

**GENERAL STAR ADVANTAGE**  
*Underwritten by*  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**GENERAL STAR NATIONAL INSURANCE COMPANY**

**PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY  
CLAIMS MADE AND REPORTED COVERAGE**

**GENERAL RULE MANUAL**

DIVISION OF INSURANCE  
STATE OF ILLINOIS/IDFPR  
**FILED**  
SEP 01 2007  
SPRINGFIELD, ILLINOIS

*superseded 11-1-07*

**GENERAL STAR ADVANTAGE**  
*Underwritten by*  
**GENERAL STAR NATIONAL INSURANCE COMPANY****I. USE OF THIS MANUAL**

The purpose of this document is to provide premium and rating data (by state), underwriting rules, medical specialty classifications and practice location territories needed to select and price risks for the General Star Management Physicians & Surgeons Professional Liability program. The following categories of Health Care Providers are designated primary insureds for the program:

1. Physicians or Surgeons (M.D.)
2. Osteopathic Physicians or Surgeons (D.O.)
3. Podiatrists (D.P.M.)

Any exceptions to these rules are contained in the respective State Exceptions Section.

**II. COVERAGE**

Coverage under this program is described in the respective policy Insuring Agreement(s) and/or Coverage Part(s). It shall be permissible to attach more than one Insuring Agreement and/or Coverage Part to the policy.

**III. BASIC LIMITS OF LIABILITY**

The basic coverage limits for Professional Liability coverage under this program are:

Professional Liability: \$1,000,000 Each Claim / \$3,000,000 Aggregate  
For higher limits please refer to Company

**IV. POLICY WRITING MINIMUM PREMIUM**

The minimum premium is \$500 per annual or lesser period, unless otherwise specified for the respective coverage.

**V. DECREASED LIMITS OF LIABILITY**

Available decreased Limits of Liability are shown on the respective State Exceptions Section.

**VI. PREMIUM COMPUTATION**

The premium shall be computed by applying the rate per physician/surgeon shown on the State Exceptions pages.

**A. PREMIUM ROUNDING RULE**

Premium rounding will be done at the last step of the computation process, as opposed to rounding at each step. In the event that application of any rating procedure result is not a whole dollar, each rate and premium shall be adjusted as follows:

- i. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- ii. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

**B. FACTORS OR MULTIPLIERS**

Premium modifications are to be applied multiplicatively. Modifications from the **Individual Risk Modification Schedule** and **Deductibles** are to be added together and then applied multiplicatively.

**C. ADDITIONAL and RETURN PREMIUM**

For all changes requiring additional or return premium, apply the rates and rules that were in effect at the inception date of the current policy period.



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**D. CLAIMS MADE 'STEP' RULE**

The proper 'step' into which the physician/surgeon is placed for rating purposes when claims made coverage has been provided for less than full annual periods is determined as follows:

1. Less than 6 months of claims made coverage, step 1 rates apply;
2. "#" years plus less than 6 months of claims made coverage, step "x" plus 1 applies;
3. "#" years plus 6 months or more of claims made coverage, step "x" plus 2 applies.

Note: The value of "#" is the number of whole years.

**VII. RESTRICTIONS OF COVERAGE OR INCREASED RATE**

Subject to individual state regulations, policies may be issued with special restrictions or at increased premium if:

- A. the Insured agrees in writing; and
- B. the policy would otherwise not be written.

**VIII. EXTENDED REPORTING PERIOD COVERAGE (available for Claims Made coverage only)**

The availability of Extended Reporting Period Coverage shall be governed by the following rules:

- A. The Limits of Liability may not exceed those afforded under the terminating policy.
- B. Available Extended Reporting Period premium charges shall be as shown on the respective State Exceptions pages.

**IX. ADDITIONAL CLASSIFICATIONS**

**A. Disability/Leave of Absence**

A physician/surgeon who becomes disabled, or is on leave of absence for a period of 45 days or more, will be eligible for restricted coverage at a reduced rate. This would apply retroactively to the first day of disability or leave of absence. Rating basis as follows:

Disability/Leave of Absence	25% of Medical Specialty
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**B. Part-Time**

A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

<u>Number of hours in Practice per week</u>	<u>Discount Factor</u>
Less than 10	80 - 90% of Medical Specialty
Between 10 - 15	70 - 80% of Medical Specialty
Between 16 - 20	60 - 70% of Medical Specialty
Between 21 - 25	50 - 60% of Medical Specialty

The applicant or insured may be required to cite a specific reason for practicing part-time and specific exposures and medical specialties may be deemed ineligible for part-time status.

**C. Locum Tenens Physicians**

Coverage for a physician substituting for an insured physician may be provided. Coverage will be limited to professional services rendered on behalf of an insured physician for the specified time period. Approved *Locum Tenens* physicians will share in the primary insured physician's Limit of Liability at no additional premium charge.



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D. New to practice physicians

To recognize the reduced exposure associated with those professionals that recently completed their residency program (within 6 months of the graduation date), a reduced rate will be charged upon the following basis:

1 <sup>st</sup> year of practice discount	50%
2 <sup>nd</sup> year of practice discount	25%

X. MISCELLANEOUS / ANCILLARY MEDICAL PERSONNEL

Professional Liability coverage for miscellaneous medical personnel may be provided. The State Exception pages contain medical specialties and rating instructions.

XI. CORPORATION / PARTNERSHIP / PROFESSIONAL ASSOCIATION

It shall be permissible to provide coverage for a Professional Corporation, Professional Association, or Partnership, for liability arising from the professional services by its member physicians/surgeons. Such coverage may be provided as follows:

A. Solo Practice:

by endorsement to the policy. The entity will share in the individual physician/surgeon limit at no additional premium charge.

B. All Others:

Available on a separate Limit of Liability basis by naming the professional corporation/partnership/professional association on the policy. Additional premium shall be as shown on the State Exceptions pages. Ancillary personnel shall be included in this professional corporation limit but will not share in the limits of the individual physician(s).

XII. OPTIONAL COVERAGES / ENDORSEMENTS

It shall be permissible to add any of the following optional coverages/endorsements as appropriate to the particular situation and in accordance with the minimum basic Limits of Liability indicated herein:

A. Medical Laboratory

It shall be permissible to add a Medical Laboratory:

- i. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- ii. at a premium charge of 25% of the Class 1 rate. The laboratory will be included as an additional insured, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

B. Deductibles/Self-Insured Retentions

Deductibles and self-insured retentions are available. The factors are shown below:

Deductible (indemnity and expenses)	Discount Factor
\$5,000	3%
\$10,000	5%
\$25,000	7%

DIVISION OF INSURANCE  
STATE OF ILLINOIS/IDFPR  
**FILED**  
  
SEP 01 2007  
  
SPRINGFIELD, ILLINOIS

DIVISION OF INSURANCE  
 PHYSICIANS & SURGEONS/IDFPR  
 CLAIMS-MADE REPORTED  
 SEP 01 2007  
 SPRINGFIELD, ILLINOIS

Professional Liability

**GENERAL STAR ADVANTAGE**  
 Underwritten by  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**XIII. INDIVIDUAL RISK MODIFICATION SCHEDULE**

The hazards of the practice of medicine vary with each organization; the establishment of medical standards review and claims review committees and the effectiveness of such committees; loss prevention and control activities; type, amount and extent of professional services rendered under written agreement, etc. To recognize such specific characteristics unique to each risk, a rate modification may be applied based on the following:

1. Physicians and Surgeons (M.D.s and D.O.s) and Podiatrists Professional Liability Exposures

The maximum permissible modification of the Professional Liability premium(s) is as shown on the State Exceptions pages.

Individual Risk Modification Schedule		
	Credits	Debits
a. <u>Loss Experience</u> The underwriter will evaluate the circumstances of past claims and will take into consideration the report date of each claim and the paid indemnity amounts.	0%	0%-20%
b. <u>Loss Control Program</u> The underwriter will evaluate the procedures in place within the practice, including adherence to any prior loss control recommendations.	0-10%	0-10%
c. <u>Practice Characteristics</u> The underwriter will evaluate the impact of contracts on utilization, referrals, and overall quality of patient care.	0-15%	0-15%
d. <u>Continuing Education</u> Determine if the applicant's professional and paraprofessional staff participates in effective continuing medical education program(s).	0-5%	0-5%
e. <u>Ancillary Personnel</u> Paraprofessional employees or contractors such as Nurse practitioners, Physician Assistants, Certified Registered Nurse Anesthetists, Perfusionists and Midwives. Surcharge for vicarious liability when practitioners carry their own separate coverage. May be offset by Continuing Education credit.	0-5% per employee	0-5% per employee
f. <u>Practice Hours</u> Credit for limited practice hours if the risk is not eligible for part-time credit. Debit for practice hours deemed excessive for the specific specialty or practice situation.	0-10%	0-10%
g. <u>Patient Count</u> Surcharge for above-average patient or procedure volume; credit for low volume.	5-10%	5-10%
h. <u>Use of Hospitalists</u> The underwriter will evaluate the use of hospitalists for patient admissions.	0-10%	0-10%
i. <u>Emergency Room exposure</u> The underwriter will evaluate any Emergency Medicine exposure.	0-10%	0-10%

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<p>j. <u>Unusual Risk Characteristics</u></p> <p>The underwriter will evaluate any feature of the practice that is deemed unusual or nontraditional in the applicant's medical community.</p>	<p>0-10%</p>	<p>0-10%</p>
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**XIV. INSTALLMENT OPTIONS**

Quarterly and semi-annual premium installment options with no interest charges and no installment charges/fees are available subject to the following terms:

- 1) Quarterly - An initial payment of 40% of the total premium due at policy inception with remaining premium due three months (20%), six months (20%), and nine months (20%) from policy inception.
- 2) Semi-annually - An initial payment of 60% of the total premium due at policy inception with remaining premium due six months (40%) from policy inception.
- 3) Additional premium resulting from changes to the policy shall be spread equally over the remaining installments. If there are no remaining installments, additional premium resulting from changes to the policy will be processed as a separate transaction.



Physicians & Surgeons Claims Made and Reported Professional Liab...y  
GENERAL RULE MANUAL  
*Underwritten by*  
GENERAL STAR NATIONAL INSURANCE COMPANY

DIVISION OF INSURANCE  
STATE OF ILLINOIS/IDFPR  
**FILED**  
NOV 01 2006  
SPRINGFIELD, ILLINOIS

**GENERAL STAR MANAGEMENT COMPANY**

**PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY  
CLAIMS MADE AND REPORTED COVERAGE**

**GENERAL RULE MANUAL**

*Superseded  
9-1-07*

Physicians & Surgeons Claims Made and Reported Professional Liability  
GENERAL RULE MANUAL  
Underwritten by  
GENERAL STAR NATIONAL INSURANCE COMPANY

DIVISION OF INSURANCE  
STATE OF ILLINOIS/IDFPR  
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NOV 01 2006  
SPRINGFIELD, ILLINOIS

**I. USE OF THIS MANUAL**

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The basic coverage limits for Professional Liability coverage under this program are:

Professional Liability: \$1,000,000 Each Claim / \$3,000,000 Aggregate

**IV. POLICY WRITING MINIMUM PREMIUM**

The minimum premium is \$500 per annual or lesser period, unless otherwise specified for the respective coverage.

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**VI. PREMIUM COMPUTATION**

The premium shall be computed by applying the rate per physician/surgeon shown on the State Exceptions pages.

**A. PREMIUM ROUNDING RULE**

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- i. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- ii. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

**B. FACTORS OR MULTIPLIERS**

Premium modifications are to be applied multiplicatively. Modifications from the **Individual Risk Modification Schedule** and **Deductibles** are to be added together and then applied multiplicatively.

**C. ADDITIONAL and RETURN PREMIUM**

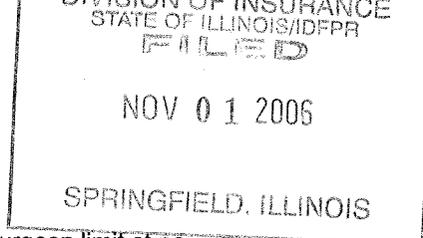
For all changes requiring additional or return premium, apply the rates and rules that were in effect at the inception date of the current policy period.



Physicians & Surgeons Claims Made and Reported Professional Liability  
GENERAL RULE MANUAL

Underwritten by

**GENERAL STAR NATIONAL INSURANCE COMPANY**



by endorsement to the policy. The entity will share in the individual physician/surgeon limit at no additional premium charge

**B. All Others:**

Available on a separate Limit of Liability basis by naming the professional corporation/partnership/professional association on the policy. Additional premium shall be as shown on the State Exceptions pages. Ancillary personnel shall be included in this professional corporation limit but will not share in the limits of the individual physician(s).

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It shall be permissible to add a Medical Laboratory:

- i. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- ii. at a premium charge of 25% of the Class 1 rate. The laboratory will be included as an additional insured, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

**B. Deductibles/Self-Insured Retentions**

Deductibles and self-insured retentions are available. The factors are shown below:

Deductible	Discount Factor
\$5,000	3%
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**XIII. INDIVIDUAL RISK MODIFICATION SCHEDULE**

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The maximum permissible modification of the Professional Liability premium(s) is as shown on the State Exceptions pages.

Individual Risk Modification Schedule		
	Credits	Debits
<b>a. <u>Loss Experience</u></b> The underwriter will evaluate the circumstances of past claims and would take into consideration the report date of each claim and paid the indemnity amounts.	0%	0%-20%
<b>b. <u>Loss Control Program</u></b> The underwriter will evaluate the procedures in place within the practice, including adherence to any prior control recommendations.	0-10%	0-10%
<b>c. <u>Practice Characteristics</u></b> The underwriter will evaluate the impact of contracts on utilization, referrals, and overall quality of patient care.	0-15%	0-15%

Physicians & Surgeons Claims Made and Reported Professional Liability  
 GENERAL RULE MANUAL  
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INSURANCE  
 STATE OF ILLINOIS/IDFPR  
**FILED**  
 NOV 01 2006  
 SPRINGFIELD, ILLINOIS

<p>d. <u>Continuing Education</u>          Determine if the applicant's professional and paraprofessional staff participant in effective continuing medical education program(s).</p>	0-5%	0-5%
<p>e. <u>Ancillary Personnel</u>          Paraprofessional employees or contractors such as Nurse practitioners, Physician Assistants, Certified Registered Nurse Anesthetists, Perfusionists and Midwives. Surcharge for vicarious liability when practitioners carry their own separate coverage. May be offset by Continuing Education credit.</p>	0-5%  per employee	0-5%  per employee
<p>f. <u>Practice Hours</u>          Credit for limited practice hours if the risk is not eligible for part-time credit. Debit for practice hours deemed excessive for the specific specialty or practice situation.</p>	0-10%	0-10%
<p>g. <u>Patient Count</u>          Surcharge for above-average patient or procedure volume; credit for low volume</p>	5-10%	5-10%
<p>h. <u>Use of Hospitalists</u>          The underwriter will evaluate the use of hospitalists for patient admissions.</p>	0-10%	0-10%
<p>i. <u>Emergency Room exposure</u>          The underwriter will evaluate any Emergency Medicine exposure</p>	0-10%	0-10%
<p>J. <u>Unusual Risk Characteristics</u>          The underwriter will evaluate any feature of the practice that is deemed unusual or nontraditional in the applicant's medical community.</p>	0-10%	0-10%

NOV 01 2006

SPRINGFIELD, ILLINOIS

**XIV. QUARTERLY INSTALLMENT OPTION**

A quarterly premium installment option with no interest charges and no installment charges/fees is available subject to the following terms:

- 1) An initial payment of 40% of the total premium due at policy inception with remaining premium due three months (20%), six months (20%), and nine months (20%) from policy inception.
- 2) Additional premium resulting from changes to the policy shall be spread equally over the remaining installments. If there are no remaining installments, additional premium resulting from changes to the policy will be processed as a separate transaction.

**GeneralStar™**

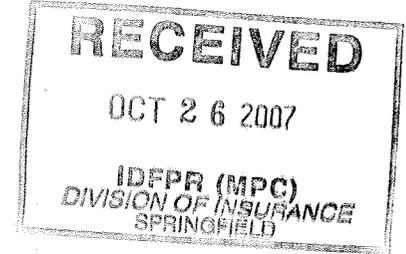
Compliance Unit  
Attn: Patricia Villegas  
General Star Management Company  
695 E. Main Street D-4  
Stamford, CT 06904

October 25, 2007

Honorable Michael T. McRaith  
Director of Insurance  
Illinois Department of Financial and Professional Regulation  
Division of Insurance  
320 West Washington Street  
Springfield, IL 62767

Attn: Mr. John Gatlin  
Supervisor, Property and Casualty Compliance Unit

**Re: General Star National Insurance Company**  
**NAIC # 0031-11967 FEIN # 13-1958482** ✓  
**Revised Part Time Credit Rule Filing**  
**Professional Liability – Physicians & Surgeons**  
**General Star Advantage**  
**Company Filing #: 07-109-3-PHY-RU**  
**Effective Date: November 1, 2007**



Dear Mr. Gatlin:

General Star National Insurance Company respectfully submits for your review and acknowledgment the enclosed Physicians and Surgeons medical liability insurance rules manual filing. We plan to implement this filing on November 1, 2007.

Enclosed please find the required transmittal forms and certification, an Explanatory Memorandum containing a comparison of the changes to our rules, General Rule Manual, an additional copy of this letter, and a postage-paid, self-addressed return envelope for the convenience of your reply.

If you have any questions or concerns that can be resolved by telephone, please do not hesitate to contact me at (203) 328-6079.

Sincerely,

*Patricia Villegas*

Patricia Villegas  
Regulatory Filing Specialist  
Regulatory Compliance Unit

Enclosures

FO  
MEM  
RUL  
gln  
Jlh

**Neuman, Gayle**

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**From:** Patricia.Villegas@generalstar.com  
**Sent:** Thursday, July 10, 2008 11:22 AM  
**To:** Neuman, Gayle  
**Subject:** Re: General Star National - rate/rule filing #07-109-3-PHY-RU

Dear Ms. Neuman,

General Star implemented the filing on 11/1/07.

Thank you.

Sincerely,

Patricia Villegas  
General Star Management Company  
695 E. Main Street D-4  
Stamford, CT 06904  
phone: (203) 328-6079  
fax: (203) 328-6150  
email: patricia.villegas@generalstar.com

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

07/09/2008 09:00 AM

To <Patricia.Villegas@generalstar.com>

cc

Subject General Star National - rate/rule filing #07-109-3-PHY-RU

Ms. Villegas,

The above referenced filing was submitted in October, 2007. You requested an effective date of November 1, 2007. The Director of Insurance signed off on this filing as of July 7, 2008. Many insurers will ask for an effective date, but they end up waiting for the date we "file" the submission before they use it although that is not necessary. Please indicate if General Star National implemented the filing as of November 1, 2007. If not, please indicate the effective date that will be utilized.

Thank you for your prompt attention.

Gayle Neuman

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

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

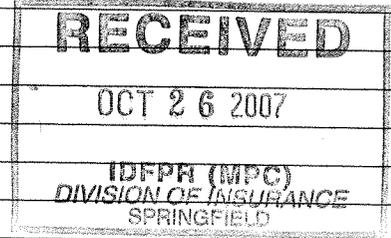
THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO:  
[Gayle.Neuman@illinois.gov](mailto:Gayle.Neuman@illinois.gov)

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**This transmission, including attachments, is intended for the person or company named and may contain confidential and/or legally privileged information. Unauthorized disclosure, copying or use of this information may be unlawful and is prohibited. If you are not the intended recipient, please delete the original and all copies of this transmission and notify the sender.**

## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b>				
	a. Date the filing is received:				
	b. Analyst:				
	c. Disposition:				
	d. Date of disposition of the filing:				
	e. Effective date of filing:				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">New Business</td> <td style="width: 50%;"></td> </tr> <tr> <td>Renewal Business</td> <td></td> </tr> </table>	New Business		Renewal Business	
New Business					
Renewal Business					
	f. State Filing #:				
	g. SERFF Filing #:				
	h. Subject Codes				



<b>3. Group Name</b> Berkshire Hathaway	<b>Group NAIC #</b> 0031
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4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
General Star National Insurance Company	OH	11967	13-1988169	

<b>5. Company Tracking Number</b>	07-109-3-PHY-RU
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Patricia Villegas General Star National Insurance Company 695 East Main Street Stamford, CT 06901	Regulatory Filing Specialist	203-328-6079	203-328-6150	patricia.villegas@generalstar.com

<b>7.</b> Signature of authorized filer	<i>Patricia Villegas</i>
<b>8.</b> Please print name of authorized filer	Patricia Villegas

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

<b>9. Type of Insurance (TOI)</b>	Medical Malpractice 11.0000
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	Claims-Made 11.1000
<b>11. State Specific Product code(s)</b> (if applicable)[See State Specific Requirements]	
<b>12. Company Program Title</b> (Marketing title)	General Star Advantage
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
<b>14. Effective Date(s) Requested</b>	New: 11/01/2007      Renewal: 11/01/2007

## Property & Casualty Transmittal Document---

<b>15.</b>	<b>Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>16.</b>	<b>Reference Organization (if applicable)</b>	N/A
<b>17.</b>	<b>Reference Organization # &amp; Title</b>	N/A
<b>18.</b>	<b>Company's Date of Filing</b>	10/25/07
<b>19.</b>	<b>Status of filing in domicile</b>	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	07-109-3-PHY-RU
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<b>21.</b>	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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General Star National Insurance Company is proposing a change to its General Star Advantage manual filed on 11-01-2006 for physicians and surgeons' medical malpractice coverage. The main purpose of this revision is to eliminate the part-time credit rule tier system and replace it with one eligibility benchmark. We are also clarifying the eligibility requirements by specialty and state that only non-surgical classes are eligible for this credit.

<b>22.</b>	<b>Filing Fees</b> (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:**

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

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

Effective March 1, 2007

### 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.)**

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	07-109-3-PHY-RU
<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	07-109-3-PHY-F

Rate Increase                     
  Rate Decrease                     
  Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	Use & File
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<b>4a.</b>	<b>Rate Change by Company (As Proposed) THIS IS NOT A RATE LEVEL CHANGE</b>						
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)
General Star National Insurance Company	0%	0%	0				

<b>4b.</b>	<b>Rate Change by Company (As Accepted) For State Use Only</b>						
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
<b>5a.</b>	<b>Overall percentage rate indication (when applicable)</b>		
<b>5b.</b>	<b>Overall percentage rate impact for this filing</b>		
<b>5c.</b>	<b>Effect of Rate Filing – Written premium change for this program</b>		
<b>5d.</b>	<b>Effect of Rate Filing – Number of policyholders affected</b>		

<b>6.</b>	<b>Overall percentage of last rate revision</b>	0% - initial filing
<b>7.</b>	<b>Effective Date of last rate revision</b>	November 1, 2006
<b>8.</b>	<b>Filing Method of Last filing (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	File & Use

9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	General Rule Manual 11/2007 Edition – Version 1.4 Page 1 to Page 6	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	



Form (RF-3)

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 11/01/2007

(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. Other <u>Medical Malpractice</u>	<u>\$2,000,000</u>	<u>0%</u>
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify:  
No

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):  
General Rule Manual - SECTION IX., Item B. we eliminated the part-time credit rule tier system and replaced it with one eligibility benchmark. We are also clarifying the eligibility requirement by specialty and explicitly state that only non-surgical classes are eligible for this credit.

\* Adjusted to reflect all prior rate changes.  
 \*\* Change in Company's premium level which will result from application of new rates.

General Star National Ins. Co.  
 Name of Company

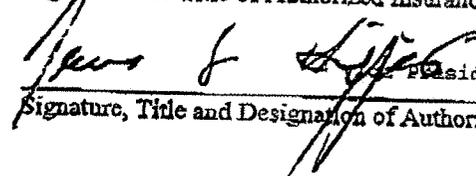
Patricia Villegas, Reg. Filing Spec.  
 Official - Title

# 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, Adam Yasan, a duly authorized officer of General Star National Insurance Company am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, James Higgins, a duly authorized actuary of General Star National Insurance Company am authorized to certify on behalf of General Star National Ins. Co. 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.

	<u>Vice President</u>	<u>10/24/07</u>
Signature and Title of Authorized Insurance Company Officer		Date
	<u>President FCAS, MAAA</u>	<u>10/24/07</u>
Signature, Title and Designation of Authorized Actuary		Date

Insurance Company FEIN 13 - 1988482 Filing Number 07-109-3-PHY-RU

Insurer's Address 695 E. Main Street

City Stamford State CT Zip Code 06901

Contact Person's: -Name and E-mail Patricia Villegas - patricia.villegas@generalstar.com

-Direct Telephone and Fax Number P 203.328.6079 F 203.328.6150



**GENERAL STAR ADVANTAGE COVERAGE FOR PHYSICIANS AND SURGEONS**

**FILING MEMORANDUM**

**OUR FILE # 07-109-3-PHY-RU**

General Star National Insurance Company is proposing the following change to its countrywide General Star Advantage General Rule Manual originally filed on 11-01-2006 in Illinois for physicians and surgeons' medical malpractice coverage.

First, this revision will simplify the application of the part-time credit's rules by eliminating the tier system and its cumbersome verification process and replacing it with one eligibility benchmark. Second, we are clarifying the eligibility requirements by specialty and explicitly state that only non-surgical classes are eligible for this credit, which is consistent with our past underwriting practice.

The proposed rule is consistent with the rating procedure used by other commercial carriers providing this coverage. The resulting change will not reduce coverage and have no measurable impact on filed and approved rates.

**Rule Changes**

**Section IX, item B.**

**B. Part-Time**

A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

<u>Number of hours in Practice per week</u>	<u>Discount Factor</u>
Less than 10	80 - 90% of Medical Specialty
Between 10 - 15	70 - 80% of Medical Specialty
Between 16 - 20	60 - 70% of Medical Specialty
Between 21 - 25	50 - 60% of Medical Specialty

The applicant or insured may be required to cite a specific reason for practicing part-time and specific exposures and medical specialties may be deemed ineligible for part-time status.

**Replaced with:**

**B. Part-Time**

A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

<u>Number of hours in Practice per week</u>	<u>Discount Factor</u>
Less than 20	50% of Medical Specialty

The applicant or insured may be required to cite a specific reason for practicing part-time. Specific exposures and medical specialties including surgical specialties may be deemed ineligible for part-time status.

Under separate cover, we submit our complementary form filing 07-109-3-PHY-F. In order to streamline and bring consistency to the process, we have created a Part-Time Supplemental Application that will be completed by insured(s) physicians claiming part-time status.

**Neuman, Gayle**

---

**From:** Patricia.Villegas@generalstar.com  
**Sent:** Wednesday, November 07, 2007 12:38 PM  
**To:** Neuman, Gayle  
**Cc:** Adam.Yasan@generalstar.com; Lindsay.Spoerl@generalstar.com  
**Subject:** Re: Rate/Rule Filing #07-109-3-PHY-RU

Dear Ms. Neuman,

In response to your concern, I offer the following:

General Star's physicians and surgeon's class plan differentiates medical specialties into three categories: 1) No Surgery 2) Minor invasive surgery 3) Major Surgery. All "No Surgery" and most "Minor Invasive Surgery" specialties are eligible for the part-time discount. The only exception is "CARDIOVASCULAR DISEASE – MINOR INVASIVE SURGERY", which exhibits similar level of risk exposure as a Major Surgery specialty. All major surgery specialties listed in our class plan are ineligible for this discount. Practice characteristics of surgeons coupled with exposure volatility associated with these specialties are the reasons for not extending the discount to these practitioners. The proposed rule is consistent with the rating procedure used by other nationwide commercial carriers providing this coverage.

If you require additional information, please contact me.

Thank you.

Sincerely,

Patricia Villegas  
General Star Management Company  
695 E. Main Street D-4  
Stamford, CT 06904  
phone: (203) 328-6079  
fax: (203) 328-6150  
email: patricia.villegas@generalstar.com

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

To <patricia.villegas@generalstar.com>

cc

Subject Rate/Rule Filing #07-109-3-PHY-RU

11/02/2007 12:01 PM

Ms. Villegas,

We are in receipt of the above referenced filing submitted by your letter dated October 25, 2007.

In regard to the part-time discount, the manual indicates specific specialties may be deemed ineligible. Do you

have a list of specialties that are ineligible? How is this decided and what is the criteria?

We request receipt of your response by November 8, 2007.

Gayle Neuman

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

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO:

[Gayle.Neuman@illinois.gov](mailto:Gayle.Neuman@illinois.gov)

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**Neuman, Gayle**

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**From:** Patricia.Villegas@generalstar.com  
**Sent:** Thursday, November 08, 2007 10:45 AM  
**To:** Neuman, Gayle  
**Subject:** RE: Rate/Rule Filing #07-109-3-PHY-RU

Dear Ms. Neuman:

Our stat agent would be ISO.

Thank you.

Sincerely,

Patricia Villegas  
General Star Management Company  
695 E. Main Street D-4  
Stamford, CT 06904  
phone: (203) 328-6079  
fax: (203) 328-6150  
email: patricia.villegas@generalstar.com

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

11/08/2007 11:30 AM

To <Patricia.Villegas@generalstar.com>  
cc  
Subject RE: Rate/Rule Filing #07-109-3-PHY-RU

Ms. Villegas,

I have one last issue. 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?

Your prompt attention is appreciated.

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

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL,

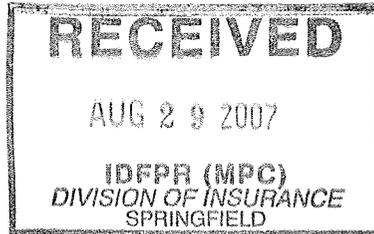
PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO:

[Gayle.Neuman@illinois.gov](mailto:Gayle.Neuman@illinois.gov)

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**GeneralStar™**



Compliance Unit  
Attn: Patricia Villegas  
General Star Management Company  
695 E. Main Street D-4  
Stamford, CT 06904

August 28, 2007

Honorable Michael T. McRaith  
Director of Insurance  
Illinois Department of Financial and Professional Regulation  
Division of Insurance  
320 West Washington Street  
Springfield, IL 62767



Attn: Mr. John Gatlin  
Supervisor, Property and Casualty Compliance Unit

Re: **General Star National Insurance Company**  
**NAIC # 0031-11967 FEIN # 13-1958482** ✓  
**Revised Rule and Form Filing**  
**Professional Liability – Physicians & Surgeons**  
**General Star Advantage**  
**Company Filing #: 07-104-3-2 -R**  
**Effective Date: September 1, 2007**

Dear Mr. Gatlin:

General Star National Insurance Company respectfully submits for your review and acknowledgment the enclosed Physicians and Surgeons medical liability insurance rules manual and forms filing. We plan to implement this filing on September 1, 2007.

Enclosed please find the required transmittal forms and certification, an Explanatory Memorandum containing a comparison of the changes to our forms and rules, a Form Index, forms and endorsements, General Rule Manual, an additional copy of this letter, and a postage-paid, self-addressed return envelope for the convenience of your reply.

If you have any questions or concerns that can be resolved by telephone, please do not hesitate to contact me at (203) 328-6079.

Sincerely,

*Patricia Villegas*

Patricia Villegas  
Regulatory Filing Specialist  
Regulatory Compliance Unit

Enclosures

HO  
MEM  
RUL  
gkn  
JH

**Neuman, Gayle**

---

**From:** Patricia.Villegas@generalstar.com  
**Sent:** Thursday, July 10, 2008 11:18 AM  
**To:** Neuman, Gayle  
**Subject:** Re: General Star National - rate/rule filing #07-104-3-2-R

Dear Ms. Neuman,

General Star National implemented the filing as of September 1, 2007.

Patricia Villegas  
General Star Management Company  
695 E. Main Street D-4  
Stamford, CT 06904  
phone: (203) 328-6079  
fax: (203) 328-6150  
email: patricia.villegas@generalstar.com

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

To <Patricia.Villegas@generalstar.com>

07/09/2008 09:02 AM

cc

Subject General Star National - rate/rule filing #07-104-3-2-R

Ms. Villegas,

The above referenced filing was submitted in August, 2007. You requested an effective date of September 1, 2007. The Director of Insurance signed off on this filing as of July 7, 2008. Many insurers will ask for an effective date, but they end up waiting for the date we "file" the submission before they use it although that is not necessary. Please indicate if General Star National implemented the filing as of September 1, 2007. If not, please indicate the effective date that will be utilized.

Thank you for your prompt attention.

Gayle Neuman

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

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

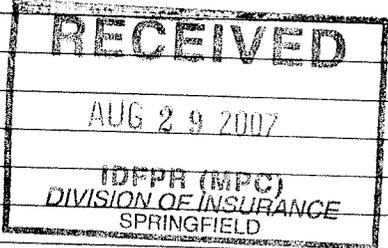
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[Gayle.Neuman@illinois.gov](mailto:Gayle.Neuman@illinois.gov)

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## Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> 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
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<b>3.</b>	<b>Group Name</b> Berkshire Hathaway	<b>Group NAIC #</b> 0031				
<b>4.</b>	<b>Company Name(s)</b> General Star National Insurance Company	<b>Domicile</b> OH	<b>NAIC #</b> 11967	<b>FEIN #</b> 13-1988169	<b>State #</b>	

<b>5. Company Tracking Number</b>	07-104-3-2
-----------------------------------	------------

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

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Patricia Villegas General Star National Insurance Company 695 East Main Street Stamford, CT 06901	Regulatory Filing Specialist	203-328-6079	203-328-6150	patricia.villegas@generalstar.com

7. Signature of authorized filer	<i>Patricia Villegas</i>
8. Please print name of authorized filer	Patricia Villegas

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

9.	<b>Type of Insurance (TOI)</b>	Medical Malpractice 11.0000
10.	<b>Sub-Type of Insurance (Sub-TOI)</b>	Claims-Made 11.1000
11.	<b>State Specific Product code(s)</b> (if applicable)[See State Specific Requirements]	
12.	<b>Company Program Title</b> (Marketing title)	General Star Advantage
13.	<b>Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14.	<b>Effective Date(s) Requested</b>	New: 09/01/2007      Renewal: 09/01/2007

Effective March 1, 2007

### 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 #	07-104-3-2
2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	07-104-3-2

Rate Increase     
  Rate Decrease     
  Rate Neutral (0%)

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

4a. Rate Change by Company (As Proposed) THIS IS NOT A RATE LEVEL CHANGE							
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)
General Star National Insurance Company	0%	0%	0				

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)		
5b.	Overall percentage rate impact for this filing		
5c.	Effect of Rate Filing – Written premium change for this program		
5d.	Effect of Rate Filing – Number of policyholders affected		

6.	Overall percentage of last rate revision	0% - initial filing
7.	Effective Date of last rate revision	November 1, 2006
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	File & Use

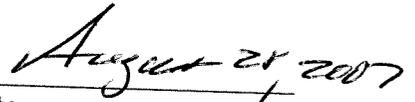
9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	General Rule Manual 08/2007 Edition – Version 1.2 Page 1 to Page 6	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

## ILLINOIS CERTIFICATION

I, Martin Hacala, a duly authorized officer of General Star National Insurance Company, do hereby certify that General Star National Insurance Company's rate rules are based on sound actuarial principles and are not inconsistent with company's experience.



\_\_\_\_\_  
Signature of Authorized Officer



\_\_\_\_\_  
Date

SUMMARY SHEET

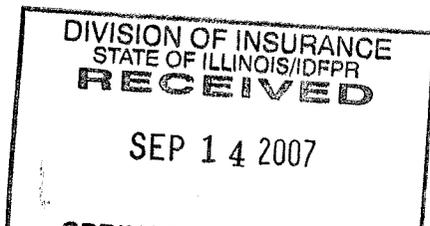
Change in Company's premium or rate level produced by rate revision effective 09/01/2007

(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. Other <u>Medical Malpractice</u> <u>Line of Insurance</u>	\$2,000,000	0%

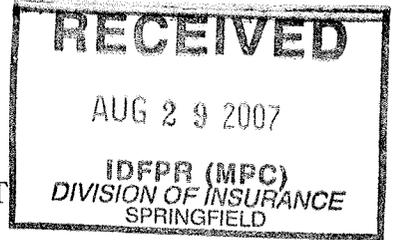
Does filing only apply to certain territory (territories) or certain classes? If so, specify:  
No

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):  
 General Rule pages - SECTION III. we added "For higher limits please refer to Company" - We now can offer higher limits through facultative placement with either GenRe, or XLRe. SECTION IX, item B. we replaced "Practice less than 25 hours per week 50-90% of medical specialty" with a narrower range of hours/credits so that it is administered more objectively. SECTION IX, item D. we added "New to Practice Physicians" to recognize the reduced exposure associated with those professionals that recently completed their residency program, a reduced rate will be charged. SECTION XII. Item B. added "(Indemnity and Expenses)" after "deductible" to clarify that the option is not indemnity only. SECTION XIV. added the semi-annual installment option.

\* Adjusted to reflect all prior rate changes.  
 \*\* Change in Company's premium level which will result from application of new rates.



General Star National Ins. Co.  
 Name of Company



Form (RF-3)

SUMMARY SHEET

Change in Company's premium or rate level produced by rate revision effective 09/01/2007

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

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

No

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):

General Rule pages -

Section III. we added "For higher limits please refer to Company" - We now can offer higher limits through facultative placement with either GenRe, or XLRe.

Section IX, item B. we replaced "Practice less than 25 hours per week 50-90% of medical specialty" with a narrower range of hours/credits so that it is administered more objectively.

Section IX, item D. we added "New to Practice Physicians" to recognize the reduced exposure associated with those professionals that recently completed their residency program, a reduced rate will be charged.

\* Adjusted to reflect all prior rate changes.

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

General Star National Ins. Co.  
Name of Company

Patricia Villegas, Reg. Filing Spec.

**Neuman, Gayle**

---

**From:** Patricia.Villegas@generalstar.com  
**Sent:** Friday, September 14, 2007 12:34 PM  
**To:** Neuman, Gayle  
**Subject:** Re: Rate/Rule Filing #07-104-3-2-R  
**Attachments:** Rev IL RF 3.DOC; Rev Filing Memorandum Summary of Changes.doc

Dear Ms. Neuman,

In response to your concerns I offer the following:

1. The part-time credits were available in the previous filing. The overall range of these discounts remained unchanged. Furthermore, they were applied proportionally based on the number of practice hours, which is consistent with our proposed methodology. The only new discounts that were added are for the new to practice physicians. Since most of our competitors offer this discount, we are confident that their pure premium or loss costs contemplates this exposure. In our rate development, our actuary relied on competitor pure premiums to develop our rate levels.
2. This was our omission. As you noted above, we only added the semi-annual option in this filing. The quarterly installments were introduced in November of 2006. I have attached a revised RF-3 and Filing Memorandum.
3. Yes, if two different insureds work the same number of hours, they will qualify for the same pro-rated discount. In your example, both insured will qualify for a 76% discount.
4. As mentioned in our previous correspondence, the term "Individual Risk Modification plan" used in our filing is similar to the term "schedule rating plan" used by many casualty insurers. The plan is applied to all new and existing insureds (at renewal). This program is designed for standard risks. We simply would not offer terms if the hazard level are well beyond the levels contemplated in our underwriting and risk selection guidelines.

I trust this responds to all of your concerns but should you have any further questions, please feel free to contact me.

Sincerely,

Patricia Villegas  
General Star Management Company  
695 E. Main Street D-4  
Stamford, CT 06904  
phone: (203) 328-6079  
fax: (203) 328-6150  
email: patricia.villegas@generalstar.com

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

To <patricia.villegas@generalstar.com>

cc

Subject Rate/Rule Filing #07-104-3-2-R

09/10/2007 11:44 AM

Ms. Villegas,

We are in receipt of your e-mail response dated 9/7/07.

1. In regard to the request for the certification, we request this on basically each and every filing. Some of the discounts added will change the premium charged to certain insureds.
2. In regard to our request that you identify all changes being made, you originally submitted a RF-3 Summary sheet indicating the changes. No mention was included of adding semi-annual installment payment options. On your reply, you indicated you added a quarterly installment option although that was technically added in the filing effective November, 2006.
3. In regard to the Part-Time Discount Factor, we should have requested information on the previous filing. We were attempting to clarify that two different insureds that both only worked (for example) 12 hours a week would both get the same amount of discount.
4. Does General Star "a-rate" any insureds? This term is usually interpreted to be an individual risk filing...as only a few insureds usually receive this adjustment based on an extreme variation in hazard that the insurer feels requires adjustment past a scheduled rating plan or because otherwise they would not write such insured. Is this plan reevaluated at each policy renewal/anniverisary?

We request receipt of your response by no later than September 17, 2007.

Gayle Neuman

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

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

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[Gayle.Neuman@illinois.gov](mailto:Gayle.Neuman@illinois.gov)

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**GENERAL STAR ADVANTAGE COVERAGE FOR PHYSICIANS AND SURGEONS**

**FILING MEMORANDUM**

**August, 2007**

**OUR FILE # 07-104-3-2**

General Star National Insurance Company is proposing the following changes to its General Star Advantage policy form filed on 11-01-2006 for physicians and surgeons' medical malpractice coverage. The main purpose of this revision is to eliminate three options that reduced coverage at sole discretion of the insured for a credit and removal of the hammer clause in Section VI. These changes also result in a revision to the Illinois amendatory endorsement that was filed on 11-01-2006. There are also a few minor editorial changes that are included in this filing as well. The resulting changes will not reduce coverage and have no measurable impact on filed and approved rates. The changes are listed below in a chronological order by policy section:

- 1) Section I- Insuring Agreement – The proposed revision eliminates the defense inside option section. The insured had the sole option of selecting this provision for a credit. Since the inception of the program no insured has exercised this option.

Deleted:

1. In the event **claim expenses** are included within the limit of liability as specified by the **CLAIM EXPENSES** selection item on the Declarations Page:
  - a. Subject to the **ANNUAL AGGREGATE LIMIT** and the **ANNUAL POLICY AGGREGATE LIMIT**, if any, the amount we will pay for all **claim expenses** and **damages** in connection with any **claim** is limited to the **PER CLAIM LIMIT**, as described in **SECTION VIII – LIMITS OF LIABILITY** and shown on the Declarations Page;
  - b. Our right and duty to defend ends when we have used up the applicable limit of liability by payment of **damages** or **claim expenses** or by any combination of both, as described in **SECTION VIII – LIMITS OF LIABILITY** and shown on the Declarations Page; and
  - c. We have no duty to pay **claim expenses** or defend any **insured** against any **claim** seeking **damages** not covered by the policy.

- 2) Section II- Claims To Which This Policy Applies - No changes

- 3) Section III – Coverage Territory – The proposed change extends coverage to “potential claims” as defined in the policy and expands the territories where a suit can be brought and maintained.

Deleted:

"The insurance provided by this policy applies only to **claims** made and maintained in the United States of America for **professional services** rendered anywhere in the world."

It is replaced by:

"The insurance provided by this policy applies to **claims** or **potential claims** taking place anywhere in the world, provided, however, the **claim** must be made and maintained or **suit** brought and maintained within the United States of America, its territories or possessions, or Puerto Rico."

- 4) Section IV – Deductible option – This is an option that can be exercised at the sole discretion of the insured. The credits available for this option are listed in our General Rule pages. This proposed revision eliminates the indemnity only deductible option from the set of available options. Since the inception of the program no insured has exercised this option.

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"In the event that the **DEDUCTIBLE** amount applies separately to each **claim** and does not apply to **claim expenses** as specified by the **CLAIM EXPENSES** selection item on the Declarations Page, the Company's obligation to pay **claim expenses** is not subject to the **DEDUCTIBLE** amount being satisfied by the **insured**."

- 5) Section V- Defense Provisions - Eliminated the defense inside option Section V, item 3.a. The insured had the sole option of selecting this provision for a credit. Since the inception of the program no insured has exercised this option.

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"a. In the event **claim expenses** are included within the limit of liability as specified by the **CLAIM EXPENSES** selection item on the Declarations Page, our right and duty to defend end when the applicable limit of liability described in **SECTION VIII – LIMITS OF LIABILITY** has been exhausted by payment of **damages** or **claim expenses** or by any combination of both."

- 6) Section VI – Settlement Provisions – several conditions on the consent clause (removal of the hammer clause) are removed:

Deleted:

1. We may investigate, negotiate and solicit settlement offers regarding any **claim** as we deem appropriate. Although we shall not commit the **named insured** to any settlement without the **named insured's** consent, if the **named insured** refuses to consent to any settlement recommended by the Company and acceptable to the claimant, and elects to contest the **claim** or continue any legal proceedings in connection with such **claim**, then the Company shall not be obligated to pay an amount in excess of the recommended settlement amount for all **damages** and **claim expenses** incurred subsequent to the date of such refusal. In any and all events, such amounts for **damages** and **claim expenses** are subject to the provisions of **SECTION IV – DEDUCTIBLE** and **SECTION VIII – LIMITS OF LIABILITY**.

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- a. the settlement amount is within the **DEDUCTIBLE** amount;
- b. the **named insured** is deceased or adjudicated incompetent;
- c. the **claim** was reported to us during an Extended Reporting Period;
- d. a judgment has been entered;
- e. the **named insured's** license to practice medicine is suspended, revoked, surrendered, inactive or otherwise has been terminated; or
- f. if after reasonable efforts by us, the **named insured** cannot be located.

It is replaced by:

1. We may investigate, negotiate and solicit settlement offers regarding any **claim** as we deem appropriate. We must have your written consent to settle any **claims** covered under this policy. In any and all events, such amounts for **damages** and **claim expenses** are subject to the provisions of **SECTION IV – DEDUCTIBLE** and **SECTION VIII – LIMITS OF LIABILITY**.
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- 8) Section VIII – Limits of Liability – As a result of the Change to Section V of the policy, we are deleting any references to “**claims expenses** within the limits of liability.” Therefore, items 1 and 2 and 3 of this section are modified to reflect the change in Section V.
- 9) Section IX – Supplementary Payments – No changes
- 10) Section X – Exclusions – Paragraphs 4 and 21 – semi-colon is added to the end of the paragraph for consistency with other exclusions.
- 11) Section XI – Definitions – No changes
- 12) Section XII – Conditions – No changes
- 13) Section XIII – Extended Reporting Period:
  - a. Paragraph 2 - the term “Unlimited” is removed as all of the optional ERP’s (not only the unlimited) are available for any reason other than those listed in the paragraph.
  - b. Paragraph 3 – a 24 month option is added.
  - c. Paragraph 4 – The term “Unlimited” is removed from the first sentence as the right to purchase any of the options (not only the unlimited) terminates 30 days after cancellation or nonrenewal.
  - d. Paragraph 6 – The term “Optional” is added to the second sub-paragraph.
- 14) Other changes:
  - a. Coverage Form
    - i. The footer is changed from “GSN-06-PS-100 IL (11/2006)” to “GSN-06-PS-100 (08/2007)”.
    - ii. Page 1 of the policy – “WHAT TO DO IN CASE OF A CLAIM” Deleted:

General Star Management Company  
123 North Wacker Drive, Suite 700  
Chicago, IL 60606  
Attention: Medical Malpractice Claims Department.  
Fax: (312) 267-8520

It is replaced by:

General Star Management Company  
P.O. Box 1255  
Stamford, CT 06904  
Attention: Medical Malpractice Claims Department.  
Fax: (866) 914-3151  
[gStarClaims@Generalstar.com](mailto:gStarClaims@Generalstar.com)

- iii. Page 1 of the policy – The Consumer Complaint Notice is removed and relocated to the Illinois Amendatory Endorsement.
- iv. Page 16 of the policy – In Witness Clause – The word “not” is added. It now reads “...but the same shall not be binding upon the Company unless countersigned on the Declarations Page by...”
- b. Illinois Amendatory Endorsement
  - i. is modified to reflect the change in Section V of the policy. Please refer to item 5 above.
  - ii. Section XII – Conditions, Non-Renewal is modified to state that we will provide the actual renewal premium quotation & change in coverage or deductible on the policy
  - iii. Section XII – Conditions, is modified to add Condition 19. Claims Information. The new condition states that we will provide loss information to the insured within 30 days of a request in response to 215 ILCS 5/143 10.a.
  - iv. is modified to add a new Section XIV – Consumer Complaints with complaint notice requirements relocated from the coverage form.
- c. Declaration pages for individual and group accounts are modified to reflect the change in Section V of the policy. Please refer to item 5 above.
- d. New and Renewal Applications are modified to reflect change in fraud statements.

### Rule Changes

Comparing this rule page to the 11-06 edition, several changes were made to the General Rule pages as outlined below:

Section III. added "For higher limits please refer to Company" - We now can offer higher limits through facultative placement with either GenRe, or XLRe. They use their pricing models to calculate the excess layer. Therefore, we can not determine the implied ILFs for higher limits in advance.

Section IX, item B.

Replaced

"Practice less than 25 hours per week 50-90% of medical specialty"  
with:

Number of hours in Practice per week  
Less than 10  
Between 10 – 15

Discount Factor  
80 - 90% of Medical Specialty  
70 - 80% of Medical Specialty

Between 16 – 20  
Between 21 – 25

60 - 70% of Medical Specialty  
50 - 60% of Medical Specialty

Our intent is to have a narrower range of hours/credits so that it is administered more objectively.

Section IX, item D. Added

New to practice physicians

To recognize the reduced exposure associated with those professionals that recently completed their residency program (within 6 months of the graduation date), a reduced rate will be charged upon the following basis:

1 <sup>st</sup> year of practice discount	50%
2 <sup>nd</sup> year of practice discount	25%

Section XII. Item B. added "(Indemnity and Expenses)" after "deductible" to clarify that the option is not indemnity only.

Section XIV. added the semi-annual installment option.

**Neuman, Gayle**

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**From:** Patricia.Villegas@generalstar.com  
**Sent:** Friday, September 07, 2007 2:24 PM  
**To:** Neuman, Gayle  
**Subject:** Re: General Star Advantage - Physicians & Surgeons - Rule Filing #07-104-3-2-R  
**Attachments:** 10 06 Act Cert.pdf; Filing Memorandum Summary of Changes.doc; IL P & S Rule Cert.pdf; IL P & S Form Cert.pdf

Dear Ms. Neuman:

In response to your concerns I offer the following:

1. There were no proposed changes to existing rates or rating factors in the filing referenced above. The current filed and approved rates (11-01-2006 contained in filing number 06-156-3-2) were certified by a qualified actuary. Attached please see a copy of that certification.
2. Yes, we report our statistics to the Insurance Service Office (ISO).
3. We have identified all form and rule changes to our current filing (Filing Number 06-156-3-2) in the Filing Memorandum provided with our submission. Attached please find a copy of that Filing Memorandum.

Additionally, attached please find a certification for the rules filing as well as the forms filing that nothing else has changed from what was previously filed except for the changes brought to your attention in this filing.

4. Our intent is to apply the discount factors proportionally to the number of practice hours in the given ranges in the table. For example, if a doctor worked only 2 hours a week, she will qualify for an 88% discount, while a doctor with 8 hours of practice will qualify for an 82% discount.

The broad range of 50%-90% for part-time practices (less than 25 hours) was originally filed and approved in our current filing. It has been applied proportionally based on the number of practice hours. In this new filing, we are trying to clarify how it is being applied based on narrower ranges.

5. Item XIII. of the General Rule pages, "Individual Risk Modification Plan", is similar to a Schedule Rating Plan filed by some insurers. We apply the credits / debits consistently to all individual insureds. It is also worth noting that we have made no changes to this section of the our currently approved rule manual.

I trust this responds to all of your concerns but should you have any further questions, please feel free to contact me.

Sincerely,

Patricia Villegas  
General Star Management Company  
695 E. Main Street D-4

Stamford, CT 06904  
phone: (203) 328-6079  
fax: (203) 328-6150  
email: patricia.villegas@generalstar.com

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

08/31/2007 09:24 AM

To <patricia.villegas@generalstar.com>  
cc  
Subject General Star Advantage - Physicians & Surgeons - Rule Filing #07-104-3-2-R

Ms. Villegas,

We are in receipt of the above referenced filing submitted via your letter dated August 28, 2007. As you submitted both a rate/rule and a form filing, we have added "-R" to the title of the rate/rule filing. A filing number cannot be reused.

The submission is not acceptable for filing in Illinois due to the following reason(s):

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. The certification provided did not include a qualified actuary.
2. Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?
3. Pursuant to 50 Ill. Adm. Code 754.10, identification of all changes in all superseding filings, as well as identification of all superseded filings is required. Additionally, we require you certify that nothing else has changed from what was previously filed except for the changes brought to our attention in this filing.
4. Under IX. Additional Classifications, B. Part-Time, how do you decide the discount factor (ranging from 80% to 90%) for a physician/surgeon with less than 10 hours of practice in a week? For example, could one insured get an 82% discount while another gets an 88% discount? Please explain the range of the discount.
5. In regard to XIII. Individual Risk Modification Schedule, most insurers include this however it is referred to as a Scheduled Rating Plan or other similar title.

Section 155.18(b)(4) of the Illinois Insurance Code allows insurers to modify classification rates 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 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. For individual risk rating, we require the manual include the standards by which you measure the variations in hazards or expense provisions in order to determine that a specific risk is so different in hazard/expense that it warrants individual rating. Such standards are required in the law, prior to individually rating any risk, to ensure that an insurer is not applying its rates in an unfairly discriminatory manner.

Is this to be considered an individual risk rating plan? If so, how many insureds' premiums are affected by this?

Your response is required to be received by no later than September 10, 2007.

Gayle Neuman

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

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**GENERAL STAR ADVANTAGE COVERAGE FOR PHYSICIANS AND SURGEONS**

**FILING MEMORANDUM**

**August, 2007**

**OUR FILE # 07-104-3-2**

General Star National Insurance Company is proposing the following changes to its General Star Advantage policy form filed on 11-01-2006 for physicians and surgeons' medical malpractice coverage. The main purpose of this revision is to eliminate three options that reduced coverage at sole discretion of the insured for a credit and removal of the hammer clause in Section VI. These changes also result in a revision to the Illinois amendatory endorsement that was filed on 11-01-2006. There are also a few minor editorial changes that are included in this filing as well. The resulting changes will not reduce coverage and have no measurable impact on filed and approved rates. The changes are listed below in a chronological order by policy section:

- 1) Section I- Insuring Agreement – The proposed revision eliminates the defense inside option section. The insured had the sole option of selecting this provision for a credit. Since the inception of the program no insured has exercised this option.

Deleted:

1. In the event **claim expenses** are included within the limit of liability as specified by the **CLAIM EXPENSES** selection item on the Declarations Page:
  - a. Subject to the **ANNUAL AGGREGATE LIMIT** and the **ANNUAL POLICY AGGREGATE LIMIT**, if any, the amount we will pay for all **claim expenses** and **damages** in connection with any **claim** is limited to the **PER CLAIM LIMIT**, as described in **SECTION VIII – LIMITS OF LIABILITY** and shown on the Declarations Page;
  - b. Our right and duty to defend ends when we have used up the applicable limit of liability by payment of **damages** or **claim expenses** or by any combination of both, as described in **SECTION VIII – LIMITS OF LIABILITY** and shown on the Declarations Page; and
  - c. We have no duty to pay **claim expenses** or defend any **insured** against any **claim** seeking **damages** not covered by the policy.
- 2) Section II- Claims To Which This Policy Applies - No changes
- 3) Section III – Coverage Territory – The proposed change extends coverage to “potential claims” as defined in the policy and expands the territories where a suit can be brought and maintained.

Deleted:

"The insurance provided by this policy applies only to **claims** made and maintained in the United States of America for **professional services** rendered anywhere in the world."

It is replaced by:

"The insurance provided by this policy applies to **claims** or **potential claims** taking place anywhere in the world, provided, however, the **claim** must be made and maintained or **suit** brought and maintained within the United States of America, its territories or possessions, or Puerto Rico."

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- a. the settlement amount is within the **DEDUCTIBLE** amount;
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- c. the **claim** was reported to us during an Extended Reporting Period;
- d. a judgment has been entered;
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123 North Wacker Drive, Suite 700  
Chicago, IL 60606  
Attention: Medical Malpractice Claims Department.  
Fax: (312) 267-8520

It is replaced by:

General Star Management Company  
P.O. Box 1255  
Stamford, CT 06904  
Attention: Medical Malpractice Claims Department.  
Fax: (866) 914-3151  
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Between 21 – 25

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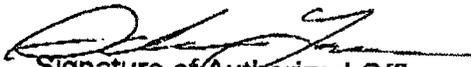
September 7, 2007

Ms. Gayle Neuman  
Illinois Department of Financial and Professional Regulation  
Division of Insurance  
320 West Washington Street  
Springfield, IL 62767

Re: General Star Advantage - Physicians & Surgeons - Rule Filing #07-104-3-2-R

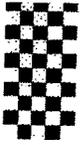
ILLINOIS CERTIFICATION

I, Adam Yasan, a duly authorized officer of General Star National Insurance Company, do hereby certify that nothing else in the rule page has changed from what was previously filed except for the proposed changes filed in the above referenced filing.

  
Signature of Authorized Officer

9-7-2007  
Date





SEP. 7. 2007 11:57AM

GENERAL STAR PROF LIAB

NO. 005 P. 1

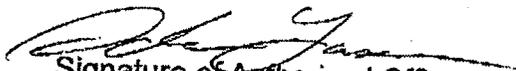
**September 7, 2007**

**Ms. Gayle Neuman  
Illinois Department of Financial and Professional Regulation  
Division of Insurance  
320 West Washington Street  
Springfield, IL 62767**

**Re: General Star Advantage - Physicians & Surgeons - Form Filing #07-104-3-2**

**ILLINOIS CERTIFICATION**

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Signature of Authorized Officer

9-7-2007  
Date

**GeneralStar™**

**Physicians & Surgeons  
Professional Liability Claims-Made Reported**

**GENERAL STAR ADVANTAGE**  
*Underwritten by*  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**GENERAL STAR NATIONAL INSURANCE COMPANY**

**PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY  
CLAIMS MADE AND REPORTED COVERAGE**

**GENERAL RULE MANUAL**

DIVISION OF INSURANCE  
STATE OF ILLINOIS/IDFPR  
**FILED**

SEP 01 2007

SPRINGFIELD, ILLINOIS

**GENERAL STAR ADVANTAGE**  
*Underwritten by*  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**I. USE OF THIS MANUAL**

The purpose of this document is to provide premium and rating data (by state), underwriting rules, medical specialty classifications and practice location territories needed to select and price risks for the General Star Management Physicians & Surgeons Professional Liability program. The following categories of Health Care Providers are designated primary insureds for the program:

1. Physicians or Surgeons (M.D.)
2. Osteopathic Physicians or Surgeons (D.O.)
3. Podiatrists (D.P.M.)

Any exceptions to these rules are contained in the respective State Exceptions Section.

**II. COVERAGE**

Coverage under this program is described in the respective policy Insuring Agreement(s) and/or Coverage Part(s). It shall be permissible to attach more than one Insuring Agreement and/or Coverage Part to the policy.

**III. BASIC LIMITS OF LIABILITY**

The basic coverage limits for Professional Liability coverage under this program are:

Professional Liability: \$1,000,000 Each Claim / \$3,000,000 Aggregate  
For higher limits please refer to Company

**IV. POLICY WRITING MINIMUM PREMIUM**

The minimum premium is \$500 per annual or lesser period, unless otherwise specified for the respective coverage.

**V. DECREASED LIMITS OF LIABILITY**

Available decreased Limits of Liability are shown on the respective State Exceptions Section.

**VI. PREMIUM COMPUTATION**

The premium shall be computed by applying the rate per physician/surgeon shown on the State Exceptions pages.

**A. PREMIUM ROUNDING RULE**

Premium rounding will be done at the last step of the computation process, as opposed to rounding at each step. In the event that application of any rating procedure result is not a whole dollar, each rate and premium shall be adjusted as follows:

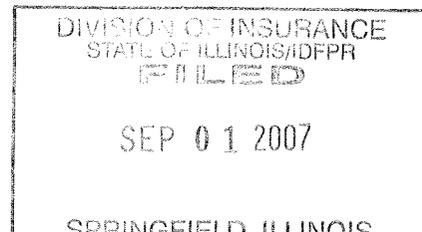
- i. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- ii. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

**B. FACTORS OR MULTIPLIERS**

Premium modifications are to be applied multiplicatively. Modifications from the **Individual Risk Modification Schedule** and **Deductibles** are to be added together and then applied multiplicatively.

**C. ADDITIONAL and RETURN PREMIUM**

For all changes requiring additional or return premium, apply the rates and rules that were in effect at the inception date of the current policy period.



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**D. CLAIMS MADE 'STEP' RULE**

The proper 'step' into which the physician/surgeon is placed for rating purposes when claims made coverage has been provided for less than full annual periods is determined as follows:

1. Less than 6 months of claims made coverage, step 1 rates apply;
2. "#" years plus less than 6 months of claims made coverage, step "x" plus 1 applies;
3. "#" years plus 6 months or more of claims made coverage, step "x" plus 2 applies.

Note: The value of "#" is the number of whole years.

**VII. RESTRICTIONS OF COVERAGE OR INCREASED RATE**

Subject to individual state regulations, policies may be issued with special restrictions or at increased premium if:

- A. the Insured agrees in writing; and
- B. the policy would otherwise not be written.

**VIII. EXTENDED REPORTING PERIOD COVERAGE (available for Claims Made coverage only)**

The availability of Extended Reporting Period Coverage shall be governed by the following rules:

- A. The Limits of Liability may not exceed those afforded under the terminating policy.
- B. Available Extended Reporting Period premium charges shall be as shown on the respective State Exceptions pages.

**IX. ADDITIONAL CLASSIFICATIONS**

**A. Disability/Leave of Absence**

A physician/surgeon who becomes disabled, or is on leave of absence for a period of 45 days or more, will be eligible for restricted coverage at a reduced rate. This would apply retroactively to the first day of disability or leave of absence. Rating basis as follows:

Disability/Leave of Absence	25% of Medical Specialty
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**B. Part-Time**

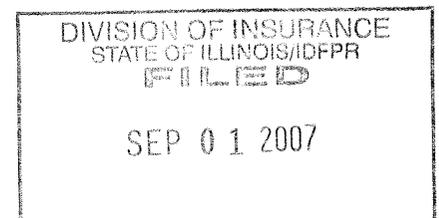
A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

<u>Number of hours in Practice per week</u>	<u>Discount Factor</u>
Less than 10	80 - 90% of Medical Specialty
Between 10 – 15	70 - 80% of Medical Specialty
Between 16 – 20	60 - 70% of Medical Specialty
Between 21 – 25	50 - 60% of Medical Specialty

The applicant or insured may be required to cite a specific reason for practicing part-time and specific exposures and medical specialties may be deemed ineligible for part-time status.

**C. Locum Tenens Physicians**

Coverage for a physician substituting for an insured physician may be provided. Coverage will be limited to professional services rendered on behalf of an insured physician for the specified time period. Approved *Locum Tenens* physicians will share in the primary insured physician's Limit of Liability at no additional premium charge.



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D. New to practice physicians

To recognize the reduced exposure associated with those professionals that recently completed their residency program (within 6 months of the graduation date), a reduced rate will be charged upon the following basis:

1 <sup>st</sup> year of practice discount	50%
2 <sup>nd</sup> year of practice discount	25%

X. MISCELLANEOUS / ANCILLARY MEDICAL PERSONNEL

Professional Liability coverage for miscellaneous medical personnel may be provided. The State Exception pages contain medical specialties and rating instructions.

XI. CORPORATION / PARTNERSHIP / PROFESSIONAL ASSOCIATION

It shall be permissible to provide coverage for a Professional Corporation, Professional Association, or Partnership, for liability arising from the professional services by its member physicians/surgeons. Such coverage may be provided as follows:

A. Solo Practice:

by endorsement to the policy. The entity will share in the individual physician/surgeon limit at no additional premium charge.

B. All Others:

Available on a separate Limit of Liability basis by naming the professional corporation/partnership/professional association on the policy. Additional premium shall be as shown on the State Exceptions pages. Ancillary personnel shall be included in this professional corporation limit but will not share in the limits of the individual physician(s).

XII. OPTIONAL COVERAGES / ENDORSEMENTS

It shall be permissible to add any of the following optional coverages/endorsements as appropriate to the particular situation and in accordance with the minimum basic Limits of Liability indicated herein:

A. Medical Laboratory

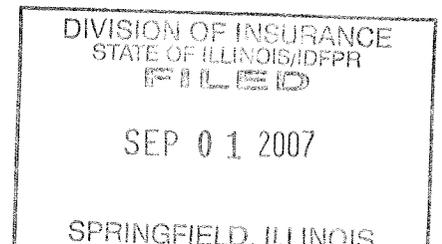
It shall be permissible to add a Medical Laboratory:

- i. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- ii. at a premium charge of 25% of the Class 1 rate. The laboratory will be included as an additional insured, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

B. Deductibles/Self-Insured Retentions

Deductibles and self-insured retentions are available. The factors are shown below:

Deductible (indemnity and expenses)	Discount Factor
\$5,000	3%
\$10,000	5%
\$25,000	7%





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**XIII. INDIVIDUAL RISK MODIFICATION SCHEDULE**

The hazards of the practice of medicine vary with each organization; the establishment of medical standards review and claims review committees and the effectiveness of such committees; loss prevention and control activities; type, amount and extent of professional services rendered under written agreement, etc. To recognize such specific characteristics unique to each risk, a rate modification may be applied based on the following:

1. Physicians and Surgeons (M.D.s and D.O.s) and Podiatrists Professional Liability Exposures

The maximum permissible modification of the Professional Liability premium(s) is as shown on the State Exceptions pages.

Individual Risk Modification Schedule	Credits	Debits
<p>a. <u>Loss Experience</u></p> <p>The underwriter will evaluate the circumstances of past claims and will take into consideration the report date of each claim and the paid indemnity amounts.</p>	0%	0%-20%
<p>b. <u>Loss Control Program</u></p> <p>The underwriter will evaluate the procedures in place within the practice, including adherence to any prior loss control recommendations.</p>	0-10%	0-10%
<p>c. <u>Practice Characteristics</u></p> <p>The underwriter will evaluate the impact of contracts on utilization, referrals, and overall quality of patient care.</p>	0-15%	0-15%
<p>d. <u>Continuing Education</u></p> <p>Determine if the applicant's professional and paraprofessional staff participates in effective continuing medical education program(s).</p>	0-5%	0-5%
<p>e. <u>Ancillary Personnel</u></p> <p>Paraprofessional employees or contractors such as Nurse practitioners, Physician Assistants, Certified Registered Nurse Anesthetists, Perfusionists and Midwives. Surcharge for vicarious liability when practitioners carry their own separate coverage. May be offset by Continuing Education credit.</p>	0-5% per employee	0-5% per employee
<p>f. <u>Practice Hours</u></p> <p>Credit for limited practice hours if the risk is not eligible for part-time credit. Debit for practice hours deemed excessive for the specific specialty or practice situation.</p>	0-10%	0-10%
<p>g. <u>Patient Count</u></p> <p>Surcharge for above-average patient or procedure volume; credit for low volume.</p>	5-10%	5-10%
<p>h. <u>Use of Hospitalists</u></p> <p>The underwriter will evaluate the use of hospitalists for patient admissions.</p>	0-10%	0-10%
<p>i. <u>Emergency Room exposure</u></p> <p>The underwriter will evaluate any Emergency Medicine exposure.</p>	0-10%	0-10%

DIVISION OF INSURANCE  
STATE OF ILLINOIS/IDFPR  
**FILED**  
SEP 01 2007



Physicians & Surgeons  
Professional Liability Claims-Made Reported

**GENERAL STAR ADVANTAGE**  
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j. <u>Unusual Risk Characteristics</u>  The underwriter will evaluate any feature of the practice that is deemed unusual or nontraditional in the applicant's medical community.	0-10%	0-10%
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**XIV. INSTALLMENT OPTIONS**

Quarterly and semi-annual premium installment options with no interest charges and no installment charges/fees are available subject to the following terms:

- 1) Quarterly - An initial payment of 40% of the total premium due at policy inception with remaining premium due three months (20%), six months (20%), and nine months (20%) from policy inception.
- 2) Semi-annually - An initial payment of 60% of the total premium due at policy inception with remaining premium due six months (40%) from policy inception.
- 3) Additional premium resulting from changes to the policy shall be spread equally over the remaining installments. If there are no remaining installments, additional premium resulting from changes to the policy will be processed as a separate transaction.

DIVISION OF INSURANCE  
STATE OF ILLINOIS/IDFPR  
**FILED**  
  
SEP 01 2007  
  
SPRINGFIELD, ILLINOIS

**GeneralStar**<sup>®</sup>

General Star Management Company  
Financial Centre  
695 East Main Street  
Stamford, CT 06901  
direct phone 203 328 5584  
fax 203 328 6150  
email mgayzur@genre.com

Mary Ann Gayzur  
Compliance Analyst

**VIA FEDERAL EXPRESS**

October 31, 2006

Honorable Michael T. McRaith  
Director of Insurance  
Illinois Department of Financial and Professional Regulation  
Division of Insurance  
320 West Washington Street  
Springfield, IL 62767  
ATTN: Mr. John Gatlin  
Supervisor, P&C Compliance Unit

**RE: General Star National Insurance Company**  
**NAIC#: 11967 FEIN#: 13-1958482**  
**Physicians & Surgeons Professional Liability**  
**Rate & Rule Filing**  
**Co. Filing #: 06-156-3-2**

Dear Director McRaith:

Please find the attached medical liability insurance rate and rule filing on behalf of General Star National Insurance Company. We are enclosing our new rates and rule manual with the required actuarial certification and documents. This is a first time rate and rules filing for General Star National Insurance Company. We are requesting an effective date of November 1, 2006.

Included in this filing are the following documents:

- 1) Illinois Certification for Medical Malpractice Rates
- 2) Actuarial Certification
- 3) NAIC Uniform Transmittal Form
- 4) Rates and Rules
- 5) Actuarial Memorandum and Support Documents

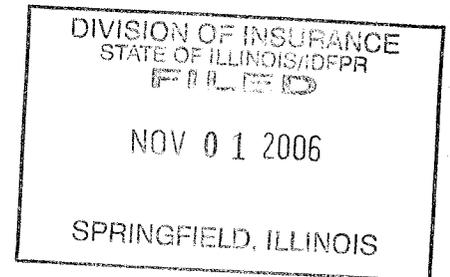
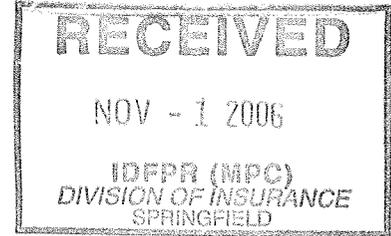
If you require additional information, please contact me.

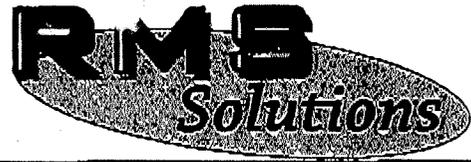
Sincerely,

*Mary Ann Gayzur*

Mary Ann Gayzur

Enclosures





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October 23, 2006

Ms. Gayle Neuman  
Supervising Insurance Analyst  
Illinois Department of Insurance  
320 West Washington Street  
Springfield, Illinois 62767

Company: General Star National Insurance Company  
Program: Physician's Professional Liability  
Effective Date: November 1, 2006

**Re: Medical Malpractice Rate Certification**

Dear Ms. Neuman:

I am a qualified actuary with the firm RMS Solutions, Inc. duly authorized to certify on behalf of General Star National Insurance Company (GSNIC) in making this filing for physician's professional liability insurance manual rates and rating factors. I hereby certify that the rates and rating factors contained in this filing are based on sound actuarial principles, consider past and prospective loss and expense experience, and provide a reasonable margin for underwriting profit and contingencies; and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

Since this is GSNIC's initial application for physician's professional liability insurance rates in Illinois, there is no prior company experience available for use in determining rates.

Best Regards,

A handwritten signature in black ink, appearing to read "Peter S. Rauner".

Peter S. Rauner, FCAS, MAAA  
President, RMS Solutions, Inc.  
Ph: (773) 864-8294

Cc: Mr. Adam Yasan, General Star Management  
Mr. James Higgins, General Star Management

---

# 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, ADAM M. YASAN, a duly authorized officer of General Star National Insurance Company, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

*Please see the attached Medical Malpractice Rate Certification*  
I, Prepared by Peter S. Rauner FCAS, MAAA, a duly authorized actuary of \_\_\_\_\_ am authorized to certify on behalf of \_\_\_\_\_ 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.

*Adam M. Yasan*  
Signature and Title of Authorized Insurance Company Officer

10-30-2006  
Date

\_\_\_\_\_  
Signature, Title and Designation of Authorized Actuary

\_\_\_\_\_  
Date

Insurance Company FEIN 13-1958482 Filing Number 06-156-3-2 R

Insurer's Address 695 East Main Street, P.O. Box 10360

City Stamford State Connecticut Zip Code 06904-2360

Contact Person's:  
-Name and E-mail Mary Ann Gayzur (mgayzur@genre.com)

-Direct Telephone and Fax Number (203) 328-5584 / fax (203) 328-6150

Effective January 1, 2006

**Property & Casualty Transmittal Document (Revised 1/1/06)**

**1. Reserved for Insurance Dept. Use Only**

--

<b>2. Insurance Department Use only</b>	
a. Date the filing is received:	
b. Analyst:	
c. Disposition:	
d. Date of disposition of the filing:	
e. Effective date of filing:	
<input type="checkbox"/> New Business	
<input type="checkbox"/> Renewal Business	
f. State Filing #:	
g. SERFF Filing #:	
h. Subject Codes	

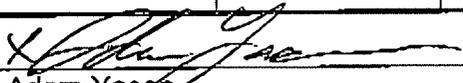
<b>3. Group Name</b>	<b>Group NAIC #</b>
Berkshire Hathaway Insurance Group	31

4. Company Name(s)	Domicile	NAIC #	FEIN #
General Star National Insurance Company	Ohio	11967	13-1958482

<b>5. Company Tracking Number</b>	06-156-3-2 R
-----------------------------------	--------------

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

6. Name and address	Title	Telephone #s	FAX #	e-mail
Mary Ann Gayzur	Compliance Analyst	203-328-5584	203-328-6150	mgayzur@genre.com
Noel Schulz	Compliance Analyst	203-328-5704	203-328-6150	nschulz@generalstar.com

<b>7. Signature of authorized filer</b>	
<b>8. Please print name of authorized filer</b>	Adam Yagan

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

<b>9. Type of Insurance (TOI)</b>	11 - Medical Malpractice
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	0023 - Physicians and Surgeons
<b>11. State Specific Product code(s)(if applicable)(See State Specific Requirements)</b>	
<b>12. Company Program Title (Marketing title)</b>	General Star Advantage
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules
	<input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms
	<input type="checkbox"/> Withdrawal <input type="checkbox"/> Other
<b>14. Effective Date(s) Requested</b>	New: 11/01/2006    Renewal:

Effective January 1, 2006

### Property & Casualty Transmittal Document---

15.	Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16.	Reference Organization (if applicable)	N/A
17.	Reference Organization # & Title	N/A
18.	Company's Date of Filing	11/1/06
19.	Status of filing in domicile	<input checked="" type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

20.	This filing transmittal is part of Company Tracking #	06-156-3-2 R
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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Please see attached cover letter.

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:

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

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

## Neuman, Gayle

---

**From:** mgayzur@gumc.com  
**Sent:** Wednesday, December 20, 2006 10:17 AM  
**To:** Neuman, Gayle  
**Subject:** Re: Rate/Rule Filing #06-156-3-2

Ms. Neuman:

I apologize for the way the fax was handled, but I could not get it to go thru on one time with the amount of pages. I did send the entire package in the mail to you the same day it was faxed. You should be receiving it shortly.

Mary Ann Gayzur  
General Star Management Company  
695 E. Main Street D-4  
Stamford, CT 06904  
(203) 328-5584 (phone)  
(203) 328-6150 (fax)  
mgayzur@genre.com

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

12/20/2006 10:43  
AM

**To:** <mgayzur@genre.com>  
**cc:**  
**Subject:** Rate/Rule Filing #06-156-3-2

Ms. Gayzur,

I received your faxes dated December 18, 2006. In regard to the pages that relate to the rate/rule filing, you submitted an updated version of the second RMS page (now a two page document). And the letter (mostly in response to the separate form filing) states you are withdrawing the RMS pages - so I assume that means all three RMS pages. I again request the entire manual now be sent via regular mail (or e-mail - but not by fax) for clarity.

Thank you for your prompt attention.

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

-----  
This e-mail, including attachments, is intended for the person or company named and may contain confidential and/or legally privileged information. Unauthorized disclosure, copying or use of this information may be unlawful and is prohibited. If you are not the intended recipient, please delete this message and notify the

sender.

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

**ILLINOIS  
PHYSICIANS CLASSIFICATION PLAN**

SPECIALTY DESCRIPTION

CLASS

Acupuncture - Minor Surgery	3
Aerospace Medicine - No Surgery	0
Aesthetic Medicine - Minor Invasive Surgery	4
Allergy - No Surgery	0
Anesthesiology - Major Surgery	3
Anesthesiology Critical Care Medicine - Major Surgery	5
Anesthesiology Pain Medicine - Major Surgery	4
Cardiovascular Disease - Minor Invasive Surgery	5
Cardiovascular Disease - No Surgery	3
Colon & Rectal Surgery - Major Surgery	6
Dermatology - Major Surgery	3
Dermatology - Minor Invasive Surgery	1
Dermatology - No Surgery	0
Endocrinology - Minor Invasive Surgery	2
Endocrinology - No Surgery	1
Family/General Practice - No Obstetrics - Minor Invasive Surgery	4
Family/General Practice - No Obstetrics - No Surgery	2
Forensic Pathology - No Surgery	0
Gastroentrology - Minor Invasive Surgery	3
Gastroentrology - No Surgery	3
General Preventive Medicine - No Surgery	0
General Surgery - including laparoscopy - Major Surgery	7
Geriatrics - Minor Invasive Surgery	2
Geriatrics - No Surgery	1
Gynecology - Minor Invasive Surgery	4
Gynecology - No Surgery	3
Gynecology Surgery - including laparoscopy - Major Surgery	7
Hand Surgery - Major Surgery	7
Hematology - Minor Invasive Surgery	2
Hematology - No Surgery	2
Infectious Disease - Minor Invasive Surgery	3
Infectious Disease - No Surgery	3
Intensive Care Medicine	4
Internal Medicine - Minor Invasive Surgery	5
Internal Medicine - No Surgery	2
Neoplastic Medicine/Oncology - Minor Invasive Surgery	2
Neoplastic Medicine/Oncology - No Surgery	2
Nephrology - Minor Invasive Surgery	3
Nephrology - No Surgery	2
Neurology - Minor Invasive Surgery	4
Neurology - No Surgery	4
Neurosurgery - Major Surgery	9
Nuclear Medicine - No Surgery	2
Obstetrics/Gynecology - Major Surgery	8
Occupational/Industrial Medicine - No Surgery	0
Ophthalmology - No Surgery	1

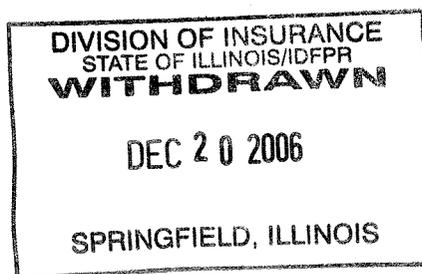
DIVISION OF INSURANCE  
STATE OF ILLINOIS/IDFPR  
**WITHDRAWN**  
  
DEC 20 2006  
  
SPRINGFIELD, ILLINOIS

REVISED

# GENERAL STAR NATIONAL INSURANCE COMPANY PHYSICIAN'S PROFESSIONAL LIABILITY

## ILLINOIS PHYSICIANS CLASSIFICATION PLAN

<u>SPECIALTY DESCRIPTION</u>	<u>CLASS</u>
Ophthalmology - Surgery	3
Orthopedic Surgery - excluding back surgery - Major Surgery	7
Orthopedic Surgery - including back surgery - Major Surgery	8
Otolaryngology/Head and Neck Surgery - excluding cosmetic - Major Surgery	5
Otolaryngology/Head and Neck Surgery - including cosmetic -Major Surgery	7
Otology/Neurotology - Major Surgery	5
Otology/Neurotology - No Surgery	1
Otorhinolaryngology - No Surgery	0
Pathology - No Surgery	2
Pediatrics - Major Surgery	7
Pediatrics - Minor Surgery	3
Pediatrics - No Surgery	1
Physical Medicine and Rehabilitation - No Surgery	2
Physicians (N.O.C.) - Major Surgery	7
Physicians (N.O.C.) - Minor Invasive Surgery	4
Physicians (N.O.C.) - No Surgery	2
Plastic / Reconstructive Surgery - excluding cosmetic elective - Major Surgery	7
Plastic / Reconstructive Surgery - including cosmetic elective - Major Surgery	8
Psychiatry - No Surgery	0
Pulmonary Medicine - No Surgery	3
Pulmonary Medicine - Minor Surgery	4
Podiatry - No Surgery	2
Podiatry - Minor Surgery	5
Radiation Therapy - Major Surgery	5
Radiology (Diagnostic) - Major Surgery Class	5
Rheumatology - No Surgery	1
Thoracic and Cardiovascular Surgery - Major Surgery	8
Urgent Care Medicine	2
Urology - No Surgery	1
Urology - Excluding therapeutic implants - Major Surgery	5
Urology - including therapeutic implants - Major Surgery	6
Urology - Minor Invasive Surgery	3
Vascular Surgery - Major Surgery	8



**Neuman, Gayle**

---

**From:** Neuman, Gayle  
**Sent:** Tuesday, December 19, 2006 9:43 AM  
**To:** 'mgayzur@ggenre.com'  
**Subject:** fax responses

I received numerous faxes from you on Monday.

The first fax was a response to the forms filing – received 18 pages although cover letter indicated 54.

The second fax had no cover letter – included forms and rate/rule pages – received 18 pages of 54 indicated.

Third fax had no cover letter – a response to the rate/rule filing – received 20 pages although fax cover indicated 54.

Final fax was a response to the forms filing – received 30 pages although cover letter indicated 54. Some pages in this fax address the rate/rule filing.

**ON ALL FUTURE FILINGS, PLEASE DO NOT MIX CORRESPONDENCE FOR FORMS FILINGS WITH RATE/RULE FILINGS. THIS INFORMATION HAS TO BE KEPT SEPARATE.**

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

General Reinsurance  
Corporation  
State Filings Unit  
PO Box 10350  
Stamford, CT 06904-  
2350  
Phone: (203) 328-5584  
Fax: (203) 328-6150

**GeneralCologne Re™**

# Fax

To Ms. Gayle Neuman

From: Mary Ann Gayzur

Fax: (217) 524-2122

Pages: 54 (including

cover)

---

Phone:

Date: 12/18/06

---

Re: Physicians & Surgeons Professional Liability – Co. Filing #: 06-156-3-2

---

Urgent

**XX For Review**

Please Comment

Please Reply

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*Attached, please find General Star National Insurance Company's response to your December 11, 2006 objection letter. If you require further information, please contact me. Thank you.*

*Mary Ann Gayzur*

**GeneralStar**

General Star Management Company  
Financial Centre  
695 East Main Street  
Stamford, CT 06901  
direct phone 203 328 5584  
fax 203-328-6150  
email mgayzur@genre.com

Mary Ann Gayzur  
Compliance Analyst

**VIA FACSIMILE: (217) 524-2122  
AND REGULAR MAIL**

December 18, 2006

Ms. Gayle Neuman  
Illinois Department of Financial and Professional Regulation  
Division of Insurance  
320 West Washington Street  
Springfield, IL 62767

RE: **General Star National Insurance Company**  
**NAIC#: 11967 FEIN#: 13-1958482**  
**Physicians & Surgeons Professional Liability**  
**Rate & Rule Filing**  
**Co. Filing #: 06-156-3-2**

Dear Ms. Neuman:

Thank you for your letter dated December 11, 2006. We have respectfully responded to each of your questions and comments in the order presented. For your convenience we have included your questions along with our response. Please note that our responses are in bold letters.

Q1. The limit of liability should not be reduced by the deductible amount or claim expenses. Any forms that contain provisions to the contrary are deemed to contain exceptions and conditions that unreasonably or deceptively affect the risks that are purported to be assumed by the policy, in violation of 215 ILCS 5/143(2) and will be disapproved accordingly. This will require changes to Section I, IV, and V (this would also effect the Illinois Amendatory Endorsement).

A1. We have provided prospective insureds with choices in the matter of deductible and claim expenses. As stated in our Illinois Amendatory Endorsement, Section V, items 3.a. and 3.b., first sentence of each paragraph, the insured has the sole option of purchasing the option desired. We do not force a deductible or a claims expense option; to the contrary, we provide options that provide premium savings and choices in coverage. Therefore, we do not feel that we unreasonably or deceptively force any coverage option.

**GeneralStar**

Page 2

Q2. The term "retroactive date" should be added to the Definitions section.

A2. The term has been added to the definition section of the policy. Please see attached from GSN-06-PS-100IL.

Q3. Two declaration page forms were provided. Form #GSN-06-PS-126 is okay. We need a new copy of the other declaration page as the form number was cut off.

A3. Please see attached form GSN-06-PS-127.

Q4. Both declaration page forms should be corrected to indicate the claim expenses are NOT included within the limits of liability as noted in #1 above.

A4. As stated in response to question #1, we are providing the insured with an option on claims expenses. The insured has the sole option of selecting the type of coverage desired. We do not make that determination for the insured. Both Declarations pages reflect the available options.

Q5. On the Illinois Amendatory Endorsement (form #GSN-07-PS-815IL), Under Section XII - Conditions, 6.c. Non-Renewal, delete the reference to "or deliver" in the third sentence.

A5. We revised that section as requested. Please see attached from GSN-07-PS-815IL.

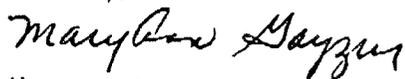
Q6. On the Illinois Amendatory Endorsement (form #GSN-07-PS-815IL), Under Section XIII - Extended Reporting Period - 2. "cancellation of non-renewal" should be "or". Additionally, this endorsement indicates number 2 is deleted in its entirety - do you mean to also delete the final paragraph in that section 2?

A6. We revised that section. Please see attached from GSN-07-PS-815IL.

Additionally, in response to our conference call last week, kindly withdraw the RMS rule pages originally sent and replace them with the enclosed.

If you require additional information, please contact me.

Sincerely,



Mary Ann Gayzur

REVISED

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

**ILLINOIS  
PHYSICIANS CLASSIFICATION PLAN**

<u>SPECIALTY DESCRIPTION</u>	<u>CLASS</u>
Acupuncture - Minor Surgery	3
Aerospace Medicine - No Surgery	0
Aesthetic Medicine - Minor Invasive Surgery	4
Allergy - No Surgery	0
Anesthesiology - Major Surgery	3
Anesthesiology Critical Care Medicine - Major Surgery	5
Anesthesiology Pain Medicine - Major Surgery	4
Cardiovascular Disease - Minor Invasive Surgery	5
Cardiovascular Disease - No Surgery	3
Colon & Rectal Surgery - Major Surgery	6
Dermatology - Major Surgery	3
Dermatology - Minor Invasive Surgery	1
Dermatology - No Surgery	0
Endocrinology - Minor Invasive Surgery	2
Endocrinology - No Surgery	1
Family/General Practice - No Obstetrics - Minor Invasive Surgery	4
Family/General Practice - No Obstetrics - No Surgery	2
Forensic Pathology - No Surgery	0
Gastroentology - Minor Invasive Surgery	3
Gastroentology - No Surgery	3
General Preventive Medicine - No Surgery	0
General Surgery - including laparoscopy - Major Surgery	7
Geriatrics - Minor Invasive Surgery	2
Geriatrics - No Surgery	1
Gynecology - Minor Invasive Surgery	4
Gynecology - No Surgery	3
Gynecology Surgery - including laparoscopy - Major Surgery	7
Hand Surgery - Major Surgery	7
Hematology - Minor Invasive Surgery	2
Hematology - No Surgery	2
Infectious Disease - Minor Invasive Surgery	3
Infectious Disease - No Surgery	3
Intensive Care Medicine	4
Internal Medicine - Minor Invasive Surgery	5
Internal Medicine - No Surgery	2
Neoplastic Medicine/Oncology - Minor Invasive Surgery	2
Neoplastic Medicine/Oncology - No Surgery	2
Nephrology - Minor Invasive Surgery	3
Nephrology - No Surgery	2
Neurology - Minor Invasive Surgery	4
Neurology - No Surgery	4
Neurosurgery - Major Surgery	9
Nuclear Medicine - No Surgery	2
Obstetrics/Gynecology - Major Surgery	8
Occupational/Industrial Medicine - No Surgery	0
Ophthalmology - No Surgery	1

REVISED

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

**ILLINOIS  
PHYSICIANS CLASSIFICATION PLAN**

<u>SPECIALTY DESCRIPTION</u>	<u>CLASS</u>
Ophthalmology - Surgery	3
Orthopedic Surgery - excluding back surgery - Major Surgery	7
Orthopedic Surgery - including back surgery - Major Surgery	8
Otolaryngology/Head and Neck Surgery - excluding cosmetic - Major Surgery	5
Otolaryngology/Head and Neck Surgery - including cosmetic -Major Surgery	7
Otology/Neurotology - Major Surgery	5
Otology/Neurotology - No Surgery	1
Otorhinolaryngology - No Surgery	0
Pathology - No Surgery	2
Pediatrics - Major Surgery	7
Pediatrics - Minor Surgery	3
Pediatrics - No Surgery	1
Physical Medicine and Rehabilitation - No Surgery	2
Physicians (N.O.C.) - Major Surgery	7
Physicians (N.O.C.) - Minor Invasive Surgery	4
Physicians (N.O.C.) - No Surgery	2
Plastic / Reconstructive Surgery - excluding cosmetic elective - Major Surgery	7
Plastic / Reconstructive Surgery - including cosmetic elective - Major Surgery	8
Psychiatry - No Surgery	0
Pulmonary Medicine - No Surgery	3
Pulmonary Medicine - Minor Surgery	4
Podiatry - No Surgery	2
Podiatry - Minor Surgery	5
Radiation Therapy - Major Surgery	5
Radiology (Diagnostic) - Major Surgery Class	5
Rheumatology - No Surgery	1
Thoracic and Cardiovascular Surgery - Major Surgery	8
Urgent Care Medicine	2
Urology - No Surgery	1
Urology - Excluding therapeutic implants - Major Surgery	5
Urology - including therapeutic implants - Major Surgery	6
Urology - Minor Invasive Surgery	3
Vascular Surgery - Major Surgery	8

Physicians & Surgeons Claims Made and Reported Professional Liability  
GENERAL RULE MANUAL  
*Underwritten by*  
GENERAL STAR NATIONAL INSURANCE COMPANY

**GENERAL STAR MANAGEMENT COMPANY**

**PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY  
CLAIMS MADE AND REPORTED COVERAGE**

**GENERAL RULE MANUAL**

Physicians & Surgeons Claims Made and Reported Professional Liability  
GENERAL RULE MANUAL  
Underwritten by  
GENERAL STAR NATIONAL INSURANCE COMPANY

I. USE OF THIS MANUAL

The purpose of this document is to provide premium and rating data (by state), underwriting rules, medical specialty classifications and practice location territories needed to select and price risks for the General Star Management Physicians & Surgeons Professional Liability program. The following categories of Health Care Providers are designated primary insureds for the program:

1. Physicians or Surgeons (M.D.)
2. Osteopathic Physicians or Surgeons (D.O.)
3. Podiatrists (D.P.M.)

Any exceptions to these rules are contained in the respective State Exceptions Section.

II. COVERAGE

Coverage under this program is described in the respective policy Insuring Agreement(s) and/or Coverage Part(s). It shall be permissible to attach more than one Insuring Agreement and/or Coverage Part to the policy.

III. BASIC LIMITS OF LIABILITY

The basic coverage limits for Professional Liability coverage under this program are:

Professional Liability: \$1,000,000 Each Claim / \$3,000,000 Aggregate

IV. POLICY WRITING MINIMUM PREMIUM

The minimum premium is \$500 per annual or lesser period, unless otherwise specified for the respective coverage.

V. DECREASED LIMITS OF LIABILITY

Available decreased Limits of Liability are shown on the respective State Exceptions Section.

VI. PREMIUM COMPUTATION

The premium shall be computed by applying the rate per physician/surgeon shown on the State Exceptions pages.

A. PREMIUM ROUNDING RULE

Premium rounding will be done at the last step of the computation process, as opposed to rounding at each step. In the event that application of any rating procedure result is not a whole dollar, each rate and premium shall be adjusted as follows:

- i. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- ii. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

B. FACTORS OR MULTIPLIERS

Premium modifications are to be applied multiplicatively. Modifications from the **Individual Risk Modification Schedule and Deductibles** are to be added together and then applied multiplicatively.

C. ADDITIONAL and RETURN PREMIUM

For all changes requiring additional or return premium, apply the rates and rules that were in effect at the inception date of the current policy period.

Physicians & Surgeons Claims Made and Reported Professional Liability  
 GENERAL RULE MANUAL  
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D. CLAIMS MADE 'STEP' RULE

The proper 'step' into which the physician/surgeon is placed for rating purposes when claims made coverage has been provided for less than full annual periods is determined as follows:

1. Less than 6 months of claims made coverage, step 1 rates apply;
2. "#" years plus less than 6 months of claims made coverage, step "x" plus 1 applies;
3. "#" years plus 6 months or more of claims made coverage, step "x" plus 2 applies.

Note: The value of "#" is the number of whole years.

VII. RESTRICTIONS OF COVERAGE OR INCREASED RATE

Subject to individual state regulations, policies may be issued with special restrictions or at increased premium if:

- A. the Insured agrees in writing; and
- B. the policy would otherwise not be written.

VIII. EXTENDED REPORTING PERIOD COVERAGE (available for Claims Made coverage only)

The availability of Extended Reporting Period Coverage shall be governed by the following rules:

- A. The Limits of Liability may not exceed those afforded under the terminating policy.
- B. Available Extended Reporting Period premium charges shall be as shown on the respective State Exceptions pages.

IX. ADDITIONAL CLASSIFICATIONS

A. Disability/Leave of Absence

A physician/surgeon who becomes disabled, or is on leave of absence for a period of 45 days or more, will be eligible for restricted coverage at a reduced rate. This would apply retroactively to the first day of disability or leave of absence. Rating basis as follows:

Disability/Leave of Absence	25% of Medical Specialty
-----------------------------	--------------------------

B. Part-Time

A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

Practice less than 25 hours per week	50-90% of Medical Specialty
--------------------------------------	-----------------------------

The applicant or insured may be required to cite a specific reason for practicing part-time and specific exposures and medical specialties may be deemed ineligible for part-time status

C. Locum Tenens Physicians

Coverage for a physician substituting for an insured physician may be provided. Coverage will be limited to professional services rendered on behalf of an insured physician for the specified time period. Approved *Locum Tenens* physicians will share in the primary insured physician's Limit of Liability at no additional premium charge.

X. MISCELLANEOUS / ANCILLARY MEDICAL PERSONNEL

Professional Liability coverage for miscellaneous medical personnel may be provided. The State Exception pages contain medical specialties and rating instructions.

XI. CORPORATION / PARTNERSHIP / PROFESSIONAL ASSOCIATION

It shall be permissible to provide coverage for a Professional Corporation, Professional Association, or Partnership, for liability arising from the professional services by its member physicians/surgeons. Such coverage may be provided as follows:

- A. Solo Practice:

**Physicians & Surgeons Claims Made and Reported Professional Liability  
GENERAL RULE MANUAL  
Underwritten by  
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by endorsement to the policy. The entity will share in the individual physician/surgeon limit at no additional premium charge

**B. All Others:**

Available on a separate Limit of Liability basis by naming the professional corporation/partnership/professional association on the policy. Additional premium shall be as shown on the State Exceptions pages. Ancillary personnel shall be included in this professional corporation limit but will not share in the limits of the individual physician(s).

**XII. OPTIONAL COVERAGES / ENDORSEMENTS**

It shall be permissible to add any of the following optional coverages/endorsements as appropriate to the particular situation and in accordance with the minimum basic Limits of Liability indicated herein:

**A. Medical Laboratory**

It shall be permissible to add a Medical Laboratory:

- i. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- ii. at a premium charge of 25% of the Class 1 rate. The laboratory will be included as an additional insured, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

**B. Deductibles/Self-Insured Retentions**

Deductibles and self-insured retentions are available. The factors are shown below:

Deductible	Discount Factor
\$5,000	3%
\$10,000	5%
\$25,000	7%

**XIII. INDIVIDUAL RISK MODIFICATION SCHEDULE**

The hazards of the practice of medicine vary with each organization; the establishment of medical standards review and claims review committees and the effectiveness of such committees; loss prevention and control activities; type, amount and extent of professional services rendered under written agreement, etc. To recognize such specific characteristics unique to each risk, a rate modification may be applied based on the following:

**1. Physicians and Surgeons (M.D.s and D.O.s) and Podiatrists Professional Liability Exposures**

The maximum permissible modification of the Professional Liability premium(s) is as shown on the State Exceptions pages.

Individual Risk Modification Schedule		
	Credits	Debits
<b>a. <u>Loss Experience</u></b> The underwriter will evaluate the circumstances of past claims and would take into consideration the report date of each claim and paid the indemnity amounts.	0%	0%-20%
<b>b. <u>Loss Control Program</u></b> The underwriter will evaluate the procedures in place within the practice, including adherence to any prior control recommendations.	0-10%	0-10%
<b>c. <u>Practice Characteristics</u></b> The underwriter will evaluate the impact of contracts on utilization, referrals, and overall quality of patient care.	0-15%	0-15%

Physicians & Surgeons C. is Made and Reported Professional Liab.  
 GENERAL RULE MANUAL  
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<p>d. <u>Continuing Education</u>                  Determine if the applicant's professional and paraprofessional staff participant in effective continuing medical education program(s).</p>	<p>0-5%</p>	<p>0-5%</p>
<p>e. <u>Ancillary Personnel</u>                  Paraprofessional employees or contractors such as Nurse practitioners, Physician Assistants, Certified Registered Nurse Anesthetists, Perfusionists and Midwives. Surcharge for vicarious liability when practitioners carry their own separate coverage. May be offset by Continuing Education credit.</p>	<p>0-5%  per employee</p>	<p>0-5%  per employee</p>
<p>f. <u>Practice Hours</u>                  Credit for limited practice hours if the risk is not eligible for part-time credit. Debit for practice hours deemed excessive for the specific specialty or practice situation.</p>	<p>0-10%</p>	<p>0-10%</p>
<p>g. <u>Patient Count</u>                  Surcharge for above-average patient or procedure volume; credit for low volume</p>	<p>5-10%</p>	<p>5-10%</p>
<p>h. <u>Use of Hospitalists</u>                  The underwriter will evaluate the use of hospitalists for patient admissions.</p>	<p>0-10%</p>	<p>0-10%</p>
<p>i. <u>Emergency Room exposure</u>                  The underwriter will evaluate any Emergency Medicine exposure</p>	<p>0-10%</p>	<p>0-10%</p>
<p>J. <u>Unusual Risk Characteristics</u>                  The underwriter will evaluate any feature of the practice that is deemed unusual or nontraditional in the applicant's medical community.</p>	<p>0-10%</p>	<p>0-10%</p>

Physicians & Surgeons Claims Made and Reported Professional Liability  
GENERAL RULE MANUAL  
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**XIV. QUARTERLY INSTALLMENT OPTION**

A quarterly premium installment option with no interest charges and no installment charges/fees is available subject to the following terms:

- 1) An initial payment of 40% of the total premium due at policy inception with remaining premium due three months (20%), six months (20%), and nine months (20%) from policy inception.
- 2) Additional premium resulting from changes to the policy shall be spread equally over the remaining installments. If there are no remaining installments, additional premium resulting from changes to the policy will be processed as a separate transaction.



**Illinois  
Physicians & Surgeons  
Professional Liability Claims-Made Reported**

**GENERAL STAR ADVANTAGE  
Underwritten by  
GENERAL STAR NATIONAL INSURANCE COMPANY**

**State Exceptions Section**

**A. The GENERAL RULE MANUAL pages applicable to this program shall apply subject to the following changes/exceptions:**

-Illinois rates and rating rules as follows.

**B. PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY, CLAIMS MADE RATES:**

Territory I: Cook, Madison, St. Clair & Will counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	5,054	10,108	15,161	18,194	20,215
1	6,738	13,477	20,215	24,258	26,953
2	8,423	16,846	25,268	30,322	33,691
3	10,107	20,215	30,322	36,386	40,429
4	12,634	25,269	37,903	45,483	50,537
5	14,740	29,480	44,219	53,063	58,959
6	21,057	42,114	63,171	75,805	84,228
7	29,480	58,960	88,439	106,127	117,919
8	42,114	84,228	126,341	151,610	168,455
9	58,959	117,919	176,878	212,253	235,837

Territory II: DuPage, Jackson, Kane, Lake, McHenry & Vermillion counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	4,043	8,086	12,129	14,555	16,172
1	5,391	10,781	16,172	19,406	21,562
2	6,738	13,477	20,215	24,258	26,953
3	8,086	16,172	24,257	29,109	32,343
4	10,107	20,215	30,322	36,386	40,429
5	11,792	23,584	35,375	42,460	47,167
6	16,846	33,691	50,537	60,644	67,382
7	23,584	47,168	70,751	84,902	94,335
8	33,691	67,382	101,073	121,288	134,764
9	47,168	94,335	141,503	169,803	188,670



**Illinois  
Physicians & Surgeons  
Professional Liability Claims-Made Reported**

**GENERAL STAR ADVANTAGE**  
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**State Exceptions Section**

Territory III: Champaign, Coles, Dekalb, Kankakee, LaSalle, Macon, Ogle, Randolph, Sangamon & Winnebago counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	3,285	6,570	9,854	11,825	13,139
1	4,380	8,760	13,139	15,767	17,519
2	<del>5,475</del>	10,950	<del>16,424</del>	19,709	21,899
3	6,570	13,140	19,709	23,651	26,279
4	8,212	16,425	24,637	29,564	<del>32,849</del>
5	9,581	19,162	28,743	34,492	38,324
6	13,687	27,374	41,061	49,273	54,748
7	19,162	38,324	57,485	68,982	76,647
8	27,374	54,748	82,122	98,546	109,496
9	<del>38,324</del>	76,647	114,971	137,965	153,294

Territory IV: Remainder of State

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	2,527	5,054	7,580	9,096	10,107
1	<del>3,369</del>	6,738	10,107	12,128	13,476
2	4,212	8,423	12,635	15,161	16,846
3	<del>5,054</del>	10,108	<del>15,161</del>	18,194	20,215
4	6,317	12,634	18,951	22,741	25,268
5	<del>7,370</del>	14,740	22,110	26,532	29,480
6	10,529	21,057	31,586	37,903	42,114
7	14,740	29,480	44,219	53,063	58,959
8	21,057	42,114	63,171	75,805	84,228
9	29,480	58,960	88,439	106,127	117,919



**Illinois  
Physicians & Surgeons  
Professional Liability Claims-Made Reported**

**GENERAL STAR ADVANTAGE  
Underwritten by  
GENERAL STAR NATIONAL INSURANCE COMPANY**

**State Exceptions Section**

**C. INDIVIDUAL RISK MODIFICATION SCHEDULE**

The maximum permissible modification of the Physicians & Surgeons Professional Liability Premium under the Individual Risk Modification Schedule is  $\pm$  40%.

**D. CORPORATION/PARTNERSHIP/PROFESSIONAL ASSOCIATION CHARGE:**

The rate, per Corporation/Partnership/Professional Association, is computed as up to 15% of the total developed professional liability premium for each physician/surgeon and ancillary person, for groups of 2-4. For groups of 5 or more, the rate is computed as up to 10% of the total developed professional liability premium for each physician/surgeon and ancillary person.

**E. ANCILLARY PERSONNEL:**

The following ancillary personnel may be added as additional named insured for additional premium per the rates shown below.

Territory I: Cook, Madison, St. Clair & Will counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	606	1,213	1,819	2,183	2,426
Nurse Midwives	8,423	16,846	25,268	30,322	33,691
Physicians' Assistant	505	1,011	1,516	1,819	2,021
Physical Therapist	1,263	2,527	3,790	4,548	5,054
Respiratory Therapists	1,263	2,527	3,790	4,548	5,054
Surgeons Assistant/Perfusionists	505	1,011	1,516	1,819	2,021

Territory II: DuPage, Jackson, Kane, Lake McHenry & Vermillion counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	485	970	1,455	1,747	1,941
Nurse Midwives	6,738	13,476	20,215	24,258	26,953
Physicians' Assistant	404	809	1,213	1,455	1,617
Physical Therapist	1,011	2,022	3,032	3,639	4,043
Respiratory Therapists	1,011	2,022	3,032	3,639	4,043
Surgeons Assistant/Perfusionist	404	809	1,213	1,455	1,617

Territory III: Champaign, Coles, Dekalb, Kankakee, LaSalle, Macon, Ogle, Randolph, Sangamon & Winnebago counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	394	788	1,183	1,419	1,577
Nurse Midwives	5,475	10,950	16,424	19,709	21,899
Physicians' Assistant	329	657	985	1,183	1,314
Physical Therapist	821	1,643	2,464	2,956	3,285
Respiratory Therapists	821	1,643	2,464	2,956	3,285



**Illinois**  
**Physicians & Surgeons**  
**Professional Liability Claims-Made Reported**

**GENERAL STAR ADVANTAGE**  
*Underwritten by*  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**State Exceptions Section**

Surgeons Assistant/Perfusionists	329	657	985	1,183	1,314
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Territory IV: Remainder of State

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	303	606	910	1,092	1,213
Nurse Midwives	4,211	8,423	12,634	15,161	16,846
Physicians' Assistant	253	505	758	910	1,011
Physical Therapist	632	1,263	1,895	2,274	2,527
Respiratory Therapists	632	1,263	1,895	2,274	2,527
Surgeons Assistant/Perfusionists	253	505	758	910	1,011

**F. POLICY DECREASED LIMITS FACTORS:**

<i>Policy Limits</i>	<i>Increase Limit Factor</i>
1,000,000/3,000,000	1.00
1,000,000/1,000,000	0.92
500,000/1,500,000	0.77
250,000/750,000	0.62
100,000/300,000	0.47



**Illinois  
Physicians & Surgeons  
Professional Liability Claims-Made Reported**

**GENERAL STAR ADVANTAGE**  
*Underwritten by*  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**State Exceptions Section**

**G. EXTENDED REPORTING PERIOD:**

1. Death, Disability and Retirement (DDR) - Extended Reporting Period Coverage will be granted at no additional premium in the event a named insured dies, becomes permanently and totally disabled, or retires during the policy period, provided that within thirty (30) days of the death, permanent and total disability, or retirement:
  - a. the named insured's estate requests the Unlimited Extended Reporting Period and furnishes written evidence and proof of the date of the named insured's death, or
  - b. the named insured provides evidence and proof of the permanent and total disability including the date of the actual disability and written certification by the named insured's attending physician (other than another physician practicing in the same group as the named insured). The named insured also agrees to submit to any medical examination(s) as requested by the Company, by any physician designated by the Company for the purpose of verifying such permanent and total disability; or
  - c. If at any time after reaching age 55, and having been continuously insured by the Company on a claims-made basis for a minimum of 5 years, the named insured elects to retire from practice of medicine.
2. Unlimited Extended Reporting Period coverage (ERP) will be granted subject to the terms and conditions of the policy. The following premium factors are to be applied to mature (step 5) claims-made rate in effect at policy issuance:

Unlimited Reporting Period Factors Obstetrics/Gynecology & Pediatrics	
<i>Expiring Step</i>	<i>Factor</i>
1	1.35
2	2.05
3	2.35
4	2.50
5	2.60

Unlimited Reporting Period Factors All Other	
<i>Expiring Step</i>	<i>Factor</i>
1	1.00
2	1.20
3	1.50
4	1.88
5	2.00

3. Other Extended Reporting Period optional endorsements. The following discount factors are applied multiplicatively to the factors shown above if the named insured elects one of the optional extended reporting endorsements below:

Extended Reporting Period Discount Factors	
<i>Extended Reporting Period Option</i>	<i>Discount Factor</i>
12 months	0.50
24 months	0.62
36 months	0.69
48 months	0.78
60 months	0.80
Unlimited	1.00



**Illinois**  
**Physicians & Surgeons**  
**Professional Liability Claims-Made Reported**

**GENERAL STAR ADVANTAGE**  
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**GENERAL STAR NATIONAL INSURANCE COMPANY**

**State Exceptions Section**

**H. PHYSICIANS & SURGEONS PRACTICE/SPECIALTY CLASSIFICATIONS**

Each physician/surgeon is assigned a practice classification code according to their respective medical specialty. When more than one classification is applicable, the highest rated classification shall apply.

**Class 0 -**

<i>Medical Specialty</i>	<i>Code</i>
AEROSPACE MEDICINE – NO SURGERY	80230
ALLERGY - NO SURGERY	80254
DERMATOLOGY - NO SURGERY	80256
FORENSIC PATHOLOGY – NO SURGERY	80240
GENERAL PREVENTIVE MEDICINE – NO SURGERY	80231
OCCUPATIONAL/INDUSTRIAL MEDICINE – NO SURGERY	80233
OTORHINOLARYNGOLOGY - NO SURGERY	80265
PSYCHIATRY – NO SURGERY	80249

**Class 1 -**

<i>Medical Specialty</i>	<i>Code</i>
DERMATOLOGY - MINOR INVASIVE SURGERY	81282
ENDOCRINOLOGY – NO SURGERY	81238
GERIATRIC MEDICINE – NO SURGERY	81243
OPHTHALMOLOGY – NO SURGERY	81263
OTOLOGY/NEUROTOLOGY – NO SURGERY	81264
PEDIATRICS – NO SURGERY	81267
RHEUMATOLOGY – NO SURGERY	81252
UROLOGY – NO SURGERY	81145

**Class 2 –**

<i>Medical Specialty</i>	<i>Code</i>
ENDOCRINOLOGY- MINOR INVASIVE SURGERY	82272
FAMILY/GENERAL PRACTICE – NO OBSTETRICS – NO SURGERY	82420
GERIATRICS – MINOR INVASIVE SURGERY	82276
HEMATOLOGY – MINOR INVASIVE SURGERY	82278
HEMATOLOGY – NO SURGERY	82245
INTERNAL MEDICINE – NO SURGERY	82257
NEOPLASTIC MEDICINE/ONCOLOGY – MINOR INVASIVE SURGERY	82286
NEOPLASTIC MEDICINE/ONCOLOGY – NO SURGERY	82259
NEPHROLOGY – NO SURGERY	82260
NUCLEAR MEDICINE – NO SURGERY	82262
PATHOLOGY – NO SURGERY	82266
PHYSICAL MEDICINE AND REHABILITATION – NO SURGERY	82235

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PHYSICIANS (N.O.C.) – NO SURGERY	82268
PODIATRY – NO SURGERY	82993
URGENT CARE MEDICINE	82424

**Class 3 -**

<i>Medical Specialty</i>	<i>Code</i>
ACUPUNCTURE – MINOR SURGERY	83437
ANESTHESIOLOGY – MAJOR SURGERY	83151
CARDIOVASCULAR DISEASE – NO SURGERY	83255
DERMATOLOGY – MAJOR SURGERY	83472
GASTROENTEROLOGY – NO SURGERY	83241
GASTROENTEROLOGY – MINOR INVASIVE SURGERY	83274
GYNECOLOGY – NO SURGERY	83244
INFECTIOUS DISEASE – MINOR INVASIVE SURGERY	83279
INFECTIOUS DISEASE – NO SURGERY	83246
NEPHROLOGY – MINOR INVASIVE SURGERY	83278
OPHTHALMOLOGY – SURGERY	83114
PEDIATRICS – MINOR SURGERY	83267
PULMONARY MEDICINE – NO SURGERY	83269
UROLOGY – MINOR INVASIVE SURGERY	83145

**Class 4 -**

<i>Medical Specialty</i>	<i>Code</i>
AESTHETIC MEDICINE – MINOR INVASIVE SURGERY	84100
ANESTHESIOLOGY PAIN MEDICINE – MAJOR SURGERY	84151
FAMILY/GENERAL PRACTICE – NO OBSTETRICS – MINOR INVASIVE SURGERY	84421
GYNECOLOGY – MINOR INVASIVE SURGERY	84277
INTENSIVE CARE MEDICINE	84283
NEUROLOGY – MINOR INVASIVE SURGERY	84288
NEUROLOGY – NO SURGERY	84261
PHYSICIANS (N.O.C.) – MINOR INVASIVE SURGERY	84268
PULMONARY MEDICINE – MINOR INVASIVE SURGERY	84269

**Class 5 -**

<i>Medical Specialty</i>	<i>Code</i>
ANESTHESIOLOGY CRITICAL CARE MEDICINE – MAJOR SURGERY	85151
CARDIOVASCULAR DISEASE – MINOR INVASIVE SURGERY	85281
INTERNAL MEDICINE – MINOR INVASIVE SURGERY	85284
OTOLARYNGOLOGY/HEAD AND NECK SURGERY – EXCLUDING COSMETIC – MAJOR SURGERY	85159
OTOLOGY/NEUROLOGY – MAJOR SURGERY	85158
PODIATRY – MAJOR SURGERY	85993

**GeneralStar****Illinois****Physicians & Surgeons  
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RADIATION THERAPY – MAJOR SURGERY	85491
RADIOLOGY (DIAGNOSTIC) – MAJOR SURGERY CLASS	85253
UROLOGY – EXCLUDING THERAPEUTIC IMPLANTS – MAJOR SURGERY	85145

**Class 6 -**

<i>Medical Specialty</i>	<i>Code</i>
COLON & RECTAL SURGERY – MAJOR SURGERY	86115
UROLOGY – INCLUDING THERAPEUTIC IMPLANTS – MAJOR SURGERY	86145

**Class 7 -**

<i>Medical Specialty</i>	<i>Code</i>
GENERAL SURGERY – INCLUDING LAPAROSCOPY – MAJOR SURGERY	87143
GYNECOLOGY SURGERY – INCLUDING LAPAROSCOPY – MAJOR SURGERY	87481
HAND SURGERY – MAJOR SURGERY	87189
ORTHOPEDIC SURGERY – EXCLUDING BACK SURGERY – MAJOR SURGERY	87501
OTOLARYNGOLOGY/HEAD AND NECK SURGERY – INCLUDING COSMETIC – MAJOR SURGERY	87155
PEDIATRICS – MAJOR SURGERY	87293
PHYSICIANS (N.O.C.) – MAJOR SURGERY	87294
PLASTIC/RECONSTRUCTIVE SURGERY – EXCLUDING COSMETIC ELECTIVE – MAJOR SURGERY	87158

**Class 8 -**

OBSTETRICS/GYNECOLOGY – MAJOR SURGERY	88153
ORTHOPEDIC SURGERY – INCLUDING BACK SURGERY – MAJOR SURGERY	88154
PLASTIC/RECONSTRUCTIVE SURGERY – INCLUDING COSMETIC ELECTIVE SURGERY – MAJOR SURGERY	88156
THORACIC AND CARDIOVASCULAR SURGERY – MAJOR SURGERY	88144
VASCULAR SURGERY – MAJOR SURGERY	88164

**Class 9 -**

<i>Medical Specialty</i>	<i>Code</i>
NEUROSURGERY – MAJOR SURGERY	89152

**Additional Classifications:**

Professional Corporation/Partnership/Association	80999
Nurse Anesthetist	80960
Nurse Midwives	80962
Physicians' Assistant	80116
Physical Therapist	80938
Respiratory Therapists	80969
Surgeons Assistant/Perfusionists	80118

State of Illinois  
Financial and Professional Regulation  
Division of Insurance  
Report of *Ex Parte* Communication

Name of employee making report: Gayle Newman

Job Title of employee making report: Ins. Analyst IV

Date of communication: 12-12-06

Date of First Notice (if applicable): —

Mode of communication (e.g. in person, telephone, fax, e-mail, mail): telephone

On whose behalf communication is made: General Star - DOI

Person(s) with whom communication occurred: Mary Ann Gayzur  
+ Adam Yasan

Summary of Nature and Substance of communication: Pages labeled "RMS Solutions" prepared by actuary - codes are incorrect - these pages should be withdrawn (although updated version

What action, if any, the person(s) requested: will be sent).

Responses made to communication: \_\_\_\_\_

Other Pertinent Information: \_\_\_\_\_

Please attach any and all documents to this form including e-mails, faxes, papers or other documents.

**Neuman, Gayle**

---

**From:** Neuman, Gayle  
**Sent:** Monday, December 11, 2006 1:47 PM  
**To:** 'mgayzur@genre.com'  
**Subject:** Rate/Rule Filing #06-156-3-2

Ms. Gayzur,

We are in receipt of your response sent via fax dated December 11, 2006. Please address the following:

1. The changes referenced under the quarterly installment option were not included with your response. — OK
2. In regard to the Classifications vs the State Exception Page, I am unsure how this is an actuarial issue. Is the "pediatrics – minor surgery" classification of 1 correct?
3. Please mail or e-mail the next response so the manual pages won't include the fax information on the top of the page.

We request receipt of your response by December 18, 2006.

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

General Reinsurance Corporation  
State Filings Unit  
PO Box 10350  
Stamford, CT 06904-2350  
Phone: (203) 328-5584  
Fax: (203) 328-6150



# Fax

To Ms. Gayle Neuman  
Fax: (217) 524-2122  
cover)

From: Mary Ann Gayzur  
Pages: 18 (including

Phone:

Date: 12/11/06

Re: Physicians & Surgeons Professional Liability

Co. Filing #: 06-156-3-2

Urgent

**XX For Review**

Please Comment

Please Reply

*Attached, please find General Star National Insurance Company's response to your December 4, 2006 objection letter. If you require further information, please contact me. Thank you.*

Mary Ann Gayzur

**GeneralStar**

General Star Management Company  
Financial Centre  
695 East Main Street  
Stamford, CT 06901  
direct phone 203 328 5584  
fax 203 328 6150  
email mgayzur@ggenre.com

Mary Ann Gayzur  
Compliance Analyst

**VIA FACSIMILE: (217) 524-2122**

December 11, 2006

Ms. Gayle Neuman  
Illinois Department of Financial and Professional Regulation  
Division of Insurance  
320 West Washington Street  
Springfield, IL 62767

**RE: General Star National Insurance Company  
NAIC#: 11967 FEIN#: 13-1958482  
Physicians & Surgeons Professional Liability  
Rate & Rule Filing  
Co. Filing #: 06-156-3-2**

Dear Ms. Neuman:

Thank you for your prompt response dated December 4, 2006. We have respectfully responded to each of your questions and comments in the order presented. For your convenience we have included your questions along with our response. Please note that our responses are in bold letters.

**Q1. Under XII. Optional Coverage/Endorsements - B. Deductibles/Self-Insured Retentions, please define "qualified" insureds.**

**A1. Deductibles/self-insured retentions are available to insureds if requested. We do not perform a financial pre-qualification as a condition of offering these options. In order to clarify our position, we have changed the wording from "Deductibles and self-insured retentions may be offered to qualified insureds" to "Deductibles and self-insured retentions are available." Please refer to attachment A.**

**GeneralStar**

Page 2

**Q2. Under XIV. Quarterly Installment Option, we request the following information be added:**

- Indicate the installments are due 3, 6 and 9 months from policy inception.
- Instead of simply indicating "no charge", we request the wording indicate "no interest charges" and "no installment charges/fees"

**A2. The above wording has been added to the XIV. Please see attachment A.**

**Q3. Does General Star offer any other premium payment plans to their insureds?**

**A3. No**

**Q4. On the eighth Page under H. Physicians & Surgeons Practice/Specialty Classifications, there are "Additional Classifications" - since the second digits in these are all "0", do they fall under Class 0?**

**A4. No. These classifications are for ancillary personnel. Their rates are shown in section E. of the state exception pages. Due to system limitations we could not assign an alpha character in that field.**

**Q5. In comparing the State Exception Page under H. Physicians & Surgeons Practice/Specialty Classifications with the page labeled "GENERAL STAR NATIONAL INSURANCE COMPANY - PHYSICIAN'S PROFESSIONAL LIABILITY - ILLINOIS - PHYSICIANS CLASSIFICATION PLAN", we find:**

- "Podiatry - No Surgery" is not listed on both pages.
- "Podiatry - Major Surgery" is not listed on both pages.
- "Pediatrics - Minor Surgery" is under class 3 on one page and class 1 on the other.
- Under Class 7, there is no "General Surgery - excluding laparoscopy - Major Surgery".

**GeneralStar**

Page 3

- Under Class 7, there is no "Gynecology Surgery - excluding laparoscopy - Major Surgery".
- There are numerous misspellings under Section H.

A5. The State Exception pages under "H. Physicians & Surgeons Practice/Specialty Classifications" show the final version of our class plan. The items noted above were not updated in the rate packet that was completed by our actuarial consulting firm.

Q6. Although page numbering is not a requirement, it would be helpful.

A6. Page #s were added.

If you require additional information, please contact me.

Sincerely,

*Mary Ann Gayzur*

Mary Ann Gayzur

Enclosures

Physicians & Surgeons Clai. Made and Reported Professional Liabilit  
GENERAL RULE MANUAL  
*Underwritten by*  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**GENERAL STAR MANAGEMENT COMPANY**

**PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY  
CLAIMS MADE AND REPORTED COVERAGE**

**GENERAL RULE MANUAL**

Physicians & Surgeons Claim Made and Reported Professional Liability  
GENERAL RULE MANUAL  
Underwritten by  
GENERAL STAR NATIONAL INSURANCE COMPANY

**I. USE OF THIS MANUAL**

The purpose of this document is to provide premium and rating data (by state), underwriting rules, medical specialty classifications and practice location territories needed to select and price risks for the General Star Management Physicians & Surgeons Professional Liability program. The following categories of Health Care Providers are designated primary insureds for the program:

1. Physicians or Surgeons (M.D.)
2. Osteopathic Physicians or Surgeons (D.O.)
3. Podiatrists (D.P.M.)

Any exceptions to these rules are contained in the respective State Exceptions Section.

**II. COVERAGE**

Coverage under this program is described in the respective policy Insuring Agreement(s) and/or Coverage Part(s). It shall be permissible to attach more than one Insuring Agreement and/or Coverage Part to the policy.

**III. BASIC LIMITS OF LIABILITY**

The basic coverage limits for Professional Liability coverage under this program are:

Professional Liability: \$1,000,000 Each Claim / \$3,000,000 Aggregate

**IV. POLICY WRITING MINIMUM PREMIUM**

The minimum premium is \$500 per annual or lesser period, unless otherwise specified for the respective coverage.

**V. DECREASED LIMITS OF LIABILITY**

Available decreased Limits of Liability are shown on the respective State Exceptions Section.

**VI. PREMIUM COMPUTATION**

The premium shall be computed by applying the rate per physician/surgeon shown on the State Exceptions pages.

**A. PREMIUM ROUNDING RULE**

Premium rounding will be done at the last step of the computation process, as opposed to rounding at each step. In the event that application of any rating procedure result is not a whole dollar, each rate and premium shall be adjusted as follows:

- i. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- ii. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

**B. FACTORS OR MULTIPLIERS**

Premium modifications are to be applied multiplicatively. Modifications from the Individual Risk Modification Schedule and Deductibles are to be added together and then applied multiplicatively.

**C. ADDITIONAL and RETURN PREMIUM**

For all changes requiring additional or return premium, apply the rates and rules that were in effect at the inception date of the current policy period.

Physicians & Surgeons Claim Made and Reported Professional Liability  
 GENERAL RULE MANUAL  
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D. CLAIMS MADE 'STEP' RULE

The proper 'step' into which the physician/surgeon is placed for rating purposes when claims made coverage has been provided for less than full annual periods is determined as follows:

1. Less than 6 months of claims made coverage, step 1 rates apply;
2. "#" years plus less than 6 months of claims made coverage, step "x" plus 1 applies;
3. "#" years plus 6 months or more of claims made coverage, step "x" plus 2 applies.

Note: The value of "#" is the number of whole years.

VII. RESTRICTIONS OF COVERAGE OR INCREASED RATE

Subject to individual state regulations, policies may be issued with special restrictions or at increased premium if:

- A. the insured agrees in writing; and
- B. the policy would otherwise not be written.

VIII. EXTENDED REPORTING PERIOD COVERAGE (available for Claims Made coverage only)

The availability of Extended Reporting Period Coverage shall be governed by the following rules:

- A. The Limits of Liability may not exceed those afforded under the terminating policy.
- B. Available Extended Reporting Period premium charges shall be as shown on the respective State Exceptions pages.

IX. ADDITIONAL CLASSIFICATIONS

A. Disability/Leave of Absence

A physician/surgeon who becomes disabled, or is on leave of absence for a period of 45 days or more, will be eligible for restricted coverage at a reduced rate. This would apply retroactively to the first day of disability or leave of absence. Rating basis as follows:

Disability/Leave of Absence	25% of Medical Specialty
-----------------------------	--------------------------

B. Part-Time

A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

Practice less than 25 hours per week	50-90% of Medical Specialty
--------------------------------------	-----------------------------

The applicant or insured may be required to cite a specific reason for practicing part-time and specific exposures and medical specialties may be deemed ineligible for part-time status

C. Locum Tenens Physicians

Coverage for a physician substituting for an insured physician may be provided. Coverage will be limited to professional services rendered on behalf of an insured physician for the specified time period. Approved *Locum Tenens* physicians will share in the primary insured physician's Limit of Liability at no additional premium charge.

X. MISCELLANEOUS / ANCILLARY MEDICAL PERSONNEL

Professional Liability coverage for miscellaneous medical personnel may be provided. The State Exception pages contain medical specialties and rating instructions.

XI. CORPORATION / PARTNERSHIP / PROFESSIONAL ASSOCIATION

It shall be permissible to provide coverage for a Professional Corporation, Professional Association, or Partnership, for liability arising from the professional services by its member physicians/surgeons. Such coverage may be provided as follows:

- A. Solo Practice:

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by endorsement to the policy. The entity will share in the individual physician/surgeon limit at no additional premium charge

**B. All Others:**

Available on a separate Limit of Liability basis by naming the professional corporation/partnership/professional association on the policy. Additional premium shall be as shown on the State Exceptions pages. Ancillary personnel shall be included in this professional corporation limit but will not share in the limits of the individual physician(s).

**XII. OPTIONAL COVERAGES / ENDORSEMENTS**

It shall be permissible to add any of the following optional coverages/endorsements as appropriate to the particular situation and in accordance with the minimum basic Limits of Liability indicated herein:

**A. Medical Laboratory**

It shall be permissible to add a Medical Laboratory:

- i. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- ii. at a premium charge of 25% of the Class 1 rate. The laboratory will be included as an additional insured, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

**B. Deductibles/Self-Insured Retentions**

Deductibles and self-insured retentions are available. The factors are shown below:

Deductible	Discount Factor
\$5,000	3%
\$10,000	5%
\$25,000	7%

**XIII. INDIVIDUAL RISK MODIFICATION SCHEDULE**

The hazards of the practice of medicine vary with each organization; the establishment of medical standards review and claims review committees and the effectiveness of such committees; loss prevention and control activities; type, amount and extent of professional services rendered under written agreement, etc. To recognize such specific characteristics unique to each risk, a rate modification may be applied based on the following:

**1. Physicians and Surgeons (M.D.s and D.O.s) and Podiatrists Professional Liability Exposures**

The maximum permissible modification of the Professional Liability premium(s) is as shown on the State Exceptions pages.

Individual Risk Modification Schedule		
	Credits	Debits
<b>a. <u>Loss Experience</u></b> The underwriter will evaluate the circumstances of past claims and would take into consideration the report date of each claim and paid the indemnity amounts.	0%	0%-20%
<b>b. <u>Loss Control Program</u></b> The underwriter will evaluate the procedures in place within the practice, including adherence to any prior control recommendations.	0-10%	0-10%
<b>c. <u>Practice Characteristics</u></b> The underwriter will evaluate the impact of contracts on utilization, referrals, and overall quality of patient care.	0-15%	0-15%

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<p>d. <u>Continuing Education</u>                  Determine if the applicant's professional and paraprofessional staff participant in effective continuing medical education program(s).</p>	<p>0-5%</p>	<p>0-5%</p>
<p>e. <u>Ancillary Personnel</u>                  Paraprofessional employees or contractors such as Nurse practitioners, Physician Assistants, Certified Registered Nurse Anesthetists, Perfusionists and Midwives. Surcharge for vicarious liability when practitioners carry their own separate coverage. <i>May be offset by Continuing Education credit.</i></p>	<p>0-5%  per employee</p>	<p>0-5%  per employee</p>
<p>f. <u>Practice Hours</u>                  Credit for limited practice hours if the risk is not eligible for part-time credit. Debit for practice hours deemed excessive for the specific specialty or practice situation.</p>	<p>0-10%</p>	<p>0-10%</p>
<p>g. <u>Patient Count</u>                  Surcharge for above-average patient or procedure volume; credit for low volume</p>	<p>5-10%</p>	<p>5-10%</p>
<p>h. <u>Use of Hospitalists</u>                  The underwriter will evaluate the use of hospitalists for patient admissions.</p>	<p>0-10%</p>	<p>0-10%</p>
<p>i. <u>Emergency Room exposure</u>                  The underwriter will evaluate any Emergency Medicine exposure</p>	<p>0-10%</p>	<p>0-10%</p>
<p>J. <u>Unusual Risk Characteristics</u>                  The underwriter will evaluate any feature of the practice that is deemed unusual or nontraditional in the applicant's medical community.</p>	<p>0-10%</p>	<p>0-10%</p>

Physicians & Surgeons Claim Made and Reported Professional Liability  
GENERAL RULE MANUAL  
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**XIV. QUARTERLY INSTALLMENT OPTION**

A quarterly premium installment option with no interest charges and no installment charges/fees is available subject to the following terms:

- 1) An initial payment of 40% of the total premium due at policy inception with remaining premium due, three months (20%), six months (20%), and nine months (20%) from policy inception.
- 2) Additional premium resulting from changes to the policy shall be spread equally over the remaining installments. If there are no remaining installments, additional premium resulting from changes to the policy will be processed as a separate transaction.



**Illinois**  
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**Professional Liability Claims-Made Reported**

**GENERAL STAR ADVANTAGE**  
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**State Exceptions Section**

**A. The GENERAL RULE MANUAL pages applicable to this program shall apply subject to the following changes/exceptions:**

-Illinois rates and rating rules as follows.

**B. PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY, CLAIMS MADE RATES:**

Territory I: Cook, Madison, St. Clair & Will counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	5,054	10,108	15,161	18,194	20,215
1	6,738	13,477	20,215	24,258	26,953
2	8,423	16,846	25,268	30,322	33,691
3	10,107	20,215	30,322	36,386	40,429
4	12,634	25,269	37,903	45,483	50,537
5	14,740	29,480	44,219	53,063	58,959
6	21,057	42,114	63,171	75,805	84,228
7	29,480	58,960	88,439	106,127	117,919
8	42,114	84,228	126,341	151,610	168,455
9	58,959	117,919	176,878	212,253	235,837

Territory II: DuPage, Jackson, Kane, Lake McHenry & Vermillion counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	4,043	8,086	12,129	14,555	16,172
1	5,391	10,781	16,172	19,406	21,562
2	6,738	13,477	20,215	24,258	26,953
3	8,086	16,172	24,257	29,109	32,343
4	10,107	20,215	30,322	36,386	40,429
5	11,792	23,584	35,375	42,450	47,167
6	16,846	33,691	50,537	60,644	67,382
7	23,584	47,168	70,751	84,902	94,335
8	33,691	67,382	101,073	121,288	134,764
9	47,168	94,335	141,503	169,803	188,670



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Territory III: Champaign, Coles, Dekalb, Kankakee, LaSalle, Macon, Ogle, Randolph, Sangamon & Winnebago counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	3,285	6,570	9,854	11,825	13,139
1	4,380	8,760	13,139	15,767	17,519
2	5,475	10,950	16,424	19,709	21,899
3	6,570	13,140	19,709	23,651	26,279
4	8,212	16,425	24,637	29,564	32,849
5	9,581	19,162	28,743	34,492	38,324
6	13,687	27,374	41,061	49,273	54,748
7	19,162	38,324	57,485	68,982	76,647
8	27,374	54,748	82,122	98,546	109,496
9	38,324	76,647	114,971	137,965	153,294

Territory IV: Remainder of State

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	2,527	5,054	7,580	9,096	10,107
1	3,369	6,738	10,107	12,128	13,476
2	4,212	8,423	12,635	15,161	16,846
3	5,054	10,108	15,161	18,194	20,215
4	6,317	12,634	18,951	22,741	25,268
5	7,370	14,740	22,110	26,532	29,480
6	10,529	21,057	31,586	37,903	42,114
7	14,740	29,480	44,219	53,063	58,959
8	21,057	42,114	63,171	75,805	84,228
9	29,480	58,960	88,439	106,127	117,919



**Illinois  
Physicians & Surgeons  
Professional Liability Claims-Made Reported**

**GENERAL STAR ADVANTAGE  
Underwritten by  
GENERAL STAR NATIONAL INSURANCE COMPANY**

**State Exceptions Section**

**C. INDIVIDUAL RISK MODIFICATION SCHEDULE**

The maximum permissible modification of the Physicians & Surgeons Professional Liability Premium under the Individual Risk Modification Schedule is  $\pm$  40%.

**D. CORPORATION/PARTNERSHIP/PROFESSIONAL ASSOCIATION CHARGE:**

The rate, per Corporation/Partnership/Professional Association, is computed as up to 15% of the total developed professional liability premium for each physician/surgeon and ancillary person, for groups of 2-4. For groups of 5 or more, the rate is computed as up to 10% of the total developed professional liability premium for each physician/surgeon and ancillary person.

**E. ANCILLARY PERSONNEL:**

The following ancillary personnel may be added as additional named insured for additional premium per the rates shown below.

Territory I: Cook, Madison, St. Clair & Will counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	606	1,213	1,819	2,183	2,426
Nurse Midwives	8,423	16,846	25,268	30,322	33,691
Physicians' Assistant	505	1,011	1,516	1,819	2,021
Physical Therapist	1,263	2,527	3,790	4,548	5,054
Respiratory Therapists	1,263	2,527	3,790	4,548	5,054
Surgeons Assistant/Perfusionists	505	1,011	1,516	1,819	2,021

Territory II: DuPage, Jackson, Kane, Lake McHenry & Vermillion counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	485	970	1,455	1,747	1,941
Nurse Midwives	6,738	13,476	20,215	24,258	26,953
Physicians' Assistant	404	809	1,213	1,455	1,617
Physical Therapist	1,011	2,022	3,032	3,639	4,043
Respiratory Therapists	1,011	2,022	3,032	3,639	4,043
Surgeons Assistant/Perfusionist	404	809	1,213	1,455	1,617

Territory III: Champaign, Coles, Dekalb, Kankakee, LaSalle, Macon, Ogle, Randolph, Sangamon & Winnebago counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	394	788	1,183	1,419	1,577
Nurse Midwives	5,475	10,950	16,424	19,709	21,899
Physicians' Assistant	329	657	985	1,183	1,314
Physical Therapist	821	1,643	2,464	2,956	3,285
Respiratory Therapists	821	1,643	2,464	2,956	3,285



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Surgeons Assistant/Purfusionists	329	657	985	1,183	1,314
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Territory IV: Remainder of State

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	303	606	910	1,092	1,213
Nurse Midwives	4,211	8,423	12,634	15,161	16,846
Physicians' Assistant	253	505	758	910	1,011
Physical Therapist	632	1,263	1,895	2,274	2,527
Respiratory Therapists	632	1,263	1,895	2,274	2,527
Surgeons Assistant/Purfusionists	253	505	758	910	1,011

**F. POLICY DECREASED LIMITS FACTORS:**

<i>Policy Limits</i>	<i>Increase Limit Factor</i>
1,000,000/3,000,000	1.00
1,000,000/1,000,000	0.92
500,000/1,500,000	0.77
250,000/750,000	0.62
100,000/300,000	0.47



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**State Exceptions Section**

**G. EXTENDED REPORTING PERIOD:**

1. Death, Disability and Retirement (DDR) - Extended Reporting Period Coverage will be granted at no additional premium in the event a named insured dies, becomes permanently and totally disabled, or retires during the policy period, provided that within thirty (30) days of the death, permanent and total disability, or retirement:
  - a. the named insured's estate requests the Unlimited Extended Reporting Period and furnishes written evidence and proof of the date of the named insured's death, or
  - b. the named insured provides evidence and proof of the permanent and total disability including the date of the actual disability and written certification by the named insured's attending physician (other than another physician practicing in the same group as the named insured). The named insured also agrees to submit to any medical examination(s) as requested by the Company, by any physician designated by the Company for the purpose of verifying such permanent and total disability; or
  - c. If at any time after reaching age 55, and having been continuously insured by the Company on a claims-made basis for a minimum of 5 years, the named insured elects to retire from practice of medicine.
2. Unlimited Extended Reporting Period coverage (ERP) will be granted subject to the terms and conditions of the policy. The following premium factors are to be applied to mature (step 5) claims-made rate in effect at policy issuance:

Unlimited Reporting Period Factors Obstetrics/Gynecology & Pediatrics	
<i>Expiring Step</i>	<i>Factor</i>
1	1.35
2	2.05
3	2.35
4	2.50
5	2.60

Unlimited Reporting Period Factors All Other	
<i>Expiring Step</i>	<i>Factor</i>
1	1.00
2	1.20
3	1.50
4	1.88
5	2.00

3. Other Extended Reporting Period optional endorsements. The following discount factors are applied multiplicatively to the factors shown above if the named insured elects one of the optional extended reporting endorsements below:

Extended Reporting Period Discount Factors	
<i>Extended Reporting Period Option</i>	<i>Discount Factor</i>
12 months	0.50
24 months	0.62
36 months	0.69
48 months	0.78
60 months	0.80
Unlimited	1.00



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**GENERAL STAR NATIONAL INSURANCE COMPANY**

**State Exceptions Section**

**H. PHYSICIANS & SURGEONS PRACTICE/SPECIALTY CLASSIFICATIONS**

Each physician/surgeon is assigned a practice classification code according to their respective medical specialty. When more than one classification is applicable, the highest rated classification shall apply.

**Class 0 -**

<u>Medical Specialty</u>	<u>Code</u>
AEROSPACE MEDICINE - NO SURGERY	80230
ALLERGY - NO SURGERY	80254
DERMATOLOGY - NO SURGERY	80256
FORENSIC PATHOLOGY - NO SURGERY	80240
GENERAL PREVENTIVE MEDICINE - NO SURGERY	80231
OCCUPATIONAL/INDUSTRIAL MEDICINE - NO SURGERY	80233
OTORHINOLARYNGOLOGY - NO SURGERY	80265
PSYCHIATRY - NO SURGERY	80249

**Class 1 -**

<u>Medical Specialty</u>	<u>Code</u>
DERMATOLOGY - MINOR INVASIVE SURGERY	81282
ENDOCRINOLOGY - NO SURGERY	81238
GERIATRIC MEDICINE - NO SURGERY	81243
OPHTHALMOLOGY - NO SURGERY	81263
OTOLOGY/NEUROTOLOGY - NO SURGERY	81264
PEDIATRICS - NO SURGERY	81267
RHEUMATOLOGY - NO SURGERY	81252
UROLOGY - NO SURGERY	81145

**Class 2 -**

<u>Medical Specialty</u>	<u>Code</u>
ENDOCRINOLOGY- MINOR INVASIVE SURGERY	82272
FAMILY/GENERAL PRACTICE - NO OBSTETRICS - NO SURGERY	82420
GERIATRICS - MINOR INVASIVE SURGERY	82276
HEMATOLOGY - MINOR INVASIVE SURGERY	82278
HEMATOLOGY - NO SURGERY	82245
INTERNAL MEDICINE - NO SURGERY	82257
NEOPLASTIC MEDICINE/ONCOLOGY - MINOR INVASIVE SURGERY	82286
NEOPLASTIC MEDICINE/ONCOLOGY - NO SURGERY	82259
NEPHROLOGY - NO SURGERY	82260
NUCLEAR MEDICINE - NO SURGERY	82262
PATHOLOGY - NO SURGERY	82266
PHYSICAL MEDICINE AND REHABILITATION - NO SURGERY	82235



Illinois

Physicians & Surgeons  
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**State Exceptions Section**

PHYSICIANS (N.O.C.) – NO SURGERY	82268
PODIATRY – NO SURGERY	82993
URGENT CARE MEDICINE	82424

**Class 3 -**

<i>Medical Specialty</i>	<i>Code</i>
ACUPUNCTURE – MINOR SUGERY	83437
ANESTHESIOLOGY – MAJORY SURGERY	83151
CARDIOVASCULAR DISEASE – NO SURGERY	83255
DERMATOLOGY - MAJOR SURGERY	83472
GASTROENTROLOGY – MINOR INVASIVE SURGERY	83274
GYNECOLOGY – NO SURGERY	83244
INFECTIOUS DISEASE – MINOR INVASIVE SUGERY	83279
INFECTIOUS DISEASE – NO SURGERY	83246
NEPHROLOGY – MINOR INVASIVE SURGERY	83278
OPHTHAMOLOGY – SURGERY	83114
PEDIATRICS – MINOR SURGERY	83287
PULMONARY MEDICINE – NO SURGERY	83269
UROLOGY – MINOR INVASIVE SURGERY	83145

**Class 4 –**

<i>Medical Specialty</i>	<i>Code</i>
AESTHETIC MEDICINE – MINOR INVASIVE SURGERY	84100
ANESTHESIOLOGY PAIN MEDICINE – MAJOR SURGERY	84151
FAMILY/GENERAL PRACTICE – NO OBSTETRICS – MINOR INVASIVE SURGERY	84421
GYNECOLOGY – MINOR INVASIVE SURGERY	84277
INTESNIVE CARE MEDICINE	84283
NEUROLOGY – MINOR INVASIVE SURGERY	84288
NEUROLOGY – NO SURGERY	84261
PHYSICIANS (N.O.C.) – MINOR INVASIVE SURGERY	84268
PUMONARY MEDICINE – MINOR INVASIVE SURGERY	84269

**Class 5 –**

<i>Medical Specialty</i>	<i>Code</i>
ANESTHESIOLOGY CRITICALC ARE MEDICINE – MAJOR SURGERY	85151
CARDIOVASCULAR DISEASE – MINOR INVASIVE SURGERY	85281
INTERNAL MEDICINE – MINOR INVASIVE SURGERY	85284
OTOLARYNGOLOGY/HEAD AND NECK SURGERY – EXCLUDING COSMETIC – MAJOR SURGERY	85159
OTOLOGY/NEUROTOLOGY – MAJOR SURGERY	85158
PODIATRY – MAJOR SURGERY	85993
RADIATION THERAPY – MAJOR SURGERY	85491

**GeneralStar**

Illinois

Physicians & Surgeons  
Professional Liability Claims-Made Reported**GENERAL STAR ADVANTAGE**  
Underwritten by  
**GENERAL STAR NATIONAL INSURANCE COMPANY****State Exceptions Section**

RADIOLOGY (DIAGNOSTIC) – MAJOR SURGERY CLASS	85253
UROLOGY – EXCLUDING THERAPEUTIC IMPLANTS – MAJOR SURGERY	85145

**Class 6 -**

<u>Medical Specialty</u>	<u>Code</u>
COLON & RECTAL SURGERY – MAJOR SURGERY	86115
UROLOGY – INCLUDING THERAPEUTIC IMPLANTS – MAJOR SURGERY	86145

**Class 7 -**

<u>Medical Specialty</u>	<u>Code</u>
GENERAL SURGERY – INCLUDING LAPAROSCOPY – MAJOR SURGERY	87143
GYNECOLOGY SURGERY – INCLUDING LAPAROSCOPY – MAJOR SURGERY	87481
HAND SURGERY – MAJOR SURGERY	87169
ORTHOPEDIC SURGERY – EXCLUDING BACK SURGERY – MAJOR SURGERY	87501
OTOLARYNGOLOGY/HEAD AND NECK SURGERY – INCLUDING COSMETIC – MAJOR SURGERY	87155
PEDIATRICS – MAJOR SURGERY	87293
PHYSICIANS (N.O.C.) – MAJOR SURGERY	87294
PLASTIC/RECONSTRUCTIVE SURGERY – EXCLUDING COSMETIC ELECTIVE – MAJOR SURGERY	87156

**Class 8 -**

OBSTETRICS/GYNECOLOGY – MAJOR SURGERY	88153
ORTHOPEDIC SURGERY – INCLUDING BACK SURGERY – MAJOR SURGERY	88154
PLASTIC/RECONSTRUCTIVE SURGERY – INCLUDING COSMETIC ELECTIVE SURGERY – MAJOR SURGERY	88156
THORACIC AND CARDIOVASCULAR SURGERY – MAJOR SURGERY	88144
VASCULAR SURGERY – MAJOR SURGERY	88164

**Class 9 -**

<u>Medical Specialty</u>	<u>Code</u>
NEUROSURGERY – MAJOR SURGERY	89152

**Additional Classifications:**

Professional Corporation/Partnership/Association	80999
Nurse Anesthetist	80960
Nurse Midwives	80962
Physicians' Assistant	80118
Physical Therapist	80938
Respiratory Therapists	80969
Surgeons Assistant/Perfusionists	80116

**Neuman, Gayle**

---

**From:** Neuman, Gayle  
**Sent:** Monday, December 04, 2006 2:35 PM  
**To:** 'mgayzur@genre.com'  
**Subject:** Rate/Rule Filing #06-156-3-2

Ms. Gayzur,

Thank you for your response dated November 30, 2006. We have a few additional issues to address:

1. Under XII. Optional Coverage/Endorsements – B. Deductibles/Self-Insured Retentions, please define “qualified” insureds.
2. Under XIV. Quarterly Installment Option, we request the following information be added:
  - Indicate the installments are due 3, 6 and 9 months from policy inception.
  - Instead of simply indicating “no charge”, we request the wording indicate “no interest charges” and “no installment charges/fees”.
3. Does General Star offer any other premium payment plans to their insureds?
4. On the eighth Page under H. Physicians & Surgeons Practice/Specialty Classifications, there are “Additional Classifications” – since the second digits in these are all “0”, do they fall under Class 0?
5. In comparing the State Exception Page under H. Physicians & Surgeons Practice/Specialty Classifications with the page labeled “GENERAL STAR NATIONAL INSURANCE COMPANY – PHYSICIAN’S PROFESSIONAL LIABILITY – ILLINOIS – PHYSICIANS CLASSIFICATION PLAN”, we find:
  - “Podiatry – No Surgery” is not listed on both pages.
  - “Podiatry – Major Surgery” is not listed on both pages.
  - “Pediatrics – Minor Surgery” is under class 3 on one page and class 1 on the other.
  - Under Class 7, there is no “General Surgery – excluding laparoscopy – Major Surgery”.
  - Under Class 7, there is no “Gynecology Surgery - excluding laparoscopy – Major Surgery”.
  - There are numerous misspellings under Section H.
6. Although page numbering is not a requirement, it would be helpful.

We request receipt of your response by December 12, 2006.

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

**GeneralStar**<sup>®</sup>

General Star Management Company  
Financial Centre  
695 East Main Street  
Stamford, CT 06901  
direct phone 203 328 5584  
fax 203 328 6150  
email mgayzur@gene.com

Mary Ann Gayzur  
Compliance Analyst



**VIA FEDERAL EXPRESS**

November 30, 2006

Ms. Gayle Neuman  
Illinois Department of Financial and Professional Regulation  
Division of Insurance  
320 West Washington Street  
Springfield, IL 62767

**RE: General Star National Insurance Company  
NAIC#: 11967 FEIN#: 13-1958482  
Physicians & Surgeons Professional Liability  
Rate & Rule Filing  
Co. Filing #: 06-156-3-2**

Dear Ms. Neuman:

Thank you for your prompt response to our filing dated October 31, 2006. We have respectfully responded to each of your questions and comments in the order presented. For your convenience we have included your questions along with our response. Please note that our responses are in bold letters.

Q1. 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.

**A1. We do offer a quarterly installment plan for this program at no charge. We have modified our General Rule pages to include the details of this option. Please see attachment A. Rule XIV, of the General Rule pages. Note that there are no fees or interest charges for this optional payment plan.**

Q2. 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?

**A2. Yes. General Star is a member of Information Services Organization, Inc. (ISO). ISO is a leading statistical agency for insurance companies.**

Q3. We require a written statement certifying that the insurance company does not unfairly discriminate in offering or administering this program.

**A3. Please see the attachment B.**

Q4. 215 ILCS 5/155.18 requires companies that offer deductibles or discounts to include the information in the rate/rule manual. We require additional information to indicate the deductibles and discounts offered and how they will affect an insured's premium.

**A4. Please see attachment A, Rules XII, and XIII. We added a table of deductible discount factors to Rule XII, item B in response to your request. Rule XIII, labeled "INDIVIDUAL RISK MODIFICATION SCHEDULE", already shows all available discount factors (Credits) for this program.**

Q5. Section XIII. Individual Risk Modification Schedule provides information regarding your scheduled rating plan. As the section indicates "Physicians and Surgeons", does the scheduled rating plan not apply to the podiatrists, osteopathic physicians/surgeons, or the ancillary medical personnel?

**A5. The individual Risk Modification Schedule rating plan will apply to all Physicians and Surgeons including Doctors of Osteopath and podiatrists. We have modified the label under Rule XIII, item 1 to read "Physicians and Surgeons (M.D.s and D.O.s) and Podiatrists Professional Liability Exposures."**

Q6. There are a few typographical errors:

Under Section XI, paragraph B. All Others: - it seems there should be a period in between "pages" and "Ancillary".

On pages 2 and 3 of the "Illinois" section, Sangamon County is misspelled.

**A6. Both items have been corrected. Please see attachment A.**

Q7. The rate/rule manual must indicate that the extended reporting period (tail coverage) premium must be 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.

**A7. Please refer to Attachment A, State Exception Pages, Rule G., item 2. We have revised the wording to state that the ERP factors will be applied to the rates in effect at policy issuance. The premium will be determined based on the effective rates in effect at policy issuance and stated ERP factors, no credits or debits will apply. This information will be disclosed at the initial quoting to prospective insureds and at policy inception.**

Q8. On page 5 of the "Illinois" section under 2., there are two separate tables for the unlimited reporting period factors. Wouldn't the difference being charged for obstetrics/gynecology and pediatrics already be reflected in the rate charged?

**A8. The extended reporting period factors for Obstetrics/gynecology and Pediatrics are different than other specialties because a large percentage of their practice involves treatment of minors. There is a**

longer statute of limitations for injured minors than adults. The period of limitation is extended until the child attains 10 years of age. Our base rates do not implicitly reflect the longer reporting period associated with these exposures.

Q9. On page 6 of the "Illinois" section, please explain the "code" provided. Where else is this information reflected?

A9. The "Code" is a combination of ISO's specialty classification code and General Star's class code (i.e., 82420 = ISO Specialty Code of 80420 + General Star Class 2 - reflected in the second digit "8X420"). The specialty codes are group into 10 classes, ranging from class 0 to 9. The class is referenced in the rate tables under item B. of the State Exception pages.

Q10. There was no written statement indicating that the insurer, in offering, administering, or applying the filed rate/rule manual and/or any provisions, does not unfairly discriminate.

A10. Please see attachment B.

If you require additional information, please contact me.

Sincerely,



Mary Ann Gayzur

Enclosures

Physicians & Surgeons Claims Made and Reported Professional Liability  
GENERAL RULE MANUAL  
*Underwritten by*  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

## **ATTACHMENT A**

Physicians & Surgeons Claims Made and Reported Professional Liability  
GENERAL RULE MANUAL  
*Underwritten by*  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**GENERAL STAR MANAGEMENT COMPANY**

PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY  
CLAIMS MADE AND REPORTED COVERAGE

**GENERAL RULE MANUAL**

Physicians & Surgeons Claims Made and Reported Professional Liability  
GENERAL RULE MANUAL  
Underwritten by  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**I. USE OF THIS MANUAL**

The purpose of this document is to provide premium and rating data (by state), underwriting rules, medical specialty classifications and practice location territories needed to select and price risks for the General Star Management Physicians & Surgeons Professional Liability program. The following categories of Health Care Providers are designated primary insureds for the program:

1. Physicians or Surgeons (M.D.)
2. Osteopathic Physicians or Surgeons (D.O.)
3. Podiatrists (D.P.M.)

Any exceptions to these rules are contained in the respective State Exceptions Section.

**II. COVERAGE**

Coverage under this program is described in the respective policy Insuring Agreement(s) and/or Coverage Part(s). It shall be permissible to attach more than one Insuring Agreement and/or Coverage Part to the policy.

**III. BASIC LIMITS OF LIABILITY**

The basic coverage limits for Professional Liability coverage under this program are:

Professional Liability: \$1,000,000 Each Claim / \$3,000,000 Aggregate

**IV. POLICY WRITING MINIMUM PREMIUM**

The minimum premium is \$500 per annual or lesser period, unless otherwise specified for the respective coverage.

**V. DECREASED LIMITS OF LIABILITY**

Available decreased Limits of Liability are shown on the respective State Exceptions Section.

**VI. PREMIUM COMPUTATION**

The premium shall be computed by applying the rate per physician/surgeon shown on the State Exceptions pages.

**A. PREMIUM ROUNDING RULE**

Premium rounding will be done at the last step of the computation process, as opposed to rounding at each step. In the event that application of any rating procedure result is not a whole dollar, each rate and premium shall be adjusted as follows:

- i. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- ii. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

**B. FACTORS OR MULTIPLIERS**

Premium modifications are to be applied multiplicatively. Modifications from the **Individual Risk Modification Schedule** and **Deductibles** are to be added together and then applied multiplicatively.

**C. ADDITIONAL and RETURN PREMIUM**

For all changes requiring additional or return premium, apply the rates and rules that were in effect at the inception date of the current policy period.

Physicians & Surgeons Claims Made and Reported Professional Liability  
GENERAL RULE MANUAL  
Underwritten by  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

D. CLAIMS MADE 'STEP' RULE

The proper 'step' into which the physician/surgeon is placed for rating purposes when claims made coverage has been provided for less than full annual periods is determined as follows:

1. Less than 6 months of claims made coverage, step 1 rates apply;
2. "#" years plus less than 6 months of claims made coverage, step "x" plus 1 applies;
3. "#" years plus 6 months or more of claims made coverage, step "x" plus 2 applies.

Note: The value of "#" is the number of whole years.

VII. RESTRICTIONS OF COVERAGE OR INCREASED RATE

Subject to individual state regulations, policies may be issued with special restrictions or at increased premium if:

- A. the Insured agrees in writing; and
- B. the policy would otherwise not be written.

VIII. EXTENDED REPORTING PERIOD COVERAGE (available for Claims Made coverage only)

The availability of Extended Reporting Period Coverage shall be governed by the following rules:

- A. The Limits of Liability may not exceed those afforded under the terminating policy.
- B. Available Extended Reporting Period premium charges shall be as shown on the respective State Exceptions pages.

IX. ADDITIONAL CLASSIFICATIONS

A. Disability/Leave of Absence

A physician/surgeon who becomes disabled, or is on leave of absence for a period of 45 days or more, will be eligible for restricted coverage at a reduced rate. This would apply retroactively to the first day of disability or leave of absence. Rating basis as follows:

Disability/Leave of Absence	25% of Medical Specialty
-----------------------------	--------------------------

B. Part-Time

A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

Practice less than 25 hours per week	50-90% of Medical Specialty
--------------------------------------	-----------------------------

The applicant or insured may be required to cite a specific reason for practicing part-time and specific exposures and medical specialties may be deemed ineligible for part-time status

C. Locum Tenens Physicians

Coverage for a physician substituting for an insured physician may be provided. Coverage will be limited to professional services rendered on behalf of an insured physician for the specified time period. Approved *Locum Tenens* physicians will share in the primary insured physician's Limit of Liability at no additional premium charge.

X. MISCELLANEOUS / ANCILLARY MEDICAL PERSONNEL

Professional Liability coverage for miscellaneous medical personnel may be provided. The State Exception pages contain medical specialties and rating instructions.

XI. CORPORATION / PARTNERSHIP / PROFESSIONAL ASSOCIATION

It shall be permissible to provide coverage for a Professional Corporation, Professional Association, or Partnership, for liability arising from the professional services by its member physicians/surgeons. Such coverage may be provided as follows:

- A. Solo Practice:

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by endorsement to the policy. The entity will share in the individual physician/surgeon limit at no additional premium charge

B. All Others:

Available on a separate Limit of Liability basis by naming the professional corporation/partnership/professional association on the policy. Additional premium shall be as shown on the State Exceptions pages. Ancillary personnel shall be included in this professional corporation limit but will not share in the limits of the individual physician(s).

**XII. OPTIONAL COVERAGES / ENDORSEMENTS**

It shall be permissible to add any of the following optional coverages/endorsements as appropriate to the particular situation and in accordance with the minimum basic Limits of Liability indicated herein:

A. Medical Laboratory

It shall be permissible to add a Medical Laboratory:

- i. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- ii. at a premium charge of 25% of the Class 1 rate. The laboratory will be included as an additional insured, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

B. Deductibles/Self-Insured Retentions

Deductibles and self-insured retentions may be offered to qualified insureds. The factors are shown below:

Deductible	Discount Factor
\$5,000	3%
\$10,000	5%
\$25,000	7%

**XIII. INDIVIDUAL RISK MODIFICATION SCHEDULE**

The hazards of the practice of medicine vary with each organization; the establishment of medical standards review and claims review committees and the effectiveness of such committees; loss prevention and control activities; type, amount and extent of professional services rendered under written agreement, etc. To recognize such specific characteristics unique to each risk, a rate modification may be applied based on the following:

1. Physicians and Surgeons (M.D.s and D.O.s) and Podiatrists Professional Liability Exposures

The maximum permissible modification of the Professional Liability premium(s) is as shown on the State Exceptions pages.

Individual Risk Modification Schedule		
	Credits	Debits
a. <u>Loss Experience</u> The underwriter will evaluate the circumstances of past claims and would take into consideration the report date of each claim and paid the indemnity amounts.	0%	0%-20%
b. <u>Loss Control Program</u> The underwriter will evaluate the procedures in place within the practice, including adherence to any prior control recommendations.	0-10%	0-10%
c. <u>Practice Characteristics</u> The underwriter will evaluate the impact of contracts on utilization, referrals, and overall quality of patient care.	0-15%	0-15%

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<p>d. <u>Continuing Education</u></p> <p>Determine if the applicant's professional and paraprofessional staff participant in effective continuing medical education program(s).</p>	<p>0-5%</p>	<p>0-5%</p>
<p>e. <u>Ancillary Personnel</u></p> <p>Paraprofessional employees or contractors such as Nurse practitioners, Physician Assistants, Certified Registered Nurse Anesthetists, Perfusionists and Midwives. Surcharge for vicarious liability when practitioners carry their own separate coverage. May be offset by Continuing Education credit.</p>	<p>0-5%</p> <p>per employee</p>	<p>0-5%</p> <p>per employee</p>
<p>f. <u>Practice Hours</u></p> <p>Credit for limited practice hours if the risk is not eligible for part-time credit. Debit for practice hours deemed excessive for the specific specialty or practice situation.</p>	<p>0-10%</p>	<p>0-10%</p>
<p>g. <u>Patient Count</u></p> <p>Surcharge for above-average patient or procedure volume; credit for low volume</p>	<p>5-10%</p>	<p>5-10%</p>
<p>h. <u>Use of Hospitalists</u></p> <p>The underwriter will evaluate the use of hospitalists for patient admissions.</p>	<p>0-10%</p>	<p>0-10%</p>
<p>i. <u>Emergency Room exposure</u></p> <p>The underwriter will evaluate any Emergency Medicine exposure</p>	<p>0-10%</p>	<p>0-10%</p>
<p>J. <u>Unusual Risk Characteristics</u></p> <p>The underwriter will evaluate any feature of the practice that is deemed unusual or nontraditional in the applicant's medical community.</p>	<p>0-10%</p>	<p>0-10%</p>

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**XIV. QUARTERLY INSTALLMENT OPTION**

A quarterly premium installment option at no charge is available subject to the following terms:

- 1) An initial payment of 40% of the total premium due at policy inception with remaining premium spread equally among the second (20%), third (20%), and fourth (20%) installments.
- 2) Additional premium resulting from changes to the policy shall be spread equally over the remaining installments. If there are no remaining installments, additional premium resulting from changes to the policy will be processed as a separate transaction.



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**State Exceptions Section**

**A. The GENERAL RULE MANUAL pages applicable to this program shall apply subject to the following changes/exceptions:**

-Illinois rates and rating rules as follows.

**B. PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY, CLAIMS MADE RATES:**

Territory I: Cook, Madison, St. Clair & Will counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	5,054	10,108	15,161	18,194	20,215
1	6,738	13,477	20,215	24,258	26,953
2	8,423	16,846	25,268	30,322	33,691
3	10,107	20,215	30,322	36,386	40,429
4	12,634	25,269	37,903	45,483	50,537
5	14,740	29,480	44,219	53,063	58,959
6	21,057	42,114	63,171	75,805	84,228
7	29,480	58,960	88,439	106,127	117,919
8	42,114	84,228	126,341	151,610	168,455
9	58,959	117,919	176,878	212,253	235,837

Territory II: DuPage, Jackson, Kane, Lake McHenry & Vermillion counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	4,043	8,086	12,129	14,555	16,172
1	5,391	10,781	16,172	19,406	21,562
2	6,738	13,477	20,215	24,258	26,953
3	8,086	16,172	24,257	29,109	32,343
4	10,107	20,215	30,322	36,386	40,429
5	11,792	23,584	35,375	42,450	47,167
6	16,846	33,691	50,537	60,644	67,382
7	23,584	47,168	70,751	84,902	94,335
8	33,691	67,382	101,073	121,288	134,764
9	47,168	94,335	141,503	169,803	188,670



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Territory III: Champaign, Coles, Dekalb, Kankakee, LaSalle, Macon, Ogle, Randolph, Sangamon & Winnebago counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	3,285	6,570	9,854	11,825	13,139
1	4,380	8,760	13,139	15,767	17,519
2	5,475	10,950	16,424	19,709	21,899
3	6,570	13,140	19,709	23,651	26,279
4	8,212	16,425	24,637	29,564	32,849
5	9,581	19,162	28,743	34,492	38,324
6	13,687	27,374	41,061	49,273	54,748
7	19,162	38,324	57,485	68,982	76,647
8	27,374	54,748	82,122	98,546	109,496
9	38,324	76,647	114,971	137,965	153,294

Territory IV: Remainder of State

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	2,527	5,054	7,580	9,096	10,107
1	3,369	6,738	10,107	12,128	13,476
2	4,212	8,423	12,635	15,161	16,846
3	5,054	10,108	15,161	18,194	20,215
4	6,317	12,634	18,951	22,741	25,268
5	7,370	14,740	22,110	26,532	29,480
6	10,529	21,057	31,586	37,903	42,114
7	14,740	29,480	44,219	53,063	58,959
8	21,057	42,114	63,171	75,805	84,228
9	29,480	58,960	88,439	106,127	117,919



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**C. INDIVIDUAL RISK MODIFICATION SCHEDULE**

The maximum permissible modification of the Physicians & Surgeons Professional Liability Premium under the Individual Risk Modification Schedule is  $\pm$  40%.

**D. CORPORATION/PARTNERSHIP/PROFESSIONAL ASSOCIATION CHARGE:**

The rate, per Corporation/Partnership/Professional Association, is computed as up to 15% of the total developed professional liability premium for each physician/surgeon and ancillary person, for groups of 2-4. For groups of 5 or more, the rate is computed as up to 10% of the total developed professional liability premium for each physician/surgeon and ancillary person.

**E. ANCILLARY PERSONNEL:**

The following ancillary personnel may be added as additional named insured for additional premium per the rates shown below.

Territory I: Cook, Madison, St. Clair & Will counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	606	1,213	1,819	2,183	2,426
Nurse Midwives	8,423	16,846	25,268	30,322	33,691
Physicians' Assistant	505	1,011	1,516	1,819	2,021
Physical Therapist	1,263	2,527	3,790	4,548	5,054
Respiratory Therapists	1,263	2,527	3,790	4,548	5,054
Surgeons Assistant/Purfusionists	505	1,011	1,516	1,819	2,021

Territory II: DuPage, Jackson, Kane, Lake McHenry & Vermillion counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	485	970	1,455	1,747	1,941
Nurse Midwives	6,738	13,476	20,215	24,258	26,953
Physicians' Assistant	404	809	1,213	1,455	1,617
Physical Therapist	1,011	2,022	3,032	3,639	4,043
Respiratory Therapists	1,011	2,022	3,032	3,639	4,043
Surgeons Assistant/Purfusionist	404	809	1,213	1,455	1,617

Territory III: Champaign, Coles, Dekalb, Kankakee, LaSalle, Macon, Ogle, Randolph, Sangamon & Winnebago counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	394	788	1,183	1,419	1,577
Nurse Midwives	5,475	10,950	16,424	19,709	21,899
Physicians' Assistant	329	657	985	1,183	1,314
Physical Therapist	821	1,643	2,464	2,956	3,285
Respiratory Therapists	821	1,643	2,464	2,956	3,285



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Surgeons Assistant/Purfusionists	329	657	985	1,183	1,314
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Territory IV: Remainder of State

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	303	606	910	1,092	1,213
Nurse Midwives	4,211	8,423	12,634	15,161	16,846
Physicians' Assistant	253	505	758	910	1,011
Physical Therapist	632	1,263	1,895	2,274	2,527
Respiratory Therapists	632	1,263	1,895	2,274	2,527
Surgeons Assistant/Purfusionists	253	505	758	910	1,011

**F. POLICY DECREASED LIMITS FACTORS:**

<i>Policy Limits</i>	<i>Increase Limit Factor</i>
1,000,000/3,000,000	1.00
1,000,000/1,000,000	0.92
500,000/1,500,000	0.77
250,000/750,000	0.62
100,000/300,000	0.47



Illinois

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**G. EXTENDED REPORTING PERIOD:**

1. Death, Disability and Retirement (DDR) - Extended Reporting Period Coverage will be granted at no additional premium in the event a named insured dies, becomes permanently and totally disabled, or retires during the policy period, provided that within thirty (30) days of the death, permanent and total disability, or retirement:
  - a. the named insured's estate requests the Unlimited Extended Reporting Period and furnishes written evidence and proof of the date of the named insured's death, or
  - b. the named insured provides evidence and proof of the permanent and total disability including the date of the actual disability and written certification by the named insured's attending physician (other than another physician practicing in the same group as the named insured). The named insured also agrees to submit to any medical examination(s) as requested by the Company, by any physician designated by the Company for the purpose of verifying such permanent and total disability; or
  - c. If at any time after reaching age 55, and having been continuously insured by the Company on a claims-made basis for a minimum of 5 years, the named insured elects to retire from practice of medicine.
2. Unlimited Extended Reporting Period coverage (ERP) will be granted subject to the terms and conditions of the policy. The following premium factors are to be applied to mature (step 5) claims-made rate in effect at policy issuance:

Unlimited Reporting Period Factors Obstetrics/Gynecology & Pediatrics	
<i>Expiring Step</i>	<i>Factor</i>
1	1.35
2	2.05
3	2.35
4	2.50
5	2.60

Unlimited Reporting Period Factors All Other	
<i>Expiring Step</i>	<i>Factor</i>
1	1.00
2	1.20
3	1.50
4	1.88
5	2.00

3. Other Extended Reporting Period optional endorsements. The following discount factors are applied multiplicatively to the factors shown above if the named insured elects one of the optional extended reporting endorsements below:

Extended Reporting Period Discount Factors	
<i>Extended Reporting Period Option</i>	<i>Discount Factor</i>
12 months	0.50
24 months	0.62
36 months	0.69
48 months	0.78
60 months	0.80
Unlimited	1.00



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Physicians & Surgeons  
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**State Exceptions Section**

**H. PHYSICIANS & SURGEONS PRACTICE/SPECIALTY CLASSIFICATIONS**

Each physician/surgeon is assigned a practice classification code according to their respective medical specialty. When more than one classification is applicable, the highest rated classification shall apply.

**Class 0 -**

<i>Medical Specialty</i>	<i>Code</i>
AEROSPACE MEDICINE – NO SURGERY	80230
ALLERGY - NO SURGERY	80254
DERMATOLOGY - NO SURGERY	80256
FORENSIC PATHOLOGY – NO SURGERY	80240
GENERAL PREVENTIVE MEDICINE – NO SURGERY	80231
OCCUPATIONAL/INDUSTRIAL MEDICINE – NO SURGERY	80233
OTORHINOLARYNGOLOGY - NO SURGERY	80265
PSYCHIATRY – NO SURGERY	80249

**Class 1 -**

<i>Medical Specialty</i>	<i>Code</i>
DERMATOLOGY - MINOR INVASIVE SURGERY	81282
ENDOCRINOLOGY – NO SURGERY	81238
GERIATRIC MEDICINE – NO SURGERY	81243
OPHTHALMOLOGY – NO SURGERY	81263
OTOLOGY/NEUROTOLOGY – NO SURGERY	81264
PEDIATRICS – NO SURGERY	81267
RHEUMATOLOGY – NO SURGERY	81252
UROLOGY – NO SURGERY	81145

**Class 2 –**

<i>Medical Specialty</i>	<i>Code</i>
ENDOCRINOLOGY- MINOR INVASIVE SURGERY	82272
FAMILY/GENERAL PRACTICE – NO OBSTETRICS – NO SURGERY	82420
GERIATRICS – MINOR INVASIVE SURGERY	82276
HEMATOLOGY – MINOR INVASIVE SURGERY	82278
HEMATOLOGY – NO SURGERY	82245
INTERNAL MEDICINE – NO SURGERY	82257
NEOPLASTIC MEDICINE/ONCOLOGY – MINOR INVASIVE SURGERY	82286
NEOPLASTIC MEDICINE/ONCOLOGY – NO SURGERY	82259
NEPHROLOGY – NO SURGERY	82260
NUCLEAR MEDICINE – NO SURGERY	82262
PATHOLOGY – NO SURGERY	82266
PHYSICAL MEDICINE AND REHABILITATION – NO SURGERY	82235



Illinois

Physicians & Surgeons  
Professional Liability Claims-Made Reported

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PODIATRY – NO SURGERY	82993
URGENT CARE MEDICINE	82424

**Class 3 -**

<u>Medical Specialty</u>	<u>Code</u>
ACUPUNCTURE – MINOR SUGERY	83437
ANESTHESIOLOGY – MAJORY SURGERY	83151
CARDIOVASCULAR DISEASE – NO SURGERY	83255
DERMATOLOGY - MAJOR SURGERY	83472
GASTROENTROLOGY – MINOR INVASIVE SURGERY	83274
GYNECOLOGY – NO SURGERY	83244
INFECTIOUS DISEASE – MINOR INVASIVE SUGERY	83279
INFECTIOUS DISEASE – NO SURGERY	83246
NEPHROLOGY – MINOR INVASIVE SURGERY	83278
OPHTHAMOLOGY – SURGERY	83114
PEDIATRICS – MINOR SURGERY	83267
PULMONARY MEDICINE – NO SURGERY	83269
UROLOGY – MINOR INVASIVE SURGERY	83145

**Class 4 –**

<u>Medical Specialty</u>	<u>Code</u>
AESTHETIC MEDICINE – MINOR INVASIVE SURGERY	84100
ANESTHESIOLOGY PAIN MEDICINE – MAJOR SURGERY	84151
FAMILY/GENERAL PRACTICE – NO OBSTETRICS – MINOR INVASIVE SURGERY	84421
GYNECOLOGY – MINOR INVASIVE SURGERY	84277
INTESNIVE CARE MEDICINE	84283
NEUROLOGY – MINOR INVASIVE SURGERY	84288
NEUROLOGY – NO SURGERY	84261
PHYSICIANS (N.O.C.) – MINOR INVASIVE SURGERY	84268
PUMONARY MEDICINE – MINOR INVASIVE SURGERY	84269

**Class 5 –**

<u>Medical Specialty</u>	<u>Code</u>
ANESTHESIOLOGY CRITICALC ARE MEDICINE – MAJOR SURGERY	85151
CARDIOVASCULAR DISEASE – MINOR INVASIVE SURGERY	85281
INTERNAL MEDICINE – MINOR INVASIVE SURGERY	85284
OTOLARYNGOLOGY/HEAD AND NECK SURGERY – EXCLUDING COSMETIC – MAJOR SURGERY	85159
OTOLOGY/NEUROTOLOGY – MAJOR SURGERY	85158
PODIATRY – MAJOR SURGERY	85993
RADIATION THERAPY – MAJOR SURGERY	85491
RADIOLOGY (DIAGNOSTIC) – MAJOR SURGERY CLASS	85253



Illinois  
Physicians & Surgeons  
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**State Exceptions Section**

UROLOGY – EXCLUDING THERAPEUTIC IMPLANTS – MAJOR SURGERY	85145
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**Class 6 -**

<u>Medical Specialty</u>	<u>Code</u>
COLON & RECTAL SURGERY – MAJOR SURGERY	86115
UROLOGY – INCLUDING THERAPEUTIC IMPLANTS – MAJOR SURGERY	86145

**Class 7 -**

<u>Medical Specialty</u>	<u>Code</u>
GENERAL SURGERY – INCLUDING LAPAROSCOPY – MAJOR SURGERY	87143
GYNECOLOGY SURGERY – INCLUDING LAPAROSCOPY – MAJOR SURGERY	87481
HAND SURGERY – MAJOR SURGERY	87169
ORTHOPEDIC SURGERY – EXCLUDING BACK SURGERY – MAJOR SURGERY	87501
OTOLARYNGOLOGY/HEAD AND NECK SURGERY – INCLUDING COSMETIC – MAJOR SURGERY	87155
PEDIATRICS – MAJOR SURGERY	87293
PHYSICIANS (N.O.C.) – MAJOR SURGERY	87294
PLASTIC/RECONSTRUCTIVE SURGERY – EXCLUDING COSMETIC ELECTIVE – MAJOR SURGERY	87156

**Class 8 -**

OBSTETRICS/GYNECOLOGY – MAJOR SURGERY	88153
ORTHOPEDIC SURGERY – INCLUDING BACK SURGERY – MAJOR SURGERY	88154
PLASTIC/RECONSTRUCTIVE SURGERY – INCLUDING COSMETIC ELECTIVE SURGERY – MAJOR SURGERY	88156
THORACIC AND CARDIOVASCULAR SURGERY – MAJOR SURGERY	88144
VASCULAR SURGERY – MAJOR SURGERY	88164

**Class 9 -**

<u>Medical Specialty</u>	<u>Code</u>
NEUROSURGERY – MAJOR SURGERY	89152

**Additional Classifications:**

Professional Corporation/Partnership/Association	80999
Nurse Anesthetist	80960
Nurse Midwives	80962
Physicians' Assistant	80116
Physical Therapist	80938
Respiratory Therapists	80969
Surgeons Assistant/Perfusionists	80116

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

ILLINOIS

MATURE CLAIMS MADE MANUAL BASE RATES  
\$1,000,000/\$3,000,000 LIMITS OF LIABILITY

Class	TERRITORY			
	1	2	3	4
0	20,215	16,172	13,139	10,107
1	26,953	21,562	17,519	13,476
2	33,691	26,953	21,899	16,846
3	40,429	32,343	26,279	20,215
4	50,537	40,429	32,849	25,268
5	58,959	47,167	38,324	29,480
6	84,228	67,382	54,748	42,114
7	117,919	94,335	76,647	58,959
8	168,455	134,764	109,496	84,228
9	235,837	188,670	153,294	117,919

<u>Territory</u>	<u>Description</u>
1	Cook, Madison, St. Clair & Will Counties
2	DuPage, Jackson, Kane, Lake, McHenry & Vermillion Counties
3	Champaign, Coles, DeKalb, Kankakee, LaSalle, Macon, Ogle, Randolph, Sangamon & Winnebago Counties
4	Remainder of State

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

ILLINOIS  
PHYSICIANS CLASSIFICATION PLAN

<u>SPECIALTY DESCRIPTION</u>	<u>CLASS</u>
Acupuncture - Minor Surgery	3
Aerospace Medicine - No Surgery	0
Aesthetic Medicine - Minor Invasive Surgery	4
Allergy - No Surgery	0
Anesthesiology - Major Surgery	3
Anesthesiology Critical Care Medicine - Major Surgery	5
Anesthesiology Pain Medicine - Major Surgery	4
Cardiovascular Disease - Minor Invasive Surgery	5
Cardiovascular Disease - No Surgery	3
Colon & Rectal Surgery - Major Surgery	6
Dermatology - Major Surgery	3
Dermatology - Minor Invasive Surgery	1
Dermatology - No Surgery	0
Endocrinology - Minor Invasive Surgery	2
Endocrinology - No Surgery	1
Family/General Practice - No Obstetrics - Minor Invasive Surgery	4
Family/General Practice - No Obstetrics - No Surgery	2
Forensic Pathology - No Surgery	0
Gastroenterology - Minor Invasive Surgery	3
Gastroenterology - No Surgery	3
General Preventive Medicine - No Surgery	0
General Surgery - excluding laparoscopy - Major Surgery	7
General Surgery - including laparoscopy - Major Surgery	7
Geniatrics - Minor Invasive Surgery	2
Geriatrics - No Surgery	1
Gynecology - Minor Invasive Surgery	4
Gynecology - No Surgery	3
Gynecology Surgery - excluding laparoscopy - Major Surgery	7
Gynecology Surgery - including laparoscopy - Major Surgery	7
Hand Surgery - Major Surgery	7
Hematology - Minor Invasive Surgery	2
Hematology - No Surgery	2
Infectious Disease - Minor Invasive Surgery	3
Infectious Disease - No Surgery	3
Intensive Care Medicine	4
Internal Medicine - Minor Invasive Surgery	5
Internal Medicine - No Surgery	2
Neoplastic Medicine/Oncology - Minor Invasive Surgery	2
Neoplastic Medicine/Oncology - No Surgery	2
Nephrology - Minor Invasive Surgery	3
Nephrology - No Surgery	2
Neurology - Minor Invasive Surgery	4
Neurology - No Surgery	4
Neurosurgery - Major Surgery	9
Nuclear Medicine - No Surgery	2
Obstetrics/Gynecology - Major Surgery	8
Occupational/Industrial Medicine - No Surgery	0
Ophthalmology - No Surgery	1
Ophthalmology - Surgery	3
Orthopedic Surgery - excluding back surgery - Major Surgery	7
Orthopedic Surgery - including back surgery - Major Surgery	8
Otolaryngology/Head and Neck Surgery - excluding cosmetic - Major Surgery	5
Otolaryngology/Head and Neck Surgery - including cosmetic - Major Surgery	7
Otology/Neurotology - Major Surgery	5
Otology/Neurotology - No Surgery	1
Otorhinolaryngology - No Surgery	0
Pathology - No Surgery	2
Pediatrics - Major Surgery	7
Pediatrics - Minor Surgery	1
Pediatrics - No Surgery	1
Physical Medicine and Rehabilitation - No Surgery	2
Physicians (N.O.C.) - Major Surgery	7
Physicians (N.O.C.) - Minor Invasive Surgery	4
Physicians (N.O.C.) - No Surgery	2
Plastic / Reconstructive Surgery - excluding cosmetic elective - Major Surgery	7
Plastic / Reconstructive Surgery - including cosmetic elective - Major Surgery	8
Psychiatry - No Surgery	0
Pulmonary Medicine - No Surgery	3
Pulmonary Medicine - Minor Surgery	4
Radiation Therapy - Major Surgery	5
Radiology (Diagnostic) - Major Surgery Class	5
Rheumatology - No Surgery	1
Thoracic and Cardiovascular Surgery - Major Surgery	8
Urgent Care Medicine	2
Urology - No Surgery	1
Urology - Excluding therapeutic implants - Major Surgery	5
Urology - including therapeutic implants - Major Surgery	6
Urology - Minor Invasive Surgery	3
Vascular Surgery - Major Surgery	8

## **ATTACHMENT B**

**GeneralStar™**

November 27, 2006

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

Re: Rate/Rule Filing #06-156-3-2

Dear Ms. Neuman:

I, Adam M. Yasan, a duly authorized officer of General Star National Insurance Company, am authorized to state the following on behalf of the Company making the above referenced filing:

The Company shall not unfairly discriminate or permit any unfair discrimination in offering, administering, or applying the filed rate/rule manual; in the benefits payable under such policy, in any of the terms and conditions of such policy, and/or any policy provisions.

Nothing in this part shall prohibit the Company from asking about or using information to underwrite or to carry out its duties under an insurance policy to the extent otherwise permitted by applicable law.

Adam M Yasan  
2<sup>nd</sup> Vice President  
General Star Management Company

**Neuman, Gayle**

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**From:** Neuman, Gayle  
**Sent:** Monday, November 20, 2006 2:03 PM  
**To:** 'mgayzur@gene.com'  
**Subject:** Rate/Rule Filing #06-156-3-2  
**Attachments:** MedicalMalpracticeLiabilityRatesChecklist 091506.pdf

Ms. Gayzur,

We are in receipt of the above referenced filing submitted by your letter dated October 31, 2006. The submission is not acceptable for filing in Illinois due to the following reason(s):

1. 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.

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

3. We require a written statement certifying that the insurance company does not unfairly discriminate in offering or administering this program.

4. 215 ILCS 5/155.18 requires companies that offer deductibles or discounts to include the information in the rate/rule manual. We require additional information to indicate the deductibles and discounts offered and how they will affect an insured's premium.

5. Section XIII. Individual Risk Modification Schedule provides information regarding your scheduled rating plan. As the section indicates "Physicians and Surgeons", does the scheduled rating plan not apply to the podiatrists, osteopathic physicians/surgeons, or the ancillary medical personnel?

6. There are a few typographical errors:

Under Section XI, paragraph B. All Others: - it seems there should be a period in between "pages" and "Ancillary".

On pages 2 and 3 of the "Illinois" section, Sangamon County is misspelled.

7. The rate/rule manual must indicate that the extended reporting period (tail coverage) premium must be 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.
8. On page 5 of the "Illinois" section under 2., there are two separate tables for the unlimited reporting period factors. Wouldn't the difference being charged for obstetrics/gynecology and pediatrics already be reflected in the rate charged?
9. On page 6 of the "Illinois" section, please explain the "code" provided. Where else is this information reflected?
10. There was no written statement indicating that the insurer, in offering, administering, or applying the filed rate/rule manual and/or any provisions, does not unfairly discriminate.

We have additionally attached a copy of the checklist for your review and access. This information is also posted on our website at "idfpr.com".

We request receipt of your response no later than December 1, 2006.

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

**GeneralStar**

**GENERAL STAR MANAGEMENT COMPANY**

**PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY  
CLAIMS MADE AND REPORTED COVERAGE**

**GENERAL RULE MANUAL**

*continued*



Physicians & Surgeons Claims Made and Reported Professional Liability  
GENERAL RULE MANUAL  
Underwritten by  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**I. USE OF THIS MANUAL**

The purpose of this document is to provide premium and rating data (by state), underwriting rules, medical specialty classifications and practice location territories needed to select and price risks for the General Star Management Physicians & Surgeons Professional Liability program. The following categories of Health Care Providers are designated primary insureds for the program:

1. Physicians or Surgeons (M.D.)
2. Osteopathic Physicians or Surgeons (D.O.)
3. Podiatrists (D.P.M.)

Any exceptions to these rules are contained in the respective State Exceptions Section.

**II. COVERAGE**

Coverage under this program is described in the respective policy Insuring Agreement(s) and/or Coverage Part(s). It shall be permissible to attach more than one Insuring Agreement and/or Coverage Part to the policy.

**III. BASIC LIMITS OF LIABILITY**

The basic coverage limits for Professional Liability coverage under this program are:

Professional Liability: \$1,000,000 Each Claim / \$3,000,000 Aggregate

**IV. POLICY WRITING MINIMUM PREMIUM**

The minimum premium is \$500 per annual or lesser period, unless otherwise specified for the respective coverage.

**V. DECREASED LIMITS OF LIABILITY**

Available decreased Limits of Liability are shown on the respective State Exceptions Section.

**VI. PREMIUM COMPUTATION**

The premium shall be computed by applying the rate per physician/surgeon shown on the State Exceptions pages.

**A. PREMIUM ROUNDING RULE**

Premium rounding will be done at the last step of the computation process, as opposed to rounding at each step. In the event that application of any rating procedure result is not a whole dollar, each rate and premium shall be adjusted as follows:

- i. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- ii. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

**B. FACTORS OR MULTIPLIERS**

Premium modifications are to be applied multiplicatively. Modifications from the **Individual Risk Modification Schedule** are to be added together and then applied multiplicatively.

**C. ADDITIONAL and RETURN PREMIUM**

For all changes requiring additional or return premium, apply the rates and rules that were in effect at the inception date of the current policy period.

# GeneralStar

## Physicians & Surgeons Claims Made and Reported Professional Liability

### GENERAL RULE MANUAL

Underwritten by

### GENERAL STAR NATIONAL INSURANCE COMPANY

#### D. CLAIMS MADE 'STEP' RULE

The proper 'step' into which the physician/surgeon is placed for rating purposes when claims made coverage has been provided for less than full annual periods is determined as follows:

1. Less than 6 months of claims made coverage, step 1 rates apply;
2. "#" years plus less than 6 months of claims made coverage, step "x" plus 1 applies;
3. "#" years plus 6 months or more of claims made coverage, step "x" plus 2 applies.

Note: The value of "#" is the number of whole years.

#### VII. RESTRICTIONS OF COVERAGE OR INCREASED RATE

Subject to individual state regulations, policies may be issued with special restrictions or at increased premium if:

- A. the Insured agrees in writing; and
- B. the policy would otherwise not be written.

#### VIII. EXTENDED REPORTING PERIOD COVERAGE (available for Claims Made coverage only)

The availability of Extended Reporting Period Coverage shall be governed by the following rules:

- A. The Limits of Liability may not exceed those afforded under the terminating policy.
- B. Available Extended Reporting Period premium charges shall be as shown on the respective State Exceptions pages.

#### IX. ADDITIONAL CLASSIFICATIONS

##### A. Disability/Leave of Absence

A physician/surgeon who becomes disabled, or is on leave of absence for a period of 45 days or more, will be eligible for restricted coverage at a reduced rate. This would apply retroactively to the first day of disability or leave of absence. Rating basis as follows:

Disability/Leave of Absence	25% of Medical Specialty
-----------------------------	--------------------------

##### B. Part-Time

A part-time rate will apply to physicians or surgeons who work less than full-time rated hours. The rating basis is as follows:

Practice less than 25 hours per week	50-90% of Medical Specialty
--------------------------------------	-----------------------------

The applicant or insured may be required to cite a specific reason for practicing part-time and specific exposures and medical specialties may be deemed ineligible for part-time status

##### C. Locum Tenens Physicians

Coverage for a physician substituting for an insured physician may be provided. Coverage will be limited to professional services rendered on behalf of an insured physician for the specified time period. Approved *Locum Tenens* physicians will share in the primary insured physician's Limit of Liability at no additional premium charge.

#### X. MISCELLANEOUS / ANCILLARY MEDICAL PERSONNEL

Professional Liability coverage for miscellaneous medical personnel may be provided. The State Exception pages contain medical specialties and rating instructions.

#### XI. CORPORATION / PARTNERSHIP / PROFESSIONAL ASSOCIATION

It shall be permissible to provide coverage for a Professional Corporation, Professional Association, or Partnership, for liability arising from the professional services by its member physicians/surgeons. Such coverage



Physicians & Surgeons Claims Made and Reported Professional Liability  
 GENERAL RULE MANUAL  
 Underwritten by  
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- A. Solo Practice:  
 by endorsement to the policy. The entity will share in the individual physician/surgeon limit at no additional premium charge
- B. All Others:  
 Available on a separate Limit of Liability basis by naming the professional corporation/partnership/professional association on the policy. Additional premium shall be as shown on the State Exceptions pages Ancillary personnel shall be included in this professional corporation limit but will not share in the limits of the individual physician(s).

**XII. OPTIONAL COVERAGES / ENDORSEMENTS**

It shall be permissible to add any of the following optional coverages/endorsements as appropriate to the particular situation and in accordance with the minimum basic Limits of Liability indicated herein:

A. Medical Laboratory

It shall be permissible to add a Medical Laboratory:

- i. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- ii. at a premium charge of 25% of the Class 1 rate. The laboratory will be included as an additional insured, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

B. Deductibles/Self-Insured Retentions

Deductibles and self-insured retentions may be offered to qualified insureds.

**XIII. INDIVIDUAL RISK MODIFICATION SCHEDULE**

The hazards of the practice of medicine vary with each organization; the establishment of medical standards review and claims review committees and the effectiveness of such committees; loss prevention and control activities; type, amount and extent of professional services rendered under written agreement, etc. To recognize such specific characteristics unique to each risk, a rate modification may be applied based on the following:

1. Physicians & Surgeons Professional Liability Exposures

The maximum permissible modification of the Professional Liability premium(s) is as shown on the State Exceptions pages.

Individual Risk Modification Schedule		
	Credits	Debits
a. <u>Loss Experience</u> The underwriter will evaluate the circumstances of past claims and would take into consideration the report date of each claim and paid the indemnity amounts.	0%	0%-20%
b. <u>Loss Control Program</u> The underwriter will evaluate the procedures in place within the practice, including adherence to any prior control recommendations.	0-10%	0-10%
c. <u>Practice Characteristics</u> The underwriter will evaluate the impact of contracts on utilization, referrals, and overall quality of patient care.	0-15%	0-15%
d. <u>Continuing Education</u> Determine if the applicant's professional and paraprofessional staff participant in effective continuing medical education program(s)	0-5%	0-5%



Physicians & Surgeons Claims Made and Reported Professional Liability

GENERAL RULE MANUAL

Underwritten by

**GENERAL STAR NATIONAL INSURANCE COMPANY**

<p>e. <u>Ancillary Personnel</u>  Paraprofessional employees or contractors such as Nurse practitioners, Physician Assistants, Certified Registered Nurse Anesthetists, Perfusionists and Midwives. Surcharge for vicarious liability when practitioners carry their own separate coverage. May be offset by Continuing Education credit.</p>	<p>0-5%  per employee</p>	<p>0-5%  per employee</p>
<p>f. <u>Practice Hours</u>  Credit for limited practice hours if the risk is not eligible for part-time credit. Debit for practice hours deemed excessive for the specific specialty or practice situation.</p>	<p>0-10%</p>	<p>0-10%</p>
<p>g. <u>Patient Count</u>  Surcharge for above-average patient or procedure volume; credit for low volume</p>	<p>5-10%</p>	<p>5-10%</p>
<p>h. <u>Use of Hospitalists</u>  The underwriter will evaluate the use of hospitalists for patient admissions.</p>	<p>0-10%</p>	<p>0-10%</p>
<p>i. <u>Emergency Room exposure</u>  The underwriter will evaluate any Emergency Medicine exposure</p>	<p>0-10%</p>	<p>0-10%</p>
<p>J. <u>Unusual Risk Characteristics</u>  The underwriter will evaluate any feature of the practice that is deemed unusual or nontraditional in the applicant's medical community.</p>	<p>0-10%</p>	<p>0-10%</p>



**GENERAL STAR ADVANTAGE**  
*Underwritten by*  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**State Exceptions Section**

**A. The GENERAL RULE MANUAL pages applicable to this program shall apply subject to the following changes/exceptions:**

-Illinois rates and rating rules as follows.

**B. PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY, CLAIMS MADE RATES:**

Territory I: Cook, Madison, St. Clair & Will counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	5,054	10,108	15,161	18,194	20,215
1	6,738	13,477	20,215	24,258	26,953
2	8,423	16,846	25,268	30,322	33,691
3	10,107	20,215	30,322	36,386	40,429
4	12,634	25,269	37,903	45,483	50,537
5	14,740	29,480	44,219	53,063	58,959
6	21,057	42,114	63,171	75,805	84,228
7	29,480	58,960	88,439	106,127	117,919
8	42,114	84,228	126,341	151,610	168,455
9	58,959	117,919	176,878	212,253	235,837

Territory II: DuPage, Jackson, Kane, Lake McHenry & Vermillion counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	4,043	8,086	12,129	14,555	16,172
1	5,391	10,781	16,172	19,406	21,562
2	6,738	13,477	20,215	24,258	26,953
3	8,086	16,172	24,257	29,109	32,343
4	10,107	20,215	30,322	36,386	40,429
5	11,792	23,584	35,375	42,450	47,167
6	16,846	33,691	50,537	60,644	67,382
7	23,584	47,168	70,751	84,902	94,335
8	33,691	67,382	101,073	121,288	134,764
9	47,168	94,335	141,503	169,803	188,670



**Illinois**  
**Physicians & Surgeons**  
**Professional Liability Claims-Made Reported**

**GENERAL STAR ADVANTAGE**  
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**State Exceptions Section**

Territory III: Champaign, Coles, Dekalb, Kankakee, LaSalle, Macon, Ogle, Randolph, Sagamon & Winnebago counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	3,285	6,570	9,854	11,825	13,139
1	4,380	8,760	13,139	15,767	17,519
2	5,475	10,950	16,424	19,709	21,899
3	6,570	13,140	19,709	23,651	26,279
4	8,212	16,425	24,637	29,564	32,849
5	9,581	19,162	28,743	34,492	38,324
6	13,687	27,374	41,061	49,273	54,748
7	19,162	38,324	57,485	68,982	76,647
8	27,374	54,748	82,122	98,546	109,496
9	38,324	76,647	114,971	137,965	153,294

Territory IV: Remainder of State

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	2,527	5,054	7,580	9,096	10,107
1	3,369	6,738	10,107	12,128	13,476
2	4,212	8,423	12,635	15,161	16,846
3	5,054	10,108	15,161	18,194	20,215
4	6,317	12,634	18,951	22,741	25,268
5	7,370	14,740	22,110	26,532	29,480
6	10,529	21,057	31,586	37,903	42,114
7	14,740	29,480	44,219	53,063	58,959
8	21,057	42,114	63,171	75,805	84,228
9	29,480	58,960	88,439	106,127	117,919



**GENERAL STAR ADVANTAGE**  
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**GENERAL STAR NATIONAL INSURANCE COMPANY**

**State Exceptions Section**

**C. INDIVIDUAL RISK MODIFICATION SCHEDULE**

The maximum permissible modification of the Physicians & Surgeons Professional Liability Premium under the Individual Risk Modification Schedule is  $\pm$  40%.

**D. CORPORATION/PARTNERSHIP/PROFESSIONAL ASSOCIATION CHARGE:**

The rate, per Corporation/Partnership/Professional Association, is computed as up to 15% of the total developed professional liability premium for each physician/surgeon and ancillary person, for groups of 2-4. For groups of 5 or more, the rate is computed as up to 10% of the total developed professional liability premium for each physician/surgeon and ancillary person.

**E. ANCILLARY PERSONNEL:**

The following ancillary personnel may be added as additional named insured for additional premium per the rates shown below.

Territory I: Cook, Madison, St. Clair & Will counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	606	1,213	1,819	2,183	2,426
Nurse Midwives	8,423	16,846	25,268	30,322	33,691
Physicians' Assistant	505	1,011	1,516	1,819	2,021
Physical Therapist	1,263	2,527	3,790	4,548	5,054
Respiratory Therapists	1,263	2,527	3,790	4,548	5,054
Surgeons Assistant/Purfusionists	505	1,011	1,516	1,819	2,021

Territory II: DuPage, Jackson, Kane, Lake McHenry & Vermillion counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	485	970	1,455	1,747	1,941
Nurse Midwives	6,738	13,476	20,215	24,258	26,953
Physicians' Assistant	404	809	1,213	1,455	1,617
Physical Therapist	1,011	2,022	3,032	3,639	4,043
Respiratory Therapists	1,011	2,022	3,032	3,639	4,043
Surgeons Assistant/Purfusionist	404	809	1,213	1,455	1,617

Territory III: Champaign, Coles, Dekalb, Kankakee, LaSalle, Macon, Ogle, Randolph, Sagamon & Winnebago counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	394	788	1,183	1,419	1,577
Nurse Midwives	5,475	10,950	16,424	19,709	21,899
Physicians' Assistant	329	657	985	1,183	1,314
Physical Therapist	821	1,643	2,464	2,956	3,285
Respiratory Therapists	821	1,643	2,464	2,956	3,285
Surgeons Assistant/Purfusionists	329	657	985	1,183	1,314



**Illinois**  
**Physicians & Surgeons**  
**Professional Liability Claims-Made Reported**

**GENERAL STAR ADVANTAGE**  
*Underwritten by*  
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**State Exceptions Section**

Territory IV: Remainder of State

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	303	606	910	1,092	1,213
Nurse Midwives	4,211	8,423	12,634	15,161	16,846
Physicians' Assistant	253	505	758	910	1,011
Physical Therapist	632	1,263	1,895	2,274	2,527
Respiratory Therapists	632	1,263	1,895	2,274	2,527
Surgeons Assistant/Purfusionists	253	505	758	910	1,011

**F. POLICY DECREASED LIMITS FACTORS:**

<i>Policy Limits</i>	<i>Increase Limit Factor</i>
1,000,000/3,000,000	1.00
1,000,000/1,000,000	0.92
500,000/1,500,000	0.77
250,000/750,000	0.62
100,000/300,000	0.47



**GENERAL STAR ADVANTAGE**  
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**State Exceptions Section**

**G. EXTENDED REPORTING PERIOD:**

1. Death, Disability and Retirement (DDR) - Extended Reporting Period Coverage will be granted at no additional premium in the event a named insured dies, becomes permanently and totally disabled, or retires during the policy period, provided that within thirty (30) days of the death, permanent and total disability, or retirement:
  - a. the named insured's estate requests the Unlimited Extended Reporting Period and furnishes written evidence and proof of the date of the named insured's death, or
  - b. the named insured provides evidence and proof of the permanent and total disability including the date of the actual disability and written certification by the named insured's attending physician (other than another physician practicing in the same group as the named insured). The named insured also agrees to submit to any medical examination(s) as requested by the Company, by any physician designated by the Company for the purpose of verifying such permanent and total disability; or
  - c. If at any time after reaching age 55, and having been continuously insured by the Company on a claims-made basis for a minimum of 5 years, the named insured elects to retire from practice of medicine.
  
2. Unlimited Extended Reporting Period coverage (ERP) will be granted subject to the terms and conditions of the policy. The following premium factors are to be applied to mature (step 5) claims-made rate in effect at the time of ERP coverage issuance for premium determination:

Unlimited Reporting Period Factors Obstetrics/Gynecology & Pediatrics	
<i>Expiring Step</i>	<i>Factor</i>
1	1.35
2	2.05
3	2.35
4	2.50
5	2.60

Unlimited Reporting Period Factors All Other	
<i>Expiring Step</i>	<i>Factor</i>
1	1.00
2	1.20
3	1.50
4	1.88
5	2.00

3. Other Extended Reporting Period optional endorsements. The following discount factors are applied multiplicatively to the factors shown above if the named insured elects one of the optional extended reporting endorsements below:

Extended Reporting Period Discount Factors	
<i>Extended Reporting Period Option</i>	<i>Discount Factor</i>
12 months	0.50
24 months	0.62
36 months	0.69
48 months	0.78
60 months	0.80
Unlimited	1.00



**GENERAL STAR ADVANTAGE**  
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**GENERAL STAR NATIONAL INSURANCE COMPANY**

**State Exceptions Section**

**H. PHYSICIANS & SURGEONS PRACTICE/SPECIALTY CLASSIFICATIONS**

Each physician/surgeon is assigned a practice classification code according to their respective medical specialty. When more than one classification is applicable, the highest rated classification shall apply.

**Class 0 -**

<u>Medical Specialty</u>	<u>Code</u>
AEROSPACE MEDICINE – NO SURGERY	80230
ALLERGY - NO SURGERY	80254
DERMATOLOGY - NO SURGERY	80256
FORENSIC PATHOLOGY – NO SURGERY	80240
GENERAL PREVENTIVE MEDICINE – NO SURGERY	80231
OCCUPATIONAL/INDUSTRIAL MEDICINE – NO SURGERY	80233
OTORHINOLARYNGOLOGY - NO SURGERY	80265
PSYCHIATRY – NO SURGERY	80249

**Class 1 -**

<u>Medical Specialty</u>	<u>Code</u>
DERMATOLOGY - MINOR INVASIVE SURGERY	81282
ENDOCRINOLOGY – NO SURGERY	81238
GERIATRIC MEDICINE – NO SURGERY	81243
OPHTHALMOLOGY – NO SURGERY	81263
OTOLOGY/NEUROTOLOGY – NO SURGERY	81264
PEDIATRICS – NO SURGERY	81267
RHEUMATOLOGY – NO SURGERY	81252
UROLOGY – NO SURGERY	81145

**Class 2 –**

<u>Medical Specialty</u>	<u>Code</u>
ENDOCRINOLOGY- MINOR INVASIVE SURGERY	82272
FAMILY/GENERAL PRACTICE – NO OBSTETRICS – NO SURGERY	82420
GERIATRICS – MINOR INVASIVE SURGERY	82276
HEMATOLOGY – MINOR INVASIVE SURGERY	82278
HEMATOLOGY – NO SURGERY	82245
INTERNAL MEDICINE – NO SURGERY	82257
NEOPLASTIC MEDICINE/ONCOLOGY – MINOR INVASIVE SURGERY	82286
NEOPLASTIC MEDICINE/ONCOLOGY – NO SURGERY	82259
NEPHROLOGY – NO SURGERY	82260
NUCLEAR MEDICINE – NO SURGERY	82262
PATHOLOGY – NO SURGERY	82266
PHYSICAL MEDICINE AND REHABILITATION – NO SURGERY	82235
PHYSICIANS (N.O.C.) – NO SURGERY	82268

**GENERAL STAR ADVANTAGE**  
*Underwritten by*  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**State Exceptions Section**

PODIATRY – NO SURGERY	82993
URGENT CARE MEDICINE	82424

**Class 3 -**

<u>Medical Specialty</u>	<u>Code</u>
ACUPUNCTURE – MINOR SUGERY	83437
ANESTHESIOLOGY – MAJORY SURGERY	83151
CARDIOVASCULAR DISEASE – NO SURGERY	83255
DERMATOLOGY - MAJOR SURGERY	83472
GASTROENTROLOGY – MINOR INVASIVE SURGERY	83274
GYNECOLOGY – NO SURGERY	83244
INFECTIOUS DISEASE – MINOR INVASIVE SUGERY	83279
INFECTIOUS DISEASE – NO SURGERY	83246
NEPHROLOGY – MINOR INVASIVE SURGERY	83278
OPHTHAMOLOGY – SURGERY	83114
PEDIATRICS – MINOR SURGERY	83267
PULMONARY MEDICINE – NO SURGERY	83269
UROLOGY – MINOR INVASIVE SURGERY	83145

**Class 4 –**

<u>Medical Specialty</u>	<u>Code</u>
AESTHETIC MEDICINE – MINOR INVASIVE SURGERY	84100
ANESTHESIOLOGY PAIN MEDICINE – MAJOR SURGERY	84151
FAMILY/GENERAL PRACTICE – NO OBSTETRICS – MINOR INVASIVE SURGERY	84421
GYNECOLOGY – MINOR INVASIVE SURGERY	84277
INTESNIVE CARE MEDICINE	84283
NEUROLOGY – MINOR INVASIVE SURGERY	84288
NEUROLOGY – NO SURGERY	84261
PHYSICIANS (N.O.C.) – MINOR INVASIVE SURGERY	84268
PUMONARY MEDICINE – MINOR INVASIVE SURGERY	84269

**Class 5 –**

<u>Medical Specialty</u>	<u>Code</u>
ANESTHESIOLOGY CRITICALC ARE MEDICINE – MAJOR SURGERY	85151
CARDIOVASCULAR DISEASE – MINOR INVASIVE SURGERY	85281
INTERNAL MEDICINE – MINOR INVASIVE SURGERY	85284
OTOLARYNGOLOGY/HEAD AND NECK SURGERY – EXCLUDING COSMETIC – MAJOR SURGERY	85159
OTOLOGY/NEUROTOLOGY – MAJOR SURGERY	85158
PODIATRY – MAJOR SURGERY	85993
RADIATION THERAPY – MAJOR SURGERY	85491
RADIOLOGY (DIAGNOSTIC) – MAJOR SURGERY CLASS	85253
UROLOGY – EXLCUDING THERAPEUTIC IMPLANTS – MAJOR SURGERY	85145

**GENERAL STAR ADVANTAGE**  
*Underwritten by*  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**State Exceptions Section**

**Class 6 -**

<i>Medical Specialty</i>	<i>Code</i>
COLON & RECTAL SURGERY – MAJOR SURGERY	86115
UROLOGY – INCLUDING THERAPEUTIC IMPLANTS – MAJOR SURGERY	86145

**Class 7 -**

<i>Medical Specialty</i>	<i>Code</i>
GENERAL SURGERY – INCLUDING LAPAROSCOPY – MAJOR SURGERY	87143
GYNECOLOGY SURGERY – INCLUDING LAPAROSCOPY – MAJOR SURGERY	87481
HAND SURGERY – MAJOR SURGERY	87169
ORTHOPEDIC SURGERY – EXCLUDING BACK SURGERY – MAJOR SURGERY	87501
OTOLARYNGOLOGY/HEAD AND NECK SURGERY – INCLUDING COSMETIC – MAJOR SURGERY	87155
PEDIATRICS – MAJOR SURGERY	87293
PHYSICIANS (N.O.C.) – MAJOR SURGERY	87294
PLASTIC/RECONSTRUCTIVE SURGERY – EXCLUDING COSMETIC ELECTIVE – MAJOR SURGERY	87156

**Class 8 -**

OBSTETRICS/GYNECOLOGY – MAJOR SURGERY	88153
ORTHOPEDIC SURGERY – INCLUDING BACK SURGERY – MAJOR SURGERY	88154
PLASTIC/RECONSTRUCTIVE SURGERY – INCLUDING COSMETIC ELECTIVE SURGERY- MAJOR SURGERY	88156
THORACIC AND CARDIOVASCULAR SURGERY – MAJOR SURGERY	88144
VASCULAR SURGERY – MAJOR SURGERY	88164

**Class 9 -**

<i>Medical Specialty</i>	<i>Code</i>
NEUROSURGERY – MAJOR SURGERY	89152

**Additional Classifications:**

Professional Corporation/Partnership/Association	80999
Nurse Anesthetist	80960
Nurse Midwives	80962
Physicians' Assistant	80116
Physical Therapist	80938
Respiratory Therapists	80969
Surgeons Assistant/Purfusionists	80116

**GENERAL STAR NATIONAL INSURANCE COMPANY**  
**ILLINOIS**  
**PHYSICIAN'S PROFESSIONAL LIABILITY PROGRAM**  
**ACTUARIAL MEMORANDUM**

In response to the current availability and affordability problems in the medical professional liability market, General Star National Insurance Company (GSNIC) proposes to initiate the writing of physician's professional liability insurance in the state of Illinois.

Since this is the Company's initial rate filing for physician's professional liability insurance in this state, we reviewed the latest available regulatory rate filings to obtain information on loss costs, trends and other pertinent ratemaking information specific to the Illinois physicians and surgeons liability market. As a result, ratemaking statistics developed by the ISMIE Mutual Insurance Company (ISMIE) and American Physicians Assurance Corporation (APAC) were selected as representing the most appropriate data for developing GSNIC's initial manual base rates for the state of Illinois.

Base class and territory pure premium estimates were actuarially developed from statewide experience reported in recent regulatory rate filings submitted by ISMIE and APAC. Pure premium estimates were adjusted for differences between the surveyed carriers' and proposed company's physician classification plan, territory rating structure and claims made rating factors then loaded to reflect anticipated operating expense provisions and a reasonable margin for underwriting profit and contingencies. Supporting documentation for these calculations is provided in the attached exhibits.

As GSNIC generates credible ratemaking statistics, these initial rates and rules will be revised accordingly. Until such time, we will review the state-specific experience reported by the dominant carrier(s) providing physician professional liability insurance coverage in the state and periodically revise GSNIC's rates accordingly.

In addition, GSNIC's proposed underwriting manual contains rating factors (classification, claims made, limits, and territory) and individual risk rating rules (part-time, new to practice, schedule rating, etc.) typically used to underwrite physician's professional liability insurance. These rating rules are essential components of the proposed underwriting manual intended to allow GSNIC to provide policyholders with professional liability coverage tailored to their medical practice at adequate and affordable rates.

A complete underwriting manual of rates, rules and rating factors has been included with this application.

**GENERAL STAR NATIONAL INSURANCE COMPANY**  
**ILLINOIS**  
**PHYSICIANS' PROFESSIONAL LIABILITY PROGRAM**  
**EXPLANATION OF EXHIBITS**

The following discussion and attached exhibits contain supporting documentation for the proposed manual base rates and rating factors for GSNIC's initial application for a physician's professional liability insurance program in the state of Illinois.

***Exhibit 1 – Indicated Mature Manual Base Rate***

This exhibit presents the indicated mature claims made manual base rate developed for use by GSNIC in underwriting physician's professional liability insurance in the state of Illinois. The select mature claims made loss and allocated loss adjustment expense pure premium derived in Exhibit 3 is adjusted to the base policy limits, loaded for unallocated loss adjustment expenses and adjusted to reflect projected operating expenses, underwriting profit provision and the anticipated average rate deviation to determine the indicated manual base rate. The manual base rate represents the annual gross premium rate applicable to full time physicians classified as Family Practice – No Surgery (Class 2) practicing in Territory 1 (Cook County) for mature claims made coverage at \$1,000,000/\$3,000,000 limits of liability prior to adjustment.

***Exhibit 2 – Target Loss & LAE Ratio***

This exhibit presents GSNIC's anticipated operating expense provisions and the margin for underwriting profit and contingencies used to derive the target loss and LAE ratio.

***Exhibit 3 – Mature Base Pure Premium***

This exhibit presents the derivation of the loss and allocated loss adjustment expense (ALAE) component (pure premium) in the mature base rate. The pure premium is derived from data reported in recent rate filings made by the ISMIE Mutual Insurance Company (effective 7/01/2006) and American Physicians Assurance Corporation (effective 4/01/2005) to the Illinois Department of Insurance. The pure premium estimate is trended to cost levels expected to prevail during the prospective policy period and adjusted for differences between each carriers' classification, territory and claims made rating factors to those proposed for use by GSNIC.

After calculating a weighted average of the surveyed carrier's adjusted pure premium estimates, a final adjustment is made to reflect the "preferred" nature of the risk profile targeted for GSNIC's admitted product. This adjustment was judgmentally selected to reflect the relative difference in expected pure premium as developed from the surveyed carrier's book of "standard" risks to the pure premium expected to result from a book of business that meets GSNIC's proposed underwriting guidelines. The indicated base pure premium is then carried forward to Exhibit 1 and incorporated into development of the indicated claims made mature manual base rate for GSNIC's admitted physician program.

***Exhibit 4 – Territory Off-Balance Factor***

This exhibit presents a comparison of the territory relativity factors used to rate physician's professional liability insurance by the carriers surveyed in our analysis to those proposed for use by GSNIC. This exhibit also calculates the off-balance factor used to adjust the experience indicated pure premiums (Exhibit 3) for differences in the territory rating factors. The distribution of exposures is based on the number of non-federal, office based physicians by county as reported in the AMA's Physicians Characteristics and Distribution in the U.S. (2004 Edition).

***Exhibit 5 – Class Plan Off-Balance Factor***

This exhibit presents a comparison of the physician classification relativities factors used to rate physician's professional liability insurance by the carriers surveyed in our analysis to those proposed for use by GSNIC. This exhibit also calculates the off-balance factors used to adjust the experience indicated pure premium (Exhibit 3) for differences in the physician classification plan rating factors. The distribution of exposures is based on the number of non-federal, office based physicians by medical specialty as reported in the AMA's Physicians Characteristics and Distribution in the U.S. (2004 Edition) and data reported by physician carriers in recent rate filings.

***Exhibit 6 – Claims Made Off-Balance Factor***

This exhibit presents a comparison of the claims made relativity factors used to rate physician's professional liability insurance by the carriers surveyed in our analysis to those proposed for use by GSNIC. This exhibit also calculates the off-balance factors used to adjust the experience indicated pure premium (Exhibit 3) for differences in the claims made rating factors. The distribution of exposures is based on data reported by companies offering physician's professional liability insurance in Illinois.

***Exhibit 7 – Limit Adjustment Factor Comparison***

This exhibit presents a comparison of the policy limit adjustment factors used to rate physician's professional liability insurance by the carriers surveyed in our analysis to those proposed for use by GSNIC.

***Exhibit 8 – Claims Made Rating Factor Comparison***

This exhibit presents a comparison of the claims made relativity factors used to rate physician's professional liability insurance by the carriers surveyed in our analysis to those proposed for use by GSNIC.

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

ILLINOIS  
\$1,000,000/\$3,000,000 LIMITS OF LIABILITY  
TERRITORY 1, CLASS 2 MATURE CLAIMS MADE MANUAL BASE RATE

(1) Indicated Mature Base Loss & ALE Pure Premium	18,468
(2) Unallocated Loss Adjustment Expense Factor	1.050
(3) Permissible Loss & LAE Ratio	60.60%
(4) Anticipated Average Rate Departure	-5.0%
(5) Indicated Mature Manual Base Rate	33,691

**NOTES:**

- (1) Exhibit 3, Sheet 1.  
 (2) =  $1.0 + 0.029 / (1.0 - \text{Exp Ratio} - \text{UW Profit} - 0.029)$ .  
 (3) Exhibit 2.  
 (4) Provided by General Star Management.  
 (5) =  $(1) \times (2) / (3) / [1.0 + (4)]$ .

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

**TARGET LOSS & LOSS ADJUSTMENT EXPENSE RATIO**

(1)	Commissions & Brokerage	15.00%
(2)	Other Acquisition Expense	0.00%
(3)	General Expense	10.00%
(4)	Taxes, Licenses, Fees	1.40%
(5)	D,D&R Benefit	<u>3.00%</u>
(6)	Total Expense Provisions = (1) + (2) + (3) + (4) + (5)	29.40%
(7)	Profit & Contingencies	<u>10.00%</u>
(8)	Target Loss & LAE Ratio = 1.0 - (6) - (7)	60.60%

**NOTES:**

- (1) Provided by General Star Management.
- (2) Provided by General Star Management.
- (3) Provided by General Star Management.
- (4) Provided by General Star Management.
- (5) Provided by General Star Management.
- (7) Provided by General Star Management.

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

ILLINOIS  
\$1,000,000/\$3,000,000 LIMITS OF LIABILITY  
MATURE CLAIMS MADE BASE PURE PREMIUM

	<u>APAC</u> (a)	<u>ISMIE</u> (b)
(1) Projected Mature Base Pure Premium	23,934	19,938
(2) Territory Off-Balance Factor	0.989	1.020
(3) Class Plan Off-Balance Factor	0.991	0.990
(4) Claims Made Off-Balance Factor	0.990	1.000
(5) Balanced Mature Base Pure Premium	23,220	20,117
(6) Weight	0.13	0.87
(7) Indicated "Standard Risk" Mature Base Pure Premium		20,520
(8) Claim-Free, "Preferred Risk" Relativity		0.900
(9) Indicated "Preferred Risk" Mature Base Pure Premium		18,468

**NOTES:**

- (1) Exhibit 3, Sheets 2&3.
- (2) Exhibit 4.
- (3) Exhibit 5.
- (4) Exhibit 6.
- (5) = (1) x (2) x (3) x (4).
- (6) Based on Illinois direct written premium.
- (7) = (5a) x (6a) + (5b) x (6b).
- (8) Based on industry average as reported to IL DOI.
- (9) = (7) x (8).

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

ILLINOIS  
\$1,000,000 LIMITS OF LIABILITY  
MATURE CLAIMS MADE BASE PURE PREMIUM

**ISMIE MUTUAL INSURANCE COMPANY**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Projected Ultimate Losses (in \$000)</u>							
<u>Report Year</u> <u>Beq 7/01</u>	<u>Mature, Base Equivalent Exposures</u>	<u>Freq/Severity Method</u>	<u>Paid Loss Development Method</u>	<u>Reported Development Method</u>	<u>Average</u>	<u>Actual Pure Premium</u>	<u>Fitted Pure Premium</u>
1991	12,597.0	185,164	184,794	184,618	184,859	14,675	12,184
1992	12,522.0	194,924	194,705	196,397	195,342	15,600	12,889
1993	12,745.5	189,045	188,209	197,645	191,633	15,035	13,593
1994	12,740.7	293,617	291,728	299,172	294,839	23,142	14,298
1995	12,451.2	157,430	158,134	159,611	158,392	12,721	15,002
1996	11,954.3	193,624	196,342	196,628	195,531	16,357	15,707
1997	11,409.0	180,247	179,362	187,101	182,237	15,973	16,411
1998	10,511.0	182,344	184,505	207,716	191,522	18,221	17,116
1999	10,477.5	168,828	167,990	178,462	171,760	16,393	17,820
2000	10,877.5	194,306	180,758	208,036	194,367	17,869	18,525
2001	11,793.5	219,069	203,041	230,727	217,612	18,452	19,229
2002	13,474.0	301,913	276,699	299,132	292,581	21,715	19,934
2003	13,577.0	271,953	291,494	267,456	276,968	20,400	20,638
2004	13,315.3	259,464	203,571	233,955	232,330	17,448	21,343
2005							22,047
2006							22,752
2007							23,456
(9)	Projected ISMIE Territory 1, Class 5 Pure Premium				23,456		
(10)	ISMIE Relativity to FP-NS (80420)				0.850		
(11)	Projected ISMIE Territory 1 FP-NS Pure Premium				19,938		

**NOTES:**

- (2)-(5) ISMIE Mutual Insurance Company rate filing eff. 7/01/2006.
- (7) = (6) / (2) x 1000.
- (8) Based on line of "best fit" for 1996-2003 actual pure premium.
- (10) ISMIE Mutual Insurance Company rate filing eff. 7/01/2006.
- (11) = (9) x (10).

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

ILLINOIS  
\$1,000,000 LIMITS OF LIABILITY  
MATURE CLAIMS MADE BASE PURE PREMIUM

AMERICAN PHYSICIANS ASSURANCE CORPORATION

(1)	(2)	(3)	(4)	(5)	(6)	(7)
Report Year <u>Beg 1/01</u>	Mature, Base Equivalent <u>Exposures</u>	Reported Loss & <u>Expenses</u>	Reported Age-to-Ult <u>Factor</u>	Projected Ultimate Loss & <u>Expenses</u>	Actual Pure <u>Premium</u>	Fitted Pure <u>Premium</u>
1997	182.3	1,408,518	1.000	1,408,518	7,728	17,898
1998	526.9	6,281,708	1.000	6,281,708	11,922	18,502
1999	1,014.4	11,345,489	1.000	11,345,489	11,185	19,105
2000	1,314.9	15,651,530	0.975	15,260,242	11,606	19,709
2001	1,613.9	25,971,577	1.024	26,588,402	16,474	20,312
2002	2,206.8	44,164,733	0.998	44,083,304	19,976	20,916
2003	2,176.1	44,162,609	1.148	50,693,362	23,295	21,520
2004	2,141.1	34,696,752	1.320	45,801,851	21,392	22,123
2005	1,727.8	18,506,196	2.112	39,086,911	22,622	22,727
2006						23,330
2007						23,934
(8)	Projected APAC Territory 1, Base Class Pure Premium					23,934
(9)	APAC Relativity to FP-NS (80420)					1.00
(10)	Projected APAC Territory 1, FP-NS Pure Premium					23,934

**NOTES:**

- (2)-(4) Based on APAC experience reported to the IL DOI as of 12/31/2005.  
 (5) = (3) x (4).  
 (6) = (5) / (2).  
 (7) Based on line of "best fit" for 2002-2005 actual pure premium.  
 (10) = (8) x (9).

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

**ILLINOIS  
TERRITORY OFF-BALANCE FACTORS**

County	Exposure Distribution	General Star		ISMIE		APAC		PLICA	
		Territory	Relativity	Territory	Relativity	Territory	Relativity	Territory	Relativity
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Cook	49.65%	1	1.000	1	1.000	1	1.000	1	1.000
Madison	1.21%	1	1.000	1	1.000	1	1.000	1	1.000
Saint Clair	1.59%	1	1.000	1	1.000	1	1.000	1	1.000
Will	2.21%	1	1.000	1	1.000	2	0.820	1	1.000
DuPage	12.74%	2	0.800	2	0.761	3	0.770	2	0.850
Jackson	0.57%	2	0.800	1	1.000	2	0.820	3	0.800
Kane	2.28%	2	0.800	1B	0.857	3	0.770	2	0.850
Lake	6.94%	2	0.800	1A	0.904	3	0.770	2	0.850
McHenry	1.28%	2	0.800	1B	0.857	3	0.770	2	0.850
Vermillion	0.41%	2	0.800	1A	0.904	2	0.820	2	0.850
Champaign	1.64%	3	0.650	2	0.761	4	0.610	3	0.800
Coles	0.29%	3	0.650	2A	0.713	5	0.660	4	0.600
DeKalb	0.35%	3	0.650	2A	0.713	5	0.660	4	0.600
Kankakee	0.56%	3	0.650	2	0.761	5	0.660	4	0.600
LaSalle	0.43%	3	0.650	2A	0.713	5	0.660	4	0.600
Macon	0.87%	3	0.650	2	0.761	4	0.610	3	0.800
Ogle	0.16%	3	0.650	2A	0.713	5	0.660	4	0.600
Randolph	0.10%	3	0.650	2A	0.713	5	0.660	4	0.600
Sangamon	2.65%	3	0.650	2B	0.618	4	0.610	3	0.800
Winnebago	2.49%	3	0.650	1B	0.857	3	0.770	4	0.600
Bond	0.02%	4	0.500	3	0.522	6	0.500	4	0.600
Bureau	0.13%	4	0.500	2A	0.713	6	0.500	4	0.600
Clinton	0.10%	4	0.500	3	0.522	6	0.500	4	0.600
Effingham	0.30%	4	0.500	2A	0.713	6	0.500	4	0.600
Franklin	0.09%	4	0.500	3	0.522	6	0.500	4	0.600
Grundy	0.12%	4	0.500	2B	0.618	6	0.500	4	0.600
Hamilton	0.03%	4	0.500	3	0.522	6	0.500	4	0.600
Jefferson	0.27%	4	0.500	3	0.522	6	0.500	4	0.600
Peoria	2.34%	4	0.500	2C	0.475	6	0.500	4	0.600
Washington	0.02%	4	0.500	3	0.522	6	0.500	4	0.600
Williamson	0.41%	4	0.500	3	0.522	6	0.500	4	0.600
Remainder of State	7.74%	4	0.500	3	0.522	6	0.500	4	0.600
(10) Total/Avg	100.00%		0.860		0.877		0.851		0.889
(11) GSNIC Avg Relativity			0.860		0.860		0.860		0.860
(12) Off-Balance Factor			1.000		1.020		0.989		1.034

**NOTES:**

- (1) Based on Physician Characteristics and Distribution in the US, (2004 Edition).  
(2), (3) Provided by General Star Management.  
(4), (5) ISMIE Mutual Insurance Company rate filing eff. 7/01/2006.  
(6), (7) American Physicians Assurance Corporation rate filing eff. 4/01/2005.  
(8), (9) Professional Liability Insurance Company of America rate filing eff. 9/06/2004.

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

ILLINOIS  
PHYSICIAN CLASS PLAN OFF-BALANCE FACTORS

ISMIE MUTUAL INSURANCE COMPANY

<u>Class</u>	(1) <u>Exposure Distribution</u>	(2) <u>Rate Relativity</u>
1	2.1%	0.498
2	8.2%	0.666
3	7.8%	0.777
4	15.3%	1.000
5	14.7%	1.167
6	5.9%	1.056
7	0.1%	1.279
8	11.8%	1.446
9	7.5%	1.279
10	1.7%	1.669
11	4.6%	1.836
12	0.2%	2.059
13	3.9%	3.063
14	1.0%	3.174
15	1.8%	3.509
16	1.1%	4.066
17	6.8%	4.289
18	3.6%	4.624
19	1.4%	1.557
20	0.6%	7.076
(3)	Total/Average 100.00%	1.679
(4)	GSNIC Average Class Relativity	1.696
(5)	Indicated Class Plan Off-Balance Factor	0.990

**NOTES:**

- (1) Based on industry exposure distribution.
- (2) Relativity to 80420; ISMIE rate filing eff. 7/01/2006.
- (4) Exhibit 5, Sheet 3.
- (5) = (3) / (4)

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

ILLINOIS  
PHYSICIAN CLASS PLAN OFF-BALANCE FACTORS

AMERICAN PHYSICIANS ASSURANCE CORPORATION

<u>Class</u>	(1) Exposure <u>Distribution</u>	(2) Rate <u>Relativity</u>
0	2.65%	0.596
1	47.62%	1.166
2	8.12%	1.384
3	1.11%	0.955
4	7.13%	1.311
5	6.67%	1.123
6	4.26%	1.451
7	6.20%	1.841
8	7.39%	2.962
9	8.85%	4.785
(3) Total/Average	100.00%	1.681
(4) GSNIC Average Class Relativity		1.696
(5) Indicated Class Plan Off-Balance Factor		0.991

**NOTES:**

- (1) Based on industry exposure distribution.
- (2) Reflects APAC average rate relativity to 80420 grouped into GSNIC classes.
- (4) Exhibit 5, Sheet 3.
- (5) = (3) / (4)

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

ILLINOIS  
PHYSICIAN CLASS PLAN OFF-BALANCE FACTORS

GENERAL STAR NATIONAL INSURANCE COMPANY

<u>Class</u>	(1) Exposure <u>Distribution</u>	(2) Rate <u>Relativity</u>
0	8.40%	0.600
1	9.80%	0.800
2	32.39%	1.000
3	13.60%	1.200
4	2.83%	1.500
5	15.07%	1.750
6	0.15%	2.500
7	9.51%	3.500
8	6.98%	5.000
9	1.26%	7.000
(3) Total/Average	100.00%	1.696

**NOTES:**

- (1) Based on industry exposure distribution.
- (2) Provided by General Star Management.

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

ILLINOIS  
CLAIMS MADE OFF-BALANCE FACTORS

	(1)	(2)	(3)	(4)	(5)	
	Exposure					
<u>Step</u>	<u>Distribution</u>	<u>GSNIC</u>	<u>ISMIE</u>	<u>APAC</u>	<u>PLICA</u>	
1	5.6%	0.250	0.250	0.250	1.000	
2	5.5%	0.500	0.500	0.400	1.000	
3	6.0%	0.750	0.780	0.750	1.000	
4	5.9%	0.900	0.925	0.900	1.000	
5	5.0%	1.000	0.950	0.950	1.000	
6	4.5%	1.000	0.975	0.980	1.000	
7	67.4%	1.000	1.000	1.000	1.000	
(6)	Total/Avg	100.0%	0.909	0.909	0.900	1.000
(7)	Claims Made Off-Balance Factor		1.000	0.990	1.100	

**NOTES:**

- (1) ISMIE Mutual Insurance Company rate filing eff. 7/01/2006.  
(2) Provided by General Star Management.  
(3) ISMIE Mutual Insurance Company rate filing eff. 7/01/2006.  
(4) American Physicians Assurance Corporation rate filing eff. 4/01/2005.  
(5) Professional Liability Insurance Company of America rate filing eff. 9/06/2004.  
(6) = SUMPRODUCT [Col. 1, Col. X]  
(7) = Avg (Col. X) / Avg. (Col. 2)

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

ILLINOIS  
LIMIT ADJUSTMENT FACTOR COMPARISON

Limit/Class	(1) ISMIE MUTUAL			(2) APAC ED, Select All Radiology Specialties Others			(3) PLICA	(4) GSNIC
	1 - 11 & 19	12 - 13	14 - 18 20					
100/300				0.480	0.480	0.480	0.460	0.470
250/750				0.665	0.665	0.665	0.640	0.620
500/1,500	0.785	0.780	0.780	0.790	0.790	0.790	0.820	0.770
1,000/1,000				0.980	0.980	0.980		0.920
1,000/3,000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2,000/4,000	1.345	1.395	1.472	1.418	1.460	1.344		

NOTES:

- (1) ISMIE Mutual Insurance Company rate filing eff. 7/01/2006.
- (2) American Physicians Assurance Corporation rate filing eff. 1/01/2005.
- (3) Professional Liability Insurance Company of America rate filing eff. 9/06/2004.
- (4) Provided by General Star Management.

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

**ILLINOIS  
CLAIMS MADE RATING FACTOR COMPARISON**

CLAIMS MADE RATE FACTORS

	(1)	(1)	(2)	(3)	(4)
<u>Step</u>	<u>GSNIC OB/Gyn, Peds</u>	<u>GSNIC All Other</u>	<u>ISMIE</u>	<u>APAC</u>	<u>PLICA</u>
1	0.250	0.250	0.250	0.250	1.000
2	0.500	0.500	0.500	0.400	1.000
3	0.750	0.750	0.780	0.750	1.000
4	0.900	0.900	0.925	0.900	1.000
5	1.000	1.000	0.950	0.950	1.000
6	1.000	1.000	0.975	0.980	1.000
7	1.000	1.000	1.000	1.000	1.000

EXTENDED REPORTING PERIOD\*

	(1)	(1)	(2)	(3)	(4)
<u>Expiring Step</u>	<u>GSNIC OB/Gyn, Peds</u>	<u>GSNIC All Other</u>	<u>ISMIE</u>	<u>APAC</u>	<u>PLICA</u>
1	1.350	1.000	0.827	1.000	1.350
2	2.050	1.200	1.577	1.552	2.050
3	2.350	1.500	1.873	1.800	2.350
4	2.500	1.880	2.015	1.899	2.500
5	2.600	2.000	2.086	1.948	2.600
6	2.600	2.000	2.128	1.970	2.600
7+	2.600	2.000	2.180	1.970	2.600

\* Applicable to mature claims made rates; provides unlimited reporting endorsement.

NOTES:

- (1) Provided by General Star Management.
- (2) ISMIE Mutual Insurance Company rate filing eff. 7/01/2006.
- (3) American Physicians Assurance Corporation rate filing eff. 4/01/2005.
- (4) Professional Liability Insurance Company of America rate filing eff. 9/06/2004.

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

**UNDERWRITING PROFIT & TOTAL RETURN CALCULATION**

<u>Time</u>	<u>Ultimate Value of Cash Flows</u>				<u>Present Value of Cash Flows</u>		
	<u>Premium</u>	<u>Earned Expenses</u>	<u>Written Expenses</u>	<u>Losses &amp; LAE</u>	<u>Earned Expenses</u>	<u>Written Expenses</u>	<u>Losses &amp; LAE</u>
0	\$1,000		\$150			\$150	
0.5		\$144		\$8	\$142		\$8
1.5				\$36			\$35
2.5				\$77			\$71
3.5				\$112			\$100
4.5				\$129			\$110
5.5				\$106			\$88
6.5				\$62			\$50
7.5				\$31			\$24
8.5				\$18			\$13
9.5				\$12			\$8
10.5				\$7			\$5
11.5				\$4			\$2
12.5				\$2			\$1
13.5				\$2			\$1
<b>Total</b>	<b>\$1,000</b>	<b>\$144</b>	<b>\$150</b>	<b>\$605</b>	<b>\$142</b>	<b>\$150</b>	<b>\$515</b>

(1)	Targeted After Tax Total Rate of Return	16.16%
(2)	Anticipated Return on Capital and Surplus	3.50%
(3)	Targeted After Tax Return on Surplus from Insurance Operations	12.66%
(4)	Premium to Surplus Ratio	1.000
(5)	Targeted After Tax Return on Premium from Insurance Operations	12.66%
(6)	Targeted Before Tax Return on Premium from Insurance Operations	19.48%
(7)	Targeted Present Value of Discounted Cash Flow	80.52%
(8)	Loss & LAE Discount Factor	0.852
(9)	Expense Discount Factor	0.983
(10)	Expected Loss & LAE Ratio	60.60%
(11)	Expense & Profit Ratio	39.40%
(12)	Underwriting Profit Provision	10.00%

**NOTES:**

- (3) = (1) - (2)  
 (5) = (3) / (4)  
 (6) = (5) / ( 1.0 - .35)  
 (7) = 1.0 - (6)  
 (8) = (Present Value of Losses & LAE / Ult. Value of Losses & LAE)  
 (9) = (Present Value Expenses / Ult. Value of Expenses)  
 (10) = [ (7) - (9) \* [Exhibit 3, Item (6)] ] / (8)  
 (11) = 1.0 - (10)  
 (12) = (11) - [Exhibit 3, Item (6)]

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

**UNDERWRITING PROFIT & TOTAL RETURN CALCULATION**

Premium Dollar Composition

a) Loss & LAE Ratio	60.60%
b) General Expense	10.00%
c) Other Acquisition Expense	0.00%
d) Death & Disability Benefit	3.00%
e) Premium Taxes	1.40%
f) Commissions	15.00%
g) Underwriting Profit/Loss	<u>10.00%</u>
h) Total	100.00%

Assumptions:

1) Investment Yield	3.50%
2) Loss & LAE Payout Pattern:	

Loss & LAE Payment Pattern

Calendar Year	ILLINOIS SELECT
0.5	1.30%
1.5	6.00%
2.5	12.70%
3.5	18.55%
4.5	21.25%
5.5	17.55%
6.5	10.25%
7.5	5.10%
8.5	2.90%
9.5	1.90%
10.5	1.10%
11.5	0.60%
12.5	0.35%
13.5	0.30%
14.5	0.15%
15.5	0.00%
16.5	0.00%
17.5	0.00%
18.5	0.00%
19.5	0.00%
	100.00%

NOTE: Industry payout patterns as reported in recent physician professional liability rate filings.

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

**ILLINOIS  
DEATH, DISABILITY & RETIREMENT BENEFIT**

		<u>Death &amp; Disability Benefit</u>	<u>Death, Disability &amp; Retirement Benefit</u>
(1)	Estimated Number of DD&R Claims	13.54	30.42
(2)	Average Extended Reporting Period Factor	1.862	1.862
(3)	Average Claims Made Factor	0.909	0.909
(4)	Number of Insureds	1,000	1,000
(5)	Indicated DD&R Load	0.028	0.062
(6)	Selected DD&R Load	0.030	0.060

**NOTES:**

- (1) Appendix B, Sheet 2.
- (2) Based on proposed factors and industry distribution.
- (3) Based on proposed factors and industry distribution.
- (4) Select for illustrative purposes.
- (5) = (1) x (2) / [(3) x (4)].

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

**ILLINOIS  
DEATH, DISABILITY & RETIREMENT BENEFIT**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Attn Age	75M/25F Death 1000 qx[d]	87 CGDT Disability 1000 qx[i]	Retirement 1000 qx[r]	Total 1000 qx[t]	Industry Distrib	Expected D&D Claims Per 1000 Insureds	Expected DD&R Claims Per 1000 Insureds
20	0.8675	0.8000	0.0000	1.6675	0.000%	0.00	0.00
21	0.8700	0.8000	0.0000	1.6700	0.000%	0.00	0.00
22	0.8900	0.8000	0.0000	1.6900	0.000%	0.00	0.00
23	0.8975	0.9100	0.0000	1.8075	0.000%	0.00	0.00
24	0.9175	0.9400	0.0000	1.8575	0.000%	0.00	0.00
25	0.9375	0.9200	0.0000	1.8575	0.000%	0.00	0.00
26	0.9800	0.9000	0.0000	1.8800	0.000%	0.00	0.00
27	1.0275	0.8900	0.0000	1.9175	0.018%	0.00	0.00
28	1.0350	0.8900	0.0000	1.9250	0.018%	0.00	0.00
29	1.0275	0.9200	0.0000	1.9475	0.286%	0.01	0.01
30	1.0250	0.9500	0.0000	1.9750	0.660%	0.01	0.01
31	1.0300	1.0000	0.0000	2.0300	0.928%	0.02	0.02
32	1.0400	1.0500	0.0000	2.0900	1.446%	0.03	0.03
33	1.0675	1.1100	0.0000	2.1775	2.178%	0.05	0.05
34	1.1050	1.1700	0.0000	2.2750	2.945%	0.07	0.07
35	1.1500	1.2300	0.0000	2.3800	3.534%	0.08	0.08
36	1.2175	1.2900	0.0000	2.5075	3.517%	0.09	0.09
37	1.2825	1.3700	0.0000	2.6525	3.302%	0.09	0.09
38	1.3725	1.4600	0.0000	2.8325	2.999%	0.08	0.08
39	1.4625	1.5600	0.0000	3.0225	3.070%	0.09	0.09
40	1.5625	1.6900	0.0000	3.2525	3.106%	0.10	0.10
41	1.6875	1.8400	0.0000	3.5275	2.928%	0.10	0.10
42	1.8400	2.0200	0.0000	3.8600	3.356%	0.13	0.13
43	2.0100	2.2400	0.0000	4.2500	3.249%	0.14	0.14
44	2.2225	2.5000	0.0000	4.7225	3.606%	0.17	0.17
45	2.4550	2.8000	0.0000	5.2550	3.106%	0.16	0.16
46	2.6875	3.1500	0.0000	5.8375	3.160%	0.18	0.18
47	2.9450	3.5600	0.0000	6.5050	3.802%	0.25	0.25
48	3.1225	4.0300	0.0000	7.1525	3.070%	0.22	0.22
49	3.3350	4.5600	0.0000	7.8950	3.356%	0.26	0.26
50	3.5900	5.1600	10.0000	18.7500	3.356%	0.29	0.63
51	3.8975	5.8500	10.0000	19.7475	3.338%	0.33	0.66
52	4.3000	6.6200	10.0000	20.9200	3.160%	0.35	0.66
53	4.7475	7.4900	10.0000	22.2375	2.838%	0.35	0.63
54	5.2825	8.4500	10.0000	23.7325	2.535%	0.35	0.60
55	5.9025	9.5100	10.0000	25.4125	2.642%	0.41	0.67
56	6.5675	10.6600	15.0000	32.2275	2.231%	0.38	0.72
57	7.2775	11.8700	15.0000	34.1475	2.910%	0.56	0.99
58	7.9025	13.1200	20.0000	41.0225	2.160%	0.45	0.89
59	8.5900	14.3300	20.0000	42.9200	1.928%	0.44	0.83

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

**ILLINOIS  
DEATH, DISABILITY & RETIREMENT BENEFIT**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Attn Age	75M/25F Death 1000 qx[d]	87 CGDT Disability 1000 qx[i]	Retirement 1000 qx[r]	Total 1000 qx[t]	Industry Distrib	Expected D&D Claims Per 1000 Insureds	Expected DD&R Claims Per 1000 Insureds
60	9.3975	15.4300	30.0000	54.8275	2.035%	0.51	1.12
61	10.3750	16.2900	40.0000	66.6650	2.142%	0.57	1.43
62	11.5350	16.7100	40.0000	68.2450	1.553%	0.44	1.06
63	12.8175	17.1300	50.0000	79.9475	1.571%	0.47	1.26
64	14.1700	17.5600	60.0000	91.7300	1.125%	0.36	1.03
65	15.6000	17.9800	80.0000	113.5800	0.857%	0.29	0.97
66	17.0575	23.8327	100.0000	140.8902	0.857%	0.35	1.21
67	18.5400	29.6853	100.0000	148.2253	0.571%	0.28	0.85
68	20.1550	35.1604	100.0000	155.3154	0.750%	0.41	1.16
69	21.8200	40.6354	100.0000	162.4554	0.500%	0.31	0.81
70	23.7800	46.1104	100.0000	169.8904	0.571%	0.40	0.97
71	25.9800	51.5855	100.0000	177.5655	0.321%	0.25	0.57
72	28.8150	57.0605	100.0000	185.8755	0.464%	0.40	0.86
73	31.7900	62.5356	100.0000	194.3256	0.518%	0.49	1.01
74	34.9350	68.0106	100.0000	202.9456	0.321%	0.33	0.65
75	38.4075	73.4856	250.0000	361.8931	0.321%	0.36	1.16
76	42.1925	77.0406	250.0000	369.2325	0.179%	0.21	0.66
77	46.5425	83.1406	500.0000	629.6825	0.179%	0.23	1.12
78	51.5650	89.9800	500.0000	641.5450	0.232%	0.33	1.49
79	57.3075	97.7100	500.0000	655.0175	0.161%	0.25	1.05
80	63.5700	106.2500	1000.0000	1000.0000	0.036%	0.06	0.36
TOTAL					100.000%	13.54	30.42

**NOTES:**

- (1) Death = 2001 Composite CSO, Blended 75% Male / 25% Female.
- (2) Disability = 1987 Composite Group Disability Table (extended to age 80).
- (3) Retirement = estimated distribution of retirees by age.
- (4) = (1) + (2) + (3).
- (5) Based on industry.
- (6) = [(1) + (2)] x (5).
- (7) = (4) x (5).

**GENERAL STAR NATIONAL INSURANCE COMPANY  
PHYSICIAN'S PROFESSIONAL LIABILITY**

**ILLINOIS  
CLAIMS MADE RATING FACTOR COMPARISON**

CLAIMS MADE RATE FACTORS

	(1)	(1)	(2)	(3)	(4)
<u>Step</u>	<u>GSNIC OB/Gyn, Peds</u>	<u>GSNIC All Other</u>	<u>ISMIE</u>	<u>APAC</u>	<u>PLICA</u>
1	0.250	0.250	0.250	0.250	1.000
2	0.500	0.500	0.500	0.400	1.000
3	0.750	0.750	0.780	0.750	1.000
4	0.900	0.900	0.925	0.900	1.000
5	1.000	1.000	0.950	0.950	1.000
6	1.000	1.000	0.975	0.980	1.000
7	1.000	1.000	1.000	1.000	1.000

EXTENDED REPORTING PERIOD\*

	(1)	(1)	(2)	(3)	(4)
<u>Expiring Step</u>	<u>GSNIC OB/Gyn, Peds</u>	<u>GSNIC All Other</u>	<u>ISMIE</u>	<u>APAC</u>	<u>PLICA</u>
1	1.350	1.000	0.827	1.000	1.350
2	2.050	1.200	1.577	1.552	2.050
3	2.350	1.500	1.873	1.800	2.350
4	2.500	1.880	2.015	1.899	2.500
5	2.600	2.000	2.086	1.948	2.600
6	2.600	2.000	2.128	1.970	2.600
7+	2.600	2.000	2.180	1.970	2.600

\* Applicable to mature claims made rates; provides unlimited reporting endorsement.

NOTES:

- (1) Provided by General Star Management.
- (2) ISMIE Mutual Insurance Company rate filing eff. 7/01/2006.
- (3) American Physicians Assurance Corporation rate filing eff. 4/01/2005.
- (4) Professional Liability Insurance Company of America rate filing eff. 9/06/2004.



Insurance Regulatory Consultants, LLC

filing on behalf of **GENERAL STAR NATIONAL INSURANCE COMPANY**

**BY FACSIMILE  
(217) 524-2122**

**August 10, 2000**

Ms. Donna Raffa  
Insurance Analyst IV  
Illinois Department of Insurance  
320 West Washington Street  
Springfield, IL 62767



*"Please be advised that Insurance Regulatory Consultants (IRC) has been appointed to submit this filing on behalf of General Star National Insurance Company. A copy of this authorization is attached to this filing."*

**Re: General Star National Insurance Company  
NAIC Number: 031 11967 FEIN #: 13-1958482  
Dentist's Comprehensive Professional Liability  
and General Liability Program  
Rates and Rules Filing  
Company Filing Number: 00-155-3-2R  
Effective Date: September 1, 2000  
State of Illinois**



Dear Ms. Raffa,

In response to your telephone call today, attached is a copy of the Rates and Rules filing for the Dentist Comprehensive Professional Liability and General Liability Program. We have revised the effective date for September 1, 2000.

Please note that we will try to get a response to your letter dated June 30, 2000 regarding the forms filing, as soon as possible.

If you have any questions regarding this filing, please do not hesitate to contact me.

Sincerely,

Heather Hemmings  
Insurance Regulatory Consultants  
Phone: (212) 571-3989  
Fax: (212) 571-2502  
E-Mail: [heatherhemmings@ircllc.com](mailto:heatherhemmings@ircllc.com)  
filing on behalf of **General Star National Insurance Company**

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Insurance Regulatory Consultants, LLC

filing on behalf of **GENERAL STAR NATIONAL INSURANCE COMPANY**

**BY FACSIMILE**  
**(217) 524-2122**

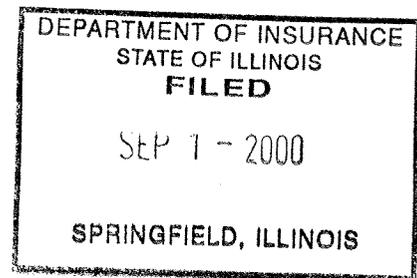
**August 10, 2000**

Honorable Nat Shapo  
Director of Insurance  
Illinois Department of Insurance  
320 West Washington Street  
Springfield, IL 62767

Attention: Mr. Frank Weaver  
Supervising Insurance Analyst

*"Please be advised that Insurance Regulatory Consultants (IRC) has been appointed to submit this filing on behalf of **General Star National Insurance Company**. A copy of this authorization is attached to this filing."*

**Re: General Star National Insurance Company**  
**NAIC Number: 031 11967 FEIN #: 13-1958482**  
**Dentist's Comprehensive Professional Liability**  
**and General Liability Program**  
**Rates and Rules Filing**  
**Company Filing Number: 00-155-3-2R**  
**Effective Date: September 1, 2000**  
**State of Illinois**



Dear Mr. Weaver,

In accordance with the Insurance Laws and Regulations in Illinois, General Star National Insurance Company (Gen Star), is submitting for your review and approval the Dentist's Comprehensive Professional Liability and General Liability Program.

This new program provides both claims-made and occurrence coverage. Claims-made coverage is provided for dentist's professional liability, medical waste legal expense reimbursement, and limited employment practices liability. Occurrence coverage is provided for personal injury, advertising injury employee benefits administration liability, general liability, and non-owned/hired auto liability. It offers an extended reporting period option and is subject to defense costs within the limit of liability.

*filing on behalf of* **GENERAL STAR NATIONAL INSURANCE COMPANY**

**Mr. Weaver**

Page 2

The Declarations pages, applications, forms and endorsements that will be offered for use with this program are being filed under a separate cover letter.

The filing consists of the following:

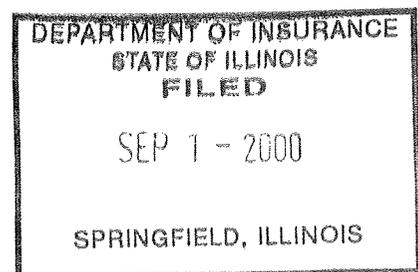
Dentist's Professional Liability and General Liability Rates and Rules

This filing will become effective for all policies effective on or after June 1, 2000.

Sincerely,



Heather Hemmings  
Insurance Regulatory Consultants  
Phone: (212) 571-3989  
Fax: (212) 571-2502  
E-Mail: [heatherhemmings@ircllc.com](mailto:heatherhemmings@ircllc.com)  
*filing on behalf of* **General Star National Insurance Company**





General Reinsurance Corporation  
 Financial Centre  
 PO Box 10350  
 Stamford, CT 06904  
 203 328-6218  
 203 328-5587 Facsimile  
 Internet: mgardne@genre.com

Mark L. Gardner  
 Second Vice President

**LETTER OF FILING AUTHORIZATION**

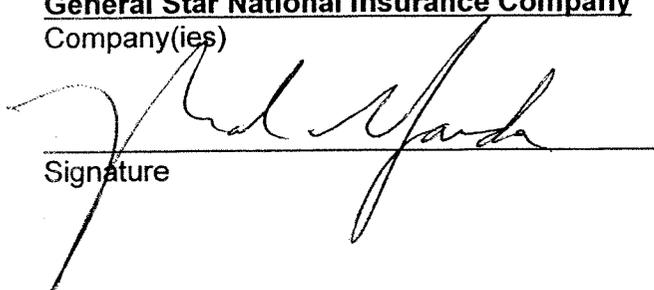
This will certify that Insurance Regulatory Consultants, LLC (IRC) has been given full authorization to submit the captioned filing below on behalf of General Star National Insurance Company. This authorization extends to all correspondence regarding this filing.

**Mark Gardner**  
 Name

\_\_\_\_\_  
 Date **April 26, 2000**

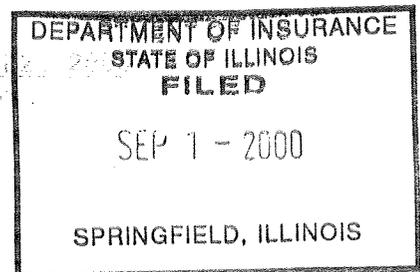
**Second Vice President**  
 Title

**General Star National Insurance Company**  
 Company(ies)

  
 Signature

**(203) 328-6218**  
 Telephone Number

Re: **General Star National Insurance Company**  
**NAIC Number: 031 11967 FEIN #: 13-1958482**  
**Dentist's Comprehensive Professional Liability**  
**and General Liability Program**  
**Rates and Rules Filing**



**GeneralStar™**

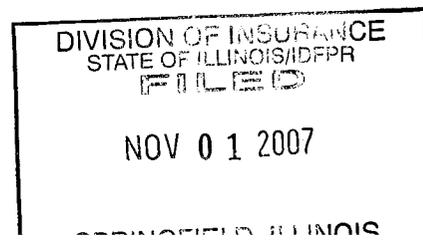
**Physicians & Surgeons  
Professional Liability Claims-Made Reported**

**GENERAL STAR ADVANTAGE**  
*Underwritten by*  
**GENERAL STAR NATIONAL INSURANCE COMPANY**

**GENERAL STAR NATIONAL INSURANCE COMPANY**

**PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY  
CLAIMS MADE AND REPORTED COVERAGE**

**GENERAL RULE MANUAL**



**GENERAL STAR ADVANTAGE**  
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**I. USE OF THIS MANUAL**

The purpose of this document is to provide premium and rating data (by state), underwriting rules, medical specialty classifications and practice location territories needed to select and price risks for the General Star Management Physicians & Surgeons Professional Liability program. The following categories of Health Care Providers are designated primary insureds for the program:

1. Physicians or Surgeons (M.D.)
2. Osteopathic Physicians or Surgeons (D.O.)
3. Podiatrists (D.P.M.)

Any exceptions to these rules are contained in the respective State Exceptions Section.

**II. COVERAGE**

Coverage under this program is described in the respective policy Insuring Agreement(s) and/or Coverage Part(s). It shall be permissible to attach more than one Insuring Agreement and/or Coverage Part to the policy.

**III. BASIC LIMITS OF LIABILITY**

The basic coverage limits for Professional Liability coverage under this program are:

Professional Liability: \$1,000,000 Each Claim / \$3,000,000 Aggregate  
For higher limits please refer to Company

**IV. POLICY WRITING MINIMUM PREMIUM**

The minimum premium is \$500 per annual or lesser period, unless otherwise specified for the respective coverage.

**V. DECREASED LIMITS OF LIABILITY**

Available decreased Limits of Liability are shown on the respective State Exceptions Section.

**VI. PREMIUM COMPUTATION**

The premium shall be computed by applying the rate per physician/surgeon shown on the State Exceptions pages.

**A. PREMIUM ROUNDING RULE**

Premium rounding will be done at the last step of the computation process, as opposed to rounding at each step. In the event that application of any rating procedure result is not a whole dollar, each rate and premium shall be adjusted as follows:

- i. any amount involving \$.50 or over shall be rounded to the next highest whole dollar amount;
- ii. any amount involving \$.49 or less shall be rounded down to the next lowest whole dollar amount.

**B. FACTORS OR MULTIPLIERS**

Premium modifications are to be applied multiplicatively. Modifications from the **Individual Risk Modification Schedule** and **Deductibles** are to be added together and then applied multiplicatively.

**C. ADDITIONAL and RETURN PREMIUM**

For all changes requiring additional or return premium, apply the rates and rules that were in effect at the inception date of the current policy period.

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**X. MISCELLANEOUS / ANCILLARY MEDICAL PERSONNEL**

Professional Liability coverage for miscellaneous medical personnel may be provided. The State Exception pages contain medical specialties and rating instructions.

**XI. CORPORATION / PARTNERSHIP / PROFESSIONAL ASSOCIATION**

It shall be permissible to provide coverage for a Professional Corporation, Professional Association, or Partnership, for liability arising from the professional services by its member physicians/surgeons. Such coverage may be provided as follows:

**A. Solo Practice:**

by endorsement to the policy. The entity will share in the individual physician/surgeon limit at no additional premium charge.

**B. All Others:**

Available on a separate Limit of Liability basis by naming the professional corporation/partnership/professional association on the policy. Additional premium shall be as shown on the State Exceptions pages. Ancillary personnel shall be included in this professional corporation limit but will not share in the limits of the individual physician(s).

**XII. OPTIONAL COVERAGES / ENDORSEMENTS**

It shall be permissible to add any of the following optional coverages/endorsements as appropriate to the particular situation and in accordance with the minimum basic Limits of Liability indicated herein:

**A. Medical Laboratory**

It shall be permissible to add a Medical Laboratory:

- i. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.
- ii. at a premium charge of 25% of the Class 1 rate. The laboratory will be included as an additional insured, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

**B. Deductibles/Self-Insured Retentions**

Deductibles and self-insured retentions are available. The factors are shown below:

Deductible (indemnity and expenses)	Discount Factor
\$5,000	3%
\$10,000	5%
\$25,000	7%



**XIII. INDIVIDUAL RISK MODIFICATION SCHEDULE**

The hazards of the practice of medicine vary with each organization; the establishment of medical standards review and claims review committees and the effectiveness of such committees; loss prevention and control activities; type, amount and extent of professional services rendered under written agreement, etc. To recognize such specific characteristics unique to each risk, a rate modification may be applied based on the following:

**1. Physicians and Surgeons (M.D.s and D.O.s) and Podiatrists Professional Liability Exposures**

The maximum permissible modification of the Professional Liability premium(s) is as shown on the State



**Physicians & Surgeons  
Professional Liability Claims-Made Reported**

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Individual Risk Modification Schedule		Credits	Debits
a. <u>Loss Experience</u>	The underwriter will evaluate the circumstances of past claims and will take into consideration the report date of each claim and the paid indemnity amounts.	0%	0%-20%
b. <u>Loss Control Program</u>	The underwriter will evaluate the procedures in place within the practice, including adherence to any prior loss control recommendations.	0-10%	0-10%
c. <u>Practice Characteristics</u>	The underwriter will evaluate the impact of contracts on utilization, referrals, and overall quality of patient care.	0-15%	0-15%
d. <u>Continuing Education</u>	Determine if the applicant's professional and paraprofessional staff participates in effective continuing medical education program(s).	0-5%	0-5%
e. <u>Ancillary Personnel</u>	Paraprofessional employees or contractors such as Nurse practitioners, Physician Assistants, Certified Registered Nurse Anesthetists, Perfusionists and Midwives. Surcharge for vicarious liability when practitioners carry their own separate coverage. May be offset by Continuing Education credit.	0-5% per employee	0-5% per employee
f. <u>Practice Hours</u>	Credit for limited practice hours if the risk is not eligible for part-time credit. Debit for practice hours deemed excessive for the specific specialty or practice situation.	0-10%	0-10%
g. <u>Patient Count</u>	Surcharge for above-average patient or procedure volume; credit for low volume.	5-10%	5-10%
h. <u>Use of Hospitalists</u>	The underwriter will evaluate the use of hospitalists for patient admissions.	0-10%	0-10%
i. <u>Emergency Room exposure</u>	The underwriter will evaluate any Emergency Medicine exposure.	0-10%	0-10%
j. <u>Unusual Risk Characteristics</u>	The underwriter will evaluate any feature of the practice that is deemed unusual or nontraditional in the applicant's medical community.	0-10%	0-10%

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Physicians & Surgeons  
Professional Liability Claims-Made Reported

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**XIV. INSTALLMENT OPTIONS**

Quarterly and semi-annual premium installment options with no interest charges and no installment charges/fees are available subject to the following terms:

- 1) Quarterly - An initial payment of 40% of the total premium due at policy inception with remaining premium due three months (20%), six months (20%), and nine months (20%) from policy inception.
- 2) Semi-annually - An initial payment of 60% of the total premium due at policy inception with remaining premium due six months (40%) from policy inception.
- 3) Additional premium resulting from changes to the policy shall be spread equally over the remaining installments. If there are no remaining installments, additional premium resulting from changes to the policy will be processed as a separate transaction.

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**State Exceptions Section**

**A. The GENERAL RULE MANUAL pages applicable to this program shall apply subject to the following changes/exceptions:**

-Illinois rates and rating rules as follows.

**B. PHYSICIANS & SURGEONS PROFESSIONAL LIABILITY, CLAIMS MADE RATES:**

Territory I: Cook, Madison, St. Clair & Will counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	5,054	10,108	15,161	18,194	20,215
1	6,738	13,477	20,215	24,258	26,953
2	8,423	16,846	25,268	30,322	33,691
3	10,107	20,215	30,322	36,386	40,429
4	12,634	25,269	37,903	45,483	50,537
5	14,740	29,480	44,219	53,063	58,959
6	21,057	42,114	63,171	75,805	84,228
7	29,480	58,960	88,439	106,127	117,919
8	42,114	84,228	126,341	151,610	168,455
9	58,959	117,919	176,878	212,253	235,837

Territory II: DuPage, Jackson, Kane, Lake, McHenry & Vermillion counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	4,043	8,086	12,129	14,555	16,172
1	5,391	10,781	16,172	19,406	21,562
2	6,738	13,477	20,215	24,258	26,953
3	8,086	16,172	24,257	29,109	32,343
4	10,107	20,215	30,322	36,386	40,429
5	11,792	23,584	35,375	42,450	47,167
6	16,846	33,691	50,537	60,644	67,382
7	23,584	47,168	70,751	84,902	94,335
8	33,691	67,382	101,073	121,288	134,764
9	47,168	94,335	141,503	169,803	188,670

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Territory III: Champaign, Coles, Dekalb, Kankakee, LaSalle, Macon, Ogle, Randolph,  
Sangamon & Winnebago counties:

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	3,285	6,570	9,854	11,825	13,139
1	4,380	8,760	13,139	15,767	17,519
2	5,475	10,950	16,424	19,709	21,899
3	6,570	13,140	19,709	23,651	26,279
4	8,212	16,425	24,637	29,564	32,849
5	9,581	19,162	28,743	34,492	38,324
6	13,687	27,374	41,061	49,273	54,748
7	19,162	38,324	57,485	68,982	76,647
8	27,374	54,748	82,122	98,546	109,496
9	38,324	76,647	114,971	137,965	153,294

Territory IV: Remainder of State

(@ \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
0	2,527	5,054	7,580	9,096	10,107
1	3,369	6,738	10,107	12,128	13,476
2	4,212	8,423	12,635	15,161	16,846
3	5,054	10,108	15,161	18,194	20,215
4	6,317	12,634	18,951	22,741	25,268
5	7,370	14,740	22,110	26,532	29,480
6	10,529	21,057	31,586	37,903	42,114
7	14,740	29,480	44,219	53,063	58,959
8	21,057	42,114	63,171	75,805	84,228
9	29,480	58,960	88,439	106,127	117,919

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**State Exceptions Section**

**C. INDIVIDUAL RISK MODIFICATION SCHEDULE**

The maximum permissible modification of the Physicians & Surgeons Professional Liability Premium under the Individual Risk Modification Schedule is  $\pm$  40%.

**D. CORPORATION/PARTNERSHIP/PROFESSIONAL ASSOCIATION CHARGE:**

The rate, per Corporation/Partnership/Professional Association, is computed as up to 15% of the total developed professional liability premium for each physician/surgeon and ancillary person, for groups of 2-4. For groups of 5 or more, the rate is computed as up to 10% of the total developed professional liability premium for each physician/surgeon and ancillary person.

**E. ANCILLARY PERSONNEL:**

The following ancillary personnel may be added as additional named insured for additional premium per the rates shown below.

Territory I: Cook, Madison, St. Clair & Will counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	606	1,213	1,819	2,183	2,426
Nurse Midwives	8,423	16,846	25,268	30,322	33,691
Physicians' Assistant	505	1,011	1,516	1,819	2,021
Physical Therapist	1,263	2,527	3,790	4,548	5,054
Respiratory Therapists	1,263	2,527	3,790	4,548	5,054
Surgeons Assistant/Perfusionists	505	1,011	1,516	1,819	2,021

Territory II: DuPage, Jackson, Kane, Lake McHenry & Vermillion counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	485	970	1,455	1,747	1,941
Nurse Midwives	6,738	13,476	20,215	24,258	26,953
Physicians' Assistant	404	809	1,213	1,455	1,617
Physical Therapist	1,011	2,022	3,032	3,639	4,043
Respiratory Therapists	1,011	2,022	3,032	3,639	4,043
Surgeons Assistant/Perfusionist	404	809	1,213	1,455	1,617

Territory III: Champaign, Coles, Dekalb, Kankakee, LaSalle, Macon, Ogle, Randolph, Sangamon & Winnebago counties:

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	394	788	1,183	1,419	1,577
Nurse Midwives	5,475	10,950	16,424	19,709	21,899
Physicians' Assistant	329	657	985	1,183	1,314
Physical Therapist	821	1,643	2,464	2,956	3,285
Respiratory Therapists	821	1,643	2,464	2,956	3,285

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Surgeons Assistant/Perfusionists	329	657	985	1,183	1,314
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Territory IV: Remainder of State

(Claims Made Rates @t \$1,000,000/\$3,000,000 Limits of Liability)

Class	Claims Made 'Step'				
	1	2	3	4	5
Nurse Anesthetist	303	606	910	1,092	1,213
Nurse Midwives	4,211	8,423	12,634	15,161	16,846
Physicians' Assistant	253	505	758	910	1,011
Physical Therapist	632	1,263	1,895	2,274	2,527
Respiratory Therapists	632	1,263	1,895	2,274	2,527
Surgeons Assistant/Perfusionists	253	505	758	910	1,011

**F. POLICY DECREASED LIMITS FACTORS:**

<i>Policy Limits</i>	<i>Increase Limit Factor</i>
1,000,000/3,000,000	1.00
1,000,000/1,000,000	0.92
500,000/1,500,000	0.77
250,000/750,000	0.62
100,000/300,000	0.47

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**State Exceptions Section**

**G. EXTENDED REPORTING PERIOD:**

1. Death, Disability and Retirement (DDR) - Extended Reporting Period Coverage will be granted at no additional premium in the event a named insured dies, becomes permanently and totally disabled, or retires during the policy period, provided that within thirty (30) days of the death, permanent and total disability, or retirement:
  - a. the named insured's estate requests the Unlimited Extended Reporting Period and furnishes written evidence and proof of the date of the named insured's death, or
  - b. the named insured provides evidence and proof of the permanent and total disability including the date of the actual disability and written certification by the named insured's attending physician (other than another physician practicing in the same group as the named insured). The named insured also agrees to submit to any medical examination(s) as requested by the Company, by any physician designated by the Company for the purpose of verifying such permanent and total disability; or
  - c. If at any time after reaching age 55, and having been continuously insured by the Company on a claims-made basis for a minimum of 5 years, the named insured elects to retire from practice of medicine.
  
2. Unlimited Extended Reporting Period coverage (ERP) will be granted subject to the terms and conditions of the policy. The following premium factors are to be applied to mature (step 5) claims-made rate in effect at policy issuance:

Unlimited Reporting Period Factors Obstetrics/Gynecology & Pediatrics	
<i>Expiring Step</i>	<i>Factor</i>
1	1.35
2	2.05
3	2.35
4	2.50
5	2.60

Unlimited Reporting Period Factors All Other	
<i>Expiring Step</i>	<i>Factor</i>
1	1.00
2	1.20
3	1.50
4	1.88
5	2.00

3. Other Extended Reporting Period optional endorsements. The following discount factors are applied multiplicatively to the factors shown above if the named insured elects one of the optional extended reporting endorsements below:

Extended Reporting Period Discount Factors	
<i>Extended Reporting Period Option</i>	<i>Discount Factor</i>
12 months	0.50
24 months	0.62
36 months	0.69
48 months	0.78
60 months	0.80
Unlimited	1.00

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**State Exceptions Section**

**H. PHYSICIANS & SURGEONS PRACTICE/SPECIALTY CLASSIFICATIONS**

Each physician/surgeon is assigned a practice classification code according to their respective medical specialty. When more than one classification is applicable, the highest rated classification shall apply.

**Class 0 -**

<i>Medical Specialty</i>	<i>Code</i>
AEROSPACE MEDICINE – NO SURGERY	80230
ALLERGY - NO SURGERY	80254
DERMATOLOGY - NO SURGERY	80256
FORENSIC PATHOLOGY – NO SURGERY	80240
GENERAL PREVENTIVE MEDICINE – NO SURGERY	80231
OCCUPATIONAL/INDUSTRIAL MEDICINE – NO SURGERY	80233
OTORHINOLARYNGOLOGY - NO SURGERY	80265
PSYCHIATRY – NO SURGERY	80249

**Class 1 -**

<i>Medical Specialty</i>	<i>Code</i>
DERMATOLOGY - MINOR INVASIVE SURGERY	81282
ENDOCRINOLOGY – NO SURGERY	81238
GERIATRIC MEDICINE – NO SURGERY	81243
OPHTHALMOLOGY – NO SURGERY	81263
OTOLOGY/NEUROTOLOGY – NO SURGERY	81264
PEDIATRICS – NO SURGERY	81267
RHEUMATOLOGY – NO SURGERY	81252
UROLOGY – NO SURGERY	81145

**Class 2 –**

<i>Medical Specialty</i>	<i>Code</i>
ENDOCRINOLOGY- MINOR INVASIVE SURGERY	82272
FAMILY/GENERAL PRACTICE – NO OBSTETRICS – NO SURGERY	82420
GERIATRICS – MINOR INVASIVE SURGERY	82276
HEMATOLOGY – MINOR INVASIVE SURGERY	82278
HEMATOLOGY – NO SURGERY	82245
INTERNAL MEDICINE – NO SURGERY	82257
NEOPLASTIC MEDICINE/ONCOLOGY – MINOR INVASIVE SURGERY	82286
NEOPLASTIC MEDICINE/ONCOLOGY – NO SURGERY	82259
NEPHROLOGY – NO SURGERY	82260
NUCLEAR MEDICINE – NO SURGERY	82262
PATHOLOGY – NO SURGERY	82266
PHYSICAL MEDICINE AND REHABILITATION – NO SURGERY	82235

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PHYSICIANS (N.O.C.) – NO SURGERY	82268
PODIATRY – NO SURGERY	82993
URGENT CARE MEDICINE	82424

**Class 3 -**

<u>Medical Specialty</u>	<u>Code</u>
ACUPUNCTURE – MINOR SURGERY	83437
ANESTHESIOLOGY – MAJOR SURGERY	83151
CARDIOVASCULAR DISEASE – NO SURGERY	83255
DERMATOLOGY - MAJOR SURGERY	83472
GASTROENTEROLOGY – NO SURGERY	83241
GASTROENTEROLOGY – MINOR INVASIVE SURGERY	83274
GYNECOLOGY – NO SURGERY	83244
INFECTIOUS DISEASE – MINOR INVASIVE SURGERY	83279
INFECTIOUS DISEASE – NO SURGERY	83246
NEPHROLOGY – MINOR INVASIVE SURGERY	83278
OPHTHALMOLOGY – SURGERY	83114
PEDIATRICS – MINOR SURGERY	83267
PULMONARY MEDICINE – NO SURGERY	83269
UROLOGY – MINOR INVASIVE SURGERY	83145

**Class 4 –**

<u>Medical Specialty</u>	<u>Code</u>
AESTHETIC MEDICINE – MINOR INVASIVE SURGERY	84100
ANESTHESIOLOGY PAIN MEDICINE – MAJOR SURGERY	84151
FAMILY/GENERAL PRACTICE – NO OBSTETRICS – MINOR INVASIVE SURGERY	84421
GYNECOLOGY – MINOR INVASIVE SURGERY	84277
INTENSIVE CARE MEDICINE	84283
NEUROLOGY – MINOR INVASIVE SURGERY	84288
NEUROLOGY – NO SURGERY	84261
PHYSICIANS (N.O.C.) – MINOR INVASIVE SURGERY	84268
PULMONARY MEDICINE – MINOR INVASIVE SURGERY	84269

**Class 5 –**

<u>Medical Specialty</u>	<u>Code</u>
ANESTHESIOLOGY CRITICAL CARE MEDICINE – MAJOR SURGERY	85151
CARDIOVASCULAR DISEASE – MINOR INVASIVE SURGERY	85281
INTERNAL MEDICINE – MINOR INVASIVE SURGERY	85284
OTOLARYNGOLOGY/HEAD AND NECK SURGERY – EXCLUDING COSMETIC – MAJOR SURGERY	85159
OTOLOGY/NEUROLOGY – MAJOR SURGERY	85158
PODIATRY – MAJOR SURGERY	85993

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RADIATION THERAPY – MAJOR SURGERY	85491
RADIOLOGY (DIAGNOSTIC) – MAJOR SURGERY CLASS	85253
UROLOGY – EXCLUDING THERAPEUTIC IMPLANTS – MAJOR SURGERY	85145

**Class 6 -**

<i>Medical Specialty</i>	<i>Code</i>
COLON & RECTAL SURGERY – MAJOR SURGERY	86115
UROLOGY – INCLUDING THERAPEUTIC IMPLANTS – MAJOR SURGERY	86145

**Class 7 -**

<i>Medical Specialty</i>	<i>Code</i>
GENERAL SURGERY – INCLUDING LAPAROSCOPY – MAJOR SURGERY	87143
GYNECOLOGY SURGERY – INCLUDING LAPAROSCOPY – MAJOR SURGERY	87481
HAND SURGERY – MAJOR SURGERY	87169
ORTHOPEDIC SURGERY – EXCLUDING BACK SURGERY – MAJOR SURGERY	87501
OTOLARYNGOLOGY/HEAD AND NECK SURGERY – INCLUDING COSMETIC – MAJOR SURGERY	87155
PEDIATRICS – MAJOR SURGERY	87293
PHYSICIANS (N.O.C.) – MAJOR SURGERY	87294
PLASTIC/RECONSTRUCTIVE SURGERY – EXCLUDING COSMETIC ELECTIVE – MAJOR SURGERY	87156

**Class 8 -**

OBSTETRICS/GYNECOLOGY – MAJOR SURGERY	88153
ORTHOPEDIC SURGERY – INCLUDING BACK SURGERY – MAJOR SURGERY	88154
PLASTIC/RECONSTRUCTIVE SURGERY – INCLUDING COSMETIC ELECTIVE SURGERY- MAJOR SURGERY	88156
THORACIC AND CARDIOVASCULAR SURGERY – MAJOR SURGERY	88144
VASCULAR SURGERY – MAJOR SURGERY	88164

**Class 9 -**

<i>Medical Specialty</i>	<i>Code</i>
NEUROSURGERY – MAJOR SURGERY	89152

**Additional Classifications:**

Professional Corporation/Partnership/Association	80999
Nurse Anesthetist	80960
Nurse Midwives	80962
Physicians' Assistant	80116
Physical Therapist	80938
Respiratory Therapists	80969
Surgeons Assistant/Perfusionists	80116

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SPRINGFIELD, ILLINOIS

GENERAL STAR NATIONAL INSURANCE  
COMPANY

DENTIST'S COMPREHENSIVE PROFESSIONAL  
AND  
GENERAL LIABILITY PROGRAM

RATES AND RULES

DEPARTMENT OF INSURANCE  
STATE OF ILLINOIS  
**FILED**

SEP 1 - 2000

SPRINGFIELD, ILLINOIS

# GENERAL STAR NATIONAL INSURANCE COMPANY PREFERRED DENTAL PROGRAM

## ILLINOIS

### A. PURPOSE

The underwriting criteria for the dental program is based on practices that do not have emphasis on production and on dentists that meet rigid claim history parameters. The program is structured to the low profile dental professional. It is designed to provide coverage for the dental professional liability, employment practices liability and medical waste reimbursement exposures on a claims-made basis as well as general liability, personal and advertising injury, employee benefits administration liability, fire legal liability and hired and non-owned auto coverages on an occurrence basis.

### B. ELIGIBILITY

Intended to cover low profile dental practices such as but not limited to:

1. Owners who work 100% of their practice;
2. Owners who have up to 3 specialists/general dentists working full or part-time;
3. Independent contractors practicing only with an owner/practitioner operated practice; and
4. Employee dentists in a working owner's office.

### C. INELIGIBLE OR SUBJECT TO REVIEW

The following dentists are not typically considered for coverage. Any exceeding these criteria are subject to review by company. Those with:

1. Three BDE/claims within five years from application;
2. Total claim indemnity/expense cost of \$35,000 within five years from application;
3. Any open claims in process at time of application; or
4. A dentist working in an office with an absentee owner.

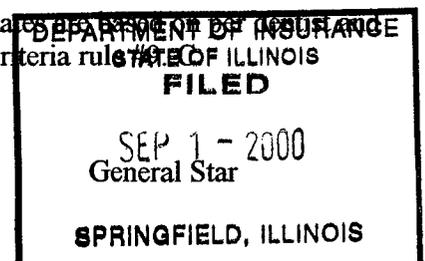
Any dentist exceeding the claim history criteria are subject to company review and debit pricing according the Loss Experience Rating rule.

### D. UNDERWRITING CONSIDERATIONS

Each applicant must have a DDS degree to be considered for the Preferred Dental policy.

### E. PREMIUM DETERMINATION

Rating procedures and rates are shown in the Rating Guideline section. Rates are limited to the dentists using the procedures as outlined in the Rating Criteria rule.



**F. POLICY LIMITS**

All limit structures include \$25,000 Employment Practices Liability and \$50,000 Medical Waste Reimbursement coverages. The minimum limit for all other coverage is \$100,000 each claim and \$300,000 aggregate all claims and the maximum is \$2,000,000 each claim and \$6,000,000 aggregate all claims.

**G. DEDUCTIBLES**

There are no deductibles offered on this program.

**H. POLICY TERM**

Policies are written for a twelve month term.

**I. LEAVE OF ABSENCE**

A leave of Absence entails "suspending" all coverage for not less than 60 and no more than 365 days. Endorsement # GNS-04-DP-38 is issued declaring the suspension period from a beginning date to an end date. The policy expiration date is extended the same number of days. One suspension within a two-year period is allowed. There is no charge for this option.

Allowable reasons for suspension include but are not limited to:

- Temporary disability;
- Caring for an ill, immediate family member;
- Caring for young dependent children;
- Pregnancy; and
- Post-graduate education

Insufficient work hours does not qualify

**J. GENERAL LIABILITY AND MISCELLANEOUS COVERAGE**

If the applicant qualifies for professional liability, he/she will automatically qualify for coverages B through H as shown in section II coverages of the policy.

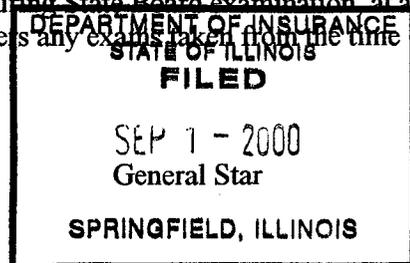
**K. ADDITIONAL INSURED: Lessors**

Lessors of real property or equipment may be added as additional insureds at no additional charge.

**RATING GUIDELINES**

**1. STUDENT STATE BOARD DENTAL EXAMINATION (BDE) COVERAGE**

A policy is available to students to cover any dentistry performed during State Board examination at an examination site. This master policy is for a one year term and covers any exams taken from the time the certificate is issued until the expiration of the master policy.



Limits of \$100,000/\$300,000 are provided for a flat charge of \$25.00.

There is no guaranty of Dental Coverage subsequent to successful completion of the BDE. Degreed dentists apply for Dental coverage and are subject to underwriting criteria.

**2. ADDITIONAL INSURED**

There may be times when there will be a need to add an entity, other than a dentist, for the professional liability exposure. Surcharge 10% of filed rate for additional insured operations.

**3. PRIOR ACTS**

This option is available with proof of continuous prior coverage. Premium is determined by use of retro level chosen in 9. B. and application of step rate.

**4. LOCUM TENENS (Temporary Substitute Dentist)**

No additional charge for a dentist employed as a substitute for an insured dentist during the policy period. Application required prior to acceptance by company.

**5. EXTENDED REPORTING PERIOD**

Extended reporting period on claims-made coverages is available. The factor is a percentage of mature rate and provides unlimited tail.

1 <sup>st</sup> Year (365 days)	.85
2 <sup>nd</sup> Year (730 days)	1.25
3 <sup>rd</sup> Year (1095 days)	1.60
4 <sup>th</sup> Year (1460 days)	1.80
5 <sup>th</sup> Year (1825 days)	1.85
6 <sup>th</sup> Year (2,190 days)	1.90

Extended reporting is provided at no charge to insured:

- Who become permanently and totally disabled, regardless of age or length of time insured.
- Who have deceased while insured through General Star.
- Who retire at age 50 or older and have been continually insured through General Star National Insurance Company up to the date of retirement for at least 5 years. If insured less than 5 years, a 20% credit is allowed for each year less than 5 as follows:

<u>Yrs. Covered with General Star</u>	<u>Credit</u>
1	20%
2	40%
3	60%
4	80%
5+	100%





With hands-on owner/practitioner		
Five - ten other associate dentists		
Does not treat with I.V./G.A. in office	0%	0%
With one non-practicing owner (Does no IV)	10%	
With two non-practicing owners (Does no IV)	20%	
With more than two non-practicing owners (Does no IV)	25%	

## 7. LOSS EXPERIENCE MODIFICATION

The Preferred Dental Program base rates contemplates generally preferred risks with regard to loss experience. The following are application guidelines:

- Dental incidents are not considered in the experience, only valid claims.
- Board of Dental Examiner Actions are considered a claim, however, minor actions such as billing disputes are not considered.
- One loss with less than \$1,000 shall not be considered in the experience. However, any open claim with less than \$10,000 or more may be considered.
- The combined total of Indemnity payment and known claim expense paid shall be considered
- An incurred loss shall be counted as of the loss closing date.
- The loss experience rating period shall be the immediately preceding five year period from the new or renewal date.

<u>LOSS EXPERIENCE</u>	<u>DEBIT</u>	<u>CREDIT</u>
• No claims in past 5 years,		15%
• 1 claim with no more than \$24,999 paid in past 5 years from new or renewal date		10%
• 2 claims, with no more than \$25,000 paid in past 5 years from new or renewal date.		5%
• 2 claims with \$25,001 – \$35,000 paid in past 5 years from new or renewal date.	0%	0%
• 3 Claims with \$35,001 - \$49,999 paid in past five years from new or renewal effective date.	20%	
• 4 Claims with \$50,000 - \$74,999 paid in past five years from new or renewal effective date.		
• 5 Claims with \$75,000 or more paid in past five years from new or renewal effective date.		

DEPARTMENT OF INSURANCE  
40% STATE OF ILLINOIS  
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50% SEP 1 - 2000  
General Star  
SPRINGFIELD, ILLINOIS

Debits are applied until the insured has gone 3 full years without reporting any additional claims at which point the debits shall be removed unless loss(es) are in excess of \$100,000. For the next 2 years, underwriting consideration is given with regard to any loss experience credit.

**8. ADDITIONAL CREDITS**

Any risk developing a credit from the Rating Factors and Loss Experience Modification Factors, is then eligible for possible additional credits as applicable:

<u>Status</u>	<u>Credit</u>
Full-time Professor	50%
Full-time Student	50%
Full-time Government Employee	50%
Part-time (16 hrs.) status	40%
New Graduate – 1 <sup>st</sup> year	60%
2 <sup>nd</sup> year	40%
3 <sup>rd</sup> year	20%

These credits contemplate the lower exposure to the public sector and a lower patient base for new graduates just starting practice.

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**9. RATING:**

**A. TERRITORY**

Territory 1 includes:  
Cook County

Territory 2 includes:  
Balance of State

**B. RETROACTIVE LEVELS**

- Retro 1 Up to one year (365 days) preceding effective date of coverage
- Retro 2 Up to two years (730 days) preceding effective date of coverage
- Retro 3 Up to three years (1095 days) preceding effective date of coverage
- Retro 4 Up to four years (1460 days) preceding effective date of coverage
- Retro 5 Up to five years (1825 days), preceding effective date of coverage
- Retro 6 Up to six years (2,190 days) and above, preceding effective date of coverage



**C. ANESTHESIA CLASSIFICATIONS**

- Class I Dentists, other than an Oral Surgeon, using any combination of:  
 Local Anesthetic  
 Intramuscular  
 Oral Medication  
 Nitrous Oxide as an analgesic  
 I.V./G.A. in an accredited hospital or surgi-center  
 Up to 25 I.V. procedures administered in-office by an oral surgeon or anesthesiologist which has been pre-underwritten and approved.
  
- Class II Dentist, other than an Oral Surgeon, using any combination of:  
 Local Anesthetic  
 Intramuscular  
 Oral Medication  
 Nitrous Oxide as an analgesic  
 I.V./G.A. in an accredited hospital or surgi-center  
 Unlimited I.V. procedures administered in-office by qualified individual
  
- Class III Oral Surgeon using any combination of:  
 Local Anesthetic  
 Intramuscular  
 Oral Medication  
 Nitrous Oxide as a analgesic  
 I.V./G.A. in an accredited hospital or surgi-center  
 Unlimited I.V. and G.A. administered in-office by insured

**D. LIMIT STRUCTURE**

All limit structures include \$25,000 Employer Practices Liability and \$50,000 Medical Waste Reimbursement Coverage.

Limit Code	Professional Liability Employee Benefits	Personal and Advertising Injury	General Liability and NOA/Hired Auto
A	\$100,000/\$300,000	\$ 100,000/Occurrence	\$100,000/\$ 300,000
B	\$200,000/\$600,000	\$ 200,000/Occurrence	\$200,000/\$ 600,000
C	\$500,000/\$1,500,000	\$ 500,000/Occurrence	\$500,000/\$1,500,000
D	\$1,000,000/\$3,000,000	\$1,000,000/Occurrence	\$1,000,000/3,000,000
E	\$2,000,000/\$6,000,000	\$2,000,000/Occurrence	\$2,000,000/\$6,000,000

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**E. RATES (Illinois)**

Limit Code	(,000) Class	Territory 1			Territory 2		
		I	II	III	I	II	III
<b>First Year (Retro 1)</b>							
A	\$ 100/ 300	\$ 483	\$1,205	\$ 3,208	\$ 297	\$ 741	\$ 1,971
B	\$ 200/ 600	\$ 550	\$1,374	\$ 3,655	\$ 338	\$ 844	\$ 2,245
C	\$ 500/1,500	\$ 584	\$1,461	\$ 3,886	\$ 359	\$ 897	\$ 2,387
D	\$1,000/3,000	\$ 618	\$1,544	\$ 4,108	\$ 379	\$ 949	\$ 2,523
E	\$2,000/6,000	\$ 649	\$1,621	\$ 4,313	\$ 398	\$ 992	\$ 2,649
<b>Second Year (Retro 2)</b>							
A	\$ 100/ 300	\$ 805	\$2,009	\$ 5,346	\$ 495	\$1,235	\$ 3,284
B	\$ 200/ 600	\$ 918	\$2,290	\$ 6,093	\$ 564	\$1,407	\$ 3,743
C	\$ 500/1,500	\$ 973	\$2,434	\$ 6,475	\$ 598	\$1,495	\$ 3,978
D	\$1,000/3,000	\$1,029	\$2,573	\$ 6,845	\$ 632	\$1,581	\$ 4,205
E	\$2,000/6,000	\$1,080	\$2,701	\$ 7,187	\$ 664	\$1,660	\$ 4,415
<b>Third Year (Retro 3)</b>							
A	\$ 100/ 300	\$1,120	\$2,792	\$ 7,427	\$ 688	\$1,716	\$ 4,562
B	\$ 200/ 600	\$1,275	\$3,182	\$ 8,463	\$ 783	\$1,955	\$ 5,199
C	\$ 500/1,500	\$1,353	\$3,382	\$ 8,996	\$ 831	\$2,078	\$ 5,526
D	\$1,000/3,000	\$1,430	\$3,575	\$ 9,509	\$ 878	\$2,196	\$ 5,843
E	\$2,000/6,000	\$1,501	\$3,753	\$ 9,985	\$ 922	\$2,306	\$ 6,133
<b>Fourth Year (Retro 4)</b>							
A	\$ 100/ 300	\$1,223	\$3,058	\$ 8,134	\$ 751	\$1,879	\$ 4,996
B	\$ 200/ 600	\$1,393	\$3,484	\$ 9,268	\$ 856	\$2,141	\$ 5,693
C	\$ 500/1,500	\$1,481	\$3,704	\$ 9,851	\$ 910	\$2,276	\$ 6,051
D	\$1,000/3,000	\$1,498	\$3,915	\$10,414	\$ 920	\$2,405	\$ 6,397
E	\$2,000/6,000	\$1,645	\$4,110	\$11,935	\$1,010	\$2,526	\$ 6,717
<b>Fifth Year (Retro 5)</b>							
A	\$ 100/ 300	\$1,330	\$3,323	\$ 8,839	\$ 817	\$2,042	\$ 5,430
B	\$ 200/ 600	\$1,515	\$3,786	\$11,074	\$ 930	\$2,327	\$ 6,188
C	\$ 500/1,500	\$1,610	\$4,025	\$10,707	\$ 989	\$2,473	\$ 6,577
D	\$1,000/3,000	\$1,702	\$4,254	\$11,318	\$1,046	\$2,614	\$ 6,953
E	\$2,000/6,000	\$1,787	\$4,467	\$11,884	\$1,098	\$2,745	\$ 7,300
<b>Sixth Year (Retro 6)</b>							
A	\$ 100/ 300	\$1,437	\$3,599	\$ 9,546	\$ 883	\$2,212	\$ 5,864
B	\$ 200/ 600	\$1,638	\$4,089	\$10,878	\$1,006	\$2,513	\$ 6,682
C	\$ 500/1,500	\$1,739	\$4,347	\$11,564	\$1,068	\$2,671	\$ 7,103
D	\$1,000/3,000	\$1,838	\$4,595	\$12,223	\$1,129	\$2,824	\$ 7,508
E	\$2,000/6,000	\$1,930	\$4,824	\$12,864	\$1,186	\$2,964	\$ 7,884

