

SERFF Tracking Number: PPIC-125354769 State: Arkansas  
Filing Company: Preferred Professional Insurance Company State Tracking Number: EFT \$25  
Company Tracking Number: AR-PS-07-03  
TOI: 11.1 Medical Malpractice - Claims Made Only Sub-TOI: 11.1000 Med Mal Sub-TOI Combinations  
Product Name: Physicians & Surgeons Medical Malpractice  
Project Name/Number: Rule Revision - Employed Physician Relativity/

## Filing at a Glance

Company: Preferred Professional Insurance Company

Product Name: Physicians & Surgeons Medical SERFF Tr Num: PPIC-125354769 State: Arkansas

Malpractice

TOI: 11.1 Medical Malpractice - Claims Made Only SERFF Status: Closed State Tr Num: EFT \$25

Only

Sub-TOI: 11.1000 Med Mal Sub-TOI Combinations Co Tr Num: AR-PS-07-03 State Status: Fees verified and received

Filing Type: Rule Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding

Authors: Kristyn Atchley, Denise Hill Disposition Date: 11/26/2007

Date Submitted: 11/12/2007 Disposition Status: Filed

Effective Date Requested (New): 01/01/2008 Effective Date (New):

Effective Date Requested (Renewal): 01/01/2008 Effective Date (Renewal):

## General Information

Project Name: Rule Revision - Employed Physician Relativity

Project Number:

Reference Organization: N/A

Reference Title: N/A

Filing Status Changed: 11/26/2007

State Status Changed: 11/26/2007

Corresponding Filing Tracking Number: N/A

Filing Description:

Preferred Professional Insurance Company (PPIC) is filing a rule revision for the rate relativity for employed physicians. Based on PPIC's countrywide experience, PPIC plans to introduce an employed physician relativity of 85%. Included with this filing is an exhibit containing PPIC experience for this category of physicians. Historically, 34.5% of PPIC's premium would have been eligible for this benefit which produces an estimated rate impact of this change of -5.2% countrywide.

Status of Filing in Domicile: Pending

Domicile Status Comments:

Reference Number: N/A

Advisory Org. Circular: N/A

Deemer Date:

We are submitting revised Underwriting Rule #UW-38, Payroll Employees, for approval. This rule is contained on pages

SERFF Tracking Number: PPIC-125354769 State: Arkansas  
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40 through 43. On pages 40 and 41 the only changes are the Effective Date and Revision date. On page 42, we have added "Employed Physician" under "Physician" along with a relativity of 0.85. As shown on the rule page, the relativity percentage will be taken against the class level of their practicing specialty as indicated in the Classification Table of our manual. A highlighted side-by-side comparison of pages 40 through 43 has been included in the supporting documentation section of this filing.

PPIC is requesting an effective date of January 1, 2008, for this rule revision.

## Company and Contact

### Filing Contact Information

Kristyn Atchley, katchley@ppicins.com  
 11605 Miracle Hills Drive (800) 441-7742 [Phone]  
 Omaha, NE 68154-4467 (402) 392-2673[FAX]

### Filing Company Information

Preferred Professional Insurance Company CoCode: 36234 State of Domicile: Nebraska  
 11605 Miracle Hills Drive Group Code: Company Type: P & C  
 Suite 200  
 Omaha, NE 68154-4467 Group Name: State ID Number:  
 (800) 441-7742 ext. 240[Phone] FEIN Number: 47-0580977  
 -----

## Filing Fees

Fee Required? Yes  
 Fee Amount: \$25.00  
 Retaliatory? No  
 Fee Explanation: \$25 for independent rule filings  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Preferred Professional Insurance Company	\$25.00	11/12/2007	16594633

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	11/26/2007	11/26/2007

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## Disposition

Disposition Date: 11/26/2007

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: PPIC-125354769 State: Arkansas  
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 Project Name/Number: Rule Revision - Employed Physician Relativity/

<b>Item Type</b>	<b>Item Name</b>	<b>Item Status</b>	<b>Public Access</b>
<b>Supporting Document</b>	Uniform Transmittal Document-Property & Casualty	Filed	Yes
<b>Supporting Document</b>	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Filed	Yes
<b>Supporting Document</b>	NAIC loss cost data entry document	Filed	Yes
<b>Supporting Document</b>	Form PROMAL	Filed	Yes
<b>Supporting Document</b>	Form PRONOT	Filed	Yes
<b>Supporting Document</b>	Employed Physician Relativity Supporting Documentation	Filed	Yes
<b>Supporting Document</b>	UW-38 Side-by-Side Comparison	Filed	Yes
<b>Rate</b>	Underwriting Guideline Rule UW38, Payroll Employees	Filed	Yes

*SERFF Tracking Number:*      *PPIC-125354769*                      *State:*                      *Arkansas*  
*Filing Company:*              *Preferred Professional Insurance Company*      *State Tracking Number:*      *EFT \$25*  
*Company Tracking Number:*      *AR-PS-07-03*  
*TOI:*                      *11.1 Medical Malpractice - Claims Made Only*      *Sub-TOI:*                      *11.1000 Med Mal Sub-TOI Combinations*  
*Product Name:*              *Physicians & Surgeons Medical Malpractice*  
*Project Name/Number:*      *Rule Revision - Employed Physician Relativity/*

## **Rate Information**

Rate data does NOT apply to filing.

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 Project Name/Number: Rule Revision - Employed Physician Relativity/

## Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	Underwriting Guideline Rule UW38, Payroll Employees	Pages 40 through 43	Replacement	None given UW 38 Revised Pages 11-1-07.pdf

**PREFERRED PROFESSIONAL INSURANCE COMPANY  
UNDERWRITING GUIDELINES**

<b>SUBJECT: PAYROLL EMPLOYEES</b>	
<b>LINE OF COVERAGE: HEALTH CARE PROVIDER – OCCURRENCE AND CLAIMS MADE</b>	
<b>GUIDELINE NUMBER: UW-38</b>	
<b>EFFECTIVE DATE: 11/01/2007</b>	<b>REVISION DATE: 11/01/2007</b>

A. Shared Limits of Liability for Payroll Employees:

1. Coverage is provided at no charge to the insured physician for his/her liability for the supervision or the acts of payroll employees.
2. Payroll employees are additional insureds under the policy (except physicians, surgeons, certified registered nurse anesthetists, physician or surgical assistants, nurse midwives, podiatrists, and dentists).
3. The excluded payroll employees shown in 2. above may be added for an additional charge. Refer to B below.
4. Payroll employees as additional insureds have coverage restricted to professional acts done as an employee of our insured. There is no coverage for any independent work of the payroll employee insured.
5. Payroll employees will be added to a corporation policy. If the insured is a sole proprietor, the employees may be added to the sole proprietor's policy.
6. Limits of liability are always shared with the corporation, or physician. For separate limits see B. below.
7. Volunteers will be considered as a payroll employee provided that they are not excluded in 2. above.
8. No additional premium is charged.
9. The extended reporting period for the policy to which the payroll employee is attached governs the tail coverage for all payroll employees.

B. Separate Limits of Liability for Payroll Employees and Excluded Payroll Employees

1. Coverage is provided at no charge to the insured physician for his/her liability for the supervision or the acts of all employees.
2. Payroll employees will be endorsed as an additional insured under the policy
3. Payroll employees as additional insureds have coverage restricted to professional acts done as an employee of our insured. There is no coverage for any independent work of the payroll employee insured.

**PREFERRED PROFESSIONAL INSURANCE COMPANY  
UNDERWRITING GUIDELINES**

<b>SUBJECT: PAYROLL EMPLOYEES (Continued)</b>	
<b>LINE OF COVERAGE: HEALTH CARE PROVIDER – OCCURRENCE AND CLAIMS MADE</b>	
<b>GUIDELINE NUMBER: UW-38</b>	
<b>EFFECTIVE DATE: 11/01/2007</b>	<b>REVISION DATE: 11/01/2007</b>

4. Payroll employees will be added to a corporation policy. If the insured is a sole proprietor, the payroll employees may be added to the sole proprietor's policy.
5. A separate limit of liability will be provided to each payroll employee in which a premium is collected.
6. The premium is determined as follows:
  - a. Determine the at limits rates for a class 1 physician, at the same "claims made" step as the physician the payroll employee does the majority of their work for.
  - b. Based on the specialty of the employee, determine the correct code number and rate percentage. The code # and rate percentage are shown on the following page.
  - c. Multiply the percentage determined by the rate.
7. Minimum premium to add a payroll employee is \$100 per employee.
8. The para-professional employee shall have the option to purchase extended reporting period coverage for the policy to which the coverage is attached.

**PREFERRED PROFESSIONAL INSURANCE COMPANY  
UNDERWRITING GUIDELINES**

<u>Code</u>	<u>Specialty Description</u>	<u>% of Class 1 Rates filed on State Rate Pages</u>
	Dentists	Refer to Underwriting
	Nurse:	
87907	Anesthetist	
	a. Supervised by Surgeon	1.50
	b. Supervised by Anesthesiologists	.75
87908	c. Unsupervised	2.00
87910	Midwife	1.75
	Physician	As shown in Classification Table
	Employed Physician	0.85 of practicing specialty as shown in the Classification Table
87920	Physician Assistant	.25
87921	Podiatrist (surgery)	2.50
87922	Podiatrist (no surgery)	1.75
	Surgeon	As shown in Classification Table
87924	Surgical Assistant	.60
87998	All Other	Refer to Underwriting

- If more than two CRNA's are supervised by one anesthesiologist, refer to Underwriting for rating.

**MISCELLANEOUS PROFESSIONALS – PER EMPLOYEE**

<u>Description</u>	<u>Class Code</u>	<u>Relativity</u>
Health Sciences – Physicist/Biologist	90101	0.15
Chiropractor	80410	0.60
Chiropractor – Employed	80411	0.25
Chiropractor – Assistant	90304	0.25
Laboratory Services – Supervisor/Director	90401	0.075
Laboratory Services – Medical Technician	80711	0.05
Laboratory Services – X-ray Technician	80713	0.05
Laboratory Services – EEG/EKG/Ultrasound Tech.	90405	0.075
Dietician or Nutritionist	87903	0.075
Midwife Assistant	91402	0.50
Nursing Services – Nurse	80998	0.025
Nursing Services – Aide/Homemaker	91504	0.02
Nursing Services – Student Nurse Anesthetist	91509	0.40
Nursing Services – RN Anesthetist	91510	1.30
Occupational Therapist	91601	0.60

**PREFERRED PROFESSIONAL INSURANCE COMPANY  
UNDERWRITING GUIDELINES**

Occupational Therapist – Assistant	91602	0.35
Optician	87916	0.075
Optometrist	80994	0.075
Optometrist – Employed	80944	0.025
Optometry-Assistant/Technician	91802	0.15
Ophthalmologic Technician	87926	0.10
Orthotics/Prosthetist – Fitting Only	91901	0.50
Prosthetist	87927	0.75
Pharmacist	59112	0.10
Pharmacist Assistant	92002	0.075
Physical Therapist – Owner	80995	0.15
Physician Therapy-Assistant/Aide/Technician	92102	0.05
Physical Therapist – Employed	92103	0.075
Physician Extender – Nurse Practitioner	92201	0.40
Physician Extender-Phys/Surg/Anesth. Assistant	92202	0.50
Physician Extender – Perfusionist	92203	1.25
Psychologist	92401	0.35
Respiratory Therapist	92601	0.50
Respiratory Therapist – Aide/Assistant/Tech	92602	0.35
Social Worker	87905	0.10
Health Services NOC – Paramedic/EMT	93105	0.25
Health Services NOC – Medical Office Assistant	93106	0.035
Health Services NOC – Operating Room Technician	93107	0.075
Dentist – Hygienist	93201	0.10
Dentist – NOC	93202	0.60
Dentistry – Oral Surgeon	80210	Class 5
Dental Anesthesia	93211	2.00
Dentistry – Orthodontist	93212	0.60
Dentistry – Pedodontist	93213	0.60
Dentistry – Periodontist	93214	0.60
Dentistry – Prosthodontist	93215	0.60
Dentistry – Endodontist	93216	0.60
Dentistry – Oral Pathologist	93217	0.60
Dentistry – Public Health	93218	0.60
Dentistry – AAOMS Member	93219	1.50
Dentistry – Other than Oral Surgeons	93220	1.50
X-Ray Therapy	80714	0.025
Chiropodist	80993	0.075
Chiropodist – Employed	80943	0.025
OR Technician	87914	0.35
Scrub Nurse	87912	0.35

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## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-  
Property & Casualty **Review Status:** Filed 11/26/2007

**Comments:**

Attached is the NAIC P&C Transmittal Document

**Attachment:**

AR-PS-07-03 NAIC P&C Transmittal Doc.pdf

**Bypassed -Name:** NAIC Loss Cost Filing Document  
for OTHER than Workers' Comp **Review Status:** Filed 11/26/2007

**Bypass Reason:** This is not a Loss Cost Adoption filing.

**Comments:**

**Bypassed -Name:** NAIC loss cost data entry document **Review Status:** Filed 11/26/2007

**Bypass Reason:** This is not a loss cost filing.

**Comments:**

**Bypassed -Name:** Form PROMAL **Review Status:** Filed 11/26/2007

**Bypass Reason:** This is not a rate increase filing.

**Comments:**

**Bypassed -Name:** Form PRONOT **Review Status:** Filed 11/26/2007

**Bypass Reason:** This is not a rate increase filing.

**Comments:**

**Satisfied -Name:** Employed Physician Relativity  
Supporting Documentation **Review Status:** Filed 11/26/2007

*SERFF Tracking Number:* PPIC-125354769      *State:* Arkansas  
*Filing Company:* Preferred Professional Insurance Company      *State Tracking Number:* EFT \$25  
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*Product Name:* Physicians & Surgeons Medical Malpractice  
*Project Name/Number:* Rule Revision - Employed Physician Relativity/

**Comments:**

Attached is the supporting documentation for the proposed rule change.

**Attachment:**

Employed Phys Relativity Supporting Documentation.pdf

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Product Name: Physicians & Surgeons Medical Malpractice  
Project Name/Number: Rule Revision - Employed Physician Relativity/

**Review Status:**

**Satisfied -Name:** UW-38 Side-by-Side Comparison Filed 11/26/2007

**Comments:**

Attached is a side-by-side comparison of the rule change with the changes highlighted in yellow.

**Attachment:**

AR Rule Revision Side-by-Side Comparison.pdf

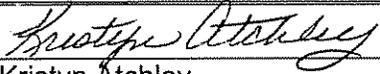
### Property & Casualty Transmittal Document

<b>1. Reserved for Insurance Dept. Use Only</b>	<b>2. Insurance Department Use only</b> a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: New Business Renewal Business f. State Filing #: g. SERFF Filing #: h. Subject Codes
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<b>3. Group Name</b>	Group NAIC #			
N/A	N/A			
<b>4. Company Name(s)</b>	<b>Domicile</b>	<b>NAIC #</b>	<b>FEIN #</b>	<b>State #</b>
Preferred Professional Insurance Company	Nebraska	362334	47-0580977	

<b>5. Company Tracking Number</b>	AR-PS-07-03
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6. Name and address	Title	Telephone #s	FAX #	e-mail
Kristyn Atchley 11605 Miracle Hills Dr., #200 Omaha, NE 68154	Filing Assistant	800-441-7742	402-392-2673	katchley@ppicins.com
Denise A. Hill 11605 Miracle Hills Dr., #200 Omaha, NE 68154	VP-Corporate Compliance Officer	800-441-7742	402-392-2673	dhill@ppicins.com
<b>7. Signature of authorized filer</b>				
<b>8. Please print name of authorized filer</b>	Kristyn Atchley			

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

<b>9. Type of Insurance (TOI)</b>	11.1 Med Mal-Claims Made Only
<b>10. Sub-Type of Insurance (Sub-TOI)</b>	11.1023 Physicians & Surgeons
<b>11. State Specific Product code(s)</b> (if applicable)[See State Specific Requirements]	N/A
<b>12. Company Program Title</b> (Marketing title)	
<b>13. Filing Type</b>	<input type="checkbox"/> Rate/Loss Cost <input checked="" type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
<b>14. Effective Date(s) Requested</b>	New: 01/01/2008      Renewal: 01/01/2008
<b>15. Reference Filing?</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>16. Reference Organization</b> (if applicable)	N/A
<b>17. Reference Organization # &amp; Title</b>	N/A
<b>18. Company's Date of Filing</b>	11/12/2007
<b>19. Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

## Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking # AR-PS-07-03

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

Preferred Professional Insurance Company (PPIC) is filing a rule revision for the rate relativity for employed physicians. Based on PPIC's countrywide experience, PPIC plans to introduce an employed physician relativity of 85%. Included with this filing is an exhibit containing PPIC experience for this category of physicians. Historically, 34.5% of PPIC's premium would have been eligible for this benefit which produces an estimated rate impact of this change of -5.2% countrywide.

We are submitting revised Underwriting Rule #UW-38, Payroll Employees, for approval. This rule is contained on pages 40 through 43. On pages 40 and 41 the only changes are the Effective Date and Revision date. On page 42, we have added "Employed Physician" under "Physician" along with a relativity of 0.85. As shown on the rule page, the relativity percentage will be taken against the class level of their practicing specialty as indicated in the Classification Table of our manual. A highlighted side-by-side comparison of pages 40 through 43 has been included in the supporting documentation section of this filing.

PPIC is requesting an effective date of January 1, 2008, for this rule revision.

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

Check #: N/A – Submitted through SERFF using EFT  
Amount: \$25.00

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

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

## RATE/RULE FILING SCHEDULE

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

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

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	<b>AR-PS-07-03</b>
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<b>2.</b>	<b>This filing corresponds to form filing number</b> (Company tracking number of form filing, if applicable)	<b>N/A</b>
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Rate Increase     
  Rate Decrease     
  Rate Neutral (0%)

<b>3.</b>	<b>Filing Method (Prior Approval, File &amp; Use, Flex Band, etc.)</b>	Prior Approval
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4a. Rate Change by Company (As Proposed)							
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)

4b. Rate Change by Company (As Accepted) For State Use Only							
Company Name	Overall % Indicated Change (when applicable)	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

5. Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
5a	Overall percentage rate indication (when applicable)		
5b	Overall percentage rate impact for this filing		
5c	Effect of Rate Filing – Written premium change for this program		
5d	Effect of Rate Filing – Number of policyholders affected		

<b>6.</b>	Overall percentage of last rate revision	
<b>7.</b>	Effective Date of last rate revision	
<b>8.</b>	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	

9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	Rule UW-38, Payroll Employees, Pages 40 through 43	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	N/A
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

PREFERRED PROFESSIONAL INSURANCE COMPANY  
**Physicians and Surgeons Professional Liability Rate Filing**

This memorandum outlines a revision to the physicians and surgeons professional liability rate relativities effective January 1, 2008 for Preferred Professional Insurance Company ("PPIC"). Based on PPIC's countrywide experience, PPIC plans on introducing an employed physician relativity of 85%. Attached is an exhibit containing PPIC experience for this category of physicians. Historically, 34.5% of PPIC's premium would have been eligible for this benefit which produces an estimated rate impact of this change of -5.2%.

**PREFERRED PROFESSIONALS INSURANCE COMPANY**

Employed Versus Individual Physicians

Policy Year (1)	Premium (2)	Reported Losses (3)	Loss Ratio (4)	Relativity to Total (5)	Premium Distribution (6)
<b>All Physicians</b>					
1999	\$19,332,100	\$23,221,471	1.201	1.000	100.0%
2000	12,860,867	12,666,970	0.985	1.000	100.0%
2001	18,615,132	23,171,851	1.245	1.000	100.0%
2002	36,142,706	27,953,659	0.773	1.000	100.0%
2003	51,337,793	38,956,123	0.759	1.000	100.0%
2004	66,102,238	45,244,963	0.684	1.000	100.0%
2005	81,594,639	39,580,734	0.485	1.000	100.0%
2006	80,917,384	45,137,506	0.558	1.000	100.0%
<b>Total</b>	<b>\$366,902,859</b>	<b>\$255,933,278</b>	<b>0.698</b>	<b>1.000</b>	<b>100.0%</b>
<b>Employed Physicians</b>					
1999	\$11,675,206	\$9,488,915	0.813	0.677	60.4%
2000	6,371,626	2,643,567	0.415	0.421	49.5%
2001	10,721,485	11,050,645	1.031	0.828	57.6%
2002	17,774,770	10,765,256	0.606	0.783	49.2%
2003	20,332,541	12,994,247	0.639	0.842	39.6%
2004	21,821,364	11,636,019	0.533	0.779	33.0%
2005	27,448,491	6,501,820	0.237	0.488	33.6%
2006	27,924,611	15,109,238	0.541	0.970	34.5%
<b>Total</b>	<b>144,070,093</b>	<b>80,189,708</b>	<b>0.557</b>	<b>0.798</b>	<b>39.3%</b>
<b>Individual Physicians</b>					
1999	\$7,656,894	\$13,732,557	1.793	1.493	39.6%
2000	6,489,241	10,023,402	1.545	1.568	50.5%
2001	7,893,647	12,121,206	1.536	1.234	42.4%
2002	18,367,936	17,188,404	0.936	1.210	50.8%
2003	31,005,252	25,961,876	0.837	1.103	60.4%
2004	44,280,874	33,608,944	0.759	1.109	67.0%
2005	54,146,148	33,078,914	0.611	1.259	66.4%
2006	52,992,773	30,028,268	0.567	1.016	65.5%
<b>Total</b>	<b>\$222,832,766</b>	<b>\$175,743,570</b>	<b>0.789</b>	<b>1.131</b>	<b>60.7%</b>

Notes: (2),(3) Based on PPIC countrywide data.

(4) (3)/(2).

(5) (4) divided by total (4).

(6) (2) divided by total (2).

PREFERRED PROFESSIONAL INSURANCE COMPANY  
UNDERWRITING GUIDELINES

SUBJECT: PAYROLL EMPLOYEES	
LINE OF COVERAGE: HEALTH CARE PROVIDER – OCCURRENCE AND CLAIMS MADE	
GUIDELINE NUMBER: UW-38	
EFFECTIVE DATE: 07/01/92	REVISION DATE: 07/01/99

A. Shared Limits of Liability for Payroll Employees:

1. Coverage is provided at no charge to the insured physician for his/her liability for the supervision or the acts of payroll employees.
2. Payroll employees are additional insureds under the policy (except physicians, surgeons, certified registered nurse anesthetists, physician or surgical assistants, nurse midwives, podiatrists, and dentists).
3. The excluded payroll employees shown in 2. above may be added for an additional charge. Refer to B below.
4. Payroll employees as additional insureds have coverage restricted to professional acts done as an employee of our insured. There is no coverage for any independent work of the payroll employee insured.
5. Payroll employees will be added to a corporation policy. If the insured is a sole proprietor, the employees may be added to the sole proprietor's policy.
6. Limits of liability are always shared with the corporation, or physician. For separate limits see B. below.
7. Volunteers will be considered as a payroll employee provided that they are not excluded in 2. above.
8. No additional premium is charged.
9. The extended reporting period for the policy to which the payroll employee is attached governs the tail coverage for all payroll employees.

B. Separate Limits of Liability for Payroll Employees and Excluded Payroll Employees

1. Coverage is provided at no charge to the insured physician for his/her liability for the supervision or the acts of all employees.
2. Payroll employees will be endorsed as an additional insured under the policy
3. Payroll employees as additional insureds have coverage restricted to professional acts done as an employee of our insured. There is no coverage for any independent work of the payroll employee insured.

PREFERRED PROFESSIONAL INSURANCE COMPANY  
UNDERWRITING GUIDELINES

SUBJECT: PAYROLL EMPLOYEES	
LINE OF COVERAGE: HEALTH CARE PROVIDER – OCCURRENCE AND CLAIMS MADE	
GUIDELINE NUMBER: UW-38	
EFFECTIVE DATE: 11/01/2007	REVISION DATE: 11/01/2007

A. Shared Limits of Liability for Payroll Employees:

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7. Volunteers will be considered as a payroll employee provided that they are not excluded in 2. above.
8. No additional premium is charged.
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B. Separate Limits of Liability for Payroll Employees and Excluded Payroll Employees

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2. Payroll employees will be endorsed as an additional insured under the policy
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PREFERRED PROFESSIONAL INSURANCE COMPANY  
UNDERWRITING GUIDELINES

SUBJECT: PAYROLL EMPLOYEES (Continued)	
LINE OF COVERAGE: HEALTH CARE PROVIDER – OCCURRENCE AND CLAIMS MADE	
GUIDELINE NUMBER: UW-38	
EFFECTIVE DATE: 07/01/92	REVISION DATE: 07/01/99

4. Payroll employees will be added to a corporation policy. If the insured is a sole proprietor, the payroll employees may be added to the sole proprietor's policy.
5. A separate limit of liability will be provided to each payroll employee in which a premium is collected.
6. The premium is determined as follows:
  - a. Determine the at limits rates for a class 1 physician, at the same "claims made" step as the physician the payroll employee does the majority of their work for.
  - b. Based on the specialty of the employee, determine the correct code number and rate percentage. The code # and rate percentage are shown on the following page.
  - c. Multiply the percentage determined by the rate.
7. Minimum premium to add a payroll employee is \$100 per employee.
8. The para-professional employee shall have the option to purchase extended reporting period coverage for the policy to which the coverage is attached.

PREFERRED PROFESSIONAL INSURANCE COMPANY  
UNDERWRITING GUIDELINES

SUBJECT: PAYROLL EMPLOYEES (Continued)	
LINE OF COVERAGE: HEALTH CARE PROVIDER – OCCURRENCE AND CLAIMS MADE	
GUIDELINE NUMBER: UW-38	
EFFECTIVE DATE: 11/01/2007	REVISION DATE: 11/01/2007

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**PREFERRED PROFESSIONAL INSURANCE COMPANY  
UNDERWRITING GUIDELINES**

<u>Code</u>	<u>Specialty Description</u>	<u>% of Class 1 Rates filed on State Rate Pages</u>
	Dentists	Refer to Underwriting
	Nurse:	
87907	Anesthetist	
	a. Supervised by Surgeon	1.50
	b. Supervised by Anesthesiologists	.75
87908	c. Unsupervised	2.00
87910	Midwife	1.75
	Physician	As shown in Classification Table
87920	Physician Assistant	.25
87921	Podiatrist (surgery)	2.50
87922	Podiatrist (no surgery)	1.75
	Surgeon	As shown in Classification Table
87924	Surgical Assistant	.60
87998	All Other	Refer to Underwriting

- If more than two CRNA's are supervised by one anesthesiologist, refer to Underwriting for rating.

**MISCELLANEOUS PROFESSIONALS – PER EMPLOYEE**

<u>Description</u>	<u>Class Code</u>	<u>Relativity</u>
Health Sciences – Physicist/Biologist	90101	0.15
Chiropractor	80410	0.60
Chiropractor – Employed	80411	0.25
Chiropractor – Assistant	90304	0.25
Laboratory Services – Supervisor/Director	90401	0.075
Laboratory Services – Medical Technician	80711	0.05
Laboratory Services – X-ray Technician	80713	0.05
Laboratory Services – EEG/EKG/Ultrasound Tech.	90405	0.075
Dietician or Nutritionist	87903	0.075
Midwife Assistant	91402	0.50
Nursing Services – Nurse	80998	0.025
Nursing Services – Aide/Homemaker	91504	0.02
Nursing Services – Student Nurse Anesthetist	91509	0.40
Nursing Services – RN Anesthetist	91510	1.30
Occupational Therapist	91601	0.60
Occupational Therapist – Assistant	91602	0.35

**PREFERRED PROFESSIONAL INSURANCE COMPANY  
UNDERWRITING GUIDELINES**

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	Dentists	Refer to Underwriting
	Nurse:	
87907	Anesthetist	
	a. Supervised by Surgeon	1.50
	b. Supervised by Anesthesiologists	.75
87908	c. Unsupervised	2.00
87910	Midwife	1.75
	Physician	As shown in Classification Table
	<b>Employed Physician</b>	<b>0.85 of practicing specialty as shown in the Classification Table</b>
87920	Physician Assistant	.25
87921	Podiatrist (surgery)	2.50
87922	Podiatrist (no surgery)	1.75
	Surgeon	As shown in Classification Table
87924	Surgical Assistant	.60
87998	All Other	Refer to Underwriting

- If more than two CRNA's are supervised by one anesthesiologist, refer to Underwriting for rating.

**MISCELLANEOUS PROFESSIONALS – PER EMPLOYEE**

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Midwife Assistant	91402	0.50
Nursing Services – Nurse	80998	0.025
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**PREFERRED PROFESSIONAL INSURANCE COMPANY  
UNDERWRITING GUIDELINES**

Optician	87916	0.075
Optometrist	80994	0.075
Optometrist – Employed	80944	0.025
Optometry-Assistant/Technician	91802	0.15
Ophthalmologic Technician	87926	0.10
Orthotics/Prosthetist – Fitting Only	91901	0.50
Prosthetist	87927	0.75
Pharmacist	59112	0.10
Pharmacist Assistant	92002	0.075
Physical Therapist – Owner	80995	0.15
Physician Therapy-Assistant/Aide/Technician	92102	0.05
Physical Therapist – Employed	92103	0.075
Physician Extender – Nurse Practitioner	92201	0.40
Physician Extender-Phys/Surg/Anesth. Assistant	92202	0.50
Physician Extender – Perfusionist	92203	1.25
Psychologist	92401	0.35
Respiratory Therapist	92601	0.50
Respiratory Therapist – Aide/Assistant/Tech	92602	0.35
Social Worker	87905	0.10
Health Services NOC – Paramedic/EMT	93105	0.25
Health Services NOC – Medical Office Assistant	93106	0.035
Health Services NOC – Operating Room Technician	93107	0.075
Dentist – Hygienist	93201	0.10
Dentist – NOC	93202	0.60
Dentistry – Oral Surgeon	80210	Class 5
Dental Anesthesia	93211	2.00
Dentistry – Orthodontist	93212	0.60
Dentistry – Pedodontist	93213	0.60
Dentistry – Periodontist	93214	0.60
Dentistry – Prosthodontist	93215	0.60
Dentistry – Endodontist	93216	0.60
Dentistry – Oral Pathologist	93217	0.60
Dentistry – Public Health	93218	0.60
Dentistry – AAOMS Member	93219	1.50
Dentistry – Other than Oral Surgeons	93220	1.50
X-Ray Therapy	80714	0.025
Chiropodist	80993	0.075
Chiropodist – Employed	80943	0.025
OR Technician	87914	0.35
Scrub Nurse	87912	0.35

**PREFERRED PROFESSIONAL INSURANCE COMPANY  
UNDERWRITING GUIDELINES**

Occupational Therapist – Assistant	91602	0.35
Optician	87916	0.075
Optometrist	80994	0.075
Optometrist – Employed	80944	0.025
Optometry-Assistant/Technician	91802	0.15
Ophthalmologic Technician	87926	0.10
Orthotics/Prosthetist – Fitting Only	91901	0.50
Prosthetist	87927	0.75
Pharmacist	59112	0.10
Pharmacist Assistant	92002	0.075
Physical Therapist – Owner	80995	0.15
Physician Therapy-Assistant/Aide/Technician	92102	0.05
Physical Therapist – Employed	92103	0.075
Physician Extender – Nurse Practitioner	92201	0.40
Physician Extender-Phys/Surg/Anesth. Assistant	92202	0.50
Physician Extender – Perfusionist	92203	1.25
Psychologist	92401	0.35
Respiratory Therapist	92601	0.50
Respiratory Therapist – Aide/Assistant/Tech	92602	0.35
Social Worker	87905	0.10
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Dentist – NOC	93202	0.60
Dentistry – Oral Surgeon	80210	Class 5
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Dentistry – Orthodontist	93212	0.60
Dentistry – Pedodontist	93213	0.60
Dentistry – Periodontist	93214	0.60
Dentistry – Prosthodontist	93215	0.60
Dentistry – Endodontist	93216	0.60
Dentistry – Oral Pathologist	93217	0.60
Dentistry – Public Health	93218	0.60
Dentistry – AAOMS Member	93219	1.50
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