SERFF Tracking Number:	NCMC-127209693	State:	California
Filing Company:	NORCAL Mutual Insurance Company	State Tracking Number:	11-5669
Company Tracking Number:	CA P&S FORM/RATE/RULE 1/1/2012		
TOI:	11.2 Med Mal-Claims Made Only	Sub-TOI:	11.2023 Physicians & Surgeons
Product Name:	NORCAL Physicians & Surgeons		
Project Name/Number:	CA P&S FORM/RATE/RULE 1/1/2012/		

Filing at a Glance

Company: NORCAL Mutual Insurance Compa	ny	
Product Name: NORCAL Physicians &	SERFF Tr Num: NCMC-1272096	93 State: California
Surgeons		
TOI: 11.2 Med Mal-Claims Made Only	SERFF Status: Assigned	State Tr Num: 11-5669
Sub-TOI: 11.2023 Physicians & Surgeons	Co Tr Num: CA P&S	State Status: Accepted
	FORM/RATE/RULE 1/1/2012	
Filing Type: Form/Rate/Rule		Reviewer(s): Geff Greenfield
	Author: Wendy Ho	Disposition Date:
	Date Submitted: 06/30/2011	Disposition Status:
Effective Date Requested (New): 01/01/2012		Effective Date (New):
Effective Date Requested (Renewal): 01/01/20)12	Effective Date (Renewal):

General Information

Project Name: CA P&S FORM/RATE/RULE 1/1/2012 Project Number: Reference Organization: Reference Title:	Status of Filing in Domicile: Domicile Status Comments: Reference Number: Advisory Org. Circular:
Filing Status Changed: 07/01/2011	Advisory org. Onodiar.
State Status Changed: 07/13/2011	Deemer Date: 09/13/2011
Created By: Wendy Ho	Submitted By: Wendy Ho
Corresponding Filing Tracking Number:	

In accordance with the February 2011 request from the CDI for NORCAL Mutual Insurance Company (NORCAL), and several other medical liability insurers, to submit a rate filing, we are forwarding the enclosed rate, rule and form revision for NORCAL's Physicians & Surgeons Medical Professional Liability program.

The overall indicated rate change using the CDI's ratemaking application and template is +8.94%. NORCAL is proposing to implement an overall decrease of 5%.

The requested revisions include the following:

1) Base Rate

Filing Description:

- 2) Territorial Relativities
- 3) Class Relativities

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TOI:	11.2 Med Mal-Claims Made Only	Sub-TOI:	11.2023 Physicians & Surgeons
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Project Name/Number:

- 4) Claims-Made Step Factors
- 5) Charge for Entity Coverage
- 6) Part-Time Credit criteria
- 7) Retirement eligibility
- 8) Minimum Premiums for Facilities
- 9) Risk Management Discount criteria
- 10) Schedule Rating eligibility
- 11) Other changes of an editorial nature only

In accordance with CDI requirements, this submission includes the following items:

- 1) Prior Approval Rate Application in both Excel and PDF formats
- a) (Reflecting Request for Variances 1,2 and 3)
- 2) Prior Approval Rate Templates in both Excel and PDF formats
- 3) Actuarial Memorandum (including required Exhibits 1-20)
- 4) Filing Memorandum
- 5) Revised Rule and Rate Manuals pages (Marked and Clean Copy)
- 6) Revised Forms (Marked and Clean Copy)
- 7) Summary of Form Changes

Company and Contact

Filing Contact Information

Wendy Ho, Operations Business Analyst	who@norcalmutual.com	
560 Davis Street	800-652-1051 [Phone] 2701 [Ext]	
Suite 200	415-835-0898 [FAX]	
San Francisco, CA 94111		
Filing Company Information		
NORCAL Mutual Insurance Company	CoCode: 33200	State of Domicile: California
560 Davis Street	Group Code: 1282	Company Type: Commercial
		Medical Malpractice
Suite 200	Group Name: Med Grp Holdings &	State ID Number:
	Aff	
San Francisco, CA 94111	FEIN Number: 94-2301054	
(800) 652-1051 ext. 2701[Phone]		

Filing Fees

SERFF Tracking Number:	NCMC-127209693		State:		Califo	rnia
Filing Company:	NORCAL Mutual Insurance Co	ompany	State Tra	cking Number:	11-560	59
Company Tracking Number:	CA P&S FORM/RATE/RULE	1/1/2012				
TOI:	11.2 Med Mal-Claims Made O	nly	Sub-TOI:		11.202	23 Physicians & Surgeons
Product Name:	NORCAL Physicians & Surgeo	NORCAL Physicians & Surgeons				
Project Name/Number:	CA P&S FORM/RATE/RULE	1/1/2012/				
Fee Required?	No					
Retaliatory?	No					
Fee Explanation:						
Per Company:	No					
COMPANY		AMOUNT	[DATE PROCESS	SED	TRANSACTION #
NORCAL Mutual Insur	ance Company	\$0.00				
State Specific						

Variance Requested? (Yes/No): Yes

SERFF Tracking Number:	NCMC-127209693	State:	California
Filing Company:	NORCAL Mutual Insurance Company	State Tracking Number:	11-5669
Company Tracking Number:	CA P&S FORM/RATE/RULE 1/1/2012		
TOI:	11.2 Med Mal-Claims Made Only	Sub-TOI:	11.2023 Physicians & Surgeons
Product Name:	NORCAL Physicians & Surgeons		
Project Name/Number:	CA P&S FORM/RATE/RULE 1/1/2012/		

Form Schedule

Schedule Item Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Readability Data	Attachment
	Roster of Insured Person(s)	IE-004	1/1/2012	Endorseme Replaced nt/Amendm ent/Conditi ons	Replaced Form #:28.200 IE-004 Previous Filing #: 09-6891	IE 004 Insured Persons_CA _1-1- 12_Filing Version.pdf
	Waiver of Extended Reporting Period Endorsement Premium	IE-095	10/1/2005	Endorseme Withdrawn nt/Amendm ent/Conditi ons	Replaced Form #:31.600 N/A Previous Filing #: 06-3921	IE 095 Waiver of ERP Premium - DISCONTIN UE 1-1- 12.pdf
	Policy Change Endorsement	IE-096	1/1/2012	Endorseme Replaced nt/Amendm ent/Conditi ons	Replaced Form #:16.000 IE-096 Previous Filing #: 07-6063	IE 096 - Policy Change Endorsemen t_CA_1-1- 12_Filing Version.pdf
	Roster of Insured Person(s)	GRP-004	1/1/2012	Endorseme Replaced nt/Amendm ent/Conditi ons	Replaced Form #:31.000 GRP-004 Previous Filing #: 09-6891	GRP 004 Insured Persons_CA _1-1- 12_Filing Version.pdf
	Health Care General Liability Endorsement	GRP- 091GL	1/1/2012	Endorseme Replaced nt/Amendm ent/Conditi ons	Replaced Form #:36.700 GRP-091GL Previous Filing #: 09-6891	GRP 091GL General Liability Insurance_C A_1-1- 12_Filing

SERFF Tracki	ng Number:	NCMC-1272090	93		State:			California	
Filing Compar	ıy:	NORCAL Mutue	l Insi	urance Compa	ny State Tracking Numb		ber:	11-5669	
Company Trac	king Number:	CA P&S FORM	RAT	E/RULE 1/1/20	012				
TOI:		11.2 Med Mal-C	laim	s Made Only	Sub-TOI:			11.2023 Physicians & Surg	geons
Product Name	:	NORCAL Physi	ians	& Surgeons					
Project Name/	Number:	CA P&S FORM	RAT	E/RULE 1/1/20	012/				
									Version.pdf
	Waiver of	GRP-)95	1/1/2006	Endorseme With	ndrawn	Replace	ed Form #:28.900	GRP 095
	Extended				nt/Amendm		N/A		Waiver of
	Reporting	Period			ent/Conditi		Previou	s Filing #:	ERP
	Endorseme	ent			ons		06-3920)	Premium -
	Premium								DISCONTIN
									UE 1-1-
									12.pdf
	Policy Cha	nge GRP-)96	1/1/2012	Endorseme Rep	laced	Replace	ed Form #:17.400	GRP 096
	Endorseme	ent			nt/Amendm		GRP-09	96	Policy
					ent/Conditi		Previou	s Filing #:	Change
					ons		06-7262	2	Endorsemen
									t_CA_1-1-
									12_Filing
									Version.pdf



It is hereby understood and agreed that:

- 1. The Who Is Insured sections of Coverage A and, if applicable, Coverage B are amended to add the person(s) shown on the roster(s) below; and
- 2. Coverage C is amended to endorse the person(s) shown on the roster(s) below:

but only while acting within the course and scope of their duties for the Named Insured.

The <u>Retroactive Date(s)</u> for such coverage is shown on the roster(s) below.

The person(s) shown on the roster(s) below has separate limits of liability for Coverage A and separate limits of reimbursement for Coverage C, as shown on the roster(s) below. The <u>Named Insured's</u> limits of liability for Coverage B, Limited Professional Office Premises Liability Insurance, if applicable, are shared with the person(s) shown on the roster(s) below.

It is further understood and agreed that the limits of liability shown on the roster(s) below replace the limits of liability shown on the declarations page for Coverage A, and the limits of reimbursement shown on the roster(s) below replace the limits of reimbursement shown on the declarations page for Coverage C. The limits of liability and limits of reimbursement shown on the roster(s) below shall be the exclusive limits applicable to each person(s) shown on the roster(s) below.

Add the following person(s):

				Coverage A Limits of	Coverage C Limits of
Name	Specialty	Provider Type	Date	Liability	Reimbursement

Current Roster of Active person(s):

				Coverage A	Coverage C
			Retroactive	Limits of	Limits of
Name	Specialty	Provider Type	Date	Liability	Reimbursement

Page 1 of 5



It is hereby understood and agreed that the person(s) shown on the roster below are deleted from coverage. The person(s) shown on the roster below may be offered an Extended Reporting Period Endorsement as per **PART VII**, **EXTENDED REPORTING PERIOD OPTION**, of the policy. If an Extended Reporting Period Endorsement is not issued to the person(s), there will be no coverage for that person(s) for Claims, Administrative Proceedings or Employment-Related Civil Actions that are first reported to Us on or after the termination date(s) shown below or on or after the expiration or termination date of this policy, whichever is sooner.

It is hereby understood and agreed that the person(s) shown on the roster below are deleted from coverage:

Deleted Person(s) Roster:

					Coverage A	Coverage C
		Provider	Retroactive	Termination	Limits of	Limits of
Name	Specialty	Туре	Date	Date	Liability	Reimbursement

EXTENDED REPORTING PERIOD OPTION

A PERSON(S) SHOWN ON THE DELETED PERSON(S) ROSTER MAY BE OFFERED AN EXTENDED REPORTING PERIOD ENDORSEMENT AS SET FORTH BELOW.

IF AN EXTENDED REPORTING PERIOD ENDORSEMENT IS NOT ISSUED TO A PERSON SHOWN ON THE DELETED PERSON(S) ROSTER, THERE WILL BE NO COVERAGE FOR THAT PERSON FOR <u>CLAIMS</u>, <u>ADMINISTRATIVE PROCEEDINGS OR EMPLOYMENT-RELATED CIVIL ACTIONS</u> THAT ARE FIRST REPORTED TO <u>US</u> ON OR AFTER THE EXPIRATION OR TERMINATION DATE OF THIS POLICY OR APPLICABLE COVERAGE.

MUTUAL RIGHTS	4	Formatted: Bullets and Numbering
A person shown on the deleted person(s) roster may have the right to purchase an Extended Reporting Period Endorsement (frequently known as "tail coverage") if this policy or applicable coverage is canceled or non- renewed. This endorsement provides an extended period of time for reporting <u>Claims</u> , <u>Administrative Proceeding</u> or <u>Employment Related Civil Actions</u> as follows:	<u>9</u>	
1. <u>Medical Incidents or Occurrences</u> that take place on or after the <u>Retroactive Date</u> as shown on the Declarations Page or applicable endorsement and before the expiration or termination of that person's coverage; and	4	Formatted: Bullets and Numbering
2.Results in a <u>Claim</u> against that person that is first reported to <u>Us</u> under the Extended Reporting Period Endorsement; or	4	Formatted: Bullets and Numbering
3.Acts that take place on or after the applicable <u>Retroactive Date</u> and before the expiration or termination of that person's coverage that result in an <u>Administrative Proceeding or Employment Related Civil Action</u> instituted against that person and first reported to <u>Us</u> under the Extended Reporting Period Endorsement.	4	Formatted: Bullets and Numbering
To purchase an Extended Reporting Period Endorsement the person shown on the deleted person(s) roster must b in compliance with all terms and conditions of the policy. All outstanding earned premiums must be paid. Any additional premium for the Extended Reporting Period Endorsement will be computed in accordance with <u>Our</u> rules, rates, and rating plans in effect at the time of the expiration or termination of coverage and must be paid to <u>Us</u> . This additional premium is fully earned and non-refundable. If <u>We</u> do not receive full payment of all billed	e	

Page 2 of 5



IE-004 ROSTER OF INSURED PERSON(S)

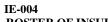
premiums on or before the due date of the premium notice, <u>We</u> will not issue an Extended Reporting Period Endorsement, and <u>We</u> will cancel any previously issued reporting endorsements.

Additionally:

.We will not issue an Extended Reporting Period Endorsement to a person shown on the deleted person(s) roster		Formatted: Bullets and Num
whose coverage has been cancelled or non-renewed for fraud, misrepresentation, concealment or breach of		
warranty. Nor will We issue an Extended Reporting Period Endorsement to a person shown on the deleted		
person(s) roster if this policy is cancelled for non-payment or rescinded.		
Once in effect, the Extended Reporting Period Endorsement may not be canceled unless the person shown on	4	Formatted: Bullets and Num
the deleted person(s) roster to whom the Extended Reporting Period Endorsement was issued has committed	a	
material breach of the terms or conditions of this policy or any endorsements attached to it.		
. The Extended Reporting Period Endorsement does not extend the Policy Period or change the scope of coverag	e∙	Formatted: Bullets and Num
provided under this policy form and any attached endorsements.		
.The Extended Reporting Period Endorsement is subject to all of the provisions of the policy in existence at the	4	Formatted: Bullets and Num
time the active coverage ceases for the person shown on the deleted person(s) roster.		
The Extended Reporting Period Endorsement provides one set of limits of liability that are applicable only to	-	Formatted: Bullets and Num
those <u>Claims</u> first reported during the Extended Reporting Period. Those limits of liability will be eroded by		
payment of judgments and settlements. Our duty to defend ends when the limits of liability are exhausted by		
payment of judgments and settlements. <u>Our</u> duty to defend ends when the limits of liability are exhausted by payment of judgments and settlements.		
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Reporting Period Endorsement issued above.

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ROSTER OF INSURED PERSON(S)

Vaiver of Extended Reporting Period Endorsement Premium in the Event of Death		Formatted: Bullets and Numb
In the event of death during the Policy Period of a physician shown on the deleted person(s) roster an		
Extended Reporting Period Endorsement will be issued to that physician's estate without any premium		
charge. This Extended Reporting Period Endorsement will become effective on the date of that physician's		
death. However, <u>We</u> must receive a written request along with proof of death within sixty (60) days after that		
physician's death.		
physician's death.		
hase-out Provision - Waiver of Extended Reporting Period Endorsement Premium upon	4	Formatted: Bullets and Numb
Retirement at Age 55.		
a.At age 55 a physician shown on the deleted person(s) roster is eligible for a full waiver of his/her Extended	-	Formatted: Bullets and Numb
Reporting Period Endorsement premium if he/she was insured with Us on September 30, 2005, remains		
insured with Us continuously until he/she retires and:		
i.Was age 50 or older on September 30, 2005;		Formatted: Bullets and Numb
i. Has been insured with Us for the twelve (12) months, and had continuous coverage for the sixty (60)		. c. marcoa. Buildts and Numic
months, prior to reaching age 55;		
iii.Retires completely from the practice of medicine;		
iv.Was eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL		
policy immediately prior to when he/she was added to this policy with separate limits; and		
v.Requests this benefit on or before December 31, 2010.		
b. We must receive a written request for this benefit at least thirty (30) days in advance of that physician's	4	Formatted: Bullets and Numb
retirement date. We will periodically require proof satisfactory to Us that the physician remains retired		
from the practice of medicine. If at any time in the future the physician resumes practicing as a physician		
to any extent, this premium waiver will be lost as of the date the physician resumes practice. However,		
the physician shown on the deleted person(s) roster will have the right to purchase an Extended Reporting		
Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement is		
purchased following the resumption of practice, there will be no coverage for Claims, Administrative		
Proceedings or Employment Related Civil Actions reported to Us after the termination of the Extended		
Reporting Period Endorsement issued pursuant to this paragraph.		
Vaiver of Extended Reporting Period Endorsement Premium upon Retirement at Age 55.	4	Formatted: Bullets and Numb
a.If during the Policy Period, a physician shown on the deleted person(s) roster chooses to retire completely	4	Formatted: Bullets and Numb
from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period		i ormattea. Danets and Numi
Endorsement premium. To be eligible a physician shown on the deleted person(s) roster must, as of the		
requested cancellation date:		
i. Have been continuously insured with Us for sixty (60) months immediately prior to claiming this	4	
		Formatted: Bullets and Numb
benefit;		
ii.Be at least 55 years of age; and		
iii.Retire completely from the practice of medicine.		
iii.Retire completely from the practice of medicine. b. <u>We must receive a written request for this benefit at least thirty (30) days in advance of that physician's</u>	-	Formatted: Bullets and Numb
b. We must receive a written request for this benefit at least thirty (30) days in advance of that physician's	4	Formatted: Bullets and Numb
b. <u>We must receive a written request for this benefit at least thirty (30) days in advance of that physician's</u> retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired	-	Formatted: Bullets and Numb
b. <u>We must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. We will periodically require proof satisfactory to Us that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician</u>	4	Formatted: Bullets and Numb
b. <u>We must receive a written request for this benefit at least thirty (30) days in advance of that physician's</u> retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired	< ۱	Formatted: Bullets and Numb

Mutual Insurance Company

Page 4 of 5



is purchased following the resumption of practice, there will be no coverage for <u>Claims</u>, <u>Administrative</u> <u>Proceedings</u> or <u>Employment Related Civil Actions</u> reported to <u>Us</u> after the termination of the Extended Reporting Period Endorsement issued pursuant to this paragraph.

5. Waiver of Extended Reporting Period Endorsement Premium at Age 65.

If a physician shown on the deleted person(s) roster was insured with <u>Us</u> on September 30, 2005, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium at age 65 if hc/she was insured with <u>Us</u> for the sixty (60) months immediately prior to reaching age 65. The physician shown on the deleted person(s) roster must also have been eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL policy immediately prior to when he/she was added to this policy with separate limits.

<u>We must receive this request at least thirty (30) days in advance of the date he/she chooses to terminate coverage with \underline{Us} .</u>

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

This endorsement when signed by NORCAL's President and Secretary at San Francisco, California shall take effect on the endorsement effective date shown below.

Issue Date: <u>Named Insured</u>: Policy Number: <u>Policy Period</u>: Endorsement Number: Endorsement Effective Date: Additional/Return Premium:

NORCA

James Sunser

James Sunseri President

) thening A. Crocken

Katherine H. Crocker Secretary

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It is hereby understood and agreed that:

- 1. The Who Is Insured sections of Coverage A and, if applicable, Coverage B are amended to add the person(s) shown on the roster(s) below; and
- 2. Coverage C is amended to endorse the person(s) shown on the roster(s) below:

but only while acting within the course and scope of their duties for the Named Insured.

The <u>Retroactive Date(s)</u> for such coverage is shown on the roster(s) below.

The person(s) shown on the roster(s) below has separate limits of liability for Coverage A and separate limits of reimbursement for Coverage C, as shown on the roster(s) below. The <u>Named Insured's</u> limits of liability for Coverage B, Limited Professional Office Premises Liability Insurance, if applicable, are shared with the person(s) shown on the roster(s) below.

It is further understood and agreed that the limits of liability shown on the roster(s) below replace the limits of liability shown on the declarations page for Coverage A, and the limits of reimbursement shown on the roster(s) below replace the limits of reimbursement shown on the declarations page for Coverage C. The limits of liability and limits of reimbursement shown on the roster(s) below shall be the exclusive limits applicable to each person(s) shown on the roster(s) below.

Add the following person(s):

				Coverage A	Coverage C
			Retroactive	Limits of	Limits of
Name	Specialty	Provider Type	Date	Liability	Reimbursement

Current Roster of Active person(s):

				Coverage A	Coverage C
			Retroactive	Limits of	Limits of
Name	Specialty	Provider Type	Date	Liability	Reimbursement



IE-004 ROSTER OF INSURED PERSON(S)

It is hereby understood and agreed that the person(s) shown on the roster below are deleted from coverage. The person(s) shown on the roster below may be offered an Extended Reporting Period Endorsement as per **PART VII**, **EXTENDED REPORTING PERIOD OPTION**, of the policy. If an Extended Reporting Period Endorsement is not issued to the person(s), there will be no coverage for that person(s) for <u>Claims</u>, <u>Administrative Proceedings</u> or <u>Employment-Related Civil Actions</u> that are first reported to <u>Us</u> on or after the termination date(s) shown below or on or after the expiration or termination date of this policy, whichever is sooner.

Deleted Person(s) Roster:

					Coverage A	Coverage C
		Provider	Retroactive	Termination	Limits of	Limits of
Name	Specialty	Туре	Date	Date	Liability	Reimbursement

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

This endorsement when signed by NORCAL's President and Secretary at San Francisco, California shall take effect on the endorsement effective date shown below.

Issue Date: <u>Named Insured</u>: Policy Number: <u>Policy Period</u>: Endorsement Number: Endorsement Effective Date: Additional/Return Premium:

James Sunser

James Sunseri President

) theming A. Crocken

Katherine H. Crocker Secretary



It is hereby understood and agreed that PART VII, EXTENDED REPORTING PERIOD OPTION is amended as follows:

Item B3. is deleted in its entirety and replaced with the following:

- 3. Phase-out Provision Waiver of Extended Reporting Period Endorsement Premium Upon Retirement at Age 55.
 - a. At age 55 <u>You</u> may be eligible for a full waiver of <u>Your</u> Extended Reporting Period Endorsement if <u>You</u> were insured with <u>Us</u> on September 30, 2005, remain insured with <u>Us</u> continuously until <u>You</u> retire and <u>You</u>:
 - i. Were age 50 or older on September 30, 2005;
 - ii. Were insured with <u>Us</u> for the 12 months, and had continuous coverage for the 60 months, prior to reaching age 55;
 - iii. Retire completely from the practice of medicine;
 - iv. Were eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL policy immediately prior to this policy; and
 - v. Request this benefit on or before December 31, 2010.
 - b. We must receive a written request for this benefit at least 30 days in advance of <u>Your</u> retirement date. We will periodically require proof satisfactory to <u>Us</u> that <u>You</u> remain retired from the practice of medicine. If at any time in the future <u>You</u> resume practicing as physician to any extent, <u>You</u> will lose <u>Your</u> right to this waiver as of the date you resumed practice. However, <u>You</u> will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If <u>You</u> fail to purchase this Extended Period Endorsement following <u>Your</u> resumption of practice, <u>You</u> will have no coverage for any <u>Claims</u>, <u>Administrative Proceedings</u>, or <u>Employment-Related Civil Actions</u> reported to <u>Us</u> after the termination of the Extended Reporting Period Endorsement issued above.

Item B4. is deleted in its entirety and replaced with the following:

4. Waiver of Extended Reporting Period Endorsement Premium upon Retirement at Age 55.

- a. If during the <u>Policy Period</u>, <u>You</u> choose to retire completely from the practice of medicine, <u>You</u> may be eligible for a full waiver of Your Extended Reporting Period Endorsement premium. To be eligible <u>You</u> must, as of <u>Your</u> requested cancellation date:
 - i. Have been continuously insured with <u>Us</u> for 60 months immediately prior to requesting this benefit; and
 - ii. Be at least 55 years of age; and
 - iii. Retire completely from the practice of medicine.
- b. <u>We</u> must receive a written request for this benefit at least 30 days in advance of <u>Your</u> retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that <u>You</u> remain retired from the practice of medicine. If at any time in the future <u>You</u> resume practicing as physician to any extent, <u>You</u> will lose <u>Your</u> right to this waiver as of the date you resumed practice. However, <u>You</u> will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If <u>You</u> fail to purchase this Extended Period Endorsement following <u>Your</u> resumption of practice, <u>You</u> will have no coverage for any <u>Claims</u>, <u>Administrative Proceedings</u>, or <u>Employment-Related Civil Actions</u> reported to <u>Us</u> after the termination of the Extended Reporting Period Endorsement issued above.



IE – 095 Waiver of Extended Reporting Period Endorsement Premium

Item B5. is deleted in its entirety and replaced with the following:

5. Waiver of Extended Reporting Period Endorsement Premium at Age 65.

If <u>You</u> were insured with <u>Us</u> on September 30, 2005, <u>You</u> may be eligible for a full waiver of <u>Your</u> Extended Reporting Period Endorsement premium at age 65 if <u>You</u> were insured with <u>Us</u> for the 60 months immediately prior to reaching age 65. <u>You</u> must also have been eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL policy immediately prior to this policy.

We must receive this request at least 30 days in advance of the date You choose to terminate Your coverage with Us.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

This endorsement when signed by NORCAL's President and Secretary at San Francisco, California shall take effect on the endorsement effective date shown below.

Issue Date: Named Insured: Policy Number: Endorsement Number: Endorsement Effective Date: Additional/Return Premium: James Sunseri President Katherine H. Crocker Secretary



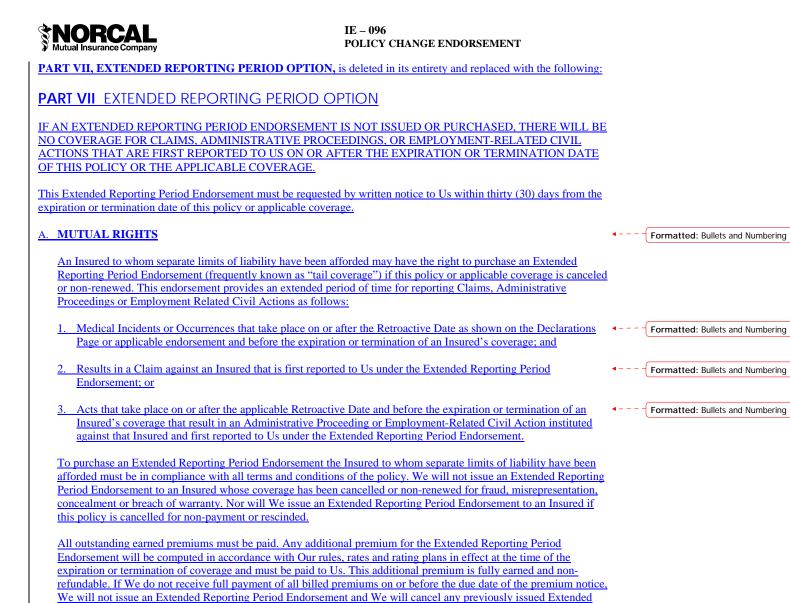
It is hereby understood and agreed that this Ppolicy is amended as follows:

PART II COVERAGES, COVERAGE A – Professional Liability Insurance, C. EXCLUSIONS 1c, 1d and 1f. are deleted in theirits entirety and replaced with the following: c. Any liability arising from a Medical Incident that took place while the license to practice medicine or the certification of the individual responsible for providing Professional Health Care Services or Professional Committee Activities is not in effect. However, this exclusion does not apply to the Named Insured's liability for Celaims arising from the Formatted: Underline acts and omissions of any other Insured. d. Any liability arising from a Medical Incident involving the prescription, dispensing or furnishing of controlled substances that happened while the license or registration to prescribe, dispense or furnish such controlled substances issued to the individual responsible for providing Professional Health Care Services is not in effect. However, this exclusion does not apply to the Named Insured's liability for Celaims arising from the acts and omissions of any other Formatted: Underline Insured. f. Any liability arising from a Medical Incident involving the fraudulent creation, alteration or modification of the medical record of any person. However, under Coverage A, Professional Liability Insurance: 1. We will defend any <u>Claim otherwise covered by the policy and involving the fraudulent creation</u>, alteration or modification of the medical record of any person. However, the Insured who allegedly created, altered or modified the medical record will reimburse Us for those Ddefense eCosts if liability for the fraudulent creation, Formatted: Underline alteration or modification is admitted or determined by judgment or any other way. We will pay <u>Damages for a Claim otherwise covered by the policy</u> on behalf of any <u>Insured</u>, other than the 2. Formatted: Underline Insured who fraudulently created, altered or modified the medical record of any person, unless that other Insured: Knew or should have known about the fraudulent creation, alteration or modification of the medical record a. but failed to prevent or stop it; or

b. Knew or should have known that the <u>Insured</u> who committed the fraudulent creation, alteration or modification of the medical record had a prior history of or propensity for such actions.

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Page 1 of 5



Reporting Period Endorsement.

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IE – 096 POLICY CHANGE ENDORSEMENT

Additionally:

1	1.	Once in effect, the Extended Reporting Period Endorsement may not be canceled unless the Insured to whom this		Formatted: Bullets and Numbering
		Extended Reporting Period Endorsement was issued has committed a material breach of the terms or conditions		
		of this policy or any endorsement attached to it.		
	2	The Extended Reporting Period Endorsement does not extend the Policy Period or change the scope of coverage		
4		provided under this policy and any attached endorsement. Except as otherwise provided by this endorsement, any		Formatted: Bullets and Numbering
		Claim, Administrative Proceeding or Employment-Related Civil Action reported to Us must be covered by this		
		policy.		
3		The Extended Reporting Period Endorsement is subject to all of the provisions of the policy in existence at the	-	Formatted: Bullets and Numbering
		time an Insured's active coverage ceases.		
		The Free did Demonstration Devised Freedoments and idea are not of the bit of the bit of the term and the bit of the	_	
4		The Extended Reporting Period Endorsement provides one set of limits of liability that are applicable only to those Claims first reported during the Extended Reporting Period. Those limits of liability will be eroded by		Formatted: Bullets and Numbering
		payment of judgments and settlements. Our duty to defend ends when the limits of liability are exhausted by		
		payment of judgments and settlements.		
		ECIAL PROVISIONS FOR INSURED PHYSICIANS TO WHOM SEPARATE LIMITS HAVE BEEN	-	Formatted: Bullets and Numbering
4	AF	FORDED		
-	1.	Waiver of Extended Reporting Endorsement Premium in the Event of Disability.		Formatted: Bullets and Numbering
		a. If an insured physician to whom separate limits have been afforded becomes totally and permanently disabled	 -	Formatted: Bullets and Numbering
		during the Policy Period as a result of Bodily Injury and is therefore completely unable to continue practicing		
		as a physician or surgeon, We will provide an Extended Reporting Period Endorsement without cost. This		
		waiver of premium is contingent upon receipt of evidence satisfactory to Us, which may include a physical		
		examination by physicians of Our choice, that such physician is totally and permanently disabled. However,		
		We must receive a written request from the physician or his/her personal representative for this benefit within 20 days of the days and the second representative of the days and the days are days and the days and the days and the days and the days are days and the days and the days and the days are days and the days are days and the days are days		
		30 days after the cessation of his/her practice.		
		b. We will require proof satisfactory to Us that disability continues on each anniversary of the issuance of the	 -	Formatted: Bullets and Numbering
		Extended Reporting Period Endorsement. If at any time in the future the physician resumes practicing as a		
		physician to any extent, any Extended Reporting Period Endorsement issued pursuant to this provision will		
		terminate on the date practice is resumed. The physician will have the right to purchase an Extended		
		Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period		
		Endorsement is purchased following the resumption of practice there will be no coverage for Claims,		
		Administrative Proceedings or Employment-Related Civil Actions reported to Us after the termination of the Extended Reporting Period Endorsement issued above.		
		Entended Reporting Ferrou Endorsement issued above.		

Page 3 of 5



<u>2.</u>	Waiver of Extended Reporting Period Endorsement Premium in the Event of Death.		
	In the event of the death during the Policy Period of an insured physician to whom separate limits have been afforded an Extended Reporting Period Endorsement will be issued to that physician's estate without any premium charge. This Extended Reporting Period Endorsement will become effective on the date of that physician's death. However, We must receive a written request along with proof of death within sixty (60) days after that physician's death.		
<u>3.</u>	Waiver of Extended Reporting Period Endorsement Premium upon Retirement at Any Age.	-	Formatted: Bullets and Numbering
	a. If during the Policy Period an insured physician to whom separate limits have been afforded chooses to retire completely and permanently from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the physician must, as of the requested cancellation date:		Formatted: Bullets and Numbering
	i. Have been continuously insured with Us with separate limits for the 60 months immediately prior to claiming this benefit; and	 -	Formatted: Bullets and Numbering
	ii. Retire completely and permanently from the practice of medicine.	4	Formatted: Bullets and Numbering
	b. We must receive a written request for this benefit at least 30 days in advance of the physician's retirement date. We will periodically require proof satisfactory to Us that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the physician resumes practice. However, the physician will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement is purchased following the resumption of practice, there will be no coverage for Claims, Administrative Proceedings or Employment-Related Civil Actions reported to Us after the termination of the Extended Reporting Period Endorsement issued pursuant to this section.	4	Formatted: Bullets and Numbering
<u>4.</u>	Waiver of Extended Reporting Period Endorsement Premium at Age 65.	4	Formatted: Bullets and Numbering
	If an insured physician to whom separate limits have been afforded was insured with Us on September 30, 2005, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium at age 65 if he/she was insured with Us with separate limits for the 60 months immediately prior to reaching age 65. The insured physician to whom separate limits have been afforded must also have been eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL policy immediately prior to when he/she was added		

We must receive this request at least 30 days in advance of the date he/she chooses to terminate coverage with Us.

as an insured physician with separate limits to this policy.

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IE – 096 POLICY CHANGE ENDORSEMENT

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

This endorsement when signed by NORCAL's President and Secretary at San Francisco, California shall take effect on the endorsement effective date shown below.

Issue Date: <u>Named Insured</u>: Policy Number: <u>Policy Period</u>: Endorsement Number: Endorsement Effective Date: Additional/Return Premium:

James Sunseri

James Sunseri President

)Lathenine H. Crocken

Katherine H. Crocker Secretary

Page 5 of 5



It is hereby understood and agreed that this policy is amended as follows:

PART II COVERAGES, COVERAGE A – Professional Liability Insurance, C. EXCLUSIONS 1c, 1d and 1f. are deleted in their entirety and replaced with the following:

- c. Any liability arising from a <u>Medical Incident</u> that took place while the license to practice medicine or the certification of the individual responsible for providing <u>Professional Health Care Services</u> or <u>Professional Committee Activities</u> is not in effect. However, this exclusion does not apply to the <u>Named Insured's</u> liability for <u>Claims</u> arising from the acts and omissions of any other <u>Insured</u>.
- d. Any liability arising from a <u>Medical Incident</u> involving the prescription, dispensing or furnishing of controlled substances that happened while the license or registration to prescribe, dispense or furnish such controlled substances issued to the individual responsible for providing <u>Professional Health Care Services</u> is not in effect. However, this exclusion does not apply to the <u>Named Insured's</u> liability for <u>Claims</u> arising from the acts and omissions of any other <u>Insured</u>.
- f. Any liability arising from a <u>Medical Incident</u> involving the fraudulent creation, alteration or modification of the medical record of any person. However, under Coverage A, Professional Liability Insurance:
 - 1. <u>We</u> will defend any <u>Claim</u> otherwise covered by the policy and involving the fraudulent creation, alteration or modification of the medical record of any person. However, the <u>Insured</u> who allegedly created, altered or modified the medical record will reimburse <u>Us</u> for those <u>Defense Costs</u> if liability for the fraudulent creation, alteration or modification is admitted or determined by judgment or any other way.
 - 2. <u>We will pay Damages</u> for a <u>Claim</u> otherwise covered by the policy on behalf of any <u>Insured</u>, other than the <u>Insured</u> who fraudulently created, altered or modified the medical record of any person, unless that other <u>Insured</u>:
 - a. Knew or should have known about the fraudulent creation, alteration or modification of the medical record but failed to prevent or stop it; or
 - b. Knew or should have known that the <u>Insured</u> who committed the fraudulent creation, alteration or modification of the medical record had a prior history of or propensity for such actions.



IE – 096 POLICY CHANGE ENDORSEMENT

PART VII, EXTENDED REPORTING PERIOD OPTION, is deleted in its entirety and replaced with the following:

PART VII EXTENDED REPORTING PERIOD OPTION

IF AN EXTENDED REPORTING PERIOD ENDORSEMENT IS NOT ISSUED OR PURCHASED, THERE WILL BE NO COVERAGE FOR <u>CLAIMS</u>, <u>ADMINISTRATIVE PROCEEDINGS</u>, OR <u>EMPLOYMENT-RELATED CIVIL</u> <u>ACTIONS</u> THAT ARE FIRST REPORTED TO <u>US</u> ON OR AFTER THE EXPIRATION OR TERMINATION DATE OF THIS POLICY OR THE APPLICABLE COVERAGE.

This Extended Reporting Period Endorsement must be requested by written notice to <u>Us</u> within thirty (30) days from the expiration or termination date of this policy or applicable coverage.

A. MUTUAL RIGHTS

An <u>Insured</u> to whom separate limits of liability have been afforded may have the right to purchase an Extended Reporting Period Endorsement (frequently known as "tail coverage") if this policy or applicable coverage is canceled or non-renewed. This endorsement provides an extended period of time for reporting <u>Claims</u>, <u>Administrative</u> <u>Proceedings</u> or <u>Employment Related Civil Actions</u> as follows:

- 1. <u>Medical Incidents</u> or <u>Occurrences</u> that take place on or after the <u>Retroactive Date</u> as shown on the Declarations Page or applicable endorsement and before the expiration or termination of an <u>Insured's</u> coverage; and
- 2. Results in a <u>Claim</u> against an <u>Insured</u> that is first reported to <u>Us</u> under the Extended Reporting Period Endorsement; or
- 3. Acts that take place on or after the applicable <u>Retroactive Date</u> and before the expiration or termination of an <u>Insured's</u> coverage that result in an <u>Administrative Proceeding</u> or <u>Employment-Related Civil Action</u> instituted against that <u>Insured</u> and first reported to <u>Us</u> under the Extended Reporting Period Endorsement.

To purchase an Extended Reporting Period Endorsement the <u>Insured</u> to whom separate limits of liability have been afforded must be in compliance with all terms and conditions of the policy. <u>We</u> will not issue an Extended Reporting Period Endorsement to an <u>Insured</u> whose coverage has been cancelled or non-renewed for fraud, misrepresentation, concealment or breach of warranty. Nor will <u>We</u> issue an Extended Reporting Period Endorsement to an <u>Insured</u> if this policy is cancelled for non-payment or rescinded.

All outstanding earned premiums must be paid. Any additional premium for the Extended Reporting Period Endorsement will be computed in accordance with <u>Our</u> rules, rates and rating plans in effect at the time of the expiration or termination of coverage and must be paid to <u>Us</u>. This additional premium is fully earned and non-refundable. If <u>We</u> do not receive full payment of all billed premiums on or before the due date of the premium notice, <u>We</u> will not issue an Extended Reporting Period Endorsement and <u>We</u> will cancel any previously issued Extended Reporting Period Endorsement.



Additionally:

- 1. Once in effect, the Extended Reporting Period Endorsement may not be canceled unless the <u>Insured</u> to whom this Extended Reporting Period Endorsement was issued has committed a material breach of the terms or conditions of this policy or any endorsement attached to it.
- The Extended Reporting Period Endorsement does not extend the <u>Policy Period</u> or change the scope of coverage provided under this policy and any attached endorsement. Except as otherwise provided by this endorsement, any <u>Claim</u>, <u>Administrative Proceeding</u> or <u>Employment-Related Civil Action</u> reported to <u>Us</u> must be covered by this policy.
- 3. The Extended Reporting Period Endorsement is subject to all of the provisions of the policy in existence at the time an <u>Insured's</u> active coverage ceases.
- 4. The Extended Reporting Period Endorsement provides one set of limits of liability that are applicable only to those <u>Claims</u> first reported during the Extended Reporting Period. Those limits of liability will be eroded by payment of judgments and settlements. <u>Our</u> duty to defend ends when the limits of liability are exhausted by payment of judgments and settlements.

B. SPECIAL PROVISIONS FOR INSURED PHYSICIANS TO WHOM SEPARATE LIMITS HAVE BEEN AFFORDED

- 1. Waiver of Extended Reporting Endorsement Premium in the Event of Disability.
 - a. If an insured physician to whom separate limits have been afforded becomes totally and permanently disabled during the <u>Policy Period</u> as a result of <u>Bodily Injury</u> and is therefore completely unable to continue practicing as a physician or surgeon, <u>We</u> will provide an Extended Reporting Period Endorsement without cost. This waiver of premium is contingent upon receipt of evidence satisfactory to <u>Us</u>, which may include a physical examination by physicians of <u>Our</u> choice, that such physician is totally and permanently disabled. However, <u>We</u> must receive a written request from the physician or his/her personal representative for this benefit within 30 days after the cessation of his/her practice.
 - b. We will require proof satisfactory to Us that disability continues on each anniversary of the issuance of the Extended Reporting Period Endorsement. If at any time in the future the physician resumes practicing as a physician to any extent, any Extended Reporting Period Endorsement issued pursuant to this provision will terminate on the date practice is resumed. The physician will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement is purchased following the resumption of practice there will be no coverage for Claims, Administrative Proceedings or Employment-Related Civil Actions reported to Us after the termination of the Extended Reporting Period Endorsement issued above.



IE – 096 POLICY CHANGE ENDORSEMENT

2. Waiver of Extended Reporting Period Endorsement Premium in the Event of Death.

In the event of the death during the <u>Policy Period</u> of an insured physician to whom separate limits have been afforded an Extended Reporting Period Endorsement will be issued to that physician's estate without any premium charge. This Extended Reporting Period Endorsement will become effective on the date of that physician's death. However, <u>We</u> must receive a written request along with proof of death within sixty (60) days after that physician's death.

3. Waiver of Extended Reporting Period Endorsement Premium upon Retirement at Any Age.

- a. If during the <u>Policy Period</u> an insured physician to whom separate limits have been afforded chooses to retire completely and permanently from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the physician must, as of the requested cancellation date:
 - i. Have been continuously insured with <u>Us</u> with separate limits for the 60 months immediately prior to claiming this benefit; and
 - ii. Retire completely and permanently from the practice of medicine.
- b. <u>We</u> must receive a written request for this benefit at least 30 days in advance of the physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the physician resumes practice. However, the physician will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement is purchased following the resumption of practice, there will be no coverage for <u>Claims</u>, <u>Administrative Proceedings</u> or <u>Employment-Related Civil Actions</u> reported to <u>Us</u> after the termination of the Extended Reporting Period Endorsement issued pursuant to this section.

4. Waiver of Extended Reporting Period Endorsement Premium at Age 65.

If an insured physician to whom separate limits have been afforded was insured with <u>Us</u> on September 30, 2005, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium at age 65 if he/she was insured with <u>Us</u> with separate limits for the 60 months immediately prior to reaching age 65. The insured physician to whom separate limits have been afforded must also have been eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL policy immediately prior to when he/she was added as an insured physician with separate limits to this policy.

We must receive this request at least 30 days in advance of the date he/she chooses to terminate coverage with Us.



ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

This endorsement when signed by NORCAL's President and Secretary at San Francisco, California shall take effect on the endorsement effective date shown below.

Issue Date: <u>Named Insured</u>: Policy Number: <u>Policy Period</u>: Endorsement Number: Endorsement Effective Date: Additional/Return Premium:

James Sunseri

James Sunseri President

)Lethenice H. Crocken

Katherine H. Crocker Secretary



GRP-004 ROSTER OF INSURED PERSON(S)

It is hereby understood and agreed that:

- 1. The Who Is Insured sections of Coverage A and, if applicable, Coverage B are amended to add the person(s) shown on the roster(s) below; and
- 2. Coverage C is amended to endorse the person(s) shown on the roster(s) below:

but only while acting within the course and scope of their duties for the Named Insured.

The <u>Retroactive Date(s)</u> for such coverage is shown on the roster(s) below.

The person(s) shown on the roster(s) below has separate limits of liability for Coverage A and separate limits of reimbursement for Coverage C, as shown on the roster(s) below. The <u>Named Insured's</u> limits of liability for Coverage B, <u>Limited Professional Office Premises Liability Insurance</u>, if applicable, are shared with the person(s) shown on the roster(s) below.

It is further understood and agreed that the limits of liability shown on the roster(s) below replace the limits of liability shown on the declarations page for Coverage A, and the limits of reimbursement shown on the roster(s) below replace the limits of reimbursement shown on the declarations page for Coverage C. The limits of liability and limits of reimbursement shown on the roster(s) below shall be the exclusive limits applicable to each person(s) shown on the roster(s) below.

Add the following person(s):

			Retroactive	0	Coverage C Limits of
Name	Specialty	Provider Type	Date	Liability	Reimbursement

Current Roster of Active person(s):

				Coverage A	Coverage C
			Retroactive	Limits of	Limits of
Name	Specialty	Provider Type	Date	Liability	Reimbursement

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It is hereby understood and agreed that the person(s) shown on the roster below are deleted from coverage. The person(s) shown on the roster below may be offered an Extended Reporting Period Endorsement as per **PART VII, EXTENDED REPORTING PERIOD OPTION**, of the policy. If an Extended Reporting Period Endorsement is not issued to the person(s), there will be no coverage for that person(s) under the claims made and reported sections of the policy for Claims, Administrative Proceedings or Employment-Related Civil Actions that are first reported to Us on or after the termination date(s) shown below or on or after the expiration or termination date of this policy, whichever is sooner. Person(s) shown on the roster below other than <u>Health Care Extenders</u> may be offered an Extended Reporting Period Endorsement as per **PART VII, EXTENDED REPORTING PERIOD OPTION**, of the policy. If an Extended Reporting Period Endorsement is not issued to the person(s), there will be no coverage under the claims made and reported sections of the policy for that person for <u>Claims</u>, <u>Administrative Proceedings or Employment Related Civil Actions</u> that are first reported to <u>Us</u> on or after the expiration or termination date of this policy or applicable coverage.

Deleted Person(s) Roster:

		Provider	Retroactive	Termination	Coverage A	Coverage C Limits of
Name	Specialty	Туре	Date	Date	Liability	Reimbursement

EXTENDED REPORTING PERIOD OPTION FOR HEALTH CARE EXTENDERS

A <u>HEALTH CARE EXTENDER(S)</u> SHOWN ON THE DELETED PERSON(S) ROSTER MAY BE OFFERED AN EXTENDED REPORTING PERIOD ENDORSEMENT AS SET FORTH BELOW.

IF AN EXTENDED REPORTING PERIOD ENDORSEMENT IS NOT ISSUED TO A <u>HEALTH CARE</u> <u>EXTENDER</u> SHOWN ON THE DELETED PERSON(S) ROSTER, THERE WILL BE NO COVERAGE UNDER THE CLAIMS MADE AND REPORTED SECTIONS OF THE POLICY FOR THAT <u>HEALTH</u> <u>CARE EXTENDER FOR CLAIMS, ADMINISTRATIVE PROCEEDINGS</u> OR <u>EMPLOYMENT RELATED</u> <u>CIVIL ACTIONS</u> THAT ARE FIRST REPORTED TO <u>US</u> ON OR AFTER THE EXPIRATION OR TERMINATION DATE OF THIS POLICY OR APPLICABLE COVERAGE.

This Extended Reporting Period Endorsement must be requested by written notice to <u>Us</u> within thirty (30) days from the expiration or termination date of this policy or applicable coverage.

A.MUTUAL RIGHTS	<{	Formatted: Bullets and Numbering
A <u>Health Care Extender</u> shown on the deleted person(s) roster may have the right to purchase an Extended Reporting Period Endorsement (frequently known as "tail coverage") if this policy or applicable coverage is canceled or non-renewed. This endorsement provides an extended period of time for reporting <u>Claims</u> , <u>Administrative Proceedings</u> or <u>Employment Related Civil Actions</u> as follows:		
1. <u>Medical Incidents</u> or <u>Occurrences</u> that take place on or after the <u>Retroactive Date</u> as shown on the Declarations Page or applicable endorsement and before the expiration or termination of that <u>Health Care</u> <u>Extender's</u> coverage; and	-	Formatted: Bullets and Numbering
2.Results in a <u>Claim</u> against that <u>Health Care Extender</u> that is first reported to <u>Us</u> under the Extended Reporting Period Endorsement; or	∢ {	Formatted: Bullets and Numbering
3.Acts that take place on or after the applicable <u>Retroactive Date</u> and before the expiration or termination of that Health Care Extender's coverage that result in an <u>Administrative Proceeding</u> or <u>Employment-Related</u>	<{	Formatted: Bullets and Numbering

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GRP-004 ROSTER OF INSURED PERSON(S)

<u>Civil Action instituted against that Health Care Extender and first reported to Us under the Extended</u> Reporting Period Endorsement.

To purchase an Extended Reporting Period Endorsement the <u>Health Care Extender</u> shown on the deleted person(s) roster must be in compliance with all terms and conditions of the policy. <u>We</u> will not issue an Extended Reporting Period Endorsement to a <u>Health Care Extender</u> shown on the deleted person(s) roster whose coverage has been cancelled or non-renewed for fraud, misrepresentation, concealment or breach of warranty. Nor will <u>We</u> issue an Extended Reporting Period Endorsement to a Health Care Extender shown on the deleted person(s) roster if this policy is cancelled for non-payment or rescinded.

All outstanding earned premiums must be paid. Any additional premium for the Extended Reporting Period Endorsement will be computed in accordance with <u>Our</u> rules, rates and rating plans in effect at the time of the expiration or termination of coverage and must be paid to <u>Us</u>. This additional premium is fully earned and nonrefundable. If <u>We</u> do not receive full payment of all billed premiums on or before the due date of the premium notice, <u>We</u> will not issue an Extended Reporting Period Endorsement and <u>We</u> will cancel any previously issued Extended Reporting Period Endorsement.

Additionally:

NORCA

1.Once in effect, the Extended Reporting Period Endorsement may not be canceled unless the Health Care	Formatted: Bullets and Numbering
Extender shown on the deleted person(s) roster to whom the Extended Reporting Period Endorsement was	
issued has committed a material breach of the terms or conditions of this policy or any endorsement attached	
to it.	
2. The Extended Reporting Period Endorsement does not extend the Policy Period or change the scope of coverage	Formatted: Bullets and Numbering
provided under this policy and any attached endorsement. Except as otherwise provided by this endorsement,	
any Claims, Administrative Proceedings or Employment Related Civil Action reported to Us must be covered	
by the policy.	
3. The Extended Reporting Period Endorsement is subject to all of the provisions of the policy in existence at the	Formatted: Bullets and Numbering
time the active coverage ceases for the Health Care Extender shown on the deleted person(s) roster.	()
4. The Extended Reporting Period Endorsement provides one set of limits of liability that are applicable only to	Formatted: Bullets and Numbering
those Claims first reported during the Extended Reporting Period. Those limits of liability will be eroded by	
payment of judgments and settlements. Our duty to defend ends when the limits of liability are exhausted by	

payment of judgments and settlements.

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ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

This endorsement when signed by NORCAL's President and Secretary at San Francisco, California shall take effect on the endorsement effective date shown below.

Issue Date: <u>Named Insured</u>: Policy Number: <u>Policy Period</u>: Endorsement Number: Endorsement Effective Date: Additional/Return Premium:

James Sunseri

James Sunseri President

)Lathenine A. Crocken

Katherine H. Crocker Secretary

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It is hereby understood and agreed that:

- 1. The Who Is Insured sections of Coverage A and, if applicable, Coverage B are amended to add the person(s) shown on the roster(s) below; and
- 2. Coverage C is amended to endorse the person(s) shown on the roster(s) below:

but only while acting within the course and scope of their duties for the Named Insured.

The <u>Retroactive Date(s)</u> for such coverage is shown on the roster(s) below.

The person(s) shown on the roster(s) below has separate limits of liability for Coverage A and separate limits of reimbursement for Coverage C, as shown on the roster(s) below. The <u>Named Insured's</u> limits of liability for Coverage B, if applicable, are shared with the person(s) shown on the roster(s) below.

It is further understood and agreed that the limits of liability shown on the roster(s) below replace the limits of liability shown on the declarations page for Coverage A, and the limits of reimbursement shown on the roster(s) below replace the limits of reimbursement shown on the declarations page for Coverage C. The limits of liability and limits of reimbursement shown on the roster(s) below shall be the exclusive limits applicable to each person(s) shown on the roster(s) below.

Add the following person(s):

				Coverage A	Coverage C
			Retroactive	Limits of	Limits of
Name	Specialty	Provider Type	Date	Liability	Reimbursement

Current Roster of Active person(s):

				Coverage A	Coverage C
			Retroactive	Limits of	Limits of
Name	Specialty	Provider Type	Date	Liability	Reimbursement



GRP-004 ROSTER OF INSURED PERSON(S)

It is hereby understood and agreed that the person(s) shown on the roster below are deleted from coverage. The person(s) shown on the roster below may be offered an Extended Reporting Period Endorsement as per **PART VII, EXTENDED REPORTING PERIOD OPTION**, of the policy. If an Extended Reporting Period Endorsement is not issued to the person(s), there will be no coverage for that person(s) under the claims made and reported sections of the policy for <u>Claims</u>, <u>Administrative Proceedings</u> or <u>Employment-Related Civil Actions</u> that are first reported to <u>Us</u> on or after the termination date(s) shown below or on or after the expiration or termination date of this policy, whichever is sooner.

Deleted Person(s) Roster:

					Coverage A	Coverage C
		Provider	Retroactive	Termination	Limits of	Limits of
Name	Specialty	Туре	Date	Date	Liability	Reimbursement

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

This endorsement when signed by NORCAL's President and Secretary at San Francisco, California shall take effect on the endorsement effective date shown below.

Issue Date: <u>Named Insured</u>: Policy Number: <u>Policy Period</u>: Endorsement Number: Endorsement Effective Date: Additional/Return Premium:

James Sunseri

James Sunseri President

) themine A. Crocken

Katherine H. Crocker Secretary



It is hereby understood and agreed that this Policy is amended as follows:

TABLE OF CONTENTS, is deleted in its entirety and replaced with:

	TABLE OF CONTENTS	
PART I	POLICY INTRODUCTION	rag 1
PART II	COVERAGES	
	Insurance is available only where Limits of Liability or Limits of Reimbursement are shown on the Declarations Page or applicable endorsement.	
	Coverage A Professional Liability Insurance Claims Made	2
	Coverage B Health Care General Liability Insurance Occurrence	6
	Coverage C – Physicians Administrative Defense Reimbursement ————————————————————————————————————	9
PART III	ADDITIONAL BENEFITS	
	A. Attendance At Trial	4
	B. Bonds	4
	C. <u>Defense Costs</u>	4
	D. Patient's Property	4
PART IV	COMMON CONDITIONS	1 (
PART V	COMMON EXCLUSIONS	2'
PART VI	DEFINITIONS	3
PART VII	EXTENDED REPORTING PERIOD OPTION	3

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PART II, COVERAGE B, Limited Professional Office Premises Liability Insurance - Claims Made is deleted in its entirely and replaced with the following:

COVERAGE B – Health Care General Liability Insurance – Occurrence

THIS COVERAGE IS PROVIDED ON AN OCCURRENCE BASIS.

I. <u>BODILY INJURY, PROPERTY DAMAGE</u> AND <u>FIRE DAMAGE</u> LIABILITY

A. INSURING AGREEMENTS

- 1. **Indemnity.** We will pay on behalf of an <u>Insured</u> all sums, up to the Limits of Liability as stated on the Declarations Page or applicable endorsement, that an <u>Insured</u> becomes legally obligated to pay as <u>Damages</u> because of a <u>Claim</u> for <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> caused by an <u>Occurrence</u> if the:
 - a. <u>Bodily Injury, Property Damage</u> or <u>Fire Damage</u> is caused by an <u>Occurrence</u> that takes place in the <u>Coverage Territory</u>; and
 - b. <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> takes place during the <u>Policy Period</u>.
- Defense. We shall have the right and duty to defend an <u>Insured</u> against any <u>Claim</u> seeking <u>Damages</u> for <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> caused by an <u>Occurrence</u> if the:
 - a. <u>Bodily Injury, Property Damage</u> or <u>Fire Damage</u> is caused by an <u>Occurrence</u> that takes place in the <u>Coverage Territory</u>; and
 - b. Bodily Injury, Property Damage or Fire Damage takes place during the Policy Period.

We have the exclusive right, using counsel of <u>Our</u> choice, to investigate, negotiate and defend any <u>Claim</u>. <u>Our</u> duty to defend ends, however, when the Limits of Liability stated on the Declarations Page or applicable endorsement have been exhausted by the payment of judgments and/or settlements.

<u>Defense Costs</u> are payable in addition to the Limits of Liability stated on the Declarations Page or applicable endorsement for Health Care General Liability Insurance.

We may investigate any <u>Claim</u> as <u>We</u> deem appropriate. <u>We</u> shall not be liable for the cost of legal services and other costs or fees incurred by any attorney selected by an <u>Insured</u> without <u>Our</u> written consent. <u>We</u> shall not be liable for the cost of any legal services and other costs or fees incurred before <u>Our</u> written receipt of notice of <u>Claim</u>.

This insurance does not apply and <u>We</u> have no duty to defend any <u>Insured</u> against any <u>Claim</u> seeking <u>Damages</u> for <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> that <u>Manifests</u> prior to the effective date of this Policy even if the <u>Damages</u> continue into this <u>Policy Period</u>.

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B. EXCLUSIONS

No Defense or Payment of <u>Damages</u>. In addition to the Common Exclusions in PART V of this Policy, <u>We</u> will neither defend nor pay <u>Damages</u> because of <u>Claims</u> that result from any of the following:

- 1. Any liability arising from a Medical Incident.
- 2. Any fees or costs associated with an Administrative Proceeding or an Employment-Related Civil Action.
- 3. Any liability arising from <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> expected or intended from the standpoint of an <u>Insured</u>. However, this exclusion does not apply to <u>Bodily Injury</u> resulting from the use of reasonable force to protect persons or property.
- 4. Any liability arising from <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> for which any <u>Insured</u> may be held liable by reason of:
 - a. Causing or contributing to the intoxication of any person;
 - b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - c. Violation of any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.
- Any liability arising from <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> arising from the ownership, maintenance, use or entrustment to others of any aircraft, <u>Auto</u> or watercraft owned or operated by or rented or loaned to any <u>Insured</u>. Use includes operation and <u>Loading or Unloading</u>.

This exclusion applies even if the <u>Claims</u> against any <u>Insured</u> allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that <u>Insured</u>, if the <u>Occurrence</u> which caused the <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> involved the ownership, maintenance, use or entrustment to others of any aircraft, <u>Auto</u> or watercraft that is owned or operated by or rented or loaned to any <u>Insured</u>.

This exclusion does not apply to:

- a. Parking an <u>Auto</u> on premises an <u>Insured</u> owns or rents, provided the <u>Auto</u> is not owned by or rented or loaned to an <u>Insured</u>;
- b. Maintenance or use of any <u>Mobile Equipment</u>, except <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> arising from:
 - i. The transportation of <u>Mobile Equipment</u> by an <u>Auto</u> owned or operated by or rented or loaned to any <u>Insured</u>; or
 - ii. The use of <u>Mobile Equipment</u> in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

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- 6. Any liability arising from Property Damage or Fire Damage to:
 - a. Property an <u>Insured</u> owns, rents or occupies;
 - Premises an <u>Insured</u> sells, gives away or abandons, if the <u>Property Damage</u> or <u>Fire Damage</u> arises out of any part of those premises;
 - c. Property loaned to an Insured;
 - d. Personal property in an <u>Insured's</u> care, custody or control;
 - e. That particular part of real property on which an <u>Insured</u>, or any contractors or subcontractors working directly or indirectly on behalf of an <u>Insured</u>, are performing operations, if the <u>Property Damage</u> or <u>Fire</u> <u>Damage</u> arises out of those operations; or
 - f. That particular part of any property that must be restored, repaired or replaced because an <u>Insured's Work</u> was incorrectly performed on it.

Paragraph (a) of this exclusion does not apply to Fire Damage.

Paragraph (b) of this exclusion does not apply if the premises are an <u>Insured's Work</u> and were never occupied, rented or held for rental by an <u>Insured</u>.

Paragraphs (c), (d), (e) and (f) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (f) of this exclusion does not apply to <u>Property Damage</u> or <u>Fire Damage</u> included in the <u>Products-Completed Operations Hazard</u>.

- 7. Property Damage or Fire Damage to an Insured's Product arising from it or any part of it.
- 8. <u>Property Damage or Fire Damage to an Insured's Work</u> arising from it or any part of it and included in the <u>Products-Completed Operations Hazard</u>.

This exclusion does not apply if the damaged <u>Work</u> or the <u>Work</u> from which the <u>Damage</u> arises was performed on behalf of an <u>Insured</u> by a subcontractor.

- 9. Any liability arising from Property Damage or Fire Damage to Impaired Property from:
 - a. A defect, deficiency, inadequacy or dangerous condition in an <u>Insured's Product</u> or an <u>Insured's Work</u>; or
 - b. A delay or failure by an <u>Insured</u> or anyone acting on behalf of an <u>Insured</u> to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising from sudden and accidental physical injury to an <u>Insured's Product</u> or an <u>Insured's Work</u> after it has been put to its intended use.

- 10. Any liability arising from <u>Damages</u> claimed for any loss, cost or expense incurred by an <u>Insured</u> or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
 - a. An <u>Insured's Product;</u>
 - b. An Insured's Work; or

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c. Impaired Property:

if such <u>Product</u>, <u>Work</u> or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

11. Any liability arising from <u>Damages</u> arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- 12. Any liability arising from <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> arising out of any act or omission that violates or is alleged to violate:
 - a. The Telephone Consumer Protection Act (TCPA) including any amendment of or addition to such law;
 - b. The CAN-SPAM Act of 2003, including any amendment or addition to such law; or
 - c. Any other statute, ordinance or regulation that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

II. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY

A. INSURING AGREEMENTS

- 1. **Indemnity.** We will pay those sums, up to the Limits of Liability as stated on the Declarations Page or applicable endorsement that an <u>Insured</u> becomes legally obligated to pay as <u>Damages</u> because of a <u>Claim</u> for <u>Personal Injury</u> or <u>Advertising Injury</u> if that:
 - a. <u>Personal Injury</u> is caused by an offense directly resulting from an <u>Insured's</u> business, excluding advertising, publishing, broadcasting or telecasting done by or for an <u>Insured</u>; or
 - b. <u>Advertising Injury</u> is caused by an offense committed in the course of advertising an <u>Insured's</u> goods, products or services:

but only if the offense was committed in the Coverage Territory and during the Policy Period.

- Defense. We shall have the right and duty to defend an <u>Insured</u> against any <u>Claim</u> seeking <u>Damages</u> for <u>Personal Injury</u> or <u>Advertising Injury</u> if that:
 - a. <u>Personal Injury</u> is caused by an offense directly resulting from an <u>Insured's</u> business, excluding advertising, publishing, broadcasting or telecasting done by or for an <u>Insured</u>; or
 - b. <u>Advertising Injury</u> is caused by an offense committed in the course of advertising an <u>Insured's</u> goods, products or services:

but only if the offense was committed in the Coverage Territory and during the Policy Period.

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We have the exclusive right, using counsel of <u>Our</u> choice, to investigate, negotiate and defend any <u>Claim</u>. <u>Our</u> duty to defend ends, however, when the Limits of Liability stated on the Declarations Page or applicable endorsement have been exhausted by the payment of judgments and/or settlements.

<u>Defense Costs</u> are payable in addition to the Limits of Liability stated on the Declarations Page or applicable endorsement for Health Care General Liability Insurance.

We may investigate any <u>Claim</u> as <u>We</u> deem appropriate. <u>We</u> shall not be liable for the cost of legal services and other costs or fees incurred by any attorney selected by an <u>Insured</u> without <u>Our</u> written consent. <u>We</u> shall not be liable for the cost of any legal services and other costs or fees incurred before <u>Our</u> receipt of the written notice of <u>Claim</u>.

B. EXCLUSIONS

No Defense or Payment of <u>Damages</u>. In addition to the Common Exclusions in PART V of this Policy, <u>We</u> will neither defend nor pay <u>Damages</u> because of <u>Claims</u> that result from any of the following:

- 1. Any liability for Personal Injury or Advertising Injury arising from:
 - a. A Medical Incident;
 - b. Any fees or costs associated with an Administrative Proceeding or Employment-Related Civil Action;
 - c. Oral or written publication of material, if done by or at the direction of an <u>Insured</u> with knowledge of its falsity;
 - d. Oral or written publication of material of which the first injurious publication or utterance of the same or similar material by or on behalf of an <u>Insured</u> was made before the beginning of the <u>Policy Period</u>;
 - e. The willful violation of a penal statute or ordinance committed by or with the consent of an Insured;
 - f. Liability an <u>Insured</u> has assumed in a contract or agreement. This exclusion does not apply to liability for <u>Damages</u> that an <u>Insured</u> would have in the absence of the contract or agreement; or
 - g. An electronic chatroom or bulletin board an <u>Insured</u> hosts, owns, or over which an <u>Insured</u> exercises control.
- 2. Any liability for Advertising Injury arising from:
 - a. Breach of contract;
 - b. The failure of goods, products or services to conform with advertised quality or performance;
 - c. The wrong description of the price of goods, products or services; or
 - d. An offense committed by an <u>Insured</u> whose business is advertising, broadcasting, publishing or telecasting.

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III. MEDICAL PAYMENTS

A. INSURING AGREEMENT

- 1. We will pay Medical Expenses as described below for Bodily Injury caused by an Occurrence:
 - a. On premises an Insured owns or rents and that are approved by Us in writing; or
 - b. Resulting from an Insured's operations;

provided that:

- i. The Occurrence takes place during the Policy Period;
- ii. The expenses are incurred and reported to Us within one year of the date of the Occurrence; and
- iii. The injured person submits to examination, at <u>Our</u> expense, by physicians of <u>Our</u> choice as often as <u>We</u> reasonably require.
- 2. <u>We</u> will make these payments even if an <u>Insured</u> is not legally required to do so. These payments will not exceed the applicable sub-limit of insurance shown on the Declarations Page or applicable endorsement.

B. EXCLUSIONS

We will not pay Medical Expenses for Bodily Injury:

- 1. To any Insured.
- 2. To a person hired to work for or on behalf of any Insured or a tenant of any Insured.
- 3. To a person injured on that part of premises an Insured owns or rents and that the person normally occupies.
- 4. To a person, whether or not an <u>Employee</u> of any <u>Insured</u>, if benefits for the <u>Bodily Injury</u> are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- 5. To a person injured while taking part in athletics.
- 6. Included within the Products-Completed Operations Hazard.
- 7. Excluded under Coverage B, Section I, <u>Bodily Injury</u>, <u>Property Damage</u> and <u>Fire Damage</u> Liability, in this Health Care General Liability Insurance.

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IV. WHO IS INSURED

In addition to those persons or organizations included within the definition of <u>Insured</u>, each of the following is an <u>Insured</u> to the extent set forth below, subject to Common Condition Q., "<u>Other Insurance</u>:"

- 1. <u>Employees</u>, <u>Authorized Volunteer Workers</u> and students while acting within the course and scope of their duties for the <u>Named Insured</u>. However, <u>Employees</u>, <u>Authorized Volunteer Workers</u> or students are not <u>Insureds</u> for:
 - a. <u>Bodily Injury</u> or <u>Personal Injury</u> to an <u>Insured</u> or an <u>Employee</u>, <u>Authorized Volunteer Worker</u> or student while acting within the course and scope of their duties for an <u>Insured</u>;
 - b. <u>Property Damage</u> or <u>Fire Damage</u> to property owned or occupied by or rented or loaned to any <u>Employee</u>, <u>Authorized Volunteer Worker</u> or student or any of an <u>Insured's</u> partners or members (if an <u>Insured</u> is a partnership or joint venture).
- 2. Any member of a duly authorized board or any committee of the <u>Named Insured</u>.
- 3. Any person communicating information to the <u>Named Insured</u> or its medical or professional staff for the purpose of aiding in the evaluation of <u>Professional Health Care Services</u> or the qualifications, professional competence, fitness or character of an applicant for membership or privileges on such medical or professional staff, but only while acting within the course and scope of their duties for the <u>Named Insured</u>.
- 4. Any administrator or department head while acting within the course and scope of their administrative duties for the <u>Named Insured</u>.
- 5. With respect to <u>Mobile Equipment</u> registered to the <u>Named Insured</u> under any motor vehicle registration law, any person is an <u>Insured</u> while driving such equipment along a public highway with permission of the <u>Named Insured</u> and while engaged in business on behalf of the <u>Named Insured</u>. Any other person or organization responsible for the conduct of such person is also an <u>Insured</u>, but only with respect to liability arising from the operation of the equipment, and only if no <u>Other Insurance</u> of any kind is available to that person or organization for this liability. However, no person or organization is an <u>Insured</u> with respect to:
 - a. <u>Bodily Injury</u> to an <u>Employee</u>, <u>Authorized Volunteer Worker</u> or student of the person driving the equipment; or
 - b. <u>Property Damage</u> or <u>Fire Damage</u> to property owned by, rented to, in the charge of or occupied by the <u>Named</u> <u>Insured</u> or the employer of any person who is an <u>Insured</u> under this provision.

PART III – ADDITIONAL BENEFITS is amended as follows:

Paragraph D is deleted in its entirety and replaced with the following:

D. **PATIENTS' PROPERTY.** We will pay up to \$2,500 per patient subject to a maximum of \$25,000 per <u>Policy Period</u>, for loss or damage to patients' property while in the care of an <u>Insured</u>.

Paragraph E is deleted in its entirety.

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PART IV - COMMON CONDITIONS is amended as follows:

Condition B, "Application of Limits Liability," is deleted in its entirety and replaced with the following:

B. Application of Limits of Liability.

- Application of Limits of Liability General. Subject to Common Condition O, "Multiple <u>Claims</u> Arising from the Same Circumstances:"
 - a. The Each <u>Claim</u> Limit shown on the Declarations Page or applicable endorsement is the most <u>We</u> will pay for all <u>Damages</u> arising from a <u>Medical Incident</u>, <u>Occurrence</u>, <u>Personal Injury</u> or <u>Advertising Injury</u> regardless of the number of:
 - i. <u>Insured</u>s under the policy;
 - ii. Persons or organizations sustaining Damages;

iii.Claims; or

iv.Coverage parts attached hereto.

- b. Subject to the above provision, <u>Our</u> total liability for all <u>Claims</u> because of all injury to which this Policy applies shall not exceed the Limits of Liability shown on the Declarations Page or applicable endorsement as the Aggregate Limit per <u>Policy Period</u>.
- c. It is further agreed that in no event shall <u>We</u> be liable for any additional payments, including <u>Defense Costs</u>, under this Policy once the applicable Limits of Liability shown on the Declarations Page or applicable endorsement have been exhausted by payments of judgments or settlements.
- 2. Application of Limits of Liability Each Policy Period.

The applicable Limits of Liability applies separately to each consecutive annual <u>Policy Period</u> or to any <u>Policy</u> <u>Period</u> of less than twelve months. If <u>We</u> extend the <u>Policy Period</u> after issuance for an additional period of less than twelve months, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Liability.

3. Application of Limits of Liability - Claim Covered Under Two or More Insuring Agreements of This Policy.

If a <u>Claim</u> is covered under more than one Insuring Agreement provided by this Policy only one Limit of Liability shall apply. The Limit of Liability applying to that <u>Claim</u> shall not exceed the highest applicable limit available under any one Insuring Agreement that applies.

4. Application of Limits of Liability - An Insured Covered Under More Than One Policy Issued by Us.

If this Policy and any other policy issued by <u>Us</u> apply to the same <u>Insured</u>, only one such policy shall apply. The Limits of Liability available to that <u>Insured</u> shall not exceed the highest applicable Limits of Liability available under any one policy that applies. However, this paragraph does not apply to any policy issued specifically to apply as excess insurance above this Policy.

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5. Application of Limits of Liability - New Limits.

If the <u>Named Insured</u> changes the Limits of Liability provided by this Policy, the new Limits of Liability do not apply to any <u>Claim</u> an <u>Insured</u> knew or should have known about or was reported to <u>Us</u> prior to the effective date of the Limits of Liability change.

Condition O, "Multiple <u>Claims</u> Arising From The Same Circumstances," is deleted in its entirety and replaced with the following:

O. Multiple Claims Arising From The Same Circumstances.

- 1. All <u>Claims</u> that arise from:
 - a. The same Medical Incident, Occurrence, Personal Injury or Advertising Injury; or
 - b. A series of similar or related Medical Incidents, Occurrences, Personal Injury or Advertising Injury:

will be deemed to be a single Claim:

- a. On the date the first of such Claims is reported to Us if coverage is on a claims made basis; or
- b. When the <u>Occurrence</u>, <u>Personal Injury</u> or <u>Advertising Injury</u> first took place if coverage is on an occurrence basis.
- 2. The only policy that shall apply to the <u>Claim</u> is the policy in force:
 - a. On the date the first of such Claims is reported to Us if coverage is on a claims made basis; or
 - b. When the <u>Occurrence</u>, <u>Personal Injury</u> or <u>Advertising Injury</u> first took place if coverage is on an occurrence basis.

Condition Y, "When A Claim is Made," is deleted in its entirety and replaced with the following:

Y. When A Claim is Made.

- 1. We will consider a <u>Claim</u> to be made at the earlier of the following:
 - On the date an <u>Insured</u> first gives <u>Our</u> Claims Department written notice of a <u>Claim</u> made against an <u>Insured</u>; or
 - b. On the date <u>Our</u> Claims Department receives written notice of a <u>Medical Incident</u>, <u>Occurrence</u> or offense that is likely to result in a <u>Claim</u> being made against an <u>Insured</u>.
- 2. The written notice must include the following information:
 - a. How, when and where the Medical Incident, Occurrence or offense took place;
 - b. The names, addresses and ages of any injured persons and witnesses; and,
 - c. The nature and location of any injury or damage arising from the Medical Incident, Occurrence or offense.

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An event reported by an <u>Insured</u> to <u>Us</u> as part of <u>Our</u> risk management or loss control services shall not be considered a report of a <u>Claim</u>.

PART V - COMMON EXCLUSIONS is amended as follows:

Exclusion G is deleted in its entirety and replaced with the following:

G. Any liability for a <u>Claim</u> whose circumstances were known, or should have been known, by any <u>Insured</u> or any insurer before the effective date of this Policy or applicable coverage, or, in the case of a newly acquired entity, before the acquisition date of that entity.

Exclusion K is deleted in its entirety.

PART VI – DEFINITIONS is amended as follows:

Definition F., "Claim," is deleted in its entirety and replaced with the following:

- F. Claim means:
 - 1. Actual Claim:

Written notice or demand for <u>Damages</u> that an <u>Insured</u> has received regarding a <u>Medical Incident</u>, <u>Occurrence</u>, <u>Personal Injury</u>, or <u>Advertising Injury</u>; or

2. Potential Claim:

Any Medical Incident, Occurrence or offense that may result in an actual Claim.

An event reported as part of Our risk management or loss control services shall not be considered a report of a Claim.

Definition W., "Occurrence," is deleted in its entirety and replaced with the following:

W. Occurrence means an accident, including continuous or repeated exposure to substantially the same conditions, resulting in <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u>, neither expected nor intended from the standpoint of an <u>Insured</u>. Occurrence includes any intentional act by or at the direction of an <u>Insured</u> that results in <u>Bodily Injury</u> if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property. The date of the <u>Occurrence</u> is the date of the first circumstance resulting in <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u>, regardless of when the <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> or <u>Fire Damage</u>.

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The following new definitions are added:

AH. Products-Completed Operations Hazard means:

- 1. All <u>Bodily Injury</u>, <u>Property Damage</u> and <u>Fire Damage</u> occurring away from premises an <u>Insured</u> owns or rents and arising from an <u>Insured's Product</u> or an <u>Insured's Work</u> except:
 - a. Products that are still in an Insured's physical possession; or
 - b. Work that has not yet been completed or abandoned.
- 2. An Insured's Work will be deemed completed at the earliest of the following times:
 - a. When all of the Work called for in an Insured's contract has been completed.
 - b. When all of the <u>Work</u> to be done at the site has been completed if an <u>Insured's</u> contract calls for <u>Work</u> at more than one site.
 - c. When the part of the <u>Work</u> done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- 3. This hazard does not include Bodily Injury, Property Damage or Fire Damage arising from:
 - a. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the <u>Loading or Unloading</u> of it; or
 - b. The existence of tools, uninstalled equipment or abandoned or unused materials.
- AI. <u>Impaired Property</u> means tangible property, other than an <u>Insured's Product</u> or an <u>Insured's Work</u>, that cannot be used or is less useful because:
 - 1. It incorporates an <u>Insured's Product</u> or an <u>Insured's Work</u> that is known or thought to be defective, deficient, inadequate or dangerous; or
 - 2. An <u>Insured</u> has failed to fulfill the terms of a contract or agreement.
- AJ. Manifests means:
 - 1. For Bodily Injury when such injury, sickness or disease is first diagnosed by a medical professional; and
 - 2. For <u>Property Damage</u> or <u>Fire Damage</u> when such damage is first discovered by any <u>Insured</u> or by the person or organization whose property suffered such damage, whichever comes first.

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AK. Product means:

- 1. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. An Insured;
 - b. Others trading under an Insured's name; or
 - c. A person or organization whose business or assets an <u>Insured</u> has acquired if the <u>Occurrence</u> takes place after the date of acquisition.
- Containers (other than vehicles), material, parts or equipment furnished in connection with such goods or products.
- 3. <u>Insured's Product</u> includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of:
 - a. An Insured's Product; and
 - b. The providing of or the failure to provide warnings or instructions.
- 4. An <u>Insured's Product</u> does not include vending machines or other property rented to or located for the use of others but not sold.
- AL. Work means:
 - 1. Work or operation performed by an Insured or on behalf of an Insured.
 - 2. Materials, parts or equipment furnished in connection with such Work or operations.
 - 3. Insured's Work includes:
 - a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of an <u>Insured's Work</u>; and
 - b. The providing of or failure to provide warnings or instructions.
- AM. <u>Fire Damage</u> means <u>Property Damage</u> because of fire to premises an <u>Insured</u> rents or leases from others. Water damage and smoke damage from a fire are also included. The damage from the fire must be caused by an <u>Insured</u>.

AN. Advertising Injury means injury arising from one or more of the following offenses:

- 1. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- 2. Oral or written publication of material that violates a person's right of privacy;
- 3. Misappropriation of advertising ideas or style of doing business; or
- 4. Infringement of copyright, title, service mark, trade name or slogan.

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ART VII - EXTENDED REPORTING PERIOD OPTION is deleted in its entirety and replaced with the following:	
ART VII – EXTENDED REPORTING PERIOD OPTION	
AN EXTENDED REPORTING PERIOD ENDORSEMENT IS NOT ISSUED OR PURCHASED, THERE <u>WILL BE</u> O COVERAGE FOR <u>CLAIMS</u> ARISING FROM <u>MEDICAL INCIDENTS</u> , OR FOR <u>ADMINISTRATIVE</u> ROCEEDINGS OR EMPLOYMENT-RELATED CIVIL ACTIONS, THAT ARE FIRST REPORTED TO <u>US</u> ON OR FTER THE EXPIRATION OR TERMINATION DATE OF THIS POLICY OR THE APPLICABLE COVERAGE.	
is Extended Reporting Period Endorsement must be requested by written notice to <u>Us</u> within thirty (30) days from the piration or termination date of this policy or applicable coverage.	
MUTUAL RIGHTS	Formatted: Bullets and Numbering
The <u>Named Insured</u> and an insured physician to whom separate limits of liability have been afforded may have the right to purchase an Extended Reporting Period Endorsement (frequently known as "tail coverage") if this Policy or applicable coverage is canceled or non-renewed. This endorsement provides an extended period of time for reporting <u>Claims</u> arising from <u>Medical Incidents</u> and for reporting <u>Administrative Proceedings</u> or <u>Employment-Related Civil Actions</u> as follows:	
 <u>Medical Incidents</u> that take place on or after the <u>Retroactive Date as shown on the Declarations Page or</u> applicable endorsement and before the expiration or termination of an <u>Insured's</u> coverage; and 	Formatted: Bullets and Numbering
2.Results in a <u>Claim</u> against an <u>Insured</u> that is first reported to <u>Us</u> under the Extended Reporting Period Endorsement; or	Formatted: Bullets and Numbering
3.Acts that take place on or after the applicable <u>Retroactive Date</u> and before the expiration or termination of an <u>Insured's</u> coverage that result in an <u>Administrative Proceeding or Employment Related Civil Action</u> instituted against that <u>Insured</u> and first reported to <u>Us</u> under the Extended Reporting Period Endorsement.	Formatted: Bullets and Numbering
To purchase an Extended Reporting Period Endorsement the <u>Named Insured</u> and/or the insured physician to whom separate limits of liability have been afforded must be in compliance with all terms and conditions of the Policy. <u>We</u> will not issue an Extended Reporting Period Endorsement to an <u>Insured</u> whose coverage has been cancelled or non-renewed for fraud, misrepresentation, concealment or breach of warranty. Nor will <u>We</u> issue an <u>Extended Reporting Period Endorsement</u> if this Policy is cancelled for non-payment or rescinded.	
All outstanding earned premiums must be paid. Any additional premium for the Extended Reporting Period Endorsement will be computed in accordance with <u>Our</u> rules, rates and rating plans in effect at the time of the expiration or termination of coverage and must be paid to <u>Us</u> . This additional premium is fully earned and non- refundable. If <u>We</u> do not receive full payment of all billed premiums on or before the due date of the premium notice, <u>We</u> will not issue an Extended Reporting Period Endorsement and <u>We</u> will cancel any previously issued Extended Reporting Period Endorsement.	
Additionally:	
1.Once in effect, the Extended Reporting Period Endorsement may not be canceled unless the <u>Insured</u> to whom this Extended Reporting Period Endorsement was issued has committed a material breach of the terms or conditions of this Policy or any endorsement attached to it.	Formatted: Bullets and Numbering
2. The Extended Reporting Period Endorsement does not extend the <u>Policy Period</u> or change the scope of coverage provided under this Policy and any attached endorsement. Except as otherwise provided by this endorsement,	•• Formatted: Bullets and Numbering

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Mutual Insurance C	ompany HEAL ENDO	091GL TH CARE GENERAL LIABILITY RSEMENT		
	aims arising from Medical Incidents, or any Administrative Pro	ceedings or Employment Related Civil		
Action	reported to Us must be covered by this Policy.			
3.The Exte	nded Reporting Period Endorsement is subject to all of the prov	isions of the policy in existence at the	∢ {	Formatted: Bullets and Numbering
	e active coverage ceases for the <u>Named Insured</u> or an insured p		C	
been a	fforded.			
those (nded Reporting Period Endorsement provides one set of Limits <u>Claims</u> first reported during the Extended Reporting Period. The nt of judgments and settlements. <u>Our</u> duty to defend ends when	se Limits of Liability will be croded by	<(Formatted: Bullets and Numbering
	nt of judgments and settlements. <u>Our</u> duty to defend ends when	the Emility of Elability are exhausted by		
PECIAL PRO	VISIONS FOR INSURED PHYSICIANS TO WHOM SEP.	ARATE LIMITS HAVE BEEN	∢ {	Formatted: Bullets and Numbering
AFFORD	EÐ		C	
1.Waiver	of Extended Reporting Endorsement Premium in the Event	of Disability.		Formatted: Bullets and Numbering
	insured physician to whom separate limits of liability have been		 -{	Formatted: Bullets and Numbering
	rmanently disabled during the <u>Policy Period</u> as a result of <u>Bodil</u>			
	able to continue practicing as a physician or surgeon, <u>We</u> will p			
En II-	dorsement without cost. This waiver of premium is contingent of	ipon receipt of evidence satisfactory to		
<u>US</u>	, which may include a physical examination by physicians of \underline{O} nom separate limits of liability have been afforded is totally and	<u>ur choice, that the insured physician to</u>		
WI	tom separate limits of fladinty have been afforded is totally and	permanently disabled. However, <u>we</u>		
mt	ist receive a written request from the insured physician to whon forded or his/her personal representative for this benefit within 2	Separate limits of hability have been		
	ertee of ms/ner personal representative for tins benefit within a	o days after the cessation of ms/ner		
pro				
b. <u>We</u> v	vill require proof satisfactory to <u>Us</u> that disability continues on (each anniversary of the issuance of the		Formatted: Bullets and Numbering
	tended Reporting Period Endorsement. If at any time in the futu			
se	parate limits of liability have been afforded resumes practicing a	s a physician to any extent, any		
	tended Reporting Period Endorsement issued pursuant to this pa			
pra	actice is resumed. The insured physician to whom separate limit	s of liability have been afforded will		
ha	ve the right to purchase an Extended Reporting Period Endorser	nent upon payment of the full premium.		
If	no Extended Reporting Period Endorsement is purchased follow	ing the resumption of practice there		
	ll be no coverage for <u>Claims</u> arising from <u>Medical Incidents,</u> or			
	nployment-Related Civil Actions, reported to Us after the termin	nation of the Extended Reporting Period		
En	dorsement issued pursuant to this paragraph.			
2.Waiver	of Extended Reporting Period Endorsement Premium in the	Event of Death.	(Formatted: Bullets and Numbering
In the	event of the death during the <u>Policy Period</u> of an insured physic	an to whom separate limits of liability		
	een afforded an Extended Reporting Period Endorsement will b			
	t any premium charge.			
This E	xtended Reporting Period Endorsement will become effective o	n the date of that physician's death.		
Howev	ver, We must receive a written request along with proof of death	within sixty (60) days after that		
	ian's death.	· · · · ·		

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Retirement at Age 55.		Formatted: Bullets and Numb
a. At age 55 an insured physician to whom separate limits of liability have been afforded is eligible for a full	4	Formatted: Bullets and Numb
waiver of his/her Extended Reporting Period Endorsement premium if he/she was insured with Us on		
September 30, 2005, remains insured with Us continuously until he/she retires and:		
i.Was age 50 or older on September 30, 2005;		Formatted: Bullets and Numb
ii.Has been insured with <u>Us</u> for the 12 months, and had continuous coverage for the sixty (60) months, prior to reaching age 55;		
iii.Retires completely from the practice of medicine;		
iv.Were eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL		
policy immediately prior to when he/she was added to this Policy with separate limits; and		
v.Requests this benefit on or before December 31, 2010.		
b. <u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's	4	Formatted: Bullets and Numb
retirement date. We will periodically require proof satisfactory to Us that the physician remains retired		
from the practice of medicine. If at any time in the future the physician resumes practicing as a physician		
to any extent, this premium waiver will be lost as of the date the physician resumes practice. However,		
the insured physician to whom separate limits of liability have been afforded will have the right to		
purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended		
Reporting Period Endorsement is purchased following the resumption of practice, there will be no		
coverage for <u>Claims</u> , <u>Administrative Proceedings</u> or <u>Employment Related Civil Actions</u> reported to <u>Us</u>		
after the termination of the Extended Reporting Period Endorsement issued pursuant to this paragraph.		
aiver of Extended Reporting Period Endorsement Premium upon Retirement at Age 55.	-	Formatted: Bullets and Numb
a If during the Policy Period, an insured physician to whom separate limits of liability have been afforded		Formatted: Bullets and Numb
a.If during the <u>Policy Period</u> , an insured physician to whom separate limits of liability have been afforded chooses to ratice completely from the practice of medicine, he/she is aligible for a full weiver of the	-	Formatted: Bullets and Numb
chooses to retire completely from the practice of medicine, he/she is eligible for a full waiver of the		Formatted: Bullets and Numb
chooses to retire completely from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat		Formatted: Bullets and Numb
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 chooses to retire completely from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; 	۹ ک ۹	
chooses to retire completely from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this	۹ ۲	
 chooses to retire completely from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with Us for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and 	< ۲	- Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with Us for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.We must receive a written request for this benefit at least thirty (30) days in advance of that physician's 	< 	- Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired 	۹ ۹	- Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired from the practice of medicine. 	< 	- Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the physician resumes practice. However, 	• •	- Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the physician resumes practice. However, the insured physician to whom separate limits of liability have been afforded will have the right to 	4 2 4	- Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the physician resumes practice. However, the insured physician to whom separate limits of liability have been afforded will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended 	4 ÷	- Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practice. However, the insured physician to whom separate limits of liability have been afforded will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement upon payment of practice, there will be no 	4 ÷	Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the physician resumes practice. However, the insured physician to whom separate limits of liability have been afforded will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended 	۹ ۹	- Formatted: Bullets and Numb

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5.Waiver of Extended Reporting Period Endorsement Premium at Age 65.

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If the insured physician to whom separate limits of liability have been afforded was insured with <u>Us</u> on September 30, 2005, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium at age 65 if he/she was insured with <u>Us</u> for the sixty (60) months immediately prior to reaching age 65. The insured physician to whom separate limits of liability have been afforded must also have been eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL policy immediately prior to when he/she was added to this Policy with separate limits.

 \underline{We} must receive this request at least thirty (30) days in advance of the date he/she chooses to terminate coverage with \underline{Us} .

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

This endorsement when signed by NORCAL's President and Secretary at San Francisco, California shall take effect on the endorsement effective date shown below.

Issue Date: <u>Named Insured</u>: Policy Number: <u>Policy Period</u>: Endorsement Number: Endorsement Effective Date: Additional Premium: Return Premium:

James Sunseri

James Sunseri President

1/1/201<mark>20</mark>

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Katherine H. Crocker Secretary

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It is hereby understood and agreed that this Policy is amended as follows:

PART II, COVERAGE B, Limited Professional Office Premises Liability Insurance - Claims Made is deleted in its entirely and replaced with the following:

COVERAGE B – Health Care General Liability Insurance – Occurrence

THIS COVERAGE IS PROVIDED ON AN OCCURRENCE BASIS.

I. <u>BODILY INJURY, PROPERTY DAMAGE</u> AND <u>FIRE DAMAGE</u> LIABILITY

A. INSURING AGREEMENTS

- 1. **Indemnity.** We will pay on behalf of an <u>Insured</u> all sums, up to the Limits of Liability as stated on the Declarations Page or applicable endorsement, that an <u>Insured</u> becomes legally obligated to pay as <u>Damages</u> because of a <u>Claim</u> for <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> caused by an <u>Occurrence</u> if the:
 - a. <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> is caused by an <u>Occurrence</u> that takes place in the <u>Coverage Territory</u>; and
 - b. <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> takes place during the <u>Policy Period</u>.
- 2. **Defense.** We shall have the right and duty to defend an <u>Insured</u> against any <u>Claim</u> seeking <u>Damages</u> for <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> caused by an <u>Occurrence</u> if the:
 - a. <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> is caused by an <u>Occurrence</u> that takes place in the <u>Coverage Territory</u>; and
 - b. <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> takes place during the <u>Policy Period</u>.

<u>We</u> have the exclusive right, using counsel of <u>Our</u> choice, to investigate, negotiate and defend any <u>Claim</u>. <u>Our</u> duty to defend ends, however, when the Limits of Liability stated on the Declarations Page or applicable endorsements have been exhausted by the payment of judgments and/or settlements.

<u>Defense Costs</u> are payable in addition to the Limits of Liability stated on the Declarations Page or applicable endorsement for Health Care General Liability Insurance.

<u>We</u> may investigate any <u>Claim</u> as <u>We</u> deem appropriate. <u>We</u> shall not be liable for the cost of legal services and other costs or fees incurred by any attorney selected by an <u>Insured</u> without <u>Our</u> written consent. <u>We</u> shall not be liable for the cost of any legal services and other costs or fees incurred before <u>Our</u> written receipt of notice of <u>Claim</u>.

This insurance does not apply and <u>We</u> have no duty to defend any <u>Insured</u> against any <u>Claim</u> seeking <u>Damages</u> for <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> that <u>Manifests</u> prior to the effective date of this Policy even if the <u>Damages</u> continue into this <u>Policy Period</u>.



B. EXCLUSIONS

No Defense or Payment of <u>Damages</u>. In addition to the Common Exclusions in PART V of this Policy, <u>We</u> will neither defend nor pay <u>Damages</u> because of <u>Claims</u> that result from any of the following:

- 1. Any liability arising from a Medical Incident.
- 2. Any fees or costs associated with an Administrative Proceeding or an Employment-Related Civil Action.
- 3. Any liability arising from <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> expected or intended from the standpoint of an <u>Insured</u>. However, this exclusion does not apply to <u>Bodily Injury</u> resulting from the use of reasonable force to protect persons or property.
- 4. Any liability arising from <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> for which any <u>Insured</u> may be held liable by reason of:
 - a. Causing or contributing to the intoxication of any person;
 - b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - c. Violation of any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.
- 5. Any liability arising from <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> arising from the ownership, maintenance, use or entrustment to others of any aircraft, <u>Auto</u> or watercraft owned or operated by or rented or loaned to any <u>Insured</u>. Use includes operation and <u>Loading or Unloading</u>.

This exclusion applies even if the <u>Claims</u> against any <u>Insured</u> allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that <u>Insured</u>, if the <u>Occurrence</u> which caused the <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> involved the ownership, maintenance, use or entrustment to others of any aircraft, <u>Auto</u> or watercraft that is owned or operated by or rented or loaned to any <u>Insured</u>.

This exclusion does not apply to:

- a. Parking an <u>Auto</u> on premises an <u>Insured</u> owns or rents, provided the <u>Auto</u> is not owned by or rented or loaned to an <u>Insured</u>;
- b. Maintenance or use of any <u>Mobile Equipment</u>, except <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> arising from:
 - i. The transportation of <u>Mobile Equipment</u> by an <u>Auto</u> owned or operated by or rented or loaned to any <u>Insured</u>; or
 - ii. The use of <u>Mobile Equipment</u> in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.



- 6. Any liability arising from <u>Property Damage</u> or <u>Fire Damage</u> to:
 - a. Property an <u>Insured</u> owns, rents or occupies;
 - b. Premises an <u>Insured</u> sells, gives away or abandons, if the <u>Property Damage</u> or <u>Fire Damage</u> arises out of any part of those premises;
 - c. Property loaned to an Insured;
 - d. Personal property in an <u>Insured's</u> care, custody or control;
 - e. That particular part of real property on which an <u>Insured</u>, or any contractors or subcontractors working directly or indirectly on behalf of an <u>Insured</u>, are performing operations, if the <u>Property Damage</u> or <u>Fire</u> <u>Damage</u> arises out of those operations; or
 - f. That particular part of any property that must be restored, repaired or replaced because an <u>Insured's Work</u> was incorrectly performed on it.

Paragraph (a) of this exclusion does not apply to Fire Damage.

Paragraph (b) of this exclusion does not apply if the premises are an <u>Insured's Work</u> and were never occupied, rented or held for rental by an <u>Insured</u>.

Paragraphs (c), (d), (e) and (f) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (f) of this exclusion does not apply to <u>Property Damage</u> or <u>Fire Damage</u> included in the <u>Products-Completed Operations Hazard</u>.

- 7. Property Damage or Fire Damage to an Insured's Product arising from it or any part of it.
- 8. <u>Property Damage</u> or <u>Fire Damage</u> to an <u>Insured's Work</u> arising from it or any part of it and included in the <u>Products-Completed Operations Hazard</u>.

This exclusion does not apply if the damaged <u>Work</u> or the <u>Work</u> from which the <u>Damage</u> arises was performed on behalf of an <u>Insured</u> by a subcontractor.

- 9. Any liability arising from <u>Property Damage</u> or <u>Fire Damage</u> to <u>Impaired Property</u> from:
 - a. A defect, deficiency, inadequacy or dangerous condition in an Insured's Product or an Insured's Work; or
 - b. A delay or failure by an <u>Insured</u> or anyone acting on behalf of an <u>Insured</u> to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising from sudden and accidental physical injury to an <u>Insured's Product</u> or an <u>Insured's Work</u> after it has been put to its intended use.

- 10. Any liability arising from <u>Damages</u> claimed for any loss, cost or expense incurred by an <u>Insured</u> or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
 - a. An Insured's Product;
 - b. An <u>Insured's Work;</u> or



c. <u>Impaired Property</u>:

if such <u>Product</u>, <u>Work</u> or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

11. Any liability arising from <u>Damages</u> arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- 12. Any liability arising from <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> arising out of any act or omission that violates or is alleged to violate:
 - a. The Telephone Consumer Protection Act (TCPA) including any amendment of or addition to such law;
 - b. The CAN-SPAM Act of 2003, including any amendment or addition to such law; or
 - c. Any other statute, ordinance or regulation that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

II. <u>PERSONAL INJURY</u> AND <u>ADVERTISING INJURY</u> LIABILITY

A. INSURING AGREEMENTS

- 1. **Indemnity.** <u>We</u> will pay those sums, up to the Limits of Liability as stated on the Declarations Page or applicable endorsement that an <u>Insured</u> becomes legally obligated to pay as <u>Damages</u> because of a <u>Claim</u> for <u>Personal Injury</u> or <u>Advertising Injury</u> if that:
 - a. <u>Personal Injury</u> is caused by an offense directly resulting from an <u>Insured's</u> business, excluding advertising, publishing, broadcasting or telecasting done by or for an <u>Insured</u>; or
 - b. <u>Advertising Injury</u> is caused by an offense committed in the course of advertising an <u>Insured's</u> goods, products or services:

but only if the offense was committed in the Coverage Territory and during the Policy Period.

- 2. **Defense.** We shall have the right and duty to defend an <u>Insured</u> against any <u>Claim</u> seeking <u>Damages</u> for <u>Personal Injury</u> or <u>Advertising Injury</u> if that:
 - a. <u>Personal Injury</u> is caused by an offense directly resulting from an <u>Insured's</u> business, excluding advertising, publishing, broadcasting or telecasting done by or for an <u>Insured</u>; or
 - b. <u>Advertising Injury</u> is caused by an offense committed in the course of advertising an <u>Insured's</u> goods, products or services:

but only if the offense was committed in the Coverage Territory and during the Policy Period.



<u>We</u> have the exclusive right, using counsel of <u>Our</u> choice, to investigate, negotiate and defend any <u>Claim</u>. <u>Our</u> duty to defend ends, however, when the Limits of Liability stated on the Declarations Page or applicable endorsement have been exhausted by the payment of judgments and/or settlements.

<u>Defense Costs</u> are payable in addition to the Limits of Liability stated on the Declarations Page or applicable endorsement for Health Care General Liability Insurance.

<u>We</u> may investigate any <u>Claim</u> as <u>We</u> deem appropriate. <u>We</u> shall not be liable for the cost of legal services and other costs or fees incurred by any attorney selected by an <u>Insured</u> without <u>Our</u> written consent. <u>We</u> shall not be liable for the cost of any legal services and other costs or fees incurred before <u>Our</u> receipt of the written notice of <u>Claim</u>.

B. EXCLUSIONS

No Defense or Payment of <u>Damages</u>. In addition to the Common Exclusions in PART V of this Policy, <u>We</u> will neither defend nor pay <u>Damages</u> because of <u>Claims</u> that result from any of the following:

- 1. Any liability for <u>Personal Injury</u> or <u>Advertising Injury</u> arising from:
 - a. A <u>Medical Incident;</u>
 - b. Any fees or costs associated with an <u>Administrative Proceeding</u> or <u>Employment-Related</u> <u>Civil Action</u>;
 - c. Oral or written publication of material, if done by or at the direction of an <u>Insured</u> with knowledge of its falsity;
 - d. Oral or written publication of material of which the first injurious publication or utterance of the same or similar material by or on behalf of an <u>Insured</u> was made before the beginning of the <u>Policy Period</u>;
 - e. The willful violation of a penal statute or ordinance committed by or with the consent of an <u>Insured;</u>
 - f. Liability an <u>Insured</u> has assumed in a contract or agreement. This exclusion does not apply to liability for <u>Damages</u> that an <u>Insured</u> would have in the absence of the contract or agreement; or
 - g. An electronic chatroom or bulletin board an <u>Insured</u> hosts, owns, or over which an <u>Insured</u> exercises control.
- 2. Any liability for <u>Advertising Injury</u> arising from:
 - a. Breach of contract;
 - b. The failure of goods, products or services to conform with advertised quality or performance;
 - c. The wrong description of the price of goods, products or services; or
 - d. An offense committed by an <u>Insured</u> whose business is advertising, broadcasting, publishing or telecasting.



III. MEDICAL PAYMENTS

A. INSURING AGREEMENT

- 1. We will pay Medical Expenses as described below for Bodily Injury caused by an Occurrence:
 - a. On premises an Insured owns or rents and that are approved by Us in writing; or
 - b. Resulting from an **Insured's** operations;

provided that:

- i. The Occurrence takes place during the Policy Period;
- ii. The expenses are incurred and reported to Us within one year of the date of the Occurrence; and
- iii. The injured person submits to examination, at <u>Our</u> expense, by physicians of <u>Our</u> choice as often as <u>We</u> reasonably require.
- 2. <u>We</u> will make these payments even if an <u>Insured</u> is not legally required to do so. These payments will not exceed the applicable sub-limit of insurance shown on the Declarations Page or applicable endorsement.

B. EXCLUSIONS

We will not pay Medical Expenses for Bodily Injury:

- 1. To any <u>Insured</u>.
- 2. To a person hired to work for or on behalf of any <u>Insured</u> or a tenant of any <u>Insured</u>.
- 3. To a person injured on that part of premises an <u>Insured</u> owns or rents and that the person normally occupies.
- 4. To a person, whether or not an <u>Employee</u> of any <u>Insured</u>, if benefits for the <u>Bodily Injury</u> are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- 5. To a person injured while taking part in athletics.
- 6. Included within the Products-Completed Operations Hazard.
- 7. Excluded under Coverage B, Section I, <u>Bodily Injury</u>, <u>Property Damage</u> and <u>Fire Damage</u> Liability, in this Health Care General Liability Insurance.



IV. WHO IS INSURED

In addition to those persons or organizations included within the definition of <u>Insured</u>, each of the following is an <u>Insured</u> to the extent set forth below, subject to Common Condition Q., "<u>Other Insurance</u>:"

- 1. <u>Employees, Authorized Volunteer Workers</u> and students while acting within the course and scope of their duties for the <u>Named Insured</u>. However, <u>Employees, Authorized Volunteer Workers</u> or students are not <u>Insureds</u> for:
 - a. <u>Bodily Injury</u> or <u>Personal Injury</u> to an <u>Insured</u> or an <u>Employee</u>, <u>Authorized Volunteer Worker</u> or student while acting within the course and scope of their duties for an <u>Insured</u>;
 - b. <u>Property Damage</u> or <u>Fire Damage</u> to property owned or occupied by or rented or loaned to any <u>Employee</u>, <u>Authorized Volunteer Worker</u> or student or any of an <u>Insured's</u> partners or members (if an <u>Insured</u> is a partnership or joint venture).
- 2. Any member of a duly authorized board or any committee of the Named Insured.
- 3. Any person communicating information to the <u>Named Insured</u> or its medical or professional staff for the purpose of aiding in the evaluation of <u>Professional Health Care Services</u> or the qualifications, professional competence, fitness or character of an applicant for membership or privileges on such medical or professional staff, but only while acting within the course and scope of their duties for the <u>Named Insured</u>.
- 4. Any administrator or department head while acting within the course and scope of their administrative duties for the <u>Named Insured</u>.
- 5. With respect to <u>Mobile Equipment</u> registered to the <u>Named Insured</u> under any motor vehicle registration law, any person is an <u>Insured</u> while driving such equipment along a public highway with permission of the <u>Named Insured</u> and while engaged in business on behalf of the <u>Named Insured</u>. Any other person or organization responsible for the conduct of such person is also an <u>Insured</u>, but only with respect to liability arising from the operation of the equipment, and only if no <u>Other Insurance</u> of any kind is available to that person or organization for this liability. However, no person or organization is an <u>Insured</u> with respect to:
 - a. <u>Bodily Injury</u> to an <u>Employee</u>, <u>Authorized Volunteer Worker</u> or student of the person driving the equipment; or
 - b. <u>Property Damage</u> or <u>Fire Damage</u> to property owned by, rented to, in the charge of or occupied by the <u>Named</u> <u>Insured</u> or the employer of any person who is an <u>Insured</u> under this provision.

PART III – ADDITIONAL BENEFITS is amended as follows:

Paragraph D is deleted in its entirety and replaced with the following:

D. **PATIENTS' PROPERTY.** We will pay up to \$2,500 per patient subject to a maximum of \$25,000 per <u>Policy Period</u>, for loss or damage to patients' property while in the care of an <u>Insured</u>.

Paragraph E is deleted in its entirety.



PART IV - COMMON CONDITIONS is amended as follows:

Condition B, "Application of Limits Liability," is deleted in its entirety and replaced with the following:

B. Application of Limits of Liability.

- 1. Application of Limits of Liability General. Subject to Common Condition O, "Multiple <u>Claims</u> Arising from the Same Circumstances:"
 - a. The Each <u>Claim</u> Limit shown on the Declarations Page or applicable endorsement is the most <u>We</u> will pay for all <u>Damages</u> arising from a <u>Medical Incident</u>, <u>Occurrence</u>, <u>Personal Injury</u> or <u>Advertising Injury</u> regardless of the number of:
 - i. <u>Insured</u>s under the policy;
 - ii. Persons or organizations sustaining Damages;
 - iii.Claims; or
 - iv.Coverage parts attached hereto.
 - b. Subject to the above provision, <u>Our</u> total liability for all <u>Claims</u> because of all injury to which this Policy applies shall not exceed the Limits of Liability shown on the Declarations Page or applicable endorsement as the Aggregate Limit per <u>Policy Period</u>.
 - c. It is further agreed that in no event shall <u>We</u> be liable for any additional payments, including <u>Defense Costs</u>, under this Policy once the applicable Limits of Liability shown on the Declarations Page or applicable endorsement have been exhausted by payments of judgments or settlements.
- 2. Application of Limits of Liability Each Policy Period.

The applicable Limits of Liability applies separately to each consecutive annual <u>Policy Period</u> or to any <u>Policy</u> <u>Period</u> of less than twelve months. If <u>We</u> extend the <u>Policy Period</u> after issuance for an additional period of less than twelve months, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Liability.

3. Application of Limits of Liability – <u>Claim</u> Covered Under Two or More Insuring Agreements of This Policy.

If a <u>Claim</u> is covered under more than one Insuring Agreement provided by this Policy only one Limit of Liability shall apply. The Limit of Liability applying to that <u>Claim</u> shall not exceed the highest applicable limit available under any one Insuring Agreement that applies.

4. Application of Limits of Liability – An Insured Covered Under More Than One Policy Issued by Us.

If this Policy and any other policy issued by <u>Us</u> apply to the same <u>Insured</u>, only one such policy shall apply. The Limits of Liability available to that <u>Insured</u> shall not exceed the highest applicable Limits of Liability available under any one policy that applies. However, this paragraph does not apply to any policy issued specifically to apply as excess insurance above this Policy.



5. Application of Limits of Liability – New Limits.

If the <u>Named Insured</u> changes the Limits of Liability provided by this Policy, the new Limits of Liability do not apply to any <u>Claim</u> an <u>Insured</u> knew or should have known about or was reported to <u>Us</u> prior to the effective date of the Limits of Liability change.

Condition O, "Multiple <u>Claims</u> Arising From The Same Circumstances," is deleted in its entirety and replaced with the following:

O. Multiple Claims Arising From The Same Circumstances.

- 1. All <u>Claims</u> that arise from:
 - a. The same Medical Incident, Occurrence, Personal Injury or Advertising Injury; or
 - b. A series of similar or related Medical Incidents, Occurrences, Personal Injury or Advertising Injury:

will be deemed to be a single <u>Claim</u>:

- a. On the date the first of such <u>Claims</u> is reported to <u>Us</u> if coverage is on a claims made basis; or
- b. When the <u>Occurrence</u>, <u>Personal Injury</u> or <u>Advertising Injury</u> first took place if coverage is on an occurrence basis.
- 2. The only policy that shall apply to the <u>Claim</u> is the policy in force:
 - a. On the date the first of such <u>Claims</u> is reported to <u>Us</u> if coverage is on a claims made basis; or
 - b. When the <u>Occurrence</u>, <u>Personal Injury</u> or <u>Advertising Injury</u> first took place if coverage is on an occurrence basis.

Condition Y, "When A <u>Claim</u> is Made," is deleted in its entirety and replaced with the following:

Y. When A <u>Claim</u> is Made.

- 1. <u>We will consider a Claim</u> to be made at the earlier of the following:
 - a. On the date an <u>Insured</u> first gives <u>Our</u> Claims Department written notice of a <u>Claim</u> made against an <u>Insured</u>; or
 - b. On the date <u>Our</u> Claims Department receives written notice of a <u>Medical Incident</u>, <u>Occurrence</u> or offense that is likely to result in a <u>Claim</u> being made against an <u>Insured</u>.
- 2. The written notice must include the following information:
 - a. How, when and where the Medical Incident, Occurrence or offense took place;
 - b. The names, addresses and ages of any injured persons and witnesses; and,
 - c. The nature and location of any injury or damage arising from the Medical Incident, Occurrence or offense.



An event reported by an <u>Insured</u> to <u>Us</u> as part of <u>Our</u> risk management or loss control services shall not be considered a report of a <u>Claim</u>.

PART V - COMMON EXCLUSIONS is amended as follows:

Exclusion G is deleted in its entirety and replaced with the following:

G. Any liability for a <u>Claim</u> whose circumstances were known, or should have been known, by any <u>Insured</u> or any insurer before the effective date of this Policy or applicable coverage, or, in the case of a newly acquired entity, before the acquisition date of that entity.

Exclusion K is deleted in its entirety.

PART VI – DEFINITIONS is amended as follows:

Definition F., "<u>Claim</u>," is deleted in its entirety and replaced with the following:

- F. <u>Claim</u> means:
 - 1. Actual <u>Claim</u>:

Written notice or demand for <u>Damages</u> that an <u>Insured</u> has received regarding a <u>Medical Incident</u>, <u>Occurrence</u>, <u>Personal Injury</u>, or <u>Advertising Injury</u>; or

2. Potential Claim:

Any Medical Incident, Occurrence or offense that may result in an actual Claim.

An event reported as part of Our risk management or loss control services shall not be considered a report of a Claim.

Definition W., "Occurrence," is deleted in its entirety and replaced with the following:

W. Occurrence means an accident, including continuous or repeated exposure to substantially the same conditions, resulting in <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u>, neither expected nor intended from the standpoint of an <u>Insured</u>. Occurrence includes any intentional act by or at the direction of an <u>Insured</u> that results in <u>Bodily Injury</u> if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property. The date of the <u>Occurrence</u> is the date of the first circumstance resulting in <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u>, regardless of when the <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u>, <u>Fire Damage</u> or <u>Fire Damage</u>.



The following new definitions are added:

AH. Products-Completed Operations Hazard means:

- 1. All <u>Bodily Injury</u>, <u>Property Damage</u> and <u>Fire Damage</u> occurring away from premises an <u>Insured</u> owns or rents and arising from an <u>Insured's Product</u> or an <u>Insured's Work</u> except:
 - a. <u>Products</u> that are still in an <u>Insured's</u> physical possession; or
 - b. <u>Work</u> that has not yet been completed or abandoned.
- 2. An <u>Insured's Work</u> will be deemed completed at the earliest of the following times:
 - a. When all of the Work called for in an Insured's contract has been completed.
 - b. When all of the <u>Work</u> to be done at the site has been completed if an <u>Insured's</u> contract calls for <u>Work</u> at more than one site.
 - c. When the part of the <u>Work</u> done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

<u>Work</u> that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- 3. This hazard does not include **Bodily Injury**, **Property Damage** or **Fire Damage** arising from:
 - a. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the <u>Loading or Unloading</u> of it; or
 - b. The existence of tools, uninstalled equipment or abandoned or unused materials.
- AI. <u>Impaired Property</u> means tangible property, other than an <u>Insured's Product</u> or an <u>Insured's Work</u>, that cannot be used or is less useful because:
 - 1. It incorporates an <u>Insured's Product</u> or an <u>Insured's Work</u> that is known or thought to be defective, deficient, inadequate or dangerous; or
 - 2. An <u>Insured</u> has failed to fulfill the terms of a contract or agreement.

AJ. Manifests means:

- 1. For Bodily Injury when such injury, sickness or disease is first diagnosed by a medical professional; and
- 2. For <u>Property Damage</u> or <u>Fire Damage</u> when such damage is first discovered by any <u>Insured</u> or by the person or organization whose property suffered such damage, whichever comes first.



AK. **Product** means:

- 1. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. An Insured;
 - b. Others trading under an Insured's name; or
 - c. A person or organization whose business or assets an <u>Insured</u> has acquired if the <u>Occurrence</u> takes place after the date of acquisition.
- 2. Containers (other than vehicles), material, parts or equipment furnished in connection with such goods or products.
- 3. <u>Insured's Product</u> includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of:
 - a. An Insured's Product; and
 - b. The providing of or the failure to provide warnings or instructions.
- 4. An <u>Insured's Product</u> does not include vending machines or other property rented to or located for the use of others but not sold.

AL. Work means:

- 1. <u>Work</u> or operation performed by an <u>Insured</u> or on behalf of an <u>Insured</u>.
- 2. Materials, parts or equipment furnished in connection with such <u>Work</u> or operations.
- 3. <u>Insured's Work</u> includes:
 - a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of an <u>Insured's Work</u>; and
 - b. The providing of or failure to provide warnings or instructions.
- AM. <u>Fire Damage</u> means <u>Property Damage</u> because of fire to premises an <u>Insured</u> rents or leases from others. Water damage and smoke damage from a fire are also included. The damage from the fire must be caused by an <u>Insured</u>.
- AN. Advertising Injury means injury arising from one or more of the following offenses:
 - 1. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - 2. Oral or written publication of material that violates a person's right of privacy;
 - 3. Misappropriation of advertising ideas or style of doing business; or
 - 4. Infringement of copyright, title, service mark, trade name or slogan.



ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

This endorsement when signed by NORCAL's President and Secretary at San Francisco, California shall take effect on the endorsement effective date shown below.

Issue Date: <u>Named Insured</u>: Policy Number: <u>Policy Period</u>: Endorsement Number: Endorsement Effective Date: Additional Premium: Return Premium:

James Sunser

James Sunseri President

) Lathenine H. Crocken

Katherine H. Crocker Secretary



It is hereby understood and agreed that this Policy is amended as follows:

TABLE OF CONTENTS, is deleted in its entirety and replaced with:

	TABLE OF CONTENTS	
PART I	POLICY INTRODUCTION	rag 1
PART II	COVERAGES	
	Insurance is available only where Limits of Liability or Limits of Reimbursement are shown on the Declarations Page or applicable endorsement.	
	Coverage A Professional Liability Insurance Claims Made	2
	Coverage B Health Care General Liability Insurance Occurrence	6
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PART III	ADDITIONAL BENEFITS	
	A. Attendance At Trial	4
	B. Bonds	4
	C. <u>Defense Costs</u>	4
	D. Patient's Property	4
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PART V	COMMON EXCLUSIONS	2'
PART VI	DEFINITIONS	3
PART VII	EXTENDED REPORTING PERIOD OPTION	3

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PART II, COVERAGE B, Limited Professional Office Premises Liability Insurance - Claims Made is deleted in its entirely and replaced with the following:

COVERAGE B – Health Care General Liability Insurance – Occurrence

THIS COVERAGE IS PROVIDED ON AN OCCURRENCE BASIS.

I. <u>BODILY INJURY, PROPERTY DAMAGE</u> AND <u>FIRE DAMAGE</u> LIABILITY

A. INSURING AGREEMENTS

- 1. **Indemnity.** We will pay on behalf of an <u>Insured</u> all sums, up to the Limits of Liability as stated on the Declarations Page or applicable endorsement, that an <u>Insured</u> becomes legally obligated to pay as <u>Damages</u> because of a <u>Claim</u> for <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> caused by an <u>Occurrence</u> if the:
 - a. <u>Bodily Injury, Property Damage</u> or <u>Fire Damage</u> is caused by an <u>Occurrence</u> that takes place in the <u>Coverage Territory</u>; and
 - b. <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> takes place during the <u>Policy Period</u>.
- Defense. We shall have the right and duty to defend an <u>Insured</u> against any <u>Claim</u> seeking <u>Damages</u> for <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> caused by an <u>Occurrence</u> if the:
 - a. <u>Bodily Injury, Property Damage</u> or <u>Fire Damage</u> is caused by an <u>Occurrence</u> that takes place in the <u>Coverage Territory</u>; and
 - b. Bodily Injury, Property Damage or Fire Damage takes place during the Policy Period.

We have the exclusive right, using counsel of <u>Our</u> choice, to investigate, negotiate and defend any <u>Claim</u>. <u>Our</u> duty to defend ends, however, when the Limits of Liability stated on the Declarations Page or applicable endorsement have been exhausted by the payment of judgments and/or settlements.

<u>Defense Costs</u> are payable in addition to the Limits of Liability stated on the Declarations Page or applicable endorsement for Health Care General Liability Insurance.

We may investigate any <u>Claim</u> as <u>We</u> deem appropriate. <u>We</u> shall not be liable for the cost of legal services and other costs or fees incurred by any attorney selected by an <u>Insured</u> without <u>Our</u> written consent. <u>We</u> shall not be liable for the cost of any legal services and other costs or fees incurred before <u>Our</u> written receipt of notice of <u>Claim</u>.

This insurance does not apply and <u>We</u> have no duty to defend any <u>Insured</u> against any <u>Claim</u> seeking <u>Damages</u> for <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> that <u>Manifests</u> prior to the effective date of this Policy even if the <u>Damages</u> continue into this <u>Policy Period</u>.

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B. EXCLUSIONS

No Defense or Payment of <u>Damages</u>. In addition to the Common Exclusions in PART V of this Policy, <u>We</u> will neither defend nor pay <u>Damages</u> because of <u>Claims</u> that result from any of the following:

- 1. Any liability arising from a Medical Incident.
- 2. Any fees or costs associated with an Administrative Proceeding or an Employment-Related Civil Action.
- 3. Any liability arising from <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> expected or intended from the standpoint of an <u>Insured</u>. However, this exclusion does not apply to <u>Bodily Injury</u> resulting from the use of reasonable force to protect persons or property.
- 4. Any liability arising from <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> for which any <u>Insured</u> may be held liable by reason of:
 - a. Causing or contributing to the intoxication of any person;
 - b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - c. Violation of any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.
- Any liability arising from <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> arising from the ownership, maintenance, use or entrustment to others of any aircraft, <u>Auto</u> or watercraft owned or operated by or rented or loaned to any <u>Insured</u>. Use includes operation and <u>Loading or Unloading</u>.

This exclusion applies even if the <u>Claims</u> against any <u>Insured</u> allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that <u>Insured</u>, if the <u>Occurrence</u> which caused the <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> involved the ownership, maintenance, use or entrustment to others of any aircraft, <u>Auto</u> or watercraft that is owned or operated by or rented or loaned to any <u>Insured</u>.

This exclusion does not apply to:

- a. Parking an <u>Auto</u> on premises an <u>Insured</u> owns or rents, provided the <u>Auto</u> is not owned by or rented or loaned to an <u>Insured</u>;
- b. Maintenance or use of any <u>Mobile Equipment</u>, except <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> arising from:
 - i. The transportation of <u>Mobile Equipment</u> by an <u>Auto</u> owned or operated by or rented or loaned to any <u>Insured</u>; or
 - ii. The use of <u>Mobile Equipment</u> in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.

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- 6. Any liability arising from Property Damage or Fire Damage to:
 - a. Property an <u>Insured</u> owns, rents or occupies;
 - Premises an <u>Insured</u> sells, gives away or abandons, if the <u>Property Damage</u> or <u>Fire Damage</u> arises out of any part of those premises;
 - c. Property loaned to an Insured;
 - d. Personal property in an <u>Insured's</u> care, custody or control;
 - e. That particular part of real property on which an <u>Insured</u>, or any contractors or subcontractors working directly or indirectly on behalf of an <u>Insured</u>, are performing operations, if the <u>Property Damage</u> or <u>Fire</u> <u>Damage</u> arises out of those operations; or
 - f. That particular part of any property that must be restored, repaired or replaced because an <u>Insured's Work</u> was incorrectly performed on it.

Paragraph (a) of this exclusion does not apply to Fire Damage.

Paragraph (b) of this exclusion does not apply if the premises are an <u>Insured's Work</u> and were never occupied, rented or held for rental by an <u>Insured</u>.

Paragraphs (c), (d), (e) and (f) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (f) of this exclusion does not apply to <u>Property Damage</u> or <u>Fire Damage</u> included in the <u>Products-Completed Operations Hazard</u>.

- 7. Property Damage or Fire Damage to an Insured's Product arising from it or any part of it.
- 8. <u>Property Damage or Fire Damage to an Insured's Work</u> arising from it or any part of it and included in the <u>Products-Completed Operations Hazard</u>.

This exclusion does not apply if the damaged <u>Work</u> or the <u>Work</u> from which the <u>Damage</u> arises was performed on behalf of an <u>Insured</u> by a subcontractor.

- 9. Any liability arising from Property Damage or Fire Damage to Impaired Property from:
 - a. A defect, deficiency, inadequacy or dangerous condition in an <u>Insured's Product</u> or an <u>Insured's Work</u>; or
 - b. A delay or failure by an <u>Insured</u> or anyone acting on behalf of an <u>Insured</u> to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising from sudden and accidental physical injury to an <u>Insured's Product</u> or an <u>Insured's Work</u> after it has been put to its intended use.

- 10. Any liability arising from <u>Damages</u> claimed for any loss, cost or expense incurred by an <u>Insured</u> or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:
 - a. An <u>Insured's Product;</u>
 - b. An Insured's Work; or

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c. Impaired Property:

if such <u>Product</u>, <u>Work</u> or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

11. Any liability arising from <u>Damages</u> arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

- 12. Any liability arising from <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> arising out of any act or omission that violates or is alleged to violate:
 - a. The Telephone Consumer Protection Act (TCPA) including any amendment of or addition to such law;
 - b. The CAN-SPAM Act of 2003, including any amendment or addition to such law; or
 - c. Any other statute, ordinance or regulation that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

II. PERSONAL INJURY AND ADVERTISING INJURY LIABILITY

A. INSURING AGREEMENTS

- 1. **Indemnity.** We will pay those sums, up to the Limits of Liability as stated on the Declarations Page or applicable endorsement that an <u>Insured</u> becomes legally obligated to pay as <u>Damages</u> because of a <u>Claim</u> for <u>Personal Injury</u> or <u>Advertising Injury</u> if that:
 - a. <u>Personal Injury</u> is caused by an offense directly resulting from an <u>Insured's</u> business, excluding advertising, publishing, broadcasting or telecasting done by or for an <u>Insured</u>; or
 - b. <u>Advertising Injury</u> is caused by an offense committed in the course of advertising an <u>Insured's</u> goods, products or services:

but only if the offense was committed in the Coverage Territory and during the Policy Period.

- Defense. We shall have the right and duty to defend an <u>Insured</u> against any <u>Claim</u> seeking <u>Damages</u> for <u>Personal Injury</u> or <u>Advertising Injury</u> if that:
 - a. <u>Personal Injury</u> is caused by an offense directly resulting from an <u>Insured's</u> business, excluding advertising, publishing, broadcasting or telecasting done by or for an <u>Insured</u>; or
 - b. <u>Advertising Injury</u> is caused by an offense committed in the course of advertising an <u>Insured's</u> goods, products or services:

but only if the offense was committed in the Coverage Territory and during the Policy Period.

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We have the exclusive right, using counsel of <u>Our</u> choice, to investigate, negotiate and defend any <u>Claim</u>. <u>Our</u> duty to defend ends, however, when the Limits of Liability stated on the Declarations Page or applicable endorsement have been exhausted by the payment of judgments and/or settlements.

<u>Defense Costs</u> are payable in addition to the Limits of Liability stated on the Declarations Page or applicable endorsement for Health Care General Liability Insurance.

We may investigate any <u>Claim</u> as <u>We</u> deem appropriate. <u>We</u> shall not be liable for the cost of legal services and other costs or fees incurred by any attorney selected by an <u>Insured</u> without <u>Our</u> written consent. <u>We</u> shall not be liable for the cost of any legal services and other costs or fees incurred before <u>Our</u> receipt of the written notice of <u>Claim</u>.

B. EXCLUSIONS

No Defense or Payment of <u>Damages</u>. In addition to the Common Exclusions in PART V of this Policy, <u>We</u> will neither defend nor pay <u>Damages</u> because of <u>Claims</u> that result from any of the following:

- 1. Any liability for Personal Injury or Advertising Injury arising from:
 - a. A Medical Incident;
 - b. Any fees or costs associated with an Administrative Proceeding or Employment-Related Civil Action;
 - c. Oral or written publication of material, if done by or at the direction of an <u>Insured</u> with knowledge of its falsity;
 - d. Oral or written publication of material of which the first injurious publication or utterance of the same or similar material by or on behalf of an <u>Insured</u> was made before the beginning of the <u>Policy Period</u>;
 - e. The willful violation of a penal statute or ordinance committed by or with the consent of an Insured;
 - f. Liability an <u>Insured</u> has assumed in a contract or agreement. This exclusion does not apply to liability for <u>Damages</u> that an <u>Insured</u> would have in the absence of the contract or agreement; or
 - g. An electronic chatroom or bulletin board an <u>Insured</u> hosts, owns, or over which an <u>Insured</u> exercises control.
- 2. Any liability for Advertising Injury arising from:
 - a. Breach of contract;
 - b. The failure of goods, products or services to conform with advertised quality or performance;
 - c. The wrong description of the price of goods, products or services; or
 - d. An offense committed by an <u>Insured</u> whose business is advertising, broadcasting, publishing or telecasting.

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III. MEDICAL PAYMENTS

A. INSURING AGREEMENT

- 1. We will pay Medical Expenses as described below for Bodily Injury caused by an Occurrence:
 - a. On premises an Insured owns or rents and that are approved by Us in writing; or
 - b. Resulting from an Insured's operations;

provided that:

- i. The Occurrence takes place during the Policy Period;
- ii. The expenses are incurred and reported to Us within one year of the date of the Occurrence; and
- iii. The injured person submits to examination, at <u>Our</u> expense, by physicians of <u>Our</u> choice as often as <u>We</u> reasonably require.
- 2. <u>We</u> will make these payments even if an <u>Insured</u> is not legally required to do so. These payments will not exceed the applicable sub-limit of insurance shown on the Declarations Page or applicable endorsement.

B. EXCLUSIONS

We will not pay Medical Expenses for Bodily Injury:

- 1. To any Insured.
- 2. To a person hired to work for or on behalf of any Insured or a tenant of any Insured.
- 3. To a person injured on that part of premises an Insured owns or rents and that the person normally occupies.
- 4. To a person, whether or not an <u>Employee</u> of any <u>Insured</u>, if benefits for the <u>Bodily Injury</u> are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- 5. To a person injured while taking part in athletics.
- 6. Included within the Products-Completed Operations Hazard.
- 7. Excluded under Coverage B, Section I, <u>Bodily Injury</u>, <u>Property Damage</u> and <u>Fire Damage</u> Liability, in this Health Care General Liability Insurance.

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IV. WHO IS INSURED

In addition to those persons or organizations included within the definition of <u>Insured</u>, each of the following is an <u>Insured</u> to the extent set forth below, subject to Common Condition Q., "<u>Other Insurance</u>:"

- 1. <u>Employees</u>, <u>Authorized Volunteer Workers</u> and students while acting within the course and scope of their duties for the <u>Named Insured</u>. However, <u>Employees</u>, <u>Authorized Volunteer Workers</u> or students are not <u>Insureds</u> for:
 - a. <u>Bodily Injury</u> or <u>Personal Injury</u> to an <u>Insured</u> or an <u>Employee</u>, <u>Authorized Volunteer Worker</u> or student while acting within the course and scope of their duties for an <u>Insured</u>;
 - b. <u>Property Damage</u> or <u>Fire Damage</u> to property owned or occupied by or rented or loaned to any <u>Employee</u>, <u>Authorized Volunteer Worker</u> or student or any of an <u>Insured's</u> partners or members (if an <u>Insured</u> is a partnership or joint venture).
- 2. Any member of a duly authorized board or any committee of the <u>Named Insured</u>.
- 3. Any person communicating information to the <u>Named Insured</u> or its medical or professional staff for the purpose of aiding in the evaluation of <u>Professional Health Care Services</u> or the qualifications, professional competence, fitness or character of an applicant for membership or privileges on such medical or professional staff, but only while acting within the course and scope of their duties for the <u>Named Insured</u>.
- 4. Any administrator or department head while acting within the course and scope of their administrative duties for the <u>Named Insured</u>.
- 5. With respect to <u>Mobile Equipment</u> registered to the <u>Named Insured</u> under any motor vehicle registration law, any person is an <u>Insured</u> while driving such equipment along a public highway with permission of the <u>Named Insured</u> and while engaged in business on behalf of the <u>Named Insured</u>. Any other person or organization responsible for the conduct of such person is also an <u>Insured</u>, but only with respect to liability arising from the operation of the equipment, and only if no <u>Other Insurance</u> of any kind is available to that person or organization for this liability. However, no person or organization is an <u>Insured</u> with respect to:
 - a. <u>Bodily Injury</u> to an <u>Employee</u>, <u>Authorized Volunteer Worker</u> or student of the person driving the equipment; or
 - b. <u>Property Damage</u> or <u>Fire Damage</u> to property owned by, rented to, in the charge of or occupied by the <u>Named</u> <u>Insured</u> or the employer of any person who is an <u>Insured</u> under this provision.

PART III – ADDITIONAL BENEFITS is amended as follows:

Paragraph D is deleted in its entirety and replaced with the following:

D. **PATIENTS' PROPERTY.** We will pay up to \$2,500 per patient subject to a maximum of \$25,000 per <u>Policy Period</u>, for loss or damage to patients' property while in the care of an <u>Insured</u>.

Paragraph E is deleted in its entirety.

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PART IV - COMMON CONDITIONS is amended as follows:

Condition B, "Application of Limits Liability," is deleted in its entirety and replaced with the following:

B. Application of Limits of Liability.

- Application of Limits of Liability General. Subject to Common Condition O, "Multiple <u>Claims</u> Arising from the Same Circumstances:"
 - a. The Each <u>Claim</u> Limit shown on the Declarations Page or applicable endorsement is the most <u>We</u> will pay for all <u>Damages</u> arising from a <u>Medical Incident</u>, <u>Occurrence</u>, <u>Personal Injury</u> or <u>Advertising Injury</u> regardless of the number of:
 - i. <u>Insured</u>s under the policy;
 - ii. Persons or organizations sustaining Damages;

iii.Claims; or

iv.Coverage parts attached hereto.

- b. Subject to the above provision, <u>Our</u> total liability for all <u>Claims</u> because of all injury to which this Policy applies shall not exceed the Limits of Liability shown on the Declarations Page or applicable endorsement as the Aggregate Limit per <u>Policy Period</u>.
- c. It is further agreed that in no event shall <u>We</u> be liable for any additional payments, including <u>Defense Costs</u>, under this Policy once the applicable Limits of Liability shown on the Declarations Page or applicable endorsement have been exhausted by payments of judgments or settlements.
- 2. Application of Limits of Liability Each Policy Period.

The applicable Limits of Liability applies separately to each consecutive annual <u>Policy Period</u> or to any <u>Policy</u> <u>Period</u> of less than twelve months. If <u>We</u> extend the <u>Policy Period</u> after issuance for an additional period of less than twelve months, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Liability.

3. Application of Limits of Liability - Claim Covered Under Two or More Insuring Agreements of This Policy.

If a <u>Claim</u> is covered under more than one Insuring Agreement provided by this Policy only one Limit of Liability shall apply. The Limit of Liability applying to that <u>Claim</u> shall not exceed the highest applicable limit available under any one Insuring Agreement that applies.

4. Application of Limits of Liability - An Insured Covered Under More Than One Policy Issued by Us.

If this Policy and any other policy issued by <u>Us</u> apply to the same <u>Insured</u>, only one such policy shall apply. The Limits of Liability available to that <u>Insured</u> shall not exceed the highest applicable Limits of Liability available under any one policy that applies. However, this paragraph does not apply to any policy issued specifically to apply as excess insurance above this Policy.

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5. Application of Limits of Liability - New Limits.

If the <u>Named Insured</u> changes the Limits of Liability provided by this Policy, the new Limits of Liability do not apply to any <u>Claim</u> an <u>Insured</u> knew or should have known about or was reported to <u>Us</u> prior to the effective date of the Limits of Liability change.

Condition O, "Multiple <u>Claims</u> Arising From The Same Circumstances," is deleted in its entirety and replaced with the following:

O. Multiple Claims Arising From The Same Circumstances.

- 1. All <u>Claims</u> that arise from:
 - a. The same Medical Incident, Occurrence, Personal Injury or Advertising Injury; or
 - b. A series of similar or related Medical Incidents, Occurrences, Personal Injury or Advertising Injury:

will be deemed to be a single Claim:

- a. On the date the first of such Claims is reported to Us if coverage is on a claims made basis; or
- b. When the <u>Occurrence</u>, <u>Personal Injury</u> or <u>Advertising Injury</u> first took place if coverage is on an occurrence basis.
- 2. The only policy that shall apply to the <u>Claim</u> is the policy in force:
 - a. On the date the first of such Claims is reported to Us if coverage is on a claims made basis; or
 - b. When the <u>Occurrence</u>, <u>Personal Injury</u> or <u>Advertising Injury</u> first took place if coverage is on an occurrence basis.

Condition Y, "When A Claim is Made," is deleted in its entirety and replaced with the following:

Y. When A Claim is Made.

- 1. We will consider a <u>Claim</u> to be made at the earlier of the following:
 - On the date an <u>Insured</u> first gives <u>Our</u> Claims Department written notice of a <u>Claim</u> made against an <u>Insured</u>; or
 - b. On the date <u>Our</u> Claims Department receives written notice of a <u>Medical Incident</u>, <u>Occurrence</u> or offense that is likely to result in a <u>Claim</u> being made against an <u>Insured</u>.
- 2. The written notice must include the following information:
 - a. How, when and where the Medical Incident, Occurrence or offense took place;
 - b. The names, addresses and ages of any injured persons and witnesses; and,
 - c. The nature and location of any injury or damage arising from the Medical Incident, Occurrence or offense.

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An event reported by an <u>Insured</u> to <u>Us</u> as part of <u>Our</u> risk management or loss control services shall not be considered a report of a <u>Claim</u>.

PART V - COMMON EXCLUSIONS is amended as follows:

Exclusion G is deleted in its entirety and replaced with the following:

G. Any liability for a <u>Claim</u> whose circumstances were known, or should have been known, by any <u>Insured</u> or any insurer before the effective date of this Policy or applicable coverage, or, in the case of a newly acquired entity, before the acquisition date of that entity.

Exclusion K is deleted in its entirety.

PART VI – DEFINITIONS is amended as follows:

Definition F., "Claim," is deleted in its entirety and replaced with the following:

- F. Claim means:
 - 1. Actual Claim:

Written notice or demand for <u>Damages</u> that an <u>Insured</u> has received regarding a <u>Medical Incident</u>, <u>Occurrence</u>, <u>Personal Injury</u>, or <u>Advertising Injury</u>; or

2. Potential Claim:

Any Medical Incident, Occurrence or offense that may result in an actual Claim.

An event reported as part of Our risk management or loss control services shall not be considered a report of a Claim.

Definition W., "Occurrence," is deleted in its entirety and replaced with the following:

W. Occurrence means an accident, including continuous or repeated exposure to substantially the same conditions, resulting in <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u>, neither expected nor intended from the standpoint of an <u>Insured</u>. Occurrence includes any intentional act by or at the direction of an <u>Insured</u> that results in <u>Bodily Injury</u> if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property. The date of the <u>Occurrence</u> is the date of the first circumstance resulting in <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u>, regardless of when the <u>Bodily Injury</u>, <u>Property Damage</u> or <u>Fire Damage</u> or <u>Fire Damage</u>.

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The following new definitions are added:

AH. Products-Completed Operations Hazard means:

- 1. All <u>Bodily Injury</u>, <u>Property Damage</u> and <u>Fire Damage</u> occurring away from premises an <u>Insured</u> owns or rents and arising from an <u>Insured's Product</u> or an <u>Insured's Work</u> except:
 - a. Products that are still in an Insured's physical possession; or
 - b. Work that has not yet been completed or abandoned.
- 2. An Insured's Work will be deemed completed at the earliest of the following times:
 - a. When all of the Work called for in an Insured's contract has been completed.
 - b. When all of the <u>Work</u> to be done at the site has been completed if an <u>Insured's</u> contract calls for <u>Work</u> at more than one site.
 - c. When the part of the <u>Work</u> done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- 3. This hazard does not include Bodily Injury, Property Damage or Fire Damage arising from:
 - a. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the <u>Loading or Unloading</u> of it; or
 - b. The existence of tools, uninstalled equipment or abandoned or unused materials.
- AI. <u>Impaired Property</u> means tangible property, other than an <u>Insured's Product</u> or an <u>Insured's Work</u>, that cannot be used or is less useful because:
 - 1. It incorporates an <u>Insured's Product</u> or an <u>Insured's Work</u> that is known or thought to be defective, deficient, inadequate or dangerous; or
 - 2. An <u>Insured</u> has failed to fulfill the terms of a contract or agreement.
- AJ. Manifests means:
 - 1. For Bodily Injury when such injury, sickness or disease is first diagnosed by a medical professional; and
 - 2. For <u>Property Damage</u> or <u>Fire Damage</u> when such damage is first discovered by any <u>Insured</u> or by the person or organization whose property suffered such damage, whichever comes first.

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GRP- 091GL HEALTH CARE GENERAL LIABILITY ENDORSEMENT

AK. Product means:

- 1. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. An Insured;
 - b. Others trading under an Insured's name; or
 - c. A person or organization whose business or assets an <u>Insured</u> has acquired if the <u>Occurrence</u> takes place after the date of acquisition.
- Containers (other than vehicles), material, parts or equipment furnished in connection with such goods or products.
- 3. <u>Insured's Product</u> includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of:
 - a. An Insured's Product; and
 - b. The providing of or the failure to provide warnings or instructions.
- 4. An <u>Insured's Product</u> does not include vending machines or other property rented to or located for the use of others but not sold.
- AL. Work means:
 - 1. Work or operation performed by an Insured or on behalf of an Insured.
 - 2. Materials, parts or equipment furnished in connection with such Work or operations.
 - 3. Insured's Work includes:
 - a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of an <u>Insured's Work</u>; and
 - b. The providing of or failure to provide warnings or instructions.
- AM. <u>Fire Damage</u> means <u>Property Damage</u> because of fire to premises an <u>Insured</u> rents or leases from others. Water damage and smoke damage from a fire are also included. The damage from the fire must be caused by an <u>Insured</u>.

AN. Advertising Injury means injury arising from one or more of the following offenses:

- 1. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- 2. Oral or written publication of material that violates a person's right of privacy;
- 3. Misappropriation of advertising ideas or style of doing business; or
- 4. Infringement of copyright, title, service mark, trade name or slogan.

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GRP-091GL HEALTH CARE GENERAL LIABILITY ENDORSEMENT

ART VII - EXTENDED REPORTING PERIOD OPTION is deleted in its entirety and replaced with the following:	
ART VII – EXTENDED REPORTING PERIOD OPTION	
AN EXTENDED REPORTING PERIOD ENDORSEMENT IS NOT ISSUED OR PURCHASED, THERE <u>WILL BE</u> O COVERAGE FOR <u>CLAIMS</u> ARISING FROM <u>MEDICAL INCIDENTS</u> , OR FOR <u>ADMINISTRATIVE</u> ROCEEDINGS OR EMPLOYMENT-RELATED CIVIL ACTIONS, THAT ARE FIRST REPORTED TO <u>US</u> ON OR FTER THE EXPIRATION OR TERMINATION DATE OF THIS POLICY OR THE APPLICABLE COVERAGE.	
is Extended Reporting Period Endorsement must be requested by written notice to <u>Us</u> within thirty (30) days from the piration or termination date of this policy or applicable coverage.	
MUTUAL RIGHTS	Formatted: Bullets and Numbering
The <u>Named Insured</u> and an insured physician to whom separate limits of liability have been afforded may have the right to purchase an Extended Reporting Period Endorsement (frequently known as "tail coverage") if this Policy or applicable coverage is canceled or non-renewed. This endorsement provides an extended period of time for reporting <u>Claims</u> arising from <u>Medical Incidents</u> and for reporting <u>Administrative Proceedings</u> or <u>Employment-Related Civil Actions</u> as follows:	
 <u>Medical Incidents</u> that take place on or after the <u>Retroactive Date as shown on the Declarations Page or</u> applicable endorsement and before the expiration or termination of an <u>Insured's</u> coverage; and 	Formatted: Bullets and Numbering
2.Results in a <u>Claim</u> against an <u>Insured</u> that is first reported to <u>Us</u> under the Extended Reporting Period Endorsement; or	Formatted: Bullets and Numbering
3.Acts that take place on or after the applicable <u>Retroactive Date</u> and before the expiration or termination of an <u>Insured's</u> coverage that result in an <u>Administrative Proceeding or Employment Related Civil Action</u> instituted against that <u>Insured</u> and first reported to <u>Us</u> under the Extended Reporting Period Endorsement.	Formatted: Bullets and Numbering
To purchase an Extended Reporting Period Endorsement the <u>Named Insured</u> and/or the insured physician to whom separate limits of liability have been afforded must be in compliance with all terms and conditions of the Policy. <u>We</u> will not issue an Extended Reporting Period Endorsement to an <u>Insured</u> whose coverage has been cancelled or non-renewed for fraud, misrepresentation, concealment or breach of warranty. Nor will <u>We</u> issue an <u>Extended Reporting Period Endorsement</u> if this Policy is cancelled for non-payment or rescinded.	
All outstanding earned premiums must be paid. Any additional premium for the Extended Reporting Period Endorsement will be computed in accordance with <u>Our</u> rules, rates and rating plans in effect at the time of the expiration or termination of coverage and must be paid to <u>Us</u> . This additional premium is fully earned and non- refundable. If <u>We</u> do not receive full payment of all billed premiums on or before the due date of the premium notice, <u>We</u> will not issue an Extended Reporting Period Endorsement and <u>We</u> will cancel any previously issued Extended Reporting Period Endorsement.	
Additionally:	
1.Once in effect, the Extended Reporting Period Endorsement may not be canceled unless the <u>Insured</u> to whom this Extended Reporting Period Endorsement was issued has committed a material breach of the terms or conditions of this Policy or any endorsement attached to it.	Formatted: Bullets and Numbering
2. The Extended Reporting Period Endorsement does not extend the <u>Policy Period</u> or change the scope of coverage provided under this Policy and any attached endorsement. Except as otherwise provided by this endorsement,	•• Formatted: Bullets and Numbering

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Mutual Insurance C	Phene Heal pompany ENDO	091GL TH CARE GENERAL LIABILITY RSEMENT		
	aims arising from Medical Incidents, or any Administrative Pro	ceedings or Employment Related Civil		
Action	reported to <u>Us</u> must be covered by this Policy.			
3.The Exte	nded Reporting Period Endorsement is subject to all of the prov	isions of the policy in existence at the	∢ {	Formatted: Bullets and Numbering
	e active coverage ceases for the <u>Named Insured</u> or an insured p		(
been a	fforded.			
those (nded Reporting Period Endorsement provides one set of Limits <u>Claims</u> first reported during the Extended Reporting Period. The nt of judgments and settlements. <u>Our</u> duty to defend ends when	se Limits of Liability will be croded by	▲ (Formatted: Bullets and Numbering
	nt of judgments and settlements. <u>Our</u> duty to defend ends when	the Emility of Endonity are exhausted by		
PECIAL PRO	VISIONS FOR INSURED PHYSICIANS TO WHOM SEP.	ARATE LIMITS HAVE BEEN	-	Formatted: Bullets and Numbering
AFFORD	EÐ		C	
1.Waiver	of Extended Reporting Endorsement Premium in the Event	of Disability.	<{	Formatted: Bullets and Numbering
	insured physician to whom separate limits of liability have been		 -{	Formatted: Bullets and Numbering
	manently disabled during the <u>Policy Period</u> as a result of <u>Bodil</u>			
	able to continue practicing as a physician or surgeon, <u>We</u> will p			
En II-	dorsement without cost. This waiver of premium is contingent	apon receipt of evidence satisfactory to		
<u>US</u>	, which may include a physical examination by physicians of Q om separate limits of liability have been afforded is totally and	<u>ur choice, that the insured physician to</u>		
WI	iom separate limits of fladility have been afforded is totally and	permanently disabled. However, <u>we</u>		
-fi	ist receive a written request from the insured physician to whon orded or his/her personal representative for this benefit within 2	on separate limits of hability have been		
	inclice.	the cessation of ms/ner		
pro	ionee.			
b. <u>We</u> v	vill require proof satisfactory to <u>Us</u> that disability continues on	each anniversary of the issuance of the	∢	Formatted: Bullets and Numbering
	tended Reporting Period Endorsement. If at any time in the futu		()	
se	parate limits of liability have been afforded resumes practicing a	is a physician to any extent, any		
	tended Reporting Period Endorsement issued pursuant to this p			
pra	ectice is resumed. The insured physician to whom separate limit	s of liability have been afforded will		
ha	ve the right to purchase an Extended Reporting Period Endorser	nent upon payment of the full premium.		
If	no Extended Reporting Period Endorsement is purchased follow	ving the resumption of practice there		
	ll be no coverage for <u>Claims</u> arising from <u>Medical Incidents</u> , or			
	uployment-Related Civil Actions, reported to Us after the termin	nation of the Extended Reporting Period		
En	dorsement issued pursuant to this paragraph.			
2.Waiver	of Extended Reporting Period Endorsement Premium in the	Event of Death.	< (Formatted: Bullets and Numbering
In the	event of the death during the <u>Policy Period</u> of an insured physic	ian to whom separate limits of liability		
	een afforded an Extended Reporting Period Endorsement will b			
	t any premium charge.			
This E	xtended Reporting Period Endorsement will become effective o	n the date of that physician's death.		
Howev	rer, We must receive a written request along with proof of death	within sixty (60) days after that		
	ian's death.			

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Retirement at Age 55.		Formatted: Bullets and Numb
a.At age 55 an insured physician to whom separate limits of liability have been afforded is eligible for a full	4	Formatted: Bullets and Numb
waiver of his/her Extended Reporting Period Endorsement premium if he/she was insured with Us on		
September 30, 2005, remains insured with Us continuously until he/she retires and:		
i.Was age 50 or older on September 30, 2005;		Formatted: Bullets and Numb
ii.Has been insured with <u>Us</u> for the 12 months, and had continuous coverage for the sixty (60) months, prior to reaching age 55;		
iii.Retires completely from the practice of medicine;		
iv.Were eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL		
policy immediately prior to when he/she was added to this Policy with separate limits; and		
v.Requests this benefit on or before December 31, 2010.		
b. <u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's	4	Formatted: Bullets and Numb
retirement date. We will periodically require proof satisfactory to Us that the physician remains retired		
from the practice of medicine. If at any time in the future the physician resumes practicing as a physician		
to any extent, this premium waiver will be lost as of the date the physician resumes practice. However,		
the insured physician to whom separate limits of liability have been afforded will have the right to		
purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended		
Reporting Period Endorsement is purchased following the resumption of practice, there will be no		
coverage for <u>Claims</u> , <u>Administrative Proceedings or Employment Related Civil Actions reported to Us</u>		
after the termination of the Extended Reporting Period Endorsement issued pursuant to this paragraph.		
aiver of Extended Reporting Period Endorsement Premium upon Retirement at Age 55.	4	Formatted: Bullets and Numb
		Tornatted. Ballets and Name
a. If during the Policy Period, an insured physician to whom separate limits of liability have been afforded	4	
a. If during the <u>Policy Period</u> , an insured physician to whom separate limits of liability have been afforded chooses to retire completely from the practice of medicine, he/she is eligible for a full waiver of the	4	
chooses to retire completely from the practice of medicine, he/she is eligible for a full waiver of the	<	
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chooses to retire completely from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date:	•	Formatted: Bullets and Numb
chooses to retire completely from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this	۹ ک ۹	Formatted: Bullets and Numb
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 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. 	۹ ۹	Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's 	۹ ۹ ۹	Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired 	۹ ۹	Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired from the practice of medicine. 	< 	Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the physician resumes practice. However, 	۹ ۹	Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the physician resumes practice. However, the insured physician to whom separate limits of liability have been afforded will have the right to 	< 	Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the physician resumes practice. However, the insured physician to whom separate limits of liability have been afforded will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended 	< 	Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the physician resumes practice. However, the insured physician to whom separate limits of liability have been afforded will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement upon payment of the full premium. 	< 	Formatted: Bullets and Numb
 chooses to retire completely from the practice of medicine, hc/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the insured physician to whom separat limits of liability have been afforded must, as of the requested cancellation date: i.Have been continuously insured with <u>Us</u> for sixty (60) months immediately prior to claiming this benefit; ii.Be at least 55 years of age; and iii.Retire completely from the practice of medicine. b.<u>We</u> must receive a written request for this benefit at least thirty (30) days in advance of that physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the physician resumes practice. However, the insured physician to whom separate limits of liability have been afforded will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended 	<	Formatted: Bullets and Numb

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GRP- 091GL HEALTH CARE GENERAL LIABILITY ENDORSEMENT

5.Waiver of Extended Reporting Period Endorsement Premium at Age 65.

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If the insured physician to whom separate limits of liability have been afforded was insured with <u>Us</u> on September 30, 2005, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium at age 65 if he/she was insured with <u>Us</u> for the sixty (60) months immediately prior to reaching age 65. The insured physician to whom separate limits of liability have been afforded must also have been eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL policy immediately prior to when he/she was added to this Policy with separate limits.

 \underline{We} must receive this request at least thirty (30) days in advance of the date he/she chooses to terminate coverage with \underline{Us} .

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

This endorsement when signed by NORCAL's President and Secretary at San Francisco, California shall take effect on the endorsement effective date shown below.

Issue Date: <u>Named Insured</u>: Policy Number: <u>Policy Period</u>: Endorsement Number: Endorsement Effective Date: Additional Premium: Return Premium:

James Sunseri

James Sunseri President

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) theming H. Crocken

Katherine H. Crocker Secretary

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It is hereby understood and agreed that PART VII, EXTENDED REPORTING PERIOD OPTION is amended as follows:

Item B3. is deleted in its entirety and replaced with the following:

3. Phase-out Provision - Waiver of Extended Reporting Period Endorsement Premium upon Retirement at Age 55.

At age 55 an Insured Physician is eligible for a full waiver of his/her Extended Reporting Period Endorsement premium if he/she was insured with <u>Us</u> on September 30, 2005, remains insured with <u>Us</u> continuously until he/she retires and:

- a. Was age 50 or older on September 30, 2005;
- b. Has been insured with <u>Us</u> for the 12 months, and had continuous coverage for the 60 months, prior to reaching age 55;
- c. Retires completely from the practice of medicine;
- d. Were eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL policy immediately prior to when he/she was added as an Insured Physician to this Policy; and
- e. Requests this benefit on or before December 31, 2010.

<u>We</u> must receive a written request for this benefit at least 30 days in advance of the Insured Physician's retirement date. <u>We</u> will periodically require proof satisfactory to <u>Us</u> that the Insured Physician remains retired from the practice of medicine. If at any time in the future the Insured Physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the Insured Physician resumes practice. However, the Insured Physician will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement is purchased following the resumption of practice, there will be no coverage for <u>Claims</u>, <u>Administrative Proceedings</u> or <u>Employment-Related Civil Actions</u> reported to <u>Us</u> after the termination of the Extended Reporting Period Endorsement issued pursuant to this paragraph

Item B4. is added :

4. Waiver of Extended Reporting Period Endorsement Premium upon Retirement at Age 55.

- a. If during the <u>Policy Period</u>, an Insured Physician chooses to retire completely from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible an Insured Physician must, as of the requested cancellation date:
 - i. Have been continuously insured with Us for 60 months immediately prior to claiming this benefit;
 - ii. Be at least 55 years of age; and
 - iii. Retire completely from the practice of medicine.
- b. We must receive a written request for this benefit at least 30 days in advance of the Insured Physician's retirement date. We will periodically require proof satisfactory to Us that the Insured Physician remains retired from the practice of medicine. If at any time in the future the Insured Physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the Insured Physician resumes practice. However, the Insured Physician will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement is purchased following the resumption of practice, there will be no coverage for <u>Claims</u>, <u>Administrative Proceedings</u> or <u>Employment-Related Civil Actions</u> reported to <u>Us</u> after the termination of the Extended Reporting Period Endorsement issued pursuant to this paragraph.



GRP – 095 Waiver of Extended Reporting Period Endorsement Premium

Item B5. is added:

5. Waiver of Extended Reporting Period Endorsement Premium at Age 65.

If the Insured Physician was insured with <u>Us</u> on September 30, 2005, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium at age 65 if he/she was insured with <u>Us</u> for the 60 months immediately prior to reaching age 65. The Insured Physician must also have been eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL policy immediately prior to when he/she was added as an Insured Physician to this Policy.

We must receive this request at least 30 days in advance of the date he/she chooses to terminate coverage with Us.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

This endorsement when signed by NORCAL's President and Secretary at San Francisco, California shall take effect on the endorsement effective date shown below.

Issue Date: <u>Named Insured</u>: Policy Number: <u>Policy Period</u>: Endorsement Number: Endorsement Effective Date: Additional/Return Premium:

ames Junoe

James Sunseri President

) themine A. Crocken

Katherine H. Crocker Secretary



It is hereby understood and agreed that this Ppolicy is amended as follows:

PART II COVERAGES, COVERAGE A – Professional Liability Insurance, C. EXCLUSIONS 1c, 1d and 1f. are deleted in <u>theirits</u> entirety and replaced with the following:

- c. Any liability arising from a <u>Medical Incident</u> that took place while the license to practice medicine or the certification of the individual responsible for providing <u>Professional Health Care Services</u> or <u>Professional Committee Activities</u> is not in effect. This exclusion does not apply to the <u>Named Insured</u>.
- d. Any liability arising from a <u>Medical Incident</u> involving the prescription, dispensing or furnishing of controlled substances that happened while the license or registration to prescribe, dispense or furnish such controlled substances issued to the individual responsible for providing <u>Professional Health Care Services</u> is not in effect. This exclusion does not apply to the <u>Named Insured</u>.
- f. Any liability arising from a <u>Medical Incident</u> involving the fraudulent creation, alteration or modification of the medical record of any person. However, under Coverage A, Professional Liability Insurance:
- We will defend any <u>Claim otherwise covered by the policy and involving the fraudulent creation</u>, alteration or modification of the medical record of any person. However, the <u>Insured</u> who allegedly committed the fraudulent creation, alteration or modification of the medical record will reimburse <u>Us</u> for those <u>dDefense eCosts</u> if liability for the fraudulent creation, alteration or modification is admitted or determined by judgment or any other way.
- 2. We will pay <u>Damages for a Claim otherwise covered by the policy on behalf of any Insured</u>, other than the <u>Insured</u> who was responsible for the fraudulent creation, alteration or modification of the medical record of any person, unless that other <u>Insured</u>:
 - a. Knew or should have known about the fraudulent creation, alteration or modification of the medical record but failed to prevent or stop it; or
 - b. Knew or should have known that the <u>Insured</u> who committed the fraudulent creation, alteration or modification of the medical record had a prior history of or propensity for such actions.

PART IV - COMMON CONDITIONS

COMMON CONDITION X., Voting Rights is deleted in its entirety and replaced with the following:

X. Voting Rights. As an insured member of a mutual insurance company, the <u>Named Insured</u> shall have the right to one vote at any general or special meeting of members of NORCAL held during the <u>Policy Period</u> in accordance with the bylaws of NORCAL.

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Page 1 of 5



PART VII, EXTENDED REPORTING PERIOD OPTION, is deleted in its entirety and replaced with the following:

PART VII EXTENDED REPORTING PERIOD OPTION

IF AN EXTENDED REPORTING PERIOD ENDORSEMENT IS NOT ISSUED OR PURCHASED, THERE WILL BE NO COVERAGE UNDER THE CLAIMS MADE AND REPORTED SECTIONS OF THE POLICY FOR CLAIMS, ADMINISTRATIVE PROCEEDINGS, OR EMPLOYMENT-RELATED CIVIL ACTIONS THAT ARE FIRST REPORTED TO US ON OR AFTER THE EXPIRATION OR TERMINATION DATE OF THIS POLICY OR THE APPLICABLE COVERAGE.

This Extended Reporting Period Endorsement must be requested by written notice to Us within thirty (30) days from the expiration or termination date of this policy or applicable coverage.

A. MUTUAL RIGHTS

An Insured to whom separate limits of liability have been afforded may have the right to purchase an Extended Reporting Period Endorsement (frequently known as "tail coverage") if this policy or applicable coverage is canceled or non-renewed. This endorsement provides an extended period of time for reporting Claims, Administrative Proceedings or Employment Related Civil Actions under the claims made and reported sections of the policy as follows:

- 1. Medical Incidents or Occurrences that take place on or after the Retroactive Date as shown on the Declarations Page or applicable endorsement and before the expiration or termination of an Insured's coverage; and
- 2. Results in a Claim against an Insured that is first reported to Us under the Extended Reporting Period Endorsement; or
- 3. Acts that take place on or after the applicable Retroactive Date and before the expiration or termination of an Insured's coverage that result in an Administrative Proceeding or Employment-Related Civil Action instituted against that Insured and first reported to Us under the Extended Reporting Period Endorsement.

To purchase an Extended Reporting Period Endorsement the Insured to whom separate limits of liability have been afforded must be in compliance with all terms and conditions of the policy. We will not issue an Extended Reporting Period Endorsement to an Insured whose coverage has been cancelled or non-renewed for fraud, misrepresentation, concealment or breach of warranty. Nor will We issue an Extended Reporting Period Endorsement to an Insured if this policy is cancelled for non-payment or rescinded.

All outstanding earned premiums must be paid. Any additional premium for the Extended Reporting Period Endorsement will be computed in accordance with Our rules, rates and rating plans in effect at the time of the expiration or termination of coverage and must be paid to Us. This additional premium is fully earned and nonrefundable. If We do not receive full payment of all billed premiums on or before the due date of the premium notice, We will not issue an Extended Reporting Period Endorsement and We will cancel any previously issued Extended Reporting Period Endorsement.

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Page 2 of 5

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Additionally:

	<u>1.</u>	Once in effect, the Extended Reporting Period Endorsement may not be canceled unless the Insured to whom this Extended Reporting Period Endorsement was issued has committed a material breach of the terms or conditions of this policy or any endorsement attached to it.	4	Formatted: Bullets and Numbering
	<u>2.</u>	The Extended Reporting Period Endorsement does not extend the Policy Period or change the scope of coverage provided under this policy and any attached endorsement. Except as otherwise provided by this endorsement, any Claim, Administrative Proceeding or Employment-Related Civil Action reported to Us must be covered by this policy.	4	Formatted: Bullets and Numbering
	<u>3.</u>	The Extended Reporting Period Endorsement is subject to all of the provisions of the policy in existence at the time an Insured's active coverage ceases.	4	Formatted: Bullets and Numbering
	<u>4.</u>	The Extended Reporting Period Endorsement provides one set of limits of liability that are applicable only to those Claims first reported during the Extended Reporting Period. Those limits of liability will be eroded by payment of judgments and settlements. Our duty to defend ends when the limits of liability are exhausted by payment of judgments and settlements.		Formatted: Bullets and Numbering
<u>B.</u>		ECIAL PROVISIONS FOR INSURED PHYSICIANS TO WHOM SEPARATE LIMITS HAVE BEEN FORDED	4	Formatted: Bullets and Numbering
	<u>1.</u>	Waiver of Extended Reporting Endorsement Premium in the Event of Disability.	4	Formatted: Bullets and Numbering
		a. If an insured physician to whom separate limits have been afforded becomes totally and permanently disabled during the Policy Period as a result of Bodily Injury and is therefore completely unable to continue practicing as a physician or surgeon, We will provide an Extended Reporting Period Endorsement without cost. This waiver of premium is contingent upon receipt of evidence satisfactory to Us, which may include a physical examination by physicians of Our choice, that such physician is totally and permanently disabled. However, We must receive a written request from the physician or his/her personal representative for this benefit within 30 days after the cessation of his/her practice.	4	Formatted: Bullets and Numbering
		 b. We will require proof satisfactory to Us that disability continues on each anniversary of the issuance of the Extended Reporting Period Endorsement. If at any time in the future the physician resumes practicing as a physician to any extent, any Extended Reporting Period Endorsement issued pursuant to this provision will terminate on the date practice is resumed. The physician will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement is purchased following the resumption of practice there will be no coverage under the claims made and reported sections of the policy for Claims, Administrative Proceedings or Employment-Related Civil Actions reported to Us after the termination of the Extended Reporting Period Endorsement issued above. 	•	Formatted: Bullets and Numbering
			4	Formatted: Bullets and Numbering

1/1/<u>2012</u>07

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2. Waiver of Extended Reporting Period Endorsement Premium in the Event of Death.

In the event of the death during the Policy Period of an insured physician to whom separate limits have been afforded an Extended Reporting Period Endorsement will be issued to that physician's estate without any premium charge. This Extended Reporting Period Endorsement will become effective on the date of that physician's death. However, We must receive a written request along with proof of death within sixty (60) days after that physician's death.

3. Waiver of Extended Reporting Period Endorsement Premium upon Retirement at Any Age.

- If during the Policy Period an insured physician to whom separate limits have been afforded chooses to retire completely and permanently from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the physician must, as of the requested cancellation date:
 - i. Have been continuously insured with Us with separate limits for the 60 months immediately prior to claiming this benefit; and
 - ii. Retire completely and permanently from the practice of medicine.
- b. We must receive a written request for this benefit at least 30 days in advance of the physician's retirement date. We will periodically require proof satisfactory to Us that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the physician resumes practice. However, the physician will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement is purchased following the resumption of practice, there will be no coverage under the claims made and reported sections of the policy for Claims, Administrative Proceedings or Employment-Related Civil Actions reported to Us after the termination of the Extended Reporting Period Endorsement issued pursuant to this section.

4. Waiver of Extended Reporting Period Endorsement Premium at Age 65.

If an insured physician to whom separate limits have been afforded was insured with Us on September 30, 2005, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium at age 65 if he/she was insured with Us with separate limits for the 60 months immediately prior to reaching age 65. The insured physician to whom separate limits have been afforded must also have been eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL policy immediately prior to when he/she was added as an insured physician with separate limits to this policy.

We must receive this request at least 30 days in advance of the date he/she chooses to terminate coverage with Us.

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ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

This endorsement when signed by NORCAL's President and Secretary at San Francisco, California shall take effect on the endorsement effective date shown below.

Issue Date: <u>Named Insured</u>: Policy Number: <u>Policy Period</u>: Endorsement Number: Endorsement Effective Date: Additional/Return Premium:

James Sunser

James Sunseri President

)Lathenine H. Crocken

Katherine H. Crocker Secretary

Page 5 of 5



It is hereby understood and agreed that this policy is amended as follows:

PART II COVERAGES, COVERAGE A – Professional Liability Insurance, C. EXCLUSIONS 1c, 1d and 1f. are deleted in their entirety and replaced with the following:

- c. Any liability arising from a <u>Medical Incident</u> that took place while the license to practice medicine or the certification of the individual responsible for providing <u>Professional Health Care Services</u> or <u>Professional Committee Activities</u> is not in effect. This exclusion does not apply to the <u>Named Insured</u>.
- d. Any liability arising from a <u>Medical Incident</u> involving the prescription, dispensing or furnishing of controlled substances that happened while the license or registration to prescribe, dispense or furnish such controlled substances issued to the individual responsible for providing <u>Professional Health Care Services</u> is not in effect. This exclusion does not apply to the <u>Named Insured</u>.
- f. Any liability arising from a <u>Medical Incident</u> involving the fraudulent creation, alteration or modification of the medical record of any person. However, under Coverage A, Professional Liability Insurance:
 - 1. <u>We</u> will defend any <u>Claim</u> otherwise covered by the policy and involving the fraudulent creation, alteration or modification of the medical record of any person. However, the <u>Insured</u> who allegedly committed the fraudulent creation, alteration or modification of the medical record will reimburse <u>Us</u> for those <u>Defense Costs</u> if liability for the fraudulent creation, alteration or modification is admitted or determined by judgment or any other way.
 - 2. <u>We will pay Damages</u> for a <u>Claim</u> otherwise covered by the policy on behalf of any <u>Insured</u>, other than the <u>Insured</u> who was responsible for the fraudulent creation, alteration or modification of the medical record of any person, unless that other <u>Insured</u>:
 - a. Knew or should have known about the fraudulent creation, alteration or modification of the medical record but failed to prevent or stop it; or
 - b. Knew or should have known that the <u>Insured</u> who committed the fraudulent creation, alteration or modification of the medical record had a prior history of or propensity for such actions.

PART IV - COMMON CONDITIONS

COMMON CONDITION X., Voting Rights is deleted in its entirety and replaced with the following:

X. Voting Rights. As an insured member of a mutual insurance company, the <u>Named Insured</u> shall have the right to one vote at any general or special meeting of members of NORCAL held during the <u>Policy Period</u> in accordance with the bylaws of NORCAL.



PART VII, EXTENDED REPORTING PERIOD OPTION, is deleted in its entirety and replaced with the following:

PART VII EXTENDED REPORTING PERIOD OPTION

IF AN EXTENDED REPORTING PERIOD ENDORSEMENT IS NOT ISSUED OR PURCHASED, THERE WILL BE NO COVERAGE UNDER THE CLAIMS MADE AND REPORTED SECTIONS OF THE POLICY FOR <u>CLAIMS</u>, <u>ADMINISTRATIVE PROCEEDINGS</u>, OR <u>EMPLOYMENT-RELATED CIVIL ACTIONS</u> THAT ARE FIRST REPORTED TO <u>US</u> ON OR AFTER THE EXPIRATION OR TERMINATION DATE OF THIS POLICY OR THE APPLICABLE COVERAGE.

This Extended Reporting Period Endorsement must be requested by written notice to <u>Us</u> within thirty (30) days from the expiration or termination date of this policy or applicable coverage.

A. MUTUAL RIGHTS

An <u>Insured</u> to whom separate limits of liability have been afforded may have the right to purchase an Extended Reporting Period Endorsement (frequently known as "tail coverage") if this policy or applicable coverage is canceled or non-renewed. This endorsement provides an extended period of time for reporting <u>Claims</u>, <u>Administrative</u> <u>Proceedings</u> or <u>Employment Related Civil Actions</u> under the claims made and reported sections of the policy as follows:

- 1. <u>Medical Incidents</u> or <u>Occurrences</u> that take place on or after the <u>Retroactive Date</u> as shown on the Declarations Page or applicable endorsement and before the expiration or termination of an <u>Insured's</u> coverage; and
- 2. Results in a <u>Claim</u> against an <u>Insured</u> that is first reported to <u>Us</u> under the Extended Reporting Period Endorsement; or
- 3. Acts that take place on or after the applicable <u>Retroactive Date</u> and before the expiration or termination of an <u>Insured's</u> coverage that result in an <u>Administrative Proceeding</u> or <u>Employment-Related Civil Action</u> instituted against that <u>Insured</u> and first reported to <u>Us</u> under the Extended Reporting Period Endorsement.

To purchase an Extended Reporting Period Endorsement the <u>Insured</u> to whom separate limits of liability have been afforded must be in compliance with all terms and conditions of the policy. <u>We</u> will not issue an Extended Reporting Period Endorsement to an <u>Insured</u> whose coverage has been cancelled or non-renewed for fraud, misrepresentation, concealment or breach of warranty. Nor will <u>We</u> issue an Extended Reporting Period Endorsement to an <u>Insured</u> if this policy is cancelled for non-payment or rescinded.

All outstanding earned premiums must be paid. Any additional premium for the Extended Reporting Period Endorsement will be computed in accordance with <u>Our</u> rules, rates and rating plans in effect at the time of the expiration or termination of coverage and must be paid to <u>Us</u>. This additional premium is fully earned and non-refundable. If <u>We</u> do not receive full payment of all billed premiums on or before the due date of the premium notice, <u>We</u> will not issue an Extended Reporting Period Endorsement and <u>We</u> will cancel any previously issued Extended Reporting Period Endorsement.



Additionally:

- 1. Once in effect, the Extended Reporting Period Endorsement may not be canceled unless the <u>Insured</u> to whom this Extended Reporting Period Endorsement was issued has committed a material breach of the terms or conditions of this policy or any endorsement attached to it.
- 2. The Extended Reporting Period Endorsement does not extend the <u>Policy Period</u> or change the scope of coverage provided under this policy and any attached endorsement. Except as otherwise provided by this endorsement, any <u>Claim, Administrative Proceeding</u> or <u>Employment-Related Civil Action</u> reported to <u>Us</u> must be covered by this policy.
- 3. The Extended Reporting Period Endorsement is subject to all of the provisions of the policy in existence at the time an <u>Insured's</u> active coverage ceases.
- 4. The Extended Reporting Period Endorsement provides one set of limits of liability that are applicable only to those <u>Claims</u> first reported during the Extended Reporting Period. Those limits of liability will be eroded by payment of judgments and settlements. <u>Our</u> duty to defend ends when the limits of liability are exhausted by payment of judgments and settlements.

B. SPECIAL PROVISIONS FOR INSURED PHYSICIANS TO WHOM SEPARATE LIMITS HAVE BEEN AFFORDED

- 1. Waiver of Extended Reporting Endorsement Premium in the Event of Disability.
 - a. If an insured physician to whom separate limits have been afforded becomes totally and permanently disabled during the <u>Policy Period</u> as a result of <u>Bodily Injury</u> and is therefore completely unable to continue practicing as a physician or surgeon, <u>We</u> will provide an Extended Reporting Period Endorsement without cost. This waiver of premium is contingent upon receipt of evidence satisfactory to <u>Us</u>, which may include a physical examination by physicians of <u>Our</u> choice, that such physician is totally and permanently disabled. However, <u>We</u> must receive a written request from the physician or his/her personal representative for this benefit within 30 days after the cessation of his/her practice.
 - b. We will require proof satisfactory to Us that disability continues on each anniversary of the issuance of the Extended Reporting Period Endorsement. If at any time in the future the physician resumes practicing as a physician to any extent, any Extended Reporting Period Endorsement issued pursuant to this provision will terminate on the date practice is resumed. The physician will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement is purchased following the resumption of practice there will be no coverage under the claims made and reported sections of the policy for <u>Claims</u>, <u>Administrative Proceedings</u> or <u>Employment-Related Civil Actions</u> reported to <u>Us</u> after the termination of the Extended Reporting Period Endorsement issued above.



2. Waiver of Extended Reporting Period Endorsement Premium in the Event of Death.

In the event of the death during the <u>Policy Period</u> of an insured physician to whom separate limits have been afforded an Extended Reporting Period Endorsement will be issued to that physician's estate without any premium charge. This Extended Reporting Period Endorsement will become effective on the date of that physician's death. However, <u>We</u> must receive a written request along with proof of death within sixty (60) days after that physician's death.

3. Waiver of Extended Reporting Period Endorsement Premium upon Retirement at Any Age.

- a. If during the <u>Policy Period</u> an insured physician to whom separate limits have been afforded chooses to retire completely and permanently from the practice of medicine, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium. To be eligible the physician must, as of the requested cancellation date:
 - i. Have been continuously insured with <u>Us</u> with separate limits for the 60 months immediately prior to claiming this benefit; and
 - ii. Retire completely and permanently from the practice of medicine.
- b. We must receive a written request for this benefit at least 30 days in advance of the physician's retirement date. We will periodically require proof satisfactory to Us that the physician remains retired from the practice of medicine. If at any time in the future the physician resumes practicing as a physician to any extent, this premium waiver will be lost as of the date the physician resumes practice. However, the physician will have the right to purchase an Extended Reporting Period Endorsement upon payment of the full premium. If no Extended Reporting Period Endorsement is purchased following the resumption of practice, there will be no coverage under the claims made and reported sections of the policy for Claims, Administrative Proceedings or Employment-Related Civil Actions reported to Us after the termination of the Extended Reporting Period Endorsement is burchased.

4. Waiver of Extended Reporting Period Endorsement Premium at Age 65.

If an insured physician to whom separate limits have been afforded was insured with <u>Us</u> on September 30, 2005, he/she is eligible for a full waiver of the Extended Reporting Period Endorsement premium at age 65 if he/she was insured with <u>Us</u> with separate limits for the 60 months immediately prior to reaching age 65. The insured physician to whom separate limits have been afforded must also have been eligible to qualify for an individual Extended Reporting Period Endorsement under a NORCAL policy immediately prior to when he/she was added as an insured physician with separate limits to this policy.

We must receive this request at least 30 days in advance of the date he/she chooses to terminate coverage with Us.



ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

This endorsement when signed by NORCAL's President and Secretary at San Francisco, California shall take effect on the endorsement effective date shown below.

Issue Date: <u>Named Insured</u>: Policy Number: <u>Policy Period</u>: Endorsement Number: Endorsement Effective Date: Additional/Return Premium:

James Sunseri

James Sunseri President

)Lathenine H. Crocken

Katherine H. Crocker Secretary

SERFF Tracking Number:	NCMC-127209	9693	State	e:	California		
Filing Company:	NORCAL Mut	ual Insurance Company	State	e Tracking Number:	11-5669		
Company Tracking Number:	CA P&S FOR	M/RATE/RULE 1/1/2012					
TOI:	11.2 Med Mal-	-Claims Made Only	Sub-	-TOI:	11.2023 Phy	sicians & Surgeons	
Product Name:	NORCAL Phys	sicians & Surgeons					
Project Name/Number:	CA P&S FOR	M/RATE/RULE 1/1/2012/					
Rate Information	1						
Rate data applies to	filing.						
Filing Method: Rate Change Type: Overall Percentage of L	ast Rate Revisio	n.			Γ	Prior Approval Decrease .600%	
Effective Date of Last R						0/01/2004	
Filing Method of Last F						Prior Approval	
Thing Method of Last T	iing.				I		
Company Rate Info	rmation						
Company Name:	Overall %	Overall % Rate	Written	# of Policy	Written	Maximum %	Minimum %
	Indicated	Impact:	Premium	Holders	Premium for	Change (where	Change (where
	Change:		Change for this Program:	Affected for this Program:	this Program:	required):	required):
NORCAL Mutual	8.940%	-5.000%	\$-6,830,900	9,534	\$136,618,010	%	%

Insurance Company

SERFF Tracking Number:	NCMC-127209693	State:	California
Filing Company:	NORCAL Mutual Insurance Company	State Tracking Number:	11-5669
Company Tracking Number:	CA P&S FORM/RATE/RULE 1/1/2012		
TOI:	11.2 Med Mal-Claims Made Only	Sub-TOI:	11.2023 Physicians & Surgeons
Product Name:	NORCAL Physicians & Surgeons		
Project Name/Number:	CA P&S FORM/RATE/RULE 1/1/2012/		

Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page #:	Rate Action	Previous State Filing Number:	g Attachments
	CA P&S Rules	Items H, M2, M3, M7, III (1e 8 f)	Replacement	11-191	CA_P&S_Rules_1-1- 12_Filing Version.pdf
	CA Group Rules	Items H, M2, M3, M5, III (2e)	Replacement	11-191	CA_Group_Policy_Rul es_1-1-12_Filing Version.pdf



H. Health Care Extenders

Health care extender coverage may be added to a policy by endorsement as appropriate to a particular situation. Coverage is limited to professional services rendered on behalf of an insured for a specified time period. Coverage is available on a separate or shared limits basis for all health care extenders except optometrists and preceptees. Optometrists are eligible only for separate limits. Preceptees are eligible only for shared limits. A flat charge premium will be charged for the addition of any of the following health care extenders:

- Certified Registered Nurse Anesthetist
- Physician Assistant Incl. Obstetrics

Podiatrist (Limited Surgery)

- Nurse-Midwife
- Nurse Practitioner
- Optometrist
- Perfusionist
- Physician Assistant

- Podiatrist (Major Surgery)Preceptee
- <u>Radiology Assistant</u>
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A part-time discount is available to health care extenders who practice less than full time on behalf of the Named Insured. The discount is based on the number of hours the health care extender works per month divided by the full time equivalent of 180 hours per month, subject to a minimum discount of 25% and a maximum discount of 75%. However, the maximum part-time discount available for a Nurse-Midwife or a Physician Assistant Incl. Obstetrics is 50%.

I. Endorsed Part-Time Physicians

Coverage for Endorsed Part-Time Physicians is available for physicians who extend the practice of the Named Insured, either on a temporary or regular basis. The Endorsed Part-Time Physician will share in the insured health care professional's or Medical Partnership or Medical Corporation's limits of liability.

The premium is calculated as follows:

- 1. Determine mature rate of physician's medical specialty, limits, and territory; multiplied by
- Full Time Equivalent basis (the hours worked each month is divided by 180 per month to determine the full time equivalent for rating purposes) Subject to a minimum discount of 25% and a maximum discount of 75%; multiplied by
- 3. A 25% shared limit discount will be applied for Endorsed Part-Time Physicians sharing policy limits with the Named Insured.
- 4. Applicable discount and surcharge factors.

Version-4/1/11<u>1/1/2012</u> CA – Physicians & Surgeons



M. Discount Programs

1. <u>New Doctor Discount</u>

A new doctor discount is available to physicians who establish a new private practice upon completion of their formal internship or residency, or military service. A physician is also eligible to receive the discount upon completion of formal training for a different (new) medical specialty. The discount applies to the first 36 months starting from the first date of the new practice.

The following discounts are applied to the actual number of new doctor exposure days in the current policy period:

- 75% First 12 months
- 50% 12 months to 24 months
- 25% 24 months to 36 months

A physician is not eligible for both the new doctor discount and the parttime practice discount simultaneously.

2. <u>Part-time Practice Discount</u>

A 50% discount is available to part-time physicians who <u>practice an</u> <u>average of 20 hours per week or less.meet all of the following criteria:</u>

a.practice an average of 24 hours per week or less; and b.have 40 or fewer hospital admissions per year. --- **Formatted**: Bullets and Numbering

FP/GP including OB and OB/GYN physicians are not eligible for the part-time practice discount.

A physician is not eligible for both the part-time practice discount and the new doctor discount simultaneously.

Physicians who are in the surcharge program do not qualify for a part-time discount.

3. <u>Risk Management Discount Program</u>

The risk management discount is available to solo physicians and physicians in a 2-4 member physician group. A physician who has his/her own limits qualifies for a 5% or 7% discount by annually completing a NORCAL-approved loss prevention/risk management course or activity as follows:

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	Activity	<u>Credit</u>
•	A course or activity providing at least 2	<u>5%</u>
	annual CME credits:	
•	A course or activity providing at least 3	<u>7%</u>
	annual CME credits completed by a	
	physician who is an active member of	
	a NORCAL endorsing medical society:	

Each physician must earn the discount individually. A physician in the surcharge program is not eligible for this discount.

A 5% discount is available to solo physicians and physicians in a 2-4 member physician group. To qualify, a physician must perform annually an approved activity specifically designed to augment his or her knowledge of medical-legal risk management techniques.

Physicians who are in the surcharge program do not qualify for the risk management discount.

4. Group Size Discount

Physicians who are members of groups are eligible for a group size discount. This discount is based solely on the size of the group. The group size discount eligibility is evaluated annually at policy renewal. Changes made to the group size during the policy period will not be reflected until the next policy renewal.

<u>Group Size</u>	Percentage of Discount
5-9	7.5%
10-19	15%
20-34	20%
35 or more	25%

Group size is determined by the number of physician members who have separate limits of liability.

5. Voluntary Deductible Discount

Voluntary deductibles are available in both aggregated and nonaggregated forms. The deductible credit is dependent on the total limits, deductible size, and aggregate deductible limit.

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6. Pre-Retirement Premium Waiver Credit

A physician, who has changed or modified his or her practice resulting in a lower medical specialty classification, has been insured by NORCAL for 60 full consecutive months and is at least 55 years of age is eligible for a premium reduction. The pre-retirement premium waiver credit results in a waiver of the residual portion of the premium which was rated at the higher medical specialty classification.

7. Schedule Rating Plan

Schedule rating is a plan that allows NORCAL to modify a rate to reflect certain risk characteristics that are not reflected in manual rating. This plan shall be applicable for all groups of 5 or more physicians.

The schedule rating permits the application of a range of debits and credits is based upon risk characteristics as follows:

SCHEDULE RATING PLAN		
Risk Characteristics	Credits/Debits Available	
Adequacy of staffing selection and supervision, and experience of staff personnel	+/- 40%	
Quality Assurance Procedures Credentialing and Re-Credentialing Peer Review Procedures Participation in Risk Management Programs	+/- 40%	
Loss History	+/- 40%	
Practice Profile	+/- 40%	
Total Available Credits/Debits	+/- 40%	

N. Surcharge Program

Any insured whose practice is found to be an increased risk may receive a surcharge of 10% or more. This program is designed for certain physicians who present an increased risk or who would otherwise be declined, non-renewed or canceled.

Physicians in this program are not eligible for the risk management and/or part-time practice discount.

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III. EXTENDED REPORTING PERIOD COVERAGE

Extended Reporting Period Endorsement Coverage extends the time to report a claim, administrative proceeding, or employment-related civil action. It may be available in the event of cancellation or non-renewal of a policy or the coverage of an insured physician or health care extender with separate limits, when the Named Insured or NORCAL cancels or non-renews the policy or coverage. If this endorsement is not issued, there will be no coverage for any claims resulting from medical incidents or occurrences, or administrative proceedings or employment-related civil actions, that are first reported to NORCAL on or after the termination date of the policy or coverage.

An insured will not have the right to purchase nor is NORCAL required to offer an Extended Reporting Period Endorsement if the policy or coverage is rescinded, or is canceled or non-renewed for non-payment of premium or deductible, fraud, misrepresentation, concealment, or breach of warranty.

The premium for an Extended Reporting Period Endorsement represents the residual premium (cumulative difference) between the full occurrence charges for all subject years and the premium actually collected as of the date of cancellation.

The Extended Reporting Period Endorsement will be issued upon payment of the premiums and extends coverage through perpetuity.

- 1. Physicians & Surgeons with Separate Limits
 - a. Extended Reporting Period Endorsement premiums must be paid promptly when due. Premiums may be paid 100% at termination or in 3 annual installments of 50%, 25% and 25%, with the first installment due at termination. If the installments are not paid, the Extended Reporting Period Endorsement will be cancelled. This additional premium is fully earned and non-refundable.
 - b. The limits of liability will be reinstated one time at the effective date of the Extended Reporting Period Endorsement. The reinstated limits of liability will be equal to those afforded at the termination date of the policy.
 - c. If the physician should die within the policy period, an Extended Reporting Period Endorsement will be issued without charge to be effective through perpetuity. If the physician should die during the reporting endorsement period, any remaining premium due will be waived.

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d. A full waiver of Extended Reporting Period Endorsement premium issued for permanent disability subject to NORCAL's rules and regu	
 A full waiver of Extended Reporting Period Endorsement premium issued for retirement subject to NORCAL's rules and regulations. To qualify for a waiver due to retirement, physicians & surgeons m all of the following criteria: 	
i .are at least 55 years of age; and iii. have been continuously insured with NORCAL <u>with separate lir</u> at least 60 months; and iii.iretire completely <u>and permanently</u> from the practice of medic	
f.Physicians may be eligible for a full waiver of Extended Reporting Pe Endorsement premium at age 55 if they were insured with NORCA September 30, 2005, remain insured with NORCAL continuously un retirement and meet all of the following criteria:	L-on
i.are age 50 or older on September 30, 2005; and ii.are at least 55 years of age at time of retirement; and iii.have been continuously insured for 60 consecutive months prior reaching age 55, including the last 12 months with NORCAL; a iv.retire completely from the practice of medicine; and v.request this benefit- on or before December 31, 2010.	
g. <u>f.</u> Physicians may be eligible for a full waiver of Extended Reporting Per Endorsement premium if they were insured with NORCAL on September 3 and meet all of the following criteria:	
i. are at least 65 years of age; and	

- ii. have been continuously insured with NORCAL with separate limits for 60 consecutive months prior to reaching age 65.
- 2. Entities with Separate Limits
 - a. Extended Reporting Period Endorsement premiums must be paid promptly when due. Premiums must be paid 100% at termination.
 - b. The entity is provided its own set of limits that are reinstated one time at the termination date of the policy. The reinstated limits of liability will be equal to those afforded under the current policy.
 - c. The premium for the entity's Extended Reporting Period Endorsement is the percentage of the Extended Reporting Endorsement premium charged for the health care professionals who are part of the group. The

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percentage applied and the applicable minimum premium requirements are based on the physicians & surgeons rating plans in effect at the time of the policy inception.

- 3. Health Care Extenders with Separate Limits
 - a. Extended Reporting Period Endorsement premiums must be paid promptly when due. Premiums must be paid 100% at termination.
 - b. The health care extender is provided his/her own set of limits of liability and reimbursement equal to those afforded under the current policy at the termination of his/her coverage. The limits of liability and reimbursement apply to claims, administrative proceedings, and employment-related civil actions reported to NORCAL on or after the termination of their coverage.

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H. Health Care Extenders

Health care extender coverage may be added to a policy by endorsement as appropriate to a particular situation. Coverage is limited to professional services rendered on behalf of an insured for a specified time period. Coverage is available on a separate or shared limits basis for all health care extenders except optometrists and preceptees. Optometrists are eligible only for separate limits. Preceptees are eligible only for shared limits. A flat charge premium will be charged for the addition of any of the following health care extenders:

- Certified Registered Nurse Anesthetist
- Midwife
- Nurse Practitioner
- Optometrist
- Perfusionist
- Physician Assistant

- Physician Assistant Incl. Obstetrics
- Podiatrist (Limited Surgery)
- Podiatrist (Major Surgery)
- Preceptee
- Radiology Assistant

A part-time discount is available to health care extenders who practice less than full time on behalf of the Named Insured. The discount is based on the number of hours the health care extender works per month divided by the full time equivalent of 180 hours per month, subject to a minimum discount of 25% and a maximum discount of 75%. However, the maximum part-time discount available for a Midwife or a Physician Assistant Incl. Obstetrics is 50%.

I. Endorsed Part-Time Physicians

Coverage for Endorsed Part-Time Physicians is available for physicians who extend the practice of the Named Insured, either on a temporary or regular basis. The Endorsed Part-Time Physician will share in the insured health care professional's or Medical Partnership or Medical Corporation's limits of liability.

The premium is calculated as follows:

- 1. Determine mature rate of physician's medical specialty, limits, and territory; multiplied by
- Full Time Equivalent basis (the hours worked each month is divided by 180 per month to determine the full time equivalent for rating purposes) Subject to a minimum discount of 25% and a maximum discount of 75%; multiplied by
- 3. A 25% shared limit discount will be applied for Endorsed Part-Time Physicians sharing policy limits with the Named Insured.
- 4. Applicable discount and surcharge factors.



M. Discount Programs

1. <u>New Doctor Discount</u>

A new doctor discount is available to physicians who establish a new private practice upon completion of their formal internship or residency, or military service. A physician is also eligible to receive the discount upon completion of formal training for a different (new) medical specialty. The discount applies to the first 36 months starting from the first date of the new practice.

The following discounts are applied to the actual number of new doctor exposure days in the current policy period:

- 75% First 12 months
- 50% 12 months to 24 months
- 25% 24 months to 36 months

A physician is not eligible for both the new doctor discount and the parttime practice discount simultaneously.

2. Part-time Practice Discount

A 50% discount is available to part-time physicians who practice an average of 20 hours per week or less.

FP/GP including OB and OB/GYN physicians are not eligible for the parttime practice discount.

A physician is not eligible for both the part-time practice discount and the new doctor discount simultaneously.

Physicians who are in the surcharge program do not qualify for a part-time discount.

3. <u>Risk Management Discount Program</u>

The risk management discount is available to solo physicians and physicians in a 2-4 member physician group. A physician who has his/her own limits qualifies for a 5% or 7% discount by annually completing a NORCAL-approved loss prevention/risk management course or activity as follows:



•	<u>Activity</u> A course or activity providing at least 2 annual CME credits:	Credit 5%
•	A course or activity providing at least 3 annual CME credits completed by a physician who is an active member of a NORCAL endorsing medical society:	7%

Each physician must earn the discount individually. A physician in the surcharge program is not eligible for this discount.

4. Group Size Discount

Physicians who are members of groups are eligible for a group size discount. This discount is based solely on the size of the group. The group size discount eligibility is evaluated annually at policy renewal. Changes made to the group size during the policy period will not be reflected until the next policy renewal.

<u>Group Size</u>	Percentage of Discount
5-9	7.5%
10-19	15%
20-34	20%
35 or more	25%

Group size is determined by the number of physician members who have separate limits of liability.

5. Voluntary Deductible Discount

Voluntary deductibles are available in both aggregated and nonaggregated forms. The deductible credit is dependent on the total limits, deductible size, and aggregate deductible limit.

6. Pre-Retirement Premium Waiver Credit

A physician, who has changed or modified his or her practice resulting in a lower medical specialty classification, has been insured by NORCAL for 60 full consecutive months and is at least 55 years of age is eligible for a premium reduction. The pre-retirement premium waiver credit results in a waiver of the residual portion of the premium which was rated at the higher medical specialty classification.



7. <u>Schedule Rating Plan</u>

Schedule rating is a plan that allows NORCAL to modify a rate to reflect certain risk characteristics that are not reflected in manual rating.

The range of debits and credits is based upon risk characteristics as follows:

SCHEDULE RATING PLAN		
Risk Characteristics	Credits/Debits Available	
Adequacy of staffing selection and supervision, and	+/- 40%	
experience of staff personnel		
Quality Assurance Procedures	+/- 40%	
Credentialing and Re-Credentialing		
Peer Review Procedures		
Participation in Risk Management Programs		
Loss History	+/- 40%	
Practice Profile	+/- 40%	
Total Available Credits/Debits	+/- 40%	

N. Surcharge Program

Any insured whose practice is found to be an increased risk may receive a surcharge of 10% or more. This program is designed for certain physicians who present an increased risk or who would otherwise be declined, non-renewed or canceled.

Physicians in this program are not eligible for the risk management and/or part-time practice discount.



III. EXTENDED REPORTING PERIOD COVERAGE

Extended Reporting Period Endorsement Coverage extends the time to report a claim, administrative proceeding, or employment-related civil action. It may be available in the event of cancellation or non-renewal of a policy or the coverage of an insured physician or health care extender with separate limits, when the Named Insured or NORCAL cancels or non-renews the policy or coverage. If this endorsement is not issued, there will be no coverage for any claims resulting from medical incidents or occurrences, or administrative proceedings or employment-related civil actions, that are first reported to NORCAL on or after the termination date of the policy or coverage.

An insured will not have the right to purchase nor is NORCAL required to offer an Extended Reporting Period Endorsement if the policy or coverage is rescinded, or is canceled or non-renewed for non-payment of premium or deductible, fraud, misrepresentation, concealment, or breach of warranty.

The premium for an Extended Reporting Period Endorsement represents the residual premium (cumulative difference) between the full occurrence charges for all subject years and the premium actually collected as of the date of cancellation.

The Extended Reporting Period Endorsement will be issued upon payment of the premiums and extends coverage through perpetuity.

- 1. Physicians & Surgeons with Separate Limits
 - a. Extended Reporting Period Endorsement premiums must be paid promptly when due. Premiums may be paid 100% at termination or in 3 annual installments of 50%, 25% and 25%, with the first installment due at termination. If the installments are not paid, the Extended Reporting Period Endorsement will be cancelled. This additional premium is fully earned and non-refundable.
 - b. The limits of liability will be reinstated one time at the effective date of the Extended Reporting Period Endorsement. The reinstated limits of liability will be equal to those afforded at the termination date of the policy.
 - c. If the physician should die within the policy period, an Extended Reporting Period Endorsement will be issued without charge to be effective through perpetuity. If the physician should die during the reporting endorsement period, any remaining premium due will be waived.



- d. A full waiver of Extended Reporting Period Endorsement premium will be issued for permanent disability subject to NORCAL's rules and regulations.
- e. A full waiver of Extended Reporting Period Endorsement premium will be issued for retirement subject to NORCAL's rules and regulations. To qualify for a waiver due to retirement, physicians & surgeons must meet all of the following criteria:
 - i. have been continuously insured with NORCAL with separate limits for at least 60 months; and
 - ii. retire completely and permanently from the practice of medicine.
- f. Physicians may be eligible for a full waiver of Extended Reporting Period Endorsement premium if they were insured with NORCAL on September 30, 2005 and meet all of the following criteria:
 - i. are at least 65 years of age; and
 - ii. have been continuously insured with NORCAL with separate limits for 60 consecutive months prior to reaching age 65.
- 2. Entities with Separate Limits
 - a. Extended Reporting Period Endorsement premiums must be paid promptly when due. Premiums must be paid 100% at termination.
 - b. The entity is provided its own set of limits that are reinstated one time at the termination date of the policy. The reinstated limits of liability will be equal to those afforded under the current policy.
 - c. The premium for the entity's Extended Reporting Period Endorsement is the percentage of the Extended Reporting Endorsement premium charged for the health care professionals who are part of the group. The percentage applied and the applicable minimum premium requirements are based on the physicians & surgeons rating plans in effect at the time of the policy inception.
- 3. Health Care Extenders with Separate Limits
 - a. Extended Reporting Period Endorsement premiums must be paid promptly when due. Premiums must be paid 100% at termination.
 - b. The health care extender is provided his/her own set of limits of liability and reimbursement equal to those afforded under the current policy at the termination of his/her coverage. The limits of liability and reimbursement apply to claims, administrative proceedings, and



employment-related civil actions reported to NORCAL on or after the termination of their coverage.



G. Locum Tenens

Coverage for a health care professional substituting for an insured health care professional will be limited to professional health care services rendered on behalf of the insured for the specified time period only. The locum tenens will share in the insured health care professional's limits of liability. There is no premium charge for this coverage.

H. Health Care Extenders

Health care extender coverage may be added to a policy by endorsement as appropriate to a particular situation. Coverage is limited to professional services rendered on behalf of the Named Insured for a specified time period. Coverage is available on a separate or shared limits basis for all health care extenders except optometrists and preceptees. Optometrists are eligible only for separate limits. Preceptees are eligible only for shared limits. A flat charge premium will be charged for the addition of any of the following health care extenders:

- Certified Registered Nurse Anesthetist
- Nurse-Midwife
- Nurse Practitioner
- Optometrist
- Perfusionist
- Physician Assistant

- Physician Assistant Incl. Obstetrics
- Podiatrist (Limited Surgery)
- Podiatrist (Major Surgery)
- Preceptee
- Radiology Assistant
- A part-time discount is available to health care extenders who practice less than full time on behalf of the Named Insured. The discount is based on the number of hours the health care extender works per month divided by the full time equivalent of 180 hours per month, subject to a minimum discount of 25% and a maximum discount of 75%. However, the maximum part-time discount available for a Nurse-Midwife or a Physician Assistant Incl. Obstetrics is 50%.

I. Endorsed Part-Time Physicians

Coverage for Endorsed Part-Time Physicians is available for physicians who extend the practice of the Named Insured, either on a temporary or limited basis. The Endorsed Part-Time Physician will share in the Medical Group's limits of liability.

The premium is calculated as follows:

1. Determine mature rate of physician's medical specialty, limits, and territory; multiplied by

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2. Part-time Practice Discount

A 50% discount is available to physicians who meet all of the following criteria:

a. practice an average of 2420 hours per week or less; and b.have 40 or fewer hospital admissions per year, and c.b. have their own set of limits.

Family/General Practice/OB and OB/GYN physicians are not eligible for the part-time practice discount.

A physician is not eligible for both the part-time practice discount and the new doctor discount simultaneously.

Physicians who are in the surcharge program do not qualify for a part-time discount.

3. Risk Management Discount Program

<u>The risk management discount is available to each physician with</u> <u>separate limits who practices in a 2-4 physician-member group. A</u> <u>physician qualifies for a 5% or 7% discount by annually completing a</u> <u>NORCAL-approved loss prevention/risk management course or activity as</u> <u>follows''</u>

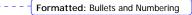
<u>Activity</u>	<u>Credit</u>
 A course or activity providing at least 2 	<u>5%</u>
annual CME credits:	
A course or activity providing at least 3	<u>7%</u>
annual CME credits completed by a	
<u>physician who is an active member of</u>	
<u>a NORCAL endorsement medical</u>	
society:	

Each physician must earn the discount individually. A physician in the surcharge program is not eligible for this discount.

A 5% discount is available to physicians in a 2.4 member physician group. To qualify, a physician who has his/her own set of limits must perform annually an approved activity specifically designed to augment his or her knowledge of medical legal risk management techniques. Each physician must earn the discount on their own.

Physicians who are in the surcharge program do not qualify for the risk management discount.

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5. <u>Schedule Rating Plan</u>

Schedule rating is a plan that allows NORCAL to modify a premium to reflect certain risk characteristics that are not reflected in manual rating. This plan shall be applicable for groups of 5 or more physicians.

The range of debits and credits is based upon risk characteristics as follows:

SCHEDULE RATING PLAN		
Risk Characteristics	Credits/Debits Available	
Adequacy of staffing selection and supervision, and experience of staff personnel	+/- 40%	
Quality Assurance Procedures Credentialing and Re-Credentialing Peer Review Procedures Participation in Risk Management Programs	+/- 40%	
Premises & Equipment – Type, Condition and Care	+/- 40%	
Loss History	+/- 40%	
Practice Profile	+/- 40%	
Total Available Credits/Debits	+/- 40%	

6. Voluntary Deductible Discount

Voluntary deductibles are available in both aggregated and nonaggregated forms. The deductible credit is dependent on the total limits, deductible size, and aggregate deductible limit.

7. Pre-Retirement Premium Waiver Credit

A physician who has changed or modified his or her practice resulting in a lower medical specialty classification is eligible for a premium reduction. To qualify, the physician has to have been insured by NORCAL for 60 full consecutive months and be at least 55 years of age. The pre-retirement premium waiver credit results in a waiver of the residual portion of the premium which was rated at the higher medical specialty classification.

M. Surcharge Program

Any insured whose practice is found to be an increased risk may receive a surcharge of 10% or more. This program is designed for certain physicians who present an increased risk or who would otherwise be declined, non-renewed or canceled.

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Physicians in this program are not eligible for the risk management and/or part-time practice discount.

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III. EXTENDED REPORTING PERIOD COVERAGE

Extended Reporting Period Endorsement Coverage extends the time to report a claim, administrative proceeding or employment-related civil action. It may be available in the event of cancellation or non-renewal of a policy or the coverage of an insured physician or health care extender with separate limits, when the Named Insured or NORCAL cancels or non-renews the policy or coverage. If this endorsement is not issued, there will be no coverage for any claims resulting from medical incidents or occurrences, or administrative proceedings or employment-related civil actions, that are first reported to NORCAL on or after the termination date of the policy or coverage.

We will not issue an Extended Reporting Period Endorsement to the Named Insured or an insured physician or health care extender whose coverage has been cancelled or non-renewed for fraud, misrepresentation, concealment, or breach of warranty. Nor will we issue an Extended Reporting Period Endorsement to an Insured if a policy is cancelled for non-payment or is rescinded.

The premium for an Extended Reporting Period Endorsement is calculated by multiplying the claims-made run off factors by the mature premium that would have been collected for each historical year based on the physicians & surgeons rating plan in effect at the inception of the expiring claims-made policy and summing the result.

The Extended Reporting Period Endorsement will be issued upon payment of the premiums and extends coverage through perpetuity. This additional premium is fully earned and non-refundable.

1. Entities

An entity may be eligible to purchase an Extended Reporting Period Endorsement upon termination of the policy.

- a. Extended Reporting Period Endorsement premiums must be paid promptly when due. Premiums must be paid 100% at termination.
- b. The entity may purchase an Extended Reporting Period Endorsement for its own exposures at policy termination provided that all eligible physicians who are members of the group at the termination of the policy have purchased or are issued an Extended Reporting Period Endorsement by NORCAL.
- c. The entity is provided its own set of limits at the termination date of the policy. The limits of liability and reimbursement are equal to those

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afforded under the current policy and apply to claims, administrative proceedings, and employment-related civil actions reported to NORCAL on or after the termination date of the policy.

- d. The premium for the entity's Extended Reporting Period Endorsement is a percentage of the Extended Reporting Period Endorsement premium charged for the health care professionals who are part of the group at the termination of the policy. The percentage applied and the applicable minimum premium requirements are based on the physicians & surgeons rating plans in effect at the time of the policy inception
- 2. Physicians & Surgeons with Separate Limits

A physician may be eligible to purchase an Extended Reporting Period Endorsement when he/she terminates his/her coverage under the Group Policy.

- a. Extended Reporting Period Coverage premiums must be paid promptly when due. Premiums must be paid 100% at termination or in 3 annual installments of 50%, 25% and 25%, with the first installment due at termination. If the installments are not paid, the Extended Reporting Period Endorsement will be cancelled. This additional premium is fully earned and non-refundable.
- b. The physician is provided his/her own set of limits of liability and reimbursement equal to those afforded under the current policy at the termination of his/her coverage. The limits of liability and reimbursement apply to claims, administrative proceedings, and employment-related civil actions reported to NORCAL on or after the termination of their coverage.
- c. If the physician should die within the policy period, an Extended Reporting Period Endorsement will be issued without charge to be effective through perpetuity.
- d. A waiver of Extended Reporting Period Endorsement premium will be issued for a physician's permanent disability subject to NORCAL's rules and regulations.
- e. A waiver of Extended Reporting Period Endorsement premium will be issued for retirement subject to NORCAL's rules and regulations. To qualify for a waiver due to retirement, physicians must meet all of the following criteria:

i.are at least 55 years of age; and

<u>it.i.</u> have been continuously insured with NORCAL<u>with separate limits</u> for at least 60 months immediately prior to claiming this benefit; and

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<u>iii.</u>retire completely and permanently from the practice of medicine.

- 3. Health Care Extenders with Separate Limits
 - a. Extended Reporting Period Endorsement premiums must be paid promptly when due. Premiums must be paid 100% at termination.
 - b. The health care extender is provided his/her own set of limits of liability and reimbursement equal to those afforded under the current policy at the termination of his/her coverage. The limits of liability and reimbursement apply to claims, administrative proceedings, and employment-related civil actions reported to NORCAL on or after the termination of their coverage.

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G. Locum Tenens

Coverage for a health care professional substituting for an insured health care professional will be limited to professional health care services rendered on behalf of the insured for the specified time period only. The locum tenens will share in the insured health care professional's limits of liability. There is no premium charge for this coverage.

H. Health Care Extenders

Health care extender coverage may be added to a policy by endorsement as appropriate to a particular situation. Coverage is limited to professional services rendered on behalf of the Named Insured for a specified time period. Coverage is available on a separate or shared limits basis for all health care extenders except optometrists and preceptees. Optometrists are eligible only for separate limits. Preceptees are eligible only for shared limits. A flat charge premium will be charged for the addition of any of the following health care extenders:

- Certified Registered Nurse Anesthetist
- Midwife
- Nurse Practitioner
- Optometrist
- Perfusionist
- Physician Assistant

- Physician Assistant Incl. Obstetrics
- Podiatrist (Limited Surgery)
- Podiatrist (Major Surgery)
- Preceptee
- Radiology Assistant

A part-time discount is available to health care extenders who practice less than full time on behalf of the Named Insured. The discount is based on the number of hours the health care extender works per month divided by the full time equivalent of 180 hours per month, subject to a minimum discount of 25% and a maximum discount of 75%. However, the maximum part-time discount available for a Midwife or a Physician Assistant Incl. Obstetrics is 50%.

I. Endorsed Part-Time Physicians

Coverage for Endorsed Part-Time Physicians is available for physicians who extend the practice of the Named Insured, either on a temporary or limited basis. The Endorsed Part-Time Physician will share in the Medical Group's limits of liability.

The premium is calculated as follows:

- 1. Determine mature rate of physician's medical specialty, limits, and territory; multiplied by
- 2. Full Time Equivalent basis (the hours worked each month is divided by 180 per month to determine the full time equivalent for rating purposes) –



2. Part-time Practice Discount

A 50% discount is available to physicians who meet all of the following criteria:

- a. practice an average of 20 hours per week or less; and
- b. have their own set of limits.

Family/General Practice/OB and OB/GYN physicians are not eligible for the part-time practice discount.

A physician is not eligible for both the part-time practice discount and the new doctor discount simultaneously.

Physicians who are in the surcharge program do not qualify for a part-time discount.

3. Risk Management Discount Program

The risk management discount is available to each physician with separate limits who practices in a 2-4 physician-member group. A physician qualifies for a 5% or 7% discount by annually completing a NORCAL-approved loss prevention/risk management course or activity as follows"

	<u>Activity</u>	<u>Credit</u>
•	A course or activity providing at least 2 annual CME credits:	5%
•	A course or activity providing at least 3 annual CME credits completed by a physician who is an active member of a NORCAL endorsement medical society;	7%

Each physician must earn the discount individually. A physician in the surcharge program is not eligible for this discount.

4. <u>Group Size Discount</u>

Groups are eligible for a group size discount. The group size discount eligibility is evaluated annually at policy renewal. Changes made to the group's size during the policy period will not be reflected until the next policy renewal.



<u>Group Size</u>	Percentage of Discount
5-9	7.5%
10-19	15%
20-34	20%
35 or more	25%

Group size is determined by the number of physician members who have separate limits of liability.

5. <u>Schedule Rating Plan</u>

Schedule rating is a plan that allows NORCAL to modify a premium to reflect certain risk characteristics that are not reflected in manual rating.

The range of debits and credits is based upon risk characteristics as follows:

SCHEDULE RATING PLAN						
Risk Characteristics	Credits/Debits Available					
Adequacy of staffing selection and supervision, and experience of staff personnel	+/- 40%					
Quality Assurance Procedures Credentialing and Re-Credentialing Peer Review Procedures Participation in Risk Management Programs	+/- 40%					
Premises & Equipment – Type, Condition and Care	+/- 40%					
Loss History	+/- 40%					
Practice Profile	+/- 40%					
Total Available Credits/Debits	+/- 40%					

6. Voluntary Deductible Discount

Voluntary deductibles are available in both aggregated and nonaggregated forms. The deductible credit is dependent on the total limits, deductible size, and aggregate deductible limit.

7. Pre-Retirement Premium Waiver Credit

A physician who has changed or modified his or her practice resulting in a lower medical specialty classification is eligible for a premium reduction. To qualify, the physician has to have been insured by NORCAL for 60 full consecutive months and be at least 55 years of age. The pre-retirement premium waiver credit results in a waiver of the residual portion of the premium which was rated at the higher medical specialty classification.



III. EXTENDED REPORTING PERIOD COVERAGE

Extended Reporting Period Endorsement Coverage extends the time to report a claim, administrative proceeding or employment-related civil action. It may be available in the event of cancellation or non-renewal of a policy or the coverage of an insured physician or health care extender with separate limits, when the Named Insured or NORCAL cancels or non-renews the policy or coverage. If this endorsement is not issued, there will be no coverage for any claims resulting from medical incidents or occurrences, or administrative proceedings or employment-related civil actions, that are first reported to NORCAL on or after the termination date of the policy or coverage.

We will not issue an Extended Reporting Period Endorsement to the Named Insured or an insured physician or health care extender whose coverage has been cancelled or non-renewed for fraud, misrepresentation, concealment, or breach of warranty. Nor will we issue an Extended Reporting Period Endorsement to an Insured if a policy is cancelled for non-payment or is rescinded.

The premium for an Extended Reporting Period Endorsement is calculated by multiplying the claims-made run off factors by the mature premium that would have been collected for each historical year based on the physicians & surgeons rating plan in effect at the inception of the expiring claims-made policy and summing the result.

The Extended Reporting Period Endorsement will be issued upon payment of the premiums and extends coverage through perpetuity. This additional premium is fully earned and non-refundable.

1. Entities

An entity may be eligible to purchase an Extended Reporting Period Endorsement upon termination of the policy.

- a. Extended Reporting Period Endorsement premiums must be paid promptly when due. Premiums must be paid 100% at termination.
- b. The entity may purchase an Extended Reporting Period Endorsement for its own exposures at policy termination provided that all eligible physicians who are members of the group at the termination of the policy have purchased or are issued an Extended Reporting Period Endorsement by NORCAL.
- c. The entity is provided its own set of limits at the termination date of the policy. The limits of liability and reimbursement are equal to those



afforded under the current policy and apply to claims, administrative proceedings, and employment-related civil actions reported to NORCAL on or after the termination date of the policy.

- d. The premium for the entity's Extended Reporting Period Endorsement is a percentage of the Extended Reporting Period Endorsement premium charged for the health care professionals who are part of the group at the termination of the policy. The percentage applied and the applicable minimum premium requirements are based on the physicians & surgeons rating plans in effect at the time of the policy inception
- 2. Physicians & Surgeons with Separate Limits

A physician may be eligible to purchase an Extended Reporting Period Endorsement when he/she terminates his/her coverage under the Group Policy.

- a. Extended Reporting Period Coverage premiums must be paid promptly when due. Premiums must be paid 100% at termination or in 3 annual installments of 50%, 25% and 25%, with the first installment due at termination. If the installments are not paid, the Extended Reporting Period Endorsement will be cancelled. This additional premium is fully earned and non-refundable.
- b. The physician is provided his/her own set of limits of liability and reimbursement equal to those afforded under the current policy at the termination of his/her coverage. The limits of liability and reimbursement apply to claims, administrative proceedings, and employment-related civil actions reported to NORCAL on or after the termination of their coverage.
- c. If the physician should die within the policy period, an Extended Reporting Period Endorsement will be issued without charge to be effective through perpetuity.
- d. A waiver of Extended Reporting Period Endorsement premium will be issued for a physician's permanent disability subject to NORCAL's rules and regulations.
- A waiver of Extended Reporting Period Endorsement premium will be issued for retirement subject to NORCAL's rules and regulations. To qualify for a waiver due to retirement, physicians must meet all of the following criteria:
 - i. have been continuously insured with NORCAL with separate limits for at least 60 months immediately prior to claiming this benefit; and
 - ii. retire completely and permanently from the practice of medicine.



- 3. Health Care Extenders with Separate Limits
 - a. Extended Reporting Period Endorsement premiums must be paid promptly when due. Premiums must be paid 100% at termination.
 - b. The health care extender is provided his/her own set of limits of liability and reimbursement equal to those afforded under the current policy at the termination of his/her coverage. The limits of liability and reimbursement apply to claims, administrative proceedings, and employment-related civil actions reported to NORCAL on or after the termination of their coverage.

SERFF Tracking Number:	NCMC-127209693	State:	California
Filing Company:	NORCAL Mutual Insurance Company	State Tracking Number:	11-5669
Company Tracking Number:	CA P&S FORM/RATE/RULE 1/1/2012		
TOI:	11.2 Med Mal-Claims Made Only	Sub-TOI:	11.2023 Physicians & Surgeons
Product Name:	NORCAL Physicians & Surgeons		
Project Name/Number:	CA P&S FORM/RATE/RULE 1/1/2012/		

Supporting Document Schedules

		Item Status:	Status Date:			
Satisfied - Item:	Prior Approval Rate Application					
Comments:						
The following items a	re attached:					
-Prior Approval Rate -Actuarial Memo and -Rate Manual (Marke Attachments: PriorApprovalRateAp PriorApprovalRateAp Actuarial Memo and						
		Item Status:	Status Date:			
Satisfied - Item:	Filing Memorandum and Summary					
	of Form Changes					
Comments:						
The following items a	re attached:					
-Filing Memorandum						
-Summary of Form C	hanges					
Attachments:						

Filing Memorandum_Filing Version.pdf Summary of Form Changes_Filing Version.pdf

PARTMENT USE ONLY
<u></u>
ate:
otified:
:
ior:
Yes 🗌 🛛 No 🗖
No.:
🗌 New Program 🔲 Rule
Uvariance% Chang
CTICE
S
omplete, and correct.
15-735-2101
ephone Number
4

INSURER GROUP MULTI-C	COMPANY FILING								
For private passenger auto insurance <u>only</u> , does CIC, 1861.16(c) apply? No v If yes, please complete (Super Group) Exhibit 19.									
List each insurance company in alphabetical order.									
Company Name NORCAL Mutual Insurance Company	CDI Filing No.	(2) (2)							
NAIC Company Code 33200		(Department use only)							
Company Name	CDI Filing No.								
NAIC Company Code		(Department use only)							
Company Name	CDI Filing No.								
NAIC Company Code	_	(Department use only)							
Company Name	CDI Filing No.								
NAIC Company Code	_	(Department use only)							
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Company Name	CDI Filing No.								
NAIC Company Code	_	(Department use only)							
Company Name									
NAIC Company Code		(Department use only)							

PROPERTY AND LIABILITY FILING SUBMISSION DATA SHEET

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

Company Name: NORCAL Mutual Insurance Company MEDICAL MALPRACTICE

TYPE OF FILING	PRIOR APPROVAL RATE APPLICATION PAGES and EXHIBITS REQUIRED
New Program (Including adoption of advisory organization loss costs, forms and rules.)	Pages 1 through 7, 10, 12, 13 & 14, plus exhibit 17
Rates (Including adoption of advisory organization loss costs.)	
Increase rates	Pages 1 through 10, 13 & 14, plus exhibits
Decrease rate	Pages 1 through 10, 13 & 14, plus exhibits
Zero Overall rate impact	Pages 1 through 10, 13 & 14, plus exhibits
☑ Variance	
Filed together with the prior approval application to which it applies.	Page 11 and exhibit 13
Filed after the prior approval application to which it applies.	Pages 1 through 6, 11, plus exhibit 13
Coverage Forms (Including adoption of advisory organization forms.)	
With rate impact	Pages 1 through 10, 12a, 13 & 14 plus exhibits
☑ Without rate impact	Pages 1 through 5, 12a
Rules (Including adoption of advisory organization rules.)	
☑ With rate impact	Pages 1 through 10, 12b, 13 & 14 plus exhibits (including exhibit 20)
☑ 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)

-5.00%

Proposed Earned Premium Per Exposure: \$ 7,375.30

Proposed Overall Rate Change

	COVERAGE*	INDICATED <u>CHANGE (%)</u>	PROPOSED <u>CHANGE (%)</u>	ADJUSTED EARNED PREMIUM*	PROJECTED EARNED PREMIUM
1.	Physicians MPL	8.94%	-5.00%	136,618,010	129,787,110
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
	TOTAL:				

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 <u>lined boxes</u> on RateMakingData page <u>only</u> (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).

	RATEMAKING DATA (Click + to expand for more than 3 years; - to contract)				
	Completed by	NORCAL			
	Date Completed	6/30/2011			
	Company/Group	NORCAL Mutual In	nsurance Company		
	Line Description	MEDICAL MALPRACTIC	E (claims-made)	•	
	Coverage	%Captive	%Direct	%Independent	(Must add up to 100%)
	Marketing System:	0.00%	59.00%	41.00%	
	Prior Effective Date (current rates)	10/1/2004			
	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 #:	1,2,3	
•••••	Data below is:	Report Year Data (Clair	ms Made policies only)	~	
				Most Recent	Projected*/ New
		2nd Prior Year	1st Prior Year	Year	Program**
1	California Direct Written Premium	2008 147,895,486	2009 140,497,443	2010 138,880,182	
	California Direct Written Premium				
2	California Direct Earned Premium	148,259,193	140,605,000	136,618,010	
3	Premium Adjustment Factor (Developed in Exhibit 4)	1.000	1.000	1.000	
4	Premium Trend Factor * (Developed in Exhibit 5)	0.944	0.971	1.000	-1.46%
5	Miscellaneous Fees and Flat Charges (Not included in Line 2;	-	-	-	
6	Developed in Exhibit 6) Earned Exposure Units	18,132	17,375	17,704	
7	Historic Losses (Projected for New Programs)	38,255,384	46,747,642	33,334,313	
8	Historic Defense and Cost Containment Expense (DCCE)	39,171,710	36,544,529	27,188,615	
9	Loss Development Factor (Developed in Exhibit 7)	1.037	1.151	1.980	
10	DCCE Development Factor (Developed in Exhibit 7)	1.037	1.151	1.980	
11	Loss Trend Factor* (Developed in Exhibit 8)	1.193	1.147	1.103	4.00%
12	DCCE Trend Factor* (Developed in Exhibit 8)	1.193	1.147	1.103	4.00%
	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)				1.29%
16	Ancillary Income (Developed in Exhibit 11)				
17	Projected Federal Income Tax Rate on Investment Income (From				28.83%
18	Page 14) Projected Yield (From Page 14)				5.13%
	· · · ·				
	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				4.18%
	by Variance Request, subject to CDI approval)				
*	For all trend factors, the Projected Column should reflect the annual trend expressed as a percentage.				
		fi		÷	ş

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

	Program	Most Recent CDI File #	2nd Prior Year 2008		1st Prior Year 2009		Most Recent Year 2010	
1	Physicians		\$ 148,259,193	\$	140,605,000	\$	136,618,010	
2.	Hospital		\$ 9,625,689	\$	8,732,898	\$	6,934,854	
3	Purchasing Groups		\$ 6,638,321	\$	6,931,977	\$	6,908,983	
4.			\$ 	\$		\$		
5			\$ 	\$		\$		
6			\$ 	\$		\$		
7			\$ 	\$	<u> </u>	\$ 	<u> </u>	
8.			\$ -	\$	<u> </u>	\$	<u> </u>	
9			\$ 	\$		\$		
10			\$ 	\$		\$		
		TOTAL	\$ 164,523,203	\$	156,269,875	\$	150,461,847	
		Statutory Page 14	\$ 164,523,202	\$	156,269,874	\$	150,461,847	
		Difference	\$ 1	\$	1	\$	-	
Explain	the Differences:							

This exhibit requires insurers to itemize <u>each</u> 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* Calendar Year Year 2010 DATA 1. Number of claims outstanding at beginning of year 2632 2. Number of claims during the year 2457 3. Number of claims closed during the year 2295 Number of claims outstanding at year's end ((1) + (2) - (3))4. 2794 5. **Unearned Premiums** 48,572,883 6. Dollar amount of claims paid 92,736,119 7. Net loss reserves for outstanding claims excluding claims incurred but not reported 125,723,867 8. Net loss reserves for claims incurred but not reported 113,714,141 9. Losses incurred as a percentage of premiums earned - including IBNR 59.70% 10. Net investment gain or loss and other income or gain or loss allocated to the line. 19,887,026 11. Net income before federal and foreign income taxes (line 10 plus line 15) 25,933,159 12. Total number of policies in force on the last day of the reporting period 9534 13. Total number of policies cancelled 465 14. Total number of policies non-renewed 8 15. Net underwriting gain or loss 6,046,133 (=CY earned premiums minus CY incurred loss minus CY incurred expense) 16. Separate allocations of expenses for: a) commissions and brokerage expense, 6,847,602 b) other acquisition costs, c) general office expenses, 22,070,942 d) taxes, licenses and fees, 3,192,181 e) loss adjustment expense (DCCE & AOE), and 16,904,338 f) other expenses Note: DCCE is included with loss and 16(e) includes AOE only

*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 vertice of fee and for each transaction.

INDIVIDUAL POLICY CHARGES

	New Business	Renewals
Policy fee		
Installment fee		
Installment finance charges (ancillary income)	APR	
Endorsement fee		
Inspection fee		
Cancellation fee		
Reinstatement fee		
Late fee		
SR 22		
Non-sufficient funds (NSF) fee (ancillary income)		
Membership dues (ancillary income)		
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.

STATE OF CALIFORNIA DEPARTMENT OF INSURANCE (CDI) Edition Date: 4/4/2		I) 4/4/2011	Line o	Company N of Insurance:	ame: NORCAL Mutual Insurance Company MEDICAL MALPRACTICE	
			REQUEST FOR VARIA	NCE		
1.	Identify each	1 variance req	uested.	((See b	pelow (F))	
2.	11. 20. 2			daha melindah semuai se dalam seria		1 E-194 (2)
2			-	d the applicable component of the ratemakir		
3.		Complete Ext		ia minimum permittea earnea premium that	the granting of the	variance will have as compared to the expected result if the variance
4.		IT: Identify th omplete Exhib	• •	g the variance request and provide the docu	mentation supportion	ng the amount of the change to the component of the ratemaking
IDENTIFY	Y THE BASES I	FOR VARIA	NCE - Refer to CCR 2644.27 (f) for the full regulation text.		
M			nge % Excluding Variance /er Template)		-1.71%	
	1.	V	Relief from the efficiency	standard for bona fide loss-prevention and l	oss reduction activi	ties.
			A. □ B. ☑	Allocated cost for SIU. Expenses for loss prevention programs	S.	
				ed Rate Change % With Only This Varia aange At Max Per Template)	ncı	1.78%
	2.	Ø	Relief from the efficiency	standard due to any of the following:		
			A. 2 B. 2 C. 2	Higher quality of service, as demonstr Demonstrated superior service to unde Significantly smaller or larger than avo	erserved communitie	
				ed Rate Change % With Only This Varia aange At Max Per Template)	ncı	1.48%
	3.	Ø	of its direct earned premiu			ection 2644.17 on the basis that the insurer either writes at least 90% n in California, and its mix of business presents investment risks
				ed Rate Change % With Only This Varia aange At Max Per Template)	ncı	1.54%
	4.			ne efficiency standard for a line of insurance ostantial investment in order to enter the man		er has never written over \$1 million in earned premium annually and
				ed Rate Change % With Only This Varia hange At Max Per Template)	ncı	
	5.		The minimum permitted e to present an undue risk to	*	of the insurer's cer	tification that the rate will not cause the insurer's financial condition
	6.		The insurer's financial cor	dition is such that its maximum permitted ea	arned premium sho	uld be increased in order to protect solvency.
				ed Rate Change % With Only This Varia ange At Max Per Template)	ncı	
	7.		The loss development for	nula in CCR 2644.6 does not produce an act	tuarially sound resu	It because:
			A. B. C.	There is not enough data to be credible There is not enough years of data to fu There are changes in the insurer's reser	Illy calculate the de	velopment to ultimate; ing practices that significantly affect the data; or,
			D. E. F.	There are changes in coverage or other There are changes in the law that signi There is a significant increase or decre	ficantly affect the d	

Maximum Permitted Rate Change % With Only This Variance

(Change At Max Per Template)

_

8.	The trend formu	ula in CCR 26	644.7 does not produce the most	an actuarially sound result because	<u>.</u>	
	А.		There is a significant increase	e/decrease in the amount of busines	as written or changes in the mix of business:	
				f data to calculate the trend factor; in the law affecting frequency or se	everity of claims;	
	D	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 coverag	e or other policy terms that signific	cantly affect the data.	
Maximum Permitted Rate Change % With Only This Variance (Change At Max Per Template)						
9.	The maximum p	permitted earn	ned premium would be confiscat	ory if applied.		
	Maximun		Rate Change % With Only Th ge At Max Per Template)	is Variancı		
Overall Maximum Permitted Rate Change % 8.94%						
Not withstanding any other section of these re efficiency standard for all variances combined insurer's most recent year total expense ratio expenses and the efficiency standard.	d shall not exceed	the difference	e between the	Most Recent Year Total Expense Ratio	35.88%	

Prior Approval Rate Application

4/4/2011

6) Withdrawn, optional

FORMS

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

	FORM NO.	TITLE	<u>TYPE</u>	SOURCE	SOURCE FORM NO *	<u>CATEGORY</u>	Restricts Coverage [Yes/No]	Broadens Coverage [Yes/No]	Rate Impact [Yes / No]	% <u>Change</u>	Flat <u>Rate</u>
1] New:	IE-004	Roster of Insured Person(s)	2	3	3	4	No	No	No	0.00%	N/A
Old:											
2] New:	IE-096	Policy Change Endorsement	2	3	3	4	No	Yes	No	0.00%	N/A
Old:											
3] New:											
Old:	IE-095	Waiver of Extended Reporting Period Endorsement Premium	2	3	3	6	No	Yes	No	0.00%	N/A
4] New: Old:	<u>GRP-004</u>	Roster of Insured Physician (s) Separate Limits of Liability and Reimbursement						No	No	0.00%	N/A
		Policy Change Endorsement						Yes	No	0.00%	N/A
Old:											
5] New:											
Old:	GRP-095	Waiver of Extended Reporting Period Endorsement Premium	2	3	3	6	No	Yes	No	0.00%	N/A
5] New:	GRP091GL	Health Care General Liability Endorsement	2	3	3	4	No	Yes	No	0.00%	N/A
Old:											

REQUIRED RESPONSES FOR THE ITEMS ABOVE

TYPE: CATEGORY SOURCE 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

* 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, <u>unless</u> 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.

Company Name: Line of Insurance: NORCAL Mutual MEDICAL

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: Mutual (Enter Year)	2nd Prior Year 2008	1st Prior Year 2009	Most Recent Year 2010
Countrywide direct earned premium:	253141099	251606783	242194000
Countrywide direct earned premium for lines of business subject to Proposition 103:	253141099	251606783	242194000

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	941,575	588,000	944,219	602,864	975,474	748,000	
2nd Highest Paid	383,572	170,464	432,873	196,729	426,178	190,446	
3rd Highest Paid	360,796	167,071	407,628	139,573	414,859	184,106	
4th Highest Paid	330,678	127,134	319,278	102,515	325,423	137,848	
5th Highest Paid	214,172	82,848	222,991	62,742	237,334	84,507	
	2nd Pric		1st Pric		Most Rec		
	200 Max Darmiasible		200 Max Darmiasible		20 [°]	-	
	Max Permissible	Excessive	Max Permissible	Excessive	Max Permissible	Excessive	
	Exc Comp	Compensation	Exc Comp	Compensation	Exc Comp	Compensation	
	000 750	4 005 000	000.000	4 054 055	000 507	4 404 047	
1st Highest Paid	293,752	1,235,823	293,028	1,254,055	288,527	1,434,947	
2nd Highest Paid	192,748	361,288	192,339	437,263	189,797	426,827	
3rd Highest Paid	151,810	376,057	151,458	395,743	149,268	449,697	

4th Highest Paid	137,918	319,894	137,618	284,175	135,752	327,519
5th Highest Paid	125,941	171,079	125,679	160,054	124,051	197,790
Total Excessive Ex	ecutive Comp:	2,464,142		2,531,290		2,836,781

Prior Approval Rate Application (Excluded Expense Factor)

P13a

Excluded Expense Factor

Countrywide Data	2nd Prior Year 2008	1st Prior Year 2009	Most Recent Year 2010
2644.10 (a): Political contribution and lobbying	688,090	544,109	564,590
2644.10 (b): Excessive Executive Compensation	2,464,142	2,531,290	2,836,781
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			
2644.10 (f): Institution advertising expenses			
2644.10 (g): Excessive payments to affiliates			
Total excluded expenses	3,152,232	3,075,399	3,401,371
Excluded expense factor	1.25%	1.22%	1.40%

3-year average excluded expense factor

1.29%

Prior Approval Rate Application (Excluded Expense Factor)

PROJECTED YIELD AND FEDERAL INCOME TAX RATE ON INVESTMENT INCOME

		Short Term Assets	Intermediate Term Assets		Long Term Assets	
			Over 1 yr	Over 5 yrs	Over 10 yrs	
Line	number	One year or less	through 5 yrs	through 10 yrs	through 20 yrs	Over 20 yrs
1.7	US governments	21,699,436	18,933,676	40,884,497	4,845,562	5,697,000
2.7	All other governments	0	0	431,389	0	0
	States, territories and					
3.7	possessions	0	19,523,538	15,260,962	1,458,869	0
4.7	Political subdivisions	1,940,000	14,274,027	27,065,394	9,857,988	0
	Special revenue and					
5.7	assessment obligations	70,957,332	155,887,358	107,244,262	13,430,441	6,067,651
6.7	Public utilities unaffiliated	79,229,380	142,748,852	171,217,858	27,223,452	33,229,730
	Industrial and					
7.7	miscellaneous	0	0	0	0	0
8.7	Credit tenant loans	0	0	0	0	0
	Parent, subsidiaries and					
9.7	affiliates	0	0	0	0	0
		One year or less	Over 1 vear th	rough 10 years	Over 1	0 years
			· · · · · · · · · · · · · · · · · · ·			
(1)	US government bonds Sum of line 1.7 and 2.7	21,699,436		60,249,562		10,542,562
(1)		21,033,430		00,249,302		10,342,302
	Other taxable bonds					
$\langle \mathbf{O} \rangle$	Sum of line 6.7, 7.7, 8.7,	444 700 040				70 000 000
(2)	9.7 and half of 5.7	114,708,046		445,532,520		70,202,228
	Tax exempt bonds					
	Sum of line 3.7, 4.7, and					
(3)	half of 5.7	37,418,666		207,689,731		21,065,903

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.

Page 14a

Prior Approval Rate Application (Yield Tax Worksheet)

PROJECTED YIELD AND FEDERAL INCOME TAX RATE ON INVESTMENT INCOME

		Invested	Currently Available	Return On	Federal Income	Federal Income
		Assets	Yield *	Invested Assets	Tax Rate	Taxes
		[1]	[2]	[3]=[1]*[2]	[4]	[5]=[3]*[4]
(1)	US government bonds					
	(A) Short	21,699,436	0.07%	14,466	35.00%	5,063
	(B) Intermediate	60,249,562	3.35%	2,016,352	35.00%	705,723
	(C) Long	10,542,562	4.19%	441,382	35.00%	154,484
(2)	Other taxable bonds					
	(A) Short	114,708,046	0.21%	240,887	35.00%	84,310
	(B) Intermediate	445,532,520	4.43%	19,733,472	35.00%	6,906,715
	(C) Long	70,202,228	5.29%	3,715,823	35.00%	1,300,538
(3)	Tax exempt bonds					
	(A) Short	37,418,666	0.14%	51,076	5.25%	2,682
	(B) Intermediate	207,689,731	3.39%	7,031,098	5.25%	369,133
	(C) Long	21,065,903	5.14%	1,082,841	5.25%	56,849
(4)	Common Stock	292,437,808				
	(A) Dividends		1.65%	4,825,224	14.18%	683,975
	(B) Capital gains		8.44%	24,675,252	34.10%	8,414,261
(5)	Preferred stock	6,283,924				
	dividends		5.72%	359,440	14.18%	50,951
(6)	Mortgage loans	0	5.29%	0	35.00%	0
(7)	Real estate	0	4.09%	0	35.00%	0
(8)	Cash**	14,061,644	0.07%	9,374	35.00%	3,281
(9)	Other***	57,878,864				
	(A) Dividends		1.65%	955,001	14.18%	135,371
	(B) Capital gains		8.44%	4,883,690	34.10%	1,665,338
(10)	Total					
(10)	Total	1 250 770 904		70,035,381		20,538,675
	Sum of line (1) thru (9)	1,359,770,894		70,035,381		20,538,675

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 <u>http://www.insurance.ca.gov/0250-insurers/0800-rate-filings/0200-prior-approval-factors/</u>

** 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.

Page 14b

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)	1,359,770,894		70,035,381		20,538,675
(11)	exhibit 13, page 2 Investment expense Annual Statement (AS)			5,645,020	35.00%	1,975,757
(12)	page 11, line 25 Total after investment expense	1,359,770,894		64,390,361		18,562,918
(13)	line (10) - line (11) Federal income tax rate line (12)				00.000/	
	column [5] / column [3]				28.83%	
(14)	Projected yield on invested assets line (12) column [3] / column [1]		4.74%			
		Most Recent Year				
(15)	Loss reserves	356,436,916				
(16)	AS page 3, line 1 Loss adjustment expense reserves	258,918,024				
(17)	AS page 3, line 3 Unearned premium reserves	82,042,502				
(18)	AS page 3, line 9 Surplus as regards to policyholders	557,445,198				
(19)	AS page 3, line 35 Total reserves and surplus Sum of line (15) to (18)	1,254,842,640				
(20)	Projected yield adjusted to reserve and sur line (14) * line (12) / line (19)		5.13%			Page 14c
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Prior Approval Rate Application (Yield Tax Worksheet)

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	RCHANGE AT MAX				NA	

E	Blended	Captive	Direct	Indep
ES:	28.57%	24.18%	25.38%	33.17%

EFFICIENCY STANDARD TABLE SOURCE:2007 - 2009 ROLLING AVG

DATE REVISED:		2/10/2011	
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

 10/15/2010

 10/15/2010

	ICLD.	10/10/201
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	,
26.0	1.2363	Burglary & Theft
27.0	1.1762	Boiler & Mach.

RESERVES RATIO TABLESOURCE: AM Best's Aggregates & Averages - Property Casualty, 2010 EditionDATE REVISED:9/21/2010

UEP	LOSS	Line Description
0.48	0.98	FIRE
0.47	1.20	ALLIED LINES
0.47	1.90	FARMOWNER MP
0.52	1.14	HOMEOWNER MP
0.50	2.87	CMP
0.49	1.12	CMP (N-LIAB)
0.50	5.16	CMP (LIAB)
0.36	0.68	INLAND MRN
0.46	4.64	MED MAL
0.58	5.56	MED MAL - occurrence
0.42	4.21	MED MAL - claims-made
0.47	1.00	EARTHQUAKE
0.52	4.41	OTHER LIAB
0.54	5.21	OTHER LIAB - occurrence
0.51	3.28	OTHER LIAB - claims-made
0.52	5.44	PROD LIAB
0.53	5.63	PROD LIAB - occurrence
0.43	3.85	PROD LIAB - claims-made
0.33	1.14	PPA LIAB
0.45	2.66	COMLA LIAB
0.33	0.09	PPA PD
0.51	0.32	COMLA PD
0.40	2.79	AIRCRAFT
0.57	2.62	FIDELITY
0.56	2.52	SURETY
0.59	0.91	BRGLRY THEFT
0.45	1.19	BLR & MCHNRY
	0.48 0.47 0.52 0.50 0.49 0.50 0.36 0.46 0.58 0.42 0.47 0.52 0.54 0.51 0.52 0.53 0.43 0.33 0.43 0.33 0.45 0.33 0.45 0.33 0.51 0.40 0.57 0.56 0.59	$\begin{array}{cccccc} 0.48 & 0.98 \\ 0.47 & 1.20 \\ 0.47 & 1.90 \\ 0.52 & 1.14 \\ 0.50 & 2.87 \\ 0.49 & 1.12 \\ 0.50 & 5.16 \\ 0.36 & 0.68 \\ 0.46 & 4.64 \\ 0.58 & 5.56 \\ 0.42 & 4.21 \\ 0.47 & 1.00 \\ 0.52 & 4.41 \\ 0.54 & 5.21 \\ 0.51 & 3.28 \\ 0.52 & 5.44 \\ 0.53 & 5.63 \\ 0.43 & 3.85 \\ 0.33 & 1.14 \\ 0.45 & 2.66 \\ 0.33 & 0.09 \\ 0.51 & 0.32 \\ 0.40 & 2.79 \\ 0.57 & 2.62 \\ 0.56 & 2.52 \\ 0.59 & 0.91 \\ \end{array}$

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 filec 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

Amount of Load

 $\mathbf{\nabla}$

CDI FILE NUMBER: COMPANY/GROUP: LINE OF INSURANCE: LINE CODE: 0 NORCAL Mutual Insurance Company MEDICAL MALPRACTICE (claims-made) 11.2

Type of Load

(LOSS+DCCE+AOE)/LOSS

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
 - 1.2 Loss Cost Percent Change Approved for the Line or Coverage
 - ^{1.3} AOE or LAE Load Approved for the Line or Coverage

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

Insurer's Current Final LCM (Line 2.1 * Line 2.2) NA
Advisory Organization's AOE as a Percent of Loss and -1.000 DCCE (Derived from Line 1.3 and the IncLoss&DCCE page)
Max_Expense Based Loss Cost Multiplier N/A 6350.731055
Max_Loss Cost Modification (Existing program only) N/A Max_Loss Cost Modification for new program is 1.0
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, Part III - Total US PC Industry - (\$000 omitted).

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.

	RATEMAKING DATA				
	(Click + to expand for more than 3 years; - to contract)				
	Completed by	NOROAL			
	Date Completed				
	Company/Group	6/30/2011 NORCAL Mutual In	surance Company		
	Line Description			-	
	Coverage			·	
	Markating System	%Captive 0.00%	%Direct 59.00%	%Independent 41.00%	(Must add up to 100%)
	Marketing System: Prior Effective Date (current rates)	10/1/2004	33.00%	41.00%	
	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 #:		
	Data below is:	Report Year Data (Claim	ns Made policies only)	-	
		2nd Prior Year	1st Prior Year	Most Recent Year	Projected*/ New Program**
		2008	2009	2010	
	California Direct Written Premium	147,895,486	140,497,443	138,880,182	
2	California Direct Earned Premium	148,259,193	140,605,000	136,618,010	
3	Premium Adjustment Factor (Developed in Exhibit 4)	1.000	1.000	1.000	
4	Premium Trend Factor * (Developed in Exhibit 5)	0.944	0.971	1.000	-1.469
5	Miscellaneous Fees and Flat Charges (Not included in Line 2;	-	-	-	
6	Developed in Exhibit 6) Earned Exposure Units	18,132	17,375	17,704	
7	Historic Losses (Projected for New Programs)	38,255,384	46,747,642	33,334,313	
8	Historic Defense and Cost Containment Expense (DCCE)	39,171,710	36,544,529	27,188,615	
9	Loss Development Factor (Developed in Exhibit 7)	1.037	1.151	1.980	
10	DCCE Development Factor (Developed in Exhibit 7)	1.037	1.151	1.980	
	Loss Trend Factor* (Developed in Exhibit 8)	1.193	1.147	1.103	4.000
	DCCE Trend Factor* (Developed in Exhibit 8)	1.193	1.147	1.103	
	Catastrophe Adjustment Factor (Developed in Exh 9)	1.000	1.000	1.000	
		1.000	1.000	1.000	100.009
	Credibility Factor for Losses & DCCE (Developed in Exhibit 10)				
	Excluded Expense Factor (From Page 13)				1.299
16	Ancillary Income (Developed in Exhibit 11)				
	Projected Federal Income Tax Rate on Investment Income (From Page 14)				28.839
18	Projected Yield (From Page 14)				5.139
	Complete 19, 20 & 21 For Earthquake and certain Medical				
19	Malpractice with Reinsurance Only (see instructions Direct Commissions				İ
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
	Variance Change to Efficiency Standard (Must be accompanied by Variance Request, subject to CDI approval)				0.00
	For all trend factors, the Projected Column should reflect the annual trend expressed as a percentage.				
	· · · · · · · · · · · · · · · · · · ·				

VARIANCE:	RATE TEMP	PLATE	Edition Date:	4/4/2011	
	(No input	t by filer)			
CDI FILE NUMBER:	0				
COMPANY/GROUP:	NORCAL Mutual Ins	surance Company			
LINE OF INSURANCE:		CTICE (claims-made)		ļ	
COVERAGE:	0				
PRIOR_EFF_DATE:	10/1/2004		Completed by:		
PROPOSED EFF DATE:	1/1/2012		Date:	6/30/2011	
DATA PROVIDED BY FILER					
Year:	2008	2009	2010		
	DDIODO		DECENT	PROJECTED/ SUMMARY	
	PRIOR2	PRIOR1 140,497,443	RECENT		
WRT_PREM ERN PREM	147,895,486 148,259,193	140,605,000	138,880,182 136,618,010		
PREM ADJ	140,239,193	1.000	1.000		
PREM ADJ PREM TREND	0.944	0.971	1.000	+	
MISCELLANEOUS FEES (& other flat charges)	0.044	0.071	0		
EARNED EXP	18,132	17,375	17,704		
LOSSES	38,255,384	46,747,642	33,334,313	118,337,339	
DCCE	39,171,710	36,544,529	27,188,615	102,904,854	
LOSS DEV	1.037	1.151	1.980	, - ,	
DCCE_DEV	1.037	1.151	1.980		
LOSS_TREND	1.193	1.147	1.103	+	
DCCE TREND	1.193	1.147	1.103	0.040	
CAT_ADJ	1.000	1.000	1.000		
CREDIBILITY				100.00%	
EXPENSE EXCLUSION FACTOR				1.29%	
ANC INC	0	0	0		
FIT_INV				28.83%	
YIELD	ļ			5.13%	
CDI PARAMETERS:					
FIT UW				35.00%	
EFF_STANDARD				27.28%	
LEVERAGE				0.59	
PREMIUM_TAX_RATE				2.35%	
SURPLUS RATIO				1.69	
UEP_RES_RATIO LOSS RES RATIO				0.42	
RISK FREE RATE OF RETURN					May 2011
MAXIMUM RATE OF RETURN				8.09% -6.00%	
MINIMUM RATE OF RETURN				-0.00%	
CDI CALCULATIONS:					
ADJ PREM	139,956,678	136,527,455	136,618,010	413,102,143	
ADJUSTED LOSSES	47,327,304	61,716,097	72,800,140	t an	
ADJUSTED DCCE	48,460,928	48,245,978	59,378,304		
ADJUSTED LOSS+DCCE RATIO	68.44%	80.54%	96.75%		
TRENDED CURRENT RATE LEVEL PREMIUM	7718.77	7857.70	7716.79		
LOSS+DCCE PER EXP	5282.83	6328.75	7466.02		
COMP LOSS+DCCE PER EXP	7971.01	8114.48	7968.96		
CRED LOSS PER EXP	5282.83	6328.75	7466.02		
ANC INC PER EXP	0.00	0.00	0.00	0.00	
FIXED_INV_INC_FACTOR				23.65%	
VAR INV INC FACTOR				11.86%	
ANNUAL NET TREND				5.54%	
COMP_TREND				24.08%	
MAX_PROFIT				21.03%	
MIN PROFIT				-15.60%	
UW PROFIT				-10.51%	
MAX_DENOM				0.635	
MIN DENOM				1.002 \$7,630.50	
MAX_PREMIUM MIN PREMIUM				\$4,839.97	
CHANGE AT MIN				-37.66%	
				-37.00%	
CHANGE_AT_MAX				-1./1%	
Alternate Calculation with Dein-					
Alternate Calculation with Reinsurance	1			0.000/	
COMMISSION RATE				0.00%	
RE_PREM	-	-	-	0	
RE RECOV RE PREM PER EXP	- 0.00	0.00	0.00	÷	
RE RECOV PER EXP	0.00	0.00	0.00		
COMP LOSS RE	7971.01	8114.48	7968.96		
RMAX PREMIUM		5		NA	
RCHANGE AT MAX	1			NA	
	•	į		i.	

	RATEMAKING DATA				
	(Click + to expand for more than 3 years; - to contract)				
	Completed by	NORCAL			
	Date Completed				
	Company/Group	6/30/2011 NORCAL Mutual In	surance Company		
	Line Description			-	
	Coverage			1	
	Marketing System:	%Captive 0.00%	%Direct 59.00%	%Independent 41.00%	(Must add up to 100%)
•••••	Prior Effective Date (current rates)	10/1/2004			
	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 #:	1	
	Data below is:	Report Year Data (Claim	ns Made policies only)	.	
		2nd Prior Year	1st Prior Year	Most Recent Year	Projected*/ New Program**
		2008	2009	2010	
	California Direct Written Premium	147,895,486	140,497,443	138,880,182	
2	California Direct Earned Premium	148,259,193	140,605,000	136,618,010	
3	Premium Adjustment Factor (Developed in Exhibit 4)	1.000	1.000	1.000	
4	Premium Trend Factor * (Developed in Exhibit 5)	0.944	0.971	1.000	-1.46%
5	Miscellaneous Fees and Flat Charges (Not included in Line 2;	-	-	-	
6	Developed in Exhibit 6) Earned Exposure Units	18,132	17,375	17,704	
7	Historic Losses (Projected for New Programs)	38,255,384	46,747,642	33,334,313	
8	Historic Defense and Cost Containment Expense (DCCE)	39,171,710	36,544,529	27,188,615	
	Loss Development Factor (Developed in Exhibit 7)	1.037	1.151	1.980	
	DCCE Development Factor (Developed in Exhibit 7)	1.037	1.151	1.980	
11	Loss Trend Factor* (Developed in Exhibit 8)	1.193	1.147	1.103	4.00%
12	DCCE Trend Factor* (Developed in Exhibit 8)	1.193	1.147	1.103	4.00%
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)				1.29%
16	Ancillary Income (Developed in Exhibit 11)				
17	Projected Federal Income Tax Rate on Investment Income (From				28.839
	Page 14) Projected Yield (From Page 14)				5.13%
	Complete 19, 20 & 21 For Earthquake and certain Medical				
10	Malpractice with Reinsurance Only (see instructions Direct Commissions				
	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
	Variance Change to Efficiency Standard (Must be accompanied by Variance Request, subject to CDI approval)				2.18
	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.				

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PROCESSING PATA POINTON IN PILAR PATA PATA		i .		Completed by:	NOPCAL	
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RMAX PREMIUM NA		ł	·····			
		1091.34	1030.00	1093.30		
	RMAX PREMIUM RCHANGE AT MAX	++			NA NA	

	RATEMAKING DATA				
	(Click + to expand for more than 3 years; - to contract)				
	Completed by	NORCAL			
	Date Completed				
	Company/Group	6/30/2011 NORCAL Mutual In:	surance Company		
	Line Description			-	
	Coverage			1	
	Marketing System:	%Captive 0.00%	%Direct 59.00%	%Independent 41.00%	(Must add up to 100%)
	Prior Effective Date (current rates)	10/1/2004			
	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 #:	2	
	Data below is:	Report Year Data (Claim	ns Made policies only)	.	
		2nd Prior Year	1st Prior Year	Most Recent Year	Projected*/ New Program**
_	Auliformia Direct Weitten D	2008	2009	2010	
	California Direct Written Premium	147,895,486	140,497,443	138,880,182	
2	California Direct Earned Premium	148,259,193	140,605,000	136,618,010	
3	Premium Adjustment Factor (Developed in Exhibit 4)	1.000	1.000	1.000	
4	Premium Trend Factor * (Developed in Exhibit 5)	0.944	0.971	1.000	-1.46%
5	Miscellaneous Fees and Flat Charges (Not included in Line 2;	-	-	-	
6	Developed in Exhibit 6) Earned Exposure Units	18,132	17,375	17,704	
7	Historic Losses (Projected for New Programs)	38,255,384	46,747,642	33,334,313	
8	Historic Defense and Cost Containment Expense (DCCE)	39,171,710	36,544,529	27,188,615	
9	Loss Development Factor (Developed in Exhibit 7)	1.037	1.151	1.980	
	DCCE Development Factor (Developed in Exhibit 7)	1.037	1.151	1.980	
	Loss Trend Factor* (Developed in Exhibit 8)	1.193	1.147	1.103	4.00%
	DCCE Trend Factor* (Developed in Exhibit 8)	1.193	1.147	1.103	4.009
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)				1.29%
16	Ancillary Income (Developed in Exhibit 11)				
	Projected Federal Income Tax Rate on Investment Income (From				28.83%
18	Page 14) Projected Yield (From Page 14)				5.13%
	Complete 19, 20 & 21 For Earthquake and certain Medical				
19	Malpractice with Reinsurance Only (see instructions Direct Commissions				
20	Reinsurance Premium (Developed in Exhibit 12)				
	Reinsurance Recoverables (Developed in Exhibit 12)				
_ 1					-
	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				2.00
	Variance Request, subject to CDI approval)				
	For all trend factors, the Projected Column should reflect the				
	annual trend expressed as a percentage.				

Contract Notices (No Expet by the) Additional functions Additional funct	VARIANCE: 2	RATE TEMF	PLATE	Edition Date:	4/4/2011	
ODD FLEX ODD Compared reasons						
DET OF JERUDANCE. MEERCAL MALPRACTICE (some mode)	CDI FILE NUMBER:	รู้และการการการการการการการการการการการการการก				
COMBAR: BOOK AFF_CATS: PROCESS (JPT_CATS) O Completed by: NORCAL Completed by: SOUCH Complete by: SOUCH	COMPANY/GROUP:	NORCAL Mutual Ins	surance Company			
DEGOS. PER ANTE. 190/2004 Complement by: Work21. DATA PROVIDED BY PILES VIL20/2 Date: 6.028/071 DATA PROVIDED BY PILES VIL20/2 Date: 6.028/071 DATA PROVIDED BY PILES VIL20/2 Date: 6.028/071 DATA PROVIDED BY PILES PRIOR RECENT SUMMARY MED_FARE 147.095.466 404.07.433 138.880.182 427.721.111 DBLARD 147.095.466 404.07.433 138.880.182 427.721.111 DBLARD 0.04 0.07 0 0 0 DBLARD 0.044 0.071 1.000 0.010 0 DBLARD 0.044 0.071 1.080 0.000 0	LINE OF INSURANCE:	MEDICAL MALPRA	CTICE (claims-made)			
Description Direct Direct Direct Reserve ADA A RAVIEND BY FLAX Year: 2008 2009 2010 RCUENT SUMMARY MATE ARAVIEND BY FLAX Year: 2008 2009 2010 RCUENT SUMMARY Mate Aravient 144.289.1933 340.800.000 139.618.010 425.482.203 Mate Aravient 144.299.193 340.800.000 10.00 0.00 Mate Aravient 0.400 0.00 1.000 0.00 Mate Aravient 144.295.482 33.343.313 132.33.33 Mate Aravient 1.147.20 1.177.04 55.211 Mate Aravient 1.137.110 86.445.98 77.148.015 10.294.864 Mate Aravient 1.137 1.147 1.103 0.040 Mate Aravient 0.00 1.000 1.000 0.040 Mate Aravient 0.00 1.000 1.000 1.000 Mate Aravient 0.00 1.000 1.000 1.000 Mate Aravient 0.00 1.000 <td< td=""><td>COVERAGE:</td><td>1</td><td></td><td></td><td></td><td></td></td<>	COVERAGE:	1				
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RMAX PREMIUM NA	RE_RECOV_PER_EXP	ł	ii			
		7720.12	7859.07	7718.14		
RCHANGE AT MAX NA					4	
	RCHANGE_AT_MAX				NA	

	RATEMAKING DATA				
	(Click + to expand for more than 3 years; - to contract)				
	Completed by	NORCAL			
••••••	Date Completed				
	Company/Group				
	Line Description	MEDICAL MALPRACTICE	(claims-made)	-	
	Coverage	N/Contina	%Direct	0/Independent	(Must add up to 100%)
	Marketing System:	%Captive 0.00%	59.00%	%Independent 41.00%	(Must add up to 100%)
•••••	Prior Effective Date (current rates)	10/1/2004			
	Proposed Effective Date (new rates) CDI File Number (Department use only)	1/1/2012 0			
	Does the data provided below reflect a Request for Variance?	Yes 🔻	Variance #:	3	
	Data below is:	Report Year Data (Claim	ns Made policies only)	-	
		2nd Prior Year	1st Prior Year	Most Recent Year	Projected*/ New Program**
1	California Direct Written Premium	2008 147,895,486	2009 140,497,443	2010 138,880,182	
	California Direct Earned Premium	148,259,193	140,605,000	136,618,010	
	Premium Adjustment Factor (Developed in Exhibit 4)	140,239,193	140,003,000	1.000	
	Premium Trend Factor * (Developed in Exhibit 5)	0.944	0.971	1.000	-1.469
	Miscellaneous Fees and Flat Charges (Not included in Line 2;	-	-	-	
	Developed in Exhibit 6) Earned Exposure Units	18,132	17,375	17,704	
_	Historic Losses (Projected for New Programs)	38,255,384	46,747,642	33,334,313	
	Historic Defense and Cost Containment Expense (DCCE)	39,171,710	36,544,529	27,188,615	
	Loss Development Factor (Developed in Exhibit 7)	1.037	1.151	1.980	
	DCCE Development Factor (Developed in Exhibit 7)	1.037	1.151	1.980	
_	Loss Trend Factor* (Developed in Exhibit 8)	1.193	1.147	1.103	4.009
12	DCCE Trend Factor* (Developed in Exhibit 8)	1.193	1.147	1.103	4.00%
13	Catastrophe Adjustment Factor (Developed in Exh 9)	1.000	1.000	1.000	
14	Credibility Factor for Losses & DCCE (Developed in Exhibit 10)				100.009
15	Excluded Expense Factor (From Page 13)				1.299
16	Ancillary Income (Developed in Exhibit 11)				
	Projected Federal Income Tax Rate on Investment Income (From Page 14)				28.839
18	Projected Yield (From Page 14)				5.139
	Complete 19, 20 & 21 For Earthquake and certain Medical Malpractice with Reinsurance Only (see instructions				
	Direct Commissions 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)				0.00
	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 TEMPL		Edition Date:	4/4/2011	
	(No input k	by filer)			
CDI FILE NUMBER:					
COMPANY/GROUP:	NORCAL Mutual Insu MEDICAL MALPRAC				
LINE OF INSURANCE: COVERAGE:					
PRIOR EFF DATE:	10/1/2004		Completed by:	NORCAL	
PROPOSED EFF DATE:	1/1/2012		Date:	6/30/2011	
	11 11 2012		Duto	0/00/2011	
DATA PROVIDED BY FILER					
Year:	2008	2009	2010		
				PROJECTED/	
	PRIOR2	PRIOR1	RECENT	SUMMARY	
WRT_PREM	147,895,486	140,497,443	138,880,182	427,273,111	
ERN PREM	148,259,193	140,605,000	136,618,010	425,482,203	
PREM ADJ	1.000	1.000	1.000		
PREM_TREND	0.944	0.971	1.000	+	
MISCELLANEOUS_FEES (& other flat charges)	0	0	0		
EARNED EXP	18,132	17,375	17,704		
LOSSES	38,255,384	46,747,642	33,334,313	· · · · · · · · · · · · · · · · · · ·	
DCCE	39,171,710	36,544,529	27,188,615		
LOSS_DEV	1.037	1.151	1.980		
DCCE_DEV	1.037	1.151	1.980		
LOSS_TREND	1.193	1.147	1.103		
DCCE TREND	1.193	1.147	1.103		
CAT ADJ	1.000	1.000	1.000		
CREDIBILITY				100.00%	
EXPENSE EXCLUSION FACTOR	-		~	1.29%	
ANC INC	0	0	0		
FIT_INV YIELD				28.83% 5.13%	
11870				5.13%	
<u>CDI PARAMETERS:</u>				05.000/	
FIT_UW				35.00%	
EFF STANDARD				27.28%	
LEVERAGE PREMIUM TAX RATE				2.35%	
SURPLUS RATIO				2.33%	
UEP RES RATIO				0.42	
LOSS RES RATIO				4.21	
					May 2011
RISK FREE RATE OF RETURN MAXIMUM RATE OF RETURN				8.09%	way 2011
MINIMUM RATE OF RETURN				-6.00%	
				0.0070	
CDI CALCULATIONS:					
ADJ PREM	139,956,678	136,527,455	136,618,010	413,102,143	
ADJUSTED LOSSES	47,327,304	61,716,097	72.800.140		
ADJUSTED DCCE	48,460,928	48,245,978	59,378,304		
ADJUSTED LOSS+DCCE RATIO	68.44%	80.54%	96.75%		
TRENDED CURRENT RATE LEVEL PREMIUM	7718.77	7857.70	7716.79		
LOSS+DCCE PER EXP	5282.83	6328.75	7466.02		
COMP LOSS+DCCE PER EXP	7715.65	7854.52	7713.67		
CRED LOSS PER EXP	5282.83	6328.75	7466.02		
ANC_INC_PER_EXP	0.00	0.00	0.00		
FIXED_INV_INC_FACTOR				23.65%	
VAR INV INC FACTOR				13.53%	
ANNUAL NET TREND				5.54%	
COMP_TREND				24.08%	
MAX_PROFIT				24.74%	
MIN PROFIT				-18.36%	
UW_PROFIT				-7.85%	
MAX_DENOM				0.615	
MIN_DENOM	ļ			1.046	
MAX_PREMIUM				\$7,883.05	
MIN_PREMIUM				\$4,635.03	
CHANGE AT MIN				-40.30%	
CHANGE_AT_MAX				1.54%	
Alternate Calculation with Reinsurance					
COMMISSION_RATE				0.00%	
RE_PREM	-	-	-	0	
RE RECOV	-	-	-	0	
RE_PREM_PER_EXP	0.00	0.00	0.00		
RE_RECOV_PER_EXP	0.00	0.00	0.00		
COMP_LOSS_RE	7715.65	7854.52	7713.67		
RMAX PREMIUM				NA	
RCHANGE AT MAX				NA	

SERFF Tracking Number:	NCMC-127209693	State:	California
Filing Company:	NORCAL Mutual Insurance Company	State Tracking Number:	11-5669
Company Tracking Number:	CA P&S FORM/RATE/RULE 1/1/2012		
TOI:	11.2 Med Mal-Claims Made Only	Sub-TOI:	11.2023 Physicians & Surgeons
Product Name:	NORCAL Physicians & Surgeons		
Project Name/Number:	CA P&S FORM/RATE/RULE 1/1/2012/		

Attachment "PriorApprovalRateApplication040411-4.xls" is not a PDF document and cannot be reproduced here.

NORCAL MUTUAL INSURANCE COMPANY ACTUARIAL MEMORANDUM

The following provides additional comments and discussion regarding some of the attached exhibits required by the California Department of Insurance (CDI) Prior Approval Rate Regulations. Since this filing pertains to the medical professional line, for some exhibits, including Exhibits 5, 7, 8 and 9, the promulgated methods of the CDI are not required and the discussion below and the attached Exhibits document the methods used.

This memorandum addresses pertinent issues related to the support for the rate indication and the distribution of changes to achieve the requested overall rate change.

Exhibits 1-4, 6, 9, 11-12, 17-19

We have no material comments related to these exhibits not clearly addressed by the exhibits themselves.

<u>Exhibit 5</u>

Exhibit 5 shows the derivation of the premium trend factors used in the filing. Trend is applied through 2010, bringing the prior calendar years to the calendar year 2010 pricing levels. We have not assumed that this trend will persist into the future and have not applied it prospectively after 2010 and thus no premium trend is applied for 2010. For NORCAL, premium trend is meant to recognize changes in the company's book of business over time. For example, if the proportion of larger groups increases, the average discount level will increase resulting in negative premium trend. Such changes are known for the historical experience period but would not necessarily be expected to continue subsequently and so we have only adjusted the historical years to the most recent (2010) level rather than assume the trend will continue to 2012.

<u>Exhibit 7</u>

Exhibit 7 shows the calculation of the loss development factors. Page 1 shows the results of the various methods, the selected ultimate projections and the incurred development factors implied by those selections. Pages 2 and 3 show the incurred and paid loss and DCCE development triangles and the selected link ratios underlying Page 1. Based on a review of the historical patterns, we have generally relied on five-year weighted averages in selecting the link ratios and on the incurred indications which are more reliable for the experience period. The paid indications are highly leveraged for the most recent years and incurred data reflects more up-to-date information. We believe the selected ratios represent an appropriate balance of stability and responsiveness and mitigate the impact of any anomalous data points.

The implied loss development factors flow through to the Page 7 Ratemaking Data worksheet of the CDI Prior Approval Rate Application.

Page 4 shows the adjustment made to the 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 5% 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 worksheet of the CDI Prior Approval Rate Application.

Please note that the DD&R load is consistent with industry norms including the load used in The Doctors Company's most recently approved filing.

<u>Exhibit 8</u>

Exhibit 8 shows the derivation of the frequency and severity trend rates used in the filing. Page 1 fits exponential severity trends to 3, 5, 7 and 9 years of historical data. Based on these exponential fits, we selected a severity trend rate of 4.0% for use in the rate template. In reviewing the indicated trends, the three-year result appeared anomalous and we relied more on the longer term trends which are reasonably stable. The selected 4% is within the indicated range. Severity trend factors for the various report years 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 2 shows frequency statistics. Frequency has been relatively stable over the time period under review, both increasing and decreasing from year-to-year mostly in small increments. Though the more recent indications show an upward trend, we have assumed that this positive frequency trend is primarily driven by the inherent volatility and have selected a 0.0% frequency trend. Considering the positive frequency trend would result in a higher indicated rate change.

Exhibit 10

The CDI Prior Approval Rate Regulations do not state a full credibility threshold for the medical professional liability line of business and we are not proposing a specific threshold at this time. Per CDI regulations, the completed prior approval rate application that we have submitted uses a three-year experience period.

For a longer tail line of business such as MPL, we believe that using fewer than three years of historical experience is inappropriate and even three years may not provide the most actuarially sound approach for determining the reasonableness of a rate change. Since a substantial portion of outstanding claims for long tail lines remains open at early evaluations for MPL, the experience is subject to substantial uncertainty and future development can differ materially from projected levels. We believe it is reasonable and appropriate to consider experience from additional prior years that can provide stability and credibility to the overall indication.

For the purposes of this filing we have treated the three year experience period as fully credible; per the CDI Prior Approval Regulations for calculating the complement of credibility, the indicated rate change would be higher at any lower credibility level.

Since we are requesting a rate change well below the maximum permissible, we feel the attached documentation provides sufficient support to allow the CDI to review and approve this filing.

<u>Exhibit 13</u>

NORCAL is requesting relief from the efficiency standard under Variance 1(B) and Variance 2(A). In addition, NORCAL is requesting Variance 3, an adjustment to the leverage ratio based on the concentration of direct earned premium in the medical professional liability line of business.

<u>Exhibit 14</u>

As has been highlighted to the CDI previously, there are several components underlying the promulgated rate indication methodology that generate distortions and may cause the maximum permissible rate indication to be inadequate or excessive. Two of these factors, the Loss Reserves Ratio (LRR) and the Unearned Premium Reserve Ratio (UEPR) are overstated for MPL resulting in indications that are materially understated.

Page 1 documents an alternate approach to calculating the LRR that eliminates distortions and volatility resulting from reliance on calendar year financial statement figures as a proxy for actual loss payout patterns. Additionally, the suggested approach creates internal consistency between the loss projections and the investment income offset expected to be generated by the policy. All else equal this change would increase the indicated rate change by 16.65%, from 8.94% to 25.59%.

Page 2 documents an alternate approach to calculating the UEPR that eliminates distortions resulting from reliance on calendar year financial statement data that do not fully reflecting the premium issues being addressed as well as the arbitrary cutoff date of December 31 which is not inherently meaningful for the CDI's purpose. The unearned premium underlying the current CDI promulgation inherently assumes all premiums are collected at the beginning of the policy term, though premium installment plans are highly utilized by policyholders. NORCAL's policyholders nearly all pay in quarterly installments. The current calculation requires than any fees charged for lost investment income on installment plans (installment charges) be included as premium, but doesn't allow an offset for the actual underlying costs of allowing the policyholder to pay in installments.

Page 2 calculates an UEPR directly based on the premium collection pattern but may still be overstated as it still does not consider additional issues such as agent's balances held for some period before remittal to the company or overdue premium installments. All else equal this change would increase the indicated rate change by 3.25%, from 8.94% to 12.19%.

In combination applying the alternate LRR and UEPR factors within the CDI's rating template, all else equal, would increase the indicated rate change by 20.39%, from 8.94% to 29.33%.

This is further support for the reasonableness of our proposed rate change, which is less than the maximum permissible even prior to addressing these material discrepancies.

Exhibit 15

This exhibit displays how the -5.0% proposed overall rate change is to be distributed. Further discussion of each item is included in Exhibit 16 and/or Exhibit 20.

<u>Exhibit 16</u>

We are implementing a base territory/class mature claims manual rate reduction of -5.0%. Additionally, we are making various changes including changes to territory and class relativities that in combination with the base rate reduction result in a -5.0% overall premium impact.

We are revising our territory relativities based on the indications and competitor comparisons shown on Page 1. Territory B (Los Angeles and Orange Counties) and Territory L (San Diego and Ventura Counties) show both large indicated changes and substantial discrepancy from primary competitors. TDC/SCPIE has had a significant presence in these territories and we believe it is appropriate to give some consideration to their experience. We have selected factors between our current factors and the TDC factors for these two territories. The estimated overall premium impact is -3.3%.

Page 2.1 shows the indicated relativity change by class grouping using two different combinations of historical years to balance the need for stability, credibility and responsiveness when addressing such small data sets. In the interest of mitigating policyholder dislocation, we have capped the selected relativity changes as shown. Specifically, we have capped the proposed changes so that the net impact from the combination of class relativity and base rate changes would be less than or equal to 0%. The proposed relativities are then rebalanced to the base class 2A. The estimated overall premium impact from these changes is +1.8% all else equal.

Page 2.2 displays changes to the class plan that have no associated premium impact. We are introducing several new specialties and renaming several existing specialties. These changes are being made in order to simplify and clarify the class plan, refine data availability, and to support the changing needs of policyholders.

We are updating the claims-made step factors to reflect recent claim reporting patterns and to be more consistent with the market place. Page 3 compares the current, indicated and proposed NORCAL factors with the current factors for other major carriers in California. We believe the proposed factors are reasonable and will enhance the clarity of the pricing calculations for policyholders. The estimated overall premium impact is +1.6% .

We are increasing the charge for entity coverage from 11% to 12%. The estimated overall premium impact is +0.5%. We believe this is a reasonable step toward the indications shown on Page 4.

Exhibit 20

Rule changes and the expected impacts are described in Exhibit 20.

NORCAL Mutual Insurance Company California Physician and Surgeons

Filing History and Rate Level History

Date	Effective	Rate	California
Filed	Date	Change	File No.
(1)	(2)	(3)	(4)
7/1/2003	1/1/2004	2.91%	03-5028
3/26/2004	10/1/2004	1.60%	04-2368

NORCAL Mutual Insurance Company California Physician and Surgeons

Policy Term Distribution

NORCAL policies are written with one-year terms

NORCAL Mutual Insurance Company California Physician and Surgeons

Premium Adjustment Factor

Since no rate change has been made effective since 2004, premium adjustment factors for the most recent years are 1.000.

NORCAL Mutual Insurance Company California Physician and Surgeons

Premium Trend Factors

Year (1)	Earned Premium (2)	Base Class Expos (3)	Average Premium (4) =(2)/(3)	Premium Trend Factor (5)
2008	148,259,193	18,132	8,177	0.944
2009	140,605,000	17,375	8,092	0.971
2010	136,618,010	17,704	7,717	1.000

Two-Year Average Annual Change: -2.9%

Notes:

(5) Factor used to adjust premium to the 2010 level based on the two-year average annual change

NORCAL Mutual Insurance Company California Physician and Surgeons

Miscellaneous Fees and Other Charges

Data relating to any such fees is included in Direct Earned Premium.

Exhibit 7 Page 1

NORCAL Mutual Insurance Company California Physician and Surgeons

Selection of Ultimate Loss and DCCE Losses Evaluated as of 12/31/10 Dollars in 000s

	Incurred	Paid	Ultir	Ultimate Loss and DCCE				
	Loss and	Loss and	Incurred	Paid		Age-to-Ult		
Report	DCCE	DCCE	Development	Development	Selected	Factor		
Year	to Date	to Date	Method	Method	Ultimate	Selected		
(1)	(2)	(3)	(4)	(5)	(6)	(7)		
						[(6)/(2)]		
2002	110,947	110,904	110,947	111,015	110,947	1.000		
2003	99,275	98,973	99,275	99,369	99,275	1.000		
2004	100,064	99,262	100,064	100,155	100,064	1.000		
2005	100,482	97,754	100,482	100,589	100,482	1.000		
2006	91,545	87,896	92,460	94,049	92,460	1.010		
2007	93,473	80,971	95,343	95,303	95,343	1.020		
2008	73,740	56,174	76,468	79,992	76,468	1.037		
2009	79,326	41,045	91,304	102,859	91,304	1.151		
2010	57,641	7,790	114,129	108,053	114,129	1.980		

Notes:

- (4) Based on the incurred loss and DCCE to date in (2) and the age-to-age factors in Exhibit 7, Sheet 2
- (5) Based on the paid loss and DCCE to date in (3) and the age-to-age factors in Exhibit 7, Sheet 3

Exhibit 7 Page 2

NORCAL Mutual Insurance Company California Physician and Surgeons

Incurred Loss and DCCE Development Method Losses Evaluated as of 12/31/10 Dollars in 000s

Report	Months De	veloped								
Year	12	24	36	48	60	72	84	96	108	120
2002	45,000	94,652	110,908	112,724	110,909	110,677	110,982	110,958	110,947	
2003	40,344	89,014	97,945	98,493	99,485	99,412	99,454	99,275		
2004	43,326	79,463	93,495	95,268	98,529	100,441	100,064			
2005	45,040	81,469	90,110	94,411	97,485	100,482				
2006	40,683	80,827	91,347	93,142	91,545					
2007	48,179	82,304	94,280	93,473						
2008	47,895	74,279	73,740							
2009	49,561	79,326								
2010	57,641									

Age-to-Age Factors

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	
2002	2.103	1.172	1.016	0.984	0.998	1.003	1.000	1.000		
2003	2.206	1.100	1.006	1.010	0.999	1.000	0.998			
2004	1.834	1.177	1.019	1.034	1.019	0.996				
2005	1.809	1.106	1.048	1.033	1.031					
2006	1.987	1.130	1.020	0.983						
2007	1.708	1.146	0.991							
2008	1.551	0.993								
2009	1.601									
Average Age-to	-Age Facto	ors								
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult
Simple Average	es									
3-Year	1.620	1.089	1.020	1.017	1.016	1.000				
5-Year	1.731	1.110	1.017	1.009						
7-Year	1.814	1.118								
Weighted Aver	ages									
3-Year	1.620	1.092	1.019	1.017	1.016	1.000				
5-Year	1.721	1.112	1.016	1.008						
7-Year	1.799	1.120								
SELECTED	1.720	1.110	1.017	1.010	1.010	1.000	1.000	1.000	1.000	1.000
SELECTED										
AGE-TO-ULT	1.980	1.151	1.037	1.020	1.010	1.000	1.000	1.000	1.000	1.000

Exhibit 7 Page 3

NORCAL Mutual Insurance Company California Physician and Surgeons

Paid Loss and DCCE Development Method Losses Evaluated as of 12/31/10 Dollars in 000s

Months De	eveloped								
12	24	36	48	60	72	84	96	108	120
9,857	51,213	83,428	99,232	107,371	108,819	110,801	110,840	110,904	
6,759	43,127	73,620	89,840	95,538	97,170	98,906	98,973		
6,353	35,110	66,130	81,355	93,229	97,203	99,262			
6,075	35,665	64,596	80,176	89,321	97,754				
7,061	38,730	72,065	82,679	87,896					
7,314	39,359	66,521	80,971						
7,357	36,086	56,174							
6,679	41,045								
7,790									
	12 9,857 6,759 6,353 6,075 7,061 7,314 7,357 6,679	9,85751,2136,75943,1276,35335,1106,07535,6657,06138,7307,31439,3597,35736,0866,67941,045	1224369,85751,21383,4286,75943,12773,6206,35335,11066,1306,07535,66564,5967,06138,73072,0657,31439,35966,5217,35736,08656,1746,67941,04556	122436489,85751,21383,42899,2326,75943,12773,62089,8406,35335,11066,13081,3556,07535,66564,59680,1767,06138,73072,06582,6797,31439,35966,52180,9717,35736,08656,1746,67941,04556,174	12243648609,85751,21383,42899,232107,3716,75943,12773,62089,84095,5386,35335,11066,13081,35593,2296,07535,66564,59680,17689,3217,06138,73072,06582,67987,8967,31439,35966,52180,971100,0007,35736,08656,174100,000100,0006,67941,045100,000100,000100,000	12 24 36 48 60 72 9,857 51,213 83,428 99,232 107,371 108,819 6,759 43,127 73,620 89,840 95,538 97,170 6,353 35,110 66,130 81,355 93,229 97,203 6,075 35,665 64,596 80,176 89,321 97,754 7,061 38,730 72,065 82,679 87,896 7,314 39,359 66,521 80,971 54,596 7,357 36,086 56,174 56,174 56,174 6,679 41,045 56,174 56,174 56,174	12 24 36 48 60 72 84 9,857 51,213 83,428 99,232 107,371 108,819 110,801 6,759 43,127 73,620 89,840 95,538 97,170 98,906 6,353 35,110 66,130 81,355 93,229 97,203 99,262 6,075 35,665 64,596 80,176 89,321 97,754 94,262 7,061 38,730 72,065 82,679 87,896 97,754 94,262 7,314 39,359 66,521 80,971 80,971 94,045 95,336 94,045	12 24 36 48 60 72 84 96 9,857 51,213 83,428 99,232 107,371 108,819 110,801 110,840 6,759 43,127 73,620 89,840 95,538 97,170 98,906 98,973 6,353 35,110 66,130 81,355 93,229 97,203 99,262 6,075 35,665 64,596 80,176 89,321 97,754 94,045 7,061 38,730 72,065 82,679 87,896 97,754 94,045 7,314 39,359 66,521 80,971 94,045 94,045 94,045	12 24 36 48 60 72 84 96 108 9,857 51,213 83,428 99,232 107,371 108,819 110,801 110,840 110,904 6,759 43,127 73,620 89,840 95,538 97,170 98,906 98,973 6,353 35,110 66,130 81,355 93,229 97,203 99,262 6,075 35,665 64,596 80,176 89,321 97,754 94,262 7,061 38,730 72,065 82,679 87,896 97,754 104,45 110,404 7,357 36,086 56,174 56,174 56,174 56,174 56,174 6,679 41,045 56,174 56,174 56,174 56,174 56,174

Age-to-Age Factors

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	
2002 2003 2004 2005 2006 2007 2008 2009	5.195 6.381 5.527 5.870 5.485 5.382 4.905 6.145	1.629 1.707 1.883 1.811 1.861 1.690 1.557	1.189 1.220 1.230 1.241 1.147 1.217	1.082 1.063 1.146 1.114 1.063	1.013 1.017 1.043 1.094	1.018 1.018 1.021	1.000 1.001	1.001		

Average Age-to	Average Age-to-Age Factors										
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-Ult	
Simple Average	es										
3-Year	5.477	1.702	1.202	1.108	1.042	1.019					
5-Year	5.557	1.760	1.211	1.094							
7-Year	5.671	1.734									
Weighted Aver	ages										
3-Year	5.456	1.706	1.200	1.107	1.050	1.019					
5-Year	5.535	1.760	1.210	1.092							
7-Year	5.654	1.728									
SELECTED	5.535	1.760	1.210	1.100	1.040	1.020	1.005	1.003	1.001	1.000	
SELECTED											
AGE-TO-ULT	13.871	2.506	1.424	1.177	1.070	1.029	1.009	1.004	1.001	1.000	

NORCAL Mutual Insurance Company California Physician and Surgeons

Incurred Loss and DCCE Adjusted for DD&R Load Losses Evaluated as of 12/31/10 Dollars in 000s

Report	Incurred			DD&R	Adjusted Incurred			
Year	Loss	DCCE	Loss and DCCE	Factor	Loss	DCCE	Loss and DCCE	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
			[(2)+(3)]				[(6)+(7)]	
2008	36,434	37,306	73,740	1.05	38,255	39,172	77,427	
2009	44,522	34,804	79,326	1.05	46,748	36,545	83,292	
2010	31,747	25,894	57,641	1.05	33,334	27,189	60,523	

Exhibit 8 Page 1

NORCAL Mutual Insurance Company California Physician and Surgeons

Trend in Average Claim Severity

	Ultimate		
	Incurred		Ultimate
	Indemnity	Ultimate	Average
Report	& DCCE	Claim	Claim
Year	(000s)	Counts	Severity
(1)	(2)	(3)	(4)
			[(2)/(3)x1,000]
2002	110,947	2,540	43,680
2003	99,275	2,472	40,160
2004	100,064	2,120	47,200
2005	100,482	1,911	52,581
2006	92,460	1,787	51,740
2007	95,343	1,728	55,175
2008	76,468	1,492	51,252
2009	91,304	1,663	54,903
2010	114,129	1,812	62,985
	Trends	R-Sqrd	
9-Year	4.5%	79.1%	
7-Year	3.4%	67.2%	
5-Year	4.0%	55.7%	
3-Year	10.9%	96.4%	
		1	
Selected:	4.0%	<u>]</u>	
	<u>Report Year</u>	Trend Factor*	
	2008	1.193	
	2009	1.147	

*Trended from the middle of the report year and assumes filing is applied to policies starting on effective date 1/1/2012.

Exhibit 8 Page 2

NORCAL Mutual Insurance Company California Physician and Surgeons

Trend in Average Claim Frequency

Report Year (1)	Ultimate Claim Counts (2)	Base Class Expos (3)	Ultimate Number of Claims per 100 Base Class Expos (4) [(2)/(3)x100]
			[(=// (0///200]
2002	2,540	20,070	12.7
2003	2,472	20,922	11.8
2004	2,120	19,868	10.7
2005	1,911	18,702	10.2
2006	1,787	18,252	9.8
2007	1,728	19,023	9.1
2008	1,492	18,132	8.2
2009	1,663	17,375	9.6
2010	1,812	17,704	10.2
	Trends	R-Sqrd	
9-Year	-3.5%	55.2%	
7-Year	-1.5%	14.3%	
5-Year	1.4%	7.1%	
3-Year	11.5%	95.3%	
Selected:	0.0%]	
	<u>Report Year</u>	Trend Factor*	
	2008	1.000	
	2009	1.000	
	2010	1.000	

*Trended from the middle of the report year and assumes filing is applies to policies starting on effective date 1/1/2012.

NORCAL Mutual Insurance Company California Physician and Surgeons

Catastrophe Adjustment

No adjustments are made for catastrophic losses.

NORCAL Mutual Insurance Company California Physician and Surgeons

Credibility Adjustment

No adjustment is made for credibility

NORCAL Mutual Insurance Company California Physician and Surgeons

Ancillary Income

Not applicable

NORCAL Mutual Insurance Company California Physician and Surgeons

Reinsurance Premium and Recoverables

The cost of reinsurance is not included in rate development.

NORCAL Mutual Insurance Company California Physician and Surgeons

Request for Variance

Variance 1(B)

NORCAL Risk Management and Patient Safety programs are specifically designed to address professional liability risk. All loss prevention activity is geared toward reducing potential claim activity and improvement of patient outcomes. This is done through risk assessments performed by specialists and by providing specific education to policyholders. Programs and resources are developed by claim analysis and assessment review. Claims experience highlights the factors that give rise to loss and the risk management patient safety program is designed to address such factors. Our program is constantly evolving and expanding. Additionally, NORCAL actively follows up subsequent to site visits and after continuing medical education activities to verify that recommendations have been adequately understood and implemented. We strongly believe these changes in practice behavior lead to reduced professional liability exposure and NORCAL is one of extremely few, if any, professional liability insurance companies that verifies the practice patterns have been modified.

Validating the losses eliminated through risk management services is very difficult to do, but in a recent study, the efficacy of such patient safety and risk management programs has been documented and verified. In the recent New York Weill-Cornell Medical Center study that was published in February of 2011 in the American Journal of Obstetrics and Gynecology, it was concluded that instituting a comprehensive patient safety program decreased compensation payments and sentinel events resulting in immediate and significant savings. The study indicated that payments decreased 91% during the study period and sentinel events went from 5 to zero. The study was conducted over a 9 year period of time.

NORCAL maintains an accreditation with commendation from the Accreditation Council for Continuing Medical Education (CME) which further reinforces the high quality of our Risk Management and Patient Safety program. Accreditation with commendation is awarded to only the best programs in the country and to only 2% of all CME providers.

These loss prevention activities are for the line of business underlying this filing (MPL) and support our California policyholders. The Company's loss prevention costs for 2010 were \$3.7M. These costs reflect expenses related to employees, software, equipment, consultants, etc. used for loss prevention activities and do not include the routine and customary costs of marketing or employing underwriters or adjusters. NORCAL has a dedicated risk management staff off 16. Allocating based on premium, the loss prevention costs applicable to the California physician program represented 2.18% of direct earned premium in 2010.

Our actual expense ratio for Calendar Year 2010 was 35.88% compared to the 27.28% allowed by the efficiency standard. We are requesting the allowable expense level be increased by 2.18% to 29.46% based on Variance 1(B).

The maximum permitted rate change with only Variance 1B is +1.78%. The maximum permitted rate change without any Variance is -1.71%.

NORCAL Mutual Insurance Company California Physician and Surgeons

Request for Variance

Variance 2(A)

We are not aware of any independent surveys or customer service reviewers for our line of business, such as J.D. Powers. However, for the last three years we retained an independent firm, TNS, to survey our customers, including a sample of broker representatives on issues related to customer satisfaction. TNS, a London-based global research firm conducted a survey for the third consecutive year in 2010 and is familiar with the services provided to, and important to our customers. TNS is highly regarded in the U.S. as they offer a full range of market research and business insight services to clients in all industry sectors. We had the opportunity to work closely with their financial services division which added valuable relevant insight about the industry and how our company compares. At our direction, TNS independently designed the questions, selected recipients and received, tabulated and analyzed the results.

Based on that independent review our satisfaction survey results are in the 90% range (out of 100%.) According to TNS, most financial institutions' customer satisfaction scores generally peak at 80% so in comparison our ratings are truly exceptional.

In the independent study the Broker respondents, who routinely work with multiple medical malpractice carriers and have direct knowledge of relative service quality, consistently rated NORCAL higher than other carriers with regard to Quality Customer Service, including Policy Management, Claims handling, Risk Management and Communication related activities. The questionnaire specifically asked their opinions of NORCAL compared to other medical professional liability carriers. The questionnaire did not ask for comparisons to individual competitors.

Additionally, our policyholder retention rates are consistently extremely high, providing additional support for our on-going customer satisfaction and high level of service. 94%, 95% and 95% of California policies chose to renew with NORCAL in 2008, 2009 and 2010, respectively.

Our actual expense ratio for Calendar Year 2010 was 35.88% compared to the 27.28% allowed by the efficiency standard. We are requesting relief of 2% to include additional expenses related to providing higher quality service in place of the standard. Combined with the request for Variance 1(B), we are requesting a total increase in the allowed expense ratio of 4.18% to 31.46%.

The maximum permitted rate change with only Variance 2 is +1.48%. The maximum permitted rate change without any Variance is -1.71%.

Variance 3

A modification to the Leverage Ratio used in the ratemaking template is requested due to the fact that over 90% of 2010 direct earned premium is in one line of business, medical professional liability. Additionally, in 2010 NORCAL was nearly 90% concentrated in California (89% DEP) and active in only 4 states. Compared to other major medical malpractice carriers in the state which derived less than half of their premium from California and are active in up to the full 50 states (plus DC), we are far less diversified geographically and present a different investment risk.

The current Leverage Factor for the medical malpractice claims-made line of business is 0.5916. The adjustment for Variance 3 is 85%.

The adjusted value used in the rating template is: = 0.5029 (= 0.5916×0.85)

The maximum permitted rate change with Variance 3 is +1.54%. The maximum permitted rate change without Variance 3 is -1.71%.

Summary of Impact of Requested Variances

	Maximum
Variance	Permitted Rate
Combination	Change
1,2&3	+8.94%
2&3	+4.95%
1&3	+5.27%
1&2	+5.21%
3	+1.54%
2	+1.48%
1	+1.78%
None	-1.71%

NORCAL Mutual Insurance Company California Physicians and Surgeons

Derivation of Loss Reserves Ratio - Alternate Method

Report Year (1)	Selected Ultimate Loss and DCCE (2)	Paid Loss and DCCE (3)	Implied % Unpaid (4)	Adjusted Ultimate Loss (5)	Expected Paid Loss (6)	Expected Loss and DCCE Reserve (7)
2002	110,947	110,904	0.0%	83,393	83,360	33
2003	99,275	98,973	0.3%	86,729	86,465	264
2004	100,064	99,262	0.8%	90,198	89,475	723
2005	100,482	97,754	2.7%	93,806	91,259	2,547
2006	92,460	87,896	4.9%	97,558	92,743	4,815
2007	95,343	80,971	15.1%	101,460	86,166	15,294
2008	76,468	56,174	26.5%	105,519	77,515	28,003
2009	91,304	41,045	55.0%	109,739	49,333	60,407
2010	114,129	7,790	93.2%	114,129	7,790	106,339
Total						218,426
(8)	Loss and DCO	CE Reserve at	12/31/10			218,426
(9)	Selected Ulti	mate for Late	st Year			114,129
(10)	Reserve to Ir	ncurred Ratio				1.914
(11)	Adjusting an	d Other Exper	nse Unpaid			42,448
(12)	Case Losses	Unpaid				135,744
(13)	Bulk and IBN	R Losses Unpa	aid			110,539
(14)	Case DCCE U	npaid				48,415
(15)	Bulk and IBN	R DCCE Unpai	d			74,444
(16)	AOS Reserve	Load				11.5%
(17)	Loss Reserve	es Ratio				2.134

Notes:

- (2),(3) From Exhibit 7, Page 1
 - (4) = [(2) (3)] / (2)
 - (5) Value for latest in (2), de-trended using a trend of 4.0%
 - (6) = $[1 (4)] \times (5)$
 - (7) = (5) (6)
- (10) = (8) / (9)

(11)-(15) From 2010 Annual Statement, Schedule P - Part 1F - Section 2

- (16) = (11) / [Sum of (12) through (15)]
- (17) = (10) x [1 + (16)]

NORCAL Mutual Insurance Company California Physicians and Surgeons

Unearned Premium Reserve Ratio - Alternate Method

			Quarterly	Other	
(1)	# Months in Policy Period		12.0	12.0	(8)
(2)	Midpoint of Policy Period		6.0	6.0	Unearned
					Premium
(3)	Average Month of Premium	Reciept	4.5	4.7	Reserve
(4)	Unearned Premium - Month	s Held	1.5	1.3	Ratio
(5)	Unearned Premium Ratio (Ye	ears Held)	0.125	0.110	0.125
		-			
(6)	Distribution of Premium		97%	3%	100%
(7)	Proportion of Premium	Month			
	Collected by Month	Due	100.0%	100.0%	
		0	25.0%	15.0%	
		1	0.0%	8.5%	
		2	0.0%	8.5%	
		3	25.0%	8.5%	
		4	0.0%	8.5%	
		5	0.0%	8.5%	
		6	25.0%	8.5%	
		7	0.0%	8.5%	
		8	0.0%	8.5%	
		9	25.0%	8.5%	
		10	0.0%	8.5%	

11

0.0%

0.0%

Notes:

- (2) = (1) x 0.5
- (3) Weighted Average of month due in (7) using given weights in (7)
- (4) = (2) (3)
- (5) = (4) / 12
- (8) UEPR Ratio: Weighted Average of (5) using (6) as the weights.

NORCAL Mutual Insurance Company California Physician and Surgeons

Rate Distribution

	Estimated Premium Impact
Base Rate Change	-5.0%
Territorial Changes	-3.3%
Specialty Changes	1.8%
Step Factor Changes	1.6%
Entity Factor Changes	0.5%
Facility Minimum Premium Changes	0.0%
Tail Waiver Rule	-0.2%
Risk Management Rule	-0.3%
Combined Impact	-5.0%

Notes: Details are included in Exhibits 16 and 20

Exhibit 16 Page 1

NORCAL Mutual Insurance Company California Physician and Surgeons

Rate Classification Relativities Territory

	Current	Indicate	d Territory R	elativity	Proposed	
	NORCAL	Using NO	RCAL Data		NORCAL	Proposed
Territory	Relativity	01-09	05-09	TDC	Relativity	Change
А	1.000	1.000	1.000	1.000	1.000	0.0%
В	2.339	2.139	2.166	1.399	1.871	-20.0%
К	0.792	0.721	0.749	0.833	0.792	0.0%
L	2.089	1.817	1.820	1.235	1.671	-20.0%
Μ	2.196	2.492	2.530	2.099	2.196	0.0%
Ν	1.227	1.256	1.021	1.181	1.227	0.0%
Total						-3.3%

Territory Definitions

- A Remainder of State
- B Los Angeles and Orange Counties
- K Fresno, Madera, Monterey, San Mateo, Santa Clara and Santa Cruz Counties
- L San Diego and Ventura Counties
- M Riverside and San Bernardino Counties
- N Kern, Imperial, San Luis Obispo and Santa Barbara Counties

NORCAL Mutual Insurance Company California Physician and Surgeons

Rate Classification Relativities Medical Specialties

						Current	Proposed	Proposed	Combined Impact of Relativity and Base
Current	Proposed	Indicated	Changes	Proposed	Proposed	Relativity	Relativity	Relativity	Rate
Class	Class	03-09	05-09	Change	Relativity	Base Class	Base Class	Change	Changes
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	1	-13.4%	-9.0%	-5.0%	0.295	0.478	0.478	0.0%	-5.0%
1A	1A	-25.2%	-21.5%	-5.0%	0.430	0.696	0.696	0.0%	-5.0%
1A	1B	9.9%	11.0%	0.0%	0.452	0.696	0.733	5.3%	0.0%
2	2	2.0%	9.9%	0.0%	0.521	0.802	0.844	5.3%	0.0%
2A	2A	-12.4%	-12.6%	-5.0%	0.618	1.000	1.000	0.0%	-5.0%
2A	2B	32.8%	34.1%	0.0%	0.650	1.000	1.053	5.3%	0.0%
3	3	-16.9%	-23.3%	-10.0%	0.706	1.206	1.143	-5.3%	-10.0%
3	3C	2.8%	5.2%	0.0%	0.784	1.206	1.269	5.3%	0.0%
3A	3A	-16.2%	-16.2%	-5.0%	0.777	1.258	1.258	0.0%	-5.0%
4	4	8.8%	12.6%	0.0%	0.933	1.435	1.511	5.3%	0.0%
3B	3B	-10.3%	-6.4%	-5.0%	1.028	1.665	1.665	0.0%	-5.0%
4A	4A	-17.7%	-15.9%	-5.0%	1.273	2.062	2.062	0.0%	-5.0%
5	5	-14.2%	-9.0%	-5.0%	1.310	2.122	2.122	0.0%	-5.0%
4B	4B	6.3%	7.5%	0.0%	1.379	2.122	2.234	5.3%	0.0%
6	6	-15.0%	-12.6%	-5.0%	2.071	3.353	3.353	0.0%	-5.0%
6	6A	31.2%	33.7%	0.0%	2.180	3.353	3.529	5.3%	0.0%
7	7	21.2%	24.1%	0.0%	2.356	3.625	3.816	5.3%	0.0%
7A	7A	0.2%	-1.1%	-1.0%	2.854	4.435	4.622	4.2%	-1.0%
8	8	15.4%	17.9%	0.0%	4.060	6.246	6.575	5.3%	0.0%
Total								1.8%	-3.3%

Notes:

(9) = (8) / (7) - 1

(10) = [1+(9)] x (1-5%) - 1

NORCAL Mutual Insurance Company California Physician and Surgeons

Rate Classification Relativities Medical Specialties

Current NORCAL	Current NORCAL		Proposed NORCAL	Proposed NORCAL		
<u>Code</u>	<u>Class</u>	Current Specialty Name	<u>Code</u>	Class	Proposed Specialty Name	<u>Comments</u>
New Medical	Specialties ,	/ Healthcare Extenders				
N/A	N/A	N/A	9121	1B	Dermatopathology	Rate with Pathology
N/A	N/A	N/A	9127	3	General Medicine (No Surgery)	Rate with Family Medicine (No Surgery)
N/A	N/A	N/A	9066	3	Gynecology (Minor Surgery)	Rate with Family Medicine (Minor Surgery)
N/A	N/A	N/A	9067	2	Gynecology (No Surgery)	Rate with Surgical Specialist (No Surgery)
N/A	N/A	N/A	9131	2A	Hyperbaric Medicine	Rate with Internal Medicine (Non-Invasive)
N/A	N/A	N/A	9132	4	Infectious Disease	Rate with Internal Medicine (Invasive)
N/A	N/A	N/A	9138	4	Nephrology (Invasive)	Rate with Internal Medicine (Invasive)
N/A	N/A	N/A	9144	2A	Pediatrics (Developmental-Behavioral)	Rate with Pediatrics
N/A	N/A	N/A	9164	n/a	Radiology Assistant	Healthcare Extender - Rate with Physician Assistant
N/A	N/A	N/A	9151	2A	Sleep Medicine	Rate with Internal Medicine (Non-Invasive)
N/A	N/A	N/A	9152	3	Surgical Specialist (Minor Surgery)	Rate with Family Medicine (Minor Surgery)
N/A	N/A	N/A	9070	4A	Urogynecology and Reconstructive Pelvic Surgery	Rate with Gynecology (Major)

Specialty Name/Code Changes

8902	1	Allergy	9108	1	Allergy and Immunology
8995	6	Dermatology (Including Cosmetic Surgery)	9120	6	Dermatology (Major Surgery)
9055	4B	Family Practice (Including Obstetrics/No C-sections)	9112	4B	Family Medicine (Including Obstetrics/No C-sections)
9045	6	Family Practice (Including Obstetrics and C-sections)	9113	6	Family Medicine (Including Obstetrics and C-sections)
8957	6	Family Practice (Major Surgery)	9111	6	Family Medicine (Major Surgery)
8956	3	Family Practice (Minor Surgery)	9110	3	Family Medicine (Minor Surgery)
8959	3	Family Practice (No Surgery)	9109	3	Family Medicine (No Surgery)
9056	4B	General Practice (Including Obstetrics/No C-sections)	9112	4B	Family Medicine (Including Obstetrics/No C-sections)
9046	6	General Practice (Including Obstetrics and C-sections)	9113	6	Family Medicine (Including Obstetrics and C-sections)
8917	6	General Practice (Major Surgery)	9111	6	Family Medicine (Major Surgery)
8916	3	General Practice (Minor Surgery)	9110	3	Family Medicine (Minor Surgery)
8958	3	General Practice (No Surgery)	9109	3	Family Medicine (No Surgery)
8980	3	General Medicine (Including Office Practice and Consulting)	9126	3	General Medicine (Minor Surgery)
8967	4A	Gynecology Only	9128	4A	Gynecology (Major Surgery)
8997	6	Gynecology (Including Cosmetic Surgery)	9129	6	Gynecology (Major Surgery/Including Cosmetic)
9019	7A	Perinatology	9118	7A	Maternal-Fetal Medicine / Perinatology
8988	2	Medical Genetics (No Amniocentesis)	9135	2	Medical Genetics (Non-Invasive)
9036	2A	Oncology	9114	2A	Medical Oncology
9017	2A	Nephrology	9139	2A	Nephrology (Non-Invasive)
9029	ЗA	Pain Management	9141	ЗA	Pain Management (Interventional)
9052	ЗA	Physical Medicine and Rehabilitation (Interventional Pain Management)	9147	3A	Physical Medicine and Rehabilitation (Interventional)
8938	1	Physical Medicine and Rehabilitation	9148	1	Physical Medicine and Rehabilitation (Non-Interventional)
8941	2	Psychiatry (Including Convulsive Shock Treatment)	9149	2	Psychiatry (Including Electroconvulsive Therapy)
8940	1A	Psychiatry (No Convulsive Shock Treatment)	9150	1A	Psychiatry (No Electroconvulsive Therapy)
9021	4	Diagnostic/Interventional Radiology	9115	4	Radiology (Diagnostic / Interventional)
9020	2A	General Diagnostic Radiology	9117	2B	Radiology (General Diagnostic)
8945	5	Therapeutic Radiology	9116	5	Radiology (Radiation Oncology / Therapeutic)
8979	2	Surgical Specialist (Office Practice and Consulting)	9153	2	Surgical Specialist (No Surgery)

Note: There are no expected premium impacts from the changes noted above.

Exhibit 16 Page 3

NORCAL Mutual Insurance Company California Physician and Surgeons

Rate Classification Relativities Claims Made Step Factors

			Со	mpetitor Relativi	ties	
Year of	NORCAL	NORCAL	The	Medical Ins.		NORCAL
Claims-Made	Current	Indicated	Doctors	Exchange	Medical	Proposed
Coverage	Relativity	Relativity	Company	of CA	Protective	Relativity
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1st	34.2%	32.7%	35.0%	34.1%	32.0%	35%
2nd	57.1%	75.0%	60.0%	67.0%	60.0%	65%
3rd	71.0%	87.1%	80.0%	85.2%	81.0%	80%
4th	81.7%	92.2%	92.0%	92.0%	90.0%	90%
5th	91.4%	94.8%	100.0%	100.0%	100.0%	100%
6th +	100.0%	100.0%	100.0%	100.0%	100.0%	100%

Total Impact 1.6%

Exhibit 16 Page 4

NORCAL Mutual Insurance Company California Physician and Surgeons

Rate Classification Relativities Entity Charge

		Incurred Loss & DCCE	Losses on Entity Policies		
	Incurred	\$1M Limits	as % of		
	Loss & DCCE	on Individual	Losses on		
	\$1M Limits	Physicians	Underlying		
Poport	on Entity	with Entity	Physicians		
Report Year		Policies	•		
	Coverage		Coverage		
(1)	(2)	(3)	(4)		
			= (2) / (3)		
2002	8,663	36,483	24%		
	-	•			
2003	5,603	30,472	18%		
2004	2,738	29,593	9%		
2005	7,487	26,480	28%		
2006	5,562	27,089	21%		
2007	5,237	25,800	20%		
2008	3,868	12,723	30%		
2009	2,645	18,503	14%		
2010	3,573	17,525	20%		
2002-2008	39,158	188,639	21%		
2002-2009	33,140	170,660	19%		
2003-2005	,	,	20%		
2004-2010	31,110	157,713	20%		
	Curr	ent Entity Charge:	11%		
	Proposed Entity Charge: 12%				

Proposed Change: 9.1% Impact on Total Book: 0.5%

Notes:

(2),(3) Evaluated as of 12/31/10; Dollars in 000s

NORCAL Mutual Insurance Company California Physician and Surgeons

New Program

This is not a filing for a new program.

NORCAL Mutual Insurance Company California Physician and Surgeons

Insurer Group Filing

This is not a Group filing.

NORCAL Mutual Insurance Company California Physician and Surgeons

Super Group - Corporate Structure Verification Exhibit

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

NORCAL Mutual Insurance Company California Physician and Surgeons

Rule Revisions

Risk Management Credit

We are adding opportunities for policyholders to earn an additional premium credit of 2% through continuing education, etc. This credit was selected judgmentally. We project an overall -0.3% premium impact based on estimated utilization of this optional credit.

Retirement Waiver

We are eliminating the minimum age requirement for the DD&R tail waiver. Currently the minimum age is 55 years old. We estimate that this enhanced rule represents a 0.2% premium decrease overall.

Physician Part-Time Practice Discount

We are revising the criteria slightly, including eliminating the reference to hospital admissions which are frequently unavailable and revising the cutoff to 20 hours per week. The latter revision improves consistency internally and with industry standards. We expect no material overall premium impact from these revisions.

Schedule Rating

We are expanding policyholder eligibility. We expect no material overall premium impact.

Facility Minimum Premiums

We are revising our current minimum premiums for Healthcare Facilities to improve clarity, enhance administrative efficiency and be more consistent with the marketplace. Currently, NORCAL's minimum premiums for each facility type vary based on a variety of factors such as geographic territory and policy limit. This has proven to be confusing for policyholders and difficult to administrate.

Therefore, consistent with the market we are revising our approach to apply a single minimum premium by facility type that only varies with policy limit. Specifically, we are implementing \$1M limits minimum premiums of \$15,000 for Surgery Centers and Emergency Rooms, \$10,000 for Urgent Care Centers and Blood Banks and \$5,000 for all other facilities.

The overall premium impact is a negligible decrease.

NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE [APRIL 1, 2011] JANUARY 1, 2012 RATE PAGES

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NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE [APRIL 1, 2011] JANUARY 1, 2012 PROFESSIONAL LIABILITY RATING FACTORS

Year	Claims-Made Factors	Claims-Made Run-Off Factors
Current	[0.3420] <u>0.35</u>	0.9100
1st Prior	[0.2291] <u>0.30</u>	0.6500
2nd Prior	[0.1389] <u>0.15</u>	0.4100
3rd Prior	[0.1069] <u>0.10</u>	0.1700
4th Prior	[0.0971] <u>0.10</u>	0.1100
[5th Prior]	[0.0860]	[0.0000]

	Increased			
	Limits			
Limit	Factor			
Linne				
\$.5M/1.5M	0.8684			
\$.5IVI/ 1.5IVI	0.0004			
\$1M/\$3M	1.0000			
\$2M/\$4M	1.2099			
\$2M/\$5M	1.2497			
\$1M/\$5M*	1.1500			
\$1M\$10M*	1.5000			
\$2M/\$10M*	1.8327			
*Availab	*Available only for Entity Coverage			
for Pa	for Partnerships/Corporations			
ar	nd for Facility Policies			
l				

	1
Class	Class Factor
1	0.478
1A	0.696
<u>1B</u>	0.733
2	[0.802] 0.844
2A	1.000
<u>2B</u>	1.053
3	[1.206] <u>1.143</u>
3A	1.258
3B	1.665
<u>3C</u>	<u>1.269</u>
4	[1.435] <u>1.511</u>
4A	2.062
4B	[2.122] <u>2.234</u>
5	2.122
6	3.353
<u>6A</u>	<u>3.529</u>
7	[3.625] <u>3.816</u>
7A	[4.435] <u>4.622</u>
8	[6.246] <u>6.575</u>

NOTE: NORCAL Mutual may, at its customer's request, facilitate the issuance of coverage at limits higher than \$2M/\$5M. NORCAL will secure the higher limits on behalf of its customer by obtaining facultative reinsurance, at rates set by the respective reinsurer. NORCAL will add customary acquisition costs, including brokerage commission (if any) and premium taxes, to this cost.

NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE [APRIL 1, 2011] JANUARY 1, 2012 PROFESSIONAL LIABILITY TERRITORY RATES

LIMITS OF LIABILITY: \$1 MILLION / \$3 MILLION

	ANNUAL
	MATURE
	CLAIMS-MADE
TERRITORY	COST
А	[\$8,673]
В	[\$20,283] <u>\$15,415</u>
К	[\$6,869] <u>\$6,525</u>
L	[\$18,115] <u>\$13,767</u>
Μ	[\$19,044]
Ν	[\$10,641] <u>\$10,109</u>

TERRITORY DEFINITIONS:

A	REMAINDER OF CALIFORNIA COUNTIES NOT IN TERRITORIES B,K,L,M OR N: Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte El Dorado, Glenn, Humboldt, Inyo, Kings, Lake, Lassen, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo & Yuba Counties
В	Los Angeles & Orange Counties
К	Fresno, Madera, Monterey, San Mateo, Santa Clara & Santa Cruz Counties
L	San Diego & Ventura Counties
М	Riverside & San Bernardino Counties
N	Imperial, Kern, Santa Barbara & San Luis Obispo Counties

NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE [APRIL 1, 2011] JANUARY 1, 2012 PROFESSIONAL LIABILITY RATING FACTORS

MEDICAL SPECIALTY CODES/CLASSIFICATION

CODE	SPECIALTY	CLASS
8901	Administrative Medicine	1
[8902] <u>9108</u>	Allergy and Immunology	1
8903	Anesthesiology	3A
9041	Anesthesiology (Interventional Pain Management)	3A
8946	Cardiac Surgery	7
9031	Cardiology (Interventional)	4
9033	Cardiology (Invasive)	4
9032	Cardiology (Non-Invasive)	2
8910	Colon and Rectal Surgery	6
9022	Critical Care Medicine	4
[8995] <u>9120</u>	Dermatology ([Including Cosmetic] <u>Major</u> Surgery)	6
9042	Dermatology (Minor Surgery)	2
9043	Dermatology (No Surgery)	2
<u>9121</u>	Dermatopathology	<u>1B</u>
[9021] <u>9115</u>	[Diagnostic/Interventional] Radiology (Diagnostic/Interventional)	4
9044	Emergency Medicine	4A
9013	Endocrinology	2A
	Family [Practice] <u>Medicine</u> (Including Obstetrics/No C-sections)	4B
	Family [Practice] Medicine (Including Obstetrics and C-sections)	6
[8957] <u>9111</u>	Family [Practice] Medicine (Major Surgery)	6
[8956] <u>9110</u>	Family [Practice] Medicine (Minor Surgery)	3
[8959] <u>9109</u>	Family [Practice] Medicine (No Surgery)	3
8915	Gastroenterology	[3] <u>30</u>
[9020] <u>9117</u>	[General Diagnostic] Radiology (General Diagnostic)	[2A] 2
[8980] <u>9126</u>	General Medicine ([Including Office Practice and Consulting] Minor Surgery)	3
9127	General Medicine (No Surgery)	3
[9056]	[General Practice (Including Obstetrics/No C-sections)]	[4B]
[<u>9046]</u>	[General Practice (Including Obstetrics and C sections)]	[6]
[<u>8917]</u>	[General Practice (Major Surgery)]	[6]
[<u>8916]</u>	[General Practice (Minor Surgery)]	[3]
[<u>8958]</u>	[General Practice (No Surgery)]	[3]
8918	General Preventive Medicine	2
8919	General Surgery	[6] <u>64</u>
8975	General Surgery (Including Bariatrics)	8
[8997] <u>9129</u>	Gynecology (<u>Major Surgery /</u> Including Cosmetic [Surgery])	6
[8967] <u>9128</u>	Gynecology [only] (Major Surgery)	4A
<u>9066</u>	<u>Gynecology (Minor Surgery)</u>	3
9067	Gynecology (No Surgery)	<u>3</u> 2
9027	Hand Surgery	6
8978	Hematology	2A
9028	Hospitalist	2A
<u>9131</u>	Hyperbaric Medicine	<u>2A</u>
9132	Infectious Disease	4
9034	Internal Medicine (Invasive)	4
9035	Internal Medicine (Non-Invasive)	2A

NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE [APRIL 1, 2011] JANUARY 1, 2012 PROFESSIONAL LIABILITY RATING FACTORS

MEDICAL SPECIALTY CODES/CLASSIFICATION

NORCAL		
CODE	SPECIALTY	CLASS
[8988] <u>9135</u>	Medical Genetics ([No Amniocentesis] <u>Non-Invasive</u>)	2
8985	Neonatology	3B
<u>9138</u>	Nephrology (Invasive)	<u>4</u>
[9017] <u>9139</u>	Nephrology (Non-Invasive)	2A
9047	Neurology (Interventional)	4
9048	Neurology (Non-Interventional)	4
8923	Neurosurgery	8
8981	Nuclear Medicine	2A
[9049] <u>9038</u>	Neuromusculoskeletal Medicine/Osteopathic Manipulative Medicine Only	2
8926	Obstetrics and Gynecology	7A
8800	Occupational Medicine	2A
[9036] <u>9114</u>	Medical Oncology	2A
9025	Ophthalmology (Major Surgery)	2A
9024	Ophthalmology (Minor Surgery)	2
9023	Ophthalmology (No Surgery)	2
8996	Oral and Maxillofacial Surgery	6
9037	Orthopedic Surgery (Including Spinal Surgery)	7
9107	Orthopedic Surgery (No Spinal Surgery)	6
9050	Otolaryngology (Including Cosmetic Surgery)	6
9051	Otolaryngology (No Cosmetic Surgery)	4
[9029] <u>9141</u>	Pain Management <u>(Interventional)</u>	3A
8932	Pathology	[1A] <u>1B</u>
8933	Pediatrics	2A
9144	Pediatrics (Developmental-Behavioral)	<u>2A</u>
<u>[9019]</u> 9118	Maternal-Fetal Medicine / Perinatology	7A
[8938] <u>9148</u>	Physical Medicine and Rehabilitation (Non-Interventional)	1
[9052] <u>9147</u>	Physical Medicine and Rehabilitation (Interventional [Pain Management])	3A
8939	Plastic Surgery	6
[8941] <u>9149</u>	Psychiatry (Including <u>Electroconvulsive Therapy</u> [Convulsive Shock Treatment])	2
[8940] <u>9150</u>	Psychiatry (No <u>Electroconvulsive Therapy</u> [Convulsive Shock Treatment])	1A
8943	Pulmonary Disease	4
9053	Reproductive Endocrinology	4A
9054	Rheumatology	2A
<u>9151</u>	<u>Sleep Medicine</u>	<u>2A</u>
8968	Surgical Assistant	2
<u>9152</u>	Surgical Specialist (Minor Surgery)	<u>3</u>
[8979] <u>9153</u>	Surgical Specialist ([Office Practice and Assisting] <u>No Surgery</u>)	2
[8945] <u>9116</u>	[Therapeutic] Radiology (Radiation Oncology / Therapeutic)	5
8986	Thoracic Surgery	7
9030	Urgent Care	3
<u>9070</u>	Urogynecology and Reconstructive Pelvic Surgery	<u>4A</u>
<u>8947</u>	Urology	4
9012	Vascular Surgery	6
7012	rased a surgery	0

NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE [APRIL 1, 2011] JANUARY 1, 2012 PARTNERSHIPS/CORPORATIONS

The rate for the entity coverage is [11] 12% of the underlying professional liability premium or the stated rate below as a minimum premium.

\$2,250	

MINIMUM
REPORTING
ENDT. RATE
\$4,000
8

NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE [APRIL 1, 2011] JANUARY 1, 2012 HEALTHCARE EXTENDER ANNUAL RATES

TERRITORY A LIMITS OF LIABILITY: \$1 MILLION / \$3 MILLION

	FULL-TIME RATE	
PROVIDER	Shared	SEPARATE
	LIMITS	LIMITS
Certified Registered Nurse Anesthetist	[\$4,991]	[\$6,655] <u>\$6,321</u>
[Nurse] Midwife	[\$8,886]	[\$11,848]
Nurse Practitioner	[\$1,518]	[\$2,024]
Optometrist	N/A	[\$353] <u>\$335</u>
Perfusionist	[\$1,518]	[\$2,024]
Physician Assistant	[\$1,518]	[\$2,024]
Physician Assistant (Including Obstetrics)	[\$8,886]	[\$11,848]
Podiatrist (Limited Surgery)	[\$4,051]	[\$5,401]
Podiatrist (Major Surgery)	[\$5,874]	[\$7,832] <u>\$7,440</u>
Preceptee	[\$1,868]	N/A
Radiology Assistant	<u>\$1,442</u>	<u>\$1,923</u>

TERRITORY A LIMITS OF LIABILITY: \$1 MILLION / \$3 MILLION

		<u>Mature</u> Claims-Made
Facility Type	Rate Per	<u>Rate</u>
BLOOD BANK	100 Blood Donations	<u>99.64</u>
DIALYSIS CENTER	<u>100 Procedures</u>	77.22
EMERGENCY MEDICINE GROUP	Patient Visit	<u>5.40</u>
ENDOSCOPY CENTER	<u>Procedure</u>	2.05
IMAGING CENTER	100 Test Results	<u>204.81</u>
LABORATORY	<u>100 Test Results</u>	<u>11.82</u>
URGENT CARE CENTER	Patient Visit	<u>1.78</u>

Subject to \$1M/\$3M Minimum Premium of:	
	¢10.000
<u>BLOOD BANK</u>	<u>\$10,000</u>
DIALYSIS CENTER	<u>\$5,000</u>
EMERGENCY MEDICINE GROUP	<u>\$15,000</u>
ENDOSCOPY CENTER	<u>\$5,000</u>
IMAGING CENTER	<u>\$5,000</u>
LABORATORY	<u>\$5,000</u>
URGENT CARE CENTER	<u>\$10,000</u>

[TERRITORY A] [LIMITS OF LIABILITY: \$1 MILLION / \$3 MILLION]

[Year]	[Per Patient] [Visit Rate]	[Minimum] [Premium*]
[1]	[0.64]	[3,200]
[2]	[1.07]	[5,350]
[3]	[1.33]	[6,650]
[4]	[1.53]	[7,650]
[5]	[1.71]	[8,550]
[6]	[1.87]	[9,350]

[URGENT CARE CENTERS]

[EMERGENCY MEDICINE GROUPS]

[Year]	[Per Patient] [Visit Rate]	[Minimum] [Premium*]
[1]	[1.94]	[9,700]
[2]	[3.24]	[16,200]
[3]	[4.03]	[20,150]
[4]	[4.64]	[23,200]
[5]	[5.19]	[25,950]
[6]	[5.68]	[28,400]

[ENDOSCOPY CENTERS]

[Year]	[Per] [Procedure]	[Minimum] [Premium**]
[1]	[0.74]	[3,577]
[2]	[1.23]	[5,974]
[3]	[1.53]	[7,426]
[4]	[1.76]	[8,545]
[5]	[1.97]	[9,560]
[6]	[2.16]	[10,460]

[* Minimum premium based on 5,000 annual patient visits.] [** Minimum premium is the Class 3 Individual Physician Rate.]

TERRITORY A LIMITS OF LIABILITY: \$1 MILLION / \$3 MILLION

AMBULATORY SURGERY CENTERS

			Reporting
	Rate		Endorsement
	Per Surgical	[Minimum]	Rate per
Year	Procedure	[Premium*]	Procedure
1	[7.58] <u>7.20</u>	[7,580]	[9.55] <u>9.07</u>
2	[12.13] <u>11.52</u>	[12,130]	[3.79] <u>3.60</u>
3	[15.16] <u>14.40</u>	[15,160]	0.00

Subject to \$1M/\$3M Minimum Premium of \$15,000.

[TERRITORY A] [LIMITS OF LIABILITY: \$1 MILLION / \$3 MILLION]

[LABORATORIES]

[Year]	[Rate per 100] [Test Results]	[Minimum] [Premium*]
[1]	[4.25]	[1,418]
[2]	[7.10]	[2,368]
[3]	[8.83]	[2,943]
[4]	[10.16]	[3,387]
[5]	[11.37]	[3,789]
[6]	[12.44]	[4,146]

[DIALYSIS CENTERS]

[Year]	[Rate per 100] [Procedures]	Minimum Premium*
[1]	[27.80]	[1,418]
[2]	[46.42]	[2,368]
[3]	[57.71]	[2,943]
[4]	[66.40]	[3,387]
[5]	[74.29]	[3,789]
[6]	[81.28]	[4,146]

[BLOOD BANKS]

[IMAGING CENTERS]

[Year]	[Rate per 100] [Test Results]	[Minimum] [Premium*]	[Year]	[Rate per 100] [Blood] [Donations]	[Minimum] [Premium**]
[1]	[73.73]	[1,418]	[1]	[35.87]	[2,966]
[2]	[123.12]	[2,368]	[2]	[59.90]	[4,953]
[3]	[153.07]	[2,943]	[3]	[74.47]	[6,158]
[4]	[176.12]	[3,387]	[4]	[85.68]	[7,085]
[5]	[197.05]	[3,789]	[5]	[95.86]	[7,927]
[6]	[215.59]	[4,146]	[6]	[104.88]	[8,673]

[* Minimum premium is the Class 1 Individual Physician Rate.]

[** Minimum premium is the Class 2A Individual Physician Rate.]

TERRITORY A LIMITS OF LIABILITY: \$1 MILLION / \$3 MILLION

<u>Community</u> <u>Clinics</u> <u>Class</u>	<u>Rating</u> <u>Category</u>	<u>Mature</u> <u>Claims-Made</u> <u>Rate</u>
1	<u>Per Doctor Hour</u> <u>Per Patient Visit</u> <u>Per Dental Procedure</u>	<u>5.67</u> <u>1.24</u> <u>2.85</u>
<u>2</u>	Per Doctor Hour Per Patient Visit Per Dental Procedure	<u>10.70</u> <u>1.24</u> <u>2.85</u>
<u>3</u>	<u>Per Doctor Hour</u> <u>Per Patient Visit</u> <u>Per Dental Procedure</u> <u>Per Special Procedure</u>	<u>17.79</u> <u>1.24</u> <u>2.85</u> <u>14.87</u>

Subject to \$1M/\$3M Minimum Premium of \$5,000.

[TERRITORY A] [LIMITS OF LIABILITY: \$1 MILLION / \$3 MILLION]

[COMMUNITY CLINICS CLASS 1]

[Year]	[Per] [Doctor] [Hour]	[Per] [Patient] [Visit]	[Per] [Dental] [Procedure]
[1]	[2.04]	[0.45]	[1.02]
[2]	[3.41]	[0.75]	[1.71]
[3]	[4.24]	[0.93]	[2.13]
[4]	[4.88]	[1.07]	[2.45]
[5]	[5.46]	[1.20]	[2.74]
[6]	[5.97]	[1.31]	[3.00]

[COMMUNITY CLINICS CLASS 2]

[Year]	Per Doctor Hour	Per Patient Visit	Per Dental Procedure
[1]	[3.85]	[0.45]	[1.02]
[2]	[6.43]	[0.75]	[1.71]
[3]	[8.00]	[0.93]	[2.13]
[4]	[9.20]	[1.07]	[2.45]
[5]	[10.29]	[1.20]	[2.74]
[6]	[11.26]	[1.31]	[3.00]

[COMMUNITY CLINICS CLASS 3]

[Year]	Per	Per	Per	Per
	Doctor	Patient	Dental	Special
	Hour	Visit	Procedure	Procedure
[1]	[6.41]	[0.45]	[1.02]	[5.35]
[2]	[10.70]	[0.75]	[1.71]	[8.94]
[3]	[13.30]	[0.93]	[2.13]	[11.11]
[4]	[15.30]	[1.07]	[2.45]	[12.78]
[5]	[17.12]	[1.20]	[2.74]	[14.30]
[6]	[18.73]	[1.31]	[3.00]	[15.65]

NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE JANUARY 1, 2012 RATE PAGES

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NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE JANUARY 1, 2012 PROFESSIONAL LIABILITY RATING FACTORS

		Claims-Made
	Claims-Made	Run-Off
Year	Factors	Factors
Current	0.35	0.9100
1st Prior	0.30	0.6500
2nd Prior	0.15	0.4100
3rd Prior	0.10	0.1700
4th Prior	0.10	0.1100

	Increased		
	Limits		
Lingit			
Limit	Factor		
\$.5M/1.5M	0.8684		
\$1M/\$3M	1.0000		
\$2M/\$4M	1.2099		
\$2M/\$5M	1.2497		
\$1M/\$5M*	1.1500		
\$1M\$10M*	1.5000		
\$2M/\$10M*	1.8327		
*Available only for Entity Coverage			
for Partnerships/Corporations			
and for Facility Policies			

Class	Class Factor
1	0.478
1A	0.696
1B	0.733
2	0.844
2A	1.000
2B	1.053
3	1.143
3A	1.258
3B	1.665
3C	1.269
4	1.511
4A	2.062
4B	2.234
5	2.122
6	3.353
6A	3.529
7	3.816
7A	4.622
8	6.575

NOTE: NORCAL Mutual may, at its customer's request, facilitate the issuance of coverage at limits higher than \$2M/\$5M. NORCAL will secure the higher limits on behalf of its customer by obtaining facultative reinsurance, at rates set by the respective reinsurer. NORCAL will add customary acquisition costs, including brokerage commission (if any) and premium taxes, to this cost.

NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE JANUARY 1, 2012 PROFESSIONAL LIABILITY TERRITORY RATES

LIMITS OF LIABILITY: \$1 MILLION / \$3 MILLION

	ANNUAL
	MATURE
	CLAIMS-MADE
TERRITORY	COST
А	\$8,239
В	\$15,415
К	\$6,525
L	\$13,767
Μ	\$18,093
Ν	\$10,109

TERRITORY DEFINITIONS:

A	REMAINDER OF CALIFORNIA COUNTIES NOT IN TERRITORIES B,K,L,M OR N: Alameda, Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Inyo, Kings, Lake, Lassen, Marin, Mariposa, Mendocino, Merced, Modoc, Mono, Napa, Nevada, Placer, Plumas, Sacramento, San Benito, San Francisco, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Stanislaus Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo & Yuba Counties
В	Los Angeles & Orange Counties
К	Fresno, Madera, Monterey, San Mateo, Santa Clara & Santa Cruz Counties
L	San Diego & Ventura Counties
М	Riverside & San Bernardino Counties
Ν	Imperial, Kern, Santa Barbara & San Luis Obispo Counties

NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE JANUARY 1, 2012 PROFESSIONAL LIABILITY RATING FACTORS

MEDICAL SPECIALTY CODES/CLASSIFICATION

VORCAL		
CODE	SPECIALTY	CLASS
8901	Administrative Medicine	1
9108	Allergy and Immunology	1
8903	Anesthesiology	3A
9041	Anesthesiology (Interventional Pain Management)	3A
8946	Cardiac Surgery	7
9031	Cardiology (Interventional)	4
9033	Cardiology (Invasive)	4
9032	Cardiology (Non-Invasive)	2
8910	Colon and Rectal Surgery	6
9022	Critical Care Medicine	4
9120	Dermatology (Major Surgery)	6
9042	Dermatology (Minor Surgery)	2
9043	Dermatology (No Surgery)	2
9121	Dermatopathology	1B
9044	Emergency Medicine	4A
9013	Endocrinology	2A
9112	Family Medicine (Including Obstetrics/No C-sections)	4B
9113	Family Medicine (Including Obstetrics and C-sections)	6
9111	Family Medicine (Major Surgery)	6
9110	Family Medicine (Minor Surgery)	3
9109	Family Medicine (No Surgery)	3
8915	Gastroenterology	3C
9126	General Medicine (Minor Surgery)	3
9127	General Medicine (No Surgery)	3
8918	General Preventive Medicine	2
8919	General Surgery	6A
8975	General Surgery (Including Bariatrics)	8
9129	Gynecology (Major Surgery/Including Cosmetic)	6
9128	Gynecology (Major Surgery)	4A
9066	Gynecology (Minor Surgery)	3
9067	Gynecology (No Surgery)	2
9027	Hand Surgery	6
8978	Hematology	2A
9028	Hospitalist	2A
9131	Hyperbaric Medicine	2A
9132	Infectious Disease	4
9034	Internal Medicine (Invasive)	4
9035	Internal Medicine (Non-Invasive)	2A
9118	Maternal-Fetal Medicine / Perinatology	7A
9135	Medical Genetics (Non-Invasive)	2
9114	Medical Oncology	2A

NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE JANUARY 1, 2012 PROFESSIONAL LIABILITY RATING FACTORS

MEDICAL SPECIALTY CODES/CLASSIFICATION

NORCAL		
CODE	SPECIALTY	CLASS
8985	Neonatology	3B
9138	Nephrology (Invasive)	4
9139	Nephrology (Non-Invasive)	2A
9047	Neurology (Interventional)	4
9048	Neurology (Non-Interventional)	4
8923	Neurosurgery	8
8981	Nuclear Medicine	2A
9038	Neuromusculoskeletal Medicine/Osteopathic Manipulative Medicine Only	2
8926	Obstetrics and Gynecology	7A
8800	Occupational Medicine	2A
9025	Ophthalmology (Major Surgery)	2A
9024	Ophthalmology (Minor Surgery)	2
9023	Ophthalmology (No Surgery)	2
8996	Oral and Maxillofacial Surgery	6
9037	Orthopedic Surgery (Including Spinal Surgery)	7
9107	Orthopedic Surgery (No Spinal Surgery)	6
9050	Otolaryngology (Including Cosmetic Surgery)	6
9051	Otolaryngology (No Cosmetic Surgery)	4
9141	Pain Management (Interventional)	3A
8932	Pathology	1B
8933	Pediatrics	2A
9144	Pediatrics (Developmental-Behavioral)	2A
9147	Physical Medicine and Rehabilitation (Interventional)	3A
9148	Physical Medicine and Rehabilitation (Non-Interventional)	1
8939	Plastic Surgery	6
9149	Psychiatry (Including Electroconvulsive Therapy)	2
9150	Psychiatry (No Electroconvulsive Therapy)	1A
8943	Pulmonary Disease	4
9115	Radiology (Diagnostic/Interventional)	4
9117	Radiology (General Diagnostic)	2B
9116	Radiology (Radiation Oncology / Therapeutic)	5
9053	Reproductive Endocrinology	4A
9054	Rheumatology	2A
9151	Sleep Medicine	2A
8968	Surgical Assistant	2
9152	Surgical Specialist (Minor Surgery)	3
9153	Surgical Specialist (No Surgery)	2
8986	Thoracic Surgery	7
9030	Urgent Care	3
9070	Urogynecology and Reconstructive Pelvic Surgery	4A
8947	Urology	4
9012	Vascular Surgery	6

NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE JANUARY 1, 2012 PARTNERSHIPS/CORPORATIONS

The rate for the entity coverage is 12% of the underlying professional liability premium or the stated rate below as a minimum premium.

MINIMUM RATE	Minimum Reporting Endt. Rate
\$2,250	\$4,000

NORCAL MUTUAL INSURANCE COMPANY CALIFORNIA EFFECTIVE JANUARY 1, 2012 HEALTHCARE EXTENDER ANNUAL RATES

TERRITORY A LIMITS OF LIABILITY: \$1 MILLION / \$3 MILLION

	FULL-TIME RATE		
PROVIDER	SHARED	SEPARATE	
	LIMITS	LIMITS	
Certified Registered Nurse Anesthetist	\$4,741	\$6,321	
Midwife	\$8,441	\$11,254	
Nurse Practitioner	\$1,442	\$1,923	
Optometrist	N/A	\$335	
Perfusionist	\$1,442	\$1,923	
Physician Assistant	\$1,442	\$1,923	
Physician Assistant (Including Obstetrics)	\$8,441	\$11,254	
Podiatrist (Limited Surgery)	\$3,848	\$5,131	
Podiatrist (Major Surgery)	\$5,580	\$7,440	
Preceptee	\$1,775	N/A	
Radiology Assistant	\$1,442	\$1,923	

TERRITORY A LIMITS OF LIABILITY: \$1 MILLION / \$3 MILLION

		Mature
		Claims-Made
Facility Type	Rate Per	Rate
BLOOD BANK	100 Blood Donations	99.64
DIALYSIS CENTER	100 Procedures	77.22
EMERGENCY MEDICINE GROUP	Patient Visit	5.40
ENDOSCOPY CENTER	Procedure	2.05
IMAGING CENTER	100 Test Results	204.81
LABORATORY	100 Test Results	11.82
URGENT CARE CENTER	Patient Visit	1.78

Subject to \$1M/\$3M Minimum Premium of:	
BLOOD BANK	\$10,000
DIALYSIS CENTER	\$5,000
EMERGENCY MEDICINE GROUP	\$15,000
ENDOSCOPY CENTER	\$5,000
IMAGING CENTER	\$5,000
LABORATORY	\$5,000
URGENT CARE CENTER	\$10,000

TERRITORY A LIMITS OF LIABILITY: \$1 MILLION / \$3 MILLION

AMBULATORY SURGERY CENTERS

Year	Rate Per Surgical Procedure	Reporting Endorsement Rate per Procedure		
1	7.20	9.07		
2	11.52	3.60		
3	14.40	0.00		

Subject to \$1M/\$3M Minimum Premium of \$15,000.

TERRITORY A LIMITS OF LIABILITY: \$1 MILLION / \$3 MILLION

Community Clinics Class	Rating Category	Mature Claims-Made Rate	
1	Per Doctor Hour Per Patient Visit Per Dental Procedure	5.67 1.24 2.85	
2	Per Doctor Hour Per Patient Visit Per Dental Procedure	10.70 1.24 2.85	
3	Per Doctor Hour Per Patient Visit Per Dental Procedure Per Special Procedure	17.79 1.24 2.85 14.87	

Subject to \$1M/\$3M Minimum Premium of \$5,000.



Your Commitment Deserves Nothing Less

June 30, 2011

CALIFORNIA DEPARTMENT OF INSURANCE RATE REGULATION BRANCH Rate Filing Bureau 45 Fremont Street, 23rd Floor San Francisco, CA 94105

Re: NORCAL Mutual Insurance Company NAIC #33200 Medical Professional Liability Insurance Physician & Surgeon Medical Professional Liability Program Form, Rate and Rule Filing Proposed Effective Date: January 1, 2012 (for New and Renewal Business) Prior Approval

In accordance with the February 2011 request from the CDI for NORCAL Mutual Insurance Company (NORCAL), and several other medical liability insurers, to submit a rate filing, we are forwarding the enclosed rate, rule and form revision for NORCAL's Physicians & Surgeons Medical Professional Liability program.

The overall indicated rate change using the CDI's ratemaking application and template is +8.94%. NORCAL is proposing to implement an overall decrease of 5%.

The requested revisions include the following:

- 1) Base Rate
- 2) Territorial Relativities
- 3) Class Relativities
- 4) Claims-Made Step Factors
- 5) Charge for Entity Coverage
- 6) Part-Time Credit criteria
- 7) Retirement eligibility
- 8) Minimum Premiums for Facilities
- 9) Risk Management Discount criteria
- 10) Schedule Rating eligibility
- 11) Other changes of an editorial nature only



In accordance with CDI requirements, this submission includes the following items:

- Prior Approval Rate Application in both Excel and PDF formats

 a) (Reflecting Request for Variances 1,2 and 3)
- 2) Prior Approval Rate Templates in both Excel and PDF formats
- 3) Actuarial Memorandum (including required Exhibits 1-20)
- 4) Filing Memorandum
- 5) Revised Rule and Rate Manuals pages (Marked and Clean Copy)
- 6) Revised Forms (Marked and Clean Copy)
- 7) Summary of Form Changes

This filing is being submitted through SERFF.

If you have any questions or require additional information, please contact me at (800) 652-1051, extension 2101 or by email at who@norcalmutual.com.

Sincerely,

Wendy

Wendy Ho UW, Operations Business Analyst

cc: Bruce Williams, ACAS, MAAA, AVP, Actuarial Services

Summary of Form Changes

Form Number	Form Name	Form Description	Form Mandatory or Optional	Form Restricts or Broaden Coverage	Form Rate Impact Yes/No	Modification
IE-004	Roster of Insured Person(s)	The endorsement adds a specified person to the policy, listing their specialty and retroactive date. Coverage applies only while he or she is acting within the course and scope of their duties for the Named Insured. The endorsed person has separate limits of liability and reimbursement for coverage noted. They have the right to purchase an extended reporting period endorsement after they are terminated.	Optional	Broaden	No	As a result of eliminating the age requirement for retirement, we are amending the IE096 endorsement to address all tail coverage conditions. Therefore, we have deleted the tail coverage conditions from this endorsement.
IE-095	Waiver of Extended Reporting Reporting Period Endorsement Premium	This endorsement amends PART VII, Extended Reporting Option.	Mandatory	Broaden	No	We will discontinue this endorsement. All amendments to the tail coverage conditions will occur in the IE096 endorsement.
IE096	Policy Change Endorsement	This endorsement amends the policy	Mandatory	Broaden	No	As a result of eliminating the minimum age requirement for retirement, we are revising this endorsement to address all tail coverage conditions for all qualified insureds. We also amended the 3 indicated exclusions so that they better reflect our intent.
GRP004	Roster of Insured Person(s)	The endorsement adds a specified person to the policy, listing their specialty and retroactive date. Coverage applies only while he or she is acting within the course and scope of their duties for the Named Insured. The endorsed person has separate limits of liability and reimbursement for coverage noted. They have the right to purchase an extended reporting period endorsement after they are terminated	Optional	Broaden	No	As a result of eliminating the age requirement for retirement, we are amending the GRP096 endorsement to address all tail coverage conditions. Therefore, we have deleted the tail coverage conditions from this endorsement.
GRP095	Waiver of Extended Reporting Reporting Period Endorsement Premium	This endorsement amends PART VII, Extended Reporting Option.	Mandatory	Broaden	No	We will discontinue this endorsement. All amendments to the tail coverage conditions will occur in the GRP096 endorsement.
GRP091GL	Health Care General Liability Endorsement	This endorsement is issued for the purchase of General Liability Coverage - Occurrence	Optional	Broaden	No	As a result of eliminating the minimum age requirement for retirement, we are amending the GRP096 endorsement to address all tail coverage conditions. Therefore, we have deleted the tail coverage conditions from this endorsement.
GRP096	Policy Change Endorsement	This endorsement amends the policy	Mandatory	Broaden	No	As a result of eliminating the minimum age requirement for retirement, we are revising this endorsement to address all tail coverage conditions for all qualified insureds. We also amended the 3 indicated exclusions so that they better reflect our intent.