Filing at a Glance

Company: National Union Fire Insurance Company of Pittsburgh, Pa.

Product Name: Physician Assistant Professional Liability Plus Insurance Program 183000750	SERFF Tr Num: AGNY-126887836	State: Arkansas
TOI: 11.0 Medical Malpractice - Claims Made/Occurrence	SERFF Status: Closed-Filed	State Tr Num: EFT $100
Sub-TOI: 11.0024 Physicians Assistants	Co Tr Num: CHS-10-EO-22	State Status: Fees verified and received
Filing Type: Rate/Rule		Reviewer(s): Betty Montesi, Edith Roberts, Nancy Horton
	Author: Myron Harry	Disposition Date: 01/05/2011
	Date Submitted: 11/05/2010	Disposition Status: Filed
Effective Date Requested (New): 12/15/2010		Effective Date (New):
Effective Date Requested (Renewal): 12/15/2010		Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Physician Assistant Liability Plus Insurance Program	Status of Filing in Domicile:
Project Number: CHS-10-EO-22	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 01/05/2011	
State Status Changed: 01/05/2011	Deemer Date:
Created By: Myron Harry	Submitted By: Myron Harry
Corresponding Filing Tracking Number:	

Filing Description:

National Union Fire Insurance Company of Pittsburgh, Pa. submits for your review and approval its Physician Assistant Professional Liability Plus Insurance Program.

Please refer to the attached actuarial materials and manual rules for information about the rates and rules included in this submission.

The forms for this Program are being submitted under separate cover.

We wish to make this filing effective on or after December 15, 2010, or the earliest date permitted by your Department.

Your favorable consideration and approval are respectfully requested.

Company and Contact

Filing Contact Information

Myron Harry, myron.harry@aig.com
175 Water Street - 17th Floor 212-458-7057 [Phone]
New York, NY 10038 212-458-7077 [FAX]

Filing Company Information

National Union Fire Insurance Company of Pittsburgh, Pa.	CoCode: 19445	State of Domicile: Pennsylvania
175 Water Street	Group Code:	Company Type:
New York, NY 10038	Group Name:	State ID Number:
(212) 770-7000 ext. [Phone]	FEIN Number: 25-0687550	

Filing Fees

Fee Required?	Yes
Fee Amount:	$100.00
Retaliatory?	No
Fee Explanation:	Rates/Rules filing for One Company - $100.00
Per Company:	No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
National Union Fire Insurance Company of Pittsburgh, Pa.	$100.00	11/05/2010	41582375

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	01/05/2011	01/05/2011

Disposition

Disposition Date: 01/05/2011
Effective Date (New):
Effective Date (Renewal):
Status: Filed
Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number:	*AGNY-126887836*	*State:*	*Arkansas*
Filing Company:	*National Union Fire Insurance Company of Pittsburgh, Pa.*	*State Tracking Number:*	*EFT $100*
Company Tracking Number:	*CHS-10-EO-22*		
TOI:	*11.0 Medical Malpractice - Claims Made/Occurrence*	*Sub-TOI:*	*11.0024 Physicians Assistants*
Product Name:	*Physician Assistant Professional Liability Plus Insurance Program 183000750*		
Project Name/Number:	*Physician Assistant Liability Plus Insurance Program/CHS-10-EO-22*		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Form MMPCS	Filed	Yes
Supporting Document	Form PROMAL	Filed	Yes
Supporting Document	Form PRONOT	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Forms (all P&C lines)	Filed	Yes
Supporting Document	Filing Memorandum	Filed	Yes
Supporting Document	Explanatory Memo & Actuarial Exhs.	Filed	Yes
Rate	Base Rate Page	Filed	Yes
Rate	Manual Rules	Filed	Yes

Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
Filed 01/05/2011	Base Rate Page	Page 1 of 1	New		AR Rate Pages.pdf
Filed 01/05/2011	Manual Rules	Pages 1 to 38	New		Manual Rules (9-2010) OCC & CM2.pdf

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
THE PHYSICIAN ASSISTANT PROFESSIONAL LAIBILITY PLUS INSURANCE PROGRAM

ARKANSAS

I. Base rate for $100,000/$300,000 Occurrence Coverage	
Class A	$2,229
Class B	$2,786
Class C	$3,344

Base rate for $1,000,000/$6,000,000 Occurrence Coverage	
Class D Student	$150

II. Increased Limit Factors	
$100,000/$300,000	1.000
$200,000/$600,000	1.350
$250,000/$750,000	1.450
$500,000/$1,000,000	1.705
$1,000,000/$6,000,000	2.100

III. Claims-made Conversion Factors (% of occurrence premium)	
Number of years Claim-Made Coverage:	
Less Than 1 Year	0.365
1 Year	0.692
2 Years	0.891
Mature	0.909

IV. Extended Reporting Claims Endorsement	
% of mature Claims-Made Premium:	
Less Than 1 Year	0.730
1 Year	1.160
2 Years	1.400
Mature	1.750

PHYSICIANS ASSISTANTS

OCCURRENCE PROGRAM

AGGREGATE CREDIT RULE

THE APPLICATION OF ALL APPROVED CREDITS CONTAINED IN THIS RATING MANUAL SHALL NOT EXCEED 50% FOR ANY ONE INSURED.

THIS RULE DOES NOT APPLY TO PART TIME PRACTICE, LEAVE OF ABSENCE OR MILITARY LEAVE OF ABSENCE CREDITS.

PHYSICIANS ASSISTANTS

OCCURRENCE PROGRAM

LEAVE OF ABSENCE CREDIT RULE

A HEALTHCARE PROVIDER WHO IS ON A LEAVE OF ABSENCE FOR A CONTINUOUS PERIOD OF 45 DAYS OR MORE MAY BE ELIGIBLE FOR RESTRICTED COVERAGE AT A DISCOUNT OF 100% OF THE APPLICABLE RATE FOR THE PERIOD OF THE LEAVE OF ABSENCE. THIS WILL APPLY RETROACTIVELY TO THE FIRST DAY OF THE LEAVE OF ABSENCE, IF REPORTED TO THE COMPANY WITHIN 30 DAYS. ONLY ONE APPLICATION OF THIS CREDIT MAY BE APPLIED TO AN ANNUAL POLICY PERIOD. LEAVE OF ABSENCE MAY INCLUDE THE FOLLOWING:

- THE BIRTH OF INSUREDS NEWBORN, PLACEMENT OF FOSTER CHILDREN OR INSURED ADOPTS A CHILD, PROVIDED THE LEAVE IS COMPLETED WITHIN 12 MONTHS OF THE BIRTH, PLACEMENT OR ADOPTION.
- TO CARE FOR A SPOUSE, CHILD OR PARENT WHO HAS A SERIOUS HEALTH CONDITION.
- TO CARE FOR INSUREDS OWN HEALTH CONDITION WHICH PREVENTS INSURED FROM WORKING.
- TIME TO ENHANCE THE INSUREDS EDUCATION OR OTHER REASON WHILE NOT PRACTICING.

THIS CREDIT IS NOT AVAILABLE TO AN INSUREDS LEAVE OF ABSENCE FOR VACATION PURPOSES. THE MINIMUM PREMIUM RATING RULE APPLIES TO INSUREDS ELIGIBLE FOR THE LEAVE OF ABSENCE CREDIT.

PHYSICIANS ASSISTANTS

OCCURRENCE PROGRAM

MILITARY LEAVE OF ABSENCE CREDIT RULE

A HEALTHCARE PROVIDER WHO IS ON A MILITARY LEAVE OF ABSENCE MAY BE ELIGIBLE FOR RESTRICTED COVERAGE AT A DISCOUNT OF 100% OF THE APPLICABLE RATE FOR THE PERIOD OF THE LEAVE OF ABSENCE. THIS WILL APPLY RETROACTIVELY TO THE FIRST DAY OF THE LEAVE OF ABSENCE.

THE MINIMUM PREMIUM RATING RULE DOES NOT APPLY TO INSUREDS THAT ARE ELIGIBLE FOR THE MILITARY LEAVE OF ABSENCE CREDIT.

PHYSICIANS ASSISTANTS

OCCURRENCE PROGRAM

MINIMUM PREMIUM RATING RULE

ALL POLICIES ARE SUBJECT TO A MINIMUM PREMIUM OF $50. THE MINIMUM PREMIUM WILL BE RETAINED WHEN THE INSURED REQUESTS CANCELLATION UNLESS THE POLICY IS CANCELLED AS OF THE INCEPTION DATE.

PHYSICIAN ASSISTANT

OCCURRENCE PROGRAM

PART TIME PRACTICE RULE

ANY INSURED WHO PRACTICES AN AVERAGE 24 HOURS OR LESS IN A WEEK OR LESS THAN AN AGGREGATE OF 1,250 HOURS DURING THE TERM OF AN ANNUAL POLICY WILL BE CONSIDERED A PART TIME PRACTITIONER AND WILL BE ELIGIBLE FOR A REDUCTION IN THE OTHERWISE APPLICABLE RATE BASED ON THE FOLLOWING SCHEDULE:

AVERAGE NUMBER OF HOURS PRACTICED PER WEEK	0-24
MAX. AGGREGATE HOURS PER YEAR	1,250
CREDIT	35%

NO OTHER CREDITS OR DISCOUNTS ARE TO APPLY CONCURRENT WITH THIS RULE EXCEPT RISK MANAGEMENT CREDIT, MEMBERSHIP ASSOCIATION CREDIT OR SCHEDULE RATING MODIFICATIONS.

PHYSICIAN ASSISTANTS

OCCURRENCE PROGRAM

SCHEDULE RATING PLAN

ALL HEALTHCARE PROFESSIONALS, WHETHER PART OF A GROUP OR NOT, WILL BE ELIGIBLE FOR SCHEDULE RATING.

THE PREMIUM FOR A RISK MAY BE MODIFIED IN ACCORDANCE WITH THE FOLLOWING, SUBJECT TO A MAXIMUM MODIFICATION OF -25% / +25%; 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 FOLLOWING CONSIDERATIONS:

1. **HISTORICAL LOSS EXPERIENCE (+/- 15%):**
   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 GREATER/LESS THAN STABLE LONGSTANDING PRACTICE AND/OR SIGNIFICANT DEGREE OF EXPERIENCE IN THEIR CURRENT AREA OF MEDICINE.

3. **CLASSIFICATION ANOMALIES (+/-10%):**
   CHARACTERISTICS OF A PARTICULAR INSURED THAT DIFFERENTIATE THE INSURED TO BE GREATER/LESS THAN 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 (+/-10%):**
   ECONOMIC, SOCIETAL OR JURISDICTIONAL CHANGES OR TRENDS THAT WILL POSTIVELY OR NEGATIVELY INFLUENCE THE FREQUENCY OR SEVERITY OF CLAIMS, OR THE UNUSUAL CIRCUMSTANCES OF A CLAIM(S) WHICH UNDERSTATE/OVERSTATE THE SEVERITY OF THE CLAIM(S).

PHYSICIAN ASSISTANTS

OCCURRENCE PROGRAM

SCHEDULE RATING PLAN

5. **MANAGEMENT CONTROL PROCEDURES (+/-10%):**
SPECIFIC OPERATIONAL ACTIVITIES (OR LACK OF) 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 NEGATIVELY OR POSITIVELY INFLUENCES THE FREQUENCY AND/OR SEVERITY OF CLAIMS.

7. **ORGANIZATIONAL SIZE / STRUCTURE (+/-10%):**
A GROUP'S SIZE, PROCESSES AND/OR ROSTER OF INSUREDS ARE SUCH THAT THE COMPANY WILL INCUR GREATER OR LESSER COSTS IN ASSOCIATION WITH ITS SERVICE TO, OR COVERAGE OF, THE GROUP.

8. **HEALTHCARE STANDARDS, QUALITY AND CLAIMS REVIEW (+/-10%):**
PRESENCE (OR LACK) OF (1) COMMITTEES THAT MEET ON A ROUTINE BASIS TO REVIEW HEALTHCARE PROCEDURES, TREATMENTS, AND PROTOCOLS AND THEN ASSIST IN THE INTEGRATION OF SUCH INTO THE PRACTICE, (2) COMMITTEES THAT 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 (OR LACK OF) UNDERTAKEN WITH THE SPECIFIC INTENTION OF REDUCING THE FREQUENCY OR SEVERITY OF CLAIMS.

10. **TRAINING, ACCREDITATION AND CREDENTIALING (+/-10%):**
THE INSURED(S) EXHIBITS GREATER/LESS THAN NORMAL PARTICIPATION AND SUPPORT OF SUCH ACTIVITIES.

PHYSICIAN ASSISTANTS

OCCURRENCE PROGRAM

SCHEDULE RATING PLAN

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 (OR LACK THEREOF) TO EXPEND THE TIME AND CAPITAL TO INCORPORATE THE LATEST ADVANCES IN MEDICAL TREATMENTS AND EQUIPMENT INTO THE PRACTICE, PROVIDING ABOVE OR BELOW AVERAGE PROCEDURES AS DEFINED IN UNDERWRITING GUIDELINES FOR A SPECIALTY, OR FAILURE TO MEET ACCEPTED STANDARDS OF CARE.

13. **EXPENSES LESS THAN STANDARD (UP TO 15% CREDIT):**
IF THE EXPENSES ARE LESS THAN STANDARD, AN ADDITIONAL MODIFICATION MAY BE MADE TO REFLECT THIS REDUCTION.

PHYSICIANS ASSISTANTS

OCCURRENCE PROGRAM

NEW TO PRACTICE CREDIT

A PRACTITIONER IN THEIR FIRST YEAR OF PRACTICE, AFTER GRADUATION, WILL RECEIVE A 25% CREDIT APPLIED TO CURRENT FILED RATES.

THE NEW TO PRACTICE CREDIT WILL NOT BE APPLIED IN COMBINATION WITH PART-TIME CREDITS.

PHYSICIAN ASSISTANT

OCCURRENCE PROGRAM

SHARED ENTITY VICARIOUS LIABILITY COVERAGE

A SCHEDULED HEALTHCARE PROFESSIONAL ENTITY MAY BE MADE AN ADDITIONAL INSURED ON A HEALTHCARE PROFESSIONAL'S PRIMARY INDIVIDUAL POLICY AT NO ADDITIONAL CHARGE. COVERAGE IS LIMITED TO VICARIOUS LIABILITY BASED SOLELY ON PROFESSIONAL SERVICES RENDERED, OR WHICH SHOULD HAVE BEEN RENDERED BY THE NAMED INSURED PHYSICIAN ASSISTANT.

THIS ADDITION WILL NOT OPERATE TO PROVIDE ADDITIONAL LIMITS OF LIABILITY PER CLAIM FILED OR ANNUAL AGGREGATE BEYOND THE STATED LIMITS OF THE INDIVIDUAL POLICY.

PHYSICIANS ASSISTANTS

OCCURRENCE PROGRAM

PARTNERSHIP OR CORPORATION COVERAGE

THE PREMIUM WILL EQUAL 10% OF THE SUM OF THE INDIVIDUAL RATES OF THE PARTNERS, SHAREHOLDERS AND EMPLOYED/CONTRACTED HEALTHCARE PROFESSIONALS, INSURED BY THE COMPANY, AT THE LIMITS SELECTED FOR THE PARTNERSHIP OR CORPORATION.

LIMITS OF COVERAGE FOR THE PARTNERSHIP OR CORPORATION MAY NOT EXCEED THE LOWEST LIMITS OF COVERAGE OF ANY OF THE INSURED PARTNERS, SHAREHOLDERS, OR EMPLOYED/CONTRACTED HEALTHCARE PROFESSIONALS.

PHYSICIANS ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

AGGREGATE CREDIT RULE

THE APPLICATION OF ALL APPROVED CREDITS CONTAINED IN THIS RATING MANUAL SHALL NOT EXCEED 50% FOR ANY ONE INSURED.

THIS RULE DOES NOT APPLY TO PART TIME PRACTICE, LEAVE OF ABSENCE OR MILITARY LEAVE OF ABSENCE CREDITS.

PHYSICIAN ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

LEAVE OF ABSENCE CREDIT RULE

A HEALTHCARE PROVIDER WHO IS ON A LEAVE OF ABSENCE FOR A CONTINUOUS PERIOD OF 45 DAYS OR MORE MAY BE ELIGIBLE FOR RESTRICTED COVERAGE AT A DISCOUNT OF 100% OF THE APPLICABLE RATE FOR THE PERIOD OF THE LEAVE OF ABSENCE. THIS WILL APPLY RETROACTIVELY TO THE FIRST DAY OF THE LEAVE OF ABSENCE, IF REPORTED TO THE COMPANY WITHIN 30 DAYS. ONLY ONE APPLICATION OF THIS CREDIT MAY BE APPLIED TO AN ANNUAL POLICY PERIOD. LEAVE OF ABSENCE MAY INCLUDE THE FOLLOWING:

- THE BIRTH OF INSUREDS NEWBORN, PLACEMENT OF FOSTER CHILDREN OR INSURED ADOPTS A CHILD, PROVIDED THE LEAVE IS COMPLETED WITHIN 12 MONTHS OF THE BIRTH, PLACEMENT OR ADOPTION.
- TO CARE FOR A SPOUSE, CHILD OR PARENT WHO HAS A SERIOUS HEALTH CONDITION.
- TO CARE FOR INSUREDS OWN HEALTH CONDITION WHICH PREVENTS INSURED FROM WORKING.
- TIME TO ENHANCE THE INSUREDS EDUCATION OR OTHER REASON WHILE NOT PRACTICING.

THIS CREDIT IS NOT AVAILABLE TO AN INSUREDS LEAVE OF ABSENCE FOR VACATION PURPOSES. THE MINIMUM PREMIUM RATING RULE APPLIES TO INSUREDS ELIGIBLE FOR THE LEAVE OF ABSENCE CREDIT.

PHYSICIANS ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

MILITARY LEAVE OF ABSENCE CREDIT RULE

A HEALTHCARE PROVIDER WHO IS ON A MILITARY LEAVE OF ABSENCE MAY BE ELIGIBLE FOR RESTRICTED COVERAGE AT A DISCOUNT OF 100% OF THE APPLICABLE RATE FOR THE PERIOD OF THE LEAVE OF ABSENCE. THIS WILL APPLY RETROACTIVELY TO THE FIRST DAY OF THE LEAVE OF ABSENCE.

THE MINIMUM PREMIUM RATING RULE DOES NOT APPLY TO INSUREDS THAT ARE ELIGIBLE FOR THE MILITARY LEAVE OF ABSENCE CREDIT.

PHYSICIANS ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

MINIMUM PREMIUM RATING RULE

ALL POLICIES ARE SUBJECT TO A MINIMUM PREMIUM OF $50. THE MINIMUM PREMIUM WILL BE RETAINED WHEN THE INSURED REQUESTS CANCELLATION UNLESS THE POLICY IS CANCELLED AS OF THE INCEPTION DATE.

PHYSICIAN ASSISTANT

STANDARD CLAIMS MADE PROGRAM

PART TIME PRACTICE RULE

ANY INSURED WHO PRACTICES ON AVERAGE 24 HOURS OR LESS IN A WEEK OR LESS THAN AN AGGREGATE OF 1,250 HOURS DURING THE TERM OF AN ANNUAL POLICY WILL BE CONSIDERED A PART TIME PRACTITIONER AND WILL BE ELIGIBLE FOR A REDUCTION IN THE OTHERWISE APPLICABLE RATE BASED ON THE FOLLOWING SCHEDULE:

AVERAGE NUMBER OF HOURS PRACTICED PER WEEK	0-24
MAX. AGGREGATE HOURS PER YEAR	1,250
CREDIT	35%

NO OTHER CREDITS OR DISCOUNTS ARE TO APPLY CONCURRENT WITH THIS RULE EXCEPT RISK MANAGEMENT CREDIT, MEMBERSHIP ASSOCIATION CREDIT OR SCHEDULE RATING.

PHYSICIAN ASSISTANT

STANDARD CLAIMS MADE PROGRAM

PART TIME PRACTICE RULE

THE PART TIME PRACTICE CREDIT WILL NOT BE APPLIED TO THE EXTENSION CONTRACT RATING UNLESS THE PART TIME PRACTICE DID NOT EXCEED AN AVERAGE OF 1,250 HOURS/YEAR OVER THE PREVIOUS FIVE CONSECUTIVE POLICY YEARS WITH THE COMPANY.

PHYSICIAN ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

SCHEDULE RATING PLAN

ALL HEALTHCARE PROFESSIONALS, WHETHER PART OF A GROUP OR NOT, WILL BE ELIGIBLE FOR SCHEDULE RATING.

THE PREMIUM FOR A RISK MAY BE MODIFIED IN ACCORDANCE WITH THE FOLLOWING, SUBJECT TO A MAXIMUM MODIFICATION OF -25% / +25%; 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 FOLLOWING CONSIDERATIONS:

1. **HISTORICAL LOSS EXPERIENCE (+/- 15%):**
   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 GREATER/LESS THAN STABLE LONGSTANDING PRACTICE AND/OR SIGNIFICANT DEGREE OF EXPERIENCE IN THEIR CURRENT AREA OF MEDICINE.

3. **CLASSIFICATION ANOMALIES (+/-10%):**
   CHARACTERISTICS OF A PARTICULAR INSURED THAT DIFFERENTIATE THE INSURED TO BE GREATER/LESS THAN 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 (+/-10%):**
   ECONOMIC, SOCIETAL OR JURISDICTIONAL CHANGES OR TRENDS THAT WILL POSTIVELY OR NEGATIVELY INFLUENCE THE FREQUENCY OR SEVERITY OF CLAIMS, OR THE UNUSUAL CIRCUMSTANCES OF A CLAIM(S) WHICH UNDERSTATE/OVERSTATE THE SEVERITY OF THE CLAIM(S).

PHYSICIAN ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

SCHEDULE RATING PLAN

5. **MANAGEMENT CONTROL PROCEDURES (+/-10%):**
SPECIFIC OPERATIONAL ACTIVITIES (OR LACK OF) 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 NEGATIVELY OR POSTIVELY INFLUENCES THE FREQUENCY AND/OR SEVERITY OF CLAIMS.

7. **ORGANIZATIONAL SIZE / STRUCTURE (+/-10%):**
A GROUP'S SIZE, PROCESSES AND/OR ROSTER OF INSUREDS ARE SUCH THAT THE COMPANY WILL INCUR GREATER OR LESSER COSTS IN ASSOCIATION WITH ITS SERVICE TO, OR COVERAGE OF, THE GROUP.

8. **HEALTHCARE STANDARDS, QUALITY AND CLAIMS REVIEW (+/-10%):**
PRESENCE (OR LACK) OF (1) COMMITTEES THAT MEET ON A ROUTINE BASIS TO REVIEW HEALTHCARE PROCEDURES, TREATMENTS, AND PROTOCOLS AND THEN ASSIST IN THE INTEGRATION OF SUCH INTO THE PRACTICE, (2) COMMITTEES THAT 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 (OR LACK OF) UNDERTAKEN WITH THE SPECIFIC INTENTION OF REDUCING THE FREQUENCY OR SEVERITY OF CLAIMS.

10. **TRAINING, ACCREDITATION AND CREDENTIALING (+/-10%):**
THE INSURED(S) EXHIBITS GREATER/LESS THAN NORMAL PARTICIPATION AND SUPPORT OF SUCH ACTIVITIES.

PHYSICIAN ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

SCHEDULE RATING PLAN

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 (OR LACK THEREOF) TO EXPEND THE TIME AND CAPITAL TO INCORPORATE THE LATEST ADVANCES IN MEDICAL TREATMENTS AND EQUIPMENT INTO THE PRACTICE, PROVIDING ABOVE OR BELOW AVERAGE PROCEDURES AS DEFINED IN UNDERWRITING GUIDELINES FOR A SPECIALTY, OR FAILURE TO MEET ACCEPTED STANDARDS OF CARE.

13. **EXPENSES LESS THAN STANDARD (UP TO 15% CREDIT):**
IF THE EXPENSES ARE LESS THAN STANDARD, AN ADDITIONAL MODIFICATION MAY BE MADE TO REFLECT THIS REDUCTION.

PHYSICIANS ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

NEW TO PRACTICE CREDIT

A PRACTITIONER IN THEIR FIRST YEAR OF PRACTICE AFTER GRADUATION WILL RECEIVE A 25% CREDIT APPLIED TO CURRENT FILED RATES.

THE NEW TO PRACTICE CREDIT WILL NOT BE APPLIED IN COMBINATION WITH PART-TIME CREDITS.

PHYSICIAN ASSISTANT

STANDARD CLAIMS MADE PROGRAM

SHARED ENTITY VICARIOUS LIABILITY COVERAGE

A SCHEDULED HEALTHCARE PROFESSIONAL ENTITY MAY BE MADE AN ADDITIONAL INSURED ON A HEALTHCARE PROFESSIONAL'S PRIMARY INDIVIDUAL POLICY AT NO ADDITIONAL CHARGE. COVERAGE IS LIMITED TO VICARIOUS LIABILITY BASED SOLELY ON PROFESSIONAL SERVICES RENDERED, OR WHICH SHOULD HAVE BEEN RENDERED BY THE NAMED INSURED PHYSICIAN ASSISTANT.

THIS ADDITION WILL NOT OPERATE TO PROVIDE ADDITIONAL LIMITS OF LIABILITY PER CLAIM FILED OR ANNUAL AGGREGATE BEYOND THE STATED LIMITS OF THE INDIVIDUAL POLICY.

PHYSICIANS ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

PARTNERSHIP OR CORPORATION COVERAGE

THE PREMIUM WILL EQUAL 10% OF THE SUM OF THE INDIVIDUAL RATES OF THE PARTNERS, SHAREHOLDERS AND EMPLOYED/CONTRACTED HEALTHCARE PROFESSIONALS, INSURED BY THE COMPANY, AT THE LIMITS SELECTED FOR THE PARTNERSHIP OR CORPORATION.

LIMITS OF COVERAGE FOR THE PARTNERSHIP OR CORPORATION MAY NOT EXCEED THE LOWEST LIMITS OF COVERAGE OF ANY OF THE INSURED PARTNERS, SHAREHOLDERS, OR EMPLOYED/CONTRACTED HEALTHCARE PROFESSIONALS.

PHYSICIANS ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

EXTENSION CONTRACT RATING

THE PREMIUM FOR THE EXTENSION CONTRACT ENDORSEMENT SHALL BE DETERMINED BY APPLYING THE EXTENSION CONTRACT RATING FACTORS CONTAINED IN THE RATES SECTION OF THIS MANUAL TO THE APPLICABLE STANDARD MATURE CLAIMS MADE RATE, SUBJECT TO EXPIRING PART-TIME AND SCHEDULE RATING MODIFICATIONS.

PHYSICIANS ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

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 WITH THE WRITTEN ACKNOWLEDGEMENT OF THE INSURED AND THE APPROVAL BY THE COMPANY.

PHYSICIANS ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

SLOT RATING RULE

COVERAGE FOR MULTI-HEALTHCARE PROFESSIONAL GROUPS IS AVAILABLE, AT THE COMPANY'S OPTION, ON A SLOT BASIS RATHER THAN ON AN INDIVIDUAL HEALTHCARE PROFESSIONAL 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.

THE APPLICABLE MANUAL RATE WILL BE DETERMINED BY THE CLASSIFICATION OF THE SLOT. POLICIES CONVERTED TO A SLOT BASIS WILL BE RATED AS A STANDARD CLAIMS MADE POLICY, UTILIZING THE RETROACTIVE DATE OF THE SLOT. EXTENSION CONTRACT COVERAGE MAY BE PURCHASED FOR THE SLOT BASED ON THE APPLICABLE RETROACTIVE DATE, CLASSIFICATION AND LIMITS.

PREMIUM MODIFICATIONS FOR PART TIME PRACTICE AND RISK MANAGEMENT CANNOT BE USED IN CONJUNCTION WITH THIS RATING RULE.

PHYSICIAN ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

CONVERTIBLE COVERAGE RATING PLAN

INSUREDS SHALL BE PROVIDED THE OPTION, SUBJECT TO UNDERWRITING GUIDELINES, TO CONVERT FROM STANDARD CLAIMS MADE TO OCCURRENCE COVERAGE. THE INSURED SHALL BE ELIGIBLE FOR CONVERSION AFTER THE FOLLOWING CONDITIONS HAVE BEEN MET:

1) PAYMENT TO THE COMPANY OF THE APPLICABLE PREMIUM FOR A MINIMUM OF THREE ANNUAL STANDARD CLAIMS MADE POLICIES.

2) ACHIEVE THREE YEARS OF CONTINOUS CLAIMS MADE COVERAGE UNDER THIS PLAN WITH NO CLAIMS ATTRITUBUTED TO THE INSURED.

   - A CLAIM UNDER THIS PLAN SHALL NOT BE CONSTRUED TO INCLUDE INSTANCES OF MISTAKEN IDENTITY, BLANKET DEFENDANT LISTINGS, IMPROPER INCLUSION, OR NON-MERITORIOUS OR FRIVOLOUS CLAIMS.

AT THE TIME THE AFOREMENTIONED CONDITIONS ARE MET, AND THE INSURED ELECTS TO PURCHASE OCCURRENCE COVERAGE, THE COMPANY WILL ISSUE AN EXTENSION CONTRACT, COVERING SERVICES SUBSEQUENT TO THE RETROACTIVE DATE AND PRIOR TO THE EXPIRATION OF THE CLAIMS MADE POLICY, AND WILL WAIVE ANY PREMIUM THAT WOULD NORMALLY BE DUE FOR SUCH EXTENSION.

THE APPLICABLE PREMIUM UNDER THIS PLAN SHALL BE EQUAL TO 100% OF THE MANUAL PREMIUM THAT WOULD OTHERWISE BE DERIVED FOR THE INSURED UNDER THE OCCURRENCE PROGRAM. NO OTHER MODIFICATIONS ARE TO APPLY CONCURRENT WITH THIS RULE WITH THE EXCEPTION OF MEMBERSHIP, RISK MANAGEMENT AND SCHEDULE RATING MODIFICATIONS.

SHOULD THE INSURED BE UNABLE TO MEET THE CONDITIONS FOR CONVERSION, THE INSURED MAY ELECT TO PURCHASE AN EXTENSION CONTRACT SUBJECT TO POLICY PROVISIONS. REFER TO THE EXTENSION CONTRACT RATING RULE TO DETERMINE THE APPLICABLE PREMIUM.

PHYSICIAN ASSISTANT

STANDARD CLAIMS MADE PROGRAM

MOONLIGHTING RATING RULE

ANY HEALTHCARE PROFESSIONAL WHO REQUESTS COVERAGE FOR MOONLIGHTING ACTIVITIES, WHILE WORKING FULL TIME AT A PRACTICE EXCLUDED BY THE MEDICAL PROTECTIVE COMPANY, AND AVERAGES LESS THAN 500 HOURS DURING THE TERM OF AN ANNUAL POLICY FOR SUCH MOONLIGHTING ACTIVITIES, WILL BE CONSIDERED A MOONLIGHTING PRACTITIONER AND WILL BE ELIGIBLE FOR A REDUCTION IN THE OTHERWISE APPLICABLE RATE BASED ON THE FOLLOWING SCHEDULE.

THE RATE SHALL BE CALCULATED AS 0.325 OF THE APPLICABLE STATE/TERRITORY MATURE CLAIMS MADE CLASS P1 RATE. THE PREMIUM SHALL BE FULLY EARNED AT THE INCEPTION DATE OF THE POLICY.

TO QUALIFY, THE MOONLIGHTING PRACTITIONER MUST BE CLAIM FREE FOR A MINIMUM OF THE PRECEEDING FIVE YEARS. PART TIME APPLICANTS OR INSUREDS ARE NOT ELIGIBLE FOR MOONLIGHTING COVERAGE.

UPON TERMINATION OF THE MOONLIGHTING POLICY, EXCEPT DUE TO NON-PAYMENT OF PREMIUM, THE INSURED MAY REQUEST IN WRITING, WITHIN 60 DAYS OF THE TERMINATION DATE, A REPORTING ENDORSEMENT. THE COMPANY WILL WAIVE ANY PREMIUM THAT WOULD NORMALLY BE DUE FOR SUCH EXTENSION.

THE COMPANY, AT OUR DISCRETION, MAY AUDIT THE PRACTITIONER TO VERIFY COMPLIANCE WITH THE TERMS OF THIS MOONLIGHTING RULE.

PHYSICIANS ASSISTANTS

OCCURRENCE PROGRAM

DEFERRED PREMIUM PAYMENT PLAN RULE

THE COMPANY WILL OFFER THE INSURED VARIOUS PREMIUM PAYMENT OPTIONS. THE DEFERRED PREMIUM PAYMENT PLAN REQUIRES A DOWN PAYMENT TO BE PAID ON OR BEFORE THE INCEPTION/RENEWAL DATE OF THE POLICY. THE BALANCE OF THE PREMIUM WILL BE PAYABLE IN PERIODIC INSTALLMENTS.

PHYSICIANS ASSISTANTS

OCCURRENCE PROGRAM

FULL TIME EQUIVALENCY RATING RULE

COVERAGE FOR A HEALTHCARE PROFESSIONAL GROUP IS AVAILABLE, AT THE COMPANY'S OPTION, ON A FULL TIME EQUIVALENT (FTE) BASIS RATHER THAN ON AN INDIVIDUAL INSURED BASIS. COVERAGE IS PROVIDED ON AN INDIVIDUAL LIMIT OR SHARED LIMIT BASIS. FULL TIME EQUIVALENCY IS BASED ON EACH HEALTHCARE PROFESSIONAL'S NUMBER OF HOURS OF PRACTICE PER YEAR. THE DEFINITION OF ONE FTE IS BASED ON THE FOLLOWING NUMBER OF HOURS PER YEAR:

2,000	GROUP PRACTICE
1,800	TRAINING/RESIDENCY PROGRAMS

FOR GROUP PRACTICES, THE MINIMUM AVERAGE FTE ASSIGNED TO ANY INDIVIDUAL HEALTHCARE PROFESSIONAL IS .10 (200 HOURS), SUBJECT TO A TOTAL FTE PER POLICY OF NO LESS THAN 1.0. TRAINING/RESIDENCY PROGRAMS (AND OTHER SIMILAR PROGRAMS) ARE NOT SUBJECT TO THE GROUP PRACTICE MINIMUMS.

PHYSICIANS ASSISTANTS

OCCURRENCE PROGRAM

FULL TIME EQUIVALENCY RATING RULE

THE FOLLOWING TABLE IDENTIFIES THE APPLICABLE PREMIUM MODIFICATION PER THE NUMBER OF FTE'S IN THE POLICY FOR A SHARED LIMIT:

FTE* PER POLICY	PREMIUM MODIFICATION
1-4	0.0%
5-9	-2.0%
10-14	-5.0%
15-24	-10.0%
25 +	-15.0%

*THE TABLE VALUE IS DETERMINED BY ROUNDING THE ACTUAL FTE PER POLICY USING THE .50 ROUNDING RULE.

PREMIUM MODIFICATION FOR PART TIME PRACTICE, NEW TO PRACTICE AND RISK MANAGEMENT CANNOT BE USED IN CONJUNCTION WITH THIS RATING RULE.

FTE POLICIES ARE SUBJECT TO ELECTRONIC OR ON-SITE AUDITS. MID-TERM PREMIUM ADJUSTMENTS WILL BE APPLIED BASED UPON THE AUDIT FINDINGS FOR THE AUDIT PERIOD.

PHYSICIANS ASSISTANTS

OCCURRENCE PROGRAM

RISK MANAGEMENT CREDIT RULE

THE INSURED WILL RECEIVE A TEN PERCENT (10%) PREMIUM CREDIT FOR A RISK MANAGEMENT COURSE WHICH HAS A MINIMUM OF 3 CONTINUING MEDICAL EDUCATION UNITS (CME'S) AND IS RISK MANAGEMENT IN CONTENT.

PHYSICIANS ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

DEFERRED PREMIUM PAYMENT PLAN RULE

THE COMPANY WILL OFFER THE INSURED VARIOUS PREMIUM PAYMENT OPTIONS. THE DEFERRED PREMIUM PAYMENT PLAN REQUIRES A DOWN PAYMENT TO BE PAID ON OR BEFORE THE INCEPTION/RENEWAL DATE OF THE POLICY. THE BALANCE OF THE PREMIUM WILL BE PAYABLE IN PERIODIC INSTALLMENTS.

PHYSICIANS ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

FULL TIME EQUIVALENCY RATING RULE

COVERAGE FOR A HEALTHCARE PROFESSIONAL GROUP IS AVAILABLE, AT THE COMPANY'S OPTION, ON A FULL TIME EQUIVALENT (FTE) BASIS RATHER THAN ON AN INDIVIDUAL INSURED BASIS. COVERAGE IS PROVIDED ON AN INDIVIDUAL LIMIT OR SHARED LIMIT BASIS. FULL TIME EQUIVALENCY IS BASED ON EACH HEALTHCARE PROFESSIONAL'S NUMBER OF HOURS OF PRACTICE PER YEAR. THE DEFINITION OF ONE FTE IS BASED ON THE FOLLOWING NUMBER OF HOURS PER YEAR:

2,000	GROUP PRACTICE
1,800	TRAINING/RESIDENCY PROGRAMS

FOR GROUP PRACTICES, THE MINIMUM AVERAGE FTE ASSIGNED TO ANY INDIVIDUAL HEALTHCARE PROFESSIONAL IS .10 (200 HOURS), SUBJECT TO A TOTAL FTE PER POLICY OF NO LESS THAN 1.0. TRAINING/RESIDENCY PROGRAMS (AND OTHER SIMILAR PROGRAMS) ARE NOT SUBJECT TO THE GROUP PRACTICE MINIMUMS.

PHYSICIANS ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

FULL TIME EQUIVALENCY RATING RULE

THE FOLLOWING TABLE IDENTIFIES THE APPLICABLE PREMIUM MODIFICATION PER THE NUMBER OF FTE'S IN THE POLICY FOR A SHARED LIMIT:

FTE* PER POLICY	PREMIUM MODIFICATION
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10-14	-5.0%
15-24	-10.0%
25 +	-15.0%

*THE TABLE VALUE IS DETERMINED BY ROUNDING THE ACTUAL FTE PER POLICY USING THE .50 ROUNDING RULE.

PREMIUM MODIFICATION FOR PART TIME PRACTICE, NEW TO PRACTICE, AND RISK MANAGEMENT CANNOT BE USED IN CONJUNCTION WITH THIS RATING RULE.

FTE POLICIES ARE SUBJECT TO ELECTRONIC OR ON-SITE AUDITS. MID-TERM PREMIUM ADJUSTMENTS WILL BE APPLIED BASED UPON THE AUDIT FINDINGS FOR THE AUDIT PERIOD.

PHYSICIANS ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

RISK MANAGEMENT CREDIT RULE

THE INSURED WILL RECEIVE A TEN PERCENT (10%) PREMIUM CREDIT FOR A RISK MANAGEMENT COURSE WHICH HAS A MINIMUM OF 3 CONTINUING MEDICAL EDUCATION UNITS (CME'S) AND IS RISK MANAGEMENT IN CONTENT.

PHYSICIANS ASSISTANTS

STANDARD CLAIMS MADE PROGRAM

ACCELERATED EXTENSION CONTRACT RULE

THE COMPANY WILL AGREE TO WAIVE THE STANDARD REQUIREMENTS FOR QUALIFYING FOR A FREE EXTENDED REPORTING PERIOD ENDORSEMENT AT RETIREMENT IF THE INSURED MEETS THE FOLLOWING CRITERIA:

1) THE INSURED IS A MEMBER OF A GROUP PRACTICE THAT IS INSURED ON A CLAIMS-MADE BASIS WITH THE COMPANY.

2) THE GROUP REQUESTED THE WAIVER FOR AN INSURED WHO ANTICIPATES PERMANENTLY RETIRING FROM THE PRACTICE OF MEDICINE IN LESS THAN ONE YEAR AND/OR WILL NOT HAVE ONE YEAR OF CONTINUOUS CLAIMS- MADE COVERAGE AT THE TIME OF RETIREMENT.

3) THE INSURED OTHERWISE MEETS THE REQUIREMENTS AS SET FORTH IN THE POLICY FOR A FREE EXTENSION CONTRACT, AS OUTLINED IN THE POLICY VIA SECTION XII – OPTIONAL EXTENDED REPORTING PERIOD.

4) THE COMPANY APPROVED THE GROUP'S REQUEST FOR THE WAIVER AFTER DETERMINING THE INSURED HAD LESS THAN ONE YEAR OF PRIOR ACTS EXPOSURE.

THE TOTAL NUMBER OF INSUREDS WITHIN A GROUP PRACTICE THAT MAY QUALIFY FOR THIS WAIVER SHALL NOT EXCEED A RATIO OF 1 IN 3.

PHYSICIAN ASSISTANT

OCCURRENCE PROGRAM

MOONLIGHTING RATING RULE

ANY HEALTHCARE PROFESSIONAL WHO REQUESTS COVERAGE FOR MOONLIGHTING ACTIVITIES, WHILE WORKING FULL TIME AT A PRACTICE EXCLUDED BY THE MEDICAL PROTECTIVE COMPANY, AND AVERAGES LESS THAN 500 HOURS DURING THE TERM OF AN ANNUAL POLICY FOR SUCH MOONLIGHTING ACTIVITIES, WILL BE CONSIDERED A MOONLIGHTING PRACTITIONER AND WILL BE ELIGIBLE FOR A REDUCTION IN THE OTHERWISE APPLICABLE RATE BASED ON THE FOLLOWING SCHEDULE.

THE RATE SHALL BE CALCULATED AS 0.325 OF THE APPLICABLE STATE/TERRITORY OCCURRENCE CLASS P1 RATE. THE PREMIUM SHALL BE FULLY EARNED AT THE INCEPTION DATE OF THE POLICY.

TO QUALIFY, THE MOONLIGHTING PRACTITIONER MUST BE CLAIM FREE FOR A MINIMUM OF THE PRECEDING FIVE YEARS. PART TIME APPLICANTS OR INSUREDS ARE NOT ELIGIBLE FOR MOONLIGHTING COVERAGE.

THE COMPANY, AT OUR DISCRETION, MAY AUDIT THE PRACTITIONER TO VERIFY COMPLIANCE WITH THE TERMS OF THIS MOONLIGHTING RULE.

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Form MMPCS	Filed	01/05/2011

Comments:
Attached please find a MedMa; Survery Form.
Attachment:
MedMal Survey FORM MMPCS.pdf

		Item Status:	Status Date:
Bypassed - Item:	Form PROMAL	Filed	01/05/2011
Bypass Reason:	N/A		

Comments:

		Item Status:	Status Date:
Bypassed - Item:	Form PRONOT	Filed	01/05/2011
Bypass Reason:	N/A		

Comments:

		Item Status:	Status Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	01/05/2011

Comments:
Attached please find a NAIC Loss Cost Data Entry Document.
Attachment:
AR NAIC Loss Cost Data Entry Doc.pdf

	Item Status:	Status Date:

Bypassed - Item:	NAIC Loss Cost Filing Forms (all P&C lines)	Filed	01/05/2011

Bypass Reason: N/A

Comments:

		Item Status:	**Status Date:**
Satisfied - Item:	Filing Memorandum	Filed	01/05/2011

Comments:

Attached please find a Filing Memorandum.

Attachment:

Filing Memorandum (10-10)2.pdf

		Item Status:	**Status Date:**
Satisfied - Item:	Explanatory Memo & Actuarial Exhs.	Filed	01/05/2011

Comments:

Attached please find attached an Explanatory Memorandum and Actuarial Exhs.

Attachment:

ARRateFilingSupport.pdf

Malpractice Premium Comparision Survey Form
FORM MMPCS - last modified August, 2005

USE THE APPROPRIATE FORM BELOW - IF NOT APPLICABLE, LEAVE BLANK

NAIC Number:	012-19445
Company Name:	National Union Fire Insurance Company of Pittsburgh, Pa.
Contact Person:	Myron Harry
Telephone No.:	(212) 458 7057
Email Address:	myron.harry@chartisinsurance.com
Effective Date:	

Submit to: *Arkansas Insurance Department*
1200 West Third Street
Little Rock, AR 72201-1904
Telephone: *501-371-2800*
Email as an attachment to insurance.pnc@arkansas.gov
You may also attach to a SERFF filing or submit on a cdr disk

Physicians

	Hospital	Clinic	Private
Base Rate			
At 500,000/1,000,000	$	$	$
Discounts and Surcharges			
Emergency Room	%	%	%
Surgery	%	%	%
Delivery	%	%	%
Claims Free	%	%	%
Over 5 years Experience	%	%	%
Other:	%	%	%

Dental

	Dentist	Orthodontist	Oral Surgeons
Base Rate			
At 100,000/300,000	$	$	$
Discounts and Surcharges			
Claims Free	%	%	%
5 years Experience	%	%	%
Surgery	%	%	%
Other:	%	%	%

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	**CHS-10-EO-22**

2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item	**N/A**

		Company Name		Company NAIC Number
3.	**A.**	**National Union Fire Insurance Company of Pittsburgh,**	**B.**	**19445**
		Product Coding Matrix Line of Business (i.e., Type of Insuranc		Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	**A.**	**Medical Malpractice**	**B.**	**Other Healthcare Professional Liability**

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY (D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
Physicians Assistant Professional Liability	**New Program**						
TOTAL OVERALL EFFECT	**New Program**	**0.00%**					

6. 5 Year History Rate Change History

Year	Policy Count	% of Change	Effective Date	State Earned Premium	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio
2005	**New Program**						
2006							
2007							
2008							
2009							

7.

Expense Constants	Selected Provisions
A. Total Production Expense	**31.1%**
B. General Expense	**2.8%**
C. Taxes, License & Fees	**2.6%**
D. Underwriting Profit	**-11.5%**
& Contingencies	
E. Other (explain)	
F. TOTAL	**24.9%**

8. _____ Apply Loss Cost Factors to Future filings? (Y or N)

9. _____ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): **New Program**

10. _____ Estimated Maximum Rate Decrease for any Insured (%). Territory (if applicable): **New Program**

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

PHYSICIAN ASSISTANT PROFESSIONAL LIABILITY PLUS INSURANCE PROGRAM

Filing Memorandum

National Union Fire Insurance Company of Pittsburgh, Pa. is proposing to offer Medical Malpractice coverage to Physician Assistants. The proposed mature base rate and class relativities are the same as those in use by The Medical Protective Company (MedPro). The proposed increased limit factors, claims made step factors, and extended reporting period factors are the same as those in use by MedPro.

The product includes coverage for: professional liability; premises liability; personal injury liability; defense costs for loss of earnings; defense costs for HIPAA violations; defense costs for administrative hearings; reimbursement for biomedical waste defense costs; assault upon the insured personal expenses reimbursement; first aid reimbursement; medical payments to others reimbursement; deposition fees and expenses reimbursement when not a named party to a claim; and accident and critical illness insurance.

National Union Fire Insurance Company of Pitts., Pa.
Physician Assistant Professional Liability Plus Insurance Program

Explanatory Memorandum
ARKANSAS

The above captioned company is proposing to offer new Medical Malpractice coverage to Physician Assistants. This new program offers professional and premises liability, along with the following additional coverages; personal injury liability, reimbursement for biomedical waste defense costs, assault upon the insured personal expenses reimbursement, first aid reimbursement, medical payments to others reimbursement, deposition fees and expenses reimbursement (when not a named party to a claim), accident and critical illness insurance and defense costs for loss of earnings, HIPAA violations, administrative hearings. A similar, more limited coverage was previously offered through an affiliate program in certain states for employed Physician Assistants.

The base rates being proposed for this new program have been selected based on an average of the trended, on level indications of the affiliate program and the current rates being offered by the lead competitor, The Medical Protective Company (Med Pro). The proposed class plans, class relativities, increased limits factors, claims made conversion factors and extended reporting period factors are the same as those in use by MedPro. Since both, the legacy affiliate and MedPro coverages are more limited than what is being offered through this new program, a judgmental loading has been applied to the average indicated rate to reflect the additional coverage enhancements noted above.

Exhibit 1: ***DETERMINATION OF PROPOSED RATE***

Ultimate developed, trended and on-level results are shown for countrywide loss experience for the affiliate program. Countrywide earned premiums have been adjusted to the present rate level by using the standard parallelogram method. Incurred Losses and Lae are trended to one year past the assumed effective date, in order to reflect changes in frequency and severity subsequent to the experience period. The indicated rate level change based on the affiliate program is based on a comparison of the credibility weighted loss & lae ratio to the expected loss & lae ratio. In addition, the pure premium underlying the current MedPro occurrence rate has been loaded with the expected loss & lae of the proposed program. The average of the two indicated rates was then loaded to reflect the additional coverages being offered through this program. The additional ancillary coverage load was selected judgmentally after reviewing the claim experience of the larger, allied health book of business, along with a 3.5% premium associated with the accident and critical illness insurance.

Exhibit 2: ***DETERMINATION OF ULTIMATE LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS***

Countrywide calculation of ultimate loss and LAE ratios are shown for the most recent ten years for the affiliate program, that offered more limited coverage to this class of insureds. Ratios are based on calendar year earned premiums and accident year ultimate loss and LAE, including unallocated LAE (ex. 6).

Exhibit 3: ***INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT***

Accident Year Loss and Allocated Loss Adjustment Expense experience for Healthcare Professional Liability Programs is shown as of 9/2010, along with age to age factors and the corresponding age to ultimate development factors (exhibit 3A). Due to the low volume and volatility of the loss development data for the legacy program, a larger database is used to select loss development factors. This is appropriate because of the homogenous nature of these claims, as well as the fact that they are all handled by the same claims specialists. In addition the affiliate program specific experience is included in exhibit 3A. These factors are then applied to the countrywide (exhibit 3B) loss experience for the affiliate Physican Assitant Professional Liability coverage.

Exhibit 4: ***TREND ANALYSIS***

Calculation of annual frequency/severity trend is based on the most recent policy year experience for Healthcare Professional Liability programs combined . The least squares method has been used to measure the average change in frequency and severity. The trend period extends from the midpoint of each accident year to one year beyond the assumed effective date.

Exhibit 5: ***EXPENSE PROVISIONS AND DETERMINATION OF EXPECTED LOSS RATIO***

The budgeted expense provisions are based on the historical expenses found for Medical Malpractice in the company's Insurance Expense Exhibit. The commission expense is program specific. The expected loss & lae ratio is the complement of the total expenses and profit load. The profit & contingency factor has been calculated based on a target rate of return on equity calculated using the CAPM model.

Exhibit 6: ***DETERMINATION OF UNALLOCATED LOSS ADJUSTMENT EXPENSE FACTOR***

The unallocated loss adjustment expense provision is determined using data from the Healthcare programs cost statements for the five most recent years. The factor is expressed as a percentage of total incurred losses and allocated loss adjustment expense.

Exhibit 7: ***INVESTMENT INCOME EXHIBITS***

The investment income exhibits are based on American Home/ National Union Group's Annual Statement experience and incorporate the Medical Malpractice-Occurrence premium and program expense provisions to determine an indicated investment income offset. The calendar year method was used to determine investment income.

American Home/National Union Group Exhibit 1
Physicians Assistant Professional Liability (Limited Coverage)
COUNTRYWIDE
DETERMINATION OF PROPOSED RATE
($000's)

Accident Year	(1) Premium at Present Rates (Note A)	(2) Ultimate Loss & LAE (Exhibit 2)	(3)=(2)/(1) Ultimate Loss & LAE Ratio	(4) Trend Factor (Exhibit 4) (Note B)	(5)=(3)*(4)*(1+ulae) Trended Loss & LAE Ratio	Premium Weight
2001	992	1,127	1.135	1.684	1.953	0.03
2002	2,374	5,968	2.514	1.604	4.117	0.07
2003	6,766	12,313	1.820	1.527	2.838	0.21
2004	7,943	9,919	1.249	1.454	1.855	0.25
2005	3,822	5,172	1.353	1.385	1.914	0.12
2006	2,536	872	0.344	1.319	0.463	0.08
2007	2,604	1,134 (E)	0.435	1.256	0.559	0.08
2008	2,482	1,719 (E)	0.692	1.196	0.846	0.08
2009	2,241	1,345 (E)	0.600	1.139	0.698	0.07

			ARKANSAS
(6)	Weighted Average Ultimate Trended Loss and LAE Ratio		1.866
(6a)	Credibility Weights (Note C):		0.722
(6b)	Credibility Weighted Ultimate Loss & LAE Ratio (Note D):		1.627
(7)	Expected Loss & LAE Ratio [Exhibit 5]		0.751
(8)	Indicated Rate Level Change [(6b)/7] - 1		116.7%
(9)	Granite State Insurance Company (affiliate) Class A PA Occurrence Base Rate	$	1,025
(10)	Indicated Class A Limited Coverage Base Rate (based on affiliate experience) [(9) x (1 + (8)]	$	2,222
(11)	The Medical Protective Company Current Class A Occurrence Base Rate (average CW effective 6/1/09)	$	2,229
(12)	The Medical Protective Company Expected Loss & LAE Ratio		0.565
(13)	Indicated NUFIC Class A Limited Coverage Occurrence Base Rate (based on competitor trended pure premium) {[(11) x (12) x trend from 6/1/09 to 1/1/11]/(7) x [1 + ULAE ex. 6]}	$	1,851
(14)	Average Indicated Class A Limited Coverage Occurrence Base Rate [(10) + (13)]/2	$	2,037
(15)	Estimated Loading for additional coverage enhancements (includes 3.5% load for A&H coverage)		1.100
(16)	Indicated NUFIC Class A Occurrence Base Rate (including coverage enhancements)	$	2,240
(17)	Selected NUFIC Class A Occurrence Base Rate	**$**	**2,229**

NOTES:
(A) The calculation of premium at present rates is done using the parallelogram method.
(B) Trend periods extend from the midpoint of each accident year to one year past the assumed effective date. (Exhibit 4).
(C) The credibility standard is 683 claims for the experience period. Credibility = square root (# claims/683)
(D) Credibility Weighted Ultimate Loss & LAE Ratio = [(6) x (6a)] + [1 - (6a) x Trended ELR]
(E) Ultimate Loss & LAE developed using Bornhuetter-Ferguson Methodology
Ultimate Loss & LAE = EP x ELR x (1-1/LDF) + Reported Loss & LAE

American Home/National Union Group

Exhibit 2

Physicians Assistant Professional Liability (Limited Coverage)
COUNTRYWIDE
DETERMINATION OF ULTIMATE LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

($000's)

Accident Year COUNTRYWIDE	(1) Earned Premium	(2) Reported Incurred Loss & ALAE (Exhibit 3)	(3) Loss Development Factors (Exhibit 3A)	(4)=(2)*(3) Ultimate Loss & L.A.E. (Incl. 0% Unalloc L.A.E.)	(5)=(4)/(1) Ultimate Loss & L.A.E. Ratio
2001	794	1,048	1.075	1,127	1.419
2002	1,899	5,442	1.097	5,968	3.143
2003	5,413	10,956	1.124	12,313	2.275
2004	7,060	8,556	1.159	9,919	1.405
2005	3,822	4,332	1.194	5,172	1.353
2006	2,536	635	1.373	872	0.344
2007	2,604	386	1.620	625	0.240
2008	2,482	710	2.181	1,549	0.624
2009	2,241	79	4.053	318	0.142
Total	13,684	6,141		8,536	0.624

American Home/National Union Group Exhibit 3A
Healthcare Professional Liability Programs
($ in 000'S)
COUNTRYWIDE

INCURRED LOSS & LAE as of 9/2010

Accident Year	9	21	33	45	57	69	81	93	105	117
2001	3,162	8,263	23,928	31,210	34,172	36,325	36,563	38,430	38,584	38,657
2002	3,967	10,129	16,782	26,111	31,562	34,870	35,814	36,558	37,421	
2003	3,041	11,280	26,154	39,429	45,575	53,014	54,460	55,839		
2004	5,743	17,712	41,843	52,482	62,107	68,722	71,161			
2005	4,934	25,463	36,095	51,457	61,669	75,789				
2006	7,562	22,594	49,085	62,305	72,825					
2007	5,691	29,123	48,885	63,757						
2008	11,683	31,967	48,132							
2009	9,410	31,762								
2010	7,707									

INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-ULT
2001	2.613	2.896	1.304	1.095	1.063	1.007	1.051	1.004	1.002	
2002	2.553	1.657	1.556	1.209	1.105	1.027	1.021	1.024		
2003	3.710	2.319	1.508	1.156	1.163	1.027	1.025			
2004	3.084	2.362	1.254	1.183	1.107	1.035				
2005	5.161	1.418	1.426	1.198	1.229					
2006	2.988	2.172	1.269	1.169						
2007	5.118	1.679	1.304							
2008	2.736	1.506								
2009	3.375									
Weighted Average	3.412	1.858	1.346	1.171	1.143	1.026	1.031	1.014	1.002	
4 Yr Wtd Average	3.361	1.669	1.308	1.177	1.157	1.026				
3 Yr Wtd Average	3.467	1.746	1.324	1.183	1.166	1.031	1.031			
2 Yr Wtd Average	3.021	1.588	1.287	1.182	1.168	1.032	1.024	1.014		
Selected Age-to-Age		1.858	1.346	1.180	1.150	1.030	1.031	1.025	1.020	
Ultimate Factors		4.053	2.181	1.620	1.373	1.194	1.159	1.124	1.097	1.075 *

*Tail Factor selected after reviewing larger triangle of same claim database.

American Home/National Union Group Exhibit 3A
Physicians Assistant Professional Liability (Limited Coverage)
($ in 000'S)
COUNTRYWIDE

INCURRED LOSS & LAE as of 9/2010

Accident Year	9	21	33	45	57	69	81	93	105	117
2001	20	139	393	807	1,066	1,456	1,182	1,066	1,048	1,048
2002	115	513	2,278	3,442	4,272	4,510	5,033	5,328	5,442	
2003	1	1,510	3,740	5,854	8,023	9,605	10,410	10,956		
2004	203	1,965	3,571	5,050	5,295	7,928	8,556			
2005	78	243	777	1,573	3,604	4,332				
2006	0	393	614	627	635					
2007	0	60	356	386						
2008	189	494	710							
2009	77	79								
2010	5									

INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year	9-21	21-33	33-45	45-57	57-69	69-81	81-93	93-105	105-117	117-ULT
2001	6.793	2.830	2.055	1.322	1.366	0.812	0.902	0.983	1.000	
2002	4.446	4.443	1.511	1.241	1.056	1.116	1.059	1.022		
2003	1458.988	2.476	1.566	1.370	1.197	1.084	1.052			
2004	9.670	1.817	1.414	1.048	1.497	1.079				
2005	3.130	3.193	2.025	2.292	1.202					
2006	1.000	1.564	1.022	1.012						
2007	435.745	5.959	1.084							
2008	2.616	1.436								
2009	1.014									
Weighted Average	7.884	2.339	1.513	1.319	1.250	1.072	1.044	1.015	1.000	
4 Yr Wtd Average	3.846	2.064	1.436	1.340	1.244	1.072				
3 Yr Wtd Average	2.373	1.774	1.480	1.315	1.292	1.089	1.044			
2 Yr Wtd Average	2.151	1.923	1.045	1.927	1.378	1.082	1.054	1.015		
Selected Age-to-Age*		1.858	1.346	1.180	1.150	1.030	1.031	1.025	1.020	
Ultimate Factors		4.053	2.181	1.620	1.373	1.194	1.159	1.124	1.097	1.075

*based on exhibit 3A

Exhibit 4

American Home/National Union Group
Healthcare Professional Liability Programs
COUNTRYWIDE
Determination of Frequency/Severity Trend

Total Limits Frequency Trend

(1) Policy Year	(2) Ultimate Cnt - Cwithp Claims	(3) Number of Policies	(2)/(3) Cnt - Cwithp Claims Per 100 Policies	(4) Exponential Curve of Best Fit
2002	215	76,233	0.283	0.238
2003	269	89,564	0.301	0.284
2004	269	94,910	0.284	0.340
2005	364	97,369	0.374	0.407
2006	378	94,907	0.398	0.486
2007	532	85,519	0.622	0.582
2008	801	96,912	0.826	0.696
Average Annual Change in Claim Frequency			0.859]	19.59%
Selected Annual Frequency Trend				17.00%

Total Limits Severity Trend

(1) Policy Year	(2) Ultimate Cnt - Cwithp Claims	(3) Ultimate Paid Losses	(3)/(2) Ultimate Paid Losses per Claim	(4) Exponential Curve of Best Fit
2002	215	25,322	117.6	166.0
2003	269	46,724	173.5	147.9
2004	269	38,332	142.3	131.7
2005	364	50,420	138.5	117.3
2006	378	47,091	124.7	104.5
2007	532	55,330	104.0	93.1
2008	801	47,005	58.7	82.9
Average Annual Change in Claim Severity			0.523386749]	-10.9%
Selected Annual Severity Trend				-10.3%

OVERALL COMBINED TREND [Frequency x Severity] 5.0%

Derivation of Expected Loss Ratio

(1) Target rate of return on equity			9.3%
(2) Premium to Surplus Ratio			64.5%
(3) Target rate of return on premium [(1)/(2)]			14.4%
(4) Rate of return on premium			21.9%
(5) Target underwriting profit (loss) [(3)-(4)/.65]			-11.5%
(6) Total Expenses			36.4%
	a. Commissions	22.50%	
	b. Other Acquisition	8.58%	
	c. General Expenses	2.80%	
	d. Taxes, Licenses & Fees	2.57%	
(7) Expected Loss Ratio [1-(6)-(5)]			75.1%

INSURANCE EXPENSE EXHIBIT

Countrywide Expenses (in 000's)	2007		2008		2009		3yr Weighted AVG
	$	%	$	%	$	%	%
Written Premium	91,943	----	107,683	----	106,863	----	----
Other Acquisition	4,740	5.16%	6,282	5.83%	9,164	8.58%	6.59%
General Expenses	2,113	2.30%	2,004	1.86%	2,992	2.80%	2.32%
Taxes, Licenses and Fees	4,579	4.98%	4,691	4.36%	2,749	2.57%	3.92%

AMERICAN HOME/NATIONAL UNION GROUP

Exhibit 6

Healthcare

(000's)

Determination of Unallocated Loss Adjustment Expense Provision

(SOURCE: COMPANY COST STATEMENTS)

	ITEM	Calendar Year 2005	2006	2007	2008	2009	5-year Average
(1)	Losses Paid	175,786	206,975	188,980	212,809	205,401	197,990
(2)	Changes in Unpaid Losses	465,082	52,387	2,547	-159,111	12,440	74,669
(3)	Losses Incurred (1) + (2)	640,868	259,362	191,527	53,698	217,841	272,659
(4)	Allocated Loss Adjustment Expenses	68,936	72,293	76,744	85,730	103,813	81,503
(5)	Total Loss & ALAE (3) + (4)	709,804	331,655	268,271	139,428	321,654	354,162
(6)	Unallocated Loss Adjustment Expenses	5,547	7,136	7,778	8,509	8,504	7,495
(7)	Unallocated Loss Expense Ratio (6)/(5)	0.8%	2.2%	2.9%	6.1%	2.6%	2.1%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

A. UNEARNED PREMIUM RESERVE

1.	Medical Malpractice Direct Earned Premium for Calendar Year 2009			$122,958
2.	Mean Unearned Premium Reserve [0.493* (1)] (See Notes p. 2)			60,673
3.	Deduction for Prepaid Expenses (See notes p. 2)			
	a) Commission and Brokerage	22.50%		
	b) Taxes, Licenses and Fees	2.57%		
	c) 50% of Other Acquisition Expenses	4.29%		
	d) 50% of General Expenses	1.40%		
	e) Total	30.76%		
4.	Deduction for Federal Taxes Payable (See Notes p. 2)			7.0%
5.	Net Amount Subject to Investment Income [(2) x (1.000 - (3) - (4))]			37,763

B. DELAYED REMISSION OF PREMIUMS (Agents' Balances)

1.	Direct Earned Premium [(A.1)]			122,958
2.	Average Agents' Balance (See Notes pp. 2-3)			0.150
3.	Delayed Remission [(1) x (2)]			18,427

C. LOSS RESERVE:

1.	Direct Earned Premium [(A.1)]			122,958
2.	Expected Incurred Loss and L.A.E. Reserves	@ ELR:	0.751	92,283
3.	Expected Mean Loss Reserves [4.806 x (2)] (See Notes p. 3)			443,523

D. SURPLUS

1.	Direct Written Premium	118,090
2.	Surplus Subject to Investment [(D.1)/prem to surp]	182,947

E.	NET AMOUNT SUBJECT TO INVESTMENT: [(A.5) - (B.3) + (C.3) + (D.2)]	645,805
F.	AVERAGE RATE OF RETURN ON INVESTED ASSETS (See Notes p. 4)	4.66%
G.	INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT [(E) x (F)]	30,066
H.	AVERAGE RATE OF RETURN (As % of Direct Earned Premium) [(G) / (A.1)]	24.45%
I.	AVERAGE RATE OF RETURN (After Federal Income Taxes) [(H) x 0.895]	21.88%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

Line A.1

Medical Malpractice direct earned premium for calendar year 2009 as provided by American Home/National Union Group.

Line A.2

The mean direct unearned premium reserve is determined by multiplying the Medical Malpractice direct earned premium in line (A.1) by the countrywide ratio of the mean direct unearned premium reserve to the direct earned premium for 2009. See below for calculation of this ratio. This ratio is based on data for Medical Malpractice from page 15 of the Annual Statement for American Home/National Union Group

		(In 000's)
1. Direct Earned Premium for Calendar Year 2009	$	122,958
2. Direct Unearned Premium Reserve as of 12/31/08		63,107
3. Direct Unearned Premium Reserve as of 12/31/09		58,238
4. Mean Direct Unearned Premium Reserve 1/2 [(2) + (3)]		60,673
5. Ratio [(4) / (1)]		0.493

Line A.3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of the filed insurance coverage exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedure as shown.

Line A.4

Deduction for Federal Taxes Payable:

Taxable percentage of unearned premium reserves (Tax Reform Act of 1986):	20.0%
Corporate Tax Rate:	35.0%
Total Percentage of Unearned Premium Reserve:	7.0%

Line B.2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premiums beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus. (continued)

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

Line B.2 (continued)

Agents' balances or uncollected premiums for premiums due less than 90 days are calculated as follows:

	(In 000's)
1. Net Earned Premium for Calendar Year 2009	$ 16,580,172
2. Net Agents' Balances as of 12/31/08	2,145,551
3. Net Agents' Balances as of 12/31/09	1,237,503
4. Mean Agents' Balances 1/2 x [(2) + (3)]	1,691,527
5. Ratio [(4) / (1)]	0.102

The above percentage must be multiplied by a factor of1.469 to include the effect of agents' balances or uncollected premiums overdue for more than 90 days. The factor 1.469 is based on 2009 company data.

Final adjusted Agents' Balance: 0.1499

Line C.2

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing.

Line C.3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (C.2) by the average countrywide ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses in 2008 and 2009 for Medical Malpractice Insurance. This ratio is based on Annual Statement Data.

	(In 000's)
1. Incurred Losses and L.A.E. for Calendar Year 2008	96,751
2. Incurred Losses and L.A.E. for Calendar Year 2009	80,053
3. Loss Reserves and L.A.E. as of 12/31/07	465,875
4. Loss Reserves and L.A.E. as of 12/31/08	473,807
5. Loss Reserves and L.A.E. as of 12/31/09	455,657
6. Mean Loss Reserve 2008: 1/2 [(3) + (4)]	469,841
7. Mean Loss Reserve 2009: 1/2 [(4) + (5)]	464,732
8. Ratio (6) / (1)	4.856
9. Ratio (7) / (2)	5.805
10. Average Ratio 1/2 [(8) + (9)]	5.331
11. Loss reserve for American Home/National Union Group, selected	5.000
12. Estimated Reserve Discount	11.1%
13. Federal Taxes Payable (% of Reserves): (12) x .35	0.039
14. (11) x [1.0 - (13)]	4.806

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

Line E

The rate of return is the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends, and real estate income due and accrued).

Year	Net Investment Income Earned (In 000's)	Mean Cash and Invested Assets (In 000's)	Rate of Return
2008	3,034,220	66,207,940	4.58%
2009	2,671,587	62,874,805	4.25%
Total	5,705,808	129,082,745	4.42%

Year	Realized Capital Gains (or Losses) (In 000's)	Mean Cash and Invested Assets (In 000's)	Rate of Return
2000-2009	1,091,797	455,625,352	0.24%

Total Rate of Return:
Net Investment Income Earned and Net Realized Capital Gains (or Losses) 4.66%

Line H

The average rate of Federal Income Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2009 for the American Home/National Union Group.

	Rate of Return	Federal Income Tax Rate
Net Investment Income Earned	4.42%	0.092
Net Realized Capital Gains (or Losses)	0.24%	0.350
Total	4.66%	0.105

1.000 - Federal Income Tax Rate 0.895

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

Line H (continued)		Investment Income Earned		Federal Income Tax Rate
Bonds				
Taxable	$	388,412		0.350
Non-Taxable		1,368,857		0.026
Total	$	1,757,268	(A)	0.098
Stocks				
Taxable	$	38,773		0.123
Non-Taxable		687,785		---
Total	$	726,559	(B)	0.007
Mortgage Loans and Real Estate				
Mortgage Loans	$	0		
Real Estate		0		
Collateral Loans		0		
Cash on Deposit		0		
Short Term Investments		5,322		
All Other		236,161		
Sub-Total	$	241,483		0.350
Total	$	2,725,310		0.096
Investment Deductions	$	42,607		0.350
Net Investment Income Earned	$	2,682,704		0.092

(A) Assume 50% of the income on tax-exempt bonds is subject to proration; that is, 15% of that income is taxed at the full corporate income tax rate of 35%. The applicable tax rate is thus 2.6%. ((.50 x .15 x .35) = .026)

(B) 30% of dividend income is subject to the full corporate income tax rate of 35%. Assume 50% of the dividend income on stocks is subject to proration; that is, 15% of the remaining 70% of dividend income is taxed at a rate of 35%. The applicable tax rate is thus 12% ((.30 x .35) + (.50 x .70 x .15 x .35) = .123).