

SERFF Tracking Number: AGNY-126346754 State: District of Columbia
First Filing Company: American Home Assurance Company, ... State Tracking Number:
Company Tracking Number: AIC-09-EO-14
TOI: 11.1 Med Mal-Occurrence Only Sub-TOI: 11.1029 Other
Product Name: Psychoanalysts Professional Liability Program
Project Name/Number: Psychoanalysts Professional Liability Program/AIC-09-EO-14

Filing at a Glance

Companies: American Home Assurance Company, Commerce and Industry Insurance Company

Product Name: Psychoanalysts Professional Liability Program SERFF Tr Num: AGNY-126346754 State: District of Columbia

TOI: 11.1 Med Mal-Occurrence Only

SERFF Status: Closed-APPROVED State Tr Num:

Sub-TOI: 11.1029 Other

Co Tr Num: AIC-09-EO-14

State Status:

Filing Type: Rate

Reviewer(s): Robert Nkojo

Author: Myron Harry

Disposition Date: 06/22/2010

Date Submitted: 10/26/2009

Disposition Status: APPROVED

Effective Date Requested (New): 12/06/2009

Effective Date (New):

Effective Date Requested (Renewal): 12/26/2009

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Psychoanalysts Professional Liability Program

Status of Filing in Domicile: Pending

Project Number: AIC-09-EO-14

Domicile Status Comments:

Reference Organization: N/A

Reference Number: N/A

Reference Title: N/A

Advisory Org. Circular: N/A

Filing Status Changed: 06/22/2010

State Status Changed:

Deemer Date:

Created By: Jameka Harris

Submitted By: Jameka Harris

Corresponding Filing Tracking Number:

Filing Description:

The referenced companies (the "Companies") have on file with your Department their Psychoanalysts Professional Liability Program (the "Program"). The Companies submit, for your review and approval, revised rates to replace the rates currently on file for this Program.

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

Please note that the information provided on the Rate/Rule Schedule for the lead company applies to all companies referenced in the filing.

Your favorable review and consideration are respectfully requested.

SERFF Tracking Number: AGNY-126346754 State: District of Columbia
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 Company Tracking Number: AIC-09-EO-14
 TOI: 11.1 Med Mal-Occurrence Only Sub-TOI: 11.1029 Other
 Product Name: Psychoanalysts Professional Liability Program
 Project Name/Number: Psychoanalysts Professional Liability Program/AIC-09-EO-14

Company and Contact

Filing Contact Information

Jameka Harris, Filings Analyst jameka.harris@aig.com
 175 Water Street, 17th Floor 212-458-7056 [Phone]
 New York, NY 10038 212-458-7077 [FAX]

Filing Company Information

American Home Assurance Company	CoCode: 19380	State of Domicile: New York
175 Water Street	Group Code:	Company Type:
New York, NY 10038	Group Name:	State ID Number:
(212) 770-7000 ext. [Phone]	FEIN Number: 13-5124990	

Commerce and Industry Insurance Company	CoCode: 19410	State of Domicile: New York
175 Water Street	Group Code:	Company Type:
New York, NY 10038	Group Name:	State ID Number:
(212) 770-7000 ext. [Phone]	FEIN Number: 13-1938623	

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Home Assurance Company	\$0.00		
Commerce and Industry Insurance Company	\$0.00		

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 Product Name: Psychoanalysts Professional Liability Program
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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
APPROVED	Robert Nkojo	06/22/2010	06/22/2010

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Psychoanalysts Professional Liability Program - AIC-09-EO-14	Note To Reviewer	Myron Harry	06/07/2010	06/07/2010
Psychoanalysts Professional Liability Program - AIC-09-EO-14	Note To Reviewer	Myron Harry	05/24/2010	05/24/2010
Psychoanalysts Professional Liability Program - AIC-09-EO-14	Note To Reviewer	Myron Harry	04/12/2010	04/12/2010
Psychoanalysts Professional Liability Program - AIC-09-EO-14	Note To Reviewer	Myron Harry	03/01/2010	03/01/2010
Psychoanalysts Professional Liability Program - AIC-09-EO-14	Note To Reviewer	Myron Harry	02/12/2010	02/12/2010
Psychoanalysts Professional Liability Program AIC-09-EO-14	Note To Reviewer	Myron Harry	01/15/2010	01/15/2010

SERFF Tracking Number: AGNY-126346754 State: District of Columbia
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 Product Name: Psychoanalysts Professional Liability Program
 Project Name/Number: Psychoanalysts Professional Liability Program/AIC-09-EO-14

Disposition

Disposition Date: 06/22/2010
 Effective Date (New):
 Effective Date (Renewal):
 Status: APPROVED
 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):
American Home Assurance Company	6.200%	3.000%	\$6,447	71	\$214,899	3.000%	3.000%
Percent Change Approved:							
	Minimum:	%	Maximum:	%	Weighted Average:	%	
	Commerce and Industry Insurance Company	%	%	\$	\$	%	
	%		Minimum:	%	Maximum:	%	

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Product Name: Psychoanalysts Professional Liability Program
Project Name/Number: Psychoanalysts Professional Liability Program/AIC-09-EO-14

Overall Rate Information for Multiple Company Filings

Overall Percentage Rate Indicated For This Filing	6.200%
Overall Percentage Rate Impact For This Filing	3.000%
Effect of Rate Filing-Written Premium Change For This Program	\$6,447
Effect of Rate Filing - Number of Policyholders Affected	71

SERFF Tracking Number: AGNY-126346754 State: District of Columbia
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 Product Name: Psychoanalysts Professional Liability Program
 Project Name/Number: Psychoanalysts Professional Liability Program/AIC-09-EO-14

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Cover Letter All Filings		Yes
Supporting Document	Consulting Authorization		Yes
Supporting Document	Actuarial Certification (P&C)		Yes
Supporting Document	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)		Yes
Supporting Document	District of Columbia and Countrywide Loss Ratio Analysis (P&C)		Yes
Rate	DC Rate Page		Yes

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Product Name: Psychoanalysts Professional Liability Program
Project Name/Number: Psychoanalysts Professional Liability Program/AIC-09-EO-14

Note To Reviewer

Created By:

Myron Harry on 06/07/2010 06:30 PM

Last Edited By:

Myron Harry

Submitted On:

06/07/2010 06:31 PM

Subject:

Psychoanalysts Professional Liability Program - AIC-09-EO-14

Comments:

TO: Reviewer;

Could we please have the status of the above-referenced filing.

Thank you.

Myron Harry

SERFF Tracking Number: AGNY-126346754 State: District of Columbia
First Filing Company: American Home Assurance Company, ... State Tracking Number:
Company Tracking Number: AIC-09-EO-14
TOI: 11.1 Med Mal-Occurrence Only Sub-TOI: 11.1029 Other
Product Name: Psychoanalysts Professional Liability Program
Project Name/Number: Psychoanalysts Professional Liability Program/AIC-09-EO-14

Note To Reviewer

Created By:

Myron Harry on 05/24/2010 07:00 PM

Last Edited By:

Myron Harry

Submitted On:

05/24/2010 07:00 PM

Subject:

Psychoanalysts Professional Liability Program - AIC-09-EO-14

Comments:

TO Reviewer:

Could we please have the status of the above-referenced filing.

Thank you.

Myron Harry

SERFF Tracking Number: AGNY-126346754 State: District of Columbia
First Filing Company: American Home Assurance Company, ... State Tracking Number:
Company Tracking Number: AIC-09-EO-14
TOI: 11.1 Med Mal-Occurrence Only Sub-TOI: 11.1029 Other
Product Name: Psychoanalysts Professional Liability Program
Project Name/Number: Psychoanalysts Professional Liability Program/AIC-09-EO-14

Note To Reviewer

Created By:

Myron Harry on 04/12/2010 06:05 PM

Last Edited By:

Myron Harry

Submitted On:

04/12/2010 06:06 PM

Subject:

Psychoanalysts Professional Liability Program - AIC-09-EO-14

Comments:

TO: Reviewer,

Could we please have the status of the above-referenced filing. Thank you.

Myron Harry

SERFF Tracking Number: AGNY-126346754 State: District of Columbia
First Filing Company: American Home Assurance Company, ... State Tracking Number:
Company Tracking Number: AIC-09-EO-14
TOI: 11.1 Med Mal-Occurrence Only Sub-TOI: 11.1029 Other
Product Name: Psychoanalysts Professional Liability Program
Project Name/Number: Psychoanalysts Professional Liability Program/AIC-09-EO-14

Note To Reviewer

Created By:

Myron Harry on 03/01/2010 03:32 PM

Last Edited By:

Myron Harry

Submitted On:

03/01/2010 03:32 PM

Subject:

Psychoanalysts Professional Liability Program - AIC-09-EO-14

Comments:

TO: Reviewer:

Could we please have the status of the above-referenced filing.

Thank you.

Myron Harry

SERFF Tracking Number: AGNY-126346754 State: District of Columbia
First Filing Company: American Home Assurance Company, ... State Tracking Number:
Company Tracking Number: AIC-09-EO-14
TOI: 11.1 Med Mal-Occurrence Only Sub-TOI: 11.1029 Other
Product Name: Psychoanalysts Professional Liability Program
Project Name/Number: Psychoanalysts Professional Liability Program/AIC-09-EO-14

Note To Reviewer

Created By:

Myron Harry on 02/12/2010 06:16 PM

Last Edited By:

Myron Harry

Submitted On:

02/12/2010 06:16 PM

Subject:

Psychoanalysts Professional Liability Program - AIC-09-EO-14

Comments:

TO: Reviewer,

Could we please have the status of the above-referenced filing.

Thank you.

Myron Harry

SERFF Tracking Number: *AGNY-126346754* *State:* *District of Columbia*
First Filing Company: *American Home Assurance Company, ...* *State Tracking Number:*
Company Tracking Number: *AIC-09-EO-14*
TOI: *11.1 Med Mal-Occurrence Only* *Sub-TOI:* *11.1029 Other*
Product Name: *Psychoanalysts Professional Liability Program*
Project Name/Number: *Psychoanalysts Professional Liability Program/AIC-09-EO-14*

Note To Reviewer

Created By:

Myron Harry on 01/15/2010 04:38 PM

Last Edited By:

Myron Harry

Submitted On:

01/15/2010 04:39 PM

Subject:

Psychoanalysts Professional Liability Program AIC-09-EO-14

Comments:

TO: Reviewer,

Could we please have the status of the above-referenced filing. Thank you.

Myron Harry

SERFF Tracking Number: AGNY-126346754 State: District of Columbia
 First Filing Company: American Home Assurance Company, ... State Tracking Number:
 Company Tracking Number: AIC-09-EO-14
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 Product Name: Psychoanalysts Professional Liability Program
 Project Name/Number: Psychoanalysts Professional Liability Program/AIC-09-EO-14

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type: Increase
Overall Percentage of Last Rate Revision: 3.000%
Effective Date of Last Rate Revision: 02/21/2008
Filing Method of Last Filing:

Company Rate Information

Company Name:	Company Rate Change:	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):
American Home Assurance Company	N/A	6.200%	3.000%	\$6,447	71	\$214,899	3.000%	3.000%

Company Rate Information

Company Name:	Company Rate Change:	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):
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 Product Name: Psychoanalysts Professional Liability Program
 Project Name/Number: Psychoanalysts Professional Liability Program/AIC-09-EO-14

Program:

Commerce and Industry	N/A	%	%	%	%
Insurance Company					

Overall Rate Information for Multiple Company Filings

Overall % Rate Indicated:	6.200%
Overall Percentage Rate Impact For This Filing:	3.000%
Effect of Rate Filing - Written Premium Change For This Program:	\$6,447
Effect of Rate Filing - Number of Policyholders Affected:	71

SERFF Tracking Number: *AGNY-126346754* State: *District of Columbia*
 First Filing Company: *American Home Assurance Company, ...* State Tracking Number:
 Company Tracking Number: *AIC-09-EO-14*
 TOI: *11.1 Med Mal-Occurrence Only* Sub-TOI: *11.1029 Other*
 Product Name: *Psychoanalysts Professional Liability Program*
 Project Name/Number: *Psychoanalysts Professional Liability Program/AIC-09-EO-14*

Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page	Rate Action	Previous State Filing Attachments
Status:		#:		Number:
	DC Rate Page		Replacement	DISTRICT OF COLUMBIA-PSYCHOANALYSTS-Rate Page-10-06-2009.pdf

**AMERICAN HOME ASSURANCE COMPANY
PSYCHOANALYSTS PROFESSIONAL LIABILITY
DISTRICT OF COLUMBIA**

I. PSYCHOANALYSTS PROFESSIONAL LIABILITY RATES

LIMITS OF LIABILITY	RATE
\$200,000/\$600,000	2,644
\$1,000,000/\$1,000,000	3,600
\$1,000,000/\$3,000,000	3,944
\$2,000,000/\$2,000,000	4,260
\$2,000,000/\$3,000,000	4,379
\$2,000,000/\$4,000,000	4,497
\$2,000,000/\$5,000,000	4,615
\$2,000,000/\$6,000,000	4,734
\$3,000,000/\$3,000,000	4,731
\$3,000,000/\$4,000,000	4,850
\$3,000,000/\$5,000,000	4,968
\$4,000,000/\$4,000,000	5,101
\$4,000,000/\$5,000,000	5,220
\$5,000,000/\$5,000,000	5,421

II. SCHOOL/INSTITUTE/SOCIETY RATES

A. SCHOOL/INSTITUTE

LIMITS OF LIABILITY	RATES BASED ON OUTPATIENT VISITS
\$100,000/\$300,000	0.530 first 5,000 visits
	0.424 next 3,000 visits
	0.382 next 8000 visits and over
\$500,000/\$500,000	0.679 first 5,000 visits
	0.543 next 3,000 visits
	0.489 next 8000 visits and over
\$1,000,000/\$1,000,000	0.785 first 5,000 visits
	0.628 next 3,000 visits
	0.565 next 8000 visits and over
\$1,000,000/\$3,000,000	1.292 first 5,000 visits
	1.033 next 3,000 visits
	0.930 next 8000 visits and over

Minimum Policy Premium - \$750 for \$1,000,000/\$1,000,000
\$1,000 for \$1,000,000/\$3,000,000

B. SOCIETIES

LIMITS OF LIABILITY	PREMIUM
\$500,000/\$500,000	345
\$1,000,000/\$1,000,000	530
\$1,000,000/\$3,000,000	796

III. ADDITIONAL COVERAGES

ECT - Electroconvulsive Therapy Coverage - An additional charge of 25%
Part-Time Psychoanalysts- 50% for psychoanalysts practicing 20 hours or less per week

IV. ADDITIONAL INSURED CHARGES:

Landlord: 20% of the policy premium
Corporation with Other Employees: 40% of the policy premium
Additional Insured: 20% of the policy premium. Only applies to School/Institute/Society

V. ADMINISTRATIVE HEARING

INCREASED LIMITS	RATE
\$10,000	\$175
\$25,000	\$500

SERFF Tracking Number: AGNY-126346754 State: District of Columbia
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 Company Tracking Number: AIC-09-EO-14
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 Product Name: Psychoanalysts Professional Liability Program
 Project Name/Number: Psychoanalysts Professional Liability Program/AIC-09-EO-14

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Cover Letter All Filings		
Comments:		
Attachment: Cover letter.pdf		

	Item Status:	Status Date:
Bypassed - Item: Consulting Authorization		
Bypass Reason: N/A		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: Actuarial Certification (P&C)		
Comments:		
Attachment: DISTRICT OF COLUMBIA-Psychoanalysts Professional Liability-Actuarial Exs-10-09-2009.pdf		

	Item Status:	Status Date:
Satisfied - Item: District of Columbia and Countrywide Experience for the Last 5 Years (P&C)		
Comments: Please see info uploaded under Actuarial Certification		

	Item Status:	Status Date:
Satisfied - Item: District of Columbia and Countrywide Loss Ratio Analysis		

Jameka Y. Harris
Filings Analyst
State Filings Division
212.458.7056 Telephone
212.458.7077 Facsimile

jamekaharris@chartisinsurance.com



October 26, 2009

Honorable Thomas E. Hampton
Commissioner of Insurance
Dept. of Insurance, Securities and Banking (DISB)
810 First Street, NE – Suite 701
Washington, D.C. 20002-4227
Attn: Mr. Clark Simcock, Chief
(Rate & Rules Filings)

RE: AMERICAN HOME ASSURANCE COMPANY
NAIC #012-19380 FEIN # 13-5124990
COMMERCE AND INDUSTRY INSURANCE COMPANY
NAIC #012-19410 FEIN # 13-1938623
Psychoanalysts Professional Liability Program
Our Filing No.: AIC-09-EO-14

Dear Mr. Simcock:

The referenced companies (the “Companies”) have on file with your Department their Psychoanalysts Professional Liability Program (the “Program”). The Companies submit, for your review and approval, revised rates to replace the rates currently on file for this Program.

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

We wish to make this filing effective for all policies effective on or after December 26, 2009, or the earliest date permitted by your Department.

Your favorable review and consideration are respectfully requested.

Regards,

Jameka Y. Harris

American Home/National Union Group
Psychoanalysts Professional Liability

Explanatory Memorandum
DISTRICT OF COLUMBIA

American Home/National Union Group is proposing to increase the base rate for Psychoanalysts Professional Liability by 3.0 %.

Exhibit 1: *CALCULATION OF INDICATED RATE LEVEL CHANGE*

Ultimate developed, trended and on-level results are shown for countrywide and state loss experience for this program. Countrywide and state earned premiums have been adjusted to each state's present rate level by using the standard parallelogram method. Incurred Losses and Lae are trended to one year past the proposed effective date, in order to reflect changes in frequency and severity subsequent to the experience period. The indicated rate level change is based on a comparison of the credibility weighted loss ratio to the expected loss ratio. An offset for investment income is applied to the calculation of the target profit & contingency. The calculation of profit is based on the company's target rate of return of 15%.

Exhibit 2: *DEVELOPMENT OF REPORTED INCURRED LOSS AND LAE TO ULTIMATE*

Countrywide and state calculation of ultimate loss and LAE ratios are shown for the most recent five years. Ratios are based on calendar year earned premiums and accident year ultimate loss and LAE, including unallocated LAE (Exhibit 6).

Exhibit 3 *INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT*

Accident Year Loss and Allocated Loss Adjustment Expense experience for Psychoanalysts Professional Liability is shown as of 6/2009, along with age to age factors and the corresponding age to ultimate development factors (Exhibit 3A). These factors are then applied to the countrywide Exhibit 3A and state Exhibit 3B loss experience for Psychoanalysts Professional Liability.

Exhibit 4: *TREND ANALYSIS*

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

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

Expense provisions are based on the expenses found for Medical Malpractice in the American Home/National Union Group Insurance Expense Exhibit. The commission expense is program specific. The expected loss & lae ratio is the complement of the total expenses and profit load. The profit & contingency factor has been calculated based on a target rate of return on equity of 15%.

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

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

Exhibit 7: *INVESTMENT INCOME EXHIBITS*

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

**AMERICAN HOME/NATIONAL UNION GROUP
PSYCHOANALYSTS PROFESSIONAL LIABILITY
(\$ IN 000'S)
DETERMINATION OF RATE LEVEL INDICATION**

Exhibit 1

DISTRICT OF COLUMBIA

	Accident Year	(1) Basic Limits Premium at Present Rates (Note A)	(2) Basic Limits Ultimate Loss & LAE (Exhibit 2)	(3)=(2)/(1) Ultimate Loss & LAE Ratio	(4) Trend Factor (Exhibit 4) (Note B)	(5)=(3)*(4) Trended Loss & LAE Ratio	Weight
(1)	2004	2,926	1,031	0.352	1.243	0.438	
(2)	2005	2,902	302	0.104	1.201	0.125	
(3)	2006	2,995	1,972 (E)	0.658	1.161	0.764	0.20
(4)	2007	3,056	1,727 (E)	0.565	1.122	0.634	0.30
(5)	2008	3,144	2,137 (E)	0.680	1.084	0.736	0.50

DISTRICT OF COLUMBIA

(1)	2004	121	0	0.000	1.243	0.000	
(2)	2005	119	0	0.000	1.201	0.000	
(3)	2006	123	48 (E)	0.392	1.161	0.455	0.20
(4)	2007	124	95 (E)	0.765	1.122	0.857	0.30
(5)	2008	124	73 (E)	0.584	1.084	0.632	0.50

		<u>DISTRICT OF COLUMBIA</u>	<u>CW</u>
(6)	Weighted Average Ultimate Trended Loss and LAE Ratio	0.665	0.711
(6a)	Credibility Weights (Note C):	0.038	0.245
(6b)	Credibility Weighted Ultimate Loss & LAE Ratio (Note D):	0.702	
(7)	Target Loss & LAE Ratio [Exhibit 5]	0.662	
(8)	Indicated Rate Level Change [(6b)/7] - 1	6.2%	
(9)	Selected Rate Level Change	3.0%	

NOTES:

- (A) The calculation of premium at present rates is done using the parallelogram method.
(B) Trend periods extend from the midpoint of each accident year to one year past the assumed effective date. (Exhibit 4).
(C) The credibility standard is 683 claims for the experience period.
State Credibility = Square Root(1/683) CW Credibility = Square Root(41/683)
(D) Credibility Weighted Ultimate Loss & LAE Ratio =
[State(6)*State(6a) + CW(6)*CW(6a) + {1 - State (6a) - CW(6a)} * Trended ELR]
(E) Bornheutter-Ferguson Methodology used to develop ultimate loss & lae, i.e.,
Ultimate Loss & LAE=EPXELRX[1-1/LDF] + reported incurred loss & lae

**AMERICAN HOME/NATIONAL UNION GROUP
PSYCHOANALYSTS PROFESSIONAL LIABILITY**

Exhibit 2

(\$ IN 000'S)

DETERMINATION OF ULTIMATE LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

DISTRICT OF COLUMBIA

Accident Year	(1) Basic Limits Earned Premium	(2) Basic Limits Reported Incurred Loss & ALAE	(3) Loss Development Factors	(4)=(2)*(3) Ultimate Loss & L.A.E. (Incl. 1.8% Unalloc L.A.E.)	(5)=(4)/(1) Ultimate Loss & L.A.E. Ratio
COUNTRYWIDE					
2004	2,339	713	1.421	1,031	0.441
2005	2,639	174	1.701	302	0.114
2006	2,862	783	2.397	1,910	0.667
2007	2,981	175	4.047	720	0.242
2008	3,117	296	7.521	2,268	0.728
Total	13,937	2,142		6,231	0.447

DISTRICT OF COLUMBIA

2004	85	0	1.421	0	0.000
2005	102	0	1.701	0	0.000
2006	115	0	2.397	0	0.000
2007	120	31	4.047	129	1.078
2008	122	0	7.521	0	0.000
Total	544	31		129	0.237

PSYCHOANALYSTS PROFESSIONAL LIABILITY

(\$ in 000'S)

COUNTRYWIDE**BASIC LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 6/2009**

Accident Year	6	18	30	42	54	66	78	90	102	114
2000	0	261	237	569	814	1,063	1,332	1,414	1,444	1,672
2001	75	182	531	1,148	1,212	1,410	1,630	1,584	1,584	
2002	100	339	661	724	837	1,255	1,123	1,245		
2003	0	45	270	580	682	736	816			
2004	0	23	303	357	740	713				
2005	0	164	136	195	174					
2006	0	135	352	783						
2007	0	58	175							
2008	1	296								
2009	2									

INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	
2000	1.000	0.910	2.397	1.432	1.305	1.254	1.061	1.021	1.158	
2001	2.417	2.918	2.161	1.056	1.163	1.156	0.971	1.000		
2002	3.389	1.949	1.097	1.156	1.499	0.895	1.108			
2003	1.000	6.037	2.149	1.174	1.080	1.109				
2004	226.800	13.352	1.178	2.074	0.964					
2005	1.000	0.829	1.438	0.892						
2006	1.000	2.606	2.225							
2007	117.676	3.027								
2008	591.379									
2009										
Weighted Average	8.515	2.210	1.750	1.248	1.208	1.098	1.038	1.010	1.158	
4 Yr Wtd Average	658.181	2.545	1.806	1.310	1.185	1.098				
3 Yr Wtd Average	493.074	1.858	1.689	1.409	1.197	1.050	1.038			
2 Yr Wtd Average	356.915	2.732	2.006	1.656	1.020	0.974	1.027	1.010		
Selected Age-to-Age		1.858	1.689	1.409	1.197	1.050	1.038	1.010	1.158	
Ultimate Factors		7.521	4.047	2.397	1.701	1.421	1.354	1.304	1.291	1.115

AMERICAN HOME/NATIONAL UNION GROUP
HEALTH PROFESSIONAL LIABILITY
Calculation of Annual Trend Factor

Countrywide as of 9/2009

Basic Limits Frequency Trend

(1)	(2)	(3)	(2)/(3)	(4)
Policy Year	Ultimate Closed With Payment Claims	Number of Policies	Closed With Payment Claims Per 100 Policies	Exponential Curve of Best Fit
2003	231	89,087	0.25935	0.21011
2004	226	91,524	0.24655	0.27316
2005	299	89,507	0.33412	0.35513
2006	315	86,007	0.36578	0.46169
2007	463	76,650	0.60382	0.60022
2008	826	88,381	0.93405	0.78032

Average Annual Change in Claim Frequency [R Squared = 0.89249403] 30.01%

Selected Annual Frequency Trend 30.01%

Basic Limits Severity Trend

(1)	(2)	(3)	(3)/(2)	(4)
Policy Year	Ultimate Closed With Payment Claims	Ultimate Paid Losses	Ultimate Paid Losses per Claim	Exponential Curve of Best Fit
2003	231	20,359	88.1	87.3
2004	226	16,749	74.2	74.0
2005	299	18,909	63.2	62.8
2006	315	17,578	55.9	53.3
2007	463	17,542	37.9	45.2
2008	826	35,238	42.7	38.3

Average Annual Change in Claim Severity [R Squared = 0.9135595] -15.18%

Selected Annual Severity Trend -15.18%

INDICATED SELECTED COMBINED TREND [Frequency x Severity] 10.27%

**AMERICAN HOME/NATIONAL UNION GROUP
PSYCHOANALYSTS PROFESSIONAL LIABILITY**

Derivation of Expected Loss Ratio

(1) Target rate of return on equity		15.0%
(2) Premium to Surplus Ratio		79.0%
(3) Target rate of return on premium [(1)/(2)]		19.0%
(4) Rate of return on premium		12.6%
(5) Target underwriting profit (loss) [(3)-(4)/.65]		9.8%
(6) Selected Profit		5.0%
(7) Total Expenses		28.8%
	a. Commissions	16.50%
	b. Other Acquisition	5.58%
	c. General Expenses	1.93%
	d. Taxes, Licenses & Fees	4.84%
<hr/>		
(8) Expected Loss Ratio [1-(6)-(7)]		66.2%

AMERICAN HOME/NATIONAL UNION GROUP-MEDICAL MALPRACTICE							
INSURANCE EXPENSE EXHIBIT							
Countrywide Expenses (in 000's)	2006		2007		2008		3yr Weighted AVC
	\$	%	\$	%	\$	%	%
Written Premium	142,906	----	106,531	----	125,884	----	----
Other Acquisition	8,079	5.65%	5,518	5.18%	7,344	5.83%	5.58%
General Expenses	2,480	1.74%	2,422	2.27%	2,343	1.86%	1.93%
Taxes, Licenses and Fees	7,636	5.34%	5,095	4.78%	5,421	4.31%	4.84%

Healthcare

(000's)

Determination of Unallocated Loss Adjustment Expense Provision

(SOURCE: COMPANY COST STATEMENTS)

ITEM	2004	2005	2006	2007	2008	5-year Average
(1) Losses Paid	271,474	175,786	206,975	188,980	212,809	211,205
(2) Changes in Unpaid Losses	273,715	465,082	52,387	2,547	-159,111	126,924
(3) Losses Incurred (1) + (2)	545,189	640,868	259,362	191,527	53,698	338,129
(4) Allocated Loss Adjustment Expenses	76,023	68,936	72,293	76,744	85,730	75,945
(5) Total Loss & ALAE (3) + (4)	621,212	709,804	331,655	268,271	139,428	414,074
(6) Unallocated Loss Adjustment Expenses	7,550	5,547	7,136	7,778	8,509	7,304
(7) Unallocated Loss Expense Ratio (6)/(5)	1.2%	0.8%	2.2%	2.9%	6.1%	1.8%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

(Explanatory Notes)

Medical Malpractice

A. <u>UNEARNED PREMIUM RESERVE</u>			
1.	Medical Malpractice Direct Earned Premium for Calendar Year 2008		\$114,663
2.	Mean Unearned Premium Reserve [0.501* (1)] (See Notes p. 2)		57,497
3.	Deduction for Prepaid Expenses (See notes p. 2)		
	a) Commission and Brokerage	16.50%	
	b) Taxes, Licenses and Fees	4.84%	
	c) 50% of Other Acquisition Expenses	2.79%	
	d) 50% of General Expenses	0.97%	
	e) Total	25.09%	
4.	Deduction for Federal Taxes Payable (See Notes p. 2)		7.0%
5.	Net Amount Subject to Investment Income [(2) x (1.000 - (3) - (4))]		39,045
B. <u>DELAYED REMISSION OF PREMIUMS (Agents' Balances)</u>			
1.	Direct Earned Premium [(A.1)]		114,663
2.	Average Agents' Balance (See Notes pp. 2-3)		0.124
3.	Delayed Remission [(1) x (2)]		14,193
C. <u>LOSS RESERVE:</u>			
1.	Direct Earned Premium [(A.1)]		114,663
2.	Expected Incurred Loss and L.A.E. Reserves	@ ELR:	0.613
3.	Expected Mean Loss Reserves [1.911 x (2)] (See Notes p. 3)		134,346
D. <u>SURPLUS</u>			
1.	Direct Written Premium		125,884
2.	Surplus Subject to Investment [(D.1)/prem to surp]		159,346
E. <u>NET AMOUNT SUBJECT TO INVESTMENT: [(A.5) - (B.3) + (C.3) + (D.2)]</u>			
F. <u>AVERAGE RATE OF RETURN ON INVESTED ASSETS (See Notes p. 4)</u>			
G. <u>INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT [(E) x (F)]</u>			
H. <u>AVERAGE RATE OF RETURN (As % of Direct Earned Premium) [(G) / (A.1)]</u>			
I. <u>AVERAGE RATE OF RETURN (After Federal Income Taxes) [(H) x 0.901]</u>			
			12.60%

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

Medical Malpractice

Line A.1

Medical Malpractice direct earned premium for calendar year 2008 as provided by American Home/National Union Group.

Line A.2

The mean direct unearned premium reserve is determined by multiplying the Medical Malpractice direct earned premium in line (A.1) by the countrywide ratio of the mean direct unearned premium reserve to the direct earned premium for 2008. See below for calculation of this ratio. This ratio is based on data for Medical Malpractice from page 15 of the Annual Statement for American Home/National Union Group

	(In 000's)
1. Direct Earned Premium for Calendar Year 2008	\$ 114,663
2. Direct Unearned Premium Reserve as of 12/31/07	51,886
3. Direct Unearned Premium Reserve as of 12/31/08	63,107
4. Mean Direct Unearned Premium Reserve 1/2 [(2) + (3)]	57,497
5. Ratio [(4) / (1)]	0.501

Line A.3

Deduction for prepaid expenses:

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

Line A.4

Deduction for Federal Taxes Payable:

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

Line B.2

Delayed remission of premium:

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

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

Medical Malpractice

Line B.2 (continued)

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

	<u>(In 000's)</u>
1. Net Earned Premium for Calendar Year 2008	\$ 19,629,152
2. Net Agents' Balances as of 12/31/07	1,648,866
3. Net Agents' Balances as of 12/31/08	2,283,776
4. Mean Agents' Balances $1/2 \times [(2) + (3)]$	1,966,321
5. Ratio $[(4) / (1)]$	0.100

The above percentage must be multiplied by a factor of 1.236 to include the effect of agents' balances or uncollected premiums overdue for more than 90 days. The factor 1.236 is based on 2008 company data.

Final adjusted Agents' Balance:

0.1238

Line C.2

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

Line C.3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (C.2) by the average countrywide ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses in 2007 and 2008 for Medical Malpractice Insurance. This ratio is based on Annual Statement Data.

	<u>(In 000's)</u>
1. Incurred Losses and L.A.E. for Calendar Year 2007	69,179
2. Incurred Losses and L.A.E. for Calendar Year 2008	96,751
3. Loss Reserves and L.A.E. as of 12/31/06	482,785
4. Loss Reserves and L.A.E. as of 12/31/07	465,875
5. Loss Reserves and L.A.E. as of 12/31/08	473,807
6. Mean Loss Reserve 2007: $1/2 [(3) + (4)]$	474,330
7. Mean Loss Reserve 2008: $1/2 [(4) + (5)]$	469,841
8. Ratio (6) / (1)	6.857
9. Ratio (7) / (2)	4.856
10. Average Ratio $1/2 [(8) + (9)]$	5.856
11. Loss reserve for American Home/National Union Group, selected	2.000
12. Estimated Reserve Discount	12.8%
13. Federal Taxes Payable (% of Reserves): (12) x .35	0.045
14. (11) x [1.0 - (13)]	1.911

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

Medical Malpractice

Line E

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

<u>Year</u>	<u>Net Investment Income Earned (In 000's)</u>	<u>Mean Cash and Invested Assets (In 000's)</u>	<u>Rate of Return</u>
2007	3,101,303	64,895,846	4.78%
2008	3,034,220	65,870,295	4.61%
Total	6,135,523	130,766,141	4.69%

<u>Year</u>	<u>Realized Capital Gains (or Losses) (In 000's)</u>	<u>Mean Cash and Invested Assets (In 000's)</u>	<u>Rate of Return</u>
1999-2008	1,413,815	418,605,174	0.34%

Total Rate of Return:

Net Investment Income Earned and Net Realized Capital Gains (or Losses)	5.03%
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Line H

The average rate of Federal Income Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2008 for the American Home/National Union Group.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	4.69%	0.081
Net Realized Capital Gains (or Losses)	0.34%	0.350
Total	5.03%	0.099

1.000 - Federal Income Tax Rate	0.901
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ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

<u>Line H (continued)</u>	<u>Investment Income Earned</u>	<u>Federal Income Tax Rate</u>
<u>Bonds</u>		
Taxable	\$ 263,160	0.350
<u>Non-Taxable</u>	<u>1,581,483</u>	<u>0.026</u>
Total	\$ 1,844,643	(A) 0.072
 <u>Stocks</u>		
Taxable	\$ 130,203	0.123
<u>Non-Taxable</u>	<u>788,092</u>	<u>---</u>
Total	\$ 918,295	(B) 0.017
 <u>Mortgage Loans and Real Estate</u>		
Mortgage Loans	\$ 0	
Real Estate	0	
Collateral Loans	0	
Cash on Deposit	0	
Short Term Investments	21,465	
<u>All Other</u>	<u>352,694</u>	
Sub-Total	\$ 374,159	0.350
 Total	 \$ 3,137,097	 0.089
 Investment Deductions	 \$ 102,877	 0.350
 Net Investment Income Earned	 \$ 3,034,220	 0.081

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

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