

State: New Jersey **Filing Company:** National Union Fire Insurance Company of Pittsburgh, Pa.
TOI/Sub-TOI: 11.0 Med Mal -Claims Made and Occurrence/11.0006 Dentists - General Practice
Product Name: Dentists Professional Liability Program 015106400288
Project Name/Number: Dentists Professional Liability Program /AIG-13-EO-06

Filing at a Glance

Company: National Union Fire Insurance Company of Pittsburgh, Pa.
 Product Name: Dentists Professional Liability Program 015106400288
 State: New Jersey
 TOI: 11.0 Med Mal -Claims Made and Occurrence
 Sub-TOI: 11.0006 Dentists - General Practice
 Filing Type: Rate/Rule
 Date Submitted: 06/12/2013
 SERFF Tr Num: AGNY-129071266
 SERFF Status: Closed-Closed
 State Tr Num: 13-1438
 State Status: Closed
 Co Tr Num: AIG-13-EO-06

Effective Date: 07/15/2013
 Requested (New):
 Effective Date: 07/15/2013
 Requested (Renewal):
 Author(s): Myron Harry
 Reviewer(s): Candy Speck (primary), Lisa Frawley
 Disposition Date: 06/14/2013
 Disposition Status: Closed
 Effective Date (New):
 Effective Date (Renewal):

State: New Jersey **Filing Company:** National Union Fire Insurance Company of Pittsburgh, Pa.
TOI/Sub-TOI: 11.0 Med Mal -Claims Made and Occurrence/11.0006 Dentists - General Practice
Product Name: Dentists Professional Liability Program 015106400288
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General Information

Project Name: Dentists Professional Liability Program Status of Filing in Domicile:
 Project Number: AIG-13-EO-06 Domicile Status Comments: Filing being submitted simultaneously on a Countrywide basis.
 Reference Organization: Reference Number:
 Reference Title: Advisory Org. Circular:
 Filing Status Changed: 06/14/2013
 State Status Changed: 06/14/2013 Deemer Date:
 Created By: Myron Harry Submitted By: Myron Harry
 Corresponding Filing Tracking Number:

Filing Description:
 National Union Fire Insurance Company of Pittsburgh, Pa. (the "Company") submits for your review and approval revised rates to be used with its Dentists Professional Liability Program. The current rates for this Program are on file with your Department under our filing nos. CHS-11-EO-28 (SERFF Tracking Number AGNY- 127886383) and AIG-13-EO-03 (SERFF Tracking Number AGNY- 128958318). This filing adjusts the Company's filed rates and class relativities to account for increases in the Company expense ratio and loss trend. Please be advised that the attached rating plan will replace the rating plan that is currently on file with your Department.

Please refer to the attached actuarial materials and blackline copy of the rate pages for information about the revisions included in this submission.

Your favorable consideration and approval are respectfully requested.

Company and Contact

Filing Contact Information

Myron Harry, myron.harry@aig.com
 12 Metrotech, 27th Floor 718-250-1771 [Phone]
 Brooklyn, NY 11201 718-250-1779 [FAX]

Filing Company Information

National Union Fire Insurance Company of Pittsburgh, Pa.	CoCode: 19445	State of Domicile: Pennsylvania
175 Water Street	Group Code: 12	Company Type:
New York, NY 10038	Group Name:	State ID Number:
(212) 458-5000 ext. [Phone]	FEIN Number: 25-0687550	

Filing Fees

Fee Required? No
 Retaliatory? No
 Fee Explanation:

SERFF Tracking #:

AGNY-129071266

State Tracking #:

13-1438

Company Tracking #:

AIG-13-EO-06

State: New Jersey

Filing Company:

National Union Fire Insurance Company of Pittsburgh, Pa.

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Closed	Candy Speck	06/14/2013	06/14/2013

Objection Letters and Response Letters

Objection Letters

Status	Created By	Created On	Date Submitted
Pending Industry Response	Candy Speck	06/13/2013	06/13/2013

Response Letters

Responded By	Created On	Date Submitted
Myron Harry	06/14/2013	06/14/2013

State: New Jersey

Filing Company: National Union Fire Insurance Company of Pittsburgh, Pa.

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Disposition

Disposition Date: 06/14/2013

Effective Date (New):

Effective Date (Renewal):

Status: Closed

Comment: Since the rates and/or rules for a purchasing group are not required to be filed, this filing is being closed without action.

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 req'd):	Minimum % Change (where req'd):
National Union Fire Insurance Company of Pittsburgh, Pa.	18.000%	9.300%	\$166,012	635	\$1,787,000	17.000%	7.000%

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Explanatory Memorandum		Yes
Supporting Document	Side by Side Comparison		Yes
Supporting Document	Terrorism		Yes
Rate	NJ Rate Plan (5-2013)		Yes
Rate	NJ Rating Rules (5-2013)		Yes

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Objection Letter

Objection Letter Status	Pending Industry Response
Objection Letter Date	06/13/2013
Submitted Date	06/13/2013
Respond By Date	06/14/2013

Dear Myron Harry,

Introduction:

For the completion of our review of the referenced filing we will require answers to the following questions/concerns:

Objection 1

Comments: The Company File Numbers provided under this filing (i.e. CHS-11-EO-28 and AIG-13-EO-03) were for your Dentists Professional Liability Program, which provides coverage on behalf of the National Society of Dental Practitioners, a risk purchasing group. Does this filing apply to the National Society of Dental Practitioners Risk Purchasing Group?

Conclusion:

Sincerely,
Candy Speck

State: New Jersey **Filing Company:** National Union Fire Insurance Company of Pittsburgh, Pa.

TOI/Sub-TOI: 11.0 Med Mal -Claims Made and Occurrence/11.0006 Dentists - General Practice

Product Name: Dentists Professional Liability Program 015106400288

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Response Letter

Response Letter Status	Submitted to State
Response Letter Date	06/14/2013
Submitted Date	06/14/2013

Dear Candy Speck,

Introduction:

In response to your comment letter dated June 13, 2013, we offer the following:

Response 1

Comments:

Yes, please be advised that this Dentists Professional Liability Program provides coverage on behalf of the National Society of Dental Practitioners, a risk purchasing group.

Related Objection 1

Comments: The Company File Numbers provided under this filing (i.e. CHS-11-EO-28 and AIG-13-EO-03) were for your Dentists Professional Liability Program, which provides coverage on behalf of the National Society of Dental Practitioners, a risk purchasing group. Does this filing apply to the National Society of Dental Practitioners Risk Purchasing Group?

Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Conclusion:

Myron Harry

Sincerely,

Myron Harry

SERFF Tracking #:

AGNY-129071266

State Tracking #:

13-1438

Company Tracking #:

AIG-13-EO-06

State: New Jersey

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Rate Information

Rate data applies to filing.

Filing Method: Prior Approval

Rate Change Type: Increase

Overall Percentage of Last Rate Revision: 6.000%

Effective Date of Last Rate Revision: 01/18/2013

Filing Method of Last Filing:

Company Rate Information

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 req'd):	Minimum % Change (where req'd):
National Union Fire Insurance Company of Pittsburgh, Pa.	18.000%	9.300%	\$166,012	635	\$1,787,000	17.000%	7.000%

SERFF Tracking #:

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Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		NJ Rate Plan (5-2013)	Pages 1 - 4	Replacement	AGNY- 128958318	NJ Rate Plan (5-2013).pdf
2		NJ Rating Rules (5-2013)	Pages 1 -4	Replacement	AGNY- 128958318	NJ Rating-Rules (5-2013).pdf

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
DENTAL PROFESSIONAL LIABILITY
RATE PLAN
NEW JERSEY**

1	PROFESSIONAL LIABILITY MATURE CLAIMS MADE BASE PREMIUMS	<table border="0"> <tr> <td style="text-align: center;">Limit of Liability</td> <td style="text-align: center;">Base Premium</td> </tr> <tr> <td>\$1,000,000 each claim / \$3,000,000 aggregate</td> <td style="text-align: center;">\$3,213</td> </tr> <tr> <td colspan="2">Territory: Entire State</td> </tr> </table>	Limit of Liability	Base Premium	\$1,000,000 each claim / \$3,000,000 aggregate	\$3,213	Territory: Entire State																			
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2	CLASS PLAN RELATIVITY FACTORS	<table border="0"> <tr> <td style="text-align: center;">Class</td> <td style="text-align: center;">Factor</td> </tr> <tr> <td style="text-align: center;">1</td> <td style="text-align: center;">1.000</td> </tr> <tr> <td style="text-align: center;">2</td> <td style="text-align: center;">1.250</td> </tr> <tr> <td style="text-align: center;">3</td> <td style="text-align: center;">1.650</td> </tr> <tr> <td style="text-align: center;">4</td> <td style="text-align: center;">2.770</td> </tr> <tr> <td style="text-align: center;">5</td> <td style="text-align: center;">8.000</td> </tr> </table>	Class	Factor	1	1.000	2	1.250	3	1.650	4	2.770	5	8.000												
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3	POLICY TYPE FACTORS	<table border="0"> <tr> <td style="text-align: center;">A. Claims Made Year</td> <td style="text-align: center;">Factor</td> </tr> <tr> <td style="text-align: center;">Year 1</td> <td style="text-align: center;">0.336</td> </tr> <tr> <td style="text-align: center;">Year 2</td> <td style="text-align: center;">0.567</td> </tr> <tr> <td style="text-align: center;">Year 3</td> <td style="text-align: center;">0.797</td> </tr> <tr> <td style="text-align: center;">Year 4</td> <td style="text-align: center;">1.000</td> </tr> <tr> <td style="text-align: center;">Year 5</td> <td style="text-align: center;">1.000</td> </tr> <tr> <td style="text-align: center;">B. Occurrence</td> <td style="text-align: center;">1.100</td> </tr> </table>	A. Claims Made Year	Factor	Year 1	0.336	Year 2	0.567	Year 3	0.797	Year 4	1.000	Year 5	1.000	B. Occurrence	1.100										
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5	EXTENDED REPORTING PERIOD FACTORS	<table border="0"> <tr> <td style="text-align: center;">Number of Years of Prior Acts</td> <td style="text-align: center;">Factor to be Multiplied by the Mature Claims Made Premium</td> </tr> <tr> <td style="text-align: center;">1 Year</td> <td style="text-align: center;">0.80</td> </tr> <tr> <td style="text-align: center;">2 Year</td> <td style="text-align: center;">1.20</td> </tr> <tr> <td style="text-align: center;">3 Year</td> <td style="text-align: center;">1.45</td> </tr> <tr> <td style="text-align: center;">4 Year</td> <td style="text-align: center;">1.60</td> </tr> <tr> <td style="text-align: center;">5 OR MORE YEARS</td> <td style="text-align: center;">1.80</td> </tr> </table>	Number of Years of Prior Acts	Factor to be Multiplied by the Mature Claims Made Premium	1 Year	0.80	2 Year	1.20	3 Year	1.45	4 Year	1.60	5 OR MORE YEARS	1.80												
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6	NEW DENTIST DISCOUNT FACTORS	<table border="0"> <tr> <td style="text-align: center;">Years in Practice</td> <td style="text-align: center;">Factor</td> </tr> <tr> <td style="text-align: center;">First Year</td> <td style="text-align: center;">0.25</td> </tr> <tr> <td style="text-align: center;">Second</td> <td style="text-align: center;">0.60</td> </tr> <tr> <td style="text-align: center;">Third Year</td> <td style="text-align: center;">0.80</td> </tr> </table>	Years in Practice	Factor	First Year	0.25	Second	0.60	Third Year	0.80																
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7	PART TIME DENTIST DISCOUNT FACTOR	<table border="0"> <tr> <td style="text-align: center;">Number of Hours in Practice</td> <td style="text-align: center;">Factor</td> </tr> <tr> <td style="text-align: center;">10 hours or less per week</td> <td style="text-align: center;">0.25</td> </tr> <tr> <td style="text-align: center;">20 hours or less per week</td> <td style="text-align: center;">0.50</td> </tr> <tr> <td style="text-align: center;">21 hours or more per week</td> <td style="text-align: center;">1.00</td> </tr> </table>	Number of Hours in Practice	Factor	10 hours or less per week	0.25	20 hours or less per week	0.50	21 hours or more per week	1.00																
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8	FACULTY DISCOUNT FACTORS	<table border="0"> <tr> <td style="text-align: center;">Appointment Status</td> <td style="text-align: center;">Factor</td> </tr> <tr> <td style="text-align: center;">Full-Time</td> <td style="text-align: center;">0.70</td> </tr> <tr> <td style="text-align: center;">Half-Time</td> <td style="text-align: center;">0.80</td> </tr> <tr> <td style="text-align: center;">Part-Time</td> <td style="text-align: center;">0.90</td> </tr> <tr> <td style="text-align: center;">Zero-Time</td> <td style="text-align: center;">1.00</td> </tr> </table>	Appointment Status	Factor	Full-Time	0.70	Half-Time	0.80	Part-Time	0.90	Zero-Time	1.00														
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9 WAIVER OF CONSENT DISCOUNT FACTOR 0.90

10 RISK MANAGEMENT EDUCATION FACTOR 0.90

11 CLAIM FREE CREDIT DISCOUNT FACTORS

Years	Factor
10 + years claim free	0.90
9 years claim free	0.91
8 years claim free	0.92
7 years claim free	0.93
6 years claim free	0.94
5 years claim free	0.95
4 years claim free	0.96
3 years claim free	0.97
2 years claim free	0.98
1 years claim free	0.99

12 CLAIMS EXPERIENCE DEBIT

TOTAL OF ALL CLAIMS AMOUNT

	1 loss	2 losses	3 losses	4 losses
\$0 - \$3,000	1.00	1.10	1.15	1.20
\$3,001 - \$10,000	1.10	1.15	1.20	1.25
\$10,001 - \$20,000	1.15	1.20	1.25	1.30
\$20,001 - \$30,000	1.20	1.25	1.30	1.35
\$30,001 - \$40,000	1.25	1.30	1.35	1.40
\$40,001 +	1.30	1.35	1.40	1.50

13 INDIVIDUAL RISK PREMIUM MODIFICATIONS

	Range of Modifications	
	Credits	Debits
Operational controls and procedure mix, such as but not limited to mandatory referrals for extractions, use of consent forms, internal documentation practices, implant procedures and laser use, and extraction of impacted third molars.	10%	25%
Practice Characteristics, such as but not limited to single v. multiple locations, degree of severity presented by area of specialization, volume of patient traffic, number of years of patient experience.	10%	25%
Loss Control procedures, such as but not limited to training and retraining of all employees on the safest way to do their job; promoting safety awareness; conducting frequent safety inspections of all work areas; having an office safety program; using proper sterilization techniques to ensure environmental is free from the possibility of contamination from blood-borne pathogens.	10%	25%
Claim peculiarities, such as but not limited to who was responsible for the loss (Insured Dentist, Employee of Insured Dentists, Partner, Independent Contractor- this is for the respondent superior or indemnity exposures); frequency or lack of administrative actions such as peer review, office of professional discipline or dental board complaints; frequency or lack of claims for return of fees	10%	25%
Maximum Debit/Credit=25%		

14 ADDITIONAL INSUREDS PREMIUM CHARGE FACTOR

10% Premium Charge Factor 1.10

15 BOARD EXAMINATION/INTERVIEW COVERAGE PREMIUM CHARGE

A) Board Examination Premium Charge for a Limit of Liability of \$1,000,000 per occurrence / \$3,000,000 aggregate \$20
 B) Interview Premium Charge for a Limit of Liability of \$1,000,000 per occurrence / \$3,000,000 aggregate \$250

16 MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE

Premium Charge for a Limit of Liability of \$50,000 per occurrence / \$50,000 aggregate \$50

17 DISABILITY OR LEAVE OF ABSENCE

75% Premium Discount Factor 0.25

18 DEDUCTIBLES

The following deductibles may be offered on a per occurrence basis only for Professional Liability.

DEDUCTIBLE AMOUNT	CREDIT FACTOR
\$0	1.00
\$1,000	0.95
\$2,500	0.90
\$5,000	0.81
\$10,000	0.70

19 ACADEMY OF GENERAL DENTISTRY MEMBERSHIP (AGD)

Academy of General Dentistry Membership - Members in good standing who have completed the following requirements are eligible for membership credit.

Application Requirements:

Membership Maintenance - Members must earn 75 hours of continuing dental education during their 3 year review period. Recent graduates have 5 years to complete.	Credit 10%
Fellowship Award Requirements - Fellowship requires 5 continuous years (50 consecutive months of membership in AGD, plus 500 hours of approved continuing education credit (at least 350 of which is earned in course attendance). Accepted activities for Fellowship credits are: Scientific Programs Postgraduate Education Federal Dental Service Specialty Rotation Programs Self-Instruction Programs Self-Improvement AGD approved courses	15%

ACADEMY OF GENERAL DENTISTRY MEMBERSHIP

Membership Award Requirements - Mastership requires Fellowship status in the AGD, plus completion of 600 credit hours of approved continuing education in each of 16 separate disciplines:

- Myofascial Pain Dysfunction / Occlusion
- Operative Dentistry
- Periodontics
- Fixed Prosthodontics
- Removable Prosthodontics
- Endodontics
- Oral & Maxillofacial Surgery
- Orthodontics
- Pediatric Dentistry
- Basic Sciences
- Oral Medicine / Oral Diagnosis
- Practice Management
- Electives
- Implants
- Special Patient Care
- Esthetics

20 AMERICAN DENTAL ASSOCIATION MEMBER CREDIT

A credit of 5% will be applied to each dentist who is a member of the American Dental Association.

21 GROUP DISCOUNTS

A single group practice policy issued to two or more dentists is eligible for a premium discounts based upon the total number of dentists and oral surgeons within the group. This discount is based on the size of the group to reflect the lower acquisition costs, reduces administrative expenses (including billing and collection) and the potential savings due to lower losses. (Group Practice appears to reduce losses due to internal risk management and other control and quality factors inherent in the group.) The following discounts are applicable:

Group Size	Premium Credit
2 - 5 Dentists	5%
6 - 10 Dentists	10%
11 - 25 Dentists	15%
> 25 Dentists	Refer to Home Office

II. COVERAGE OPTIONS:

A Dentist Liability Package Policy

The Dentist Liability Package Policy will include all coverages I, II, III, IV, V, VI and VII. The charge of the additional coverage may be purchased for an additional 11%. The annual Professional Liability Premium will be multiplied by 1.11.

B Employment Practices Liability - increased limits

Coverage V, Employment Practices Liability limits may be increased to \$25,000 each claim / \$25,000 aggregate for an additional premium charge of \$130. Additional increased limits are available - see below.

The applicable flat rate in the following table shall be applied to each Named Insured policy based on the number of employees: The rates shown are the total amounts charged for the limits shown. The limits shown are on a per occurrence / aggregate basis.

Number of Employees**	Limits of Liability*			
	\$100,000 / \$100,000	\$250,000 / \$250,000	\$500,000 / \$500,000	\$750,000 / \$750,000
1-3	\$268	\$360	\$451	\$494
4	\$358	\$480	\$601	\$659
5	\$447	\$600	\$752	\$823
6	\$537	\$720	\$902	\$988
7	\$626	\$839	\$1,052	\$1,153
8	\$716	\$959	\$1,203	\$1,317
9	\$805	\$1,079	\$1,353	\$1,482

*A mandatory deductible of \$2,500 applies to the above coverage
**10 or more employees - please refer to Company

C ERISA Fiduciary Liability Coverage

Coverage is available as follows:

<u>Limit of Liability</u>	<u>Premium</u>
\$100,000 / \$100,000	\$130

D Organization / Entity Coverage

Coverage can be provided for Dental Practitioner Group Partnerships, Corporations or Professional Associations for liability arising from the practice of dentistry by member dental providers and allied practitioners. There is no additional charge to have coverage sharing in the limits of liability with the Named Insured. A charge of 10% of the total premium (all Named Insureds) will be added if a separate limit of liability is purchased.

E Billing Errors & Omissions Coverage

Coverage is available as follows:

<u>Limits of Liability</u>	<u>Premium</u>
\$25,000	\$100

F Corporate Identity Protection Coverage

Coverage is available as follows:

Limits of Liability*	Premium
\$10,000	\$100
a. Personal Identity Liability Sublimit for all personal identity events	\$10,000

b. Administrative Action Sublimit for all administrative expenses		\$10,000
c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event services		\$10,000
Limits of Liability*	Premium	
\$25,000	\$150	
a. Personal Identity Liability Sublimit for all personal identity events		\$25,000
b. Administrative Action Sublimit for all administrative expenses		\$25,000
c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event services		\$25,000
Limits of Liability*	Premium	
\$50,000	\$300	
a. Personal Identity Liability Sublimit for all personal identity events		\$50,000
b. Administrative Action Sublimit for all administrative expenses		\$50,000
c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event services		\$50,000
Limits of Liability*	Premium	
\$100,000	\$600	
a. Personal Identity Liability Sublimit for all personal identity events		\$100,000
b. Administrative Action Sublimit for all administrative expenses		\$100,000
c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event services		\$100,000

* Retention of \$500 is mandatory for each personal identity event.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
DENTAL PROFESSIONAL LIABILITY
RATING RULES
NEW JERSEY**

I. COVERAGES AVAILABLE:

Option I. Dental Professional Liability (Monoline Professional Liability)

Mandatory minimum coverage

Coverage Type
Claims - Made or Occurrence

The following coverages will be included in the Professional Liability Coverage at no additional charge:

<u>Coverage</u>	<u>Limit of Liability</u>
Medical Payments Coverage	\$10,000
Administrative Hearing	\$50,000
Limited Health Insurance Portability and Accountability Act ("HIPAA") Defense Only Coverage	\$25,000

Option II. Dental Professional Package:

The following coverages are available:

<u>Coverage:</u>		<u>Coverage Type</u>
I.	Dentists Professional Liability	Claims - Made or Occurrence
II.	Dentists General Liability	Occurrence
	a. Premises, Products / Completed Operations	
	b. Medical Payments - \$10,000 / \$10,000	
III.	Non-owned & Hired Auto Liability	Occurrence
IV.	Employee Benefits Administration Liability	Occurrence
V.	Employment Practices Liability - \$5,000 / \$5,000	Claims - Made
VI.	Medical Waste Legal Reimbursement - \$50,000 / \$50,000	Claims - Made or Occurrence
VII.	Billing Errors & Omissions- \$2500/\$2500	Claims-Made

The following limits of liability are available on a per occurrence / aggregate basis as listed below:

	Coverage I Professional Liability only	Coverage II, III & IV GL, Hired & NO, Employee Benefits	Coverage V Employment Practices	Coverage VI Medical Waste Legal	Coverage VIII Billing Errors & Omissions
A.	\$100,000 / \$300,000	\$100,000 / \$300,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
B.	\$200,000 / \$600,000	\$200,000 / \$600,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
C.	\$500,000 / \$1,500,000	\$500,000 / \$1,500,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
D.	\$1,000,000 / \$3,000,000	\$1,000,000 / \$3,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
E.	\$2,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
F.	\$3,000,000 / \$3,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
G.	\$3,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
H.	\$4,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
I.	\$5,000,000 / \$5,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
J.	\$5,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500

Coverages II - VII must be purchased as a package. They are not available on a stand alone basis. Only coverage I Dental Professional Liability is available on a monoline basis. Coverage VI and VII may be added separately to a mono line Dental Professional Liability Policy.

Coverage II Dentists General Liability, Coverage III Non-owned & Hired Auto Liability and Coverage IV Employee Benefits Administration Liability limits must be equal to the limits of liability listed in the table above for the option selected by the insured.

Coverage VI, Medical Waste Legal Reimbursement limits may not be increased under this program.

Coverage VII, Billing Errors & Omissions may be increased to \$25,000 for an additional payment of \$100.

II. GENERAL RULES

1 PREMIUM BASE

Both occurrence and claims made rates apply on a per Dentist basis for Professional Liability

2 POLICY TERM

Policies will be written for a term of one year and renewed annually thereafter, subject to underwriting review.

3 PREMIUM COMPUTATION

A. Compute the premium using the rates in effect that time of policy issuance.

B. Pro-rate the premium when policy is issued for other than one year.

C. Premiums are calculated as specified for the respective coverage. Rounding to the nearest whole dollar amount (i.e. .50 and great rounds up; .49 and below rounds down) is done after the computation of the final premium.

D. Individual Risk Premium Modifications will be added together and applied as one modification to the premium. All other factors will be multiplied against the base premium.

4 ADDITIONAL PREMIUM CHARGES

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules in effect on the effective date of the change.
- C. Waive additional premium of \$20.00 or less. The waiver only applies to cash exchange due on an endorsement effective date.

5 RETURN PREMIUM CHARGES

- A. Deletion of a mandatory coverage is not permitted unless the entire policy is canceled.
- B. Compute return premium at the rate used to calculate the policy premium.
- C. Compute return premium pro rata when any coverage or exposure is deleted or an amount of insurance is reduced.
- D. Waive return premium of \$20.00 or less. Grant any return premium if requested by the Insured. This waiver only applies to cash exchanges due on the endorsement effective date.

6 POLICY CANCELLATION

- A. Compute return premium pro rata when:
 - 1 A policy is canceled at the Company's request.
 - 2 The Insured no longer has a financial or an insurable interest in the subject of insurance.
 - 3 A policy is canceled and rewritten in the same Company or Company Group.
 - 4 A policy is canceled due to death, disability or retirement.
- B. If cancellation is for any other reason than stated in A. above; compute the return premium at .90 of the pro rata unearned premium for the one-year period.
- C. Retain the Policy Writing Minimum Earned Premium when the Insured requests cancellation except when a policy is canceled as of the inception date. In the event of a cancellation, the minimum premium will be considered to be the annual premium charge with cancellation premium subject to the policy writing minimum earned premium. The policy writing minimum earned premium shall be \$250.00 per annual or lesser period, unless otherwise specified for the respective coverage.

7 LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state and territory. An exception will be allowed for dentists who have a multi-state or multi-territory exposure. We will charge the rate of the state or territory in which the dentist has a majority of his / her practice.

8 MAXIMUM CREDITS ALLOWABLE

The maximum amount of credits to be applied may not exceed 60% for each scheduled dentist. The maximum does not include: Waiver of consent, deductible factors, decreased limit factors, claims made step factors and new dentist discount.

9 TERMINATION OF COVERAGE (CLAIMS MADE COVERAGE ONLY)

Within thirty (30) days after the termination of coverage, as defined below, the Company will advise the Named Insured in writing of the automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage.

The Named Insured shall have the greater of sixty (60) days from the effective date of termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, to submit to the Company written acceptance of the Extended Reporting Period Coverage.

Termination of Coverage, whether made by the Company or the Named Insured at any time, means either (1) cancellation or non-renewal of a policy, or (2) decrease in limits, reduction of coverage, increased deductible or self insured retention, new exclusion or any other change in coverage less favorable to the Insured.

10 EXTENDED REPORTING PERIOD COVERAGE (CLAIMS MADE COVERAGE ONLY)

The availability of Extended Reporting Period coverage shall be governed by the following rules, subject to underwriting approval.

- A. The available limits of liability shall not exceed those afforded under the current policy.
- B. In the event of termination of coverage, as defined above, the Insured may purchase this coverage by giving the Company written notice, within sixty (60) days of such termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, of its intent to purchase, and by paying the appropriate premium.
- C. Extended Reporting Period premiums shall be calculated upon the rates and premiums in effect during the policy period immediately preceding the election to purchase such coverage.
- D. The Extended Reporting Period coverage shall not increase or reinstate the limits of liability of the terminated policy.
- E. There will be no charge for Extended Reporting Period coverage if the Insured:
 - 1 Dies, or
 - 2 Becomes totally and permanently disabled
Disability shall mean the total and permanent disability from the practice of clinical dentistry for a period of six consecutive months without expectation of recovery. The disability or death must result from sickness or accidental bodily injury and be confirmed in writing by an independent attending physician.
 - 3 Fully retires at age 50 or more and has been insured under an AIG Company for at least 5 years.
If not insured for 5 years, a credit of one fifth of the otherwise applicable Extended Reporting Period Endorsement premium will be applied to each full annual period the insured has consecutively been insured with the Company.

- F. The Extended Reporting Period shall be Unlimited.
- G. All Insureds previously covered through Fireman's Fund Insurance will be grandfathered into the current program.
- H. Extended Reporting Coverage is available for ERISA Fiduciary Coverage. A factor of .75 will apply to the rate.
- I. Extended Reporting Coverage is available for Employment Practices Liability increased limits. A factor of .75 will apply to the rate.

III. COVERAGE RULES

- 1 NEW DENTIST DISCOUNT**
A discount will be applied to premium for New Dentists in years 1 through 3 of practice that meet the following criteria:
- Year 1: A newly graduated dentist shall be defined as a dentist who has completed training in dentistry from a domestic accredited university or dental college within the previous twelve months or the experienced military dentist who within 6 months of honorable discharge or a foreign graduate with a 2 year program from an accredited U.S. dental school, and will be joining a dental group or opening a private practice, and for whom this is the first professional liability insurance coverage provided other than that for Dental Examinations.
- Years 2 or 3: The Dentist is in his or her second or third year of post graduate practice as defined above.
- 2 PART TIME DENTIST**
This discount shall apply to any dentist who works twenty (20) hours or less per week or less than an aggregate of 1,050 hours during the term of an annual policy.
- The part time discount is not applied to the Extended Reporting Period Endorsement unless the part time practice did not exceed an average of 1,050 hours per year over the previous five consecutive policy years.
- 3 FACULTY DENTIST**
A faculty discount shall be applied to those dentists who are faculty members of an accredited dental school. The amount of the discount will be based on the hours spent teaching at the facility as defined below:
- Full Time - 32 hours or more per week
Half Time - 16 to 31 hours per week
Part Time - 15 hours or less per week
- 4 WAIVER OF CONSENT**
A premium discount shall be applied when the insured has waived the consent provision of the Coverage Agreements. This modification can not be added to a policy mid-term.
- 5 RISK MANAGEMENT EDUCATION**
A premium discount shall be applied to those dentist who participate in an approved risk management program. Approved Risk management programs include but are not limited to completed risk management workshops, seminars, self-study, state dental society courses, accredited national organization courses, and courses completed from a previous employer.
- 6 CLAIM EXPERIENCE**
Claim Free Credit:
A premium discount will be applied to those dentists who have been without a chargeable loss based on the claim history of an individual dentist over the proceeding five-year period. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.
All insureds previously covered through Fireman's Fund Insurance will be grandfathered into the current program.
- Claim Experience Debit:
Based on the claim history of an individual dentist over the proceeding five year period, a debit, based on a chargeable loss, shall be applied to the dentist's rate. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.
Debits will be adjusted each year, dependent upon annual review of claims experience.
- 7 INDIVIDUAL RISK PREMIUM MODIFICATIONS**
Individual risk premium modification (IRPM) factors may be applied to reflect account characteristics not otherwise addressed. IRPM's are based on operational controls and procedure mix; practice characteristics; loss control procedures; and claim peculiarities. The total IRPM shall not exceed + or - 25%.
- 8 POLICY CHANGE ENDORSEMENT**
The "Policy Change Endorsement" will be used to correct errors or mistakes on the Declarations page.
- 9 ADDITIONAL INSUREDS**
The "Additional Insured Endorsement" to add additional insured to the policy.
- 10 BOARD EXAMINATION COVERAGE**
Coverage can be restricted and provided only for students taking Board Examinations through an accredited institution, or for individuals (not students) who sit for Board Examinations and are candidates for certification and / or licensing as a dentist. This coverage can also be utilized for dentists interviewing prior to employment.
Coverage is to be written on a separate policy as follows:
- A. On an occurrence basis only;
B. Limits of Liability shall be \$1,000,000 each claim and \$3,000,000 aggregate; and
C. The policy period will not exceed one year from the effective date.
- 11 MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE**
Optional coverage for Medical Waste Defense Expenses Reimbursement Coverage is available with limits of \$50,000 applicable to defense costs only.

12 LOCUM TENENS

Coverage for a substitute dentist (120 day maximum per policy year). Prior approval required. Locum Tenens dentists are subject to all applicable underwriting guidelines.

13 MILITARY SERVICE

This rule shall apply to an Insured who is called into active military service.

The policy coverage for the affected individual will continue for those Dental Incidents arising before military service began, with all other policy coverages suspended for the duration of the dentist's military service including payment of premium.

At the time private practice is resumed, the coverage and premium payment will begin with the policy's expiration date adjusted in order to reflect the duration of the individual's intervening military service. The claims made step factor that was applicable at the time of suspension will be the one in effect at the time of coverage resumption.

The Insured must provide the Company with a copy of the affected individual's military papers showing the date in which active duty is to begin. The "Military Suspension Endorsement" will be used to suspend the policy coverage.

14 DISABILITY OR LEAVE OF ABSENCE

In contemplation of a reduction in exposure, and for a period of at least 45 days and no greater than 180 days, insured dentists shall be eligible for a "disability and / or leave of absence" premium reduction for the disability or absence period. "Disability or leave of absence" is defined as an injury, disease, medical condition or continuing education sabbatical that prevents an insured dentist from engaging in the practice of dentistry, other than in an emergency situation. This will apply retroactively to the first day of disability or leave of absence.

SERFF Tracking #:

AGNY-129071266

State Tracking #:

13-1438

Company Tracking #:

AIG-13-EO-06

State:

New Jersey

Filing Company:

National Union Fire Insurance Company of Pittsburgh, Pa.

TOI/Sub-TOI:

11.0 Med Mal -Claims Made and Occurrence/11.0006 Dentists - General Practice

Product Name:

Dentists Professional Liability Program 015106400288

Project Name/Number:

Dentists Professional Liability Program /AIG-13-EO-06

Supporting Document Schedules

Satisfied - Item:	Explanatory Memorandum
Comments:	Attached please find an Explanatory Memorandum and Exhibits.
Attachment(s):	NJ-Dental PL Actuarial Exs-06-2013.pdf
Item Status:	
Status Date:	

Satisfied - Item:	Side by Side Comparison
Comments:	Attached please find marked-up copies of the Rate Plan and Rating Rules.
Attachment(s):	NJ Rate-Plan (Marked copy).pdf NJ Rating-Rules (Marked copy).pdf
Item Status:	
Status Date:	

Bypassed - Item:	Terrorism
Bypass Reason:	Acknowledged.
Attachment(s):	
Item Status:	
Status Date:	

National Union Fire Insurance Company of Pittsburgh, Pa.
Dental Professional Liability

Explanatory Memorandum
NEW JERSEY

The above captioned company is proposing to increase the base rates for Dental Professional Liability by 7.0%. The company is also proposing a 10.0% increase to the Class 3 relativity factor. These changes result in a proposed overall rate increase of 9.3%.

Exhibit 1: *CALCULATION OF INDICATED BASE RATE LEVEL CHANGE*

Ultimate developed, trended and on-level results are shown for countrywide and state loss experience for this program. Countrywide and state earned premiums have been adjusted to each state's present rate level by using the standard parallelogram method. Incurred Losses and Lae are trended to one year past the proposed effective date, in order to reflect changes in frequency and severity subsequent to the experience period. The indicated rate level change is based on a comparison of the credibility weighted loss ratio to the expected loss ratio. An offset for investment income is applied to the calculation of the target profit & contingency. The calculation of profit is based on the company's target rate of return of 11%.

Exhibit 1A: *CALCULATION OF INDICATED CLASS 3 RELATIVITY CHANGE*

Ultimate developed, trended and on-level results are shown for Class 1 and Class 3 countrywide loss experience for this program. Class 1 and Class 3 countrywide earned premiums have been adjusted to each state's present rate level by using an implied on-level factor from the total program experience. Incurred Losses and Lae are trended to one year past the proposed effective date, in order to reflect changes in frequency and severity subsequent to the experience period. The indicated relativity change is based on a comparison of the weighted Class 3 loss ratio to the weighted Class 1 loss ratio.

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

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

Exhibit 3: *INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT*

Accident Year Loss and Allocated Loss Adjustment Expense experience for Dental Professional Liability is shown as of 12/2012, along with age to age factors and the corresponding age to ultimate development factors (Exhibit 3A). These factors are then applied to the countrywide Exhibit 3A and state Exhibit 3B loss experience for Dental Professional Liability.

Exhibit 4: *TREND ANALYSIS*

Calculation of annual trend is based on the most recent ISO Medical Professional Liability trend experience (AS-PR-2012-001). The trend period extends from the midpoint of each accident year to one year beyond the assumed effective date.

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

Expense provisions are based on the expenses found for Medical Malpractice in the American Home/National Union Group Insurance Expense Exhibit. The commission expense is program specific. The expected loss & lae ratio is the complement of the total expenses and profit load. The profit & contingency factor has been calculated based on a target rate of return on equity of 11%.

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

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

Exhibit 7: *INVESTMENT INCOME EXHIBITS*

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

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
DENTAL PROFESSIONAL LIABILITY
(\$ IN 000'S)
DETERMINATION OF RATE LEVEL INDICATION

Exhibit 1

NEW JERSEY

	Accident Year	(1) Basic Limits Premium at Present Rates (Note A)	(2) Basic Limits Ultimate Loss & LAE (Exhibit 2)	(3)=(2)/(1) Ultimate Loss & LAE Ratio	(4) Trend Factor (Exhibit 4) (Note B)	(5)=(3)*(4) Trended Loss & LAE Ratio	Weight
(1)	2008	21,277	19,373	0.911	0.891	0.812	0.10
(2)	2009	47,007	42,626	0.907	0.909	0.824	0.15
(3)	2010	47,175	38,204 (E)	0.810	0.926	0.750	0.20
(4)	2011	45,998	34,419 (E)	0.748	0.944	0.706	0.25
(5)	2012	43,583	29,647 (E)	0.680	0.962	0.655	0.30

NEW JERSEY

(1)	2008	883	229	0.260	0.891	0.231	0.10
(2)	2009	1,917	1,875	0.978	0.909	0.889	0.15
(3)	2010	2,063	1,282 (E)	0.621	0.926	0.575	0.20
(4)	2011	2,013	1,055 (E)	0.524	0.944	0.495	0.25
(5)	2012	1,906	1,396 (E)	0.732	0.962	0.705	0.30

		<u>NEW JERSEY</u>	<u>CW</u>
(6)	Weighted Average Ultimate Trended Loss and LAE Ratio	0.607	0.728
(6a)	Credibility Weights (Note C):	0.459	0.541
(6b)	Credibility Weighted Ultimate Loss & LAE Ratio (Note D):	0.672	
(7)	Target Loss & LAE Ratio [Exhibit 5]	0.570	
(8)	Indicated Rate Level Change [(6b)/7] - 1	18.0%	
(9)	Selected Rate Level Change	7.0%	

NOTES:

- (A) The calculation of premium at present rates is done using the parallelogram method.
(B) Trend periods extend from the midpoint of each accident year to one year past the assumed effective date. (Exhibit 4).
(C) The credibility standard is 683 claims for the experience period.
State Credibility = Square Root(144/683) CW Credibility=1 - State Credibility
(D) Credibility Weighted Ultimate Loss & LAE Ratio =
[State(6)*State(6a) + CW(6)*CW(6a) + {1 - State (6a) - CW(6a)} * Trended ELR]
(E) Bornheutter-Ferguson Methodology used to develop ultimate loss & lae, i.e.,
Ultimate Loss & LAE=EPXELRX[1-1/LDF] + reported incurred loss & lae

NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
DENTAL PROFESSIONAL LIABILITY
(\$ IN 000'S)
CLASS RELATIVITY ANALYSIS

Exhibit 1A

COUNTRYWIDE

Accident Year	(1) Basic Limits Premium at Present Rates (Note A)	(2) Basic Limits Ultimate Loss & LAE (Exhibit 2)	(3)=(2)/(1) Ultimate Loss & LAE Ratio	(4) Trend Factor (Exhibit 4) (Note B)	(5)=(3)*(4) Trended Loss & LAE Ratio	Weight
(1) 2008	19,741	5,195	0.263	0.891	0.235	0.10
(2) 2009	30,344	22,535	0.743	0.909	0.675	0.15
(3) 2010	29,089	20,891 (C)	0.718	0.926	0.665	0.20
(4) 2011	27,550	19,857 (C)	0.721	0.944	0.680	0.25
(5) 2012	26,071	17,277 (C)	0.663	0.962	0.638	0.30

CLASS 3

(1) 2008	3,312	1,970	0.595	0.891	0.530	0.10
(2) 2009	9,334	9,092	0.974	0.909	0.885	0.15
(3) 2010	9,590	8,384 (C)	0.874	0.926	0.810	0.20
(4) 2011	10,385	9,171 (C)	0.883	0.944	0.834	0.25
(5) 2012	10,599	7,954 (C)	0.750	0.962	0.722	0.30

(6) Class 1 Weighted Average Ultimate Trended Loss and LAE Ratio	0.619
(7) Class 3 Weighted Average Ultimate Trended Loss and LAE Ratio	0.773
(8) Indicated Class 3 Relativity Change [(7) / (6)] -1	24.8%
(9) Selected Class 3 Relativity Change	10.0%

NOTES:

- (A) The calculation of premium at present rates is done using the parallelogram method.
(B) Trend periods extend from the midpoint of each accident year to one year past the assumed effective date. (Exhibit 4).
(C) Bornhutter-Ferguson Methodology used to develop ultimate loss & lae, i.e.,
Ultimate Loss & LAE=EPXELRX[1-1/LDF] + reported incurred loss & lae
ELR [Exhibit 5] = 0.570

DENTAL PROFESSIONAL LIABILITY

(\$ IN 000'S)

DETERMINATION OF ULTIMATE LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

NEW JERSEY

Accident Year	(1) Basic Limits Earned Premium	(2) Basic Limits Reported Incurred Loss & ALAE (Exhibit 3)	(3) Loss Development Factors (Exhibit 3A)	(4)=(2)*(3) Ultimate Loss & L.A.E. (Incl. 0.7% Unalloc L.A.E.)	(5)=(4)/(1) Ultimate Loss & L.A.E. Ratio
COUNTRYWIDE					
2008	19,576	13,600	1.414	19,373	0.990
2009	43,523	25,094	1.686	42,626	0.979
2010	44,069	23,593	2.143	50,927	1.156
2011	43,006	16,132	3.208	52,140	1.212
2012	41,024	7,631	8.204	63,071	1.537
Total	191,198	86,049		228,136	1.193

NEW JERSEY

2008	833	161	1.414	229	0.275
2009	1,808	1,104	1.686	1,875	1.037
2010	1,946	646	2.143	1,393	0.716
2011	1,899	258	3.208	833	0.439
2012	1,798	432	8.204	3,574	1.988
Total	8,284	2,600		7,905	0.954

AMERICAN HOME/NATIONAL UNION GROUP
HEALTHCARE PROFESSIONAL LIABILITY
(\$ in 000'S)
COUNTRYWIDE

Exhibit 3A

BASIC LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 12/2012

Accident Year	12	24	36	48	60	72	84	96	108	120
2003	5,968	15,678	30,499	40,749	47,908	54,085	54,690	55,913	56,591	56,146
2004	8,723	21,905	47,308	55,310	64,034	67,165	72,033	79,272	80,108	
2005	9,784	28,914	37,285	56,191	66,101	76,032	82,405	84,281		
2006	12,110	29,137	53,036	65,984	76,132	83,419	90,723			
2007	11,062	35,494	53,007	65,353	71,217	74,833				
2008	17,103	37,627	53,175	62,967	87,858					
2009	16,016	38,042	67,368	87,645						
2010	11,640	44,527	59,572							
2011	19,709	44,661								
2012	16,965									

INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-ULT
2003	2.627	1.945	1.336	1.176	1.129	1.011	1.022	1.012		0.992
2004	2.511	2.160	1.169	1.158	1.049	1.072	1.100	1.011		
2005	2.955	1.289	1.507	1.176	1.150	1.084	1.023			
2006	2.406	1.820	1.244	1.154	1.096	1.088				
2007	3.209	1.493	1.233	1.090	1.051					
2008	2.200	1.413	1.184	1.395						
2009	2.375	1.771	1.301							
2010	3.825	1.338								
2011	2.266									
Weighted Average	2.640	1.597	1.271	1.192	1.093	1.068	1.049	1.044	1.024	
4 Yr Wtd Average	2.557	1.497	1.244	1.203	1.086	1.068				
3 Yr Wtd Average	2.686	1.498	1.244	1.211	1.098	1.082	1.049			
2 Yr Wtd Average	2.845	1.537	1.249	1.240	1.074	1.086	1.059	1.011		
Selected Age-to-Age Ultimate Factors	2.557	1.497	1.271	1.192	1.086	1.068	1.049	1.044	1.024	
	8.204	3.208	2.143	1.686	1.414	1.302	1.218	1.161	1.112	1.086

DENTAL PROFESSIONAL LIABILITY

(\$ in 000'S)

COUNTRYWIDE

BASIC LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 12/2012*

Accident Year	12	24	36	48	60	72	84	96	108	120
2003	0	0	0	0	0	0	79	208	0	0
2004	0	56	118	123	232	436	857	534	783	
2005	372	831	1,523	2,913	3,733	4,080	3,703	3,905		
2006	1,218	3,945	5,869	8,873	10,337	8,419	8,714			
2007	871	3,090	6,050	7,905	4,783	4,928				
2008	1,880	7,971	12,968	12,406	13,600					
2009	1,832	6,456	21,049	25,094						
2010	734	18,308	23,593							
2011	9,501	16,132								
2012	7,631									

INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
2003	1.000	1.000	1.000	1.000	1.000	1.000	2.623	0.000	1.000
2004	1.000	2.109	1.043	1.892	1.878	1.966	0.622	1.467	
2005	2.232	1.834	1.912	1.281	1.093	0.908	1.055		
2006	3.239	1.488	1.512	1.165	0.814	1.035			
2007	3.546	1.958	1.307	0.605	1.030				
2008	4.240	1.627	0.957	1.096					
2009	3.525	3.260	1.192						
2010	24.940	1.289							
2011	1.698								
2012									
4 Yr Wtd Average	3.504	1.777	1.182	1.011	0.936	1.032			
3 Yr Wtd Average	3.389	1.760	1.133	0.984	0.924	1.026	1.001		
2 Yr Wtd Average	3.365	1.803	1.102	0.905	0.883	0.993	0.973	1.056	

*Accident Year 2010 excludes one large claim with significantly high legal expenses that is not reflective of the overall book of business.

DENTAL PROFESSIONAL LIABILITY

(\$ IN 000'S)

NEW JERSEY

BASIC LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 12/2012

Accident Year	12	24	36	48	60	72	84	96	108	120
2003	0	0	0	0	0	0	13	24	0	0
2004	0	0	13	12	12	37	62	63	68	
2005	1	60	90	928	987	987	982	982		
2006	12	40	41	54	62	62	62			
2007	51	99	109	115	92	92				
2008	85	173	142	119	161					
2009	65	176	528	1,104						
2010	66	492	646							
2011	154	258								
2012	432									

INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120
2003	1.000	1.000	1.000	1.000	1.000	1.000	1.760	1.000	1.000
2004	1.000	1.000	0.953	1.000	3.083	1.658	1.021	1.086	
2005	59.870	1.506	10.287	1.064	1.000	0.994	1.000		
2006	3.495	1.028	1.307	1.140	1.006	1.000			
2007	1.924	1.102	1.059	0.800	1.000				
2008	2.037	0.821	0.835	1.353					
2009	2.706	3.009	2.089						
2010	7.515	1.311							
2011	1.670								
Average ex hi/lo	2.907	1.158	1.281	1.051	1.002	1.000	1.021		
4 Yr Average	3.482	1.561	1.322	1.089	1.522	1.163			
3 Yr Average	3.964	1.714	1.328	1.098	1.002	1.218	1.261		
2 Yr Average	4.593	2.160	1.462	1.077	1.003	0.997	1.011	1.043	

**ISO MEDICAL PROFESSIONAL LIABILITY TREND DATA AND ANALYSIS
CIRCULAR AS-PR-2012-001 - EXHIBIT 3**

**PHYSICIANS, SURGEONS, AND DENTISTS
OCCURRENCE AND CLAIMS-MADE POLICIES
MULTISTATE PAID TREND DATA**

	(1)	(2)	(3)	(4)	(5)	(6)
Policy Year Ending	500/1,500 Aggregate Loss Costs at Current Level	500/1,500 Basic Limit Losses	Number of Occurrences	Experience Ratio (2) ÷ (1)	Occurrence Severity (2) ÷ (3)	Occurrence Frequency (3) ÷ (1)
6/30/2004	\$458,234,683	\$430,529,213	1,631	0.940	\$263,966	3.559
6/30/2005	466,531,620	444,018,066	1,533	0.952	289,640	3.286
6/30/2006	508,170,610	409,083,495	1,352	0.805	302,577	2.661
6/30/2007	558,877,604	428,704,911	1,384	0.767	309,758	2.476
6/30/2008	574,257,053	425,303,357	1,401	0.741	303,571	2.440
6/30/2009	585,694,021	479,887,446	1,452	0.819	330,501	2.479
6/30/2010	619,573,043	496,256,021	1,655	0.801	299,853	2.671
6/30/2011	627,531,988	527,160,317	1,527	0.840	345,226	2.433

Average Annual Trend

8 Years	-1.9%	2.8%	-4.6%
R-Squared	0.284	0.683	0.609

NUFIC Selected Annual Trend -1.9%

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
DENTAL PROFESSIONAL LIABILITY**

Exhibit 5

Derivation of Expected Loss Ratio

(1) Target rate of return on equity		11.0%
(2) Premium to Surplus Ratio		60.6%
(3) Target rate of return on premium [(1)/(2)]		18.2%
(4) Rate of return on premium		14.2%
(5) Target underwriting profit (loss) [(3)-(4)/.65]		6.1%
(6) Selected underwriting profit		5.0%
(7) Total Expenses		38.0%
	a. Commissions	24.00%
	b. Other Acquisition	6.32%
	c. General Expenses	3.99%
	d. Taxes, Licenses & Fees	3.74%
<hr/>		
(8) Expected Loss Ratio [1-(7)-(6)]		57.0%

AMERICAN HOME/NATIONAL UNION GROUP-MEDICAL MALPRACTICE							
INSURANCE EXPENSE EXHIBIT							
Countrywide Expenses (in 000's)	2010		2011		2012		3yr Weighted AVG
	\$	%	\$	%	\$	%	%
Written Premium	119,798	----	115,646	----	118,704	----	----
Other Acquisition	10,341	8.63%	10,528	9.10%	7,503	6.32%	8.01%
General Expenses	3,047	2.54%	4,099	3.54%	4,734	3.99%	3.35%
Taxes, Licenses and Fees	4,002	3.34%	3,254	2.81%	4,437	3.74%	3.30%

AMERICAN HOME/NATIONAL UNION GROUP
PROFESSIONAL LIABILITY PROGRAM BUSINESS
(000's)

Determination of Unallocated Loss Adjustment Expense Provision
(SOURCE: COMPANY COST STATEMENTS)

ITEM		2008	2009	2010	2011	2012	5-year Average
(1)	Losses Paid	394,681	495,422	386,441	427,374	402,915	421,367
(2)	Changes in Unpaid Losses	131,820	-76,970	-27,918	27,403	123,426	35,552
(3)	Losses Incurred (1) + (2)	526,501	418,452	358,523	454,777	526,341	456,919
(4)	Allocated Loss Adjustment Expenses	153,081	176,711	171,774	177,872	180,838	172,055
(5)	Total Loss & ALAE (3) + (4)	679,582	595,163	530,297	632,649	707,179	628,974
(6)	Unallocated Loss Adjustment Expenses	5,545	3,331	3,448	5,687	5,522	4,707
(7)	Unallocated Loss Expense Ratio (6)/(5)	0.8%	0.6%	0.7%	0.9%	0.8%	0.7%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

(Explanatory Notes)

Medical Malpractice

A. UNEARNED PREMIUM RESERVE

1.	Medical Malpractice Direct Earned Premium for Calendar Year 2012		\$117,441
2.	Mean Unearned Premium Reserve [0.438* (1)] (See Notes p. 2)		51,413
3.	Deduction for Prepaid Expenses (See notes p. 2)		
	a) Commission and Brokerage	24.00%	
	b) Taxes, Licenses and Fees	3.74%	
	c) 50% of Other Acquisition Expenses	3.16%	
	d) 50% of General Expenses	1.99%	
	e) Total	<u>32.89%</u>	
4.	Deduction for Federal Taxes Payable (See Notes p. 2)		7.0%
5.	Net Amount Subject to Investment Income [(2) x (1.000 - (3) - (4))]		30,903

B. DELAYED REMISSION OF PREMIUMS (Agents' Balances)

1.	Direct Earned Premium [(A.1)]		117,441
2.	Average Agents' Balance (See Notes pp. 2-3)		0.147
3.	Delayed Remission [(1) x (2)]		17,233

C. LOSS RESERVE:

1.	Direct Earned Premium [(A.1)]		117,441
2.	Expected Incurred Loss and L.A.E. Reserves	@ ELR:	0.558
3.	Expected Mean Loss Reserves [3.275 x (2)] (See Notes p. 3)		214,731

D. SURPLUS

1.	Direct Written Premium		118,704
2.	Surplus Subject to Investment [(D.1)/prem to surp]		195,908

E. NET AMOUNT SUBJECT TO INVESTMENT: [(A.5) - (B.3) + (C.3) + (D.2)] 424,310

F. AVERAGE RATE OF RETURN ON INVESTED ASSETS (See Notes p. 4) 5.10%

G. INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT [(E) x (F)] 21,628

H. AVERAGE RATE OF RETURN (As % of Direct Earned Premium) [(G) / (A.1)] 18.42%

I. AVERAGE RATE OF RETURN (After Federal Income Taxes) [(H) x 0.770] 14.18%

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

Medical Malpractice

Line A.1

Medical Malpractice direct earned premium for calendar year 2012 as provided by American Home/National Union Group.

Line A.2

The mean direct unearned premium reserve is determined by multiplying the Medical Malpractice direct earned premium in line (A.1) by the countrywide ratio of the mean direct unearned premium reserve to the direct earned premium for 2012. See below for calculation of this ratio. This ratio is based on data for Medical Malpractice from page 15 of the Annual Statement for American Home/National Union Group

	(In 000's)
1. Direct Earned Premium for Calendar Year 2012	\$ 117,441
2. Direct Unearned Premium Reserve as of 12/31/11	50,782
3. Direct Unearned Premium Reserve as of 12/31/12	52,045
4. Mean Direct Unearned Premium Reserve 1/2 [(2) + (3)]	51,413
5. Ratio [(4) / (1)]	0.438

Line A.3

Deduction for prepaid expenses:

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

Line A.4

Deduction for Federal Taxes Payable:

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

Line B.2

Delayed remission of premium:

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

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

Medical Malpractice

Line B.2 (continued)

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

	<u>(In 000's)</u>
1. Net Earned Premium for Calendar Year 2012	\$ 13,492,945
2. Net Agents' Balances as of 12/31/11	1,308,812
3. Net Agents' Balances as of 12/31/12	2,150,241
4. Mean Agents' Balances 1/2 x [(2) + (3)]	1,729,527
5. Ratio [(4) / (1)]	0.128

The above percentage must be multiplied by a factor of 1.145 to include the effect of agents' balances or uncollected premiums overdue for more than 90 days. The factor 1.145 is based on 2012 company data.

Final adjusted Agents' Balance: 0.1467

Line C.2

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

Line C.3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (C.2) by the average countrywide ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses in 2011 and 2012 for Medical Malpractice Insurance. This ratio is based on Annual Statement Data.

	<u>(In 000's)</u>
1. Incurred Losses and L.A.E. for Calendar Year 2011	939
2. Incurred Losses and L.A.E. for Calendar Year 2012	33,918
3. Loss Reserves and L.A.E. as of 12/31/10	526,186
4. Loss Reserves and L.A.E. as of 12/31/11	427,144
5. Loss Reserves and L.A.E. as of 12/31/12	388,712
6. Mean Loss Reserve 2011: 1/2 [(3) + (4)]	476,665
7. Mean Loss Reserve 2012: 1/2 [(4) + (5)]	407,928
8. Ratio (6) / (1)	507.550
9. Ratio (7) / (2)	12.027
10. Average Ratio 1/2 [(8) + (9)]	259.788
11. Loss reserve for American Home/National Union Group, selected	3.392
12. Estimated Reserve Discount	9.9%
13. Federal Taxes Payable (% of Reserves): (12) x .35	0.035
14. (11) x [1.0 - (13)]	3.275

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

Medical Malpractice

Line E

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

<u>Year</u>	<u>Net Investment Income Earned (In 000's)</u>	<u>Mean Cash and Invested Assets (In 000's)</u>	<u>Rate of Return</u>
2011	2,357,198	61,753,367	3.82%
2012	3,305,286	62,000,440	5.33%
Total	5,662,483	123,753,807	4.57%

<u>Year</u>	<u>Realized Capital Gains (or Losses) (In 000's)</u>	<u>Mean Cash and Invested Assets (In 000's)</u>	<u>Rate of Return</u>
2003-2012	2,958,168	565,595,166	0.52%

Total Rate of Return:

Net Investment Income Earned and Net Realized Capital Gains (or Losses)	5.10%
---	-------

Line H

The average rate of Federal Income Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2012 for the American Home/National Union Group.

	<u>Rate of Return</u>	<u>Federal Income Tax Rate</u>
Net Investment Income Earned	4.57%	0.216
Net Realized Capital Gains (or Losses)	0.52%	0.350
Total	5.10%	0.230

1.000 - Federal Income Tax Rate	0.770
---------------------------------	-------

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

Medical Malpractice

<u>Line H (continued)</u>		Investment Income Earned		Federal Income Tax Rate
<u>Bonds</u>				
Taxable	\$	1,430,108		0.350
<u>Non-Taxable</u>		<u>479,923</u>		<u>0.026</u>
Total	\$	1,910,030	(A)	0.269
<u>Stocks</u>				
Taxable	\$	43,218		0.123
<u>Non-Taxable</u>		<u>800,000</u>		<u>---</u>
Total	\$	843,218	(B)	0.006
<u>Mortgage Loans and Real Estate</u>				
Mortgage Loans	\$	428		
Real Estate		0		
Collateral Loans		0		
Cash on Deposit		0		
Short Term Investments		1,109		
<u>All Other</u>		<u>617,664</u>		
Sub-Total	\$	619,201		0.350
Total	\$	3,372,449		0.218
Investment Deductions	\$	42,126		0.350
Net Investment Income Earned	\$	3,330,323		0.216

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

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

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
DENTAL PROFESSIONAL LIABILITY
RATE PLAN
NEW JERSEY**

1	PROFESSIONAL LIABILITY MATURE CLAIMS MADE BASE PREMIUMS		
	Limit of Liability	Base Premium	
	\$1,000,000 each claim / \$3,000,000 aggregate	\$3,000	<u>\$3,213</u>
	Territory: Entire State		
2	CLASS PLAN RELATIVITY FACTORS		
	Class	Factor	
	1	1.000	
	2	1.250	
	3	+500	<u>1.650</u>
	4	2.770	
	5	8.000	
3	POLICY TYPE FACTORS		
	A. Claims Made Year	Factor	
	Year 1	0.336	
	Year 2	0.567	
	Year 3	0.797	
	Year 4	1.000	
	Year 5	1.000	
	B. Occurrence	1.100	
4	INCREASED LIMIT FACTORS		
	Increased Limit	Factor	
	\$100,000 / \$300,000	0.641	
	\$200,000 / \$600,000	0.731	
	\$500,000 / \$1,500,000	0.853	
	\$1,000,000 / \$3,000,000	1.000	
	\$2,000,000 / \$4,000,000	1.051	
	\$2,000,000 / \$6,000,000	1.062	
	\$3,000,000 / \$3,000,000	1.103	
	\$3,000,000 / \$6,000,000	1.122	
	\$4,000,000 / \$6,000,000	1.136	
	\$5,000,000 / \$5,000,000	1.154	
	\$5,000,000 / \$6,000,000	1.186	
5	EXTENDED REPORTING PERIOD FACTORS	Factor to be Multiplied by the Mature Claims Made Premium	
	Number of Years of Prior Acts		
	1 Year	0.80	
	2 Year	1.20	
	3 Year	1.45	
	4 Year	1.60	
	5 OR MORE YEARS	1.80	
6	NEW DENTIST DISCOUNT FACTORS		
	Years in Practice	Factor	
	First Year	0.25	
	Second	0.60	
	Third Year	0.80	
7	PART TIME DENTIST DISCOUNT FACTOR		
	Number of Hours in Practice	Factor	
	10 hours or less per week	0.25	
	20 hours or less per week	0.50	
	21 hours or more per week	1.00	
8	FACULTY DISCOUNT FACTORS		
	Appointment Status	Factor	
	Full-Time	0.70	
	Half-Time	0.80	
	Part-Time	0.90	
	Zero-Time	1.00	

9 WAIVER OF CONSENT DISCOUNT FACTOR 0.90

10 RISK MANAGEMENT EDUCATION FACTOR 0.90

11 CLAIM FREE CREDIT DISCOUNT FACTORS

Years	Factor
10 + years claim free	0.90
9 years claim free	0.91
8 years claim free	0.92
7 years claim free	0.93
6 years claim free	0.94
5 years claim free	0.95
4 years claim free	0.96
3 years claim free	0.97
2 years claim free	0.98
1 years claim free	0.99

12 CLAIMS EXPERIENCE DEBIT

TOTAL OF ALL CLAIMS AMOUNT

	1 loss	2 losses	3 losses	4 losses
\$0 - \$3,000	1.00	1.10	1.15	1.20
\$3,001 - \$10,000	1.10	1.15	1.20	1.25
\$10,001 - \$20,000	1.15	1.20	1.25	1.30
\$20,001 - \$30,000	1.20	1.25	1.30	1.35
\$30,001 - \$40,000	1.25	1.30	1.35	1.40
\$40,001 +	1.30	1.35	1.40	1.50

13 INDIVIDUAL RISK PREMIUM MODIFICATIONS

	Range of Modifications	
	Credits	Debits
Operational controls and procedure mix, such as but not limited to mandatory referrals for extractions, use of consent forms, internal documentation practices, implant procedures and laser use, and extraction of impacted third molars.	10%	25%
Practice Characteristics, such as but not limited to single v. multiple locations, degree of severity presented by area of specialization, volume of patient traffic, number of years of patient experience.	10%	25%
Loss Control procedures, such as but not limited to training and retraining of all employees on the safest way to do their job; promoting safety awareness; conducting frequent safety inspections of all work areas; having an office safety program; using proper sterilization techniques to ensure environmental is free from the possibility of contamination from blood-borne pathogens.	10%	25%
Claim peculiarities, such as but not limited to who was responsible for the loss (Insured Dentist, Employee of Insured Dentists, Partner, Independent Contractor- this is for the respondent superior or indemnity exposures); frequency or lack of administrative actions such as peer review, office of professional discipline or dental board complaints; frequency or lack of claims for return of fees	10%	25%
Maximum Debit/Credit=25%		

14 ADDITIONAL INSUREDS PREMIUM CHARGE FACTOR

10% Premium Charge Factor 1.10

15 BOARD EXAMINATION/INTERVIEW COVERAGE PREMIUM CHARGE

A) Board Examination Premium Charge for a Limit of Liability of \$1,000,000 per occurrence / \$3,000,000 aggregate \$20

B) Interview Premium Charge for a Limit of Liability of \$1,000,000 per occurrence / \$3,000,000 aggregate \$250

16 MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE

Premium Charge for a Limit of Liability of \$50,000 per occurrence / \$50,000 aggregate \$50

17 DISABILITY OR LEAVE OF ABSENCE

75% Premium Discount Factor 0.25

18 DEDUCTIBLES

The following deductibles may be offered on a per occurrence basis only for Professional Liability.

DEDUCTIBLE AMOUNT	CREDIT FACTOR
\$0	1.00
\$1,000	0.95
\$2,500	0.90
\$5,000	0.81
\$10,000	0.70

19 ACADEMY OF GENERAL DENTISTRY MEMBERSHIP (AGD)

Academy of General Dentistry Membership - Members in good standing who have completed the following requirements are eligible for membership credit.

Application Requirements:

Membership Maintenance - Members must earn 75 hours of continuing dental education during their 3 year review period. Recent graduates have 5 years to complete.	Credit 10%
Fellowship Award Requirements - Fellowship requires 5 continuous years (50 consecutive months of membership in AGD, plus 500 hours of approved continuing education credit (at least 350 of which is earned in course attendance). Accepted activities for Fellowship credits are: Scientific Programs Postgraduate Education Federal Dental Service Specialty Rotation Programs Self-Instruction Programs Self-Improvement AGD approved courses	15%

ACADEMY OF GENERAL DENTISTRY MEMBERSHIP

Membership Award Requirements - Mastership requires Fellowship status in the AGD, plus completion of 600 credit hours of approved continuing education in each of 16 separate disciplines:

- Myofascial Pain Dysfunction / Occlusion
- Operative Dentistry
- Periodontics
- Fixed Prosthodontics
- Removable Prosthodontics
- Endodontics
- Oral & Maxillofacial Surgery
- Orthodontics
- Pediatric Dentistry
- Basic Sciences
- Oral Medicine / Oral Diagnosis
- Practice Management
- Electives
- Implants
- Special Patient Care
- Esthetics

20 AMERICAN DENTAL ASSOCIATION MEMBER CREDIT

A credit of 5% will be applied to each dentist who is a member of the American Dental Association.

21 GROUP DISCOUNTS

A single group practice policy issued to two or more dentists is eligible for a premium discounts based upon the total number of dentists and oral surgeons within the group. This discount is based on the size of the group to reflect the lower acquisition costs, reduces administrative expenses (including billing and collection) and the potential savings due to lower losses. (Group Practice appears to reduce losses due to internal risk management and other control and quality factors inherent in the group.) The following discounts are applicable:

Group Size	Premium Credit
2 - 5 Dentists	5%
6 - 10 Dentists	10%
11 - 25 Dentists	15%
> 25 Dentists	Refer to Home Office

II. COVERAGE OPTIONS:

A Dentist Liability Package Policy

The Dentist Liability Package Policy will include all coverages I, II, III, IV, V, VI and VII. The charge of the additional coverage may be purchased for an additional 11%. The annual Professional Liability Premium will be multiplied by 1.11.

B Employment Practices Liability - increased limits

Coverage V, Employment Practices Liability limits may be increased to \$25,000 each claim / \$25,000 aggregate for an additional premium charge of \$130. Additional increased limits are available - see below.

The applicable flat rate in the following table shall be applied to each Named Insured policy based on the number of employees: The rates shown are the total amounts charged for the limits shown. The limits shown are on a per occurrence / aggregate basis.

Number of Employees**	Limits of Liability*			
	\$100,000 / \$100,000	\$250,000 / \$250,000	\$500,000 / \$500,000	\$750,000 / \$750,000
1-3	\$268	\$360	\$451	\$494
4	\$358	\$480	\$601	\$659
5	\$447	\$600	\$752	\$823
6	\$537	\$720	\$902	\$988
7	\$626	\$839	\$1,052	\$1,153
8	\$716	\$959	\$1,203	\$1,317
9	\$805	\$1,079	\$1,353	\$1,482

*A mandatory deductible of \$2,500 applies to the above coverage
**10 or more employees - please refer to Company

C ERISA Fiduciary Liability Coverage

Coverage is available as follows:

<u>Limit of Liability</u>	<u>Premium</u>
\$100,000 / \$100,000	\$130

D Organization / Entity Coverage

Coverage can be provided for Dental Practitioner Group Partnerships, Corporations or Professional Associations for liability arising from the practice of dentistry by member dental providers and allied practitioners. There is no additional charge to have coverage sharing in the limits of liability with the Named Insured. A charge of 10% of the total premium (all Named Insureds) will be added if a separate limit of liability is purchased.

E Billing Errors & Omissions Coverage

Coverage is available as follows:

<u>Limits of Liability</u>	<u>Premium</u>
\$25,000	\$100

F Corporate Identity Protection Coverage

Coverage is available as follows:

<u>Limits of Liability*</u>	<u>Premium</u>
\$10,000	\$100
a. Personal Identity Liability Sublimit for all personal identity events	\$10,000

b. Administrative Action Sublimit for all administrative expenses		\$10,000
c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event services		\$10,000
Limits of Liability*	Premium	
\$25,000	\$150	
a. Personal Identity Liability Sublimit for all personal identity events		\$25,000
b. Administrative Action Sublimit for all administrative expenses		\$25,000
c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event services		\$25,000
Limits of Liability*	Premium	
\$50,000	\$300	
a. Personal Identity Liability Sublimit for all personal identity events		\$50,000
b. Administrative Action Sublimit for all administrative expenses		\$50,000
c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event services		\$50,000
Limits of Liability*	Premium	
\$100,000	\$600	
a. Personal Identity Liability Sublimit for all personal identity events		\$100,000
b. Administrative Action Sublimit for all administrative expenses		\$100,000
c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event services		\$100,000

* Retention of \$500 is mandatory for each personal identity event.

**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
DENTAL PROFESSIONAL LIABILITY
RATING RULES
NEW JERSEY**

I. COVERAGES AVAILABLE:

Option I. Dental Professional Liability (Monoline Professional Liability)

Mandatory minimum coverage

Coverage Type
Claims - Made or Occurrence

The following coverages will be included in the Professional Liability Coverage at no additional charge:

<u>Coverage</u>	<u>Limit of Liability</u>
Medical Payments Coverage	\$10,000
Administrative Hearing	\$50,000
Limited Health Insurance Portability and Accountability Act ("HIPAA") Defense Only Coverage	\$25,000

Option II. Dental Professional Package:

The following coverages are available:

<u>Coverage:</u>		<u>Coverage Type</u>
I.	Dentists Professional Liability	Claims - Made or Occurrence
II.	Dentists General Liability	Occurrence
	a. Premises, Products / Completed Operations	
	b. Medical Payments - \$10,000 / \$10,000	
III.	Non-owned & Hired Auto Liability	Occurrence
IV.	Employee Benefits Administration Liability	Occurrence
V.	Employment Practices Liability - \$5,000 / \$5,000	Claims - Made
VI.	Medical Waste Legal Reimbursement - \$50,000 / \$50,000	Claims - Made or Occurrence
VII.	Billing Errors & Omissions- \$2500/\$2500	Claims-Made

The following limits of liability are available on a per occurrence / aggregate basis as listed below:

	Coverage I Professional Liability only	Coverage II, III & IV GL, Hired & NO, Employee Benefits	Coverage V Employment Practices	Coverage VI Medical Waste Legal	Coverage VIII Billing Errors & Omissions
A.	\$100,000 / \$300,000	\$100,000 / \$300,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
B.	\$200,000 / \$600,000	\$200,000 / \$600,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
C.	\$500,000 / \$1,500,000	\$500,000 / \$1,500,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
D.	\$1,000,000 / \$3,000,000	\$1,000,000 / \$3,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
E.	\$2,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
F.	\$3,000,000 / \$3,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
G.	\$3,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
H.	\$4,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
I.	\$5,000,000 / \$5,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500
J.	\$5,000,000 / \$6,000,000	\$2,000,000 / \$4,000,000	\$5,000 / \$5,000	\$50,000 / \$50,000	\$2500/\$2500

Coverages II - VII must be purchased as a package. They are not available on a stand alone basis. Only coverage I Dental Professional Liability is available on a monoline basis. Coverage VI and VII may be added separately to a mono line Dental Professional Liability Policy.

Coverage II Dentists General Liability, Coverage III Non-owned & Hired Auto Liability and Coverage IV Employee Benefits Administration Liability limits must be equal to the limits of liability listed in the table above for the option selected by the insured.

Coverage VI, Medical Waste Legal Reimbursement limits may not be increased under this program.

Coverage VII, Billing Errors & Omissions may be increased to \$25,000 for an additional payment of \$100.

II. GENERAL RULES

1 PREMIUM BASE

Both occurrence and claims made rates apply on a per Dentist basis for Professional Liability

2 POLICY TERM

Policies will be written for a term of one year and renewed annually thereafter, subject to underwriting review.

3 PREMIUM COMPUTATION

A. Compute the premium using the rates in effect that time of policy issuance.

B. Pro-rate the premium when policy is issued for other than one year.

C. Premiums are calculated as specified for the respective coverage. Rounding to the nearest whole dollar amount (i.e. .50 and great rounds up; .49 and below rounds down) is done after the computation of the final premium.

D. Individual Risk Premium Modifications will be added together and applied as one modification to the premium. All other factors will be multiplied against the base premium.

4 ADDITIONAL PREMIUM CHARGES

- A. Prorate all changes requiring additional premium.
- B. Apply the rates and rules in effect on the effective date of the change.
- C. Waive additional premium of \$20.00 or less. The waiver only applies to cash exchange due on an endorsement effective date.

5 RETURN PREMIUM CHARGES

- A. Deletion of a mandatory coverage is not permitted unless the entire policy is canceled.
- B. Compute return premium at the rate used to calculate the policy premium.
- C. Compute return premium pro rata when any coverage or exposure is deleted or an amount of insurance is reduced.
- D. Waive return premium of \$20.00 or less. Grant any return premium if requested by the Insured. This waiver only applies to cash exchanges due on the endorsement effective date.

6 POLICY CANCELLATION

- A. Compute return premium pro rata when:
 - 1 A policy is canceled at the Company's request.
 - 2 The Insured no longer has a financial or an insurable interest in the subject of insurance.
 - 3 A policy is canceled and rewritten in the same Company or Company Group.
 - 4 A policy is canceled due to death, disability or retirement.
- B. If cancellation is for any other reason than stated in A. above; compute the return premium at .90 of the pro rata unearned premium for the one-year period.
- C. Retain the Policy Writing Minimum Earned Premium when the Insured requests cancellation except when a policy is canceled as of the inception date. In the event of a cancellation, the minimum premium will be considered to be the annual premium charge with cancellation premium subject to the policy writing minimum earned premium. The policy writing minimum earned premium shall be \$250.00 per annual or lesser period, unless otherwise specified for the respective coverage.

7 LOCATION OF PRACTICE

The rates as shown in this manual contemplate the exposure as being derived from professional practice within the state and territory. An exception will be allowed for dentists who have a multi-state or multi-territory exposure. We will charge the rate of the state or territory in which the dentist has a majority of his / her practice.

8 MAXIMUM CREDITS ALLOWABLE

The maximum amount of credits to be applied may not exceed 60% for each scheduled dentist. The maximum does not include: Waiver of consent, deductible factors, decreased limit factors, claims made step factors and new dentist discount.

9 TERMINATION OF COVERAGE (CLAIMS MADE COVERAGE ONLY)

Within thirty (30) days after the termination of coverage, as defined below, the Company will advise the Named Insured in writing of the automatic Extended Reporting Period coverage and the availability of, the premium for, and the importance of purchasing additional Extended Reporting Period coverage.

The Named Insured shall have the greater of sixty (60) days from the effective date of termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, to submit to the Company written acceptance of the Extended Reporting Period Coverage.

Termination of Coverage, whether made by the Company or the Named Insured at any time, means either (1) cancellation or non-renewal of a policy, or (2) decrease in limits, reduction of coverage, increased deductible or self insured retention, new exclusion or any other change in coverage less favorable to the Insured.

10 EXTENDED REPORTING PERIOD COVERAGE (CLAIMS MADE COVERAGE ONLY)

The availability of Extended Reporting Period coverage shall be governed by the following rules, subject to underwriting approval.

- A. The available limits of liability shall not exceed those afforded under the current policy.
- B. In the event of termination of coverage, as defined above, the Insured may purchase this coverage by giving the Company written notice, within sixty (60) days of such termination of coverage, or thirty (30) days from the date of mailing or delivery of such notice, of its intent to purchase, and by paying the appropriate premium.
- C. Extended Reporting Period premiums shall be calculated upon the rates and premiums in effect during the policy period immediately preceding the election to purchase such coverage.
- D. The Extended Reporting Period coverage shall not increase or reinstate the limits of liability of the terminated policy.
- E. There will be no charge for Extended Reporting Period coverage if the Insured:
 - 1 Dies, or
 - 2 Becomes totally and permanently disabled
Disability shall mean the total and permanent disability from the practice of clinical dentistry for a period of six consecutive months without expectation of recovery. The disability or death must result from sickness or accidental bodily injury and be confirmed in writing by an independent attending physician.
 - 3 Fully retires at age 50 or more and has been insured under an AIG Company for at least 5 years.
If not insured for 5 years, a credit of one fifth of the otherwise applicable Extended Reporting Period Endorsement premium will be applied to each full annual period the insured has consecutively been insured with the Company.

- F. The Extended Reporting Period shall be Unlimited.
- G. All Insureds previously covered through Fireman's Fund Insurance will be grandfathered into the current program.
- H. Extended Reporting Coverage is available for ERISA Fiduciary Coverage. A factor of .75 will apply to the rate.
- I. Extended Reporting Coverage is available for Employment Practices Liability increased limits. A factor of .75 will apply to the rate.

III. COVERAGE RULES

- 1 NEW DENTIST DISCOUNT**

A discount will be applied to premium for New Dentists in years 1 through 3 of practice that meet the following criteria:

Year 1: A newly graduated dentist shall be defined as a dentist who has completed training in dentistry from a domestic accredited university or dental college within the previous twelve months or the experienced military dentist who within 6 months of honorable discharge or a foreign graduate with a 2 year program from an accredited U.S. dental school, and will be joining a dental group or opening a private practice, and for whom this is the first professional liability insurance coverage provided other than that for Dental Examinations.

Years 2 or 3: The Dentist is in his or her second or third year of post graduate practice as defined above.
- 2 PART TIME DENTIST**

This discount shall apply to any dentist who works twenty (20) hours or less per week or less than an aggregate of 1,050 hours during the term of an annual policy.

The part time discount is not applied to the Extended Reporting Period Endorsement unless the part time practice did not exceed an average of 1,050 hours per year over the previous five consecutive policy years.
- 3 FACULTY DENTIST**

A faculty discount shall be applied to those dentists who are faculty members of an accredited dental school. The amount of the discount will be based on the hours spent teaching at the facility as defined below:

 - Full Time - 32 hours or more per week
 - Half Time - 16 to 31 hours per week
 - Part Time - 15 hours or less per week
- 4 WAIVER OF CONSENT**

A premium discount shall be applied when the insured has waived the consent provision of the Coverage Agreements. This modification can not be added to a policy mid-term.
- 5 RISK MANAGEMENT EDUCATION**

A premium discount shall be applied to those dentist who participate in an approved risk management program. Approved Risk management programs include but are not limited to completed risk management workshops, seminars, self-study, state dental society courses, accredited national organization courses, and courses completed from a previous employer.
- 6 CLAIM EXPERIENCE**

Claim Free Credit:
A premium discount will be applied to those dentists who have been without a chargeable loss based on the claim history of an individual dentist over the proceeding five-year period. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.
All insureds previously covered through Fireman's Fund Insurance will be grandfathered into the current program.

Claim Experience Debit:
Based on the claim history of an individual dentist over the proceeding five year period, a debit, based on a chargeable loss, shall be applied to the dentist's rate. A chargeable loss is determined by adding all loss payments, outstanding reserves and loss adjustment expenses.
Debits will be adjusted each year, dependent upon annual review of claims experience.
- 7 INDIVIDUAL RISK PREMIUM MODIFICATIONS**

Individual risk premium modification (IRPM) factors may be applied to reflect account characteristics not otherwise addressed. IRPM's are based on operational controls and procedure mix; practice characteristics; loss control procedures; and claim peculiarities. The total IRPM shall not exceed + or - 25%.
- 8 POLICY CHANGE ENDORSEMENT**

The "Policy Change Endorsement" will be used to correct errors or mistakes on the Declarations page.
- 9 ADDITIONAL INSUREDS**

The "Additional Insured Endorsement" to add additional insured to the policy.
- 10 BOARD EXAMINATION COVERAGE**

Coverage can be restricted and provided only for students taking Board Examinations through an accredited institution, or for individuals (not students) who sit for Board Examinations and are candidates for certification and / or licensing as a dentist. This coverage can also be utilized for dentists interviewing prior to employment.
Coverage is to be written on a separate policy as follows:

 - A. On an occurrence basis only;
 - B. Limits of Liability shall be \$1,000,000 each claim and \$3,000,000 aggregate; and
 - C. The policy period will not exceed one year from the effective date.
- 11 MEDICAL WASTE DEFENSE EXPENSES REIMBURSEMENT COVERAGE**

Optional coverage for Medical Waste Defense Expenses Reimbursement Coverage is available with limits of \$50,000 applicable to defense costs only.

12 LOCUM TENENS

Coverage for a substitute dentist (120 day maximum per policy year). Prior approval required. Locum Tenens dentists are subject to all applicable underwriting guidelines.

13 MILITARY SERVICE

This rule shall apply to an Insured who is called into active military service.

The policy coverage for the affected individual will continue for those Dental Incidents arising before military service began, with all other policy coverages suspended for the duration of the dentist's military service including payment of premium.

At the time private practice is resumed, the coverage and premium payment will begin with the policy's expiration date adjusted in order to reflect the duration of the individual's intervening military service. The claims made step factor that was applicable at the time of suspension will be the one in effect at the time of coverage resumption.

The Insured must provide the Company with a copy of the affected individual's military papers showing the date in which active duty is to begin. The "Military Suspension Endorsement" will be used to suspend the policy coverage.

14 DISABILITY OR LEAVE OF ABSENCE

In contemplation of a reduction in exposure, and for a period of at least 45 days and no greater than 180 days, insured dentists shall be eligible for a "disability and / or leave of absence" premium reduction for the disability or absence period. "Disability or leave of absence" is defined as an injury, disease, medical condition or continuing education sabbatical that prevents an insured dentist from engaging in the practice of dentistry, other than in an emergency situation. This will apply retroactively to the first day of disability or leave of absence.