Filing at a Glance

Company: Fortress Insurance Company

Product Name: Dental Professional Liability	SERFF Tr Num: FORT-126350873	State: Arkansas
TOI: 11.0 Medical Malpractice - Claims Made/Occurrence	SERFF Status: Closed-Filed	State Tr Num: EFT $100
Sub-TOI: 11.0006 Dentists - General Practice	Co Tr Num: FD-AR-R2-1009	State Status: Fees verified and received
Filing Type: Rate		Reviewer(s): Edith Roberts, Brittany Yielding
	Author: Florence Marafatsos	Disposition Date: 01/21/2010
	Date Submitted: 11/05/2009	Disposition Status: Filed
Effective Date Requested (New): 03/01/2010		Effective Date (New):
Effective Date Requested (Renewal): 03/01/2010		Effective Date (Renewal):

State Filing Description:

General Information

Project Name: 2010 Rate Increase	Status of Filing in Domicile: Not Filed
Project Number:	Domicile Status Comments:
Reference Organization:	Reference Number:
Reference Title:	Advisory Org. Circular:
Filing Status Changed: 01/21/2010	
State Status Changed: 11/24/2009	Deemer Date:
Created By: Florence Marafatsos	Submitted By: Florence Marafatsos
Corresponding Filing Tracking Number:	

Filing Description:

We are submitting amendments to our Rate/Rule Manual for Arkansas Dental Professional Liability coverage. The proposed changes are as follows:

Modifying our increased limit factors (ILF's):

$250,000/$750,000 to: .80

$500,000/1,000,000 to .89

$2,000,000/6,000,000 to 1.125

3,000,000/6,000,000 to 1.2

The 200,000/600,000 factor is being eliminated.

The language of the Classifications section in our Rate/Rule Manual Page 8 has been updated. We are filing an increase in Class II relativity to 3.000. The effect of this change will be an overall premium increase of 1.2%.

In addition to the class plan and ILF changes, we request a base rate increase of 5.0% You will notice in our filing memo from Milliman that this is for a 1/1/2010. Because of implementation timelines, we are choosing to implement this filing on 3/1/2010.

Please refer to the actuarial memorandum for further details of these changes.

Company and Contact

Filing Contact Information

Florence Marafatsos, Senior Regulatory Analystflorence.marafatsos@fortressins.com
6133 N. River Road
Suite 650
Rosemont, IL 60018
847-653-8466 [Phone]
847-653-8486 [FAX]

Filing Company Information

Fortress Insurance Company	CoCode: 10801	State of Domicile: Illinois
6133 N. River Road	Group Code: 508	Company Type: Property & Casualty
Suite 650	Group Name: The National Group	State ID Number:
Rosemont, IL 60018	FEIN Number: 36-4159841	
(847) 384-0062 ext. [Phone]		

Filing Fees

Fee Required?	Yes
Fee Amount:	$100.00

SERFF Tracking Number:	*FORT-126350873*	*State:*	*Arkansas*
Filing Company:	*Fortress Insurance Company*	*State Tracking Number:*	*EFT $100*
Company Tracking Number:	*FD-AR-R2-1009*		
TOI:	*11.0 Medical Malpractice - Claims Made/Occurrence*	*Sub-TOI:*	*11.0006 Dentists - General Practice*
Product Name:	*Dental Professional Liability*		
Project Name/Number:	*2010 Rate Increase /*		
Retaliatory?	No		
Fee Explanation:	Arkansas rate filing fee		
Per Company:	No		

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Fortress Insurance Company	$100.00	11/05/2009	31824813

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Filed	Edith Roberts	01/21/2010	01/21/2010

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	01/21/2010	01/21/2010	Florence Marafatsos	01/21/2010	01/21/2010
Pending Industry Response	Edith Roberts	11/24/2009	11/24/2009	Florence Marafatsos	11/24/2009	11/24/2009

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Request Effective Date Change	Note To Reviewer	Florence Marafatsos	01/21/2010	01/21/2010
Filing Status	Note To Reviewer	Florence Marafatsos	01/08/2010	01/08/2010

Disposition

Disposition Date: 01/21/2010
Effective Date (New):
Effective Date (Renewal):
Status: Filed
Comment:

Company Name:	**Overall % Indicated Change:**	**Overall % Rate Impact:**	**Written Premium Change for this Program:**	**# of Policy Holders Affected for this Program:**	**Written Premium for this Program:**	**Maximum % Change (where required):**	**Minimum % Change (where required):**
Fortress Insurance Company	5.000%	5.000%	$1,155	30	$23,104	5.000%	5.000%

SERFF Tracking Number:	*FORT-126350873*	*State:*	*Arkansas*
Filing Company:	*Fortress Insurance Company*	*State Tracking Number:*	*EFT $100*
Company Tracking Number:	*FD-AR-R2-1009*		
TOI:	*11.0 Medical Malpractice - Claims Made/Occurrence*	*Sub-TOI:*	*11.0006 Dentists - General Practice*
Product Name:	*Dental Professional Liability*		
Project Name/Number:	*2010 Rate Increase /*		

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document *(revised)*	Form MMPCS	Filed	Yes
Supporting Document	Form MMPCS	Filed	Yes
Supporting Document	Form PROMAL	Filed	Yes
Supporting Document	Form PRONOT	Filed	Yes
Supporting Document	NAIC loss cost data entry document	Filed	Yes
Supporting Document	NAIC Loss Cost Filing Forms (all P&C lines)	Filed	Yes
Supporting Document	Actuarial Memorandum	Filed	Yes
Rate	Classifications	Filed	Yes
Rate	Rates	Filed	Yes

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	01/21/2010
Submitted Date	01/21/2010
Respond By Date	

Dear Florence Marafatsos,

Florence...

The MMPCS form is still not attached.

For any med mal filing, the medical malpractice survey form # MMPCS must be completed in the Excel format. The form may be accessed here:
http://www.insurance.arkansas.gov/PandC/RR23Forms/MM%20Survey%20FORM%20MMPCS.xls

Once you have done so, you may call so I will know to process your filing or send me an email to edith.roberts@arkansas.gov. 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	01/21/2010
Submitted Date	01/21/2010

Dear Edith Roberts,

Comments:
Thank you for your review. I'm not sure what happened, my view of the filing shows the MMPCS form previously attached at the Supporting Documents tab as "Copy of MM Survey FORM MMPCS.xls".

Response 1

Comments: I have re-loaded the form and labeled it "MM Survey FORM MMPCS 1-21-10.xls". The effective date has been updated to 5/1/2010.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Form MMPCS

Comment: FORM MMPCS.xls has been attached. Please note, the 1-21-10 version reflects the updated effective date request of 5-1-10.

Thanks.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Your approval is appreciated.

Sincerely,

Florence Marafatsos

Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	11/24/2009
Submitted Date	11/24/2009
Respond By Date	

Dear Florence Marafatsos,

This will acknowledge receipt of the captioned filing.

This filing is ready to be approved. However, the entire filing has been marked confidential. Our filings must be made available to the public due to the Freedom of Information Act.

Please remove all confidential restrictions, or we have no choice but to disapprove.

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	11/24/2009
Submitted Date	11/24/2009

Dear Edith Roberts,

Comments:
Thank you for your correspondence. We hereby withdraw our request for confidentiality of this filing.

Response 1

Comments: I am unable to revise the confidential status on my end. When I accessed the "Set Confidentiality" button SERFF indicated the status can only be changes on items not yet submitting to the State.

Can you please mark this filing "Public Access"?

SERFF Tracking Number:	*FORT-126350873*	*State:*	*Arkansas*
Filing Company:	*Fortress Insurance Company*	*State Tracking Number:*	*EFT $100*
Company Tracking Number:	*FD-AR-R2-1009*		
TOI:	*11.0 Medical Malpractice - Claims Made/Occurrence*	*Sub-TOI:*	*11.0006 Dentists - General Practice*
Product Name:	*Dental Professional Liability*		
Project Name/Number:	*2010 Rate Increase /*		

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Your assistance and approval is appreciated.

Sincerely,
Florence Marafatsos

Note To Reviewer

Created By:

Florence Marafatsos on 01/21/2010 09:39 AM

Last Edited By:

Edith Roberts

Submitted On:

01/21/2010 03:08 PM

Subject:

Request Effective Date Change

Comments:

Dear Ms. Roberts,

Due to the lead time required to implement our filing, we respectfully request to change the effective date on this filing to May 1, 2010 for inforce and new business.

Sincerely,
Florence Marafatsos

Note To Reviewer

Created By:
Florence Marafatsos on 01/08/2010 09:12 AM
Last Edited By:
Edith Roberts
Submitted On:
01/21/2010 03:08 PM
Subject:
Filing Status
Comments:
Dear Ms. Roberts,

I responded to your objection on the filing confidentiality on November 24, 2009. We also communicated via email. Fortress accepts the Public Status of the filing however, we are unable to change the staus on SERFF. It appears this is the only matter pending on this filing.

We realize you face a heavy workload, but due to the lead time required to implement the rates, we would greatly appreciate your final approval.

Sincerely,
Florence Marafatsos

Florence Marafatsos

From: Edith Roberts [Edith.Roberts@arkansas.gov]
Sent: Thursday, December 03, 2009 3:09 PM
To: Florence Marafatsos
Subject: RE: FORT-126350873

I think I can do it from here. If not I will let you know. Thanks!!

From: Florence Marafatsos [mailto:Florence.Marafatsos@fortressins.com]
Sent: Thursday, December 03, 2009 3:07 PM
To: Edith Roberts
Subject: FORT-126350873

Dear Ms. Roberts,

Thank you for your correspondence on SERFF for filing FORT-126350873.

You indicate the filing is ready for approval if we remove the request for confidentiality. I replied on 11/24/09 that we agree to make the filing public, however, I was unable to update the status on SERFF. I tried the “Set Confidentiality” button but it will not allow me to change the status.

Are you able to change the filing status to public on your end or shall I contact the SERFF helpdesk?

Thank you,

Florence R. Marafatsos, HIA, MHP, PAHM, ALHC
Sr. Regulatory Analyst
Fortress Insurance Company
phone: 847-653-8466
fax: 847-653-8486

Rate Information

Rate data applies to filing.

Filing Method:	Prior Approval
Rate Change Type:	Increase
Overall Percentage of Last Rate Revision:	5.000%
Effective Date of Last Rate Revision:	01/01/2009
Filing Method of Last Filing:	Prior Approval

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
Fortress Insurance Company	5.000%	5.000%	$1,155	30	$23,104	5.000%	5.000%

Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
Filed 01/21/2010	Classifications	Page 8	Replacement		Page 8 Classifications.pdf Page 8 Classifications _redlined.pdf
Filed 01/21/2010	Rates	Page 1	Replacement		AR Proposed rates.pdf AR current rates.pdf

Classifications

The Company will provide coverage for the following classes of dentists:

Class I – General Practitioners or Specialists. Coverage would not apply to the general practitioner or specialist who is engaged in dentistry on patients rendered unconscious through the administrations of general anesthesia unless the general anesthesia is administered in a duly license hospital or outpatient surgical center by an anesthesiologist, or certified registered nurse anesthetist supervised by such anesthesiologist; other than an insured dentist, his or her employees, or any other person or organization for whose acts or omissions the insured dentist is legally responsible.

Class 2 – General Practitioners or Specialists who maintain a valid dental anesthesia certificate and who administer general anesthesia to patients.

FORTRESS

Classifications

The Company will provide coverage for the following classes of dentists:

Class I – General Practitioners or Specialists. Coverage would not apply to the general practitioner or specialist who is engaged in dentistry on patients rendered unconscious through the administrations of general anesthesia unless the general anesthesia is administered in a duly license hospital or outpatient surgical center by an anesthesiologist, or certified registered nurse anesthetist supervised by such anesthesiologist; other than an insured dentist, his or her employees, or any other person or organization for whose acts or omissions the insured dentist is legally responsible.

Class 2 – General Practitioners or Specialists who maintain a valid dental anesthesia certificate and who administer general anesthesia to patients.

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Deleted: and for their Professional Corporations, Associations or Partnerships

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Deleted: licensed facility

Deleted: – Dental Anesthesiologist;

Deleted: limit their administration of

Deleted: only

Deleted: of other dentists. The premium for this coverage will be calculated at 187.8% of the rate applicable to a Class I dentist. Only limits of $1,000,000/$3,000,000 are available for Class II dentists

FORTRESS

Deleted: /03

FORTRESS INSURANCE COMPANY

ARKANSAS RATES

Territory – Entire State

Class I

Limits of Coverage	Claims Made Maturity				
	1st Year	2nd Year	3rd year	4th Year	Mature
$250,000/$750,000	356	644	817	904	962
$500,000/$1,000,000	396	717	909	1,006	1,070
$1,000,000/$3,000,000	445	805	1,022	1,130	1,202
$2,000,000/$6,000,000	500	906	1,149	1,271	1,352

Limits of Coverage	Occurrence
$250,000/$750,000	1,067
$500,000/$1,000,000	1,187
$1,000,000/$3,000,000	1,334
$2,000,000/$6,000,000	1,501

Class II

Limits of Coverage	Claims Made Maturity				
	1st Year	2nd Year	3rd year	4th Year	Mature
$1,000,000/$3,000,000	1,334	2,416	3,065	3,390	3,606

Limits of Coverage	Occurrence
$1,000,000/$3,000,000	4,003

The claims-made rate factors for the above rates are as follows:

Claims-Made Year	Factor
1st Year	0.37
2nd Year	0.67
3rd Year	0.85
4th Year	0.94
5th Year	1.00
Occurrence	1.11

FORTRESS INSURANCE COMPANY

ARKANSAS RATES

Territory – Entire State

Class I

Limits of Coverage	Claims Made Maturity				
	1st Year	2nd Year	3rd year	4th Year	Mature
$250,000/$750,000	301	545	691	764	813
$500,000/$1,000,000	337	611	775	857	912
$1,000,000/$3,000,000	396	717	910	1006	1070
$2,000,000/$6,000,000	495	896	1137	1257	1338

Limits of Coverage	Occurrence
$250,000/$750,000	903
$500,000/$1,000,000	1012
$1,000,000/$3,000,000	1188
$2,000,000/$6,000,000	1485

Class II

Limits of Coverage	Claims Made Maturity				
	1st Year	2nd Year	3rd year	4th Year	Mature
$1,000,000/$3,000,000	744	1346	1708	1889	2009

Limits of Coverage	Occurrence
$1,000,000/$3,000,000	2231

The claims-made rate factors for the above rates are as follows:

Claims-Made Year	Factor
1st Year	0.37
2nd Year	0.67
3rd Year	0.85
4th Year	0.94
5th Year	1.00
Occurrence	1.11

Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Form MMPCS	Filed	01/21/2010

Comments:

FORM MMPCS.xls has been attached. Please note, the 1-21-10 version reflects the updated effective date request of 5-1-10.

Thanks.

Attachment:

MM Survey FORM MMPCS 1-21-10.xls

		Item Status:	Status Date:
Bypassed - Item:	Form PROMAL	Filed	01/21/2010
Bypass Reason:	Rate Level Change is not 20% or greater		

Comments:

		Item Status:	Status Date:
Bypassed - Item:	Form PRONOT	Filed	01/21/2010
Bypass Reason:	Rate Level Change is not 20% or greater		

Comments:

		Item Status:	Status Date:
Satisfied - Item:	NAIC loss cost data entry document	Filed	01/21/2010

Comments:

Attachment:

FORM RF-1 Rate Filing Abstract.pdf

		Item Status:	Status Date:

Bypassed - Item:	NAIC Loss Cost Filing Forms (all P&C lines)	Filed	01/21/2010
Bypass Reason:	This is not a Loss Cost Filing		
Comments:			

		Item Status:	**Status Date:**
Satisfied - Item:	Actuarial Memorandum	Filed	01/21/2010
Comments:			
Attachment:			

Arkansas Rate Filing Memo FINAL.PDF

Attachment "MM Survey FORM MMPCS 1-21-10.xls" is not a PDF document and cannot be reproduced here.

NAIC LOSS COST DATA ENTRY DOCUMENT

1.	This filing transmittal is part of Company Tracking #	**FORT-126350873**

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

		Company Name		Company NAIC Number
3.	**A.**	**Fortress Insurance Company**	**B.**	**10801**

		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.**	**11.0000**		**11.0006 and 11.0030**

5.

(A) COVERAGE (See Instructions)	(B) Indicated % Rate Level Change	(C) Requested % Rate Level Change	FOR LOSS COSTS ONLY (D) Expected Loss Ratio	(E) Loss Cost Modification Factor	(F) Selected Loss Cost Multiplier	(G) Expense Constant (If Applicable)	(H) Co. Current Loss Cost Multiplier
CMM	**5.0%**	**5.0%**					
TOTAL OVERALL EFFECT							

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
2008	**25**	**5.0%**	**1/1/09**	**35**	**10**	**27.8%**	**72.5%**
2007	**40**	**0**	**n/a**	**37**	**72**	**196.1%**	**75.7%**
2006	**37**	**0**	**n/a**	**34**	**16**	**45.6%**	**82.8%**
2005	**29**	**0**	**n/a**	**24**	**24**	**100.3%**	**83.3%**
2004	**20**	**0**	**n/a**	**5**	**4**	**73.5%**	**110.2%**

7.

Expense Constants	Selected Provisions
A. Total Production Expense	**16.8**
B. General Expense	**17.7**
C. Taxes, License & Fees	**4.0**
D. Underwriting Profit & Contingencies	**64.7**
E. Other (explain)	
F. TOTAL	**103.2**

8. **N/A** Apply Lost Cost Factors to Future filings? (Y or N)

9. **5.0%** Estimated Maximum Rate Increase for any Insured (%). Territory (if applicable): _____entire state_____

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

The state earned premium's source is Annual Statement, *Exhibit of Premiums and Losses.*

The incurred losses were calculated by summing losses incurred and defense and cost containment expense incurred (located in Annual Statement, *Exhibit of Premiums and Losses.)* and allocated adjusting other and expenses incurred (located in Insurance Expense Exhibit, *Part III – Allocation to Lines of Direct Business Written*).

FORTRESS INSURANCE COMPANY
ARKANSAS DENTAL PROFESSIONAL LIABILITY
ACTUARIAL ANALYSIS OF INDICATED JANUARY 1, 2010 RATE LEVELS

This actuarial filing memorandum has been prepared in conjunction with Fortress Insurance Company's (Fortress) proposed rate levels to be effective January 1, 2010 for Arkansas dental professional liability (DPL) coverage.

Given the limited volume of Fortress-specific DPL historical premium and claims experience in Arkansas, we were unable to rely exclusively upon the historical performance of Fortress's Arkansas book of business in estimating the indicated rate change. As such, we have supplemented the "raw" indicated rate change in Arkansas with a trend-based indicated rate change in determining a credibility-weighted indicated rate change in an effort to enhance the stability of the ratemaking process. Exhibit 1 summarizes the results of this process and the remaining exhibits provide the supporting details.

The key assumptions underlying our rate level review are summarized below:

1) We have assumed a load for unallocated loss adjustment expenses (ULAE) of 8.0% of net ultimate loss and allocated loss adjustment expense (ALAE) based upon Fortress's historical companywide experience (see Exhibit 2 for details);

2) We have assumed that Fortress's underwriting expense requirements in Arkansas will average 38.5% of premium, broken down as follows (see Exhibits 3 and 4 for details):

Expense Component	Provision
Fixed Expenses[1]	17.7%
Taxes, Licenses and Fees	4.0
Commissions	13.0
DDR Prepaid Premium	3.8
Total	**38.5%**

[1] Includes general expenses and other acquisition expenses.

3) Our analysis contemplates a target combined ratio of 103.2%. The target combined ratio for Fortress of 103.2% is broken down as follows (see Exhibits 4 through 6 for details):

Provision	Ratio
Loss & LAE	64.7%
Underwriting Expenses	38.5
Target Combined	**103.2%**

4) With this filing Fortress proposes to increase its class II relativity from 1.878 to 3.000.

Fortress Classification Plan	
Fortress Class	**Class Relativity**
I	1.000
II [1]	3.000

[1] Dental anesthesiologist

We estimate the overall premium effect of this change to be an increase of 1.2% (see Exhibit 7):

5) Fortress proposes to maintain its currently filed and approved claims-made step factors:

Year	Claims-Made Step Factors
1st	0.370
2nd	0.670
3rd	0.850
4th	0.940
Mature	1.000
Occurrence	1.110

6) Fortress proposes to modify its increased limits factors (ILFs) as follows:

	Increased Limits Factor	
Policy Limit	**Current**	**Proposed**
$200,000 / $600,000	0.740	N/A
$250,000 / $750,000	0.760	0.800
$500,000 / $1,000,000	0.850	0.890
$1,000,000 / $3,000,000	1.000	1.000
$2,000,000 / $6,000,000	1.250	1.125
$3,000,000 / $6,000,000	1.375	1.200

We estimate the overall premium effect of this change to be a decrease of 1.3% (see Exhibit 8).

In addition to the class plan and ILF changes shown above, Fortress has proposed a base rate increase of 5.0%.

Several final points should be noted. First, we relied on data and information provided by Fortress and did not audit or independently verify other than for general reasonableness. Additionally, this report was prepared for Fortress's internal business use only and is not to be provided to any third party. We understand that Fortress intends to provide a copy of this letter to the Arkansas Insurance Department in support of its proposed rates and we permit such distribution. Finally, actuarial estimates of medical professional liability rates are subject to uncertainty from various sources including, but not limited to, changes in claim reporting and settlement patterns, judicial decisions, legislation, etc. While the estimates contained herein represent our best professional judgment, it is not only possible, but in fact probable, that the ultimate cost of providing coverage may deviate, perhaps significantly, from our estimates.

Respectfully submitted,

Chad C. Karls, F.C.A.S., M.A.A.A.
Principal and Consulting Actuary

September 14, 2009

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FORTRESS INSURANCE COMPANY
Indicated Rate Change by State

State: Arkansas

Report Year	Case O/S Loss & ALAE at Net Retention @ 3/31/2009	IBNR to Case O/S Ratio [1]	Indicated IBNR Loss & ALAE @ 3/31/2009	Incurred Loss & ALAE at Net Retention @ 3/31/2009	Ultimate Loss & ALAE at Net Retention @ 3/31/2009	Ultimate Loss & LAE [2] at Net Retention @ 3/31/2009	Ultimate Loss & ALAE at Net Retention Trended [3] to 1/1/2010 Effective Date	On-Level Net Earned Premium	Trended On-Level Loss & LAE Ratio at Net Retention
1999	0	NA	NA	0	0	0	0	0	0.0%
2000	0	NA	NA	0	0	0	0	0	0.0%
2001	0	NA	NA	0	0	0	0	0	0.0%
2002	0	0.201	0	0	0	0	0	0	0.0%
2003	0	NA	NA	0	0	0	0	0	0.0%
2004	0	1.930	0	0	0	0	0	4,499	0.0%
2005	0	1.298	0	3,581	3,581	3,867	4,926	17,607	28.0%
2006	0	1.899	0	64,284	64,284	69,427	84,635	22,380	378.2%
2007	0	1.481	0	0	0	0	0	22,261	0.0%
2008	0	2.598	0	384	384	415	463	15,839	2.9%
Total	0		0	68,249	68,249	73,709	90,024	82,586	109.0%

(1)	Projected Arkansas Loss & LAE Ratio Limited to Retention	109.0%
(2)	Discount Factor to Reflect Anticipated Investment Income	87.3%
(3)	Variable Expense Provision	17.0%
(4)	Fixed Expense Provision (*Unadjusted* for Indicated Rate Change)	31.0%
(5)	Fixed Expense Provision (*Adjusted* for Indicated Rate Change); (4) / [1 + (9)]	17.7%
(6)	Assumed Profit Load	5.0%
(7)	Death, Disability and Retirement Prepaid Premium Provisions	3.8%
(8)	Indicated Target Loss & LAE Ratio; [1 - (3) - (5) - (6) - (7)] / (2)	64.7%
(9)	Raw Indicated Arkansas Rate Change (1) / (8) - 1	68.5%
(10)	Assigned Credibility [4]	3.9%
(11)	Trend-Based Indicated Rate Change [3]	14.1%
(12)	**Credibility-Weighted Indicated Rate Change [(9) x (10)] + [{ 1 - (10) } x (11)]**	**16.2%**
(13)	Effect of Proposed Class Plan Change	1.2%
(14)	Effect of Proposed Change in Increased Limits Factors	(1.3)%
(15)	**Indicated Base Manual Rate Change [1 + (12)] / [1 + (13)] / [1 + (14)] - 1**	**16.3%**

[1] Based upon companywide excluding Texas analysis as of March 31, 2009
[2] Includes ULAE load assumption of 8.0%
[3] Based upon trend assumption of 4.5% per annum
[4] Uses Fortress companywide (excluding Texas) on-level net earned premium as full credibility standard and square root rule

FORTRESS INSURANCE COMPANY
Dental Professional Liability
Countrywide

Calculation of ULAE Load

Report Year	($000's) Countrywide Indicated Net Ultimate Loss & ALAE	($000's) Booked Gross Ultimate ULAE[1]	Ultimate ULAE to Ultimate Loss & ALAE Ratio
1999	352	1	0.3%
2000	1,471	26	1.8%
2001	1,714	78	4.5%
2002	2,208	120	5.4%
2003	6,040	151	2.5%
2004	9,212	377	4.1%
2005	4,108	580	14.1%
2006	9,287	813	8.8%
2007	11,206	826	7.4%
2008	10,552	858	8.1%
Total	56,150	3,830	6.8%
2004 - 2008	44,365	3,454	7.8%
2006 - 2008	31,045	2,497	8.0%
Selected ULAE Load on a Net Basis			**8.0%**

[1] From Fortress Insurance Company's 2008 Annual Statement Schedule P - Part 1F (Claims Made)

FORTRESS INSURANCE COMPANY
Companywide Excluding Florida, Texas, New York, Connecticut and Oklahoma Dental Professional Liability
Selected Expense Ratios
(Amounts in $000's)

	2004		2005		2006		2007		2008			
	$	%	$	%	$	%	$	%	$	%	Avg L3	Selected
Direct Premiums Written	2,989	xxx	4,601	xxx	5,984	xxx	7,261	xxx	8,154	xxx		xxx
Direct Premiums Earned	3,336	xxx	3,946	xxx	5,212	xxx	6,553	xxx	7,743	xxx		xxx
Direct Commission and Brokerage Incurred	357	11.9%	546	11.9%	741	12.4%	930	12.8%	1,065	13.1%	12.8%	13.0%
Taxes, Licenses and Fees Incurred	153	5.1%	172	3.7%	207	3.5%	292	4.0%	327	4.0%	3.8%	4.0%
Other Acquisition Expenses Incurred[1]	289	9.7%	540	11.7%	782	13.1%	1,012	13.9%	1,104	13.5%	13.5%	13.5%
General Expenses Incurred[1]	427	12.8%	727	18.4%	847	16.2%	1,284	19.6%	1,236	16.0%	17.3%	17.5%
Total		**39.5%**		**45.8%**		**45.2%**		**50.4%**		**46.6%**	**47.4%**	**48.0%**
Variable Expenses[2]		**17.1%**		**15.6%**		**15.8%**		**16.8%**		**17.1%**	**16.6%**	**17.0%**
Fixed Expenses[3]		**22.5%**		**30.2%**		**29.3%**		**33.5%**		**29.5%**	**30.8%**	**31.0%**

[1] Allocated in proportion to number of policyholders
[2] Assumed to be commission, brokerage and taxes, licenses and fees
[3] Assumed to be other acquisition and general

Source: Exhibit of Premiums and Losses by State and Insurance Expense Exhibit (Medical Malpractice)

FORTRESS INSURANCE COMPANY
Dental Professional Liability
Derivation of Target Loss & LAE Ratio
Companywide Excluding Florida, Texas, New York, Connecticut and Oklahoma

Component	Provision
(1) Variable Expense Provision	17.0%
(2) Fixed Expense Provision[1]	17.7%
(3) Assumed Profit Load	5.0%
(4) Death, Disability and Retirement Prepaid Premium Provision	3.8%
(5) Discount Factor for Investment Income Offset	87.3%
(6) Target Loss & LAE Ratio; [1 - (1) - (2) - (3) - (4)] / (5)	**64.7%**
(7) Target Combined Ratio; (1) + (2) + (4) + (6)	**103.2%**

[1] Adjusted for raw indicated rate changes

FORTRESS INSURANCE COMPANY
Dental Professional Liability
Countrywide
Derivation of Discount Factor

(1)	(2)	(3)	(4)
Year	Selected Cumulative Payment Pattern[1]	Selected Incremental Payment Pattern[1]	Discounted Incremental Payment Pattern[2]
1	6.7%	6.7%	6.6%
2	33.2%	26.4%	24.8%
3	57.3%	24.1%	21.6%
4	71.6%	14.3%	12.3%
5	81.6%	10.0%	8.2%
6	90.8%	9.2%	7.2%
7	95.4%	4.6%	3.5%
8	97.9%	2.5%	1.8%
9	100.0%	2.1%	1.4%
10	100.0%	0.0%	0.0%
Discount Factor			**87.3%**

[1] Based on Fortress-specific claims-made payment pattern

[2] Based on a 4.5% assumed yield

FORTRESS INSURANCE COMPANY
Dental Professional Liability
Derivation of Countrywide Payment Pattern
Claims-Made Coverage as of March 31, 2009

Report	Countrywide Paid Loss Limited to $500,000 & ALAE Unlimited											Net Ultimate
Year	10	22	34	46	58	70	82	94	106	118	130	Loss & ALAE
1999	4,897	171,984	336,061	351,490	351,490	351,490	351,490	351,490	351,490	351,490	351,490	351,653
2000	14,494	192,326	483,250	572,385	628,735	1,173,765	1,190,809	1,203,780	1,506,192	1,506,911		1,470,523
2001	35,981	346,181	721,358	1,124,380	1,433,013	1,536,517	1,657,228	1,706,934	1,706,934			1,714,452
2002	57,973	615,901	1,113,034	1,418,203	1,667,588	1,827,274	1,894,735	1,957,344				2,208,336
2003	60,866	2,359,720	4,102,776	4,567,486	4,930,643	5,678,917	6,321,268					6,039,586
2004	348,610	2,165,334	4,058,370	5,748,933	6,728,665	8,026,772						9,212,458
2005	366,143	1,554,332	2,725,555	3,184,091	3,288,765							4,108,123
2006	449,052	2,400,251	4,951,167	5,680,783								9,287,172
2007	548,738	2,537,608	3,661,536									11,205,726
2008	503,739	1,026,722										10,551,692
2009	2,937											3,902,433

Note: Last diagonal is as of March 31, 2009.

Report	Paid Loss & ALAE as a Percentage of Ultimate Loss & ALAE										
Year	10	22	34	46	58	70	82	94	106	118	130
1999	1.4%	48.9%	95.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2000	1.0%	13.1%	32.9%	38.9%	42.8%	79.8%	81.0%	81.9%	102.4%	102.5%	
2001	2.1%	20.2%	42.1%	65.6%	83.6%	89.6%	96.7%	99.6%	99.6%		
2002	2.6%	27.9%	50.4%	64.2%	75.5%	82.7%	85.8%	88.6%			
2003	1.0%	39.1%	67.9%	75.6%	81.6%	94.0%	104.7%				
2004	3.8%	23.5%	44.1%	62.4%	73.0%	87.1%					
2005	8.9%	37.8%	66.3%	77.5%	80.1%						
2006	4.8%	25.8%	53.3%	61.2%							
2007	4.9%	22.6%	32.7%								
2008	4.8%	9.7%									
2009	0.1%										
Average x last diag	3.5%	28.8%	56.6%	69.2%	76.1%	89.2%	90.8%	93.8%	101.2%	100.0%	
Average L5 x last diag	5.4%	29.8%	56.4%	69.1%	71.3%	89.2%					
Wght Avg x last diag	4.3%	27.1%	53.8%	67.6%	75.0%	89.7%	88.7%	92.2%	101.9%	100.0%	
Prelim Selected	10 - Ult	22 - Ult	34 - Ult	46 - Ult	58 - Ult	70 - Ult	82 - Ult	94 - Ult	106 - Ult	118 - Ult	130 - Ult
Payment Pattern	5.0%	30.0%	55.0%	70.0%	80.0%	90.0%	95.0%	97.5%	100.0%	100.0%	100.0%
Interpolated	12 - Ult	24 - Ult	36 - Ult	48 - Ult	60 - Ult	72 - Ult	84 - Ult	96 - Ult	108 - Ult	120 - Ult	132 - Ult
Payment Pattern	6.7%	33.2%	57.3%	71.6%	81.6%	90.8%	95.4%	97.9%	100.0%	100.0%	100.0%

FORTRESS INSURANCE COMPANY

Dental Professional Liability

Derivation of Class Plan Premium Effect

Fortress Class	Percentage of Total Dental Population[1]	Current Relativity	Proposed Relativity	Change
I	98.0%	1.000	1.000	0.0%
II	2.0%	1.878	3.000	59.7%
Total	100.0%	1.018	1.040	1.2%

[1] Provided by Fortress

FORTRESS INSURANCE COMPANY

Dental Professional Liability

Derivation of Increased Limts Factors Premium Effect

Fortress Policy Limits	Distribution by Policy Limit [1]	Increased Limits Factors Current	Increased Limits Factors Proposed	Change
200K/600K	1.4%	0.740	N/A	N/A
250K/750K	1.9%	0.760	0.800	5.3%
500K/1M	3.7%	0.850	0.890	4.7%
1M/3M	77.9%	1.000	1.000	0.0%
2M/6M	13.9%	1.250	1.125	(10.0)%
3M/6M	1.2%	1.375	1.200	(12.7)%
Total	100.0%	1.026	0.998	(1.3)%

[1] Provided by Fortress

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
10/20/2009	Supporting Document	Form MMPCS	01/21/2010	Copy of MM Survey FORM MMPCS.xls (Superceded)

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

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

NAIC Number:	10801
Company Name:	Fortress Insurance Company
Contact Person:	Florence R. Marafatsos
Telephone No.:	847-653-8466
Email Address:	florence.marafatsos@fortressins.com
Effective Date:	5/1/2010

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

Physicians

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

Dental

		Dentist	Orthodontist	Oral Surgeons
Base Rate				
At 100,000/300,000		$ 1202	$ 1202	$
Discounts and Surcharges				
Claims Free		%	%	%
5 years Experience		%	%	%
Surgery		%	%	%
Other:	Part-time	50 %	50 %	%