

SERFF Tracking Number: SERT-6R9L3Q837/00-00/00-00/00 State: District of Columbia  
Filing Company: Podiatry Insurance Company of America a Mutual Company State Tracking Number:  
Company Tracking Number:  
TOI: 11.1 Medical Malpractice - Claims Made Only Sub-TOI: 11.1025 Podiatry  
Product Name: Podiatrists Professional Liability Program  
Project Name/Number: 2007 Rule Filing/DC-688-P

## Filing at a Glance

Company: Podiatry Insurance Company of America a Mutual Company  
Product Name: Podiatrists Professional Liability Program SERFF Tr Num: SERT-6R9L3Q837/00-00/00-00/00 State: District of Columbia  
TOI: 11.1 Medical Malpractice - Claims Made Only SERFF Status: Closed-APPROVED State Tr Num:  
Sub-TOI: 11.1025 Podiatry Co Tr Num: State Status:  
Filing Type: Rule Author: Latasha Campbell Reviewer(s): Clark Simcock  
Date Submitted: 07/11/2006 Disposition Date: 07/25/2006  
Disposition Status: APPROVED  
Effective Date Requested (New): 01/01/2007 Effective Date (New):  
Effective Date Requested (Renewal): Effective Date (Renewal):  
State Filing Description:

## General Information

Project Name: 2007 Rule Filing Status of Filing in Domicile:  
Project Number: DC-688-P Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 07/25/2006  
State Status Changed: 07/25/2006 Deemer Date:  
Created By: Latasha Campbell Submitted By: Latasha Campbell  
Corresponding Filing Tracking Number:  
Filing Description:

## Company and Contact

### Filing Contact Information

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615-324-9161 [FAX]

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### Filing Company Information

Podiatry Insurance Company of America a Mutual Company CoCode: 14460 State of Domicile: Illinois  
110 Westwood Place Group Code: 3504 Company Type:  
Brentwood, TN 37027 Group Name: State ID Number:  
(800) 251-5727 ext. [Phone] FEIN Number: 58-1403235

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### Filing Fees

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

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
APPROVED	Clark Simcock	07/25/2006	07/25/2006

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## Disposition

Disposition Date: 07/25/2006

Effective Date (New):

Effective Date (Renewal):

Status: APPROVED

Comment: Comments:

Rate data does NOT apply to filing.

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Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Cover Letter (P&C)		Yes
Supporting Document	NAIC Property & Casualty Transmittal Document		Yes
Supporting Document	Rating Manual and Rating Manual Supplement		Yes
Supporting Document	Consulting Authorization (P&C)		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
Supporting Document	Schedule of Rates or Methodology (P&C)		Yes

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## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Cover Letter (P&C)		
<b>Comments:</b>		
<b>Attachment:</b> DC Cover Letter - 2007 Rules.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> NAIC Property & Casualty Transmittal Document		
<b>Comments:</b>		
<b>Attachment:</b> P&C Transmittal - DC 2007 Rules.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Rating Manual and Rating Manual Supplement		
<b>Comments:</b>		
<b>Attachments:</b> DC Rating Manual Supp PICA Pod Ed. 1-07.pdf PICA Generic Rating Manual Ed. 1-07.pdf		

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Bypassed - Item:</b> Consulting Authorization (P&C)		
<b>Bypass Reason:</b> Independent Filing		
<b>Comments:</b>		

	<b>Item Status:</b>	<b>Status</b>

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**Date:**

**Bypassed - Item:** Actuarial Certification (P&C)  
**Bypass Reason:** This is a rule filing with no rate impact. None of the questions in the actuarial certification address rule changes.

**Comments:**

**Item Status:**

**Status**

**Date:**

**Bypassed - Item:** District of Columbia and Countrywide Experience for the Last 5 Years (P&C)

**Bypass Reason:** N/A - Rule Filing

**Comments:**

**Item Status:**

**Status**

**Date:**

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

**Bypass Reason:** N/A - Rule Filing

**Comments:**

**Item Status:**

**Status**

**Date:**

**Bypassed - Item:** Schedule of Rates or Methodology (P&C)

**Bypass Reason:** N/A - Rule Filing

**Comments:**



July 11, 2006

Department of Insurance, Securities and Banking  
Financial Examination  
810 First Street NE, Ste 701  
Washington, DC 20002

RE: Podiatry Insurance Company of America, a Mutual Company  
NAIC #: 3504-14460 FEIN #: 58-1403235  
Line 11 - Medical Malpractice- Claims Made Only  
Podiatrists Professional Liability Program  
Amendatory Rule Filing  
Company Filing #: DC-688-P  
Effective Date: January 1, 2007

Dear Commissioner Hampton:

Pursuant to the applicable state filing law, we would like to submit revisions to our rating manual currently used with the above-referenced program. A detailed description of each revision appears in our Explanatory Memorandum. There is no rate impact associated with the proposed changes.

We trust that the submitted materials will meet with your approval. If you have any questions or concerns, please do not hesitate to contact us.

Sincerely,  
*Latasha Knox-Campbell*  
Latasha Knox-Campbell  
Regulatory Compliance Analyst

## Property & Casualty Transmittal Document (Revised 1/1/06)

**1. Reserved for Insurance Dept. Use Only**

<b>2. Insurance Department Use only</b>	
a. Date the filing is received:	
b. Analyst:	
c. Disposition:	
d. Date of disposition of the filing:	
e. Effective date of filing:	
New Business	
Renewal Business	
f. State Filing #:	
g. SERFF Filing #:	
h. Subject Codes	

<b>3. Group Name</b>	<b>Group NAIC #</b>

4. Company Name(s)	Domicile	NAIC #	FEIN #

<b>5. Company Tracking Number</b>	CO-C-2006
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**Contact Info of Filer(s) or Corporate Officer(s)** [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail

7. Signature of authorized filer	
8. Please print name of authorized filer	

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

9. Type of Insurance (TOI)	
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	<b>OUM Chiropractor Program</b>
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other: _____
14. Effective Date(s) Requested	New:    _____    Renewal:    _____

## Property & Casualty Transmittal Document---

<b>15.</b>	<b>Reference Filing?</b>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<b>16.</b>	<b>Reference Organization</b> (if applicable)	
<b>17.</b>	<b>Reference Organization # &amp; Title</b>	
<b>18.</b>	<b>Company's Date of Filing</b>	
<b>19.</b>	<b>Status of filing in domicile</b>	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved
<b>20.</b>	<b>This filing transmittal is part of Company Tracking #</b>	

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

<b>22.</b>	<b>Filing Fees</b> (Filer must provide check # and fee amount if applicable) [If a state requires you to show how you calculated your filing fees, place that calculation below]
	<p><b>Check #:</b></p> <p><b>Amount:</b></p>  <p><b>Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</b></p>
	<p><b>***Refer to the each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)</b></p>

## FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)  
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

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





<b>Overall Rate Information (Complete for Multiple Company Filings only)</b>			
		<b>COMPANY USE</b>	<b>STATE USE</b>
<b>5a.</b>	<b>Overall percentage rate impact for this filing</b>		
<b>5b.</b>	<b>Effect of Rate Filing – Written premium change for this program</b>		
<b>5c.</b>	<b>Effect of Rate Filing – Number of policyholders affected</b>		
<b>6.</b>	<b>Overall percentage of last rate revision</b>		
<b>7.</b>	<b>Effective Date of last rate revision</b>		
<b>8.</b>	<b>Filing Method of Last filing (Prior Approval, File &amp; Use, Flex Band, etc.)</b>		
<b>9.</b>	<b>Rule # or Page # Submitted for Review</b>	<b>Replacement or Withdrawn?</b>	<b>Previous state filing number, if required by state</b>
01		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
04		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
05		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

**RATING MANUAL SUPPLEMENT**  
**Podiatry Insurance Company of America**  
**District of Columbia**

**I. Rule I.H.3 (POLICY CANCELLATION) is hereby replaced with the following:**

3. A policy canceled for non-payment of premium will not be reinstated unless the total amount of outstanding premium is received. If payment is received after the effective date of cancellation, the policy may be reinstated with a satisfactory underwriting review, and will be charged a \$50 reinstatement fee.
  - a. Cancellation for non-payment will not be effective for 30 working days.
  - b. Cancellation notice will be sent by certified mail return receipt requested.

**PODIATRY INSURANCE COMPANY OF AMERICA  
A MUTUAL COMPANY**

**PODIATRIC  
RATING MANUAL**

# PODIATRY INSURANCE COMPANY OF AMERICA A MUTUAL COMPANY

## PODIATRIC RATING MANUAL

### I. GENERAL RULES

This manual includes underwriting rules and regulations as they relate to underwriting for Podiatric Physician Malpractice Liability.

#### A. INSURED CLASSIFICATION

1. Preceptee: Coverage is provided for podiatric college graduates or residents entering preceptorship (apprenticeship/training) programs conducted by preceptors who are PICA policyholders. The preceptorship program must last for one year, both preceptee and preceptor must sign the Preceptorship Certificate and the preceptor must be insured by PICA. Optional Extension Coverage is issued concurrently with the policy and earned completely on the first day of the policy. Financial responsibility is with the named insured.
2. Resident: Coverage is provided for residents in an American Podiatric Medical Association Council on Podiatric Medical Education approved program or a program in candidate status. Optional Extension Coverage is issued concurrently with the policy and earned completely on the first day of the policy. Financial responsibility is with the named insured. Coverage is only for responsibilities as a part of the residency program.

Coverage requested for moonlighting must be approved by the Residency Director. If approved by the Residency Director, a new practitioner policy will be issued with the proper classification (sole practitioner or employed podiatrist). The resident must weigh the benefit of moonlighting since the new practitioner policy does not include Optional Extension Coverage (OEC coverage). The next year will be rated under the second year premium. "Documentation" is critical for the underwriting file.

a. Veterans Administration Residency: This is a modification of the existing resident policy, allowing more than one resident to be covered under one policy. The policy will cover residents during rotations outside of the Veterans Administration facility, not to exceed 261 days per premium charged. Outside rotations must be an integral part of the residency program. Individuals must be "Scheduled" on the policy with the Optional Extension Coverage endorsement being issued upon receipt of the final audit from the residency program. This ensures proper documentation of outside rotations as well as appropriate premium charges. Financial responsibility of this policy is contracted by signature with the residency director on the "Schedule." Risk management

discounts will not be allowed on this policy, but will be allowed when the resident renews as a new practitioner.

3. Partnership, Corporation or Professional Association: All owners in the entity must be insured with PICA and maintain the same Limits of Liability. There is no additional premium for a “shared” Limit of Liability.

Unless required by state regulations, separate Limit of Liability is optional for an additional 5% of the total premium charged to each insured in the corporation or partnership. The maximum charge will be 100% of the mature premium for the corresponding limit of liability and the minimum would be 5% of the professional liability premium being charged.

4. Ambulatory Surgical Center: Coverage is provided with the following criteria:
  - a. A majority of the owners must be insured with PICA.
  - b. Coverage of \$1,000,000/3,000,000 is mandatory.
  - c. A Certificate of Insurance is required from all non-PICA users with Limits of Liability of \$1,000,000/3,000,000.
  - d. A written agreement must be provided between the facility and a local hospital where immediate admission will be granted in the event of an urgent or emergency situation.
  - e. Premium will be based on PICA's mature \$1,000,000/3,000,000 coverage multiplied by the total number of podiatric physicians (with the exception of PICA insured employed podiatrists and podiatric residents) multiplied by 10%. Coverage is provided for the ambulatory surgical center based upon the total number of PICA insured owners, non-PICA insured owners and all non-owner podiatric physician users.
5. Podiatric Medical Schools: Separate application and policy forms are available for institutional coverage to include residents, teaching staff and students.

- B. SURGICAL AND NON-SURGICAL POLICY DEFINITION Coverage is provided for all procedures authorized by state statute and/or regulation in each state a license is held.

Surgery shall include any procedure requiring an anesthetic or intravenous or gaseous sedation including post-operative treatment. Exceptions to this definition include diagnostic and therapeutic injections, surgical procedures involving the nails, excision of skin lesions, incision and drainage of abscesses and the treatment of ulcers.

Post operative treatment will be covered under a non-surgical policy if and only if the podiatric physician performing the surgery maintains a surgical policy with PICA.

A podiatric physician acting as an assistant surgeon will not be covered under a non-surgical policy.

C. POLICY TERM

Policies are written for a one year term and renewed annually thereafter. On exception, a short term policy may be issued on a pro-rata basis and then renewed for an annual term thereafter.

D. PREMIUM COMPUTATION/ROUNDING TABLE

1. All premiums are for an annual period.
2. Computation of the premium at inception uses the premium in effect at the time. Retroactive coverage will be provided to the insured's previous policy retroactive date (provided that the podiatric physician's prior policy is a claims-made policy). At each renewal, computation of the premium will be at the premium in effect at the time.
3. Premiums are calculated as specified for the respective coverage (i.e. surgical, non-surgical, resident or preceptee).
4. Each insured is rated in the state and/or territory where he or she practices more than 50% of the time.
5. Rounding to the nearest dollar amount is done at each step of the computation process, as opposed to rounding the final premium. (Round a premium involving \$.50 or over to the next higher whole dollar; less than \$.50 to the previous whole dollar.)

E. PREMIUM DISCOUNTS

1. Employed Podiatrist: A podiatrist must be employed 100% of the time without ownership interest to receive a 25% employed podiatrist discount. The insured cannot have any ownership interest and work for the corporation and receive the employed podiatrist discount. It is pertinent to know who provides coverage for the employer.
2. New Practitioner: The first-year professional liability claims-made premium is reduced 75%, the second-year premium 50%, the third-year premium 35% and the fourth-year 20%. No finance charges will be applied to the first, second, third or fourth year.

This applies to recent podiatric medical school and/or residency graduates, practitioners who have completed a preceptorship, practitioners who have completed three years of service in one of the Armed Forces or other government programs.

A new practitioner who has completed an American Podiatric Medical Association Council on Podiatric Medical Education (CPME) approved residency program or a program that is in candidate status will be provided with free retroactive coverage. The practitioner must submit verification of prior claims-made insurance coverage with no lapse.

The new practitioner discount will be allowed for applicants requesting retroactive coverage up to four years in practice.

3. Risk Management: A 10% risk management discount will apply to the following year's annual renewal premium for completing a home study course or attending a PICA/Podiatry Institute meeting. An additional 5% to 15% discount is applied for attending PICA designated risk management meetings that may be a component of an existing podiatric conference as determined by the risk management committee dependent upon the structure and composition of the meeting. The maximum risk management discount available is 15%.

A 10% discount will be granted to new applicants who have completed a risk management program which would have qualified for a risk management discount with their previous carrier.

4. Semi-Retired: Premiums are reduced by 50%. To qualify for this discount, the insured must be at least 55 years of age, must have been insured with PICA for at least five years immediately prior to becoming semi-retired and must not practice more than 20 hours a week. Consideration may be given to new applicants to allow credit for consecutive years of coverage with another carrier subject to underwriting approval.
5. Part Time: To qualify for this discount, the insured must practice 1-10 hours to receive a 50% discount or 11-20 hours a week to receive a 25% discount. These discounts will apply to surgical and non-surgical policyholders.
6. Residency Director: An insured who is an appointed Residency Director by the Council of Podiatric Medical Education will be entitled to a 25% discount off his or her individual malpractice premium.
7. Multiple Discounts: The practitioner will receive the greater of the classification discount that applies. For example an insured would receive a 50% semi-retired discount and not an employed podiatrist discount.
8. The following schedule of credits or debits may be used to modify premium for certain insureds, reflecting unique exposure present in those risks. These insureds may qualify for schedule rating because of factors not contemplated in the filed rate structure of the company. Pursuant to underwriting judgment, any or all of the following factors may be considered when assigning credits or debits. A combined maximum credit

or debit of 25% may be applied to recognize risk characteristics that are not reflected in an otherwise applicable rate. Any credits or debits assigned under this plan are subject to annual review. All premium modifications will be noted and documented in the individual insured's file with any premium credit and/or debit in excess of 10% requiring approval of the Underwriting Vice President. Premiums may be modified based upon the following exposure and rating characteristics:

	<u>Credit</u>	<u>Debit</u>
Participation in risk management program	0-15%	N/A
Unusual risk characteristics	0-25%	0-25%
Claims free discounts	0-10%	N/A
Record keeping	0-10%	0-10%
Professional loss history/trends	N/A	0-25%
Group practice or association membership	0-20%	N/A

(N/A = not applicable)

#### F. COVERAGE CHANGE REQUEST

The premium and rules in effect on the effective date of change apply. Coverage may be increased or decreased at any time during the policy year. Premium changes will be computed on a pro-rata basis.

1. **Endorsements:** Policies involving corporation, partnership or professional association limits of liability must be consistent. Endorsements are not back dated unless coverage has been replaced and verified. Any change in coverage must be submitted in writing and signed by the named insured.
2. **Prior Surgery Covered:** For a podiatric physician requesting a change from surgical to non-surgical coverage, the premium will be calculated by averaging the sum of the applicable surgical and non-surgical premium. Subsequent renewal premium will be based on the non-surgical premium.
3. **Retroactive Coverage:** A copy of the applicant's current declaration page is required to verify the retroactive date. The Underwriting Committee may not approve retroactive coverage. If retroactive coverage is not approved, the applicant will be advised that Optional Extension Coverage should be purchased from their previous carrier. A practitioner accepted on probation is not allowed retroactive coverage.
4. **Leave of Absence:** This endorsement interrupts the premium and policy for special circumstances. These include, but are not limited to illness, childbirth, sabbatical leave, additional training and other situations as approved by the Underwriting Department. A premium rate of 25% of the practitioner's current premium calculated on a pro rata basis will apply.

5. Locum Tenens Coverage: This coverage will be offered at no charge for periods of sixty days within any policy year, subject to underwriting approval of the replacement podiatric physician.

G. RETURN PREMIUM POLICY

1. Deletion of a state mandated coverage is not permitted unless the entire policy is canceled.
2. Premium will be computed for policy cancellation utilizing the initial premium charged. Short rate computation will apply to requested and non-payment cancellations.
3. Return premium will be computed pro-rata by rounding to the next higher whole dollar when any coverage is deleted or an amount of insurance is reduced.
4. Premium of \$5.00 or less will be waived or returned to the Insured if requested. This waiver only applies to cash exchange due on the endorsement effective date.
5. Return premium is sent to the "Named Insured" regardless of who makes the premium payment. In the event of death of an insured, the return premium is sent "To The Estate of ....."

H. POLICY CANCELLATION

1. Return premium is computed pro-rata and rounded to the next higher whole dollar when:
  - a. a policy is canceled by the Company.
  - b. a policy is canceled by the Insured because of retirement, disability or death.(Notices are sent by certified mail to verify receipt of notification.)
2. Return premium is computed short-rate and rounded to the next higher whole dollar when:
  - a. a policy is canceled by the Insured.
  - b. a policy is canceled for non-payment of premium(Notices are sent by certified mail to verify receipt of notification.)
3. A policy canceled for non-payment of premium will not be reinstated unless the total amount of outstanding premium is received. If payment is received after the effective date of cancellation, the policy may be reinstated with a satisfactory underwriting review, and will be charged a \$50 reinstatement fee..
  - a. Cancellation for non-payment will not be effective for 10 working days. Postal holidays and weekends will extend the number of

- days.
- b. Cancellation notice will be sent by certified mail return receipt requested.

## II. INSURANCE COVERAGE

This policy includes but is not limited to mandatory Professional Liability coverage as a result of providing or failing to provide professional services on a Claims-Made form. A recently developed plain-language, Modified Claims-Made policy is available for use in states that predominantly offer a Modified Claims Made or Occurrence form. General Liability coverage may be purchased by the policyholder as an optional coverage. Coverages available:

- A. Individual Professional Liability
- B. Corporation Professional Liability
1. Shared Limit of Liability at no additional charge
  2. Separate Limit of Liability is optional for an additional 5% of the total premium charged to each insured in the corporation or partnership. The maximum charge will be 100% of the mature premium for the corresponding limit of liability and the minimum would be 5% of the professional liability premium being charged.

- C. General Liability Coverage
- This is an optional coverage that responds to Business Premises Liability and Personal Injury Liability on behalf of the Insured. Medical Payments are \$250 with Bodily Injury Liability the same limits of liability as selected for the professional liability coverage. Property Damage Limits are \$5,000 and Personal Liability limits are \$100,000. Annual premiums are indicated below determined by the Bodily Injury limit:

<u>Bodily Injury</u>	<u>One Location</u>	<u>Two or More Locations</u>
\$1,000,000/3,000,000	\$51.00	\$85.00
\$1,000,000/1,000,000	\$47.00	\$78.00
\$500,000/\$1,000,000	\$42.00	\$70.00
\$250,000/500,000	\$38.00	\$63.00
\$200,000/600,000	\$36.00	\$60.00
\$100,000/300,000	\$30.00	\$50.00

- D. Administrative Defense Coverage Endorsement will cover medical licensing board actions, hospital medical staff peer review actions, managed care decertification actions and Medicaid/Medicare (and other payor) billing and coding errors and omissions.

Included in the current premium, this coverage will be attached by endorsement to all policyholders (*with the exception of residents, preceptees and new practitioners*). This coverage may be purchased by those “newer” practitioners as indicated below:

Residents, Preceptees or First Year New Practitioners	\$200
Second Year New Practitioners	\$400
Third Year New Practitioners	\$600

**III. LIMITS OF LIABILITY**

- A. \$ 100,000 Each Claim / \$ 300,000 Annual Aggregate
- B. \$ 200,000 Each Claim / \$ 600,000 Annual Aggregate
- C. \$ 250,000 Each Claim / \$ 500,000 Annual Aggregate
- D. \$ 500,000 Each Claim / \$1,000,000 Annual Aggregate
- E. \$ 500,000 Each Claim / \$1,500,000 Annual Aggregate
- F. \$1,000,000 Each Claim / \$1,000,000 Annual Aggregate
- G. \$1,000,000 Each Claim / \$3,000,000 Annual Aggregate

*Refer to Company for additional Limit of Liability options.*

Requests for higher limits of liability must be approved by the Vice President of Underwriting. When limits are requested in excess of \$1,000,000/3,000,000, approval by PICA reinsurers, through the Chief Financial Officer, is mandatory.

**IV. EXTENDED REPORTING PERIOD COVERAGE (OPTIONAL EXTENSION COVERAGE)**

- A. The percentages in the following Table shall be applied to the mature claims-made premium (4th year premium) in the year coverage is being purchased.

<u>Years of Prior PICA Claims-Made Coverage</u>	<u>Percentage of 4th Year Claims-Made Premium</u>
One	100%
Two	155%
Three	175%
Four or More	180%

- B. The availability of Extended Reporting Period coverage shall be governed by the following rules, subject to underwriting approval.
  1. Available Limits of Liability shall not exceed those afforded under the current claims-made policy.
  2. Extended Reporting Period Coverage applies to claims first made against the insured immediately following the effective date of cancellation or non-renewal; but only by reason of alleged malpractice which occurred subsequent to the retroactive date and prior to the effective date of cancellation or non-renewal (and which is otherwise covered by this insurance).
  3. Extended Reporting Period Coverage is granted at no charge in the event of death or permanent disability or in the event of permanent retirement at any age after 5 years of continuous coverage. Permanent disability is

defined as having existed continuously for not less than six months, having rendered the Insured unable or incapable of practicing or continuing to practice, and expected to be continuous and permanent.

4. Extended Reporting Period Coverage will be available to all podiatric physicians except those who are canceled for non-payment of premium and/or non-compliance with the terms and conditions of the policy.
5. Should an insured terminate coverage, the insured may purchase Extended Reporting Period Coverage. The insured is eligible for this coverage provided:
  - a. The insured requests Extended Reporting Period Coverage within 30 days of policy termination and premium is paid.
  - b. The insured requests Extended Reporting Period Coverage within 30 days after the effective date of cancellation of the policy.
6. An insured who retires from practice will receive a discount from the applicable Extended Reporting Period Coverage premium for each consecutive year with PICA. These discounts are reflected in the following Table.

<u>Consecutive Years with PICA</u>	<u>Discount Applicable To Extended Reporting Period Coverage Premium</u>
1	20%
2	40%
3	60%
4	80%
5	100%

Credit on a two for one basis to bridge prior PICA coverage may be granted toward the retirement tail coverage.

Consideration may be given to new applicants to allow credit for consecutive years of coverage with another carrier subject to underwriting approval.

7. Extended Reporting Period Coverage premium will be waived for policyholders who have been insured by PICA for 10 years and enter full time academia.