

SERFF Tracking Number: ARKS-126116216 State: Arkansas
Filing Company: 13565 - Arkansas Mutual Insurance Company State Tracking Number: #1426 \$25
Company Tracking Number: 2009-01
TOI: 11.2 Med Mal-Claims Made Only Sub-TOI: 11.2023 Physicians & Surgeons
Product Name: n/a
Project Name/Number: /

Filing at a Glance

Company: 13565 - Arkansas Mutual Insurance Company

Product Name: n/a

SERFF Tr Num: ARKS-126116216 State: Arkansas

TOI: 11.2 Med Mal-Claims Made Only

SERFF Status: Closed

State Tr Num: #1426 \$25

Sub-TOI: 11.2023 Physicians & Surgeons

Co Tr Num: 2009-01

State Status: Fees verified and received

Filing Type: Rule

Co Status:

Reviewer(s): Betty Montesi, Edith Roberts

Author:

Disposition Date: 04/17/2009

Date Submitted: 04/16/2009

Disposition Status: Filed

Effective Date Requested (New):

Effective Date (New):

Effective Date Requested (Renewal):

Effective Date (Renewal):

State Filing Description:

General Information

Project Name:

Status of Filing in Domicile:

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 04/17/2009

State Status Changed: 04/17/2009

Deemer Date:

Corresponding Filing Tracking Number:

Filing Description:

Company and Contact

Filing Contact Information

NA NA,

NA@NA.com

NA

(123) 555-4567 [Phone]

NA, AR 00000

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Filing Company Information

13565 - Arkansas Mutual Insurance Company CoCode: 13565 State of Domicile: Arkansas
11300 North Rodney Parham Rd Group Code: Company Type:
Suite 220
Little Rock, AR 72212 Group Name: State ID Number:
(501) 716-9193 ext. [Phone] FEIN Number: 26-2859106

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Filing Fees

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

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	04/17/2009	04/17/2009

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Disposition

Disposition Date: 04/17/2009

Effective Date (New):

Effective Date (Renewal):

Status: Filed

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	NAIC Loss Cost Filing Document for OTHER than Workers' Comp	Disapproved	Yes
Supporting Document	NAIC loss cost data entry document	Disapproved	Yes
Supporting Document	Form PRONOT	Disapproved	Yes
Supporting Document	Form PROMAL	Disapproved	Yes
Supporting Document	ARKS-126116216		Yes

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Rate Information

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Supporting Document Schedules

<p>Unsatisfied -Name: NAIC Loss Cost Filing Document for OTHER than Workers' Comp</p> <p>Comments:</p>	<p>Review Status: Disapproved 04/17/2009</p>
<p>Unsatisfied -Name: NAIC loss cost data entry document</p> <p>Comments:</p>	<p>Review Status: Disapproved 04/17/2009</p>
<p>Unsatisfied -Name: Form PRONOT</p> <p>Comments:</p>	<p>Review Status: Disapproved 04/17/2009</p>
<p>Unsatisfied -Name: Form PROMAL</p> <p>Comments:</p>	<p>Review Status: Disapproved 04/17/2009</p>
<p>Satisfied -Name: ARKS-126116216</p> <p>Comments:</p> <p>Attachment: ARKS-126116216.pdf</p>	<p>Review Status: 04/17/2009</p>

ARKS-126116216

ER

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Scott A. Bailey, MD
Steve L. Carleson
Bradley C. Diner, MD
Allan W. "Dick" Horne
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Randy G. McComb, MD
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Lawrence S. Powell, PhD

Arkansas Mutual



Insurance Company

Medical Professional Liability Insurance

Administration

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Pam Greene, CPA
Chief Financial Officer
Trey Tyler
Director of Underwriting
Joyce Wilson, CIC
Director of Customer Service
Brent L. Walker, MD
Medical Director
Thomas F. Robinson, MD
Director of Physician Relations

April 15, 2009

1426
25.00

Ms. Edith Roberts
Property and Casualty Division
Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201

FILED

APR 16 2009
PROPERTY AND CASUALTY
ARKANSAS INSURANCE DEPT.

Re: Arkansas Mutual Insurance Company rule filing 2009-01

Dear Ms. Roberts,

AMIC seeks to apply credits and debits to individual physicians based on expected loss and recognize economies of scale from group managed practices. These changes result in a maximum possible deviation of +/- 20% from our initial filing. We request the earliest effective date available for these changes.

We are also amending our underwriting guide to include the ten percent (10%) risk management education discount approved with our initial filing.

Pursuant to Rule 23, enclosed you will also find our survey (form MMPCS), the Property and Casualty Transmittal Document, and our check for the filing fee. We are also submitting the appropriate forms via email.

We believe everything is in order with this filing; however, we will be pleased to provide additional information at your request. You may reach me at 501-773-7577 or via email: Lars.Powell@arkansasmutual.com.

We appreciate your characteristic prompt service and look forward to receiving the Department's response at your earliest convenience.

Warm Regards,

Lawrence S. Powell, PhD
Secretary and Treasurer

Enclosures

RECEIVED

APR 16 2009

PROPERTY AND CASUALTY DIVISION
ARKANSAS INSURANCE DEPARTMENT

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

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

NAIC Number:	13565
Company Name:	Arkansas Mutual Insurance Company
Contact Person:	Lars Powell
Telephone No.:	501-773-7577
Email Address:	lars.powell@arkansasmutual.com
Effective Date:	upon approval

Submit to: Arkansas Insurance Department
1200 West Third Street
Little Rock, AR 72201-1904

Telephone: 501-371-2800

Email as an attachment to insurance.pnc@arkansas.gov
You may also attach to a SERFF filing or submit on a cdr disk

Physicians

	Hospital	Clinic	Private
Base Rate At 500,000/1,000,000	\$ N/A	\$ N/A	\$ N/A
Discounts and Surcharges			
Emergency Room	%	%	%
Surgery	%	%	%
Delivery	%	%	%
Claims Free	10 %	10 %	10 %
Over 5 years Experience	%	%	%
Other: Merit Rating -30 to +20	%	%	%

Dental

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

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	2009-01
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2.	If filing is an adoption of an advisory organization loss cost filing, give name of Advisory Organization and Reference/ Item Filing Number	
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		Company Name			Company NAIC Number
3.	A.	Arkansas Mutual Insurance Company	B.	13565	

		Product Coding Matrix Line of Business (i.e., Type of Insurance)			Product Coding Matrix Line of Insurance (i.e., Sub-type of Insurance)
4.	A.	11.2 Med Mal-Claims Made Only	B.	11.2023 Physicians & Surgeons	

5.			FOR LOSS COSTS ONLY				
(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	(D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
TOTAL OVERALL EFFECT	0	0					

6.		5 Year History		Rate Change History			
Year	Policy Count	% of Change	Effective Date	State Earned Premium (000)	Incurred Losses (000)	State Loss Ratio	Countrywide Loss Ratio

7.	
Expense Constants	Selected Provisions
A. Total Production Expense	
B. General Expense	
C. Taxes, License & Fees	
D. Underwriting Profit & Contingencies	
E. Other (explain)	
F. TOTAL	0

- 8.** _____ Apply Lost Cost Factors to Future filings? (Y or N)
- 9.** _____ Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____
- 10.** _____ Estimated Maximum Rate Decrease for any Insured (%) Territory (if applicable): _____

Property & Casualty Transmittal Document

Reset Form

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: **RECEIVED**

e. Effective date of filing: **APR 16 2009**

New Business
Renewal Business

f. State Filing #: **PROPERTY AND CASUALTY DIVISION**

g. SERFF Filing #: **ARKANSAS INSURANCE DEPARTMENT**

h. Subject Codes

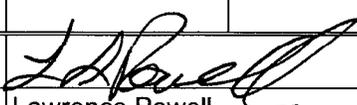
3. Group Name _____ **Group NAIC #** _____

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
Arkansas Mutual Insurance Company	AR	13565	26-2859106	

5. Company Tracking Number 2009-01

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

6. Name and address	Title	Telephone #s	FAX #	e-mail
Lawrence Powell 11300 N. Rodney Parham Rd. Ste 220 Little Rock, AR 72212	Secretary/Treasurer	501-773-7577	501-716-9193	Lars.Powell@arkansasmutual.com

7. Signature of authorized filer 

8. Please print name of authorized filer Lawrence Powell

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

9. Type of Insurance (TOI)	11.2 Med Mal-Claims Made Only
10. Sub-Type of Insurance (Sub-TOI)	11.2023 Physicians & Surgeons
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<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)
14. Effective Date(s) Requested	New: upon approval Renewal:
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	4/15/2009
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking # 2009-01

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

AMIC seeks to apply credits and debits to individual physicians based on expected loss and recognize economies of scale from group managed practices. As such, proposed revisions of AMIC Underwriting Guidelines are included with this transmission for your review.

[View Complete Filing Description](#)

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 #: 1426

Amount: \$25

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.)

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)

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

1.	This filing transmittal is part of Company Tracking #	
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2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1

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 #	2009-01
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2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	
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Rate Increase
 Rate Decrease
 Rate Neutral (0%)

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

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		

6.	Overall percentage of last rate revision	
-----------	--	--

7.	Effective Date of last rate revision	
-----------	--------------------------------------	--

8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)	
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9.	Rule # or Page # Submitted for Review	Replacement or withdrawn?	Previous state filing number, if required by state
01	AMIC Underwriting Guide Page 16, Rule 3.4.5	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

6

Current Rule:

3.4.5. Merit Rating

At its inception, AMIC will not offer merit rating adjustments. As AMIC collects credible loss data, merit rating formulae will be developed in cooperation with actuarial consultants.

Proposed Rule:

[NOTE: 10% risk management education discount approved with charter]

3.4.5. Merit Rating (Proposed Rev. 4/2009)

AMIC will offer deviations from base rates as described below to mitigate adverse selection, recognize economies of scale, and provide incentives for policyholders to take care in practice.

A. Schedule Rating – Individuals and Groups

At the underwriter's discretion, AMIC will assign credits or debits, as determined from the following schedule, to those risks demonstrating the following characteristics that we believe will affect the frequency and severity of future claim experience. A maximum of - 30% to + 20% can be applied to any policy. A copy of this schedule with the underwriter's comments must be included in the policy file.

Description	Debit/Credit Range
Risk Management Education Discount (existing)	
1. Risk management education for doctor and staff, including successful completion of courses approved by the Company.	-10% or 0
Loss History and Risk Management History (new)	Maximum of +/- 10%
1. No-claims credit (see schedule below)	-10% to 0
2. Modifications of practice as a result of prior claims/incidents, e.g., informed consent, documentation procedures, office practices, change to surgical procedures performed, etc.	+/- 5%
3. Other loss prevention / risk increasing activities	+/- 10%
Office Practice and Support (new)	Maximum of +/- 20%
1. The organization's size and processes are such that economies of scale are achieved while servicing the insured.	+/- 10%
2. Group practice peer selection	+/- 10%

3. Record keeping practices	+/- 10%
4. Selection, supervising, and training of employees	+/- 5%

B. No Claims Credit Schedule

Insureds against whom no claims have been filed for a continuous period of greater than or equal to five (5) years will be eligible for a premium credit. Such credit will be calculated using the lesser of the number of years since the insured physician began practice, or most recently experienced a claim.

The premium credit will be calculated using the following schedule:

Years with zero claims	Credit
<5	0
5-9	5%
≥10	10%

A claim for the purpose of this rule includes Allocated Loss Adjustment Expense (ALAE) or indemnity payments on open or closed claims greater than \$15,000. For closed claims, the no-claim period begins on the date the claim was closed. For open claims, the no-claim period will cease once the payment threshold is exceeded by payment (not reserve) and will begin again once the claim is closed. For those insured physicians against whom no claims have ever been filed, the claims free period will begin on the latter of the date the physician began practicing medicine in Arkansas and the date the physician completed post-doctoral training.