249 deliveries	0.0%	236,654	6.293	-
571	Obs/Gyn	Surgery - Obstetrics - Gynecology -250 to 269 deliveries	0.0%	252,431	6.713	-
572	Obs/Gyn	Surgery - Obstetrics - Gynecology -270 to 289 deliveries	0.0%	268,211	7.132	-
573	Obs/Gyn	Surgery - Obstetrics - Gynecology -290 to more deliveries	0.0%	283,985	7.552	-
	Total /Weighted Average		**7.0%**			**128,463**
263	Ophthalmology	Ophthalmology - No Surgery	0.0%	28,390	0.755	-
289	Ophthalmology	Ophthalmology - Minor Surgery	0.1%	30,852	0.820	3,428
114	Ophthalmology	Surgery - Ophthalmology	0.7%	54,663	1.454	48,589
804	Ophthalmology	Surgery - Ophthalmology - Plastic	0.0%	71,524	1.902	-
	Total /Weighted Average		**0.8%**			**52,017**
266	Pathology	Pathology - No Surgery	5.7%	28,956	0.770	28,956
292	Pathology	Pathology - Minor Surgery	0.0%	50,616	1.346	-
	Total /Weighted Average		**5.7%**			**28,956**

American Physician Assurance Corporation

Illinois Professional Liability

Claims Made, Mature, Territory 1 Specialty Group Weighted Rate

Evaluated as of 9/30/2007

Exhibit 7b

(1) Code	(2) Group	(3) Specialty Description	(4) InForce Count (%)	(5) Current Rate 3/1/2007	(6) Current Relativity to 420	(7) Wgtd Rate [(5)x(4)] / (4 Grp Ttl)
267	Pediatrics	Pediatrics - No Surgery	5.4%	33,092	0.880	31,610
293	Pediatrics	Pediatrics - Minor Surgery	0.0%	49,257	1.310	-
471	Pediatrics	Neonatology - No Surgery	0.3%	72,361	1.924	3,240
476	Pediatrics	Neonatology - Minor Surgery	0.0%	90,453	2.405	-
	Total /Weighted Average		**5.6%**			**34,850**
251	Psychiatry	Psychosomatic Medicine	0.0%	14,774	0.393	-
232	Psychiatry	Hypnosis	0.0%	16,566	0.441	-
250	Psychiatry	Psychoanalysis	0.0%	18,300	0.487	-
229	Psychiatry	Addictionology	0.3%	18,707	0.497	534
249	Psychiatry	Psychiatry	11.4%	19,582	0.521	19,023
	Total /Weighted Average		**11.7%**			**19,557**
253	Radiology	Radiology - diagnostic - No Surgery	1.5%	47,717	1.269	19,975
425	Radiology	Radiology - Therapeutic	0.0%	53,939	1.434	-
280	Radiology	Radiology - diagnostic - Minor Surgery	2.1%	72,607	1.931	42,213
	Total /Weighted Average		**3.6%**			**62,188**
150	Surgery - CV	Surgery - Cardiovascular Disease	0.0%	144,461	3.842	-
146	Surgery - CV	Surgery - Vascular	0.1%	150,238	3.995	150,238
141	Surgery - CV	Surgery - Cardiac	0.0%	158,071	4.203	-
	Total /Weighted Average		**0.1%**			**150,238**

American Physician Assurance Corporation

Illinois Professional Liability

Claims Made, Mature, Territory 1 Specialty Group Weighted Rate
Evaluated as of 9/30/2007

Exhibit 7b

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Code	**Group**	**Specialty Description**	**InForce Count (%)**	**Current Rate 3/1/2007**	**Current Relativity to 420**	**Wgtd Rate [(5)x(4)] / (4 Grp Ttl)**
107	Surgery - Major	Surgery - Neoplastic	0.0%	61,666	1.640	-
108	Surgery - Major	Surgery - Nephrology	0.0%	65,500	1.742	-
104	Surgery - Major	Surgery - Gastroenterology	0.0%	67,681	1.800	-
105	Surgery - Major	Surgery - Geriatrics	0.0%	71,358	1.898	-
143	Surgery - Major	Surgery - General - not otherwise classified	2.1%	101,534	2.700	97,629
166	Surgery - Major	Surgery - Abdominal	0.0%	109,343	2.908	-
474	Surgery - Major	Surgery - Neonatology or Pediatrics	0.0%	117,463	3.124	-
157	Surgery - Major	Surgery - Emergency Medicine	0.0%	121,466	3.230	-
171	Surgery - Major	Surgery - Traumatic	0.0%	134,472	3.576	-
144	Surgery - Major	Surgery - Thoracic	0.1%	142,488	3.789	5,480
	Total /Weighted Average		**2.2%**			**103,109**
103	Surgery - Misc	Surgery - Endocrinology	0.3%	57,272	1.523	24,545
101	Surgery - Misc	Surgery - Broncho-esophagology	0.0%	65,605	1.745	-
472	Surgery - Misc	Surgery - Dermatology	0.0%	66,433	1.767	-
117	Surgery - Misc	Surgery - Family/General Practice	0.3%	73,077	1.943	31,319
169	Surgery - Misc	Surgery - Hand	0.1%	83,952	2.232	11,993
115	Surgery - Misc	Surgery - Colon and Rectal	0.0%	86,478	2.300	-
170	Surgery - Misc	Surgery - Head and Neck	0.0%	103,442	2.751	-
	Total /Weighted Average		**0.6%**			**67,857**
152	Surgery - Neuro	Surgery - Neurology	0.1%	256,404	6.818	256,404
	Total /Weighted Average		**0.1%**			**256,404**
164	Surgery - Orthopedic	Surgery - Orthopedic - without procedures on the back	1.9%	124,471	3.310	114,513
154	Surgery - Orthopedic	Surgery - Orthopedic	0.2%	168,919	4.492	13,514
	Total /Weighted Average		**2.1%**			**128,027**

American Physician Assurance Corporation

Illinois Professional Liability

Claims Made, Mature, Territory 1 Specialty Group Weighted Rate

Evaluated as of 9/30/2007

Exhibit 7b

(1) Code	(2) Group	(3) Specialty Description	(4) InForce Count (%)	(5) Current Rate 3/1/2007	(6) Current Relativity to 420	(7) Wgtd Rate [(5)x(4)] / (4 Grp Ttl)
155	Surgery - Plastic	Surgery - Otorhinolaryngology	0.0%	96,417	2.564	-
156	Surgery - Plastic	Surgery - Plastic - not otherwise classified	1.0%	101,818	2.708	101,818
	Total /Weighted Average		**1.0%**			**101,818**
145	Urology	Surgery - Urological	1.6%	66,185	1.760	66,185
	Total /Weighted Average		**1.6%**			**66,185**
		Total	**100.0%**			

Note:

(1) Specialty Code
(2) Specialty Group
(3) Specialty Description
(4) In-Force Count Distribution as Percentage
(5) Current Rates Effective 3/1/2007
(6) Current Specialty Relativity to Spec. 420-Fam/Gen Pract.-No Surg.
(7) Weighted Rate - groups without exposure use a straight rate average

American Physician Assurance Corporation
Illinois Professional Liability
Specialty Rate Indication
Evaluated as of 9/30/2007

Exhibit 8a - 1

Proposed Change in Base Rate (420) -7.0%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
											Relativity to 420						
Specialty Description	Spec. Code	Inforce Count %	3/1/2007 Territory 1 1M/4M Rate	Current Relativity to 420	Specialty Credibility	Indicated Specialty Rate Change	Indicated Relativity to 420	Indicated Change in Relativity	Selected Change in SpecGroup Relativity	SpecGroup Indicated Relativity to 420	7/1/2006 ISMIE	1/1/2007 ProNatl	1/1/2007 Med Pro	Proposed Relativity to 420	Proposed Change in Relativity	Proposed Rate	Overall Change
Anesthesiology	151	7.1%	47,006	1.24999	0.498	-4.1%	1.19527	-4.4%	-5.0%	1.18749	1.279	1.000	1.191	1.18749	-5.0%	41,530	-11.6%
Anesthesiology - Pain Management	196	2.4%	47,006	1.24999	0.131	-1.0%	1.23378	-1.3%	-5.0%	1.18749	1.279	1.965	1.191	1.18749	-5.0%	41,530	-11.6%
Cardiovascular Disease - No Surgery	255	1.4%	30,786	0.81867	0.072	-6.1%	0.76623	-6.4%	0.0%	0.81867	1.056	1.000	1.191	0.81867	0.0%	28,631	-7.0%
Cardiovascular Disease - Minor Surgery	281	3.9%	64,149	1.70586	0.435	0.1%	1.70247	-0.2%	0.0%	1.70586	1.836	1.965	1.660	1.70586	0.0%	59,659	-7.0%
Dentists - No Surgery	211	0.0%	8,313	0.22106	-	-0.7%	0.21885	-1.0%	0.0%	0.22106	-	-	-	0.22106	0.0%	7,731	-7.0%
Dentists - Minor Surgery	210	0.0%	20,783	0.55267	-	-0.7%	0.54714	-1.0%	0.0%	0.55267	-	-	-	0.55267	0.0%	19,329	-7.0%
Oral Surgeons	212	0.0%	41,564	1.10528	-	-0.7%	1.09422	-1.0%	0.0%	1.10528	-	-	-	1.10528	0.0%	38,655	-7.0%
Dermatology	256	1.8%	21,809	0.57995	0.082	-2.3%	0.56509	-2.6%	2.5%	0.59445	0.666	0.517	0.638	0.59445	2.5%	20,790	-4.7%
Dermatology - Minor Surgery	282	0.6%	39,336	1.04603	0.078	-0.8%	1.03512	-1.0%	2.5%	1.07218	-	1.000	0.851	1.07218	2.5%	37,497	-4.7%
Urgent Care Medicine	424	0.0%	37,605	1.00000	0.005	0.4%	1.00074	0.1%	0.0%	1.00000	-	1.483	1.191	1.00000	0.0%	34,973	-7.0%
Emergency Medicine - No Major Surgery	102	0.0%	106,801	2.84007	0.040	27.4%	3.60901	27.1%	0.0%	2.84007	1.836	1.965	2.575	2.84007	0.0%	99,326	-7.0%
Otorhinolaryngology - No Surgery	265	0.1%	20,746	0.55168	0.007	0.1%	0.55095	-0.1%	0.0%	0.55168	0.498	0.517	0.851	0.55168	0.0%	19,294	-7.0%
Laryngology - No Surgery	258	0.0%	32,176	0.85563	-	-0.7%	0.84706	-1.0%	0.0%	0.85563	0.498	0.517	0.851	0.55168	-35.5%	19,294	-40.0%
Rhinology - No Surgery	247	0.0%	32,176	0.85563	-	-0.7%	0.84706	-1.0%	0.0%	0.85563	0.498	0.517	0.851	0.55168	-35.5%	19,294	-40.0%
Otology - No Surgery	264	0.0%	33,785	0.89842	-	-0.7%	0.88943	-1.0%	0.0%	0.89842	0.498	0.517	0.851	0.55168	-38.6%	19,294	-42.9%
Otorhinolaryngology - Minor Surgery	291	0.0%	43,156	1.14761	0.003	0.5%	1.15064	0.3%	0.0%	1.14761	1.446	1.483	1.404	1.23368	-7.5%	43,145	0.0%
Laryngology - Minor Surgery	285	0.0%	47,551	1.26449	-	-0.7%	1.25183	-1.0%	0.0%	1.26449	1.446	1.483	1.404	1.23368	-2.4%	43,145	-9.3%
Otology - Minor Surgery	290	0.0%	47,551	1.26449	-	-0.7%	1.25183	-1.0%	0.0%	1.26449	1.446	1.483	1.404	1.23368	-2.4%	43,145	-9.3%
Rhinology - Minor Surgery	270	0.0%	47,551	1.26449	-	-0.7%	1.25183	-1.0%	0.0%	1.26449	1.446	1.483	1.404	1.23368	-2.4%	43,145	-9.3%
Surgery - Laryngology	106	0.2%	61,569	1.63726	0.004	0.5%	1.64094	0.2%	0.0%	1.63726	-	-	2.124	1.68818	3.1%	59,041	-4.1%
Surgery - Otorhinolaryngology	159	0.5%	63,484	1.68818	0.080	-1.5%	1.65764	-1.8%	0.0%	1.68818	1.836	1.772	2.124	1.68818	0.0%	59,041	-7.0%
Surgery - Otology	158	0.1%	69,371	1.84473	0.009	0.0%	1.83931	-0.3%	0.0%	1.84473	-	-	2.124	1.68818	-8.5%	59,041	-14.9%
Surgery - Rhinology	160	0.0%	69,371	1.84473	-	-0.7%	1.82626	-1.0%	0.0%	1.84473	-	-	2.124	1.68818	-8.5%	59,041	-14.9%
Family/General Practitioners - No Surgery	420	15.4%	37,605	1.00000	0.684	0.3%	1.00000	0.0%	0.0%	1.00000	1.000	1.000	1.000	1.00000	0.0%	34,973	-7.0%
Family/General Practitioners - Minor Surgery	421	0.2%	50,206	1.33509	0.194	-5.9%	1.25266	-6.2%	0.0%	1.33509	1.557	1.772	1.660	1.33509	0.0%	46,692	-7.0%
Family/General Practitioners -Minor Surgery - 0 to 24 deliveries	521	0.3%	51,002	1.35626	0.182	-4.0%	1.29864	-4.2%	0.0%	1.35626	1.557	1.772	2.350	1.35626	0.0%	47,432	-7.0%
Geriatrics - No Surgery	243	0.0%	31,829	0.84640	0.001	0.8%	0.85089	0.5%	-7.5%	0.78292	0.666	-	0.851	0.78292	-7.5%	27,381	-14.0%
Geriatrics - Minor Surgery	276	0.0%	47,037	1.25082	-	-0.7%	1.23830	-1.0%	-7.5%	1.15701	-	-	1.404	1.15701	-7.5%	40,464	-14.0%
Internal medicine - No Surgery	257	8.0%	50,464	1.34195	0.724	2.1%	1.36636	1.8%	-12.5%	1.17421	1.167	1.000	1.089	1.17421	-12.5%	41,066	-18.6%
Internal medicine - Minor Surgery	284	0.1%	65,700	1.74711	0.268	-2.7%	1.69575	-2.9%	-12.5%	1.52872	1.446	1.483	1.872	1.52872	-12.5%	53,464	-18.6%
Endocrinology - No Surgery	238	0.4%	27,610	0.73421	0.029	-2.1%	0.71710	-2.3%	0.0%	0.73421	0.666	0.759	0.851	0.73421	0.0%	25,678	-7.0%
Rheumatology - No Surgery	252	**0.3%**	**28,211**	**0.75019**	**0.016**	**-0.7%**	**0.74268**	**-1.0%**	**0.0%**	**0.75019**	0.666	0.759	1.000	**0.75019**	**0.0%**	**26,236**	**-7.0%**
Diabetes - No Surgery	237	0.0%	28,974	0.77048	-	-0.7%	0.76277	-1.0%	0.0%	0.77048	1.000	-	1.191	0.77048	0.0%	26,946	-7.0%
Physicians - not otherwise classified - no surgery	268	0.3%	30,149	0.80173	0.012	-0.3%	0.79699	-0.6%	0.0%	0.80173	1.000	1.000	0.851	0.80173	0.0%	28,039	-7.0%
Nephrology - No Surgery	260	0.6%	33,845	0.90001	0.033	0.8%	0.90476	0.5%	0.0%	0.90001	1.056	1.000	1.000	0.90001	0.0%	31,476	-7.0%
Pulmonary Diseases - No Surgery	269	3.5%	36,224	0.96328	0.105	-2.5%	0.93617	-2.8%	0.0%	0.96328	1.279	1.241	1.660	1.03553	7.5%	36,216	0.0%
Hematology - No Surgery	245	0.2%	37,605	1.00000	0.020	13.8%	1.13516	13.5%	0.0%	1.00000	1.000	1.000	1.191	1.00000	0.0%	34,973	-7.0%
Neoplastic Diseases - No Surgery	259	0.0%	38,196	1.01572	0.013	-0.4%	1.00925	-0.6%	0.0%	1.01572	1.000	1.000	1.404	1.01572	0.0%	35,523	-7.0%
Oncology - No Surgery	473	1.3%	38,196	1.01572	0.096	-8.3%	0.92838	-8.6%	0.0%	1.01572	1.000	1.000	1.404	1.01572	0.0%	35,523	-7.0%
Endocrinology - Minor Surgery	272	0.0%	40,801	1.08499	-	-0.7%	1.07413	-1.0%	0.0%	1.08499	-	-	1.191	1.08499	0.0%	37,945	-7.0%
Hospitalist/Intensive Care Medicine	283	0.1%	41,690	1.10863	0.014	-0.4%	1.10079	-0.7%	0.0%	1.10863	-	1.483	2.124	1.10863	0.0%	38,772	-7.0%
Diabetes - Minor Surgery	271	0.0%	42,818	1.13863	-	-0.7%	1.12723	-1.0%	0.0%	1.13863	-	-	-	1.13863	0.0%	39,821	-7.0%
Gastroenterology - No Surgery	241	0.2%	46,458	1.23542	0.056	-4.8%	1.17306	-5.0%	0.0%	1.23542	1.446	1.241	1.404	1.23542	0.0%	43,206	-7.0%
Oncology - Minor Surgery	286	0.0%	47,037	1.25082	0.016	3.4%	1.28985	3.1%	0.0%	1.25082	-	1.483	2.124	1.25082	0.0%	43,745	-7.0%
Physicians - No Major Surgery - acupuncture	437	0.0%	47,037	1.25082	0.035	-2.6%	1.21468	-2.9%	0.0%	1.25082	-	-	2.124	1.25082	0.0%	43,745	-7.0%
Physicians - not othewise classified - minor surgery	294	0.0%	47,037	1.25082	0.000	0.9%	1.25803	0.6%	0.0%	1.25082	1.446	1.483	1.404	1.25082	0.0%	43,745	-7.0%
Gastroenterology - Minor Surgery	274	1.7%	49,543	1.31746	0.146	1.1%	1.32801	0.8%	0.0%	1.31746	1.446	1.483	1.660	1.31746	0.0%	46,076	-7.0%
Nephrology - Minor Surgery	287	0.0%	50,016	1.33004	0.005	0.7%	1.33540	0.4%	0.0%	1.33004	1.279	1.483	1.404	1.33004	0.0%	46,515	-7.0%
Physicians - No Major Surgery - Sclerotherapy	802	0.0%	51,260	1.36312	0.006	0.2%	1.36255	0.0%	0.0%	1.36312	-	-	-	1.36312	0.0%	47,672	-7.0%
Physicians - No Major Surgery - shock therapy	431	0.0%	51,260	1.36312	0.007	0.1%	1.36096	-0.2%	0.0%	1.36312	-	1.000	1.404	1.36312	0.0%	47,672	-7.0%
Hematology - Minor Surgery	278	0.0%	53,336	1.41832	-	-0.7%	1.40412	-1.0%	0.0%	1.41832	-	1.483	1.660	1.41832	0.0%	49,603	-7.0%
Infectious Diseases - No Surgery	246	0.2%	54,527	1.44999	0.169	6.8%	1.54451	6.5%	0.0%	1.44999	1.056	1.241	1.404	1.44999	0.0%	50,711	-7.0%
Pulmonary Diseases - Minor Surgery	298	0.1%	61,768	1.64255	0.071	7.7%	1.76439	7.4%	0.0%	1.64255	-	-	1.660	1.76574	7.5%	61,753	0.0%
Infectious Diseases - Minor Surgery	279	0.0%	85,948	2.28555	0.006	0.3%	2.28542	0.0%	0.0%	2.28555	-	-	1.660	2.28555	0.0%	79,933	-7.0%
Nutrition	248	0.1%	16,566	0.44053	0.001	0.8%	0.44263	0.5%	-2.5%	0.42952	-	-	0.638	0.42952	-2.5%	15,022	-9.3%
General Preventive Medicine - No Surgery	231	0.3%	17,571	0.46725	0.009	0.0%	0.46594	-0.3%	-2.5%	0.45557	0.498	0.517	0.638	0.45557	-2.5%	15,933	-9.3%
Forensic or Legal Medicine	240	0.0%	18,707	0.49746	0.001	0.7%	0.49976	0.5%	-2.5%	0.48502	0.498	0.517	0.638	0.48502	-2.5%	16,963	-9.3%
Public Health	236	0.0%	18,707	0.49746	0.003	0.6%	0.49899	0.3%	-2.5%	0.48502	0.498	0.517	0.638	0.48502	-2.5%	16,963	-9.3%
Allergy	254	0.9%	19,133	0.50879	0.049	-4.0%	0.48683	-4.3%	-2.5%	0.49607	0.498	0.517	0.638	0.49607	-2.5%	17,349	-9.3%

American Physician Assurance Corporation
Illinois Professional Liability
Specialty Rate Indication
Evaluated as of 9/30/2007

Exhibit 8a - 2

Proposed Change in Base Rate (420) -7.0%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
											Relativity to 420						
Specialty Description	Spec. Code	Inforce Count %	3/1/2007 Territory 1 1M/4M Rate	Current Relativity to 420	Specialty Credibility	Indicated Specialty Rate Change	Indicated Relativity to 420	Indicated Change in Relativity	Selected Change in SpecGroup Relativity	SpecGroup Indicated Relativity to 420	7/1/2006 ISMIE	1/1/2007 ProNatl	1/1/2007 Med Pro	Proposed Relativity to 420	Proposed Change in Relativity	Proposed Rate	Overall Change
Manipulative Medicine	801	0.3%	19,244	0.51174	0.004	0.5%	0.51278	0.2%	-2.5%	0.49895	-	-	-	0.49895	-2.5%	17,450	-9.3%
Physiatry or Physical Medicine and Rehabilitation	235	2.3%	19,244	0.51174	0.064	9.7%	0.55993	9.4%	-2.5%	0.49895	0.498	0.517	0.851	0.49895	-2.5%	17,450	-9.3%
Occupational Medicine	233	0.8%	22,268	0.59216	0.030	-2.2%	0.57761	-2.5%	-2.5%	0.57736	0.498	0.759	0.638	0.57736	-2.5%	20,192	-9.3%
Aerospace Medicine	230	0.0%	26,722	0.71060	-	-0.7%	0.70349	-1.0%	-2.5%	0.69284	-	-	0.638	0.69284	-2.5%	24,231	-9.3%
Pharmacology	234	0.0%	26,722	0.71060	-	-0.7%	0.70349	-1.0%	-2.5%	0.69284	-	-	0.851	0.69284	-2.5%	24,231	-9.3%
Nuclear Medicine	262	0.3%	28,211	0.75019	0.017	-0.6%	0.74373	-0.9%	-2.5%	0.73144	1.000	-	0.638	0.73144	-2.5%	25,581	-9.3%
Neurology - No Surgery	261	2.2%	45,273	1.20391	0.204	-14.3%	1.02847	-14.6%	0.0%	1.20391	1.446	1.241	1.404	1.20391	0.0%	42,104	-7.0%
Neurology - Minor Surgery	288	0.0%	53,751	1.42936	0.013	-0.4%	1.41919	-0.7%	0.0%	1.42936	1.669	1.483	2.124	1.42936	0.0%	49,989	-7.0%
Gynecology - No Surgery	244	0.1%	27,201	0.72333	0.007	0.1%	0.72234	-0.1%	-12.5%	0.63291	1.167	1.000	0.851	0.75950	5.0%	26,562	-2.3%
Gynecology - Minor Surgery	277	0.3%	43,614	1.15979	0.018	-1.0%	1.14525	-1.3%	-12.5%	1.01482	1.836	1.772	1.404	1.21778	5.0%	42,589	-2.4%
Surgery - Gynecology	167	0.6%	87,768	2.33394	0.135	-12.4%	2.03876	-12.6%	-12.5%	2.04220	2.059	1.772	2.575	2.04220	-12.5%	71,422	-18.6%
Surgery - Obstetrics - Gynecology - 0 to 49 deliveries	560	1.2%	126,223	3.35655	0.322	-8.3%	3.06929	-8.6%	-12.5%	2.93698	4.289	4.378	4.789	2.93698	-12.5%	102,715	-18.6%
Surgery - Obstetrics - Gynecology -50 to 69 deliveries	561	1.2%	130,160	3.46124	0.275	2.6%	3.54160	2.3%	-12.5%	3.02859	4.289	4.378	4.789	3.02859	-12.5%	105,919	-18.6%
Surgery - Obstetrics - Gynecology -70 to 89 deliveries	562	1.1%	134,103	3.56609	0.287	-0.9%	3.52394	-1.2%	-12.5%	3.12033	4.289	4.378	4.789	3.12033	-12.5%	109,127	-18.6%
Surgery - Obstetrics - Gynecology - 90 to 109 deliveries	563	1.6%	141,993	3.77591	0.399	-18.5%	3.07003	-18.7%	-12.5%	3.30392	4.289	4.378	4.789	3.30392	-12.5%	115,548	-18.6%
Surgery - Obstetrics - Gynecology -110 to 129 deliveries	564	0.8%	149,885	3.98577	0.294	-8.5%	3.63873	-8.7%	-12.5%	3.48755	4.289	4.378	4.789	3.48755	-12.5%	121,970	-18.6%
Surgery - Obstetrics	168	0.0%	157,770	4.19545	0.029	-2.0%	4.09826	-2.3%	-12.5%	3.67102	4.289	4.378	4.157	3.67102	-12.5%	128,387	-18.6%
Surgery - Obstetrics - Gynecology	153	0.0%	157,770	4.19545	0.254	-19.0%	3.39004	-19.2%	-12.5%	3.67102	4.289	4.378	4.157	3.67102	-12.5%	128,387	-18.6%
Surgery - Obstetrics - Gynecology -130 to 149 deliveries	565	0.2%	157,770	4.19545	0.207	10.5%	4.62365	10.2%	-12.5%	3.67102	4.289	4.378	4.789	3.67102	-12.5%	128,387	-18.6%
Surgery - Obstetrics - Gynecology -150 to 169 deliveries	566	0.1%	173,547	4.61500	0.117	5.2%	4.84249	4.9%	-12.5%	4.03813	4.289	4.378	4.789	4.03813	-12.5%	141,226	-18.6%
Surgery - Obstetrics - Gynecology -170 to 189 deliveries	567	0.0%	189,325	5.03457	0.061	1.0%	5.07198	0.7%	-12.5%	4.40525	4.289	4.378	4.789	4.40525	-12.5%	154,065	-18.6%
Surgery - Obstetrics - Gynecology -190 to 209 deliveries	568	0.0%	205,100	5.45406	0.013	-0.5%	5.41332	-0.7%	-12.5%	4.77230	4.289	4.378	4.789	4.77230	-12.5%	166,902	-18.6%
Surgery - Obstetrics - Gynecology -210 to 229 deliveries	569	0.0%	220,880	5.87369	0.020	-1.2%	5.78934	-1.4%	-12.5%	5.13948	4.289	4.378	4.789	5.13948	-12.5%	179,743	-18.6%
Surgery - Obstetrics - Gynecology -230 to 249 deliveries	570	0.0%	236,654	6.29315	0.015	-0.7%	6.23449	-0.9%	-12.5%	5.50651	4.289	4.378	4.789	5.50651	-12.5%	192,579	-18.6%
Surgery - Obstetrics - Gynecology -250 to 269 deliveries	571	0.0%	252,431	6.71270	-	-0.7%	6.64550	-1.0%	-12.5%	5.87361	4.289	4.378	4.789	5.87361	-12.5%	205,418	-18.6%
Surgery - Obstetrics - Gynecology -270 to 289 deliveries	572	0.0%	268,211	7.13232	-	-0.7%	7.06092	-1.0%	-12.5%	6.24078	4.289	4.378	4.789	6.24078	-12.5%	218,259	-18.6%
Surgery - Obstetrics - Gynecology -290 to more deliveries	573	0.0%	283,985	7.55179	0.010	-0.1%	7.52127	-0.4%	-12.5%	6.60782	4.289	4.378	4.789	6.60782	-12.5%	231,095	-18.6%
Ophthalmology - No Surgery	263	0.0%	28,390	0.75495	0.022	7.6%	0.81031	7.3%	-10.0%	0.67946	0.666	0.759	0.638	0.67946	-10.0%	23,763	-16.3%
Ophthalmology - Minor Surgery	289	0.1%	30,852	0.82042	0.006	0.3%	0.82042	0.0%	-10.0%	0.73838	-	1.000	1.000	0.73838	-10.0%	25,823	-16.3%
Surgery - Ophthalmology	114	0.7%	54,663	1.45361	0.162	11.5%	1.61607	11.2%	-10.0%	1.30825	1.000	1.241	1.089	1.30825	-10.0%	45,753	-16.3%
Surgery - Ophthalmology - Plastic	804	0.0%	71,524	1.90198	-	-0.7%	1.88294	-1.0%	-10.0%	1.71178	-	-	-	1.71178	-10.0%	59,866	-16.3%
Pathology - No Surgery	266	5.7%	28,956	0.77000	0.250	18.8%	0.91232	18.5%	2.5%	0.78925	0.666	1.000	0.851	0.78925	2.5%	27,602	-4.7%
Pathology - Minor Surgery	292	0.0%	50,616	1.34599	0.001	0.8%	1.35306	0.5%	2.5%	1.37964	-	-	1.404	1.37964	2.5%	48,250	-4.7%
Pediatrics - No Surgery	267	5.4%	33,092	0.87999	0.323	-3.0%	0.85111	-3.3%	-10.0%	0.79199	0.777	0.759	1.000	0.79199	-10.0%	27,698	-16.3%
Pediatrics - Minor Surgery	293	0.0%	49,257	1.30985	0.042	2.3%	1.33573	2.0%	-10.0%	1.17887	1.446	1.483	1.404	1.17887	-10.0%	41,229	-16.3%
Neonatology - No Surgery	471	0.3%	72,361	1.92424	0.217	9.4%	2.09887	9.1%	-10.0%	1.73182	-	1.483	1.404	1.73182	-10.0%	60,567	-16.3%
Neonatology - Minor Surgery	476	0.0%	90,453	2.40535	0.038	-2.9%	2.32794	-3.2%	-10.0%	2.16482	-	4.860	1.660	2.16482	-10.0%	75,710	-16.3%
Psychosomatic Medicine	251	0.0%	14,774	0.39287	-	-0.7%	0.38894	-1.0%	7.5%	0.42234	-	-	-	0.42234	7.5%	14,770	0.0%
Hypnosis	232	0.0%	16,566	0.44053	-	-0.7%	0.43612	-1.0%	7.5%	0.47357	-	-	-	0.47357	7.5%	16,562	0.0%
Psychoanalysis	250	0.0%	18,300	0.48664	-	-0.7%	0.48177	-1.0%	7.5%	0.52314	-	-	-	0.52314	7.5%	18,296	0.0%
Addictionology	229	0.3%	18,707	0.49746	0.013	-0.5%	0.49374	-0.7%	7.5%	0.53477	-	-	-	0.53477	7.5%	18,703	0.0%
Psychiatry	249	11.4%	19,582	0.52073	0.374	-1.8%	0.50984	-2.1%	7.5%	0.55978	0.666	0.759	0.638	0.55978	7.5%	19,577	0.0%
Radiology - diagnostic - No Surgery	253	1.5%	47,717	1.26890	0.114	11.2%	1.40746	10.9%	-2.5%	1.23718	1.279	1.241	1.404	1.23718	-2.5%	43,268	-9.3%
Radiology - Therapeutic	425	0.0%	53,939	1.43436	0.018	-0.8%	1.41927	-1.1%	-2.5%	1.39850	1.446	1.483	1.660	1.39850	-2.5%	48,910	-9.3%
Radiology - diagnostic - Minor Surgery	280	2.1%	72,607	1.93078	0.199	-4.3%	1.84210	-4.6%	-2.5%	1.88251	1.836	1.483	1.872	1.88251	-2.5%	65,837	-9.3%
Surgery - Cardiovascular Disease	150	0.0%	144,461	3.84154	-	-0.7%	3.80308	-1.0%	5.0%	4.03362	4.066	3.413	3.524	4.03362	5.0%	141,068	-2.3%
Surgery - Vascular	146	0.1%	150,238	3.99516	0.099	15.0%	4.58066	14.7%	5.0%	4.19492	4.066	3.413	3.524	4.19492	5.0%	146,709	-2.3%
Surgery - Cardiac	141	0.0%	158,071	4.20346	0.020	-0.9%	4.15207	-1.2%	5.0%	4.41363	4.066	3.413	4.789	4.41363	5.0%	154,358	-2.3%
Surgery - Neoplastic	107	0.0%	61,666	1.63984	-	-0.7%	1.62342	-1.0%	-2.5%	1.59884	-	-	-	1.59884	-2.5%	55,916	-9.3%
Surgery - Nephrology	108	0.0%	65,500	1.74179	-	-0.7%	1.72435	-1.0%	-2.5%	1.69825	-	-	-	1.69825	-2.5%	59,393	-9.3%
Surgery - Gastroenterology	104	0.0%	67,681	1.79979	0.001	0.7%	1.80769	0.4%	-2.5%	1.75480	-	-	2.124	1.75480	-2.5%	61,371	-9.3%
Surgery - Geriatrics	105	0.0%	71,358	1.89757	-	-0.7%	1.87857	-1.0%	-2.5%	1.85013	-	-	2.350	1.85013	-2.5%	64,705	-9.3%
Surgery - General - not otherwise classified	143	2.1%	101,534	2.70001	0.415	-4.5%	2.57063	-4.8%	-2.5%	2.63251	3.063	2.930	4.157	2.63251	-2.5%	92,067	-9.3%
Surgery - Abdominal	166	0.0%	109,343	2.90767	-	-0.7%	2.87856	-1.0%	-2.5%	2.83498	-	-	4.157	2.83498	-2.5%	99,148	-9.3%
Surgery - Neonatology or Pediatrics	474	0.0%	117,463	3.12360	-	-0.7%	3.09233	-1.0%	-2.5%	3.04551	3.174	0.759	-	3.04551	-2.5%	106,511	-9.3%
Surgery - Emergency Medicine	157	0.0%	121,466	3.23005	0.004	0.4%	3.23495	0.2%	-2.5%	3.14930	2.059	-	2.801	3.14930	-2.5%	110,140	-9.3%
Surgery - Traumatic	171	0.0%	134,472	3.57591	0.064	-4.8%	3.39373	-5.1%	-2.5%	3.48651	-	3.895	4.789	3.66531	2.5%	128,187	-4.7%
Surgery - Thoracic	144	0.1%	142,488	3.78907	0.071	8.9%	4.11299	8.5%	-2.5%	3.69434	4.066	4.378	3.524	3.69434	-2.5%	129,202	-9.3%
Surgery - Endocrinology	103	0.3%	57,272	1.52299	0.054	-3.2%	1.47057	-3.4%	-17.5%	1.25647	-	-	-	1.25647	-17.5%	43,943	-23.3%

American Physician Assurance Corporation
Illinois Professional Liability
Specialty Rate Indication
Evaluated as of 9/30/2007

Exhibit 8a - 3

Proposed Change in Base Rate (420)	-7.0%

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
											Relativity to 420						
Specialty Description	Spec. Code	Inforce Count %	3/1/2007 Territory 1 1M/4M Rate	Current Relativity to 420	Specialty Credibility	Indicated Specialty Rate Change	Indicated Relativity to 420	Indicated Change in Relativity	Selected Change in SpecGroup Relativity	SpecGroup Indicated Relativity to 420	7/1/2006 ISMIE	1/1/2007 ProNatl	1/1/2007 Med Pro	Proposed Relativity to 420	Proposed Change in Relativity	Proposed Rate	Overall Change
Surgery - Broncho-esophagology	101	0.0%	65,605	1.74458	-	-0.7%	1.72712	-1.0%	-17.5%	1.43928	-	-	-	1.43928	-17.5%	50,336	-23.3%
Surgery - Dermatology	472	0.0%	66,433	1.76660	0.048	-3.9%	1.69260	-4.2%	-17.5%	1.45745	-	1.772	-	1.45745	-17.5%	50,971	-23.3%
Surgery - Family/General Practice	117	0.3%	73,077	1.94328	0.043	-3.2%	1.87539	-3.5%	-17.5%	1.60321	2.059	1.965	2.350	1.84612	-5.0%	64,564	-11.6%
Surgery - Hand	169	0.1%	83,952	2.23247	0.034	-2.0%	2.18201	-2.3%	-17.5%	1.84179	2.059	2.930	2.575	1.84179	-17.5%	64,413	-23.3%
Surgery - Colon and Rectal	115	0.0%	86,478	2.29964	-	-0.7%	2.27662	-1.0%	-17.5%	1.89720	1.836	1.772	2.350	1.89720	-17.5%	66,351	-23.3%
Surgery - Head and Neck	170	0.0%	103,442	2.75075	0.004	0.5%	2.75686	0.2%	-17.5%	2.26937	2.059	-	2.575	2.26937	-17.5%	79,367	-23.3%
Surgery - Neurology	152	0.1%	256,404	6.81835	0.161	14.3%	7.77014	14.0%	2.5%	6.98881	7.076	6.308	6.868	6.98881	2.5%	244,420	-4.7%
Surgery - Orthopedic - without procedures on the back	164	1.9%	124,471	3.30996	0.401	3.4%	3.41361	3.1%	0.0%	3.30996	3.509	2.930	2.801	3.30996	0.0%	115,759	-7.0%
Surgery - Orthopedic	154	0.2%	168,919	4.49193	0.328	-6.1%	4.20622	-6.4%	0.0%	4.49193	4.593	3.895	3.705	4.49193	0.0%	157,096	-7.0%
Surgery - Otorhinolaryngology	155	0.0%	96,417	2.56394	0.048	0.5%	2.56940	0.2%	0.0%	2.56394	3.174	2.930	2.124	2.56394	0.0%	89,669	-7.0%
Surgery - Plastic - not otherwise classified	156	1.0%	101,818	2.70757	0.332	-11.6%	2.38558	-11.9%	0.0%	2.70757	3.174	2.930	3.163	2.70757	0.0%	94,692	-7.0%
Surgery - Urological	145	1.6%	66,185	1.76001	0.238	-1.7%	1.72536	-2.0%	-2.5%	1.71601	1.669	1.483	2.124	1.71601	-2.5%	60,014	-9.3%
Total / Average		**100.0%**	**49,368**	**1.31282**			**1.28957**	**-1.8%**	**-4.2%**	**1.25720**				**1.26103**	**-3.9%**	**44,102**	**-10.7%**

Change by Component

(1)	Base Rate Change	-7.0%
(2)	Change in Relativity	-3.9%
	Change in Specialty	-10.7%
	Change in Territory	0.2%
	Overall Change	-10.5%

NOTE:

(3) Inforce Exposure Distribution
(4) Current Rates Effective 3/1/2007
(5) Current Specialty Relativity to Spec. 420-Fam/Gen Pract.-No Surg.
(6) Credibility, Z = P/(P+K); where K = $20 M
(7) Indicated Spec Rate Change; if no experience, 420 indicated change is used
(8) = (5) x {1.0 +(7)} / {(1.0 + (7); Fam/Gen 420}
(9) = (8) / (5) - 1.0
(10) Actuarial Judgment
(11) = (5) x {1.0 + (10)}
(12) ISMIE Relativities based on APA distribution
(13) ProNatl Relativities based on APA distribution
(14) Med Pro Relativities based on APA distribution
(15) Actuarial Judgment
(16) = (15) / (5) - 1.0
(17) = (15) * Proposed Fam/Gen 420 Rate
(18) = (17) / (4) - 1.0

American Physician Assurance Corporation
Illinois Professional Liability
Claims Made, Mature, Territory 1 Specialty Rates
Evaluated as of 9/30/2007

Code	Specialty Definition	InForce Cnt (%)	Current Rates 3/1/2007	Current Rates 3/1/2008	Percent Change
151	Anesthesiology	7.1%	47,006	41,530	-11.6%
196	Anesthesiology - Pain Management	2.4%	47,006	41,530	-11.6%
141	Surgery - Cardiac	0.0%	158,071	154,358	-2.3%
146	Surgery - Vascular	0.1%	150,238	146,709	-2.3%
150	Surgery - Cardiovascular Disease	0.0%	144,461	141,068	-2.3%
255	Cardiovascular Disease - No Surgery	1.4%	30,786	28,631	-7.0%
281	Cardiovascular Disease - Minor Surgery	3.9%	64,149	59,659	-7.0%
256	Dermatology - No Surgery	1.8%	21,809	20,790	-4.7%
282	Dermatology - Minor Surgery	0.6%	39,336	37,497	-4.7%
472	Surgery - Dermatology	0.0%	66,433	50,971	-23.3%
102	Emergency Medicine - No Major Surgery	0.0%	106,801	99,326	-7.0%
157	Surgery - Emergency Medicine	0.0%	121,466	110,140	-9.3%
424	Urgent Care Medicine	0.0%	37,605	34,973	-7.0%
103	Surgery - Endocrinology	0.3%	57,272	43,943	-23.3%
238	Endocrinology - No Surgery	0.4%	27,610	25,678	-7.0%
272	Endocrinology - Minor Surgery	0.0%	40,801	37,945	-7.0%
106	Surgery - Laryngology	0.2%	61,569	59,041	-4.1%
158	Surgery - Otology	0.1%	69,371	59,041	-14.9%
159	Surgery - Otorhinolaryngology	0.5%	63,484	59,041	-7.0%
160	Surgery - Rhinology	0.0%	69,371	59,041	-14.9%
247	Rhinology - No Surgery	0.0%	32,176	19,294	-40.0%
258	Laryngology - No Surgery	0.0%	32,176	19,294	-40.0%
264	Otology - No Surgery	0.0%	33,785	19,294	-42.9%
265	Otorhinolaryngology - No Surgery	0.1%	20,746	19,294	-7.0%
270	Rhinology - Minor Surgery	0.0%	47,551	43,145	-9.3%
285	Laryngology - Minor Surgery	0.0%	47,551	43,145	-9.3%
290	Otology - Minor Surgery	0.0%	47,551	43,145	-9.3%
291	Otorhinolaryngology - Minor Surgery	0.0%	43,156	43,145	0.0%
117	Surgery - Family/General Practice	0.3%	73,077	64,564	-11.6%
421	Family/General Practitioners - Minor Surgery	0.2%	50,206	46,692	-7.0%
521	Family/General Practitioners - Minor Surgery - 0 to 24 deliveries	0.3%	51,002	47,432	-7.0%
420	Family/General Practitioners - No Surgery	15.4%	37,605	34,973	-7.0%
104	Surgery - Gastroenterology	0.0%	67,681	61,371	-9.3%
241	Gastroenterology - No Surgery	0.2%	46,458	43,206	-7.0%
274	Gastroenterology - Minor Surgery	1.7%	49,543	46,076	-7.0%
105	Surgery - Geriatrics	0.0%	71,358	64,705	-9.3%
243	Geriatrics - No Surgery	0.0%	31,829	27,381	-14.0%
276	Geriatrics - Minor Surgery	0.0%	47,037	40,464	-14.0%
245	Hematology - No Surgery	0.2%	37,605	34,973	-7.0%
278	Hematology - Minor Surgery	0.0%	53,336	49,603	-7.0%
246	Infectious Diseases - No Surgery	0.2%	54,527	50,711	-7.0%
279	Infectious Diseases - Minor Surgery	0.0%	85,948	79,933	-7.0%
257	Internal Medicine - No Surgery	8.0%	50,464	41,066	-18.6%
284	Internal Medicine - Minor Surgery	0.1%	65,700	53,464	-18.6%
144	Surgery - Thoracic	0.1%	142,488	129,202	-9.3%
169	Surgery - Hand	0.1%	83,952	64,413	-23.3%
170	Surgery - Head and Neck	0.0%	103,442	79,367	-23.3%
171	Surgery - Traumatic	0.0%	134,472	128,187	-4.7%

American Physician Assurance Corporation
Illinois Professional Liability
Claims Made, Mature, Territory 1 Specialty Rates
Evaluated as of 9/30/2007

Code	Specialty Definition	InForce Cnt (%)	Current Rates 3/1/2007	Current Rates 3/1/2008	Percent Change
229	Addictionology	0.3%	18,707	18,703	0.0%
230	Aerospace Medicine	0.0%	26,722	24,231	-9.3%
231	General Preventive Medicine - No Surgery	0.3%	17,571	15,933	-9.3%
232	Hypnosis	0.0%	16,566	16,562	0.0%
233	Occupational Medicine	0.8%	22,268	20,192	-9.3%
234	Pharmacology	0.0%	26,722	24,231	-9.3%
235	Physiatry or Physical Medicine and Rehabilitation	2.3%	19,244	17,450	-9.3%
236	Public Health	0.0%	18,707	16,963	-9.3%
237	Diabetes - No Surgery	0.0%	28,974	26,946	-7.0%
240	Forensic or Legal Medicine	0.0%	18,707	16,963	-9.3%
248	Nutrition	0.1%	16,566	15,022	-9.3%
252	Rheumatology - No Surgery	0.3%	28,211	26,236	-7.0%
254	Allergy	0.9%	19,133	17,349	-9.3%
262	Nuclear Medicine	0.3%	28,211	25,581	-9.3%
271	Diabetes - Minor Surgery	0.0%	42,818	39,821	-7.0%
283	Intensive Care Medicine	0.1%	41,690	38,772	-7.0%
801	Manipulative Medicine	0.3%	19,244	17,450	-9.3%
101	Surgery - Broncho-esophagology	0.0%	65,605	50,336	-23.3%
115	Surgery - Colon and Rectal	0.0%	86,478	66,351	-23.3%
143	Surgery - General - Not Otherwise Classified	2.1%	101,534	92,067	-9.3%
166	Surgery - Abdominal	0.0%	109,343	99,148	-9.3%
471	Neonatology - No Surgery	0.3%	72,361	60,567	-16.3%
474	Surgery - Neonatology or Pediatrics	0.0%	117,463	106,511	-9.3%
476	Neonatology - Minor Surgery	0.0%	90,453	75,710	-16.3%
108	Surgery - Nephrology	0.0%	65,500	59,393	-9.3%
260	Nephrology - No Surgery	0.6%	33,845	31,476	-7.0%
287	Nephrology - Minor Surgery	0.0%	50,016	46,515	-7.0%
152	Surgery - Neurology	0.1%	256,404	244,420	-4.7%
261	Neurology - No Surgery	2.2%	45,273	42,104	-7.0%
288	Neurology - Minor Surgery	0.0%	53,751	49,989	-7.0%
153	Surgery - Obstetrics - Gynecology	0.0%	157,770	128,387	-18.6%
167	Surgery - Gynecology	0.6%	87,768	71,422	-18.6%
168	Surgery - Obstetrics	0.0%	157,770	128,387	-18.6%
244	Gynecology - No Surgery	0.1%	27,201	26,562	-2.3%
277	Gynecology - Minor Surgery	0.3%	43,614	42,589	-2.4%
560	Surgery - Obstetrics - Gynecology - 0 to 49 deliveries	1.2%	126,223	102,715	-18.6%
561	- 50 to 69 deliveries	1.2%	130,160	105,919	-18.6%
562	- 70 to 89 deliveries	1.1%	134,103	109,127	-18.6%
563	- 90 to 109 deliveries	1.6%	141,993	115,548	-18.6%
564	- 110 to 129 deliveries	0.8%	149,885	121,970	-18.6%
565	- 130 to 149 deliveries	0.2%	157,770	128,387	-18.6%
566	- 150 to 169 deliveries	0.1%	173,547	141,226	-18.6%
567	- 170 to 189 deliveries	0.0%	189,325	154,065	-18.6%
568	- 190 to 209 deliveries	0.0%	205,100	166,902	-18.6%
569	- 210 to 229 deliveries	0.0%	220,880	179,743	-18.6%
570	- 230 to 249 deliveries	0.0%	236,654	192,579	-18.6%
571	- 250 to 269 deliveries	0.0%	252,431	205,418	-18.6%
572	- 270 to 289 deliveries	0.0%	268,211	218,259	-18.6%

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Code	Specialty Definition	InForce Cnt (%)	Current Rates 3/1/2007	Current Rates 3/1/2008	Percent Change
573	- 290 or more deliveries	0.0%	283,985	231,095	-18.6%
107	Surgery - Neoplastic	0.0%	61,666	55,916	-9.3%
259	Neoplastic Diseases - No Surgery	0.0%	38,196	35,523	-7.0%
286	Oncology - Minor Surgery	0.0%	47,037	43,745	-7.0%
473	Oncology - No Surgery	1.3%	38,196	35,523	-7.0%
114	Surgery - Ophthalmology	0.7%	54,663	45,753	-16.3%
263	Ophthalmology - No Surgery	0.0%	28,390	23,763	-16.3%
289	Ophthalmology - Minor Surgery	0.1%	30,852	25,823	-16.3%
154	Surgery - orthopedic	0.2%	168,919	157,096	-7.0%
164	Surgery - orthopedic—without procedures on the back	1.9%	124,471	115,759	-7.0%
266	Pathology - No Surgery	5.7%	28,956	27,602	-4.7%
292	Pathology - Minor Surgery	0.0%	50,616	48,250	-4.7%
267	Pediatrics - No Surgery	5.4%	33,092	27,698	-16.3%
293	Pediatrics - Minor Surgery	0.0%	49,257	41,229	-16.3%
268	Physicians - not otherwise classified - no surgery	0.3%	30,149	28,039	-7.0%
294	Physicians - not otherwise classified - minor surgery	0.0%	47,037	43,745	-7.0%
431	Physicians - No Major Surgery - shock therapy	0.0%	51,260	47,672	-7.0%
437	Physicians - No Major Surgery - acupuncture	0.0%	47,037	43,745	-7.0%
802	Physicinas - No Major Sugery - Sclerotherapy	0.0%	51,260	47,672	-7.0%
155	Surgery - Plastic - Otorhinolaryngology	0.0%	96,417	89,669	-7.0%
156	Surgery - Plastic - Not Otherwise Classified	1.0%	101,818	94,692	-7.0%
804	Surgery - Ophthalmology - Plastic	0.0%	71,524	59,866	-16.3%
249	Psychiatry	11.4%	19,582	19,577	0.0%
250	Psychoanalysis	0.0%	18,300	18,296	0.0%
251	Psychosomatic Medicine	0.0%	14,774	14,770	0.0%
269	Pulmonary Diseases - No Surgery	3.5%	36,224	36,216	0.0%
298	Pulmonary Diseases - Minor Surgery	0.1%	61,768	61,753	0.0%
253	Radiology - diagnostic - No Surgery	1.5%	47,717	43,268	-9.3%
280	Radiology - diagnostic - Minor Surgery	2.1%	72,607	65,837	-9.3%
425	Radiology - Theraputic	0.0%	53,939	48,910	-9.3%
145	Surgery - Urological	1.6%	66,185	60,014	-9.3%
	Total / Average	**100.0%**	**49,368**	**44,102**	**-10.7%**

Overall Base Rate and Specialty Change	-10.7%	**(1)**
Family/General Practitioners - No Surgery	-7.0%	**(2)**
Specialty Change	-3.9%	**(3)**

American Physician Assurance Corporation

Illinois Professional Liability

Territory/County Rate Indication

Evaluated as of 9/30/2007

Exhibit 9

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Current Territory	**Prop Territory**	**Inforce Count %**	**Indicated Raw Territory Rt. Change**	**Current Relativity to Terr 1**	**Indicated Raw Relativity to Terr 1**	**ISMIE Relativity to Terr 1**	**APA Raw Indication Credibility**	**APA NO Change Credibility**	**APA Indicated Change Credibility**	**ISMIE Credibility**	**Z-Wgtd Relativity to Terr 1**	**Proposed Relativity to Terr 1**	**Proposed Change in Relativity**
1	1	52.3%	-6.7%	1.000	1.000	1.000	0.910	-	0.910	0.090	1.00000	1.00000	0.0%
2	2	11.1%	-25.1%	0.870	0.698	0.987	0.579	-	0.579	0.421	0.81988	0.89000	2.3%
3	3	24.0%	-6.0%	0.800	0.806	0.820	0.778	-	0.778	0.222	0.80934	0.80000	0.0%
5	5	2.0%	-10.0%	0.720	0.695	0.739	0.343	-	0.343	0.657	0.72358	0.72000	0.0%
4	4	3.0%	-66.3%	0.630	0.228	0.711	0.315	-	0.315	0.685	0.55852	0.63000	0.0%
6	6	7.1%	15.5%	0.540	0.669	0.530	0.626	-	0.626	0.374	0.61675	0.53000	-1.9%
7	7	0.5%	-38.8%	0.480	0.315	0.479	0.050	0.200	0.050	0.750	0.47098	0.47000	-2.1%
Total/Ave.		**100.0%**		**0.88542**	**0.86382**	**0.90515**	**0.78765**				**0.88550**	**0.88686**	**0.2%**

NOTE:

(1) Current Territory

(2) Proposed Territory

(3) Inforce Exposure Distribution

(4) Indicated Rate Change - Raw (without credibility)

(5) Current Territorial Relativity

(6) Indicated Raw Relativity, (5) x {1.0 +(4)} / {(1.0 + (4); Territory 1}

(7) ISMIE Relativities based on APA distribution

(8) Raw Credibility = Prem / (Prem + K); where K = $20 M

(9) 3-way credibility - No Change Credibility = 1.0 - (10) - (11)

(10) 3-way credibility - APA Crediblity = (8)

(11) 3-way credibility - ISMIE = Min(1.0 - (8), 0.75)

(12) = (5)*(9) + (6)*(10) + (7)*(11)

(13) Actuarial Judgment

(14) = (13) / (5) - 1.0

American Physician Assurance Corporation

Illinois Professional Liability

Development of Current Rate Level Factors and On-Level Earned Premium

Exhibit 10

Rate Change History				On-Level Factors						
Date	Rate Change	Cumulative Rate Level Factor	Calendar Year	Rate History	Extension of Exposure	SELECT	Earned Premium Limited to $1M	Adjustment to Manual Rate	Estimated On-Level Earned Premium [(3)x(4)/(5)]	Estimated On-Level Current Discount Earned Premium [(6) x 0.778]
				(1)	(2)	(3)	(4)	(5)	(6)	(7)
5/24/1995	Base	1.000								
10/1/1997	-8.8%	1.096								
10/1/1999	5.0%	1.044	1999	3.056	3.024	3.024	12,040	0.906	40,196	31,273
10/1/2000	4.6%	0.998	2000	2.952	2.977	2.977	14,488	0.887	48,647	37,847
10/1/2001	12.5%	0.887	2001	2.814	2.727	2.727	18,260	0.888	56,103	43,648
4/1/2002	15.0%	0.772	2002	2.461	2.251	2.251	28,387	0.901	70,914	55,171
10/1/2002	24.1%	0.622	2003	1.752	1.585	1.585	42,344	0.932	72,044	56,050
4/1/2003	30.0%	0.478	2004	1.236	1.176	1.176	51,509	0.922	65,695	51,111
4/1/2004	42.5%	0.336	2005	0.929	0.919	0.919	51,652	0.893	53,172	41,368
4/1/2005	9.0%	0.308	2006	0.863	0.867	0.867	46,641	0.850	47,574	37,012
3/1/2007	-14.0%	0.358								

Note:

(1) Based on parallelogram method and rate history
(2) Based on extension of exposure method
(3) Actuarial Judgment
(4) Policy earned premium limited to $1,000,000, exclude tail policies
(5) Factor to adjust for average credits
(6) [(3)x(4)/(5)]
(7) Assumes a 0.825 prospective credit factor for policies to be written 3/1/08 to 2/28/09