

SERFF Tracking Number: PHAR-126188257 State: District of Columbia
 Filing Company: Pharmacists Mutual Insurance Company State Tracking Number:
 Company Tracking Number: DC-PSPL-09-09-RR
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0021 Pharmacy
 Made/Occurrence
 Product Name: Pharmacy Services Professional Liability
 Project Name/Number: DC-PSPL-09-09-RR/DC-PSPL-09-09-RR

Filing at a Glance

Company: Pharmacists Mutual Insurance Company

Product Name: Pharmacy Services Professional Liability SERFF Tr Num: PHAR-126188257 State: District of Columbia

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

Made/Occurrence

Sub-TOI: 11.0021 Pharmacy

Co Tr Num: DC-PSPL-09-09-RR

State Status:

Filing Type: Rate/Rule

Reviewer(s): Robert Nkojo

Authors: Heidi Allen, Jen Swift

Disposition Date: 10/21/2009

Date Submitted: 06/25/2009

Disposition Status: APPROVED

Effective Date Requested (New): 09/01/2009

Effective Date (New):

Effective Date Requested (Renewal): 09/01/2009

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: DC-PSPL-09-09-RR

Status of Filing in Domicile: Authorized

Project Number: DC-PSPL-09-09-RR

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 10/21/2009

State Status Changed:

Deemer Date:

Created By: Jen Swift

Submitted By: Heidi Allen

Corresponding Filing Tracking Number: DC-PSPL-09-09-F

Filing Description:

Pharmacists Mutual Insurance Company (PhMIC) is filing revision to its Pharmacy Services Professional Liability program. We have revised the language of our coverage form and related endorsements, as well as our manual rules and rates, to correspond to recent revision to pharmacy professional liability language and rating in other company programs. In addition, we have developed a claims-made version of our policy and appropriate endorsements. We currently do not have any business in this state.

Pharmacists Mutual is requesting that this filing be approved effective for all policies effective on and after September 1, 2009.

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Company and Contact

Filing Contact Information

Heidi Allen, Heidi.Allen@phmic.com
 PO Box 370 800-247-5930 [Phone]
 Algona, IA 50511 515-295-9306 [FAX]

Filing Company Information

Pharmacists Mutual Insurance Company CoCode: 13714 State of Domicile: Iowa
 808 Highway 18 West Group Code: 775 Company Type: Mutual
 P.O. Box 370 Group Name: State ID Number:
 Algona, IA 50511 FEIN Number: 42-0223390
 (800) 247-5930 ext. [Phone]

Filing Fees

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

| COMPANY | AMOUNT | DATE PROCESSED | TRANSACTION # |
|--------------------------------------|--------|----------------|---------------|
| Pharmacists Mutual Insurance Company | \$0.00 | | |

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Correspondence Summary

Dispositions

| Status | Created By | Created On | Date Submitted |
|----------|--------------|------------|----------------|
| APPROVED | Robert Nkojo | 10/21/2009 | 10/21/2009 |

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Disposition

Disposition Date: 10/21/2009
 Effective Date (New):
 Effective Date (Renewal):
 Status: APPROVED
 Comment:

| Company Name: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | # of Policy Holders Affected for this Program: | Written Premium for this Program: | Maximum % Change (where required): | Minimum % Change (where required): |
|---|-----------------------------------|---------------------------|--|---|---|--|--|
| Pharmacists Mutual Insurance Company | 0.000% | -5.000% | \$0 | 0 | \$0 | % | % |
| | Percent Change Approved: | | | | | | |
| | Minimum: | % | Maximum: | % | Weighted Average: | | % |

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| Schedule | Schedule Item | Schedule Item Status | Public Access |
|---------------------|---|----------------------|---------------|
| Supporting Document | Cover Letter All Filings | | Yes |
| Supporting Document | Consulting Authorization | | Yes |
| Supporting Document | Actuarial Certification (P&C) | | Yes |
| Supporting Document | District of Columbia and Countrywide Experience for the Last 5 Years (P&C) | | Yes |
| Supporting Document | District of Columbia and Countrywide Loss Ratio Analysis (P&C) | | Yes |
| Supporting Document | FILING MEMORANDUM | | Yes |
| Rate | Pharmacy Services Professional Liability Manual 0509 | | Yes |

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Rate Information

Rate data applies to filing.

Filing Method: FILE & USE
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: 0.000%
Effective Date of Last Rate Revision: 01/01/2003
Filing Method of Last Filing: FILE & USE

Company Rate Information

| Company Name: | Company Rate Change: | Overall % Indicated Change: | Overall % Rate Impact: | Written Premium Change for this Program: | # of Policy Holders Affected for this Program: | Written Premium for this Program: | Maximum % Change (where required): | Minimum % Change (where required): |
|--------------------------------------|----------------------|-----------------------------|------------------------|--|--|-----------------------------------|------------------------------------|------------------------------------|
| Pharmacists Mutual Insurance Company | N/A | 0.000% | -5.000% | \$0 | 0 | \$0 | % | % |

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Rate/Rule Schedule

| Schedule Item | Exhibit Name: | Rule # or Page | Rate Action | Previous State Filing Attachments |
|---------------|--|----------------|-------------|--|
| Status: | | #: | | Number: |
| | Pharmacy Services Professional Liability Manual 0509 | all | Replacement | STAMPED APPROVED 12/3/01 / PSPL Rules 07 09 vs PSPL-RR-02-02 PSPL Rules 07 09.pdf 06 01.pdf |

PHARMACISTS MUTUAL INSURANCE COMPANY
Pharmacy Services Professional Liability Program
COUNTRYWIDE

Program Rules

RULE 1 -- PROGRAM DESCRIPTION

1.1 Policy Coverage

- 1.1.1 Pharmacy Services Professional Liability coverage for damages which an insured is legally obligated to pay because of an occurrence. The occurrence must result in bodily injury, property damage, or personal injury arising out of the rendering or failure to render Pharmacy Services.
- 1.1.2 Limited Pharmacy License Defense Reimbursement for legal fees arising out of a disciplinary proceeding or official investigation arising out of the rendering or failure to render pharmacy services. Reimbursement is subject to the conditions as set forth in the policy and applies in excess of a \$500 deductible per incident;

1.2 Policy Forms

The forms used to provide coverage are described below.

- 1.2.1 PM 307, Pharmacy Services Professional Liability Coverage (Occurrence Form)
Form PM 307 provides coverage on an occurrence basis.
- 1.2.2 PM 500, Pharmacy Services Professional Liability Coverage (Claims-Made Form)
Form PM 500 provides coverage on a claims-made basis.
Refer to Rule 8.

1.3 Policy Limits

The Each Occurrence Limit, subject to the Aggregate Limit, is the most that will be paid for all injury and damages covered for one occurrence.

The Aggregate Limit is the most that will be paid during an annual policy period for all covered losses.

1.3.1 Pharmacy Services Professional Liability Limits

The rating information shown in this manual reflects the following limits of insurance.

\$1,000,000 each occurrence / \$2,000,000 aggregate
\$1,000,000 each occurrence / \$3,000,000 aggregate
\$2,000,000 each occurrence / \$4,000,000 aggregate

Show the Each Occurrence and Aggregate Limits on the declarations page.

PHARMACISTS MUTUAL INSURANCE COMPANY
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1.3.2 Limited Pharmacy License Defense Reimbursement Limits

The following limits of insurance are shown on the declarations page:

\$10,000 each occurrence / \$10,000 aggregate

1.4 Higher Limits

Higher Pharmacy Services Professional Liability limits may be available, subject to reinsurance approval. Pharmacists Mutual Insurance Company will maintain all underwriting files, premium, loss and expense statistics, financial and other records pertaining to policies providing limits higher than those shown above.

RULE 2 – POLICY WRITING INSTRUCTIONS

2.1 Policy Term

2.1.1 Annual

Annual rating information is shown in the rating information section of this manual.

2.1.2 Less Than One Year

A policy can be written for a term of less than one year. Prorate the annual rating information to determine the premium.

2.2 Cancellation

Policies canceled by either the insured or the Company must be canceled in accordance with the terms of the cancellation provisions that apply. The return premium, if any, is computed on a pro rata basis.

2.3 Policy Changes

Changes can be made to the policy after inception.

2.3.1 Additional Premium Changes

Use the rules and rating information in effect on the policy effective date when calculating the additional premium. If changes are made after the anniversary date of the policy, use the rules and rating information in effect on the anniversary date.

Calculate additional premiums on a pro rata basis.

If the additional premium that occurs as a result of a change is \$5.00 or less, the additional premium will be waived.

PHARMACISTS MUTUAL INSURANCE COMPANY
Pharmacy Services Professional Liability Program
COUNTRYWIDE

2.3.2 Return Premium Changes

Calculate all return premiums using the rating information that was in effect when coverage was issued.

Calculate return premiums on a pro rata basis when a limit is reduced or an exposure is eliminated. Retain the minimum location charge, if applicable.

If the return premium that occurs as a result of a change is \$5.00 or less, the return premium will be waived. However, return premiums will be refunded at the insured's request.

RULE 3 – LIABILITY DEDUCTIBLE

3.1 Deductible

Deductible options are available on a per claim basis for bodily injury, property damage and personal injury. Show the deductible limit on the Policy Declarations.

Factors for the following per claim deductible amounts are shown in the rating information section of this manual.

| Deductible Amount |
|-------------------|
| \$ 1,000 |
| \$ 5,000 |
| \$ 10,000 |
| \$ 15,000 |
| \$ 20,000 |
| \$ 25,000 |
| \$ 50,000 |
| \$ 75,000 |
| \$ 100,000 |

3.2 Deductible Aggregate

3.2.1 Deductible Aggregate (Occurrence form)

Deductibles of \$10,000 or higher are subject to an Aggregate Deductible limit, which limits the maximum out-of-pocket expense the insured has for claims resulting from injuries that occur during the policy period, regardless of when the loss payment or claims expenses are made. The Aggregate Deductible Limit will equal four times the Deductible Limit accepted.

Attach endorsement PM 437 and show the Aggregate Deductible Limit on the form.

PHARMACISTS MUTUAL INSURANCE COMPANY
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3.2.2 Deductible Aggregate (Claims-made form)

Deductibles of \$10,000 or higher are subject to an Aggregate Deductible limit, which limits the maximum out-of-pocket expense the insured has for claims reported during the policy period, regardless of when the loss payment or claims expenses are made. The Aggregate Deductible Limit will equal four times the Deductible Limit accepted.

Attach endorsement PM 502 and show the Aggregate Deductible Limit on the form.

RULE 4 – ADDITIONAL INSURED

4.1 Additional Insured

Pharmacy Services Professional Liability Coverage can extend the insured's liability protection to other persons or entities, by listing the other persons or entities in the Policy Interest section of the declarations as an Additional Insured. Coverage is provided the additional insured for their liability arising out of the named insured's acts or omissions in the rendering or failure to render pharmacy services.

An Additional Insured can be added to the policy for an additional premium charge and is determined separately for each insured location. The factor for the Additional Interest charge is shown in the rating information section of this manual.

RULE 5 – PREMIUM DEVELOPMENT

5.1 Calculation of Premium

Step 1 - Determine the applicable Pharmacy Services Professional Liability loss cost based on the liability limit provided (Rate 1.2).

Step 2 - If a deductible is chosen, subtract the applicable deductible factor (Rate 3.1) from 1.000. If there is no liability deductible, use 1.000.

Step 3 - Multiply the loss cost from Step 1 by the results of Step 2.

Step 4 - Multiply the results of Step 3 by the loss cost multiplier.

Step 5 - For each location, multiply the results of Step 4 by the location's projected pharmacy receipts (in \$000's). Pharmacy receipts include total amounts collected from customers for prescriptions and pharmacy services.

Step 6 - If the location has an additional insured, multiply the Additional Insured Factor (Rate 4.1) by the number of additional insureds to obtain the Total Additional Insured Factor. If no Additional Insureds, use 1.000. Multiply the Total Additional Insured Factor by the results of Step 5.

Step 7 - Add the results of Step 5 and Step 6 for the base location premium.

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Pharmacy Services Professional Liability Program

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- Step 8 - If form PM 500 is used, multiply the result of Step 7 by the applicable Claims-Made Discount factor (Rate 8.2) to determine the claims-made base location premium. If form PM 307 is used, continue with the Step 7 premium.
- Step 9 - Determine the applicable individual risk premium modification (IRPM) as outlined in Rule 7. Convert the total credit or debit developed to an IRPM factor.
- Step 10 - Multiply the IRPM factor to the result of Step 8. The resulting modified location premium is subject to the minimum location charge.
- Step 11- Repeat Steps 5-10 for each location.
- Step 12 - If Health Care Services Liability coverage is included, multiply the appropriate charge (Rate 6.1) by the number of eligible professional employees, as shown in Rule 6.1.
- Step 13- If form PM 500 is used, multiply the result of Step 12 by the applicable Claims-Made Discount factor (Rate 8.2) to determine the claims-made Health Care Services Liability premium. If form PM 307 is used, continue with the Step 12 premium.
- Step 14 - Multiply the IRPM factor determined in Step 9 by the result of Step 13 to determine the modified Health Care Services Liability premium.
- Step 15 - Add the modified location premiums for all locations to the modified Health Care Services Liability premium (from Step 14) to determine the total policy premium.

RULE 6 – COVERAGE OPTIONS

6.1 Health Care Services Liability

Coverage can be added for bodily injury, property damage, and personal injury arising from the rendering or failure to render health care services.

Eligible professionals include a registered nurse, licensed practical nurse and similar health care professionals whose professional duties are ancillary to the duties of a professional licensed to prescribe medications.

The charge, per professional, is shown in the rating information section of this manual.

Attach Endorsement PM 1110

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RULE 7 – INDIVIDUAL RISK PREMIUM MODIFICATION

7.1 Individual Risk Premium Modification

The following modifications can be applied to recognize special characteristics of the risk that are not fully reflected in the rates.

The total credit or debit developed using the following table cannot exceed 25%.

| Risk Variations | Range of Modifications | | |
|---|-------------------------------|----|--------------|
| | Credit | | Debit |
| 1. Management qualifications and experience | 5% | to | 5% |
| 2. Employee training and supervision | 10% | to | 10% |
| 3. Special Loss Control procedures taken | 10% | to | 10% |
| 4. Care and condition of pharmacy area | 10% | to | 10% |
| 5. Professional liability claims experience | 10% | to | 10% |

**RULE 8 – FORM PM 500, PHARMACY SERVICES PROFESSIONAL LIABILITY –
(Claims-Made Form)**

Pharmacy Services Professional Liability coverage can be written on a claims-made basis.

Claims-made coverage applies only to claims that occur on or after the Retroactive Date shown in the policy declarations and before the end of the policy period. The claim for damages must be made within the policy period or the Extended Reporting Period.

8.1 Retroactive Date

The Retroactive Date selected should coincide with the original inception date of the claims-made professional liability coverage and should be retained on all subsequent renewals of the coverage.

Show the applicable Retroactive Date on the policy declarations.

8.2 Claims-Made Discount Factor

To reflect the maturity of the risk, determine the number of years that professional liability coverage will have been in effect on a claims-made basis as of the end of the policy period, and select the corresponding Claims-Made Discount factor shown in the rating information section of this manual.

8.3 Extended Reporting Period

Extended reporting periods allow for the triggering of coverage for injuries that occur after the retroactive date and before the end of the policy period, but the claim is not made until after the policy's expiration.

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8.3.1 Basic Extended Reporting Period

The Basic Extended Reporting Period extends the time for reporting a claim after the policy terminates and begins with the end of the policy period and lasts for 60 days with respect to claims that have not previously been reported to us.

The Basic Extended Reporting Period is provided automatically for no additional premium.

No additional endorsement is required.

8.3.2 Supplemental Extended Reporting Period

The Supplemental Extended Reporting Period extends the time for reporting a claim after the policy terminates. The Supplemental Extended Reporting Period begins when the Basic Extended Reporting Period ends and continues in effect for either 12 months, 24 months, or for an unlimited time period.

Coverage applies only to claims for injury which occurred after the Retroactive Date, if any, and before the end of the policy period, but that are first reported during the Supplemental Extended Reporting Period.

A separate Aggregate Limit, equal to the Aggregate Limit shown on the declarations, applies to claims that are eligible for coverage under the Supplemental Extended Reporting Period.

The additional premium for the Supplemental Extended Reported Period is shown in the rating information section of this manual and is based on the preceding annual policy premium.

Attach endorsement PM 501.

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Pharmacy Services Professional Liability Program
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COUNTRYWIDE RATES

1.2 Pharmacy Services Professional Liability Loss Cost (per \$1,000 of pharmacy receipts)

| Occurrence / Aggregate Limit | Loss Cost |
|-------------------------------------|------------------|
| \$1,000,000 / \$2,000,000 | \$ 0.76 |
| \$1,000,000 / \$3,000,000 | \$ 0.77 |
| \$2,000,000 / \$4,000,000 | \$ 0.90 |

Minimum Location Charge \$ 750.00

3.1 Deductible Factors

| Deductible | \$1MM/\$2MM | \$1MM/\$3MM | \$2MM/\$4MM |
|-------------------|--------------------|--------------------|--------------------|
| \$ 1,000 | 0.034 | 0.034 | 0.040 |
| \$ 5,000 | 0.102 | 0.103 | 0.121 |
| \$ 10,000 | 0.151 | 0.153 | 0.179 |
| \$ 15,000 | 0.187 | 0.189 | 0.221 |
| \$ 20,000 | 0.216 | 0.219 | 0.256 |
| \$ 25,000 | 0.240 | 0.243 | 0.284 |
| \$ 50,000 | 0.326 | 0.330 | 0.386 |
| \$ 75,000 | 0.381 | 0.386 | 0.451 |
| \$ 100,000 | 0.423 | 0.429 | 0.501 |

4.1 Additional Insured Factor 0.10

6.1 Health Care Services Liability

| Occurrence / Aggregate Limit | 1st Professional | Each Additional |
|-------------------------------------|------------------------------------|------------------------|
| \$ 1,000,000 / \$2,000,000 | \$ 1,200 | \$ 250 |
| \$ 1,000,000 / \$3,000,000 | \$ 1,300 | \$ 275 |
| \$ 2,000,000 / \$4,000,000 | \$ 1,600 | \$ 350 |

8.2 Claims-Made Discount Factor

| <u>Year</u> | <u>Factor</u> |
|--------------------|----------------------|
| 1 Year | .84 |
| 2 Years | .92 |
| 3 Years | .97 |
| 4 Years | .99 |
| 5 Years + | 1.00 |

8.3 Extended Reporting Period Options

| | |
|-----------|---|
| 12 Months | 100% of preceding annual policy premium |
| 24 Months | 150% of preceding annual policy premium |
| Unlimited | 200% of preceding annual policy premium |

PHARMACISTS MUTUAL INSURANCE COMPANY
Pharmacy Services Professional Liability Program
COUNTRYWIDE

Pharmacy Services Professional Liability Policy
Program Rules

~~1. Program Description~~

~~The~~ **RULE 1 -- PROGRAM DESCRIPTION**

1.1 Policy Coverage

1.1.1 Pharmacy Services Professional Liability Policy (PSPL) provides coverage for damages which an insured is legally obligated to pay as damages because of an occurrence. The occurrence must result in bodily injury, property damage, or personal injury, bodily injury or property damage to which the insurance applies, and arising out of the rendering or failure to render Pharmacy Services.

1.1.2 Limited Pharmacy License Defense Reimbursement for legal fees arising out of a disciplinary proceeding or official investigation arising out of the rendering or failure to render pharmacy services. PSPL includes Prescription Products Liability Reimbursement is subject to the conditions as set forth in the policy and applies in excess of a \$500 deductible per incident;

~~2. Eligibility~~

~~A PSPL may be issued to a business that provides pharmacy services.~~

~~Terms of~~ 1.2 Policy Forms

~~A PSPL may be written for a one year term. A policy may be written for a term of less than one year upon written request. The premium will be figured on a pro-rata basis of the annual premium for the policy term. The PSPL may be continued for successive terms by payment of required premiums.~~

~~3. Limits of Liability~~

~~The base limit of liability is \$100,000 per occurrence / \$200,000 aggregate per location.~~

~~4. Premium Computation~~

~~The products premium charge is calculated separately for each location by selecting the applicable classification, multiply the AAIS Commercial Liability base rate (Products/Completed Work) by pharmacy sales (,000), then by the increased limit factor and finally by the loss cost multiplier, this results in the products premium per location charge. The per location premium is subject to a minimum premium.~~

~~The Pharmacists charge is calculated based on each full time and part time Pharmacist, Pharmacists Technician and Pharmacy Student, including temporary or leased employees. This is a policy charge, not a location charge. The~~

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Pharmacists charge is calculated by selecting the AAIS Pharmacists Professional Liability base rate (per person), multiplying by the increased limit factor, then by the loss cost multiplier and finally by the total number of Pharmacists, Pharmacists Technicians and Pharmacy Students, this results in the total per pharmacists charge.

An additional insured charge is calculated by multiplying the products premium charge of the location listing the additional insured by a factor of .10.

5. Increased Limits

The increased limits for ~~The forms used to provide coverage are described below.~~

1.2.1 PM 307, Pharmacy Services Professional Liability Coverage (Occurrence Form)

Form PM 307 provides coverage on an occurrence basis.

1.2.2 PM 500, Pharmacy Services Professional Liability ~~applies~~ Coverage (Claims-Made Form)

Form PM 500 provides coverage on a ~~per location~~ claims-made basis.

-Refer to Rule 8.

1.3 Policy Limits

The Each Occurrence Limit, subject to the Aggregate Limit, is the most that will be paid for all injury and damages covered for one occurrence.

The Aggregate Limit is the most that will be paid during an annual policy period for all covered losses.

1.3.1 Pharmacy Services Professional Liability Limits

(,000) Omitted

| Aggr. Limit | Each Occurrence Limit | | | |
|-------------|-----------------------|------|------|-------|
| | 100 | 300 | 500 | 1,000 |
| 200 | 1.00 | — | — | — |
| 300 | 1.01 | 1.25 | — | — |
| 500 | 1.03 | 1.26 | 1.38 | — |
| 1,000 | 1.05 | 1.28 | 1.40 | 1.57 |
| 2,000 | — | 1.31 | 1.43 | 1.60 |
| 3,000 | — | 1.33 | 1.45 | 1.62 |

6. Minimum Premium

~~Each policy location is subject to a minimum products premium charge of \$750.~~

The rating information shown in this manual reflects the following limits of insurance.

\$1,000,000 each occurrence / \$2,000,000 aggregate

PHARMACISTS MUTUAL INSURANCE COMPANY
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\$1,000,000 each occurrence / \$3,000,000 aggregate
\$2,000,000 each occurrence / \$4,000,000 aggregate

Show the Each Occurrence and Aggregate Limits on the declarations page.

1.3.2 Limited Pharmacy License Defense Reimbursement Limits

The following limits of insurance are shown on the declarations page:

\$10,000 each occurrence / \$10,000 aggregate

1.4 Higher Limits

Higher Pharmacy Services Professional Liability limits may be available, subject to reinsurance approval. Pharmacists Mutual Insurance Company will maintain all underwriting files, premium, loss and expense statistics, financial and other records pertaining to policies providing limits higher than those shown above.

RULE 2 – POLICY WRITING INSTRUCTIONS

2.1 Policy Term

2.1.1 Annual

Annual rating information is shown in the rating information section of this manual.

2.1.2 Less Than One Year

A policy can be written for a term of less than one year. Prorate the annual rating information to determine the premium.

~~2.2~~ 2.2 Cancellation

~~The PSPL will be cancelled~~ Policies canceled by either the insured or the Company must be canceled in accordance with the terms of the cancellation provisions that apply. The return premium, if any, is computed on a pro rata basis.

2.3 Policy Changes

Changes can be made to the policy after inception.

2.3.1 Additional Premium Changes

Use the rules and rating information in effect on the policy effective date when calculating the additional premium. If changes are made after the anniversary date of the policy, use the rules and rating information in effect on the anniversary date.

Calculate additional premiums on a pro rata basis.

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If the additional premium that occurs as a result of a change is \$5.00 or less, the additional premium will be waived.

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2.3.2 Return Premium Changes

Calculate all return premiums using the rating information that was in effect when coverage was issued.

Calculate return premiums on a pro rata basis when a limit is reduced or an exposure is eliminated. Retain the minimum location charge, if applicable state's laws. Any.

If the return premium that occurs as a result of a change is \$5.00 or less, the return premium will be computed pro rata. However, return premiums will be refunded at the insured's request.

7. Deductibles

RULE 3 – LIABILITY DEDUCTIBLE

3.1 Deductible

Deductible options are available on a per ~~occurrence~~ claim basis for bodily injury, property damage ~~and~~ and personal injury. Show the deductible limit on the Policy Declarations.

Deductible Discount Factors

- A. Deductible discount factors are displayed in the tables below.
- B. Deductible discount factors are applicable only to the company's basic limits rates and minimum premiums.
- C. Insured's retention may not be above the basic limit.
- D. Rating Procedures
 1. Determine the applicable increased limits factor for the coverage.
 2. Determine the applicable deductible factor.

Subtract the following per claim deductible factor from the increased limits factor to determine the adjusted limits factor. amounts are shown in the rating information section of this manual.

3. Multiply the adjusted limits factor times the basic limits rate.

TABLE 4.1F Pharmacy Services Professional Liability Deductible Discount Factors

This table applies to Bodily Injury, Property Damage or Personal Injury deductible.

| <u>Deduct Amount</u> | <u>Stat. Code</u> | <u>Deductible Discount Factors</u> | <u>Discount Amount</u> |
|------------------------|-------------------|------------------------------------|------------------------|
| <u>\$ 1,000</u> | | <u>Table B</u> | |
| <u>-\$250\$ 5,000</u> | <u>-04</u> | | <u>0.007</u> |
| <u>-\$500\$ 10,000</u> | <u>-05</u> | | <u>0.013</u> |
| <u>-750</u> | | <u>-06</u> | <u>0.018</u> |
| <u>-1,000</u> | | <u>-07</u> | <u>0.023</u> |

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PHARMACISTS MUTUAL INSURANCE COMPANY
Pharmacy Services Professional Liability Program
COUNTRYWIDE

| | | |
|------------------------|----------------------|------------------|
| -3,000 | -13 | 0.054 |
| 5,000 | \$ 15,000 | 0.075 |
| 10\$ 20,000 | -10 | 0.114 |
| \$ 25,000 | -18 | 0.187 |
| \$ 50,000 | -19 | 0.261 |
| \$ 75,000 | -20 | 0.311 |
| \$ 100,000 | -21 | 0.349 |

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Credits & Debits:

The rates may 3.2 Deductible Aggregate

3.2.1 Deductible Aggregate (Occurrence form)

Deductibles of \$10,000 or higher are subject to an Aggregate Deductible limit, which limits the maximum out-of-pocket expense the insured has for claims resulting from injuries that occur during the policy period, regardless of when the loss payment or claims expenses are made. The Aggregate Deductible Limit will equal four times the Deductible Limit accepted.

Attach endorsement PM 437 and show the Aggregate Deductible Limit on the form.

PHARMACISTS MUTUAL INSURANCE COMPANY
Pharmacy Services Professional Liability Program
COUNTRYWIDE

3.2.2 Deductible Aggregate (Claims-made form)

Deductibles of \$10,000 or higher are subject to an Aggregate Deductible limit, which limits the maximum out-of-pocket expense the insured has for claims reported during the policy period, regardless of when the loss payment or claims expenses are made. The Aggregate Deductible Limit will equal four times the Deductible Limit accepted.

Attach endorsement PM 502 and show the Aggregate Deductible Limit on the form.

RULE 4 – ADDITIONAL INSURED

4.1 Additional Insured

Pharmacy Services Professional Liability Coverage can extend the insured's liability protection to other persons or entities, by listing the other persons or entities in the Policy Interest section of the declarations as an Additional Insured. Coverage is provided the additional insured for their liability arising out of the named insured's acts or omissions in the rendering or failure to render pharmacy services.

An Additional Insured can be modified in accordance added to the policy for an additional premium charge and is determined separately for each insured location. The factor for the Additional Interest charge is shown in the rating information section of this manual.

RULE 5 – PREMIUM DEVELOPMENT

5.1 Calculation of Premium

Step 1 - Determine the applicable Pharmacy Services Professional Liability loss cost based on the liability limit provided (Rate 1.2).

Step 2 - If a deductible is chosen, subtract the applicable deductible factor (Rate 3.1) from 1.000. If there is no liability deductible, use 1.000.

Step 3 - Multiply the loss cost from Step 1 by the results of Step 2.

Step 4 - Multiply the results of Step 3 by the loss cost multiplier.

Step 5 - For each location, multiply the results of Step 4 by the location's projected pharmacy receipts (in \$000's). Pharmacy receipts include total amounts collected from customers for prescriptions and pharmacy services.

Step 6 - If the location has an additional insured, multiply the Additional Insured Factor (Rate 4.1) by the number of additional insureds to obtain the Total Additional Insured Factor. If no Additional Insureds, use 1.000. Multiply the Total Additional Insured Factor by the results of Step 5.

Step 7 - Add the results of Step 5 and Step 6 for the base location premium.

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Step 8 - If form PM 500 is used, multiply the result of Step 7 by the applicable Claims-Made Discount factor (Rate 8.2) to determine the claims-made base location premium. If form PM 307 is used, continue with the following Risk Management consideration to a maximum of 25% Step 7 premium.

Step 9 - Determine the applicable individual risk premium modification (IRPM) as outlined in Rule 7. Convert the total credit or debit. ~~Written justification of~~ developed to an IRPM factor.

Step 10 - Multiply the IRPM factor to the result of Step 8. The resulting modified location premium is subject to the minimum location charge.

Step 11 - Repeat Steps 5-10 for each location.

Step 12 - If Health Care Services Liability coverage is included, multiply the appropriate information ~~shall be maintained in customer file regarding any charge~~ (Rate 6.1) by the number of eligible professional employees, as shown in Rule 6.1.

Step 13 - If form PM 500 is used, multiply the result of Step 12 by the applicable Claims-Made Discount factor (Rate 8.2) to determine the claims-made Health Care Services Liability premium. If form PM 307 is used, continue with the Step 12 premium.

Step 14 - Multiply the IRPM factor determined in Step 9 by the result of Step 13 to determine the modified Health Care Services Liability premium.

Step 15 - Add the modified location premiums for all locations to the modified Health Care Services Liability premium (from Step 14) to determine the total policy premium.

RULE 6 – COVERAGE OPTIONS

6.1 Health Care Services Liability

Coverage can be added for bodily injury, property damage, and personal injury arising from the rendering or failure to render health care services.

Eligible professionals include a registered nurse, licensed practical nurse and similar health care professionals whose professional duties are ancillary to the duties of a professional licensed to prescribe medications.

The charge, per professional, is shown in the rating information section of this manual.

Attach Endorsement PM 1110

PHARMACISTS MUTUAL INSURANCE COMPANY
Pharmacy Services Professional Liability Program
COUNTRYWIDE

RULE 7 – INDIVIDUAL RISK PREMIUM MODIFICATION

7.1 Individual Risk Premium Modification

The following modifications can be applied to recognize special characteristics of the risk that are not fully reflected in the rates.

~~**RISK MANAGEMENT**~~ ~~**MODIFICATIONS**~~

The total credit or debit developed using the following table cannot exceed 25%.

| <u>Risk Variations</u> | <u>Range of Modifications</u> | |
|--|-------------------------------|-------------------------|
| | <u>Credit</u> | <u>Debit</u> |
| 1. Management qualifications and experience 5% debit | 5% | credit |
| 2. Employee training and supervision 10% debit | 10% | credit |
| 3. Special Risk Management <u>Loss Control</u> procedures taken debit | 10% | credit to 0% |
| 4. Care and condition of pharmacy area 10% debit | 10% | credit to |
| 5. Professional liability claims experience | 10% | to 10% |

RULE 8 – FORM PM 500, PHARMACY SERVICES PROFESSIONAL LIABILITY – (Claims-Made Form)

Pharmacy Services Professional Liability coverage can be written on a claims-made basis.

Claims-made coverage applies only to claims that occur on or after the Retroactive Date shown in the policy declarations and before the end of the policy period. The claim for damages must be made within the policy period or the Extended Reporting Period.

8.1 Retroactive Date

The Retroactive Date selected should coincide with the original inception date of the claims-made professional liability coverage and should be retained on all subsequent renewals of the coverage.

Show the applicable Retroactive Date on the policy declarations.

8.2 Claims-Made Discount Factor

PHARMACISTS MUTUAL INSURANCE COMPANY
Pharmacy Services Professional Liability Program
COUNTRYWIDE

To reflect the maturity of the risk, determine the number of years that professional liability coverage will have been in effect on a claims-made basis as of the end of the policy period, and select the corresponding Claims-Made Discount factor shown in the rating information section of this manual.

8.3 Extended Reporting Period

Extended reporting periods allow for the triggering of coverage for injuries that occur after the retroactive date and before the end of the policy period, but the claim is not made until after the policy's expiration.

8.3.1 Basic Extended Reporting Period

The Basic Extended Reporting Period extends the time for reporting a claim after the policy terminates and begins with the end of the policy period and lasts for 60 days with respect to claims that have not previously been reported to us.

The Basic Extended Reporting Period is provided automatically for no additional premium.

No additional endorsement is required.

8.3.2 Supplemental Extended Reporting Period

The Supplemental Extended Reporting Period extends the time for reporting a claim after the policy terminates. The Supplemental Extended Reporting Period begins when the Basic Extended Reporting Period ends and continues in effect for either 12 months, 24 months, or for an unlimited time period.

Coverage applies only to claims for injury which occurred after the Retroactive Date, if any, and before the end of the policy period, but that are first reported during the Supplemental Extended Reporting Period.

A separate Aggregate Limit, equal to the Aggregate Limit shown on the declarations, applies to claims that are eligible for coverage under the Supplemental Extended Reporting Period.

The additional premium for the Supplemental Extended Reported Period is shown in the rating information section of this manual and is based on the preceding annual policy premium.

Attach endorsement PM 501.

PHARMACISTS MUTUAL INSURANCE COMPANY
Pharmacy Services Professional Liability Program
COUNTRYWIDE

COUNTRYWIDE RATES

1.2 Pharmacy Services Professional Liability Loss Cost (per \$1,000 of pharmacy receipts)

| <u>Occurrence / Aggregate Limit</u> | <u>Loss Cost</u> |
|-------------------------------------|------------------|
| <u>\$1,000,000 / \$2,000,000</u> | <u>\$ 0.76</u> |
| <u>\$1,000,000 / \$3,000,000</u> | <u>\$ 0.77</u> |
| <u>\$2,000,000 / \$4,000,000</u> | <u>\$ 0.90</u> |
| <u>Minimum Location Charge</u> | <u>\$ 750.00</u> |

3.1 Deductible Factors

| <u>Deductible</u> | <u>\$1MM/\$2MM</u> | <u>\$1MM/\$3MM</u> | <u>\$2MM/\$4MM</u> |
|-------------------|--------------------|--------------------|--------------------|
| <u>\$ 1,000</u> | <u>0.034</u> | <u>0.034</u> | <u>0.040</u> |
| <u>\$ 5,000</u> | <u>0.102</u> | <u>0.103</u> | <u>0.121</u> |
| <u>\$ 10,000</u> | <u>0.151</u> | <u>0.153</u> | <u>0.179</u> |
| <u>\$ 15,000</u> | <u>0.187</u> | <u>0.189</u> | <u>0.221</u> |
| <u>\$ 20,000</u> | <u>0.216</u> | <u>0.219</u> | <u>0.256</u> |
| <u>\$ 25,000</u> | <u>0.240</u> | <u>0.243</u> | <u>0.284</u> |
| <u>\$ 50,000</u> | <u>0.326</u> | <u>0.330</u> | <u>0.386</u> |
| <u>\$ 75,000</u> | <u>0.381</u> | <u>0.386</u> | <u>0.451</u> |
| <u>\$ 100,000</u> | <u>0.423</u> | <u>0.429</u> | <u>0.501</u> |

4.1 Additional Insured Factor 0.10

6.1 Health Care Services Liability

| <u>Occurrence / Aggregate Limit</u> | <u>1st Professional</u> | <u>Each Additional</u> |
|-------------------------------------|------------------------------------|------------------------|
| <u>\$ 1,000,000 / \$2,000,000</u> | <u>\$ 1,200</u> | <u>\$ 250</u> |
| <u>\$ 1,000,000 / \$3,000,000</u> | <u>\$ 1,300</u> | <u>\$ 275</u> |
| <u>\$ 2,000,000 / \$4,000,000</u> | <u>\$ 1,600</u> | <u>\$ 350</u> |

8.2 Claims-Made Discount Factor

| <u>Year</u> | <u>Factor</u> |
|------------------|---------------|
| <u>1 Year</u> | <u>.84</u> |
| <u>2 Years</u> | <u>.92</u> |
| <u>3 Years</u> | <u>.97</u> |
| <u>4 Years</u> | <u>.99</u> |
| <u>5 Years +</u> | <u>1.00</u> |

8.3 Extended Reporting Period Options

| | |
|------------------|--|
| <u>12 Months</u> | <u>100% of preceding annual policy premium</u> |
| <u>24 Months</u> | <u>150% of preceding annual policy premium</u> |
| <u>Unlimited</u> | <u>200% of preceding annual policy premium</u> |

SERFF Tracking Number: PHAR-126188257 State: District of Columbia
 Filing Company: Pharmacists Mutual Insurance Company State Tracking Number:
 Company Tracking Number: DC-PSPL-09-09-RR
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0021 Pharmacy
 Made/Occurrence
 Product Name: Pharmacy Services Professional Liability
 Project Name/Number: DC-PSPL-09-09-RR/DC-PSPL-09-09-RR

Supporting Document Schedules

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

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

| | Item Status: | Status Date: |
|---|---------------------|-------------------------|
| Satisfied - Item: Actuarial Certification (P&C) | | |
| Comments: Prior to this revision, the rates for this coverage referenced AAIS's Commercial Liability Manual edition 06-01. Because Pharmacy Professional Liability is no longer available in the 09-06 edition of AAIS's manual, we have deleted the past rate reference and inserted instead the same rating as filed and approved in our Commercial Liability Exception Pages 07-08. As compared to current rates for this program, this revision will result in an overall rate decrease. The change in the base rate, depending on class code used, will range from +19% to -14%. However, the per pharmacist charge has been eliminated, resulting in an additional decrease to all insureds. The number of pharmacists varies greatly among our 32 current policyholders; we estimate that the net effect of this revision will range between +5% to -20%, averaging about -5%, and most insureds will see a decrease in premium. We do not have any DC policies. | | |

| | Item Status: | Status Date: |
|---|---------------------|-------------------------|
| Satisfied - Item: District of Columbia and Countrywide Experience for the Last 5 Years (P&C) | | |
| Comments: | | |

SERFF Tracking Number: PHAR-126188257 State: District of Columbia
Filing Company: Pharmacists Mutual Insurance Company State Tracking Number:
Company Tracking Number: DC-PSPL-09-09-RR
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0021 Pharmacy
Made/Occurrence
Product Name: Pharmacy Services Professional Liability
Project Name/Number: DC-PSPL-09-09-RR/DC-PSPL-09-09-RR

Please note: we have no business in this line in DC at this time.

Attachment:

Prem_and_Loss_Exhibit 09-09.pdf

Item Status:

**Status
Date:**

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

Bypass Reason: n/a - we have no policies in DC

Comments:

Item Status:

**Status
Date:**

Satisfied - Item: FILING MEMORANDUM

Comments:

Attachment:

PSPL Rate-Rule Filing Mem 07-09.pdf

Pharmacists Mutual[®] Companies

- Pharmacists Mutual Insurance Company
- Pharmacists Life Insurance Company
- Pharmacists National Insurance Corporation
- Pro Advantage Services, Inc.
- PMC Quality Commitment, Inc.

June 24, 2009

RE: PHARMACISTS MUTUAL INSURANCE COMPANY
NAIC #13714 NAIC GROUP #0775 FEIN: 42-0223390
Pharmacy Services Professional Liability RATE/RULE Filing DC-PSPL-09-09-RR

Ladies and Gentlemen:

Pharmacists Mutual Insurance Company (PhMIC) is filing revisions to its Pharmacy Services Professional Liability program. We have revised the language of our coverage form and related endorsements, as well as our manual rules and rates, to correspond to recent revisions to pharmacy professional liability language and rating in other company programs. In addition, we have developed a claims-made version of our policy and appropriate endorsements. We currently do not have any business in this state.

Pharmacists Mutual is requesting that this filing be approved effective for all policies effective on and after September 1, 2009.

If you have any questions, please contact me at any of the numbers listed below.

Sincerely,



Heidi T. Allen, MBA, ACP
Research & Development Director
1-800-247-5930 x – 7219
heidi.allen@phmic.com

DISTRICT OF COLUMBIA PREMIUM AND LOSS EXPERIENCE EXHIBIT

Name of Company: Pharmacists Mutual Insurance Company

Premiums and Losses Reported Are: Calendar Year

Line of Business: Line 11 - Med Mal - PSPL Program Only

Experience Current As Of 12/31/2008

20

Basic Limits:

Total Limits:

| | Year: 2004 | | Year: 2005 | | Year: 2006 | | Year: 2007 | | Year: 2008 | | TOTAL | |
|---|------------|------|------------|------|------------|------|------------|------|------------|------|--------|-----|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| DISTRICT OF COLUMBIA | | | | | | | | | | | | |
| 1. Direct Premiums Earned | 0 | 100 | 0 | 100 | 0 | 100 | 0 | 100 | 0 | 100 | 0 | 100 |
| 2. Direct Losses Incurred | 0 | ### | 0 | ### | 0 | ### | 0 | ### | 0 | ### | 0 | ### |
| 3. Loss Adjustment Expense Incurred | 0 | ### | 0 | ### | 0 | ### | 0 | ### | 0 | ### | 0 | ### |
| 4. Loss & Loss Adjustment Expenses Incurred (2+3) | 0 | ### | 0 | ### | 0 | ### | 0 | ### | 0 | ### | 0 | ### |
| 5. Direct Premiums Written | 0 | 100 | 0 | 100 | 0 | 100 | 0 | 100 | 0 | 100 | 0 | 100 |
| 6. Commission and Brokerage Paid | 0 | 0.2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.1 | 0 | ### |
| 7. Other Acquisition, Field Supervision & Collection Expenses Pd. | 0 | 15.5 | 0 | 15.4 | 0 | 15.1 | 0 | 15.4 | 0 | 15.3 | 0 | ### |
| 8. General Expenses Paid | 0 | 4.2 | 0 | 4.9 | 0 | 5.6 | 0 | 6.8 | 0 | 6.9 | 0 | ### |
| 9. Taxes, Licenses & Fees Paid | 0 | 2.6 | 0 | 2.6 | 0 | 2.1 | 0 | 2.4 | 0 | 2.4 | 0 | ### |
| 10. Total Expenses Paid (6+7+8+9) | 0 | 22.5 | 0 | 22.9 | 0 | 22.8 | 0 | 24.6 | 0 | 24.7 | 0 | ### |

| | Year: 2004 | | Year: 2005 | | Year: 2006 | | Year: 2007 | | Year: 2008 | | TOTAL | |
|---|------------|------|------------|------|------------|------|------------|------|------------|------|--------|------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| COUNTRYWIDE | | | | | | | | | | | | |
| 1. Direct Premiums Earned | 821 | 100 | 919 | 100 | 1125 | 100 | 1205 | 100 | 1184 | 100 | 5254 | 100 |
| 2. Direct Losses Incurred | 114 | * | 26 | * | 362 | * | 287 | * | 211 | * | 1000 | * |
| 3. Loss Adjustment Expense Incurred | 1 | * | 1 | * | -1 | * | 81 | * | 43 | * | 125 | * |
| 4. Loss & Loss Adjustment Expenses Incurred (2+3) | 115 | * | 27 | * | 361 | * | 368 | * | 254 | * | 1125 | * |
| 5. Direct Premiums Written | 927 | 100 | 1041 | 100 | 1063 | 100 | 1305 | 100 | 1144 | 100 | 5,480 | 100 |
| 6. Commission and Brokerage Paid | 2 | 0.2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 0.1 | 3 | 0.1 |
| 7. Other Acquisition, Field Supervision & Collection Expenses Pd. | 144 | 15.5 | 160 | 15.4 | 161 | 15.1 | 201 | 15.4 | 175 | 15.3 | 841 | 15.3 |
| 8. General Expenses Paid | 39 | 4.2 | 51 | 4.9 | 60 | 5.6 | 89 | 6.8 | 79 | 6.9 | 317 | 5.8 |
| 9. Taxes, Licenses & Fees Paid | 24 | 2.6 | 27 | 2.6 | 22 | 2.1 | 31 | 2.4 | 27 | 2.4 | 132 | 2.4 |
| 10. Total Expenses Paid (6+7+8+9) | 209 | 22.5 | 238 | 22.9 | 242 | 22.8 | 321 | 24.6 | 283 | 24.7 | 1,293 | 23.6 |

Notes:

*% of Line 1 (Same for each year and total)

**% of Line 5 (Same for each year and total)

PHARMACISTS MUTUAL INSURANCE COMPANY

Pharmacy Services Professional Liability COUNTRYWIDE Rate-Rule Filing Memorandum

Pharmacists Mutual Insurance Company (PhMIC) is filing revisions to its Pharmacy Services Professional Liability program. This program is specifically designed to provide Pharmacy Professional Liability coverage to a business entity that would not otherwise qualify for Pharmacists Mutual's Commercial Liability or Businessowners programs. This is a limited line for PhMIC; there are currently only 32 in-force policies countrywide. We have revised the language of our coverage form and related endorsements, (included in a separate filing,) as well as our manual rules and rates, to correspond to recent revisions to pharmacy professional liability language and rating in other company programs. In addition, included with the separate filing, we are also submitting for review new claims-made versions of this policy and certain endorsements.

RATES/RULES

Prior to this revision, the rates for this coverage referenced AAIS's Commercial Liability Manual edition 06-01. Because Pharmacy Professional Liability is no longer available in the 09-06 edition of AAIS's manual, we have deleted the past rate reference and inserted instead the same rating as filed and approved in our Commercial Liability Exception Pages 07-08. As compared to current rates for this program, this revision will result in an overall rate decrease. The change in the base rate, depending on class code used, will range from +19% to -14%. However, the per pharmacist charge has been eliminated, resulting in an additional decrease to all insureds. The number of pharmacists varies greatly among our 32 current policyholders; we estimate that the net effect of this revision will range between +5% to -20%, averaging about -5%, and most insureds will see a decrease in premium.

Manual Revision Details

1. Rule 1.1 Policy Forms – language modified to match description of Pharmacy Professional Liability Coverage in other PhMIC forms and added a description of our new claims-made version of this policy form, PM500.
2. Rule 1.2 Policy Limits – defined base policy limits available; limits below \$1MM/\$2MM are no longer being offered since we have not written any policies for lower limits. Limit options added for \$1MM/\$3MM and \$2MM/\$4MM to match Commercial Liability program.
3. Rule 1.3 Higher Limits – expanded to include company rules for underwriting documentation of higher limits. Limits for Limited Pharmacy License Defense Reimbursement defined here as well.
4. Rule 2 – Policy Writing Instructions – revised to match other PhMIC program manuals.
5. Rule 3.1 – Deductible – clarifying language revisions and related factors, although unchanged, have been moved to the rate section of the manual.
6. Rule 3.2 – Deductible Aggregate – this is a new optional coverage with no premium impact. The rule includes reference to both the occurrence, PM437, and claims-made, PM502, versions of this endorsement.

7. Rule 4 – Additional Insured – clarifying language revisions and related factors, although unchanged, have been moved to the rate section of the manual.
8. Rule 5 – Premium Development – this section is entirely new. Rating of this policy matches our Commercial Liability rating, and the premium determination rules reflect this change. Steps Step 13 has been added for when the claims-made version of the policy applies.
9. Rule 6 – Coverage Options – language clarification of the coverage option, including changing the coverage name, but endorsement PM 1110 is not new.
10. Rule 7 – Individual Risk Premium – language clarifications only.
11. Rule 8 – Claims-Made Form Rule – new rule to accompany new version of coverage form. Added language addresses retroactive date, claims-made discount factor use, and extended reporting period options available.
12. Countrywide Rates –
 - a. 1.2 – Loss Costs are the same as filed/approved for our Commercial Liability and Businessowners programs for Pharmacy Professional Liability coverage.
 - b. 3.1 – Deductible Factors – are the same as filed/approved for our Commercial Liability program for Pharmacy Professional Liability coverage and are extracted from AAIS's Commercial Liability program rules.
 - c. 4.1 – Additional Insured Factor – no change, simple moved to this section
 - d. 6.1 - Health Care Services Liability – renamed from Ancillary Pharmacy Services Professional Liability Coverage; rate for \$1MM/\$2MM coverage is unchanged; rates for higher coverage limits match those filed and approved for our Commercial Liability program.
 - e. 8.2 – Claims-Made Discount Factor – applicable only with new PM500; based on industry factors.
 - f. 8.3 – Extended Reporting Period Options – applicable only with new PM500 & PM501; based on industry factors.