

SERFF Tracking Number: CNAC-125483605 State: Arkansas
 First Filing Company: Continental Casualty Company, ... State Tracking Number: #224087 \$100
 Company Tracking Number: 08-R2206
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0023 Physicians & Surgeons
 Made/Occurrence
 Product Name: Doctors (physicians & Surgeons) Professional Liability Program
 Project Name/Number: /08-R2206

Filing at a Glance

Companies: Continental Casualty Company, Continental Insurance Company

Product Name: Doctors (physicians & Surgeons) Professional Liability Program SERFF Tr Num: CNAC-125483605 State: Arkansas

TOI: 11.0 Medical Malpractice - Claims SERFF Status: Closed State Tr Num: #224087 \$100
 Made/Occurrence

Sub-TOI: 11.0023 Physicians & Surgeons Co Tr Num: 08-R2206 State Status: Fees verified and received

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

Author: Robert Alonzo Disposition Date: 07/17/2008

Date Submitted: 02/12/2008 Disposition Status: Filed

Effective Date Requested (New): 03/15/2008

Effective Date Requested (Renewal): 03/15/2008

Effective Date (New):

Effective Date (Renewal):

State Filing Description:

Interoffice email:

The survey is fine as with that. HOWEVER, they do need to attach an explanation about the limits they do offer and the same rates. We will post both on the webpage. (Bill's response)

General Information

Project Name:

Project Number: 08-R2206

Reference Organization:

Reference Title:

Filing Status Changed: 07/17/2008

State Status Changed: 03/19/2008

Corresponding Filing Tracking Number:

Filing Description:

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

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With this rate revision filing for Continental Casualty Company, we also are proposing to adopt the revised rates/rules for The Continental Insurance Company ("CIC") as well. Please refer to the Actuarial Memorandum, along with exhibits reflecting changes proposed by this program; and the applicable revised manual pages. This filing was last approved under our filing No.: 05-R2085.

Company and Contact

Filing Contact Information

Robert Alonzo, State Filing Analyst
 40 Wall Street
 New York, NY 10005
 robert.alonzo@cna.com
 (212) 440-3478 [Phone]
 (212) 440-2877[FAX]

Filing Company Information

Continental Casualty Company
 40 Wall Street
 9th Floor
 New York, NY 10005
 (212) 440-3478 ext. [Phone]
 CoCode: 20443
 Group Code: 218
 Group Name:
 FEIN Number: 36-2114545

 State of Domicile: Illinois
 Company Type:
 State ID Number:

Continental Insurance Company
 40 Wall Street
 9th Floor
 New York, NY 10005
 (212) 440-3478 ext. [Phone]
 CoCode: 35289
 Group Code: 218
 Group Name:
 FEIN Number: 135010440

 State of Domicile: New Hampshire
 Company Type:
 State ID Number:

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Continental Casualty Company	\$0.00	02/12/2008	

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Continental Insurance Company \$0.00 02/12/2008

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	07/17/2008	07/17/2008

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Edith Roberts	07/15/2008	07/15/2008	Robert Alonzo	07/16/2008	07/16/2008
Pending Industry Response	Edith Roberts	05/29/2008	05/29/2008	Robert Alonzo	05/30/2008	05/30/2008
Pending Industry Response	Edith Roberts	05/07/2008	05/07/2008	Robert Alonzo	05/08/2008	05/08/2008
Pending Industry Response	Edith Roberts	03/19/2008	03/19/2008	Robert Alonzo	04/01/2008	04/01/2008
Pending Industry Response	Edith Roberts	02/22/2008	02/22/2008	Robert Alonzo	03/04/2008	03/04/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
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Disposition

Disposition Date: 07/17/2008

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	0.000%
Overall Percentage Rate Impact For This Filing	0.000%
Effect of Rate Filing-Written Premium Change For This Program	\$0
Effect of Rate Filing - Number of Policyholders Affected	0

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Forms (all P&C lines)	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	Form PROMAL	Filed	Yes
Supporting Document	Form PRONOT	Filed	Yes
Supporting Document	Actuary Memo	Filed	Yes
Supporting Document	Actuary Support	Filed	Yes
Supporting Document	MM Survey form	Filed	Yes
Supporting Document	MM Survey FORM	Filed	Yes
Supporting Document	MM Survey	Filed	Yes
Rate	cw Manual	Filed	Yes
Rate	Ar state pages	Filed	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 07/15/2008
Submitted Date 07/15/2008

Respond By Date

Dear Robert Alonzo,

This will acknowledge receipt of the captioned filing.

Can you please resubmit the Med Mal Survey form. I cannot find it in this filing and believe it may have been submitted via email. Please send ASAP as I am about to go on vacation and I know you need this filing completed.

Thanks,
Edith

Please feel free to contact me if you have questions.

Sincerely,
Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 07/16/2008
Submitted Date 07/16/2008

Dear Edith Roberts,

Comments:

Response 1

Comments: The MM survey was sent via serff on my April 1, 2008 response. Attach find copy of the survey.

enjoy your vacation

Robert Alonzo

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Product Name: Doctors (physicians & Surgeons) Professional Liability Program
Project Name/Number: /08-R2206

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 05/29/2008
Submitted Date 05/29/2008

Respond By Date

Dear Robert Alonzo,

This will acknowledge receipt of the captioned filing.

My Director, Bill Lacy, said he will accept the form, but can you please reply as to what are your base minimum limits and as to the applicable rates. You may provide this by a regular response.

Thank you.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 05/30/2008
Submitted Date 05/30/2008

Dear Edith Roberts,

Comments:

Response 1

Comments: Ms. Roberts,

Thank you for your correspondence via SERFF dated May 29, 2008. Please note our following response to the issue you raised.

Our minimum limits are \$100,000/\$300,000. The Physicians claims-made mature base rate does not differ by place of

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practice (hospital, clinic, or private), and is \$3,908 for family/general practitioners.

Thanks.

Robert Alonzo

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Robert Alonzo

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Made/Occurrence
Product Name: Doctors (physicians & Surgeons) Professional Liability Program
Project Name/Number: /08-R2206

Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 05/07/2008
Submitted Date 05/07/2008

Respond By Date

Dear Robert Alonzo,

This will acknowledge receipt of the captioned filing.

Why is the entire med mal survey form marked N/A. It is to be completed with reference to your base rates.

Thanks.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 05/08/2008
Submitted Date 05/08/2008

Dear Edith Roberts,

Comments:

Response 1

Comments: Ms. Roberts,

Thank you for your correspondence via SERFF dated May 7, 2008. Please note our following response to the issue you raised.

As discussed in previous objection responses, the med mal survey form is not very applicable to our rate filing. The form requests physicians base rates at 500,000/1,000,000 limits, and CNA does not provide those limits. CNA also does not give discounts or surcharges for the items listed. The dental fields do not apply because this is a physicians

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 03/19/2008
Submitted Date 03/19/2008

Respond By Date

Dear Robert Alonzo,

This will acknowledge receipt of the captioned filing.

You will need to put n/a in the entries that do not apply on Form MMPCS.

Also, you cannot refer to SVMIC rate filing to comply with the Impact Statement required by Bulletin. The impact for CNA may be the same, however, you must address this issue based on the Act and it's applicability to CNA business.

Please feel free to contact me if you have questions.

Sincerely,

Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 04/01/2008
Submitted Date 04/01/2008

Dear Edith Roberts,

Comments:

Response 1

Comments: Ms. Roberts,

Please see the attached form.

Please see exhibit E: Impact of Changes for the impact to CNA's book of business. The Average Overall Impact is - 12.0%

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Project Name/Number: /08-R2206

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: MM Survey FORM

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Robert Alonzo

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 02/22/2008
Submitted Date 02/22/2008
Respond By Date

Dear Robert Alonzo,

This will acknowledge receipt of the captioned filing.

Pursuant to Bulletin 2-2003, you must provide an impact statement regarding the effect of Act 649, the Civil Justice Reform Act of 2003 upon the liability rates of this particular coverage.

When filing a med mal rate change, you must complete and submit electronically, the excel spreadsheet which may be found at <http://www.insurance.arkansas.gov/PandC/RR23Forms/MM%20Survey%20FORM%20MMPCS.xls>

We must receive both of the additions before this filing is considered complete along with the \$125 filing fee, which has not yet been posted.

Please feel free to contact me if you have questions.

Sincerely,
Edith Roberts

Response Letter

Response Letter Status Submitted to State
Response Letter Date 03/04/2008
Submitted Date 03/04/2008

Dear Edith Roberts,

Comments:

Response 1

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Comments: Edith,

The referenced Civil Justice Reform Act of 2003 puts restrictions on the amount of damages that can be awarded in medical malpractice cases. The effects of this Act would be reflected in SVMIC's rates, which our rates are based on. Support for SVMIC's loss costs, including the impact of this Act, would be in SVMIC's filing. Since we are adopting SVMIC's loss costs, loss costs in which the Act would be explicitly reflected within their historical experience for which their rates are based, there is no further adjustment needed to the filed rates.

The Malpractice Premium Comparison Survey form requests physicians base rates at 500,000/1,000,000 limits, and CNA does not have rates for those limits. CNA also does not give discounts or surcharges for the items listed. The dental fields do not apply because this is a physicians and surgeons filing. Here's the form completed with our company information and an indication of $\pm 40\%$ for schedule rating. As the instructions indicated, fields not applicable were left blank."

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: MM Survey form

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,
Robert Alonzo

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Project Name/Number: /08-R2206

Reviewer Note

Created By:

Edith Roberts on 05/29/2008 01:09 PM

Subject:

inter office email - information only - see below

Comments:

From: Bill Lacy
Sent: Thursday, May 29, 2008 11:19 AM
To: Edith Roberts
Subject: RE: Med Mal survey...

The survey is fine as with that. HOWEVER, they do need to attach an explanation about the limits they do offer and the same rates. We will post both on the webpage.

From: Edith Roberts
Sent: Thursday, May 29, 2008 11:15 AM
To: Bill Lacy
Subject: Med Mal survey...

CNA submitted a survey form marked "N/A" in all categories because they do not offer the limits as are shown on the form. Do you want them to go ahead and fill it out based on their lowest limits and let us know what those limits are, are do I accept it with the "N/A" answers?

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Rate/Rule Schedule

Review Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Attachments Number:
Filed	cw Manual	pages 1 thru 6	Replacement	Phys Cwide Pages 2008.pdf
Filed	Ar state pages	pages 1 thru 7	Replacement	AR PPL 2008 PAGES.pdf

CNA HealthPro
for
Medical Practitioners Professional Liability Coverages

AMERICAN CASUALTY COMPANY OF READING, PA
CONTINENTAL CASUALTY COMPANY
NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
CONTINENTAL INSURANCE COMPANY



**CNA HealthPro
Medical Practitioners
Countrywide Pages**

I. APPLICATION OF MANUAL

- A. This manual provides rules, rates, premiums, classifications and territories for the writing of Medical Practitioners Professional Liability for the following Health Care Providers:
1. Physicians or Surgeons
 2. Osteopathic Physicians or Surgeons
 3. Podiatrists
- B. These company pages shall not apply to Hospital Professional Liability as set forth in:
1. Commercial Lines Manual, Professional Liability Division, VII, Medical Professional Liability, or
 2. Any independently filed Hospital Professional Liability Program by a CNA member company .
- C. Any exceptions to these rules are contained in the respective State Rate/Exception Pages.

II. COVERAGE

Coverage under this policy shall be as described in the respective Coverage Parts. It shall be permissible to attach more than one Coverage Part to the policy.

III. POLICY TERM

Policies may be written for a term of one year or less, and renewed annually thereafter, or as otherwise specified for the respective coverage.

IV. INDIVIDUAL PRACTICE

For the purpose of these rules, individual practice shall be defined as a solo practitioner, partner(s) of an insured partnership, officers of a professional corporation, or employed practitioners who are otherwise ineligible under the rules applicable to group practice.

V. GROUP PRACTICE

For the purpose of these rules, group practice shall be defined as a group of physicians rendering out-patient care who:

1. number 3 or more, and
2. are organized as a legal entity.

VI. BASIC LIMITS OF LIABILITY

Basic Limits of Liability for liability coverage under this program shall be:

1. Professional Liability: \$100,000 Each Claim / \$300,000 Aggregate

VII. POLICY WRITING MINIMUM PREMIUM

The minimum premium shall be \$250 per annual or lesser period, unless otherwise specified for the respective coverage.

VIII. INCREASED LIMITS OF LIABILITY

Increased Limits of Liability and the corresponding Increased Limit Factors shall be as shown on the State Rate Page for the respective Coverage Part.



**CNA HealthPro
Medical Practitioners
Countrywide Pages**

IX. PREMIUM COMPUTATION

A. The premium shall be computed by applying the rate per practitioner, shown on the State Rate Page, to the total number of practitioners who are named insureds, partners of an insured partnership, officers of an insured professional corporation or employed practitioners of any named insured. The rates shall be applied in accordance with each practitioner's medical specialty and corresponding code number.

1. Compute the premium at policy inception using the rules, rates and rating plans in effect at that time. At each renewal, compute the premium using the rules, rates and rating plans then in effect.
2. Prorate the premium when a policy is issued for other than a whole year.
3. Premiums are calculated as specified for the respective coverage. Premium rounding will be done at the last step of the computation process in accordance with the Whole Dollar Rule, as opposed to rounding at each step.

B. LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state. An exception will be allowed for those who derive 25% or less of their annual income from outside the state. Those who derive more than 25% of their annual income outside the state shall be referred to the Company for underwriting approval and rating.

C. FACTORS OR MULTIPLIERS

Individual premium modifications are to be applied multiplicatively, modifications from the Scheduled Rating Modification Plan are to be added together and then applied multiplicatively.

D. WHOLE DOLLAR RULE

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

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

E. RETURN PREMIUM

1. Deletion of any coverage, other than optional coverages, is not permitted unless the entire policy is cancelled.
2. Compute return premium at the rates used to calculate the policy premium at the inception of this policy period.
3. Compute return premium pro rata and round in accordance with the Whole Dollar Rule when any coverage or exposure is deleted or an amount of insurance is reduced.
4. Waive return premium of \$15.00 or less. Grant any return premium due if requested by the insured. This waiver only applies to cash exchange due on the endorsement effective date.
5. Retain the policy writing minimum premium.

F. PREMIUM PAYMENT PLAN

The Company may, at its discretion, offer to the named insured various premium payment options, ranging from monthly to annual payment plans. Any installment fees for this option will be as shown on the respective State Rate Page.

G. RESERVE PREMIUM AND/OR PROFIT SHARING

The Company may agree with a sponsoring organization for a sharing of the profits, if any, in accordance with a predetermined formula. In the event of such an agreement, the policy shall be endorsed to either reflect the profit utilization formula or add the pertinent portion of the agreement with the organization to the policy by reference.

Any monies developed in accordance with an agreement set forth above shall be made available to the insureds in accordance with the provisions of such agreement.



**CNA HealthPro
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H. ADDITIONAL PREMIUM CHARGES

1. Prorate all changes requiring additional premium.
2. Apply the rates and rules that were in effect at the inception date of this policy period. After computing the additional premium, charge the amount applicable from the effective date of the change, even if the policy inception premium was less than the policy writing minimum premium.
3. Waive additional premium of \$15.00 or less. This waiver only applies to cash exchange due on an endorsement effective date.

I. CLAIMS-MADE 'STEP' RULE

The proper step into which the insured is placed for rating purposes when claims-made coverage has been provided for less than annual periods, is determined as follows:

1. if claims-made coverage has been in effect for less than 6 months, step 1 rates apply;
2. if claims-made coverage has been in effect for "x" years plus less than 6 months, step "x" plus 1 applies;
3. if claims-made coverage has been in effect for "x" years plus 6 months or more, step "x" plus 2 applies.

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

X. POLICY CANCELLATIONS

- A. Compute return premium pro rata in accordance with the Whole Dollar Rule using the rules, rates and rating plans in effect at the inception of this policy period when:
 1. a policy is cancelled at the Company's request;
 2. the insured no longer has a financial or an insurable interest in the property or operations that is the subject of insurance;
 3. a policy is cancelled and rewritten in the same Company or Company group.
- B. If cancellation is for any other reason than stated in A. above, compute the return premium at .90 of the pro rata unearned premium for the one year period and round in accordance with the Whole Dollar Rule.
- C. Retain the Policy Writing Minimum Premium when the insured requests cancellation, except when a policy is cancelled as of the inception date.

XI. RESTRICTIONS OF COVERAGE OR INCREASED RATE

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

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

XII. EXTENDED REPORTING PERIOD COVERAGE (Claims-Made Coverage Only)

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

- A. The limits or liability available for any Extended Reporting Period shall be as set forth in Policy.
- B. Available Extended Reporting Period options, and appropriate premium charges, shall be as shown in the applicable State Rate Page.
- C. The prior acts date of coverage with this Company will determine the years of prior exposure for Extended Reporting Period coverage.
- D. Premium must be paid promptly when due. Premium may be paid in advance, or at Company discretion, may be paid in three annual installments.
- E. Upon termination of coverage under this policy by reason of death, the deceased's unearned premium for this coverage will be waived and Extended Reporting Period Coverage will be granted for no additional premium charge.
- F. Upon termination of coverage under this policy by reason of disability or retirement by the named insured, Extended Reporting Period Coverage will be granted for no additional charge provided that, during the policy period:
 1. total and permanent disability occurs; or
 2. retirement takes place subject to the provisions as stated on the State Rate Page.
- G. In the event the policy is cancelled, any return premium due the insured shall be credited toward the premium for Extended Reporting Period Coverage, if the insured elects this coverage. If any premium is due for the period of time between the earlier of the policy's Prior Acts date or effective date and the termination date, any



**CNA HealthPro
Medical Practitioners
Countrywide Pages**

monies received by the Company from the insured shall first be applied to the premium owing for the policy and then to the Extended Reporting Period endorsement.

XIII. ADDITIONAL CLASSIFICATIONS

A. Disability/Leave of Absence

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

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

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

Practice less than 20 hours per week	50% of Medical Specialty
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C. Teaching Physicians

To recognize the reduced exposure associated with practitioners away from their practice while teaching, a reduced rate will be charged upon the following basis:

Due to teaching, your weekly patient contact is limited to:

(Less than 8 Hours per week)	35% of Medical Specialty
(8-16 hours per week)	50% of Medical Specialty
(17 hours or more per week)	100% of Medical Specialty

D. Physicians in Training

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

1. Residency Program - various lengths of time depending upon medical specialty; 3 years average. Following first year residency, generally licensed M.D. Upon completion of residency program physician becomes board eligible;
2. Preceptorship - A preceptee is a non-licensed medical student or licensed physician continuing their education. A licensed physician preceptee shall, for the purposes of this program be considered as a part-time physician and added to the insured physician's policy;
3. Fellowship Program - Follows completion of residency and is a higher level of training.

NOTE: Do not confuse a physician in a fellowship training program with a fellow, for example, of American College of Surgeons, or fellow of American College of OB/GYN. These are honorary membership designations obtained by peer nomination and approval.

Rating basis as follows:

Residency Program	50% of Medical Specialty
Preceptee:	35% of Medical Specialty
Fellowship	100% of Medical Specialty

E. Locum Tenens Physician

Coverage for a physician substituting for an insured physician will be limited to cover only professional services rendered on behalf of an insured physician for the specified time period. Locum Tenens will share in the insured physician's Limit of Liability.

The Locum Tenens physician must complete an application and submit it to the Company in advance for approval prior to the requested effective date of coverage. Rating basis as follows:

Locum Tenens Physicians	No Charge
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F. Change of Exposure or Medical Specialty

In the event of a change in exposure or medical specialty of the practitioner, a charge reflecting the difference between the previous and such new exposure or specialty shall be calculated and collected at the time of such change unless:

1. otherwise eligible for Extended Reporting Period coverage at no charge;
2. with regard to medical specialty, both the prior and the current specialty fall within the same class;



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3. the exposure or medical specialty of the practitioner changed more than 4 years prior while insured under claims-made coverage; or
4. the exposure or medical specialty of the practitioner changed while insured under occurrence coverage.

G. Premium Adjustment - Claims-Made Only

The following procedure should be used to calculate the exposure surcharge applicable under Rule F., above:

1. Calculate the at limits Extended Reporting Period premium appropriate for:
 - a. the previous medical specialty or status according to the rates and rules contained herein; and
 - b. the premium appropriate for the current medical specialty or status.
2. If the at limits Extended Reporting Period premium for the current specialty or status:
 - a. is less than the premium for the previous medical specialty or status, the dollar amount of difference is the charge to be applied;
 - b. exceeds the premium for the previous medical specialty or status, there shall be no charge.

H. Clinical Practice

The majority of residency training is within a hospital. However, there are periods where clinical experience is required. If a group practice desires individual coverage for these physicians, they may be covered provided that:

1. they are under direct supervision of a clinical physician; and
2. their purpose in the clinic is to receive the experience as part of their overall training program.

This rule shall not apply if the training institution (i.e. hospital) provides Professional Liability coverage for the physician in training while outside the institution.

XIV. MISCELLANEOUS / ANCILLARY MEDICAL PERSONNEL

- A. Professional Liability coverage for miscellaneous medical personnel may be provided. Refer to State Rate Page for medical specialties and rating instructions.
- B. Premium shall be as shown on the State Rate Page.

XV. CORPORATION / PARTNERSHIP / PROFESSIONAL ASSOCIATION

It shall be permissible to provide coverage for a Health Care corporation, Professional Association, or partnership, for liability arising from the practice of medicine by member physicians. Such coverage may be provided as follows:

A. Individual Practice

1. Solo Practice:

on a shared Limit of Liability basis by endorsement to the policy, specifying such entity will share in the individual practitioner limit. In such case no additional premium shall be charged; or
2. All Others

on a separate Limit of Liability basis by naming the corporation/partnership/professional association on the policy. The Limit of Liability shall be equal to the highest limits provided to any one individual member physician. Additional premium shall be as shown on the State Rate Page. In this case, all ancillary personnel shall be added to this corporation limit, and not to the policy of the individual physician.

B. Group Practice

on a separate Limit of Liability basis by naming the corporation/partnership/professional association on the policy. The Limit of Liability shall be equal to the limits provided to the individual member physicians. Additional premium shall be as shown on the State Rate Page.

XVI. OPTIONAL COVERAGES / ENDORSEMENTS

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

It shall be permissible to add a Medical Laboratory:

 - a. at no additional charge if such laboratory is not a separate entity. Coverage is limited to the testing of the insured's own patients.



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- b. as an additional insured at the premium charge shown on the State Rate Page, if such laboratory is a separate entity. Coverage is limited to the testing of the insured's own patients.

2. Deductibles/Self-Insured Retentions

Deductibles and self-insured retentions may be offered to qualified insureds.

3. First Aid Coverage Endorsement

When added to the practitioner(s) Professional Liability policy, coverage provided by this endorsement is limited to \$5000 per person for first aid expenses. Complete coverage details are explained on the endorsement

XVII. FULL-TIME EQUIVALENCY

It shall be permissible to add coverage for a Full-Time Equivalency position staffed by two or more part-time medical practitioners performing identical professional services for one job description, with their cumulative hours equivalent to one full-time medical practitioner.

The limits of liability apply separately to each position specifically named on the schedule, collectively with such incumbents who qualify for coverage under the definition of "you".

Compute the premium by applying the rates applicable to an individual physician charge for each Full-Time Equivalency position specifically named on the schedule.

XVIII. STAFF POSITION

It shall be permissible to add coverage for a specific Staff Position having a specific job description with professional services being performed by a medical practitioner.

The limits of liability apply separately to each staff position specifically named on the staff position schedule, collectively with such incumbents included as "you" by occupational description, and specifically named on such staff position schedule.

Compute the premium by applying the rates applicable to an individual physician charge for each Staff Position specifically named on the schedule.

XIX. SCHEDULED RATING MODIFICATION PLAN

The hazards of the practice of medicine vary with the organization, establishment of medical standards review and claims review committees, the effectiveness of such committees, loss prevention activities, professional liability claim experience, professional services rendered under written agreement, etc. To recognize specific characteristics unique to the risk, a rate modification as shown below may be applied based on the following:

1. Professional Liability Exposures

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

	<u>CREDIT</u>	<u>DEBIT</u>
a. <u>Loss Control Program</u> The underwriter will evaluate the procedures in place within the practice, including adherence to prior CNA recommendations.	0-10%	0-10%
b. <u>Practice Characteristics</u> The underwriter will evaluate the impact of contracts with managed care organizations on utilization, referrals, and overall quality of patient care.	0-15%	0-15%
c. <u>Continuing Education</u> Determine if the applicant's professional and para-professional staff participant in effective continuing medical education program(s);	0-5%	0-5%
d. <u>Unusual Risk Characteristics</u>	0-10%	0-10%



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A. Medical Practitioners - Claims-Made Rates:

(at \$100,000/\$300,000 Limits of Liability)

Class	Step Rates				
	1	2	3	4	5
1A	884	1,575	2,128	2,321	2,735
1	1,263	2,250	3,039	3,316	3,908
2A	1,516	2,700	3,647	3,979	4,689
2	1,768	3,150	4,255	4,642	5,471
3	2,274	4,050	5,471	5,968	7,034
4A	2,779	4,950	6,687	7,295	8,597
4	3,537	6,300	8,510	9,284	10,942
5	4,168	7,425	10,030	10,942	12,896
6	4,547	8,100	10,942	11,936	14,068
7	7,705	13,725	18,540	20,226	23,837
8	10,358	18,449	24,923	27,189	32,044

A 25% credit shall be applied to the medical practitioners' rate if the Limits of Liability are shared with all medical practitioners within a Corporation or Partnership.

B. Scheduled Rating Modification Plan

The maximum permissible modification of the Professional Liability premium(s) under the Scheduled Rating Modification Plan is \pm 40%.

C. Corporation/Partnership/Professional Association Charge:

1. If on a separate limit of liability basis, the rate is computed, per Corporation/Partnership/Professional Association, as up to 20% of the total developed professional liability premium for each practitioner and ancillary person charged a rate.
2. If a solo-practitioner desires coverage for the corporation/partnership/professional association, coverage can be provided for no additional premium charge, in which case the practitioner and the corporation/partnership/association share in the limit of liability.

D. Optional Coverages:

<u>Coverage</u>	<u>Rate</u>
1. All Insureds:	
First Aid Coverage Endorsement	Included
Special Extra Expense Coverage Endorsement	Included
Medical Laboratory	25% of the Class 1 rate.
2. Individual Practice:	
Premises Liability Coverage Part (Including non-owned auto, host liquor, premises medical payments, and fire & water legal liability)	Included



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E. Ancillary Personnel - Claims-Made Rates

- The following ancillary personnel may be added to the Corporation policy (Individual Physicians policy if no Corporation) as additional named insureds at the premium shown below. Limits of Liability must be equal those of the Corporation (Individual Physicians) and shall apply separately to each individual:

(at \$100,000/\$300,000 Limits of Liability)

Class	Step Rates				
	1	2	3	4	5
Physician Assistant, Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse	189	337	456	497	586
H/L Perfusionist	227	405	547	597	703
Nurse Midwife	1,541	2,745	3,708	4,045	4,767
Nurse Anesthetist	379	675	912	995	1,172
Nurse Practitioners	253	451	609	664	783

- The following ancillary personnel may be added to the Corporation policy as additional insureds at no additional charge, provided that Limits of Liability are on a shared basis:

All other under Code 80998 (Audiologist, Medical Aide, R.N., L.P.N., Psychologist, Research Ph.D.)	Pharmacists
Full Time Medical Students	Physiotherapists
Medical Laboratory Technician	Dental Hygienist
O.R. Technician (Code 80998)	Scrub Nurse (Code 80998)
Optometrist/Optician	X-Ray Technician with/without Therapy

F. Increased Limits:

<i>Desired Limit</i>	<i>Increase Factor</i>
100,000/300,000	1.00
1,000,000/1,000,000	2.09
1,000,000/3,000,000	2.15
2,000,000/2,000,000	2.51
2,000,000/4,000,000	2.58
3,000,000/3,000,000	2.77
3,000,000/5,000,000	2.84
4,000,000/4,000,000	2.91
4,000,000/6,000,000	2.97
5,000,000/5,000,000	3.04
5,000,000/7,000,000	3.09
6,000,000/6,000,000	3.10
6,000,000/8,000,000	3.17
7,000,000/7,000,000	3.19
7,000,000/9,000,000	3.24
8,000,000/8,000,000	3.27
8,000,000/10,000,000	3.30



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Increased Limits (continued):

<i>Desired Limit</i>	<i>Increase Factor</i>
9,000,000/9,000,000	3.34
9,000,000/11,000,000	3.37
10,000,000/10,000,000	3.41
10,000,000/12,000,000	3.44
11,000,000/11,000,000	3.48
11,000,000/13,000,000	3.52

G. Extended Reporting Period:

1. Extended Reporting Period Coverage will be granted for no additional premium charge provided that retirement takes place during the policy period and the insured is:
 - a. age 55 or older and has been insured by us for at least 5 years of claims-made coverage; or
 - b. any age and has been insured by us for at least 10 years of claims-made coverage.
2. Extended Reporting Period coverage will be granted with the following discounts, provided the above rule does not apply, and retirement takes place subject to the following schedule:

<u>Years of Coverage*</u>	<u>Premium Discount</u>
9	90%
8	80%
7	70%
6	60%
5	50%
4	40%
3	30%
2	20%
1	10%

* Years of coverage must be with a CNA group company on a Claims-Made basis.

3. The factors in the following table shall be applied to the mature claims-made rate in effect at the inception of the last claims-made policy:

Years of Prior Claims Made Coverage	Installment Factors			Prepaid Factors
	1st Year	2nd Year	3rd Year	
1	.36	.34	.28	.92
2	.58	.55	.39	1.43
3	.67	.55	.59	1.70
4 or more	.84	.55	.59	1.87



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H. Medical Practitioners Classifications

Each medical practitioner is assigned a classification code according to their medical specialty. When more than one classification is applicable, the highest rate classification shall apply.

Class 1A -

<u>Medical Specialty</u>	<u>Code</u>
Administrative Medicine	80178
Allergy/Immunology	80254
Diabetes - no surgery	80237
Forensic or Legal Medicine	80240
General Preventive Medicine	80231
Nephrology - no surgery	80260
Ophthalmology - no surgery	80263
Pathology - All Other	80266
Preventive Medicine - no surgery - Aerospace Medicine	80230
Preventive Medicine - no surgery - Occupational Medicine	80233
Preventive Medicine - no surgery - Public/General Health Medicine	80236
Psychiatry - All Other	80249

Class 1 -

<u>Medical Specialty</u>	<u>Code</u>
Cardiovascular Disease - no surgery	80255
Dermatology - no surgery	80256
Diabetes - minor surgery	80271
Endocrinology - no surgery	80238
Family/General Practice - no surgery	80420
Gastroenterology - no surgery	80241
Geriatrics - no surgery	80243
Gynecology - no surgery	80244
Hematology - no surgery	80245
Hospitalists	80222
Infectious Disease	80246
Internal Medicine - no surgery	80257
Neoplastic Diseases - no surgery	80259
Nephrology - minor surgery	80287
Nuclear Medicine	80262
Nutritionist	80248
Oncology - no surgery	80302
Otorhinolaryngology - no surgery	80265
Pathology - Cytopathology	80292
Pediatrics - no surgery	80267
Pharmacology - clinical	80234
Physical Medicine and Rehabilitation - All Other	80235
Physicians - no surgery - NOC	80268
Preventive Medicine - no surgery - Undersea/Hyperbaric Medicine	80139
Pulmonary Diseases - no surgery	80269
Rheumatology - no surgery	80252
Sports Medicine - no surgery	80205
Urgent Care Medicine	80424
Urology - no surgery	80121



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Class 2A -

<u>Medical Specialty</u>	<u>Code</u>
Anesthesiology - All Other	80181

Class 2 –

<u>Medical Specialty</u>	<u>Code</u>
Dermatology - minor surgery	80282
Endocrinology - minor surgery	80272
Family/General Practice - minor surgery - excluding obstetrics	80421
Gastroenterology - minor surgery	80274
Gynecology - minor surgery	80277
Intensive Care Medicine	80283
Internal Medicine - minor surgery	80284
Neurology - including child - no surgery - All Other	80261
Ophthalmology - minor surgery	80289
Otorhinolaryngology - minor surgery	80291
Phys. - no major surgery - Acupuncture	80437
Phys. - no major surgery - Angiography, Arteriography, Catheterization	80422
Phys. - no major surgery - Colonoscopy, ERCP, esophageal dilation	80443
Phys. - no major surgery - Discograms, Myelography, Pneumoenceph.	80428
Phys. - no major surgery - Lymphangiography, Phlebography	80434
Phys. - no major surgery - Needle Biopsy	80446
Phys. - no major surgery - Radiopaque Dye	80449
Phys. - no major surgery - Shock Therapy	80431
Physicians - minor surgery - NOC	80294
Physicians or Surgeons Assistants	80116
Radiology - Diagnostic	80253
Radiology - Therapeutic	80359
Surgery - Ophthalmology	80114
Urology - minor surgery	80120

Class 3 –

<u>Medical Specialty</u>	<u>Code</u>
Anesthesiology - Chronic Pain Management	80182
Bronco - Esophagology	80101
Cardiovascular Disease - minor surgery	80281
Dermatology - All Other	80297
Neonatology - non-critical care	80804
Podiatrists - below the ankle	80993
Radiology - Diagnostic - Including Interventional	80280
Radiology - Therapeutic - Including Interventional & Radiation TX	80358
Surgery - Colon & Rectal	80115
Surgery - Maxillofacial	80210
Surgery - Otorhinolaryngology	80159
Surgery - Pediatric	80180
Surgery - Urological	80145



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Class 4A –

<u>Medical Specialty</u>	<u>Code</u>
Emergency Medicine - no major surgery	80102
Podiatrists - above the ankle	80993a
Surgery - Gastroenterology	80104

Class 4 –

<u>Medical Specialty</u>	<u>Code</u>
Surgery - Family/General Practice - Incl. OB	80117
Surgery - General - Excluding Bariatric	80143
Surgery - Gynecology	80167
Surgery - Neoplastic Diseases/Oncology	80107

Class 5 –

<u>Medical Specialty</u>	<u>Code</u>
Emergency Medicine - including major surgery	80157
Neonatology - critical care	80804a
Surgery - Abdominal	80166
Surgery - Hand	80169
Surgery - Head and Neck	80170
Surgery - Orthopedic - excluding spine	80154
Surgery - Plastic - NOC	80156
Surgery - Plastic - Otorhinolaryngology	80155
Surgery - Trauma	80171

Class 6 –

<u>Medical Specialty</u>	<u>Code</u>
Surgery - Cardiac	80141
Surgery - Cardiovascular Disease	80150
Surgery - Orthopedic - including spine	80154a
Surgery - Thoracic	80144
Surgery - Vascular	80146

Class 7 –

<u>Medical Specialty</u>	<u>Code</u>
Perinatology	80804b
Surgery - General - Including Bariatric	80143a
Surgery - Obstetrics - Gynecology	80153

Class 8 –

<u>Medical Specialty</u>	<u>Code</u>
Surgery - Neurology - including child	80152



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Ancillary Medical Personnel

The following medical personnel have been assigned the specialty classification codes as shown:

<u>Medical Specialty</u>	<u>Code</u>
Dental Hygienists	80210
Medical Laboratory Technician	80711
Nurse Midwife	80962
Nurse Practitioner	80998
Nurse Anesthetist	80960
Opticians	80937
Optometrist	80994
Paramedics	80116
Pharmacists	59112
Physician Assistant	80116
Physiotherapists	80938
Scrub Nurse/Operating Room Technician:	
1. whose duties require them to assist & remain in the O.R. for a surgical procedure.	80116
2. whose duties are to set up the O.R., but who do not remain in O.R. during a procedure.	80998
Surgeon Assistant	80116
X-Ray Technician:	
1. with Therapy	80714
2. without Therapy	80713
All <u>other</u> medical personnel including:	
1. Audiologist, Medical Aide	80998
2. R.N., L.P.N.	80964 / 80963
3. Psychologist, Research Ph.D.	80998

Additional Classifications:

Corporation/Partnership/Professional Association	80999
Medical Laboratory	80715

The following classifications identify additional potential exposures applicable to each individual Group Practice. These classifications require prior underwriting approval by the Company.

Clinical Surgery Center	80610
Emergency Room	80610
Medical Facility	80610 / 80611

SERFF Tracking Number: CNAC-125483605 State: Arkansas
 First Filing Company: Continental Casualty Company, ... State Tracking Number: #224087 \$100
 Company Tracking Number: 08-R2206
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0023 Physicians & Surgeons
 Made/Occurrence
 Product Name: Doctors (physicians & Surgeons) Professional Liability Program
 Project Name/Number: /08-R2206

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document- Property & Casualty	Review Status: Filed	07/17/2008
Comments:			
Attachments:			
	AR PC TD-1.pdf		
	02 PC RRFC-1.pdf		
Bypassed -Name:	NAIC Loss Cost Filing Forms (all P&C lines)	Review Status: Filed	07/17/2008
Bypass Reason:	not a loss costs filing		
Comments:			
Bypassed -Name:	NAIC loss cost data entry document	Review Status: Filed	07/17/2008
Bypass Reason:	not a loss costs filing		
Comments:			
Bypassed -Name:	Form PROMAL	Review Status: Filed	07/17/2008
Bypass Reason:	Only 13.5%		
Comments:			
Bypassed -Name:	Form PRONOT	Review Status: Filed	07/17/2008
Bypass Reason:	only 13.5%		
Comments:			
Satisfied -Name:	Actuary Memo	Review Status: Filed	07/17/2008

SERFF Tracking Number: CNAC-125483605 State: Arkansas
First Filing Company: Continental Casualty Company, ... State Tracking Number: #224087 \$100
Company Tracking Number: 08-R2206
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0023 Physicians & Surgeons
Made/Occurrence
Product Name: Doctors (physicians & Surgeons) Professional Liability Program
Project Name/Number: /08-R2206

Satisfied -Name: Actuary Support **Review Status:** Filed 07/17/2008
Comments:
Attachments:
ARcompareSVMIC - Supporting Exh.pdf
AR ROE.pdf
AR Impact of Changes.pdf
AR Exhibit D.pdf

Satisfied -Name: MM Survey form **Review Status:** Filed 07/17/2008
Comments:
Attachment:
MM Survey FORM MMPCS.pdf

Satisfied -Name: MM Survey FORM **Review Status:** Filed 07/17/2008
Comments:
Attachment:
MM Survey FORM MMPCS-updated 3-27-08.pdf

Satisfied -Name: MM Survey **Review Status:** Filed 07/17/2008
Comments:
Attachment:
MM Survey FORM MMPCS-updated 3-27-08.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only
	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

3. Group Name	Group NAIC #
CNA Insurance Companies	218

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Continental Casualty Company	IL	20433	36-2114545	
The Continental Insurance Company	PA	35289	13-5010440	

5. Company Tracking Number	08-R2206
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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
	Robert Alonzo 40 Wall Street New York, NY 10005	State Filing Analyst	877-269-3277 x3478	212-440-2877	robert.alonzo@cna.com

7. Signature of authorized filer	<i>Robert Alonzo</i>
8. Please print name of authorized filer	Robert Alonzo

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

9. Type of Insurance (TOI)	11.1023 Medical Malpractice
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s) (if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	Physicians and Surgeons Professional Liability
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input checked="" type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 3/15/2008 Renewal: 3/15/2008
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	N/A
17. Reference Organization # & Title	N/A

18. Company's Date of Filing	
19. Status of filing in domicile	<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 #	08-R2206
--	----------

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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ARKANSAS INSURANCE DEPARTMENT
PROPERTY & CASUALTY DIVISION
1200 W 3RD ST
LITTLE ROCK AR 72201-1904

RE: *CONTINENTAL CASUALTY COMPANY NAIC#: 218-20443 FEIN#: 36-2114545*
CONTINENTAL INSURANCE COMPANY NAIC #: 218-35289 FEIN#: 13-5010440
Doctors (Physicians & Surgeons) Professional Liability
Rates/Rules
OUR FILE NO. : 08-R2206

To Whom It May Concern:

With this rate revision filing for Continental Casualty Company, we also are proposing to adopt the revised rates/rules for The Continental Insurance Company ("CIC") as well. Please refer to the Actuarial Memorandum, along with exhibits reflecting changes proposed by this program; and the applicable revised manual pages. This filing was last approved under our filing No.: 05-R2085.

We propose that this filing become applicable to all policies written on or after March 15, 2008 or the earliest date permitted by your state.

Very truly yours,

Robert Alonzo

Robert Alonzo
State Filing Analyst

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
Amount:

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.)

1.	This filing transmittal is part of Company Tracking #	08-R2066
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	08-F2066
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Rate Increase Rate Decrease Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)	P/A
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4a.	Rate Change by Company (As Proposed)						
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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)
CCC	+13.5%	+13.5%	-\$19,117	4	\$159,625	74.4%	-25.2%
CIC	N/A	N/A	N/A	N/A	N/A	N/A	N/A

4b.	Rate Change by Company (As Accepted) For State Use Only						
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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)

Overall Rate Information (Complete for Multiple Company Filings only)

		COMPANY USE	STATE USE
5a.	Overall percentage rate indication (when applicable)	+13.5%	
5b.	Overall percentage rate impact for this filing	+13.5%	
5c.	Effect of Rate Filing – Written premium change for this program	-\$19,117	
5d.	Effect of Rate Filing – Number of policyholders affected	4	

6.	Overall percentage of last rate revision	+6.50%
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7.	Effective Date of last rate revision	7/22/2005
-----------	---	------------------

8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	P/A
-----------	---	------------

9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	State Exception Pages - ALL	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02	Countrywide Pages - ALL	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

Continental Casualty Company
The Continental Insurance Company
Physicians & Surgeons Professional Liability

Actuarial Memorandum
Arkansas

With this rate filing, Continental Casualty Company (CCC) proposes several changes to its Physicians & Surgeons Professional Liability program in the State of Arkansas. All changes are proposed with an effective date of March 1, 2008. The proposed changes are:

Changes to State Pages

1. Base Rate

CCC proposes a base rate increase of 12.1%. CCC has written limited premium under this program in Arkansas in recent years. Therefore, the indicated rate change was not calculated based upon CCC's historical experience, but rather based on the filed rates of a competitor, State Volunteer Mutual Insurance Company ("SVMIC"). Exhibits 1 through 6 show this competitor rate comparison and analysis. Exhibits 1 through 4 show the calculation of the proposed rates. As shown in the exhibits, SVMIC's current rates are adjusted for the difference in expenses, the difference in class plans and trend to July 1st, 2007, the date of the analysis, in order to determine the indicated rate.

Exhibit A derives the proposed base rate change. Rows 1-3 derive CNA's overall rate need. Rows 4-6 calculate the impact of the class plan changes described below. Row 7 calculates the proposed base rate change required to reflect the overall rate need (row 3) and the class plan impact (row 6).

2. Class Plan

A new class plan with an average impact of 1.2% is proposed. Because of CCC's limited written premium under this program in recent years, the proposed class plan is based on a recent study by Tillinghast, consulting business of Towers Perrin. Tillinghast used data from a sampling of insurers of physicians professional liability coverage to produce indicated physician and surgeon specialty relativities. Exhibit C shows the proposed change in CCC's class plan and the overall impact on average rates. As mentioned above, Exhibit A adjusts the indicated base rate from Exhibit 1 for the proposed class plan changes to maintain the same average rate from the competitor analysis.

3. Ancillary Personnel Rates

CCC is proposing new base rates for ancillary personnel. CCC derives the base rates for ancillary personnel, except for Nurse Practitioners, by applying a relativity to the physician and surgeons base rates. In the past, these relativities have varied widely from state to state. In order to make these relativities more consistent across the country and updated to reflect CCC's new class plan, we

are adjusting our ancillary personnel relativities in Arkansas. For Nurse Practitioners, CCC has selected a base rate consistent with the Nurse Practitioner rates filed for our Nurse and Allied Healthcare Facilities program. See Exhibit D for impact of this change by class.

4. Medical Practitioners Shared Limits

The following has been added to Rule *A. Medical Practitioners – Claims-Made Rates*:

A 25% credit shall be applied to the medical practitioners' rate if the Limits of Liability are shared with all medical practitioners within a Corporation or Partnership.

5. Ancillary Personnel Shared Limits

The following has been added to Rule *E. Ancillary Personnel – Claims-Made Rates*:

2. A 25% credit shall be applied to the ancillary personnel rate if the Limits of Liability are shared with the Corporation (Individual Physicians).

6. Adding a Company

CCC proposes the inclusion of the underwriting company, The Continental Insurance Company ("CIC", NAIC# 35289), on its Arkansas rate manual within this submission. CIC is adopting CCC's current state pages, including the changes proposed with this filing. Since The Continental Insurance Company will be a new company in the Arkansas market, there is no impact on policyholders.

Changes to Countrywide Pages

1. Rule changes

- a. Rule VI – Reference to Premises Liability has been removed.
- b. Rule XII – ERP rule has been updated with new wording.
- c. Rule XIII – New physician discount has been removed.
- d. Rule XVI – The following Optional Coverages have been removed.
 - i. Personal Umbrella
 - ii. Special Extra Expense
 - iii. Premises Liability
- e. The following rules have been removed:
 - i. Loss Prevention Credit
 - ii. Longevity Credit
 - iii. Claims-Free Credit
 - iv. Size of Risk Credit

2. Adding a Company

CCC proposes the inclusion of the underwriting company, The Continental Insurance Company (NAIC# 35289), on its countrywide manual within this submission. CIC is adopting CCC's current countrywide pages, including the changes proposed with this filing.

Actual In-Force Impact

The changes described above have an average impact of -12.0% on the policies in-force as of June 30, 2007. Exhibit E calculates this impact.

The revised countrywide pages and rating manual are attached.

CNA Insurance Companies
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ARKANSAS

CNA Proposed Base Rate Effective 3/1/2008

(1)	Current CNA Base Rate for Statewide Mature Claims-Made Family Practice (No Surgery) Manual Rate at \$1,000,000/\$3,000,000 Limits (Exhibit 4)	\$7,493
(2)	Indicated CNA Base Rate for Statewide Mature Claims-Made Family Practice (No Surgery) Manual Rate at \$1,000,000/\$3,000,000 Limits (Exhibit 4)	\$8,506
(3)	Indicated Base Rate Need Based on Competitor Comparison = (2) / (1) - 1	13.5%
(4)	Current Class Plan Average Factor (Exhibit C)	1.697
(5)	Proposed Class Plan Average Factor (Exhibit C)	1.718
(6)	Proposed Class Change = (5) / (4) - 1	1.2%
(7)	Proposed Base Rate Change to Offset the Class Change = (1 + (3)) / (1 + (6)) - 1	12.1%
(8)	Selected CNA Base Rate for Statewide Mature Claims-Made Family Practice (No Surgery) Manual Rate at \$1,000,000/\$3,000,000 Limits =(1) x (1+(7))	\$8,402
(9)	Proposed Overall Change = (1 + (6)) x (1 + (7)) - 1	13.5%

CNA Insurance Companies
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ARKANSAS

New Physician Classification Plan

Physician Specialty	ISO Code	New Class Code	New Relativity
Administrative Medicine	80178	1A	0.7
Allergy/Immunology	80254	1A	0.7
Diabetes - no surgery	80237	1A	0.7
Forensic or Legal Medicine	80240	1A	0.7
General Preventive Medicine	80231	1A	0.7
Nephrology - no surgery	80260	1A	0.7
Ophthalmology - no surgery	80263	1A	0.7
Pathology - All Other	80266	1A	0.7
Preventive Medicine - no surgery - Aerospace Medicine	80230	1A	0.7
Preventive Medicine - no surgery - Occupational Medicine	80233	1A	0.7
Preventive Medicine - no surgery - Public/General Health Medicine	80236	1A	0.7
Psychiatry - All Other	80249	1A	0.7
Cardiovascular Disease - no surgery	80255	1	1.0
Dermatology - no surgery	80256	1	1.0
Diabetes - minor surgery	80271	1	1.0
Endocrinology - no surgery	80238	1	1.0
Family/General Practice - no surgery	80420	1	1.0
Gastroenterology - no surgery	80241	1	1.0
Geriatrics - no surgery	80243	1	1.0
Gynecology - no surgery	80244	1	1.0
Hematology - no surgery	80245	1	1.0
Hospitalists	80222	1	1.0
Infectious Disease	80246	1	1.0
Internal Medicine - no surgery	80257	1	1.0
Neoplastic Diseases - no surgery	80259	1	1.0
Nephrology - minor surgery	80287	1	1.0
Nuclear Medicine	80262	1	1.0
Nutritionist	80248	1	1.0
Oncology - no surgery	80302	1	1.0
Otorhinolaryngology - no surgery	80265	1	1.0
Pathology - Cytopathology	80292	1	1.0
Pediatrics - no surgery	80267	1	1.0
Pharmacology - clinical	80234	1	1.0
Physical Medicine and Rehabilitation - All Other	80235	1	1.0
Physicians - no surgery - NOC	80268	1	1.0
Preventive Medicine - no surgery - Undersea/Hyperbaric Medicine	80139	1	1.0
Pulmonary Diseases - no surgery	80269	1	1.0
Rheumatology - no surgery	80252	1	1.0
Sports Medicine - no surgery	80205	1	1.0
Urgent Care Medicine	80424	1	1.0
Urology - no surgery	80121	1	1.0
Anesthesiology - All Other	80181	2A	1.2
Dermatology - minor surgery	80282	2	1.4
Endocrinology - minor surgery	80272	2	1.4
Family/General Practice - minor surgery - excluding obstetrics	80421	2	1.4
Gastroenterology - minor surgery	80274	2	1.4
Gynecology - minor surgery	80277	2	1.4
Intensive Care Medicine	80283	2	1.4
Internal Medicine - minor surgery	80284	2	1.4
Neurology - including child - no surgery - All Other	80261	2	1.4
Ophthalmology - minor surgery	80289	2	1.4
Otorhinolaryngology - minor surgery	80291	2	1.4
Phys. - no major surgery - Acupuncture	80437	2	1.4
Phys. - no major surgery - Angiography, Arteriography, Catheterization	80422	2	1.4

CNA Insurance Companies
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ARKANSAS

New Physician Classification Plan

Physician Specialty	ISO Code	New Class Code	New Relativity
Phys. - no major surgery - Colonoscopy, ERCP, esophageal dilation	80443	2	1.4
Phys. - no major surgery - Discograms, Myelography, Pneumoenceph.	80428	2	1.4
Phys. - no major surgery - Lymphangiography, Phlebography	80434	2	1.4
Phys. - no major surgery - Needle Biopsy	80446	2	1.4
Phys. - no major surgery - Radiopaque Dye	80449	2	1.4
Phys. - no major surgery - Shock Therapy	80431	2	1.4
Physicians - minor surgery - NOC	80294	2	1.4
Physicians or Surgeons Assistants	80116	2	1.4
Radiology - Diagnostic	80253	2	1.4
Radiology - Therapeutic	80359	2	1.4
Surgery - Ophthalmology	80114	2	1.4
Urology - minor surgery	80120	2	1.4
Anesthesiology - Chronic Pain Management	80182	3	1.8
Bronco - Esophagology	80101	3	1.8
Cardiovascular Disease - minor surgery	80281	3	1.8
Dermatology - All Other	80297	3	1.8
Neonatology - non-critical care	80804	3	1.8
Podiatrists - below the ankle	80993	3	1.8
Radiology - Diagnostic - Including Interventional	80280	3	1.8
Radiology - Therapeutic - Including Interventional & Radiation TX	80358	3	1.8
Surgery - Colon & Rectal	80115	3	1.8
Surgery - Maxillofacial	80210	3	1.8
Surgery - Otorhinolaryngology	80159	3	1.8
Surgery - Pediatric	80180	3	1.8
Surgery - Urological	80145	3	1.8
Emergency Medicine - no major surgery	80102	4a	2.2
Podiatrists - above the ankle	80993a	4a	2.2
Surgery - Gastroenterology	80104	4a	2.2
Surgery - Family/General Practice - Incl. OB	80117	4	2.8
Surgery - General - Excluding Bariatric	80143	4	2.8
Surgery - Gynecology	80167	4	2.8
Surgery - Neoplastic Diseases/Oncology	80107	4	2.8
Emergency Medicine - including major surgery	80157	5	3.3
Neonatology - critical care	80804a	5	3.3
Surgery - Abdominal	80166	5	3.3
Surgery - Hand	80169	5	3.3
Surgery - Head and Neck	80170	5	3.3
Surgery - Orthopedic - excluding spine	80154	5	3.3
Surgery - Plastic - NOC	80156	5	3.3
Surgery - Plastic - Otorhinolaryngology	80155	5	3.3
Surgery - Trauma	80171	5	3.3
Surgery - Cardiac	80141	6	3.6
Surgery - Cardiovascular Disease	80150	6	3.6
Surgery - Orthopedic - including spine	80154a	6	3.6
Surgery - Thoracic	80144	6	3.6
Surgery - Vascular	80146	6	3.6
Perinatology	80804b	7	6.1
Surgery - General - Including Bariatric	80143a	7	6.1
Surgery - Obstetrics - Gynecology	80153	7	6.1
Surgery - Neurology - including child	80152	8	8.2

CNA Insurance Companies
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ARKANSAS

New Physician Classification Plan

Physician Specialty	New ISO Code	ARKANSAS AMA	Current CNA Relativities	Proposed CNA Relativities
Aerospace Medicine	80230	0.02%	0.600	0.700
Allergy	80254	0.52%	0.600	0.700
Anesthesiology	80181	5.26%	1.800	1.200
Angio/Arterio/Catheterization	80422	0.74%	1.800	1.400
Cardiovascular Disease - No Surgery	80255	2.21%	0.900	1.000
Cardiovascular Surgery	80150	0.15%	4.400	3.600
Colon & Rectal Surgery	80115	0.07%	1.800	1.800
Dermatology - Hair Transplant, Plastic Surgery, etc.	80297	0.16%	1.000	1.800
Dermatology - Invasive Procedures	80282	0.16%	0.900	1.400
Dermatology - No Surgery	80256	0.96%	0.600	1.000
Diabetes - Minor Surgery	80271	0.01%	0.900	1.000
Diabetes - No Surgery	80237	0.03%	0.600	0.700
Diagnostic Radiology	80280	3.44%	1.000	1.800
Emergency Medicine	80157	1.64%	2.900	3.300
Endocrinology - Minor Surgery	80272	0.45%	0.900	1.400
Family/General Practice - Minor Surgery/No OB	80421	2.79%	1.800	1.400
Family/General Practice - No Surgery/No OB	80420	16.72%	1.000	1.000
Family/General Practice - Surgery/OB	80117	2.79%	2.900	2.800
Forensic/Legal Medicine	80240	0.08%	0.600	0.700
Gastroenterology - Minor Surgery	80274	1.43%	0.900	1.400
General Preventive Medicine	80231	0.48%	0.600	0.700
General Surgery	80143	4.25%	2.900	2.800
Geriatric Medicine - Minor Surgery	80243	0.02%	0.900	1.000
Geriatric Medicine - No Surgery	80243	0.07%	0.600	1.000
Gynecology - Minor Surgery	80277	0.16%	0.900	1.400
Gynecology - Surgery	80167	0.16%	2.900	2.800
Hand Surgery	80169	0.18%	2.900	3.300
Hematology/Oncology	80245	1.08%	0.900	1.000
Infectious Disease	80246	0.56%	0.900	1.000
Intensive Care Medicine	80283	1.64%	2.900	1.400
Internal Medicine - Invasive Procedures	80284	2.78%	1.800	1.400
Internal Medicine - No Surgery	80257	8.34%	1.000	1.000
Neonatology/Perinatology	80804	0.49%	2.900	1.800
Nephrology	80287	0.65%	0.900	1.000
Neurology - No Surgery	80261	1.70%	1.000	1.400
Neurosurgery	80152	0.89%	5.500	8.200
Obstetrics/OB/GYN	80153	4.71%	5.500	6.100
Occupational/Industrial Medicine	80233	0.19%	0.600	0.700
Ophthalmology - No Surgery/Laser	80263	1.90%	0.600	0.700
Ophthalmology - Surgery/Laser	80114	0.63%	0.900	1.400
Orthopedic Surgery	80154a	3.50%	4.400	3.600
Otolaryngology - Elective Plastic Surgery	80155	0.21%	4.400	3.300
Otolaryngology - No Elective Plastic Surgery	80159	0.21%	2.900	1.800
Otolaryngology - No Surgery	80265	1.25%	0.600	1.000
Pathology	80292	2.84%	0.900	1.000
Pediatric Surgery	80180	0.11%	2.900	1.800
Pediatrics - No Surgery	80267	8.53%	1.000	1.000
Physical Medicine/Rehabilitation	80235	0.94%	0.600	1.000
Plastic Surgery	80156	0.65%	4.400	3.300
Psychiatry	80249	4.76%	0.900	0.700
Public Health	80236	0.11%	0.600	0.700
Pulmonary Medicine	80269	1.17%	0.600	1.000
Radiation Oncology	80358	2.34%	0.900	1.800
Rheumatology	80252	0.40%	0.600	1.000
Thoracic Surgery	80144	0.76%	2.900	3.600
Traumatic Surgery	80171	0.03%	2.900	3.300
Urology - No Implants	80145	1.57%	1.800	1.800
Vascular Surgery	80146	0.15%	2.900	3.600
TOTAL / AVERAGE		100.00%	1.697	1.718

Notes:

Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

CNA Insurance Companies
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ARKANSAS

Development of CNA Indicated Base Class Physician Rate Effective

(1)	State Volunteer Mutual Ins. Company 5/15/2005 Statewide Mature Claims-Made Family Practice (No Surgery) Rate at \$1,000,000/\$3,000,000 Limits (Exhibit 4)	\$7,073
(2)	State Volunteer Mutual Ins. Company Permissible Loss & ALAE Ratio (Exhibit 4)	71.8%
(3)	State Volunteer Mutual Ins. Company 5/15/2005 Statewide Mature Claims-Made Family Practice (No Surgery) Loss Cost at \$1,000,000/\$3,000,000 Limits = (1) x (2)	\$5,078
(4)	State Volunteer Mutual Ins. Company 5/15/2005 Indicated Rate Need	5.5%
(5)	State Volunteer Mutual Ins. Company 5/15/2005 Approved Rate Level Change	5.5%
(6)	State Volunteer Mutual Ins. Company 5/15/2005 Additional Rate Need = $[1+(4)]/[1+(5)] - 1$	0.0%
(7)	State Volunteer Mutual Ins. Company 5/15/2005 Statewide Mature Claims-Made Indicated Family Practice (No Surgery) Loss Cost at \$1,000,000/\$3,000,000 Limits = (3) x [1+(6)]	\$5,078
(8)	6.0% Annual Trend Factor to 12/1/2007	1.160
(9)	State Volunteer Mutual Ins. Company 12/1/2007 Statewide Mature Claims-Made Indicated Family Practice (No Surgery) Loss Cost at \$1,000,000/\$3,000,000 Limits = (7) x (8)	\$5,891
(10)	State Volunteer Mutual Ins. Company Class Plan Relativity to CNA (Exhibit 2B)	1.018
(11)	State Volunteer Mutual Ins. Company Territory Relativity to CNA (Exhibit 3)	1.000
(12)	CNA 12/1/2007 Statewide Mature Claims-Made Indicated Family Practice (No Surgery) Loss Cost at \$1,000,000/\$3,000,000 Limits = (9) x (10) x (11)	\$5,997
(13)	CNA Permissible Loss & ALAE Ratio (Exhibit 4)	70.5%
(14)	CNA 12/1/2007 Statewide Mature Claims-Made Indicated Family Practice (No Surgery) Rate at \$1,000,000/\$3,000,000 Limits = (12) / (13)	\$8,506

CNA Insurance Companies
Physicians & Surgeons Professional Liability
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Comparison of State Volunteer Mutual Ins. Company and CNA Physician Classification Plans

Physician Specialty	(1) Exposure Distribution	(2) SVMIC Classification	(3) SVMIC Class Code	(4) SVMIC Class Relativity	(5) CNA Classification	(6) CNA Class Code	(7) CNA Class Relativity
Allergy & Immunology	0.52%	Allergy	1C	0.907	Allergy	1A	0.600
Anesthesiology	5.26%	Anesthesiology - Pain Management Anesthesiology Anesthesiology - Pain Management Interventional	2F 2C 2D	1.649 2.149 2.184	Anesthesiology	2	1.800
Cardiovascular Disease	2.94%	Cardiovascular Disease Cardiovascular Disease - Swan-Ganz Cardiovascular Disease - Angio/Arterio/Catheterization	1C 1E 1J	0.907 1.271 1.639	Cardiovascular Disease - No Surgery Angio/Arterio/Catheterization	1B 2	0.900 1.800
Colon & Rectal Surgery	0.07%	Colon & Rectal Surgery	2B	2.034	Colon & Rectal Surgery	2	1.800
Dermatology	1.28%	Dermatology - No Surgery Dermatology- Minor Surgery Dermatology - Cosmetic	1B 1G 2B	0.746 1.121 2.034	Dermatology - No Surgery Dermatology - Invasive Procedures Dermatology - Hair Transplant, Plastic Surgery, etc.	1A 1B 1	0.600 0.900 1.000
Emergency Medicine	3.28%	Emergency Medicine Intensive Care Medicine	2E 1C	2.523 0.907	Emergency Medicine Intensive Care Medicine	3 3	2.900 2.900
Family Practice/General Practice	22.86%	Family/General Practice - No Surgery/No OB Family/General Practice - Minor Surgery/No OB Family/General Practice - Minor Surgery/OB Family/General Practice - Major Surgery/OB Geriatrics General Preventive Medicine	1D 1K 2D 3D 1C 1B	1.000 1.649 2.184 2.807 0.907 0.746	Family/General Practice - No Surgery/No OB Family/General Practice - Minor Surgery/No OB Family/General Practice - Surgery/OB Geriatric Medicine - No Surgery Geriatric Medicine - Minor Surgery General Preventive Medicine	1 2 3 1A 1B 1A	1.000 1.800 2.900 0.600 0.900 0.600

CNA Insurance Companies
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ARKANSAS

Comparison of State Volunteer Mutual Ins. Company and CNA Physician Classification Plans

Physician Specialty	(1) Exposure Distribution	(2) SVMIC Classification	(3) SVMIC Class Code	(4) SVMIC Class Relativity	(5) CNA Classification	(6) CNA Class Code	(7) CNA Class Relativity
Gastroenterology	1.43%	Gastroenterology	1H	1.471	Gastroenterology - Minor Surgery	1B	0.900
General Surgery	4.87%	General Surgery	4B	3.349	General Surgery	3	2.900
		Perinatology	7A	6.123	Pediatric Surgery	3	2.900
		Head & Neck Surgery	3A	2.807	Hand Surgery	3	2.900
		Bariatric Surgery	7A	6.123	Podiatrist	3	2.900
		Traumatic Surgery	7A	6.123	Traumatic Surgery	3	2.900
		Cardiac Surgery	6A	5.690	Cardiovascular Surgery	4	4.400
		Vascular Surgery	5A	4.615	Vascular Surgery	3	2.900
Internal Medicine	14.29%	Endocrinology	1C	0.907	Endocrinology - Minor Surgery	1B	0.900
		Rheumatology	1C	0.907	Rheumatology	1A	0.600
		Hematology/Oncology	1C	0.907	Hematology/Oncology	1B	0.900
		Oncology - Surgery	4B	3.349			
		Infectious Disease	1C	0.907	Infectious Disease	1B	0.900
		Nephrology	1C	0.907	Nephrology	1B	0.900
		Nephrology - Minor Surgery	1J	1.639			
		Internal Medicine	1C	0.907	Internal Medicine - No Surgery	1	1.000
		Internal Medicine - Minor Invasive	1H	1.471			
		Internal Medicine - Invasive	1J	1.639	Internal Medicine - Invasive	2	1.800
		Procedures			Procedures		
		Hospitalist	1C	0.907			
Diabetes	1C	0.907	Diabetes - No Surgery	1A	0.600		
			Diabetes - Minor Surgery	1B	0.900		
Neurology	1.70%	Neurology	1G	1.121	Neurology - No Surgery	1	1.000
Neurological Surgery	0.89%	Neurology - Minor Surgery	1J	1.639	Neurosurgery	5	5.500
		Neurological Surgery	6A	5.690			

CNA Insurance Companies
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ARKANSAS

Comparison of State Volunteer Mutual Ins. Company and CNA Physician Classification Plans

Physician Specialty	(1) Exposure Distribution	(2) SVMIC Classification	(3) SVMIC Class Code	(4) SVMIC Class Relativity	(5) CNA Classification	(6) CNA Class Code	(7) CNA Class Relativity
Obstetrics & Gynecology	5.04%	Gynecology	1C	0.907			
		Gynecology - Minor Surgery	2B	2.034	Gynecology - Minor Surgery	1B	0.900
		Gynecology - Major Surgery	3C	3.161	Gynecology - Surgery	3	2.900
		OB/GYN	7A	6.123	Obstetrics/OB/GYN	5	5.500
Occupational Medicine	0.19%	Occupational Medicine	1B	0.746	Occupational/Industrial Medicine	1A	0.600
Ophthalmology	2.54%	Ophthalmology - No Surgery	1C	0.907	Ophthalmology - No Surgery/Laser	1A	0.600
		Ophthalmology - Minor Surgery	1E	1.271	Ophthalmology - Surgery/Laser	1B	0.900
		Ophthalmology - Major Surgery	1F	1.335			
Orthopedic Surgery	3.50%	Orthopedics - No Surgery	1D	1.000	Orthopedic Surgery	4	4.400
		Orthopedics - Minor Surgery	1J	1.639			
		Orthopedic Surgery	4A	4.615			
Otolaryngology	1.67%	Otorhinolaryngology - No Surgery	1C	0.907	Otolaryngology - No Surgery	1A	0.600
		Otorhinolaryngology - Major Surgery	3A	2.807	Otolaryngology - No Elective Plastic Surgery	3	2.900
		Otorhinolaryngology - Plastic Surgery	3B	3.017	Otolaryngology - Elective Plastic Surgery	4	4.400
Psychiatry	4.76%	Psychiatry	1B	0.746	Psychiatry	1B	0.900
Pediatrics	9.02%	Pediatrics - No Surgery	1D	1.000	Pediatrics - No Surgery	1	1.000
		Pediatric Gastroenterology	1G	1.121			
		Pediatrics - Cardiology	1K	1.649			
		Pediatrics - Minor Surgery	2D	2.184			
		Neonatology	1D	1.000	Neonatology/Perinatology	3	2.900
Neonatology -Minor Surgery	1H	1.471					
Public Health	0.13%	Public Health Medicine	1C	0.907	Public Health	1A	0.600
		Aerospace Medicine	1B	0.746	Aerospace Medicine	1A	0.600
		Administrative Medicine	1B	0.746			

CNA Insurance Companies
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ARKANSAS

Comparison of State Volunteer Mutual Ins. Company and CNA Physician Classification Plans

Physician Specialty	(1) Exposure Distribution	(2) SVMIC Classification	(3) SVMIC Class Code	(4) SVMIC Class Relativity	(5) CNA Classification	(6) CNA Class Code	(7) CNA Class Relativity
Physical Medicine & Rehabilitation	0.94%	Physical Medicine/Rehabilitation	1B	0.746	Physical Medicine/Rehabilitation	1A	0.600
Plastic Surgery	0.65%	Plastic Surgery	3B	3.017	Plastic Surgery	4	4.400
Anatomic/Clinical Pathology	2.92%	Pathology	1M	0.746	Pathology Forensic/Legal Medicine	1B 1A	0.900 0.600
Pulmonary Disease	1.17%	Pulmonary Diseases Pulmonary Diseases	1C 1H	0.907 1.471	Pulmonary Medicine	1A	0.600
Radiology	5.78%	Radiology - Minor Surgery Radiology - Minor Surgery Radiology - Major Surgery Diagnostic Radiology Nuclear Medicine Nuclear Medicine -Major Surgery	1E 1J 2A 1C 1C 2A	1.271 1.639 1.649 0.907 0.907 1.649	Radiation Oncology Diagnostic Radiology	1B 1	0.900 1.000
Thoracic Surgery	0.76%	Thoracic Surgery	4C	4.118	Thoracic Surgery	3	2.900
Urology	1.57%	Urology - No Surgery Urology - Surgery	1C 1L	0.907 1.769	Urology - No Implants	2	1.800

Note(s):

Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

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Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ARKANSAS

Derivation of Class Plan Relativity Factor

	(1)	(2)	(3)
CNA Physician Class	Exposure Distribution	SVMIC Average Relativity	CNA Current Relativity
1A	8.11%	0.874	0.600
1B	17.30%	0.993	0.900
1	38.88%	0.981	1.000
2	13.21%	1.749	1.800
3	12.40%	2.726	2.900
4	4.51%	4.348	4.400
5	5.60%	6.054	5.500
Total/Average	100.00%	1.728	1.697
Relativity to CNA = (2) / (3)			1.018

Note(s):

Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

CNA Insurance Companies
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ARKANSAS

Derivation of Territory Relativity Factor

County	SVMIC Territory	CNA Territory	(1) Exposure Distribution	(2) SVMIC Territory Relativity	(3) CNA Territory Relativity
Statewide	1	1	100.00%	1.000	1.000
Total/Average			100.00%	1.000	1.000
Relativity to CNA = (2) / (3)					1.000

Note(s):

Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

CNA Insurance Companies
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ARKANSAS

Base Rate and Expense Information

	State Volunteer Mutual Ins. Company	CNA - Current	CNA - Indicated
Section A - Base Rate Description			
Effective Date	5/15/2005	7/22/2005	12/1/2007
Type of Coverage	Mature CM	Mature CM	Mature CM
Per Occurrence Limit	\$1,000,000	\$100,000	\$100,000
Annual Aggregate Limit	\$3,000,000	\$300,000	\$300,000
Term	Annual	Annual	Annual
Per Occurrence Deductible	None	None	None
Annual Aggregate Deductible	None	None	None

	State Volunteer Mutual Ins. Company	CNA - Current	CNA - Indicated
Section B - \$1M/\$3M Base Rate Calculation			
(1) Family Practice (No Surgery) Base Rate	\$7,073	\$3,485	\$3,956
(2) Factor to Convert to Mature Claims Made	1.000	1.000	1.000
(3) Factor to Convert to 12 Month Term	1.000	1.000	1.000
(4) Increase Limit Factor to \$1M/\$3M	1.000	2.150	2.150
(5) \$0 Deductible Factor	1.000	1.000	1.000
(6) Combined Factor = (2) x (3) x (4) x (5)	1.000	2.150	2.150
(7) \$1M/\$3M Family Practice (No Surgery) Base Rate = (1)x(6)	\$7,073	\$7,493	\$8,506

	State Volunteer Mutual Ins. Company	CNA - Current	CNA - Indicated
Section C - Permissible Loss and ALAE Ratio Calculation			
(8) Commissions & Brokerage Fees	0.0%	10.0%	10.0%
(9) General and Other Acquisition Expenses	5.3%	9.7%	8.4%
(10) Taxes, Licenses & Fees	2.5%	2.4%	2.4%
(11) Profit & Contingencies	12.5%	6.4%	4.2%
(12) Total Expenses and Profit = (8)+(9)+(10)+(11)	20.3%	28.5%	25.0%
(13) Permissible Loss and LAE Ratio (incl. DDR) = 1.0 - (12)	79.7%	71.5%	75.0%
(14) DDR Load as a % of Loss and ALAE	4.3%	0.0%	0.0%
(15) Unallocated LAE as a % of Loss and ALAE	6.5%	5.9%	6.4%
(16) Permissible Loss and ALAE Ratio = (13)/[1+(14)]x[1+(15)]	71.8%	67.5%	70.5%

CNA Insurance Companies
Physicians & Surgeons Professional Liability
Competitor Rate Comparison - ARKANSAS

Comparison of State Volunteer Mutual Ins. Company and Indicated CNA Rates
Mature Claims Made - \$1,000,000/\$3,000,000 Limit

Statewide

CNA Physician Class	(1) Exposure Distribution	(2) SVMIC Current Rate	(3) CNA Indicated Rate	(4) =(3)/(2)-1 CNA Rate Differential
1A	8.11%	6,181	5,104	-17.4%
1B	17.30%	7,021	7,656	+9.0%
1	38.88%	6,941	8,506	+22.6%
2	13.21%	12,368	15,311	+23.8%
3	12.40%	19,281	24,669	+27.9%
4	4.51%	30,750	37,428	+21.7%
5	5.60%	42,821	46,785	+9.3%
Total/Average	100.00%	12,221	14,431	+18.1%

Note(s):

Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

CNA Insurance Companies
 Physicians & Surgeons Professional Liability
 Competitor Rate Comparison - ARKANSAS

Comparison of Current and Indicated CNA Rates
 Mature Claims Made - \$1,000,000/\$3,000,000 Limit

Statewide

CNA Physician Class	(1) Exposure Distribution	(2) CNA Current Rate	(3) CNA Indicated Rate	(4) =(3)/(2)-1 CNA Indicated Change
1A	8.11%	4,496	5,104	
1B	17.30%	6,743	7,656	
1	38.88%	7,493	8,506	
2	13.21%	13,487	15,311	
3	12.40%	21,729	24,669	
4	4.51%	32,968	37,428	
5	5.60%	41,210	46,785	
Total/Average	100.00%	12,712	14,431	+13.5%

Note(s):
 Exposure distribution based on statewide distribution of physicians from the 2007 American Medical Association Physician Characteristics and Distribution in the U.S. publication.

CNA INSURANCE COMPANIES
ARKANSAS
Physicians & Surgeons Professional Liability

Calculation of Permissible Loss & ALAE Ratio

(1) Target CNA ROE	15.0%
(2) 2007 Plan Loss & ALAE Ratio	66.7%
(3) <u>ULAE to Premium Ratio</u>	<u>4.5%</u>
(4) ULAE to Loss & ALAE	6.7%
(5) Acquisition - Commission	10.0%
(6) Acquisition - Change in DAC	0.0%
(7) Acquisition - Other	1.1%
(8) <u>Underwriting (Including premium tax)</u>	<u>9.7%</u>
(9) Expense Ratio (ER)	20.8%
(10) Present Value Premium Factor (60 day Lag) (PVP)	0.9922
(11) Present Value L&ALAE Factor PV ₁	0.8775
(12) Present Value ULAE Factor PV ₂	0.9272
(13) Leverage Ratio (L)	1.64
(14) Yield on Capital (Y)	4.5%
(15) Percent Investable (I)	70.0%
(16) Income Tax Rate (T)	35.0%
(17) Permissible Loss & ALAE Ratio (L&ALAE)	70.5%
(18) Targeted Combined Ratio	95.8%

**CNA INSURANCE COMPANIES
ARKANSAS
Physicians & Surgeons Professional Liability**

Calculation of Investment Income Adjustments

<u>Months</u>	L&ALAE	ULAE		L&ALAE	ULAE
	Incremental Payout Pattern	Incremental Payout Pattern	4.8% Discount Factor	Discounted Payout	Discounted Payout
(1)	(2)	(3)	(4)	(5)	(6)
12	4.4%	52.2%	97.7%	4.3%	51.0%
24	28.4%	14.2%	93.2%	26.5%	13.2%
36	30.2%	15.1%	89.0%	26.9%	13.4%
48	16.6%	8.3%	84.9%	14.1%	7.0%
60	12.6%	6.3%	81.0%	10.2%	5.1%
72	4.8%	2.4%	77.3%	3.7%	1.9%
84	1.0%	0.5%	73.8%	0.7%	0.4%
96	0.9%	0.4%	70.4%	0.6%	0.3%
108	0.5%	0.3%	67.2%	0.3%	0.2%
120	0.3%	0.1%	64.2%	0.2%	0.1%
132	0.2%	0.1%	61.2%	0.1%	0.1%
144	0.1%	0.0%	58.4%	0.1%	0.0%
156	0.0%	0.0%	55.8%	0.0%	0.0%
	100%	100%		87.8%	92.7%

(4) = $(1.048)^{-((1) - 6) / 12}$
(5) = (2) x (4)
(6) = (3) x (4)

Impact of Changes on In-Force Physicians Premium

Arkansas

Premium As of 6/30/2007

In-Force Data			Base Rate Change			Class Plan Change			Adding Continental Insurance Company	Removing of Credits*	Total Impact
Physician Class	ISO Code	In-Force Premium	Prior Base Rate	New Base Rate	Impact of Change	Prior Class Relativity	New Class Relativity	Impact of Change	Impact of Change	Prior Credit Received	of Filed Changes
Surgery - Ophthalmology	80114	\$ 9,432	\$ 7,493	\$ 8,402	12.1%	0.9	1.4	55.6%	0.0%	0%	74.4%
Anesthesiology - All Other	80181	118,676	7,493	8,402	12.1%	1.8	1.2	-33.3%	0.0%	0%	-25.2%
Family/General Practice - no surgery	80420	10,480	7,493	8,402	12.1%	1.0	1.0	0.0%	0.0%	0%	12.1%
Corporate Exposure	80999	21,037	7,493	8,402	12.1%	n/a	n/a	0.0%	0.0%	0%	12.1%

Average: -12.0%

*Reflects only the credits being removed with this filing

Total Premium: 159,625

Continental Casualty Company
Continental Insurance Company
Physicians & Surgeons Professional Liability

Summary of Ancillary Rate Changes
State of Arkansas

At 100,000/300,000 Limits of Liability

Class Description	Prior Mature Rate	New Mature Rate	% Change
Physician Assistant	431	586	35.9%
Surgeon Assistants, O. R. Technicians, Paramedics, Scrub Nurse	863	586	-32.0%
H/L Perfusionist	863	703	-18.4%
Nurse Midwife	2,846	4,767	67.5%
Nurse Anesthetist	2,795	1,172	-58.1%
Nurse Practitioners	495	783	58.1%

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

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

NAIC Number:	20443; 35289
Company Name:	Continental Casualty Company; The Continental Insurance Company
Contact Person:	Robert Alonzo
Telephone No.:	212-440-3478
Email Address:	Robert.Alonzo@cna.com
Effective Date:	3/15/2008

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

Base Rate	Hospital	Clinic	Private
At 500,000/1,000,000	\$	\$	\$
Discounts and Surcharges			
Emergency Room			
Surgery			
Delivery			
Claims Free			
Over 5 years Experience			
Other:	Schedule Rating ± 40 %	± 40 %	± 40 %

Dental

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

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You may also attach to a SERFF filing or submit on a cdr disk

Physicians

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

Dental

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

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Physicians

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

Dental

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