

SERFF Tracking Number: PCAG-125264571 State: District of Columbia
Filing Company: Podiatry Insurance Company of America a Mutual Company State Tracking Number:
Company Tracking Number: DC-899-C
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0003 Chiropractic
Made/Occurrence
Product Name: OUM Chiropractor Program
Project Name/Number: 2008 Rule Filing/

Filing at a Glance

Company: Podiatry Insurance Company of America a Mutual Company

Product Name: OUM Chiropractor Program SERFF Tr Num: PCAG-125264571 State: District of Columbia

TOI: 11.0 Medical Malpractice - Claims SERFF Status: Closed-APPROVED State Tr Num:

Made/Occurrence

Sub-TOI: 11.0003 Chiropractic

Co Tr Num: DC-899-C

State Status:

Filing Type: Rule

Reviewer(s): Robert Nkojo

Author: Latasha Campbell

Disposition Date: 12/20/2007

Date Submitted: 08/20/2007

Disposition Status: APPROVED

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

Effective Date (New): 03/01/2008

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

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: 2008 Rule Filing

Status of Filing in Domicile: Pending

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 12/20/2007

State Status Changed:

Deemer Date:

Created By: Latasha Campbell

Submitted By: Latasha Campbell

Corresponding Filing Tracking Number:

Filing Description:

EXPLANATORY MEMORANDUM

Podiatry Insurance Company of America, a Mutual Company

OUM Chiropractor Program

Medical Professionals Program, a Purchasing Group

Amendatory Rule Filing – State of District of Columbia

With this filing we are submitting for your approval revisions to rating rules used with and previously approved for the OUM Chiropractor

Program. A detailed description of each revision and/or new submission appears below. The requested effective date

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for these changes is
January 1, 2008.

Rating Manual

The following changes were made to the Rating Manual:

1. Partnership, Corporation or Professional Association

Shared limits for a partnership, corporation or professional association continue to be available at no additional cost.

The cost for

purchase of a separate limit of liability is being increased from 5% to 10% of total premium (Items I.A.2 and II.B.2). The maximum charge remains 100%.

2. Leave of Absence

We are revising the Leave of Absence rule to reflect a premium discount of 75% as opposed to interrupting the policy premium

completely. We feel that this change recognizes the fact that exposure under a claims-made policy still exists during the leave of

absence period because the coverage is suspended only for "any claim or claims for injury arising out of direct patient treatment

rendered during the period of the policy interruption." Claims may still be reported during the leave of absence period. Without

this endorsement, the insured's option would be to cancel the policy altogether, purchase tail coverage, and then reapply for coverage

upon his or her return to practice.

The maximum period of time for a Leave of Absence will be twelve months.

The Leave of Absence rule is being moved from the Coverage Change Request section (previously item I.E.3) to the Premium

Discounts section (now I.D.8), resulting in re-numbering of other items in those sections. Schedule Rating is now I.D.9; Locum Tenens

Coverage is now I.E.3.

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3. Policy Cancellation

We are removing the language regarding consecutive non-payment of premium (Deleted: "A policyholder will be permitted two consecutive non-payment of premium cancellation notices. If it becomes necessary for a third consecutive cancellation notice, the cancellation notice will indicate the policy is being canceled for "Underwriting Reasons" and the coverage will not be reinstated.") This language could be construed so as to imply that a policy may cancel twice for non-payment of premium, and that reinstatement is automatic and guaranteed as long as payment is subsequently made. When a policy has been canceled for non-payment of premium, reinstatement will always be subject to a satisfactory underwriting review.

4. District of Columbia Rating Manual Supplement Ed. 1-08

The change to our Policy Cancellation rule in Item 3 above was also made to our District of Columbia Rating Manual Supplement. A revised 1-08 edition is being filed for approval.

Company and Contact

Filing Contact Information

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 Franklin, TN 37067
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 615-324-9161 [FAX]

Filing Company Information

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

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Filing Fees

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

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
APPROVED	Robert Nkojo	12/20/2007	12/20/2007

Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Filing Status and Change in Effective Date	Note To Reviewer	Latasha Campbell	11/12/2007	11/12/2007
Filing Status	Note To Reviewer	Latasha Campbell	10/19/2007	10/19/2007
Revised Effective Date	Note To Reviewer	Latasha Campbell	09/21/2007	09/21/2007
Status Update	Note To Reviewer	Latasha Campbell	09/20/2007	09/20/2007

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Disposition

Disposition Date: 12/20/2007

Effective Date (New): 03/01/2008

Effective Date (Renewal):

Status: APPROVED

Comment:

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)	No	No
Supporting Document	Consulting Authorization	No	No
Supporting Document	Actuarial Certification (P&C)	No	No
Supporting Document	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)	No	No
Supporting Document	District of Columbia and Countrywide Loss Ratio Analysis (P&C)	No	No
Supporting Document	Schedule of Rates or Methodology (P&C)	No	No
Rate	OUM Chiropractor Rating Manual Ed. 1-08	No	No
Rate	District of Columbia Rating Manual Supplement Ed. 1-08	No	No

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Product Name: OUM Chiropractor Program
Project Name/Number: 2008 Rule Filing/

Note To Reviewer

Created By:

Latasha Campbell on 11/12/2007 09:35 AM

Last Edited By:

Latasha Campbell

Submitted On:

11/12/2007 09:35 AM

Subject:

Filing Status and Change in Effective Date

Comments:

We would like to check on the status of this filing and change the requested effective date to 3/1/08.

Thank you,

Latasha

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Product Name: OUM Chiropractor Program
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Note To Reviewer

Created By:

Latasha Campbell on 10/19/2007 10:29 AM

Last Edited By:

Latasha Campbell

Submitted On:

10/19/2007 10:29 AM

Subject:

Filing Status

Comments:

We have not received any correspondence on our pending filing submitted on 08/20/07.

Thank you,

Latasha

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Product Name: OUM Chiropractor Program
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Note To Reviewer

Created By:

Latasha Campbell on 09/21/2007 09:31 AM

Last Edited By:

Latasha Campbell

Submitted On:

09/21/2007 09:35 AM

Subject:

Revised Effective Date

Comments:

We would like to revise the requested effective date of this filing to 2/1/08.

Thank you,

Latasha Knox-Campbell

SERFF Tracking Number: PCAG-125264571 State: District of Columbia
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 Product Name: OUM Chiropractor Program
 Project Name/Number: 2008 Rule Filing/

Note To Reviewer

Created By:

Latasha Campbell on 09/20/2007 09:30 AM

Last Edited By:

Latasha Campbell

Submitted On:

09/20/2007 09:36 AM

Subject:

Status Update

Comments:

I wanted to check on the status of our filing.

Thank you,

Latasha Campbell

Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Filing Attachments
	OUM Chiropractor Rating Manual Ed. 1-08		Replacement	None	OUM Chiropractor Rating Manual (PICA) Ed. 1-01-08 (Revised 8-15-07).pdf
	District of Columbia Rating Manual Supplement Ed. 1-08		Replacement	None	DC Rating Manual Supp (PICA Chiro) Ed. 1-08.pdf

RATING MANUAL

FOR

CHIROPRACTIC PHYSICIAN

MALPRACTICE LIABILITY

(OUM Chiropractor Program)

CHIROPRACTIC UNDERWRITING MANUAL PROFESSIONAL LIABILITY

I. GENERAL RULES

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

A. INSURED CLASSIFICATION

1. Individual Chiropractor: Each chiropractor shall be individually written in accordance with these rules.
2. 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 and the Limit of Liability is shared with the named insured. A separate limit of liability may be purchased for the corporation for an additional cost of 10% of total premium. The maximum charge would be 100% of the mature corresponding limit of liability and the minimum would be 10% of the professional liability premium being charged.
3. Chiropractic Medical Schools: Separate application and policy forms are available for institutional coverage to include interns, teaching staff and students.

B. POLICY TERM

Policies are written for a one year term and may be 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.

C. 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. At each renewal, computation of the premium will be at the premium in effect at the time. If a claims-made policy, retroactive coverage may be provided to the insured's previous policy retroactive date (provided that the chiropractor's prior policy is a claims-made policy).
3. Each insured is rated in the state and/or territory where he or she practices more than 50% of the time.
4. 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.)

D. PREMIUM DISCOUNTS

1. License Date: PICA uses the license date as the reference date to be eligible for discounts. The license date is defined as the first date the chiropractor is eligible to practice chiropractic. We only use one date as the license date to reference discounts. The license date used to reference discounts is the first time a chiropractor ever becomes licensed to practice.

2. Employed: A chiropractor must be employed 100% of the time without ownership interest to receive a 25% employed discount. The insured cannot have any ownership interest and work for the corporation and receive the employed discount. It is pertinent to know who provides coverage for the employer.
3. New Practitioner: The first-year professional liability 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. The insured's first licensure date must fall within 18 months of the insured's graduation date. .

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

4. Risk Management: We offer risk management discounts for insureds who attend certified seminars, complete approved home study courses, or fulfill other approved risk management educational objectives. The chiropractor can receive a 5% and/or 10% credit on their individual policy premium. The risk management discount will only be applied to the doctor's base premium. The maximum total risk management discount available per policy period is 15%. A 10% discount will be granted to new applicants who have completed either a risk management program which would have qualified for a risk management discount with their previous carrier or a continuing medical education program approved under applicable state law.
5. 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 (or an affiliated company) for at least five years immediately prior to becoming semi-retired and must not practice more than 20 hours a week. Prior years of part-time status may be credited if verifiable from the practitioner.

6. 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.
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 chiropractor's discount. The total maximum discount available from the application of all discounts shall be 75%.
8. Leave of Absence: This endorsement gives a 75% discount to the insured and interrupts the 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. Maximum time for Leave of Absence is 12 months.
9. Schedule Rating: 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. 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)

E. 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. Retroactive Coverage (Claims-Made only): A copy of the applicant's current declaration page is required to verify the retroactive date. 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.
3. 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 chiropractor.

F. 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.
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"

G. 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 cancelled by the insured.
 - b. a policy is cancelled 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

- A. This policy includes but is not limited to mandatory Chiropractic Professional Liability coverage as a result of providing or failing to provide professional services.
- B. Corporation Professional Liability
 1. Shared Limit of Liability at no additional charge when the Company insures all members of the corporation.
 2. Separate Limit of Liability is optional for an additional 10% of the total premium charged as a result of the net premium of each insured member of the corporation or partnership. The Company must insure all members of the corporation. The maximum charge will be 100% of the mature premium for the corresponding limit of liability and the minimum would be 10% of the professional liability premium being charged.
- C. Regulatory or Administrative Legal Defense Costs Endorsement
This endorsement expands the Chiropractor Professional Liability Policy to include a Legal and Audit Defense Cost Benefit on matters instituted against the insured for specified "covered proceedings" as defined in the endorsement. It will be included with all policies at no additional charge. Limits are \$25,000/\$25,000.
- D. Chiropractic Treatment of Animals Endorsement
This endorsement is available for an additional premium of \$500 per year. It modifies the policy to include limited coverage for the chiropractic treatment of animals. Limits are \$25,000/\$50,000.
- E. Chiropractic Externship Endorsement
This endorsement will be available for no additional premium. It modifies the policy to include coverage for chiropractic externs of the Named Insured. The name of each chiropractic extern will be indicated on the endorsement.

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 / \$ 750,000 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

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 (or affiliate) 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 will be provided, with no additional premium due, in the event of death or permanent disability. Permanent disability must have existed continuously for not less than six months, have 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 chiropractors insured under a claims-made policy 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 20% discount from the applicable Extended Reporting Period Coverage premium for each consecutive year with PICA (or an affiliated company). 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%

7. Extended Reporting Period Coverage premium may be waived for policyholders who have been insured by PICA (or an affiliated company) for 5 years and enter full time academia.
8. Extended Reporting Period Coverage premium may be waived for policyholders who have been called to active duty by the United States Military.
9. In the event that the policy is canceled (for reasons other than nonpayment of premium or underwriting reasons) after 10 or more consecutive years of coverage, Extended Reporting Period Coverage shall be provided at no additional charge.

RATING MANUAL SUPPLEMENT
Podiatry Insurance Company of America
OUM Chiropractor Program
District of Columbia

I. Rule I.G.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.

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Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Cover Letter (P&C)		
Comments:		
Attachment: DC Cover Letter - 2008 Rules.pdf		

	Item Status:	Status Date:
Bypassed - Item: Consulting Authorization		
Bypass Reason: Independent Filing		
Comments:		

	Item Status:	Status Date:
Satisfied - Item: Actuarial Certification (P&C)		
Comments:		
Attachments: Redline - PICA Chiro Rating Manuals - Ed. 1-01-08 to Ed. 1-07 (Revised 8-15-07).pdf DC Rating Manual Supp (PICA Chiro) Ed.1-07 to 1-08.pdf		

	Item Status:	Status Date:
Bypassed - Item: District of Columbia and Countrywide Experience for the Last 5 Years (P&C)		
Bypass Reason: Rule Filing not affecting rates		
Comments:		

	Item Status:	Status

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Date:

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

Bypass Reason: Rule Filing not affecting rates.

Comments:

Item Status:

Status

Date:

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

Bypass Reason: Rule filing not affecting rates

Comments:



August 20, 2007

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
OUM Chiropractor Program
Amendatory Rule Filing
Company Filing #: DC-899-C
Effective Date: January 1, 2008

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 under the General Information Tab. There is no rate impact associated with the proposed changes.

If your state requires prior approval, we will await your approval prior to implementation. Otherwise, we will begin using the manual rules on policies effective on or after the effective date in the above caption.

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

RATING MANUAL

FOR

CHIROPRACTIC PHYSICIAN

MALPRACTICE LIABILITY

(OUM Chiropractor Program)

**CHIROPRACTIC
UNDERWRITING MANUAL
PROFESSIONAL LIABILITY**

I. GENERAL RULES

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

A. INSURED CLASSIFICATION

1. Individual Chiropractor: Each chiropractor shall be individually written in accordance with these rules.
2. 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 and the Limit of Liability is shared with the named insured. A separate limit of liability may be purchased for the corporation for an additional cost of 10% of total premium. The maximum charge would be 100% of the mature corresponding limit of liability and the minimum would be 10% of the professional liability premium being charged.
3. Chiropractic Medical Schools: Separate application and policy forms are available for institutional coverage to include interns, teaching staff and students.

Deleted: 5

Deleted: 5

B. POLICY TERM

Policies are written for a one year term and may be 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.

C. 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. At each renewal, computation of the premium will be at the premium in effect at the time. If a claims-made policy, retroactive coverage may be provided to the insured's previous policy retroactive date (provided that the chiropractor's prior policy is a claims-made policy).
3. Each insured is rated in the state and/or territory where he or she practices more than 50% of the time.
4. 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.)

D. PREMIUM DISCOUNTS

1. License Date: PICA uses the license date as the reference date to be eligible for discounts. The license date is defined as the first date the chiropractor is eligible to practice chiropractic. We only use one date as the license date to reference discounts. The license date used to reference discounts is the first time a chiropractor ever becomes licensed to practice.

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2. Employed: A chiropractor must be employed 100% of the time without ownership interest to receive a 25% employed discount. The insured cannot have any ownership interest and work for the corporation and receive the employed discount. It is pertinent to know who provides coverage for the employer.
3. New Practitioner: The first-year professional liability 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. The insured's first licensure date must fall within 18 months of the insured's graduation date. .

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

4. Risk Management: We offer risk management discounts for insureds who attend certified seminars, complete approved home study courses, or fulfill other approved risk management educational objectives. The chiropractor can receive a 5% and/or 10% credit on their individual policy premium. The risk management discount will only be applied to the doctor's base premium. The maximum total risk management discount available per policy period is 15%. A 10% discount will be granted to new applicants who have completed either a risk management program which would have qualified for a risk management discount with their previous carrier or a continuing medical education program approved under applicable state law.
5. 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 (or an affiliated company) for at least five years immediately prior to becoming semi-retired and must not practice more than 20 hours a week. Prior years of part-time status may be credited if verifiable from the practitioner.

6. 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.
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 chiropractor's discount. The total maximum discount available from the application of all discounts shall be 75%.

8. Leave of Absence: This endorsement gives a 75% discount to the insured and interrupts the 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. Maximum time for Leave of Absence is 12 months.

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9. Schedule Rating: 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. Premiums may be modified based upon the following exposure and rating characteristics:

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	<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)

E. 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. Retroactive Coverage (Claims-Made only): A copy of the applicant's current declaration page is required to verify the retroactive date. 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.
3. 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 chiropractor.

Deleted: <#>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.¶
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F. 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.
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"

G. 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 cancelled by the insured.
 - b. a policy is cancelled for non-payment of premium

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(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.

Deleted: . A policyholder will be permitted two consecutive non-payment of premium cancellation notices. If it becomes necessary for a third consecutive cancellation notice, the cancellation notice will indicate the policy is being canceled for "Underwriting Reasons" and the coverage will not be reinstated.

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II. INSURANCE COVERAGE

A. This policy includes but is not limited to mandatory Chiropractic Professional Liability coverage as a result of providing or failing to provide professional services.

B. Corporation Professional Liability

- 1. Shared Limit of Liability at no additional charge when the Company insures all members of the corporation.
- 2. Separate Limit of Liability is optional for an additional 10% of the total premium charged as a result of the net premium of each insured member of the corporation or partnership. The Company must insure all members of the corporation. The maximum charge will be 100% of the mature premium for the corresponding limit of liability and the minimum would be 10% of the professional liability premium being charged.

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C. Regulatory or Administrative Legal Defense Costs Endorsement

This endorsement expands the Chiropractor Professional Liability Policy to include a Legal and Audit Defense Cost Benefit on matters instituted against the insured for specified "covered proceedings" as defined in the endorsement. It will be included with all policies at no additional charge. Limits are \$25,000/\$25,000.

D. Chiropractic Treatment of Animals Endorsement

This endorsement is available for an additional premium of \$500 per year. It modifies the policy to include limited coverage for the chiropractic treatment of animals. Limits are \$25,000/\$50,000.

E. Chiropractic Externship Endorsement

This endorsement will be available for no additional premium. It modifies the policy to include coverage for chiropractic externs of the Named Insured. The name of each chiropractic extern will be indicated on the endorsement.

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 / \$ 750,000 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

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IV. EXTENDED REPORTING PERIOD COVERAGE (OPTIONAL EXTENSION COVERAGE)

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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 (or affiliate) 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 will be provided, with no additional premium due, in the event of death or permanent disability. Permanent disability must have existed continuously for not less than six months, have 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 chiropractors insured under a claims-made policy 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 20% discount from the applicable Extended Reporting Period Coverage premium for each consecutive year with PICA (or an affiliated company). 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%

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- 7. Extended Reporting Period Coverage premium may be waived for policyholders who have been insured by PICA (or an affiliated company) for 5 years and enter full time academia.
- 8. Extended Reporting Period Coverage premium may be waived for policyholders who have been called to active duty by the United States Military.

9. In the event that the policy is canceled (for reasons other than nonpayment of premium or underwriting reasons) after 10 or more consecutive years of coverage, Extended Reporting Period Coverage shall be provided at no additional charge.

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RATING MANUAL SUPPLEMENT
Podiatry Insurance Company of America
OUM Chiropractor Program
District of Columbia

I. Rule I.G.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 policyholder will be permitted two consecutive non-payment of premium cancellation notices. If it becomes necessary for a third consecutive cancellation notice, the cancellation notice will indicate the policy is being canceled for "Underwriting Reasons" and the coverage will not be reinstated.~~
 - 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.

RATING MANUAL SUPPLEMENT
Podiatry Insurance Company of America
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