MEDICUS™
INSURANCE COMPANY

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AUG - 3 2009

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

07.21.2009

Gayle Neumann
Property & Casualty Compliance
Division of Insurance
320 W. Washington Street
Fourth Floor
Springfield, IL 62767

FEIN-20-5623491

FILED

AUG 05 2009

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

Re: IL-072109-Revised ILFs

Dear Ms. Neumann:

Please mark this filing as confidential if at all possible as it reveals closely guarded methods and calculations used by our Company. This rule filing is being submitted on behalf of Medicus Insurance Company in order to correct the RATE/RULE Increased Limits Factors for $2,000,000/$4,000,000 limits. The previous factors filed on January 28, 2009 were incorrect. At the time we received the increased limit factors from our reinsurance provider, we incorrectly divided the increased limit factor by the compliment of the agent commission, which included the 1.0 for the base. By making this error, we overstated the increase in the limit factor. I am now revising those increased limit factors accordingly. I have also revised some page headings and page numbers.

I have included two rate manuals: one manual is a clean copy with all changes incorporated and the other is a rate manual with changes highlighted in red.

No other changes have been made other than those disclosed in the rate manual with changes highlighted in red. In offering, administering, or applying the filed rate/rule manual and/or any amended provisions, Medicus Insurance Company does not unfairly discriminate. Our plans for the gathering of statistics has not changed.

Thank you.

Paula Battistelli

Paula Battistelli
Regulatory Compliance Coordinator
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: pbattistelli@medicusins.com

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Neuman, Gayle

From: Jane Cundiff [jcundiff@medicusins.com]
Sent: Tuesday, June 26, 2012 10:05 AM
To: Neuman, Gayle
Subject: RE: Medicus Insurance Co - rate/rule filings

Ms. Newman,
Many of these were before my time as the Compliance Coordinator. But it looks as though all were put in effect on the respective effective date.
Thank you,

Jane M. Cundiff
Regulatory Compliance Coordinator
Medicus Insurance Company
4807 Spicewood Springs Road, Bldg 4-100
Austin, TX 78759
512-879-5128

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tuesday, June 26, 2012 8:15 AM
To: Jane Cundiff
Subject: Medicus Insurance Co - rate/rule filings

Ms. Cundiff,

The Department of Insurance has now completed its review of the following filings:

#IL-052108-Rates/Rules effective June 1, 2008

#IL-012309-Vicarious Rule effective January 23, 2009

#IL-012809-2M/4M ILF effective January 28, 2009

#IL-072109-Revised ILFs effective August 5, 2009

#IL-012010-RevLimit effective February 1, 2010

#IL052010 effective June 3, 2010

Was each filing put in effect on the respective effective date listed above or do you wish to have a different effective date?

Your prompt response is appreciated.

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

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

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.

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, Eugene Shea, a duly authorized officer of Medicus 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, Ed Lionberger, a duly authorized actuary of Towers Perrin, am authorized to certify on behalf of Medicus Insurance 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.

Eugene Shea President — 7-27-09

Signature and Title of Authorized Insurance Company Officer — Date

Edward P. Lionberger FCAS, MAAA — 7/24/2009

Signature, Title and Designation of Authorized Actuary — Date

Insurance Company FEIN 20-5623491 Filing Number IL-072109-Revised ILFs

Insurer's Address 4807 Spicewood Springs, Bldg 4, 1st Fl

City Austin State TX Zip Code 78759

Contact Person's:
-Name and E-mail Paula Battistelli, pbattistelli@medicusins.com

-Direct Telephone and Fax Number 512-879-5128, Fax: 877-686-0558

Neuman, Gayle

From: Neuman, Gayle
Sent: Tuesday, August 04, 2009 8:54 AM
To: 'Paula Battistelli'
Subject: RE: Filing #IL-072109-Revised ILFs

Ms. Battistelli,

Thank you for your prompt response. The rate/rule manual is public record and cannot be held confidentially.

Gayle Neuman
Department of Insurance

From: Paula Battistelli [mailto:pbattistelli@medicusins.com]
Sent: Tuesday, August 04, 2009 8:49 AM
To: Neuman, Gayle
Subject: Re: Filing #IL-072109-Revised ILFs

Hello Ms. Neuman,
There was no rate increase/decrease. There was a decrease to the increased limit factor. The previous 2M/4M factor was never applied to a policy that has been issued. I would like to make this filing effective 08/05/2009. Thank you.

Paula Battistelli
Regulatory Compliance Coordinator
Medicus Insurance Company
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: pbattistelli@medicusins.com

On Aug 4, 2009, at 7:40 AM, Neuman, Gayle wrote:

Ms. Battistelli,

I am in receipt of the above referenced filing submitted by your letter dated July 21, 2009. Is there a rate increase/decrease with this filing? I received the filing on August 3, 2009. What effective date are you requesting?

Your prompt attention is appreciated.

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

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

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Neuman, Gayle

From: Paula Battistelli [pbattistelli@medicusins.com]
Sent: Wednesday, August 05, 2009 2:18 PM
To: Neuman, Gayle
Subject: Re: Filing #IL-072109-Revised ILFs

Hi,
No insureds have chosen the 2M/4M limits at this time. I will correct the reference to page 29 and clarify the decreased limit/increased limit information and return the manual to you soon. Thank you.

Paula Battistelli
Regulatory Compliance Coordinator
Medicus Insurance Company
Direct: (512) 879-5128
Fax: (877) 686-0558
Email: pbattistelli@medicusins.com

On Aug 5, 2009, at 2:02 PM, Neuman, Gayle wrote:

> Ms. Battistelli,
>
> I am continuing the review of this filing. On page III-3 under paragraph F. 1. a., there is still a reference to page 29 (which no longer exists). Please correct.
>
> On page III-19, paragraph E. indicates "decreased" limit factors although there is a decreased limit and an increased limit. How many insureds have choosen the 2M/4M limits? Were they charged more for those limits than they were suppose to be? Please explain.
>
> Your prompt attention is appreciated.
>
> *Gayle Neuman*
> Illinois Department of Insurance
> Property & Casualty Compliance
> (217) 524-6497
>
> Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.
>
> 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.

Neuman, Gayle

From: Paula Battistelli [pbattistelli@medicusins.com]
Sent: Thursday, August 06, 2009 10:27 AM
To: Neuman, Gayle
Subject: Re: Filing #IL-072109-Revised ILFs
Attachments: IL Rate Manual 07-09.pdf; ATT36803696.htm

Ms. Neuman,
Please see the attached rate manual. I have made the changes that you requested. Thank you.

D. Locum Tenens Physician (Continued)

2. The locum tenens physician must complete an application and submit it to the Company in advance for approval prior to the requested effective date of coverage.

3. Limits will be shared between the insured physician and the physician substituting for him/her and will be endorsed onto the policy.

E. New Physician

1. A "new" physician shall be a physician who has recently completed one of the following programs and will begin a full time practice for the first time:

   a. Residency;

   b. Fellowship program in their medical specialty

   c. Fulfillment of a military obligation in remuneration for medical school tuition;

   d. Medical school or specialty training program.

2. To qualify for the credit, the applicant will be required to apply for a reduced rate within six months after the completion of any of the above programs.

3. A reduced rate will be applied in accordance with the credits shown presented in Section III-20. No other credits are to apply concurrent with this rule.

F. Physician Teaching Specialists

1. Coverage is available for faculty members of an accredited training program. The coverage will not apply to any professional services rendered in the insured's private practice.

   a. Faculty members are eligible for a reduction in the otherwise applicable physician rate for coverage valid only for teaching activities related to an accredited training program. Refer to L.5 on page 29 to determine the applicable credit.

2. Coverage is available for the private practice of a physician teaching specialist. The coverage will not apply to any aspect of the insured's teaching activities.

   a. The premium will be based upon the otherwise applicable physician rate and the average number of hours per week devoted to teaching activities.

MEDICUS™
INSURANCE COMPANY

MANUAL

SECTION I

GENERAL RULES

MANUAL PAGES FOR PROFESSIONAL LIABILITY COVERAGE FOR PHYSICIANS, SURGEONS AND NON-PHYSICIAN HEALTH CARE PROVIDERS

I. APPLICATION OF MANUAL

This manual specifies rules, rates, premiums, classifications and territories for the purpose of providing professional liability coverage to the physicians, surgeons, their professional associations and employed health care providers.

II. APPLICATION OF GENERAL RULES .

These rules apply to all sections of this manual. Any exceptions to these rules are contained in the respective section, with reference thereto.

All other rules, rates and rating plans filed on behalf of the Company and not in conflict with these pages shall continue to apply.

III. POLICY TERM

Policies will be written for a term of one year, and renewed annually thereafter, but the policy term may be extended beyond one year subject to underwriting guidelines and state limitations. Coverage may also be written for a period of time less than one year under a short term policy period.

IV. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice or activities within a single rating territory. However, should an insured practice in more than one rating territory and/or state, the following rule shall apply. If 10% or less of an insured's practice is in a higher rated territory, we use the lower rated territory. If more than 10% of an insured's practice is in a higher rated territory, we use the higher rated territory.

V. PREMIUM COMPUTATION

A. Compute the premium at policy inception using the rules, rates and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.

B. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding the final premium.

VI. FACTORS OR MULTIPLIERS

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.

VII. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual produces a result that is not a whole dollar, each rate and premium shall be adjusted as follows:

A. Any amount involving $.50 or over shall be rounded up to the next highest whole dollar amount; and

B. Any amount involving $.49 or less shall be rounded down to the next lowest whole dollar amount.

VIII. ADDITIONAL PREMIUM CHARGES

A. Prorate all changes requiring additional premium.

B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change.

IX. RETURN PREMIUM FOR MID-TERM CHANGES

A. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

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

C. Retain the Policy Minimum Premium.

X. POLICY CANCELLATIONS

A. Compute return premium pro rata using the rules, rates and rating plans in effect at the inception of this policy period when:

1. A policy is canceled at the Company's request,

2. the insured no longer has a financial and an insurable interest in the property or operation that is the subject of the insurance; or

X. POLICY CANCELLATIONS (Continued)

B. If cancellation is for any other reason than stated in A. above, compute the return premium on a standard short rate basis for the one-year period.

C. Retain the Policy Minimum Premium when the insured requests cancellation except when coverage is canceled as of the inception date.

XI. POLICY MINIMUM PREMIUM

1. The applicable minimum premium is determined by the type of health care provider shown on the appropriate Rate Pages.

2. Minimum Premiums will be combined for a policy that provides coverage for more than one type of health care provider.

XII. PREMIUM PAYMENT PLAN

The Company will offer the insured premium payment options, outlined ~~on Page 31.~~ in Section III-24.

XIII. COVERAGE

Coverage is provided on a Claims-Made basis. Coverage under the policy shall be as described in the respective Insuring Agreements. The coverages will be rated under Standard Claims-Made Rates.

XIV. BASIC LIMITS OF LIABILITY

Basic Limits of Liability shall be those shown as applicable to the respective insureds.

XV. INCREASED LIMITS OF LIABILITY

Individual Limits of Liability will be modified by Increased Limits factors as applicable for the respective insureds and used to develop the applicable premium.

XVI. PRIOR ACTS COVERAGE

The policy shall be extended to provide prior acts coverage in accordance with the applicable retroactive date(s). The retroactive date can be advanced only at the request or with the written acknowledgment of the insured, subject to underwriting.

XVII. EXTENDED REPORTING PERIOD COVERAGE

The availability of Extended Reporting Period Coverage shall be governed by the terms and conditions of the policy and the following rules:

A. The retroactive date of coverage will determine the years of prior exposure for Extended Reporting Period Coverage.

B. The Limits of Liability may not exceed those afforded under the terminating policy, unless otherwise required by statute or regulation.

XVII. EXTENDED REPORTING PERIOD COVERAGE (Continued)

C. The premium for the Extended Reporting Period Coverage shall be determined by applying the Extended Reporting Period Coverage rating factors shown ~~on Page 28~~ in Section III-10.

D. Premium is fully earned and must be paid in full within 30 days of the expiration of the policy.

E. The Reporting Period is unlimited.

F. The Insured has 30 days after the policy is terminated to purchase the extended reporting period. The Extended Reporting Endorsement must be offered regardless of the reason for the termination

XVIII. PREMIUM MODIFICATIONS

Schedule Rating

Physicians and Surgeons	+/-50
Healthcare Providers	+/-50

- END OF SECTION I-

SECTION II

MANUAL PAGES FOR CORPORATIONS, PARTNERSHIPS AND ASSOCIATIONS

I. APPLICATION OF MANUAL

A. This section provides rules, rates, premiums, classifications and territories for the purpose of providing Professional Liability for the following Health Care Entities:

1. Professional Corporations, Partnerships and Associations

B. For the purpose of these rules, an entity consists of physicians, dentists and/or allied health care providers rendering patient care who:

1. Are comprised of 2 or more physicians;

2. Are organized as a legal entity;

3. Maintain common facilities (including multiple locations) and support personnel; and

4. Maintain medical/dental records of patients of the group as a historical record of patient care.

II. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for Professional Liability Coverage under this program shall be as follows, unless otherwise modified by statute:

A. Claims-Made Coverage

$1,000,000 Per Claim
$3,000,000 Aggregate

III. PREMIUM COMPUTATION

A. The premium for professional corporations, partnerships and associations, limited liability companies, or other entity may be written with a separate limit of liability and shall be computed in the following manner:

The premium charge will be a percentage (selected from the table below) of the sum of each member physician's net individual premium. In order for the entity to be eligible for coverage, the Company must insure all member physicians or at least 60% of the physician members must be insured by the Company, and the remaining physicians must be insured by another professional liability program acceptable to the company.

III. PREMIUM COMPUTATION (Continued)

Number of Insureds	Percent
1	25%
2-5	12%
6-9	10%
10-19	9%
20-49	7%
50 or more	5%

B. Vicarious Liability Charge

For each member physician not individually insured by the Company, a premium charge will be made up to 30% of the appropriate specialty rate if the Company agrees to provide such vicarious liability coverage.

IV. CLASSIFICATIONS

A. Corporations, Partnerships and Associations

1. As defined by state statutes and formed for the purpose of rendering specified medical/dental professional services.

2. Not otherwise identified as a Miscellaneous Entity.

B. Miscellaneous Entities

1. As defined by state statutes and formed for the purpose of rendering specified medical/dental professional services.

2. Including the following types of entities:

   a. Urgent Care Center
   b. Surgi Center
   c. MRI Center
   d. Renal Dialysis Center
   e. Peritoneal Dialysis Center

V. PREMIUM MODIFICATIONS

The following premium modifications are applicable to all filed programs.

A. Schedule Rating

The Company shall utilize a schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of the Company, uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with a maximum modification indicated under D1 on this page, and may be applied to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this schedule-rating plan are subject to periodic review. The modification shall be based on one or more of the specific considerations identified in on Page 30.

B. Manual Rates

1. Corporations, Partnerships & Associations Rating Factors

As referenced in III ~~on Pages 5 and 6~~ in section II-2:

See Table ~~on Page 6~~ in Section II-2. Separate Corporate Limits

0% - Shared Corporate Limits

2. Miscellaneous Entities

Not eligible under this Filing.

C. Policy Writing Minimum Premium

The applicable minimum premium is based upon the policy issued to the physicians and surgeons. Only one minimum premium applies of $500.

D. Premium Modifications

1. Schedule Rating—Partnerships & Corporations

Physician & Surgeons	+/- 50%
Health Care Providers	+/-50%

2. Self-Insured Retention Credits - See Section III.V.B

- END OF SECTION II-

MANUAL PAGES FOR PROFESSIONAL LIABILITY COVERAGE FOR PHYSICIANS, SURGEONS, AND NON-PHYSICIAN HEALTHCARE PROVIDERS

I. APPLICATION OF MANUAL

This section provides rules, rates, premiums, classifications and territories for the purpose of providing Professional Liability for Physicians/Surgeons and employed or associated non-physician health care providers.

II. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for Professional Liability Coverage under this program shall be as follows, unless otherwise modified by statute:

Claims-Made Coverage

$1,000,000 Per Claim

$3,000,000 Aggregate

III. PREMIUM COMPUTATION

The premium shall be computed by applying the rate per physician, surgeon or non-physician health care provider shown ~~on Page 28 in Section III-17 to Section III-20~~, in accordance with each individual's medical classification and class plan designation.

IV. CLASSIFICATIONS

A. Physicians/Surgeons and Non Physician Health Care Providers

1. Each medical practitioner is assigned a Rate Class according to his/her specialty. When more than one classification is applicable, the highest rate classification shall apply.

2. The Rate Classes are found ~~on Pages 17-21 of~~ in Section III-10 through Section III-15 of this Manual.

B. Part Time Physicians

1. A physician who is determined to be working 20 hours or less a week may be considered a part time practitioner and may be eligible for a reduction in the otherwise applicable rate for that specialty. The criteria and commensurate credit for a part time practitioner are identified in Section III of this Manual.

2. A Part Time Practitioner may include any practitioner in classes 1 through 8 only, except for Anesthesia and Emergency Medicine as identified in the class

plan. The hours reported to the Company for rating purposes are subject to audit, at the Company's discretion.

3. The part time credit is not applied to the Extended Reporting Period Coverage.

4. No other credits are to apply concurrent with this rule.

C. Physicians in Training

1. Following graduation from medical school, a physician may elect to enter additional training periods. For rating purposes, they are defined as follows:

   a. First Year Resident (or Intern) - 1 year period immediately following graduation. During this period a physician may or may not be licensed, depending upon state requirements.

   b. Resident - various lengths of time depending upon medical specialty; 3 years average. Following first year residency, generally licensed M.D. Upon completion of residency program, physician becomes board eligible.

   c. Fellow - Follows completion of residency and is a higher level of training.

2. Coverage is available for activities directly related to a physician's training program. The coverage will not apply to any professional services rendered after the training is complete.

   a. Interns, Residents and Fellows are eligible for a reduction in the otherwise applicable physician rate for coverage valid only for activities directly related to an accredited training program. The applicable credit is stated presented ~~on Page 29~~ in Section III-20.

3. The credit is not applied to the Extended Reporting Period Coverage.

4. No other credits are to apply concurrent with this rule.

D. Locum Tenens Physician

1. Coverage for a physician substituting for an insured physician will be limited to cover only professional services rendered on behalf of the insured physician for the specified time period. Locum Tenens will share in the insured physician's Limit of Liability. No additional charge will apply for this coverage.

D. Locum Tenens Physician (Continued)

2. The locum tenens physician must complete an application and submit it to the Company in advance for approval prior to the requested effective date of coverage.

3. Limits will be shared between the insured physician and the physician substituting for him/her and will be endorsed onto the policy.

E. New Physician

1. A "new" physician shall be a physician who has recently completed one of the following programs and will begin a full time practice for the first time:

   a. Residency;

   b. Fellowship program in their medical specialty

   c. Fulfillment of a military obligation in remuneration for medical school tuition;

   d. Medical school or specialty training program.

2. To qualify for the credit, the applicant will be required to apply for a reduced rate within six months after the completion of any of the above programs.

3. A reduced rate will be applied in accordance with the credits shown presented ~~on Page 29~~ in Section III-20. No other credits are to apply concurrent with this rule.

F. Physician Teaching Specialists

1. Coverage is available for faculty members of an accredited training program. The coverage will not apply to any professional services rendered in the insured's private practice.

   a. Faculty members are eligible for a reduction in the otherwise applicable physician rate for coverage valid only for teaching activities related to an accredited training program. Refer to L.5 on page 29 to determine the applicable credit.

2. Coverage is available for the private practice of a physician teaching specialist. The coverage will not apply to any aspect of the insured's teaching activities.

   a. The premium will be based upon the otherwise applicable physician rate and the average number of hours per week devoted to teaching activities.

b. The hours reported to the Company for rating purposes are subject to audit, at the Company's discretion.

c. No other credits are to apply concurrent with this rule.

d. The applicable percentages are presented on presented ~~on Page 29~~ in Section III-20.

G. Physician's Leave of Absence

1. A physician who becomes disabled from the practice of medicine, or is on leave of absence for a continuous period of 45 days or more, may be eligible for restricted coverage at a reduction to the applicable rate for the period of disability or leave of absence.

2. This will apply retroactively to the first day of disability or leave of absence.

3. Leave of absence may include time to enhance the medical practitioner's education, but does not include vacation time, and the insured is only eligible for one application of this credit for an annual policy period.

4. The credit to be applied to the applicable rate is presented ~~on Page 29~~ in Section III-20.

V. PREMIUM MODIFICATIONS

The following premium modifications are applicable to all filed programs.

A. Schedule Rating

The Company shall utilize a schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of the Company, uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with a maximum modification indicated ~~on Page 30~~ in Section III-22, and may be applied to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this schedule rating plan are subject to periodic review. The modification shall be based on one or more of the specific considerations identified ~~on Page 30~~ in Section III-22.

B. Risk Management

1% credit will apply for each Company approved CME hour of risk management completed, up to a maximum of 5% credit per year, or attendance at a Company approved seminar.

C. Deductible Credits

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

1. Individual Deductibles

Premium discounts for optional deductibles will be applied, per the table below, to the rate for the applicable primary limit:

INDEMNITY ONLY DEDUCTIBLE PER CLAIM		INDEMNITY AND ALAE DEDUCTIBLE PER CLAIM	
$5,000	2.5%	$5,000	6.5%
$10,000	4.5%	$10,000	11.5%
$15,000	6.0%	$15,000	15.0%
$20,000	8.0%	$20,000	17.5%
$25,000	9.0%	$25,000	20.0%
$50,000	15.0%	$50,000	30.5%
$100,000	25.0%	$100,000	40.0%
$200,000	37.5%	$200,000	55.0%
$250,000	42.0%	$250,000	58.0%

The following Individual Deductibles are available on a Per Claim/Aggregate Basis. Premium discounts for optional deductibles will be applied, per the table below, to the rate for the applicable primary limit:

Indemnity Only Per Claim/Aggregate		Indemnity & ALAE Per Claim/Aggregate	
$5000/15,000	2.0%	$5000/15,000	5.5%
$10,000/30,000	4.0%	$10,000/30,000	10.5%
$25,000/75,000	8.5%	$25,000/75,000	19.0%
$50,000/150,000	14.0%	$50,000/150,000	29.5%
$100,000/300,000	24.0%	$100,000/300,000	43.0%
$200,000/600,000	36.0%	$200,000/600,000	53.5%
$250,000/750,000	40.0%	$250,000/750,000	56.5%

2. Group Deductibles

An optional deductible, which limits the amount the entire group will have to pay, if multiple claims are made in a policy year, is available. Under this program, the per claim deductible continues to apply separately to each insured involved in a suit. However, the aggregate deductible applies to all insureds in the group combined thereby reducing the organization's maximum potential liability in a policy year. When the organization is insured with a separate limit of coverage, the organization is counted when totaling the number of insureds below. Group deductible amounts apply to primary premium up to $1M/3M only. The applicable Deductible Discount will not change during the policy term despite changes in the number of insureds, but will be limited by any applicable maximum credit amount.

Indemnity Deductible Per Claim/Aggregate	Number of Insureds				Maximum Credit
($000)	2-19	20-40	41-60	61-100	
5/15	.020	.018	.015	.012	$10,500
10/30	.038	.035	.030	.024	21,000
25/75	.084	.079	.070	.058	52,500
50/150	.145	.139	.127	.109	105,000
100/300	.234	.228	.216	.196	120,000
200/600	.348	.346	.338	.321	420,000
250/75 0	.385	.385	.381	.368	525,000

C. Deductible Credits (Continued)

The following Group Deductibles are available for Indemnity & ALAE.

Indemnity & ALAE Deductible Per Claim/Aggregate	Number of Insureds				Maximum Credit
($000)	2-19	20-40	41-60	61-100	
5/15	.029	.026	.021	.017	$12,750
10/30	.068	.063	.054	.043	25,500
25/75	.119	.112	.099	.082	63,750
50/150	.186	.179	.163	.140	127,500
100/300	.258	.252	.239	.216	255,000
200/600	.396	.394	.385	.366	510,000
250/75 0	.467	.467	.462	.446	637,500

D. Experience Rating

This plan applies to physicians and surgeons medical professional liability risks contained in medical groups. As used in this plan, the term "risk" means the exposures of medical groups which have common management, a common and mutually agreed risk management program or a financial relationship among all members which encourages high levels of quality control and a reduction in liability claims.

On an optional basis, large risks with sufficiently credible loss experience may be loss-rated to develop an appropriate premium. To be eligible for loss rating, a group must have at least for the latest 10-year period and at least $100,000 in estimated annual premium.

The experience period will be the latest completed 10 years. If 10 years are not available, consideration will be given to at least 5 complete years.

Losses are developed to ultimate and trended to cost levels for the proposed policy year. Losses will be capped at $250,000 per loss.

The experience period does not include the 12-month period immediately prior to the effective date of the experience modification.

The experience rating modification is calculated using the following formula:

$$\text{Credibility} \times \frac{\text{Adjusted Actual Loss Ratio} - \text{Adjusted Expected Loss Ratio}}{\text{Adjusted Expected Loss Ratio}} = \text{Experience Mod.}$$

D. Experience Rating (Continued)

Since the experience rating plan is applied on an individual risk basis, the final impact of these changes varies by individual medical group based on risk size and loss experience by year. As a result, the anticipated overall rate impact due to the changes in the experience rating plan is indeterminable. However, the primary purpose of this plan and the revisions is to more accurately distribute the cost of insurance among eligible insureds.

E. Claim Free Credit Program

If no claim has been attributed to an Insured, the Insured will be eligible for a premium credit, based upon the number of years the Insured has been claim free. A schedule is provided ~~on Page 29 under M.~~in Section III-20.

F. Individual Risk Rating

A risk may be individually rated by submitting a filing to the Illinois Department of Insurance, in accordance with Section 155.18(b)(4) of the Illinois Insurance Code. The code allows us to modify classification rates to produce rates for individual risks. Modifications of classifications of risks may be based upon size, expense, management, individual experience, location or dispersion of exposure, and shall apply to all risks under the same or substantially the same circumstances or conditions. We must list the standards by which variations in hazards or expense provisions are measured, in order to determine that a specific risk is so different in hazard/expense that it warrants individual rating.

VI. MODIFIED PREMIUM COMPUTATION

A. Slot Rating

1. Coverage for group practices is available, at the Company's discretion, on a slot basis rather than on an individual physician basis. The slot endorsement will identify the individuals and practice settings that are covered. Coverage will be provided on a shared limit basis for those insureds moving through the slot or position.

2. The applicable manual rate will be determined by the classification of the slot. Policies rated as a Standard Claims Made policy will utilize the retroactive date of the slot. Extended Reporting Period Coverage may be purchased for the slot based on the applicable retroactive date, classification and limits.

3. Premium modifications for new physician, part time, moonlighting, teaching, risk management or loss free credit may not be used in conjunction with this rating rule, unless approved by the Underwriting Vice President.

B. Requirements for Waiver of Premium for Extended Reporting Period Coverage.

1. Upon termination of coverage under this policy by reason of death, the deceased's unearned premium for this coverage will be returned and Extended Reporting Period Coverage will be granted for no additional charge, subject to policy provisions.

2. Upon termination of coverage under this policy by reason of total disability from the practice of medicine or at or after age 55, permanent retirement by the insured after five consecutive claims made years with the Company, Extended Reporting Period Coverage will be granted for no additional charge subject to policy provisions.

3. The Reporting Period is unlimited.

C. Blending Rates

A blended rate may be computed when a physician discontinues, reduces or increases his specialty or classification, and now practices in a different specialty or classification. For example, if an OB/GYN discontinues obstetrics, but continues to practice gynecology, his new blended rate will be the sum of the indicated OB/GYN and GYN rates, each weighted, at inception of the change, by 75% and 25%, respectively. The second and third year weights will be modified by 25%, descending and ascending respectively, until the full GYN rate is achieved at the start of the fourth year.

D. Per Patient Visit Rating

1. Standard Claims Made coverage for group practices is available, at the Company's option, on a per patient visit basis rather than on an individual physician basis. Coverage is provided on a shared or individual physician limit basis.

2. The number of patient visits equivalent to a physician year is 2500 hours times the applicable rate of visits per hour. The rate of visits per hour is derived from the group's historical experience, subject to a minimum rate of 1 visit per hour and a maximum rate of 3 visits per hour.

3. The applicable medical specialty rate is divided by the equivalent patient visits resulting in the patient visit rate to be applied to the visits projected for the policy period. The product of the patient visit rate and the projected visits results in the indicated manual premium.

4. The annual visits reported to the Company for rating purposes are subject to audit, at the Company's discretion.

5. Premium modifications for new physician, part time, teaching, risk management or claim free credit cannot be used in conjunction with this rating rule.

VII. PREMIUM COMPUTATION DETAILS

A. Classifications

1. Applicable to Standard Claims-Made Programs.

2. The following classification plan shall be used to determine the appropriate rating class for each individual insured.

PHYSICIANS & SURGEONS

CLASS 1

Allergy/Immunology
Forensic Medicine
Occupational Medicine
Otorhinolaryngology-NMRP, NS
Physical Med. & Rehab.

Public Health & Preventative Med
Other, Specialty NOC

CLASS 2

Dermatology
Endocrinology
Geriatrics
Ophthalmology-NS
Pathology
Podiatry, No Surgery
Psychiatry
Rheumatology
Other, Specialty NOC

CLASS 3

Pediatrics-NMRP
Other, Specialty NOC

CLASS 4

Diabetes
Family Practice-NMRP, NS
General Practice-NMRP, NS
General Surgery-NMRP

Hematology
Industrial Medicine
Neurosurgery-NMRP, NMajS
Nuclear Medicine
Oncology
Ophthalmic Surgery
Oral/Maxillofacial Surgery
Orthopaedics-NMRP, NS
Radiation Oncology
Thoracic Surgery-NMRP, NS
Other, Specialty NOC

CLASS 5

Cardiovascular Disease-NMRP, NS
Infectious Disease
Nephrology-NMRP
Other, Specialty NOC

CLASS 6

Gynecology-NMRP, NS
Internal Medicine-NMRP
Certified Registered Nurse Anesthetist
Other, Specialty NOC

CLASS 7

Anesthesiology
Nephrology-MRP
Podiatry, Surgery
Pulmonary Diseases
Radiology-NMRP
Other, Specialty NOC

CLASS 8

Cardiac Surgery-MRP, NMajS
Cardiovascular Disease-Spec. MRP
Gastroenterology
General Surgery-MRP, NMajS

Hand Surgery-MRP, NMajS
Internal Medicine-MRP
Neurology
Orthopaedics-MRP, NMajS

Otorhinolaryngology-MRP, NMajS
Pediatrics-MRP
Radiology-MRP
Urology-MRP, NMajS
Vascular Surgery-MRP, NMajS
Other, Specialty NOC

CLASS 9

Family Practice-MRP, NMajS
General Practice-MRP, NMajS
Other, Specialty NOC

CLASS 10

Neurosurgery-MRP, NMajS
Urological Surgery
Other, Specialty NOC

CLASS 11

Cardiovascular Disease-MRP
Colon Surgery
Emergency Medicine-NMajS, prim
Gynecology/Obstetrics-MRP, Nmaj
Otorhinolaryngology; No Elective
Plastic
Radiology-MajRP
Other, Specialty NOC

CLASS 12

Emergency Medicine-MajS
Family Practice-not primarily MajS
General Practice-NMajS, prim
Gynecological Surgery

Hand Surgery
Head/Neck Surgery

Otorhinolaryngology; Head/Neck
Other, Specialty NOC

CLASS 13

General Surgery
Other, Specialty NOC

CLASS 14

Neonatology
Otorhinolaryngology; Other Than Head/Neck
Plastic Surgery
Other, Specialty NOC

CLASS 15

Orthopaedic Surgery s/o Spine
Other, Specialty NOC

CLASS 16

Cardiac Surgery
Thoracic Surgery
Vascular Surgery
Other, Specialty NOC

CLASS 17

Obstetrical/Gynecological Surgery
Other, Specialty NOC

CLASS 18

Neurosurgery-No Intracranial Surgery
Orthopaedic Surgery wSpine
Other, Specialty NOC

CLASS 19

Neurosurgery
Other, Specialty NOC

MEDICAL PROCEDURE DEFINITIONS

NMRP: NOMINAL MINOR RISK PROCEDURE

NS: NO SURGERY

NOC: NOT OTHERWISE CLASSIFIED

NMAJS: NO MAJOR SURGERY

MRP: MINOR RISK PROCEDURES

MAJRP: MAJOR RISK PROCEDURES

NON PHYSICIAN HEALTH CARE PROVIDERS

Class X

Fellow, Intern, Optician, Resident, Social Worker

Class Y

Optometrist, Physical Therapist, X-Ray and Lab Technicians

Class Z

Nurse Practitioner – Family Medicine, Gynecology, No Obstetrics, Emergency Medicine, Urgent Care

Physician Assistant – Family Medicine, Gynecology, No Obstetrics, Emergency Medicine, Urgent Care

Psychologist – Class 1

Certified Registered Nurse Anesthetist
Shared Limits – 20% times Anesthesiologist rate
Separate Limits – 25% times Anesthesiologist rate

Certified Nurse Midwife – No complicated OB or surgery
Shared Limits – Not available
Separate Limits – 50% of OB/GYN rate

B. Territory Definitions

TERRITORY 1 COUNTIES

Cook, Jackson, Madison, St. Clair and Will

TERRITORY 2 COUNTIES

Lake, Vermillion

TERRITORY 3 COUNTIES

Kane, McHenry, Winnebago

TERRITORY 4 COUNTIES

DuPage, Kankakee, Macon

TERRITORY 5 COUNTIES

Bureau, Champaign, Coles, DeKalb, Effingham, LaSalle, Ogle, Randolph

TERRITORY 6 COUNTIES

Grundy, Sangamon

TERRITORY 7 COUNTIES

Peoria

TERRITORY 8 COUNTIES

Remainder of State

C. Standard Claims Made Program Step Factors

First Year:	25%
Second Year:	50%
Third Year:	78%
Fourth Year:	90%
Fifth Year (Mature):	100%

Mature Rates for Physicians and Surgeons (Claims-made):

$1,000,000 / 3,000,000

Class	Medical Specialty	Terr 1	Terr 2	Terr 3	Terr 4	Terr 5	Terr 6	Terr 7	Terr 8
1	Allergy/Immunology	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Forensic Medicine	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Occupational Medicine	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Otorhinolaryngology-NMRP, NS	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Physical Med. & Rehab.	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Public Health & Preventative Med	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Other, Specialty NOC	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
2	Dermatology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Endocrinology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Geriatrics	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Ophthalmology-NS	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Pathology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Podiatry, No Surgery	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Psychiatry	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Rheumatology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Other, Specialty NOC	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
3	Pediatrics-NMRP	22,579	20,473	19,422	17,316	16,261	14,155	10,998	12,049
3	Other, Specialty NOC	22,579	20,473	19,422	17,316	16,261	14,155	10,998	12,049
4	Diabetes	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Family Practice-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	General Practice-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	General Surgery-NMRP	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Hematology	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Industrial Medicine	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Neurosurgery-NMRP, NMajS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Nuclear Medicine	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Oncology	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Ophthalmic Surgery	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Oral/Maxillofacial Surgery	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Orthopaedics-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Radiation Oncology	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Thoracic Surgery-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Other, Specialty NOC	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289

5	Cardiovascular Disease-NMRP, NS	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
5	Infectious Disease	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
5	Nephrology-NMRP	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
5	Other, Specialty NOC	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
6	Gynecology-NMRP, NS	33,919	30,679	29,059	25,819	24,199	20,959	16,099	17,719
6	Internal Medicine-NMRP	33,919	30,679	29,059	25,819	24,199	20,959	16,099	17,719
6	Other, Specialty NOC	33,919	30,679	29,059	25,819	24,199	20,959	16,099	17,719
7	Anesthesiology	37,159	33,595	31,813	28,231	26,467	22,903	17,557	19,339
7	Nephrology-MRP	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Podiatry, Surgery	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Pulmonary Diseases	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Radiology-NMRP	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Other, Specialty NOC	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
8	Cardiac Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Cardiovascular Disease-Spec. MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Gastroenterology	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	General Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Hand Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Internal Medicine-MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Neurology	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Orthopaedics-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Otorhinolaryngology-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Pediatrics-MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Radiology-MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Urology-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Vascular Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Other, Specialty NOC	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
9	Family Practice-MRP, NMajS	45,259	40,885	38,696	34,322	32,137	27,763	21,204	23,389
9	General Practice-MRP, NMajS	45,259	40,885	38,696	34,322	32,137	27,763	21,204	23,389
9	Other, Specialty NOC	45,259	40,885	38,696	34,322	32,137	27,763	21,204	23,389
10	Neurosurgery-MRP, NMajS	48,499	43,801	41,450	36,752	34,405	29,707	22,662	25,009
10	Urological Surgery	48,499	43,801	41,450	36,752	34,405	29,707	22,662	25,009
10	Other, Specialty NOC	48,499	43,801	41,450	36,752	34,405	29,707	22,662	25,009

11	Cardiovascular Disease-MRP	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Colon Surgery	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Emergency Medicine-NMajS, prim	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Gynecology/Obstetrics-MRP, Nmaj	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Otorhinolaryngology; No Elective Plastic	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Radiology-MajRP	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Other, Specialty NOC	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
12	Emergency Medicine-MajS	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Family Practice-not primarily MajS	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	General Practice-NMajS, prim	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Gynecological Surgery	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Hand Surgery	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Head/Neck Surgery	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Otorhinolaryngology; Head/Neck	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Other, Specialty NOC	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
13	General Surgery	88,999	80,251	75,877	67,129	62,755	54,007	40,885	45,259
13	Other, Specialty NOC	88,999	80,251	75,877	67,129	62,755	54,007	40,885	45,259
14	Neonatology	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
14	Otorhinolaryngology; Other Than Head/Neck	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
14	Plastic Surgery	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
14	Other, Specialty NOC	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
15	Orthopaedic Surgery s/o Spine	101,956	91,915	86,893	76,849	71,827	61,783	46,717	51,739
15	Other, Specialty NOC	101,956	91,915	86,893	76,849	71,827	61,783	46,717	51,739
16	Cardiac Surgery	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
16	Thoracic Surgery	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
16	Vascular Surgery	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
16	Other, Specialty NOC	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
17	Obstetrical/Gynecological Surgery	124,636	112,324	106,168	93,856	87,703	75,391	56,923	63,079
17	Other, Specialty NOC	124,636	112,324	106,168	93,856	87,703	75,391	56,923	63,079

18	Neurosurgery-No Intracranial Surgery	134,356	121,072	114,430	101,146	94,504	81,223	61,297	67,939
18	Orthopaedic Surgery wSpine	134,356	121,072	114,430	101,146	94,504	81,223	61,297	67,939
18	Other, Specialty NOC	134,356	121,072	114,430	101,146	94,504	81,223	61,297	67,939
19	Neurosurgery	205,636	185,224	175,018	154,606	135,400	123,988	93,373	103,576
19	Other, Specialty NOC	205,636	185,224	175,018	154,606	135,400	123,988	93,373	103,576

D. Mature Rates for non Physician Health Care Providers

Class X equals 0% of the Class 1 Physician/Surgeon rate, for shared limits; 10% of Class 4 rate for separate limits.

Class Y equals 0% of the Class 1 Physician/Surgeon rate, for shared limits; 15% of the Class 4 rate for separate limits.

Class Z equals 10% of the Class 1 Physician/Surgeon rate for shared limits; 25% of Class 1 Physician/Surgeon rate for separate limits.

Note any non-Physician Health Care Providers in Classes X, Y, or Z with exposure in the Emergency Room will require the referenced factor times the Class 11 rate.

E. Decreased Limit Factors:

Limits		
	Physicians	Surgeons
500/1.0	.719	.719
1M/3M	1.0	1.0
2M/4M	~~1.55~~ 1.41	~~1.76~~ 1.63

F. Extended Reporting Period Coverage Factors:

(1) The following represents the tail factors to be applied to the annual expiring discounted premium in the event a policyholder desires to obtain a Reporting Endorsement upon termination or cancellation of the policy:

Year	Factor
1st	3.30
2nd	3.15

F. Extended Reporting Period Coverage Factors (Continued):

Year	Factor
3rd	2.40
4th	2.00

(2) For First Year Claims Made step, the corresponding factor above is applied pro-rata. For Second Year and all years of maturity, the corresponding factor above is applied to the expiring premium.

(3) The Reporting Period is unlimited

G. Shared Limits Modification:

Not available.

H. Policy Writing Minimum Premium:

Physicians & Surgeons - $500.

I. Policy Writing Minimum Premium:

Non-Physician Healthcare Providers - $500

J. Separate Limits for Non-Physician and Surgeon Healthcare Providers Modification:

Class X: 20% of Class 1
Class Y: 25% of Class 1
Class Z: 35% of Class 1

K. Premium Modifications

For individual physicians and surgeons:

1. Part Time Physicians & Surgeons – 30%
2. Physicians in Training – 1st Year Resident 50%; Resident 40%; Fellow 30%.
3. Locum Tenens – no premium, subject to prior underwriting approval
4. New Physicians & Surgeons – 30% for the first two years of practice
5. Physician Teaching Specialists – Non-surgical 50%; Surgical 40%.
6. Physician's Leave of Absence – full suspension of insurance and premium for up to one year, subject to underwriting approval

L. Claim Free Credit Program

If no claim has been attributed to an Insured, the Insured will be eligible for a premium credit based on the following schedule:

(i) If claim free for 3 years but less than 5 years, a 5% credit shall be applied at the policy inception date. [indented over]

(ii) If claim free for 5 years but less than 8 years, a 10% credit shall be applied at the policy inception date.

(iii) If claim free for 8 years but less than 10 years, a 15% credit shall be applied at the policy inception date.

(iv) If claim free for 10 years or more, a credit of 20% shall be applied at the policy inception date.

A claim under this policy shall not, for the purpose of this premium credit program, be construed to include instances of mistaken identity, blanket defendant listings, improper inclusion, or non-meritorious or frivolous claims.

M. Schedule Rating (not to be used in conjunction with Loss Rating)

1. Historical Loss Experience +/- 25%	The frequency or severity of claims for the insured(s) is greater/less than the expected experience for an insured(s) of the same classification/size or recognition of unusual circumstances of claims in the loss experience.
2. Cumulative Years of Patient Experience. +/- 10%	The insured(s) demonstrates a stable, longstanding practice and/or significant degree of experience in their current area of medicine.
3. Classification Anomalies. +/-_ 25%	Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.
4. Claim Anomalies +/- 25%	Economic, societal or jurisdictional changes or trends that will influence the frequency or severity of claims, or the unusual circumstances of a claim(s) which understate/overstate the severity of the claim(s).
5. Management Control Procedures. +/- 10%	Specific operational activities undertaken by the insured to reduce the frequency and/or severity of claims.
6. Number /Type of Patient Exposures. +/- 10%	Size and/or demographics of the patient population which influences the frequency and/or severity of claims.
7. Organizational Size / Structure. +/- 10%	The organization's size and processes are such that economies of scale are achieved while servicing the insured.
g. Medical Standards, Quality & Claim Review. +/- 10%	Presence of (1) committees that meet on a routine basis to review medical procedures, treatments, and protocols and then assist in the integration of such into the practice, (2) Committees mat meet to assure the quality of the health care services being rendered and/or (3) Committees to provide consistent review of claims/incidents that have occurred and to develop corrective action.
9. Other Risk Management Practices and Procedures. +/- 10%	Additional activities undertaken with the specific intention of reducing the frequency or severity of claims.
10. Training, Accreditation & Credentialing. +/- 10%	The insured(s) exhibits greater/less than normal participation and support of such activities.
11. Record - Keeping Practices. +/- 10%	Degree to which insured incorporates methods to maintain quality patient records, referrals, and test results.
12. Utilization of Monitoring Equipment, Diagnostic Tests or Procedures +/- 10%	Demonstrating the willingness to expend the time and capital to incorporate the latest advances in medical treatments and equipment into the practice, or failure to meet accepted standards of care.

Maximum Modification	+ / - 50%

N. Deductible Credits

See V.C ~~on Page 12.~~ Section III-4.

O. Experience Rating

See V.D ~~on Page 14.~~ in Section III-7.

P. Slot Rating for groups, subject to Underwriting

See VI.A ~~on Page 15.~~ in Section III-8.

Q. Mandatory Quarterly Payment Option.

For medical liability insureds whose annual premiums total $500 or more, the plan must allow the option of quarterly payments.

(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 the lesser of 1% of the total premium or $25, whichever is less; and

(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.

Non-Mandatory Quarterly Payment Option.

(vi) For medical liability insureds whose annual premiums are less than $500, insurers may, but are not required to, offer quarterly installment , premium payment plans.

(vii) For insureds who pay a premium for any extension of a reporting period, insurers may, but are not required to, offer quarterly installment, premium payment plans.

(viii) If an insurer offers any quarterly payments under this sub-section, (g) Non-Mandatory Quarterly Payment Options, they must be offered to all medical liability insureds.

Quarterly installment premium payment plans subject to (R) above shall be included in the initial offer of the policy, or in the first policy renewal. Thereafter, the insurer may, but need not, re-offer the payment plan, but if an insured requests the payment plan at a later date, the insurer must make it available.

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MANUAL

SECTION I

GENERAL RULES

MANUAL PAGES FOR PROFESSIONAL LIABILITY COVERAGE FOR PHYSICIANS, SURGEONS AND NON-PHYSICIAN HEALTH CARE PROVIDERS

I. APPLICATION OF MANUAL

This manual specifies rules, rates, premiums, classifications and territories for the purpose of providing professional liability coverage to the physicians, surgeons, their professional associations and employed health care providers.

II. APPLICATION OF GENERAL RULES

These rules apply to all sections of this manual. Any exceptions to these rules are contained in the respective section, with reference thereto.

All other rules, rates and rating plans filed on behalf of the Company and not in conflict with these pages shall continue to apply.

III. POLICY TERM

Policies will be written for a term of one year, and renewed annually thereafter, but the policy term may be extended beyond one year subject to underwriting guidelines and state limitations. Coverage may also be written for a period of time less than one year under a short term policy period.

IV. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice or activities within a single rating territory. However, should an insured practice in more than one rating territory and/or state, the following rule shall apply. If 10% or less of an insured's practice is in a higher rated territory, we use the lower rated territory. If more than 10% of an insured's practice is in a higher rated territory, we use the higher rated territory.

V. PREMIUM COMPUTATION

A. Compute the premium at policy inception using the rules, rates and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.

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V. PREMIUM COMPUTATION (Continued)

B. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at each step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding the final premium.

VI. FACTORS OR MULTIPLIERS

Wherever applicable, factors or multipliers are to be applied consecutively and not added together.

VII. WHOLE DOLLAR RULE

In the event the application of any rating procedure applicable in accordance with this manual produces a result that is not a whole dollar, each rate and premium shall be adjusted as follows:

A. Any amount involving $.50 or over shall be rounded up to the next highest whole dollar amount; and

B. Any amount involving $.49 or less shall be rounded down to the next lowest whole dollar amount.

VIII. ADDITIONAL PREMIUM CHARGES

A. Prorate all changes requiring additional premium.

B. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change.

IX. RETURN PREMIUM FOR MID-TERM CHANGES

A. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.

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

C. Retain the Policy Minimum Premium.

X. POLICY CANCELLATIONS

A. Compute return premium pro rata using the rules, rates and rating plans in effect at the inception of this policy period when:

1. A policy is canceled at the Company's request,

2. the insured no longer has a financial and an insurable interest in the property or operation that is the subject of the insurance; or

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X. POLICY CANCELLATIONS (Continued)

B. If cancellation is for any other reason than stated in A. above, compute the return premium on a standard short rate basis for the one-year period.

C. Retain the Policy Minimum Premium when the insured requests cancellation except when coverage is canceled as of the inception date.

XI. POLICY MINIMUM PREMIUM

1. The applicable minimum premium is determined by the type of health care provider shown on the appropriate Rate Pages.

2. Minimum Premiums will be combined for a policy that provides coverage for more than one type of health care provider.

XII. PREMIUM PAYMENT PLAN

The Company will offer the insured premium payment options, outlined in Section III-24.

XIII. COVERAGE

Coverage is provided on a Claims-Made basis. Coverage under the policy shall be as described in the respective Insuring Agreements. The coverages will be rated under Standard Claims-Made Rates.

XIV. BASIC LIMITS OF LIABILITY

Basic Limits of Liability shall be those shown as applicable to the respective insureds.

XV. INCREASED LIMITS OF LIABILITY

Individual Limits of Liability will be modified by Increased Limits factors as applicable for the respective insureds and used to develop the applicable premium.

XVI. PRIOR ACTS COVERAGE

The policy shall be extended to provide prior acts coverage in accordance with the applicable retroactive date(s). The retroactive date can be advanced only at the request or with the written acknowledgment of the insured, subject to underwriting.

XVII. EXTENDED REPORTING PERIOD COVERAGE

The availability of Extended Reporting Period Coverage shall be governed by the terms and conditions of the policy and the following rules:

A. The retroactive date of coverage will determine the years of prior exposure for Extended Reporting Period Coverage.

B. The Limits of Liability may not exceed those afforded under the terminating policy, unless otherwise required by statute or regulation.

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XVII. EXTENDED REPORTING PERIOD COVERAGE (Continued)

C. The premium for the Extended Reporting Period Coverage shall be determined by applying the Extended Reporting Period Coverage rating factors shown in Section III-10.

D. Premium is fully earned and must be paid in full within 30 days of the expiration of the policy.

E. The Reporting Period is unlimited.

F. The Insured has 30 days after the policy is terminated to purchase the extended reporting period. The Extended Reporting Endorsement must be offered regardless of the reason for the termination

XVIII. PREMIUM MODIFICATIONS

Schedule Rating

Physicians and Surgeons	+/-50
Healthcare Providers	+/-50

- END OF SECTION I-

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SECTION II

MANUAL PAGES FOR CORPORATIONS, PARTNERSHIPS AND ASSOCIATIONS

I. APPLICATION OF MANUAL

A. This section provides rules, rates, premiums, classifications and territories for the purpose of providing Professional Liability for the following Health Care Entities:

1. Professional Corporations, Partnerships and Associations

B. For the purpose of these rules, an entity consists of physicians, dentists and/or allied health care providers rendering patient care who:

1. Are comprised of 2 or more physicians;

2. Are organized as a legal entity;

3. Maintain common facilities (including multiple locations) and support personnel; and

4. Maintain medical/dental records of patients of the group as a historical record of patient care.

II. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for Professional Liability Coverage under this program shall be as follows, unless otherwise modified by statute:

A. Claims-Made Coverage

$1,000,000 Per Claim
$3,000,000 Aggregate

III. PREMIUM COMPUTATION

A. The premium for professional corporations, partnerships and associations, limited liability companies, or other entity may be written with a separate limit of liability and shall be computed in the following manner:

The premium charge will be a percentage (selected from the table below) of the sum of each member physician's net individual premium. In order for the entity to be eligible for coverage, the Company must insure all member physicians or at least 60% of the physician members must be insured by the Company, and the remaining physicians must be insured by another professional liability program acceptable to the company.

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III. PREMIUM COMPUTATION (Continued)

Number of Insureds	Percent
1	25%
2-5	12%
6-9	10%
10-19	9%
20-49	7%
50 or more	5%

B. Vicarious Liability Charge

For each member physician not individually insured by the Company, a premium charge will be made up to 30% of the appropriate specialty rate if the Company agrees to provide such vicarious liability coverage.

IV. CLASSIFICATIONS

A. Corporations, Partnerships and Associations

1. As defined by state statutes and formed for the purpose of rendering specified medical/dental professional services.

2. Not otherwise identified as a Miscellaneous Entity.

B. Miscellaneous Entities

1. As defined by state statutes and formed for the purpose of rendering specified medical/dental professional services.

2. Including the following types of entities:

   a. Urgent Care Center
   b. Surgi Center
   c. MRI Center
   d. Renal Dialysis Center
   e. Peritoneal Dialysis Center

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V. PREMIUM MODIFICATIONS

The following premium modifications are applicable to all filed programs.

A. Schedule Rating

The Company shall utilize a schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of the Company, uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with a maximum modification indicated under D1 on this page, and may be applied to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this schedule-rating plan are subject to periodic review. The modification shall be based on one or more of the specific considerations identified in on Page 30.

B. Manual Rates

1. Corporations, Partnerships & Associations Rating Factors

As referenced in III in Section II-2:

See Table in Section II-2. Separate Corporate Limits

0% - Shared Corporate Limits

2. Miscellaneous Entities

Not eligible under this Filing.

C. Policy Writing Minimum Premium

The applicable minimum premium is based upon the policy issued to the physicians and surgeons. Only one minimum premium applies of $500.

D. Premium Modifications

1. Schedule Rating—Partnerships & Corporations

Physician & Surgeons	+/- 50%
Health Care Providers	+/-50%

2. Self-Insured Retention Credits - See Section III.V.B

- END OF SECTION II-

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MANUAL PAGES FOR PROFESSIONAL LIABILITY COVERAGE FOR PHYSICIANS, SURGEONS, AND NON-PHYSICIAN HEALTHCARE PROVIDERS

I. APPLICATION OF MANUAL

This section provides rules, rates, premiums, classifications and territories for the purpose of providing Professional Liability for Physicians/Surgeons and employed or associated non-physician health care providers.

II. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for Professional Liability Coverage under this program shall be as follows, unless otherwise modified by statute:

Claims-Made Coverage

$1,000,000 Per Claim

$3,000,000 Aggregate

III. PREMIUM COMPUTATION

The premium shall be computed by applying the rate per physician, surgeon or non-physician health care provider shown in Section III-17 to Section III-20, in accordance with each individual's medical classification and class plan designation.

IV. CLASSIFICATIONS

A. Physicians/Surgeons and Non Physician Health Care Providers

1. Each medical practitioner is assigned a Rate Class according to his/her specialty. When more than one classification is applicable, the highest rate classification shall apply.

2. The Rate Classes are found in Section III-10 to Section III-15 of this Manual.

B. Part Time Physicians

1. A physician who is determined to be working 20 hours or less a week may be considered a part time practitioner and may be eligible for a reduction in the otherwise applicable rate for that specialty. The criteria and commensurate credit for a part time practitioner are identified in Section III of this Manual.

2. A Part Time Practitioner may include any practitioner in classes 1 through 8 only, except for Anesthesia and Emergency Medicine as identified in the class

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B. Part Time Physicians (Continued)

plan. The hours reported to the Company for rating purposes are subject to audit, at the Company's discretion.

3. The part time credit is not applied to the Extended Reporting Period Coverage.

4. No other credits are to apply concurrent with this rule.

C. Physicians in Training

1. Following graduation from medical school, a physician may elect to enter additional training periods. For rating purposes, they are defined as follows:

   a. First Year Resident (or Intern) - 1 year period immediately following graduation. During this period a physician may or may not be licensed, depending upon state requirements.

   b. Resident - various lengths of time depending upon medical specialty; 3 years average. Following first year residency, generally licensed M.D. Upon completion of residency program, physician becomes board eligible.

   c. Fellow - Follows completion of residency and is a higher level of training.

2. Coverage is available for activities directly related to a physician's training program. The coverage will not apply to any professional services rendered after the training is complete.

   a. Interns, Residents and Fellows are eligible for a reduction in the otherwise applicable physician rate for coverage valid only for activities directly related to an accredited training program. The applicable credit is stated presented in Section III-20.

3. The credit is not applied to the Extended Reporting Period Coverage.

4. No other credits are to apply concurrent with this rule.

D. Locum Tenens Physician

1. Coverage for a physician substituting for an insured physician will be limited to cover only professional services rendered on behalf of the insured physician for the specified time period. Locum Tenens will share in the insured physician's Limit of Liability. No additional charge will apply for this coverage.

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D. Locum Tenens Physician (Continued)

2. The locum tenens physician must complete an application and submit it to the Company in advance for approval prior to the requested effective date of coverage.

3. Limits will be shared between the insured physician and the physician substituting for him/her and will be endorsed onto the policy.

E. New Physician

1. A "new" physician shall be a physician who has recently completed one of the following programs and will begin a full time practice for the first time:

   a. Residency;

   b. Fellowship program in their medical specialty

   c. Fulfillment of a military obligation in remuneration for medical school tuition;

   d. Medical school or specialty training program.

2. To qualify for the credit, the applicant will be required to apply for a reduced rate within six months after the completion of any of the above programs.

3. A reduced rate will be applied in accordance with the credits shown presented in Section III-20. No other credits are to apply concurrent with this rule.

F. Physician Teaching Specialists

1. Coverage is available for faculty members of an accredited training program. The coverage will not apply to any professional services rendered in the insured's private practice.

   a. Faculty members are eligible for a reduction in the otherwise applicable physician rate for coverage valid only for teaching activities related to an accredited training program. Refer to K.5 in Section III-20 to determine the applicable credit.

2. Coverage is available for the private practice of a physician teaching specialist. The coverage will not apply to any aspect of the insured's teaching activities.

   a. The premium will be based upon the otherwise applicable physician rate and the average number of hours per week devoted to teaching activities.

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F. Physician Teaching Specialists (Continued)

b. The hours reported to the Company for rating purposes are subject to audit, at the Company's discretion.

c. No other credits are to apply concurrent with this rule.

d. The applicable percentages are presented on presented in Section III-20.

G. Physician's Leave of Absence

1. A physician who becomes disabled from the practice of medicine, or is on leave of absence for a continuous period of 45 days or more, may be eligible for restricted coverage at a reduction to the applicable rate for the period of disability or leave of absence.

2. This will apply retroactively to the first day of disability or leave of absence.

3. Leave of absence may include time to enhance the medical practitioner's education, but does not include vacation time, and the insured is only eligible for one application of this credit for an annual policy period.

4. The credit to be applied to the applicable rate is presented in Section III-20.

V. PREMIUM MODIFICATIONS

The following premium modifications are applicable to all filed programs.

A. Schedule Rating

The Company shall utilize a schedule of modifications to determine appropriate premiums for certain insureds, or groups of insureds, who in the opinion of the Company, uniquely qualify for such modifications because of factors not contemplated in the filed rate structure of the Company.

The premium for a risk may be modified in accordance with a maximum modification indicated in Section III-22, and may be applied to recognize risk characteristics that are not reflected in the otherwise applicable premium. All modifications applied under this schedule rating plan are subject to periodic review. The modification shall be based on one or more of the specific considerations identified in Section III-22.

B. Risk Management

1% credit will apply for each Company approved CME hour of risk management completed, up to a maximum of 5% credit per year, or attendance at a Company approved seminar.

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C. Deductible Credits

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

1. Individual Deductibles

Premium discounts for optional deductibles will be applied, per the table below, to the rate for the applicable primary limit:

INDEMNITY ONLY DEDUCTIBLE PER CLAIM		INDEMNITY AND ALAE DEDUCTIBLE PER CLAIM	
$5,000	2.5%	$5,000	6.5%
$10,000	4.5%	$10,000	11.5%
$15,000	6.0%	$15,000	15.0%
$20,000	8.0%	$20,000	17.5%
$25,000	9.0%	$25,000	20.0%
$50,000	15.0%	$50,000	30.5%
$100,000	25.0%	$100,000	40.0%
$200,000	37.5%	$200,000	55.0%
$250,000	42.0%	$250,000	58.0%

The following Individual Deductibles are available on a Per Claim/Aggregate Basis. Premium discounts for optional deductibles will be applied, per the table below, to the rate for the applicable primary limit:

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C. Deductible Credits (Continued)

Indemnity Only Per Claim/Aggregate		Indemnity & ALAE Per Claim/Aggregate	
$5000/15,000	2.0%	$5000/15,000	5.5%
$10,000/30,000	4.0%	$10,000/30,000	10.5%
$25,000/75,000	8.5%	$25,000/75,000	19.0%
$50,000/150,000	14.0%	$50,000/150,000	29.5%
$100,000/300,000	24.0%	$100,000/300,000	43.0%
$200,000/600,000	36.0%	$200,000/600,000	53.5%
$250,000/750,000	40.0%	$250,000/750,000	56.5%

2. Group Deductibles

An optional deductible, which limits the amount the entire group will have to pay, if multiple claims are made in a policy year, is available. Under this program, the per claim deductible continues to apply separately to each insured involved in a suit. However, the aggregate deductible applies to all insureds in the group combined thereby reducing the organization's maximum potential liability in a policy year. When the organization is insured with a separate limit of coverage, the organization is counted when totaling the number of insureds below. Group deductible amounts apply to primary premium up to $1M/3M only. The applicable Deductible Discount will not change during the policy term despite changes in the number of insureds, but will be limited by any applicable maximum credit amount.

Indemnity Deductible Per Claim/Aggregate	Number of Insureds				Maximum Credit
($000)	2-19	20-40	41-60	61-100	
5/15	.020	.018	.015	.012	$10,500
10/30	.038	.035	.030	.024	21,000
25/75	.084	.079	.070	.058	52,500
50/150	.145	.139	.127	.109	105,000
100/300	.234	.228	.216	.196	120,000
200/600	.348	.346	.338	.321	420,000
250/75 0	.385	.385	.381	.368	525,000

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C. Deductible Credits (Continued)

The following Group Deductibles are available for Indemnity & ALAE.

Indemnity & ALAE Deductible Per Claim/Aggregate	Number of Insureds				Maximum Credit
($000)	2-19	20-40	41-60	61-100	
5/15	.029	.026	.021	.017	$12,750
10/30	.068	.063	.054	.043	25,500
25/75	.119	.112	.099	.082	63,750
50/150	.186	.179	.163	.140	127,500
100/300	.258	.252	.239	.216	255,000
200/600	.396	.394	.385	.366	510,000
250/75 0	.467	.467	.462	.446	637,500

D. Experience Rating

This plan applies to physicians and surgeons medical professional liability risks contained in medical groups. As used in this plan, the term "risk" means the exposures of medical groups which have common management, a common and mutually agreed risk management program or a financial relationship among all members which encourages high levels of quality control and a reduction in liability claims.

On an optional basis, large risks with sufficiently credible loss experience may be loss-rated to develop an appropriate premium. To be eligible for loss rating, a group must have at least for the latest 10-year period and at least $100,000 in estimated annual premium.

The experience period will be the latest completed 10 years. If 10 years are not available, consideration will be given to at least 5 complete years.

Losses are developed to ultimate and trended to cost levels for the proposed policy year. Losses will be capped at $250,000 per loss.

The experience period does not include the 12-month period immediately prior to the effective date of the experience modification.

The experience rating modification is calculated using the following formula:

$$\text{Credibility} \times \frac{\text{Adjusted Actual Loss Ratio} - \text{Adjusted Expected Loss Ratio}}{\text{Adjusted Expected Loss Ratio}} = \text{Experience Mod.}$$

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D. Experience Rating (Continued)

Since the experience rating plan is applied on an individual risk basis, the final impact of these changes varies by individual medical group based on risk size and loss experience by year. As a result, the anticipated overall rate impact due to the changes in the experience rating plan is indeterminable. However, the primary purpose of this plan and the revisions is to more accurately distribute the cost of insurance among eligible insureds.

E. Claim Free Credit Program

If no claim has been attributed to an Insured, the Insured will be eligible for a premium credit, based upon the number of years the Insured has been claim free. A schedule is provided in Section III-20.

F. Individual Risk Rating

A risk may be individually rated by submitting a filing to the Illinois Department of Insurance, in accordance with Section 155.18(b)(4) of the Illinois Insurance Code. The code allows us to modify classification rates to produce rates for individual risks. Modifications of classifications of risks may be based upon size, expense, management, individual experience, location or dispersion of exposure, and shall apply to all risks under the same or substantially the same circumstances or conditions. We must list the standards by which variations in hazards or expense provisions are measured, in order to determine that a specific risk is so different in hazard/expense that it warrants individual rating.

VI. MODIFIED PREMIUM COMPUTATION

A. Slot Rating

1. Coverage for group practices is available, at the Company's discretion, on a slot basis rather than on an individual physician basis. The slot endorsement will identify the individuals and practice settings that are covered. Coverage will be provided on a shared limit basis for those insureds moving through the slot or position.

2. The applicable manual rate will be determined by the classification of the slot. Policies rated as a Standard Claims Made policy will utilize the retroactive date of the slot. Extended Reporting Period Coverage may be purchased for the slot based on the applicable retroactive date, classification and limits.

3. Premium modifications for new physician, part time, moonlighting, teaching, risk management or loss free credit may not be used in conjunction with this rating rule, unless approved by the Underwriting Vice President.

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B. Requirements for Waiver of Premium for Extended Reporting Period Coverage.

1. Upon termination of coverage under this policy by reason of death, the deceased's unearned premium for this coverage will be returned and Extended Reporting Period Coverage will be granted for no additional charge, subject to policy provisions.

2. Upon termination of coverage under this policy by reason of total disability from the practice of medicine or at or after age 55, permanent retirement by the insured after five consecutive claims made years with the Company, Extended Reporting Period Coverage will be granted for no additional charge subject to policy provisions.

3. The Reporting Period is unlimited.

C. Blending Rates

A blended rate may be computed when a physician discontinues, reduces or increases his specialty or classification, and now practices in a different specialty or classification. For example, if an OB/GYN discontinues obstetrics, but continues to practice gynecology, his new blended rate will be the sum of the indicated OB/GYN and GYN rates, each weighted, at inception of the change, by 75% and 25%, respectively. The second and third year weights will be modified by 25%, descending and ascending respectively, until the full GYN rate is achieved at the start of the fourth year.

D. Per Patient Visit Rating

1. Standard Claims Made coverage for group practices is available, at the Company's option, on a per patient visit basis rather than on an individual physician basis. Coverage is provided on a shared or individual physician limit basis.

2. The number of patient visits equivalent to a physician year is 2500 hours times the applicable rate of visits per hour. The rate of visits per hour is derived from the group's historical experience, subject to a minimum rate of 1 visit per hour and a maximum rate of 3 visits per hour.

3. The applicable medical specialty rate is divided by the equivalent patient visits resulting in the patient visit rate to be applied to the visits projected for the policy period. The product of the patient visit rate and the projected visits results in the indicated manual premium.

4. The annual visits reported to the Company for rating purposes are subject to audit, at the Company's discretion.

5. Premium modifications for new physician, part time, teaching, risk management or claim free credit cannot be used in conjunction with this rating rule.

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VII. PREMIUM COMPUTATION DETAILS

A. Classifications

1. Applicable to Standard Claims-Made Programs.

2. The following classification plan shall be used to determine the appropriate rating class for each individual insured.

PHYSICIANS & SURGEONS

CLASS 1

Allergy/Immunology
Forensic Medicine
Occupational Medicine
Otorhinolaryngology-NMRP, NS
Physical Med. & Rehab.

Public Health & Preventative Med
Other, Specialty NOC

CLASS 2

Dermatology
Endocrinology
Geriatrics
Ophthalmology-NS
Pathology
Podiatry, No Surgery
Psychiatry
Rheumatology
Other, Specialty NOC

CLASS 3

Pediatrics-NMRP
Other, Specialty NOC

CLASS 4

Diabetes
Family Practice-NMRP, NS
General Practice-NMRP, NS
General Surgery-NMRP
Hematology

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Industrial Medicine
Neurosurgery-NMRP, NMajS
Nuclear Medicine
Oncology
Ophthalmic Surgery
Oral/Maxillofacial Surgery
Orthopaedics-NMRP, NS
Radiation Oncology
Thoracic Surgery-NMRP, NS
Other, Specialty NOC

CLASS 5

Cardiovascular Disease-NMRP, NS
Infectious Disease
Nephrology-NMRP
Other, Specialty NOC

CLASS 6

Gynecology-NMRP, NS
Internal Medicine-NMRP
Certified Registered Nurse Anesthetist
Other, Specialty NOC

CLASS 7

Anesthesiology
Nephrology-MRP
Podiatry, Surgery
Pulmonary Diseases
Radiology-NMRP
Other, Specialty NOC

CLASS 8

Cardiac Surgery-MRP, NMajS
Cardiovascular Disease-Spec. MRP
Gastroenterology
General Surgery-MRP, NMajS
Hand Surgery-MRP, NMajS
Internal Medicine-MRP

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Neurology
Orthopaedics-MRP, NMajS

Otorhinolaryngology-MRP, NMajS
Pediatrics-MRP
Radiology-MRP
Urology-MRP, NMajS
Vascular Surgery-MRP, NMajS
Other, Specialty NOC

CLASS 9

Family Practice-MRP, NMajS
General Practice-MRP, NMajS
Other, Specialty NOC

CLASS 10

Neurosurgery-MRP, NMajS
Urological Surgery
Other, Specialty NOC

CLASS 11

Cardiovascular Disease-MRP
Colon Surgery
Emergency Medicine-NMajS, prim
Gynecology/Obstetrics-MRP, Nmaj
Otorhinolaryngology; No Elective Plastic
Radiology-MajRP
Other, Specialty NOC

CLASS 12

Emergency Medicine-MajS
Family Practice-not primarily MajS
General Practice-NMajS, prim
Gynecological Surgery
Hand Surgery
Head/Neck Surgery

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Otorhinolaryngology; Head/Neck
Other, Specialty NOC

CLASS 13

General Surgery
Other, Specialty NOC

CLASS 14

Neonatology
Otorhinolaryngology; Other Than Head/Neck
Plastic Surgery
Other, Specialty NOC

CLASS 15

Orthopaedic Surgery s/o Spine
Other, Specialty NOC

CLASS 16

Cardiac Surgery
Thoracic Surgery
Vascular Surgery
Other, Specialty NOC

CLASS 17

Obstetrical/Gynecological Surgery
Other, Specialty NOC

CLASS 18

Neurosurgery-No Intracranial Surgery
Orthopaedic Surgery wSpine
Other, Specialty NOC

CLASS 19

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MEDICAL PROCEDURE DEFINITIONS

NMRP: NOMINAL MINOR RISK PROCEDURE

NS: NO SURGERY

NOC: NOT OTHERWISE CLASSIFIED

NMAJS: NO MAJOR SURGERY

MRP: MINOR RISK PROCEDURES

MAJRP: MAJOR RISK PROCEDURES

NON PHYSICIAN HEALTH CARE PROVIDERS

Class X

Fellow, Intern, Optician, Resident, Social Worker

Class Y

Optometrist, Physical Therapist, X-Ray and Lab Technicians

Class Z

Nurse Practitioner – Family Medicine, Gynecology, No Obstetrics, Emergency Medicine, Urgent Care

Physician Assistant – Family Medicine, Gynecology, No Obstetrics, Emergency Medicine, Urgent Care

Psychologist – Class 1

Certified Registered Nurse Anesthetist
Shared Limits – 20% times Anesthesiologist rate
Separate Limits – 25% times Anesthesiologist rate

Certified Nurse Midwife – No complicated OB or surgery
Shared Limits – Not available
Separate Limits – 50% of OB/GYN rate

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B. Territory Definitions

TERRITORY 1 COUNTIES

Cook, Jackson, Madison, St. Clair and Will

TERRITORY 2 COUNTIES

Lake, Vermillion

TERRITORY 3 COUNTIES

Kane, McHenry, Winnebago

TERRITORY 4 COUNTIES

DuPage, Kankakee, Macon

TERRITORY 5 COUNTIES

Bureau, Champaign, Coles, DeKalb, Effingham, LaSalle, Ogle, Randolph

TERRITORY 6 COUNTIES

Grundy, Sangamon

TERRITORY 7 COUNTIES

Peoria

TERRITORY 8 COUNTIES

Remainder of State

C. Standard Claims Made Program Step Factors

First Year:	25%
Second Year:	50%
Third Year:	78%
Fourth Year:	90%
Fifth Year (Mature):	100%

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Mature Rates for Physicians and Surgeons (Claims-made):

$1,000,000 / 3,000,000

Class	Medical Specialty	Terr 1	Terr 2	Terr 3	Terr 4	Terr 5	Terr 6	Terr 7	Terr 8
1	Allergy/Immunology	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Forensic Medicine	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Occupational Medicine	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Otorhinolaryngology-NMRP, NS	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Physical Med. & Rehab.	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Public Health & Preventative Med	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
1	Other, Specialty NOC	14,479	13,183	12,535	11,239	10,591	9,295	7,351	7,999
2	Dermatology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Endocrinology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Geriatrics	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Ophthalmology-NS	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Pathology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Podiatry, No Surgery	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Psychiatry	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Rheumatology	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
2	Other, Specialty NOC	19,339	17,557	16,668	14,886	13,993	12,211	9,540	10,429
3	Pediatrics-NMRP	22,579	20,473	19,422	17,316	16,261	14,155	10,998	12,049
3	Other, Specialty NOC	22,579	20,473	19,422	17,316	16,261	14,155	10,998	12,049
4	Diabetes	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Family Practice-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	General Practice-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	General Surgery-NMRP	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Hematology	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Industrial Medicine	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Neurosurgery-NMRP, NMajS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Nuclear Medicine	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Oncology	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Ophthalmic Surgery	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Oral/Maxillofacial Surgery	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Orthopaedics-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Radiation Oncology	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Thoracic Surgery-NMRP, NS	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289
4	Other, Specialty NOC	29,059	26,305	24,930	22,176	20,797	18,043	13,914	15,289

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5	Cardiovascular Disease-NMRP, NS	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
5	Infectious Disease	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
5	Nephrology-NMRP	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
5	Other, Specialty NOC	30,679	27,763	26,305	23,389	21,931	19,015	14,641	16,099
6	Gynecology-NMRP, NS	33,919	30,679	29,059	25,819	24,199	20,959	16,099	17,719
6	Internal Medicine-NMRP	33,919	30,679	29,059	25,819	24,199	20,959	16,099	17,719
6	Other, Specialty NOC	33,919	30,679	29,059	25,819	24,199	20,959	16,099	17,719
7	Anesthesiology	37,159	33,595	31,813	28,231	26,467	22,903	17,557	19,339
7	Nephrology-MRP	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Podiatry, Surgery	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Pulmonary Diseases	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Radiology-NMRP	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
7	Other, Specialty NOC	37,159	33,595	31,813	28,249	26,467	22,903	17,557	19,339
8	Cardiac Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Cardiovascular Disease-Spec. MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Gastroenterology	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	General Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Hand Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Internal Medicine-MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Neurology	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Orthopaedics-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Otorhinolaryngology-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Pediatrics-MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Radiology-MRP	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Urology-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Vascular Surgery-MRP, NMajS	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
8	Other, Specialty NOC	42,019	37,969	35,942	31,892	29,869	25,819	19,746	21,769
9	Family Practice-MRP, NMajS	45,259	40,885	38,696	34,322	32,137	27,763	21,204	23,389
9	General Practice-MRP, NMajS	45,259	40,885	38,696	34,322	32,137	27,763	21,204	23,389
9	Other, Specialty NOC	45,259	40,885	38,696	34,322	32,137	27,763	21,204	23,389
10	Neurosurgery-MRP, NMajS	48,499	43,801	41,450	36,752	34,405	29,707	22,662	25,009
10	Urological Surgery	48,499	43,801	41,450	36,752	34,405	29,707	22,662	25,009
10	Other, Specialty NOC	48,499	43,801	41,450	36,752	34,405	29,707	22,662	25,009
11	Cardiovascular Disease-MRP	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439

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11	Colon Surgery	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Emergency Medicine-NMajS, prim	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Gynecology/Obstetrics-MRP, Nmaj	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Otorhinolaryngology; No Elective Plastic	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Radiology-MajRP	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
11	Other, Specialty NOC	53,359	48,175	45,583	40,399	37,807	32,623	24,847	27,439
12	Emergency Medicine-MajS	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Family Practice-not primarily MajS	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	General Practice-NMajS, prim	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Gynecological Surgery	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Hand Surgery	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Head/Neck Surgery	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Otorhinolaryngology; Head/Neck	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
12	Other, Specialty NOC	59,839	54,007	51,091	45,259	42,343	36,511	27,763	30,679
13	General Surgery	88,999	80,251	75,877	67,129	62,755	54,007	40,885	45,259
13	Other, Specialty NOC	88,999	80,251	75,877	67,129	62,755	54,007	40,885	45,259
14	Neonatology	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
14	Otorhinolaryngology; Other Than Head/Neck	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
14	Plastic Surgery	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
14	Other, Specialty NOC	92,239	83,167	78,631	69,559	65,023	55,951	42,343	46,879
15	Orthopaedic Surgery s/o Spine	101,956	91,915	86,893	76,849	71,827	61,783	46,717	51,739
15	Other, Specialty NOC	101,956	91,915	86,893	76,849	71,827	61,783	46,717	51,739
16	Cardiac Surgery	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
16	Thoracic Surgery	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
16	Vascular Surgery	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
16	Other, Specialty NOC	118,156	106,492	100,660	88,999	83,167	71,503	54,007	59,839
17	Obstetrical/Gynecological Surgery	124,636	112,324	106,168	93,856	87,703	75,391	56,923	63,079
17	Other, Specialty NOC	124,636	112,324	106,168	93,856	87,703	75,391	56,923	63,079
18	Neurosurgery-No Intracranial Surgery	134,356	121,072	114,430	101,146	94,504	81,223	61,297	67,939
18	Orthopaedic Surgery wSpine	134,356	121,072	114,430	101,146	94,504	81,223	61,297	67,939

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18	Other, Specialty NOC	134,356	121,072	114,430	101,146	94,504	81,223	61,297	67,939
19	Neurosurgery	205,636	185,224	175,018	154,606	135,400	123,988	93,373	103,576
19	Other, Specialty NOC	205,636	185,224	175,018	154,606	135,400	123,988	93,373	103,576

D. Mature Rates for non Physician Health Care Providers

Class X equals 0% of the Class 1 Physician/Surgeon rate, for shared limits; 10% of Class 4 rate for separate limits.

Class Y equals 0% of the Class 1 Physician/Surgeon rate, for shared limits; 15% of the Class 4 rate for separate limits.

Class Z equals 10% of the Class 1 Physician/Surgeon rate for shared limits; 25% of Class 1 Physician/Surgeon rate for separate limits.

Note any non-Physician Health Care Providers in Classes X, Y, or Z with exposure in the Emergency Room will require the referenced factor times the Class 11 rate.

E. Decreased Limit Factors:

Limits		
	Physicians	Surgeons
500/1.0	.719	.719
1M/3M	1.0	1.0
2M/4M	1.41	1.63

F. Extended Reporting Period Coverage Factors:

1. The following represents the tail factors to be applied to the annual expiring discounted premium in the event a policyholder desires to obtain a Reporting Endorsement upon termination or cancellation of the policy:

Year	Factor
1st	3.30
2nd	3.15
3rd	2.40
4th	2.00

2. For First Year Claims Made step, the corresponding factor above is applied pro-rata. For Second Year and all years of maturity, the corresponding factor above is applied to the expiring premium.

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F. Extended Reporting Period Coverage Factors (Continued):

3. The Reporting Period is unlimited.

G. Shared Limits Modification:

Not available.

H. Policy Writing Minimum Premium:

Physicians & Surgeons - $500.

I. Policy Writing Minimum Premium:

Non-Physician Healthcare Providers - $500

J. Separate Limits for Non-Physician and Surgeon Healthcare Providers Modification:

Class X: 20% of Class 1
Class Y: 25% of Class 1
Class Z: 35% of Class 1

K. Premium Modifications

For individual physicians and surgeons:

1. Part Time Physicians & Surgeons – 30%
2. Physicians in Training – 1st Year Resident 50%; Resident 40%; Fellow 30%.
3. Locum Tenens – no premium, subject to prior underwriting approval
4. New Physicians & Surgeons – 30% for the first two years of practice
5. Physician Teaching Specialists – Non-surgical 50%; Surgical 40%.
6. Physician's Leave of Absence – full suspension of insurance and premium for up to one year, subject to underwriting approval

L. Claim Free Credit Program

If no claim has been attributed to an Insured, the Insured will be eligible for a premium credit based on the following schedule:

1. If claim free for 3 years but less than 5 years, a 5% credit shall be applied at the policy inception date. [indented over]

2. If claim free for 5 years but less than 8 years, a 10% credit shall be applied at the policy inception date.

3 If claim free for 8 years but less than 10 years, a 15% credit shall be applied at the policy inception date.

4. If claim free for 10 years or more, a credit of 20% shall be applied at the policy inception date.

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L. Claim Free Credit Program (Continued)

A claim under this policy shall not, for the purpose of this premium credit program, be construed to include instances of mistaken identity, blanket defendant listings, improper inclusion, or non-meritorious or frivolous claims.

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M. Schedule Rating (not to be used in conjunction with Loss Rating)

1. Historical Loss Experience +/- 25%	The frequency or severity of claims for the insured(s) is greater/less than the expected experience for an insured(s) of the same classification/size or recognition of unusual circumstances of claims in the loss experience.
2. Cumulative Years of Patient Experience. +/- 10%	The insured(s) demonstrates a stable, longstanding practice and/or significant degree of experience in their current area of medicine.
3. Classification Anomalies. +/-_ 25%	Characteristics of a particular insured that differentiate the insured from other members of the same class, or recognition of recent developments within a classification or jurisdiction that are anticipated to impact future loss experience.
4. Claim Anomalies +/- 25%	Economic, societal or jurisdictional changes or trends that will influence the frequency or severity of claims, or the unusual circumstances of a claim(s) which understate/overstate the severity of the claim(s).
5. Management Control Procedures. +/- 10%	Specific operational activities undertaken by the insured to reduce the frequency and/or severity of claims.
6. Number /Type of Patient Exposures. +/- 10%	Size and/or demographics of the patient population which influences the frequency and/or severity of claims.
7. Organizational Size / Structure. +/- 10%	The organization's size and processes are such that economies of scale are achieved while servicing the insured.
g. Medical Standards, Quality & Claim Review. +/- 10%	Presence of (1) committees that meet on a routine basis to review medical procedures, treatments, and protocols and then assist in the integration of such into the practice, (2) Committees mat meet to assure the quality of the health care services being rendered and/or (3) Committees to provide consistent review of claims/incidents that have occurred and to develop corrective action.
9. Other Risk Management Practices and Procedures. +/- 10%	Additional activities undertaken with the specific intention of reducing the frequency or severity of claims.
10. Training, Accreditation & Credentialing. +/- 10%	The insured(s) exhibits greater/less than normal participation and support of such activities.
11. Record - Keeping Practices. +/- 10%	Degree to which insured incorporates methods to maintain quality patient records, referrals, and test results.
12. Utilization of Monitoring Equipment, Diagnostic Tests or Procedures +/- 10%	Demonstrating the willingness to expend the time and capital to incorporate the latest advances in medical treatments and equipment into the practice, or failure to meet accepted standards of care.

Maximum Modification	+ / - 50%

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N. Deductible Credits

See V.C in Section III-4.

O. Experience Rating

See V.D in Section III-7.

P. Slot Rating for groups, subject to Underwriting

See VI.A in Section III-8.

Q. Mandatory Quarterly Payment Option.

For medical liability insureds whose annual premiums total $500 or more, the plan must allow the option of quarterly payments.

1. An initial payment of no more than 40% of the estimated total premium due at policy inception;
2. 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;
3. No interest charges;
4. Installment charges or fees of no more than the lesser of 1% of the total premium or $25, whichever is less; and
5. 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.

Non-Mandatory Quarterly Payment Option.

1. For medical liability insureds whose annual premiums are less than $500, insurers may, but are not required to, offer quarterly installment , premium payment plans.
2. For insureds who pay a premium for any extension of a reporting period, insurers may, but are not required to, offer quarterly installment, premium payment plans.
3. If an insurer offers any quarterly payments under this sub-section, (g) Non-Mandatory Quarterly Payment Options, they must be offered to all medical liability insureds.

Quarterly installment premium payment plans subject to (R) above shall be included in the initial offer of the policy, or in the first policy renewal. Thereafter, the insurer may, but need not, re-offer the payment plan, but if an insured requests the payment plan at a later date, the insurer must make it available.

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STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS