

SERFF Tracking Number: ACEH-125750484 State: District of Columbia
Filing Company: ACE American Insurance Company State Tracking Number:
Company Tracking Number: 08-MR-2007652(R)
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0029 Other
Made/Occurrence
Product Name: 08-MR-2007652(R)
Project Name/Number: Allied Healthcare Professional Liability Forms Filing/08-MR-2007652(R)

Filing at a Glance

Company: ACE American Insurance Company

Product Name: 08-MR-2007652(R)

TOI: 11.0 Medical Malpractice - Claims

Made/Occurrence

Sub-TOI: 11.0029 Other

Filing Type: Rate

SERFF Tr Num: ACEH-125750484 State: District of Columbia

SERFF Status: Closed-APPROVED State Tr Num:

Co Tr Num: 08-MR-2007652(R)

State Status:

Reviewer(s): Robert Nkojo

Author: Viola McBride

Disposition Date: 03/10/2009

Date Submitted: 07/30/2008

Disposition Status: APPROVED

Effective Date Requested (New): 08/01/2008

Effective Date (New):

Effective Date Requested (Renewal): 08/01/2008

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: Allied Healthcare Professional Liability Forms Filing

Project Number: 08-MR-2007652(R)

Reference Organization:

Reference Title:

Filing Status Changed: 03/10/2009

State Status Changed:

Created By: Viola McBride

Corresponding Filing Tracking Number:

Filing Description:

ACE American Insurance Company submits for your approval a form filing for Allied Healthcare Professional Liability.

This filing makes revisions to previously approved forms as well as introduces new endorsements.

Status of Filing in Domicile:

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

Submitted By: Viola McBride

Company and Contact

Filing Contact Information

Viola McBride, Filing Technician

viola.mcbride@acegroup.com

436 Walnut Street

215-640-5238 [Phone]

WB04G

215-640-4986 [FAX]

Philadelphia, PA 19106

SERFF Tracking Number: ACEH-125750484 State: District of Columbia
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Filing Company Information

ACE American Insurance Company
PO Box 1000
436 Walnut Street
Philadelphia, PA 19106
(215) 640-5123 ext. [Phone]

CoCode: 22667
Group Code: 626
Group Name:
FEIN Number: 95-2371728

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

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
APPROVED	Robert Nkojo	03/10/2009	03/10/2009

Amendments

Schedule	Schedule Item Name	Created By	Created On	Date Submitted
Supporting Document	Rate/Rule Schedule	Viola McBride	11/18/2008	11/18/2008

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Status	Note To Reviewer	Viola McBride	02/04/2009	02/04/2009
Status	Note To Reviewer	Viola McBride	01/07/2009	01/07/2009

SERFF Tracking Number: ACEH-125750484 State: District of Columbia
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Disposition

Disposition Date: 03/10/2009

Effective Date (New):

Effective Date (Renewal):

Status: APPROVED

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: ACEH-125750484 *State:* District of Columbia
Filing Company: ACE American Insurance Company *State Tracking Number:*
Company Tracking Number: 08-MR-2007652(R)
TOI: 11.0 Medical Malpractice - Claims *Sub-TOI:* 11.0029 Other
Made/Occurrence
Product Name: 08-MR-2007652(R)
Project Name/Number: Allied Healthcare Professional Liability Forms Filing/08-MR-2007652(R)

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Cover Letter All Filings		No
Supporting Document	Consulting Authorization		No
Supporting Document	Actuarial Certification (P&C)		No
Supporting Document	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)		No
Supporting Document	District of Columbia and Countrywide Loss Ratio Analysis (P&C)		No
Supporting Document	Rate/Rule Schedule		Yes

SERFF Tracking Number: ACEH-125750484 State: District of Columbia
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Made/Occurrence
Product Name: 08-MR-2007652(R)
Project Name/Number: Allied Healthcare Professional Liability Forms Filing/08-MR-2007652(R)

Note To Reviewer

Created By:

Viola McBride on 02/04/2009 03:14 PM

Last Edited By:

Viola McBride

Submitted On:

02/04/2009 03:14 PM

Subject:

Status

Comments:

Please advise of status. Thank you.

SERFF Tracking Number: ACEH-125750484 State: District of Columbia
Filing Company: ACE American Insurance Company State Tracking Number:
Company Tracking Number: 08-MR-2007652(R)
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Made/Occurrence
Product Name: 08-MR-2007652(R)
Project Name/Number: Allied Healthcare Professional Liability Forms Filing/08-MR-2007652(R)

Note To Reviewer

Created By:

Viola McBride on 01/07/2009 09:49 AM

Last Edited By:

Viola McBride

Submitted On:

01/07/2009 09:49 AM

Subject:

Status

Comments:

Please advise of the status of this filing. Thank you.

SERFF Tracking Number: ACEH-125750484 State: District of Columbia
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Amendment Letter

Submitted Date: 11/18/2008

Comments:

We have attached a Rate/Rule Schedule.

Changed Items:

Supporting Document Schedule Item Changes:

User Added -Name: Rate/Rule Schedule

Comment:

Allied Health RFF - DC.pdf

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 Product Name: 08-MR-2007652(R)
 Project Name/Number: Allied Healthcare Professional Liability Forms Filing/08-MR-2007652(R)

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Cover Letter All Filings		
Comments:		
Attachments:		
Cover Letter.pdf		
Actuarial Memorandum.pdf		

	Item Status:	Status Date:
Bypassed - Item: Consulting Authorization		
Bypass Reason: NA		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: Actuarial Certification (P&C)		
Comments:		
Attachment:		
DC - Indication - Allied Health.pdf		

	Item Status:	Status Date:
Satisfied - Item: District of Columbia and Countrywide Experience for the Last 5 Years (P&C)		
Comments:		
Attachment:		
DC eiw - Allied Health.pdf		

	Item Status:	Status

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Product Name: 08-MR-2007652(R)
Project Name/Number: Allied Healthcare Professional Liability Forms Filing/08-MR-2007652(R)

Date:

Satisfied - Item: District of Columbia and
Countrywide Loss Ratio Analysis
(P&C)

Comments:

Attachment:

DC - Profit Template - Allied Health.pdf

Item Status:

Status

Date:

Satisfied - Item: Rate/Rule Schedule

Comments:

Attachment:

Allied Health RFF - DC.pdf



ace usa

Regulatory Compliance
Routing WB04G
436 Walnut Street
Philadelphia, PA 19106
USA

215-640-4330 *tel*
215-640-4986 *fax*

jennifer.loughran@ace-ina.com
www.ace-ina.com

Jennifer Loughran
Medical Risk Product Manager

July 28, 2008

Insurance Commissioner

Re: Company **ACE USA # 0626** NAIC # FEIN
ACE American Insurance Company 22667 95-2371728
Allied Healthcare Professional Liability
Form Filing
Our Filing Number: 08-MR-2007652

Dear Commissioner:

ACE American Insurance Company submits for your approval a form filing for Allied Healthcare Professional Liability. This filing makes revisions to previously approved forms as well as introduces new endorsements. Please refer to the attached Filing Chart for details of this submission.

We wish to implement this filing with all new and renewal policies effective August 15, 2008 or earlier upon your approval.

If you need any additional information please contact me at 215-640-4330.

Sincerely,

A handwritten signature in cursive script that reads "Jennifer Loughran".

Jennifer Loughran
Medical Risk Product Manager

ACE American Insurance Company
Allied Health
Actuarial Memorandum

ACE American Insurance Company is filing a rate reduction for our independently filed Allied Health program. Our intention is to lower rates across the board by fifteen percent. To support this filing we have provided a rate indication package.

Allied Health Experience

Exhibit 1

State = DC

Annual Loss Trend 3.0%
Effective Date 5/1/2008

Allied Health Claims Made

Report Year	Paid Loss	Incurred Loss	Earned Premium	Paid LDF	Inc'd LDF	Paid Loss x LDF	Inc'd Loss x LDF	Selected Ultimate Loss	Loss Trend Factor	Trended Ultimate Loss	On-Level Factor	Premium at Curr Rates	Loss Ratio
1998	0	0	0	1.000	1.000	0	0	0	1.3376	0	2.156	0	#DIV/0!
1999	0	0	0	1.000	1.000	0	0	0	1.2987	0	2.156	0	#DIV/0!
2000	0	0	0	1.005	1.002	0	0	0	1.2607	0	2.156	0	#DIV/0!
2001	0	0	0	1.027	1.011	0	0	0	1.2240	0	2.155	0	#DIV/0!
2002	0	0	0	1.072	1.033	0	0	0	1.1884	0	1.709	0	#DIV/0!
2003	0	0	1,958	1.171	1.149	0	0	0	1.1537	0	1.457	2,852	0.0%
2004	0	0	2,677	1.365	1.346	0	0	0	1.1201	0	1.200	3,213	0.0%
2005	0	0	2,425	1.599	1.556	0	0	0	1.0874	0	1.000	2,426	0.0%
2006	0	0	1,500	2.834	2.110	0	0	0	1.0558	0	1.000	1,500	0.0%
2007	0	0	1,498	21.300	10.653	0	0	0	1.0250	0	1.000	1,498	0.0%
Total	0	0	10,057			0	0	0		0		11,488	0.0%
2004-2006	0	0	6,602			0	0	0		0		7,139	0.0%
2003-2007	0	0	10,057			0	0	0		0		11,488	0.0%

Allied Health Occurrence

Accident Year	Paid Loss	Incurred Loss	Earned Premium	Paid LDF	Inc'd LDF	Paid Loss x LDF	Inc'd Loss x LDF	Selected Ultimate Loss	Loss Trend Factor	Trended Ultimate Loss	On-Level Factor	Premium at Curr Rates	Loss Ratio
1998	0	0	3,709	1.012	1.016	0	0	0	1.3376	0	2.156	7,996	0.0%
1999	0	0	2,580	1.012	1.016	0	0	0	1.2987	0	2.156	5,563	0.0%
2000	0	0	3,899	1.023	1.055	0	0	0	1.2607	0	2.156	8,405	0.0%
2001	0	0	6,704	1.056	1.109	0	0	0	1.2240	0	2.155	14,446	0.0%
2002	0	0	7,472	1.163	1.186	0	0	0	1.1884	0	1.709	12,767	0.0%
2003	0	0	8,973	1.285	1.243	0	0	0	1.1537	0	1.457	13,072	0.0%
2004	0	0	7,514	1.793	1.628	0	0	0	1.1201	0	1.200	9,019	0.0%
2005	0	0	3,693	4.564	3.260	0	0	0	1.0874	0	1.000	3,693	0.0%
2006	0	0	2,320	29.884	14.471	0	0	0	1.0558	0	1.000	2,320	0.0%
2007	0	0	1,984	464.717	247.482	0	0	0	1.0250	0	1.000	1,984	0.0%
Total	0	0	48,848			0	0	0		0		79,266	0.0%
2004-2006	0	0	13,526			0	0	0		0		15,032	0.0%
2003-2007	0	0	24,484			0	0	0		0		30,089	0.0%

Allied Health Occurrence + Claims-Made

Accident Year	Paid Loss	Incurred Loss	Earned Premium	Paid LDF	Inc'd LDF	Paid Loss x LDF	Inc'd Loss x LDF	Selected Ultimate Loss	Trend Factor	Trended Ultimate Loss	On-Level Factor	Premium at Curr Rates	Loss Ratio	Claims
1998	0	0	3,709			0	0	0		0		7,996	0.0%	
1999	0	0	2,580			0	0	0		0		5,563	0.0%	
2000	0	0	3,899			0	0	0		0		8,405	0.0%	
2001	0	0	6,704			0	0	0		0		14,446	0.0%	
2002	0	0	7,472			0	0	0		0		12,767	0.0%	
2003	0	0	10,931			0	0	0		0		15,924	0.0%	
2004	0	0	10,190			0	0	0		0		12,232	0.0%	
2005	0	0	6,118			0	0	0		0		6,119	0.0%	
2006	0	0	3,820			0	0	0		0		3,820	0.0%	
2007	0	0	3,482			0	0	0		0		3,482	0.0%	
Total	0	0	58,906			0	0	0		0		90,754	0.0%	0
2004-2006	0	0	20,128			0	0	0		0		22,171	0.0%	
2003-2007	0	0	34,541			0	0	0		0		41,576	0.0%	

Full Credibility Standard 6500
Credibility

Estimated Loss & ALAE Ratio 0.0%
Permissible Loss & ALAE Ratio 70.4%
Indicated Change -100.0% 0.00

d) Trended Loss & ALAE Ratio 79.9%
e) Permissible Loss & ALAE Ratio 70.4%
f) Complement of Credibility Indication 13.6% 1.00

Credibility Weighted Indication 13.6%

Calculation of Permissible Loss and ALAE Ratio

	<u>% of Premium</u>
<u>Expenses</u>	
Commissions	17.00%
Other Acquisition	2.00%
General Expenses	3.50%
Taxes, Licenses, Fees	2.00%
Unallocated LAE	4.80%
<u>Other Expense</u>	<u>0.00%</u>
Subtotal Expenses	29.30%
Profit & Contingencies	13.62%
<u>Offset for Investment Income</u>	<u>-13.32%</u>
Profit Net of Inv Income	0.30%
(1) Expense Ratio incl ULAE	29.60%
(2) Permissible Loss & ALAE Ratio	70.40%
1.0 - [(1)]	

Calculation of Trended Permissible Loss and ALAE Ratio

Annual Prem Trend Rate (Exhibit 4)	0.0%
<u>Annual Loss Trend Rate (Exhibit 8)</u>	<u>3.0%</u>
(3) Annual Net Trend Rate	3.0%
Effective date of current rates	1/13/2004
Effective date of proposed rates	5/1/2008
(4) Number of Years	4.3
(5) <u>Trended</u> Permissible Loss & ALAE Ratio*	79.9%
[(2) x ((3) ^ (4))]	

* for Complement of Credibility

On-Level Factor Calculation

<u>DC</u>	<u>Filing</u>	<u>Effective Date</u>	<u>Year</u>	<u>% of Year Elapsed</u>	<u>Filed Change</u>	<u>Year</u>	<u>Index</u>	<u>Year</u>	<u>If change in year % of the way in</u>	<u>% before prior year change</u>	<u>% between changes</u>	<u>% from change in year</u>	<u>Earned Index</u>	<u>On-Level Factor</u>
	93-356					1995	1.000	1995	100.0%	0.0%	100.0%	0.0%	--	
	99-144	12/15/1999	1999	95.3%	0.0%	1996	1.000	1996	100.0%	50.0%	50.0%	0.0%	--	
	99-227	NA	--	--	NA	1997	1.000	1997	100.0%	50.0%	50.0%	0.0%	1.000	2.156
	01-190	12/15/2001	2001	95.3%	48.0%	1998	1.000	1998	100.0%	50.0%	50.0%	0.0%	1.000	2.156
	03-369	1/13/2004	2004	3.3%	45.7%	1999	1.000	1999	95.3%	50.0%	49.9%	0.1%	1.000	2.156
						2000	1.000	2000	100.0%	45.5%	54.5%	0.0%	1.000	2.156
						2001	1.480	2001	95.3%	50.0%	49.9%	0.1%	1.001	2.155
						2002	1.480	2002	100.0%	45.5%	54.5%	0.0%	1.262	1.709
						2003	1.480	2003	100.0%	50.0%	50.0%	0.0%	1.480	1.457
						2004	2.156	2004	3.3%	50.0%	3.2%	46.8%	1.796	1.200
						2005	2.156	2005	100.0%	0.1%	99.9%	0.0%	2.155	1.000
						2006	2.156	2006	100.0%	50.0%	50.0%	0.0%	2.156	1.000
						2007	2.156	2007	100.0%	50.0%	50.0%	0.0%	2.156	1.000
						2008	2.156	2008	100.0%	50.0%	50.0%	0.0%	2.156	1.000

Allied Health Incurred Loss Development

Claims Made Policies

Report Year	Age	12	24	36	48	60	72	84	96	108	120
1998		0	0	0	0	0	0	0	0	0	0
1999		0	0	0	0	0	0	0	0	0	0
2000		0	0	0	0	0	0	0	0	0	0
2001		438,664	1,881,821	2,623,801	2,257,093	2,473,294	4,074,161	4,049,307			
2002		161,190	617,132	673,174	736,714	1,777,332	1,799,936				
2003		58,653	999,385	1,491,925	1,595,674	1,399,046					
2004		398,442	3,016,568	3,261,490	3,643,999						
2005		1,259,498	3,424,733	3,543,186							
2006		714,421	2,432,961								
2007		603,073									
Age to Age	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120		
1998											
1999											
2000											
2001		4.290	1.394	0.860	1.096	1.647	0.994				
2002		3.829	1.091	1.094	2.413	1.013					
2003		17.039	1.493	1.070	0.877						
2004		7.571	1.081	1.117							
2005		2.719	1.035								
2006		3.405									
All Year		6.476	1.219	1.035	1.462	1.330	0.994				
3 Year		4.565	1.203	1.094	1.462						
Ex Hi/Lo		4.774	1.189	1.082	1.096						
Median		4.059	1.091	1.082	1.096	1.330	0.994				
Tri Sel		4.968	1.175	1.073	1.279	1.330	0.994				
Prof Study		5.131	1.536	1.240	1.125	1.058	1.025	1.009	1.002	1.000	
Wt to Tri		50%	50%	50%	30%	20%	10%	0%	0%	0%	
Select		5.050	1.355	1.156	1.171	1.112	1.022	1.009	1.002	1.000	
Age-Ult		10.653	2.110	1.556	1.346	1.149	1.033	1.011	1.002	1.000	

Allied Health Incurred Loss Development

Report Year	Age	Occurrence Policies									
		12	24	36	48	60	72	84	96	108	120
1998	0	10,111	10,430	18,753	23,828	24,402	22,746	22,495	22,495	22,495	22,495
1999	0	33,288	43,424	68,963	88,859	151,565	502,794	503,350	503,350	503,350	
2000	0	14,764	258,191	1,469,302	630,061	596,800	669,858	691,325			
2001	5,639	272,251	693,712	2,399,105	5,082,911	3,660,746	3,626,308				
2002	14,072	925,648	2,087,975	4,142,367	4,893,681	5,366,401					
2003	23,285	839,024	1,711,327	1,695,998	1,814,119						
2004	22,627	100,570	126,850	202,734							
2005	3,754	60,701	1,118,213								
2006	12,886	258,092									
2007	9,953										
Age to Age	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120		
1998		1.032	1.798	1.271	1.024	0.932	0.989	1.000	1.000		
1999		1.304	1.588	1.289	1.706	3.317	1.001	1.000			
2000		17.487	5.691	0.429	0.947	1.122	1.032				
2001	48.279	2.548	3.458	2.119	0.720	0.991					
2002	65.782	2.256	1.984	1.181	1.097						
2003	36.034	2.040	0.991	1.070							
2004	4.445	1.261	1.598								
2005	16.170	18.422									
2006	20.029										
All Year	31.790	5.794	2.444	1.226	1.099	1.591	1.007	1.000	1.000		
3 Year	13.548	7.241	1.524	1.457	0.921	1.810	1.007				
Ex Hi/Lo	30.128	4.483	2.085	1.203	1.023	1.057	1.001				
Median	28.031	2.148	1.798	1.226	1.024	1.057	1.001	1.000	1.000		
Tri Sel	25.874	4.916	1.963	1.278	1.017	1.378	1.004	1.000	1.000		
Prof Study	8.331	3.962	2.042	1.323	1.056	1.035	1.056	1.043	1.016		
Wt to Tri	50%	50%	50%	30%	20%	10%	10%	10%	0%		
Select	17.102	4.439	2.003	1.310	1.048	1.070	1.051	1.039	1.016		
Age-Ult	247.482	14.471	3.260	1.628	1.243	1.186	1.109	1.055	1.016		

Allied Health Paid Loss Development

Claims Made Policies

Report Year	Age	12	24	36	48	60	72	84	96	108	120
1998		0	0	0	0	0	0	0	0	0	0
1999		0	0	0	0	0	0	0	0	0	0
2000		0	0	0	0	0	0	0	0	0	0
2001		73,164	531,659	1,543,139	2,056,580	2,097,782	2,471,149	2,549,307			
2002		42,470	272,120	574,874	611,214	1,702,332	1,724,936				
2003		33,643	922,975	1,259,665	1,510,163	1,368,546					
2004		222,807	2,172,968	3,044,142	3,197,401						
2005		348,034	2,921,628	3,367,682							
2006		212,639	1,725,753								
2007		277,694									

Age to Age	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
1998									
1999									
2000									
2001	7.267	2.902	1.333	1.020	1.178	1.032			
2002	6.407	2.113	1.063	2.785	1.013				
2003	27.435	1.365	1.199	0.906					
2004	9.753	1.401	1.050						
2005	8.395	1.153							
2006	8.116								
All Year	11.229	1.787	1.161	1.570	1.096	1.032			
3 Year	8.754	1.306	1.104	1.570					
Ex Hi/Lo	8.382	1.626	1.131	1.020					
Median	8.255	1.401	1.131	1.020	1.096	1.032			
Tri Sel	9.155	1.530	1.132	1.295	1.096	1.032			
Prof Study	5.877	2.015	1.210	1.110	1.091	1.045	1.022	1.005	1.000
Wt to Tri	50%	50%	50%	30%	20%	10%	0%	0%	0%
Select	7.516	1.773	1.171	1.165	1.092	1.044	1.022	1.005	1.000
Age-Ult	21.300	2.834	1.599	1.365	1.171	1.072	1.027	1.005	1.000

Allied Health Paid Loss Development

Report Year	Age	Occurrence Policies									
		12	24	36	48	60	72	84	96	108	120
1998	0	10,111	10,430	18,753	21,922	22,495	22,495	22,495	22,495	22,495	22,495
1999	0	8,288	18,424	43,963	63,859	151,465	502,794	503,350	503,350		
2000	0	14,764	178,043	1,437,805	543,611	546,550	669,158	691,325			
2001	5,039	105,580	504,352	2,110,655	3,421,409	3,563,744	3,600,308				
2002	3,622	146,533	1,807,232	3,299,413	4,513,179	4,950,901					
2003	10,375	169,374	1,130,527	1,693,998	1,764,117						
2004	7,013	29,693	69,671	148,905							
2005	0	40,948	946,210								
2006	12,432	86,637									
2007	9,293										

Age to Age	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
1998		1.032	1.798	1.169	1.026	1.000	1.000	1.000	1.000
1999		2.223	2.386	1.453	2.372	3.320	1.001	1.000	
2000		12.059	8.076	0.378	1.005	1.224	1.033		
2001	20.952	4.777	4.185	1.621	1.042	1.010			
2002	40.462	12.333	1.826	1.368	1.097				
2003	16.326	6.675	1.498	1.041					
2004	4.234	2.346	2.137						
2005		23.108							
2006	6.969								
All Year	17.789	8.069	3.129	1.172	1.308	1.639	1.011	1.000	1.000
3 Year	5.601	10.710	1.820	1.343	1.048	1.851	1.011		
Ex Hi/Lo	14.749	6.736	2.466	1.258	1.055	1.117	1.001		
Median	16.326	5.726	2.137	1.268	1.042	1.117	1.001	1.000	1.000
Tri Sel	13.616	7.810	2.388	1.260	1.113	1.431	1.006	1.000	1.000
Prof Study	17.486	5.285	2.703	1.454	1.103	1.064	1.036	1.012	1.012
Wt to Tri	50%	50%	50%	30%	20%	10%	10%	10%	0%
Select	15.551	6.548	2.545	1.396	1.105	1.101	1.033	1.011	1.012
Age-Ult	464.717	29.884	4.564	1.793	1.285	1.163	1.056	1.023	1.012

Insurer Name: ACE American Insurance Company
 NAIC Number: _____
 Line of Insurance: Medical Malpractice

Date: May 1, 2008

**DISTRICT OF COLUMBIA
 EXPENSE INFORMATION WORKSHEET**

List the following expense information for the latest three years from your Insurance Expense Exhibit
 (Part II - Allocation to Lines of Business, Section A)

All data is to be expressed in decimal form. For example, 6.8% should be shown as 0.068; 21.7% as 0.217.

Year:	Latest Three Calander Years			Three Year Avg.	Prospective Provisions
	2005	2006	2007		
A1. Commission & Brokerage	0.129	0.124	0.134	0.129	0.170
A2. Other Acquisition	0.020	0.021	0.017	0.019	0.020
A. Total Production Expense (A1+A2)	0.149	0.145	0.151	0.148	0.190
B. General Expense	0.041	0.036	0.030	0.036	0.035
C. Taxes, Licenses & Fees	0.013	0.022	0.007	0.014	0.020
D. Other*					
Total Expenses	0.204	0.202	0.188	0.198	0.245
E. Profit and Contingency Provision (Before Investment Income Offset)					0.1362
F. Total Expense, Profit and Contingency Provision					0.3812
G. Expected Loss Ratio (1.000 - F)					0.6188

* "Other" may only be used for expenses unique of the District or which are otherwise statistically supported in an attachment.

ACE
EXPLANATORY NOTES
FOR RETURN ON EQUITY CALCULATION

Line P.

<u>Year</u>	<u>Return on Equity</u>
1996	13.0%
1997	13.0%
1998	9.6%
1999	6.6%
2000	6.3%
2001	-2.2%
2002	3.1%
2003	9.7%
2004	10.7%
2005	11.6%
Average	8.2%
Selected	8.2%

Note: The source for the historical industry Returns on Equity is
Net Income / Average Policyholder Surplus from:

1995 - 2000	Standard & Poor's Industry Surveys
2001 - 2005	Best's Aggregates and Averages - QAR

Allied Health
Development of Expense Provisions and Permissible Loss Ratio
ACE Consolidated

	Direct IEE Data in (000) - ACE Consolidated					
	<u>2005</u>	<u>2006</u>	<u>2007*</u>	<u>Total</u>		
(1) Written Premium	126,231	135,231	122,563	384,025		
(2) Earned Premium	104,566	129,284	130,905	364,755		
(3) Commission & Brokerage Fees	16,223	16,736	16,372	49,331		
(4) Other Acquisition Expense	2,134	2,704	2,239	7,077		
(5) General Expense	4,321	4,606	3,885	12,812		
(6) Taxes, Licenses, and Fees	1,695	2,992	915	5,602		
(7) Unallocated LAE	3,267	6,151	1,634	11,052		
(8) Allocated LAE	27,474	35,285	31,018	93,777		
				<u>Average</u>	<u>Selected</u>	
(3)/(1) Commission & Brokerage Fees	12.9%	12.4%	13.4%	12.8%	17.0%	
(4)/(2) <u>Other Acquisition Expense</u>	2.0%	2.1%	1.7%	1.9%	<u>2.0%</u>	
Total Production Expense					19.0%	
(5)/(2) General Expense	4.1%	3.6%	3.0%	3.5%	3.5%	
(6)/(1) Taxes, Licenses, and Fees	1.3%	2.2%	0.7%	1.5%	2.0%	
(7)/(2) Unallocated LAE	3.1%	4.8%	1.2%	3.0%	N/A	
(8)/(2) Allocated LAE	26.3%	27.3%	23.7%	25.7%	N/A	
						Expense Provision 24.50%
						Pre Tax Profit Provision - Target 13.6%
						<u>Investment Income Recognition</u> -13.3%
						Pre Tax Profit Provision - Net of Inv Inc 0.3%
						Permissible Loss and LAE Ratio 75.2%

*preliminary

ACE
Allied Health
Estimated Investment Earnings

A. Unearned Premium Reserve			
A1.	Direct Earned Premium (for this line, from the IEE)	CY = 2006	129,284,000
A2.	Mean Unearned Premium Reserve	(Sheet 2)	60,204,500
A3.	Deduction for Prepaid Expenses	(Exhibit 1 Sheet 1)	
	a.) Commission and Brokerage Expense		17.0%
	b.) 50% of Other Acquisition Expense		1.0%
	c.) 50% of General Expense		1.8%
	d.) Taxes, Licenses, and Fees		2.0%
	e.) <u>Profit and Contingencies</u>		<u>13.6%</u>
	f.) Total Prepaid Expense		35.4%
A4.	Deduction for Federal Income Tax Payable	(Exhibit 2 Sheet 2)	7.0%
A5.	Net Subject to Investment	[A2 x (1.0 - A3f - A4)]	34,695,906
B. Delayed Remission of Premium (Agent's Balances)			
B1.	Direct Earned Premium (for this line, from the IEE)		129,284,000
B2.	Ratio, Agents Uncoll Prem Balances to Dir Earned Prem	(Exhibit 2 Sheet 2)	24.0%
B3.	Delayed Remission	[B1 x B2]	31,022,131
C. Loss Reserve			
C1.	Direct Earned Premium (for this line, from the IEE)		129,284,000
C2.	Expected Loss and LAE Incurred	[C1 x ELR on Exhibit 2 Sheet 3]	80,001,052
C3.	Expected Mean Loss Reserve	[C2 x After Tax Reserve Ratio on Exhibit 2 Sheet 3]	198,894,843
D.	Reserve Funds Subject to Investment	[A5 - B3 + C3]	202,568,617
E.	Average Rate of Return on Investments - After FIT	(Sheet 5)	3.3%
F.	Investment Earnings on Reserve Funds - After FIT	[D x E]	6,612,797
G.	Investment Earnings on Reserve Funds as a % of Premium - After FIT	[F / A1]	5.11%
H.	Investment Earnings on Reserve Funds as a % of Premium - Before FIT	[G / .65]	7.87%
I.	P/S - Premium to Surplus Ratio	(Sheet 6)	1.022
J.	E/S - Equity to Surplus Ratio	(Sheet 6)	1.110
K.	Surplus Funds Subject to Investment	[A1 / I]	126,480,545
L.	Equity Funds Subject to Investment	[K x J]	140,389,762
M.	Investment Earnings on Equity Funds - After FIT	[L x E]	4,582,985
N.	Investment Earnings on Equity Funds as % of Premium - After FIT	[M / A1]	3.5%
O.	Investment Earnings on Equity Funds as % of Premium - Before FIT	[N / .65]	5.5%
P.	Target Total Return as % of Equity - After FIT	(Sheet 7)	8.2%
Q.	Target Total Return as % of Premium - After FIT	[P x J / I]	8.9%
R.	Target Total Return as % of Premium - Before FIT	[Q / .65]	13.6%
S.	Target UW Profit as % Premium - Net of all II - After FIT	[Q - G - N]	0.2%
T.	Target UW Profit as % Premium - Net of all II - Before FIT	[S / .65]	0.3%

ACE
Allied Health
Explanatory Notes
Estimated Investment Earnings On Unearned
Premium Reserves And Loss Reserves

Line A2

The mean unearned premium reserve is determined by multiplying the direct earned premium in line A1 by the ratio of the mean unearned premium reserve to the direct earned premium for the above

			<u>IEE Amount For the Above Line</u>
1)	Direct Earned Premium	CY = 2006	129,284,000
2)	Direct Unearned Premium Reserve	as of 12 / 31 / 2006	63,178,000
3)	Direct Unearned Premium Reserve	as of 12 / 31 / 2005	57,231,000
4)	Mean Unearned Premium Reserve:	$.5 \times [(2) + (3)]$	60,204,500

Line A4

The Tax Reform Act of 1986 taxes 20% of the unearned premium reserve. The effective tax rate on UPR is calculated as follows:

Corporate Tax Rate	35.0%
Portion of Unearned Premium Taxable under TRA 1986	20.0%
Effective Tax Rate on Unearned Premium Reserve	7.0%

Line B2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies 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. The ratio of agents' uncollected premium balances to net earned premium is calculated as follows:

		<u>ACE Consolidated Ann Statement Amt</u>
1 Net Earned Premium - Total All Lines	CY = 2006	4,556,582,473
2 Net Agent's Balances (Net Admitted)	as of 12 / 31 / 2006	1,207,124,679
3 Net Agent's Balances (Net Admitted)	as of 12 / 31 / 2005	979,609,943
4 Ratio: [(2) + (3)] / [2.0 x (1)]		0.240

**ACE
Allied Health**

**Explanatory Notes
Estimated Investment Earnings On Unearned
Premium Reserves And Loss Reserves**

Line C2

The expected loss and loss adjustment expense incurred is determined by multiplying the direct earned premium by the expected loss and loss adjustment expense ratio determined below.

1 General Expenses	(Exhibit 1 Sheet 1)	3.50%
2 Commission and Brokerage Expenses		17.00%
3 Other Acquisition Expenses		2.00%
4 Taxes, Licenses, & Fees		2.00%
<u>5 Profit & Contingencies</u>		<u>13.62%</u>
6 Total Expense Ratio:		38.12%
7 Expected Loss and LAE Ratio: 1.00 - (6)		61.88%
8 Direct Earned Premium	Cal Yr 2006	129,284,000
9 Expected Loss and LAE Incurred (7) x (8)	Cal Yr 2006	80,001,052

Line C3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line C2 by the IEE ratio of the mean loss and loss adjustment expense reserves to the loss and loss adjustment expense incurred in the last 2 calendar years for the above named line of business. This ratio, which includes an adjustment for the estimated Federal Income Tax payable due to discounting of loss reserves, as required by the Tax Reform Act of 1986, is based on the following:

		<u>IEE Amount for the Above Line</u>
1 Direct Loss and Loss Adjustment Expense Incurred	Cal Yr 2007	117,829,000
2 Direct Loss and Loss Adjustment Expense Incurred	Cal Yr 2006	91,638,000
3 Direct Loss and Loss Adjustment Expense Reserves	Year End 2007	337,675,000
4 Direct Loss and Loss Adjustment Expense Reserves	Year End 2006	261,724,000
5 Direct Loss and Loss Adjustment Expense Reserves	Year End 2005	221,951,000
6 Mean Loss and Loss Adjustment Expense Reserve	Cal Yr 2007	299,699,500
7 Mean Loss and Loss Adjustment Expense Reserve	Cal Yr 2006	241,837,500
8 Pre Tax Reserve Ratio: (6) / (1)		2.544
9 Pre Tax Reserve Ratio: (7) / (2)		2.639
10 Mean Pre Tax Reserve Ratio: 0.5 x [(8) + (9)]		2.591
11 Estimated Reserve Discount - Sheet 4		0.116
12 Federal Taxes (ratio to reserves): (11) x 0.35		0.041
13 After Tax Reserve Ratio (10) x [1.0 - (12)]		2.486

ACE Consolidated - Annual Statement - Schedule P
Allied Health
Calculation of Reserve Discount
Data in (000's)

<u>Year</u>	(1) Net Loss & Expense <u>Unpaid</u>	(2) Reserve Discount <u>Factor</u>
Prior	324	0.90217
1997	51	0.89224
1998	73	0.88485
1999	174	0.87645
2000	(81)	0.86993
2001	2,279	0.89154
2002	2,010	0.89336
2003	4,355	0.89487
2004	30,643	0.88250
2005	60,085	0.89066
2006	<u>59,746</u>	<u>0.87680</u>
	159,659	0.88408 = Average
		0.11592 = 1.00 - Average

(1) ACE Consolidated Annual Statement, Schedule P, Part 1, Column 24

(2) Internal Revenue Bulletin 2005-49, December 5, 2005

ACE Consolidated
Calculation of Average After Tax Rate of Return
2006

	(1) Average of Latest 2 Year Ends Asset Value	(2) Interest & Dividend Income	(3) Net Interest and Dividends (2) x (1 + a)	(4) Pre-Tax Return (3)/(1)	(5) Federal Tax Rate	(6) Federal Tax (3)x(5)	(7) After Tax Return ((3)-(6))/(1)
Cash & Short Term Invested Assets	852,508,376	37,128,871	35,838,706	4.2%	35.0%	12,543,547	2.7%
Bonds							
Tax Exempt		19,717,257	19,032,116		2.4% (b)	464,622	
Taxable		571,972,807	552,097,731		35.0%	193,234,206	
Total	11,732,825,810	591,690,064	571,129,848	4.9%		193,698,828	3.2%
Affiliated Stock at Fair Value							
Preferred	0	0	0		0.0%	0	
Common	88,656,145	0	0		0.0%	0	
Total	88,656,145	0	0	0.0%	0.0%	0	0.0%
Unaffiliated Stock at Fair Value							
Preferred	62,006,976	2,892,337	2,791,833		14.2% (c)	395,742	
Common	668,195,971	63,182,828	60,987,333		14.2%	8,644,954	
Total	730,202,947	66,075,165	63,779,166	8.7%		9,040,697	7.5%
Mortgage Loans on Real Estate	0	0	0	0	35.0%	0	0.0%
Real Estate	83,074,693	0	0	0.0%	35.0%	0	0.0%
Contract Loans	0	0	0	0	35.0%	0	0.0%
A/O Inv. Assets	464,899,224	0	0	0.0%	35.0%	0	0.0%
Total	13,952,167,193	694,894,100	670,747,720	4.8%	32.1%	215,283,072	3.3%

NOTES:

a. Investment Expenses and Write-ins for Investment Income of apply uniformly to all items of income.

	Total Interest and Dividend Income (excluding Write-ins & Expenses):	694,894,100
PLUS	Write-ins for Investment Income:	4,818,528
LESS	Investment Expenses & Real Estate Depreciation:	28,964,908
	Total Net Investment Income (incl. Write-ins, Net of Investment Expenses):	670,747,720
	Write-ins / Expense Multiplier:	(a) = -3.5%

b. 46.5% of the income on tax-exempt bonds is subject to proration; that is, 15% of that income is taxed at a full corporate rate of 35%.
The applicable tax rate is therefore: $2.4\% = [.465 \times .15 \times .35]$

c. For domestic corporations, 30% of dividend income from unaffiliated stocks is taxed as ordinary income at a full corporate rate of 35%.
and 100% is subject to proration, so that 15% of the remaining 70% is taxed as ordinary income at a full corporate rate of 35%.
The applicable tax rate is therefore: $14.2\% = [(0.30 \times 0.35) + (0.70 \times 0.15 \times 0.35) + (0.70 \times .85 \times 0.00)]$

**ACE Consolidated
EXPLANATORY NOTES
FOR RETURN ON EQUITY CALCULATION**

Line I Premium to Surplus Ratio

Surplus was determined by dividing the premium in Line A1 by a premium to surplus ratio.
The calculation of the premium to surplus ratio is as follows:

	2006 <u>All Lines</u>
A/S Net Written Premium	4,518,540,247
A/S Surplus as Regards Policyholders	4,420,558,091
A/S Premium to Surplus Ratio	1.022

Line J Equity to Surplus Ratio

Equity was determined by applying an equity to surplus ratio to the surplus in Line K.
The calculation of the equity to surplus is as follows:

	2006 <u>Year End</u>
ACE Consolidated	4,420,558,091
<u>ACE Ins. Co. Puerto Rico</u>	<u>15,038,362</u>
SAP Surplus: ACE Consolidated ex PR and International	4,405,519,729
GAP Equity: ACE Consolidated ex PR and International	4,890,000,000
Equity to Surplus Ratio	1.110

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 #	
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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.)	
-----------	--	--

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)
ACE American Insurance Company	13.6%	-15.00%	-538	8	3,585	-15.00%	-15.00%

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)	13.6%	
5b.	Overall percentage rate impact for this filing	-15.00%	
5c.	Effect of Rate Filing – Written premium change for this program	-538	
5d.	Effect of Rate Filing – Number of policyholders affected	8	

6.	Overall percentage of last rate revision	45.7%
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7.	Effective Date of last rate revision	1/13/2004
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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		<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	

These pages are informational only and do not need to be submitted with your filings!

Notes for Rate/Rule Filing Transmittal

DESCRIPTION OF ITEMS IN THE RATE FILING SCHEDULE

RATE/RULE FILING SCHEDULE

1. This filing transmittal is part of Company Tracking #: This ties all of the pages of the transmittal to the same filing. It is helpful for the state.

2. This filing corresponds to form filing number: Many states require that rates and forms be submitted separately due to different review procedures that are required by law. For those states, this will tie the form filing with the associated rate filing, if there is one. **Use check boxes to indicate if this is a rate increase, a rate decrease or rate neutral.**

3. Filing Method (Prior Approval, File & Use, Flex Band, etc): This is the review method for which the filing is being submitted. See State Specific Requirements.

4. Rate Change by Company: Complete all fields for each company included in the filing.

- **Overall % Indicated Change (when applicable)** - This field is only to be completed when an actuarial indication is included in the filing submission.
- **Overall % Rate Impact** - This is the statewide average percentage change to the accepted rates for the coverages included for each company.
- **Written premium change for this program** - This is the statewide change in written premium based on the proposed overall percentage rate impact for each company.
- **# of policyholders affected for this program** - This is the number of policyholders affected by the overall percentage rate impact for each company.
- **Written premium for this program** - This is the statewide written premium for each company.
- **Maximum % Change & Minimum % Change** – This information should be completed if required by the state to which the filing is being submitted.
 - If all the policyholders get increases, then the maximum change is the largest increase and the minimum change is the smallest increase.
 - If all the policyholders get decreases, then the maximum change is the smallest decrease and the minimum change is the largest decrease.
 - If some of the policyholders get increases and others get decreases, then the maximum change is the largest increase and the minimum change is the largest decrease.

5a. Overall percentage rate indication (when applicable): These fields are only to be completed when an actuarial indication is included in the filing submission.

5b. Overall percentage rate impact for this filing: This is the statewide average percentage change to the accepted rates for the coverages included in the filing. This field only needs to be completed for group filings.

5c. Effect of Rate Filing—Written Premium Change for this program: This is the statewide change in written premium based on the proposed overall percentage rate impact. This field only needs to be completed for group filings.

5d. Effect of Rate Filing—Number of policyholders affected: This is the number of policyholders affected by the overall percentage rate impact. This field only needs to be completed for group filings.

6. Overall percentage of last rate revision: This is the statewide average of the last percentage change implemented in the state.

7. Effective Date of last rate revision: This is the implementation date of the last overall percentage rate impact.

8. Filing Method of Last Filing (Prior Approval, File & Use, Flex Band, etc): This is the review method for which the last filing was submitted. See State Specific Requirements.

9. Rule # or Page # Submitted for Review: This is the list of changes to the rate/rule manual.

To be complete a filing must include the following:

- A completed Property & Casualty Transmittal Document (PC TD-1).
- A completed Form Filing Schedule Document (PC FFS-1), when applicable. **Do not refer to the body of the filing for the forms listing, unless allowed by state.**
- A completed Rate/Rule Filing Transmittal document (PC RRFS-1), when applicable. **Do not refer to the body of the filing for the forms listing, unless allowed by state.**
- The appropriate state specific requirements.
- The appropriate filing fees, when required.
- A postage-paid, self-addressed envelope large enough to accommodate the return of acknowledgement, as required by state.
- You should refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)