

SERFF Tracking Number: DCTR-127278060 State: California
Filing Company: The Doctors Company, an Interinsurance Exchange State Tracking Number: 11-5660
Company Tracking Number: 2011-CA-02
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations
Made/Occurrence
Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program
Project Name/Number: California Rate and Rule Revision/

Filing at a Glance

Company: The Doctors Company, an Interinsurance Exchange

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Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations Co Tr Num: 2011-CA-02 State Status: Accepted

Filing Type: Rate/Rule

Reviewer(s): Geff Greenfield

Author: Michael O'Donohue

Disposition Date:

Date Submitted: 06/30/2011

Disposition Status:

Effective Date Requested (New): 01/01/2012

Effective Date (New):

Effective Date Requested (Renewal): 01/01/2012

Effective Date (Renewal):

State Filing Description:

General Information

Project Name: California Rate and Rule Revision

Status of Filing in Domicile: Authorized

Project Number:

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 07/01/2011

Deemer Date: 09/13/2011

State Status Changed: 07/11/2011

Submitted By: Michael O'Donohue

Created By: Michael O'Donohue

Corresponding Filing Tracking Number:

Filing Description:

THE DOCTORS COMPANY, AN INTERINSURANCE EXCHANGE

PHYSICIANS, SURGEONS AND ANCILLARY HEALTHCARE PROVIDERS PROFESSIONAL LIABILITY INSURANCE PROGRAM

RATE AND RULE REVISION

In accordance with the February 8, 2011 letter from Mr. Joel Laucher, we are enclosing a rate and rule revision for our

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Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program. Based on our current book of business, the overall rate level impact of this revision for all specialties and territories combined is -7.3%.

This revision consists of the following changes:

- 1) various changes have been made to manual rates for all specialties and territories (See Section 3-Pages CA-R-1 and CA-R-2 of Countrywide Rules and Rates Manual)
- 2) claims-free discount rule has been revised in its entirety (See Section 2-Pages CA-E-2 and CA-E-3 of Countrywide Rules and Rates Manual)
- 3) prep ("new to practice") discount rule has been revised (See Section 2-Page CA-E-3 of Countrywide Rules and Rates Manual)
- 4) part time/quarter time discount rule has been revised (See Section 2-Page CA-E-3 of Countrywide Rules and Rates Manual)
- 5) Points Schedule for imposed surcharges has been revised (See Appendix-California General Rules Exception Pages)

The California General Rules Exception Pages, California Rate Pages and Appendix-California General Rules Exception Pages included in this revision replace all previously filed pages. For your convenience, we have enclosed a copy of the revised California General Rules Exception Pages and Appendix-California General Rules Exception Pages with the changes clearly marked.

In accordance with your requirements, we have also enclosed the following:

- 1) One Prior Approval Rate Application in both Excel and PDF formats (Reflecting Request for Variances 1B and 3)
- 2) Three Additional Prior Approval Rate Templates in both Excel and PDF formats (Reflecting application of no Variances, Variance 1B only and Variance 3 only)
- 3) Actuarial Memorandum (including required Exhibits 1-19)
- 4) Exhibit 20-Rules Changes

Company and Contact

Filing Contact Information

Michael O'Donohue, Vice President-Regulatory modonohue@thedoctors.com
Compliance

SERFF Tracking Number: DCTR-127278060 State: California
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 Project Name/Number: California Rate and Rule Revision/

185 Greenwood Road 800-421-2368 [Phone] 1318 [Ext]
 P. O. Box 2900 707-226-0162 [FAX]
 Napa, CA 94558

Filing Company Information

The Doctors Company, an Interinsurance CoCode: 34495 State of Domicile: California
 Exchange
 185 Greenwood Road Group Code: 831 Company Type: Property & Casualty
 P.O. Box 2900 Group Name: Doctors Company State ID Number:
 Insurance
 Napa, CA 94558 FEIN Number: 95-3014772
 (800) 421-2368 ext. 1318[Phone]

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
The Doctors Company, an Interinsurance Exchange	\$0.00		

State Specific

Variance Requested? (Yes/No): Yes

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Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: -20.500%
Effective Date of Last Rate Revision: 01/01/2009
Filing Method of Last Filing: Prior Approval

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 required):	Minimum % Change (where required):
The Doctors Company, an Interinsurance Exchange	-7.300%	-7.300%	\$-15,380,533	20,131	\$210,692,235	28.500%	-22.000%

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Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
	California General Rules Exception Pages	Pages CA-E-1 to CA-E-4 (1/12)	Replacement	DCTR-126990700 (11-1563)	California General Rules Exception Pages (1-12).pdf California General Rules Exception Pages (1-12)-changes.pdf
	California Rate Pages	Pages CA-R-1 to CA-R-3 (1-12)	Replacement	DCTR-126990700 (11-1563)	California Rate Pages (1-12).pdf
	Appendix-California General Rules Exception Pages	CA-A-1 to CA-A-9 (1-12)	Replacement	DCTR-126990700 (11-1563)	Appendix-California General Rules Exception Pages (1-12).pdf Appendix-California General Rules Exception Pages (1-12)-changes.pdf

**THE DOCTORS COMPANY
PHYSICIANS, SURGEONS AND ANCILLARY HEALTHCARE PROVIDERS**

SECTION 2-CALIFORNIA GENERAL RULES EXCEPTION PAGES

I. GENERAL GUIDELINES

Rule F. Cancellation/Nonrenewal is deleted and replaced with the following:

F. Cancellation/Nonrenewal

The policy can be cancelled by written request of the First Named Insured and stating a prospective effective date of cancellation. Any unearned premium will be refunded, less a 10% short rate fee.

The Company may cancel or nonrenew a policy in accordance with state requirements. A pro-rata refund is made of any unearned premium.

II. RATING GUIDELINES

Rule B. Sizable Risk Rating is deleted.

Rule C. Rating Factors-1. Manual Base Rate is deleted and replaced with the following:

1. **Manual Base Rate**

The manual base rate is the 1M/3M claims-made mature and occurrence rate based on medical specialty. See State Rate Pages for applicable manual base rates.

III. ADDITIONAL COVERAGES

Rule F. Punitive Damages Coverage is deleted.

The following additional rules are added:

Optional Personal Excess Coverage

The Company offers to insureds or former insureds of SCPIE Indemnity Company and American Healthcare Indemnity Company an optional \$1,000,000 personal excess coverage on an occurrence basis for protection over and above required minimum limits of personal liability coverage provided in personal lines policies the insured obtains through other insurers. The premium is \$340.

To qualify for this Optional Personal Excess Coverage, an insured must represent that he or she maintains certain other underlying minimum insurance coverage and must never have had a similar personal excess coverage or policy cancelled, declined, or non-renewed.

General Liability Coverage

The Company offers to insureds or former insured groups of SCPIE Indemnity Company and American Healthcare Indemnity Company an optional \$1,000,000 general liability coverage on an occurrence basis. The premium is 4% of the professional liability premium, subject to a minimum charge of \$1,000.

Limited Premises Liability Coverage

The Company offers to insureds or former insured groups of SCPIE Indemnity Company and American Healthcare Indemnity Company an optional \$1,000,000 limited premises liability coverage on a claims-made basis. The premium is \$400. If the professional liability policy is written on an occurrence basis, then the premises liability coverage is also written on an occurrence basis.

IV. DISCOUNTS/SURCHARGES

Rule A. Claims-Free Discount is deleted and replaced with the following:

A. Claims-Free Discount

If the Named Insured has been insured with the Company for at least three full years immediately preceding the effective date of the policy, a claims-free discount shall be applied based on the Named Insured's current open claim reserves and cumulative closed claim payments for the most recent three years as follows:

RESERVES	PAID INDEMNITY	PAID ALAE	CLAIMS-FREE DISCOUNT
\$0	\$0	\$0	25%
\$0	\$0	\$1 to \$20,000	20%
\$1 to \$50,000	\$0	\$0	20%
\$0	\$0	\$20,001 to \$50,000	15%
\$0	\$0	Greater than \$50,000	10%
\$1 to \$25,000	\$0	\$20,001 to \$50,000	10%
\$1 to \$50,000	\$0	\$1 to \$20,000	10%
\$25,001 to \$50,000	\$0	\$20,001 to \$50,000	5%
\$50,001 to \$100,000	\$0	\$0 to \$20,000	5%

RESERVES = Open Claim Reserves (Indemnity Losses and Allocated Loss Adjustment Expenses)

PAID INDEMNITY = Paid Indemnity Losses

PAID ALAE = Paid Allocated Loss Adjustment Expenses

If the Named Insured is being insured with the Company for the first time:

- A 15% claims-free discount shall be applied if the Named Insured had no claims for the most recent five years with their prior insurance carrier(s)
- A 7.5% claims-free discount shall be applied if the Named Insured had only 1 closed claim with no paid indemnity losses for the most recent five years with their prior insurance carrier(s)

If the Named Insured has been insured with the Company less than three full years immediately preceding the effective date of the policy:

- A 15% claims-free discount shall be applied if the Named Insured had no claims for the most recent five years with their prior insurance carrier(s) AND no claims with the Company
- A 7.5% claims-free discount shall be applied if the Named Insured had no claims for the most recent five years with their prior insurance carrier(s) AND only 1 open or closed claim with no paid indemnity losses and paid allocated loss adjustment expenses with the Company
- A 7.5% claims-free discount shall be applied if the Named Insured had only 1 closed claim with no paid indemnity losses for the most recent five years with their prior insurance carrier(s) AND no claims with the Company

A claims-free discount shall NOT apply to:

- any Named Insured with an imposed surcharge
- part time/quarter time, prep, slotted and auxiliary healthcare professionals
- ancillary healthcare providers (e.g. Physician Assistant, Certified Nurse Practitioner, etc.) that share limits with any Named Insured
- healthcare professionals rated on a “per procedure” basis

Rule B. Prep Discount is deleted and replaced with the following:

B. Prep Discount

A “prep” or new to practice discount may be requested by an insured who purchases a claims-made policy and is entering private practice for the first time within three years of completing his/her: internship, residency program, military service, HMO or Veteran Administration employment, volunteer/county/government work, or teaching position. Prep rate may also apply to a physician who decided to change his or her specialty by completing a new residency training program. When this discount is applied, the claims-free, part time/quarter time and risk management discounts shall not apply.

First year	50%
Second year	25%
Third year	0%

Rule C. Part Time/Quarter Time Discount is deleted and replaced with the following:

C. Part Time/Quarter Time Discount

A part time/quarter time discount is available for all Named Insureds except surgical specialties that are part of medical groups of less than 15 physicians. This discount is based upon hours worked per week or days worked per year, including administrative duties. When this discount is applied, the claims-free, prep and risk management discounts shall not apply.

1. Part Time: 50%

20 hours or less per week or who work 26 weeks or less per year.

2. Quarter Time: 75%

10 hours or less per week and have been in practice for at least two years.

Rule D. Risk Management Discount is deleted and replaced with the following:

D. Risk Management Discount

1. A risk management discount of 5% shall be applied for all Named Insureds that participate in risk management activities through a Company approved national, state or local medical association.
2. A risk management discount of 10% shall be applied for all Named Insureds that comply with Company approved specialty-based risk management program requirements within a 12 month period.
3. A risk management discount of 5% shall be applied for all Named Insureds that participate in any other risk management program approved by the Company.

Rule F. Defense Within Limits of Liability Discount is deleted and replaced with the following:

F. Defense Within Limits of Liability Discount

A Named Insured may elect coverage that includes payment of defense expenses within their limits of liability. When a Named Insured makes this election, a 1.5% discount shall be applied to the Named Insured's premium.

Rule H. Imposed Surcharges is deleted and replaced with the following:

H. Imposed Surcharges

See Appendix-California General Rules Exception Pages

Rule I. Schedule Rating Plan is amended by adding the following:

Debits/credits in excess of +/-25% must be supported by "convincing factual evidence."

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II. RATING GUIDELINES

Rule B. Sizable Risk Rating is deleted.

Rule C. Rating Factors-1. Manual Base Rate is deleted and replaced with the following ~~for SCPIE Indemnity Company only:~~

1. **Manual Base Rate**

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SECTION 3- CALIFORNIA RATE PAGES

A. MANUAL BASE RATES

TERRITORIES

Territory A = Riverside and San Bernardino Counties

Territory B = Kern, Los Angeles, Orange and Ventura Counties

Territory C = Imperial and San Diego Counties

Territory D = Alameda, Contra Costa, Madera, Mariposa, Merced, Monterey, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Clara and Santa Cruz Counties

Territory E = Remainder of State

\$1M/\$3M LIMITS OF LIABILITY MATURE CLAIMS-MADE COVERAGE (SEE NOTE A)

<u>Physicians/Surgeons Specialties</u>	<u>Territory</u>				
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Administrative Medicine	6,972	6,348	3,330	3,264	3,587
Allergy/Immunology	6,373	5,491	3,931	2,743	3,587
Anesthesiology	17,213	11,885	10,472	6,410	9,057
Anesthesiology-Pain Management	17,805	11,885	10,952	7,042	9,057
Cardiology (Invasive)	21,024	15,149	13,408	8,608	11,832
Colon & Rectal Surgery (Minor Surgery Limited to Anal Ring)	35,100	26,611	19,041	11,477	17,651
Dermatology	10,530	6,648	5,712	3,952	5,295
Dermatology (With Liposuction)	31,369	24,574	21,897	13,199	16,480
Diagnostic Radiology	20,269	15,902	13,880	8,436	10,591
Emergency Medicine	36,855	23,267	19,993	12,051	18,534
Family General Practice (No Surgery-Hospital Care)	11,114	8,975	7,447	5,069	6,217
Family General Practice (Minor Surgery-No Obstetrics)	15,945	11,885	10,513	6,609	8,451
Family General Practice (Restricted Major Surgery-No Obstetrics)	25,447	16,066	13,804	10,178	12,681
Family General Practice (With Obstetrics)	37,574	31,944	18,850	12,504	17,136
Gastroenterology	18,184	13,075	10,853	6,827	9,646
General Medicine (Restricted)	12,285	7,756	6,143	4,017	6,178
General Surgery (All Other)	51,671	40,940	35,273	21,262	28,498
General Surgery (Bariatric)	87,750	46,643	37,676	23,283	29,287
Gynecology (Major Surgery)	28,618	23,267	18,908	12,521	15,766
Gynecology (With In-Vitro Fertilization)	55,282	34,902	29,989	18,077	27,801
Hand & Foot Surgery	21,323	24,237	17,667	13,035	13,263
Internal Medicine	14,564	10,136	9,730	6,172	7,790
Internal Medicine Subspecialties (see Note B)	12,380	9,611	8,307	5,250	6,622
Neonatology	24,570	15,511	13,328	8,034	12,356
Neurology	20,960	15,800	12,654	8,349	10,701
Neurosurgery	86,716	67,012	55,364	36,153	43,733
Nuclear Medicine	7,445	6,070	5,588	3,847	4,962
Obstetrics & Gynecology	67,875	48,808	41,128	26,968	34,644
Occupational Medicine	5,265	4,740	3,135	2,243	2,648
Ophthalmology (No Surgery)	5,265	6,410	4,853	2,442	2,648
Ophthalmology (Minor Surgery)	10,442	7,202	6,165	4,240	5,411
Ophthalmology (Major Surgery)	16,409	14,883	10,963	6,019	8,504
Orthopedic Surgery (No Spinal)	43,619	33,341	28,342	18,328	23,432
Orthopedic Surgery (With Spinal)	53,528	33,793	29,037	19,226	26,918
Otolaryngology (Major With No Facial Plastic)	20,269	13,513	14,876	10,100	11,173
Otolaryngology (Major With Facial Plastic)	31,939	24,393	19,468	14,104	17,179

Note A: The mature claims-made coverage manual base rate also applies for occurrence coverage.

Note B: Internal Medicine Subspecialties include Non-Invasive Cardiology, Endocrinology, Hematology, Infectious Disease, Nephrology, Oncology and Rheumatology.

<u>Physicians/Surgeons Specialties (Continued)</u>	<u>Territory</u>				
	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Pathology	11,636	10,136	8,759	5,280	7,452
Pediatrics	14,432	12,000	9,179	5,819	7,855
Physical Medicine & Rehabilitation	10,530	6,490	5,136	3,443	4,418
Physical Medicine & Rehabilitation-Pain Management (Minor Procedures)	11,635	7,819	7,616	4,796	6,505
Physical Medicine & Rehabilitation-Pain Management (Major Procedures)	18,293	13,626	10,788	7,632	9,280
Plastic Surgery	34,797	29,143	23,641	18,834	20,697
Psychiatry	6,713	6,606	4,712	3,264	4,124
Pulmonary Medicine	20,156	14,493	12,010	7,599	10,628
Surgical Specialty (Office with Minor Surgery)	23,325	15,733	11,946	8,149	10,984
Therapeutic Radiology	17,200	14,082	12,010	8,188	10,445
Thoracic/Cardiovascular Surgery	47,289	38,780	32,123	20,086	25,376
Urology	25,998	18,694	14,947	9,169	12,849

Per Procedure Rates

Surgicenter	9.40	6.54	6.28	3.98	5.03
-------------	------	------	------	------	------

Other Healthcare Professionals

Chiropractic	2,185	1,662	1,459	925	1,168
Dental (Local Anesthesia and Nitrous Only)	2,913	2,216	1,904	1,148	1,558
Dental (Sedation)	7,020	4,432	3,808	2,295	3,530
Oral Surgeons	16,390	13,296	11,424	9,146	10,591
Dental Anesthesiologists	24,570	15,511	13,328	8,034	12,356
Podiatry (No Surgery)	3,347	3,241	2,511	1,880	2,216
Podiatry (Minor Surgery)	7,698	7,117	5,772	4,636	5,094
Podiatry (Major Surgery)	8,869	8,592	6,658	4,636	5,875

B. LIMITS OF LIABILITY

All Specialties Except Chiropractic

Chiropractic

<u>Per Claim/Aggregate Limits of Liability</u>	<u>Factor</u>	<u>Per Claim/Aggregate Limits of Liability</u>	<u>Factor</u>
.1M/.3M	Not Available	.1M/.3M	0.526
.2M/.6M	Not Available	.2M/.6M	0.684
.25M/.75M	Not Available	.25M/.75M	0.737
.5M/1.5M	0.880	.5M/1.5M	0.842
1M/3M	1.000	1M/3M	1.000
2M/5M	1.250	2M/5M	1.250
3M/6M	1.396	3M/6M	1.396
4M/7M	1.481	4M/7M	1.481
5M/8M	1.530	5M/8M	1.530
6M/9M	1.572	6M/9M	1.572
7M/10M	1.605	7M/10M	1.605
8M/11M	1.635	8M/11M	1.635
9M/12M	1.659	9M/12M	1.659
10M/13M	1.681	10M/13M	1.681
11M/14M	1.703	11M/14M	1.703

For each \$1,000,000 increase in the annual aggregate limit, add 0.005 to the applicable increased limits factor.

For each \$1,000,000 decrease in the annual aggregate limit, subtract 0.005 from the appropriate increased limits factor.

C. ANCILLARY HEALTHCARE PROFESSIONALS

<u>Ancillary Healthcare Professional</u>	<u>Separate Limits Rate</u>
Physician Assistant	15% of Family/General Practice (No Surgery-Hospital Care) rate or otherwise applicable physician/surgeon rate
Surgeon Assistant	15% of Family/General Practice (No Surgery-Hospital Care) rate or otherwise applicable physician/surgeon rate
Certified Nurse Practitioner	15% of Family/General Practice (No Surgery-Hospital Care) rate or otherwise applicable physician/surgeon rate
Certified Nurse Midwife (Direct Supervision)	8.7% of Obstetrics & Gynecology rate
Certified Nurse Midwife (Indirect Supervision)	17.5% of Obstetrics & Gynecology rate
Certified Registered Nurse Anesthetist (Supervised by Anesthesiologist)	15% of Anesthesiology rate
Certified Registered Nurse Anesthetist (Supervised by Surgeon)	27% of Anesthesiology rate
Optometrist	9.5% of Internal Medicine rate

**THE DOCTORS COMPANY
PHYSICIANS, SURGEONS AND ANCILLARY HEALTHCARE PROVIDERS**

APPENDIX-CALIFORNIA GENERAL RULES EXCEPTION PAGES

IV. DISCOUNTS/SURCHARGES

Rule H. Imposed Surcharges is deleted and replaced with the following:

H. Imposed Surcharges

Eligibility-New Business

In lieu of declining a risk, the following surcharges may be applied for a risk that does not meet the minimum underwriting guidelines established for the Company.

Eligibility-Renewal Business

In lieu of nonrenewing a risk, the following surcharges may be applied for:

1. a risk whose claim severity and/or frequency for its specialty exceeds an actuarially expected standard; or
2. a risk for whom underwriting information (other than claim severity and/or claim frequency) has been developed that does not meet the minimum underwriting guidelines established for the Company

Subject to the point ranges set forth on the Points Evaluation Worksheet, surcharges of 20% to 400% will be applied as a percentage of premium. With the exception of part-time and claims-free discounts, all rating discounts apply. Case reserve amounts on pending claims are adjusted pursuant to underwriting guidelines.

Limits above \$2 million/\$5 million are not available.

POINTS SCHEDULE

CLAIMS WITHIN THE LAST 10 YEARS FROM DATE OF REPORT

Points

A. Frequency and Severity Claims Schedule	Total Points From Schedule
B. No claims reported in the past five full years.	-100

DRUG OR ALCOHOL IMPAIRMENT

A. Has experienced drug, alcohol, or mental illness problems more than 5 years ago.	50
B. Has experienced drug, alcohol, or mental illness problems within the past 5 years.	75
C. Currently in treatment for substance abuse.	150

	<u>Points</u>
D. Any relapse within the past 5 years.	150
E. Physical or mental impairment that impacted physician's ability to practice medicine safely.	100

GOVERNMENT AGENCY ACTIONS

A. Medical license in any state has been revoked.	150
B. Medical license in any state has been suspended.	150
C. Medical license has been placed on probation with restrictions on the type of services he or she can provide.	100
D. Medical license has been placed on probation for more than 5 years.	100
E. Medical license has been placed on probation for 1 to 5 years.	75
F. Medical license is under investigation.	50
G. Reprimand, fine, citation, etc.	
1. Public letter of reprimand, fine, citation, etc.	50
2. Public letter of reprimand with restrictions and/or mandated courses	100
H. Petition to revoke probation filed.	100
I. Failure to report license investigation as required by affirmative duty language in policy.	50

Note: Items A, B, C, D, E, F, G, H and I – only applies per occurrence – i.e., highest point value.

J. During the preceding 5 years, DEA license has been revoked suspended, or issued with special terms or conditions, or license has been voluntarily surrendered or not renewed, other than normal nonrenewal license substantiated by physician.	100
K. Has been arrested, indicted or convicted or indicted of a criminal act, or has been found to be in violation of a civil statute, per occurrence.	
1) Medically related:	
Within 5 years	100
More than 5 years	50
2) Not medically related:	
Within 5 years	50
More than 5 years	25
L. Medicare/MediCal/Medicaid investigation	40
M. Loss of Medicare/MediCal/Medicaid privileges	50

	<u>Points</u>
N. Loss of, or current investigation of, insurance provider privileges	50
O. Investigation by U.S. Government (Qui Tam, Ricoh, etc.)	50

INAPPROPRIATE PATIENT CONTACT

A. Proven with a single patient.	75
B. Proven with more than one patient.	150
C. Alleged with one or more patients.	50

MEDICAL EDUCATION

A. Attended more than one medical school or a residency program due to actual or planned disciplinary action.	50
B. Residency completed at two or more facilities.	50
C. Started, but did not complete, a full residency program.	50
D. Did not begin a residency.	50
E. Has never received board certification.	50

MEDICAL RECORDS

A. Records alterations with material change and intent.	150
B. Records alterations not a material change to records, just cleaning up.	25
C. Generally poor record keeping.	50

INFORMED CONSENT

A. Incomplete consent obtained.	25
B. Lack of Informed Consent.	50

**PRIVILEGES - ANY STATE
(Hospital, Surgery Center, etc.)**

A. Privileges have been involuntarily restricted, or restricted by negotiation in the past 10 years (per occurrence).	50
B. Privileges have been suspended in the past 10 years (per occurrence).	100
C. Privileges have been revoked in the past 10 years (per occurrence).	150
D. Has unexplained changes in privileges (per occurrence).	25

Points

- E. Has been notified by facility of its intent to:
- 1) Restrict privileges 30
 - 2) Suspend privileges 50
 - 3) Revoke privileges 100
 - 4) Failure to report changes in privileges 100

Note: Only applies per occurrence-i.e. highest point value

- F. No privileges at any facility. 100
- G. Currently undergoing peer review. 75
- H. Notice of peer review received. 50

PROCEDURES

- A. Is performing a medical procedure that is considered experimental but not directly dangerous. 15
- B. Is performing a medical procedure that is in violation of policy exclusions. 50
- C. Is performing a procedure(s) not usual and customary to his/her medical specialty. 50
- D. Is performing a medical procedure that is in violation of policy exclusion and is considered dangerous. 150
- E. Is performing a procedure(s) outside his/her medical specialty. 100
- F. Is performing high risk procedures within his/her medical specialty. 100

PATIENT SAFETY/RISK MANAGEMENT

- A. Mandatory patient safety/risk management previously recommended and insured did not comply. 100
- B. Mandatory patient safety/risk management previously recommended and insured had initial compliance but no follow through. 75

GAPS IN MEDICAL PRACTICE

- A. Gaps in medical practice of 3-6 months' duration. 50
- B. Gaps in medical practice of 6-8 months' duration. 100
- C. Gaps in medical practice greater than 8 months. 150

PAYMENT HISTORY

	<u>Points</u>
A. Two or more late payments within the last three years.	100
B. Two or more cancellations for non-payment of premium within the last three years.	150

OTHER

A. Uncooperative in claims handling.	75
B. Patient Load:	
1) Surgeons-61-99 patients per week	50
2) Surgeons-100 or more patients per week	100
3) All others except Surgeons-101-149 patients per week	50
4) All others except Surgeons-150 or more patients per week	100
C. If insured advertises his/her services on TV, newspapers, billboards or radio.	25
D. Uses collection agency that can file suit without insured's written consent.	25
E. Previous insurance history (bare, insolvent prior insurer or nonrenewed).	100
F. Claim experience of Associates, Partners or Corporation:	
1) If one member with claim(s)	75
2) If more than one member with claim(s)	100
3) Favorable experience of group as a whole	-150
G. For each claim or suit in which the physician breached the standard of care:	
1) Mixed Reviews	50
2) All Negative Reviews	100
3) Admitted or Clear Liability	100
H. For two or more claims, suits or incidents arising out of the same or similar procedures or treatments.	50
I. Claim is too early in discovery period:	
1) Surgical Class	-100
2) Non-Surgical Class	-50
J. For each claim or suit in which expert reviewers state the insured met the standard of care:	
1) Surgical Class	-150
2) Non-Surgical Class	-100

	<u>Points</u>
K. High risk surgical patient selection.	150
L. Reinstatement of nonrenewal due to company election.	150
M. Loss Ratio in excess of 500%.	150
N. Loss Ratio less than 100%.	-100
O. Discrepancies between application answers/documents and verification.	150
P. Action by specialty association or society (AANS, ACS, etc.).	75
Q. Poor witness capabilities.	150

Frequency and Severity Claims Schedule

Insured: _____ Policy #: _____

Effective Date: _____ Review Date: _____

Claims Without Indemnity		
ALAE From:	To:	Claim Score
\$ 5,001	\$ 25,000	1
\$ 25,001	\$ 50,000	2
\$ 50,001	\$ 100,000	3
\$ 100,001	& up	4

Claims <u>With</u> Indemnity		
Indemnity + ALAE From:	To:	Claim Score
\$ 1	\$ 25,000	4
\$ 25,001	\$ 50,000	5
\$ 50,001	\$ 100,000	6
\$ 100,001	\$ 250,000	7
\$ 250,001	\$ 500,000	8
\$ 500,001	\$750,000	9
\$ 750,001	\$1,000,000	11
\$1,000,001	& up	13

	Report Date	Indemnity	ALAE	Total	Claim Score
Claim # 1	/ /	\$	\$	\$	
Claim # 2	/ /	\$	\$	\$	
Claim # 3	/ /	\$	\$	\$	
Claim # 4	/ /	\$	\$	\$	
Claim # 5	/ /	\$	\$	\$	
Claim # 6	/ /	\$	\$	\$	
Claim # 7	/ /	\$	\$	\$	
Claim # 8	/ /	\$	\$	\$	
Claim # 9	/ /	\$	\$	\$	
Claim # 10	/ /	\$	\$	\$	

Total:

Frequency and Severity Claims Schedule (Continued)

Total Claim Score	Low Frequency Specialties			
	No. of Years w/TDC (1) (2)			
	0 - 2	3 - 5	6 - 8	9 & up
2	75	50	30	20
3	100	75	55	45
4	125	100	80	70
5	150	125	105	95
6	175	150	130	120
7	200	175	155	145
8	225	200	180	170
9	250	225	205	195
10	275	250	230	220
11	300	275	255	245
12	325	300	280	270
13	350	325	305	295
14	375	350	330	320
15	400	375	355	345

Total Claim Score	High Frequency Specialties *			
	No. of Years w/TDC (1) (2)			
	0 - 2	3 - 4	5 - 6	7 & up
3	75	50	30	20
4	100	75	55	45
5	125	100	80	70
6	150	125	105	95
7	175	150	130	120
8	200	175	155	145
9	225	200	180	170
10	250	225	205	195
11	275	250	230	220
12	300	275	255	245
13	325	300	280	270
14	350	325	305	295
15	375	350	330	320

(1) As of Review Date.

(2) Add 25 points for each Total Claim Score above 15.

* Emergency Medicine, General Surgery, Neurosurgery, Obstetrics & Gynecology, Oral Surgeons, Orthopedic Surgery, Otolaryngology (Major with Facial Plastic), Plastic Surgery, Thoracic Surgery and Urology

Points Evaluation Worksheet

Insured: _____

Policy #: _____

Renewal Date: _____

Evaluation Date: _____

Criteria

Points

Claims

Drug or Alcohol Impairment

Government Agency Actions

Inappropriate Patient Contact

Medical Education

Informed Consent

Privileges - Any State

Procedures

Patient Safety/Risk Management

Gaps In Medical Practice

Payment History

Other

TOTAL POINTS

Ranges & Surcharges

0 to 50 points-No surcharge	51 to 90 points-20% surcharge	91 to 130 points-30% surcharge
131 to 170 points-40% surcharge	171 to 210 points-50% surcharge	211 to 250 points-60% surcharge
251 to 280 points-70% surcharge	281 to 300 points-80% surcharge	301 to 325 points-90% surcharge
326 to 350 points-100% surcharge	351 to 370 points-125% surcharge	371 to 390 points-150% surcharge
391 to 410 points-175% surcharge	411 to 430 points-200% surcharge	431 to 450 points-225% surcharge
451 to 470 points-250% surcharge	471 to 490 points-275% surcharge	491 to 510 points-300% surcharge
511 to 530 points-325% surcharge	531 to 550 points-350% surcharge	551 to 570 points-375% surcharge
571 to 590 points-400% surcharge	591 or more points-NON-RENEW	

Comments: _____

Completed by: _____

Approved by: _____

**THE DOCTORS COMPANY
PHYSICIANS, SURGEONS AND ANCILLARY HEALTHCARE PROVIDERS**

APPENDIX-CALIFORNIA GENERAL RULES EXCEPTION PAGES

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In lieu of nonrenewing a risk, the following surcharges may be applied for:

1. a risk whose claim severity and/or frequency for its specialty exceeds an actuarially expected standard; or
2. a risk for whom underwriting information (other than claim severity and/or claim frequency) has been developed that does not meet the minimum underwriting guidelines established for the Company

Subject to the point ranges set forth on the Points Evaluation Worksheet, surcharges of 20% to 400% will be applied as a percentage of premium. With the exception of part-time and claims-free discounts, all rating discounts apply. Case reserve amounts on pending claims are adjusted pursuant to underwriting guidelines.

~~All \$2 million/\$5 million rates will be surcharged by an additional 5.5%.~~ Limits above \$2 million/\$5 million are not available.

POINTS SCHEDULE

CLAIMS WITHIN THE LAST 10 YEARS FROM DATE OF REPORT

	<u>Points</u>
A. Frequency and Severity Claims Schedule	Total Points From Schedule
B. No claims reported in the past five full years.	-100

DRUG OR ALCOHOL IMPAIRMENT – HEALTH

A. Has experienced drug, alcohol, or mental illness problems more than 5 years ago.	50
B. Has experienced drug, alcohol, or mental illness problems within the past 5 years.	75

- C. Currently in treatment for ~~unresolved~~ substance abuse. 150
- D. Any relapse within the past 5 years. 150
- E. Physical or mental impairment that impacted physician's ability to practice medicine safely. 100

GOVERNMENT AGENCY ACTIONS

- A. Medical license in any state has been revoked. 150
- B. Medical license in any state has been suspended. 100
- C. Medical license has been placed on probation with restrictions on the type of services he or she can provide. 10075
- D. Medical license has been placed on probation for more than 5 years. 10075
- E. Medical license has been placed on probation for 1 to 5 years. 75
- F. Medical license is under investigation. 50
- G. Reprimand, fine, citation, etc. 40
 - 1) Public letter of reprimand, fine, citation, etc. 50
 - 2) Public letter of reprimand with restrictions and/or mandated courses 100
- H. Petition to revoke probation filed 100
- I. Failure to report license investigation as required by affirmative duty language in policy 50

Note: Items A, B, C, D, E, F, G, H and I— only applies per occurrence – i.e., highest point value.

- J. During the preceding 5 years, DEA license has been revoked suspended, or issued with special terms or conditions, or license has been voluntarily surrendered or not renewed, other than normal nonrenewal license substantiated by physician. 100
- K. Has been convicted or indicted of a criminal act, or has been found to be in violation of a civil statute, per occurrence.

- 1) Medically related:
 - Within 5 years 100
 - More than 5 years 50
- 2) Not medically related:
 - Within 5 years 50
 - More than 5 years 25

- L. Medicare/MediCal/Medicaid investigation 40
- M. Loss of Medicare/MediCal/Medicaid privileges 50

- N. Loss of or current investigation of, any health insurance provider privileges 50
- O. Investigation by U.S. Government (Qui Tam, Ricoh, etc.) 50

INAPPROPRIATE PATIENT CONTACT

- A. Proven with a single patient. 75
- B. Proven with more than one patient. 150
- C. Alleged with one or more patients. 50

MEDICAL EDUCATION

- A. Attended more than one medical school or a residency program due to actual or planned disciplinary action. 50
- B. Residency completed at two or more facilities. 50
- C. Started, but did not complete, a full residency program. 50
- D. Did not begin a residency. 50
- E. Has never received board certification 50

MEDICAL RECORDS

- A. Records alterations with material change and intent. 150
- B. Records alterations not a material change to records, just cleaning up. 25
- C. Generally poor record keeping. 50

INFORMED CONSENT

- A. Incomplete consent obtained. 25
- B. Lack of Informed Consent. 50

**PRIVILEGES - ANY STATE
(Hospital, Surgery Center, etc.)**

- A. Privileges have been involuntarily restricted, or restricted by negotiation in the past 10 years (per occurrence). 50
- B. Privileges have been suspended in the past 10 years (per occurrence). 100
- C. Privileges have been revoked in the past 10 years (per occurrence). 150
- D. Has unexplained changes in privileges (per occurrence). 25
- E. Has been notified by facility of its intent to:

<u>1) Restrict privileges</u>	30
<u>2) Suspend privileges</u>	50
<u>3) Revoke privileges</u>	100
<u>4) Failure to report changes in privileges</u>	<u>100</u>

Note: Only applies per occurrence-i.e. highest point value

F. No privileges at any facility.	100
G. Currently undergoing peer review.	75
H. Notice of peer review received.	50

PROCEDURES

A. Is performing a medical procedure that is considered experimental but not directly dangerous.	15
B. Is performing a medical procedure that is in violation of policy exclusions.	50
C. Is performing a procedure(s) not usual and customary to his/her medical specialty.	50
D. Is performing a medical procedure that is in violation of policy exclusion and is considered dangerous.	150
E. Is performing a procedure(s) outside his/her medical specialty.	100
F. Is performing high risk procedures within his/her medical specialty	100

PATIENT SAFETY/RISK MANAGEMENT

A. Mandatory patient safety/risk management previously recommended and insured did not comply.	100
B. Mandatory patient safety/risk management previously recommended and insured had initial compliance but no follow through.	75

GAPS IN MEDICAL PRACTICE

A. Gaps in medical practice of 3-6 months' duration.	50
B. Gaps in medical practice of 6-8 months' duration.	100
C. Gaps in medical practice greater than 8 months	150

PAYMENT HISTORY

A. Two or more late payments within the last three years.	100
B. Two or more cancellations for non-payment of premium within the last three years.	150

OTHER

A. Uncooperative in Claims Handling	75
B. Patient Load:	

1) For Surgeons, 61-99 patients per week	50
2) For Surgeons, 100 or more patients per week	100
3) All For all others <u>except Surgeons</u> , 101-149 patients per week	50
4) All For all others <u>except Surgeons</u> , 150 or more patients per week	100
C. Advertising: If insured advertises his/her services on TV, newspapers, billboards or radio	25
D. Uses collection agency that can file suit without insured's written consent.	25
E. Previous insurance history (bare, insolvent prior insurer or nonrenewed).	100
F. Claim experience of Associates, Partners or Corporation:	
1) If one member with claim(s)	75
2) If more than one member with claim(s)	100
3) Favorable experience of group as a whole	-150
G. For each claim or suit in which the physician breached the standard of care:	
1) Mixed Reviews	50
2) All Negative Reviews	100
3) Admitted or Clear Liability	100
H. For two or more claims, suits or incidents arising out of the same or similar procedures or treatments.	50
I. Claim is too early in discovery period:	
1) Surgical Class	-100
2) Non-Surgical Class	-50
J. For each claim or suit in which expert reviewers state the insured met the standard of care:	
1) Surgical Class	-150
2) Non-Surgical Class	-100
K. High risk surgical patient selection.	150
L. Reinstatement of nonrenewal due to company election	150
M. Loss Ratio in excess of 500%.	150
N. Loss Ratio less than 100%.	-100
O. Discrepancies between application answers/documents and verification	150
P. <u>Action by specialty association or society (AANS, ACS, etc.)</u>	<u>75</u>

Frequency and Severity Claims Schedule

Insured: _____ Policy #: _____

Effective Date: _____ Review Date: _____

Claims Without Indemnity		
ALAE From:	To:	Claim Score
\$ 5,001	\$ 25,000	1
\$ 25,001	\$ 50,000	2
\$ 50,001	\$ 100,000	3
\$ 100,001	& up	4

Claims <u>With</u> Indemnity		
Indemnity + ALAE From:	To:	Claim Score
\$ 1	\$ 25,000	4
\$ 25,001	\$ 50,000	5
\$ 50,001	\$ 100,000	6
\$ 100,001	\$ 250,000	7
\$ 250,001	\$ 500,000	8
\$ 500,001	\$750,000	9
\$ 750,001	\$1,000,000	11
\$1,000,001	& up	13

Claimant Name	Report Date	Indemnity	ALAE	Total	Claim Score
Claim # 1	/ /	\$	\$	\$	
Claim # 2	/ /	\$	\$	\$	
Claim # 3	/ /	\$	\$	\$	
Claim # 4	/ /	\$	\$	\$	
Claim # 5	/ /	\$	\$	\$	
Claim # 6	/ /	\$	\$	\$	
Claim # 7	/ /	\$	\$	\$	
Claim # 8	/ /	\$	\$	\$	
Claim # 9	/ /	\$	\$	\$	
Claim # 10	/ /	\$	\$	\$	

Total:

Frequency and Severity Claims Schedule (Continued)

Total Claim Score	Low Frequency Specialties			
	No. of Years w/TDC (1) (2)			
	0 - 2	3 - 5	6 - 8	9 & up
2	75	50	30	20
3	100	75	55	45
4	125	100	80	70
5	150	125	105	95
6	175	150	130	120
7	200	175	155	145
8	225	200	180	170
9	250	225	205	195
10	275	250	230	220
11	300	275	255	245
12	325	300	280	270
13	350	325	305	295
14	375	350	330	320
15	400	375	355	345

Total Claim Score	High Frequency Specialties *			
	No. of Years w/TDC (1) (2)			
	0 - 2	3 - 4	5 - 6	7 & up
3	75	50	30	20
4	100	75	55	45
5	125	100	80	70
6	150	125	105	95
7	175	150	130	120
8	200	175	155	145
9	225	200	180	170
10	250	225	205	195
11	275	250	230	220
12	300	275	255	245
13	325	300	280	270
14	350	325	305	295
15	375	350	330	320

(1) As of Review Date.

(2) Add 25 points for each Total Claim Score above 15.

* Emergency Medicine, General Surgery, **Gynecology**, Neurosurgery, Obstetrics & Gynecology, **Oral Surgeons**, Orthopedic Surgery, **Otolaryngology (Major with Facial Plastic)**, Plastic Surgery, Thoracic Surgery and Urology

Points Evaluation Worksheet

Insured: _____

Policy #: _____

Renewal Date: _____

Evaluation Date: _____

Criteria

Points

Claims

| Drug or Alcohol Impairment - ~~Health~~

| Government Agency Actions

| Inappropriate Patient Contact

| Medical Education

| Informed Consent

| Privileges - Any State

| Procedures

| Patient Safety/Risk Management

| Gaps In Medical Practice

| Payment HistoryCoverage

| Other

TOTAL POINTS

Ranges & Surcharges

0 to 50 points-No surcharge

51 to 90 points-20% surcharge

91 to 130 points-30% surcharge

131 to 170 points-40% surcharge

171 to 210 points-50% surcharge

211 to 250 points-60% surcharge

251 to 280 points-70% surcharge

281 to 300 points-80% surcharge

301 to 325 points-90% surcharge

326 to 350 points-100% surcharge

351 to 370 points-125% surcharge

371 to 390 points-150% surcharge

391 to 410 points-175% surcharge

411 to 430 points-200% surcharge

431 to 450 points-225% surcharge

451 to 470 points-250% surcharge

471 to 490 points-275% surcharge

491 to 510 points-300% surcharge

511 to 530 points-325% surcharge

531 to 550 points-350% surcharge

551 to 570 points-375% surcharge

571 to 590 points-400% surcharge

591 or more points-~~NON-RENEW~~~~Nonrenew~~

Comments: _____

Completed by: _____

Approved by: _____

SERFF Tracking Number: DCTR-127278060 State: California
 Filing Company: The Doctors Company, an Interinsurance State Tracking Number: 11-5660
 Exchange
 Company Tracking Number: 2011-CA-02
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations
 Made/Occurrence
 Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program
 Project Name/Number: California Rate and Rule Revision/

Supporting Document Schedules

	Item Status:	Status Date:
Satisfied - Item: Prior Approval Rate Application		
Comments:		
Attachments:		
Prior Approval Rate Application.xls		
Prior Approval Rate Template-No Variance.xls		
Prior Approval Rate Template-Variance 1B Only.xls		
Prior Approval Rate Template-Variance 3 Only.xls		
Prior Approval Rate Application.pdf		
Prior Approval Rate Template-No Variance.pdf		
Prior Approval Rate Template-Variance 1B Only.pdf		
Prior Approval Rate Template-Variance 3 Only.pdf		

	Item Status:	Status Date:
Satisfied - Item: Actuarial Memorandum (Including Exhibits 1-19)		
Comments:		
Attachment:		
Actuarial Memorandum.pdf		

	Item Status:	Status Date:
Satisfied - Item: Exhibit 20-Rules Changes		
Comments:		
Attachment:		
Exhibit 20-Rules Changes.pdf		

SERFF Tracking Number: DCTR-127278060 *State:* California
Filing Company: The Doctors Company, an Interinsurance *State Tracking Number:* 11-5660
Exchange
Company Tracking Number: 2011-CA-02
TOI: 11.0 Medical Malpractice - Claims *Sub-TOI:* 11.0000 Med Mal Sub-TOI Combinations
Made/Occurrence
Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program
Project Name/Number: California Rate and Rule Revision/

Attachment "Prior Approval Rate Application.xls" is not a PDF document and cannot be reproduced here.

SERFF Tracking Number: DCTR-127278060 *State:* California
Filing Company: The Doctors Company, an Interinsurance *State Tracking Number:* 11-5660
Exchange
Company Tracking Number: 2011-CA-02
TOI: 11.0 Medical Malpractice - Claims *Sub-TOI:* 11.0000 Med Mal Sub-TOI Combinations
Made/Occurrence
Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program
Project Name/Number: California Rate and Rule Revision/

Attachment "Prior Approval Rate Template-No Variance.xls" is not a PDF document and cannot be reproduced here.

SERFF Tracking Number: DCTR-127278060 *State:* California
Filing Company: The Doctors Company, an Interinsurance *State Tracking Number:* 11-5660
Exchange
Company Tracking Number: 2011-CA-02
TOI: 11.0 Medical Malpractice - Claims *Sub-TOI:* 11.0000 Med Mal Sub-TOI Combinations
Made/Occurrence
Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program
Project Name/Number: California Rate and Rule Revision/

Attachment "Prior Approval Rate Template-Variance 1B Only.xls" is not a PDF document and cannot be reproduced here.

SERFF Tracking Number: DCTR-127278060 *State:* California
Filing Company: The Doctors Company, an Interinsurance *State Tracking Number:* 11-5660
Exchange
Company Tracking Number: 2011-CA-02
TOI: 11.0 Medical Malpractice - Claims *Sub-TOI:* 11.0000 Med Mal Sub-TOI Combinations
Made/Occurrence
Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program
Project Name/Number: California Rate and Rule Revision/

Attachment "Prior Approval Rate Template-Variance 3 Only.xls" is not a PDF document and cannot be reproduced here.

PRIOR APPROVAL RATE APPLICATION

Completed by: Michael O'Donohue Date: 6/30/2011

Your File #: 2011-CA-02
(15 Characters Maximum)

SERFF CD (plus 1 paper copy) Paper (1 original plus 1 copy)

Does this filing include a variance request? ▼

Is this a variance request submitted after the prior approval application to which it applies?
 ▼

If yes, provide the applicable CDI File Number: _____

Does this file contain group data? ▼

Note: Complete page 2 if this is a group filing

Is this a specialty filing? ▼

Latest applicable CDI file number in this line, subline and/or program:
11-1563

Company Name The Doctors Company, an Interinsurance Exchange

NAIC Company Code 34495

Group Name Doctors Company Insurance

NAIC Group Code 831

Organized under the Laws of the State of California

DEPARTMENT USE ONLY	
Filing No.:	_____
SERFF No.:	_____
Date Filed:	_____
Compliance Date:	_____
Date Public Notified:	_____
Deemer Date:	_____
Intake Analyst:	_____
Bureau & Senior:	_____
Group Filing:	Yes <input type="checkbox"/> No <input type="checkbox"/>
X-Reference No.:	_____
<input type="checkbox"/> Rate	<input type="checkbox"/> New Program <input type="checkbox"/> Rule
<input type="checkbox"/> Form	<input type="checkbox"/> Variance _____ % Change

Line Type ▼

Line of Insurance: ▼

Subline Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability

Program Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability

Home Office 185 Greenwood Road, Napa, California 94558

Name and Title of Contact Person Michael O'Donohue

Toll Free Phone No.: (800) 421-2368 Ext. 1318

Fax No.: (707) 226-0162

Email Address modonohue@thedoctors.com

Mailing Address P.O. Box 2900, Napa, California 94558

I declare under penalty of perjury under the laws of the State of California, that the information filed is true, complete, and correct.


Michael O'Donohue
Authorized Signature

June 30, 2011
Date of Filing

(800) 421-2368 Ext. 1318
Telephone Number

Important note: Refer to CDI website at <http://www.insurance.ca.gov/0250-insurers/0800-rate-filings/> for the most current rate template and prior approval factors.

INSURER GROUP MULTI-COMPANY FILING

For private passenger auto insurance only, does CIC, 1861.16(c) apply? 
If yes, please complete (Super Group) Exhibit 19.

List each insurance company in alphabetical order.

Company Name _____ CDI Filing No. _____
(Department use only)
NAIC Company Code _____

Company Name _____ CDI Filing No. _____
(Department use only)
NAIC Company Code _____

Company Name _____ CDI Filing No. _____
(Department use only)
NAIC Company Code _____

Company Name _____ CDI Filing No. _____
(Department use only)
NAIC Company Code _____

Company Name _____ CDI Filing No. _____
(Department use only)
NAIC Company Code _____

Company Name _____ CDI Filing No. _____
(Department use only)
NAIC Company Code _____

Company Name _____ CDI Filing No. _____
(Department use only)
NAIC Company Code _____

Company Name _____ CDI Filing No. _____
(Department use only)
NAIC Company Code _____

Company Name _____ CDI Filing No. _____
(Department use only)
NAIC Company Code _____

Company Name _____ CDI Filing No. _____
(Department use only)
NAIC Company Code _____

PROPERTY AND LIABILITY FILING SUBMISSION DATA SHEET

The purpose of this filing is as follows: (More than one may be marked)

TYPE OF FILING

PRIOR APPROVAL RATE APPLICATION
PAGES and EXHIBITS REQUIRED

-
- | | |
|--|---|
| <input type="checkbox"/> New Program (Including adoption of advisory organization loss costs, forms and rules.) | Pages 1 through 7, 10, 12, 13 & 14, plus exhibit 17 |
| <input checked="" type="checkbox"/> Rates (Including adoption of advisory organization loss costs.) | |
| <input type="checkbox"/> Increase rates | Pages 1 through 10, 13 & 14, plus exhibits |
| <input checked="" type="checkbox"/> Decrease rate | Pages 1 through 10, 13 & 14, plus exhibits |
| <input type="checkbox"/> Zero Overall rate impact | Pages 1 through 10, 13 & 14, plus exhibits |
| <input checked="" type="checkbox"/> Variance | |
| <input checked="" type="checkbox"/> Filed together with the prior approval application to which it applies. | Page 11 and exhibit 13 |
| <input type="checkbox"/> Filed after the prior approval application to which it applies. | Pages 1 through 6, 11, plus exhibit 13 |
| <input type="checkbox"/> Coverage Forms (Including adoption of advisory organization forms.) | |
| <input type="checkbox"/> With rate impact | Pages 1 through 10, 12a, 13 & 14 plus exhibits |
| <input type="checkbox"/> Without rate impact | Pages 1 through 5, 12a |
| <input checked="" type="checkbox"/> Rules (Including adoption of advisory organization rules.) | |
| <input checked="" type="checkbox"/> With rate impact | Pages 1 through 10, 12b, 13 & 14 plus exhibits |
| <input type="checkbox"/> Without rate impact | Pages 1 through 5, 12b, Exhibit 20 |

All Private Passenger Automobile class plans must be filed separately from the Prior Approval Rate Applications.

PROPERTY AND LIABILITY FILING SUBMISSION DATA SHEET (Continued)

Proposed Earned Premium Per Exposure: \$ 9,333.96

Proposed Overall Rate Change -7.31%

	<u>COVERAGE*</u>	<u>INDICATED CHANGE (%)</u>	<u>PROPOSED CHANGE (%)</u>	<u>ADJUSTED EARNED PREMIUM*</u>	<u>PROJECTED EARNED PREMIUM</u>
1.	Medical Professional Liability	-7.31%	-7.31%	210,716,503	195,313,127
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
	TOTAL:	-7.31%	-7.31%	210,716,503	195,313,127

Total earned premium must include all income derived from miscellaneous fees and other charges.

* Commercial Auto Liability and Physical damage must be combined in one application, with separate rate templates for liability and physical damage.

* Adjusted earned premium is the historical earned premium for the most recent year adjusted to the current rate level and trended to the average date of loss of the proposed rating period.

FILING CHECKLIST

Use this checklist to assemble a complete application

- Prior Approval Rate Application, Page 1
- Group Filing, Page 2
- Property and Liability Filing Submission Data Sheet, Page 3
- Property and Liability Filing Submission Data Sheet, Page 4
- Filing Checklist, Page 5
- Supporting Data Exhibits, Page 6
- Ratemaking Data and Template (s), Page 7
- Reconciliation of Direct Earned Premium, Page 8
- Additional Data Required by Statute, Page 9
- Miscellaneous Fees and Other Charges, Page 10
- Variance Request, Page 11
- Forms and Rules, Page 12
- Excluded Expenses, Page 13
- Projected Yield and Federal Income Tax Rate on Investment Income, Page 14
- Filing Memorandum/Actuarial Memorandum

See the prior approval rate filing instructions regarding the following attachments.

- Printed Rate and Rule Manual Pages
- Underwriting Rules
- Forms (Attach all independent forms and list all advisory organization forms)
- Copies of Reinsurance Agreements
(Applies only to Medical Malpractice with facultative reinsurance attachment points above one million dollars and Earthquake, where the cost of reinsurance is included in the rate development.)

SUPPORTING DATA EXHIBITS

Use this document to assemble a complete application

- Exhibit 1: Filing History
- Exhibit 2: Rate Level History
- Exhibit 3: Policy Term Distribution
- Exhibit 4: Premium Adjustment Factor
- Exhibit 5: Premium Trend Factor
- Exhibit 6: Miscellaneous Fees and Other Charges
- Exhibit 7: Loss and Defense & Cost Containment Expense (DCCE) Development Factors
- Exhibit 8: Loss and DCCE Trend
- Exhibit 9: Catastrophe Adjustment
- Exhibit 10: Credibility Adjustment
- Exhibit 11: Ancillary Income
- Exhibit 12: Reinsurance Premium and Recoverables
- Exhibit 13: Variance
- Exhibit 14: Insurer's Ratemaking Calculations
- Exhibit 15: Rate Distribution
- Exhibit 16: Rate Classification Relativities
- Exhibit 17: New Program
- Exhibit 18: Group Filing
- Exhibit 19: Super Group Corporate Structure Verification (PPA only)
- Exhibit 20: Rules
- Exhibit 21:

RATEMAKING DATA				
<i>(Click + to expand for more than 3 years; - to contract)</i>				
Completed by	Michael O'Donohue			
Date Completed	6/30/2011			
Company/Group	The Doctors Company, an Interinsura			
Line Description	MEDICAL MALPRACTICE (claims-made) ▼			
Coverage	Professional Liability			
	%Captive	%Direct	%Independent	(Must add up to 100%)
Marketing System:	21.29%	49.77%	28.94%	
Prior Effective Date (current rates)	1/1/2009			
Proposed Effective Date (new rates)	1/1/2012			
CDI File Number (Department use only)	0			
Does the data provided below reflect a Request for Variance?	Yes ▼	Variance #: 1B, 3		
Data below is:	Report Year Data (Claims Made policies only) ▼			
	2nd Prior Year	1st Prior Year	Most Recent Year	Projected*/ New Program**
	2008	2009	2010	
1 California Direct Written Premium	260,830,726	218,485,860	210,559,288	
2 California Direct Earned Premium	251,959,006	227,539,159	210,716,503	
3 Premium Adjustment Factor (Developed in Exhibit 4)	0.794	0.936	1.000	
4 Premium Trend Factor * (Developed in Exhibit 5)	1.000	1.000	1.000	
5 Miscellaneous Fees and Flat Charges (Not included in Line 2; Developed in Exhibit 6)	-	-	-	
6 Earned Exposure Units	21,877	21,400	20,925	
7 Historic Losses (Projected for New Programs)	68,247,510	81,452,184	78,725,022	
8 Historic Defense and Cost Containment Expense (DCCE)	59,649,298	47,476,295	32,858,602	
9 Loss Development Factor (Developed in Exhibit 7)	0.873	0.739	0.778	
10 DCCE Development Factor (Developed in Exhibit 7)	1.094	1.322	2.167	
11 Loss Trend Factor* (Developed in Exhibit 8)	1.118	1.090	1.064	2.50%
12 DCCE Trend Factor* (Developed in Exhibit 8)	1.300	1.226	1.157	6.00%
13 Catastrophe Adjustment Factor (Developed in Exh 9)	1.000	1.000	1.000	
14 Credibility Factor for Losses & DCCE (Developed in Exhibit 10)				100.00%
15 Excluded Expense Factor (From Page 13)				0.83%
16 Ancillary Income (Developed in Exhibit 11)	-	-	-	
17 Projected Federal Income Tax Rate on Investment Income (From Page 14)				26.60%
18 Projected Yield (From Page 14)				4.50%
Complete 19, 20 & 21 For Earthquake and certain Medical Malpractice with Reinsurance Only (see instructions)				
19 Direct Commissions				
20 Reinsurance Premium (Developed in Exhibit 12)				
21 Reinsurance Recoverables (Developed in Exhibit 12)				
Variance Change to Leverage on the basis that the insurer either writes at least 90% of its direct earned premium in one line or writes at least 90% of its direct earned premium in California. (Must be accompanied by Variance Request, subject to CDI approval)				Yes ▼
Variance Change to Efficiency Standard (Must be accompanied by Variance Request, subject to CDI approval)				
* For all trend factors, the Projected Column should reflect the annual trend expressed as a percentage.				
** For New Programs, please see Rate Filing Instructions, Page 4.				

**STATUTORY PAGE 14 CALENDAR YEAR DATA
RECONCILIATION OF DIRECT EARNED PREMIUM DATA PER PROGRAM**

Program	Most Recent CDI File #	2nd Prior Year <u>2008</u>	1st Prior Year <u>2009</u>	Most Recent Year <u>2010</u>
1. <u>Physicians & Surgeons</u>	<u>11-1563</u>	<u>\$ 259,336,445</u>	<u>\$ 229,814,413</u>	<u>\$ 210,812,263</u>
2. <u>Hospitals & Facilities</u>	<u>02-4411</u>	<u>\$ 5,264,816</u>	<u>\$ 4,796,221</u>	<u>\$ 6,073,665</u>
3. _____	_____	_____	_____	_____
4. _____	_____	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
5. _____	_____	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
6. _____	_____	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
7. _____	_____	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
8. _____	_____	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
9. _____	_____	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
10. _____	_____	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	TOTAL	<u>\$ 264,601,261</u>	<u>\$ 234,610,634</u>	<u>\$ 216,885,928</u>
	Statutory Page 14	<u>\$ 264,570,620</u>	<u>\$ 204,991,275</u>	<u>\$ 216,885,928</u>
	Difference	<u>\$ 30,641</u>	<u>\$ 29,619,359</u>	<u>\$ -</u>

Explain the Differences:

The difference between the Physician and Surgeon earned premium in the reconciliation and that displayed in the ratemaking tab is paid dividends of \$7,377,439 for calendar year 2008, \$2,275,254 for calendar year 2009, and \$95,760 for calendar year 2010. DD&R reserves increased by \$30,641 for SCPIE/AHI in calendar year 2008 leading to the \$30,641 discrepancy above. DD&R reserves decreased by \$5,380,641 for SCPIE/AHI and increased by \$35,000,000 for TDC in calendar year 2009 resulting in the net discrepancy of \$29,619,359 shown above.

This exhibit requires insurers to itemize each program until all data is reconciled to the corresponding annual statement line of insurance (Statutory Page 14).

For residual market data, a filing number is not required.

ADDITIONAL DATA REQUIRED BY STATUTE*

<u>Calendar Year</u>	Year	<u>2010</u>
<u>DATA</u>		
1. Number of claims outstanding at beginning of year		<u>2436</u>
2. Number of claims during the year		<u>2009</u>
3. Number of claims closed during the year		<u>2089</u>
4. Number of claims outstanding at year's end ((1) + (2) - (3))		<u>2356</u>
5. Unearned Premiums		<u>60,053,606</u>
6. Dollar amount of claims paid		<u>56,350,187</u>
7. Net loss reserves for outstanding claims excluding claims incurred but not reported		<u>180,860,964</u>
8. Net loss reserves for claims incurred but not reported		<u>65,914,768</u>
9. Losses incurred as a percentage of premiums earned - including IBNR		<u>17.30%</u>
10. Net investment gain or loss and other income or gain or loss allocated to the line.		<u>88,333,908</u>
11. Net income before federal and foreign income taxes (line 10 plus line 15)		<u>171,882,106</u>
12. Total number of policies in force on the last day of the reporting period		<u>21280</u>
13. Total number of policies cancelled		<u>2938</u>
14. Total number of policies non-renewed		<u>347</u>
15. Net underwriting gain or loss (=CY earned premiums minus CY incurred loss minus CY incurred expense)		<u>83,548,198</u>
16. Separate allocations of expenses for:		
a) commissions and brokerage expense,		<u>10,025,593</u>
b) other acquisition costs,		<u>3,006,554</u>
c) general office expenses,		<u>3,303,719</u>
d) taxes, licenses and fees,		<u>5,230,893</u>
e) loss adjustment expense (DCCE & AOE), and		<u>57,176,337</u>
f) other expenses		<u>-</u>

*CIC 1857.7, CIC 1857.9 and CIC 1864

MISCELLANEOUS FEES AND OTHER CHARGES

Do any fees or installment finance charges apply to this program? No Yes
If yes, identify the fee and the amount charged for each type of fee and for each transaction.

INDIVIDUAL POLICY CHARGES

	New Business	Renewals
<input type="checkbox"/> Policy fee	_____	_____
<input type="checkbox"/> Installment fee	_____	_____
<input type="checkbox"/> Installment finance charges (ancillary income)	_____ APR	_____
<input type="checkbox"/> Endorsement fee	_____	_____
<input type="checkbox"/> Inspection fee	_____	_____
<input type="checkbox"/> Cancellation fee	_____	_____
<input type="checkbox"/> Reinstatement fee	_____	_____
<input type="checkbox"/> Late fee	_____	_____
<input type="checkbox"/> SR 22	_____	_____
<input type="checkbox"/> Non-sufficient funds (NSF) fee (ancillary income)	_____	_____
<input type="checkbox"/> Membership dues (ancillary income)	_____	_____
<input type="checkbox"/> Other, specify:	_____	_____

Except for installment finance charges, NSF fees, and membership dues, data relating to fees must be included in the ratemaking data, Page 7, Line 2 (direct earned premium) or Line 5 (miscellaneous fees) and Exhibit 6, miscellaneous fees, must be completed. Refer to the instructions for additional information.

REQUEST FOR VARIANCE

1. Identify each variance requested. (See below (F))
2. Identify the extent or amount of the variance requested and the applicable component of the ratemaking formula. [Complete Exhibit 13]
3. Set forth the expected result or impact on the maximum and minimum permitted earned premium that the granting of the variance will have as compared to the expected result if the variance is denied. [Complete Exhibit 13]
4. IMPORTANT: Identify the facts and their source justifying the variance request and provide the documentation supporting the amount of the change to the component of the ratemaking formula. (Complete Exhibit 13)

IDENTIFY THE BASES FOR VARIANCE - Refer to CCR 2644.27 (f) for the full regulation text.

Maximum Permitted Rate Change % Excluding Variance -11.85%
(Change At Max Per Template)

1. Relief from the efficiency standard for bona fide loss-prevention and loss reduction activities.
 - A. Allocated cost for SIU.
 - B. Expenses for loss prevention programs.

Maximum Permitted Rate Change % With Only This Variance -10.54%
(Change At Max Per Template)
2. Relief from the efficiency standard due to any of the following:
 - A. Higher quality of service, as demonstrated by objective measures of consumer satisfaction; or
 - B. Demonstrated superior service to underserved communities (CCR 2646.6); or
 - C. Significantly smaller or larger than average California policy premium, including any applicable fees.

Maximum Permitted Rate Change % With Only This Variance _____
(Change At Max Per Template)
3. The leverage factor should be different from the leverage factor determined pursuant to section 2644.17 on the basis that the insurer either writes at least 90% of its direct earned premium in one line or writes at least 90% of its direct earned premium in California, and its mix of business presents investment risks different from the risks that are typical of the line as a whole.

Maximum Permitted Rate Change % With Only This Variance -8.67%
(Change At Max Per Template)
4. Relief from operation of the efficiency standard for a line of insurance in which the insurer has never written over \$1 million in earned premium annually and the insurer is making a substantial investment in order to enter the market.

Maximum Permitted Rate Change % With Only This Variance _____
(Change At Max Per Template)
5. The minimum permitted earned premium should be lower on the basis of the insurer's certification that the rate will not cause the insurer's financial condition to present an undue risk to its solvency.
6. The insurer's financial condition is such that its maximum permitted earned premium should be increased in order to protect solvency.

Maximum Permitted Rate Change % With Only This Variance _____
(Change At Max Per Template)
7. The loss development formula in CCR 2644.6 does not produce an actuarially sound result because:
 - A. There is not enough data to be credible
 - B. There is not enough years of data to fully calculate the development to ultimate;
 - C. There are changes in the insurer's reserving or claims closing practices that significantly affect the data; or,
 - D. There are changes in coverage or other policy terms that significantly affect the data; or,
 - E. There are changes in the law that significantly affect the data.
 - F. There is a significant increase or decrease in the amount of business written or significant changes in the mix of business.

Maximum Permitted Rate Change % With Only This Variance _____
(Change At Max Per Template)

8. The trend formula in CCR 2644.7 does not produce the most an actuarially sound result because:
- A. There is a significant increase/decrease in the amount of business written or changes in the mix of business;
 - B. There are not enough years of data to calculate the trend factor;
 - C. There is a significant change in the law affecting frequency or severity of claims;
 - D. It can be shown that a trend calculated over a period of at least 4 quarters other than a period permitted pursuant to section 2644.7(b) is more reliable prospectively.
 - E. There are changes in the insurer's claims closing practices that significantly affect the data; or,
 - F. There are changes in coverage or other policy terms that significantly affect the data.

Maximum Permitted Rate Change % With Only This Variance _____
(Change At Max Per Template)

9. The maximum permitted earned premium would be confiscatory if applied.

Maximum Permitted Rate Change % With Only This Variance _____
(Change At Max Per Template)

Overall Maximum Permitted Rate Change % _____
-7.31%

Notwithstanding any other section of these regulations, the aggregate total adjustment to the efficiency standard for all variances combined shall not exceed the difference between the insurer's most recent year total expense ratio excluding defense and cost containment expenses and the efficiency standard.

Most Recent
Year Total
Expense Ratio _____ **33.35%**

FORMS

Insurers who wish to use a new or replacement form in connection with a new or existing program must furnish the following information and documentation for our review.
Revisions must be highlighted and the corresponding manual pages must be provided.

FORM NO.	TITLE	TYPE	SOURCE	SOURCE FORM NO.*	CATEGORY	Restricts Coverage [Yes/ No]	Broadens Coverage [Yes/ No]	Rate Impact [Yes / No]	% Change	Flat Rate
1) New:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Old:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
2) New:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Old:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
3) New:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Old:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
4) New:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Old:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
5) New:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Old:	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____

REQUIRED RESPONSES FOR THE ITEMS ABOVE

TYPE:	SOURCE	CATEGORY
1) Application	1) ISO*	1) New, mandatory
2) Endorsement	2) Other Advisory Organization*	2) New, optional
3) Policy	3) Company	3) Replacement, mandatory
4) Other (Please define)	4) Other (describe)	4) Replacement, optional
		5) Withdrawn, mandatory
		6) Withdrawn, optional

* Provide California Dept. of Insurance number (CDI#) under the column identified as Source Form No.

Additional Information and Documents Required

Describe the purpose of the form or form change

For **NEW FORMS**, furnish a copy of the form to be filed, unless identical to an advisory organization form. If the form is a new endorsement to the policy, describe any changes in coverage under the policy. Describe what adjustments, if any, will be made to the premium due to the introduction of the forms.

For **REVISED FORMS**, describe any changes in coverages between the proposed form and the current form. Reference pertinent sections of each form affected. Brackets [] should be used to identify any deletions on the current form and underline all changes in the revised form. Describe what adjustments, if any, will be made to the premium due to the revisions.

RULES

Insurers wishing to make a rule change filing must provide the following information.
Exhibit 20 may be completed to provide additional information.

Identify the option(s) that applies.

- Introducing a new rule
- Revising an existing rule
- Adopting an approved Advisory Organization rule
- Withdrawing an approved rule

Use the following as a checklist to provide the required information.

If introducing a new rule or revising an existing rule, provide:

The purpose for the rule or an explanation for revising an existing rule

A copy of the current and proposed manual page corresponding to the rule

The charge for the rule. Support or justify the charge and provide the rate or premium development method.

The rate impact of the rule to the current book of business, showing the calculation.

Advise if the rule is: Optional Mandatory

If withdrawing an approved rule, provide:

An explanation for withdrawing the rule

A copy of the current and proposed manual page(s) corresponding to the withdrawn rule

The rate impact of the withdrawn rule to the current book of business

If adopting an approved Advisory Organization rule(s), specify the approved CDI filing number(s) of the AO rule(s):

Insurer Comments:

EXCLUDED EXPENSE FACTOR

(Insurer Group Data)

Company Organization:

Reciprocal ▼

	(Enter Year)	2nd Prior Year 2008	1st Prior Year 2009	Most Recent Year 2010
Countrywide direct earned premium:		683,428,000	598,346,000	702,507,000
Countrywide direct earned premium for lines of business subject to Proposition 103:		680,323,000	597,348,000	701,926,000

2644.10 (b): Executive Compensation

	2nd Prior Year 2008		1st Prior Year 2009		Most Recent Year 2010	
	Cash & Salary	Bonus	Cash & Salary	Bonus	Cash & Salary	Bonus
1st Highest Paid	807,781	1,223,012	937,090	1,360,380	901,600	1,600,409
2nd Highest Paid	817,757	196,921	1,420,823	0	545,274	728,773
3rd Highest Paid	514,404	486,159	514,404	518,150	528,312	609,022
4th Highest Paid	498,402	459,514	498,402	440,314	471,072	549,202
5th Highest Paid	444,402	413,488	444,402	407,495	335,004	342,214

	2nd Prior Year 2008		1st Prior Year 2009		Most Recent Year 2010	
	Max Permissible Exc Comp	Excessive Compensation	Max Permissible Exc Comp	Excessive Compensation	Max Permissible Exc Comp	Excessive Compensation
1st Highest Paid	438,832	1,591,961	416,259	1,881,211	444,437	2,057,572
2nd Highest Paid	272,166	742,512	260,087	1,160,736	275,151	998,896
3rd Highest Paid	221,469	779,094	210,734	821,820	224,129	913,205
4th Highest Paid	196,484	761,432	187,545	751,171	198,695	821,579
5th Highest Paid	176,606	681,284	168,922	682,975	178,504	498,714

Total Excessive Executive Comp:	4,556,284	5,297,913	5,289,965
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Excluded Expense Factor

Countrywide Data	2nd Prior Year 2008	1st Prior Year 2009	Most Recent Year 2010
2644.10 (a): Political contribution and lobbying	300,372	405,418	331,308
2644.10 (b): Excessive Executive Compensation	4,556,284	5,297,913	5,289,965
2644.10 (c): Bad faith judgments and associated DCCE	0	0	0
2644.10 (d): All costs for unsuccessful defense of discrimination claims	0	0	0
2644.10 (e): Fines and penalties	8,338	4,924	67,769
2644.10 (f): Institution advertising expenses	0	0	0
2644.10 (g): Excessive payments to affiliates	0	0	0
Total excluded expenses	4,864,994	5,708,255	5,689,042
Excluded expense factor	0.71%	0.95%	0.81%
3-year average excluded expense factor	0.83%		

PROJECTED YIELD AND FEDERAL INCOME TAX RATE ON INVESTMENT INCOME

Line number	Short Term Assets	Intermediate Term Assets		Long Term Assets		
	One year or less	Over 1 yr through 5 yrs	Over 5 yrs through 10 yrs	Over 10 yrs through 20 yrs	Over 20 yrs	
1.7	US governments	63,163,198	186,082,142	38,822,102	3,800,505	15,186,788
2.7	All other governments		2,458,461		1,944,676	
3.7	States, territories and possessions	11,596,510	131,341,446	65,490,250	13,587,116	1,098,063
4.7	Political subdivisions	519,991	111,637,906	113,771,319	4,072,940	16,425,031
5.7	Special revenue and assessment obligations	88,399,511	375,498,901	332,330,358	58,199,984	69,703,874
6.7	Public utilities unaffiliated	179,637,579	339,693,117	158,411,849	50,256,952	36,074,559
7.7	Industrial and miscellaneous					
8.7	Credit tenant loans					
9.7	Parent, subsidiaries and affiliates					
		<u>One year or less</u>	<u>Over 1 year through 10 years</u>		<u>Over 10 years</u>	
(1)	US government bonds Sum of line 1.7 and 2.7	63,163,198	227,362,705		20,931,969	
(2)	Other taxable bonds Sum of line 6.7, 7.7, 8.7, 9.7 and half of 5.7	223,837,335	852,019,596		150,283,440	
(3)	Tax exempt bonds Sum of line 3.7, 4.7, and half of 5.7	56,316,257	776,155,551		99,135,079	

Data on line 1.7 through 9.7 are from the insurer group's most recent consolidated statutory annual statement, schedule D, part 1A, section 1.

PROJECTED YIELD AND FEDERAL INCOME TAX RATE ON INVESTMENT INCOME

	Invested Assets [1]	Currently Available Yield * [2]	Return On Invested Assets [3]=[1]*[2]	Federal Income Tax Rate [4]	Federal Income Taxes [5]=[3]*[4]
(1) US government bonds					
(A) Short	63,163,198	0.07%	44,214	35.00%	15,475
(B) Intermediate	227,362,705	3.35%	7,616,651	35.00%	2,665,828
(C) Long	20,931,969	4.19%	877,050	35.00%	306,967
(2) Other taxable bonds					
(A) Short	223,837,335	0.21%	470,058	35.00%	164,520
(B) Intermediate	852,019,596	4.43%	37,744,468	35.00%	13,210,564
(C) Long	150,283,440	5.29%	7,949,994	35.00%	2,782,498
(3) Tax exempt bonds					
(A) Short	56,316,257	0.14%	78,843	5.25%	4,139
(B) Intermediate	776,155,551	3.39%	26,311,673	5.25%	1,381,363
(C) Long	99,135,079	5.14%	5,095,543	5.25%	267,516
(4) Common Stock	528,354,090				
(A) Dividends		1.65%	8,717,842	14.18%	1,235,754
(B) Capital gains		8.44%	44,593,085	34.10%	15,206,242
(5) Preferred stock dividends	16,179,127	5.72%	925,446	14.18%	131,182
(6) Mortgage loans	78,786,048	5.29%	4,167,782	35.00%	1,458,724
(7) Real estate	19,946,250	4.09%	815,802	35.00%	285,531
(8) Cash**	28,829,783	0.07%	20,181	35.00%	7,063
(9) Other***	154,168,934				
(A) Dividends		1.65%	2,543,787	14.18%	360,582
(B) Capital gains		8.44%	13,011,858	34.10%	4,437,044
(10) Total					
Sum of line (1) thru (9)	3,295,469,360		160,984,277		43,920,991

Data in column [1], line 4 through (9), are from the insurer group's most recent consolidated statutory annual statement page 2 - Assets.

* Currently available yields are defined in CCR §2644.20. Latest values are posted at <http://www.insurance.ca.gov/0250-insurers/0800-rate-filings/0200-prior-approval-factors/>

** Annual statement page 2, line 5, cash only. Cash equivalents and short-term investments are included in Schedule D.

*** Annual statement page 2, line 6 through 9.

PROJECTED YIELD AND FEDERAL INCOME TAX RATE ON INVESTMENT INCOME

	Invested Assets [1]	Currently Available Yield [2]	Return On Invested Assets [3]=[1]*[2]	Federal Income Tax Rate [4]	Federal Income Taxes [5]=[3]*[4]
(10) Total line (10) exhibit 13, page 2	3,295,469,360		160,984,277		43,920,991
(11) Investment expense Annual Statement (AS) page 11, line 25			13,092,652	35.00%	4,582,428
(12) Total after investment expense line (10) - line (11)	3,295,469,360		147,891,625		39,338,563
(13) Federal income tax rate line (12) column [5] / column [3]				26.60%	
(14) Projected yield on invested assets line (12) column [3] / column [1]		4.49%			
Most Recent Year					
(15) Loss reserves AS page 3, line 1	1,086,780,645				
(16) Loss adjustment expense reserves AS page 3, line 3	514,205,074				
(17) Unearned premium reserves AS page 3, line 9	411,578,874				
(18) Surplus as regards to policyholders AS page 3, line 35	1,276,236,952				
(19) Total reserves and surplus Sum of line (15) to (18)	3,288,801,545				
(20) Projected yield adjusted to reserve and surplus base line (14) * line (12) / line (19)		4.50%			

VARIANCE: 1B, 3		RATE TEMPLATE			<i>Edition Date:</i>	4/4/2011
		<i>(No input by filer)</i>				
CDI FILE NUMBER:	0					
COMPANY/GROUP:	The Doctors Company, an Interinsurance Exchange					
LINE OF INSURANCE:	MEDICAL MALPRACTICE (claims-made)					
COVERAGE:	Professional Liability					
PRIOR EFF DATE:	1/1/2009			<i>Completed by:</i> Michael O'Donohue		
PROPOSED EFF DATE:	1/1/2012			<i>Date:</i> 6/30/2011		
DATA PROVIDED BY FILER						
	Year:	2008	2009	2010		
		PRIOR2	PRIOR1	RECENT	PROJECTED/ SUMMARY	
WRT PREM		260,830,726	218,485,860	210,559,288	689,875,875	
ERN PREM		251,959,006	227,539,159	210,716,503	690,214,668	
PREM ADJ		0.794	0.936	1.000		
PREM TREND		1.000	1.000	1.000	0.000	
MISCELLANEOUS FEES (& other flat charges)		0	0	0	0	
EARNED EXP		21,877	21,400	20,925	64,202	
LOSSES		68,247,510	81,452,184	78,725,022	228,424,716	
DCCE		59,649,298	47,476,295	32,858,602	139,984,195	
LOSS DEV		0.873	0.739	0.778		
DCCE DEV		1.094	1.322	2.167		
LOSS TREND		1.118	1.090	1.064	0.025	
DCCE TREND		1.300	1.226	1.157	0.060	
CAT ADJ		1.000	1.000	1.000		
CREDIBILITY					100.00%	
EXPENSE EXCLUSION FACTOR					0.83%	
ANC INC		0	0	0	0	
FIT INV					26.60%	
YIELD					4.50%	
CDI PARAMETERS:						
FIT UW					35.00%	
EFF STANDARD					26.55%	
LEVERAGE					0.50	
PREMIUM TAX RATE					2.35%	
SURPLUS RATIO					1.99	
UEP RES RATIO					0.42	
LOSS RES RATIO					4.21	
RISK FREE RATE OF RETURN					2.09%	May 2011
MAXIMUM RATE OF RETURN					8.09%	
MINIMUM RATE OF RETURN					-6.00%	
CDI CALCULATIONS:						
ADJ PREM		200,022,978	212,961,531	210,716,503	623,701,012	
ADJUSTED LOSSES		66,602,841	65,592,373	65,148,420	197,343,635	
ADJUSTED DCCE		84,798,187	76,950,242	82,376,680	244,125,109	
ADJUSTED LOSS+DCCE RATIO		75.69%	66.93%	70.01%	70.78%	
TRENDED CURRENT RATE LEVEL PREMIUM		9143.04	9951.47	10070.31	9714.72	
LOSS+DCCE PER EXP		6920.53	6660.87	7050.34	6876.29	
COMP LOSS+DCCE PER EXP		7630.50	8305.20	8404.38	8107.61	
CRED LOSS PER EXP		6920.53	6660.87	7050.34	6876.29	
ANC INC PER EXP		0.00	0.00	0.00	0.00	
FIXED INV INC FACTOR					21.38%	
VAR INV INC FACTOR					12.23%	
ANNUAL NET TREND					2.50%	
COMP TREND					7.68%	
MAX PROFIT					24.74%	
MIN PROFIT					-18.36%	
UW PROFIT					-4.06%	
MAX DENOM					0.609	
MIN DENOM					1.040	
MAX PREMIUM					\$8,872.40	
MIN PREMIUM					\$5,196.63	
CHANGE AT MIN					-46.51%	
CHANGE AT MAX					-8.67%	
Alternate Calculation with Reinsurance						
COMMISSION RATE					0.00%	
RE PREM		-	-	-	0	
RE RECOV		-	-	-	0	
RE PREM PER EXP		0.00	0.00	0.00	0.00	
RE RECOV PER EXP		0.00	0.00	0.00	0.00	
COMP LOSS RE		7630.50	8305.20	8404.38	8107.61	
RMAX PREMIUM					NA	
RCHANGE AT MAX					NA	

EFFICIENCY STANDARD TABLE

SOURCE: 2007 - 2009 ROLLING AVG

DATE REVISED: 2/10/2011

Blended Captive Direct Indep
ES: 27.38% 24.18% 25.38% 33.17%

Line	Captive	Direct	Indep	Line Description
1.0	39.33%	19.17%	32.04%	FIRE
2.1	40.67%	20.08%	29.42%	ALLIED LINES
3.0	33.24%	43.08%	33.53%	FARMOWNERS MULTIPLE PERIL
4.0	36.21%	27.65%	37.12%	HOMEOWNERS MULTIPLE PERIL
5.0	34.65%	42.03%	38.18%	COMMERCIAL MULTIPLE (5.1 & 5.2 Combined)
5.1	35.79%	42.30%	37.12%	COMMERCIAL MULTIPLE PERIL(NON-LIABILITY)
5.2	31.97%	39.07%	39.69%	COMMERCIAL MULTIPLE PERIL(LIABILITY)
9.0	39.06%	25.63%	28.76%	INLAND MARINE
11.0	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE
11.1	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE(occ)
11.2	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE (cm)
12.0	18.07%	17.08%	22.90%	EARTHQUAKE
17.0	32.55%	26.99%	30.50%	OTHER LIABILITY
17.1	32.55%	26.99%	30.50%	OTHER LIABILITY (occ)
17.2	32.55%	26.99%	30.50%	OTHER LIABILITY (cm)
18.0	24.58%	22.59%	31.36%	PRODUCTS LIABILITY
18.1	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (occ)
18.2	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (cm)
19.2	34.03%	26.81%	36.40%	PRIVATE PASSENGER AUTO LIABILITY
19.4	35.77%	31.98%	34.39%	COMMERCIAL AUTO LIABILITY
21.1	34.42%	27.28%	35.01%	PRIVATE PASSENGER AUTO PHYSICAL DAMAGE
21.2	34.41%	35.11%	36.30%	COMMERCIAL AUTO PHYSICAL DAMAGE
22.0	34.10%	34.10%	26.57%	AIRCRAFT
23.0	33.45%	46.91%	32.18%	FIDELITY
24.0	43.84%	43.84%	43.84%	SURETY
26.0	30.37%	30.37%	30.37%	BURGLARY & THEFT
27.0	36.00%	27.67%	39.23%	BOILER & MACHINERY

LEVERAGE RATIO TABLE

SOURCE: Bests Aggregates and Averages, 2010 Edition

DATE REVISED: 10/15/2010

Line	LF	Line Description
1.0	1.2239	Fire
2.1	1.2232	Allied Lines
3.0	1.3061	Farmowners
4.0	1.2665	Homeowners
5.1	1.2062	CMP - NL
5.2	0.5704	CMP - Liab.
5.0	0.8614	CMP
9.0	1.3135	Inland Marine
11.1	0.3440	Med. Mal. Occ.
11.2	0.5916	Med. Mal. cm.
11.0	0.5096	Med. Mal.
12.0	1.0000	Earthquake
17.1	0.4802	O. Liab. Occ.
17.2	0.5835	O. Liab. cm.
17.0	0.5081	O. Liab.
18.1	0.2759	Products - Occ.
18.2	0.5862	Products - cm.
18.0	0.3027	Products
19.2	1.0840	PP Auto Liab.
19.4	0.8037	C. Auto Liab.
21.1	1.7527	PP Auto PD
21.2	1.3809	Comm Auto PD
22.0	0.7175	Aircraft
23.0	0.8986	Fidelity
24.0	0.9888	Surety
26.0	1.2363	Burglary & Theft
27.0	1.1762	Boiler & Mach.

RESERVES RATIO TABLE

SOURCE: AM Best's Aggregates & Averages - Property Casualty, 2010 Edition

DATE REVISED: 9/21/2010

LINE	UEP	LOSS	Line Description
1	0.48	0.98	FIRE
2.1	0.47	1.20	ALLIED LINES
3	0.47	1.90	FARMOWNER MP
4	0.52	1.14	HOMEOWNER MP
5	0.50	2.87	CMP
5.1	0.49	1.12	CMP (N-LIAB)
5.2	0.50	5.16	CMP (LIAB)
9	0.36	0.68	INLAND MRN
11.0	0.46	4.64	MED MAL
11.1	0.58	5.56	MED MAL - occurrence
11.2	0.42	4.21	MED MAL - claims-made
12.0	0.47	1.00	EARTHQUAKE
17.0	0.52	4.41	OTHER LIAB
17.1	0.54	5.21	OTHER LIAB - occurrence
17.2	0.51	3.28	OTHER LIAB - claims-made
18.0	0.52	5.44	PROD LIAB
18.1	0.53	5.63	PROD LIAB - occurrence
18.2	0.43	3.85	PROD LIAB - claims-made
19.2	0.33	1.14	PPA LIAB
19.4	0.45	2.66	COMLA LIAB
21.1	0.33	0.09	PPA PD
21.2	0.51	0.32	COMLA PD
22.0	0.40	2.79	AIRCRAFT
23.0	0.57	2.62	FIDELITY
24.0	0.56	2.52	SURETY
26.0	0.59	0.91	BRGLRY THEFT
27.0	0.45	1.19	BLR & MCHNRY

Loss Cost Multiplier (LCM) Template Instructions

The LCM Template spreadsheet must be completed for those rate filing submissions where the filed line or coverage utilizes a Loss Cost Multiplier. Examples include new or existing program rate filings that involve the adoption of Advisory Organization loss costs, and existing program rate filings where the LCM is being revised.

There are a number of data cells on the LCM Template spreadsheet that automatically populate either by reference to cells on other spreadsheets or by formula calculation. However there are five lines within the LCM Template spreadsheet for which additional data entry is required. The first three data entry items pertain to rate filing submissions that include an adoption of Advisory Organization loss costs. The last two data entry items are required only for existing programs.

Complete the following for existing and new program rate filings when Advisory Organization loss costs are being adopted:

Spreadsheet Item #1.1 CDI Filing Number – Please enter the CDI filing number of the Advisory Organization loss cost filing being adopted. If additional loss cost updates are being covered, please also identify the CDI filing number(s) of the additional loss cost updates being covered.

Spreadsheet Item #1.2 Loss Cost Percent Change Approved for the Line or Coverage – Please enter the CDI percent change approved for the Advisory Organization loss cost filing identified as Item #1.1. If multiple loss cost updates are being covered, identify the cumulative percent change approved.

Spreadsheet Item #1.3 AOE or LAE Load Approved for the Line or Coverage – As identified within the Advisory Organization loss cost filing entered as Item #1.1, please indicate the type of AOE or LAE expense loading the Advisory Organization used in its loss cost filing and enter the load amount.

Complete the following for existing programs only; do not complete the following for new program filings:

Spreadsheet Item #2.1 Current Expense Based LCM – Please enter the current expense based LCM for the filed line/coverage.

Spreadsheet Item #2.2 Current Loss Cost Modification Expressed as a Factor – Please enter the current Loss Cost Modification Factor applicable to the current expense based LCM.

Spreadsheet Items #3 through #7 are calculated fields.

Spreadsheet Item #3 calculates the insurer's current Final LCM.

Spreadsheet Item #4 calculates the Advisory Organization's AOE as a percent of loss and DCCE.

Spreadsheet Item #5 calculates the maximum CDI allowable expense based LCM for the file/line/coverage.

Spreadsheet Item #6 calculates the maximum CDI allowable loss cost modification factor for the filed line/coverage.

Spreadsheet Item #7 calculates the **maximum CDI allowable Final LCM** for the filed line/coverage. If the Insurer's current Final LCM (Item #3) and/or proposed Final LCM is greater than the Max Final LCM (Item #7), the Insurer will need to reduce its Final LCM so that it is no greater than the CDI calculated maximum allowable Final LCM. Otherwise, exceeding the CDI calculated maximum allowable Final LCM will require the filing of a Variance.

LCM TEMPLATE

Edition Date:

4/4/2011

CDI FILE NUMBER: 0
 COMPANY/GROUP: The Doctors Company, an Interinsurance Exchange
 LINE OF INSURANCE: MEDICAL MALPRACTICE (claims-made)
 LINE CODE: 11.2
 COVERAGE: Professional Liab

ADVISORY ORGANIZATION FILING INFORMATION

1 For filings that include an adoption of Advisory Organization loss costs, complete lines 1.1, 1.2, and 1.3; for all other filings skip lines 1.1, 1.2 and 1.3, and go to line 2.

1.1 CDI Filing Number	<input type="text"/>	
1.2 Loss Cost Percent Change Approved for the Line or Coverage	<input type="text"/>	
1.3 AOE or LAE Load Approved for the Line or Coverage	Type of Load (LOSS+DCCE+AOE)/LOSS	Amount of Load <input type="text"/>

COMPANY LCM INFORMATION

2 If this is a New Program filing, skip lines 2.1 and 2.2 and review the Max_Final LCM result on line 7; for all other filings complete lines 2.1 and 2.2.

2.1 Current <u>Expense Based</u> LCM	<input type="text"/>
2.2 Current Loss Cost Modification Expressed as a Factor (see examples below)	<input type="text"/>

Example 1: If the company's loss cost modification is +15%, enter 1.15
 Example 2: If the company's loss cost modification is -10%, enter 0.9
 Example 3: If the company currently does not apply a loss cost modification factor, enter 1.0

3 Insurer's Current <u>Final</u> LCM (Line 2.1 * Line 2.2)	NA	
4 Advisory Organization's AOE as a Percent of Loss and DCCE (Derived from Line 1.3 and the IncLoss&DCCE page)	-1.000	
5 Max_Expense Based Loss Cost Multiplier	N/A	6876.286777
6 Max_Loss Cost Modification (Existing program only) Max_Loss Cost Modification for new program is 1.0	N/A	
7 Max_Final LCM (Line 5 * Line 6)	#VALUE!	

INCURRED LOSS AND DCCE EXHIBIT

Source: 2008 Edition of Best's Aggregates & Averages, Statement File Supplement - Insurance Expense Exhibit

Revised: 2/17/2009

Line	Line Description	INC LOSS	DCCE
1.0	FIRE	4,016,127	151,767
2.1	ALLIED LINES	3,394,918	216,167
3.0	FARM OWNERS MULTIPLE PERIL	1,473,328	55,438
4.0	HOMEOWNERS MULTIPLE PERIL	31,520,720	899,394
5.0	COMMERCIAL MULTIPLE PERIL (COMBINED)	15,043,900	3,062,099
5.1	COMMERCIAL MULTIPLE PERIL(NON-LIABILITY)	9,640,109	667,280
5.2	COMMERCIAL MULTIPLE PERIL(LIABILITY)	5,403,791	2,394,819
9.0	INLAND MARINE	5,314,416	125,783
11.0	MEDICAL MALPRACTICE (Combined)	4,334,271	2,067,254
11.1	MEDICAL MALPRACTICE (Occurrence)	4,334,271	2,067,254 *
11.2	MEDICAL MALPRACTICE (Claims-made)	4,334,271	2,067,254 *
12.0	EARTHQUAKE	-32,814	-2,659
17.0	OTHER LIABILITY (Combined)	27,204,022	7,099,766
17.1	OTHER LIABILITY (Occurrence)	27,204,022	7,099,766 *
17.2	OTHER LIABILITY (Claims-made)	27,204,022	7,099,766 *
18.0	PRODUCTS LIABILITY (Combined)	1,611,095	1,423,559
18.1	PRODUCTS LIABILITY (Occurrence)	1,611,095	1,423,559 *
18.2	PRODUCTS LIABILITY (Claims-made)	1,611,095	1,423,559 *
19.2	PRIVATE PASSENGER AUTO LIABILITY	61,960,518	3,457,812
19.4	COMMERCIAL AUTO LIABILITY	11,819,076	1,416,766
21.1	PRIVATE PASSENGER AUTO PHYSICAL DAMAGE	38,742,126	223,827
21.2	COMMERCIAL AUTO PHYSICAL DAMAGE	3,674,613	72,844
22.0	AIRCRAFT	1,608,088	149,853
23.0	FIDELITY	476,389	39,573
24.0	SURETY	962,488	256,711
26.0	BURGLARY & THEFT	28,019	2,792
27.0	BOILER & MACHINERY	376,293	17,336
33	MISCELLANEOUS	2,087,451	26,788

* line totals are used for occurrence and claims-made policies.

Instructions for completing Prior Approval Rate Template (stand alone):

- * A separate rate template is required for each coverage (i.e. BI,PD,MP,UM,Comp&Coll) for which a separate premium is charged. Use a multi-coverage template (PPA for personal auto) if more than one template is needed.
- * Enter data in lined boxes on RateMakingData page only (Do not enter data directly in Template). For more than three years of data, click + button.
- * Starting at the top of the page, enter the following data: Company or Group name; Line Description, selected from pull down list; Coverage; Marketing System (percentage of each system used, totaling 100%); Prior Effective Date (of current rates); Proposed Effective Date (of proposed new rates); statistical period used; one or more years of appropriate data.
- * Enter numerical data only; no comments please. (For inapplicable fields: 0 for \$ or %; 1.00 for factors)
- * Source of data should be page 7 of the Prior Approval Rate Application; For explanation of data, see CDI Rate Filing Instructions.
- * Enter Variance data, only if supported by Variance Request. Final decisions regarding variances will be made by CDI and/or administrative hearing.
- * If you are filing Advisory Organization Loss Costs with a Loss Cost Multiplier, read the LCM Instructions tab and complete the LCM template.
- * For results, see Template tab (Disregard Reinsurance indication if not applicable).

RATEMAKING DATA		<i>Edition Date:</i> 4/4/2011			
<i>(Click + to expand for more than 3 years; - to contract)</i>					
Completed by		Mike O'Donohue			
Date Completed		6/30/2011			
Company/Group		The Doctors Company, an Interinsurance Exchange			
Line Description		MEDICAL MALPRACTICE (claims-made) ▼			
Coverage		Professional Liability			
Marketing System:		<i>%Captive</i>	<i>%Direct</i>	<i>%Independent</i>	<i>(Must add up to 100%)</i>
		21.29%	49.77%	28.94%	
Prior Effective Date (current rates)		1/1/2009			
Proposed Effective Date (new rates)		1/1/2012			
CDI File Number (Department use only)					
Does the data provided below reflect a Request for Variance?		No ▼		Variance #:	
Data below is:		Report Year Data (Claims Made policies only) ▼			
		2nd Prior Year	1st Prior Year	Most Recent Year	Projected*/ New Program**
		2008	2009	2010	
1	California Direct Written Premium	260,830,726	218,485,860	210,559,288	
2	California Direct Earned Premium	251,959,006	227,539,159	210,716,503	
3	Premium Adjustment Factor (Developed in Exhibit 4)	0.794	0.936	1.000	
4	Premium Trend Factor * (Developed in Exhibit 5)	1.000	1.000	1.000	
5	Miscellaneous Fees and Flat Charges (Not included in Line 2; Developed in Exhibit 6)	-	-	-	
6	Earned Exposure Units	21,877	21,400	20,925	
7	Historic Losses	68,247,510	81,452,184	78,725,022	
8	Historic Defense and Cost Containment Expense (DCCE)	59,649,298	47,476,295	32,858,602	
9	Loss Development Factor (Developed in Exhibit 7)	0.873	0.739	0.778	
10	DCCE Development Factor (Developed in Exhibit 7)	1.094	1.322	2.167	
11	Loss Trend Factor* (Developed in Exhibit 8)	1.118	1.090	1.064	2.50%
12	DCCE Trend Factor* (Developed in Exhibit 8)	1.300	1.226	1.157	6.00%
13	Catastrophe Adjustment Factor (Developed in Exh 9)	1.000	1.000	1.000	
14	Credibility Factor for Losses & DCCE (Developed in Exhibit 10)				100.00%
15	Excluded Expense Factor (From Page 13 of Rate Application)				0.83%
16	Ancillary Income (Developed in Exhibit 11)	-	-	-	
17	Projected Federal Income Tax Rate on Investment Income (Developed in Exhibit 13)				26.60%
18	Projected Yield (Developed in Exhibit 13)				4.50%
Complete 19, 20 & 21 For Earthquake and certain Medical Malpractice with Reinsurance Only (see instructions)					
19	Direct Commissions				
20	Reinsurance Premium (Developed in Exhibit 14)				
21	Reinsurance Recoverables (Developed in Exhibit 14)				
Variance Change to Leverage on the basis that the insurer either writes at least 90% of its direct earned premium in one line or writes at least 90% of its direct earned premium in California. (Must be accompanied by Variance Request, subject to CDI approval)					No ▼
Variance Change to Efficiency Standard (Must be accompanied by Variance Request, subject to approval by CDI)					
* For all trend factors, the Projected Column should reflect the annual trend expressed as a percentage.					
** For New Programs, please see Rate Filing Instructions, Page 4.					

		RATE TEMPLATE			<i>Edition Date:</i>	<i>4/4/2011</i>
CDI FILE NUMBER:	0					
COMPANY/GROUP:	The Doctors Company, an Interinsurance Exchange					
LINE OF INSURANCE:	MEDICAL MALPRACTICE (claims-made)					
COVERAGE:	Professional Liability					
PRIOR EFF DATE:	1/1/2009			<i>Completed by: Mike O'Donohue</i>		
PROPOSED EFF DATE:	1/1/2012			<i>Date: 6/30/2011</i>		
DATA PROVIDED BY FILER						
	<i>Year:</i>	2008	2009	2010		
		PRIOR2	PRIOR1	RECENT	PROJECTED/ SUMMARY	
WRT PREM		260,830,726	218,485,860	210,559,288	689,875,875	
ERN PREM		251,959,006	227,539,159	210,716,503	690,214,668	
PREM ADJ		0.794	0.936	1.000		
PREM TREND		1.000	1.000	1.000	0.000	
MISCELLANEOUS FEES (& other flat charges)		0	0	0	0	
EARNED EXP		21,877	21,400	20,925	64,202	
LOSSES		68,247,510	81,452,184	78,725,022	228,424,716	
DCCE		59,649,298	47,476,295	32,858,602	139,984,195	
LOSS DEV		0.873	0.739	0.778		
DCCE DEV		1.094	1.322	2.167		
LOSS TREND		1.118	1.090	1.064	0.025	
DCCE TREND		1.300	1.226	1.157	0.060	
CAT ADJ		1.000	1.000	1.000		
CREDIBILITY					100.00%	
EXPENSE EXCLUSION FACTOR					0.83%	
ANC INC		0	0	0	0	
FIT INV					26.60%	
YIELD					4.50%	
CDI PARAMETERS:						
FIT UW					35.00%	
EFF STANDARD					26.55%	
LEVERAGE					0.59	
PREMIUM TAX RATE					2.35%	
SURPLUS RATIO					1.69	
UEP RES RATIO					0.42	
LOSS RES RATIO					4.21	
RISK FREE RATE OF RETURN					2.09%	<i>May 2011</i>
MAXIMUM RATE OF RETURN					8.09%	
MINIMUM RATE OF RETURN					-6.00%	
CDI CALCULATIONS:						
ADJ PREM		200,022,978	212,961,531	210,716,503	623,701,012	
ADJUSTED LOSSES		66,602,841	65,592,373	65,148,420	197,343,635	
ADJUSTED DCCE		84,798,187	76,950,242	82,376,680	244,125,109	
ADJUSTED LOSS+DCCE RATIO		75.69%	66.93%	70.01%	70.78%	
TRENDED CURRENT RATE LEVEL PREMIUM		9143.04	9951.47	10070.31	9714.72	
LOSS+DCCE PER EXP		6920.53	6660.87	7050.34	6876.29	
COMP LOSS+DCCE PER EXP		7905.61	8604.63	8707.38	8399.92	
CRED LOSS PER EXP		6920.53	6660.87	7050.34	6876.29	
ANC INC PER EXP		0.00	0.00	0.00	0.00	
FIXED INV INC FACTOR					21.38%	
VAR INV INC FACTOR					10.72%	
ANNUAL NET TREND					2.50%	
COMP TREND					7.68%	
MAX PROFIT					21.03%	
MIN PROFIT					-15.60%	
UW PROFIT					-6.85%	
MAX DENOM					0.631	
MIN DENOM					0.998	
MAX PREMIUM					\$8,563.65	
MIN PREMIUM					\$5,418.95	
CHANGE AT MIN					-44.22%	
CHANGE AT MAX					-11.85%	
Alternate Calculation with Reinsurance						
COMMISSION RATE					0.00%	
RE PREM		-	-	-	0	
RE RECOV		-	-	-	0	
RE PREM PER EXP		0.00	0.00	0.00	0.00	
RE RECOV PER EXP		0.00	0.00	0.00	0.00	
COMP LOSS RE		7905.61	8604.63	8707.38	8399.92	
RMAX PREMIUM					NA	
RCHANGE AT MAX					NA	

EFFICIENCY STANDARD TABLE

SOURCE: 2007 - 2009 ROLLING AVG

DATE REVISED: 2/10/2011

Blended Captive Direct Indep
ES: 27.38% 24.18% 25.38% 33.17%

Line	Captive	Direct	Indep	Line Description
1.0	39.33%	19.17%	32.04%	FIRE
2.1	40.67%	20.08%	29.42%	ALLIED LINES
3.0	33.24%	43.08%	33.53%	FARMOWNERS MULTIPLE PERIL
4.0	36.21%	27.65%	37.12%	HOMEOWNERS MULTIPLE PERIL
5.0	34.65%	42.03%	38.18%	COMMERCIAL MULTIPLE (5.1 & 5.2 Combined)
5.1	35.79%	42.30%	37.12%	COMMERCIAL MULTIPLE PERIL(NON-LIABILITY)
5.2	31.97%	39.07%	39.69%	COMMERCIAL MULTIPLE PERIL(LIABILITY)
9.0	39.06%	25.63%	28.76%	INLAND MARINE
11.0	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE
11.1	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE(occ)
11.2	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE (cm)
12.0	18.07%	17.08%	22.90%	EARTHQUAKE
17.0	32.55%	26.99%	30.50%	OTHER LIABILITY
17.1	32.55%	26.99%	30.50%	OTHER LIABILITY (occ)
17.2	32.55%	26.99%	30.50%	OTHER LIABILITY (cm)
18.0	24.58%	22.59%	31.36%	PRODUCTS LIABILITY
18.1	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (occ)
18.2	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (cm)
19.2	34.03%	26.81%	36.40%	PRIVATE PASSENGER AUTO LIABILITY
19.4	35.77%	31.98%	34.39%	COMMERCIAL AUTO LIABILITY
21.1	34.42%	27.28%	35.01%	PRIVATE PASSENGER AUTO PHYSICAL DAMAGE
21.2	34.41%	35.11%	36.30%	COMMERCIAL AUTO PHYSICAL DAMAGE
22.0	34.10%	34.10%	26.57%	AIRCRAFT
23.0	33.45%	46.91%	32.18%	FIDELITY
24.0	43.84%	43.84%	43.84%	SURETY
26.0	30.37%	30.37%	30.37%	BURGLARY & THEFT
27.0	36.00%	27.67%	39.23%	BOILER & MACHINERY

LEVERAGE RATIO TABLE

SOURCE: Bests Aggregates and Averages, 2010 Edition

DATE REVISED: 10/15/2010

Line	LF	Line Description
1.0	1.2239	Fire
2.1	1.2232	Allied Lines
3.0	1.3061	Farmowners
4.0	1.2665	Homeowners
5.1	1.2062	CMP - NL
5.2	0.5704	CMP - Liab.
5.0	0.8614	CMP
9.0	1.3135	Inland Marine
11.1	0.3440	Med. Mal. Occ.
11.2	0.5916	Med. Mal. cm.
11.0	0.5096	Med. Mal.
12.0	1.0000	Earthquake
17.1	0.4802	O. Liab. Occ.
17.2	0.5835	O. Liab. cm.
17.0	0.5081	O. Liab.
18.1	0.2759	Products - Occ.
18.2	0.5862	Products - cm.
18.0	0.3027	Products
19.2	1.0840	PP Auto Liab.
19.4	0.8037	C. Auto Liab.
21.1	1.7527	PP Auto PD
21.2	1.3809	Comm Auto PD
22.0	0.7175	Aircraft
23.0	0.8986	Fidelity
24.0	0.9888	Surety
26.0	1.2363	Burglary & Theft
27.0	1.1762	Boiler & Mach.

RESERVES RATIO TABLE

SOURCE: AM Best's Aggregates & Averages - Property Casualty, 2010 Edition

DATE REVISED: 9/21/2010

LINE	UEP	LOSS	Line Description
1	0.48	0.98	FIRE
2.1	0.47	1.20	ALLIED LINES
3	0.47	1.90	FARMOWNER MP
4	0.52	1.14	HOMEOWNER MP
5	0.50	2.87	CMP
5.1	0.49	1.12	CMP (N-LIAB)
5.2	0.50	5.16	CMP (LIAB)
9	0.36	0.68	INLAND MRN
11.0	0.46	4.64	MED MAL
11.1	0.58	5.56	MED MAL - occurrence
11.2	0.42	4.21	MED MAL - claims-made
12.0	0.47	1.00	EARTHQUAKE
17.0	0.52	4.41	OTHER LIAB
17.1	0.54	5.21	OTHER LIAB - occurrence
17.2	0.51	3.28	OTHER LIAB - claims-made
18.0	0.52	5.44	PROD LIAB
18.1	0.53	5.63	PROD LIAB - occurrence
18.2	0.43	3.85	PROD LIAB - claims-made
19.2	0.33	1.14	PPA LIAB
19.4	0.45	2.66	COMLA LIAB
21.1	0.33	0.09	PPA PD
21.2	0.51	0.32	COMLA PD
22.0	0.40	2.79	AIRCRAFT
23.0	0.57	2.62	FIDELITY
24.0	0.56	2.52	SURETY
26.0	0.59	0.91	BRGLRY THEFT
27.0	0.45	1.19	BLR & MCHNRY

Loss Cost Multiplier (LCM) Template Instructions

The LCM Template spreadsheet must be completed for those rate filing submissions where the filed line or coverage utilizes a Loss Cost Multiplier. Examples include new or existing program rate filings that involve the adoption of Advisory Organization loss costs, and existing program rate filings where the LCM is being revised.

There are a number of data cells on the LCM Template spreadsheet that automatically populate either by reference to cells on other spreadsheets or by formula calculation. However there are five lines within the LCM Template spreadsheet for which additional data entry is required. The first three data entry items pertain to rate filing submissions that include an adoption of Advisory Organization loss costs. The last two data entry items are required only for existing programs.

Complete the following for existing and new program rate filings when Advisory Organization loss costs are being adopted:

Spreadsheet Item #1.1 CDI Filing Number – Please enter the CDI filing number of the Advisory Organization loss cost filing being adopted. If additional loss cost updates are being covered, please also identify the CDI filing number(s) of the additional loss cost updates being covered.

Spreadsheet Item #1.2 Loss Cost Percent Change Approved for the Line or Coverage – Please enter the CDI percent change approved for the Advisory Organization loss cost filing identified as Item #1.1. If multiple loss cost updates are being covered, identify the cumulative percent change approved.

Spreadsheet Item #1.3 AOE or LAE Load Approved for the Line or Coverage – As identified within the Advisory Organization loss cost filing entered as Item #1.1, please indicate the type of AOE or LAE expense loading the Advisory Organization used in its loss cost filing and enter the load amount.

Complete the following for existing programs only; do not complete the following for new program filings:

Spreadsheet Item #2.1 Current Expense Based LCM – Please enter the current expense based LCM for the filed line/coverage.

Spreadsheet Item #2.2 Current Loss Cost Modification Expressed as a Factor – Please enter the current Loss Cost Modification Factor applicable to the current expense based LCM.

Spreadsheet Items #3 through #7 are calculated fields.

Spreadsheet Item #3 calculates the insurer's current Final LCM.

Spreadsheet Item #4 calculates the Advisory Organization's AOE as a percent of loss and DCCE.

Spreadsheet Item #5 calculates the maximum CDI allowable expense based LCM for the file/line/coverage.

Spreadsheet Item #6 calculates the maximum CDI allowable loss cost modification factor for the filed line/coverage.

Spreadsheet Item #7 calculates the **maximum CDI allowable Final LCM** for the filed line/coverage. If the Insurer's current Final LCM (Item #3) and/or proposed Final LCM is greater than the Max Final LCM (Item #7), the Insurer will need to reduce its Final LCM so that it is no greater than the CDI calculated maximum allowable Final LCM. Otherwise, exceeding the CDI calculated maximum allowable Final LCM will require the filing of a Variance.

LCM TEMPLATE

Edition Date: 4/4/2011

CDI FILE NUMBER: 0
COMPANY/GROUP: The Doctors Company, an Interinsurance Exchange
LINE OF INSURANCE: MEDICAL MALPRACTICE (claims-made)
LINE CODE: 11.2
COVERAGE: Professional Liab

ADVISORY ORGANIZATION FILING INFORMATION

- 1 For filings that include an adoption of Advisory Organization loss costs, complete lines 1.1, 1.2, and 1.3; for all other filings skip lines 1.1, 1.2 and 1.3, and go to line 2.

1.1 CDI Filing Number

1.2 Loss Cost Percent Change Approved for the Line or Coverage

1.3 AOE or LAE Load Approved for the Line or Coverage

Type of Load	Amount of Load
(LOSS+DCCE+AOE)/LOSS <input type="text"/>	<input type="text"/>

COMPANY LCM INFORMATION

- 2 If this is a New Program filing, skip lines 2.1 and 2.2 and review the Max_Final LCM result on line 7; for all other filings complete lines 2.1 and 2.2.

2.1 Current Expense Based LCM

2.2 Current Loss Cost Modification Expressed as a Factor (see examples below)

Example 1: If the company's loss cost modification is +15%, enter 1.15

Example 2: If the company's loss cost modification is -10%, enter 0.9

Example 3: If the company currently does not apply a loss cost modification factor, enter 1.0

3 Insurer's Current Final LCM (Line 2.1 * Line 2.2)

4 Advisory Organization's AOE as a Percent of Loss and DCCE (Derived from Line 1.3 and the IncLoss&DCCE page)

5 Max_Expense Based Loss Cost Multiplier

6 Max_Loss Cost Modification (Existing program only)
Max_Loss Cost Modification for new program is 1.0

7 Max_Final LCM (Line 5 * Line 6)

Instructions for completing Prior Approval Rate Template (stand alone):

- * A separate rate template is required for each coverage (i.e. BI,PD,MP,UM,Comp&Coll) for which a separate premium is charged. Use a multi-coverage template (PPA for personal auto) if more than one template is needed.
- * Enter data in lined boxes on RateMakingData page only (Do not enter data directly in Template). For more than three years of data, click + button.
- * Starting at the top of the page, enter the following data: Company or Group name; Line Description, selected from pull down list; Coverage; Marketing System (percentage of each system used, totaling 100%); Prior Effective Date (of current rates); Proposed Effective Date (of proposed new rates); statistical period used; one or more years of appropriate data.
- * Enter numerical data only; no comments please. (For inapplicable fields: 0 for \$ or %; 1.00 for factors)
- * Source of data should be page 7 of the Prior Approval Rate Application; For explanation of data, see CDI Rate Filing Instructions.
- * Enter Variance data, only if supported by Variance Request. Final decisions regarding variances will be made by CDI and/or administrative hearing.
- * If you are filing Advisory Organization Loss Costs with a Loss Cost Multiplier, read the LCM Instructions tab and complete the LCM template.
- * For results, see Template tab (Disregard Reinsurance indication if not applicable).

RATEMAKING DATA		<i>Edition Date:</i> 4/4/2011			
<i>(Click + to expand for more than 3 years; - to contract)</i>					
Completed by		Mike O'Donohue			
Date Completed		6/30/2011			
Company/Group		The Doctors Company, an Interinsurance Exchange			
Line Description		MEDICAL MALPRACTICE (claims-made) ▼			
Coverage		Professional Liability			
		<i>%Captive</i>	<i>%Direct</i>	<i>%Independent</i>	<i>(Must add up to 100%)</i>
Marketing System:		21.29%	49.77%	28.94%	
Prior Effective Date (current rates)		1/1/2009			
Proposed Effective Date (new rates)		1/1/2012			
CDI File Number (Department use only)					
Does the data provided below reflect a Request for Variance?		Yes ▼	Variance #: 1B		
Data below is:		Report Year Data (Claims Made policies only) ▼			
		2nd Prior Year	1st Prior Year	Most Recent Year	Projected*/ New Program**
		2008	2009	2010	
1	California Direct Written Premium	260,830,726	218,485,860	210,559,288	
2	California Direct Earned Premium	251,959,006	227,539,159	210,716,503	
3	Premium Adjustment Factor (Developed in Exhibit 4)	0.794	0.936	1.000	
4	Premium Trend Factor * (Developed in Exhibit 5)	1.000	1.000	1.000	
5	Miscellaneous Fees and Flat Charges (Not included in Line 2; Developed in Exhibit 6)	-	-	-	
6	Earned Exposure Units	21,877	21,400	20,925	
7	Historic Losses	68,247,510	81,452,184	78,725,022	
8	Historic Defense and Cost Containment Expense (DCCE)	59,649,298	47,476,295	32,858,602	
9	Loss Development Factor (Developed in Exhibit 7)	0.873	0.739	0.778	
10	DCCE Development Factor (Developed in Exhibit 7)	1.094	1.322	2.167	
11	Loss Trend Factor* (Developed in Exhibit 8)	1.118	1.090	1.064	2.50%
12	DCCE Trend Factor* (Developed in Exhibit 8)	1.300	1.226	1.157	6.00%
13	Catastrophe Adjustment Factor (Developed in Exh 9)	1.000	1.000	1.000	
14	Credibility Factor for Losses & DCCE (Developed in Exhibit 10)				100.00%
15	Excluded Expense Factor (From Page 13 of Rate Application)				0.83%
16	Ancillary Income (Developed in Exhibit 11)	-	-	-	
17	Projected Federal Income Tax Rate on Investment Income (Developed in Exhibit 13)				26.60%
18	Projected Yield (Developed in Exhibit 13)				4.50%
Complete 19, 20 & 21 For Earthquake and certain Medical Malpractice with Reinsurance Only (see instructions)					
19	Direct Commissions				
20	Reinsurance Premium (Developed in Exhibit 14)				
21	Reinsurance Recoverables (Developed in Exhibit 14)				
Variance Change to Leverage on the basis that the insurer either writes at least 90% of its direct earned premium in one line or writes at least 90% of its direct earned premium in California. (Must be accompanied by Variance Request, subject to CDI approval)					No ▼
Variance Change to Efficiency Standard (Must be accompanied by Variance Request, subject to approval by CDI)					
* For all trend factors, the Projected Column should reflect the annual trend expressed as a percentage.					
** For New Programs, please see Rate Filing Instructions, Page 4.					

VARIANCE: 1B		RATE TEMPLATE			<i>Edition Date:</i>	<i>4/4/2011</i>
CDI FILE NUMBER:	0					
COMPANY/GROUP:	The Doctors Company, an Interinsurance Exchange					
LINE OF INSURANCE:	MEDICAL MALPRACTICE (claims-made)					
COVERAGE:	Professional Liability					
PRIOR EFF DATE:	1/1/2009			<i>Completed by: Mike O'Donohue</i>		
PROPOSED EFF DATE:	1/1/2012			<i>Date: 6/30/2011</i>		
DATA PROVIDED BY FILER						
	<i>Year:</i>	2008	2009	2010		
		PRIOR2	PRIOR1	RECENT	PROJECTED/ SUMMARY	
WRT PREM		260,830,726	218,485,860	210,559,288	689,875,875	
ERN PREM		251,959,006	227,539,159	210,716,503	690,214,668	
PREM ADJ		0.794	0.936	1.000		
PREM TREND		1.000	1.000	1.000	0.000	
MISCELLANEOUS FEES (& other flat charges)		0	0	0	0	
EARNED EXP		21,877	21,400	20,925	64,202	
LOSSES		68,247,510	81,452,184	78,725,022	228,424,716	
DCCE		59,649,298	47,476,295	32,858,602	139,984,195	
LOSS DEV		0.873	0.739	0.778		
DCCE DEV		1.094	1.322	2.167		
LOSS TREND		1.118	1.090	1.064	0.025	
DCCE TREND		1.300	1.226	1.157	0.060	
CAT ADJ		1.000	1.000	1.000		
CREDIBILITY					100.00%	
EXPENSE EXCLUSION FACTOR					0.83%	
ANC INC		0	0	0	0	
FIT INV					26.60%	
YIELD					4.50%	
CDI PARAMETERS:						
FIT UW					35.00%	
EFF STANDARD					26.55%	
LEVERAGE					0.59	
PREMIUM TAX RATE					2.35%	
SURPLUS RATIO					1.69	
UEP RES RATIO					0.42	
LOSS RES RATIO					4.21	
RISK FREE RATE OF RETURN					2.09%	<i>May 2011</i>
MAXIMUM RATE OF RETURN					8.09%	
MINIMUM RATE OF RETURN					-6.00%	
CDI CALCULATIONS:						
ADJ PREM		200,022,978	212,961,531	210,716,503	623,701,012	
ADJUSTED LOSSES		66,602,841	65,592,373	65,148,420	197,343,635	
ADJUSTED DCCE		84,798,187	76,950,242	82,376,680	244,125,109	
ADJUSTED LOSS+DCCE RATIO		75.69%	66.93%	70.01%	70.78%	
TRENDED CURRENT RATE LEVEL PREMIUM		9143.04	9951.47	10070.31	9714.72	
LOSS+DCCE PER EXP		6920.53	6660.87	7050.34	6876.29	
COMP LOSS+DCCE PER EXP		7905.61	8604.63	8707.38	8399.92	
CRED LOSS PER EXP		6920.53	6660.87	7050.34	6876.29	
ANC INC PER EXP		0.00	0.00	0.00	0.00	
FIXED INV INC FACTOR					21.38%	
VAR INV INC FACTOR					10.72%	
ANNUAL NET TREND					2.50%	
COMP TREND					7.68%	
MAX PROFIT					21.03%	
MIN PROFIT					-15.60%	
UW PROFIT					-6.85%	
MAX DENOM					0.631	
MIN DENOM					0.998	
MAX PREMIUM					\$8,563.65	
MIN PREMIUM					\$5,418.95	
CHANGE AT MIN					-44.22%	
CHANGE AT MAX					-11.85%	
Alternate Calculation with Reinsurance						
COMMISSION RATE					0.00%	
RE PREM		-	-	-	0	
RE RECOV		-	-	-	0	
RE PREM PER EXP		0.00	0.00	0.00	0.00	
RE RECOV PER EXP		0.00	0.00	0.00	0.00	
COMP LOSS RE		7905.61	8604.63	8707.38	8399.92	
RMAX PREMIUM					NA	
RCHANGE AT MAX					NA	

EFFICIENCY STANDARD TABLE

SOURCE: 2007 - 2009 ROLLING AVG

DATE REVISED: 2/10/2011

Blended Captive Direct Indep
ES: 27.38% 24.18% 25.38% 33.17%

Line	Captive	Direct	Indep	Line Description
1.0	39.33%	19.17%	32.04%	FIRE
2.1	40.67%	20.08%	29.42%	ALLIED LINES
3.0	33.24%	43.08%	33.53%	FARMOWNERS MULTIPLE PERIL
4.0	36.21%	27.65%	37.12%	HOMEOWNERS MULTIPLE PERIL
5.0	34.65%	42.03%	38.18%	COMMERCIAL MULTIPLE (5.1 & 5.2 Combined)
5.1	35.79%	42.30%	37.12%	COMMERCIAL MULTIPLE PERIL(NON-LIABILITY)
5.2	31.97%	39.07%	39.69%	COMMERCIAL MULTIPLE PERIL(LIABILITY)
9.0	39.06%	25.63%	28.76%	INLAND MARINE
11.0	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE
11.1	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE(occ)
11.2	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE (cm)
12.0	18.07%	17.08%	22.90%	EARTHQUAKE
17.0	32.55%	26.99%	30.50%	OTHER LIABILITY
17.1	32.55%	26.99%	30.50%	OTHER LIABILITY (occ)
17.2	32.55%	26.99%	30.50%	OTHER LIABILITY (cm)
18.0	24.58%	22.59%	31.36%	PRODUCTS LIABILITY
18.1	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (occ)
18.2	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (cm)
19.2	34.03%	26.81%	36.40%	PRIVATE PASSENGER AUTO LIABILITY
19.4	35.77%	31.98%	34.39%	COMMERCIAL AUTO LIABILITY
21.1	34.42%	27.28%	35.01%	PRIVATE PASSENGER AUTO PHYSICAL DAMAGE
21.2	34.41%	35.11%	36.30%	COMMERCIAL AUTO PHYSICAL DAMAGE
22.0	34.10%	34.10%	26.57%	AIRCRAFT
23.0	33.45%	46.91%	32.18%	FIDELITY
24.0	43.84%	43.84%	43.84%	SURETY
26.0	30.37%	30.37%	30.37%	BURGLARY & THEFT
27.0	36.00%	27.67%	39.23%	BOILER & MACHINERY

LEVERAGE RATIO TABLE

SOURCE: Bests Aggregates and Averages, 2010 Edition

DATE REVISED: 10/15/2010

Line	LF	Line Description
1.0	1.2239	Fire
2.1	1.2232	Allied Lines
3.0	1.3061	Farmowners
4.0	1.2665	Homeowners
5.1	1.2062	CMP - NL
5.2	0.5704	CMP - Liab.
5.0	0.8614	CMP
9.0	1.3135	Inland Marine
11.1	0.3440	Med. Mal. Occ.
11.2	0.5916	Med. Mal. cm.
11.0	0.5096	Med. Mal.
12.0	1.0000	Earthquake
17.1	0.4802	O. Liab. Occ.
17.2	0.5835	O. Liab. cm.
17.0	0.5081	O. Liab.
18.1	0.2759	Products - Occ.
18.2	0.5862	Products - cm.
18.0	0.3027	Products
19.2	1.0840	PP Auto Liab.
19.4	0.8037	C. Auto Liab.
21.1	1.7527	PP Auto PD
21.2	1.3809	Comm Auto PD
22.0	0.7175	Aircraft
23.0	0.8986	Fidelity
24.0	0.9888	Surety
26.0	1.2363	Burglary & Theft
27.0	1.1762	Boiler & Mach.

RESERVES RATIO TABLE

SOURCE: AM Best's Aggregates & Averages - Property Casualty, 2010 Edition

DATE REVISED: 9/21/2010

LINE	UEP	LOSS	Line Description
1	0.48	0.98	FIRE
2.1	0.47	1.20	ALLIED LINES
3	0.47	1.90	FARMOWNER MP
4	0.52	1.14	HOMEOWNER MP
5	0.50	2.87	CMP
5.1	0.49	1.12	CMP (N-LIAB)
5.2	0.50	5.16	CMP (LIAB)
9	0.36	0.68	INLAND MRN
11.0	0.46	4.64	MED MAL
11.1	0.58	5.56	MED MAL - occurrence
11.2	0.42	4.21	MED MAL - claims-made
12.0	0.47	1.00	EARTHQUAKE
17.0	0.52	4.41	OTHER LIAB
17.1	0.54	5.21	OTHER LIAB - occurrence
17.2	0.51	3.28	OTHER LIAB - claims-made
18.0	0.52	5.44	PROD LIAB
18.1	0.53	5.63	PROD LIAB - occurrence
18.2	0.43	3.85	PROD LIAB - claims-made
19.2	0.33	1.14	PPA LIAB
19.4	0.45	2.66	COMLA LIAB
21.1	0.33	0.09	PPA PD
21.2	0.51	0.32	COMLA PD
22.0	0.40	2.79	AIRCRAFT
23.0	0.57	2.62	FIDELITY
24.0	0.56	2.52	SURETY
26.0	0.59	0.91	BRGLRY THEFT
27.0	0.45	1.19	BLR & MCHNRY

Loss Cost Multiplier (LCM) Template Instructions

The LCM Template spreadsheet must be completed for those rate filing submissions where the filed line or coverage utilizes a Loss Cost Multiplier. Examples include new or existing program rate filings that involve the adoption of Advisory Organization loss costs, and existing program rate filings where the LCM is being revised.

There are a number of data cells on the LCM Template spreadsheet that automatically populate either by reference to cells on other spreadsheets or by formula calculation. However there are five lines within the LCM Template spreadsheet for which additional data entry is required. The first three data entry items pertain to rate filing submissions that include an adoption of Advisory Organization loss costs. The last two data entry items are required only for existing programs.

Complete the following for existing and new program rate filings when Advisory Organization loss costs are being adopted:

Spreadsheet Item #1.1 CDI Filing Number – Please enter the CDI filing number of the Advisory Organization loss cost filing being adopted. If additional loss cost updates are being covered, please also identify the CDI filing number(s) of the additional loss cost updates being covered.

Spreadsheet Item #1.2 Loss Cost Percent Change Approved for the Line or Coverage – Please enter the CDI percent change approved for the Advisory Organization loss cost filing identified as Item #1.1. If multiple loss cost updates are being covered, identify the cumulative percent change approved.

Spreadsheet Item #1.3 AOE or LAE Load Approved for the Line or Coverage – As identified within the Advisory Organization loss cost filing entered as Item #1.1, please indicate the type of AOE or LAE expense loading the Advisory Organization used in its loss cost filing and enter the load amount.

Complete the following for existing programs only; do not complete the following for new program filings:

Spreadsheet Item #2.1 Current Expense Based LCM – Please enter the current expense based LCM for the filed line/coverage.

Spreadsheet Item #2.2 Current Loss Cost Modification Expressed as a Factor – Please enter the current Loss Cost Modification Factor applicable to the current expense based LCM.

Spreadsheet Items #3 through #7 are calculated fields.

Spreadsheet Item #3 calculates the insurer's current Final LCM.

Spreadsheet Item #4 calculates the Advisory Organization's AOE as a percent of loss and DCCE.

Spreadsheet Item #5 calculates the maximum CDI allowable expense based LCM for the file line/coverage.

Spreadsheet Item #6 calculates the maximum CDI allowable loss cost modification factor for the filed line/coverage.

Spreadsheet Item #7 calculates the **maximum CDI allowable Final LCM** for the filed line/coverage. If the Insurer's current Final LCM (Item #3) and/or proposed Final LCM is greater than the Max Final LCM (Item #7), the Insurer will need to reduce its Final LCM so that it is no greater than the CDI calculated maximum allowable Final LCM. Otherwise, exceeding the CDI calculated maximum allowable Final LCM will require the filing of a Variance.

LCM TEMPLATE

Edition Date: 4/4/2011

CDI FILE NUMBER: 0
COMPANY/GROUP: The Doctors Company, an Interinsurance Exchange
LINE OF INSURANCE: MEDICAL MALPRACTICE (claims-made)
LINE CODE: 11.2
COVERAGE: Professional Liab

ADVISORY ORGANIZATION FILING INFORMATION

- 1 For filings that include an adoption of Advisory Organization loss costs, complete lines 1.1, 1.2, and 1.3; for all other filings skip lines 1.1, 1.2 and 1.3, and go to line 2.

1.1 CDI Filing Number

1.2 Loss Cost Percent Change Approved for the Line or Coverage

1.3 AOE or LAE Load Approved for the Line or Coverage

Type of Load	Amount of Load
(LOSS+DCCE+AOE)/LOSS	<input type="text"/>

COMPANY LCM INFORMATION

- 2 If this is a New Program filing, skip lines 2.1 and 2.2 and review the Max_Final LCM result on line 7; for all other filings complete lines 2.1 and 2.2.

2.1 Current Expense Based LCM

2.2 Current Loss Cost Modification Expressed as a Factor (see examples below)

Example 1: If the company's loss cost modification is +15%, enter 1.15

Example 2: If the company's loss cost modification is -10%, enter 0.9

Example 3: If the company currently does not apply a loss cost modification factor, enter 1.0

3 Insurer's Current Final LCM (Line 2.1 * Line 2.2)

NA

4 Advisory Organization's AOE as a Percent of Loss and DCCE (Derived from Line 1.3 and the IncLoss&DCCE page)

-1.000

5 Max_Expense Based Loss Cost Multiplier

N/A

6 Max_Loss Cost Modification (Existing program only)
Max_Loss Cost Modification for new program is 1.0

N/A

7 Max_Final LCM (Line 5 * Line 6)

#VALUE!

Instructions for completing Prior Approval Rate Template (stand alone):

- * A separate rate template is required for each coverage (i.e. BI,PD,MP,UM,Comp&Coll) for which a separate premium is charged. Use a multi-coverage template (PPA for personal auto) if more than one template is needed.
- * Enter data in lined boxes on RateMakingData page only (Do not enter data directly in Template). For more than three years of data, click + button.
- * Starting at the top of the page, enter the following data: Company or Group name; Line Description, selected from pull down list; Coverage; Marketing System (percentage of each system used, totaling 100%); Prior Effective Date (of current rates); Proposed Effective Date (of proposed new rates); statistical period used; one or more years of appropriate data.
- * Enter numerical data only; no comments please. (For inapplicable fields: 0 for \$ or %; 1.00 for factors)
- * Source of data should be page 7 of the Prior Approval Rate Application; For explanation of data, see CDI Rate Filing Instructions.
- * Enter Variance data, only if supported by Variance Request. Final decisions regarding variances will be made by CDI and/or administrative hearing.
- * If you are filing Advisory Organization Loss Costs with a Loss Cost Multiplier, read the LCM Instructions tab and complete the LCM template.
- * For results, see Template tab (Disregard Reinsurance indication if not applicable).

RATEMAKING DATA		<i>Edition Date:</i> 4/4/2011			
<i>(Click + to expand for more than 3 years; - to contract)</i>					
Completed by	Mike O'Donohue				
Date Completed	6/30/2011				
Company/Group	The Doctors Company, an Interinsurance Exchange				
Line Description	MEDICAL MALPRACTICE (claims-made)				
Coverage	Professional Liability				
	<i>%Captive</i>	<i>%Direct</i>	<i>%Independent</i>	<i>(Must add up to 100%)</i>	
Marketing System:	21.29%	49.77%	28.94%		
Prior Effective Date (current rates)	1/1/2009				
Proposed Effective Date (new rates)	1/1/2012				
CDI File Number (Department use only)					
Does the data provided below reflect a Request for Variance?	Yes	Variance #:	3		
Data below is:	Report Year Data (Claims Made policies only)				
	2nd Prior Year	1st Prior Year	Most Recent Year	Projected*/ New Program**	
	2008	2009	2010		
1 California Direct Written Premium	260,830,726	218,485,860	210,559,288		
2 California Direct Earned Premium	251,959,006	227,539,159	210,716,503		
3 Premium Adjustment Factor (Developed in Exhibit 4)	0.794	0.936	1.000		
4 Premium Trend Factor * (Developed in Exhibit 5)	1.000	1.000	1.000		
5 Miscellaneous Fees and Flat Charges (Not included in Line 2; Developed in Exhibit 6)	-	-	-		
6 Earned Exposure Units	21,877	21,400	20,925		
7 Historic Losses	68,247,510	81,452,184	78,725,022		
8 Historic Defense and Cost Containment Expense (DCCE)	59,649,298	47,476,295	32,858,602		
9 Loss Development Factor (Developed in Exhibit 7)	0.873	0.739	0.778		
10 DCCE Development Factor (Developed in Exhibit 7)	1.094	1.322	2.167		
11 Loss Trend Factor* (Developed in Exhibit 8)	1.118	1.090	1.064	2.50%	
12 DCCE Trend Factor* (Developed in Exhibit 8)	1.300	1.226	1.157	6.00%	
13 Catastrophe Adjustment Factor (Developed in Exh 9)	1.000	1.000	1.000		
14 Credibility Factor for Losses & DCCE (Developed in Exhibit 10)				100.00%	
15 Excluded Expense Factor (From Page 13 of Rate Application)				0.83%	
16 Ancillary Income (Developed in Exhibit 11)	-	-	-		
17 Projected Federal Income Tax Rate on Investment Income (Developed in Exhibit 13)				26.60%	
18 Projected Yield (Developed in Exhibit 13)				4.50%	
<i>Complete 19, 20 & 21 For Earthquake and certain Medical Malpractice with Reinsurance Only (see instructions)</i>					
19 Direct Commissions					
20 Reinsurance Premium (Developed in Exhibit 14)					
21 Reinsurance Recoverables (Developed in Exhibit 14)					
Variance Change to Leverage on the basis that the insurer either writes at least 90% of its direct earned premium in one line or writes at least 90% of its direct earned premium in California. (Must be accompanied by Variance Request, subject to CDI approval)				Yes	
Variance Change to Efficiency Standard (Must be accompanied by Variance Request, subject to approval by CDI)					
* For all trend factors, the Projected Column should reflect the annual trend expressed as a percentage.					
** For New Programs, please see Rate Filing Instructions, Page 4.					

VARIANCE: 3		RATE TEMPLATE			<i>Edition Date:</i>	<i>4/4/2011</i>
CDI FILE NUMBER:	0					
COMPANY/GROUP:	The Doctors Company, an Interinsurance Exchange					
LINE OF INSURANCE:	MEDICAL MALPRACTICE (claims-made)					
COVERAGE:	Professional Liability					
PRIOR EFF DATE:	1/1/2009			<i>Completed by: Mike O'Donohue</i>		
PROPOSED EFF DATE:	1/1/2012			<i>Date: 6/30/2011</i>		
DATA PROVIDED BY FILER						
	<i>Year:</i>	2008	2009	2010		
		PRIOR2	PRIOR1	RECENT	PROJECTED/ SUMMARY	
WRT PREM		260,830,726	218,485,860	210,559,288	689,875,875	
ERN PREM		251,959,006	227,539,159	210,716,503	690,214,668	
PREM ADJ		0.794	0.936	1.000		
PREM TREND		1.000	1.000	1.000	0.000	
MISCELLANEOUS FEES (& other flat charges)		0	0	0	0	
EARNED EXP		21,877	21,400	20,925	64,202	
LOSSES		68,247,510	81,452,184	78,725,022	228,424,716	
DCCE		59,649,298	47,476,295	32,858,602	139,984,195	
LOSS DEV		0.873	0.739	0.778		
DCCE DEV		1.094	1.322	2.167		
LOSS TREND		1.118	1.090	1.064	0.025	
DCCE TREND		1.300	1.226	1.157	0.060	
CAT ADJ		1.000	1.000	1.000		
CREDIBILITY					100.00%	
EXPENSE EXCLUSION FACTOR					0.83%	
ANC INC		0	0	0	0	
FIT INV					26.60%	
YIELD					4.50%	
CDI PARAMETERS:						
FIT UW					35.00%	
EFF STANDARD					26.55%	
LEVERAGE					0.50	
PREMIUM TAX RATE					2.35%	
SURPLUS RATIO					1.99	
UEP RES RATIO					0.42	
LOSS RES RATIO					4.21	
RISK FREE RATE OF RETURN					2.09%	<i>May 2011</i>
MAXIMUM RATE OF RETURN					8.09%	
MINIMUM RATE OF RETURN					-6.00%	
CDI CALCULATIONS:						
ADJ PREM		200,022,978	212,961,531	210,716,503	623,701,012	
ADJUSTED LOSSES		66,602,841	65,592,373	65,148,420	197,343,635	
ADJUSTED DCCE		84,798,187	76,950,242	82,376,680	244,125,109	
ADJUSTED LOSS+DCCE RATIO		75.69%	66.93%	70.01%	70.78%	
TRENDED CURRENT RATE LEVEL PREMIUM		9143.04	9951.47	10070.31	9714.72	
LOSS+DCCE PER EXP		6920.53	6660.87	7050.34	6876.29	
COMP LOSS+DCCE PER EXP		7630.50	8305.20	8404.38	8107.61	
CRED LOSS PER EXP		6920.53	6660.87	7050.34	6876.29	
ANC INC PER EXP		0.00	0.00	0.00	0.00	
FIXED INV INC FACTOR					21.38%	
VAR INV INC FACTOR					12.23%	
ANNUAL NET TREND					2.50%	
COMP TREND					7.68%	
MAX PROFIT					24.74%	
MIN PROFIT					-18.36%	
UW PROFIT					-4.06%	
MAX DENOM					0.609	
MIN DENOM					1.040	
MAX PREMIUM					\$8,872.40	
MIN PREMIUM					\$5,196.63	
CHANGE AT MIN					-46.51%	
CHANGE AT MAX					-8.67%	
Alternate Calculation with Reinsurance						
COMMISSION RATE					0.00%	
RE PREM		-	-	-	0	
RE RECOV		-	-	-	0	
RE PREM PER EXP		0.00	0.00	0.00	0.00	
RE RECOV PER EXP		0.00	0.00	0.00	0.00	
COMP LOSS RE		7630.50	8305.20	8404.38	8107.61	
RMAX PREMIUM					NA	
RCHANGE AT MAX					NA	

EFFICIENCY STANDARD TABLE

SOURCE: 2007 - 2009 ROLLING AVG

DATE REVISED: 2/10/2011

Blended Captive Direct Indep
ES: 27.38% 24.18% 25.38% 33.17%

Line	Captive	Direct	Indep	Line Description
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17.2	32.55%	26.99%	30.50%	OTHER LIABILITY (cm)
18.0	24.58%	22.59%	31.36%	PRODUCTS LIABILITY
18.1	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (occ)
18.2	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (cm)
19.2	34.03%	26.81%	36.40%	PRIVATE PASSENGER AUTO LIABILITY
19.4	35.77%	31.98%	34.39%	COMMERCIAL AUTO LIABILITY
21.1	34.42%	27.28%	35.01%	PRIVATE PASSENGER AUTO PHYSICAL DAMAGE
21.2	34.41%	35.11%	36.30%	COMMERCIAL AUTO PHYSICAL DAMAGE
22.0	34.10%	34.10%	26.57%	AIRCRAFT
23.0	33.45%	46.91%	32.18%	FIDELITY
24.0	43.84%	43.84%	43.84%	SURETY
26.0	30.37%	30.37%	30.37%	BURGLARY & THEFT
27.0	36.00%	27.67%	39.23%	BOILER & MACHINERY

LEVERAGE RATIO TABLE

SOURCE: Bests Aggregates and Averages, 2010 Edition

DATE REVISED: 10/15/2010

Line	LF	Line Description
1.0	1.2239	Fire
2.1	1.2232	Allied Lines
3.0	1.3061	Farmowners
4.0	1.2665	Homeowners
5.1	1.2062	CMP - NL
5.2	0.5704	CMP - Liab.
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11.1	0.3440	Med. Mal. Occ.
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23.0	0.8986	Fidelity
24.0	0.9888	Surety
26.0	1.2363	Burglary & Theft
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RESERVES RATIO TABLE

SOURCE: AM Best's Aggregates & Averages - Property Casualty, 2010 Edition

DATE REVISED: 9/21/2010

LINE	UEP	LOSS	Line Description
1	0.48	0.98	FIRE
2.1	0.47	1.20	ALLIED LINES
3	0.47	1.90	FARMOWNER MP
4	0.52	1.14	HOMEOWNER MP
5	0.50	2.87	CMP
5.1	0.49	1.12	CMP (N-LIAB)
5.2	0.50	5.16	CMP (LIAB)
9	0.36	0.68	INLAND MRN
11.0	0.46	4.64	MED MAL
11.1	0.58	5.56	MED MAL - occurrence
11.2	0.42	4.21	MED MAL - claims-made
12.0	0.47	1.00	EARTHQUAKE
17.0	0.52	4.41	OTHER LIAB
17.1	0.54	5.21	OTHER LIAB - occurrence
17.2	0.51	3.28	OTHER LIAB - claims-made
18.0	0.52	5.44	PROD LIAB
18.1	0.53	5.63	PROD LIAB - occurrence
18.2	0.43	3.85	PROD LIAB - claims-made
19.2	0.33	1.14	PPA LIAB
19.4	0.45	2.66	COMLA LIAB
21.1	0.33	0.09	PPA PD
21.2	0.51	0.32	COMLA PD
22.0	0.40	2.79	AIRCRAFT
23.0	0.57	2.62	FIDELITY
24.0	0.56	2.52	SURETY
26.0	0.59	0.91	BRGLRY THEFT
27.0	0.45	1.19	BLR & MCHNRY

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Complete the following for existing and new program rate filings when Advisory Organization loss costs are being adopted:

Spreadsheet Item #1.1 CDI Filing Number – Please enter the CDI filing number of the Advisory Organization loss cost filing being adopted. If additional loss cost updates are being covered, please also identify the CDI filing number(s) of the additional loss cost updates being covered.

Spreadsheet Item #1.2 Loss Cost Percent Change Approved for the Line or Coverage – Please enter the CDI percent change approved for the Advisory Organization loss cost filing identified as Item #1.1. If multiple loss cost updates are being covered, identify the cumulative percent change approved.

Spreadsheet Item #1.3 AOE or LAE Load Approved for the Line or Coverage – As identified within the Advisory Organization loss cost filing entered as Item #1.1, please indicate the type of AOE or LAE expense loading the Advisory Organization used in its loss cost filing and enter the load amount.

Complete the following for existing programs only; do not complete the following for new program filings:

Spreadsheet Item #2.1 Current Expense Based LCM – Please enter the current expense based LCM for the filed line/coverage.

Spreadsheet Item #2.2 Current Loss Cost Modification Expressed as a Factor – Please enter the current Loss Cost Modification Factor applicable to the current expense based LCM.

Spreadsheet Items #3 through #7 are calculated fields.

Spreadsheet Item #3 calculates the insurer's current Final LCM.

Spreadsheet Item #4 calculates the Advisory Organization's AOE as a percent of loss and DCCE.

Spreadsheet Item #5 calculates the maximum CDI allowable expense based LCM for the file/line/coverage.

Spreadsheet Item #6 calculates the maximum CDI allowable loss cost modification factor for the filed line/coverage.

Spreadsheet Item #7 calculates the **maximum CDI allowable Final LCM** for the filed line/coverage. If the Insurer's current Final LCM (Item #3) and/or proposed Final LCM is greater than the Max Final LCM (Item #7), the Insurer will need to reduce its Final LCM so that it is no greater than the CDI calculated maximum allowable Final LCM. Otherwise, exceeding the CDI calculated maximum allowable Final LCM will require the filing of a Variance.

LCM TEMPLATE

Edition Date: 4/4/2011

CDI FILE NUMBER: 0
COMPANY/GROUP: The Doctors Company, an Interinsurance Exchange
LINE OF INSURANCE: MEDICAL MALPRACTICE (claims-made)
LINE CODE: 11.2
COVERAGE: Professional Liab

ADVISORY ORGANIZATION FILING INFORMATION

- 1 For filings that include an adoption of Advisory Organization loss costs, complete lines 1.1, 1.2, and 1.3; for all other filings skip lines 1.1, 1.2 and 1.3, and go to line 2.

1.1 CDI Filing Number

1.2 Loss Cost Percent Change Approved for the Line or Coverage

1.3 AOE or LAE Load Approved for the Line or Coverage

Type of Load	Amount of Load
(LOSS+DCCE+AOE)/LOSS	<input type="text"/>

COMPANY LCM INFORMATION

- 2 If this is a New Program filing, skip lines 2.1 and 2.2 and review the Max_Final LCM result on line 7; for all other filings complete lines 2.1 and 2.2.

2.1 Current Expense Based LCM

2.2 Current Loss Cost Modification Expressed as a Factor (see examples below)

Example 1: If the company's loss cost modification is +15%, enter 1.15

Example 2: If the company's loss cost modification is -10%, enter 0.9

Example 3: If the company currently does not apply a loss cost modification factor, enter 1.0

3 Insurer's Current Final LCM (Line 2.1 * Line 2.2)

NA

4 Advisory Organization's AOE as a Percent of Loss and DCCE (Derived from Line 1.3 and the IncLoss&DCCE page)

-1.000

5 Max_Expense Based Loss Cost Multiplier

N/A

6 Max_Loss Cost Modification (Existing program only)
Max_Loss Cost Modification for new program is 1.0

N/A

7 Max_Final LCM (Line 5 * Line 6)

#VALUE!

The Doctors Company

Actuarial Memorandum

Please find Exhibits 1 through 19 as required by the California Department of Insurance Prior Approval Regulations. This actuarial memorandum provides commentary on these exhibits.

Exhibit 1

Exhibit 1 provides the file numbers for the most recent filings made by TDC, SCPIE, and AHI for this program.

Exhibit 2

Exhibit 2 provides rate level changes for the latest five years. Each company implemented only one rate filing during this time period at the time that SCPIE and AHI were acquired by TDC.

Exhibit 3

Exhibit 3 is not applicable to The Doctors Company (TDC).

Exhibit 4

Exhibit 4 develops the premium adjustment factors (current level factors) by analyzing the impact of the 1/1/2009 rate filing on earned premium by calendar month. Page 1 provides a summary of TDC and SCPIE/AHI premium adjustment factors and calculates combined premium adjustment factors to apply to all three companies in the Page 7 Ratemaking Data tab of the Prior Approval workbook. Page 2 shows detailed calculations of the premium adjustment factors for TDC while Page 3 shows detailed calculations of the premium adjustment factors for SCPIE/AHI. The method employed in this exhibit evaluates how much of the premium written in the past twelve months was written at the rate level prevailing prior to the 1/1/2009 rate filing and how much was written at the rate level prevailing subsequent to the 1/1/2009 rate filing. The current leveled earned premium for each month is then calculated by multiplying the calendar month earned premium by Rate Level 2 and dividing by the weighted rate level for each month.

Exhibit 5

Please note that The Doctors Company is exempt from the promulgated method of calculating premium trend factors (according to 2644.4(d)) since this filing applies to professional liability coverage.

Exhibit 5 develops the premium trend factors using the method described in the California Department of Insurance Prior Approval Regulations. Page 1 evaluates premium trend for TDC while Page 2 evaluates premium trend for SCPIE/AHI. We have displayed premium trend factors for 8 and 12 quarters of rolling calendar year data. Premium trend is applied through calendar year 2010 in order to bring calendar year 2008 and calendar year 2009 earned premium to the calendar year 2010 pricing level. We have selected a premium trend rate of 0% for all companies as no significant changes have been observed in premium per exposure.

Exhibit 6

Exhibit 6 is not applicable to The Doctors Company.

Exhibit 7

Please note that The Doctors Company is exempt from the promulgated method of calculating loss development factors (according to 2644.4(d)) since this filing applies to professional liability coverage.

Loss Development

Exhibit 7 shows the calculation of the loss development factors for report years 2008-2010. Exhibit 7a details the derivation of loss development factors for TDC while Exhibit 7b details the derivation of loss development factors for SCPIE/AHI. The data excludes hospitals, facilities, and all claims associated with TDC's coverage of litigation in the Redding area arising out of allegations of pervasive unnecessary cardiac surgery. In this event, there were hundreds of plaintiffs while TDC had seven policy aggregates worth of coverage where each aggregate amounted to \$3M of coverage. We settled for the aggregate limit of indemnity on each of the seven aggregates, but for processing purposes only recorded twenty-one claims worth \$1M of indemnity each. The Redding claims are excluded so they do not cause distortion in the loss development patterns and have also been excluded from our trend calculations in Exhibit 8 due to the inappropriateness of values that were created by our processing approach.

Exhibit 7a Loss Development

The top section in Exhibit 7a, Page 1 shows a summary of the incurred loss and DCCE (excluding DD&R load) as well as the selected ultimate loss and DCCE for TDC in Northern and Southern California. Statewide loss development factors are then calculated in the last few columns of this exhibit. The bottom section of this exhibit calculates blended loss development factors for TDC and SCPIE/AHI (see Exhibit 7b, Page 1.1 and Exhibit 7b, Page 2.1) which are used in the Page 7 Ratemaking Data tab of the Prior Approval workbook.

Pages 2.1-2.7 show support for the development of loss in Southern California. Pages 3.1-3.7 show support for the development of DCCE in Southern California. Pages 4.1-4.7 show support for the development of loss in Northern California. Pages 5.1-5.7 show support for the development of DCCE in Northern California.

Pages 2.1, 3.1, 4.1, and 5.1 show the various indicators used in selecting development factors for the segments that each of these pages represents. We have relied on paid and incurred loss development, a least squares loss development technique (described below) on paid and incurred loss, a reserve development method, and a trended severity method (described below).

For a demonstration of how the trended severity method is implemented, refer to Exhibit 7a, Page 2.1. The trended severity method multiplies the projected severity for report year 2010 of \$31,000 by ultimate claim counts for report year 2010 of 1,533 to arrive at an ultimate loss projection of \$47,536,000. The derivation of the projected severity for report year 2010 is shown in Exhibit 8, Page 1. It is based on extrapolating severity trends observed in three experience periods; report years 1997-2010, 1997-2008, and 1999-2008.

Pages 2.2, 3.2, 4.2, and 5.2 display the incurred link ratio loss development analyses while Pages 2.3, 3.3, 4.3, and 5.3 display the paid link ratio loss development analyses.

Pages 2.4, 3.4, 4.4, and 5.4 show the incurred “severity least squares loss development” analyses while Pages 2.5, 3.5, 4.5, and 5.5 show the paid “severity least squares loss development” analyses. For a demonstration of how the incurred “severity least squares loss development” method is implemented, refer to Exhibit 7a, Page 2.4. The incurred “severity least squares loss development” method performs least squares regression on trended incurred severities at adjacent evaluation periods. Rather than assuming a relationship of the form $y = bx$ to project incurred loss at future evaluations, this method assumes the form $y = a + bx$. This allows for the recognition of the fact that low loss amounts generally lead to high link ratios and high loss amounts generally lead to low link ratios. The second triangle displayed in the exhibit shows trended incurred loss severities for each report year at each evaluation period. These trended severities are calculated by multiplying the incurred loss in the first triangle in the exhibit by the trend factor (using the 2.5% trend rate derived in Exhibit 8, Page 1 for loss and the 6.0% trend rate derived in Exhibit 8, Page 2 for DCCE) in the final column and dividing by the ultimate claim count in the second to last column on the exhibit. The third row from the bottom of the exhibit shows an indicator that identifies whether the severity least squares parameters are used for determining the loss development for that time interval. If the indicator is set to 1, the least squares regression parameters are used to project development. If the indicator is set to 0, the selected link ratio from the incurred link-ratio loss development technique is used instead. For example, in Page 2.4 of Exhibit 7a, the projected trended incurred severity at 9 quarters of development for report year 2010 is calculated by the formula $\$29,136 + 0.286 * \$35,135 = \$39,194$ (where $a = 29,136$ and $b = 0.286$ to project the development from 5 to 9 quarters of development) since the indicator is set to 1 for 5 to 9 quarters of development. This projected severity is then

multiplied by the ultimate claim count for that report year and divided by the trend factor for that report year. For example, we multiply the \$39,194 projected trended severity by 1,533 ultimate claims and divide by the trend factor of 1.025 to arrive at the projected incurred loss for report year 2010 at 9 quarters of development equal to \$58,635,000, which is displayed beneath the diagonal in the first triangle in the exhibit. Alternatively, to project the trended incurred severity at 17 quarters of development for report year 2008, we simply multiply the trended incurred severity of \$39,808 at 13 quarters of development by the appropriate link ratio of 0.930 (displayed in the second to last row of the exhibit) to arrive at a projected severity of \$37,022. We use the link ratio instead of the severity least squares development factors since the indicator is set to 0 for 13 to 17 months of development. A similar explanation applies to the paid severity least squares loss development technique applied on Pages 2.5, 3.5, 4.5, and 5.5.

Pages 2.6, 3.6, 4.6, and 5.6 display the reserve development method, which is also often referred to as the backward-recursive method. This method evaluates the portion of case reserves expected to remain in reserve and the portion of case reserves expected to be paid during each year of development in order to arrive at an ultimate loss estimate.

Pages 2.7, 3.7, 4.7, and 5.7 provide additional support for the necessity of the “severity least squares loss development” technique. Each of these pages shows two graphs demonstrating the inverse relationship between the 5 to 9 quarter link-ratio development factor and the trended severity at 5 quarters of development. The first graph on each page demonstrates this relationship for incurred loss development while the second graph demonstrates this relationship for paid loss development.

Exhibit 7b Loss Development

Exhibit 7b, Pages 1.1 and 2.1 show the various indicators used in selecting development factors for SCPIE/AHI for loss and DCCE, respectively. Pages 1.2 and 2.2 display the incurred link ratio loss development analyses while Pages 1.3 and 2.3 display the paid link ratio loss development analyses. Pages 1.4 and 2.4 show the incurred “severity least squares loss development” analyses while Pages 1.5 and 2.5 show the paid “severity least squares loss development” analyses. Pages 1.6 and 2.6 display the reserve development method and Pages 1.7 and 2.7 display graphs which provide additional support for the necessity of the severity least squares loss development technique. See the discussion of the various components of Exhibit 7a for more detail on these methods.

DD&R Analysis

Exhibit 7a DD&R Analysis

Exhibit 7a, Page 6.1 shows the adjustment made to TDC’s incurred loss amounts to incorporate a load for death, disability, and retirement (DD&R) coverage. Actual losses associated with DD&R coverage have been excluded from the ratemaking data and this DD&R load has been used in their place. The 3.7% DD&R load is applied to the incurred loss and DCCE amounts to arrive at adjusted incurred loss and DCCE amounts

that flow through to the Page 7 Ratemaking Data tab of the Prior Approval workbook. The incurred loss amounts utilized in the Page 7 Ratemaking Data tab of the Prior Approval workbook are derived as the sum of the column (5) entries from Exhibit 7a, Page 6.1 and Exhibit 7b, Page 3.1, while the incurred DCCE amounts utilized in the Page 7 Ratemaking Data tab of the Prior Approval workbook are derived as the sum of the column (6) entries from Exhibit 7a, Page 6.1 and Exhibit 7b, Page 3.1.

Page 6.2 shows the calculation of the 3.7% DD&R load relative to loss and DCCE. Page 6.3 shows the calculation of the required \$266 DD&R premium payment that appears on line 5 of Page 6.2. Page 6.3 utilizes a present value funding approach to determine the necessary DD&R premium payment to fund future DD&R coverages.

Exhibit 7b DD&R Analysis

Page 3.1-3.3 of Exhibit 7b provide analogous information to that provided in Pages 6.1-6.3 of Exhibit 7a described above.

Exhibit 8

Please note that The Doctors Company is exempt from the promulgated method of calculating frequency and severity trend factors (according to 2644.4(d)) since this filing applies to professional liability coverage.

Exhibit 8 displays the derivation of the frequency and severity trend rates used in the filing. Page 1 derives a trend rate and trend factors to be applied to losses from report years 2008-2010 while Page 2 derives a trend rate and trend factors to be applied to DCCE from report years 2008-2010 in the Page 7 Ratemaking Data tab of the Prior Approval workbook. Based on an analysis of TDC data from report years 1997-2010, a loss trend rate of 2.5% and a DCCE trend rate of 6.0% have been selected. Severity trend factors for report years 2008-2010 are calculated at the bottom of the exhibit by trending from the middle of the report year to a 1/1/2012 filing effective date. Page 3 shows frequency statistics for report years 2008-2010. Frequency has been very stable over this time period. We believe that any frequency trend that can be derived based on this data is due to volatility in the data so we have selected a frequency trend rate of 0.0%.

Exhibit 9

Exhibit 9 is not applicable to The Doctors Company.

Exhibit 10

The Doctors Company awards full credibility to its experience in report years 2008-2010.

Exhibit 11

Exhibit 11 is not applicable to The Doctors Company.

Exhibit 12

Exhibit 12 is not applicable to The Doctors Company.

Exhibit 13

Exhibit 13, Page 1 details the variances which The Doctors Company is applying for in this filing. Exhibit 13, Page 2 calculates TDC's calendar year 2010 expense ratio to demonstrate that the modification to the Efficiency Standard resulting from Variance 1 does not increase the Efficiency Standard to a level exceeding TDC's most recent year total expense ratio.

Exhibit 14

The company has opted not to provide an Exhibit 14.

Exhibit 15

Exhibit 15, Page 1 shows that the proposed manual rate change of -1.6% and the impact of the change in discounts of -5.8% combine to produce a proposed overall rate change of -7.3%. This is consistent with the maximum permitted rate change of -7.3% derived in the Ratemaking Template.

Exhibit 15, Page 2 shows a summary of average current, indicated, and proposed manual rates by territory along with the resulting statewide averages weighted by full-time equivalent in-force TDC insureds by territory. Exhibit 15, Pages 3.1-3.5 show how the -1.6% proposed manual rate change is to be distributed across specialties and territories for TDC's in-force insureds. This exhibit shows current, indicated, and proposed manual rate changes for in-force TDC insureds by specialty and territory. Full-time equivalent in-force doctor counts are also shown by specialty and territory. Average current, indicated, and proposed manual rates for each territory are weighted by full-time equivalent in-force doctor counts by specialty.

Note that the indicated manual rate changes by specialty and territory in Exhibit 15, Pages 3.1-3.5 have been adjusted uniformly to balance to a statewide indicated manual rate change of -1.6% since this is the adjustment to manual rates that must be applied in conjunction with the -5.8% impact from modifying the claims-free discount structure (see Exhibit 15, Page 4) in order to achieve the maximum permitted rate change of -7.3% derived in the Ratemaking Template.

Exhibit 15, Page 4 evaluates the impact of modifying the claims-free discount structure in the state of California. The distribution of insureds by claims-free discount category is first calculated. The three categories of insureds are those that are eligible for the claims-free discount and have at least three years of tenure with TDC, those that are eligible for the claims-free discount with less than three years of tenure with TDC, and those that are

ineligible for the claims-free discount. Those that are eligible for the discount must be separated by tenure since different rules apply to those that have been with TDC for at least three years and those that have not. Combining the distribution of insureds with the expected average discount for each category arrives at a statewide expected average claims-free discount of 13.4%. Comparing the current statewide average discount (6.6%) to the proposed statewide average discount (12.1%) reveals a -5.8% impact from modifying the claims-free discount structure.

Exhibit 16

Exhibit 16, Pages 1.1-1.5 provide support for the indicated \$1M limit specialty relativities used in producing indicated rates in Exhibit 15, Pages 3.1-3.5. Page 1.1 shows indicated specialty relativities using a \$250k indemnity limit per claim. Page 1.2 shows factors that convert the specialty relativities from a \$250k limit to a \$1M limit. Page 1.3 displays the resulting \$1M limit specialty relativities. Page 1.4 details the specialty relativity analysis for neurosurgery in which California experience and ex-California experience are considered separately. Page 1.5 provides an analysis of specialty relativities for ancillary healthcare providers relative to their respective base classes.

Exhibit 16, Pages 2.1-2.2 provide support for the indicated territory relativities used in producing indicated rates in Exhibit 15, Pages 3.1-3.5. Indemnity is capped at \$250k per claim in this analysis. There have been no changes to selected territory relativities since TDC's prior rate filing.

Exhibit 17

Exhibit 17 is not applicable to The Doctors Company.

Exhibit 18

Exhibit 18 is not applicable to The Doctors Company.

Exhibit 19

Exhibit 19 is not applicable to The Doctors Company.

The Doctors Company Filing History

The Doctors Company

<u>Date Filed</u>	<u>California File Number</u>
9/8/2003	03-6211
9/1/2008	08-11851

SCPIE Indemnity Company

<u>Date Filed</u>	<u>California File Number</u>
5/18/2004	04-3736
9/1/2008	08-11854

American Healthcare Indemnity Company

<u>Date Filed</u>	<u>California File Number</u>
5/18/2004	04-3735
9/1/2008	08-11853

The Doctors Company Rate Level History

The Doctors Company

California	Effective	Percent
<u>File Number</u>	<u>Date</u>	<u>Rate Change</u>
08-11851	1/1/2009	-18.0%

SCPIE Indemnity Company

California	Effective	Percent
<u>File Number</u>	<u>Date</u>	<u>Rate Change</u>
08-11854	1/1/2009	-23.9%

American Healthcare Indemnity Company

California	Effective	Percent
<u>File Number</u>	<u>Date</u>	<u>Rate Change</u>
08-11853	1/1/2009	-23.9%

The Doctors Company Policy Term Distribution

The Doctors Company only writes one-year claims-made policies renewable annually.

The Doctors Company
Summary of Premium Adjustment Factors

Calendar Year	(1) TDC Earned Premium	(2) TDC Current Level Factor	(3) = (1) x (2) TDC Current Level Earned Prem	(4) SCPIE/AHI Earned Premium	(5) SCPIE/AHI Current Level Factor	(6) = (4) x (5) SCPIE/AHI Current Level Earned Prem	(7) = (1) + (4) Combined Earned Premium	(8) = (9) / (7) Combined Current Level Factor	(9) = (3) + (6) Combined Current Level Earned Prem
2008	140,375,837	0.820	115,108,187	111,583,169	0.761	84,914,792	251,959,006	0.794	200,022,978
2009	211,052,049	0.941	198,662,014	16,487,110	0.867	14,299,517	227,539,159	0.936	212,961,531
2010	202,302,943	1.000	202,302,943	8,413,560	1.000	8,413,560	210,716,503	1.000	210,716,503

**The Doctors Company
Premium Adjustment Factor**

Calendar Year	Calendar Month	Calendar Month Earned Premium	Rate Level 1	Rate Level 2	Weighted Rate Level	Earned Premium at Current Level
			1.000	0.820		
			% of Earned Premium Written at Rate Level 1	% of Earned Premium Written at Rate Level 2		
2007	1	13,937,244	100.0%	0.0%	1.000	11,428,540
2007	2	11,277,255	100.0%	0.0%	1.000	9,247,349
2007	3	12,812,519	100.0%	0.0%	1.000	10,506,265
2007	4	12,262,906	100.0%	0.0%	1.000	10,055,583
2007	5	12,656,316	100.0%	0.0%	1.000	10,378,179
2007	6	11,900,573	100.0%	0.0%	1.000	9,758,470
2007	7	12,984,613	100.0%	0.0%	1.000	10,647,383
2007	8	12,950,472	100.0%	0.0%	1.000	10,619,387
2007	9	12,962,555	100.0%	0.0%	1.000	10,629,295
2007	10	12,452,735	100.0%	0.0%	1.000	10,211,243
2007	11	12,194,624	100.0%	0.0%	1.000	9,999,591
2007	12	12,795,561	100.0%	0.0%	1.000	10,492,360
2008	1	12,662,407	100.0%	0.0%	1.000	10,383,174
2008	2	12,056,688	100.0%	0.0%	1.000	9,886,484
2008	3	12,433,251	100.0%	0.0%	1.000	10,195,266
2008	4	11,722,755	100.0%	0.0%	1.000	9,612,659
2008	5	12,056,210	100.0%	0.0%	1.000	9,886,092
2008	6	12,096,604	100.0%	0.0%	1.000	9,919,215
2008	7	12,678,316	100.0%	0.0%	1.000	10,396,219
2008	8	12,811,404	100.0%	0.0%	1.000	10,505,351
2008	9	12,722,601	100.0%	0.0%	1.000	10,432,533
2008	10	11,899,796	100.0%	0.0%	1.000	9,757,833
2008	11	12,172,171	100.0%	0.0%	1.000	9,981,180
2008	12	12,441,074	100.0%	0.0%	1.000	10,201,680
2009	1	17,979,317	56.3%	43.7%	0.921	16,001,116
2009	2	17,267,515	52.7%	47.3%	0.915	15,477,556
2009	3	18,422,496	49.0%	51.0%	0.908	16,631,769
2009	4	17,664,631	43.5%	56.5%	0.898	16,124,923
2009	5	18,322,528	39.1%	60.9%	0.890	16,875,222
2009	6	17,166,410	36.1%	63.9%	0.885	15,906,756
2009	7	18,340,180	24.8%	75.2%	0.865	17,394,334
2009	8	18,042,554	19.1%	80.9%	0.854	17,316,116
2009	9	17,588,238	14.9%	85.1%	0.847	17,032,683
2009	10	18,020,209	8.4%	91.6%	0.835	17,694,235
2009	11	17,065,092	4.4%	95.6%	0.828	16,900,854
2009	12	17,448,133	0.0%	100.0%	0.820	17,448,133
2010	1	16,875,437	0.0%	100.0%	0.820	16,875,437
2010	2	15,511,518	0.0%	100.0%	0.820	15,511,518
2010	3	16,873,616	0.0%	100.0%	0.820	16,873,616
2010	4	16,276,702	0.0%	100.0%	0.820	16,276,702
2010	5	16,897,437	0.0%	100.0%	0.820	16,897,437
2010	6	18,172,608	0.0%	100.0%	0.820	18,172,608
2010	7	15,247,381	0.0%	100.0%	0.820	15,247,381
2010	8	16,911,776	0.0%	100.0%	0.820	16,911,776
2010	9	16,590,686	0.0%	100.0%	0.820	16,590,686
2010	10	18,827,586	0.0%	100.0%	0.820	18,827,586
2010	11	16,518,746	0.0%	100.0%	0.820	16,518,746
2010	12	17,695,210	0.0%	100.0%	0.820	17,695,210

Calendar Year	Calendar Year Earned Premium	Earned Premium at Current Level	Current Level Factor
2007	151,187,372	123,973,645	0.820
2008	147,753,276	121,157,687	0.820
2009	213,327,303	200,803,696	0.941
2010	202,398,703	202,398,703	1.000

Current Rate Level : 0.820

**SCPIE Indemnity Company & American Healthcare Indemnity Company
Premium Adjustment Factor**

Calendar Year	Calendar Month	Calendar Month Earned Premium	Rate Level 1	Rate Level 2	Weighted Rate Level	Earned Premium at Current Level
			1.000	0.761		
			% of Earned Premium Written at Rate Level 1	% of Earned Premium Written at Rate Level 2		
2007	1	10,931,788	100.0%	0.0%	1.000	8,319,090
2007	2	9,176,454	100.0%	0.0%	1.000	6,983,282
2007	3	10,126,824	100.0%	0.0%	1.000	7,706,513
2007	4	9,913,890	100.0%	0.0%	1.000	7,544,470
2007	5	10,193,620	100.0%	0.0%	1.000	7,757,345
2007	6	10,036,259	100.0%	0.0%	1.000	7,637,593
2007	7	10,215,384	100.0%	0.0%	1.000	7,773,907
2007	8	10,107,243	100.0%	0.0%	1.000	7,691,612
2007	9	9,814,936	100.0%	0.0%	1.000	7,469,166
2007	10	10,081,788	100.0%	0.0%	1.000	7,672,241
2007	11	9,620,995	100.0%	0.0%	1.000	7,321,577
2007	12	9,730,457	100.0%	0.0%	1.000	7,404,878
2008	1	9,976,973	100.0%	0.0%	1.000	7,592,476
2008	2	9,124,113	100.0%	0.0%	1.000	6,943,450
2008	3	9,507,782	100.0%	0.0%	1.000	7,235,422
2008	4	9,180,119	100.0%	0.0%	1.000	6,986,071
2008	5	9,308,011	100.0%	0.0%	1.000	7,083,396
2008	6	9,423,627	100.0%	0.0%	1.000	7,171,380
2008	7	9,498,234	100.0%	0.0%	1.000	7,228,156
2008	8	9,496,145	100.0%	0.0%	1.000	7,226,566
2008	9	9,102,190	100.0%	0.0%	1.000	6,926,767
2008	10	9,121,867	100.0%	0.0%	1.000	6,941,741
2008	11	8,812,971	100.0%	0.0%	1.000	6,706,671
2008	12	9,031,137	100.0%	0.0%	1.000	6,872,696
2009	1	2,378,952	66.2%	33.8%	0.919	1,969,343
2009	2	1,775,384	64.7%	35.3%	0.916	1,475,625
2009	3	1,738,649	61.2%	38.8%	0.907	1,458,230
2009	4	1,552,841	58.7%	41.3%	0.901	1,311,156
2009	5	1,516,555	56.6%	43.4%	0.896	1,287,538
2009	6	1,406,331	54.0%	46.0%	0.890	1,202,373
2009	7	1,296,392	49.2%	50.8%	0.879	1,122,761
2009	8	1,179,415	41.3%	58.7%	0.860	1,044,138
2009	9	1,173,413	33.1%	66.9%	0.840	1,062,918
2009	10	794,496	25.7%	74.3%	0.822	735,182
2009	11	867,638	17.2%	82.8%	0.802	823,212
2009	12	807,042	0.0%	100.0%	0.761	807,042
2010	1	759,610	0.0%	100.0%	0.761	759,610
2010	2	641,778	0.0%	100.0%	0.761	641,778
2010	3	742,318	0.0%	100.0%	0.761	742,318
2010	4	694,399	0.0%	100.0%	0.761	694,399
2010	5	736,374	0.0%	100.0%	0.761	736,374
2010	6	732,659	0.0%	100.0%	0.761	732,659
2010	7	706,190	0.0%	100.0%	0.761	706,190
2010	8	705,633	0.0%	100.0%	0.761	705,633
2010	9	663,174	0.0%	100.0%	0.761	663,174
2010	10	685,241	0.0%	100.0%	0.761	685,241
2010	11	665,970	0.0%	100.0%	0.761	665,970
2010	12	680,215	0.0%	100.0%	0.761	680,215

Calendar Year	Calendar Year Earned Premium	Earned Premium at Current Level	Current Level Factor
2007	119,949,638	91,281,675	0.761
2008	111,583,169	84,914,792	0.761
2009	16,487,110	14,299,517	0.867
2010	8,413,560	8,413,560	1.000

Current Rate Level : 0.761

The Doctors Company Premium Trend Analysis

*

Quarter Ending	Annual Current Leveled Earned Premium	Annual Exposure	Current Leveled Premium per Exposure
1Q08	123,256,414	11,971	10,296
2Q08	122,482,149	12,005	10,203
3Q08	121,920,188	12,115	10,064
4Q08	121,157,687	12,208	9,925
1Q09	138,803,203	13,682	10,145
2Q09	158,292,138	15,196	10,416
3Q09	178,701,167	16,883	10,584
4Q09	200,803,696	18,551	10,824
1Q10	201,953,827	20,030	10,083
2Q10	204,393,673	20,155	10,141
3Q10	201,400,383	20,290	9,926
4Q10	202,398,703	20,243	9,998

Quarterly Premium Trend Rate (8 Quarters) : -0.6%

Quarterly Premium Trend Rate (12 Quarters) : -0.1%

Selected Quarterly Premium Trend Rate : **0.0%**

Premium Trend Factors

<u>Calendar Year</u>	<u>Factor</u> **
2008	$(1 - 0.000) ^ 8 = 1.000$
2009	$(1 - 0.000) ^ 4 = 1.000$
2010	$(1 - 0.000) ^ 0 = 1.000$

* Earned premium has not been reduced by paid dividends for the purpose of the premium trend calculation.

** The quarterly trend rate is applied to calendar year earned premium to bring premiums to 2010 pricing level.

SCPIE Indemnity Company & American Healthcare Indemnity Company Premium Trend Analysis

Quarter Ending	Annual Current Leveled Earned Premium	Annual Exposure	Current Leveled Premium per Exposure
1Q08	90,044,137	9,971	9,030
2Q08	88,345,576	9,879	8,943
3Q08	86,792,380	9,832	8,828
4Q08	84,914,792	9,669	8,782
1Q09	68,046,643	8,029	8,475
2Q09	50,606,861	6,359	7,958
3Q09	32,455,188	4,652	6,977
4Q09	14,299,517	2,849	5,019
1Q10	11,540,025	1,119	10,315
2Q10	9,902,390	900	10,997
3Q10	8,747,571	754	11,602
4Q10	8,413,560	681	12,351

Quarterly Premium Trend Rate (8 Quarters) : 2.3%

Quarterly Premium Trend Rate (12 Quarters) : 8.2%

Selected Quarterly Premium Trend Rate : **0.0%**

Premium Trend Factors

<u>Calendar Year</u>	<u>Factor</u> *
2008	$(1 - 0.000) ^ 8 = 1.000$
2009	$(1 - 0.000) ^ 4 = 1.000$
2010	$(1 - 0.000) ^ 0 = 1.000$

* The quarterly trend rate is applied to calendar year earned premium to bring premiums to 2010 pricing level.

The Doctors Company
Miscellaneous Fees and Other Charges

Data relating to such fees and charges are included in Page 7, Line 2 (direct earned premium).

The Doctors Company
Summary of Loss & DCCE Development

Report Year	(1)	(2)	(3) = (1) x (2)	(4)	(5)	(6) = (4) x (5)	(7) = (1) + (4)	(8) = (9) / (7)	(9) = (3) + (6)
	Northern CA Incurred Loss	Northern CA Incurred Loss LDF	Northern CA Ultimate Loss	Southern CA Incurred Loss	Southern CA Incurred Loss LDF	Southern CA Ultimate Loss	Statewide Incurred Loss	Statewide Incurred Loss LDF	Statewide Ultimate Loss
2008	\$8,683,725	0.772	\$6,700,000	\$32,049,543	0.866	\$27,750,000	\$40,733,268	0.846	\$34,450,000
2009	\$18,158,132	0.620	\$11,250,000	\$55,576,492	0.765	\$42,500,000	\$73,734,623	0.729	\$53,750,000
2010	\$21,218,497	0.483	\$10,250,000	\$52,562,897	0.875	\$46,000,000	\$73,781,394	0.762	\$56,250,000

Report Year	(1)	(2)	(3) = (1) x (2)	(4)	(5)	(6) = (4) x (5)	(7) = (1) + (4)	(8) = (9) / (7)	(9) = (3) + (6)
	Northern CA Incurred DCCE	Northern CA Incurred DCCE LDF	Northern CA Ultimate DCCE	Southern CA Incurred DCCE	Southern CA Incurred DCCE LDF	Southern CA Ultimate DCCE	Statewide Incurred DCCE	Statewide Incurred DCCE LDF	Statewide Ultimate DCCE
2008	\$8,990,275	1.168	\$10,500,000	\$25,668,129	1.067	\$27,400,000	\$34,658,404	1.094	\$37,900,000
2009	\$7,983,306	1.597	\$12,750,000	\$34,457,183	1.262	\$43,500,000	\$42,440,489	1.325	\$56,250,000
2010	\$5,064,729	2.616	\$13,250,000	\$25,398,163	2.087	\$53,000,000	\$30,462,892	2.175	\$66,250,000

Combined LDFs for TDC and SCPIE/AHI

Report Year	(1)	(2)	(3) = (1) x (2)	(4)	(5)	(6) = (4) x (5)	(7) = (1) + (4)	(8) = (9) / (7)	(9) = (3) + (6)
	TDC Incurred Loss	TDC Incurred Loss LDF	TDC Ultimate Loss	SCPIE/AHI Incurred Loss	SCPIE/AHI Incurred Loss LDF	SCPIE/AHI Ultimate Loss	Combined Incurred Loss	Combined Incurred Loss LDF	Combined Ultimate Loss
2008	\$40,733,268	0.846	\$34,450,000	\$25,064,651	0.918	\$23,009,350	\$65,797,919	0.873	\$57,459,350
2009	\$73,734,623	0.729	\$53,750,000	\$4,794,017	0.887	\$4,252,293	\$78,528,640	0.739	\$58,002,293
2010	\$73,781,394	0.762	\$56,250,000	\$2,117,969	1.322	\$2,799,955	\$75,899,363	0.778	\$59,049,955

Report Year	(1)	(2)	(3) = (1) x (2)	(4)	(5)	(6) = (4) x (5)	(7) = (1) + (4)	(8) = (9) / (7)	(9) = (3) + (6)
	TDC Incurred DCCE	TDC Incurred DCCE LDF	TDC Ultimate DCCE	SCPIE/AHI Incurred DCCE	SCPIE/AHI Incurred DCCE LDF	SCPIE/AHI Ultimate DCCE	Combined Incurred DCCE	Combined Incurred DCCE LDF	Combined Ultimate DCCE
2008	\$34,658,404	1.094	\$37,900,000	\$22,849,917	1.094	\$24,997,809	\$57,508,320	1.094	\$62,897,809
2009	\$42,440,489	1.325	\$56,250,000	\$3,331,750	1.276	\$4,251,314	\$45,772,240	1.322	\$60,501,314
2010	\$30,462,892	2.175	\$66,250,000	\$1,214,280	1.976	\$2,399,418	\$31,677,173	2.167	\$68,649,418

The Doctors Company
Southern California - Physician Loss (Net of Deductibles)
Summary of Indications and Selections
Evaluated @ 3/31/2011
Redding Claims Excluded

<i>California</i>		<i>Paid Loss Development</i>			<i>Incurred Loss Development</i>			<i>Trended Severity</i>		<i>Diagnostics</i>		<i>Ultimate Selections</i>			
Report Year	Ult. Claim	Paid Loss	Least Square *	Selected LDF	Incurred Loss	Least Square *	Selected LDF	Reserve Development	See Exhibit 8 *	Open Claims	Avg Resv On Open	Sel. Ult.	Implied LDF	Implied Ult. Sev.	Implied O/S Sev
1997	1,593	28,182		28,182	28,212		28,212	28,182		1	30,000	28,212	1.000	17,710	
1998	1,537	28,914		28,914	29,524		29,524	28,914		21	29,048	29,524	1.000	19,209	
1999	1,182	25,418		25,418	25,523		25,523	25,418		7	15,000	25,523	1.000	21,593	
2000	1,072	24,508		24,508	24,520		24,520	24,520		2	6,250	24,520	1.000	22,873	
2001	1,010	33,835		33,835	33,835		33,835	33,835		0	0	33,835	1.000	33,500	
2002	971	25,214		25,214	25,244		25,244	25,244		1	30,000	25,244	1.000	25,998	
2003	1,144	29,862		29,862	29,862		29,713	29,862		0	0	29,862	1.000	26,103	
2004	996	27,433		27,433	27,433		27,160	27,433		0	0	27,433	1.000	27,544	
2005	835	19,484		19,582	19,504		19,117	19,504		1	20,000	19,504	1.000	23,359	
2006	965	32,106		33,235	33,836		32,666	33,440		8	216,250	33,836	1.000	35,063	
2007	897	24,331		26,319	26,696		25,257	26,072		26	90,962	26,250	0.983	29,264	73,824
2008	867	20,658		24,358	32,050		28,200	27,546		67	170,017	27,750	0.866	32,007	105,845
2009	1,451	19,344	35,491	31,362	55,576	41,278	44,989	39,277		268	135,195	42,500	0.765	29,290	86,402
2010	1,533	1,306	43,837	12,174	52,563	43,592	46,166	34,759	47,536	936	54,762	46,000	0.875	29,998	47,750

* Multiply severity selection from Exhibit 8, Page 1 by ultimate claim counts.

Note: Excludes Hospitals and Facilities.

The Doctors Company
Severity Least Squares Incurred Loss Development
Southern California (excluding Redding claims)
Unlimited Incurred Loss, Net of Paid Deductible Recoveries

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	22,339	63,647	43,487	32,973	30,767	28,940	28,415	28,337	28,212	28,212	28,212	28,212	28,212	28,212	28,212
1998	19,994	55,058	40,706	30,959	27,898	29,823	29,551	29,551	29,551	29,551	29,551	29,551	29,554	29,524	29,524
1999	12,357	41,559	33,234	27,199	25,229	25,145	25,939	25,889	25,524	25,524	25,524	25,523	25,523	25,523	25,523
2000	11,427	34,310	33,175	28,745	26,665	25,643	25,115	24,605	24,905	24,535	24,535	24,520	24,520	24,520	24,520
2001	8,883	38,323	40,348	35,016	34,317	34,806	35,286	35,036	34,897	33,835	33,835	33,835	33,835	33,835	33,835
2002	11,820	39,055	33,773	27,990	26,408	25,867	25,329	25,254	25,244	25,244	25,244	25,244	25,244	25,244	25,244
2003	11,396	38,583	37,834	33,641	31,651	30,611	30,737	29,957	29,862	29,713	29,713	29,713	29,713	29,713	29,713
2004	9,878	37,009	36,087	31,506	29,817	29,884	27,494	27,433	27,296	27,160	27,160	27,160	27,160	27,160	27,160
2005	10,116	37,208	30,615	25,218	21,869	20,334	19,504	19,309	19,213	19,117	19,117	19,117	19,117	19,117	19,117
2006	10,637	48,750	46,593	36,193	35,053	33,836	33,329	32,995	32,830	32,666	32,666	32,666	32,666	32,666	32,666
2007	8,551	32,776	32,461	29,986	26,696	26,162	25,769	25,512	25,384	25,257	25,257	25,257	25,257	25,257	25,257
2008	8,513	31,721	34,816	32,050	29,806	29,210	28,772	28,484	28,342	28,200	28,200	28,200	28,200	28,200	28,200
2009	12,414	51,739	55,576	46,913	43,629	42,756	42,115	41,694	41,485	41,278	41,278	41,278	41,278	41,278	41,278
2010	10,228	52,563	58,635	49,542	46,074	45,153	44,476	44,031	43,811	43,592	43,592	43,592	43,592	43,592	43,592
2011	12,656	16,186	17,255	14,570	13,550	13,279	13,080	12,949	12,885	12,820	12,820	12,820	12,820	12,820	12,820

Incurred Loss Trended Severity

Report Year	Development Quarter															Report Year Ult Claims	Trend Factor
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	79,258	56,454	38,573	29,247	27,290	25,669	25,204	25,135	25,024	25,024	25,024	25,024	25,024	25,024	25,024	1,593	1.413
1998	71,727	49,381	36,509	27,766	25,022	26,748	26,504	26,504	26,504	26,504	26,504	26,504	26,507	26,480	26,480	1,537	1.379
1999	56,240	47,286	37,814	30,947	28,705	28,610	29,513	29,456	29,041	29,041	29,041	29,040	29,040	29,040	29,040	1,182	1.345
2000	55,945	41,994	40,605	35,183	32,637	31,386	30,740	30,116	30,483	30,030	30,030	30,012	30,012	30,012	30,012	1,072	1.312
2001	45,035	48,571	51,138	44,379	43,494	44,114	44,722	44,405	44,229	42,882	42,882	42,882	42,882	42,882	42,882	1,010	1.280
2002	60,807	50,231	43,438	36,000	33,965	33,270	32,578	32,481	32,468	32,468	32,468	32,468	32,468	32,468	32,468	971	1.249
2003	48,548	41,092	40,295	35,829	33,709	32,602	32,736	31,905	31,804	31,645	31,645	31,645	31,645	31,645	31,645	1,144	1.218
2004	47,155	44,169	43,068	37,601	35,586	35,665	32,812	32,741	32,577	32,414	32,414	32,414	32,414	32,414	32,414	996	1.189
2005	56,197	51,677	42,520	35,024	30,373	28,241	27,089	26,818	26,684	26,550	26,550	26,550	26,550	26,550	26,550	835	1.160
2006	49,886	57,156	54,628	42,434	41,098	39,671	39,076	38,685	38,492	38,299	38,299	38,299	38,299	38,299	38,299	965	1.131
2007	42,092	40,332	39,946	36,899	32,851	32,194	31,711	31,394	31,237	31,080	31,080	31,080	31,080	31,080	31,080	897	1.104
2008	42,296	39,401	43,245	39,808	37,022	36,281	35,737	35,380	35,203	35,027	35,027	35,027	35,027	35,027	35,027	867	1.077
2009	35,955	37,463	40,241	33,968	31,590	30,958	30,494	30,189	30,038	29,888	29,888	29,888	29,888	29,888	29,888	1,451	1.051
2010	27,346	35,135	39,194	33,116	30,798	30,182	29,729	29,432	29,285	29,138	29,138	29,138	29,138	29,138	29,138	1,533	1.025
2011	29,217	37,366	39,833	33,635	31,281	30,655	30,196	29,894	29,744	29,595	29,595	29,595	29,595	29,595	29,595	433	1.000

Least Squares Parameter Estimations

	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53
a=	26,299	29,136	1,225	-5,210	-238	-636	214	107	1,955	0	74	5	454
b=	0.379	0.286	0.814	1.079	0.989	1.005	0.985	0.995	0.928	1.000	0.997	1.000	0.982
LS Use Indic	1	1	1	0	0	0	0	0	0	0	0	0	0
Link Ratio	1.090	1.085	0.920	0.930	0.980	0.985	0.990	0.995	0.995	1.000	1.000	1.000	1.000

Regression is of the form $y = a + bx$

The Doctors Company
Severity Least Squares Paid Loss Development
Southern California (excluding Redding claims)
Unlimited Paid Loss, Net of Paid Deductible Recoveries

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	14	3,878	17,992	24,493	27,272	28,110	28,185	28,182	28,182	28,182	28,182	28,182	28,182	28,182	28,182
1998	40	6,122	14,542	21,665	24,218	27,073	28,911	28,911	28,911	28,911	28,911	28,911	28,914	28,914	28,914
1999	90	2,697	15,494	21,974	22,949	23,084	24,569	24,569	25,419	25,419	25,419	25,418	25,418	25,418	25,418
2000	22	949	15,654	22,203	22,932	24,160	24,478	24,478	24,478	24,508	24,508	24,508	24,508	24,508	24,508
2001	40	4,633	21,762	31,530	32,842	32,891	33,835	33,897	33,897	33,835	33,835	33,835	33,835	33,835	33,835
2002	-	6,062	17,930	22,710	23,348	24,247	25,139	25,214	25,214	25,214	25,214	25,214	25,214	25,214	25,214
2003	20	2,749	11,701	23,089	27,846	29,451	29,787	29,862	29,862	29,862	29,862	29,862	29,862	29,862	29,862
2004	(2)	2,775	15,958	20,980	23,677	26,519	27,434	27,433	27,433	27,433	27,433	27,433	27,433	27,433	27,433
2005	(0)	2,126	13,334	17,575	18,954	19,444	19,484	19,582	19,582	19,582	19,582	19,582	19,582	19,582	19,582
2006	27	2,805	25,782	28,873	31,998	32,106	33,069	33,235	33,235	33,235	33,235	33,235	33,235	33,235	33,235
2007	13	1,237	16,994	22,030	24,331	25,425	26,188	26,319	26,319	26,319	26,319	26,319	26,319	26,319	26,319
2008	20	2,421	14,358	20,658	22,518	23,531	24,237	24,358	24,358	24,358	24,358	24,358	24,358	24,358	24,358
2009	42	4,487	19,344	30,100	32,809	34,285	35,314	35,491	35,491	35,491	35,491	35,491	35,491	35,491	35,491
2010	29	1,306	25,953	37,179	40,525	42,349	43,619	43,837	43,837	43,837	43,837	43,837	43,837	43,837	43,837
2011	50	1,483	8,254	11,442	12,471	13,033	13,424	13,491	13,491	13,491	13,491	13,491	13,491	13,491	13,491

Paid Loss Trended Severity

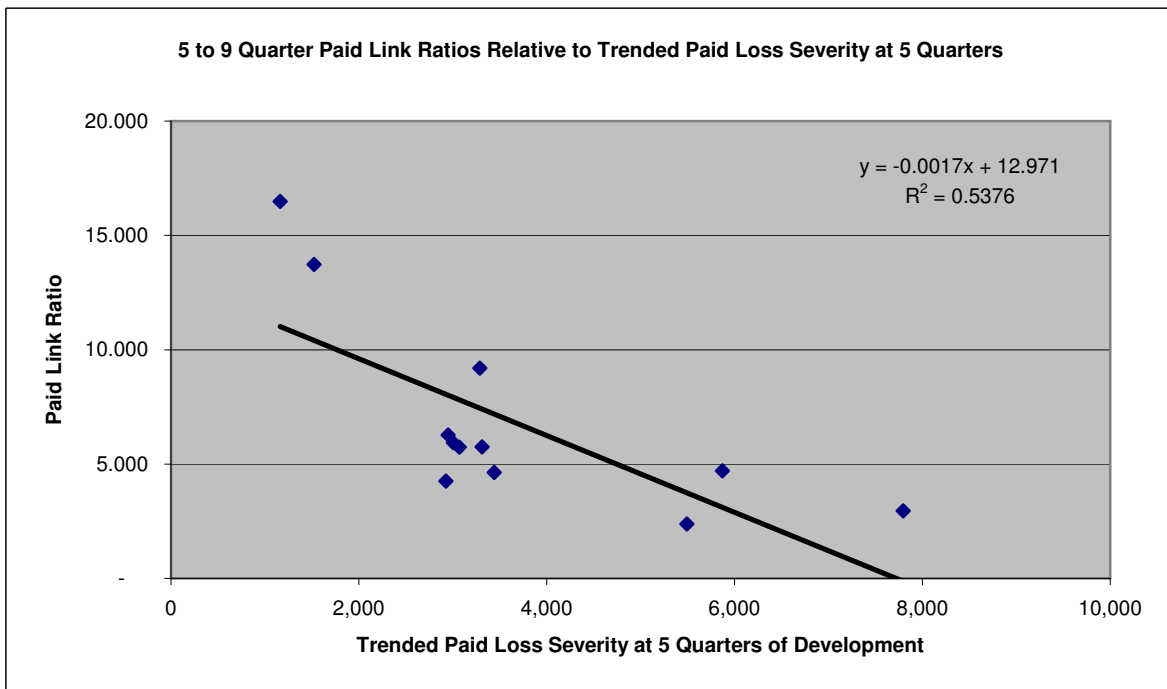
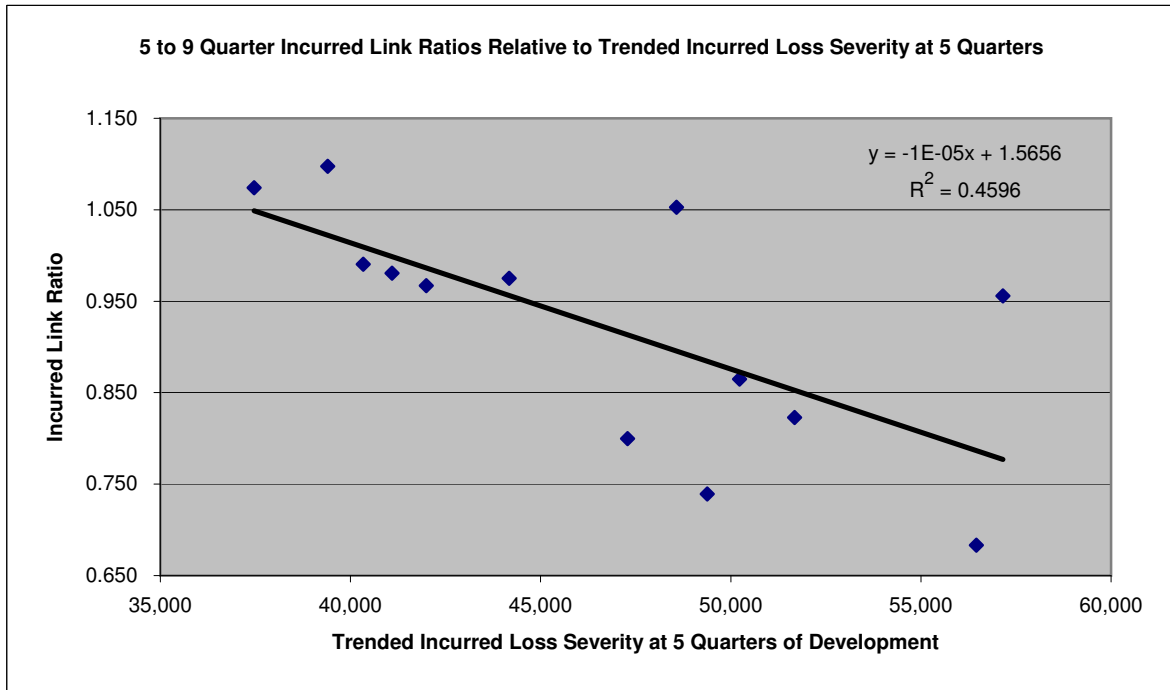
Report Year	Development Quarter															Report Year Ult Claims	Trend Factor
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	48	3,440	15,958	21,725	24,190	24,933	25,000	24,997	24,997	24,997	24,997	24,997	24,997	24,997	24,997	1,593	1.413
1998	144	5,491	13,043	19,431	21,721	24,282	25,930	25,930	25,930	25,930	25,930	25,930	25,933	25,933	25,933	1,537	1.379
1999	410	3,068	17,629	25,002	26,111	26,265	27,955	27,955	28,922	28,922	28,922	28,921	28,921	28,921	28,921	1,182	1.345
2000	109	1,162	19,159	27,176	28,068	29,571	29,960	29,960	29,960	29,997	29,997	29,997	29,997	29,997	29,997	1,072	1.312
2001	201	5,872	27,582	39,961	41,624	41,687	42,882	42,962	42,962	42,882	42,882	42,882	42,882	42,882	42,882	1,010	1.280
2002	0	7,796	23,061	29,209	30,029	31,186	32,333	32,430	32,430	32,430	32,430	32,430	32,430	32,430	32,430	971	1.249
2003	85	2,928	12,462	24,591	29,657	31,367	31,725	31,804	31,804	31,804	31,804	31,804	31,804	31,804	31,804	1,144	1.218
2004	-10	3,312	19,046	25,039	28,257	31,649	32,741	32,741	32,741	32,741	32,741	32,741	32,741	32,741	32,741	996	1.189
2005	-1	2,952	18,519	24,410	26,325	27,005	27,061	27,196	27,196	27,196	27,196	27,196	27,196	27,196	27,196	835	1.160
2006	126	3,289	30,228	33,852	37,516	37,643	38,772	38,966	38,966	38,966	38,966	38,966	38,966	38,966	38,966	965	1.131
2007	65	1,523	20,912	27,109	29,940	31,288	32,226	32,387	32,387	32,387	32,387	32,387	32,387	32,387	32,387	897	1.104
2008	99	3,007	17,833	25,660	27,969	29,228	30,104	30,255	30,255	30,255	30,255	30,255	30,255	30,255	30,255	867	1.077
2009	121	3,249	14,007	21,795	23,756	24,825	25,570	25,698	25,698	25,698	25,698	25,698	25,698	25,698	25,698	1,451	1.051
2010	78	873	17,348	24,852	27,088	28,307	29,157	29,302	29,302	29,302	29,302	29,302	29,302	29,302	29,302	1,533	1.025
2011	115	3,422	19,054	26,413	28,790	30,086	30,988	31,143	31,143	31,143	31,143	31,143	31,143	31,143	31,143	433	1.000

Least Squares Parameter Estimations

	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53
a=	3,462	16,764	8,978	3,045	3,776	455	-129	537	137	0	2	8	0
b=	-0.341	0.669	0.915	0.975	0.913	1.013	1.005	0.987	0.995	1.000	1.000	1.000	1.000
LS Use Indic	1	1	1	0	0	0	0	0	0	0	0	0	0
Link Ratio	30.000	5.750	1.375	1.090	1.045	1.030	1.005	1.000	1.000	1.000	1.000	1.000	1.000

Regression is of the form $y = a + bx$

The Doctors Company Relationship Between Link Ratio and Loss Amount Southern California



The Doctors Company
Southern California - Physician DCCE
Summary of Indications and Selections
Evaluated @ 3/31/2011
Redding Claims Excluded

California

Report Year	Ult. Claim	<i>Paid DCCE Development</i>			<i>Incurred DCCE Development</i>			<i>Trended Severity</i>		<i>Diagnostics</i>		<i>Ultimate Selections</i>			
		Paid DCCE	Least Square *	Selected LDF	Incurred DCCE	Least Square *	Selected LDF	Reserve Development	See Exhibit 8 *	Open Claims	Avg Resv On Open	Sel. Ult.	Implied LDF	Implied Ult. Sev.	Implied O/S Sev
1997	1,593	22,648		22,648	22,649		22,649	22,648		1	1,739	22,649	1.000	14,218	
1998	1,537	24,147		24,147	24,224		24,224	24,147		21	3,629	24,224	1.000	15,760	
1999	1,182	20,853		20,853	20,888		20,888	20,853		7	4,943	20,888	1.000	17,671	
2000	1,072	20,158		20,158	20,161		20,161	20,161		2	1,741	20,161	1.000	18,807	
2001	1,010	19,721		19,721	19,721		19,721	19,721		0	0	19,721	1.000	19,526	
2002	971	19,878		19,878	19,896		19,896	19,896		1	18,400	19,896	1.000	20,491	
2003	1,144	21,560		21,560	21,560		21,560	21,560		0	0	21,560	1.000	18,847	
2004	996	18,953		18,991	18,953		18,953	18,953		0	0	18,953	1.000	19,030	
2005	835	20,286		20,428	20,319		20,319	20,319		1	33,102	20,319	1.000	24,334	
2006	965	24,537		25,080	24,927		25,176	25,120		8	48,663	24,927	1.000	25,831	
2007	897	20,120		21,285	20,586		21,311	21,048		26	17,893	21,200	1.030	23,634	41,521
2008	867	24,280		27,355	25,668		27,503	26,723		67	20,717	27,400	1.067	31,603	46,566
2009	1,451	29,369		43,015	34,457		43,935	42,668		268	18,986	43,500	1.262	29,979	52,728
2010	1,533	11,766	45,392	43,944	25,398	49,221	53,110	55,074	47,536	936	14,564	53,000	2.087	34,563	44,054

* Multiply severity selection from Exhibit 8, Page 2 by ultimate claim counts.

Note: Excludes Hospitals and Facilities.

The Doctors Company
Paid Link Ratio Loss Development
Southern California (excluding Redding claims)
Paid DCCE

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	406	6,559	15,461	20,271	21,914	22,428	22,554	22,642	22,644	22,644	22,649	22,649	22,649	22,648	22,648
1998	379	6,494	16,601	22,055	23,408	23,972	24,126	24,144	24,148	24,147	24,147	24,149	24,147	24,147	24,147
1999	306	5,802	14,642	19,298	20,210	20,426	20,740	20,826	20,853	20,853	20,853	20,853	20,853	20,853	20,853
2000	203	5,179	13,665	18,457	19,546	19,767	20,065	20,092	20,118	20,158	20,159	20,158	20,158	20,158	20,158
2001	415	5,470	13,218	17,599	18,553	19,174	19,304	19,548	19,723	19,720	19,721	19,721	19,721	19,721	19,721
2002	308	6,541	14,244	17,502	18,814	19,382	19,772	19,838	19,847	19,878	19,878	19,878	19,878	19,878	19,878
2003	188	6,168	15,537	19,514	20,737	21,138	21,347	21,551	21,560	21,560	21,560	21,560	21,560	21,560	21,560
2004	224	5,729	13,355	16,617	17,847	18,369	18,913	18,953	18,991	18,991	18,991	18,991	18,991	18,991	18,991
2005	269	5,514	14,029	18,220	19,365	20,148	20,286	20,387	20,428	20,428	20,428	20,428	20,428	20,428	20,428
2006	224	6,784	17,291	22,292	23,657	24,537	24,905	25,030	25,080	25,080	25,080	25,080	25,080	25,080	25,080
2007	208	5,499	14,807	18,661	20,120	20,825	21,137	21,243	21,285	21,285	21,285	21,285	21,285	21,285	21,285
2008	140	7,271	18,176	24,280	25,858	26,763	27,165	27,301	27,355	27,355	27,355	27,355	27,355	27,355	27,355
2009	218	11,659	29,369	38,180	40,661	42,084	42,716	42,929	43,015	43,015	43,015	43,015	43,015	43,015	43,015
2010	329	11,766	30,003	39,004	41,539	42,993	43,638	43,856	43,944	43,944	43,944	43,944	43,944	43,944	43,944
2011	289	2,895	7,382	9,596	10,220	10,578	10,737	10,790	10,812	10,812	10,812	10,812	10,812	10,812	10,812

California
AGE:AGE FACTORS

Report Year	Development Interval														
	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57	
1997	16.158	2.357	1.311	1.081	1.023	1.006	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1998	17.131	2.556	1.329	1.061	1.024	1.006	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1999	18.970	2.523	1.318	1.047	1.011	1.015	1.004	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
2000	25.539	2.638	1.351	1.059	1.011	1.015	1.001	1.001	1.002	1.000	1.000	1.000	1.000	1.000	
2001	13.170	2.416	1.331	1.054	1.034	1.007	1.013	1.009	1.000	1.000	1.000	1.000	1.000	1.000	
2002	21.264	2.177	1.229	1.075	1.030	1.020	1.003	1.000	1.002	1.000	1.000	1.000	1.000	1.000	
2003	32.846	2.519	1.256	1.063	1.019	1.010	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2004	25.605	2.331	1.244	1.074	1.029	1.030	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2005	20.530	2.544	1.299	1.063	1.040	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2006	30.345	2.549	1.289	1.061	1.037	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2007	26.457	2.693	1.260	1.078	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2008	52.016	2.500	1.336	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2009	53.465	2.519	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2010	35.720	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Age-to-Age															
Avg	6.950	2.486	1.296	1.065	1.026	1.013	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
Avg5	9.900	2.561	1.286	1.068	1.031	1.015	1.006	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
Avg3	11.767	2.570	1.295	1.067	1.036	1.015	1.005	1.003	1.001	1.000	1.000	1.000	1.000	1.000	
Wtd	7.119	2.490	1.296	1.065	1.026	1.012	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
Wtd5	9.605	2.551	1.289	1.067	1.031	1.014	1.006	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
Wtd3	11.166	2.552	1.298	1.067	1.036	1.015	1.005	1.003	1.001	1.000	1.000	1.000	1.000	1.000	
Selected	10.000	2.550	1.300	1.065	1.035	1.015	1.005	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Age-to-Ultimate															
Avg	24.968	3.592	1.445	1.115	1.047	1.020	1.007	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
Avg5	36.748	3.712	1.449	1.127	1.056	1.024	1.009	1.003	1.001	1.000	1.000	1.000	1.000	1.000	
Avg3	44.386	3.772	1.467	1.133	1.062	1.025	1.009	1.004	1.001	1.000	1.000	1.000	1.000	1.000	
Wtd	25.580	3.593	1.443	1.114	1.046	1.019	1.007	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
Wtd5	35.568	3.703	1.452	1.127	1.056	1.023	1.009	1.003	1.001	1.000	1.000	1.000	1.000	1.000	
Wtd3	41.882	3.751	1.470	1.133	1.061	1.025	1.009	1.004	1.001	1.000	1.000	1.000	1.000	1.000	
Selected	37.349	3.735	1.465	1.127	1.058	1.022	1.007	1.002	1.000	1.000	1.000	1.000	1.000	1.000	

The Doctors Company
Severity Least Squares Incurred Loss Development
Southern California (excluding Redding claims)
Incurred DCCE

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	2,270	12,500	17,596	20,814	22,160	22,467	22,574	22,654	22,646	22,646	22,651	22,651	22,651	22,649	22,649
1998	2,817	12,021	18,760	22,894	23,736	24,184	24,206	24,223	24,227	24,227	24,227	24,228	24,227	24,224	24,224
1999	1,966	9,510	16,180	19,886	20,482	20,583	20,833	20,881	20,888	20,888	20,888	20,888	20,888	20,888	20,888
2000	1,167	8,860	15,256	18,990	19,757	19,879	19,879	20,148	20,107	20,132	20,170	20,167	20,161	20,161	20,161
2001	1,417	8,944	14,553	18,077	18,691	19,229	19,369	19,577	19,786	19,720	19,721	19,721	19,721	19,721	19,721
2002	1,454	10,336	15,746	18,079	19,191	19,522	19,864	19,879	19,856	19,896	19,896	19,896	19,896	19,896	19,896
2003	1,783	12,141	20,354	22,986	21,888	22,017	22,186	21,607	21,560	21,560	21,560	21,560	21,560	21,560	21,560
2004	2,249	11,948	16,388	17,525	18,663	18,903	19,039	18,953	18,953	18,953	18,953	18,953	18,953	18,953	18,953
2005	1,758	10,134	15,562	19,030	19,796	20,255	20,319	20,319	20,319	20,319	20,319	20,319	20,319	20,319	20,319
2006	2,079	11,808	19,488	23,285	24,003	24,927	25,176	25,176	25,176	25,176	25,176	25,176	25,176	25,176	25,176
2007	1,730	10,794	17,169	19,761	20,586	21,100	21,311	21,311	21,311	21,311	21,311	21,311	21,311	21,311	21,311
2008	1,985	12,475	21,128	25,668	26,567	27,231	27,503	27,503	27,503	27,503	27,503	27,503	27,503	27,503	27,503
2009	2,742	21,066	34,457	41,004	42,439	43,500	43,935	43,935	43,935	43,935	43,935	43,935	43,935	43,935	43,935
2010	3,605	25,398	38,603	45,937	47,545	48,734	49,221	49,221	49,221	49,221	49,221	49,221	49,221	49,221	49,221
2011	4,165	7,169	11,491	13,675	14,153	14,507	14,652	14,652	14,652	14,652	14,652	14,652	14,652	14,652	14,652

Incurred DCCE Trended Severity

Report Year	Development Quarter															Report Year Ult Claims	Trend Factor
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	12,890	17,741	24,974	29,541	31,451	31,887	32,038	32,152	32,141	32,141	32,148	32,148	32,148	32,146	32,146	1,593	2.261
1998	15,635	16,682	26,033	31,770	32,939	33,561	33,591	33,615	33,620	33,620	33,620	33,622	33,620	33,616	33,616	1,537	2.133
1999	13,390	16,190	27,544	33,854	34,868	35,039	35,465	35,547	35,558	35,558	35,558	35,558	35,558	35,558	35,558	1,182	2.012
2000	8,268	15,689	27,015	33,627	34,985	35,202	35,678	35,605	35,650	35,716	35,712	35,701	35,701	35,701	35,701	1,072	1.898
2001	10,048	15,859	25,805	32,052	33,141	34,095	34,344	34,712	35,083	34,966	34,968	34,968	34,968	34,968	34,968	1,010	1.791
2002	10,121	17,984	27,397	31,456	33,391	33,968	34,562	34,588	34,549	34,618	34,618	34,618	34,618	34,618	34,618	971	1.689
2003	9,936	16,915	28,358	32,025	30,495	30,675	30,910	30,104	30,039	30,039	30,039	30,039	30,039	30,039	30,039	1,144	1.594
2004	13,578	18,037	24,740	26,457	28,176	28,537	28,743	28,613	28,613	28,613	28,613	28,613	28,613	28,613	28,613	996	1.504
2005	11,943	17,216	26,437	32,329	33,629	34,410	34,518	34,518	34,518	34,518	34,518	34,518	34,518	34,518	34,518	835	1.419
2006	11,531	16,376	27,025	32,290	33,286	34,567	34,913	34,913	34,913	34,913	34,913	34,913	34,913	34,913	34,913	965	1.338
2007	9,741	15,192	24,165	27,812	28,973	29,697	29,994	29,994	29,994	29,994	29,994	29,994	29,994	29,994	29,994	897	1.262
2008	10,908	17,138	29,023	35,261	36,495	37,407	37,781	37,781	37,781	37,781	37,781	37,781	37,781	37,781	37,781	867	1.191
2009	8,492	16,313	26,682	31,752	32,863	33,685	34,022	34,022	34,022	34,022	34,022	34,022	34,022	34,022	34,022	1,451	1.124
2010	9,969	17,557	26,685	31,755	32,866	33,688	34,025	34,025	34,025	34,025	34,025	34,025	34,025	34,025	34,025	1,533	1.060
2011	9,614	16,549	26,527	31,568	32,673	33,489	33,824	33,824	33,824	33,824	33,824	33,824	33,824	33,824	33,824	433	1.000

Least Squares Parameter Estimations

	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53
a=	15,144	23,945	-6,676	4,515	-361	-713	-2,271	-903	-48	79	64	-3	42
b=	0.146	0.156	1.440	0.891	1.028	1.030	1.067	1.028	1.001	0.998	0.998	1.000	0.999
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0
Link Ratio	1.750	1.640	1.190	1.035	1.025	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Regression is of the form $y = a + bx$

The Doctors Company
Severity Least Squares Paid Loss Development
Southern California (excluding Redding claims)
Paid DCCE

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	406	6,559	15,461	20,271	21,914	22,428	22,554	22,642	22,644	22,644	22,649	22,649	22,649	22,648	22,648
1998	379	6,494	16,601	22,055	23,408	23,972	24,126	24,144	24,148	24,147	24,147	24,149	24,147	24,147	24,147
1999	306	5,802	14,642	19,298	20,210	20,426	20,740	20,826	20,853	20,853	20,853	20,853	20,853	20,853	20,853
2000	203	5,179	13,665	18,457	19,546	19,767	20,065	20,092	20,118	20,158	20,159	20,158	20,158	20,158	20,158
2001	415	5,470	13,218	17,599	18,553	19,174	19,304	19,548	19,723	19,720	19,721	19,721	19,721	19,721	19,721
2002	308	6,541	14,244	17,502	18,814	19,382	19,772	19,838	19,847	19,878	19,878	19,878	19,878	19,878	19,878
2003	188	6,168	15,537	19,514	20,737	21,138	21,347	21,551	21,560	21,560	21,560	21,560	21,560	21,560	21,560
2004	224	5,729	13,355	16,617	17,847	18,369	18,913	18,953	18,991	18,991	18,991	18,991	18,991	18,991	18,991
2005	269	5,514	14,029	18,220	19,365	20,148	20,286	20,387	20,428	20,428	20,428	20,428	20,428	20,428	20,428
2006	224	6,784	17,291	22,292	23,657	24,537	24,905	25,030	25,080	25,080	25,080	25,080	25,080	25,080	25,080
2007	208	5,499	14,807	18,661	20,120	20,825	21,137	21,243	21,285	21,285	21,285	21,285	21,285	21,285	21,285
2008	140	7,271	18,176	24,280	25,858	26,763	27,165	27,301	27,355	27,355	27,355	27,355	27,355	27,355	27,355
2009	218	11,659	29,369	38,180	40,661	42,084	42,716	42,929	43,015	43,015	43,015	43,015	43,015	43,015	43,015
2010	329	11,766	30,992	40,289	42,908	44,410	45,076	45,301	45,392	45,392	45,392	45,392	45,392	45,392	45,392
2011	289	3,770	9,630	12,520	13,333	13,800	14,007	14,077	14,105	14,105	14,105	14,105	14,105	14,105	14,105

Paid DCCE Trended Severity

Report Year	Development Quarter															Report Year Ult Claims	Trend Factor
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	2,304	9,309	21,943	28,770	31,102	31,831	32,010	32,135	32,138	32,138	32,145	32,145	32,145	32,143	32,143	1,593	2.261
1998	2,104	9,012	23,037	30,607	32,484	33,266	33,481	33,505	33,510	33,510	33,510	33,512	33,510	33,510	33,510	1,537	2.133
1999	2,083	9,878	24,927	32,853	34,405	34,773	35,307	35,454	35,499	35,499	35,499	35,499	35,499	35,499	35,499	1,182	2.012
2000	1,436	9,171	24,198	32,684	34,612	35,003	35,531	35,579	35,624	35,695	35,698	35,695	35,695	35,695	35,695	1,072	1.898
2001	2,946	9,699	23,437	31,205	32,896	33,998	34,229	34,661	34,972	34,966	34,968	34,968	34,968	34,968	34,968	1,010	1.791
2002	2,141	11,382	24,783	30,453	32,736	33,723	34,402	34,517	34,533	34,586	34,586	34,586	34,586	34,586	34,586	971	1.689
2003	1,047	8,594	21,647	27,188	28,891	29,450	29,742	30,026	30,039	30,039	30,039	30,039	30,039	30,039	30,039	1,144	1.594
2004	1,351	8,649	20,161	25,086	26,943	27,732	28,552	28,613	28,671	28,671	28,671	28,671	28,671	28,671	28,671	996	1.504
2005	1,825	9,367	23,833	30,953	32,897	34,228	34,462	34,634	34,703	34,703	34,703	34,703	34,703	34,703	34,703	835	1.419
2006	1,240	9,407	23,978	30,913	32,806	34,027	34,538	34,710	34,780	34,780	34,780	34,780	34,780	34,780	34,780	965	1.338
2007	1,170	7,740	20,840	26,265	28,318	29,310	29,749	29,898	29,958	29,958	29,958	29,958	29,958	29,958	29,958	897	1.262
2008	768	9,988	24,969	33,354	35,522	36,765	37,317	37,503	37,578	37,578	37,578	37,578	37,578	37,578	37,578	867	1.191
2009	675	9,028	22,742	29,565	31,487	32,589	33,077	33,243	33,309	33,309	33,309	33,309	33,309	33,309	33,309	1,451	1.124
2010	911	8,133	21,423	27,850	29,660	30,699	31,159	31,315	31,378	31,378	31,378	31,378	31,378	31,378	31,378	1,533	1.060
2011	668	8,703	22,232	28,901	30,780	31,857	32,335	32,497	32,562	32,562	32,562	32,562	32,562	32,562	32,562	433	1.000

Least Squares Parameter Estimations

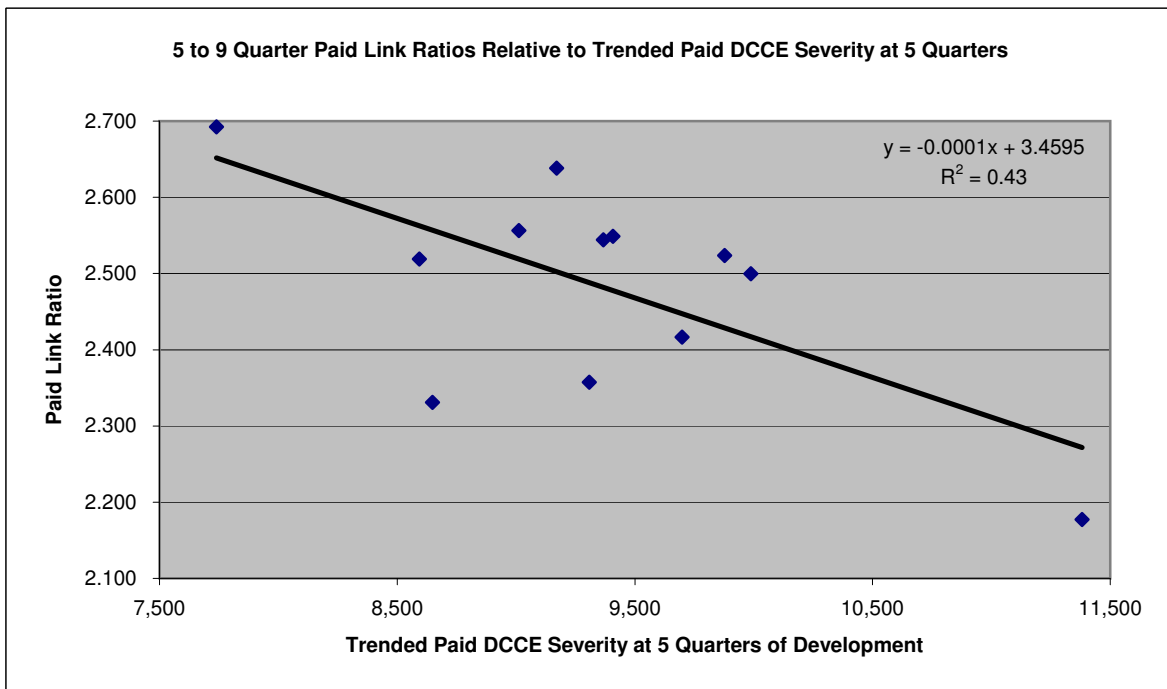
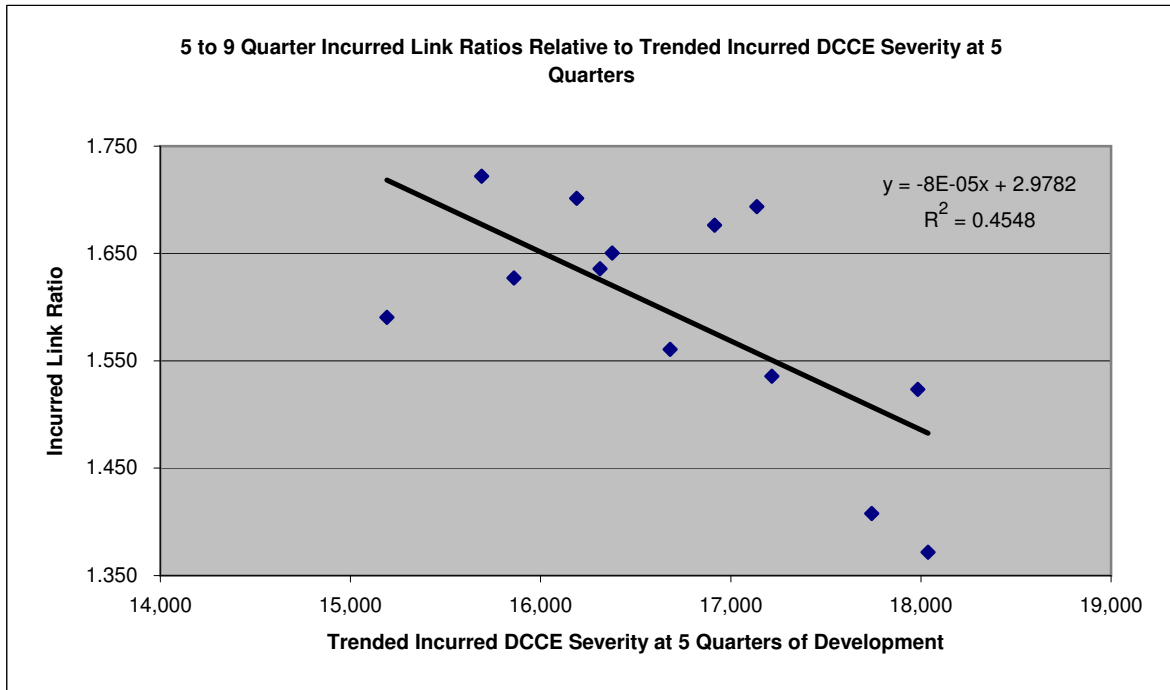
	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53
a=	8,306	9,876	-5,666	2,485	836	1,222	185	-533	-338	42	25	-3	-53
b=	0.594	1.420	1.542	0.981	1.000	0.975	0.999	1.018	1.010	0.999	0.999	1.000	1.002

LS Use Indic 1 1 0 0 0 0 0 0 0 0 0 0 0

Link Ratio 10.000 2.550 1.300 1.065 1.035 1.015 1.005 1.002 1.000 1.000 1.000 1.000 1.000 1.000

Regression is of the form $y = a + bx$

The Doctors Company Relationship Between Link Ratio and Loss Amount Southern California



The Doctors Company
Northern California - Physician Loss (Net of Deductibles)
Summary of Indications and Selections
Evaluated @ 3/31/2011
Redding Claims Excluded

<i>California</i>		<i>Paid Loss Development</i>			<i>Incurred Loss Development</i>			<i>Trended Severity</i>		<i>Diagnostics</i>		<i>Ultimate Selections</i>			
Report Year	Ult. Claim	Paid Loss	Least Square *	Selected LDF	Incurred Loss	Least Square *	Selected LDF	Reserve Development	See Exhibit 8 *	Open Claims	Avg Resv On Open	Sel. Ult.	Implied LDF	Implied Ult. Sev.	Implied O/S Sev
1997	504	9,775		9,775	9,775		9,775	9,775		0	0	9,775	1.000	19,394	
1998	457	16,949		16,949	16,949		16,949	16,949		0	0	16,949	1.000	37,087	
1999	406	11,891		11,891	11,891		11,891	11,891		0	0	11,891	1.000	29,288	
2000	394	8,211		8,211	8,211		8,211	8,211		0	0	8,211	1.000	20,840	
2001	406	9,709		9,709	9,709		9,709	9,709		0	0	9,709	1.000	23,914	
2002	480	13,686		13,686	13,686		13,686	13,686		0	0	13,686	1.000	28,513	
2003	378	9,760		9,760	9,760		9,760	9,760		0	0	9,760	1.000	25,821	
2004	289	7,001		7,071	7,001		7,001	7,001		0	0	7,001	1.000	24,224	
2005	346	8,177		8,424	8,407		8,407	8,407		2	115,000	8,407	1.000	24,297	
2006	296	5,919		6,280	5,919		5,859	5,919		0	0	5,919	1.000	19,995	
2007	342	6,197		6,971	7,707		7,440	7,261		8	188,750	7,350	0.954	21,491	144,070
2008	349	3,004		4,054	8,684		6,706	6,636		39	145,641	6,700	0.772	19,198	94,776
2009	431	5,663	12,614	12,612	18,158	9,692	8,974	11,305		104	120,144	11,250	0.620	26,102	53,720
2010	376	963	10,899	10,192	21,218	9,304	7,603	9,208	11,643	244	83,012	10,250	0.483	27,292	38,059

* Multiply severity selection from Exhibit 8, Page 1 by ultimate claim counts.

Note: Excludes Hospitals and Facilities.

The Doctors Company
Severity Least Squares Incurred Loss Development
Northern California (excluding Redding claims)
Unlimited Incurred Loss, Net of Paid Deductible Recoveries

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	2,568	23,416	18,038	11,539	11,346	10,960	10,110	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775
1998	6,553	26,773	15,230	11,820	14,975	15,894	15,894	16,394	16,948	16,948	16,948	16,948	16,949	16,949	16,949
1999	4,740	18,282	14,753	10,909	10,489	12,234	12,164	12,144	11,894	11,894	11,894	11,891	11,891	11,891	11,891
2000	5,671	20,580	17,128	10,928	9,153	8,491	8,341	8,221	8,211	8,211	8,211	8,211	8,211	8,211	8,211
2001	7,394	22,791	19,045	12,603	11,669	10,709	9,709	9,719	10,709	9,709	9,709	9,709	9,709	9,709	9,709
2002	7,792	25,976	22,060	17,543	15,880	15,106	13,682	13,681	13,681	13,686	13,686	13,686	13,686	13,686	13,686
2003	5,071	20,782	16,684	11,692	9,319	8,591	9,357	9,771	9,760	9,760	9,760	9,760	9,760	9,760	9,760
2004	7,995	20,524	12,686	8,660	7,633	8,053	7,008	7,001	7,001	7,001	7,001	7,001	7,001	7,001	7,001
2005	4,861	28,075	18,590	10,793	8,448	8,422	8,407	8,407	8,407	8,407	8,407	8,407	8,407	8,407	8,407
2006	6,861	20,978	12,154	7,270	6,069	5,919	5,859	5,859	5,859	5,859	5,859	5,859	5,859	5,859	5,859
2007	5,785	19,715	14,434	9,975	7,707	7,515	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440
2008	6,430	21,520	14,131	8,684	6,947	6,773	6,706	6,706	6,706	6,706	6,706	6,706	6,706	6,706	6,706
2009	6,660	23,256	18,158	12,551	10,041	9,790	9,692	9,692	9,692	9,692	9,692	9,692	9,692	9,692	9,692
2010	5,258	21,218	17,645	12,048	9,639	9,398	9,304	9,304	9,304	9,304	9,304	9,304	9,304	9,304	9,304
2011	6,910	7,641	5,748	3,901	3,120	3,042	3,012	3,012	3,012	3,012	3,012	3,012	3,012	3,012	3,012

Incurred Loss Trended Severity

Report Year	Development Quarter															Report Year Ult Claims	Trend Factor
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	28,797	65,646	50,570	32,350	31,808	30,726	28,342	27,403	27,403	27,403	27,403	27,403	27,403	27,403	27,403	504	1.413
1998	79,061	80,758	45,941	35,654	45,172	47,942	47,942	49,451	51,122	51,122	51,122	51,122	51,125	51,125	51,125	457	1.379
1999	62,806	60,560	48,870	36,135	34,744	40,527	40,295	40,229	39,401	39,401	39,401	39,389	39,389	39,389	39,389	406	1.345
2000	75,535	68,536	57,039	36,391	30,480	28,277	27,777	27,377	27,344	27,344	27,344	27,344	27,344	27,344	27,344	394	1.312
2001	93,246	71,857	60,049	39,735	36,792	33,765	30,612	30,644	33,765	30,612	30,612	30,612	30,612	30,612	30,612	406	1.280
2002	81,088	67,584	57,396	45,644	41,316	39,303	35,597	35,596	35,594	35,608	35,608	35,608	35,608	35,608	35,608	480	1.249
2003	65,381	66,988	53,776	37,688	30,037	27,690	30,162	31,496	31,461	31,461	31,461	31,461	31,461	31,461	31,461	378	1.218
2004	131,537	84,417	52,179	35,617	31,395	33,122	28,824	28,795	28,795	28,795	28,795	28,795	28,795	28,795	28,795	289	1.189
2005	65,171	94,099	62,309	36,174	28,314	28,227	28,177	28,177	28,177	28,177	28,177	28,177	28,177	28,177	28,177	346	1.160
2006	104,900	80,184	46,458	27,789	23,196	22,623	22,396	22,396	22,396	22,396	22,396	22,396	22,396	22,396	22,396	296	1.131
2007	74,685	63,632	46,586	32,195	24,876	24,254	24,012	24,012	24,012	24,012	24,012	24,012	24,012	24,012	24,012	342	1.104
2008	79,363	66,403	43,605	26,795	21,436	20,900	20,691	20,691	20,691	20,691	20,691	20,691	20,691	20,691	20,691	349	1.077
2009	64,934	56,690	44,263	30,594	24,475	23,863	23,625	23,625	23,625	23,625	23,625	23,625	23,625	23,625	23,625	431	1.051
2010	57,403	57,909	48,155	32,882	26,306	25,648	25,392	25,392	25,392	25,392	25,392	25,392	25,392	25,392	25,392	376	1.025
2011	60,585	66,992	50,394	34,198	27,359	26,675	26,408	26,408	26,408	26,408	26,408	26,408	26,408	26,408	26,408	114	1.000

Least Squares Parameter Estimations

	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53
a=	53,685	33,881	4,573	-2,375	-3,069	180	-2,048	-182	-1,097	0	0	-4	0
b=	0.220	0.246	0.588	0.972	1.089	0.956	1.066	1.021	1.016	1.000	1.000	1.000	1.000
LS Use Indic	1	1	1	0	0	0	0	0	0	0	0	0	0
Link Ratio	0.900	0.725	0.640	0.800	0.975	0.990	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Regression is of the form $y = a + bx$

The Doctors Company
Severity Least Squares Paid Loss Development
Northern California (excluding Redding claims)
Unlimited Paid Loss, Net of Paid Deductible Recoveries

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	-	1,143	3,674	8,441	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775
1998	-	275	3,445	6,390	13,015	14,894	14,894	15,948	16,948	16,948	16,948	16,948	16,949	16,949	16,949
1999	-	320	3,834	8,630	9,849	11,844	11,894	11,894	11,894	11,894	11,894	11,891	11,891	11,891	11,891
2000	-	1,332	4,568	5,943	7,368	8,181	8,181	8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211
2001	1	208	3,129	8,398	9,274	9,709	9,709	9,709	9,709	9,709	9,709	9,709	9,709	9,709	9,709
2002	-	1,722	7,944	11,273	13,385	13,686	13,682	13,681	13,681	13,686	13,686	13,686	13,686	13,686	13,686
2003	-	145	4,318	6,942	7,559	7,893	8,187	9,766	9,760	9,760	9,760	9,760	9,760	9,760	9,760
2004	-	483	3,824	4,740	5,903	6,023	7,008	7,001	7,071	7,071	7,071	7,071	7,071	7,071	7,071
2005	-	582	4,725	7,908	8,078	8,177	8,177	8,340	8,424	8,424	8,424	8,424	8,424	8,424	8,424
2006	-	193	2,735	5,170	5,919	6,096	6,218	6,280	6,280	6,280	6,280	6,280	6,280	6,280	6,280
2007	-	375	3,743	5,855	6,197	6,569	6,766	6,902	6,971	6,971	6,971	6,971	6,971	6,971	6,971
2008	-	1,751	2,309	3,004	3,604	3,821	3,935	4,014	4,054	4,054	4,054	4,054	4,054	4,054	4,054
2009	-	2,714	5,663	9,346	11,215	11,888	12,245	12,489	12,614	12,614	12,614	12,614	12,614	12,614	12,614
2010	6	963	4,747	8,075	9,690	10,272	10,580	10,792	10,899	10,899	10,899	10,899	10,899	10,899	10,899
2011	-	294	1,476	2,512	3,015	3,196	3,291	3,357	3,391	3,391	3,391	3,391	3,391	3,391	3,391

Paid Loss Trended Severity

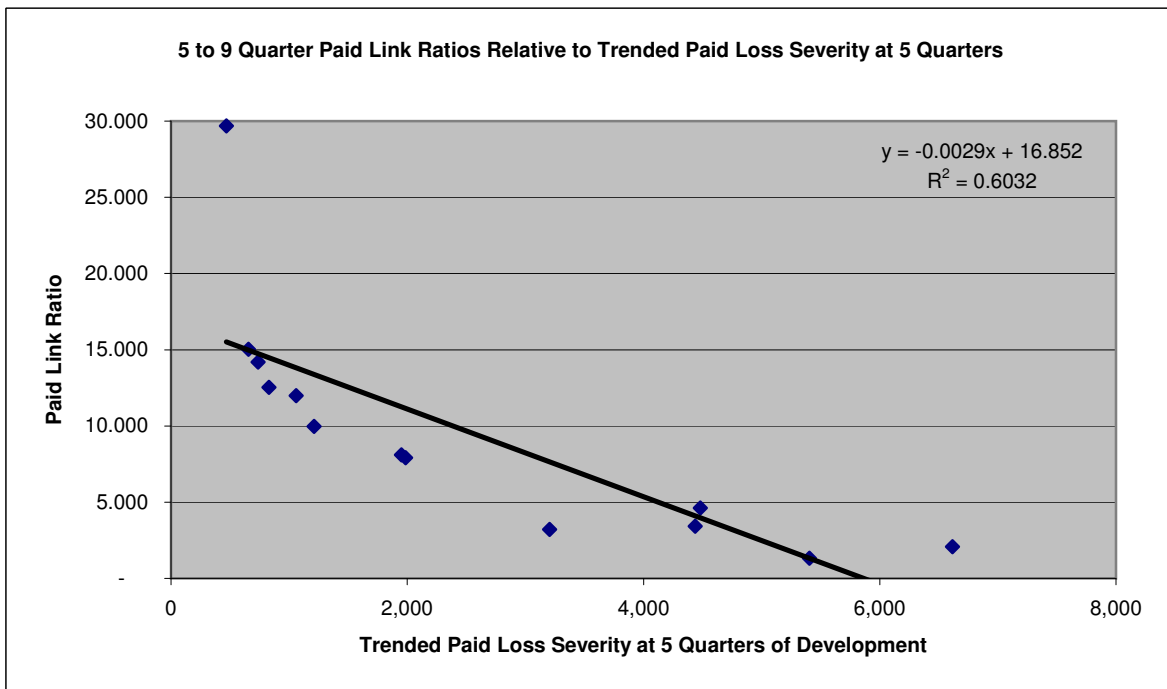
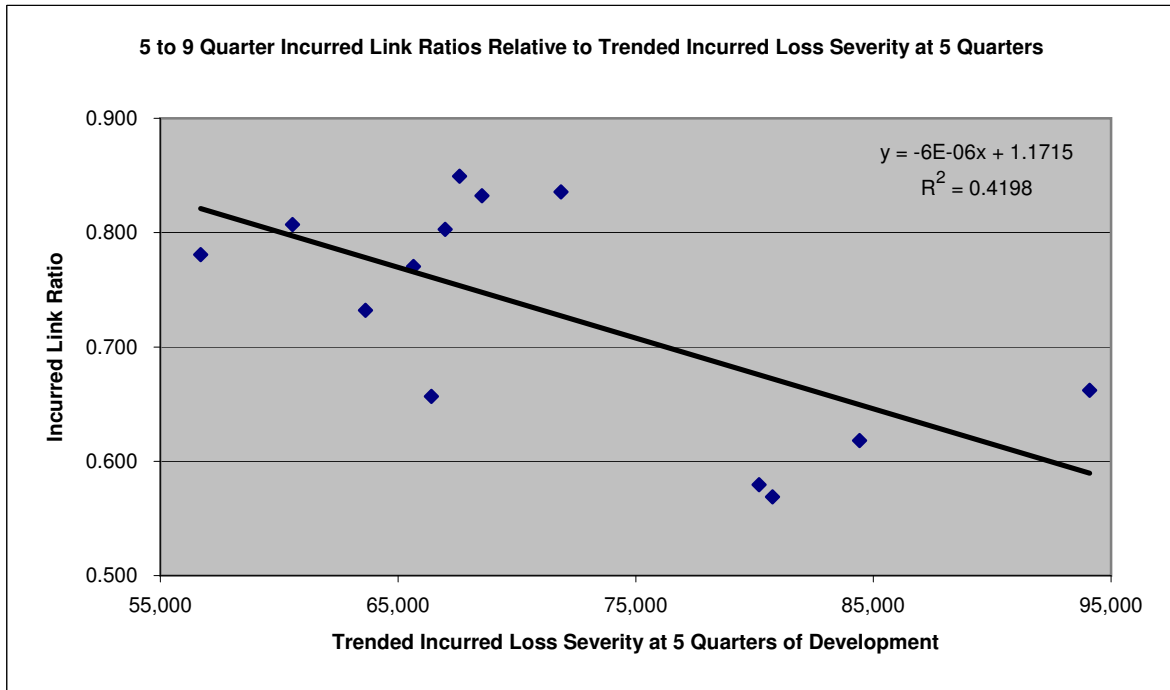
Report Year	Development Quarter															Report Year Ult Claims	Trend Factor	
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57			
1997	0	3,205	10,300	23,666	27,404	27,403	27,403	27,403	27,403	27,403	27,403	27,403	27,403	27,403	27,403	27,403	504	1.413
1998	0	830	10,392	19,275	39,260	44,926	44,926	48,106	51,122	51,122	51,122	51,122	51,125	51,125	51,125	51,125	457	1.379
1999	0	1,059	12,702	28,587	32,624	39,235	39,401	39,401	39,401	39,401	39,401	39,389	39,389	39,389	39,389	39,389	406	1.345
2000	0	4,437	15,213	19,790	24,535	27,244	27,244	27,344	27,344	27,344	27,344	27,344	27,344	27,344	27,344	27,344	394	1.312
2001	14	656	9,867	26,477	29,241	30,612	30,612	30,612	30,612	30,612	30,612	30,612	30,612	30,612	30,612	30,612	406	1.280
2002	0	4,481	20,669	29,330	34,824	35,608	35,597	35,596	35,594	35,608	35,608	35,608	35,608	35,608	35,608	35,608	480	1.249
2003	0	469	13,917	22,378	24,364	25,442	26,389	31,480	31,461	31,461	31,461	31,461	31,461	31,461	31,461	31,461	378	1.218
2004	0	1,987	15,729	19,494	24,280	24,773	28,824	28,795	29,083	29,083	29,083	29,083	29,083	29,083	29,083	29,083	289	1.189
2005	0	1,952	15,837	26,504	27,074	27,406	27,406	27,954	28,233	28,233	28,233	28,233	28,233	28,233	28,233	28,233	346	1.160
2006	0	737	10,453	19,762	22,623	22,623	23,301	23,767	24,005	24,005	24,005	24,005	24,005	24,005	24,005	24,005	296	1.131
2007	0	1,211	12,079	18,897	20,002	21,203	21,839	22,275	22,498	22,498	22,498	22,498	22,498	22,498	22,498	22,498	342	1.104
2008	0	5,404	7,126	9,268	11,122	11,789	12,143	12,386	12,510	12,510	12,510	12,510	12,510	12,510	12,510	12,510	349	1.077
2009	0	6,615	13,805	22,782	27,338	28,979	29,848	30,445	30,749	30,749	30,749	30,749	30,749	30,749	30,749	30,749	431	1.051
2010	63	2,630	12,956	22,039	26,447	28,034	28,875	29,452	29,747	29,747	29,747	29,747	29,747	29,747	29,747	29,747	376	1.025
2011	0	2,580	12,941	22,026	26,431	28,017	28,858	29,435	29,729	29,729	29,729	29,729	29,729	29,729	29,729	29,729	114	1.000

Least Squares Parameter Estimations

	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53
a=	2,580	12,172	10,697	12,749	-6,205	3,082	272	-3,835	2	0	0	-4	0
b=	-5.828	0.298	0.875	0.653	1.283	0.920	1.024	1.124	1.000	1.000	1.000	1.000	1.000
LS Use Indic	1	1	1	0	0	0	0	0	0	0	0	0	0
Link Ratio	375.000	4.750	1.650	1.200	1.060	1.030	1.020	1.010	1.000	1.000	1.000	1.000	1.000

Regression is of the form $y = a + bx$

The Doctors Company Relationship Between Link Ratio and Loss Amount Northern California



The Doctors Company
Northern California - Physician DCCE
Summary of Indications and Selections
Evaluated @ 3/31/2011
Redding Claims Excluded

California

Report Year	Ult. Claim	<i>Paid DCCE Development</i>			<i>Incurred DCCE Development</i>			<i>Trended Severity</i>		<i>Diagnostics</i>		<i>Ultimate Selections</i>			
		Paid DCCE	Least Square *	Selected LDF	Incurred DCCE	Least Square *	Selected LDF	Reserve Development	See Exhibit 8 *	Open Claims	Avg Resv On Open	Sel. Ult.	Implied LDF	Implied Ult. Sev.	Implied O/S Sev
1997	504	7,094		7,094	7,094		7,094	7,094		0	0	7,094	1.000	14,076	
1998	457	7,410		7,410	7,410		7,410	7,410		0	0	7,410	1.000	16,215	
1999	406	6,958		6,958	6,958		6,958	6,958		0	0	6,958	1.000	17,138	
2000	394	5,393		5,393	5,393		5,393	5,393		0	0	5,393	1.000	13,689	
2001	406	6,645		6,645	6,645		6,645	6,645		0	0	6,645	1.000	16,367	
2002	480	9,898		9,898	9,898		9,898	9,898		0	0	9,898	1.000	20,621	
2003	378	8,022		8,022	8,022		8,022	8,022		0	0	8,022	1.000	21,222	
2004	289	5,753		5,765	5,753		5,765	5,753		0	0	5,753	1.000	19,907	
2005	346	7,494		7,584	7,513		7,603	7,513		2	9,365	7,513	1.000	21,714	
2006	296	6,373	6,643	6,643	6,373	6,611	6,611	6,373		0	0	6,373	1.000	21,530	
2007	342	7,730		8,380	7,870		8,449	8,254		8	17,421	8,400	1.067	24,561	83,723
2008	349	8,385		10,227	8,990		10,473	10,916		39	15,514	10,500	1.168	30,086	54,224
2009	431	6,161		11,083	7,983		12,276	13,684		104	17,520	12,750	1.597	29,582	63,354
2010	376	2,351	11,454	12,689	5,065	11,838	13,629	13,337	11,643	244	11,121	13,250	2.616	35,280	44,667

* Multiply severity selection from Exhibit 8, Page 2 by ultimate claim counts.

Note: Excludes Hospitals and Facilities.

The Doctors Company
Incurred Link Ratio Loss Development
Northern California (excluding Redding claims)
Incurred DCCE

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	646	3,673	4,645	6,090	6,656	6,813	7,016	7,094	7,094	7,094	7,094	7,094	7,094	7,094	7,094
1998	650	3,261	4,939	6,261	6,912	7,258	7,328	7,379	7,400	7,404	7,409	7,410	7,410	7,410	7,410
1999	336	2,908	4,794	6,126	6,747	6,806	6,821	6,885	6,958	6,958	6,958	6,958	6,958	6,958	6,958
2000	589	2,494	3,658	4,595	5,084	5,320	5,378	5,397	5,393	5,393	5,393	5,393	5,393	5,393	5,393
2001	499	2,655	4,797	5,701	6,428	6,590	6,636	6,646	6,668	6,645	6,645	6,645	6,645	6,645	6,645
2002	570	3,296	5,863	8,139	9,067	9,571	9,856	9,898	9,898	9,898	9,898	9,898	9,898	9,898	9,898
2003	473	2,761	5,026	6,294	6,910	7,275	7,832	8,017	8,022	8,022	8,022	8,022	8,022	8,022	8,022
2004	416	2,347	3,916	4,996	5,419	5,674	5,750	5,753	5,765	5,765	5,765	5,765	5,765	5,765	5,765
2005	314	2,971	5,110	6,691	7,388	7,484	7,513	7,588	7,603	7,603	7,603	7,603	7,603	7,603	7,603
2006	498	2,603	4,679	5,925	6,311	6,373	6,532	6,597	6,611	6,611	6,611	6,611	6,611	6,611	6,611
2007	423	2,781	5,546	7,275	7,870	8,145	8,349	8,432	8,449	8,449	8,449	8,449	8,449	8,449	8,449
2008	423	3,814	6,554	8,990	9,754	10,096	10,348	10,452	10,473	10,473	10,473	10,473	10,473	10,473	10,473
2009	599	4,840	7,983	10,538	11,434	11,834	12,130	12,251	12,276	12,276	12,276	12,276	12,276	12,276	12,276
2010	667	5,065	8,863	11,700	12,694	13,138	13,467	13,601	13,629	13,629	13,629	13,629	13,629	13,629	13,629
2011	1,059	2,118	3,707	4,893	5,309	5,495	5,632	5,688	5,700	5,700	5,700	5,700	5,700	5,700	5,700

California

AGE:AGE FACTORS

Report Year	Development Interval														
	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57	
1997	5.683	1.265	1.311	1.093	1.024	1.030	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1998	5.014	1.514	1.268	1.104	1.050	1.010	1.007	1.003	1.000	1.001	1.000	1.000	1.000	1.000	
1999	8.644	1.649	1.278	1.101	1.009	1.002	1.010	1.010	1.000	1.000	1.000	1.000	1.000	1.000	
2000	4.234	1.467	1.256	1.107	1.046	1.011	1.003	0.999	1.000	1.000	1.000	1.000	1.000	1.000	
2001	5.325	1.806	1.189	1.127	1.025	1.007	1.002	1.003	0.997	1.000	1.000	1.000	1.000	1.000	
2002	5.779	1.779	1.388	1.114	1.056	1.030	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2003	5.841	1.820	1.252	1.098	1.053	1.077	1.024	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
2004	5.642	1.668	1.276	1.085	1.047	1.013	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2005	9.460	1.720	1.309	1.104	1.013	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2006	5.226	1.798	1.266	1.065	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2007	6.578	1.994	1.312	1.082	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2008	9.011	1.719	1.372	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2009	8.075	1.650	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2010	7.595	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Age-to-Age															
Avg	1.645	1.681	1.290	1.098	1.033	1.020	1.008	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Avg5	1.824	1.776	1.307	1.087	1.036	1.026	1.007	1.003	0.999	1.000	1.000	1.000	1.000	1.000	
Avg3	2.057	1.787	1.317	1.084	1.023	1.031	1.009	1.001	0.999	1.000	1.000	1.000	1.000	1.000	
Wtd	1.628	1.731	1.294	1.098	1.033	1.021	1.008	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd5	1.830	1.756	1.313	1.087	1.037	1.027	1.007	1.003	0.999	1.000	1.000	1.000	1.000	1.000	
Wtd3	2.030	1.756	1.322	1.084	1.022	1.032	1.010	1.001	0.999	1.000	1.000	1.000	1.000	1.000	
Selected	2.000	1.750	1.320	1.085	1.035	1.025	1.010	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Age-to-Ultimate															
Avg	4.168	2.534	1.508	1.169	1.064	1.030	1.010	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Avg5	4.935	2.705	1.523	1.165	1.072	1.035	1.009	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Avg3	5.589	2.717	1.520	1.155	1.065	1.041	1.010	1.000	0.999	1.000	1.000	1.000	1.000	1.000	
Wtd	4.268	2.622	1.515	1.171	1.066	1.032	1.010	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd5	4.929	2.694	1.534	1.169	1.075	1.037	1.010	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd3	5.446	2.683	1.527	1.155	1.065	1.043	1.010	1.000	0.999	1.000	1.000	1.000	1.000	1.000	
Selected	5.382	2.691	1.538	1.165	1.074	1.037	1.012	1.002	1.000	1.000	1.000	1.000	1.000	1.000	

The Doctors Company
Severity Least Squares Incurred Loss Development
Northern California (excluding Redding claims)
Incurred DCCE

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	646	3,673	4,645	6,090	6,656	6,813	7,016	7,094	7,094	7,094	7,094	7,094	7,094	7,094	7,094
1998	650	3,261	4,939	6,261	6,912	7,258	7,328	7,379	7,400	7,404	7,409	7,410	7,410	7,410	7,410
1999	336	2,908	4,794	6,126	6,747	6,806	6,821	6,885	6,958	6,958	6,958	6,958	6,958	6,958	6,958
2000	589	2,494	3,658	4,595	5,084	5,320	5,378	5,397	5,393	5,393	5,393	5,393	5,393	5,393	5,393
2001	499	2,655	4,797	5,701	6,428	6,590	6,636	6,646	6,668	6,645	6,645	6,645	6,645	6,645	6,645
2002	570	3,296	5,863	8,139	9,067	9,571	9,856	9,898	9,898	9,898	9,898	9,898	9,898	9,898	9,898
2003	473	2,761	5,026	6,294	6,910	7,275	7,832	8,017	8,022	8,022	8,022	8,022	8,022	8,022	8,022
2004	416	2,347	3,916	4,996	5,419	5,674	5,750	5,753	5,765	5,765	5,765	5,765	5,765	5,765	5,765
2005	314	2,971	5,110	6,691	7,388	7,484	7,513	7,588	7,603	7,603	7,603	7,603	7,603	7,603	7,603
2006	498	2,603	4,679	5,925	6,311	6,373	6,532	6,597	6,611	6,611	6,611	6,611	6,611	6,611	6,611
2007	423	2,781	5,546	7,275	7,870	8,145	8,349	8,432	8,449	8,449	8,449	8,449	8,449	8,449	8,449
2008	423	3,814	6,554	8,990	9,754	10,096	10,348	10,452	10,473	10,473	10,473	10,473	10,473	10,473	10,473
2009	599	4,840	7,983	10,538	11,434	11,834	12,130	12,251	12,276	12,276	12,276	12,276	12,276	12,276	12,276
2010	667	5,065	7,699	10,162	11,026	11,412	11,697	11,814	11,838	11,838	11,838	11,838	11,838	11,838	11,838
2011	1,059	1,502	2,428	3,205	3,478	3,600	3,690	3,726	3,734	3,734	3,734	3,734	3,734	3,734	3,734

Incurred DCCE Trended Severity

Report Year	Development Quarter															Report Year Ult Claims	Trend Factor
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	11,598	16,478	20,839	27,319	29,856	30,563	31,473	31,825	31,825	31,825	31,825	31,825	31,825	31,825	31,825	504	2.261
1998	12,143	15,221	23,052	29,222	32,261	33,873	34,201	34,439	34,539	34,555	34,581	34,585	34,585	34,585	34,585	457	2.133
1999	6,668	14,411	23,762	30,362	33,439	33,731	33,804	34,125	34,483	34,483	34,486	34,486	34,486	34,486	34,486	406	2.012
2000	11,351	12,016	17,624	22,138	24,497	25,633	25,912	26,000	25,986	25,986	25,986	25,986	25,986	25,986	25,986	394	1.898
2001	8,799	11,713	21,158	25,148	28,354	29,068	29,270	29,317	29,411	29,312	29,312	29,312	29,312	29,312	29,312	406	1.791
2002	8,031	11,602	20,638	28,646	31,913	33,689	34,691	34,839	34,839	34,839	34,839	34,839	34,839	34,839	34,839	480	1.689
2003	7,973	11,644	21,190	26,539	29,136	30,676	33,025	33,805	33,825	33,825	33,825	33,825	33,825	33,825	33,825	378	1.594
2004	8,658	12,211	20,373	25,994	28,193	29,523	29,915	29,933	29,993	29,993	29,993	29,993	29,993	29,993	29,993	289	1.504
2005	5,149	12,179	20,951	27,430	30,291	30,681	30,802	31,110	31,172	31,172	31,172	31,172	31,172	31,172	31,172	346	1.419
2006	9,006	11,766	21,155	26,786	28,534	28,811	29,532	29,827	29,887	29,887	29,887	29,887	29,887	29,887	29,887	296	1.338
2007	6,244	10,267	20,472	26,856	29,050	30,067	30,819	31,127	31,189	31,189	31,189	31,189	31,189	31,189	31,189	342	1.262
2008	5,777	13,015	22,367	30,681	33,289	34,454	35,315	35,668	35,739	35,739	35,739	35,739	35,739	35,739	35,739	349	1.191
2009	6,250	12,616	20,812	27,472	29,807	30,850	31,622	31,938	32,002	32,002	32,002	32,002	32,002	32,002	32,002	431	1.124
2010	7,529	14,295	21,728	28,681	31,119	32,208	33,014	33,344	33,410	33,410	33,410	33,410	33,410	33,410	33,410	376	1.060
2011	9,286	13,173	21,290	28,103	30,492	31,559	32,348	32,672	32,737	32,737	32,737	32,737	32,737	32,737	32,737	114	1.000

Least Squares Parameter Estimations

	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53
a=	10.050	16,150	-986	102	1,011	9	-904	-339	-156	-51	-6	0	0
b=	0.336	0.390	1.337	1.094	0.999	1.020	1.037	1.013	1.004	1.002	1.000	1.000	1.000
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0
Link Ratio	2.000	1.750	1.320	1.085	1.035	1.025	1.010	1.002	1.000	1.000	1.000	1.000	1.000

Regression is of the form $y = a + bx$

The Doctors Company
Severity Least Squares Paid Loss Development
Northern California (excluding Redding claims)
Paid DCCE

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	123	1,521	3,738	5,767	6,420	6,684	7,005	7,094	7,094	7,094	7,094	7,094	7,094	7,094	7,094
1998	96	1,551	4,101	5,740	6,785	7,247	7,322	7,364	7,400	7,403	7,409	7,410	7,410	7,410	7,410
1999	30	1,232	3,741	5,847	6,647	6,745	6,807	6,881	6,958	6,958	6,958	6,958	6,958	6,958	6,958
2000	53	1,189	3,164	4,412	4,955	5,302	5,362	5,393	5,393	5,393	5,393	5,393	5,393	5,393	5,393
2001	36	1,219	3,934	5,435	6,257	6,538	6,636	6,637	6,642	6,645	6,645	6,645	6,645	6,645	6,645
2002	75	1,775	5,008	7,754	8,883	9,480	9,856	9,898	9,898	9,898	9,898	9,898	9,898	9,898	9,898
2003	61	1,516	4,215	5,989	6,765	7,170	7,766	8,014	8,022	8,022	8,022	8,022	8,022	8,022	8,022
2004	19	1,215	3,434	4,840	5,336	5,594	5,750	5,753	5,765	5,765	5,765	5,765	5,765	5,765	5,765
2005	8	1,653	4,434	6,328	7,277	7,417	7,494	7,569	7,584	7,584	7,584	7,584	7,584	7,584	7,584
2006	23	1,471	4,019	5,792	6,302	6,373	6,564	6,630	6,643	6,643	6,643	6,643	6,643	6,643	6,643
2007	31	1,432	4,721	6,839	7,730	8,039	8,281	8,363	8,380	8,380	8,380	8,380	8,380	8,380	8,380
2008	17	1,775	5,383	8,385	9,433	9,811	10,105	10,206	10,227	10,227	10,227	10,227	10,227	10,227	10,227
2009	20	2,206	6,161	9,088	10,224	10,633	10,952	11,061	11,083	11,083	11,083	11,083	11,083	11,083	11,083
2010	28	2,351	6,367	9,392	10,566	10,988	11,318	11,431	11,454	11,454	11,454	11,454	11,454	11,454	11,454
2011	22	688	1,986	2,929	3,295	3,427	3,530	3,565	3,572	3,572	3,572	3,572	3,572	3,572	3,572

Paid DCCE Trended Severity

Report Year	Development Quarter															Report Year Ult Claims	Trend Factor
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	2,203	6,821	16,769	25,869	28,798	29,983	31,422	31,825	31,825	31,825	31,825	31,825	31,825	31,825	31,825	504	2.261
1998	1,798	7,238	19,142	26,792	31,669	33,823	34,175	34,371	34,539	34,552	34,581	34,585	34,585	34,585	34,585	457	2.133
1999	589	6,108	18,539	28,979	32,944	33,427	33,736	34,105	34,483	34,483	34,486	34,486	34,486	34,486	34,486	406	2.012
2000	1,028	5,730	15,244	21,258	23,871	25,546	25,836	25,985	25,986	25,986	25,986	25,986	25,986	25,986	25,986	394	1.898
2001	632	5,375	17,351	23,975	27,598	28,839	29,270	29,274	29,297	29,312	29,312	29,312	29,312	29,312	29,312	406	1.791
2002	1,061	6,247	17,629	27,292	31,265	33,368	34,691	34,839	34,839	34,839	34,839	34,839	34,839	34,839	34,839	480	1.689
2003	1,036	6,391	17,775	25,251	28,523	30,231	32,744	33,793	33,825	33,825	33,825	33,825	33,825	33,825	33,825	378	1.594
2004	397	6,322	17,865	25,184	27,761	29,104	29,915	29,933	29,993	29,993	29,993	29,993	29,993	29,993	29,993	289	1.504
2005	132	6,777	18,178	25,941	29,833	30,407	30,725	31,032	31,094	31,094	31,094	31,094	31,094	31,094	31,094	346	1.419
2006	410	6,649	18,171	26,184	28,492	28,811	29,676	29,973	30,033	30,033	30,033	30,033	30,033	30,033	30,033	296	1.338
2007	453	5,287	17,427	25,246	28,536	29,677	30,567	30,873	30,935	30,935	30,935	30,935	30,935	30,935	30,935	342	1.262
2008	236	6,059	18,370	28,616	32,193	33,481	34,485	34,830	34,900	34,900	34,900	34,900	34,900	34,900	34,900	349	1.191
2009	210	5,750	16,062	23,691	26,653	27,719	28,551	28,836	28,894	28,894	28,894	28,894	28,894	28,894	28,894	431	1.124
2010	313	6,636	17,971	26,507	29,820	31,013	31,944	32,263	32,328	32,328	32,328	32,328	32,328	32,328	32,328	376	1.060
2011	195	6,031	17,412	25,682	28,892	30,048	30,949	31,259	31,321	31,321	31,321	31,321	31,321	31,321	31,321	114	1.000

Least Squares Parameter Estimations

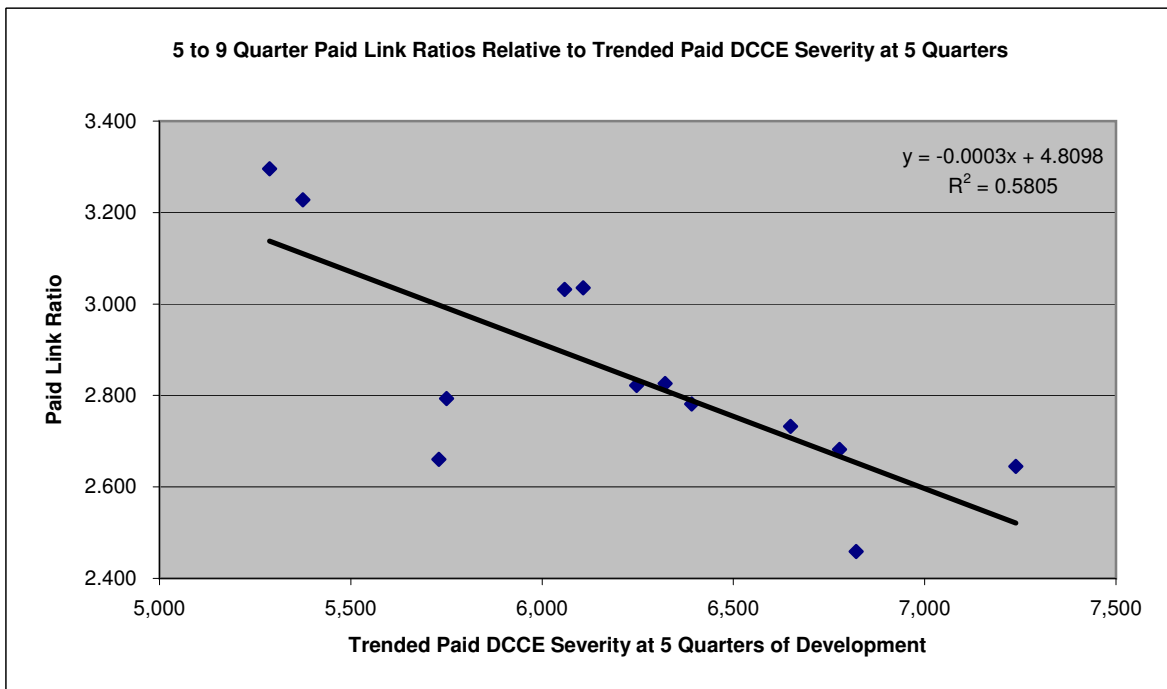
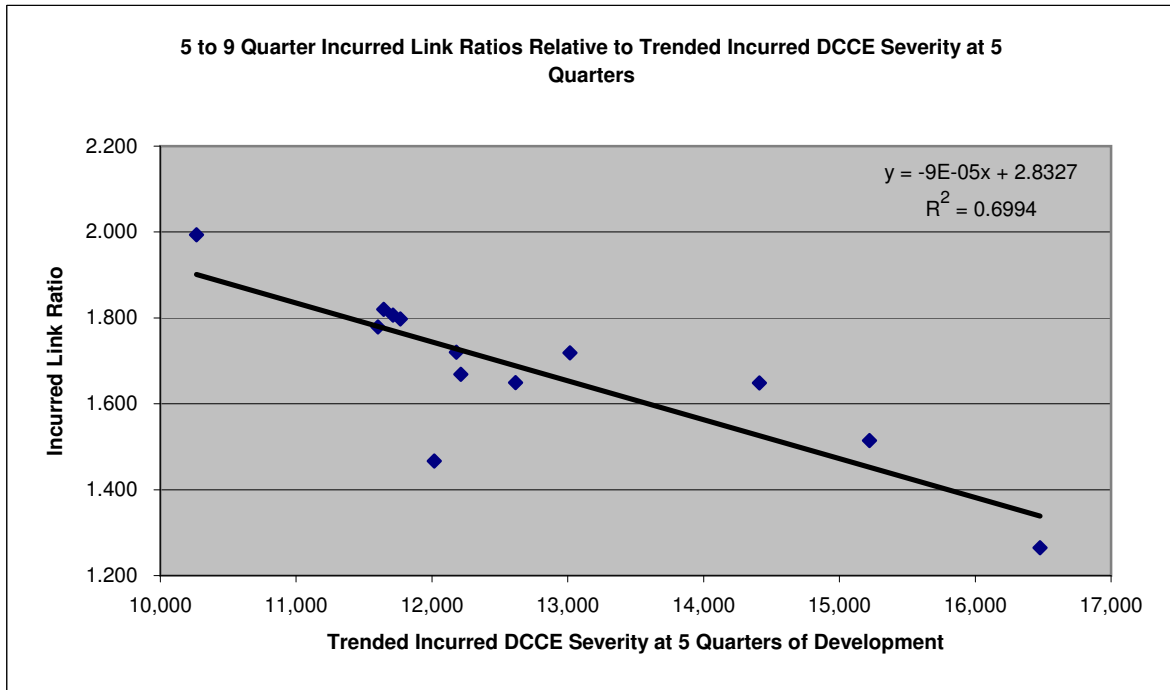
	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53
a=	5,957	11,835	-3,356	-1,669	1,911	368	-836	-492	5	-55	-6	0	0
b=	0.380	0.925	1.651	1.197	0.978	1.016	1.036	1.018	1.000	1.002	1.000	1.000	1.000
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0
Link Ratio	12.000	3.000	1.475	1.125	1.040	1.030	1.010	1.002	1.000	1.000	1.000	1.000	1.000

Regression is of the form $y = a + bx$

The Doctors Company

Relationship Between Link Ratio and Loss Amount

Northern California



The Doctors Company
Incurred Loss & DCCE Adjusted for DD&R Load

Report Year	(1)	(2)	(3) = (1) + (2)	(4)	(5) = (1) x (4)	(6) = (2) x (4)	(7) = (5) + (6)
	Incurred Loss	Incurred DCCE	Incurred Loss & DCCE	DD&R Factor	Adjusted Incurred Loss	Adjusted Incurred DCCE	Adjusted Incurred Loss & DCCE
2008	40,733	34,658	75,392	1.037	42,250	35,949	78,198
2009	73,735	42,440	116,175	1.037	76,480	44,021	120,500
2010	73,781	30,465	104,246	1.037	76,528	31,599	108,127

The Doctors Company California DD&R Load Calculation

(1)	3/31/2011 In-Force Eligible Written Premium :	\$183,934,119
(2)	3/31/2011 FTE Physicians :	18,238
(3)	Average Claims-Made Premium :	\$10,085
(4)	DD&R Pure Premium :	\$19,780
(5)	DD&R Premium Payment :	\$266
(6)	Indicated DD&R Load to Premium :	2.6%
(7)	Loss Ratio Underlying Current Rates :	70.78%
(8)	Indicated DD&R Load to Loss :	3.7%

Notes:

- (1) Excludes Entity, non FTE physician, APA, Occurrence, Slot, and Auxiliary physician premium - California only.
- (2) Excludes non FTE physician, APA, Occurrence, Slot, and Auxiliary physician counts. From 1Q11 Reserve Analysis - California only.
- (3) = (1) / (2)
- (4) From 1Q11 Reserve Analysis - California only.
- (5): Assumes 4.0% annual long-term pure premium trend and 4.0% discount rate. See Exhibit 7a, Page 6.3.
- (6) = (5) / (3)
- (7) From Ratemaking Template
- (8) = (6) / (7)

SCPIE Indemnity Company & American Healthcare Indemnity Company
Physician Loss (Net of Deductibles)
Summary of Indications and Selections
Evaluated @ 3/31/2011

<i>California</i>														
Report Year	Ult. Claim	<i>Paid Loss Development</i>			<i>Incurred Loss Development</i>			Reserve Development	<i>Diagnostics</i>		<i>Ultimate Selections</i>			
		Paid Loss	Least Square *	Selected LDF	Incurred Loss	Least Square *	Selected LDF		Open Claims	Avg Resv On Open	Sel. Ult.	Implied LDF	Implied Ult. Sev.	Implied O/S Sev
1997	1,108	49,991		49,991	49,991		49,991	49,991	0	0	49,991	1.000	45,118	
1998	1,773	62,000		62,000	62,000		62,000	62,000	0	0	62,000	1.000	34,969	
1999	1,930	57,407		57,407	57,407		57,407	57,407	0	0	57,407	1.000	29,745	
2000	1,928	52,766		52,766	52,766		52,766	52,766	0	0	52,766	1.000	27,368	
2001	1,874	44,049		44,049	44,049		44,049	44,049	0	0	44,049	1.000	23,505	
2002	1,702	39,750		39,750	39,750		39,750	39,750	0	0	39,750	1.000	23,355	
2003	1,604	40,139		40,139	40,329		40,329	40,329	2	95,000	40,329	1.000	25,143	
2004	1,239	26,956		27,091	27,076		27,076	27,076	2	60,060	27,076	1.000	21,853	
2005	967	32,846		33,175	33,046		33,046	33,046	2	100,000	33,046	1.000	34,173	
2006	896	21,105		21,637	26,135		26,005	24,450	12	419,167	26,135	1.000	29,169	
2007	860	28,093		29,520	32,604		32,117	31,479	23	196,130	32,000	0.981	37,209	169,866
2008	838	14,764		17,066	25,065		23,826	22,279	59	174,580	23,000	0.918	27,446	139,586
2009	125	1,004		1,741	4,794		4,398	4,150	27	140,370	4,250	0.887	33,995	120,222
2010	58	353	1,841	2,693	2,118	2,661	2,866	2,952	36	49,028	2,800	1.322	48,515	67,973

Note: Excludes Hospitals and Facilities.

SCPIE Indemnity Company & American Healthcare Indemnity Company
Severity Least Squares Incurred Loss Development
California
Unlimited Incurred Loss, Net of Paid Deductible Recoveries

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	805	27,952	50,734	52,211	51,812	49,858	49,911	49,833	49,978	49,993	49,993	49,994	49,991	49,991	49,991
1998	1,200	38,357	62,827	63,866	61,172	61,449	60,884	61,210	61,307	62,000	62,000	62,000	62,000	62,000	62,000
1999	1,377	31,532	56,415	55,996	54,960	58,213	57,407	57,417	57,407	57,407	57,407	57,407	57,407	57,407	57,407
2000	3,445	40,849	51,793	55,685	53,183	53,309	53,004	53,346	52,771	52,766	52,766	52,766	52,766	52,766	52,766
2001	2,497	29,999	50,793	49,613	45,719	45,174	44,749	44,049	44,049	44,049	44,049	44,049	44,049	44,049	44,049
2002	1,886	33,242	46,408	42,407	40,807	40,645	40,000	40,035	39,845	39,750	39,750	39,750	39,750	39,750	39,750
2003	1,939	28,875	46,587	41,666	40,909	41,516	40,409	40,409	40,329	40,329	40,329	40,329	40,329	40,329	40,329
2004	1,726	21,298	35,711	29,425	28,579	27,776	27,551	27,076	27,076	27,076	27,076	27,076	27,076	27,076	27,076
2005	1,117	26,208	37,822	35,561	34,529	34,746	33,046	33,046	33,046	33,046	33,046	33,046	33,046	33,046	33,046
2006	904	21,530	25,557	27,224	27,674	26,135	26,005	26,005	26,005	26,005	26,005	26,005	26,005	26,005	26,005
2007	901	21,345	39,266	35,488	32,604	32,278	32,117	32,117	32,117	32,117	32,117	32,117	32,117	32,117	32,117
2008	905	24,102	25,870	25,065	24,187	23,946	23,826	23,826	23,826	23,826	23,826	23,826	23,826	23,826	23,826
2009	355	4,204	4,794	4,626	4,464	4,420	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398
2010	390	2,118	2,901	2,799	2,701	2,674	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661
2011	345	470	646	623	601	595	592	592	592	592	592	592	592	592	592

Incurred Loss Trended Severity

Report Year	Development Quarter															Report Year Ult Claims	Trend Factor
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	4,264	36,990	67,139	69,094	68,566	65,981	66,051	65,947	66,139	66,159	66,159	66,161	66,156	66,156	66,156	1,108	1.466
1998	3,871	30,948	50,692	51,529	49,356	49,580	49,124	49,386	49,465	50,024	50,024	50,024	50,024	50,024	50,024	1,773	1.431
1999	3,982	22,801	40,796	40,492	39,743	42,095	41,513	41,520	41,513	41,513	41,513	41,513	41,513	41,513	41,513	1,930	1.396
2000	9,731	28,849	36,577	39,326	37,559	37,648	37,433	37,674	37,268	37,264	37,264	37,264	37,264	37,264	37,264	1,928	1.362
2001	7,081	21,265	36,005	35,168	32,408	32,022	31,720	31,224	31,224	31,224	31,224	31,224	31,224	31,224	31,224	1,874	1.328
2002	5,743	25,312	35,337	32,291	31,073	30,949	30,458	30,485	30,340	30,268	30,268	30,268	30,268	30,268	30,268	1,702	1.296
2003	6,114	22,761	36,723	32,844	32,248	32,726	31,853	31,853	31,790	31,790	31,790	31,790	31,790	31,790	31,790	1,604	1.264
2004	6,873	21,204	35,554	29,295	28,453	27,654	27,430	26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957	1,239	1.234
2005	5,561	32,617	47,070	44,257	42,972	43,242	41,126	41,126	41,126	41,126	41,126	41,126	41,126	41,126	41,126	967	1.203
2006	4,736	28,213	33,489	35,674	36,263	34,247	34,076	34,076	34,076	34,076	34,076	34,076	34,076	34,076	34,076	896	1.174
2007	4,801	28,429	52,300	47,268	43,426	42,992	42,777	42,777	42,777	42,777	42,777	42,777	42,777	42,777	42,777	860	1.145
2008	4,826	32,141	34,499	33,425	32,255	31,933	31,773	31,773	31,773	31,773	31,773	31,773	31,773	31,773	31,773	838	1.118
2009	12,394	36,664	41,808	40,345	38,933	38,544	38,351	38,351	38,351	38,351	38,351	38,351	38,351	38,351	38,351	125	1.090
2010	28,751	39,034	53,461	51,590	49,784	49,286	49,040	49,040	49,040	49,040	49,040	49,040	49,040	49,040	49,040	58	1.064
2011	28,251	38,470	52,865	51,015	49,229	48,737	48,493	48,493	48,493	48,493	48,493	48,493	48,493	48,493	48,493	13	1.038

Least Squares Parameter Estimations

	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53
a=	25,531	12,254	-3,284	-872	1,487	-822	-361	-421	-159	0	-3	9	0
b=	0.458	1.056	1.047	0.988	0.956	1.006	1.007	1.009	1.006	1.000	1.000	1.000	1.000
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0
Link Ratio	4.000	1.475	0.965	0.965	0.990	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000

Regression is of the form $y = a + bx$

SCPIE Indemnity Company & American Healthcare Indemnity Company
Severity Least Squares Paid Loss Development
California

Unlimited Paid Loss, Net of Paid Deductible Recoveries

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	(20)	1,705	22,482	44,321	49,220	49,344	49,594	49,824	49,824	49,989	49,989	49,991	49,991	49,991	49,991
1998	-	4,290	36,095	50,822	59,691	60,139	60,626	60,700	60,700	62,000	62,000	62,000	62,000	62,000	62,000
1999	8	4,778	28,550	42,899	52,865	54,602	57,407	57,407	57,407	57,407	57,407	57,407	57,407	57,407	57,407
2000	(18)	9,150	27,479	45,636	48,463	50,046	52,596	52,596	52,596	52,766	52,766	52,766	52,766	52,766	52,766
2001	240	5,100	28,383	40,499	43,174	43,889	43,899	44,049	44,049	44,049	44,049	44,049	44,049	44,049	44,049
2002	41	7,149	27,944	35,429	37,330	38,847	38,890	39,065	39,595	39,750	39,750	39,750	39,750	39,750	39,750
2003	5	6,734	24,389	34,351	38,884	39,791	40,109	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139
2004	60	4,146	16,381	24,822	25,904	26,901	26,951	26,956	27,091	27,091	27,091	27,091	27,091	27,091	27,091
2005	6	3,260	15,931	28,701	31,629	32,046	32,846	33,010	33,175	33,175	33,175	33,175	33,175	33,175	33,175
2006	43	2,639	11,957	18,313	20,369	21,105	21,422	21,529	21,637	21,637	21,637	21,637	21,637	21,637	21,637
2007	-	1,907	16,905	26,276	28,093	28,795	29,227	29,373	29,520	29,520	29,520	29,520	29,520	29,520	29,520
2008	4	2,494	10,806	14,764	16,241	16,647	16,897	16,981	17,066	17,066	17,066	17,066	17,066	17,066	17,066
2009	-	254	1,004	1,506	1,657	1,698	1,724	1,732	1,741	1,741	1,741	1,741	1,741	1,741	1,741
2010	-	353	1,062	1,593	1,752	1,796	1,823	1,832	1,841	1,841	1,841	1,841	1,841	1,841	1,841
2011	-	49	241	362	398	408	414	416	418	418	418	418	418	418	418

Paid Loss Trended Severity

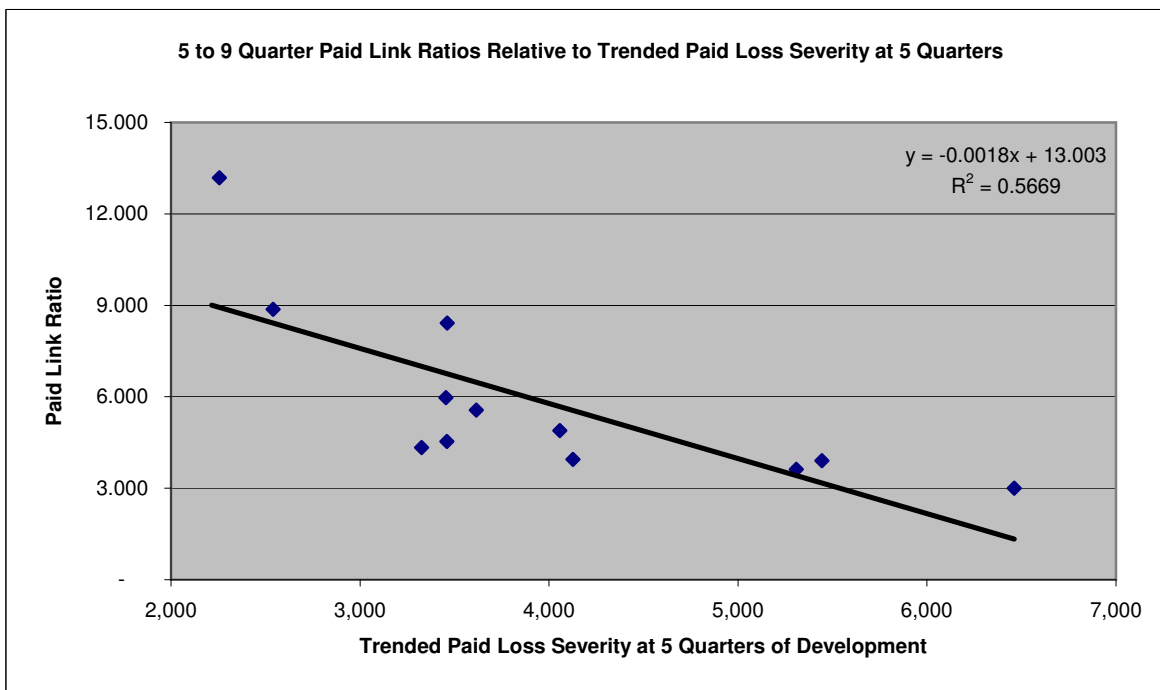
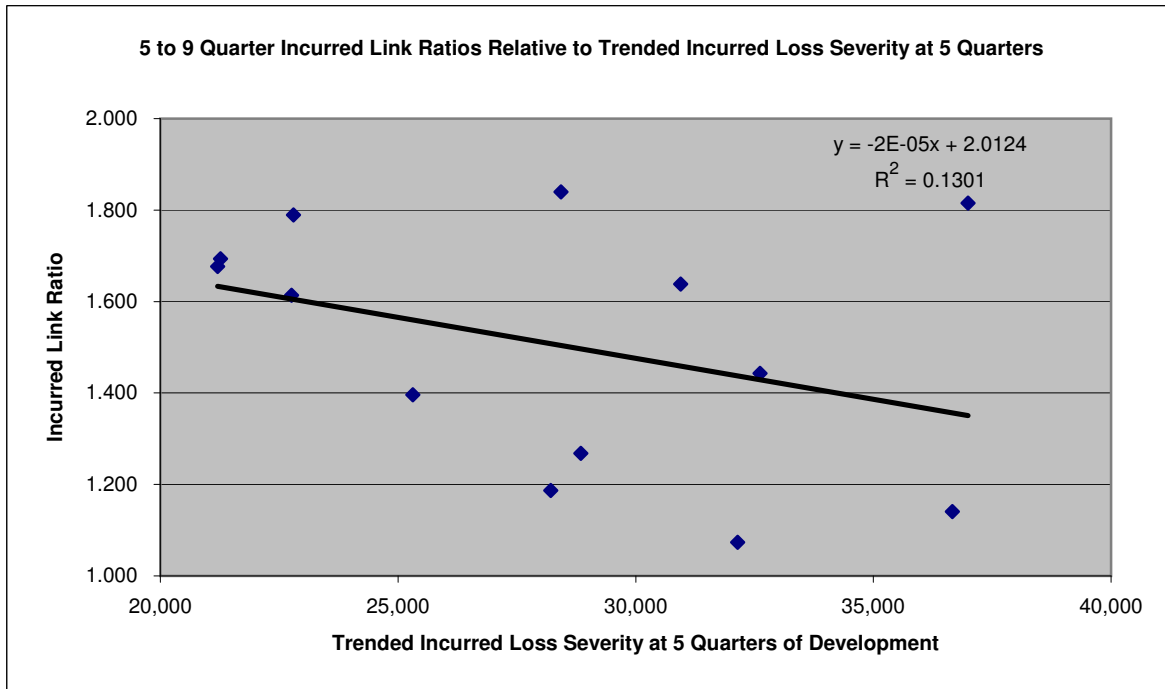
Report Year	Development Quarter															Report Year Ult Claims	Trend Factor
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	-106	2,256	29,751	58,652	65,136	65,301	65,631	65,936	65,936	66,154	66,154	66,156	66,156	66,156	66,156	1,108	1.466
1998	0	3,461	29,123	41,005	48,161	48,523	48,916	48,975	48,975	50,024	50,024	50,024	50,024	50,024	50,024	1,773	1.431
1999	24	3,455	20,646	31,022	38,228	39,485	41,513	41,513	41,513	41,513	41,513	41,513	41,513	41,513	41,513	1,930	1.396
2000	-51	6,462	19,406	32,229	34,226	35,344	37,144	37,144	37,144	37,264	37,264	37,264	37,264	37,264	37,264	1,928	1.362
2001	680	3,615	20,120	28,708	30,604	31,111	31,118	31,224	31,224	31,224	31,224	31,224	31,224	31,224	31,224	1,874	1.328
2002	123	5,444	21,278	26,977	28,425	29,580	29,613	29,746	30,150	30,268	30,268	30,268	30,268	30,268	30,268	1,702	1.296
2003	16	5,308	19,225	27,078	30,651	31,366	31,616	31,640	31,640	31,640	31,640	31,640	31,640	31,640	31,640	1,604	1.264
2004	239	4,127	16,309	24,713	25,790	26,783	26,832	26,837	26,971	26,971	26,971	26,971	26,971	26,971	26,971	1,239	1.234
2005	31	4,057	19,827	35,719	39,363	39,881	40,877	41,081	41,287	41,287	41,287	41,287	41,287	41,287	41,287	967	1.203
2006	223	3,459	15,668	23,997	26,691	27,656	28,071	28,211	28,352	28,352	28,352	28,352	28,352	28,352	28,352	896	1.174
2007	0	2,540	22,517	34,998	37,418	38,354	38,929	39,124	39,319	39,319	39,319	39,319	39,319	39,319	39,319	860	1.145
2008	21	3,325	14,411	19,689	21,658	22,200	22,533	22,645	22,759	22,759	22,759	22,759	22,759	22,759	22,759	838	1.118
2009	0	2,216	8,756	13,134	14,447	14,809	15,031	15,106	15,181	15,181	15,181	15,181	15,181	15,181	15,181	125	1.090
2010	0	6,505	19,572	29,357	32,293	33,100	33,597	33,765	33,934	33,934	33,934	33,934	33,934	33,934	33,934	58	1.064
2011	0	4,041	19,756	29,634	32,597	33,412	33,913	34,083	34,253	34,253	34,253	34,253	34,253	34,253	34,253	13	1.038

Least Squares Parameter Estimations

	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53
a=	4.041	20.058	-7.949	-1.285	1.565	413	-133	240	-213	0	-3	0	0
b=	-0.282	-0.075	1.934	1.147	0.978	1.006	1.005	0.996	1.011	1.000	1.000	1.000	1.000
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0
Link Ratio	30.000	4.400	1.500	1.100	1.025	1.015	1.005	1.005	1.000	1.000	1.000	1.000	1.000

Regression is of the form $y = a + bx$

SCPIE Indemnity Company & American Healthcare Indemnity Company Relationship Between Link Ratio and Loss Amount



SCPIE Indemnity Company & American Healthcare Indemnity Company
Physician DCCE
Summary of Indications and Selections
Evaluated @ 3/31/2011

<i>California</i>														
Report Year	Ult. Claim	<i>Paid DCCE Development</i>			<i>Incurred DCCE Development</i>			Reserve Development	<i>Diagnostics</i>		<i>Ultimate Selections</i>			
		Paid DCCE	Least Square *	Selected LDF	Incurred DCCE	Least Square *	Selected LDF		Open Claims	Avg Resv On Open	Sel. Ult.	Implied LDF	Implied Ult. Sev.	Implied O/S Sev
1997	1,108	36,397		36,397	36,397		36,397	36,397	0	0	36,397	1.000	32,850	
1998	1,773	40,265		40,265	40,265		40,265	40,265	0	0	40,265	1.000	22,710	
1999	1,930	43,530		43,530	43,530		43,530	43,530	0	0	43,530	1.000	22,555	
2000	1,928	42,579		42,579	42,579		42,579	42,579	0	0	42,579	1.000	22,085	
2001	1,874	41,773		41,773	41,773		41,773	41,773	0	0	41,773	1.000	22,291	
2002	1,702	37,962		37,962	37,962		37,962	37,962	0	0	37,962	1.000	22,304	
2003	1,604	36,350		36,350	36,485		36,485	36,485	2	67,604	36,485	1.000	22,747	
2004	1,239	29,744		29,744	29,782		29,842	29,782	2	19,000	29,782	1.000	24,037	
2005	967	26,386		26,518	26,474		26,607	26,474	2	43,996	26,474	1.000	27,378	
2006	896	22,486		22,825	22,760		22,988	22,964	12	22,826	22,760	1.000	25,402	
2007	860	21,834		22,606	22,454	23,019	23,019	23,745	23	26,958	23,000	1.024	26,744	50,698
2008	838	21,673		23,786	22,850		24,362	25,678	59	19,944	25,000	1.094	29,833	56,387
2009	125	2,658		3,705	3,332		4,085	4,725	27	24,954	4,250	1.276	33,995	58,963
2010	58	710	2,944	2,970	1,214	2,389	2,382	2,271	36	14,001	2,400	1.976	41,584	46,937

Note: Excludes Hospitals and Facilities.

SCPIE Indemnity Company & American Healthcare Indemnity Company
Incurred Link Ratio Loss Development
California
Incurred DCCE

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	1,291	17,533	30,146	34,628	36,025	36,334	36,414	36,380	36,428	36,437	36,437	36,400	36,397	36,397	36,397
1998	2,327	23,250	34,457	38,817	39,418	39,747	39,888	40,180	40,302	40,363	40,265	40,265	40,265	40,265	40,265
1999	2,572	21,881	35,856	41,815	42,761	43,309	43,573	43,581	43,574	43,530	43,530	43,530	43,530	43,530	43,530
2000	2,469	22,789	35,374	40,974	41,992	42,349	42,514	42,572	42,569	42,578	42,578	42,579	42,579	42,579	42,579
2001	3,074	19,527	34,789	39,938	41,381	41,686	41,734	41,782	41,780	41,789	41,773	41,773	41,773	41,773	41,773
2002	2,527	20,304	30,322	35,184	36,516	37,126	37,553	37,736	37,952	37,962	37,962	37,962	37,962	37,962	37,962
2003	2,128	18,890	29,741	33,877	35,251	36,019	36,010	36,285	36,485	36,485	36,485	36,485	36,485	36,485	36,485
2004	2,460	16,599	24,771	27,851	29,327	29,643	29,741	29,782	29,842	29,842	29,842	29,842	29,842	29,842	29,842
2005	1,812	13,970	21,781	24,671	25,582	26,155	26,474	26,553	26,607	26,607	26,607	26,607	26,607	26,607	26,607
2006	1,435	11,552	18,072	20,435	22,028	22,760	22,874	22,943	22,988	22,988	22,988	22,988	22,988	22,988	22,988
2007	1,410	11,304	17,499	21,460	22,454	22,791	22,905	22,973	23,019	23,019	23,019	23,019	23,019	23,019	23,019
2008	1,562	11,390	20,504	22,850	23,764	24,120	24,241	24,314	24,362	24,362	24,362	24,362	24,362	24,362	24,362
2009	305	2,090	3,332	3,832	3,985	4,045	4,065	4,077	4,085	4,085	4,085	4,085	4,085	4,085	4,085
2010	189	1,214	1,943	2,234	2,324	2,359	2,370	2,377	2,382	2,382	2,382	2,382	2,382	2,382	2,382
2011	100	192	308	354	368	374	375	377	377	377	377	377	377	377	377

California

AGE:AGE FACTORS

Report Year	Development Interval														
	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57	
1997	13.582	1.719	1.149	1.040	1.009	1.002	0.999	1.001	1.000	1.000	0.999	1.000	1.000	1.000	
1998	9.991	1.482	1.127	1.015	1.008	1.004	1.007	1.003	1.002	0.998	1.000	1.000	1.000	1.000	
1999	8.507	1.639	1.166	1.023	1.013	1.006	1.000	1.000	0.999	1.000	1.000	1.000	1.000	1.000	
2000	9.229	1.552	1.158	1.025	1.008	1.004	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2001	6.352	1.782	1.148	1.036	1.007	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2002	8.035	1.493	1.160	1.038	1.017	1.012	1.005	1.006	1.000	1.000	1.000	1.000	1.000	1.000	
2003	8.876	1.574	1.139	1.041	1.022	1.000	1.008	1.006	1.000	1.000	1.000	1.000	1.000	1.000	
2004	6.746	1.492	1.124	1.053	1.011	1.003	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2005	7.708	1.559	1.133	1.037	1.022	1.012	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2006	8.048	1.564	1.131	1.078	1.033	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2007	8.019	1.548	1.226	1.046	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2008	7.294	1.800	1.114	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2009	6.864	1.594	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2010	6.412	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2011	6.412	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Age-to-Age															
Avg	2.065	1.600	1.148	1.039	1.015	1.005	1.003	1.002	1.000	0.999	1.000	1.000	1.000	1.000	
Avg5	1.832	1.613	1.146	1.051	1.021	1.006	1.003	1.002	1.000	0.999	1.000	1.000	1.000	1.000	
Avg3	1.714	1.647	1.157	1.054	1.022	1.005	1.005	1.004	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd	1.931	1.597	1.147	1.036	1.014	1.005	1.003	1.002	1.000	0.999	1.000	1.000	1.000	1.000	
Wtd5	1.916	1.614	1.143	1.049	1.020	1.005	1.003	1.002	1.000	0.999	1.000	1.000	1.000	1.000	
Wtd3	1.787	1.668	1.155	1.053	1.021	1.004	1.005	1.004	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	1.925	1.600	1.150	1.040	1.015	1.005	1.003	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Age-to-Ultimate															
Avg	4.039	1.956	1.222	1.065	1.025	1.009	1.004	1.002	0.999	0.999	1.000	1.000	1.000	1.000	
Avg5	3.671	2.004	1.242	1.084	1.032	1.011	1.005	1.002	0.999	0.999	1.000	1.000	1.000	1.000	
Avg3	3.567	2.081	1.263	1.092	1.036	1.014	1.008	1.004	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd	3.752	1.943	1.216	1.060	1.023	1.009	1.004	1.001	0.999	0.999	1.000	1.000	1.000	1.000	
Wtd5	3.819	1.994	1.235	1.081	1.030	1.010	1.005	1.001	0.999	0.999	1.000	1.000	1.000	1.000	
Wtd3	3.747	2.096	1.257	1.089	1.034	1.013	1.009	1.004	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	3.776	1.962	1.226	1.066	1.025	1.010	1.005	1.002	1.000	1.000	1.000	1.000	1.000	1.000	

**SCPIE Indemnity Company & American Healthcare Indemnity Company
Severity Least Squares Incurred Loss Development**

**California
Incurred DCCE**

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	1,291	17,533	30,146	34,628	36,025	36,334	36,414	36,380	36,428	36,437	36,437	36,400	36,397	36,397	36,397
1998	2,327	23,250	34,457	38,817	39,418	39,747	39,888	40,180	40,302	40,363	40,265	40,265	40,265	40,265	40,265
1999	2,572	21,881	35,856	41,815	42,761	43,309	43,573	43,581	43,574	43,530	43,530	43,530	43,530	43,530	43,530
2000	2,469	22,789	35,374	40,974	41,992	42,349	42,514	42,572	42,569	42,578	42,578	42,579	42,579	42,579	42,579
2001	3,074	19,527	34,789	39,938	41,381	41,686	41,734	41,782	41,780	41,789	41,773	41,773	41,773	41,773	41,773
2002	2,527	20,304	30,322	35,184	36,516	37,126	37,553	37,736	37,952	37,962	37,962	37,962	37,962	37,962	37,962
2003	2,128	18,890	29,741	33,877	35,251	36,019	36,010	36,285	36,485	36,485	36,485	36,485	36,485	36,485	36,485
2004	2,460	16,599	24,771	27,851	29,327	29,643	29,741	29,782	29,842	29,842	29,842	29,842	29,842	29,842	29,842
2005	1,812	13,970	21,781	24,671	25,582	26,155	26,474	26,553	26,607	26,607	26,607	26,607	26,607	26,607	26,607
2006	1,435	11,552	18,072	20,435	22,028	22,760	22,874	22,943	22,988	22,988	22,988	22,988	22,988	22,988	22,988
2007	1,410	11,304	17,499	21,460	22,454	22,791	22,905	22,973	23,019	23,019	23,019	23,019	23,019	23,019	23,019
2008	1,562	11,390	20,504	22,850	23,764	24,120	24,241	24,314	24,362	24,362	24,362	24,362	24,362	24,362	24,362
2009	305	2,090	3,332	3,832	3,985	4,045	4,065	4,077	4,085	4,085	4,085	4,085	4,085	4,085	4,085
2010	189	1,214	1,948	2,241	2,330	2,365	2,377	2,384	2,389	2,389	2,389	2,389	2,389	2,389	2,389
2011	100	236	376	432	449	456	458	460	460	460	460	460	460	460	460

Incurred DCCE Trended Severity

Report Year	Development Quarter															Report Year Ult Claims	Trend Factor
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	11,498	39,044	67,133	77,113	80,223	80,912	81,090	81,015	81,122	81,142	81,142	81,059	81,053	81,053	81,053	1,108	2.467
1998	12,221	30,525	45,239	50,962	51,751	52,184	52,369	52,752	52,911	52,991	52,863	52,863	52,863	52,863	52,863	1,773	2.328
1999	11,706	24,896	40,798	47,578	48,655	49,277	49,578	49,578	49,579	49,529	49,529	49,529	49,529	49,529	49,529	1,930	2.196
2000	10,613	24,487	38,010	44,027	45,122	45,505	45,682	45,745	45,742	45,751	45,751	45,753	45,753	45,753	45,753	1,928	2.072
2001	12,825	20,365	36,282	41,652	43,157	43,475	43,525	43,575	43,573	43,582	43,565	43,565	43,565	43,565	43,565	1,874	1.954
2002	10,950	21,996	32,848	38,115	39,558	40,218	40,682	40,880	41,114	41,125	41,125	41,125	41,125	41,125	41,125	1,702	1.844
2003	9,232	20,485	32,252	36,738	38,227	39,060	39,050	39,348	39,566	39,566	39,566	39,566	39,566	39,566	39,566	1,604	1.739
2004	13,035	21,984	32,807	36,886	38,841	39,259	39,390	39,444	39,523	39,523	39,523	39,523	39,523	39,523	39,523	1,239	1.641
2005	11,606	22,365	34,869	39,496	40,954	41,871	42,383	42,510	42,595	42,595	42,595	42,595	42,595	42,595	42,595	967	1.548
2006	9,359	18,830	29,457	33,308	35,905	37,098	37,284	37,396	37,470	37,470	37,470	37,470	37,470	37,470	37,470	896	1.460
2007	9,034	18,109	28,035	34,381	35,973	36,513	36,695	36,805	36,879	36,879	36,879	36,879	36,879	36,879	36,879	860	1.378
2008	9,689	17,667	31,803	35,442	36,860	37,412	37,600	37,712	37,788	37,788	37,788	37,788	37,788	37,788	37,788	838	1.300
2009	11,947	20,500	32,679	37,581	39,085	39,671	39,869	39,989	40,069	40,069	40,069	40,069	40,069	40,069	40,069	125	1.226
2010	15,183	24,339	39,053	44,911	46,707	47,408	47,645	47,788	47,884	47,884	47,884	47,884	47,884	47,884	47,884	58	1.157
2011	8,603	20,345	32,338	37,189	38,676	39,256	39,453	39,571	39,650	39,650	39,650	39,650	39,650	39,650	39,650	13	1.091

Least Squares Parameter Estimations

	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53
a=	11.227	-1.873	263	728	815	269	365	141	-11	-53	127	9	0
b=	1.060	1.682	1.140	1.021	0.996	0.999	0.995	0.999	1.000	1.000	0.997	1.000	1.000
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0
Link Ratio	1.925	1.600	1.150	1.040	1.015	1.005	1.003	1.002	1.000	1.000	1.000	1.000	1.000

Regression is of the form $y = a + bx$

**SCPIE Indemnity Company & American Healthcare Indemnity Company
Severity Least Squares Paid Loss Development**

**California
Paid DCCE**

Report Year	Development Quarter														
	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	11	5,720	24,101	33,146	35,460	36,073	36,324	36,348	36,395	36,433	36,434	36,397	36,397	36,397	36,397
1998	29	7,954	29,029	37,637	39,028	39,584	39,816	40,039	40,276	40,363	40,265	40,265	40,265	40,265	40,265
1999	38	8,324	31,501	40,523	42,400	43,150	43,573	43,578	43,574	43,530	43,530	43,530	43,530	43,530	43,530
2000	55	8,640	31,378	39,878	41,548	42,214	42,471	42,523	42,560	42,578	42,578	42,579	42,579	42,579	42,579
2001	37	9,439	30,718	38,764	40,907	41,546	41,674	41,772	41,771	41,772	41,773	41,773	41,773	41,773	41,773
2002	26	9,003	26,526	33,869	35,921	36,722	37,271	37,551	37,940	37,962	37,962	37,962	37,962	37,962	37,962
2003	29	8,078	24,563	32,717	34,903	35,772	35,951	36,138	36,350	36,350	36,350	36,350	36,350	36,350	36,350
2004	70	8,542	22,423	27,395	29,114	29,565	29,710	29,744	29,744	29,744	29,744	29,744	29,744	29,744	29,744
2005	73	7,128	19,275	23,946	25,430	25,833	26,386	26,518	26,518	26,518	26,518	26,518	26,518	26,518	26,518
2006	22	5,394	15,767	19,560	21,424	22,486	22,711	22,825	22,825	22,825	22,825	22,825	22,825	22,825	22,825
2007	28	5,754	15,041	20,356	21,834	22,271	22,493	22,606	22,606	22,606	22,606	22,606	22,606	22,606	22,606
2008	64	5,693	18,001	21,673	22,974	23,433	23,667	23,786	23,786	23,786	23,786	23,786	23,786	23,786	23,786
2009	17	1,304	2,658	3,376	3,578	3,650	3,686	3,705	3,705	3,705	3,705	3,705	3,705	3,705	3,705
2010	11	710	2,112	2,682	2,843	2,900	2,929	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944
2011	20	207	600	761	807	823	831	836	836	836	836	836	836	836	836

Paid DCCE Trended Severity

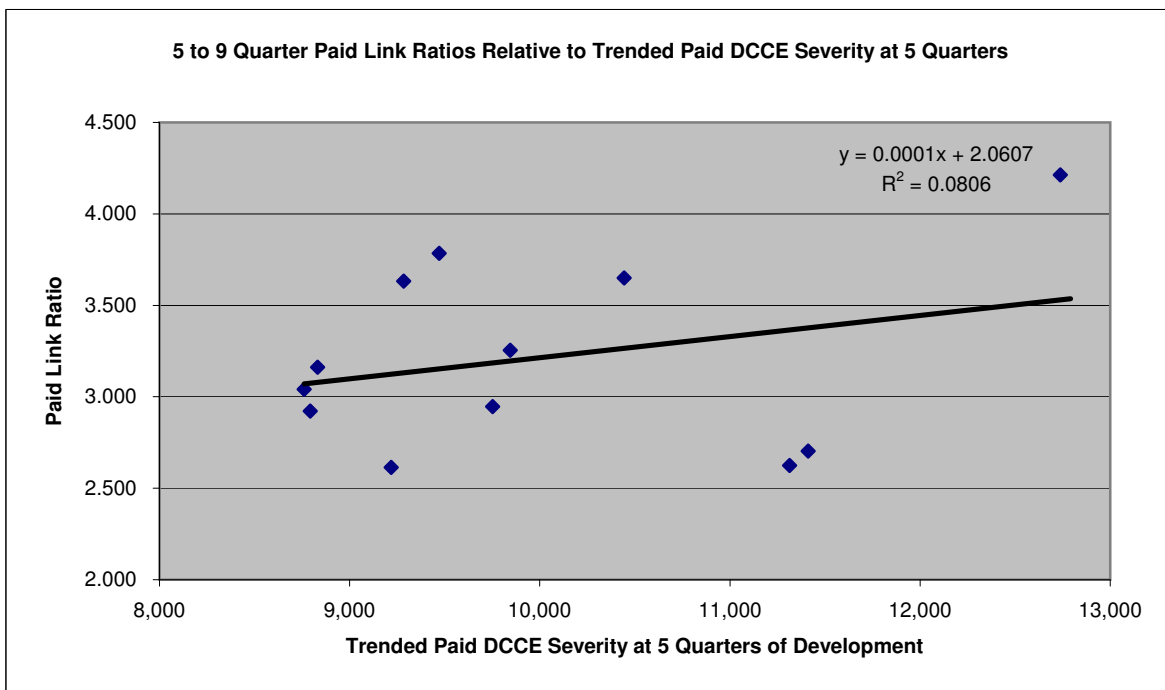
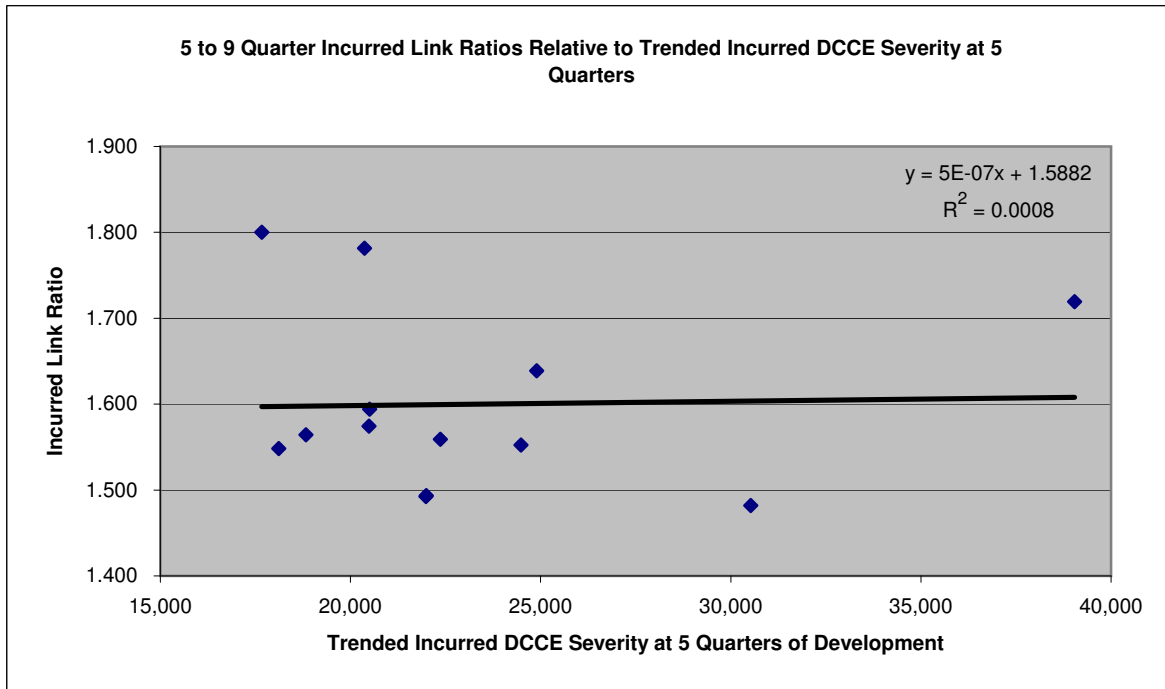
Report Year	Development Quarter														Report Year Ult Claims	Trend Factor	
	1	5	9	13	17	21	25	29	33	37	41	45	49	53			57
1997	98	12,738	53,670	73,813	78,966	80,331	80,889	80,944	81,049	81,133	81,135	81,053	81,053	81,053	81,053	1,108	2.467
1998	154	10,443	38,112	49,413	51,239	51,969	52,273	52,567	52,878	52,991	52,863	52,863	52,863	52,863	52,863	1,773	2.328
1999	174	9,471	35,842	46,108	48,244	49,097	49,578	49,583	49,579	49,529	49,529	49,529	49,529	49,529	49,529	1,930	2.196
2000	235	9,283	33,717	42,850	44,644	45,360	45,636	45,692	45,732	45,751	45,751	45,753	45,753	45,753	45,753	1,928	2.072
2001	156	9,844	32,036	40,428	42,663	43,329	43,463	43,564	43,564	43,565	43,565	43,565	43,565	43,565	43,565	1,874	1.954
2002	111	9,753	28,736	36,691	38,914	39,781	40,376	40,680	41,101	41,125	41,125	41,125	41,125	41,125	41,125	1,702	1.844
2003	128	8,761	26,637	35,479	37,849	38,793	38,986	39,189	39,419	39,419	39,419	39,419	39,419	39,419	39,419	1,604	1.739
2004	372	11,313	29,698	36,282	38,560	39,157	39,349	39,394	39,394	39,394	39,394	39,394	39,394	39,394	39,394	1,239	1.641
2005	466	11,412	30,858	38,336	40,711	41,357	42,242	42,453	42,453	42,453	42,453	42,453	42,453	42,453	42,453	967	1.548
2006	143	8,793	25,700	31,882	34,920	36,652	37,018	37,203	37,203	37,203	37,203	37,203	37,203	37,203	37,203	896	1.460
2007	182	9,219	24,098	32,613	34,980	35,679	36,036	36,216	36,216	36,216	36,216	36,216	36,216	36,216	36,216	860	1.378
2008	400	8,831	27,921	33,617	35,634	36,346	36,710	36,893	36,893	36,893	36,893	36,893	36,893	36,893	36,893	838	1.300
2009	681	12,792	26,071	33,110	35,097	35,798	36,156	36,337	36,337	36,337	36,337	36,337	36,337	36,337	36,337	125	1.226
2010	914	14,236	42,333	53,762	56,988	58,128	58,709	59,003	59,003	59,003	59,003	59,003	59,003	59,003	59,003	58	1.157
2011	1,733	17,787	51,628	65,567	69,501	70,891	71,600	71,958	71,958	71,958	71,958	71,958	71,958	71,958	71,958	13	1.091

Least Squares Parameter Estimations

	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53
a=	8,959	5,064	-5,152	182	608	216	240	276	-76	-40	124	0	0
b=	5,094	2,618	1,445	1,056	1,007	1,004	0,998	0,998	1,002	1,000	0,997	1,000	1,000
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0
Link Ratio	40.000	3.000	1.270	1.060	1.020	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000

Regression is of the form $y = a + bx$

SCPIE Indemnity Company & American Healthcare Indemnity Company Relationship Between Link Ratio and Loss Amount



**SCPIE Indemnity Company & American Healthcare Indemnity Company
Incurred Loss & DCCE Adjusted for DD&R Load**

Report Year	(1)	(2)	(3) = (1) + (2)	(4)	(5) = (1) x (4)	(6) = (2) x (4)	(7) = (5) + (6)
	Incurred Loss	Incurred DCCE	Incurred Loss & DCCE	DD&R Factor	Adjusted Incurred Loss	Adjusted Incurred DCCE	Adjusted Incurred Loss & DCCE
2008	25,065	22,850	47,915	1.037	25,998	23,701	49,698
2009	4,794	3,332	8,126	1.037	4,972	3,456	8,428
2010	2,118	1,214	3,332	1.037	2,197	1,259	3,456

SCPIE Indemnity Company & American Healthcare Indemnity Company California DD&R Load Calculation

(1)	6/30/2008 In-Force Eligible Written Premium :	\$183,934,119
(2)	6/30/2008 FTE Physicians :	18,238
(3)	Average Claims Made Premium :	\$10,085
(4)	DD&R Pure Premium :	\$19,780
(5)	DD&R Premium Payment :	\$266
(6)	Indicated DD&R Load to Premium :	2.6%
(7)	Loss Ratio Underlying Current Rates :	70.78%
(8)	Indicated DD&R Load to Loss :	3.7%

Notes:

- (1) Excludes Entity, non FTE physician, APA, Occurrence, Slot, and Auxiliary physician premium - California only.
- (2) Excludes non FTE physician, APA, Occurrence, Slot, and Auxiliary physician counts. From 1Q11 Reserve Analysis - California only.
- (3) = (1) / (2)
- (4) From 1Q11 Reserve Analysis - California only.
- (5): Assumes 4.0% annual long-term pure premium trend and 4.0% discount rate. See Exhibit 7b, Page 3.3.
- (6) = (5) / (3)
- (7) From Ratemaking Template
- (8) = (6) / (7)

The Doctors Company
Report Year Loss Severity Trend Analysis
Statewide - Excludes TDC Redding Claims

Report Year	Ultimate Loss	Ultimate Claim Count	Ultimate Severity	'97-'10	'97-'08	'99-'08
1997	37,986,663	2,097	\$18,115	\$22,034	\$21,736	
1998	46,473,182	1,994	\$23,307	\$22,591	\$22,366	
1999	37,413,730	1,588	\$23,560	\$23,161	\$23,013	\$24,592
2000	32,731,373	1,466	\$22,327	\$23,747	\$23,680	\$25,012
2001	43,543,831	1,416	\$30,751	\$24,347	\$24,365	\$25,439
2002	38,930,433	1,451	\$26,830	\$24,962	\$25,071	\$25,874
2003	39,622,426	1,522	\$26,033	\$25,592	\$25,796	\$26,315
2004	34,434,285	1,285	\$26,797	\$26,239	\$26,543	\$26,765
2005	27,911,040	1,181	\$23,633	\$26,902	\$27,312	\$27,221
2006	39,754,676	1,261	\$31,526	\$27,582	\$28,103	\$27,686
2007	33,600,000	1,239	\$27,119	\$28,279	\$28,916	\$28,159
2008	34,450,000	1,216	\$28,331	\$28,993	\$29,753	\$28,640
2009	53,750,000	1,882	\$28,560	\$29,726		
2010	56,250,000	1,909	\$29,466	\$30,477		

Selected

Trend : 2.5% 2.9% 1.7%

2.5%

Trended Projected Severity for Report Year 2010 : \$30,477 \$31,501 \$29,626

\$31,000

Report Year	Trend Factor *
2008	1.118
2009	1.090
2010	1.064

* Trended from the middle of the report year to a 1/1/2012 filing effective date.

The Doctors Company
Report Year DCCE Severity Trend Analysis
Statewide - Excludes TDC Redding Claims

Report Year	Ultimate DCCE	Ultimate Claim Count	Ultimate Severity	'97-'10	'97-'08	'99-'08	
1997	29,743,809	2,097	\$14,184	\$14,433	\$14,665		
1998	31,633,659	1,994	\$15,864	\$15,343	\$15,526		
1999	27,845,731	1,588	\$17,535	\$16,310	\$16,438	\$16,546	
2000	25,554,423	1,466	\$17,431	\$17,338	\$17,404	\$17,497	
2001	26,366,480	1,416	\$18,620	\$18,432	\$18,426	\$18,503	
2002	29,794,510	1,451	\$20,534	\$19,594	\$19,509	\$19,567	
2003	29,582,450	1,522	\$19,437	\$20,829	\$20,655	\$20,691	
2004	24,706,532	1,285	\$19,227	\$22,143	\$21,868	\$21,881	
2005	27,831,857	1,181	\$23,566	\$23,539	\$23,153	\$23,139	
2006	31,299,292	1,261	\$24,821	\$25,023	\$24,513	\$24,469	
2007	29,600,000	1,239	\$23,890	\$26,601	\$25,953	\$25,875	
2008	37,900,000	1,216	\$31,168	\$28,278	\$27,477	\$27,363	
2009	56,250,000	1,882	\$29,888	\$30,061			
2010	66,250,000	1,909	\$34,704	\$31,957			
				Trend :	6.3%	5.9%	5.7%
				Trended Projected Severity for Report Year 2010 :	\$31,957	\$30,800	\$30,599
				Report Year	Trend Factor *		
				2008	1.300		
				2009	1.226		
				2010	1.157		

Selected

6.0%

\$31,000

* Trended from the middle of the report year to a 1/1/2012 filing effective date.

The Doctors Company
Report Year Frequency Trend Analysis
Excludes TDC Redding Claims

Report Year	Base Class Exposure	Ultimate Claim Count	Ultimate Frequency
2008	10,673	1,183	0.111
2009	17,669	1,832	0.104
2010	17,847	1,857	0.104

Selected Frequency Trend Rate: **0.0%**

The Doctors Company Catastrophe Adjustment

No adjustments are made for catastrophic losses.

The Doctors Company Credibility Adjustment

The Doctors Company's total loss experience is considered fully credible in the determination of the overall indicated rate level in the state.

The Doctors Company
Ancillary Income

The Doctors Company derives no income from ancillary sources such as premium finance revenues or membership dues.

The Doctors Company
Reinsurance Premium and Recoverables

The cost of reinsurance is not included in the rate development.

The Doctors Company

Request for Variance

Variance 1 Request

Pursuant to §2644.27(f)(1)(B), The Doctors Company (TDC) seeks to recover its expenses for risk management activities engaged in during 2010.

Risk management expenses for the Doctors Insurance Group amounted to \$6,284,327 for the medical malpractice line of business in 2010. This includes salaries and other overhead expenses associated with the 43 dedicated patient safety/risk management professionals employed by the Doctors Insurance Group. Risk management activities are provided in all states in which TDC does business, so these expenses should be taken relative to the nationwide direct earned premium of the Doctors Insurance Group for the medical malpractice line of business when calculating the modification to the Efficiency Standard from §2644.12. The nationwide direct earned premium of the Doctors Insurance Group for calendar year 2010 was \$701,926,000, so the adjustment to the Efficiency Standard should be $\$6,284,327 / \$701,926,000 = 0.90\%$. Therefore, the Efficiency Standard in the Ratemaking Template should be increased from 26.55% to 27.45%. Such an adjustment to the Efficiency Standard is permitted by the regulations since TDC's most recent year expense ratio of 33.4% (see Exhibit 13, Page 2) is higher than the adjusted Efficiency Standard of 27.45%.

The risk management expenses cited above do not include the routine and customary costs of marketing or employing underwriters or adjusters. TDC's risk management activities seek to prevent losses by educating all insureds as to how they may avoid medical malpractice liability.

This variance will move the maximum permitted rate change from -11.85% to -10.54%.

Variance 3 Request

Pursuant to §2644.27(f)(3), the Leverage Factor from §2644.17 is modified due to the insurer writing over 90% of direct premium earned in one line of business.

The Leverage Factor for the medical malpractice claims-made line of business is 0.5916. Since more than 90% of the TDC direct earned premium for calendar year 2010 is concentrated in the medical malpractice line of business, we have applied a regulatory modification of 0.85 to the Leverage Factor. The resulting value used in the rating template is thus 0.5029 (0.5916×0.85).

This variance will move the maximum permitted rate change from -11.85% to -8.67%.

The Doctors Company
2010 Annual Statement Expense Ratio
State of California

(1)	CA Direct Earned Premium	\$204,671,062	Statutory Page 19
(2)	NW Direct Earned Premium	\$548,964,000	Statutory Page 19
(3)	CA Direct Incurred Loss	\$88,690,312	Statutory Page 19
(4)	CA Direct Incurred DCCE	\$63,464,981	Statutory Page 19
(5)	NW Direct Incurred Loss	\$165,563,499	Statutory Page 19
(6)	NW Direct Incurred DCCE	\$96,403,912	Statutory Page 19
(7)	CA Commission	\$10,057,596	Statutory Page 19
(8)	CA TLF	\$5,110,141	Statutory Page 19
(9)	NW AOE Incurred	\$50,606,000	IEE
(10)	NW Other Acq Incurred	\$8,352,000	IEE
(11)	NW General Exp Incurred	\$55,215,000	IEE
(12)	Commission Ratio	4.91%	= (7) / (1)
(13)	TLF Ratio	2.50%	= (8) / (1)
(14)	AOE Ratio	14.36%	= (9) x [(3) + (4)] / [(5) + (6)] / (1)
(15)	Other Acq Ratio	1.52%	= (10) / (2)
(16)	General Exp Ratio	10.06%	= (11) / (2)
(17)	Total Expense Ratio	33.35%	= (12) + (13) + (14) + (15) + (16)

**The Doctors Company
Insurer's Ratemaking Calculation**

The company has opted not to provide an Exhibit 14.

The Doctors Company
2011 California Rate Review
Derivation of Overall Rate Change

(1)	Indicated Rate Change :	-7.3%
(2)	Proposed Manual Rate Change :	-1.6%
(3)	Impact of Change in Discounts :	-5.8%
(4)	Proposed Overall Rate Change :	-7.3%

Notes

(1) See CDI Ratemaking Template

(2) See Exhibit 15, Page 2

(3) See Exhibit 15, Page 4

(4) = $[1 + (2)] \times [1 + (3)] - 1$

The Doctors Company
2011 California Rate Review
Calculation of Statewide Manual Rate Change

Territory	*					FTE Doc Counts
	Current Average Manual Rate	Indicated Average Manual Rate	Indicated Manual Rate Change	Proposed Average Manual Rate	Proposed Manual Rate Change	
A	\$17,212	\$19,948	15.9%	\$18,245	6.0%	1,024
B	\$14,645	\$13,796	-5.8%	\$14,352	-2.0%	8,454
C	\$13,028	\$14,116	8.4%	\$13,028	0.0%	2,474
D	\$9,267	\$7,973	-14.0%	\$8,433	-9.0%	2,468
E	\$10,565	\$11,027	4.4%	\$10,565	0.0%	2,581
Statewide	\$13,164	\$12,948	-1.6%	\$12,960	-1.6%	17,002

* The indications by specialty and territory have been adjusted uniformly to balance to a statewide indication of -1.6% instead of -7.3% since a 5.8% reduction in premium will be achieved through modifications to the claims-free discount (see Exhibit 15, Page 4).

**The Doctors Company
California**

Indicated and Proposed Rates by Specialty: \$1M/\$3M Limits, Fully Mature, Full-Time Physicians

TERRITORY A - Riverside and San Bernardino counties

SPECIALTY	TDC SPEC CODE	THE DOCTORS COMPANY					FTE DOC COUNTS
		MANUAL PREMIUM					
		CURRENT	INDICATED	% CHANGE	PROPOSED	% CHANGE	
Administrative Medicine	ADM01	6,577	4,923	-25.1%	6,972	6.0%	4
Allergy/Immunology	ALI01	6,012	5,333	-11.3%	6,373	6.0%	5
Anesthesiology	ANE01	16,239	18,052	11.2%	17,213	6.0%	95
Nurse Anesthetist (Spvs By Ane)	ANE02	2,436	2,708	11.2%	2,582	6.0%	0
Nurse Anesthetist (Spvs By Sur)	ANE03	4,385	4,874	11.1%	4,648	6.0%	0
Cardiology (Invasive)	CAR01	19,834	25,436	28.2%	21,024	6.0%	46
Chiropractor	CRP01	2,061	2,462	19.4%	2,185	6.0%	3
CNM (Add'l Nmd Ins-Dir Spvs)	CNM01	5,571	6,170	10.8%	5,905	6.0%	1
CNM (Add'l Nmd Ins-Indir Spvs)	CNM02	11,206	12,406	10.7%	11,878	6.0%	0
Colon&Rectal Surg(Min/Ltd)	CRS01	33,113	32,821	-0.9%	35,100	6.0%	0
Dental (Local anes and nitrous ox only)	DEN01	2,748	3,282	19.4%	2,913	6.0%	69
Dental (Sedation)	DEN02	6,623	6,564	-0.9%	7,020	6.0%	0
Oral Surgeons	DEN03	15,462	19,693	27.4%	16,390	6.0%	19
Dental Anesthesiologists	DEN04	23,179	22,975	-0.9%	24,570	6.0%	0
Dermatology	DER01	9,934	9,026	-9.1%	10,530	6.0%	28
Dermatology W/ Liposuction	DER02	29,593	36,103	22.0%	31,369	6.0%	6
Diagnostic Radiology	DIA01	19,122	25,436	33.0%	20,269	6.0%	24
Emergency Medicine	EMM01	34,769	31,180	-10.3%	36,855	6.0%	0
FGP (No Surg-Hospital Care)	FGP01	10,485	12,472	19.0%	11,114	6.0%	29
FGP (Minor Surgery-No Ob)	FGP02	15,042	19,364	28.7%	15,945	6.0%	114
FGP (Rest Maj Surg-No Ob)	FGP04	24,007	23,795	-0.9%	25,447	6.0%	0
FGP (With Obstetrics)	FGP06	35,447	30,327	-14.4%	37,574	6.0%	1
Gastroenterology	GAS01	17,155	18,708	9.1%	18,184	6.0%	25
General Medicine (Restricted)	GEM01	11,590	11,487	-0.9%	12,285	6.0%	0
General Surgery	GES01	48,746	60,801	24.7%	51,671	6.0%	12
General Surgery (Bariatric)	GES02	82,783	82,052	-0.9%	87,750	6.0%	3
Gynecology (Major Surgery)	GYN01	26,998	36,103	33.7%	28,618	6.0%	3
Gynecology (w/ In-vitro Fertilization)	GYN02	52,153	50,955	-2.3%	55,282	6.0%	0
Hand & Foot Surgery	HAF01	20,116	20,677	2.8%	21,323	6.0%	0
Internal Med	INT01	13,740	16,410	19.4%	14,564	6.0%	147
Internal Medicine Subs - NS	INTSB	11,679	13,128	12.4%	12,380	6.0%	73
Neonatology	NEO01	23,179	22,975	-0.9%	24,570	6.0%	0
Neurology	NEU01	19,774	24,288	22.8%	20,960	6.0%	12
Neurosurgery	NSU01	81,808	103,386	26.4%	86,716	6.0%	3
Nuclear Medicine	NUC01	7,024	7,672	9.2%	7,445	6.0%	6
Nurse Practitioner	NUR01	1,573	1,871	18.9%	1,667	6.0%	4
Obstetrics & Gynecology	OBG01	64,033	70,893	10.7%	67,875	6.0%	21
Occupational Medicine	OCM01	4,967	5,169	4.1%	5,265	6.0%	10
Ophthalmology (No Sur)	OPH01	4,967	5,251	5.7%	5,265	6.0%	0
Ophthalmology (Min Sur)	OPH02	9,851	10,339	4.9%	10,442	6.0%	5
Ophthalmology (Maj Sur)	OPH03	15,480	15,508	0.2%	16,409	6.0%	10
Optometry	OPT01	1,305	1,559	19.5%	1,384	6.1%	0
Orthopedic Surgery (no Spinal)	ORT01	41,150	43,570	5.9%	43,619	6.0%	32
Orthopedic Surgery (with Spinal)	ORT02	50,498	51,693	2.4%	53,528	6.0%	17
Otolaryngology (Maj, No Facial)	OTO01	19,122	30,195	57.9%	20,269	6.0%	10
Otolaryngology (Maj, Facial)	OTO02	30,131	34,462	14.4%	31,939	6.0%	3
Pain Management - Anesthesia	APM01	16,797	27,077	61.2%	17,805	6.0%	7
Physical Medicine & Rehab (Minor Proc)	PMR02	10,976	13,128	19.6%	11,635	6.0%	6
Physical Medicine & Rehab (Major Proc)	PMR03	17,258	22,975	33.1%	18,293	6.0%	5
Pathology	PAT01	10,977	14,441	31.6%	11,636	6.0%	19
Pediatrics	PED01	13,615	15,385	13.0%	14,432	6.0%	49
Physical Medicine & Rehab (Non-Invasive)	PMR01	9,934	10,257	3.2%	10,530	6.0%	1
Physician's Assistant	PHA01	1,573	1,871	18.9%	1,667	6.0%	7
Plastic Surgery	PLA01	32,827	35,611	8.5%	34,797	6.0%	21
Podiatry (Minor Surgery)	POD01	3,158	4,923	55.9%	3,347	6.0%	1
Podiatry (Intermediate Surgery)	POD02	7,262	10,667	46.9%	7,698	6.0%	2
Podiatry (Major Surgery)	POD03	8,367	13,128	56.9%	8,869	6.0%	2
Psychiatry	PSY01	6,333	6,564	3.7%	6,713	6.0%	28
Pulmonary Medicine	PUL01	19,015	19,693	3.6%	20,156	6.0%	15
Surgeon's Assistant	SRA01	1,573	1,871	18.9%	1,667	6.0%	0
Surgical Specialty (Office,Min)	SUR01	22,005	23,303	5.9%	23,325	6.0%	7
Therapeutic Radiology	THE01	16,226	10,380	-36.0%	17,200	6.0%	12
Thoracic Surgery	THO01	44,612	60,309	35.2%	47,289	6.0%	3
Urology	URO01	24,526	27,077	10.4%	25,998	6.0%	6
TOTAL							1,024
Weighted Average		\$17,212	\$19,948	15.9%	\$18,245	6.0%	

**The Doctors Company
California**

Indicated and Proposed Rates by Specialty: \$1M/\$3M Limits, Fully Mature, Full-Time Physicians

TERRITORY B - Kern, Los Angeles, Orange, and Ventura counties

SPECIALTY	TDC SPEC CODE	THE DOCTORS COMPANY					FTE DOC COUNTS TDC 3/11
		MANUAL PREMIUM					
		CURRENT	INDICATED	% CHANGE	PROPOSED	% CHANGE	
Administrative Medicine	ADM01	6,478	3,230	-50.1%	6,348	-2.0%	20
Allergy/Immunology	ALI01	5,603	3,499	-37.5%	5,491	-2.0%	51
Anesthesiology	ANE01	12,128	11,844	-2.3%	11,885	-2.0%	722
Nurse Anesthetist (Spvs By Ane)	ANE02	1,819	1,777	-2.3%	1,783	-2.0%	2
Nurse Anesthetist (Spvs By Sur)	ANE03	3,275	3,198	-2.4%	3,209	-2.0%	1
Cardiology (Invasive)	CAR01	15,458	16,689	8.0%	15,149	-2.0%	310
Chiropractor	CRP01	1,696	1,615	-4.8%	1,662	-2.0%	51
CNM (Add'l Nmd Ins-Dir Spvs)	CNM01	4,333	4,048	-6.6%	4,246	-2.0%	2
CNM (Add'l Nmd Ins-Indir Spvs)	CNM02	8,716	8,140	-6.6%	8,541	-2.0%	1
Colon&Rectal Surg(Min/Ltd)	CRS01	27,154	21,534	-20.7%	26,611	-2.0%	3
Dental (Local anes and nitrous ox only)	DEN01	2,261	2,153	-4.8%	2,216	-2.0%	237
Dental (Sedation)	DEN02	4,522	4,307	-4.8%	4,432	-2.0%	2
Oral Surgeons	DEN03	13,567	12,920	-4.8%	13,296	-2.0%	88
Dental Anesthesiologists	DEN04	15,828	15,074	-4.8%	15,511	-2.0%	0
Dermatology	DER01	6,784	5,922	-12.7%	6,648	-2.0%	333
Dermatology W/ Liposuction	DER02	25,075	23,687	-5.5%	24,574	-2.0%	31
Diagnostic Radiology	DIA01	16,227	16,689	2.8%	15,902	-2.0%	301
Emergency Medicine	EMM01	23,742	20,457	-13.8%	23,267	-2.0%	33
FGP (No Surg-Hospital Care)	FGP01	9,158	8,183	-10.6%	8,975	-2.0%	120
FGP (Minor Surgery-No Ob)	FGP02	12,128	12,705	4.8%	11,885	-2.0%	848
FGP (Rest Maj Surg-No Ob)	FGP04	16,394	15,612	-4.8%	16,066	-2.0%	4
FGP (With Obstetrics)	FGP06	32,596	19,897	-39.0%	31,944	-2.0%	17
Gastroenterology	GAS01	13,342	12,274	-8.0%	13,075	-2.0%	267
General Medicine (Restricted)	GEM01	7,914	7,537	-4.8%	7,756	-2.0%	3
General Surgery	GES01	41,775	39,891	-4.5%	40,940	-2.0%	133
General Surgery (Bariatric)	GES02	47,595	53,834	13.1%	46,643	-2.0%	29
Gynecology (Major Surgery)	GYN01	23,742	23,687	-0.2%	23,267	-2.0%	37
Gynecology (w/ In-vitro Fertilization)	GYN02	35,614	33,431	-6.1%	34,902	-2.0%	33
Hand & Foot Surgery	HAF01	24,732	13,566	-45.1%	24,237	-2.0%	11
Internal Med	INT01	10,343	10,767	4.1%	10,136	-2.0%	1,253
Internal Medicine Subs - NS	INTSB	9,807	8,614	-12.2%	9,611	-2.0%	456
Neonatology	NEO01	15,828	15,074	-4.8%	15,511	-2.0%	39
Neurology	NEU01	16,122	15,935	-1.2%	15,800	-2.0%	129
Neurosurgery	NSU01	68,380	67,831	-0.8%	67,012	-2.0%	56
Nuclear Medicine	NUC01	6,194	5,034	-18.7%	6,070	-2.0%	23
Nurse Practitioner	NUR01	1,374	1,227	-10.7%	1,346	-2.0%	27
Obstetrics & Gynecology	OBG01	49,804	46,513	-6.6%	48,808	-2.0%	239
Occupational Medicine	OCM01	4,837	3,392	-29.9%	4,740	-2.0%	56
Ophthalmology (No Sur)	OPH01	6,541	3,445	-47.3%	6,410	-2.0%	9
Ophthalmology (Min Sur)	OPH02	7,349	6,783	-7.7%	7,202	-2.0%	85
Ophthalmology (Maj Sur)	OPH03	15,187	10,175	-33.0%	14,883	-2.0%	78
Optometry	OPT01	983	1,023	4.1%	963	-2.0%	24
Orthopedic Surgery (no Spinal)	ORT01	34,021	28,586	-16.0%	33,341	-2.0%	133
Orthopedic Surgery (with Spinal)	ORT02	34,483	33,916	-1.6%	33,793	-2.0%	89
Otolaryngology (Maj, No Facial)	OTO01	13,789	19,811	43.7%	13,513	-2.0%	60
Otolaryngology (Maj, Facial)	OTO02	24,891	22,610	-9.2%	24,393	-2.0%	62
Pain Management - Anesthesia	APM01	12,128	17,765	46.5%	11,885	-2.0%	29
Physical Medicine & Rehab (Minor Proc)	PMR02	7,979	8,614	8.0%	7,819	-2.0%	80
Physical Medicine & Rehab (Major Proc)	PMR03	13,904	15,074	8.4%	13,626	-2.0%	17
Pathology	PAT01	10,343	9,475	-8.4%	10,136	-2.0%	221
Pediatrics	PED01	12,245	10,094	-17.6%	12,000	-2.0%	366
Physical Medicine & Rehab (Non-Invasive)	PMR01	6,622	6,729	1.6%	6,490	-2.0%	13
Physician's Assistant	PHA01	1,374	1,227	-10.7%	1,346	-2.0%	70
Plastic Surgery	PLA01	29,738	23,364	-21.4%	29,143	-2.0%	251
Podiatry (Minor Surgery)	POD01	3,307	3,230	-2.3%	3,241	-2.0%	13
Podiatry (Intermediate Surgery)	POD02	7,262	6,998	-3.6%	7,117	-2.0%	15
Podiatry (Major Surgery)	POD03	8,767	8,614	-1.8%	8,592	-2.0%	27
Psychiatry	PSY01	6,741	4,307	-36.1%	6,606	-2.0%	442
Pulmonary Medicine	PUL01	14,789	12,920	-12.6%	14,493	-2.0%	143
Surgeon's Assistant	SRA01	1,374	1,227	-10.7%	1,346	-2.0%	0
Surgical Specialty (Office,Min)	SUR01	16,054	15,289	-4.8%	15,733	-2.0%	73
Therapeutic Radiology	THE01	14,369	6,810	-52.6%	14,082	-2.0%	63
Thoracic Surgery	THO01	39,571	39,568	0.0%	38,780	-2.0%	33
Urology	URO01	19,075	17,765	-6.9%	18,694	-2.0%	96
TOTAL							8,454
Weighted Average		\$14,645	\$13,796	-5.8%	\$14,352	-2.0%	

**The Doctors Company
California**

Indicated and Proposed Rates by Specialty: \$1M/\$3M Limits, Fully Mature, Full-Time Physicians

TERRITORY C - Imperial and San Diego counties

SPECIALTY	TDC SPEC CODE	THE DOCTORS COMPANY					FTE DOC COUNTS
		MANUAL PREMIUM					
		CURRENT	INDICATED	% CHANGE	PROPOSED	% CHANGE	
Administrative Medicine	ADM01	3,330	3,113	-6.5%	3,330	0.0%	4
Allergy/Immunology	ALI01	3,931	3,372	-14.2%	3,931	0.0%	14
Anesthesiology	ANE01	10,472	11,413	9.0%	10,472	0.0%	42
Nurse Anesthetist (Spvs By Ane)	ANE02	1,571	1,712	9.0%	1,571	0.0%	0
Nurse Anesthetist (Spvs By Sur)	ANE03	2,827	3,082	9.0%	2,827	0.0%	0
Cardiology (Invasive)	CAR01	13,408	16,082	19.9%	13,408	0.0%	106
Chiropractor	CRP01	1,459	1,556	6.7%	1,459	0.0%	12
CNM (Add'l Nmd Ins-Dir Spvs)	CNM01	3,578	3,901	9.0%	3,578	0.0%	4
CNM (Add'l Nmd Ins-Indir Spvs)	CNM02	7,197	7,844	9.0%	7,197	0.0%	0
Colon&Rectal Surg(Min/Ltd)	CRS01	19,041	20,751	9.0%	19,041	0.0%	1
Dental (Local anes and nitrous ox only)	DEN01	1,904	2,075	9.0%	1,904	0.0%	59
Dental (Sedation)	DEN02	3,808	4,150	9.0%	3,808	0.0%	0
Oral Surgeons	DEN03	11,424	12,451	9.0%	11,424	0.0%	27
Dental Anesthesiologists	DEN04	13,328	14,526	9.0%	13,328	0.0%	0
Dermatology	DER01	5,712	5,707	-0.1%	5,712	0.0%	95
Dermatology W/ Liposuction	DER02	21,897	22,826	4.2%	21,897	0.0%	13
Diagnostic Radiology	DIA01	13,880	16,082	15.9%	13,880	0.0%	97
Emergency Medicine	EMM01	19,993	19,713	-1.4%	19,993	0.0%	19
FGP (No Surg-Hospital Care)	FGP01	7,447	7,885	5.9%	7,447	0.0%	32
FGP (Minor Surgery-No Ob)	FGP02	10,513	12,243	16.5%	10,513	0.0%	280
FGP (Rest Maj Surg-No Ob)	FGP04	13,804	15,044	9.0%	13,804	0.0%	5
FGP (With Obstetrics)	FGP06	18,850	19,174	1.7%	18,850	0.0%	1
Gastroenterology	GAS01	10,853	11,828	9.0%	10,853	0.0%	78
General Medicine (Restricted)	GEM01	6,143	7,263	18.2%	6,143	0.0%	3
General Surgery	GES01	35,273	38,441	9.0%	35,273	0.0%	49
General Surgery (Bariatric)	GES02	37,676	51,877	37.7%	37,676	0.0%	5
Gynecology (Major Surgery)	GYN01	18,908	22,826	20.7%	18,908	0.0%	15
Gynecology (w/ In-vitro Fertilization)	GYN02	29,989	32,216	7.4%	29,989	0.0%	4
Hand & Foot Surgery	HAF01	17,667	13,073	-26.0%	17,667	0.0%	1
Internal Med	INT01	9,730	10,375	6.6%	9,730	0.0%	435
Internal Medicine Subs - NS	INTSB	8,307	8,300	-0.1%	8,307	0.0%	106
Neonatology	NEO01	13,328	14,526	9.0%	13,328	0.0%	0
Neurology	NEU01	12,654	15,356	21.4%	12,654	0.0%	55
Neurosurgery	NSU01	55,364	65,366	18.1%	55,364	0.0%	15
Nuclear Medicine	NUC01	5,588	4,851	-13.2%	5,588	0.0%	2
Nurse Practitioner	NUR01	1,117	1,183	5.9%	1,117	0.0%	9
Obstetrics & Gynecology	OBG01	41,128	44,822	9.0%	41,128	0.0%	97
Occupational Medicine	OCM01	3,135	3,268	4.3%	3,135	0.0%	27
Ophthalmology (No Sur)	OPH01	4,853	3,320	-31.6%	4,853	0.0%	2
Ophthalmology (Min Sur)	OPH02	6,165	6,537	6.0%	6,165	0.0%	17
Ophthalmology (Maj Sur)	OPH03	10,963	9,805	-10.6%	10,963	0.0%	26
Optometry	OPT01	924	986	6.7%	924	0.0%	16
Orthopedic Surgery (no Spinal)	ORT01	28,342	27,547	-2.8%	28,342	0.0%	62
Orthopedic Surgery (with Spinal)	ORT02	29,037	32,683	12.6%	29,037	0.0%	25
Otolaryngology (Maj, No Facial)	OTO01	14,876	19,091	28.3%	14,876	0.0%	11
Otolaryngology (Maj, Facial)	OTO02	19,468	21,789	11.9%	19,468	0.0%	21
Pain Management - Anesthesia	APM01	10,952	17,120	56.3%	10,952	0.0%	7
Physical Medicine & Rehab (Minor Proc)	PMR02	7,616	8,300	9.0%	7,616	0.0%	13
Physical Medicine & Rehab (Major Proc)	PMR03	10,788	14,526	34.6%	10,788	0.0%	6
Pathology	PAT01	8,759	9,130	4.2%	8,759	0.0%	103
Pediatrics	PED01	9,179	9,727	6.0%	9,179	0.0%	119
Physical Medicine & Rehab (Non-Invasive)	PMR01	5,136	6,485	26.3%	5,136	0.0%	5
Physician's Assistant	PHA01	1,117	1,183	5.9%	1,117	0.0%	5
Plastic Surgery	PLA01	23,641	22,515	-4.8%	23,641	0.0%	66
Podiatry (Minor Surgery)	POD01	2,511	3,113	24.0%	2,511	0.0%	8
Podiatry (Intermediate Surgery)	POD02	5,772	6,744	16.8%	5,772	0.0%	4
Podiatry (Major Surgery)	POD03	6,658	8,300	24.7%	6,658	0.0%	5
Psychiatry	PSY01	4,712	4,150	-11.9%	4,712	0.0%	102
Pulmonary Medicine	PUL01	12,010	12,451	3.7%	12,010	0.0%	60
Surgeon's Assistant	SRA01	1,117	1,183	5.9%	1,117	0.0%	0
Surgical Specialty (Office,Min)	SUR01	11,946	14,733	23.3%	11,946	0.0%	15
Therapeutic Radiology	THE01	12,010	6,563	-45.4%	12,010	0.0%	24
Thoracic Surgery	THO01	32,123	38,130	18.7%	32,123	0.0%	25
Urology	URO01	14,947	17,120	14.5%	14,947	0.0%	22
TOTAL							2,474
Weighted Average		\$13,028	\$14,116	8.4%	\$13,028	0.0%	

**The Doctors Company
California**

Indicated and Proposed Rates by Specialty: \$1M/\$3M Limits, Fully Mature, Full-Time Physicians

TERRITORY D - Alameda, Contra Costa, Madera, Mariposa, Merced, Monterey, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Clara, and Santa Cruz counties

SPECIALTY	TDC SPEC CODE	THE DOCTORS COMPANY					FTE DOC COUNTS
		MANUAL PREMIUM					
		CURRENT	INDICATED	% CHANGE	PROPOSED	% CHANGE	
Administrative Medicine	ADM01	3,587	1,805	-49.7%	3,264	-9.0%	7
Allergy/Immunology	ALI01	3,014	1,956	-35.1%	2,743	-9.0%	17
Anesthesiology	ANE01	7,044	6,620	-6.0%	6,410	-9.0%	237
Nurse Anesthetist (Spvs By Ane)	ANE02	1,057	993	-6.1%	962	-9.0%	0
Nurse Anesthetist (Spvs By Sur)	ANE03	1,902	1,787	-6.0%	1,731	-9.0%	0
Cardiology (Invasive)	CAR01	9,459	9,328	-1.4%	8,608	-9.0%	14
Chiropractor	CRP01	1,017	903	-11.2%	925	-9.0%	23
CNM (Add'l Nmd Ins-Dir Spvs)	CNM01	2,578	2,263	-12.2%	2,346	-9.0%	8
CNM (Add'l Nmd Ins-Indir Spvs)	CNM02	5,186	4,550	-12.3%	4,719	-9.0%	1
Colon&Rectal Surg(Min/Ltd)	CRS01	12,612	12,036	-4.6%	11,477	-9.0%	2
Dental (Local anes and nitrous ox only)	DEN01	1,261	1,204	-4.5%	1,148	-9.0%	206
Dental (Sedation)	DEN02	2,522	2,407	-4.5%	2,295	-9.0%	0
Oral Surgeons	DEN03	10,050	7,227	-28.1%	9,146	-9.0%	82
Dental Anesthesiologists	DEN04	8,829	8,425	-4.6%	8,034	-9.0%	0
Dermatology	DER01	4,343	3,310	-23.8%	3,952	-9.0%	47
Dermatology W/ Liposuction	DER02	14,504	13,240	-8.7%	13,199	-9.0%	9
Diagnostic Radiology	DIA01	9,270	9,328	0.6%	8,436	-9.0%	15
Emergency Medicine	EMM01	13,243	11,434	-13.7%	12,051	-9.0%	24
FGP (No Surg-Hospital Care)	FGP01	5,570	4,574	-17.9%	5,069	-9.0%	59
FGP (Minor Surgery-No Ob)	FGP02	7,263	7,101	-2.2%	6,609	-9.0%	115
FGP (Rest Maj Surg-No Ob)	FGP04	11,185	8,726	-22.0%	10,178	-9.0%	1
FGP (With Obstetrics)	FGP06	13,741	11,122	-19.1%	12,504	-9.0%	19
Gastroenterology	GAS01	7,502	6,861	-8.5%	6,827	-9.0%	33
General Medicine (Restricted)	GEM01	4,414	4,213	-4.6%	4,017	-9.0%	1
General Surgery	GES01	23,365	22,297	-4.6%	21,262	-9.0%	59
General Surgery (Bariatric)	GES02	25,586	30,091	17.6%	23,283	-9.0%	5
Gynecology (Major Surgery)	GYN01	13,759	13,240	-3.8%	12,521	-9.0%	9
Gynecology (w/ In-vitro Fertilization)	GYN02	19,865	18,686	-5.9%	18,077	-9.0%	1
Hand & Foot Surgery	HAF01	14,324	7,583	-47.1%	13,035	-9.0%	13
Internal Med	INT01	6,782	6,018	-11.3%	6,172	-9.0%	279
Internal Medicine Subs - NS	INTSB	5,769	4,815	-16.5%	5,250	-9.0%	121
Neonatology	NEO01	8,829	8,425	-4.6%	8,034	-9.0%	2
Neurology	NEU01	9,175	8,907	-2.9%	8,349	-9.0%	26
Neurosurgery	NSU01	39,729	37,914	-4.6%	36,153	-9.0%	21
Nuclear Medicine	NUC01	4,228	2,813	-33.5%	3,847	-9.0%	3
Nurse Practitioner	NUR01	836	686	-17.9%	760	-9.1%	3
Obstetrics & Gynecology	OBG01	29,635	25,998	-12.3%	26,968	-9.0%	76
Occupational Medicine	OCM01	2,465	1,896	-23.1%	2,243	-9.0%	31
Ophthalmology (No Sur)	OPH01	2,684	1,926	-28.2%	2,442	-9.0%	3
Ophthalmology (Min Sur)	OPH02	4,659	3,791	-18.6%	4,240	-9.0%	14
Ophthalmology (Maj Sur)	OPH03	6,614	5,687	-14.0%	6,019	-9.0%	59
Optometry	OPT01	644	572	-11.2%	586	-9.0%	5
Orthopedic Surgery (no Spinal)	ORT01	20,141	15,978	-20.7%	18,328	-9.0%	131
Orthopedic Surgery (with Spinal)	ORT02	21,127	18,957	-10.3%	19,226	-9.0%	23
Otolaryngology (Maj, No Facial)	OTO01	11,099	11,073	-0.2%	10,100	-9.0%	18
Otolaryngology (Maj, Facial)	OTO02	15,499	12,638	-18.5%	14,104	-9.0%	26
Pain Management - Anesthesia	APM01	7,739	9,930	28.3%	7,042	-9.0%	17
Physical Medicine & Rehab (Minor Proc)	PMR02	5,270	4,815	-8.6%	4,796	-9.0%	19
Physical Medicine & Rehab (Major Proc)	PMR03	8,387	8,425	0.5%	7,632	-9.0%	20
Pathology	PAT01	5,802	5,296	-8.7%	5,280	-9.0%	43
Pediatrics	PED01	6,395	5,642	-11.8%	5,819	-9.0%	132
Physical Medicine & Rehab (Non-Invasive)	PMR01	3,784	3,761	-0.6%	3,443	-9.0%	8
Physician's Assistant	PHA01	836	686	-17.9%	760	-9.1%	6
Plastic Surgery	PLA01	20,697	13,059	-36.9%	18,834	-9.0%	91
Podiatry (Minor Surgery)	POD01	2,066	1,805	-12.6%	1,880	-9.0%	17
Podiatry (Intermediate Surgery)	POD02	5,094	3,912	-23.2%	4,636	-9.0%	15
Podiatry (Major Surgery)	POD03	5,094	4,815	-5.5%	4,636	-9.0%	41
Psychiatry	PSY01	3,587	2,407	-32.9%	3,264	-9.0%	95
Pulmonary Medicine	PUL01	8,351	7,222	-13.5%	7,599	-9.0%	42
Surgeon's Assistant	SRA01	836	686	-17.9%	760	-9.1%	0
Surgical Specialty (Office,Min)	SUR01	8,955	8,546	-4.6%	8,149	-9.0%	39
Therapeutic Radiology	THE01	8,998	3,806	-57.7%	8,188	-9.0%	3
Thoracic Surgery	THO01	22,072	22,117	0.2%	20,086	-9.0%	15
Urology	URO01	10,076	9,930	-1.4%	9,169	-9.0%	23
TOTAL							2,468
Weighted Average		\$9,267	\$7,973	-14.0%	\$8,433	-9.0%	

**The Doctors Company
California**

Indicated and Proposed Rates by Specialty: \$1M/\$3M Limits, Fully Mature, Full-Time Physicians

TERRITORY E - Remainder of State

SPECIALTY	TDC SPEC CODE	THE DOCTORS COMPANY					FTE DOC COUNTS
		MANUAL PREMIUM					
		CURRENT	INDICATED	% CHANGE	PROPOSED	% CHANGE	
Administrative Medicine	ADM01	3,587	2,522	-29.7%	3,587	0.0%	9
Allergy/Immunology	ALI01	3,587	2,732	-23.8%	3,587	0.0%	10
Anesthesiology	ANE01	9,057	9,247	2.1%	9,057	0.0%	326
Nurse Anesthetist (Spvs By Ane)	ANE02	1,359	1,387	2.1%	1,359	0.0%	1
Nurse Anesthetist (Spvs By Sur)	ANE03	2,445	2,497	2.1%	2,445	0.0%	1
Cardiology (Invasive)	CAR01	11,832	13,029	10.1%	11,832	0.0%	36
Chiropractor	CRP01	1,168	1,261	8.0%	1,168	0.0%	12
CNM (Add'l Nmd Ins-Dir Spvs)	CNM01	3,014	3,161	4.9%	3,014	0.0%	1
CNM (Add'l Nmd Ins-Indir Spvs)	CNM02	6,063	6,355	4.8%	6,063	0.0%	2
Colon&Rectal Surg(Min/Ltd)	CRS01	17,651	16,812	-4.8%	17,651	0.0%	8
Dental (Local anes and nitrous ox only)	DEN01	1,558	1,681	7.9%	1,558	0.0%	177
Dental (Sedation)	DEN02	3,530	3,362	-4.7%	3,530	0.0%	0
Oral Surgeons	DEN03	10,591	10,087	-4.8%	10,591	0.0%	62
Dental Anesthesiologists	DEN04	12,356	11,769	-4.8%	12,356	0.0%	0
Dermatology	DER01	5,295	4,623	-12.7%	5,295	0.0%	45
Dermatology W/ Liposuction	DER02	16,480	18,493	12.2%	16,480	0.0%	2
Diagnostic Radiology	DIA01	10,591	13,029	23.0%	10,591	0.0%	73
Emergency Medicine	EMM01	18,534	15,972	-13.8%	18,534	0.0%	35
FGP (No Surg-Hospital Care)	FGP01	6,217	6,389	2.8%	6,217	0.0%	55
FGP (Minor Surgery-No Ob)	FGP02	8,451	9,919	17.4%	8,451	0.0%	292
FGP (Rest Maj Surg-No Ob)	FGP04	12,681	12,189	-3.9%	12,681	0.0%	4
FGP (With Obstetrics)	FGP06	17,136	15,534	-9.3%	17,136	0.0%	15
Gastroenterology	GAS01	9,646	9,583	-0.7%	9,646	0.0%	35
General Medicine (Restricted)	GEM01	6,178	5,884	-4.8%	6,178	0.0%	1
General Surgery	GES01	28,498	31,145	9.3%	28,498	0.0%	63
General Surgery (Bariatric)	GES02	29,287	42,030	43.5%	29,287	0.0%	9
Gynecology (Major Surgery)	GYN01	15,766	18,493	17.3%	15,766	0.0%	19
Gynecology (w/ In-vitro Fertilization)	GYN02	27,801	26,101	-6.1%	27,801	0.0%	0
Hand & Foot Surgery	HAF01	13,263	10,592	-20.1%	13,263	0.0%	14
Internal Med	INT01	7,790	8,406	7.9%	7,790	0.0%	333
Internal Medicine Subs - NS	INTSB	6,622	6,725	1.6%	6,622	0.0%	84
Neonatology	NEO01	12,356	11,769	-4.8%	12,356	0.0%	10
Neurology	NEU01	10,701	12,441	16.3%	10,701	0.0%	30
Neurosurgery	NSU01	43,733	52,958	21.1%	43,733	0.0%	12
Nuclear Medicine	NUC01	4,962	3,930	-20.8%	4,962	0.0%	3
Nurse Practitioner	NUR01	933	958	2.7%	933	0.0%	1
Obstetrics & Gynecology	OBG01	34,644	36,314	4.8%	34,644	0.0%	67
Occupational Medicine	OCM01	2,648	2,648	0.0%	2,648	0.0%	30
Ophthalmology (No Sur)	OPH01	2,648	2,690	1.6%	2,648	0.0%	2
Ophthalmology (Min Sur)	OPH02	5,411	5,296	-2.1%	5,411	0.0%	15
Ophthalmology (Maj Sur)	OPH03	8,504	7,944	-6.6%	8,504	0.0%	16
Optometry	OPT01	740	799	7.9%	740	0.0%	4
Orthopedic Surgery (no Spinal)	ORT01	23,432	22,318	-4.8%	23,432	0.0%	100
Orthopedic Surgery (with Spinal)	ORT02	26,918	26,479	-1.6%	26,918	0.0%	20
Otolaryngology (Maj, No Facial)	OTO01	11,173	15,467	38.4%	11,173	0.0%	15
Otolaryngology (Maj, Facial)	OTO02	17,179	17,653	2.8%	17,179	0.0%	16
Pain Management - Anesthesia	APM01	9,057	13,870	53.1%	9,057	0.0%	14
Physical Medicine & Rehab (Minor Proc)	PMR02	6,505	6,725	3.4%	6,505	0.0%	14
Physical Medicine & Rehab (Major Proc)	PMR03	9,280	11,769	26.8%	9,280	0.0%	18
Pathology	PAT01	7,452	7,397	-0.7%	7,452	0.0%	42
Pediatrics	PED01	7,855	7,881	0.3%	7,855	0.0%	96
Physical Medicine & Rehab (Non-Invasive)	PMR01	4,418	5,254	18.9%	4,418	0.0%	10
Physician's Assistant	PHA01	933	958	2.7%	933	0.0%	6
Plastic Surgery	PLA01	20,697	18,241	-11.9%	20,697	0.0%	58
Podiatry (Minor Surgery)	POD01	2,216	2,522	13.8%	2,216	0.0%	5
Podiatry (Intermediate Surgery)	POD02	5,094	5,464	7.3%	5,094	0.0%	15
Podiatry (Major Surgery)	POD03	5,875	6,725	14.5%	5,875	0.0%	22
Psychiatry	PSY01	4,124	3,362	-18.5%	4,124	0.0%	103
Pulmonary Medicine	PUL01	10,628	10,087	-5.1%	10,628	0.0%	20
Surgeon's Assistant	SRA01	933	958	2.7%	933	0.0%	0
Surgical Specialty (Office,Min)	SUR01	10,984	11,937	8.7%	10,984	0.0%	22
Therapeutic Radiology	THE01	10,445	5,317	-49.1%	10,445	0.0%	31
Thoracic Surgery	THO01	25,376	30,892	21.7%	25,376	0.0%	23
Urology	URO01	12,849	13,870	7.9%	12,849	0.0%	22
TOTAL							2,581
Weighted Average		\$10,565	\$11,027	4.4%	\$10,565	0.0%	

The Doctors Company
Evaluation of Claims-Free Discount (CFD) Change
2011 California Rate Review

	Eligible ≥3 Yrs Tenure <u>with TDC</u>	Eligible <3 Yrs Tenure <u>with TDC</u>	<u>Ineligible</u>	<u>Total</u>	
Insured Distribution :	63.6%	10.3%	26.1%	100.0%	
Proposed Average CFD :	19.7%	8.8%	0.0%	13.4%	
				Current Average CFD :	8.0%
				Current Average Total Credit :	6.6%
				Proposed Average Total Credit :	12.1% = 6.6% + 13.4% - 8.0%
				Rate Impact :	-5.8% = (1 - 12.1%) / (1 - 6.6%) - 1

THE DOCTORS COMPANY
2009 SPECIALTY RELATIVITY ANALYSIS
NATIONWIDE \$250k LIMIT - 1995-2006 (Evaluated at 12/31/2008)

Table with columns (1) through (15) and rows for various specialties (ADM01, ALI01, ANE01, etc.). Includes a 'TOTALS' row at the bottom. Headers include 'TDC Base Class/Terr Exposure', 'TDC Allocated Claims', 'TDC Data Credibility', 'TDC \$250k Limit Loss', 'TDC \$250k Limit Pure Prem', 'TDC 2002 Relativity', 'TDC 2006 Relativity', 'TDC Indicated Relativity', 'PIAA \$200k Limit Industry Relativity', 'PIAA Estimated Claims', 'PIAA Data Credibility', 'Credibility Weighted Relativity', 'TDC Selected Relativity', and 'Selected Change'.

Notes: (1) The selected relativity shown for Neurosurgery reflects a weighted average of the selected California relativity (6.000, 0.0%) and the nationwide ex-California relativity (6.800, +0.7%). See details on Exhibit 16, Page 4.
(2) Includes TDC Redding claim experience.

THE DOCTORS COMPANY
2009 SPECIALTY RELATIVITY ANALYSIS
NATIONWIDE \$250k to \$1M LIMIT - 1995-2006 (Evaluated at 12/31/2008)

(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
\$250k to \$1M LIMIT FACTORS										
Specialty Note	\$1M Limit CA B Equiv Exposure	TDC \$1M Limit Loss	TDC \$1M Limit Pure Prem	TDC 2002 Factor	TDC 2006 Factor	TDC Indicated Factor	PIAA Industry Factor	Credibility Weighted Factor	TDC Selected Factor	TDC Selected Change
			(18)/(17)			[(19)/(6)]/ [(19)INT01/ (6)INT01]		[(4) x (22)] + [(12) x (23)] [(1-(4)- (12)^(21))]		(25)/(21) - 1.00
ADM01	331	140,701	425	1.000	1.000	0.743	1.039	0.987	1.000	0.0%
ALI01	1,582	2,045,072	1,293	1.000	1.000	0.855	1.010	0.983	1.000	0.0%
ANE01	31,754	274,497,688	8,645	1.075	1.100	1.138	1.229	1.138	1.100	0.0%
APM01	307	10,445,605	34,025	1.100	1.099	1.301	1.087	1.135	1.100	0.1%
CAR01	3,502	41,853,387	11,951	0.950	1.000	0.961	1.047	0.991	1.000	0.0%
CRP01	757	105,726	140	1.000	1.000	0.597		0.979	1.000	0.0%
CRS01	61	460,511	7,549	1.000	1.000	0.812	1.148	1.072	1.000	0.0%
DEN01	1,257	152,838	122	0.800	0.800	0.824		0.804	0.800	0.0%
DEN02	0	0		0.800	0.800	0.000		0.800	0.800	0.0%
DEN03	78	0	0	1.000	1.000	0.000		1.000	1.000	0.0%
DEN04	2	0	0	1.000	1.000	0.000		1.000	1.000	0.0%
DER01	3,526	13,358,510	3,789	1.000	1.000	1.047	1.044	1.046	1.000	0.0%
DER02	60	209,302	3,488	1.000	1.000	0.796		0.980	1.000	0.0%
DIA01	4,559	55,945,078	12,271	0.950	0.948	1.012	1.069	1.026	1.000	5.4%
EMM01	1,157	9,286,527	8,026	1.000	1.000	0.966	1.050	1.020	1.000	0.0%
FGP01	8,652	44,243,750	5,114	0.900	0.953	0.891	1.064	0.944	0.950	-0.3%
FGP02	12,359	111,834,803	9,049	0.900	0.950	0.992	1.089	0.992	1.000	5.3%
FGP04	553	3,644,012	6,590	1.000	1.000	0.768	1.297	1.000	1.000	0.0%
FGP06	1,391	19,223,626	13,820	1.050	1.100	1.190	1.145	1.163	1.120	1.8%
GAS01	4,199	36,586,195	8,713	0.950	0.950	0.954	1.065	0.981	0.950	0.0%
GEM01	189	1,397,504	7,394	1.000	1.000	1.080	1.002	1.011	1.000	0.0%
GES01	5,693	170,685,084	29,982	1.000	0.950	0.967	1.088	0.967	0.950	0.0%
GES02	86	4,930,359	57,330	1.000	1.000	1.332	1.348	1.345	1.000	0.0%
GYN01	1,883	38,366,438	20,375	1.050	1.050	1.119	1.124	1.121	1.100	4.8%
GYN02	585	5,263,202	8,997		1.117	0.942		1.063	1.150	3.0%
HAF01	592	4,395,464	7,425	0.950	0.900	0.778	0.890	0.855	0.900	0.0%
INT01	25,875	203,335,858	7,858	1.000	1.000	1.000	1.000	1.000	1.000	0.0%
INTSB	#VALUE!	#VALUE!	#VALUE!	1.000	1.000	#VALUE!	1.001	#VALUE!	1.000	0.0%
NEO01	773	9,650,707	12,485	1.000	1.000	1.060	1.224	1.126	1.000	0.0%
NEU01	2,542	25,564,549	10,057	1.000	1.000	0.867	1.114	0.980	1.000	0.0%
NSU01	2,341	148,293,877	63,346	1.050	1.125	1.167	1.206	1.169	1.110	-1.3%
NUC01	301	1,786,180	5,934	1.000	1.000	1.981	1.227	1.171	1.100	10.0%
OBG01	9,028	293,000,400	32,455	1.150	1.200	1.182	1.259	1.182	1.200	0.0%
OCM01	1,243	2,971,949	2,391	1.000	1.000	0.784	0.834	0.856	0.900	-10.0%
OPH01	201	621,627	3,093	0.900	0.857	0.683	1.400	1.051	0.900	5.0%
OPH02	540	1,011,714	1,874	0.900	0.850	0.679	0.981	0.866	0.900	5.9%
OPH03	3,014	20,924,756	6,943	0.900	0.850	0.864	0.977	0.907	0.900	5.9%
ORT01	12,182	256,125,684	21,025	0.900	0.900	0.919	0.993	0.919	0.900	0.0%
ORT02	493	9,729,745	19,736	0.900	0.900	0.943	1.064	0.982	0.900	0.0%
OTO01	2,134	34,165,014	16,010	1.000	1.051	1.153	1.159	1.157	1.100	4.7%
OTO02	1,497	26,815,787	17,913	1.000	1.050	1.145	1.051	1.100	1.050	0.0%
PAT01	22,637	146,109,442	6,454	1.250	1.150	1.072	1.272	1.092	1.100	-4.3%
PED01	7,940	60,208,228	7,583	1.150	1.250	1.293	1.160	1.235	1.250	0.0%
PLA01	12,423	204,726,734	16,480	0.800	0.834	0.866	0.912	0.866	0.850	1.9%
POD01	400	823,111	2,058	1.000	1.000	0.727	0.857	0.834	0.950	-5.0%
PMR01	2,373	9,811,821	4,135	1.000	1.000	0.879	1.022	0.966	1.000	0.0%
PMR02	451	993,232	2,202	1.000	1.000	0.692		0.948	1.000	0.0%
PMR03	422	1,649,072	3,908	1.000	0.950	1.157	1.191	1.185	1.000	5.3%
PSY01	17,125	51,325,705	2,997	0.800	0.844	0.809	0.900	0.832	0.840	-0.5%
PUL01	3,006	23,051,106	7,668	1.000	1.000	0.930	1.048	0.975	1.000	0.0%
SUR01	2,242	23,219,774	10,357	1.100	1.052	1.013	1.245	1.131	1.050	-0.2%
THE01	733	3,462,595	4,724	1.000	1.000	1.383	1.249	1.231	1.100	10.0%
THO01 (1)	2,648	80,669,794	30,464	1.000	1.000	1.114	1.034	1.099	1.050	5.0%
URO01	2,142	28,032,817	13,087	0.900	0.952	1.020	1.056	1.036	1.000	5.1%
TOTALS	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#####	#VALUE!	#####	#VALUE!	#VALUE!	#VALUE!

Notes: (1) Includes TDC Redding claim experience.

THE DOCTORS COMPANY
2009 SPECIALTY RELATIVITY ANALYSIS
NATIONWIDE \$1M LIMIT - 1995-2006 (Evaluated at 12/31/2008)

(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	
<i>SIM LIMIT RELATIVITIES</i>								
Specialty	Note	TDC 2002 Relativity	TDC 2006 Relativity	TDC Indicated Relativity	PIAA \$1M Industry Relativity	Credibility Weighted Relativity	TDC Selected Relativity	Selected Change
		$(19) / (19)INT01$			$[(4) \times (30)] + [(12) \times (31)] + [(1 - (4) - (12)) \times (29)]$		$(33) / (29) - 1.00$	
ADM01		0.300	0.325	0.054	0.199	0.258	0.300	-7.7%
ALI01		0.365	0.350	0.165	0.230	0.266	0.325	-7.1%
ANE01		1.070	1.100	1.100	1.262	1.100	1.100	0.0%
APM01		0.986	1.330	4.330	1.713	2.133	1.650	24.1%
CAR01		1.378	1.500	1.521	1.631	1.559	1.550	3.3%
CRP01		0.150	0.150	0.018		0.143	0.150	0.0%
CRS01		2.200	2.000	0.961	2.374	2.124	2.000	0.0%
DEN01		0.200	0.200	0.015		0.173	0.200	0.0%
DEN02		0.400	0.400			0.400	0.400	0.0%
DEN03		1.200	1.200	0.000		1.200	1.200	0.0%
DEN04		1.400	1.400	0.000		1.400	1.400	0.0%
DER01		0.650	0.600	0.482	0.542	0.512	0.550	-8.3%
DER02		2.322	2.300	0.444		2.122	2.200	-4.3%
DIA01		1.473	1.470	1.562	1.597	1.570	1.550	5.4%
EMM01		2.100	2.100	1.021	1.803	1.526	1.900	-9.5%
FGP01		0.765	0.810	0.651	1.024	0.764	0.760	-6.2%
FGP02		1.080	1.140	1.151	1.284	1.151	1.180	3.5%
FGP04		1.450	1.450	0.839	2.797	2.381	1.450	0.0%
FGP06		1.995	1.980	1.759	1.755	1.757	1.848	-6.7%
GAS01		1.188	1.140	1.109	1.505	1.205	1.140	0.0%
GEM01		0.700	0.700	0.941	0.244	0.507	0.700	0.0%
GES01		3.900	3.705	3.815	4.377	3.815	3.705	0.0%
GES02		0.000	5.000	7.295	6.919	6.983	5.000	0.0%
GYN01		1.943	2.100	2.593	1.960	2.284	2.200	4.8%
GYN02		0.000	3.150	1.145		2.529	3.105	-1.4%
HAF01		1.330	1.215	0.945	1.316	1.201	1.260	3.7%
INT01		1.000	1.000	1.000	1.000	1.000	1.000	0.0%
INTSB		0.880	0.850	#VALUE!	0.935	#VALUE!	0.800	-5.9%
NEO01		1.400	1.400	1.589	1.710	1.597	1.400	0.0%
NEU01		1.300	1.425	1.280	1.676	1.460	1.480	3.9%
NSU01	(1)	6.510	7.208	8.061	7.671	8.038	7.150	-0.8%
NUC01		0.460	0.450	0.755	0.521	0.503	0.468	3.9%
OBG01		4.370	4.320	4.130	5.381	4.130	4.320	0.0%
OCM01		0.350	0.300	0.304	0.308	0.306	0.315	5.0%
OPH01		0.315	0.300	0.394	0.589	0.420	0.320	6.7%
OPH02		0.630	0.595	0.238	1.122	0.694	0.630	5.9%
OPH03		0.990	0.935	0.883	1.059	0.950	0.945	1.1%
ORT01		2.970	2.655	2.675	3.132	2.675	2.655	0.0%
ORT02		2.970	3.050	2.511	4.519	3.784	3.150	3.3%
OTO01		1.650	1.760	2.037	1.848	1.933	1.840	4.5%
OTO02		2.000	2.100	2.279	2.350	2.313	2.100	0.0%
PAT01		1.000	0.920	0.821	1.177	0.858	0.880	-4.3%
PED01		0.943	1.000	0.965	0.783	0.886	0.938	-6.3%
PLA01		2.320	2.210	2.097	2.618	2.097	2.170	-1.8%
POD01		0.684	0.650	0.262	0.915	0.796	0.665	2.3%
PMR01		0.630	0.600	0.526	0.655	0.605	0.625	4.2%
PMR02		0.790	0.800	0.280		0.712	0.800	0.0%
PMR03		1.320	1.330	0.497	2.128	1.835	1.400	5.3%
PSY01		0.360	0.380	0.381	0.445	0.397	0.400	5.3%
PUL01		1.250	1.200	0.976	1.458	1.156	1.200	0.0%
SUR01		1.430	1.420	1.318	2.567	1.954	1.420	0.0%
THE01		1.250	0.600	0.601	0.839	0.757	0.633	5.4%
THO01	(2)	3.300	3.500	3.877	4.042	3.907	3.675	5.0%
URO01		1.665	1.570	1.665	1.868	1.759	1.650	5.1%

TOTALS #VALUE! #VALUE! #VALUE! #VALUE! #VALUE! #VALUE! #VALUE!

Notes: (1) The selected relativity shown for Neurosurgery reflects a weighted average of the selected California relativity (6.300, 0.0%) and the nationwide ex-California relativity (7.820, +0.7%). See details on Exhibit 16, Page 4.

(2) Includes TDC Redding claim experience.

**THE DOCTORS COMPANY
2009 SPECIALTY RELATIVITY ANALYSIS
NEUROSURGERY 1987-2006**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	
<i>\$250k LIMITS RELATIVITIES</i>															
Specialty	TDC Base Class/Terr Exposure	TDC Allocated Claims	TDC Data Credibility	TDC \$250k Limit Loss	TDC \$250k Limit Pure Prem	TDC 2002 Relativity	TDC 2006 Relativity	TDC Indicated Relativity	PIAA Industry Relativity	PIAA Estimated Claims	PIAA Data Credibility	Credibility Weighted Relativity	TDC Selected Relativity	TDC Selected Change	
			SQRT((3)/1083)		(5) / (2)			(6) / (6)INT01			SQRT((11) / 1083)	[(4) x (9)] + [(12) x (10)] + [(1-(4)-(12)) x (8)]		(14) / (8) - 1.00	
California	INT01	9,970	1,678	100%	62,075,400	6,226	1,000	1,000	1,000	28,566	100%	1,000	1,000	0.0%	
	NSU01	885	592	74%	27,221,584	30,759	6.200	6.000	4.940	6.361	5,817	100%	5.311	6.000	0.0%
Nationwide ex-California	INT01	11,196	718	81%	61,770,606	5,517	1,000	1,000	1,000	28,566	100%	1,000	1,000	0.0%	
	NSU01	1,063	367	58%	51,690,548	48,627	6.200	6.750	8.814	6.361	5,817	100%	7.789	6.800	0.7%

(16)	(17)	(18)	(19)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)	
<i>\$250k to \$1M LIMIT FACTORS</i>													
Specialty	\$1M Limit CA B Equiv Exposure	TDC Allocated Claims	TDC Data Credibility	TDC \$1M Limit Loss	TDC \$1M Limit Pure Prem	TDC 2002 Factor	TDC 2006 Factor	TDC Indicated Factor	PIAA Industry Factor	Credibility Weighted Factor	TDC Selected Factor	TDC Selected Change	
			SQRT((3)/1083)		(18) / (17)			[(19)INT01 / (6)INT01]		x (23) [(1-(4)-(12))^(21)]		(25) / (21) - 1.00	
California	INT01	9,912	1,678	100%	91,479,013	9,229	1,000	1,000	1,000	1,000	1,000	0.0%	
	NSU01	881	592	74%	42,779,322	48,558	1.050	1.050	1.065	1.206	1.102	1.050	0.0%
Nationwide ex-California	INT01	15,880	718	81%	111,856,846	7,044	1,000	1,000	1,000	1,000	1,000	0.0%	
	NSU01	1,450	367	58%	105,514,555	72,769	1.050	1.150	1.172	1.206	1.186	1.150	0.0%

(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)	
<i>\$1M LIMIT RELATIVITIES</i>								
Specialty	TDC 2002 Relativity	TDC 2006 Relativity	TDC Indicated Relativity	PIAA Industry Relativity	Credibility Weighted Relativity	TDC Selected Relativity	TDC Selected Change	
			(19) / (19)INT01		[(12) x (31)] + [(1-(4)-(12))^(21)]	(33) / (29) - 1.00		
California	INT01	1,000	1,000	1,000	1,000	1,000	0.0%	
	NSU01	6.510	6.300	5.261	7.671	5.889	6.300	0.0%
Nationwide ex-California	INT01	1,000	1,000	1,000	1,000	1,000	0.0%	
	NSU01	6.510	7.760	10.331	7.671	9.219	7.820	0.7%

The Doctors Company 2008 Ancillary Specialty Relativity Analysis Nationwide \$250k Limit - 1985-2006

Ancillary Indicated Rate Change Calculation	Separate	Shared	Total	Notes
(a) Base Specialties CA-B Average ELR:	56%	57%	57%	From 4Q07 Rate Adequacy.
(b) Base Specialties CA-B Average 1M/3M Manual Rate:	15,788	12,412	13,908	From TDC CA Rates and Rules
(c) California 250k to 1M ILF:	1,396	1,396	1,396	From Actuarial Size-of-Loss Study
(d) Base Specialties Average 250k Pure Premium:	6,361	5,042	5,629	(a) x (b) / (c)
(e) Ancillary 250k Pure Premium:	568	559	563	Col (5) Totals
(f) Indicated Ancillary Relativity:	0.089	0.111	0.100	(e) / (d)
(g) Current Average Relativity:	0.176	0.145	0.159	Col (8) Totals
(h) Credibility:	39%	42%	57%	SQRT((3) / 663)
(i) Indicated Ancillary Rate Change:	-19%	-10%	-21%	{(f) / (g) - 1.0} x (h)
(j) Indicated Ancillary Rate Change (Full Credibility):	-49%	-23%	-37%	{(f) / (g) - 1.0

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Specialty	CA-B Equivalent Exposure	Allocated Claims	Loss	Pure Premium	Prior Relativities			2008 Selected Relativity	Selected Change
				(4) / (2)	2000	2002	2006		
ANE02-Sep	2,016	34	1,187,841	589	0.294	0.250	0.190	0.150	(9) / (8) - 1.0
ANE03-Sep	33	1	25	1	0.515	0.450	0.340	0.270	-21%
ANE04-Shr	929	3	5,835	6	0.221	0.188	0.143	0.113	-21%
ANE05-Shr	38	3	529,063	13,923	0.386	0.338	0.255	0.203	-21%
CNM01-Sep	100	4	462,767	4,628	0.184	0.150	0.110	0.087	-21%
CNM02-Sep	97	9	938,536	9,676	0.368	0.300	0.220	0.175	-20%
CNM03-Shr	106	3	10,965	103	0.138	0.113	0.083	0.065	-21%
CNM04-Shr	40	0	0	0	0.276	0.225	0.165	0.131	-20%
OPT01-Sep	107	1	155,366	1,452	0.160	0.160	0.120	0.095	-21%
OPT02-Shr	71	0	0	0	0.120	0.120	0.090	0.071	-21%
PHA01-Sep	1,117	38	635,807	569	0.294	0.250	0.190	0.150	-21%
PHA02-Shr	3,479	80	1,908,051	548	0.221	0.188	0.143	0.113	-21%
NUR01-Sep	764	16	459,111	601	0.294	0.250	0.190	0.150	-21%
NUR02-Shr	2,700	24	236,823	88	0.221	0.188	0.143	0.113	-21%
SRA01-Sep	0	0	0	0	0.250	0.250	0.190	0.150	-21%
SRA02-Shr	1	0	0	0	0.188	0.188	0.143	0.113	-21%
Sub-Tot(Sep)	5,139	99	2,917,692	568	0.273	0.232	0.176	0.139	
Sub-Tot(Shr)	6,459	117	3,612,498	559	0.225	0.191	0.145	0.114	-21%
Total	11,598	216	6,530,190	563	0.246	0.209	0.159	0.125	-21%

The Doctors Company
2011 California State Rate Review
\$250K Limit Territory Relativity Analysis

Base Territory: B

Territory A			Developed	\$250K Limit			\$250K Limit	\$250K Limit	Base
Current Territory A			Trended	\$250K Limit	Pure	Freq	Severity	Pure Prem	Territory
RY	Exposure	Claims	\$250K Lim Loss	Frequency	Severity	Premium	Relativity	Relativity	Exposure
1998	486	129	8,771,439	0.265	67,996	18,048	1.353	1.736	729
1999	436	88	5,367,435	0.202	60,994	12,311	1.061	1.191	654
2000	363	71	3,571,818	0.196	50,307	9,840	1.032	1.034	545
2001	358	69	4,826,584	0.193	69,950	13,482	1.088	1.451	537
2002	423	92	5,348,212	0.217	58,133	12,644	1.248	1.199	635
2003	366	115	7,746,887	0.314	67,364	21,166	1.711	1.656	549
2004	451	105	4,764,560	0.233	45,377	10,564	1.559	0.996	677
2005	546	82	6,074,570	0.150	74,080	11,126	1.352	1.582	819
2006	597	81	6,165,540	0.136	76,118	10,328	1.187	1.683	896
2007	635	94	5,327,300	0.148	56,673	8,389	1.352	1.110	953
2008	676	90	5,477,264	0.133	60,858	8,102	1.238	1.061	1,014
2009	1,083	120	8,362,282	0.111	69,686	7,721	1.114	1.356	1,625
2010	1,135	125	7,335,336	0.110	58,683	6,463	1.042	1.107	1,703
'98-10	7,555	1,261	79,139,227	0.167	62,759	10,475	1.229	1.299	11,333
'01-10	6,270	973	61,428,535	0.155	63,133	9,797	1.245	1.288	9,405
'04-10	5,123	697	43,506,852	0.136	62,420	8,492	1.228	1.238	7,685
'06-10	4,126	510	32,667,722	0.124	64,054	7,918	1.166	1.237	6,189
SELECTED TERR REL:									1.500

Territory B			Developed	\$250K Limit			\$250K Limit	\$250K Limit	Base
Current Territory B			Trended	\$250K Limit	Pure	Freq	Severity	Pure Prem	Territory
RY	Exposure	Claims	\$250K Lim Loss	Frequency	Severity	Premium	Relativity	Relativity	Exposure
1998	3,613	709	27,764,733	0.196	39,160	7,685	1.000	1.000	3,613
1999	3,395	646	33,074,533	0.190	51,199	9,742	1.000	1.000	3,395
2000	3,357	636	30,935,628	0.189	48,641	9,215	1.000	1.000	3,357
2001	3,369	597	28,781,510	0.177	48,210	8,543	1.000	1.000	3,369
2002	3,507	611	29,616,559	0.174	48,472	8,445	1.000	1.000	3,507
2003	3,719	683	27,788,275	0.184	40,686	7,472	1.000	1.000	3,719
2004	4,097	612	27,894,326	0.149	45,579	6,808	1.000	1.000	4,097
2005	4,402	489	22,895,302	0.111	46,821	5,201	1.000	1.000	4,402
2006	4,541	519	23,468,756	0.114	45,219	5,168	1.000	1.000	4,541
2007	4,667	511	26,093,082	0.109	51,063	5,591	1.000	1.000	4,667
2008	4,881	525	30,118,303	0.108	57,368	6,171	1.000	1.000	4,881
2009	9,199	915	47,012,175	0.099	51,379	5,111	1.000	1.000	9,199
2010	9,572	1,012	53,661,717	0.106	53,025	5,606	1.000	1.000	9,572
'98-10	62,319	8,465	409,104,899	0.136	48,329	6,565	1.000	1.000	62,319
'01-10	51,954	6,474	317,330,005	0.125	49,016	6,108	1.000	1.000	51,954
'04-10	41,359	4,583	231,143,661	0.111	50,435	5,589	1.000	1.000	41,359
'06-10	32,860	3,482	180,354,033	0.106	51,796	5,489	1.000	1.000	32,860
SELECTED TERR REL:									1.000

Territory C			Developed	\$250K Limit			\$250K Limit	\$250K Limit	Base
Current Territory C			Trended	\$250K Limit	Pure	Freq	Severity	Pure Prem	Territory
RY	Exposure	Claims	\$250K Lim Loss	Frequency	Severity	Premium	Relativity	Relativity	Exposure
1998	967	139	4,635,363	0.144	33,348	4,794	0.733	0.852	822
1999	902	150	5,465,110	0.166	36,434	6,059	0.874	0.712	767
2000	888	177	7,844,858	0.199	44,321	8,834	1.052	0.911	755
2001	990	199	11,477,557	0.201	57,676	11,593	1.134	1.196	842
2002	1,077	190	7,868,164	0.176	41,411	7,306	1.013	0.854	915
2003	1,104	203	9,712,950	0.184	47,847	8,798	1.001	1.176	938
2004	1,284	141	5,670,931	0.110	40,219	4,417	0.735	0.882	1,091
2005	1,721	177	8,783,471	0.103	49,624	5,104	0.926	1.060	1,463
2006	1,830	238	14,826,861	0.130	62,298	8,102	1.138	1.378	1,556
2007	1,886	197	8,530,526	0.104	43,302	4,523	0.954	0.848	1,603
2008	1,966	191	11,533,907	0.097	60,387	5,867	0.903	1.053	1,671
2009	2,953	282	13,079,282	0.095	46,380	4,429	0.960	0.903	2,510
2010	2,995	261	13,695,836	0.087	52,474	4,573	0.824	0.990	2,546
'98-10	20,563	2,545	123,124,816	0.124	48,379	5,988	0.911	1.001	17,479
'01-10	17,806	2,079	105,179,485	0.117	50,591	5,907	0.937	1.032	15,135
'04-10	14,635	1,487	76,120,814	0.102	51,191	5,201	0.917	1.015	12,440
'06-10	11,630	1,169	61,666,412	0.101	52,751	5,302	0.949	1.018	9,886
SELECTED TERR REL:									0.850

The Doctors Company
2011 California State Rate Review
\$250K Limit Territory Relativity Analysis

Base Territory: B

Territory D			Developed			\$250K Limit			\$250K Limit	\$250K Limit	Base
Current Territory D			Trended			\$250K Limit	Pure	Freq	Severity	Pure Prem	Territory
RY	Exposure	Claims	\$250K Lim Loss	Frequency	Severity	Premium	Relativity	Relativity	Relativity	Exposure	
1998	2,424	259	11,277,505	0.107	43,542	4,652	0.544	1.112	0.605	1,333	
1999	2,386	261	13,097,185	0.109	50,181	5,489	0.575	0.980	0.563	1,312	
2000	2,371	243	10,360,517	0.102	42,636	4,370	0.541	0.877	0.474	1,304	
2001	2,530	248	11,244,330	0.098	45,340	4,444	0.553	0.940	0.520	1,392	
2002	2,645	313	16,109,147	0.118	51,467	6,090	0.679	1.062	0.721	1,455	
2003	2,605	269	14,605,437	0.103	54,295	5,607	0.562	1.335	0.750	1,433	
2004	2,651	178	6,095,249	0.067	34,243	2,299	0.449	0.751	0.338	1,458	
2005	2,777	204	8,629,114	0.073	42,300	3,107	0.661	0.903	0.597	1,527	
2006	2,566	152	6,572,716	0.059	43,242	2,561	0.518	0.956	0.496	1,411	
2007	2,624	193	5,874,309	0.074	30,437	2,239	0.672	0.596	0.400	1,443	
2008	2,606	184	7,873,134	0.071	42,789	3,021	0.656	0.746	0.490	1,433	
2009	3,833	259	12,217,188	0.068	47,171	3,187	0.679	0.918	0.624	2,108	
2010	2,960	200	7,845,279	0.068	39,226	2,650	0.639	0.740	0.473	1,628	
'98-10	34,978	2,963	131,801,110	0.085	44,482	3,768	0.624	0.920	0.574	19,238	
'01-10	27,797	2,200	97,065,903	0.079	44,121	3,492	0.635	0.900	0.572	15,288	
'04-10	20,017	1,370	55,106,989	0.068	40,224	2,753	0.618	0.798	0.493	11,009	
'06-10	14,589	988	40,382,626	0.068	40,873	2,768	0.639	0.789	0.504	8,024	
SELECTED TERR REL:										0.550	

Territory E			Developed			\$250K Limit			\$250K Limit	\$250K Limit	Base
Current Territory E			Trended			\$250K Limit	Pure	Freq	Severity	Pure Prem	Territory
RY	Exposure	Claims	\$250K Lim Loss	Frequency	Severity	Premium	Relativity	Relativity	Relativity	Exposure	
1998	1,411	237	9,403,567	0.168	39,677	6,664	0.856	1.013	0.867	1,058	
1999	1,301	166	7,923,226	0.128	47,730	6,090	0.671	0.932	0.625	976	
2000	1,315	165	8,148,607	0.125	49,385	6,197	0.662	1.015	0.672	986	
2001	1,403	182	7,033,597	0.130	38,646	5,013	0.732	0.802	0.587	1,052	
2002	1,528	202	9,113,523	0.132	45,116	5,964	0.759	0.931	0.706	1,146	
2003	1,505	204	9,705,724	0.136	47,577	6,449	0.738	1.169	0.863	1,129	
2004	1,782	156	8,485,220	0.088	54,392	4,762	0.586	1.193	0.699	1,337	
2005	1,970	189	9,261,677	0.096	49,004	4,701	0.864	1.047	0.904	1,478	
2006	2,081	212	10,633,974	0.102	50,160	5,110	0.891	1.109	0.989	1,561	
2007	2,196	192	9,989,127	0.087	52,027	4,549	0.799	1.019	0.814	1,647	
2008	2,166	193	9,340,345	0.089	48,396	4,312	0.828	0.844	0.699	1,625	
2009	2,843	256	10,021,681	0.090	39,147	3,525	0.905	0.762	0.690	2,132	
2010	2,908	231	11,108,020	0.079	48,087	3,820	0.751	0.907	0.681	2,181	
'98-10	24,409	2,585	120,168,288	0.106	46,487	4,923	0.780	0.962	0.750	18,307	
'01-10	20,382	2,017	94,692,888	0.099	46,947	4,646	0.794	0.958	0.761	15,287	
'04-10	15,946	1,429	68,840,044	0.090	48,174	4,317	0.809	0.955	0.772	11,960	
'06-10	12,194	1,084	51,093,147	0.089	47,134	4,190	0.839	0.910	0.763	9,146	
SELECTED TERR REL:										0.750	

**The Doctors Company
New Program**

This is not a filing for a new program.

**The Doctors Company
Insurer Group Filing**

This is not a group filing.

The Doctors Company
Super Group - Corporate Structure Verification Exhibit

This is not a filing for the Private Passenger Auto line of insurance.

The Doctors Company, an Interinsurance Exchange
Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability

Exhibit 20-Rules Changes

- California General Rules Exception Pages CA-E-2 to CA-E-3

Claims-free discount rule has been revised in its entirety.

- California General Rules Exception Page CA-E-3

Prep discount rule has been revised to clarify that when the discount is applied, the claims-free, part time/quarter time and risk management discounts do not apply.

- California General Rules Exception Page CA-E-3

Part Time/Quarter Time discount rule has been revised to reflect that these discounts will also apply to surgical specialties that are part of medical groups of 15 or more physicians. This rule has also been revised to clarify that when these discounts are applied, the claims-free, prep and risk management discounts do not apply.

- Appendix- California General Rules Exception Pages CA-A-1 to CA-A-9

The Points Schedule for imposed surcharges has been revised. The additional surcharge for 2M/5M limit policies has been eliminated.