XL INSURANCE

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

505 Eagleview Boulevard
Suite 100
Exton, PA 19341-0636
USA
Phone 800-327-1414
Fax 610-458-8667
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FILED
MAY 2 4 2010
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

November 4, 2009

ILLINOIS DEPARTMENT OF INSURANCE
PROPERTY AND CASUALTY COMPLIANCE UNIT
320 W WASHINGTON ST
SPRINGFIELD IL 62767-0001

**RE: Greenwich Insurance Company NAIC: #1285-22322/ FEIN: # 95-1479095**
RATE/RULE **Dentists Professional Liability- New Program filing**
Proposed Effective Date: **December 15, 2009**
Our Filing Number: **09GD-XL-EO03-MU-IL-R**

Dear Sir or Madam:

Greenwich Insurance Company is submitting a new Dentists Professional Liability program. The rates and rules included in this submission are new and do not replace any previously filed rates or rules.

The rates and rating rules are based on competitors' rate filings including National Union, Fireman's Fund, Liberty Mutual and Medical Protective.

The corresponding form filing has been submitted under file number 09GD-XL-EO03-MU-IL (via SERFF, tracking number XLAM-126346671.

We propose an effective date of December 15, 2009.

Trusting you find all in order, please stamp the duplicate copy of this letter, indicating your acknowledgement or approval as required. Should you have any questions, or require additional information, please contact me as outlined below.

Respectfully Submitted,

Patricia Pollard

Patricia Pollard
State Filings Supervisor
P: 610.968.2745
Patricia.Pollard@xlgroup.com

10
MEM
RATE

JCR

January 15th, 2010

Re: Greenwich Insurance Company ("GIC")
Dentists Professional Liability
Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

To whom it may concern:

I have reviewed the above captioned filing and believe the filed rates are consistent with actuarial principles. They are based on the expected future value of all risk transfer costs, including claims, claims settlement expenses, operating expenses and cost of capital. Because this is a new program, there is no data of our own to review; however, I have compared our rates to competitors and, based on that analysis, find them to be neither excessive, nor inadequate, nor unfairly discriminatory.

If you have any questions or require anything further, please feel free to contact me.

Regards,

Tighe C. Crovetti, ACAS, MAAA
AVP, Associate Actuary
XL Insurance America, Inc.
505 Eagleview Blvd
Exton, PA 19341, USA
Phone: 610/968.9459
Email: tighe.crovetti@xlgroup.com
http://www.xlinsurance.com

I, Boyd Adams, an officer of Greenwich Insurance Company, hereby certify that the rates proposed in our filing, are based on sound actuarial principles and are not excessive, nor inadequate, nor unfairly discriminatory.

Boyd Adams

Digitally signed by Boyd Adams
DN: cn=Boyd Adams, o, ou,
email=Boyd.Adams@xlgroup.com, c=US
Date: 2010.01.25 09:27:24 -05'00'

Boyd Adams
Assistant Vice President, State Filings Manager
Greenwich Insurance Company

January 22, 2010

## Neuman, Gayle

**From:** Neuman, Gayle
**Sent:** Tuesday, May 18, 2010 1:20 PM
**To:** 'Pollard Patricia'
**Subject:** RE: Dentists - Filing #09GD-XL-EO03-MU-IL-R

I will mark the filing as "filed" as of May 24, 2010. A stamped copy will be mailed back to you

*Gayle Neuman*
Illinois Department of Insurance
(217)524-6497

---

**From:** Pollard Patricia [mailto:Patricia.Pollard@xlgroup.com]
**Sent:** Tuesday, May 18, 2010 1:18 PM
**To:** Neuman, Gayle
**Subject:** RE: Dentists - Filing #09GD-XL-EO03-MU-IL-R

Good Afternoon,

We did not implement the filing on December 15, 2009. We would like to propose an effective date of May 24, 2010.

Thank you.

Patricia Pollard
610.968.2745

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Tuesday, May 18, 2010 2:16 PM
**To:** Pollard Patricia
**Subject:** Dentists - Filing #09GD-XL-EO03-MU-IL-R

Ms. Pollard,

The Department of Insurance has now completed its review of the filing referenced above. Originally, Greenwich Insurance Company requested the filing be effective December 15, 2009. Was the filing put in effect on December 15, 2009 or do you wish to have a different effective date?

Your prompt response is appreciated.

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

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

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## Neuman, Gayle

**From:** Pollard Patricia [Patricia.Pollard@xlgroup.com]
**Sent:** Wednesday, May 12, 2010 2:06 PM
**To:** Neuman, Gayle
**Subject:** RE: Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R
**Attachments:** Illinois -dental rate GIC rev May 2010.xls

Ms. Neuman,

In response to the corresponding form objection on this filing. We have revised our rating plan. Attaching is a revised rating page that adds sections "20a" and "20b" for the Basic ERP and Supplemental ERP, respectively. We show the premium for the Basic simply as "included" and the charge for the Supplemental as "200% of the expiring annual premises premium".

Please let us know if you need any additional information.

Patricia Pollard
610.968.2745

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Friday, January 29, 2010 10:26 AM
**To:** Pollard Patricia
**Subject:** RE: Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

Ms. Pollard,

I have one last question about your response. I am not finding in my records where this rule manual was previously filed with this Department. I don't even show where Greenwich has previously submitted any other medical malpractice filings. Please advise when this material was originally submitted. Your prompt attention is appreciated.

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

---

**From:** Pollard Patricia [mailto:Patricia.Pollard@xlgroup.com]
**Sent:** Friday, January 29, 2010 7:25 AM
**To:** Neuman, Gayle
**Subject:** RE: Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

Attached please find our response. Please let us know if you need any additional information.

Patricia Pollard
610.968.2745

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as peer review, office of professionaldiscipline or dental board complaints; frequencyor lack of claims for return of fees

Maximum Debit/ Credit=25%

**15. ADDITIONAL INSUREDS PREMIUM CHARGE FACTOR** — **Factor**

10% Premium Charge — 1.10

**16. BOARD EXAMINATION AND INTERVIEW COVERAGE PREMIUM CHARGE**

Premium Charge — $40

**17. MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE**

Premium Charge — $50

**18. DISABILITY OR LEAVE OF ABSENCE** — **Factor**

75% Premium Discount — 0.25

**19. ASSOCIATION AND MEMBERSHIP CREDIT**

| Association | Credit |
|---|---|
| American Dental Association | 5% |
| AGD | |
| Membership | 10% |
| Fellowship | 15% |
| Mastership | 20% |

**20. PREMISES LIABILITY**

Premium charge for each bcation — $100,000 per occurrence/ $300,000 aggregate

| **Territory** | | **Premium** |
|---|---|---|
| Terr- 1 | Cook County | $149 |
| Terr - 2 | DuPage, Lake and Kane Counties | $82 |
| Terr- 3 | Remainder of State | $75 |

**21. DEDUCTIBLE OPTIONS** — **Factor**

| Deductible | |
|---|---|
| $0 | 1.00 |
| $1,000 | 0.95 |
| $2,500 | 0.90 |
| $5,000 | 0.81 |
| $10,000 | 0.70 |

**22. GROUP PRACTICES OVER 20 DENTISTS TO BE RATED BY THE COMPANY**

## Neuman, Gayle

**From:** Pollard Patricia [Patricia.Pollard@xlgroup.com]
**Sent:** Friday, January 29, 2010 9:29 AM
**To:** Neuman, Gayle
**Subject:** RE: Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R
**Attachments:** Countrywide Rules GIC Sept 09.doc

The rule manual was submitted with this filing. This is our initial program filing. I am attaching it to this email. We have revised our manual to make it Illinois specific.

Pleas let me know if you need any other information.

Patricia Pollard
610.968.2745

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**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Friday, January 29, 2010 10:26 AM
**To:** Pollard Patricia
**Subject:** RE: Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

Ms. Pollard,

I have one last question about your response. I am not finding in my records where this rule manual was previously filed with this Department. I don't even show where Greenwich has previously submitted any other medical malpractice filings. Please advise when this material was originally submitted. Your prompt attention is appreciated.

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

---

**From:** Pollard Patricia [mailto:Patricia.Pollard@xlgroup.com]
**Sent:** Friday, January 29, 2010 7:25 AM
**To:** Neuman, Gayle
**Subject:** RE: Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

Attached please find our response. Please let us know if you need any additional information.

Patricia Pollard
610.968.2745

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## Neuman, Gayle

**From:** Pollard Patricia [Patricia.Pollard@xlgroup.com]
**Sent:** Friday, January 29, 2010 7:25 AM
**To:** Neuman, Gayle
**Subject:** RE: Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R
**Attachments:** IL response Memo 3.doc; IL Rules GIC Jan 29 2010.doc; Illinois -dental rate GIC rev Jan 29 2010.xls

Attached please find our response. Please let us know if you need any additional information.

Patricia Pollard
610.968.2745

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Tuesday, January 26, 2010 11:19 AM
**To:** Pollard Patricia
**Subject:** RE: Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

Ms. Pollard,

I am in receipt of your January 22, 2010 response. Please address the following:

1. Please advise the date and filing number used to submit the countrywide pages.

2. In regard to the required quarterly premium payment plan, this information needs to be added to the rate/rule manual pages. I am unsure what the "form" is that you have referred to.

3. In regard to the risk management education discount, we require a written statement certifying that the insurance company does not unfairly discriminate in offering or administering this program. This could be compared to an insured who receives a discount for installing an alarm that is never activated.

4. An Extended Reporting Period is only required when the policy is cancelled/terminated/nonrenewed. If an insured simply increases a deductible, this is not considered to be a "termination of coverage" requiring the company to offer an extended reporting period. Please explain the definition of "termination of coverage".

5. Please explain "NSDP sponsored program".

I request receipt of your response by January 28, 2010.

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

---

**From:** Pollard Patricia [mailto:Patricia.Pollard@xlgroup.com]
**Sent:** Monday, January 25, 2010 8:29 AM
**To:** Neuman, Gayle
**Subject:** RE: Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

Good Morning,

Attached please find our response. We are still awaiting final sign -off of the required form revision and will forward it as soon as it is received.

Patricia Pollard
610.968.2745

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January 28, 2010

Re: Greenwich Insurance Company
Dentists Professional Liability
Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

The following is a response the correspondence dated January 26, 2010 in regards to the above mentioned filing.

1. Attached is a copy of the rating rules with further modifications in accordance with other objection responses. This copy should replace, in its entirety, any previously submitted versions. Note: the file is renamed, removing "countrywide" from the title, as these rules are not, in fact, countrywide any longer, they are specific to Illinois. I apologize if this has caused confusion.
2. The language for the quarterly installment plan has been added to the rules pages and is also referenced in the rating page.
3. Your point is well taken that an insured could complete a risk management course yet not implement any meaningful procedures or controls to effect an improvement in their risk profile. However, we do find it important to encourage insureds to educate themselves in assessing risk and controlling losses. At this time, we request to be allowed to leave this component in our rating plan but with a filed factor of 1.00 while we continue to contemplate how this characteristic could be verified/assessed more accurately.
4. Please see our revised rating rules.
5. The "NSDP sponsored program" referenced in part 15 of the rules pages refers to an insurance program sponsored by the National Society of Dental Practitioners.

# GREENWICH INSURANCE COMPANY
# DENTAL PROFESSIONAL LIABILITY
# RATE PLAN
# ILLINOIS

**5. MINIMUM PREMIUMS**

| A. Limit of Liability | Minimum |
|---|---|
| $100,000/ $300,000 | $425 |
| $200,000/ $600,000 | $485 |
| $500,000/ $1,500,000 | $565 |
| $1,000,000/ $3,000,000 | $663 |
| $2,000,000/ $4,000,000 | $697 |
| $3,000,000/ $3,000,000 | $802 |
| $5,000,000/ $5,000,000 | $1,000 |

**6. EXTENDED REPORTING PERIOD FACTORS**

| A. Number of Years of Prior Acts | Factor to be Multiplied by the Mature Claims Made Premium |
|---|---|
| Year | |
| 1 | 0.80 |
| 2 | 1.20 |
| 3 | 1.45 |
| 4 | 1.60 |
| 5 + | 1.80 |

**7. NEW DENTIST DISCOUNT FACTORS**

| A. Years in Practice | Factor |
|---|---|
| First Year | 0.50 |
| Second or Third Year | 0.75 |

**8. PART TIME DENTIST DISCOUNT FACTOR**

| A. Number of Hours in Practice | Factor |
|---|---|
| 20 hours or less per week | 0.50 |
| 21 hours or more per week | 1.00 |

**9. FACULTY DISCOUNT FACTORS**

| A. Appointment Status | Factor |
|---|---|
| Full-Time | 0.70 |
| Half-Time | 0.80 |
| Part-Time | 0.90 |
| Zero-Time | 1.00 |

**10. WAIVER OF CONSENT DISCOUNT FACTOR** 0.90

**11. RISK MANAGEMENT EDUCATION FACTOR** 0.90

WITHDRAWN

JAN 29 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

WITHDRAWN

JAN 29 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS



Within thirty (30) days after the termination of coverage, as defined below, the Company will advise the Named Insured in writing of the automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage.

The Named Insured shall have the greater of sixty (60) days from the effective date of termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, to submit to the Company written acceptance of the Extended Reporting Period coverage.

Termination of Coverage, whether made by the Company or the Named Insured at any time, means either (1) cancellation or nonrenewal of a policy, or (2) decrease in limits, reduction of coverage, increased deductible or self-insured retention, new exclusion or any other change in coverage less favorable to the Insured.

**13. EXTENDED REPORTING PERIOD COVERAGE (CLAIMS MADE COVERAGE ONLY)**

The availability of Extended Reporting Period coverage shall be governed by the following rules, subject to underwriting approval.

**A.** The available limits of liability shall not exceed those afforded under the current policy.

**B.** In the event of termination of coverage, as defined above, the Insured may purchase this coverage by giving the Company written notice, within sixty (60) days of such termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, of its intent to purchase, and by paying the appropriate premium.

**C.** Extended Reporting Period premiums shall be calculated upon the rates and premiums in effect during the policy period immediately preceding the election to purchase such coverage.

**D.** The Extended Reporting Period coverage shall not increase or reinstate the limits of liability of the terminated policy.

**E.** There will be no charge for Extended Reporting Period coverage if the Insured:

1. Dies, or
2. Totally and permanently:
   a. Becomes disabled; or
   b. Retires after age 55 and has been insured for 5 consecutive years with the company

**F.** The Extended Reporting Period shall be Unlimited.

**COVERAGE RULES**

**14. NEW DENTIST DISCOUNT**

A discount will be applied to premium for New Dentists in year 1 through 3 of practice that meet the following criteria (see rate sheet):

Year 1 - The dentist has completed his or her training in dentistry within the previous six months of applying for coverage, and his or her only contact with patients was in the course of training; or

Years 2 or 3 - The dentist who applies for coverage in his or her second or third year of post graduate practice.

**15. PART TIME DENTIST**

## Neuman, Gayle

**From:** Pollard Patricia [Patricia.Pollard@xlgroup.com]
**Sent:** Monday, January 25, 2010 8:29 AM
**To:** Neuman, Gayle
**Subject:** RE: Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R
**Attachments:** IL response Memo 2.doc; IL Rules GIC Jan2010.doc; Certification.pdf

Good Morning,

Attached please find our response. We are still awaiting final sign -off of the required form revision and will forward it as soon as it is received.

Patricia Pollard
610.968.2745

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Tuesday, January 19, 2010 10:57 AM
**To:** Pollard Patricia
**Subject:** Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

Ms. Pollard,

I am in receipt of your response sent on January 15, 2010. Please address the following issues:

1. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. This information is required in every rate/rule filing for medical malpractice. Your response only included a certification from an actuary – you still need to provide a certification from a company officer.

2. Please provide the countrywide pages that you referred to in your response to two different issues. Were these countrywide pages previously submitted for filing in Illinois?

3. My previous questions 6 and 7 received no response. Your response is required at this time.

4. The manual should reflect that the ERP factor is applicable to the expiring annual premium.

5. The risk management education discount is not associated with any loss control procedures or safety training/inspections. Please explain what it would consist of.

I request receipt of your response by January 22, 2010.

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

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GAYLE.NEUMAN@ILLINOIS.GOV.

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January 22, 2010

Re: Greenwich Insurance Company ("GIC")
Dentists Professional Liability
Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

The following is a response the correspondence dated January 19, 2010 in regards to the above mentioned filing.

1) Attached, please find our signed company certification.
2) The countrywide rules were originally submitted. However, due to my response to #4 below, I am attached a revised version of the countrywide rules, which should entirely replace any previous copies.
3) From the previous objection

    6. We are awaiting final sign off from our Legal Department and will forward as soon as the form has been received.
    7. The charge shown for this provision is for occurrence coverage. Section 29 of the countrywide rules now contains a clause to emphasize this.

4) I have revised clause 13c in the attached revised C/W rules.
5) The risk management education discount recognizes that an insured who is educated in the concept of loss control/risk management, with our without particular procedures in place, is – to a small degree, reflected in the relatively minor 10% credit – going to control liability and maintain a safer environment than a exactly comparable risk without such education.

## Neuman, Gayle

**From:** Neuman, Gayle
**Sent:** Tuesday, January 19, 2010 9:57 AM
**To:** 'Patricia.Pollard@xlgroup.com'
**Subject:** Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

Ms. Pollard,

I am in receipt of your response sent on January 15, 2010. Please address the following issues:

1. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. This information is required in every rate/rule filing for medical malpractice. Your response only included a certification from an actuary – you still need to provide a certification from a company officer.

2. Please provide the countrywide pages that you referred to in your response to two different issues. Were these countrywide pages previously submitted for filing in Illinois?

3. My previous questions 6 and 7 received no response. Your response is required at this time.

4. The manual should reflect that the ERP factor is applicable to the expiring annual premium.

5. The risk management education discount is not associated with any loss control procedures or safety training/inspections. Please explain what it would consist of.

I request receipt of your response by January 22, 2010.

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

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January 15th, 2010

Re: Greenwich Insurance Company ("GIC")
Dentists Professional Liability
Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

The following is a response the correspondence dated December 7, 2009 in regards to the above mentioned filing.

1) Data for this program will be reported to ISO in full statistical detail on a quarterly basis under the CSP full plan.
2) See attachment
3) The definitions of each class were provided in the countrywide rules section, which will be used in conjunction with the Illinois rating.
4) Rule #4 from our countrywide rules addresses both multi-territory dentists and locum tenens positions.
5) Yes, the percentages shown denote the credit and/or debit available, but not all may be applicable or warranted. For example, a credit of 10% and a debit of 25% denote potential modification in the range of -10% up to +25%.
6) ---
7) ---
8) The ERP factor is applicable to the expiring annual premium. This would be inclusive of the premises exposure, and our highest ERP factor is 1.80.
9) Appointment status describes the extent to which a dentist is appointed as a faculty member at an accredited dental school
10) Risk management education discounts reflects the completion of approved risk management courses, while schedule rating contemplates certain operational procedure and/or controls, safety programs and other characteristics of the risk that are expected to impact loss experience.

## Neuman, Gayle

**From:** Pollard Patricia [Patricia.Pollard@xlgroup.com]
**Sent:** Friday, January 15, 2010 1:20 PM
**To:** Neuman, Gayle
**Subject:** RE: Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R
**Attachments:** IL response Memo.doc

Ms. Neuman,

Attached please find our response. Please let us know if you need any additional information.

Patricia Pollard
610.968.2745

---

**From:** Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
**Sent:** Monday, January 11, 2010 4:21 PM
**To:** Pollard Patricia
**Subject:** FW: Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

Ms. Pollard,

I request your response to the attached e-mail by no later than January 15, 2010.

Gayle Neuman
Department of Insurance

---

**From:** Neuman, Gayle
**Sent:** Monday, December 07, 2009 10:49 AM
**To:** 'Patricia.Pollard@xlgroup.com'
**Subject:** Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

Ms. Pollard,

I am in receipt of the above referenced filing submitted with your letter dated November 4, 2009. The following information/documentation is required for further review of this filing:

1. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?

2. 215 ILCS 5/155.18 states it shall be certified in this filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience. This information is required in every rate/rule filing for medical malpractice.

3. Please define the classes 1 through 5.

4. Please indicate if Greenwich has any regulations for dentists operating in multiple territories and locum tenans.

5. Under the scheduled rating section, is "10%" actually a range of "0 to 10%"?

6. Pursuant to 50 Ill. Adm. Code 929, all companies writing medical liability insurance shall file with the Secretary or Director a plan to offer each medical liability insured the option to make premium payments, in at least quarterly installments. For purposes of this requirement, insurers may, but are not required to, offer such premium

installment plans to insureds whose annual premiums are less than $500, or for premium for any extension of a reporting period. Quarterly installment premium payment plans subject to this Section shall be included in the initial offer of the policy, or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer may, but need not re-offer such payment plan, but if an insured requests such payment plan at a later date, the insurer must make it available. All quarterly installment premium payment plan provisions shall be contained in the filed rate and/or rule manual in a section entitled, "Quarterly Installment Option" or a substantially similar title. If the company uses a substantially similar title, the Rule Submission Letter must indicate the name of the section that complies with this requirement. All quarterly installment premium payment plans shall include the minimum standards listed below. Insurers may provide for quarterly installment premium payment plans that differ from these minimum standards, as long as such plans have terms that are at least as or more favorable than those listed below.

i) An initial payment of no more than 40% of the estimated total premium due at policy inception;

ii) The remaining premium spread equally among the second, third, and fourth installments, with the maximum for such installments set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively;

iii) No interest charges;

iv) Installment charges or fees of no more than 1% of the total premium or $25.00, whichever is less;

v) A provision stating that additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.

7. Is the premises liability premium included in the manual written on a claims-made basis or an occurrence basis? If written on a claims-made basis, as the policy would provide both professional liability and general liability, the policy must provide other requirements. The insured must be allowed 60 days after the end of the policy period to purchase the e.r.p. The insured must be offered (a) a free 5 year tail and (b) an unlimited tail with limits reinstated (100% of aggregate expiring limits for the duration) and premium capped (e.r.p. is limited to a 200% cap of the annual premium of the expiring policy). After the e.r.p. is paid, it may not be cancelled for any reason. This information must be disclosed in the manual.

8. The rate/rule manual must indicate that the extended reporting period (tail coverage) premium is priced as a factor of one of the following: (1) the last twelve months premium; (2) the premium in effect at policy issuance; or (3) the expiring annual premium. Additionally, it should list the factor(s) to be used to figure the premium, which of the three premiums the factor will be applied to, and any credits, discounts, etc. that will be added or removed when determining the final premium. The company must inform the insured of the extended reporting period premium at the time the last policy is purchased. The company may not wait until the insured requests purchase of the extended reporting period coverage to tell the insured what the premium will be or how the premium will be calculated. Additionally, the manual should reference if the tail is for 12 months, unlimited, etc.

9. Please explain 9. A. Appointment Status.

10. Please explain how 11. Risk Management Education Factor varies from the scheduled rating plan factor.

Your prompt attention is appreciated.

Gayle Neuman

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

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

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## Neuman, Gayle

**From:** Pollard Patricia [Patricia.Pollard@xlgroup.com]
**Sent:** Monday, January 11, 2010 3:22 PM
**To:** Neuman, Gayle
**Subject:** Out of Office: Dentists Professional Liability Rate/Rule Filing #09GD-XL-EO03-MU-IL-R

I will be out of the office the afternoon of Thursday, December 31st through Tuesday, January 12th. I will be periodically checking emails. Should you need immediate assistance with a filing, please contact Arshay Brown at 610-968-2760.

Happy New Year!

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Greenwich Insurance Company
Dental Professional Liability
Actuarial Memorandum

Greenwich Insurance Company is presenting a new program for Dental Professional Liability. The rates and rating rules are based on competitors' rate filings including National Union, Fireman's Fund, Liberty Mutual and Medical Protective.

Greenwich Insurance Company
Dentists Professional Liability

**Class Factor Competitive Comparison Table**

**Class Factors**

| Class | Greenwich Selected | Med Prot Florida | Class | NcMic Florida | Natl Union Pennsyl | Liberty Mut Pennsyl | Natl Union Calif | F Fund Florida |
|---|---|---|---|---|---|---|---|---|
| | | | 1 | 1.000 | 1.000 | 1.000 | 1.000 | 1.000 |
| 1 | 1.000 | 1.000 | | | | | | |
| | | | 2 | N/A | 1.250 | N/A | 1.250 | 1.250 |
| 2 | 1.230 | 1.250 | 3 | N/A | 1.500 | 2.000 | 1.500 | 1.500 |
| 3 | 3.329 | 4.000 | | | | | | |
| | | | 4 | 4.500 | 2.770 | 6.000 | 2.770 | 2.000 |
| 4 | 5.660 | 5.750 | | | | | | |
| 5 | 6.119 | 6.500 | 5 | 6.000 | 8.000 | 7.000 | 8.000 | 8.000 |

DNIG Class definitions:

1 General Dentists of specialists in orthodontics, pediatric dentistry, periodontics, prosthodontics and endodontics not performing minor or major surgery
2 Any dentists performing implants involving osseointegration or minor surgical procedures
3 specialist in dental anethesiology, oral pathology or dental radiology
4 specialists in oral and maxillofacial surgery or any dentist not performing major surgical procedures
5 specialist in oral and maxillofacial surgery or any dentist who administers anethesia intended to cause unconsciousness outside of a hospital setting

National Union Definitions

1 Non invasive or minimally invasive procedures and select specialties: Endo, Ortho, Perio, Pedi, Path, and following procedures: diagnostic, preventative, restorative, cosmetic whitening
2 Dental Procedures Level II - 25% or greater practice in specialty areas of prosthodontics, endodontics, surgical periodontics, orthodontics or oral surgery
3 Dental Procedures Level III - extraction of full or partial bony impacted teeth, implants
4 Anesthesia Class conscious sedation administered by dentist
5 Oral and Maxillo surgeons and anesthesiologists with in office general anesthesia, including deep sedation

Greenwich Insurance Company
Dentists Professional Liability

Competitive Comparison

Policy type Factor

| Clm Made | GIC Selected | Fortress Illinois | Liberty Mut Pennsyl | MLMIC New York | Natl Union Calif | Natl Union Pennsyl | NcMic Florida | Med Prot Florida | F Fund florida |
|---|---|---|---|---|---|---|---|---|---|
| Year 1 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Year 2 | 1.82 | 1.81 | 1.86 | 1.92 | 1.69 | 1.69 | 1.88 | 1.94 | 1.86 |
| Year 3 | 2.45 | 2.30 | 2.54 | 2.50 | 2.37 | 2.37 | 2.53 | 2.56 | 2.52 |
| Year 4 | 2.73 | 2.54 | 2.79 | 2.77 | 2.98 | 2.98 | 2.81 | 2.81 | 2.79 |
| Year 5 | 3.03 | 2.71 | 3.10 | 3.00 | 2.98 | 2.98 | 3.13 | 3.12 | 3.10 |
| mature | | | 3.48 | 3.16 | | | | | 3.45 |
| Occurrence | 3.33 | 3.00 | 3.86 | | 3.00 | 2.00 | 3.40 | 3.49 | 3.83 |

Greenwich Insurance Company
Dentists Professional Liability

Competitive Comparison

Increased Limit Factors

| | Greenwich Selected | Fortress Illinois | Liberty Mut Pennsyl | MLMIC New York | Natl Union Calif | Natl Union Pennsyl | NcMic Florida | Med Prot Florida | F Fund florida |
|---|---|---|---|---|---|---|---|---|---|
| 100,000/300,000 | 1.00 | see | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| 200,000/600,000 | 1.14 | below | 1.14 | 1.14 | 1.14 | 1.14 | 1.14 | 1.14 | 1.14 |
| 500,000/1,500,000 | 1.33 | | 1.21 | 1.33 | 1.33 | 1.33 | | | 1.21 |
| 1,000,000/3,000,000 | 1.56 | | 1.28 | 1.56 | 1.56 | 1.56 | 1.56 | 1.30 | 1.28 |
| 2,000,000/4,000,000 | 1.64 | | 1.47 | | 1.64 | 1.64 | 1.72 | 1.40 | 1.47 |
| 3,000,000/3,000,000 | 1.72 | | | | 1.72 | 1.72 | | | |
| 5,000,000/5,000,000 | 1.80 | | 1.73 | | 1.80 | 1.80 | | | 1.73 |

Fortress has no 100/300

| | |
|---|---|
| 200/600 | 1 |
| 500/1M | 1.167 |
| 1M/3M | 1.372 |
| 2M/6M | 1.713 |

Liberty Mutual and Fireman's Fund have separate, much higher ILF's for oral surgeons
Medical Protective has slightly higher ILF's for classes 2B and 3

Greenwich Insurance Company
Dentists Professional Liability

Competitive Comparison

Extended Reporting Period Factors

| Yrs PA | GIC Selected | Med Prot NC | Fortress IL | Lib Mut Pennsyl | Natl Union Calif | Natl Union Pennsyl | NCMIC FL | Med Prot FL | F Fund FL |
|---|---|---|---|---|---|---|---|---|---|
| 1 Year | 0.80 | 0.90 | 0.69 | 0.79 | 0.80 | 0.80 | 0.65 | 0.80 | 0.79 |
| 2 Year | 1.20 | 1.65 | 1.06 | 1.23 | 1.20 | 1.20 | 0.98 | 1.30 | 1.23 |
| 3 Years | 1.45 | 2.20 | 1.22 | 1.45 | 1.45 | 1.45 | 1.06 | 1.55 | 1.45 |
| 4 Years | 1.60 | 2.65 | 1.29 | 1.57 | 1.60 | 1.60 | 1.09 | 1.75 | 1.57 |
| 5 or more | 1.80 | | 1.31 | | 1.80 | 1.80 | | | |

Greenwich Insurance Company
Dentists Professional Liability

Competitive Comparison

New Dentist Discount

| Yrs in Practice | GIC Selected | Cincinatti NC | Fortress IL | Lib Mut Pennsyl | Natl Union CA | Natl Union PA | NcMIC FL | F Fund FL |
|---|---|---|---|---|---|---|---|---|
| First Yr | 0.50 | 0.40 | 0.40 | 0.40 | 0.40 | 0.40 | 0.50 | 0.40 |
| 2nd Yr | 0.75 | 0.60 | 0.60 | 0.60 | 0.60 | 0.60 | 0.70 | 0.60 |
| 3rd Yr | 0.75 | 0.80 | 0.75 | 0.80 | 0.80 | 0.80 | 0.90 | 0.80 |

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Part Time Dentist Discount

| | GIC Selected | Cincinatti NC | Fortress IL | Lib Mut PA | Natl Union CA | Natl Union PA | NCMIC FL | F Fund FL |
|---|---|---|---|---|---|---|---|---|
| <=20 hrs | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 | 0.50 |

---

Faculty Discount Factors

| | GIC Selected | Natl Union CA | Natl Union PA |
|---|---|---|---|
| Full time | 0.70 | 0.70 | 0.70 |
| Half Time | 0.80 | 0.80 | 0.80 |
| Part Time | 0.90 | 0.90 | 0.90 |
| Zero Time | 1.00 | 1.00 | 1.00 |

---

Greenwich Insurance Company
Dentists Professional Liability

Deductible Options offered in Competitors' Filings

| Deduct | GIC Selected | Natl Union CA/PA | Fire Fund Florida | Lib Mut PA |
|---|---|---|---|---|
| 0 | 1.00 | 1.00 | 1.00 | 1.00 |
| 1000 | 0.95 | 0.95 | 0.95 | 0.95 |
| 2500 | 0.90 | 0.90 | 0.90 | 0.90 |
| 5000 | 0.81 | 0.81 | 0.81 | 0.81 |
| 10000 | 0.70 | 0.70 | 0.70 | 0.70 |

Greenwich Insurance Company
Dentists Professional Liability

Competitive Comparison

GIC Claim Experience Factors:

Claims Free Credit Discount Factors

| # Yrs Clms Free | Factor |
|---|---|
| 10+ | 0.90 |
| 9 | 0.91 |
| 8 | 0.92 |
| 7 | 0.93 |
| 6 | 0.94 |
| 5 | 0.95 |
| 4 | 0.96 |
| 3 | 0.97 |
| 2 | 0.98 |
| 1 | 0.99 |

Claims Experience Debit

| Total Incurred | Number of losses 1 | 2 | 3 | 4 |
|---|---|---|---|---|
| $0-3000 | 1.05 | 1.10 | 1.15 | 1.20 |
| $3001 - 10,000 | 1.10 | 1.15 | 1.20 | 1.25 |
| $10,001 - 20,000 | 1.15 | 1.20 | 1.25 | 1.30 |
| $20,001 - 30,000 | 1.20 | 1.25 | 1.30 | 1.35 |
| $30,001 - 40,000 | 1.25 | 1.30 | 1.35 | 1.40 |
| $40,000 + | 1.30 | 1.35 | 1.40 | 1.50 |

these discounts and debits exactly match the National Union Rate filings

NCMIC has a claims free credit ( applies if less than $10000 incurred indemnity) of 5% for 3-4 yrs, 10% for 5-7 yrs and 15% for 8 or more
The claims debit is 50% for 2 claims and 150% for 3 claims for an individual, and 50% for 3 or 4 claims for a partnership/corporate policy

Fireman's Fund has a claims free credit of 10% if no claim of $500 or more in the last 5 years
Fireman's Fund claim debit applies to claims in the last four years that are closed indemnity payments over $3000 or an open reserve over $5000. The debits are 25% for a claim in the first previous year, 20% in 2nd previous, 15% in 3rd previous and 10% in 4th previous year

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

GREENWICH INSURANCE COMPANY
DENTAL PROFESSIONAL AND PREMISES LIABILITY INSURANCE
CLAIMS MADE AND OCCURRENCE RATING RULES

## 1. COVERAGE

A. Professional Liability on an occurrence and claims made basis.
B. Premises Liability coverage for dental offices

## 2. CLASS DESCRIPTION

**Class 1** - General Dentist or Specialists in Orthodontic, Pediatric Dentistry, Periodontics Prosthodontics and Endodontics not performing minor or major surgery.*

**Class 2** - Any Dentist performing implants involving osseointegration or minor surgical procedures.* General dentists or Specialists other than Oral Surgeons or Dental Anesthesiologists allowing (hosting) unconscious sedation outside of a hospital, but only if the sedation is administered by an Oral Surgeon, Dental or Medical Anesthesiologist or CRNA.

**Class 3** - Specialists in Dental Anesthesiology, Oral Pathology or Dental Radiology.

**Class 4** - Specialists in Oral and Maxillofacial Surgery or any Dentist performing major surgical procedures not included in Class 5 (administration of general anesthetic intended to cause unconsciousness must be administered in a hospital).

**Class 5** - Specialist in Oral and Maxillofacial Surgery of any Dentist who administers, personally or by an employed/contracted anesthesiologist, any general anesthetic intended to cause unconsciousness if administrated outside of a hospital setting, excluding "hosting" dentists under Class 2. Any Dentist performing major surgical procedures and procedures not otherwise classified.

*Procedures do not include the administration of a general anesthetic intended to cause unconsciousness unless administrated in a hospital.

## GENERAL RULES

## 3. PREMIUM BASE

Both occurrence and claims made rates apply on a per dentist basis for professional liability.

## 4. POLICY TERM

Policies will be written for a term of one year and renewed annually thereafter, subject to underwriting review.

## 5. FORMS PORTFOLIO

Refer to the forms portfolio for coverage forms, state amendatory and other special state endorsements.

## 6. PREMIUM COMPUTATION

**A.** Compute the premium at inception using the rates in effect at that time. At each renewal, compute the premium using rates then in effect.

**B.** Prorate the premium when policy is issued for other than one year.

**C.** Premiums are calculated as specified for the respective coverage. Rounding to the nearest whole dollar amount (i.e. .50 and greater rounds up; .49 and below rounds down) is done after the computation of the final premium.

**D.** Individual Risk Premium Modifications will be added together and applied as one modification to the premium.

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## 7. ADDITIONAL PREMIUM CHARGE

**A.** Prorate all changes requiring additional premium.

**B.** Apply the rates and rules in effect on the effective date of the change.

**C.** Waive additional premium of $15.00 or less. The waiver only applies to cash exchange due on an endorsement effective date.

## 8. RETURN PREMIUM CHARGES

**A.** Deletion of a mandatory coverage is not permitted unless the entire policy is canceled.

**B.** Compute return premium at the rate used to calculate the policy premium.

**C.** Compute return premium pro rata when any coverage or exposure is deleted or an amount of insurance is reduced.

**D.** Waive return premium of $15.00 or less. Grant any return premium if requested by the Insured. This waiver only applies to cash exchanges due on the endorsement effective date.

## 9. POLICY CANCELLATION

**A.** Compute return premium pro rata when:

1. A policy is canceled at the Company's request.
2. The Insured no longer has a financial or an insurable interest in the subject of insurance.
3. A policy is canceled and rewritten in the same Company or Company Group.
4. A policy is canceled due to death, disablement or retirement.

**B.** If cancellation is for any other reason than stated in A. above, compute the return premium at .90 of the pro rata unearned premium for the one-year period.

**C.** Retain the Policy Writing Minimum Earned Premium when the Insured requests cancellation except when a policy is canceled as of the inception date. In the event of a cancellation, the minimum premium will be considered to be the annual premium charge with cancellation premium subject to the policy writing minimum earned premium. The policy writing minimum earned premium shall be $250.00 per annual or lesser period, unless otherwise specified for the respective coverage.

## 10. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state and territory. An exception will be allowed for dentists who have a multi-state or multi-territory exposure. We will charge the rate of the state or territory in which the dentist has a majority of his/her practice exposure.

## 11. MINIMUM PREMIUM

If policy premium does not exceed the minimum premiums as outlined in the Rate Sheet, the minimum premium will be charged for an annual period. The Minimum Premium is not applicable to the New Dentist Discount.

## 12. TERMINATION OF COVERAGE (CLAIMS MADE COVERAGE ONLY)

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Within thirty (30) days after the termination of coverage, as defined below, the Company will advise the Named Insured in writing of the automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage.

The Named Insured shall have the greater of sixty (60) days from the effective date of termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, to submit to the Company written acceptance of the Extended Reporting Period coverage.

Termination of Coverage, whether made by the Company or the Named Insured at any time, means cancellation or nonrenewal of a policy.

**13. EXTENDED REPORTING PERIOD COVERAGE (CLAIMS MADE COVERAGE ONLY)**

The availability of Extended Reporting Period coverage shall be governed by the following rules, subject to underwriting approval.

**A.** The available limits of liability shall not exceed those afforded under the current policy.

**B.** In the event of termination of coverage, as defined above, the Insured may purchase this coverage by giving the Company written notice, within sixty (60) days of such termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, of its intent to purchase, and by paying the appropriate premium.

**C.** Extended Reporting Period premiums shall be calculated upon the expiring annual premium for the policy period immediately preceding the election to purchase such coverage.

**D.** The Extended Reporting Period coverage shall not increase or reinstate the limits of liability of the terminated policy.

**E.** There will be no charge for Extended Reporting Period coverage if the Insured:

1. Dies, or
2. Totally and permanently:
   a. Becomes disabled; or
   b. Retires after age 55 and has been insured for 5 consecutive years with the company

**F.** The Extended Reporting Period shall be Unlimited.

**COVERAGE RULES**

**14. NEW DENTIST DISCOUNT**

A discount will be applied to premium for New Dentists in year 1 through 3 of practice that meet the following criteria (see rate sheet):

Year 1 - The dentist has completed his or her training in dentistry within the previous six months of applying for coverage, and his or her only contact with patients was in the course of training; or

Years 2 or 3 - The dentist who applies for coverage in his or her second or third year of post graduate practice.

**15. PART TIME DENTIST**

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DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

This discount shall apply to any dentist who works twenty (20) hours or less per week or less than an aggregate of 1,050 hours during the term of an annual policy.

The Part-Time discount is not applied to the Extended Reporting Period Endorsement unless the part-time practice did not exceed an average of 1,050 hours per year over the previous five consecutive policy years with an NSDP sponsored program. See rate sheet.

**16. FACULTY DENTIST**

A Faculty discount shall be applied to those dentists who are faculty members of an accredited dental school. The amount of the discount will be based on the hours spent teaching at the facility as defined below:

Full Time - 32 hours or more per week
Half Time -16 to 31 hours per week
Part Time -15 hours or less per week

To qualify for this discount, the applicant must submit a copy of his/her current letter of faculty appointment. See rate sheet.

**17. ASSOCIATION AND MEMBERSHIP CREDIT**

A membership credit will be applied for being a member of a nationally recognized association that provides educational and practice management resources. This discount will be available for membership in the American Dental Association (ADA) or Academy of General Dentistry AGD). See rate sheet.

AGD Credits included are for Membership, Fellowship Mastership. Fellowship requires 500 hours of approved CE credit and Mastership requires 1,100 hours approved CE credit (at least 400 hours in participation courses and 600 hours in required specific disciplines)

**18. WAIVER OF CONSENT**

By endorsement, a premium discount shall be applied when the insured has waived the consent provision of the Coverage Agreements. This endorsement, and the accompanying premium modification, can not be added to a policy mid-term. See rate sheet.

**19. RISK MANAGEMENT EDUCATION**

A premium discount shall be applied to those dentists who participate in an approved risk management program. Approved risk management programs include but are not limited to completed risk management workshops, seminars, self-study, state dental society courses, accredited national organization courses, and courses completed from a previous insurer. See rate sheet.

**20. CLAIM EXPERIENCE**

Claim Free Credit

A premium discount will be applied to those dentists who have been without a chargeable loss based on the claim history of an individual dentist over the preceding five-year period. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses. See rate sheet.

Claim Experience Debit

Based on the claim history of an individual dentist over the preceding five-year period, a debit, based on a chargeable loss, shall be applied to the dentist's rate. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses. See rate sheet.

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Debits will be adjusted each policy year, dependent upon annual review of claims experience.

## 21. INDIVIDUAL RISK PREMIUM MODIFICATIONS

Individual risk premium modification (IRPM) factors may be applied to reflect account characteristics not otherwise addressed. IRPM's are based on operational controls and procedure mix; practice characteristics; loss control procedures; and claim peculiarities. The total IRPM shall not exceed + or - 25%. See rate sheet.

## 22. POLICY CHANGE ENDORSEMENT

The policy change endorsement will be used to correct errors or mistakes on the Declarations page.

## 23. ADDITIONAL INSUREDS

By endorsement, additional insureds can be added to the policy. If the Additional Insured is a Dental Health Maintenance Organization (DHMO) or Preferred Provider Organization (PPO) there is no charge for this coverage. See rate sheet.

## 24. BOARD EXAMINATION AND INTERVIEW COVERAGE

Coverage can be restricted and provided only for students taking Board Examinations through an accredited institution, or for individuals (not students) who sit for Board Examinations and are candidates for certification and/or licensing as a dentist. Interview coverage extends coverage for those dentists who have successfully completed their board examination and are interview for a position with a dental practice. See rate sheet.

Coverage is to be written on a separate policy as follows:

- **A.** On an occurrence basis only;
- **B.** Limits of Liability shall be $1,000,000 each claim and $3,000,000 aggregate; and
- **C.** The policy period will not exceed one year or the length of time of the examination or accepting a position as a practicing dentist.

## 25. MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE

Basic limits of $5,000 are provides without charge. Optional coverage for Medical Waste Defense Expenses Reimbursement Coverage is available with limits of $50,000 applicable to defense costs only. See rate sheet.

## 26. LOCUM TENENS

Coverage for a substitute dentist (120 day maximum). Prior approval required by the Company.

## 27. MILITARY SERVICE

This rule shall apply to an Insured who is called into active military service.

The policy coverage for the affected individual will continue for those Dental Incidents arising before military service began, with all other policy coverages suspended for the duration of the dentist's military service including payment of premium.

At the time private practice is resumed, the coverage and premium payment will begin with the policy's expiration date adjusted in order to reflect the duration of the individual's intervening military service. The claims made step factor that was applicable at the time of suspension will be the one in effect at the time of coverage resumption.

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SPRINGFIELD, ILLINOIS

## 28. DISABILITY OR LEAVE OF ABSENCE

In contemplation of a reduction in exposure, and for a period of at least 45 days and no greater than 180 days, insured dentists shall be eligible for a "disability and/or leave of absence" premium reduction for the disability or absence period. "Disability or leave of absence" is defined as an injury, disease, medical condition or continuing education sabbatical that prevents an insured dentist from engaging in the practice of dentistry, other than in an emergency situation. This will apply retroactively to the first day of disability or leave of absence. See rate sheet.

## 29. PREMISE LIABILITY

Premise Liability coverage, provided on an occurrence basis, is an optional coverage, and can be added for an additional premium charge. See rate sheet.

## 30. QUARTERLY INSTALLMENT OPTION

The insured may pay the required annual premium in quarterly installments, with no accrued interest charged, in accordance with the following schedule:

i. An initial payment of 40% of the estimated total premium is due at inception
ii. Additional payments, each equal to 20% of the estimated total premium, will be due at 3, 6 and 9 months from policy inception.
iii. Each installment will incur a fee of 1% of the estimated total premium, or $25.00, whichever is less.
iv. If a change is made to the policy at any time during the term, the change in premium will be spread evenly over the number of remaining installments. If there are no remaining installments, the premium charge will be billed immediately, or the return premium issued immediately, subject to part 8 of these rules.

See the next page for an example.

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GREENWICH INSURANCE COMPANY
DENTAL PROFESSIONAL AND PREMISES LIABILITY INSURANCE
CLAIMS MADE AND OCCURRENCE RATING RULES

## SAMPLE QUARTERLY INSTALLMENT SCHEDULE

| | | (a) | (b) | (c) | (d) |
|---|---|---|---|---|---|
| | Estimated total premium at inception (P) | | | | 2,250.00 |
| | Payment schedule | Jan 01, 2010 | Apr 01, 2010 | Jul 01, 2010 | Oct 01, 2010 |
| (1) | Premium payment due | 900.00 | 450.00 | 450.00 | 450.00 |
| (2) | Installment fee due | N/A | 22.50 | 22.50 | 22.50 |
| (3) | Total due | 900.00 | 472.50 | 472.50 | 472.50 |

(1a) = 40% of P
(1b-d) = 20% of P
(2b-d) = lesser of $25.00 and 1% of P
(3) = (1) + (2)

| | | | | | |
|---|---|---|---|---|---|
| | Additional premium due to policy revision on June 1 (R) | | | | 500.00 |
| | Revised estimated total premium at inception ($P_{REV}$) | | | | 2,750.00 |
| | Payment schedule | Jan 01, 2010 | Apr 01, 2010 | Jul 01, 2010 | Oct 01, 2010 |
| (4) | Premium payment due | Past dates, installments already paid | | 700.00 | 700.00 |
| (5) | Installment fee due | | | 25.00 | 25.00 |
| (6) | Total due | | | 725.00 | 725.00 |

(4) = R/2 + (1)
(5) = lesser of $25.00 and 1% of $P_{REV}$
(6) = (4) + (5)

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

# GREENWICH INSURANCE COMPANY
# DENTAL PROFESSIONAL LIABILITY
# RATE PLAN
# ILLINOIS

## RATES

### 1. PROFESSIONAL LIABILITY 1ST YEAR CLAIMS MADE BASE PREMIUMS

| A. Limit of Liability | Base Premium |
|---|---|
| $100,000 per occurrence/ $300,000 aggregate | $804 |

**B. Territory Relativity Factors**

| Territory | | Relativity |
|---|---|---|
| Terr- 1 | Cook County | 1.000 |
| Terr - 2 | DuPage, Lake and Kane Counties | 0.553 |
| Terr- 3 | Remainder of State | 0.503 |

### 2. CLASS PLAN RELATIVITY FACTORS

| Class | Factor |
|---|---|
| 1 | 1.000 |
| 2 | 1.230 |
| 3 | 3.329 |
| 4 | 5.660 |
| 5 | 6.119 |

### 3. POLICY TYPE FACTORS

| A. Claims Made Year | Factor |
|---|---|
| Year | |
| 1 | 1.00 |
| 2 | 1.82 |
| 3 | 2.45 |
| 4 | 2.73 |
| 5 | 3.03 |
| **B. Occurrence** | 3.33 |

### 4. INCREASED LIMIT FACTORS

| A. Increased Limit | Factor |
|---|---|
| $100,000/ $300,000 | 1.00 |
| $200,000/ $600,000 | 1.14 |
| $500,000/ $1,500,000 | 1.33 |
| $1,000,000/ $3,000,000 | 1.56 |
| $2,000,000/ $4,000,000 | 1.64 |
| $3,000,000/ $3,000,000 | 1.72 |
| $5,000,000/ $5,000,000 | 1.80 |

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## 5. MINIMUM PREMIUMS

| A. Limit of Liability | Minimum |
|---|---|
| $100,000/ $300,000 | $425 |
| $200,000/ $600,000 | $485 |
| $500,000/ $1,500,000 | $565 |
| $1,000,000/ $3,000,000 | $663 |
| $2,000,000/ $4,000,000 | $697 |
| $3,000,000/ $3,000,000 | $802 |
| $5,000,000/ $5,000,000 | $1,000 |

## 6. EXTENDED REPORTING PERIOD FACTORS

| A. Number of Years of Prior Acts | Factor to be Multiplied by the Mature Claims Made Premium |
|---|---|
| Year | |
| 1 | 0.80 |
| 2 | 1.20 |
| 3 | 1.45 |
| 4 | 1.60 |
| 5 + | 1.80 |

## 7. NEW DENTIST DISCOUNT FACTORS

| A. Years in Practice | Factor |
|---|---|
| First Year | 0.50 |
| Second or Third Year | 0.75 |

## 8. PART TIME DENTIST DISCOUNT FACTOR

| A. Number of Hours in Practice | Factor |
|---|---|
| 20 hours or less per week | 0.50 |
| 21 hours or more per week | 1.00 |

## 9. FACULTY DISCOUNT FACTORS

| A. Appointment Status | Factor |
|---|---|
| Full-Time | 0.70 |
| Half-Time | 0.80 |
| Part-Time | 0.90 |
| Zero-Time | 1.00 |

**10. WAIVER OF CONSENT DISCOUNT FACTOR** 0.90

**11. RISK MANAGEMENT EDUCATION FACTOR** 1.00

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## 12. CLAIM FREE CREDIT DISCOUNT FACTORS

| A. Years | Factor |
|---|---|
| 10 + years claim free | 0.90 |
| 9 years claim free | 0.91 |
| 8 years claim free | 0.92 |
| 7 years claim free | 0.93 |
| 6 years claim free | 0.94 |
| 5 years claim free | 0.95 |
| 4 years claim free | 0.96 |
| 3 years claim free | 0.97 |
| 2 years claim free | 0.98 |
| 1 years claim free | 0.99 |

## 13. CLAIMS EXPERIENCE DEBIT

**A. Total of All Claims**

| | 1 loss | 2 losses | 3 losses | 4 losses |
|---|---|---|---|---|
| $0 - $3,000 | 1.05 | 1.10 | 1.15 | 1.20 |
| $3,001 - $10,000 | 1.10 | 1.15 | 1.20 | 1.25 |
| $10,001 - $20,000 | 1.15 | 1.20 | 1.25 | 1.30 |
| $20,001 - $30,000 | 1.20 | 1.25 | 1.30 | 1.35 |
| $30,001 - $40,000 | 1.25 | 1.30 | 1.35 | 1.40 |
| $40,001 + | 1.30 | 1.35 | 1.40 | 1.50 |

## 14. INDIVIDUAL RISK PREMIUM MODIFICATIONS

| | Range of Modifications | |
|---|---|---|
| | Credits | Debits |
| Operational controls and procedure mix, such as but not limited to mandatory referrals for extractions, use of consent forms, internal documentation practices, implant procedures and laser use, and extraction of impacted third molars. | 10% | 25% |
| Practice Characteristics, such as but not limited to single v. multiple locations, degree of severity presented by area of specialization, volume of patient traffic, number of years of patient experience. | 10% | 25% |
| Loss Control procedures, such as but not limited to training and retraining of al employees on the safest way to do their job; promoting safety awareness; conducting frequent safety inspections of all work areas; having an office safety program; using proper sterilization techniques to ensure environmental is free from the possibility of contamination from blood-borne pathogens. | 10% | 25% |
| Claim peculiarities, such as but not limited to who was responsible for the loss (Insured Dentist, Employee of Insured Dentists, Partner, Independent Contractor- this is for the respondeat superior or indemnity exposures); frequency or lack of administrative actions such | 10% | 25% |

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as peer review, office of professionaldiscipline or dentalboard complaints; frequencyor lack of claims for return of fees

Maximum Debit/ Credit=25%

**15. ADDITIONAL INSUREDS PREMIUM CHARGE FACTOR** **Factor**

10% Premium Charge 1.10

**16. BOARD EXAMINATION AND INTERVIEW COVERAGE PREMIUM CHARGE**

Premium Charge $40

**17. MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE**

Premium Charge $50

**18. DISABILITY OR LEAVE OF ABSENCE** **Factor**

75% Premium Discount 0.25

**19. ASSOCIATION AND MEMBERSHIP CREDIT**

| Association | Credit |
|---|---|
| American Dental Association | 5% |
| AGD | |
| Membership | 10% |
| Fellowship | 15% |
| Mastership | 20% |

**20. PREMISES LIABILITY**

Premium charge for each bcation $100,000 per occurrence/ $300,000 aggregate

| **Territory** | | **Premium** |
|---|---|---|
| Terr- 1 | Cook County | $149 |
| Terr - 2 | DuPage, Lake and Kane Counties | $82 |
| Terr- 3 | Remainder of State | $75 |

| | | |
|---|---|---|
| **20a.** | **Basic Extended Reporting Period (5 years)** | included |
| **20b.** | **Supplemental Extended Reporting Period (unlimited)** | 200% of expiring annualpremises premium |

**21. DEDUCTIBLE OPTIONS** **Factor**

| Deductible | |
|---|---|
| $0 | 1.00 |
| $1,000 | 0.95 |
| $2,500 | 0.90 |
| $5,000 | 0.81 |
| $10,000 | 0.70 |

**22. GROUP PRACTICES OVER 20 DENTISTS TO BE RATED BY THE COMPANY**