

SERFF Tracking Number: NCMA-127279459 State: California
Filing Company: NCMIC Insurance Company State Tracking Number: 11-5759
Company Tracking Number: CA RATE 2011
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0003 Chiropractic
Made/Occurrence
Product Name: Chiropractic Malpractice
Project Name/Number: CA Rate 2011/CA Rate 2011

Filing at a Glance

Company: NCMIC Insurance Company
Product Name: Chiropractic Malpractice
TOI: 11.0 Medical Malpractice - Claims
Made/Occurrence
Sub-TOI: 11.0003 Chiropractic
Filing Type: Rate

SERFF Tr Num: NCMA-127279459 State: California
SERFF Status: Pending State Action State Tr Num: 11-5759
Co Tr Num: CA RATE 2011 State Status: Accepted
Reviewer(s): Geff Greenfield
Disposition Date:
Disposition Status:
Effective Date (New):
Effective Date (Renewal):

Authors: Jacquie Anderson, Juli Frank, Rejeana Otte, Alicia Kirkle
Date Submitted: 06/30/2011
Effective Date Requested (New): 11/01/2011
Effective Date Requested (Renewal): 11/01/2011

General Information

Project Name: CA Rate 2011
Project Number: CA Rate 2011
Reference Organization: N/A
Reference Title: N/A
Filing Status Changed: 07/05/2011
State Status Changed: 07/12/2011
Created By: Juli Frank
Corresponding Filing Tracking Number:
Filing Description:
This filing is being submitted pursuant to the California Department of Insurance letter dated February 17, 2011 and phone call from Joel Laucher with the California Rate Regulation on May 3, 2011, extending the filing deadline to June 30, 2011.

Status of Filing in Domicile: Not Filed
Domicile Status Comments: N/A
Reference Number: N/A
Advisory Org. Circular: N/A
Deemer Date: 09/13/2011
Submitted By: Juli Frank

Company and Contact

Filing Contact Information

Juli Frank, Assistant Director of Compliance
14001 University Ave
Clive, IA 50325

jfrank@ncmic.com
515-313-4557 [Phone]
515-313-4476 [FAX]

SERFF Tracking Number: NCMA-127279459 State: California
Filing Company: NCMIC Insurance Company State Tracking Number: 11-5759
Company Tracking Number: CA RATE 2011
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0003 Chiropractic
Made/Occurrence
Product Name: Chiropractic Malpractice
Project Name/Number: CA Rate 2011/CA Rate 2011

Filing Company Information

NCMIC Insurance Company	CoCode: 15865	State of Domicile: Iowa
14001 University Ave	Group Code: 2638	Company Type: Property/Casualty
Clive, IA 50235	Group Name:	State ID Number:
(800) 321-7015 ext. [Phone]	FEIN Number: 42-0635534	

Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
NCMIC Insurance Company	\$0.00		

State Specific

Variance Requested? (Yes/No): Yes

SERFF Tracking Number: NCMA-127279459 State: California
 Filing Company: NCMIC Insurance Company State Tracking Number: 11-5759
 Company Tracking Number: CA RATE 2011
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0003 Chiropractic
 Made/Occurrence
 Product Name: Chiropractic Malpractice
 Project Name/Number: CA Rate 2011/CA Rate 2011

Correspondence Summary

Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending company response	Jesse Rivera	07/01/2011	07/01/2011	Juli Frank	07/05/2011	07/05/2011

SERFF Tracking Number: NCMA-127279459 State: California
Filing Company: NCMIC Insurance Company State Tracking Number: 11-5759
Company Tracking Number: CA RATE 2011
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0003 Chiropractic
Made/Occurrence
Product Name: Chiropractic Malpractice
Project Name/Number: CA Rate 2011/CA Rate 2011

Objection Letter

Objection Letter Status Pending company response
Objection Letter Date 07/01/2011
Submitted Date 07/01/2011
Respond By Date

Dear Juli Frank,

To meet basic compliance for this filing, please respond to the objection(s) below.

Objection 1

- Prior Approval Rate Application (Supporting Document)

Comment: Resubmit the application with variance. Provide the variance no. on the space provided on page 7 and complete page 11.

Sincerely,
Jesse Rivera

SERFF Tracking Number: NCMA-127279459 State: California
Filing Company: NCMIC Insurance Company State Tracking Number: 11-5759
Company Tracking Number: CA RATE 2011
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0003 Chiropractic
Made/Occurrence
Product Name: Chiropractic Malpractice
Project Name/Number: CA Rate 2011/CA Rate 2011

Response Letter

Response Letter Status Submitted to State
Response Letter Date 07/05/2011
Submitted Date 07/05/2011

Dear Geff Greenfield,

Comments:

Please see our responses to your Objection of July 1, 2011, below.

Response 1

Comments: Please see the revised application with variance.

Related Objection 1

Applies To:

- Prior Approval Rate Application (Supporting Document)

Comment:

Resubmit the application with variance. Provide the variance no. on the space provided on page 7 and complete page 11.

Changed Items:

Supporting Document Schedule Item Changes

Satisfied -Name: Prior Approval Rate Application

Comment: Please see the revised application with variance.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,

Alicia Kirkle, Jacquie Anderson, Juli Frank, Rejeana Otte

SERFF Tracking Number: NCMA-127279459 State: California
 Filing Company: NCMIC Insurance Company State Tracking Number: 11-5759
 Company Tracking Number: CA RATE 2011
 TOI: 11.0 Medical Malpractice - Claims Made/Occurrence Sub-TOI: 11.0003 Chiropractic
 Product Name: Chiropractic Malpractice
 Project Name/Number: CA Rate 2011/CA Rate 2011

Rate Information

Rate data applies to filing.

Filing Method: Prior Approval
Rate Change Type: Decrease
Overall Percentage of Last Rate Revision: 9.000%
Effective Date of Last Rate Revision: 01/01/2005
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):
NCMIC Insurance Company	-14.800%	-1.300%	\$-97,142	3,867	\$7,472,483	-1.300%	-1.300%

SERFF Tracking Number: NCMA-127279459 State: California
 Filing Company: NCMIC Insurance Company State Tracking Number: 11-5759
 Company Tracking Number: CA RATE 2011
 TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0003 Chiropractic
 Made/Occurrence
 Product Name: Chiropractic Malpractice
 Project Name/Number: CA Rate 2011/CA Rate 2011

Rate/Rule Schedule

Schedule Item	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	Attachments
	California Claims Made and Occurrence Chiropractic Professional Liability Manual	pg 1-17	Replacement	10-4287	California Advantage Rating Manual-06-11.pdf

California Claims Made and Occurrence Chiropractic Professional Liability Manual

For

NCMIC Insurance Company

Section I – General Information Applying to Both Claims Made and Occurrence Policies

Policies

NCMIC markets two types of policies identified below:

1. Claims Made (Form CM2006 05/06)
2. Occurrence (Form MP2006 05/06)

Insureds

NCMIC has two types of insureds. The two types of insureds are listed below:

1. Individual chiropractor (DC)
2. Professional Entities

Policy Period

The policy period shall be for a one-year term.

Minimum Premium

NCMIC does not have a minimum premium requirement.

Waiver of Additional Premiums

Additional premiums, up to \$10.00, for endorsements effective subsequent to the inception date of the policy will be waived.

Whole Dollar Premium Rounding Rule

All premiums are rounded to the nearest whole dollar.

Territorial Definitions

The location of the practice determines the territory. If more than one location of practice exists, rate in the territory where doctor has at least 51% of his/her practice. If the doctor does not have 51% of his/her practice in a single territory, then rate in the territory in which the doctor has the greatest percentage of his practice. If multiple territories have equal percentage of practice, then rate in the higher rated territory.

Premium Payment Options

Annual payment option – Full premium payment required.

Semi-Annual payment option – 50% of premium payment required along with \$5.00 installment fee.

Quarterly payment option – 25% of premium payment required along with \$5.00 installment fee.

Monthly payment option through premium finance – 15% of premium payment required for down payment, only available for premiums equal to or greater than \$750.00.

Renewals

A policy may be continued for successive terms upon payment of the required premium to the company on or before the inception date of each successive term. The continuation premium shall be based upon the premium in effect on renewal date. The applicable forms and endorsements must be made a part of the policy. Additional premiums for policy changes occurring during the current policy period shall be computed pro rata of the annual premium.

Cancellation

A policy may be canceled by the insured by mailing to the Company written notice stating when such cancellation shall be effective. This policy will remain in full force and effect until its regular anniversary unless the policy is canceled sooner by the Company or the insured.

Premium Refund

If a policy cancels for any reason during the policy term, the insured will receive a pro-rata refund.

If an insured switches from our occurrence policy to our claims made policy, any refund will be computed pro-rata.

Section II – Underwriting Criteria

The following underwriting criteria are to be considered in the underwriting review and acceptance of our insureds:

1. Fully and permanently licensed in the state(s) of practice.
2. Criminal record.
3. Prior claims history:
 - a. Severity of claim
 - b. Indemnity paid
 - c. Date of claim
 - d. Frequency of Claim
4. Any possible current claims and/or incidents

5. Declined, canceled or refused renewal for coverage
6. Revocation, suspension or probation of license
7. Other Modalities

Section III – Premium Development

A. FORMULAS FOR CLAIMS MADE PREMIUM DEVELOPMENT

Listed below are the formulas used to determine a chiropractor's claims made policy premium.

STEP 1 – Calculate Base Premium

Base Rate

Base rate is our 100/300 limit of liability charge of \$1807.00.

Base Premium Developed

Base Rate x ILF = Base Premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

ILFs (Increased Limits Factors)

200/600	1.159
250/750	1.215
500/1000	1.408
1000/3000	1.590
2000/4000	1.741

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 2 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Base Premium

Base premium x (1-4 yr. or mature) retro factor = (1-4 yr. or mature) claims made base premium

Claims Made Premium Developed

The (1-4 yr. or mature) claims made premiums are then calculated by multiplying the base premium by the appropriate years (1-4 yr. or mature) retro factor. The retroactive date is the date of reference used to determine which retro factor is to apply. The following rules will apply:

Definition Retroactive Date – Date on a claims made liability policy which triggers the beginning period of insurance coverage. If the chiropractor is purchasing insurance for the first time, the retroactive date will be the effective date. Any claim made during the policy period will not be covered if the injury occurred before the retroactive date.

Eligibility for 1st year claims made rate – When a policy is written where the retroactive date and effective date are the same, we will multiply the first year claims made retro factor by the base premium.

Eligibility for 2nd year claims made rate – When a policy is written during the first calendar year after the retroactive date we will multiply the second year claims made retro factor by the base premium.

Eligibility for 3rd year claims made rate – When a policy is written during the second calendar year after the retroactive date, we will multiply the third year claims made retro factor by the base premium.

Eligibility for 4th year claims made rate – When a policy is written during the third calendar year after the retroactive date, we will multiply the fourth year claims made retro factor by the base premium.

Eligibility for Mature claims made rate – When a policy is written during the fourth calendar year after the retroactive date or anytime thereafter, we will use the mature claims made rate. The retro factor is 1.00.

Claims Made Rate Retro Factors

<u>Maturity</u>	<u>Retro Factors</u>
1	0.350
2	0.655
3	0.900
4	0.975
Mature	1.000

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 3 – Calculate 1st yr., 2nd yr., 3rd yr., 4th yr. or Mature Claims Made Discounted Premium

Formula for Discounted Premium (Premium when any discounts apply)

(1-4 yr. or mature) claims made discounted premium = (1-4 yr. or mature) claims made base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Discount factors

Part-time	0.50
1 st Year Licensure	0.25
2 nd Year Licensure	0.60
3 rd Year Licensure	0.75
4 th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = (1-4 yr. or mature) claims made base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

Professional Entity Coverage Premium Developed

Professional Entity coverage premium = (1-4 yr. or mature) claims made base premium x Professional Entity factor

Professional Entity factors

Shared limit of liability	No charge
Shared limit of liability with MD/DO Exposure	0.55 per entity
Separate limit of liability	0.20 for the first entity 0.05 for each additional entity
Separate limit of liability with MD/DO Exposure	2.20 for the first entity 0.55 for each additional entity

Professional Entities added mid-term are to be pro-rated

Claims Made Discounted Premium with Endorsements

Formula: (1-4 yr. or mature) claims made discounted premium + endorsement premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

B. FORMULAS FOR OCCURRENCE PREMIUM DEVELOPMENT

Listed below are the formulas used to determine a chiropractor's occurrence policy premium.

STEP 1 – Calculate Base Premium

Base Rate

Base rate is our 100/300 limit of liability charge of \$1883.00.

Base Premium Developed

Base Rate x ILF = Base premium

Base premium is determined by multiplying the base rate by the increased limits factor of the appropriate limit of liability chosen.

ILFs (Increased limits factors)

200/600	1.159
250/750	1.215
500/1000	1.408
1000/3000	1.590
2000/4000	1.741

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

STEP 2 – Calculate Occurrence Discounted Premium

Formula for Discounted Premium (Premium when discounts apply)

Occurrence Discounted Premium = base premium x discount factor(s)

The following discounts are to be pro-rated if added mid-term.

Discounts factors

Part-Time	0.50
1 st Year Licensure	0.25
2 nd Year Licensure	0.60
3 rd Year Licensure	0.75
4 th Year Licensure	0.85

Endorsement Premium Development

Endorsement premium = base premium + endorsement premium

Endorsements added mid-term are to be pro-rated.

Professional Entity coverage premium developed

Professional Entity coverage premium = base premium x professional entity coverage factor

Professional Entity Factors

Shared limit of liability	No charge
Shared limit of liability with MD/DO Exposure	0.55 per entity
Separate limit of liability	0.20 for the first entity 0.05 for each additional entity
Separate limit of liability with MD/DO Exposure	2.20 for the first entity 0.55 for each additional entity

Professional Entities added mid-term are to be pro-rated.

Occurrence Discounted Premium with Endorsements

Formula: Occurrence discounted premium + endorsement premium

Round to the nearest whole dollar. Round up if .50 or greater. Round down if .49 or lower.

C. SCHEDULE RATING APPLICABLE TO BOTH CLAIMS MADE AND OCCURRENCE COVERAGES

NCMIC Insurance Company may utilize the following schedule of debits to modify the premiums for certain insureds reflecting the unique exposure present in these risks. These insureds qualify for schedule rating because of factors not contemplated in the filed rate structure of the company.

The maximum debit to be applied to recognize risk characteristics that are not reflected in an otherwise applicable rate is 25%. Any debits assigned under this plan are subject to annual review. All premium modifications will be noted and documented in the individual insured's file with any premium credit and/or debit having the approval of the Underwriting Department.

NCMIC Insurance Company will modify premiums giving consideration to the following exposure characteristics and rating characteristics of a risk:

	<u>CREDIT</u>	<u>DEBIT</u>
Unusual risk characteristics	XXXX	0-25%
Claim history debit	XXXX	0-25%

Section IV – Extended Reporting Coverages For Claims Made Coverage

Basic Reporting Extension

This allows, under a claims made policy, for the reporting of claims arising from a medical incident which occurs on or after the retroactive date and prior to the end of the policy period. The extended reporting coverage is for sixty (60) days after the expiration of the policy. This coverage is provided at no additional charge. The 60-day Basic Extended Reporting Period does not apply if the insured purchases any subsequent insurance that replaces in whole or in part the coverage provided by this policy.

Extended Reporting Endorsement (Tail Coverage) Form 06-2014 07/07

If a claims made policy is canceled or non-renewed for any reason other than non-payment of premium, the named insured may elect to have an endorsement issued providing an extended reporting period upon payment of an additional charge as follows:

Tail factors apply to mature claims made rates

Number of Years Since Retro Date	Tail Factor (Factor to apply to <u>mature claims made rate</u> in effect at policy termination)
1	0.654
2	0.975
3	1.062
4	1.082

Definition of Tail Coverage – This term has been used to describe the exposure that exists between the retroactive date and expiration date of the policy and the coverage that may be purchased to cover that exposure. On “claims made” forms, tail coverage may be purchased to extend the period for reporting covered claims beyond the policy period.

Extended Reporting Endorsement (Tail Coverage)

Tail Coverage Rules:

1. Purchase of tail coverage must be within sixty (60) days after the cancellation or expiration of the insured’s NCMIC claims made policy.
Example:
Policy expires 6-1-05. The extended reporting endorsement (tail coverage) must be purchased by 7-30-05.
2. The extended reporting endorsement (tail coverage) will never be written to be effective before the insured’s most recent NCMIC claims made policy retroactive date.

Example:

The insured's claims made policy retroactive date is 7-1-05 and expiration date is 10-1-05. The extended reporting endorsement (tail coverage) charged at the first year tail coverage rate would be written to cover the time period from 7-1-05 to 10-1-05.

- 3. The extended reporting endorsement (tail coverage) will be pro-rated for partial years.

Example:

An insured has a malpractice insurance policy with us issued with a \$1,000,000/\$3,000,000 limit of liability. The insured has a retroactive date of 1-1-04 and the insurance policy is canceled with us on 3-28-05. The charge for the insured's tail coverage premium has been computed below.

- a. You first must determine how many days between the retroactive date and the cancellation effective date.
- b. Determine the MATURE claims made base premium for the policy limits the chiropractor is requesting to purchase.

The calculation is as follows:

Base rate \$1,788 x (Increased limits factor) 1.75 = mature claims made base premium \$3,129.00.

- c. Determine how many years, or days, the retroactive date is from the policy termination (cancellation or expiration) date.

Retroactive date 1-1-04 to full year policy renewal date of 1-1-05.

1 or 2 or 3 or 4+ years

Mature claims made base premium		\$3,129
Tail factor for 1 year	x	0.654
Extended Reporting Period Premium 1 yr.	=	\$2,046.00

- d. Count the remaining number of days left until the policy termination date.

1-1-05 to 3-28-05 is 87 days.

- e. Pro-rate the remaining number of days to the policy cancellation date.

Partial year rates will be interpolated using the actual number of days covered on a claims made basis.

The calculation requires first determining the premium for two full year of tail coverage.

Mature claims made base premium		\$3,129
Tail factor for 2 years	x	0.975
Extended Reporting Period Premium 2 yrs.	=	\$3,051.00

Calculation:

Extended Reporting Period Premium 2 yrs. (\$3,051.00) – Extended Reporting Period Premium 1 yr. (\$2,046.00) = \$1,005.00

Number of days	87
Number of days in year	365

f. Calculate: $(87 / 365) \times \$1005.00 = \240.00

Extended Reporting Period Premium 1 yr. \$2,046.00 + \$240.00 = \$2,286.00

4. Tail coverage is priced at the rules and rates in effect at policy termination.
5. Tail coverage is provided at no additional charge if a doctor dies and will be provided to the insured's estate upon notification of the insured's death. Tail coverage is provided at no additional charge if a doctor becomes permanently disabled and can no longer practice as a chiropractor. Tail coverage is provided at no additional charge if a doctor retires from practice after five (5) years of continuous coverage under the NCMIC claims made policy and is at least 55 years old. The endorsement will date back to the current claims made policy retroactive date.
6. After ten (10) years of continuous coverage under the claims made policy, if the policy terminates for any reason, except non-payment of premium, the tail coverage will be provided at no additional charge.

Section V – Discounts

(Available for both claims made and occurrence policies)

New Practitioner Discounts Available:

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

1. First Year Licensure Discount

Chiropractors who become licensed and are eligible to practice chiropractic for the first time shall be given a first year licensure discount of 75% of the filed and approved base premium. The insured's first licensure date must fall within 18 months of the insured's graduation date.

2. Second Year Licensure Discount

Chiropractors in their second year of practice after becoming licensed for the first time shall be given a second year licensure discount of 40% of the filed and approved base premium. The insured's first licensure date must fall within 30 months of the insured's graduation date.

3. Third Year Licensure Discount

Chiropractors in their third year of practice after becoming licensed for the first time shall be given a third year licensure discount of 25% of the filed and approved base premium. The insured's first licensure date must fall within 42 months of the insured's graduation date.

4. Fourth Year Licensure Discount

Chiropractors in their fourth year of practice after becoming licensed for the first time shall be given a fourth year licensure discount of 15% of the filed and approved base premium. The insured's first licensure date must fall within 54 months of the insured's graduation date.

Additional Discounts Available

1. Part -Time Discount

A chiropractor who averages fewer than 70 patient visits per week is eligible for a 50% discount of the approved base premium. The chiropractor must complete an application for the part-time discount.

2. Claims Free Discount

We offer a 3% - 20% discount to chiropractors for their excellent claims free experience. The whole policy (all risks, corporations included) must be claims free to get the discount. The definition of claims free is \$0 dollars indemnity and \$15,000 or less LAE payments cumulative for the time period under review. The claims free discount will only be applied to the doctor's base premium.

The number of years insured with NCMIC without a claim will determine the discount. Please see below.

<u>Number of years insured with NCMIC without a claim</u>	<u>Percentage discount</u>
Three full years with NCMIC claims free	3%
Four full years with NCMIC claims free	4%
Five full years with NCMIC claims free	5%

Six full years with NCMIC claims free	6%
Seven full years with NCMIC claims free	7%
Eight full years with NCMIC claims free	8%
Nine full years with NCMIC claims free	9%
Ten full years with NCMIC claims free	10%
Eleven full years with NCMIC claims free	11%
Twelve full years with NCMIC claims free	12%
Thirteen full years with NCMIC claims free	13%
Fourteen full years with NCMIC claims free	14%
Fifteen full years with NCMIC claims free	15%
Sixteen full years with NCMIC claims free	16%
Seventeen full years with NCMIC claims free	17%
Eighteen full years with NCMIC claims free	18%
Nineteen full years with NCMIC claims free	19%
Twenty or more full years with NCMIC claims free	20%

*Up to five (5) years of continuous claims free experience with another carrier will qualify for the NCMIC claims free discount.

3. Risk Management Discount

We offer risk management discounts for insureds that complete NCMIC Board certified programs. The risk management discount will only be applied to the doctor's base premium. The maximum total risk management discount available per policy period is 15%. The discount will only be applied on the insured's renewal premium.

Maximum Discounts Available

The maximum risk management and claims free discounts that can be obtained are 35%. However, the maximum risk management and claims free discounts available for any insured who is also receiving a premium discount will be the actual risk management and claims free discounts (up to 35%) multiplied by percentage of discounted premium paid by the policyholder.

Example: Assume the full-time base rate is \$1,500 and a doctor is receiving a faculty discount of 50%. Also assume the doctor is eligible for a 20% claims free discount and a 15% risk management discount. In this example, the maximum risk management and claims free discount this doctor is entitled to is 17.5%. Premium to be paid is calculated as follows:

$\$1,500 \times .50 =$	\$750 (faculty base premium)
$(20\% + 15\%) \times .50 =$	17.5% (total discounts allowed)
$\$750 \times 17.5\% =$	131.25 (discount amount)
$\$750 - 131.25 =$	\$618.75 (premium to be paid)

Section VI – Coverage Options (Available for both claims made and occurrence policy)

MUA Endorsement (Form 06-2007 05/06)

This endorsement provides coverage for manipulation or treatment, including adjustment, while a person is under anesthesia or sedation. The chiropractor must complete an application for manipulation under anesthesia. If the application is approved, an endorsement is added to the insured's policy. There is no charge for this coverage.

Professional Entity with MD/DO Exposure - Shared Limits of Liability Endorsement (Form 06-2001 05/06 and Form 06-2002 05/06)

This endorsement provides a shared limit of liability for the insured chiropractor's professional entity. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

The charge is 55% of the undiscounted base premium for corporation coverage with shared limits.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Professional Entity - Separate Limits of Liability Endorsement (Form 06-2003 05/06 and Form 06-2004 05/06)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's or entities' liability for the providing of professional services within the scope and course of employment by a person included within the definition of "Person Insured" under the attached policy.

The charge is 20% of the undiscounted base premium for the first entity and 5% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Professional Entity with MD/DO Exposure - Separate Limits of Liability Endorsement (Form 06-2005 05/06 and Form 06-2006 05/06)

This endorsement provides one separate limit of liability for the insured chiropractor's professional entity or entities. Multiple entities will share the one separate limit. Coverage is provided only to the extent of the entity's liability for the providing of professional services and professional healthcare services.

The charge is 220% of the undiscounted base premium for the first entity and 55% of the undiscounted base premium for each additional entity.

Whenever this endorsement is added to an NCMIC claims made policy, the retroactive date on which the coverage is effective will need to be printed on the policy Declarations page.

Specialty, Procedure, Technique Exclusion Endorsement (Form 06-2012 05/06)

1. Excludes those procedures, techniques or specialties where a licensed health care provider has had their license revoked, suspended or surrendered or privileges restricted as a result of the performance of these procedures, techniques or specialties.
2. Excludes procedures, techniques or specialties that are experimental.
3. Excludes procedures, techniques or specialties where a health care provider is a high risk and has had poor loss experience.

Additional Insured Endorsement (Form 06-2010 05/06)

This optional endorsement provides coverage to any person or entity named on the endorsement for professional liability imputed to the person or entity solely for the professional negligence of an insured under the policy.

Acupuncture Endorsement (Form 06-2008 05/06)

This endorsement will add acupuncture to the list of professional services covered by the policy. Acupuncture coverage is only available in states where the scope of practice for chiropractors includes acupuncture services. An insured must apply for and be approved by underwriting prior to this endorsement becoming effective. There is no charge for this endorsement.

Amendatory Endorsement (Form 06-2009 05/06)

This endorsement may be utilized as a manuscript form to broaden, restrict or clarify coverage issues. The endorsement may also be utilized to clarify adjustments in rating.

Supplemental Legal Defense Endorsement (Form 06-2015 07/08 and Form 06-2016 07/08)

This endorsement provides for defense costs incurred by the insured in certain covered proceedings. There is coverage under this endorsement only when a covered proceeding arises on or after the retroactive date and the covered proceeding is initially instituted against the insured before the end of the policy period stated on the Declarations of this policy. We will pay up to \$25,000 for defense costs incurred by the insured. Covered proceedings are limited to the following; State Disciplinary Proceedings, Federal Professional Review Organization Sanctions, Wrongful Billing and Related Proceedings, HIPAA and Privacy Related Proceedings and Civil Sexual Misconduct Allegations. There is no charge for this endorsement and it is subject to underwriting approval.

Temporary Leave of Absence Endorsement (Form 06-2017 07/07 and Form 06-2018 07/07)

This endorsement allows an insured to suspend their policy for a minimum of 60 days and up to a maximum of 180 days. The insured may suspend their coverage for the following reasons; short term disability, maternity leave and any other reason pre-approved by NCMIC Insurance Company. This endorsement excludes from coverage any claim that results from an injury that occurred during the period of the leave of absence. This endorsement will provide a 90% discount for the period of the

leave of absence. Suspension of coverage does not apply to any professional entities insured under the policy.

Active Military Duty Endorsement (Form 06-2019 07/07 and Form 06-2020 07/07)

This endorsement suspends coverage, including premium payments, if an insured is called to active military duty. This endorsement provides coverage for claims arising from acts, errors or omissions that occurred prior to the inception of the active military leave. There is no coverage for acts, errors or omissions during the period of active military leave. Suspension of coverage does not apply to any professional entities insured under the policy.

Employment Exclusion Endorsement (Form 06-2021 05/06 and Form 06-2022 05/06)

This endorsement excludes coverage for the supplying of or failure to supply professional services resulting from the insured's place of employment listed on the endorsement.

Dual License – Naturopathy Endorsement (Form 06-2023 05/06)

This endorsement adds coverage for insured chiropractors who are also licensed naturopaths and are providing both chiropractic and naturopathic treatment to patients. Additional application information will be required for approval. The charge for this endorsement is 15% of the base premium.

Dual License – Acupuncture – Oriental Medicine Endorsement (Form 06-2024 05/06)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice Acupuncture – Oriental medicine while acting within the scope of their license(s) and/or certifications. Additional application information will be required for approval. The charge for this endorsement is 5% of the base premium.

Dual License – Physical Therapy Endorsement (Form 06-2025 05/06)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice physical therapy while acting within the scope of their license(s) and/or certifications. Additional application information will be required for approval. There is no charge for this endorsement.

Delegation of Certain Policy Rights Endorsement (Form 06-2026 04/07)

This optional endorsement allows an insured to delegate certain policy rights to his or her employer.

Dual License – Massage Therapy Endorsement (Form 06-2027 06/07)

This endorsement provides coverage to insured chiropractors who also are licensed or properly certified to practice massage therapy while acting within the scope of their license(s) and/or certification(s). Additional application information will be required for approval. There is no charge for this endorsement.

Chiropractic Treatment of Animals Endorsement (Form 06-2029 07/08)

This endorsement will add treatment of animals to the list of professional services covered by the policy. Coverage is limited to \$40,000 per claim and \$80,000 aggregate per policy period. The charge for this endorsement is \$200.

Section VII Coverage Options (Available for Occurrence Policy Only)

Prior Acts Professional Liability Endorsement (Form 06-2013 05/06)

This endorsement provides coverage for chiropractors who change from a claims made policy to an occurrence policy and who do not purchase tail coverage. Under this endorsement, injuries which occurred on or after the retroactive date and before the expiration date referenced in the endorsement will be covered. The factors listed below will be applied to the undiscounted occurrence premium at the applicable limit of liability in the state in which the claims made policy was issued.

Number of Years Since Retroactive Date	Prior Acts Factor
1	62.8%
2	93.6%
3	102%
4	103.9%

Extern Endorsement (Form 06-2011 05/06)

This endorsement provides coverage for chiropractic college students who have graduated from chiropractic college, but who have not yet received a license to practice, i.e. externs. The extern must be under the direct supervision of a licensed chiropractor and must be acting within the scope of the applicable laws governing externs. The only limit of liability available for this endorsement is \$100,000/\$300,000. Coverage under this endorsement will terminate when the extern becomes licensed, the program terminates or one year from its effective date, whichever comes first. The charge for this endorsement will be 10% of the 100,000/300,000 occurrence premium in the state that the Extern Endorsement is issued in.

SERFF Tracking Number: NCMA-127279459 State: California
Filing Company: NCMIC Insurance Company State Tracking Number: 11-5759
Company Tracking Number: CA RATE 2011
TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0003 Chiropractic
Made/Occurrence
Product Name: Chiropractic Malpractice
Project Name/Number: CA Rate 2011/CA Rate 2011

Supporting Document Schedules

Item Status:

**Status
Date:**

Satisfied - Item: Prior Approval Rate Application

Comments:

Please see the revised application with variance.

Attachments:

12 31 10 CA-PriorApprovalRateApplication040411 6-30-11 with yield variance.pdf

12 31 10 CA-PriorApprovalRateApplication040411 6-30-11 with yield variance.xls

PRIOR APPROVAL RATE APPLICATION

Completed by: Juli Frank Date: 6/30/2011

Your File #: CA Chiro 2011
(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: N/A

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, subtitle and/or program:
10-4287

Company Name NCMIC Insurance Company

NAIC Company Code 15865

Group Name NCMIC Group, Inc.

NAIC Group Code 2638

Organized under the Laws of the State of Iowa

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 COMMERCIAL

Line of Insurance: MEDICAL MALPRACTICE

Subline Chiropractic

Program Chiropractic Malpractice

Home Office 14001 University Avenue, Clive, IA 50325

Name and Title of Contact Person Juli Frank, Asst. Director of Compliance

Toll Free Phone No.: 800-321-7015 Fax No.: 515-313-4476

Email Address jfrank@ncmic.com

Mailing Address 14001 University Avenue, Clive, IA 50325

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

Juli Frank
Authorized Signature

June 30, 2011
Date of Filing

800-321-7015
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 type="checkbox"/> Rules (Including adoption of advisory organization rules.) | |
| <input 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.

;

; (including exhibit 20)

PROPERTY AND LIABILITY FILING SUBMISSION DATA SHEET (Continued)

Proposed Earned Premium Per Exposure: \$ 2,047.00

Proposed Overall Rate Change -1.30%

	<u>COVERAGE*</u>	<u>INDICATED CHANGE (%)</u>	<u>PROPOSED CHANGE (%)</u>	<u>ADJUSTED EARNED PREMIUM*</u>	<u>PROJECTED EARNED PREMIUM</u>
1.	Chiropractic Malpractice	-14.80%	-1.30%		7,325,135
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
	TOTAL:	-14.80%	-1.30%		7,325,135

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

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:

Instructions for completing Prior Approval Rate Template (in application)

- * A separate rate template is required for each coverage (i.e. BI,PD,MP,UM,Comp&Coll) for which a separate premium is charged. *Download and complete 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.
- * In the rate making data tab, enter the following data: Line Description (select from menu); 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)
- * 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).

23

RATEMAKING DATA				
<i>(Click + to expand for more than 3 years; - to contract)</i>				
Completed by		Juli Frank		
Date Completed		6/30/2011		
Company/Group		NCMIC Insurance Company		
Line Description		MEDICAL MALPRACTICE		
Coverage				
		%Captive	%Direct	%Independent (Must add up to 100%)
Marketing System:			100.00%	
Prior Effective Date (current rates)		10/1/2008		
Proposed Effective Date (new rates)		11/1/2011		
CDI File Number (Department use only)		0		
Does the data provided below reflect a Request for Variance?		Yes <input type="checkbox"/>	Variance #:	7
Data below is:		Accident Year Data		
		2nd Prior Year	1st Prior Year	Most Recent Year
		2008	2009	2010
1	California Direct Written Premium	7,644,505	7,313,115	7,472,483
2	California Direct Earned Premium	7,678,341	7,426,735	7,421,617
3	Premium Adjustment Factor (Developed in Exhibit 4)	0.993	0.998	1.000
4	Premium Trend Factor * (Developed in Exhibit 5)	1.000	1.000	1.000
				0.00%
5	Miscellaneous Fees and Flat Charges (Not included in Line 2; Developed in Exhibit 6)	-	-	-
6	Earned Exposure Units	3,558	3,519	3,581
7	Historic Losses (Projected for New Programs)	2,018,993	2,072,164	696,222
8	Historic Defense and Cost Containment Expense (DCCE)	-	-	-
9	Loss Development Factor (Developed in Exhibit 7)	1.179	1.389	4.241
10	DCCE Development Factor (Developed in Exhibit 7)	1.000	1.000	1.000
11	Loss Trend Factor* (Developed in Exhibit 8)	1.185	1.139	1.096
				4.00%
12	DCCE Trend Factor* (Developed in Exhibit 8)	1.000	1.000	1.000
				0.00%
13	Catastrophe Adjustment Factor (Developed in Exh 9)	1.000	1.000	1.000
14	Credibility Factor for Losses & DCCE (Developed in Exhibit 10)			
				42.30%
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)			
				26.75%
18	Projected Yield (From Page 14)			
				2.97%
<u>Complete 19, 20 & 21 For Earthquake and certain Medical Malpractice with Reinsurance Only (see instructions)</u>				
19	Direct Commissions			
				0.00%
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)				No <input type="checkbox"/>
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. Chiropractic	10-4287	\$ 7,678,331	\$ 7,426,734	\$ 7,421,617
2. Naturopaths	09-2494	\$ 134,657	\$ 156,812	\$ 158,936
3.				
4.		\$ -	\$ -	\$ -
5.		\$ -	\$ -	\$ -
6.		\$ -	\$ -	\$ -
7.		\$ -	\$ -	\$ -
8.		\$ -	\$ -	\$ -
9.		\$ -	\$ -	\$ -
10.		\$ -	\$ -	\$ -
	TOTAL	\$ 7,812,988	\$ 7,583,546	\$ 7,580,553
	Statutory Page 14	\$ 7,812,988	\$ 7,583,546	\$ 7,580,553
	Difference	\$ -	\$ -	\$ -

Explain the Differences:

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>	<u>Year</u>	<u>2010</u>
DATA		
1. Number of claims outstanding at beginning of year		66
2. Number of claims during the year		74
3. Number of claims closed during the year		71
4. Number of claims outstanding at year's end ((1) + (2) - (3))		69
5. Unearned Premiums		3,293,426
6. Dollar amount of claims paid		604,911
7. Net loss reserves for outstanding claims excluding claims incurred but not reported		2,850,000
8. Net loss reserves for claims incurred but not reported		4,198,632
9. Losses incurred as a percentage of premiums earned - including IBNR		20.40%
10. Net investment gain or loss and other income or gain or loss allocated to the line.		801,494
11. Net income before federal and foreign income taxes (line 10 plus line 15)		3,565,738
12. Total number of policies in force on the last day of the reporting period		3868
13. Total number of policies cancelled		392
14. Total number of policies non-renewed		1
15. Net underwriting gain or loss (=CY earned premiums minus CY incurred loss minus CY incurred expense)		2,764,244
16. Separate allocations of expenses for:		
a) commissions and brokerage expense,		5,176
b) other acquisition costs,		615,199
c) general office expenses,		1,086,674
d) taxes, licenses and fees,		178,870
e) loss adjustment expense (DCCE & AOE), and		1,259,267
f) other expenses		-

*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?

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 checked="" type="checkbox"/> Installment fee	\$ 5	\$ 5
<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))
Investment yield inputs
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 -13.67%
(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 _____
(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 _____
(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 -9.78%
(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 % _____
-9.78%

Not withstanding 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	_____
--	--	-------

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:

Stock ▼

	(Enter Year)	2nd Prior Year 2008	1st Prior Year 2009	Most Recent Year 2010
Countrywide direct earned premium:		63,515,873	63,388,119	64,426,204
Countrywide direct earned premium for lines of business subject to Proposition 103:		63,515,873	63,388,119	64,426,204

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	237,197	150,000	243,529	30,000	239,842	40,000
2nd Highest Paid	219,109	150,000	226,897	35,000	219,311	40,000
3rd Highest Paid	163,620	150,000	177,553	30,000	174,143	35,000
4th Highest Paid	99,555	10,000	110,765	12,000	113,088	6,000
5th Highest Paid	102,501	7,000	108,225	4,000	112,424	4,000

	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	174,311	212,886	174,311	99,218	174,311	105,531
2nd Highest Paid	123,071	246,038	123,071	138,826	123,071	136,240
3rd Highest Paid	92,906	220,714	92,906	114,647	92,906	116,237
4th Highest Paid	87,048	22,507	87,048	35,717	87,048	32,040
5th Highest Paid	81,141	28,360	81,141	31,084	81,141	35,283

Total Excessive Executive Comp:	730,505	419,492	425,331
--	----------------	----------------	----------------

Excluded Expense Factor

Countrywide Data	2nd Prior Year 2008	1st Prior Year 2009	Most Recent Year 2010
2644.10 (a): Political contribution and lobbying	0	5,000	5,000
2644.10 (b): Excessive Executive Compensation	730,505	419,492	425,331
2644.10 (c): Bad faith judgments and associated DCCE			
2644.10 (d): All costs for unsuccessful defense of discrimination claims			
2644.10 (e): Fines and penalties	0	78	0
2644.10 (f): Institution advertising expenses			
2644.10 (g): Excessive payments to affiliates			
Total excluded expenses	730,505	424,570	430,331
Excluded expense factor	1.15%	0.67%	0.67%
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	34,614,395	24,278,098	21,869,181	37,128,723	0
2.7 All other governments	0	0	0	0	0
3.7 States, territories and possessions	0	2,626,465	8,492,541	0	0
4.7 Political subdivisions	1,704,567	3,444,062	9,416,231	0	0
5.7 Special revenue and assessment obligations	16,109,081	60,530,168	34,376,269	6,016,020	874,910
6.7 Public utilities unaffiliated	57,006,564	50,674,062	18,822,776	13,771,224	4,557,829
7.7 Industrial and miscellaneous	0	0	0	0	0
8.7 Credit tenant loans	800,000	0	1,518,509	0	0
9.7 Parent, subsidiaries and affiliates	0	0	0	0	0
	<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	34,614,395		46,147,279		37,128,723
(2) Other taxable bonds Sum of line 6.7, 7.7, 8.7, 9.7 and half of 5.7	65,861,105		118,468,566		21,774,518
(3) Tax exempt bonds Sum of line 3.7, 4.7, and half of 5.7	9,759,108		71,432,518		3,445,465

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	34,614,395	0.13%	44,999	35.00%	15,750
(B) Intermediate	46,147,279	3.46%	1,596,696	35.00%	558,844
(C) Long	37,128,723	4.32%	1,603,961	35.00%	561,386
(2) Other taxable bonds					
(A) Short	65,861,105	0.25%	164,653	35.00%	57,628
(B) Intermediate	118,468,566	4.55%	5,390,320	35.00%	1,886,612
(C) Long	21,774,518	5.41%	1,178,001	35.00%	412,300
(3) Tax exempt bonds					
(A) Short	9,759,108	0.16%	15,615	5.25%	820
(B) Intermediate	71,432,518	3.37%	2,407,276	5.25%	126,382
(C) Long	3,445,465	5.12%	176,408	5.25%	9,261
(4) Common Stock	22,262,218				
(A) Dividends		4.63%	1,029,850	14.18%	145,981
(B) Capital gains		0.00%	0	34.10%	0
(5) Preferred stock dividends	2,547,457	5.75%	146,479	14.18%	20,763
(6) Mortgage loans	0	5.41%	0	35.00%	0
(7) Real estate	0	4.18%	0	35.00%	0
(8) Cash**	2,525,006	0.13%	3,283	35.00%	1,149
(9) Other***	69,732,137				
(A) Dividends		0.43%	299,848	14.18%	42,503
(B) Capital gains		0.00%	0	34.10%	0
(10) Total					
Sum of line (1) thru (9)	505,698,493		14,057,387		3,839,380

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	<u>505,698,493</u>		<u>14,057,387</u>		<u>3,839,380</u>
(11) Investment expense Annual Statement (AS) page 11, line 25			<u>961,118</u>	35.00%	<u>336,391</u>
(12) Total after investment expense line (10) - line (11)	<u>505,698,493</u>		<u>13,096,269</u>		<u>3,502,989</u>
(13) Federal income tax rate line (12) column [5] / column [3]				26.75%	
(14) Projected yield on invested assets line (12) column [3] / column [1]		<u>2.59%</u>			
	Most Recent Year				
(15) Loss reserves AS page 3, line 1	<u>137,124,472</u>				
(16) Loss adjustment expense reserves AS page 3, line 3	<u>78,242,609</u>				
(17) Unearned premium reserves AS page 3, line 9	<u>42,861,708</u>				
(18) Surplus as regards to policyholders AS page 3, line 35	<u>182,340,034</u>				
(19) Total reserves and surplus Sum of line (15) to (18)	<u>440,568,823</u>				
(20) Projected yield adjusted to reserve and surplus base line (14) * line (12) / line (19)		2.97%			

VARIANCE: 7		RATE TEMPLATE			<i>Edition Date:</i>	<i>4/4/2011</i>
		<i>(No input by filer)</i>				
CDI FILE NUMBER:	0					
COMPANY/GROUP:	NCMIC Insurance Company					
LINE OF INSURANCE:	MEDICAL MALPRACTICE					
COVERAGE:	0					
PRIOR EFF DATE:	10/1/2008				<i>Completed by: Juli Frank</i>	
PROPOSED EFF DATE:	11/1/2011				<i>Date: 6/30/2011</i>	
DATA PROVIDED BY FILER						
	Year:	2008	2009	2010		
		PRIOR2	PRIOR1	RECENT	PROJECTED/ SUMMARY	
WRT PREM		7,644,505	7,313,115	7,472,483	22,430,103	
ERN PREM		7,678,341	7,426,735	7,421,617	22,526,693	
PREM ADJ		0.993	0.998	1.000		
PREM TREND		1.000	1.000	1.000	0.000	
MISCELLANEOUS FEES (& other flat charges)		0	0	0	0	
EARNED EXP		3,558	3,519	3,581	10,658	
LOSSES		2,018,993	2,072,164	696,222	4,787,379	
DCCE		0	0	0	0	
LOSS DEV		1.179	1.389	4.241		
DCCE DEV		1.000	1.000	1.000		
LOSS TREND		1.185	1.139	1.096	0.040	
DCCE TREND		1.000	1.000	1.000	0.000	
CAT ADJ		1.000	1.000	1.000		
CREDIBILITY					42.30%	
EXPENSE EXCLUSION FACTOR					0.83%	
ANC INC		0	0	0	0	
FIT INV					26.75%	
YIELD					2.97%	
CDI PARAMETERS:						
FIT UW					35.00%	
EFF STANDARD					24.55%	
LEVERAGE					0.51	
PREMIUM TAX RATE					2.35%	
SURPLUS RATIO					1.96	
UEP RES RATIO					0.46	
LOSS RES RATIO					4.64	
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		7,624,593	7,411,882	7,421,617	22,458,091	
ADJUSTED LOSSES		2,820,765	3,278,311	3,236,135	9,335,211	
ADJUSTED DCCE		0	0	0	0	
ADJUSTED LOSS+DCCE RATIO		37.00%	44.23%	43.60%	41.57%	
TRENDED CURRENT RATE LEVEL PREMIUM		2142.94	2106.25	2072.50	2107.16	
LOSS+DCCE PER EXP		792.80	931.60	903.70	875.89	
COMP LOSS+DCCE PER EXP		1693.66	1664.65	1637.98	1665.37	
CRED LOSS PER EXP		1312.59	1354.57	1327.38	1331.42	
ANC INC PER EXP		0.00	0.00	0.00	0.00	
FIXED INV INC FACTOR					15.54%	
VAR INV INC FACTOR					8.11%	
ANNUAL NET TREND					4.00%	
COMP TREND					12.85%	
MAX PROFIT					24.42%	
MIN PROFIT					-18.11%	
UW PROFIT					5.42%	
MAX DENOM					0.591	
MIN DENOM					1.017	
MAX PREMIUM					\$1,901.13	
MIN PREMIUM					\$1,105.91	
CHANGE AT MIN					-47.52%	
CHANGE AT MAX					-9.78%	
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		1693.66	1664.65	1637.98	1665.37	
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: 25.38% 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: NCMIC Insurance Company
 LINE OF INSURANCE: MEDICAL MALPRACTICE
 LINE CODE: 11
 COVERAGE: 0

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	<table border="0"> <tr> <td style="text-align: center;">Type of Load</td> <td style="text-align: center;">Amount of Load</td> </tr> <tr> <td><input style="width: 150px;" type="text" value="(LOSS+DCCE+AOE)/LOSS"/></td> <td><input style="width: 100px;" type="text"/></td> </tr> </table>	Type of Load	Amount of Load	<input style="width: 150px;" type="text" value="(LOSS+DCCE+AOE)/LOSS"/>	<input style="width: 100px;" type="text"/>
Type of Load	Amount of Load				
<input style="width: 150px;" type="text" value="(LOSS+DCCE+AOE)/LOSS"/>	<input style="width: 100px;" 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	1331.420502
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.

bit, Part III -Total US PC Industry - (\$000 omitted).

SERFF Tracking Number: NCMA-127279459 *State:* California
Filing Company: NCMIC Insurance Company *State Tracking Number:* 11-5759
Company Tracking Number: CA RATE 2011
TOI: 11.0 Medical Malpractice - Claims *Sub-TOI:* 11.0003 Chiropractic
Made/Occurrence
Product Name: Chiropractic Malpractice
Project Name/Number: CA Rate 2011/CA Rate 2011

Attachment "12 31 10 CA-PriorApprovalRateApplication040411 6-30-11 with yield variance.xls" is not a PDF document and cannot be reproduced here.

SERFF Tracking Number:	NCMA-127279459	State:	California
Filing Company:	NCMIC Insurance Company	State Tracking Number:	11-5759
Company Tracking Number:	CA RATE 2011		
TOI:	11.0 Medical Malpractice - Claims Made/Occurrence	Sub-TOI:	11.0003 Chiropractic
Product Name:	Chiropractic Malpractice		
Project Name/Number:	CA Rate 2011/CA Rate 2011		

Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
06/16/2011	Supporting	Prior Approval Rate Application Document	07/05/2011	12 31 10 CA- PriorApprovalRateApplication 040411 6-30-11.pdf (Superseded) 12 31 10 CA- PriorApprovalRateApplication 040411 6-30-11.xls (Superseded) 12 31 10 CA- PriorApprovalRateApplication 040411 6-30-11 with yield variance.pdf (Superseded) 12 31 10 CA- PriorApprovalRateApplication 040411 6-30-11 with yield variance.xls (Superseded) CA Filing Exhibits - FINAL.pdf (Superseded) CA June 2011 Rate Memo.pdf (Superseded)