



THE CINCINNATI INSURANCE COMPANIES

THE CINCINNATI INSURANCE COMPANY THE CINCINNATI INDEMNITY COMPANY
THE CINCINNATI CASUALTY COMPANY THE CINCINNATI LIFE INSURANCE COMPANY

Mailing Address: P.O. BOX 145496
CINCINNATI, OHIO 45250-5496
(513) 870-2000

FILED

APR 01 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS



March 26, 2009

Honorable Michael T. McRaith
Director of Insurance
Illinois Department of Insurance
Property and Casualty Evaluation
320 West Washington Street
Springfield, Illinois 62767-0001

Attention: Gayle Neuman

Reference: The Cincinnati Insurance Company - FEIN 31-0542366 ✓
The Cincinnati Casualty Company - FEIN 31-0826946 ✓
The Cincinnati Indemnity Company - FEIN 31-1241230 ✓
Commercial Lines

RATE/RULE Dentist's Package Program
Dentists 11.0030
Dentists - General Practice 11.0006
Rule Filing
Filing #CDEN-08-7512-IL

Dear Ms. Neuman:

At this time, we wish to file revised rules per the attached memorandum.

Included with this filing are the following items: 1) Manual Certification Statement, 2) Non-Discriminatory Statement, 3) Actuarial Certification (although, we are not changing any rates with this filing), 4) Explanatory Memorandum, 5) a copy of the pages being amended, 6) a complete copy of the manual with changes highlighted, 7) a comparison with strike-throughs and underlines and 8) a completed checklist. Also, we are including a return copy as well as a postage paid return envelope. We would like a stamped approved copy returned for our records.

Your approval is respectfully requested for use on policies effective on or after July 15, 2009.

Sincerely,

Connie Petertonjes, CPCU, RPLU, AFSB, CPIW
Senior Filings Specialist
Staff Underwriting Department
(513) 603-5352
E-mail: connie_petertonjes@cinfin.com

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MEM
RUL
Jeh



ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience.

I, Richard Taphorn, a duly authorized officer of The Cincinnati Insurance Company, am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, David Groff, a duly authorized actuary of The Cincinnati Insurance Company, am authorized to certify on behalf of The Cincinnati Insurance Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

Richard Taphorn
Signature and Title of Authorized Insurance Company Officer

3/24/09
Date

David Groff
Signature, Title and Designation of Authorized Actuary

3/26/09
Date

Insurance Company FEIN 31 - 0542366 Filing Number CDEN-08-7512-IL

Insurer's Address P.O. Box 145496

City Cincinnati State OH Zip Code 45250-5496

Contact Person's:

Name and E-mail Connie Petertonjes connie.petertonjes@cinfin.com

Direct Telephone and Fax Number phone: (513) 603-5352 fax: (513) 881-8884

Neuman, Gayle

From: Petertonjes, Connie [Connie_Petertonjes@CINFIN.com]
Sent: Thursday, March 18, 2010 11:08 AM
To: Neuman, Gayle
Subject: RE: Typo on a recent Med Mal filing
Attachments: IL DEN 07-09 D REVISED.pdf

Ms. Neuman:

I need to apologize. You agreed to let me correct an error on this filing and I don't think I ever sent you the corrected page. (If I did, I apologize for the duplicate.) I cannot find record of me ever sending it to you.

Anyway, this is for filing CDEN-08-7512-IL. It was approved effective 4/1/2010. Page DN-4 was corrected to show \$2 as the installment charge in both B.1.b.(1) and (2). The version of the page that you approved had \$2 in B.1.b.(1) but \$5 in B.1.b.(2). I intended for them to both show \$2 and somehow managed to send you the incorrect version last fall.

Thanks again for allowing me to send this corrected version. I have also changed the footer to show that this page is a 2nd edition, just so there is no confusion over which page we intend to use. DN-5 and DN-6 are included on the attached pdf, but nothing on those pages has changed compared to the version you approved.

If you need for me to send a hard copy with a formal cover letter, please let me.

Sincerely,

Connie Petertonjes, CPCU, AFSB, RPLU, CPIW
Senior Filings Specialist
Staff Underwriting Department

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From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tuesday, February 09, 2010 10:43 AM
To: Petertonjes, Connie
Subject: RE: Typo on a recent Med Mal filing

Yes, we will allow this change in this special situation. Please forward the page to be changed and indicate the filing number also.

Gayle Neuman
Department of Insurance

From: Petertonjes, Connie [mailto:Connie_Petertonjes@CINFIN.com]
Sent: Monday, January 25, 2010 1:33 PM
To: Neuman, Gayle
Subject: RE: Typo on a recent Med Mal filing

3/18/2010

Actually, those two pages DO match. But, the problem isn't on those pages. The problem is on DN-4 from filing CDEN-08-7512-IL. I left \$5 in the semiannual and quarterly description. See item B.1.b.(2). This is what I need to correct.

See attached.

Thanks,

Connie Peteronjes, CPCU, AFSB, RPLU, CPIW
Senior Filings Specialist
Staff Underwriting Department

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From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Monday, January 25, 2010 2:17 PM
To: Peteronjes, Connie
Subject: FW: Typo on a recent Med Mal filing

Ms. Peteronjes,

See e-mail below.

I tried to send the whole filings but got a note back saying it could not get to you. So, I scanned each page from each filing. Let me know.

Gayle Neuman
Department of Insurance

From: Neuman, Gayle
Sent: Monday, January 25, 2010 1:07 PM
To: 'Peteronjes, Connie'
Subject: RE: Typo on a recent Med Mal filing

Ms. Peteronjes,

I think you are mistaken...which is good for you! I just looked at both PRO-09-7506-IL and CDEN-08-7512-IL and I see \$2 on each. I attached a copy of the stamped filing – the manual pages are at the end of the files. One is on page PL-GR-3 and the other is on DN-5. I think I am right – let me know.

Gayle Neuman
Department of Insurance

From: Peteronjes, Connie [mailto:Connie_Peteronjes@CINFIN.com]
Sent: Monday, January 25, 2010 12:38 PM
To: Neuman, Gayle
Subject: Typo on a recent Med Mal filing

3/18/2010

Dear Ms. Neuman:

You recently sent approvals on 2 medical malpractice filings, CDEN-08-7512-IL and PRO-09-7506-IL. You may recall, we were making some changes to our Installment Plan rules and you realized that our wording was not in compliance with Illinois regulations. I had to add wording to indicate that our installment charge would be a certain \$\$ amount or 1%, whichever was less. On one of the filings, we changed the dollar amount to \$2 per installment or 1%. Unfortunately, on the other filing, I neglected to change the dollar amount to \$2. I left it at \$5. We need it to be \$2. We need for them to match in order to be able to program our various policy issuance and billing systems.

Is it possible for me to have the page corrected (since this is in the insured's favor) and then just e-mail it to you as a corrected version? Or, do I need to totally re-file that page? We waited so long for approval on these and now I am kicking myself that I made this error. If you allow me to just e-mail or mail the corrected page via USPS, I could get this done this week on a Rush basis, so you can update your records as soon as possible.

Thanks for your consideration.

Sincerely,

Connie Peteronjes, CPCU, AFSB, RPLU, CPIW

Senior Filings Specialist

The Cincinnati Insurance Companies

Phone: (513) 603-5352

Fax: (513) 881-8884

E-mail: connie_petertonjes@cinfin.com

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3/18/2010

THE CINCINNATI INSURANCE COMPANY
ILLINOIS
DENTIST'S PACKAGE PROGRAM MANUAL

c. Non-Sufficient Funds (NSF)

The first time a premium payment is returned due to Non-Sufficient Funds (NSF) for a policy, the premium due is the installment amount. For each succeeding return of payment due to Non-Sufficient Funds, while continuously insured with the Cincinnati Insurance Companies, a service charge of \$25 will be added to the insured's installment.

d. Fee for Late Payment of Premium Due

If Premium remittance is received and processed by the Company after the date specified as the due date on the account statement, the Company will assess a late fee of \$25. This fee will not apply to Electronic Funds Transfer (EFT). It will apply only to the direct invoice option.

If the policy is cancelled and reinstated a reinstatement fee as shown above will be assessed. If the account expires prior to the assessment of the late charge, the late charge will be added to the renewal. In the event that both a reinstatement fee and late fee apply to a Premium payment the reinstatement fee will be waived. Only the late fee will be applied to the account for that payment period.

If a Premium payment is received after the due date but prior to the legal cancellation date the Company will accept the premium payment and assess the late fee but no reinstatement fee.

If a Premium payment is received and there are insufficient funds a NSF fee will apply. If the insufficiency is corrected after the Premium due date both a Non-sufficient funds fee and a late fee will be assessed.

e. Assessment of Fees

These direct bill fees and charges apply per account regardless of the number of policies contained within the account.

The Cincinnati Companies reserves the right to refuse to honor a payment after noncompliance with the terms of the Electronic Funds Transfer agreement. If payment is not honored payment options other than Electronic Funds Transfer are available. Please contact your agent.

3. Installments (Including Quarterly Installments Option)

- a. There is no interest charge associated with the installment plan.
- b. Additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.
- c. For policies written on a quarterly payment plan, an initial payment of 25% of the total annual premium plus \$2 or 1% of the annual premium whichever is less will be due at policy inception. Each of the subsequent installments will be 25% of the total annual premium plus the installment charge and will be due 3, 6, and 9 months from policy inception, respectively.

7. PREMIUM

A. Changes in Amounts or Coverages

1. Additional Premium

- a. Prorate all changes requiring an additional premium.
- b. In computing the additional premium for:
 - (1) Any changes made to a coverage or location included at policy inception, use the rates and rules in effect on the effective date of the policy.
 - (2) Coverages or locations which are added after the policy inception (including additions of coverages, options and causes of loss to existing locations) use the rates and rules in effect as of the date of the change.
 - (3) Any changes made to a location or coverage which was added after the policy inception, use the rates developed when the coverage was added.

THE CINCINNATI INSURANCE COMPANY
ILLINOIS
DENTIST'S PACKAGE PROGRAM MANUAL

c. Waiver of Premium - other than e-CLAS® Issuance System policies

Waive additional premium of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change.

Waiver of Premium - e-CLAS® Issuance System policies

No waiver applies to **e-CLAS®** policies. With regard to Direct Bill policies, any change resulting in an additional premium of \$15 or less will be deferred to the next bill. This deferral applies only to that portion of the premium due on the effective date of the policy change.

2. Return Premium

- a. Compute the return premium at the rates used to calculate the policy premium.
- b. Compute return premium on a pro-rata basis and round to the nearest whole dollar when any coverage or exposure is deleted or a Limit of Insurance is reduced. Retain the policywriting minimum premium.
- c. **Waiver of Premium - other than e-CLAS® Issuance System policies**

Waive return premium of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change. Grant any return premium if the insured requests it.

Waiver of Premium - e-CLAS® Issuance System policies

No waiver applies to **e-CLAS®** policies. With regard to Direct Bill policies, any change resulting in a return premium of \$15 or less will be deferred to the next bill. This deferral applies only to that portion of the premium due on the effective date of the policy change.

B. Rounding of Premium

All premium calculations shall be rounded to the nearest whole dollar. A premium of \$.50 or more shall be rounded to the next higher whole dollar except as described in Rule **7.B.2.** below.

8. AGENT'S BINDING AUTHORITY

- A. Agent's maximum binding authority is \$1,000,000 on Buildings and Business Personal Property combined. All risks over \$1,000,000 must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- B. Agent's maximum binding authority is \$5,000,000 on the Umbrella Endorsement. All risks over \$5,000,000 must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- C. Any risk previously declined, canceled or nonrenewed must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- D. Risks with two or more claims during the past three years should be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- E. All risks with buildings more than 25 years of age must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding. **Picture(s) are required. Submit a detailed written description explaining all structure updates.**
- F. All risks should be inspected prior to binding.
- G. All risks wanting coverage for Employment Practices Liability Insurance must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- H. Issue binders immediately on all bound risks. Binders must be mailed to the Field Marketing Representative or Headquarters Underwriter no more than three (3) working days after the effective date of the binder.
- I. Dentist's Professional Liability must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.

THE CINCINNATI INSURANCE COMPANY
ILLINOIS
DENTIST'S PACKAGE PROGRAM MANUAL

E. Protective Devices or Services. Protective devices or services may be required. The policy must be endorsed to require that the company be notified if the devices or services are discontinued or out of service. Use Protective Safeguards Endorsement **IA 467**. This form contains the following clauses, of which one or more will apply to the risk being insured:

- P-1 Automatic Sprinkler System Clause
- P-2 Automatic Fire Alarm Clause
- P-3 Security Service Clause
- P-4 Security Contract Clause
- P-9 Described Protective System.

6. MINIMUM PREMIUMS AND INSTALLMENTS

A. Minimum Premiums

1. The following policywriting minimum premium applies:
Dentist's Package Policy..... \$ 300
2. Policywriting minimum premiums do not include premiums for Blanket Basket Endorsement, Business Liability Broadened Endorsement, Coverage for Injury to Leased Workers, Employment Practices Liability, Equipment Breakdown, Freight or Passenger Elevator Inspection, Mine Subsidence, Professional Liability or Umbrella Liability.
3. Policywriting minimum premiums are not subject to any modification.
4. Coverage Option minimum premiums may apply. Refer to Coverage Options Rule 12.

B. Installment Payments

The total policy premium may be prepaid, annual pay or paid in installments.

1. The premium for any policy may be payable on an installment payment basis in the following manner:
 - a. For policies issued on an equal installment basis, divide the annual premium by the number of installments and add the installment charge to each installment.
 - b. For policies containing medical professional liability as defined by Illinois Compiled Statute 215ILCS Section 5/155.18 the installment charge will be:
 - (1) Up to \$2 per installment or up to 1% of the written premium for monthly payments whichever is less,
 - (2) Up to \$5 per installment or up to 1% of the written premiums for semiannual or quarterly payments whichever is less; and
 - (3) For any policy with medical professional a quarterly payment option shall be made available as required by statute.
 - c. For policies issued on a ten (10) payment basis:
 - (1) Divide the annual premium by four (4) and add the installment charge. This amount becomes the first installment payment due at inception.
 - (2) Divide the remaining premium, which is 75% of the total annual premium, by nine (9) and add the installment charge for each installment. This amount becomes the premium due for each of the next nine (9) months.
 - (3) For policies issued on a ten (10) payment basis the installment charge will be up to \$2 per installment or up to 1% of the written premium whichever is less.

2. Direct Bill Options and Requirements

a. Direct Bill Options

You may choose either:

- (1) Direct invoice from the company to the insured, or
- (2) Electronic Funds Transfer (EFT) from the insured to the company.

Direct Bill is not available for prepaid policies.

If you are using Electronic Funds Transfer (EFT), installment charges do not apply. Form **IA 4335** Insured Electronic Funds Transfer Authorization must be completed and signed by the insured.

b. Reinstatements for Nonpayment of Premium

The first time a policy is reinstated for nonpayment of premium, the premium due is the installment amount. For each succeeding reinstatement of a policy due to nonpayment of premium, while continuously insured with the Cincinnati Insurance Companies, a service charge of \$25, per policy, will be added to the insured's installment.

Neuman, Gayle

From: Petertonjes, Connie [Connie_Petertonjes@CINFIN.com]
Sent: Wednesday, December 30, 2009 7:58 AM
To: Neuman, Gayle
Subject: RE: Med Mal Filing #CDEN-08-7512-IL

Ms. Neuman:

Thank you for your note. We did not end up putting the filing into effect on July 15, 2009. We would like to use April 1, 2010 as the official effective date of these filings. We want to make sure we have enough time to program the changes and also to notify our agents.

Sincerely,

Connie Petertonjes, CPCU, AFSB, RPLU, CPIW
Senior Filings Specialist
Staff Underwriting Department

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From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, December 23, 2009 2:38 PM
To: Petertonjes, Connie
Subject: Med Mal Filing #CDEN-08-7512-IL

Dear Ms. Petertonjes,

The Department has now completed its review of the filing referenced above. The Director signed off on this filing on December 23, 2009. Originally, Cincinnati requested the filing be effective July 15, 2009. Was the filing put in effect on July 15, 2009? Your prompt response is appreciated.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

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12/30/2009

Non-Discriminatory Statement

DATE: March 26, 2009
FILING NUMBER: CDEN-08-7512-IL
DENTIST'S PACKAGE PROGRAM MANUAL
The Cincinnati Insurance Company - FEIN 31-0542366

We, in offering, administering or applying our filed rate/rule manual and/or any amended provisions, do not unfairly discriminate.

Respectfully Submitted,



Connie Petertonjes, CPCU, RPLU, AFSB, CPIW
Senior Filings Specialist
The Cincinnati Insurance Companies

This is a complete copy of our manual including the proposed changes contained in this filing. The changes being made are highlighted in red text.

Manual Certification Statement

DATE: March 26, 2009
FILING NUMBER: CDEN-08-7512-IL
DENTIST'S PACKAGE PROGRAM
The Cincinnati Insurance Company - FEIN 31-0542366

This will certify that nothing in the submitted manual has changed from the previously filed manual except for what is highlighted in this filing.

Respectfully Submitted,



Connie Petertonjes, CPCU, RPLU, AFSB, CPIW
Senior Filings Specialist
The Cincinnati Insurance Companies

This is a complete copy of our manual including the proposed changes contained in this filing. There is one other change being made to the manual that is not highlighted in our explanatory memorandum. This is a change for our EPLI program. This change resulted in no net effect for Illinois, so no RF-3 was submitted. Also, since this change is not Medical Malpractice, it was not submitted for review by the State. The changes being made are highlighted in red text.

**ILLINOIS
DENTIST'S PACKAGE PROGRAM
RULES AND RATES MEMORANDUM**

NEW PAGE	OLD PAGE	DESCRIPTION OF CHANGE
DN-4 and DN-5 (7/09)	DN-4 and DN-5 (12/07)	<p>RULE 6. MINIMUM PREMIUMS AND INSTALLMENTS, B. Installment Payments, 1., 2. and 3. Reformatted the rules to:</p> <ul style="list-style-type: none">• Delete reference to Agency Bill• Add option for a new ten (10) payment plan;• Added revised rule for Direct Bill Options and Requirements;• Previous Item B. Installments is re-numbered to B.3.; and• Deleting Items a. and b. which explains how to apply the installment charge. This is now in Item B.1.b. <p>Several rules have shifted to the next page.</p> <p>RULE 7. PREMIUM, A. Changes in Amounts or Coverages</p> <ul style="list-style-type: none">• Additional Premium, c. Revised waiver of premium rule for clarification; and• Return Premium, c. Revised waiver of premium rule for clarification.
DN-6 (7/09)	DN-6 (12/07)	<p>RULE 7. PREMIUM, B. Rounding of Premium Revised <u>previous</u> B.1. to delete reference to rule 7.B.2 Deleted <u>previous</u> B.2. for the <i>installment</i> rounding rule.</p>

Neuman, Gayle

From: Petertonjes, Connie [Connie_Petertonjes@CINFIN.com]
Sent: Thursday, November 05, 2009 8:50 AM
To: Neuman, Gayle
Subject: RE: Dentist's Package Program - Rule Filing #CDEN-08-7512-IL
Attachments: IL DEN 07-09 D REVISED.pdf; FSMEMO2.pdf; SIDE-BY-SIDE COMPARISON-revised.pdf; ENTIRE MANUAL-revised.pdf

Dear Ms. Neuman:

Thank you for your patience while we tried to work out all of our programming issues. The installment charge changes posed a challenging problem because we had to not only make sure we could program our direct billing system, but also our new policy issuance system as well as our current system, which we hope to eventually phase out. Anyway, after many meetings and some less than happy programmers, we have come to a workable solution.

I am attaching our revised pages which amend the wording of our installment charge rules to comply with Illinois requirements. Additionally, I have added two new rules dealing with late payments and assessment of fees. These are rules we are adding to our manuals on a countrywide basis and we would like for Illinois to match the countrywide manual if possible.

I have attached a revised memorandum highlighting the changes. Additionally, I am sending a revised .pdf of our entire manual with these new pages included and a revised side-by-side comparison.

Please let me know if you have any additional questions.

Sincerely,

Connie Petertonjes, CPCU, AFSB, RPLU, CPIW
Senior Filings Specialist
The Cincinnati Insurance Companies

Phone: (513) 603-5352
Fax: (513) 881-8884
E-mail: connie_petertonjes@cinfin.com

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From: Neuman, Gayle [<mailto:Gayle.Neuman@illinois.gov>]
Sent: Monday, November 02, 2009 3:32 PM
To: Petertonjes, Connie
Subject: RE: Dentist's Package Program - Rule Filing #CDEN-08-7512-IL

Connie,

E-mail will be fine.

Gayle Neuman

11/5/2009

Department of Insurance

From: Petertonjes, Connie [mailto:Connie_Petertonjes@CINFIN.com]
Sent: Monday, November 02, 2009 2:07 PM
To: Neuman, Gayle
Subject: RE: Dentist's Package Program - Rule Filing #CDEN-08-7512-IL

Dear Ms. Neuman:

I have finally gotten direction from our programming staff and management on how we will be able to handle the installment charges so that they comply with Illinois requirements. Thanks for your patience. I have given the pages to my typist and should have them back tomorrow or Wednesday.

Do you want me to send the corrected pages via a pdf e-mail attachment, or do you prefer a hard copy mailed to you instead? Please let me know what you prefer.

Sincerely,

Connie Petertonjes, CPCU, AFSB, RPLU, CPIW
Senior Filings Specialist
Staff Underwriting Department

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From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, July 22, 2009 9:51 AM
To: Petertonjes, Connie
Subject: Dentist's Package Program - Rule Filing #CDEN-08-7512-IL

Ms. Petertonjes,

I received the above referenced filing on April 1, 2009.

In regard to the quarterly premium payment plan, you can include installment charges/fees of no more than 1% of the total yearly premium (\$25.00 per year maximum). This was written with the assumption that an insurer is not required to offer the payment plan unless the insured's yearly premium exceeded \$500.00. Therefore, the language provided should be changed to indicate 1% of the total premium instead of \$5.

Your prompt attention is appreciated.

Gayle Neuman
Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

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11/5/2009

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GAYLE.NEUMAN@ILLINOIS.GOV.

ILLINOIS
DENTIST'S PACKAGE PROGRAM
RULES AND RATES MEMORANDUM

NEW PAGE	OLD PAGE	DESCRIPTION OF CHANGE
DN-4 and DN-5 (7/09)	DN-4 and DN-5 (12/07)	<p>RULE 6. MINIMUM PREMIUMS AND INSTALLMENTS, B. Installment Payments, 1., 2. and 3.</p> <p>Reformatted the rules to:</p> <ul style="list-style-type: none">• Delete reference to Agency Bill• Add option for a new ten (10) payment plan;• Added revised rule for Direct Bill Options and Requirements;• Clarified the installment charges in order to comply with Illinois requirements. Charges are now shown as 1% of the written premium up to either \$2 or \$5 whichever is less, depending on the plan chosen;• Previous Item B. Installments is re-numbered to B.3.;• Deleting Items a. and b. which explains how to apply the installment charge. This is now in Item B.1.b.; and• Adding new items d. Fee for Late Payment of Premium Due and e. Assessment of Fees. <p>Several rules have shifted to the next page.</p>
DN-6 (7/09)	DN-6 (12/07)	<p>RULE 7. PREMIUM, A. Changes in Amounts or Coverages</p> <ul style="list-style-type: none">• Additional Premium, c. Revised waiver of premium rule for clarification; and• Return Premium, c. Revised waiver of premium rule for clarification. <p>RULE 7. PREMIUM, B. Rounding of Premium</p> <ul style="list-style-type: none">• Revised <u>previous</u> B.1. to delete reference to rule 7.B.2; and• Deleted <u>previous</u> B.2. for the <i>installment</i> rounding rule.

Text Comparison

Documents Compared

IL DEN 12-07 D.pdf

IL DEN 07-09 D REVISED.pdf

Summary

850 word(s) added

205 word(s) deleted

889 word(s) matched

17 block(s) matched

To see where the changes are, scroll down.

THE CINCINNATI INSURANCE COMPANY
ILLINOIS
DENTIST'S PACKAGE PROGRAM MANUAL

E. Protective Devices or Services. Protective devices or services may be required. The policy must be endorsed to require that the company be notified if the devices or services are discontinued or out of service. Use Protective Safeguards Endorsement **IA 467**. This form contains the following clauses, of which one or more will apply to the risk being insured:

- P-1 Automatic Sprinkler System Clause
- P-2 Automatic Fire Alarm Clause
- P-3 Security Service Clause
- P-4 Security Contract Clause
- P-9 Described Protective System.

6. MINIMUM PREMIUMS AND INSTALLMENTS

A. Minimum Premiums

1. The following policywriting minimum premium applies:
 Dentist's Package Policy..... \$ 300
2. Policywriting minimum premiums do not include premiums for Blanket Basket Endorsement, Business Liability Broadened Endorsement, Coverage for Injury to Leased Workers, Employment Practices Liability, Equipment Breakdown, Freight or Passenger Elevator Inspection, Mine Subsidence, Professional Liability or Umbrella Liability.
3. Policywriting minimum premiums are not subject to any modification.
4. Coverage Option minimum premiums may apply. Refer to Coverage Options Rule 12.

B. Premium Payments

- ~~1: **Direct Bill:** The total policy premium may be paid in annual, semi-annual, quarterly or monthly installments. The monthly installment option requires payment by Electronic Fund Transfer (EFT).~~
- ~~2: **Agency Bill:** The total policy premium may be paid in annual, semi-annual or quarterly installments.~~

~~Installments (Including Quarterly Installments Option)~~

- ~~a: For policies written on a semi-annual pay basis, divide the annual premium by two (2) and add \$5 per installment.~~
- ~~b: For policies written on a quarterly pay basis, divide the annual premium by four (4) and add \$5 per installment.~~
- ~~c: There is no interest charge associated with the installment plan.~~
- ~~d: Additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.~~
- ~~e: For policies written on a quarterly payment plan, an initial payment of 25% of the total annual premium plus \$5 will be due at policy inception. Each of the subsequent installments will be 25% of the total annual premium plus \$5 per installment and will be due 3, 6, and 9 months from policy inception, respectively.~~

THE CINCINNATI INSURANCE COMPANY

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DENTIST'S PACKAGE PROGRAM MANUAL

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3. Policywriting minimum premiums are not subject to any modification.
4. Coverage Option minimum premiums may apply. Refer to Coverage Options Rule 12.

B. Installment Payments

The total policy premium may be prepaid, annual pay or paid in installments.

1. The premium for any policy may be payable on an installment payment basis in the following manner:

- a. For policies issued on an equal installment basis, divide the annual premium by the number of installments and add the installment charge to each installment.
- b. For policies containing medical professional liability as defined by Illinois Compiled Statute 215ILCS Section 5/155.18 the installment charge will be:
 - (1) Up to \$2 per installment or up to 1% of the written premium for monthly payments whichever is less.
 - (2) Up to \$5 per installment or up to 1% of the written premiums for semiannual or quarterly payments whichever is less; and
 - (3) For any policy with medical professional a quarterly payment option shall be made available as required by statute.
- c. For policies issued on a ten (10) payment basis:
 - (1) Divide the annual premium by four (4) and add the installment charge. This amount becomes the first installment payment due at inception.
 - (2) Divide the remaining premium, which is 75% of the total annual premium, by nine (9) and add the installment charge for each installment. This amount becomes the premium due for each of the next nine (9) months.
 - (3) For policies issued on a ten (10) payment basis the installment charge will be up to \$2 per installment or up to 1% of the written premium whichever is less.

2. Direct Bill Options and Requirements

a. Direct Bill Options

You may choose either:

- (1) Direct invoice from the company to the insured, or
- (2) Electronic Funds Transfer (EFT) from the insured to the company.

Direct Bill is not available for prepaid policies.

If you are using Electronic Funds Transfer (EFT) installment charges do not apply. Form IA 4335 Insured Electronic Funds Transfer Authorization must be completed and signed by the insured.

b. Reinstatements for Nonpayment of Premium

The first time a policy is reinstated for nonpayment of premium, the premium due is the installment amount. For each succeeding reinstatement of a policy due to nonpayment of premium while continuously insured with the Cincinnati Insurance Companies, a service charge of \$25 per policy will be added to the insured's installment.

THE INCINNATI INSURANCE COMPANY
ILLINOIS
DENTIST'S PACKAGE PROGRAM MANUAL

7. PREMIUM

A. Changes in Amounts or Coverages

1. Additional Premium

- a. Prorate all changes requiring an additional premium.
- b. In computing the additional premium for:
 - (1) Any changes made to a coverage or location included at policy inception, use the rates and rules in effect on the effective date of the policy.
 - (2) Coverages or locations which are added after the policy inception (including additions of coverages, options and causes of loss to existing locations) use the rates and rules in effect as of the date of the change.
 - (3) Any changes made to a location or coverage which was added after the policy inception, use the rates developed when the coverage was added.
- ~~c. **Agency Bill:** Waive additional premium amounts of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change.~~
~~**Direct Bill:** Any change resulting in an additional premium of \$15 or less will be deferred to the next bill. This deferral applies only to that portion of the premium due on the effective date of the policy change.~~

2. Return Premium

- a. Compute the return premium at the rates used to calculate the policy premium.
- b. Compute return premium on a pro-rata basis and round to the nearest whole dollar when any coverage or exposure is deleted or a Limit of Insurance is reduced. Retain the policywriting minimum premium.
- ~~c. **Agency Bill:** Waive additional premium amounts of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change.~~
~~**Direct Bill:** Any change resulting in an additional premium of \$15 or less will be deferred to the next bill. This deferral applies only to that portion of the premium due on the effective date of the policy change.~~

THE CINCINNATI INSURANCE COMPANY
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DENTIST'S PACKAGE PROGRAM MANUAL

c. Non-Sufficient Funds (NSF)

The first time a premium payment is returned due to Non-Sufficient Funds (NSF) for a policy, the premium due is the installment amount. For each succeeding return of payment due to Non-Sufficient Funds while continuously insured with the Cincinnati Insurance Companies, a service charge of \$25 will be added to the insured's installment.

d. Fee for Late Payment of Premium Due

If Premium remittance is received and processed by the Company after the date specified as the due date on the account statement, the Company will assess a late fee of \$25. This fee will not apply to Electronic Funds Transfer (EFT). It will apply only to the direct invoice option.

If the policy is cancelled and reinstated a reinstatement fee as shown above will be assessed. If the account expires prior to the assessment of the late charge, the late charge will be added to the renewal. In the event that both a reinstatement fee and late fee apply to a Premium payment the reinstatement fee will be waived. Only the late fee will be applied to the account for that payment period.

If a Premium payment is received after the due date but prior to the legal cancellation date the Company will accept the premium payment and assess the late fee but no reinstatement fee.

If a Premium payment is received and there are insufficient funds a NSF fee will apply. If the insufficiency is corrected after the Premium due date both a Non-sufficient funds fee and a late fee will be assessed.

e. Assessment of Fees

These direct bill fees and charges apply per account regardless of the number of policies contained within the account.

The Cincinnati Companies reserves the right to refuse to honor a payment after noncompliance with the terms of the Electronic Funds Transfer agreement. If payment is not honored payment options other than Electronic Funds Transfer are available. Please contact your agent.

3. Installments (Including Quarterly Installments Option)

- a. There is no interest charge associated with the installment plan.
- b. Additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.
- c. For policies written on a quarterly payment plan, an initial payment of 25% of the total annual premium plus \$2 or 1% of the annual premium whichever is less will be due at policy inception. Each of the subsequent installments will be 25% of the total annual premium plus the installment charge and will be due 3, 6, and 9 months from policy inception, respectively.

7. PREMIUM

A. Changes in Amounts or Coverages

1. Additional Premium

- a. Prorate all changes requiring an additional premium.
- b. In computing the additional premium for:
 - (1) Any changes made to a coverage or location included at policy inception, use the rates and rules in effect on the effective date of the policy.
 - (2) Coverages or locations which are added after the policy inception (including additions of coverages, options and causes of loss to existing locations) use the rates and rules in effect as of the date of the change.
 - (3) Any changes made to a location or coverage which was added after the policy inception, use the rates developed when the coverage was added.

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ILLINOIS
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~~B. Rounding of Premium~~

- ~~4. All premium calculations shall be rounded to the nearest whole dollar. A premium of \$.50 or more shall be rounded to the next higher whole dollar except as described in Rule 7.B.2. below.~~
- ~~2. **Installments (Agency Bill).** Add the installment charge per Rule 6.B.2. to the semi-annual or quarterly premium and round each installment to the lowest whole dollar.~~

~~Example:~~

~~Quarterly Policy:~~

~~Annual Policy Premium is \$1,395.~~

~~$\$1,395 \div 4 = 348.75 + \$5 \text{ (Installment Charge)} = \$353.75.$~~

~~Round Quarterly Premium with Installment Charge to \$353.~~

8. AGENT'S BINDING AUTHORITY

- A. Agent's maximum binding authority is \$1,000,000 on Buildings and Business Personal Property combined. All risks over \$1,000,000 must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- B. Agent's maximum binding authority is \$5,000,000 on the Umbrella Endorsement. All risks over \$5,000,000 must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- C. Any risk previously declined, canceled or nonrenewed must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- D. Risks with two or more claims during the past three years should be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- E. All risks with buildings more than 25 years of age must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding. **Picture(s) are required. Submit a detailed written description explaining all structure updates.**
- F. All risks should be inspected prior to binding.
- G. All risks wanting coverage for Employment Practices Liability Insurance must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- H. Issue binders immediately on all bound risks. Binders must be mailed to the Field Marketing Representative or Headquarters Underwriter no more than three (3) working days after the effective date of the binder.
- I. Dentist's Professional Liability must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.

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ENTIST'S PACKAGE PROGRAM MANUA

c. Waiver of Premium - other than e-CLAS[®] Issuance System policies

Waive additional premium of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change.

Waiver of Premium - e-CLAS[®] Issuance System policies

No waiver applies to e-CLAS[®] policies. With regard to Direct Bill policies, any change resulting in an additional premium of \$15 or less will be deferred to the next bill. This deferral applies only to that portion of the premium due on the effective date of the policy change.

2. Return Premium

- a. Compute the return premium at the rates used to calculate the policy premium.
- b. Compute return premium on a pro-rata basis and round to the nearest whole dollar when any coverage or exposure is deleted or a Limit of Insurance is reduced. Retain the policywriting minimum premium.

c. Waiver of Premium - other than e-CLAS[®] Issuance System policies

Waive return premium of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change. Grant any return premium if the insured requests it.

Waiver of Premium - e-CLAS[®] Issuance System policies

No waiver applies to e-CLAS[®] policies. With regard to Direct Bill policies, any change resulting in a return premium of \$15 or less will be deferred to the next bill. This deferral applies only to that portion of the premium due on the effective date of the policy change.

B. Rounding of Premium

All premium calculations shall be rounded to the nearest whole dollar. A premium of \$.50 or more shall be rounded to the next higher whole dollar except as described in Rule 7.B.2. below.

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Neuman, Gayle

From: Petertonjes, Connie [Connie_Petertonjes@CINFIN.com]
Sent: Thursday, August 20, 2009 10:06 AM
To: Neuman, Gayle
Subject: RE: Dentist's Package Program - Rule Filing #CDEN-08-7512-IL

Dear Ms. Neuman:

I wanted to let you know that we have not forgotten your concerns regarding this issue. Unfortunately, we are having problems figuring out how to implement these requirements from a programming standpoint. We are trying to figure out the issues and hope to get back to you with revised wording soon.

I understand that you are looking for a prompt response and I assure you we are doing everything we can to get back to you promptly.

Sincerely,

Connie Petertonjes, CPCU, AFSB, RPLU, CPIW
Senior Filings Specialist
Staff Underwriting Department

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From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, July 22, 2009 9:51 AM
To: Petertonjes, Connie
Subject: Dentist's Package Program - Rule Filing #CDEN-08-7512-IL

Ms. Petertonjes,

I received the above referenced filing on April 1, 2009.

In regard to the quarterly premium payment plan, you can include installment charges/fees of no more than 1% of the total yearly premium (\$25.00 per year maximum). This was written with the assumption that an insurer is not required to offer the payment plan unless the insured's yearly premium exceeded \$500.00. Therefore, the language provided should be changed to indicate 1% of the total premium instead of \$5.

Your prompt attention is appreciated.

Gayle Neuman
Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

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8/20/2009

Neuman, Gayle

From: Petertonjes, Connie [Connie_Petertonjes@CINFIN.com]
Sent: Thursday, July 23, 2009 11:00 AM
To: Neuman, Gayle
Subject: FW: Dentist's Package Program - Rule Filing #CDEN-08-7512-IL

I found it. Sorry to bother you! Again, you will hear from me shortly regarding these changes.

Connie Petertonjes, CPCU, AFSB, RPLU, CPIW
Senior Filings Specialist
Staff Underwriting Department

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From: Petertonjes, Connie
Sent: Thursday, July 23, 2009 11:56 AM
To: 'Neuman, Gayle'
Subject: RE: Dentist's Package Program - Rule Filing #CDEN-08-7512-IL

Ms. Neuman:

We are not changing the \$5 flat charge. That is the charge we have been making for years and I remember working with you several years ago in order to get our wording acceptable to the state. Is this a departmental change of stance or has some new legislation been enacted? I do see that it is listed on the DOI checklist for Med Mal – rates, but honestly, since we weren't changing that, I just skipped over that section thinking what we had was already acceptable with the state. I would like to print out or link the statute, bulletin, etc. for our management and programmers so that we can discuss how we are going to need to proceed, since switching from a flat charge to a percentage will not be an easy change and I'd like to be armed with something before I throw myself into the fire!

Thanks and I will get back to you promptly with our revised wording for both this and our Div. Seven manuals.

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WITHDRAWN
(REPLACED)

Text Comparison

Documents Compared

IL DEN 12-07 D.pdf

IL DEN 07-09 DD.pdf

Summary

502 word(s) added

209 word(s) deleted

885 word(s) matched

14 block(s) matched

THE CINCINNATI INSURANCE COMPANY

ILLINOIS

DENTIST'S PACKAGE PROGRAM MANUAL

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- a. For policies issued on an equal installment basis, divide the annual premium by the number of installments and add the installment charge to each installment.
- b. The installment charge applicable to semi-annual or quarterly pay policies will be, depending on rounding, up to \$5 per installment.
- c. For policies issued on a ten (10) payment basis:
 - (1) Divide the annual premium by four (4) and add the installment charge. This amount becomes the first installment payment due at inception.
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- d. For policies issued on a ten (10) payment or monthly payment basis the installment charge will be, depending on rounding, up to \$2 per installment.

2. Direct Bill Options and Requirements

- a. Direct Bill Options

You may choose either:

- (1) Direct invoice from the company to the insured, or
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Direct Bill is not available for prepaid policies.

If you are using Electronic Funds Transfer (EFT), installment charges do not apply. Form IA 4335 Insured Electronic Funds Transfer Authorization must be completed and signed by the insured.

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THE CINCINNATI INSURANCE COMPANY

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DENTIST'S PACKAGE PROGRAM MANUAL

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3. Policywriting minimum premiums are not subject to any modification.
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B. Premium Payments

~~1. **Direct Bill.** The total policy premium may be paid in annual, semi-annual, quarterly or monthly installments. The monthly installment option requires payment by Electronic Fund Transfer (EFT).~~

~~2. **Agency Bill.** The total policy premium may be paid in annual, semi-annual or quarterly installments.~~

~~Installments (Including Quarterly Installments Option)~~

~~a. For policies written on a semi-annual pay basis, divide the annual premium by two (2) and add \$5 per installment.~~

~~b. For policies written on a quarterly pay basis, divide the annual premium by four (4) and add \$5 per installment.~~

~~c. There is no interest charge associated with the installment plan.~~

~~d. Additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.~~

~~e. For policies written on a quarterly payment plan, an initial payment of 25% of the total annual premium plus \$5 will be due at policy inception. Each of the subsequent installments will be 25% of the total annual premium plus \$5 per installment and will be due 3, 6, and 9 months from policy inception, respectively.~~

THE CINCINNATI INSURANCE COMPANY

ILLINOIS

DENTIST'S PACKAGE PROGRAM MANUAL

6. MINIMUM PREMIUMS AND INSTALLMENTS (Cont'd)

- c. Non-Sufficient Funds (NSF)**
The first time a premium payment is returned due to Non-Sufficient Funds (NSF) for a policy, the premium due is the installment amount. For each succeeding return of payment due to Non-Sufficient Funds while continuously insured with the Cincinnati Insurance Companies, a service charge of \$25 will be added to the insured's installment.
- 3. Installments (Including Quarterly Installments Option)**
- a.** There is no interest charge associated with the installment plan.
 - b.** Additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.
 - c.** For policies written on a quarterly payment plan, an initial payment of 25% of the total annual premium plus \$5 will be due at policy inception. Each of the subsequent installments will be 25% of the total annual premium plus \$5 per installment and will be due 3, 6, and 9 months from policy inception, respectively.

7. PREMIUM

A. Changes in Amounts or Coverages

1. Additional Premium

- a.** Prorate all changes requiring an additional premium.
- b.** In computing the additional premium for:
 - (1) Any changes made to a coverage or location included at policy inception, use the rates and rules in effect on the effective date of the policy.
 - (2) Coverages or locations which are added after the policy inception (including additions of coverages, options and causes of loss to existing locations) use the rates and rules in effect as of the date of the change.
 - (3) Any changes made to a location or coverage which was added after the policy inception, use the rates developed when the coverage was added.
- c. Waiver of Premium - other than e-CLAS[®] Issuance System policies**
Waive additional premium of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change.
Waiver of Premium - e-CLAS[®] Issuance System policies
No waiver applies to e-CLAS[®] policies. With regard to Direct Bill policies, any change resulting in an additional premium of \$15 or less will be deferred to the next bill. This deferral applies only to that portion of the premium due on the effective date of the policy change.

2. Return Premium

- a.** Compute the return premium at the rates used to calculate the policy premium.
- b.** Compute return premium on a pro-rata basis and round to the nearest whole dollar when any coverage or exposure is deleted or a Limit of Insurance is reduced. Retain the policywriting minimum premium.
- c. Waiver of Premium - other than e-CLAS[®] Issuance System policies**
Waive return premium of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change. Grant any return premium if the insured requests it.
Waiver of Premium - e-CLAS[®] Issuance System policies
No waiver applies to e-CLAS[®] policies. With regard to Direct Bill policies, any change resulting in a return premium of \$15 or less will be deferred to the next bill. This deferral applies only to that portion of the premium due on the effective date of the policy change.

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7. PREMIUM

A. Changes in Amounts or Coverages

1. Additional Premium

- a. Prorate all changes requiring an additional premium.
- b. In computing the additional premium for:
 - (1) Any changes made to a coverage or location included at policy inception, use the rates and rules in effect on the effective date of the policy.
 - (2) Coverages or locations which are added after the policy inception (including additions of coverages, options and causes of loss to existing locations) use the rates and rules in effect as of the date of the change.
 - (3) Any changes made to a location or coverage which was added after the policy inception, use the rates developed when the coverage was added.
- c. ~~Agency Bill: Waive additional premium amounts~~ of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change.
~~Direct Bill: Any change resulting in an additional premium of \$15 or less will be deferred to the next bill. This deferral applies only to that portion of the premium due on the effective date of the policy change.~~

2. Return Premium

- a. Compute the return premium at the rates used to calculate the policy premium.
- b. Compute return premium on a pro-rata basis and round to the nearest whole dollar when any coverage or exposure is deleted or a Limit of Insurance is reduced. Retain the policywriting minimum premium.
- c. ~~Agency Bill: Waive additional premium amounts~~ of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change.
~~Direct Bill: Any change resulting in an additional premium of \$15 or less will be deferred to the next bill. This deferral applies only to that portion of the premium due on the effective date of the policy change.~~

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B. Rounding of Premium

All premium calculations shall be rounded to the nearest whole dollar. A premium of \$.50 or more shall be rounded to the next higher whole dollar.

8. AGENT'S BINDING AUTHORITY

- A. Agent's maximum binding authority is \$1,000,000 on Buildings and Business Personal Property combined. All risks over \$1,000,000 must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- B. Agent's maximum binding authority is \$5,000,000 on the Umbrella Endorsement. All risks over \$5,000,000 must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- C. Any risk previously declined, canceled or nonrenewed must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- D. Risks with two or more claims during the past three years should be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- E. All risks with buildings more than 25 years of age must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding. **Picture(s) are required. Submit a detailed written description explaining all structure updates.**
- F. All risks should be inspected prior to binding.
- G. All risks wanting coverage for Employment Practices Liability Insurance must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- H. Issue binders immediately on all bound risks. Binders must be mailed to the Field Marketing Representative or Headquarters Underwriter no more than three (3) working days after the effective date of the binder.
- I. Dentist's Professional Liability must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.

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~~B. Rounding of Premium~~

- ~~1. All premium calculations shall be rounded to the nearest whole dollar. A premium of \$.50 or more shall be rounded to the next higher whole dollar except as described in Rule 7.B.2. below.~~
- ~~2. Installments (Agency Bill). Add the installment charge per Rule 6.B.2. to the semi-annual or quarterly premium and round each installment to the lowest whole dollar.~~

~~Example:~~

~~Quarterly Policy:~~

~~Annual Policy Premium is \$1,395.~~

~~$\$1,395 \div 4 = 348.75 + \$5 \text{ (Installment Charge)} = \$353.75.$~~

~~Round Quarterly Premium with Installment Charge to \$353.~~

8. AGENT'S BINDING AUTHORITY

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- E. Protective Devices or Services.** Protective devices or services may be required. The policy must be endorsed to require that the company be notified if the devices or services are discontinued or out of service. Use Protective Safeguards Endorsement **IA 467**. This form contains the following clauses, of which one or more will apply to the risk being insured:

P-1 Automatic Sprinkler System Clause

P-2 Automatic Fire Alarm Clause

P-3 Security Service Clause

P-4 Security Contract Clause

P-9 Described Protective System.

6. MINIMUM PREMIUMS AND INSTALLMENTS

A. Minimum Premiums

1. The following policywriting minimum premium applies:
Dentist's Package Policy..... \$ 300
2. Policywriting minimum premiums do not include premiums for Blanket Basket Endorsement, Business Liability Broadened Endorsement, Coverage for Injury to Leased Workers, Employment Practices Liability, Equipment Breakdown, Freight or Passenger Elevator Inspection, Mine Subsidence, Professional Liability or Umbrella Liability.
3. Policywriting minimum premiums are not subject to any modification.
4. Coverage Option minimum premiums may apply. Refer to Coverage Options Rule 12.

B. Installment Payments

The total policy premium may be prepaid, annual pay or paid in installments.

1. The premium for any policy may be payable on an installment payment basis in the following manner:
 - a. For policies issued on an equal installment basis, divide the annual premium by the number of installments and add the installment charge to each installment.
 - b. The installment charge applicable to semi-annual or quarterly pay policies will be, depending on rounding, up to \$5 per installment.
 - c. For policies issued on a ten (10) payment basis:
 - (1) Divide the annual premium by four (4) and add the installment charge. This amount becomes the first installment payment due at inception.
 - (2) Divide the remaining premium, which is 75% of the total annual premium, by nine (9) and add the installment charge for each installment. This amount becomes the premium due for each of the next nine (9) months.
 - d. For policies issued on a ten (10) payment or monthly payment basis the installment charge will be, depending on rounding, up to \$2 per installment.

2. Direct Bill Options and Requirements

a. Direct Bill Options

You may choose either:

- (1) Direct invoice from the company to the insured, or
- (2) Electronic Funds Transfer (EFT) from the insured to the company.

Direct Bill is not available for prepaid policies.

If you are using Electronic Funds Transfer (EFT), installment charges do not apply. Form **IA 4335** Insured Electronic Funds Transfer Authorization must be completed and signed by the insured.

b. Reinstatements for Nonpayment of Premium

The first time a policy is reinstated for nonpayment of premium, the premium due is the installment amount. For each succeeding reinstatement of a policy due to nonpayment of premium, while continuously insured with the Cincinnati Insurance Companies, a service charge of \$25 will be added to the insured's installment.

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6. MINIMUM PREMIUMS AND INSTALLMENTS (Cont'd)

- c. **Non-Sufficient Funds (NSF)**
The first time a premium payment is returned due to Non-Sufficient Funds (NSF) for a policy, the premium due is the installment amount. For each succeeding return of payment due to Non-Sufficient Funds, while continuously insured with the Cincinnati Insurance Companies, a service charge of \$25 will be added to the insured's installment.
- 3. **Installments (Including Quarterly Installments Option)**
 - a. There is no interest charge associated with the installment plan.
 - b. Additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.
 - c. For policies written on a quarterly payment plan, an initial payment of 25% of the total annual premium plus \$5 will be due at policy inception. Each of the subsequent installments will be 25% of the total annual premium plus \$5 per installment and will be due 3, 6, and 9 months from policy inception, respectively.

7. PREMIUM

A. Changes in Amounts or Coverages

1. Additional Premium

- a. Prorate all changes requiring an additional premium.
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 - (3) Any changes made to a location or coverage which was added after the policy inception, use the rates developed when the coverage was added.

c. **Waiver of Premium - other than e-CLAS[®] Issuance System policies**

Waive additional premium of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change.

Waiver of Premium - e-CLAS[®] Issuance System policies

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A. Changes in Amounts or Coverages

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Contact Person:
 Gayle Neuman
 217-524-6497
 Gayle.Neuman@illinois.gov

**Illinois Division of Insurance
 Review Requirements Checklist**

**320 West Washington Street
 Springfield, IL 62767-0001**

Effective as of 8/25/06

<u>Line(s) of Business</u>	<u>Code(s)</u>	
<input type="checkbox"/> MEDICAL MALPRACTICE	11.0000	***This checklist is for rate/rule
<input type="checkbox"/> Claims Made	11.10000	filings only.
<input checked="" type="checkbox"/> Occurrence	11.2000	See separate form checklist.

<u>Line(s) of Insurance</u>	<u>Code(s)</u>	<u>Line(s) of Insurance</u>	<u>Code(s)</u>	<u>Line(s) of Insurance</u>	<u>Code(s)</u>
<input type="checkbox"/> Acupuncture	11.0001	<input type="checkbox"/> Hospitals	11.0009	<input type="checkbox"/> Optometry	11.0019
<input type="checkbox"/> Ambulance Services	11.0002	<input type="checkbox"/> Professional Nurses	11.0032	<input type="checkbox"/> Osteopathy	11.0020
<input type="checkbox"/> Anesthetist	11.0031	<input type="checkbox"/> Nurse – Anesthetists	11.0010	<input type="checkbox"/> Pharmacy	11.0021
<input type="checkbox"/> Assisted Living Facility	11.0033	<input type="checkbox"/> Nurse – Lic. Practical	11.0011	<input type="checkbox"/> Physical Therapy	11.0022
<input type="checkbox"/> Chiropractic	11.0003	<input type="checkbox"/> Nurse – Midwife	11.0012	<input type="checkbox"/> Physicians & Surgeons	11.0023
<input type="checkbox"/> Community Health Center	11.0004	<input type="checkbox"/> Nurse – Practitioners	11.0013	<input type="checkbox"/> Physicians Assistants	11.0024
<input type="checkbox"/> Dental Hygienists	11.0005	<input type="checkbox"/> Nurse – Private Duty	11.0014	<input type="checkbox"/> Podiatry	11.0025
<input checked="" type="checkbox"/> Dentists	11.0030	<input type="checkbox"/> Nurse – Registered	11.0015	<input type="checkbox"/> Psychiatry	11.0026
<input checked="" type="checkbox"/> Dentists – General Practice	11.0006	<input type="checkbox"/> Nursing Homes	11.0016	<input type="checkbox"/> Psychology	11.0027
<input type="checkbox"/> Dentists – Oral Surgeon	11.0007	<input type="checkbox"/> Occupational Therapy	11.0017	<input type="checkbox"/> Speech Pathology	11.0028
<input type="checkbox"/> Home Care Service Agencies	11.0008	<input type="checkbox"/> Ophthalmic Dispensing	11.0018	<input type="checkbox"/> Other	11.0029

Illinois Insurance Code Link	Illinois Compiled Statutes Online	
Illinois Administrative Code Link	Administrative Regulations Online	
Product Coding Matrix Link	Product Coding Matrix	
NAIC Uniform Transmittal Form	50 IL Adm. Code 929 NAIC Uniform Transmittal Form	If insurers wish to use the NAIC Uniform Transmittal form in lieu of a cover letter/explanatory memorandum, the Division will accept such form, as long as all information required in the "Cover Letter & Explanatory Memorandum" section below are properly included.
NAIC Self-Certification Pilot Program	Newsletter Article regarding Division's Participation Self-Certification form	If an authorized company officer completes the Self-Certification form, and submits such form as the 1 st page of the filing, the Division will expedite review of the filing ahead of all other filings received to date. The Division will track company compliance with the laws, regulations, bulletins, and this checklist and report such information to the NAIC.
Location of Standard within Filing Column	See checklist format below.	To expedite review of your filing, use this column to indicate location of the standard within the filing (e.g. page #, section title, etc.)
Description of Review Standards Requirements Column	See checklist format below.	These brief summaries do not include all requirements of all laws, regulations, bulletins, or requirements, so review actual law, regulation, bulletin, or requirement for details to ensure that forms are fully compliant before filing with the Division of Insurance.

FILING REQUIREMENTS FOR FORM FILINGS	REFERENCE	DESCRIPTION OF REVIEW STANDARD REQUIREMENT	LOCATION OF STANDARD WITHIN FILING
See separate form filing checklist.		<p>To assist insurers in submitting compliant medical liability rate/rule filings as a result of newly-passed PA94-677 (SB475), the Division has created this separate, comprehensive rate/rule filing checklist for medical liability filings.</p> <p>Please see the separate form filing checklist for requirements related to medical liability forms.</p>	Forms are not being submitted at this time.
GENERAL FILING REQUIREMENTS FOR ALL RATE/RULE FILINGS			
LINE OF AUTHORITY			
Must have proper Class and Clause authority to conduct this line of business in Illinois.	<p><u>215 ILCS 5/4</u></p> <p><u>List of Classes/Clauses</u></p>	<p>To write Medical Liability insurance in Illinois, companies must be licensed to write:</p> <p>1. Class 2, Clause (c)</p>	
RATES AND RULES REQUIRED TO BE FILED			
Rates/Rules Must be Filed Separately from Forms			
Insurers shall make separate filings for rate/rules and for forms/endorsements, etc.		<p>The laws and regulations for medical liability forms/endorsements and the laws for medical liability rates/rules are different and each must be reviewed according to its own set of laws/regulations/procedures. Therefore, insurers are required to file forms and rates/rules separately.</p> <p>For requirements regarding form filings, see separate form filing checklist.</p>	Forms are not being submitted at this time. Rules/Rates checklist have been reviewed, as required.
New Insurers			
New insurers must file their rates, rules, plans for gathering statistics, etc. upon commencement of business.	<p><u>215 ILCS 5/155.18</u></p> <p><u>50 IL Adm. Code 929</u></p>	<p>"New Insures" are insurers who are:</p> <ul style="list-style-type: none"> • New to Illinois. • New writers of medical liability insurance in Illinois. • Writing a new Line of Insurance listed on Page 1 of this checklist, <p>New insurers must file the following:</p> <p>a) Medical liability insurance rate manual, including all rates.</p>	Not applicable.

		<p>b) Rules, including underwriting rule manuals which contain rules for applying rates or rating plans,</p> <p>c) Classifications and other such schedules used in writing medical liability insurance.</p> <p>d) Statement regarding whether the insurer:</p> <ul style="list-style-type: none"> • Has its own plan for the gathering of medical liability statistics; or • Reports its medical liability statistics to a statistical agent (and if so, which agent). <p>The Director, at any time, may request a copy of the insurer's statistical plan or request the insurer to provide written verification of membership and reporting status from the insurer's reported statistical agency.</p> <p>Insurers are instructed to review all requirements in this checklist, including the requirements for applicable actuarial documentation, as well as all medical liability laws and regulations, to ensure that the filing contains all essential elements before submitting the filing to the Division.</p>	
Amendments to Initial Rate/Rule Filings			
After a new insurer has filed the rates/rules/information described above, insurers must file rates/rules, or advise of changes to statistical plans, as often as they are amended.	<p>215 ILCS 5/155.18</p> <p>50 IL Adm. Code 929</p>	<p>After a new insurer has filed the rates/rules/information described above, insurers must file rates/rules/rating schedules (as described above for new business) as often as such filings are changed or amended, or when any new rates or rules are added.</p> <p>Any change in premium to the company's insureds as a result of a change in the company's base rates or a change in its increased limits factors shall constitute a change in rates and shall require a filing with the Director.</p> <p>Insurers shall also advise the Director if its plans for the gathering of statistics has changed, or if the insurer has changed statistical agents.</p> <p>The Director, at any time, may request a copy of the insurer's statistical plan or request the insurer to provide written verification of membership and reporting status from the insurer's reported statistical agency.</p> <p>Insurers are instructed to review all requirements in this checklist, including the requirements for applicable actuarial documentation, as well as all medical liability laws and regulations, to ensure that the filing contains all essential elements before submitting the filing to the Division.</p>	<p>Done.</p> <p>No changes to the rates are being made at this time.</p> <p>No plans have been made to change our methods.</p> <p>Understood.</p> <p>Done prior to filing.</p>
EFFECTIVE DATES OF RATE/RULE FILINGS			
Illinois is "file and use" for medical liability rates and rules.	<p>215 ILCS 5/155.18</p> <p>50 IL Adm. Code 929</p>	A rate/rating plan/rule filing shall go into effect no earlier than the date the filing is received by the Division of Insurance, Property & Casualty Compliance Section, except as otherwise provided	Understood.

		in Section 155.18.	
ADOPTIONS OF ADVISORY ORGANIZATION FILINGS			
Insurer must file all rates and rules on its own behalf.	<u>50 IL Adm. Code 929</u>	Although Rule 929 allows for insurers to adopt advisory organization rule filings, advisory organizations no longer file rules in Illinois.	Understood.
COPIES, RETURN ENVELOPES, ETC.			
Requirement for duplicate copies and return envelope with adequate postage.	<u>50 IL Adm. Code 929</u>	Insurers that desire a stamped returned copy of the filing or submission letter must submit a duplicate copy of the filing/letter, along with a return envelope large enough and containing enough postage to accommodate the return filing.	INCLUDED WITH FILING. We would appreciate a return copy for our records.
COVER LETTER & EXPLANATORY MEMORANDUM			
Two copies of a submission letter are required, and the submission letter must contain the information specified. "Me too" filings are not allowed. Use of NAIC Uniform Transmittal form is acceptable as long as all required information is included.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u> <u>Company Bulletin 88-53</u> <u>Actuarial Certification Form</u> <u>NAIC Uniform Transmittal Form</u>	All filings must be accompanied by a submission letter which includes <u>all</u> of the following information: 1) Exact name of the company making the filing. 2) Federal Employer Identification Number (FEIN) of the company making the filing. 3) Unique filing identification number – may be alpha, numeric, or both. Each filing number must be unique within a company and may not be repeated on subsequent filings. If filing subsequent revisions to a pending filing, use the same filing number as the pending filing or the revision(s) will be considered a new filing. 4) Identification of the classes of medical liability insurance to which the filing applies (for identifying classes, refer to Lines of Insurance shown on Page 1 of this checklist, in compliance with the NAIC Product Coding Matrix). 5) Notification of whether the filing is new or supersedes a present filing. If filing supersedes a present filing, insurer must identify <u>all</u> changes in superseding filings, <u>and all</u> superseded filings, including the following information: <ul style="list-style-type: none"> • Copy of the complete rate/rule manual section(s) being changed by the filing with all changes clearly highlighted or otherwise identified. • Written statement that all changes made to the superseded filing have been disclosed. • List of all pages that are being completely superseded or replaced with new pages. • List of pages that are being withdrawn and not being replaced. • List of new pages that are being added to the superseded filing. 	Included. See Cover Letter. See Cover Letter. See Cover Letter. See Cover Letter. See explanatory memorandum. Included. Included. See explanatory memorandum. Not applicable at this time. Not applicable at this time.

		<ul style="list-style-type: none"> Copies of all manual pages that are affected by the new filing, including but not limited to subsequent pages that are amended solely by receiving new page numbers. <p>6) Effective date of use.</p> <p>7) Actuarial certification (see Actuarial Certification section below). Insurers may use their own form or may use the sample form developed by the Division.</p> <p>8) Statement that the insurer, in offering, administering, or applying the filed rate/rule manual and/or any amended provisions, does not unfairly discriminate.</p> <p>Companies under the same ownership or general management are required to make <u>separate, individual company filings</u>. Company Group ("Me too") filings are unacceptable.</p> <p>If insurers wish to use the NAIC Uniform Transmittal form in lieu of a cover letter/explanatory memorandum, the Division will accept such form, as long as all information required in this section is properly included.</p>	<p>Included.</p> <p>See Cover Letter.</p> <p>Certification is included as requested.</p> <p>Statement is included as requested.</p> <p>Not applicable to this line of insurance.</p>
FORM RF-3 Summary Sheet			
For any rate change, duplicate copies of Form RF-3 must be filed, no later than the effective date.	<p><u>50 IL Adm. Code 929</u></p> <p><u>Form RF-3 Summary Sheet</u></p>	<p>For <u>any</u> rate level change, insurers must file two copies of Form RF-3 (Summary Sheet) which provides information on changes in rate level based on the company's premium volume, rating system, and distribution of business with respect to the classes of medical liability insurance to which the rate revision applies. Such forms must be received by the Division's Property & Casualty Compliance Section no later than the stated effective date of use.</p> <p>Insurers must report the rate change level and premium volume amounts on the "Other" Line and insert the words "Medical Liability" on the "Other" descriptive line. Do not list the information on the "Other Liability" line.</p> <p>If the Medical Liability premium is combined with any other Lines of Business (e.g. CGL, commercial property, etc.), the insurer must report the effect of rate changes to each line separately on the RF-3, indicating the premium written and percent of rate change for each line of business.</p> <p>The RF-3 form must indicate whether the information is "exact" or "estimated."</p>	Rate change is not applicable to this filing; therefore, RF-3 is not being sent.
PAYMENT PLANS			
Quarterly premium payment installment plan required as	<u>215 ILCS 5/155.18</u>	A company writing medical liability insurance in Illinois shall offer to each of its medical liability insureds the option to make premium payments in	Previous quarterly installment payment plan was approved

prescribed by the Director.		<p>quarterly installments as prescribed by and filed with the Director. Such option must be offered in the initial offer of the policy or in the first policy renewal occurring after January 1, 2006. Thereafter, the insurer need not offer the option, but if the insured requests it, must make it available. Such plans are subject to the following minimum requirements:</p> <ul style="list-style-type: none"> • May not require more than 40% of the estimated total premium to be paid as the initial payment; • Must spread the remaining premium equally among the 2nd, 3rd, and 4th installments, with the maximum set at 30% of the estimated total premium, and due 3, 6, and 9 months from policy inception, respectively; • May not apply interest charges; • May include an installment charge or fee of no more than the lesser of 1% of the total premium or \$25; • Must spread any additional premium resulting from changes to the policy equally over the remaining installments, if any. If there are no remaining installments, the additional premium may be billed immediately as a separate transaction; and • May, but is not required to offer payment plan for extensions of a reporting period, or to insureds whose annual premiums are less than \$500. However, if offered to either, the plan must be made available to all within that group. 	for use earlier this year. We are making changes to the rule as described in the Explanatory Memorandum; however, the changes are NOT being made to the quarterly option. We are amending our Direct Bill option and also offering EFT and a new 10-pay plan.
DEDUCTIBLES			
Deductible plans should be filed if offered.	<u>215 ILCS 5/155.18</u>	A company writing medical liability insurance in Illinois is encouraged, but not required, to offer the opportunity for participation in a plan offering deductibles to its medical liability insureds. Any such plan shall be contained in a filed rate/rule manual section entitled "Deductibles Offered" or substantially similar title. If an insurer uses a substantially similar title, the Rate/Rule Submission Letter or NAIC Uniform Transmittal form must indicate the name of the section that applies.	We do not offer a deductible plan for our Dentist's Professional Liability.
DISCOUNTS			
Premium discount for risk management activities should be filed if offered.	<u>215 ILCS 5/155.18</u>	A company writing medical liability insurance in Illinois is encouraged, but not required, to offer their medical liability insureds a plan providing premium discounts for participation in risk management activities. Any such plan shall be contained in a filed rate/rule manual section entitled "Risk Management Activities Discounts" or substantially similar title. If an insurer uses a substantially similar title, the Rate/Rule Submission Letter or NAIC Uniform Transmittal form must indicate the name of the section that applies.	We do not offer any premium discounts for risk management activities for our Dentist's Professional Liability.

CLAIMS MADE REQUIREMENTS			
<p>Extended reporting period (tail coverage) requirements.</p>	<p><u>215 ILCS 5/143(2)</u> <u>Company Bulletin 88-50</u></p>	<p>When issuing claims-made medical liability insurance policies, insurers must include the following specific information in their rate/rule manuals:</p> <ul style="list-style-type: none"> • Offer of an extended reporting period (tail coverage) of <u>at least</u> 12 months. The rate/rule manual must specify whether the extended reporting period is unlimited or indicate its term (i.e. number of years).*** • Cost of the extended reporting period, which <u>must</u> be priced as a factor of one of the following:*** <ul style="list-style-type: none"> ○ the last 12 months' premium. ○ the premium in effect at policy issuance. ○ the expiring annual premium. • List of any credits, discounts, etc. that will be added or removed when determining the final extended reporting period premium. • Insurer will inform the insured of the extended reporting period premium at the time the last policy is purchased. The insurer may not wait until the insured requests to purchase the extended reporting period coverage to tell the insured what the premium will be or how the premium would be calculated. • Insurer will offer the extended reporting period when the policy is terminated for any reason, including non-payment of premium, and whether the policy is terminated at the company's or insured's request. • Insurer will allow the insured 30 days after the policy is terminated to purchase the extended reporting period coverage.*** • Insurer will trigger the claims made coverage when notice of claim is received and recorded by the insured or company, whichever comes first. <p>***If the medical liability coverage is combined with other professional or general liability coverages, the medical liability insurer must meet all of the above requirements, except those indicated with ***, in which case, the insurer must:</p> <ul style="list-style-type: none"> • Offer free 5-year extended reporting period (tail coverage) or • Offer an unlimited extended reporting period with the limits reinstated (100% of aggregate expiring limits for the duration) • Cap the premium at 200% of the annual 	<p>We do not offer Claims-Made Dentist's Professional Liability under this specialty package program.</p>

		<ul style="list-style-type: none"> premium of the expiring policy; and Give the insured a free-60 day period after the end of the policy to request the coverage. 	
GROUP MEDICAL LIABILITY			
Group medical liability insurance is not specifically allowed under the Illinois Insurance Code.	<u>50 IL Adm. Code 906</u>	Part 906 of the Illinois Administrative Code prohibits writing of group casualty (liability) insurance unless specifically authorized by statute. The Illinois Insurance Code does not specifically authorize the writing of group medical liability insurance.	Not applicable.
CANCELLATION & NONRENEWAL PROVISION REQUIREMENTS			
If rate/rule manuals contain language pertaining to cancellation or nonrenewal, must comply with all cancellation/nonrenewal laws.	See Medical Liability Forms Checklist for Specific Information about Illinois Cancellation & Nonrenewal Laws and Regulations,	If a rate or rule manual contains language pertaining to cancellation or nonrenewal of any medical liability insurance coverage, such provisions must comply with all cancellation and nonrenewal provisions of the Illinois Insurance Code, including but not limited to the following: 143.10, 143.16, 143.16a, 143.17a. See Medical Liability Forms Checklist for Specific Information about Illinois Cancellation & Nonrenewal Laws and Regulations,	Our manual does not contain any language which pertains to cancellation or nonrenewal except to refer to the mandatory form which must be used on all issued policies, which brings our countrywide forms into compliance with Illinois requirements regarding these items.
ACTUARIAL REVIEW REQUIREMENTS			
Rates shall not be excessive, inadequate, or unfairly discriminatory.	<u>215 ILCS 5/155.18</u>	<p>In the making or use of rates pertaining to all classes of medical liability insurance, rates shall not be excessive, or inadequate, nor shall they be unfairly discriminatory.</p> <p>Rate and rule manual provisions should be defined and explained in a manner that allows the Division to ascertain whether the provision could be applied in an unfairly discriminatory manner. For example, if a rate/rule manual contains ranges of premiums or discounts, the provision must specify the criteria to determine the specific premium/discount an insured or applicant would receive.</p> <p>The Director may, by order, adjust a rate or take any other appropriate action at the conclusion of a public hearing.</p>	Rate changes are not being made at this time. However, we feel our rates are not excessive, inadequate or unfairly discriminatory.
PRICING			

Insurers shall consider certain information when developing medical liability rates.	<u>215 ILCS 5/155.18</u>	<p>Consideration shall be given, to the extent applicable, to past and prospective loss experience within and outside this State, to a reasonable margin for underwriting profit and contingencies, to past and prospective expenses both countrywide and those especially applicable to Illinois, and to all other factors, including judgment factors, deemed relevant within and outside Illinois.</p> <p>Consideration may also be given in the making and use of rates to dividends, savings or unabsorbed premium deposits allowed or returned by companies to their policyholders, members or subscribers.</p> <p>The systems of expense provisions included in the rates for use by any company or group of companies may differ from those of other companies or groups of companies to reflect the operating methods of any such company or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof.</p>	Rate changes are not being made at this time.
Minimum Premium Rules			
Insurers may group or classify risks for establishing rates and minimum premiums.	<u>215 ILCS 5/155.18</u>	Risks may be grouped by classifications for the establishment of rates and minimum premiums.	Understood.
"A" RATED RISKS			
Individual Risk Rating			
Risks may be rated on an individual basis as long as all provisions required in Section 155.18 are met.	<u>215 ILCS 5/155.18</u>	Classification rates may be modified to produce rates for individual risks in accordance with rating plans which establish standards for measuring variations in hazards or expense provisions, or both. Such standards may measure any difference among risks that have a probable effect upon losses or expenses. Such classifications or modifications of classifications of risks may be established based upon size, expense, management, individual experience, location or dispersion of hazard, or any other reasonable considerations, and shall apply to all risks under the same or substantially the same circumstances or conditions. The rate for an established classification should be related generally to the anticipated loss and expense factors or the class.	Understood.
RISK CLASSIFICATION			
Risks may be grouped by classifications.	<u>215 ILCS 5/155.18</u>	Risks may be grouped by classifications for the establishment of rates and minimum premiums.	Understood.
Rating decisions based solely on domestic violence.	<u>215 ILCS 5/155.22b</u>	No insurer may that issues a property and casualty policy may use the fact that an applicant or insured incurred bodily injury as a result of a battery committed against him/her by a spouse or person in the same household as a sole reason for a rating decision.	Rating decisions are not made based upon domestic violence.
Unfair methods of	<u>215 ILCS 5/424(3)</u>	It is an unfair method of competition or unfair and	We do not unfairly

competition or unfair or deceptive acts or practices defined.		deceptive act or practice if a company makes or permits any unfair discrimination between individuals or risks of the same class or of essentially the same hazard and expense element because of the race, color, religion, or national origin of such insurance risks or applicants.	discriminate. We do not consider race, color, religion or national origin of current risks or applicants.
Procedure as to unfair methods of competition or unfair or deceptive acts or practices not defined.	<u>215 ILCS 5/429</u>	Outlines the procedures the Director follows when he has reason to believe that a company is engaging in unfair methods of competition or unfair or deceptive acts or practices.	Understood.
Territorial Definitions			
Rate/rule manuals must contain correct and adequate definitions of Illinois territories.	<u>215 ILCS 5/155.18</u>	When an insurer's rate/rule program includes differing territories within the State of Illinois, rate/rule manuals must contain correct and adequate definitions of those territories, and that all references to the territories or definitions are accurate, so the Division does not need to request additional information.	Our Territories are defined on DN-40 and DN-41.
ACTUARIAL SUPPORT INFORMATION REQUIRED			
ACTUARIAL CERTIFICATION			
Actuarial certification must accompany all rate filings and all rule filings that affect rates.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u> <u>Actuarial Certification Form</u>	Every rate and/or rating rule filing must include a certification by an officer of the company <u>and</u> a qualified actuary that the company's rates and/or rules are based on sound actuarial principles and are not inconsistent with the company's experience. Insurers may use their own form or may use the sample form created by the Division.	Certification is included as requested.
ACTUARIAL OR STATISTICAL INFORMATION			
Director may request actuarial and statistical information.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	The Director may require the filing of statistical data and any other pertinent information necessary to determine the manner of promulgation and the acceptability or unacceptability of a filing for rules, minimum premiums, rates, forms or any combination thereof. If the Director requests information or statistical data to determine the manner the insurer used to set the filed rates and/or to determine the reasonableness of those rates, as well as the manner of promulgation and the acceptability or unacceptability of a filing for rules, minimum premiums, or any combination thereof, the insurer shall provide such data or information within 14 calendar days of the Director's request.	Rate changes are not being made at this time.
Explanatory Memorandum			
Insurers shall include actuarial explanatory memorandum with any	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code</u>	Insurers shall include actuarial explanatory memorandum with any rate filing, as well as any rule filing that affects the ultimate premium. The	Rate changes are not being made at this time.

rate filing, as well as any rule filing that affects the ultimate premium.	<u>929</u>	<p>explanatory memorandum shall contain, at minimum, the following information:</p> <ul style="list-style-type: none"> • Explanation of ratemaking methodologies. • Explanations of specific changes included in the filing. • Narrative that will assist in understanding the filing. 	
Summary of Effects Exhibit			
Insurers shall include an exhibit illustrating the effect of each change and calculation indicating how the final effect was derived.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	Insurers shall include an exhibit illustrating the effect of each individual change being made in the filing (e.g. territorial base rates, classification factor changes, number of exposures affected by each change being made, etc.), and include a supporting calculation indicating how the final effect was derived.	Rate changes are not being made at this time.
Actuarial Indication			
Insurers shall include actuarial support justifying the overall changes being made.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	<p>Insurers shall include actuarial support justifying the overall changes being made, including but not limited to:</p> <ul style="list-style-type: none"> • Pure premiums (if used). • Earned premiums. • Incurred losses. • Loss development factors. • Trend factors. • On-Level factors. • Permissible loss ratios, etc. 	Rate changes are not being made at this time.
Loss Development Factors and Analysis			
Insurers shall include support for loss development factors and analysis.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	Insurers shall include actuarial support for loss development factors and analysis, including but not limited to loss triangles and selected factors, as well as support for the selected factors.	Rate changes are not being made at this time.
Ultimate Loss Selections			
Insurers shall include support for ultimate loss selections.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	Insurers shall include support for ultimate loss selections, including an explanation of selected losses if results from various methods differ significantly.	Rate changes are not being made at this time.
Trend Factors and Analysis			
Insurers shall include support for trend factors and analysis.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	Insurers shall include support for trend factors and analysis, including loss and premium trend exhibits demonstrating the basis for the selections used.	Rate changes are not being made at this time.
On-Level Factors and Analysis			
Insurers shall include support for on-level factors and analysis.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	Insurers shall include support for on-level factors and analysis, including exhibits providing on-level factors and past rate changes included in calculations.	Rate changes are not being made at this time.
Loss Adjustment Expenses			

Insurers shall include support for loss adjustment expenses.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	Insurers shall include support for loss adjustment expenses, including exhibits providing documentation to support factors used for ALAE and ULAE. If ALAE is included in loss development analysis, no additional ALAE exhibit is required.	Rate changes are not being made at this time.
Expense Exhibit			
Insurers shall include an expense exhibit. Insurers may use expense provisions that differ from those of other companies or groups of companies.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	Insurers shall include an exhibit indicating all expenses used in the calculation of the permissible loss ratio, including explanations and support for selections. The systems of expense provisions included in the rates for use by any company or group of companies may differ from those of other companies or groups of companies to reflect the operating methods of any such company or group with respect to any kind of insurance, or with respect to any subdivision or combination thereof.	Rate changes are not being made at this time.
Investment Income Calculation			
Insurers shall include an exhibit for investment income calculation.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	Insurers shall include an exhibit demonstrating the calculation for the investment income factor used in the indication.	Rate changes are not being made at this time.
Profit and Contingencies Calculation			
Insurers shall include an exhibit for profit and contingencies load.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	Insurers shall include an exhibit illustrating the derivation of any profit and contingencies load.	Rate changes are not being made at this time.
Credibility Standard Used			
Insurers shall include the number of claims being used to calculate the credibility factor.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	Insurers should include the number of claims being used to calculate the credibility factor. If another method of calculating credibility is utilized, insurers should include a description of the method used.	Rate changes are not being made at this time.
Other Actuarial Information Required			
Insurers must include the information described in this section.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	Insurers shall also include the following information: <ul style="list-style-type: none"> • All actuarial support/justification for all rates being changed, including but not limited to changes in: <ul style="list-style-type: none"> ○ Base rates; ○ Territory definitions; ○ Territory factor changes; ○ Classification factor changes; ○ Classification definition changes; ○ Changes to schedule credits/debits, etc. • Exhibits containing current and proposed rates/factors for all rates and classification factors, etc. being changed. 	Rate changes are not being made at this time.

		<ul style="list-style-type: none"> Any exhibits necessary to support the filing that are not mentioned elsewhere in this checklist. 	
Schedule Rating			
Insurers must include the described information described at right.	<u>215 ILCS 5/155.18</u> <u>50 IL Adm. Code 929</u>	Insurers should include appropriate actuarial justification when filing schedule rating plans and/or changes to schedule rating plans.	Rate changes are not being made at this time.

THE CINCINNATI INSURANCE COMPANY
ILLINOIS
DENTIST'S PACKAGE PROGRAM MANUAL

1. APPLICATION OF THIS PROGRAM

- A. This manual contains the information governing the writing of the Dentist's Package Policy.
- B. The rules, classifications and rates in this manual make up the entire Dentist's Package Program and may not be amended except as specifically permitted.
- C. Unless specifically mentioned in this manual, refer to the forms filed by the Cincinnati Insurance Company under our Businessowners Package Program, Commercial Lines Division Seven - Professional Liability, Commercial Lines Division One - Automobile and the Commercial Umbrella Program. Forms unique to this program will be filed separately.

2. COVERAGES

Property and Liability coverage is provided as indicated below:

A. Section I - Property Coverage

The Dentist's Package Policy provides coverage with these features:

- Building and Business Personal Property coverage is available for a specified Limit of Insurance on either an Actual Cash Value or Replacement Cost basis.
- "Special" Causes of Loss Coverage.
- Business Income coverage is included on a valued daily loss basis of \$500 per day for 30 days and on an actual loss sustained basis in excess of the valued daily loss basis for a period up to 12 consecutive months.
- Business Income From Dependent Properties coverage is included up to a limit of \$5,000.
- No coinsurance clause applies.
- Glass Coverage is included within the building limit.
- When our insured does not insure the building non-owned exterior glass for which the insured is legally responsible is covered within the BPP limit.
- Earthquake and Flood coverage for Business Personal Property is automatically provided.
- Water Backup of Sewers, Drains, Septic Systems or Sump Pumps is included up to a \$25,000 limit per location.
- Theft of gold, silver and other precious alloys or metals is included at a \$3,000 limit.
- Newly acquired property is covered for 90 days with Buildings at \$1,000,000, Business Personal Property at \$500,000, Business Income at the Valued Daily Loss Limit and then at actual loss sustained and Extra Expense at actual loss sustained.
- Extra Expense is included for necessary expenses incurred for a period up to 12 consecutive months.
- Building Laws Safeguard coverage is included up to a limit of \$25,000 per location.
- Electronic Data Processing Property coverage is included up to a \$25,000 limit per location.
- Money and Securities is included up to \$15,000 per occurrence inside the premises and up to \$5,000 per occurrence outside the premises.
- Money Orders and Counterfeit Paper Currency is included up to a \$10,000 limit per occurrence.
- Employee Dishonesty coverage is included up to a \$25,000 limit per occurrence.
- Forgery or Alteration coverage is provided up to a \$25,000 limit per occurrence.
- Accounts Receivable coverage is included up to a \$100,000 limit per location.

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THE CINCINNATI INSURANCE COMPANY
ILLINOIS
DENTIST'S PACKAGE PROGRAM MANUAL

- Valuable Papers coverage is included up to a \$100,000 limit per location.
- Signs coverage is included up to a \$10,000 limit per location.
- A standard deductible of \$250 applies per occurrence. Optional deductibles are available.

B. Section II - Business Liability Coverage

The Dentist's Package Policy provides the following Liability coverages with an "occurrence" format:

- Liability coverage for Bodily Injury and Property Damage is provided for described premises and operations of business conducted at or from that premises. In conjunction, coverage is provided for independent contractors, contractual liability and products / completed operations.
- Premises Medical Expenses.
- Personal and Advertising Injury Liability for offenses defined in the policy.
- Worldwide Products, Extended Bodily Injury, Incidental Medical Malpractice, Host Liquor Liability, Broad Form Property Damage and Nonowned Watercraft Coverage.
- Liability coverage for Bodily Injury caused by fumes from equipment used to service or maintain a covered building.
- Employees and volunteer workers are insureds.
- Damage to Premises Rented to You is included up to the Each Occurrence Liability Limit.

C. Section VII - Business Auto Coverage

The Dentist's Package Policy provides the following auto coverages:

- Hired Auto and Nonowned Auto Liability is automatically included for no additional premium charge. Use Dentist's Business Auto Coverage Declarations **IF 505 IL** and Dentist's Package Policy Auto Amendment **IF 436 IL**. For other applicable forms, refer to the forms filed in Division One, Automobile Manual, of the Cincinnati Insurance Companies Commercial Lines Manual.
- Uninsured and Underinsured Motorist coverage applicable to Hired Auto and Nonowned Auto is automatically included for no additional premium charge.

3. BASIC COVERAGE AND LIMITS

- A.** The Dentist's Package Policy must be written to afford coverage on both Business Property and Business Liability exposures.
- B.** Business Liability Limits apply as follows:
1. Liability Coverages - Basic Limit
 - \$1,000,000 Each Occurrence Limit
 - \$2,000,000 General Aggregate Limit
 - \$2,000,000 Products-Completed Operations Aggregate Limit
 - \$1,000,000 Personal & Advertising Injury Limit
 - \$1,000,000 Damage to Premises Rented to You Limit
 2. \$5,000 Any One Person Medical Expenses - Optional Limits are available.
Higher limits may be purchased.

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THE CINCINNATI INSURANCE COMPANY
ILLINOIS
DENTIST'S PACKAGE PROGRAM MANUAL

- C. Professional Liability Coverage is available as an option, at the following limits, for an additional premium: (Separate Application **PA 007** is to be completed by each dentist.)

\$100,000 Each Dental Incident	\$200,000 Each Dental Incident
\$300,000 Aggregate Limit	\$600,000 Aggregate Limit
\$300,000 Each Dental Incident	\$1,000,000 Each Dental Incident
\$900,000 Aggregate Limit	\$1,000,000 Aggregate Limit
\$1,000,000 Each Dental Incident	\$1,000,000 Each Dental Incident
\$2,000,000 Aggregate Limit	\$3,000,000 Aggregate Limit
\$2,000,000 Each Dental Incident	
\$4,000,000 Aggregate Limit	

Other limits are available.

4. APPLICATION

Form **IF 003**, or **IF-004 (e-CLAS[®])**, shall be fully completed and signed by the insured or the agent for new business.

5. POLICY PROVISIONS

- A. Policies may be written for a specific term of up to 5 years.
- B. **Cancellation**
1. It is not permissible to cancel all business property or all liability coverage unless the entire policy is canceled.
 2. If the policy is canceled, the earned premium shall be calculated on a pro rata basis.
- C. Building and Business Personal Property may not be written on a blanket basis.
- D. **Policy Amendments and Changes.** Only the following policy changes and endorsements are permitted:
1. Limits of Insurance on Buildings and Business Personal Property may be increased or decreased.
 2. Locations may be added or deleted.
 3. Optional coverages including Professional Liability may be added, deleted or amended.
 4. General Change Endorsement **IB 447** or **IB 478 (e-CLAS[®])** must be used for all changes after the inception date of the policy.

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- E. Protective Devices or Services.** Protective devices or services may be required. The policy must be endorsed to require that the company be notified if the devices or services are discontinued or out of service. Use Protective Safeguards Endorsement **IA 467**. This form contains the following clauses, of which one or more will apply to the risk being insured:

P-1 Automatic Sprinkler System Clause
P-2 Automatic Fire Alarm Clause
P-3 Security Service Clause
P-4 Security Contract Clause
P-9 Described Protective System.

6. MINIMUM PREMIUMS AND INSTALLMENTS

A. Minimum Premiums

1. The following policywriting minimum premium applies:
Dentist's Package Policy..... \$ 300
2. Policywriting minimum premiums do not include premiums for Blanket Basket Endorsement, Business Liability Broadened Endorsement, Coverage for Injury to Leased Workers, Employment Practices Liability, Equipment Breakdown, Freight or Passenger Elevator Inspection, Mine Subsidence, Professional Liability or Umbrella Liability.
3. Policywriting minimum premiums are not subject to any modification.
4. Coverage Option minimum premiums may apply. Refer to Coverage Options Rule 12.

B. Installment Payments

The total policy premium may be prepaid, annual pay or paid in installments.

1. The premium for any policy may be payable on an installment payment basis in the following manner:
 - a. For policies issued on an equal installment basis, divide the annual premium by the number of installments and add the installment charge to each installment.
 - b. For policies containing medical professional liability as defined by Illinois Compiled Statute 215ILCS Section 5/155.18 the installment charge will be:
 - (1) Up to \$2 per installment or up to 1% of the written premium for monthly payments whichever is less,
 - (2) Up to \$2 per installment or up to 1% of the written premiums for semiannual or quarterly payments whichever is less; and
 - (3) For any policy with medical professional a quarterly payment option shall be made available as required by statute.
 - c. For policies issued on a ten (10) payment basis:
 - (1) Divide the annual premium by four (4) and add the installment charge. This amount becomes the first installment payment due at inception.
 - (2) Divide the remaining premium, which is 75% of the total annual premium, by nine (9) and add the installment charge for each installment. This amount becomes the premium due for each of the next nine (9) months.
 - (3) For policies issued on a ten (10) payment basis the installment charge will be up to \$2 per installment or up to 1% of the written premium whichever is less.

2. Direct Bill Options and Requirements

a. Direct Bill Options

You may choose either:

- (1) Direct invoice from the company to the insured, or
- (2) Electronic Funds Transfer (EFT) from the insured to the company.

Direct Bill is not available for prepaid policies.

If you are using Electronic Funds Transfer (EFT), installment charges do not apply. Form **IA 4335** Insured Electronic Funds Transfer Authorization must be completed and signed by the insured.

b. Reinstatements for Nonpayment of Premium

The first time a policy is reinstated for nonpayment of premium, the premium due is the installment amount. For each succeeding reinstatement of a policy due to nonpayment of premium, while continuously insured with the Cincinnati Insurance Companies, a service charge of \$25, per policy, will be added to the insured's installment.

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c. Non-Sufficient Funds (NSF)

The first time a premium payment is returned due to Non-Sufficient Funds (NSF) for a policy, the premium due is the installment amount. For each succeeding return of payment due to Non-Sufficient Funds, while continuously insured with the Cincinnati Insurance Companies, a service charge of \$25 will be added to the insured's installment.

d. Fee for Late Payment of Premium Due

If Premium remittance is received and processed by the Company after the date specified as the due date on the account statement, the Company will assess a late fee of \$25. This fee will not apply to Electronic Funds Transfer (EFT). It will apply only to the direct invoice option.

If the policy is cancelled and reinstated a reinstatement fee as shown above will be assessed. If the account expires prior to the assessment of the late charge, the late charge will be added to the renewal. In the event that both a reinstatement fee and late fee apply to a Premium payment the reinstatement fee will be waived. Only the late fee will be applied to the account for that payment period.

If a Premium payment is received after the due date but prior to the legal cancellation date the Company will accept the premium payment and assess the late fee but no reinstatement fee.

If a Premium payment is received and there are insufficient funds a NSF fee will apply. If the insufficiency is corrected after the Premium due date both a Non-sufficient funds fee and a late fee will be assessed.

e. Assessment of Fees

These direct bill fees and charges apply per account regardless of the number of policies contained within the account.

The Cincinnati Companies reserves the right to refuse to honor a payment after noncompliance with the terms of the Electronic Funds Transfer agreement. If payment is not honored payment options other than Electronic Funds Transfer are available. Please contact your agent.

3. Installments (Including Quarterly Installments Option)

- a. There is no interest charge associated with the installment plan.
- b. Additional premium resulting from changes to the policy shall be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to a policy may be billed immediately as a separate transaction.
- c. For policies written on a quarterly payment plan, an initial payment of 25% of the total annual premium plus \$2 or 1% of the annual premium whichever is less will be due at policy inception. Each of the subsequent installments will be 25% of the total annual premium plus the installment charge and will be due 3, 6, and 9 months from policy inception, respectively.

7. PREMIUM

A. Changes in Amounts or Coverages

1. Additional Premium

- a. Prorate all changes requiring an additional premium.
- b. In computing the additional premium for:
 - (1) Any changes made to a coverage or location included at policy inception, use the rates and rules in effect on the effective date of the policy.
 - (2) Coverages or locations which are added after the policy inception (including additions of coverages, options and causes of loss to existing locations) use the rates and rules in effect as of the date of the change.
 - (3) Any changes made to a location or coverage which was added after the policy inception, use the rates developed when the coverage was added.

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c. Waiver of Premium - other than e-CLAS® Issuance System policies

Waive additional premium of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change.

Waiver of Premium - e-CLAS® Issuance System policies

No waiver applies to **e-CLAS®** policies. With regard to Direct Bill policies, any change resulting in an additional premium of \$15 or less will be deferred to the next bill. This deferral applies only to that portion of the premium due on the effective date of the policy change.

2. Return Premium

- a. Compute the return premium at the rates used to calculate the policy premium.
- b. Compute return premium on a pro-rata basis and round to the nearest whole dollar when any coverage or exposure is deleted or a Limit of Insurance is reduced. Retain the policywriting minimum premium.

c. Waiver of Premium - other than e-CLAS® Issuance System policies

Waive return premium of \$15 or less. This waiver applies only to that portion of the premium due on the effective date of the policy change. Grant any return premium if the insured requests it.

Waiver of Premium - e-CLAS® Issuance System policies

No waiver applies to **e-CLAS®** policies. With regard to Direct Bill policies, any change resulting in a return premium of \$15 or less will be deferred to the next bill. This deferral applies only to that portion of the premium due on the effective date of the policy change.

B. Rounding of Premium

All premium calculations shall be rounded to the nearest whole dollar. A premium of \$.50 or more shall be rounded to the next higher whole dollar except as described in Rule 7.B.2. below.

8. AGENT'S BINDING AUTHORITY

- A. Agent's maximum binding authority is \$1,000,000 on Buildings and Business Personal Property combined. All risks over \$1,000,000 must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- B. Agent's maximum binding authority is \$5,000,000 on the Umbrella Endorsement. All risks over \$5,000,000 must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- C. Any risk previously declined, canceled or nonrenewed must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- D. Risks with two or more claims during the past three years should be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- E. All risks with buildings more than 25 years of age must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding. **Picture(s) are required. Submit a detailed written description explaining all structure updates.**
- F. All risks should be inspected prior to binding.
- G. All risks wanting coverage for Employment Practices Liability Insurance must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.
- H. Issue binders immediately on all bound risks. Binders must be mailed to the Field Marketing Representative or Headquarters Underwriter no more than three (3) working days after the effective date of the binder.
- I. Dentist's Professional Liability must be referred to your Field Marketing Representative or Headquarters Underwriter prior to binding.

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9. ELIGIBILITY SECTION

A. General Rules

The following general eligibility rules apply:

1. A dental office operation is the only eligible class under this program. No other type of business may be insured.
2. The following dental office risks are eligible:
 - a. Building Property: Office buildings which do not exceed 150,000 square feet in total floor area.
 - b. Business Personal Property: Offices which do not occupy more than 25,000 square feet in any one building.
3. When owner occupied in whole or in part, Building and Personal property must be included in the same policy.
4. Incidental storage buildings used in the insured's business are eligible provided we insure the main location.
5. Buildings owned by the insured that include apartments, mercantile or service occupancies are ineligible.
6. Dental Office Buildings leased to others and Dental Offices under construction are ineligible.

10. CLASSIFICATIONS SECTION

A. Building Classification

Office Buildings (including Condominiums) - owner occupied in whole or in part.
The Business Personal Property of the owner must be included in the policy; rate
separately 65121

B. Business Personal Property Classification

Dentist Office 65825

11. PREMIUM DEVELOPMENT

Basic rates shown in this manual are annual rates per \$100 of property insurance and include all mandatory coverages in the policy.

- A. Compute premium for coverages by using the Limit of Insurance separately applying to building and business personal property.
- B. The Limit of Insurance must be an amount equal to 90% of the Actual Cash Value or the Replacement Cost Value, whichever applies, of the property to be insured.

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C. Premium Determination

1. **Rating Territory.** The state territory rate page applicable to the location of the property being insured shall be used to obtain the appropriate rate.
2. **Public Fire Protection.** All risks shall be classified according to the Public Protection Classification applicable to the location of the property insured.
3. **Building Construction.** All risks shall be classified by the construction of the building containing the Business Personal Property based on the following building construction types:

Class A / Modified Fire Resistive or Fire Resistive - Buildings where the exterior walls, floors and roof are constructed of masonry or other fire-resistive materials.

Class B / Noncombustible and Masonry Noncombustible - Buildings where the exterior walls, floors and roof are constructed of, and supported by metal, asbestos, gypsum or other non-combustible materials. Buildings where the exterior walls are constructed of masonry materials as described in Class C., with the floors and roof of metal or other non-combustible materials.

Class C / Joisted Masonry - Buildings where exterior walls are constructed of masonry materials such as adobe, brick, concrete, gypsum block, hollow concrete block, stone, tile or similar materials and where the floors and roof are combustible (disregarding floors resting directly on the ground).

Class D / Frame - Buildings with exterior walls of wood or other combustible materials including construction where combustible materials are combined with other materials (such as brick veneer, stone veneer, wood ironclad, stucco on wood).

Mixed Construction - If the area of inferior construction exceeds 33-1/3% of the total area, the entire structure shall be classified in accordance with the rule applicable to such inferior construction.

4. Premium Computation

a. Buildings

- (1) For each building item, obtain the rate from the applicable state territory rate page, using the type of building construction and Public Protection Classification.
- (2) For each building item, multiply the rate by the amount of insurance per \$100.

b. Business Personal Property

- (1) For each Personal Property Item, obtain the rate from the applicable state territory rate page, using the type of building construction and Public Protection Classification.
- (2) For each Personal Property Item, multiply the rate by the amount of insurance per \$100.

- c. The rates for Protection class 9 also apply to Protection Class 8B.

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5. Sprinklered Property

a. Eligibility and Application

Multiply the state Building and / or Business Personal Property rate by the sprinkler factor when at least 85% of the total floor area of:

- (1) The building; or
- (2) The building in which the business personal property is located;

is protected by an approved automatic sprinkler system that is regularly tested and maintained. This includes cooking protection equipment.

b. Sprinkler Factor Tables

To develop the sprinklered rate, refer to the appropriate rate table. Multiply the non-sprinklered Building or Business Personal Property rate by the following factor:

Sprinklered Factors - Business Personal Property = .85

Sprinklered Factors - Building = .60

6. Coverage Options

Refer to Rule 12. Coverage Options to determine the premium for all Coverage Options.

7. Rate Modifications

For rate modifications, refer to Rule 13. Rate Plans.

8. Factors or Multipliers

Factors or multipliers are to be applied consecutively and not added together unless otherwise specified.

9. Policy Premium

- a. Total the Building, Business Personal Property, and Coverage Options premiums (excluding Blanket Basket Endorsement, Business Liability Broadened Endorsement, Coverage for Injury to Leased Workers, Employment Practices Liability, Equipment Breakdown, Freight or Passenger Elevator Inspection, Mine Subsidence, Professional Liability or Umbrella Liability).
- b. If the total premium is less than the minimum premium in Rule 6., Minimum Premiums and Installments, the minimum premium applies.
- c. Add the premiums excluded in item a. above. This is the total premium for all coverages included in the policy.

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12. COVERAGE OPTIONS

- A. Unless specifically mentioned in this manual, no other Coverage Options or limits are available for this program.
- B. The following annual rates and premiums apply:

1. Auto

The following coverages may be added to the Dentist's Package Policy provided there is no owned auto exposure.

Hired Auto Physical Damage - (Class 6619)

Physical damage coverage may be provided on a primary basis for autos which are hired, leased, rented or borrowed while being operated by or in the custody of the insured. Attach Hired Auto Physical Damage Amendment **IF 437 IL**. The Limit of Insurance is \$40,000 subject to a \$250 deductible.

Hired Auto Physical Damage Premium	
\$35.00	Per Policy

2. Equipment Breakdown (Previously referred to as Boiler)

- a. The Limit of Insurance is determined by:
- (1) Adding the Building and Business Personal Property Limits of Insurance for the applicable location; or
 - (2) If there is no Building coverage on the same policy for the applicable location, use the Business Personal Property Limit of Insurance for that location; or
 - (3) If there is no Business Personal Property coverage on the same policy for the applicable location, use the Building Limit of Insurance for that location.
- Use the Limit of Insurance determined above times the appropriate rate from the Rate Table below for each location where coverage is desired.
- b. The **DENTIST'S PACKAGE POLICY EQUIPMENT BREAKDOWN COVERAGE AMENDMENT** (Form **IF 205**) must be attached when Equipment Breakdown Coverage is provided.
- c. The deductible amount and valuation (Replacement Cost or Actual Cash Value) for the Equipment Breakdown coverage will be the same as for the **SECTION I - PROPERTY** coverages. See Deductible Factors applicable to Equipment Breakdown in **g.** below.
- d. Physical damage, business interruption and extra expense are included.
- e. Except for Expense Modification, the premium for this coverage is not subject to any further modification or rate plan.

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f. Rates:

- (1) **Comprehensive coverage (including dental related medical equipment) (Coverage Code U):** To rate coverage for boilers, fired and unfired pressure vessels, air conditioning, refrigeration, mechanical and electrical equipment, and equipment used for research, medical, diagnostic, surgical, dental or pathological purposes, use the rate from the table below.

Equipment Breakdown Rate Table per \$100	
Comprehensive coverage (including dental related medical equipment)	.04

(2) **Minimum Premiums**

Comprehensive coverage (including dental related medical equipment) = \$150

g. Deductible Factors:

Equipment Breakdown Deductible Factors Table	
Deductible	Factor
\$ 100	1.25
500	.96
1,000	.91
2,500	.82
5,000	.73
10,000	.59

3. **Crime**

a. **Employee Dishonesty (Coverage Code - 5)**

- (1) The Additional Coverages section provides up to \$25,000 coverage for employee dishonesty. A completed Application (**CA 001**) must be submitted with requests for limits higher than \$25,000. Increased limits are available up to \$250,000. Use Form **IA 4014**. To determine the premium, multiply the rate(s) indicated below by the Limit of Insurance in excess of \$25,000.

Employee Dishonesty Rate Table		
Rates per \$100 - Per Policy		
Increased Limit	First \$75,000	Next \$150,000
Rate	.380	.170

Example: \$150,000 limit
 25,000 = Included
 $.380 \times 75,000 = \$285$
 $.170 \times 50,000 = \$85$

\$370(2) Welfare and Pension Plan Compliance - CA 204

(Coverage Code - G)

This coverage is available for those insureds who need excess limits of Employee Dishonesty Coverage to comply with ERISA. Increased limits are available up to \$250,000. To determine the premium, multiply the rate indicated

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below by the Limit of Insurance for ERISA that is in excess of the Employee Dishonesty Coverage limit.

ERISA Rate	
\$.15	Rate per \$100

Example: \$250,000 ERISA Limit with \$150,000 Employee Dishonesty Limit
\$250,000
-150,000
\$100,000 x .15 = \$150

b. Employee Dishonesty, Money and Securities and/or Theft Exclusion - CB 301 (Coverage Code - H)

This endorsement is available to delete the Employee Dishonesty, Money and Securities and/or Theft coverage. To determine the premium, multiply the appropriate Business Personal Property rate by the applicable factor(s) indicated below:

Employee Dishonesty, M & S and / or Theft Exclusion Factor Table	
Exclusion	Factor
Employee Dishonesty	.96
Money and Securities	.96
Theft	.93

c. Forgery or Alteration - IA 4014 (Coverage Code - I)

The Additional Coverages section provides up to \$25,000 coverage for forgery or alteration. A completed Application (CA 001) must be submitted with requests for limits higher than \$25,000. Increased limits are available up to \$100,000. To determine the premium, multiply the rate(s) indicated below by the Limit of Insurance in excess of \$25,000.

Forgery or Alteration Rate Table	
Rates per \$100 - Per Policy	
Rate	.10

d. Money and Securities - IA 4013 (Coverage Code - J)

The Additional Coverage section provides up to \$15,000 Inside / \$5,000 Outside coverage. A completed Application (CA 001) must be submitted with requests for limits higher than \$15,000 Inside / \$5,000 Outside. Increased limits are available up to \$25,000. To determine the per location premium, multiply the rates indicated below by the Limit of Insurance in excess of the \$15,000 Inside / \$5,000 Outside limits.

Money and Securities Rate Table	
Rates per \$100 - Per location	
Inside (07)	\$3.20
Outside (08)	1.30

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4. Commercial Property

a. Automatic Increase in Insurance (Coverage Code - R)

Coverage is provided as an extension to the building coverage. The Limit of Insurance applicable to all buildings is automatically increased by 2% per year during the policy period. (There is no option to eliminate this coverage feature.) Increased percentages are available. The premium for this coverage is not subject to any further modification or rate plan. To determine the premium for percentages higher than 2% per year, multiply the final building premium for each building and structure by the appropriate factor indicated below:

Automatic Increase Factors Table	
Amount of Annual Increase	Factor
4.0%	.02
6.0%	.03
8.0%	.04
10.0%	.05
12.0%	.06

b. Blanket Basket Endorsement - IF 206 (Coverage Code B)

This endorsement provides a \$150,000 Blanket Coverage Limit that is excess over the Limits of Insurance stated in the Businessowners Package Policy, and the Dentist's Package Policy Coverage Endorsement for the following coverages.

- (1) Accounts Receivable
- (2) Electronic Data Processing Property
- (3) Debris Removal
- (4) Valuable Papers and Records
- (5) Water Back Up of Sewers, Drains, Septic Systems or Sump Pumps

The total payment for loss for all the above coverages combined shall not exceed the Blanket Coverage Limit for each occurrence.

Blanket Basket Endorsement Premium Table
\$35 - Per Location

c. Building Laws Safeguard Coverage (BLS) - IA 4013 (Class Code 4000)

A limit of \$25,000 is included for loss to the undamaged portion of a covered building, cost of demolition and increased cost of construction resulting from the enforcement of ordinances or laws regulating the restoration or demolition of a damaged building. Limits may be increased provided the building is insured at Replacement Cost. Select the desired Limit of Insurance and charge the premium shown in the BLS Premium Table below. The premium charge applies "per covered building". When earthquake coverage is provided as a Covered Cause of Loss on the covered building, use the "Including Earthquake" column of the BLS Premium Table to determine the premium.

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Building Laws Safeguard Premium Table			
Total BLS Limit of Insurance	Premium Per Building / Structure		
	No Earthquake on Covered Building / Structure	Including Earthquake on Covered Building / Structure	
		Territories 14-16	Territories 11-13
\$ 50,000	\$ 35	\$ 43	\$ 47
75,000	50	65	75
100,000	65	88	103
125,000	80	110	130
150,000	95	133	158
200,000	125	178	212
250,000	155	223	266

d. Condominium Commercial Unit-Owners Optional Coverages - FA 420

Coverage is available for Loss Assessment and Miscellaneous Real Property.

(1) Loss Assessment (Class Code 4100)

Coverage is subject to a \$250 deductible. The premium per unit is as follows:

Loss Assessment Premium Table	
Loss Assessment Limit	Premium
\$ 1,000	\$ 6
5,000	10
10,000	13
Each Add'l \$5,000	2

(2) Miscellaneous Real Property (Class Code 4110)

Coverage is subject to the property deductible. Multiply the rate indicated below by the Limit of Insurance:

Miscellaneous Real Property Rate	
\$.80	Per \$100 - Per Unit

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e. Earthquake Coverage (Building Only) - FF 204, Earthquake Sublimit - FF 205

(1) Earthquake Classifications

Coverage for Building is available for one or more locations. Coverage applies to Buildings (including Business Income and Extra Expense) at the locations selected. The Building premiums are based on the building construction and location.

(2) Earthquake Full Limits Form and Rates (Subline 930)

- (a)** Use Earthquake Form **FF 204** to write full limits on building.
- (b)** To determine the premium for earthquake, multiply the rates in the Earth quake Rate Table (Rule **16.** - Rate Section) by the Limit of Insurance. Except for Expense Modification and the Large Premium Discount Plan, the premium for this coverage is not subject to any further modification or rate plan.
- (c)** Optional deductibles are available. Multiply the appropriate Earthquake Base Rate by the appropriate factor shown or determined in the Optional Earthquake Deductible Table (Rule **16.** - Rate Tables).

(3) Earthquake Sublimit Form and Rates (Subline 939)

- (a)** Earthquake Sublimit Form **FF 205** is available as an option to the full limit form.
- (b)** To determine the earthquake sublimit rate, multiply the earthquake rates in Rule **16.** - Rate Section by a 1.25 factor. To determine the premium for the earthquake sublimit coverage, multiply the earthquake sublimit rate by the earthquake sublimit of insurance. Except for Expense Modification and the Large Premium Discount Plan, the premium for this coverage is not subject to any further modification or rate plan.

f. Fairs or Exhibitions - IA 4014 (Class Code 4120)

The Fairs or Exhibitions Coverage Extension provides up to \$25,000 per occurrence for covered property while it is located at fairs or exhibitions. Increased limits are available. The increased limit is the amount of covered property at all fairs or exhibitions in excess of \$25,000. To determine the premium, multiply the rate indicated below by the Limit of Insurance in excess of \$25,000.

Fairs or Exhibitions Rate	
\$1.50	Rates per \$100 - Per Policy

g. Mine Subsidence

Refer to the rules and rates filed in the Commercial Lines Manual Businessowners Package Program.

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h. Ordinance or Law Coverage - FA 228

This coverage responds to losses that result from the enforcement of ordinances or laws regulating the restoration or demolition of a damaged building. Losses can result from:

- (1) Loss in value of the undamaged portion of the building;
- (2) Costs of demolition and debris removal of the undamaged portion of the building; and
- (3) Increased expenses to:
 - (a) Reconstruct the undamaged portion of the building so that it complies with current building, zoning or land use laws or ordinances.
 - (b) Repair the damaged building so that it complies with current building, zoning or land use laws or ordinances.

The following coverages are independent of each other and any or all of them may be purchased. Building coverage is required. If Earthquake Coverage is purchased for the building and Coverage 1, 2 or 3 is purchased, Earthquake premiums must also be charged for Coverage 1, 2, or 3.

(1) Coverage 1 - Coverage for Loss to the Undamaged Portion of the Building (Class Code 4210)

- (a) This is not a separate Limit of Insurance. Building coverage is extended to include loss to the undamaged portion of the building.
- (b) The premium for Coverage 1 shall be determined by multiplying the applicable location building premium (prior to using Experience Rating, Schedule Rating and Expense Modification Rate Plans.) by .15.
- (c) The Earthquake premium for Coverage 1 shall be determined by multiplying the applicable location building Earthquake premium (prior to using Experience Rating, Schedule Rating, Large Premium Discount and Expense Modification Rate Plans.) by .85.

(2) Coverage 2 - Demolition Cost Coverage (Class Code 4211)

- (a) A separate Limit of Insurance must be chosen for demolition and debris removal costs for the undamaged portion of the building.
- (b) The premium for Coverage 2 shall be determined by multiplying the applicable location Building base rate by the Coverage 2 Limit of Insurance per \$100.
- (c) The Earthquake premium for Coverage 2 shall be determined by multiplying the applicable Building Earthquake base rate by the Coverage 2 Limit of Insurance per \$100.

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(3) Coverage 3 - Increased Cost of Construction Coverage (Class Code 4212)

- (a) A separate Limit of Insurance must be chosen for increased cost of construction. The underlying building coverage must be written for Replacement Cost when a Limit of Insurance is shown in the Coverage Schedule for Increased Cost of Construction.
- (b) The premium for Coverage 3 shall be determined by multiplying the applicable location Building base rate by the Coverage 3 Limit of Insurance per \$100.
- (c) The Earthquake premium for Coverage 3 shall be determined by multiplying the applicable Building Earthquake base rate by the Coverage 3 Limit of Insurance per \$100.

(4) Combined Limit for Coverages 2 and 3 (Class Code 4213)

- (a) This option combines Coverages 2 and 3 above. A combined Limit of Insurance must be chosen for Demolition Cost Coverage and Increased Cost of Construction Coverage.
- (b) The premium for Combined Coverage 2 and 3 shall be determined by multiplying the applicable location Building base rate by the combined Coverage 2 and 3 Limit of Insurance per \$100.
- (c) The Earthquake premium for Combined Coverage 2 and 3 shall be determined by multiplying the applicable Building Earthquake base rate by the Coverage 2 and 3 Limit of Insurance per \$100.

i. Outdoor Property - IA 4013 (Class Code 4150)

The Coverage Extensions section provides up to \$10,000 for awnings (**Note:** Awnings attached to buildings insured on this policy are included in the building coverage and should not be included in this coverage extension limit.), fences and antennas. Increased limits are available. To determine the per location premium, multiply the rate indicated below by the Limit of Insurance in excess of \$10,000 for each location being increased.

Outdoor Property Rate	
\$1.25	Per \$100

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j. Property Deductibles

Apply the appropriate factor below to the \$250 deductible Building and Business Personal Property rates. (The same Property Deductible amount is required at all locations on the policy.)

Property Deductible Factors Table	
Deductible	Factor
\$ 100	1.25
500	.89
1,000	.81
2,500	.75
5,000	.70
10,000	.65

k. Property Off-Premises - IA 4014 (Class Code 4170)

The Property Off-Premises Coverage Extension provides up to \$25,000 per occurrence for covered property while it is temporarily at a location not owned, leased or operated by the insured. Increased limits are available. The increased limit is the total amount of covered property at all temporary locations not owned, leased or operated by the insured in excess of \$25,000. To determine the premium, multiply the rate indicated below by the Limit of Insurance in excess of \$25,000.

Property Off-Premises Rate	
\$1.00	Rates per \$100 - Per Policy

l. Transportation - IA 4014 (Class Code 4190)

The Transportation Coverage Extension provides up to \$25,000 per occurrence for covered property while it is in or on a vehicle, including loading and unloading of the property. Increased limits are available. The increased limit is the total amount of covered property on all vehicles at one time in excess of \$25,000. To determine the premium, multiply the rate indicated below by the Limit of Insurance in excess of \$25,000.

Transportation Rate	
\$1.50	Rate per \$100 - Per Policy

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m. Valued Daily Loss of Income

- (1) The Additional Coverage section provides a limit of \$500 per day for 30 days up to a maximum of \$15,000 for loss of business income.
- (2) The limit per day and the number of days may both be increased. The limit per day may be increased in increments of \$50. The number of days may be increased in increments of 10 days up to a maximum of 90 days.
- (3) To determine the per location premium, multiply the Business Personal Property rate times the limit of coverage in excess of \$15,000 divided by 100.

Example: New Limit Desired: \$600 per day for 30 days
 $\$600 \times 30 \text{ days} = \$18,000$
 $(\$18,000 - \$15,000) \div 100 = 30$
 $30 \times \$0.63 = \19.00 Charge

n. Reserved

o. Windstorm or Hail Percentage Deductibles - FA 494

- (1) The Windstorm or Hail percentage deductibles apply whenever there is an occurrence of Windstorm or Hail.
- (2) The Windstorm or Hail deductible is calculated separately for, and applies separately to:
 - (a) Each building, if two or more buildings sustain loss or damage;
 - (b) The Building and to Business Personal Property in that building, if both sustain loss or damage;
 - (c) Business Personal Property at each building, if Business Personal Property at two or more buildings sustains loss or damage;
 - (d) Business Personal Property in the open.
- (3) Percentage deductibles may vary by location. At a location all covered property must be written using the same percentage deductible.
- (4) Multiply the Building and Business Personal Property rates by the appropriate factor from the following table:

Windstorm or Hail Percentage Deductible Factor Table		
Code(s)	Deductible	Factor
19	1%	.95
29	2%	.91
59	3%	.89
39	5%	.86
69	7%	.84
49	10%	.82

This modification should be made in addition to fixed deductibles per Coverage Options Item 4.j. of this Section for Property Deductibles.

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5. Liability

a. Additional Insureds

Liability coverage may be extended to certain designated additional insureds.

The premium for these endorsements will be as follows:

Additional Insured Premium Table		
Type of Additional Insured	Form	Charge
Co-Owner of Insured Premises	IA 4167	No Charge
Designated Person or Organization	GA 429	No Charge
Lessors of Leased Equipment	GA 458	No Charge
Lessor of Leased Equipment - Automatic Status When Required in Lease Agreement with You	IA 4168	No Charge
Managers or Lessors of Premises	GA 457	No Charge
Mortgagee, Assignee or Receiver	IA 4169	No Charge
Owners or Other Interests From Whom Land has Been Leased	IA 4170	No Charge
Pick Up or Delivery - Scheduled Person or Organization	GA 4247	No Charge

b. Bodily Injury Exceptions to Pollutant Exclusion - IA 208 (Class Code 20410)

Coverage is available to the named insured for bodily injury from sudden and accidental release of pollutants from the insured's premises or work site, and from bodily injury caused by gaseous or airborne pollutants from a work site. The injured person must be clinically diagnosed or treated by a physician within 1 year of first exposure to the pollutants.

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We shall have no duty to defend or pay damages for any person or organization that is not a named insured. The premium for this endorsement will be as follows:

(1) \$10 per location, subject to a \$25 minimum premium.

c. Business Liability - Optional Increased Limit

Optional \$2,000,000 Liability Limit

(1) Description of Coverage

The basic limit of liability of \$1,000,000 per occurrence for Business Liability may be increased to \$2,000,000.

(2) Rate Modification

Add the rate increment to the applicable rate. Refer to the Rate Pages to determine this rate increment.

d. Business Liability Broadened Endorsement - IF 209 (Class Code 20289)

(1) Forms

(a) If the primary coverage form is **IF 102**, attach forms **IF 209** - Business Liability Broadened Endorsement - and **IF 431** - Bridge Endorsement, if applicable. Refer to Rule **12.B.5.c.(4)** for guidelines applicable to the Bridge Endorsement.

(b) If the primary coverage form is **IB 101**, 4/99 and subsequent, attach form **IB 207** - Business Liability Broadened Endorsement.

(2) Explanation: The Business Liability Broadened Endorsement adds the following broadened or additional coverages:

(a) Employee Benefit Liability at \$1,000,000/\$3,000,000 limits with a \$1,000 deductible;

(b) Unintentional Failure to Disclose Hazards Condition;

(c) Damage to Premises Rented to You;

(d) Supplementary Payments of \$1,000 for bail bonds and \$500 per day loss of earnings;

(e) Medical Payments at \$10,000 per person;

(f) Volunteer Workers included as insureds;

(g) 180 Day Coverage for Newly Formed or Acquired Organizations;

(h) Waiver of Subrogation;

(i) Automatic Additional Insured - Specified Relationships:

1) Managers or Lessors of Premises;

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- 2) Lessor of Leased Equipment;
 - 3) Vendors; and
 - 4) State or Political Subdivisions - Permits Relating to Premises.
- (j) Property Damage to Borrowed Equipment at \$10,000 per occurrence (\$250 deductible);
- (k) Employees as Insureds - Specified Health Care Services:
- 1) Nurses;
 - 2) Emergency Medical Technicians; and
 - 3) Paramedics.
- (l) Broadened Notice of Occurrence Condition.
- (3) **Rates** - Flat Charge \$125.00 annually. Except for expense modification, the premium for this endorsement is not subject to further modification or rate plan. The premium is in addition to, not included within, the Minimum Premium in Rule 6.
- (4) **Bridge Endorsement**
- IF 209** may be added to existing policies written with Form **IF 102**. When this is done, the rules and rates that are shown in this manual apply. In addition, Bridge Endorsement **IF 431** must be added if the policy is subject to the **IF 102** with an edition date prior to 4/99. The bridge endorsement will amend the underlying coverage to be in accordance with the coverage offered in the Business Liability Broadened Endorsement.

e. Coverage for Injury to Leased Workers - IA 4098 (Class Code 22991)

Coverage for bodily injury sustained by a leased worker while performing duties related to the conduct of the named insured's business may be provided, by mutual agreement between the insurer and the insured, by attaching Coverage for Injury to Leased Workers Endorsement **IA 4098**. To determine the premium, multiply the Workers Compensation rate for the Classification times a 1.25 surcharge. Multiply the result by the total estimated annual payroll for Workers Compensation (per \$100). Except for Expense Modification, the premium for this coverage is not subject to any further modification or rate plan.

Injury to Leased Workers Rate	
Workers Compensation Rate x 1.25	Per \$100 of Annual Payroll

Leased worker means a person leased to the named insured by a labor leasing firm under an agreement between the named insured and the labor leasing firm, to perform duties related to the conduct of the insured's business. A leased worker does not include a temporary worker who is furnished to the named insured for a finite period to support or supplement the named insured's work force in special work situations such as employee absences, temporary skill shortages and seasonal workloads.

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f. Reserved

g. Employee Benefit Liability - GA 208 (Class Code 20180)

This endorsement provides coverage against claims for damages because of the insured's negligent acts, errors or omissions committed in the administration of an employee benefit program. The coverage is provided on an occurrence basis. Coverage is also extended to negligent act(s), errors or omissions committed prior to the effective date of the coverage provided the insured had no knowledge of a claim or suit as of that effective date. The Each Employee limit of insurance must be the same as the Business Liability Each Occurrence limit. A \$1,000 deductible applies. A completed Application (**IB 005**) must be submitted. The premium for this coverage will be as follows:

Employee Benefit Premium Table		
	Limits and Premiums	
Number of Employees	\$1,000,000 / \$3,000,000	\$2,000,000 / \$6,000,000
1 - 50	\$148	\$178
51 - 100	199	239
Over 100	298	358

h. Reserved

i. Employment Practices Liability Insurance - GA 520 or GA 543 (e-CLAS®) / GA 116

Application **GA 012 IL or GA 023 IL (e-CLAS®)** is to be fully completed.

Employment Practices provides coverage on a claims-made basis to insureds for wrongful acts committed, attempted, or allegedly committed or attempted relating to employment practices of the named insured. Coverage is subject to a deductible. Defense is provided within the limits of insurance. Coverage is available as an option per the chart below:

Employment Practices provides coverage on a claims-made basis to insureds for wrongful acts committed, attempted, or allegedly committed or attempted relating to employment practices of the named insured. Coverage is subject to a copayment and deductible. Defense is provided within the limits of insurance. Coverage is available as an option per the chart below:

Limit	Deductible	Premium	Minimum Premium
\$ 250,000	\$2,500	\$35 per employee	\$140
500,000	2,500	50 per employee	200
1,000,000	2,500	65 per employee	260

Except for Expense Modification, the premium for this coverage is not subject to any further modification or rate plan available under the Dentist's Package Policy. If different limits and / or retentions are desired, then Employment Practices Liability Insurance must be written on a separate policy, and you must refer to Division Six of the Independent Commercial Lines Manual for rules and rates.

j. Freight or Passenger Elevators Inspection Fee (Class Code 65210)

Insured may elect to have the Cincinnati Insurance Company order state inspections for freight and passenger elevators. Except for Expense Modification, the premium for this coverage is not subject to any further modification or rate plan.

Elevator Inspection Fee	
Per Elevator	\$204

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k. Medical Payments Coverage (Class Code 22223)

- (1) The Dentist's Package Policy provides for Medical Payments with limits of \$5,000 to or for any person injured as a result of a condition in the insured's premises or in connection with operations performed by the insured.
- (2) Per person limits may be increased or decreased in increments of \$1,000. Application **GA 014** is to be fully completed when limits are increased.
 - (a) The maximum increased may not exceed \$5,000 (\$10,000 total limit).
 - (b) To increase the limit, a 2% charge per \$1,000 of increased limit will apply to the Business Personal Property base rate for all locations. The minimum premium per \$1,000 of increased limit is \$10 and is not subject to further modification.
 - (c) To reduce Medical Payments limits below \$5,000, a 1% credit per \$1,000 of decreased limit will apply to the Business Personal Property base rate for all locations.
- (3) Coverage may be deleted by attaching Form **IA 310** - Exclusion - Medical Payments. A 5% credit will be applied to the Business Personal Property base rate for all locations.
- (4) Excess Medical Payments Coverage is available to be excess over individual, blanket or group accident, disability or hospitalization insurance; medical or surgical reimbursement plan; or Workers' Compensation or disability benefits law or similar law. Use Form **IA 4166** - Medical Payments - Excess. A credit of 2% will apply to the Business Personal Property base rate for all locations.

Example:

Policy provides \$5,000 med pay limit. Desire \$10,000 limit.

B.P.P. Base Rate = \$3.25

Med Pay Increase \$5,000, so $5 \times 2\% = 10\%$ increase

Thus: $1.10 \times 3.25 = \$3.58$ new B.P.P. base rate

l. Personal and Advertising Injury Exclusion - IB 301

The Dentist's Package Policy provides coverage for Personal and Advertising Injury with a basic limit of \$1,000,000. To exclude this coverage, a 2% credit will apply to the Business Personal Property base rate for all locations.

6. Professional Liability (Application **PA 007** - a separate application is to be completed by each dentist)

a. Coverage / Forms

- (1) Dentist's Professional Liability Coverage Part Declarations (Occurrence) - **PA 526** or **PA 531 (e-CLAS™)**
- (2) Dentist's Professional Liability Occurrence Coverage Form - **PA 128**
Includes First Aid Payments subject to \$5,000 any one person limit.
- (3) Dentist's Package Policy Occurrence Professional Amendment - **PA 441**

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- (4) Medical Waste Defense Expenses Reimbursement Coverage - **PA 206**
 Form will be attached to the Policy at no additional premium charge when Dentist's Professional Liability is a part of the policy.
- (5) Locum Tenens (Temporary Substitute) Coverage - **PA 204**
 This form is used to extend Dentist's Professional Liability Coverage to a named individual who is temporarily substituting for an insured. No additional premium is charged. Limits of Insurance for the Locum Tenens is shared with the insured who is temporarily replaced. Application **PA 007** is required.
- (6) Department of Professional Regulation (DPR) Supplementary Payments Coverage - **PA 205**
 This form extends the Dentist's Professional Liability Supplementary Payments to pay for defense expenses if the insured becomes the subject of the DPR investigation. No premium is charged for this endorsement.
- (7) Professional Liability premiums are subject to annual adjustment.

b. Classifications

Coverage for Dentist's Professional Liability is offered for Dentist Class 1 (Professional Liability Class 80226); Class 2 (Professional Liability Class 80227); Class 2A (Professional Liability Class 80229); and Class 2B (Professional Liability Class 30028). Corporation, Limited Liability Company or Partnership (Professional Liability Class 80239) is included if applicable.

Note: Class 3 Dentists are not eligible.

Procedure and / or Specialty	Class	Anesthesia
General Dentistry Endodontics Pedodontics Prosthodontics Orthodontics Periodontics / Non-Osseous Surgery, Non-Advanced or Non-Refractory Progressive Periodontitis Implant Prostheses / Non-Surgical Extraction of Erupted Third Molars	1	In the Office: Local N ₂ O Oral Administered by other than an insured or insured's employee: General Deep Intra Muscular (I.M.)
Periodontics / Osseous Surgery, Advanced or Refractory Progressive Periodontitis Extraction of Impacted Third Molars Soft Tissue or Partial Bony Only	2	Conscious IV
Implants / Surgical	2A	Conscious IM
Extraction of Impacted Third Molars Other Than Soft Tissue or Other Than Partial Bony	2B	Conscious IM
Oral and Maxillofacial Surgeon	3	General anesthesia and / or Deep Sedation given in a dosage designed to render the patient unconscious and done in the office; or in a hospital if admin- istered by an insured or insured's employee.
Any Procedure or Anesthesia in a higher class would make the higher class applicable.		

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c. Dentist's Professional Rate Modification Plan

All credits and debits apply to each dentist individually.

All credits and debits are to be taken separately and are not added together.

The total credits for all Rating Plans combined, not including the Leave of Absence Rating Plan, may not exceed 60%.

(1) Recent Graduate Rating Plan: Credits

First year dentist	60%
Second year dentist	40%
Third year dentist	20%

The first year begins on the date the dentist receives the first state or regional board certification.

(2) Part-time Rating Plan:

To qualify for part-time credit of 50% the dentist must work no more than 20 hours per week.

(3) Leave of Absence Rating Plan:

Apply 75% credit to that portion of the premium that is charged for the period of the leave of absence. To qualify for this credit the dentist must be disabled or on a leave of absence for a period of not less than 45 days but not more than 180 days.

(4) Association Rating Plan:

- a. Member of a local, state, or national dental association. 5% credit
- b. Member of The Chicago Dental Society 5% credit

(5) Practice Rating Plan:

(a) Endodontic work by any classification other than Endodontist specialist:

- Treatment of single-rooted teeth 10% debit
- Treatment of multi-rooted teeth 25% debit

If both, only apply the debit associated with Treatment of multi-rooted teeth.

(b) Extraction of:

- Erupted third molars 15% debit
- Impacted third molars - soft tissue or partial bony only 25% debit

If both, only apply the debit associated with Impacted third molars - soft tissue or partial bony only.

These debits do not apply to Class 2B dentists.

- (c) If not doing oral cancer examinations: 15% debit**

(6) Experience Rating Plan:

The experience period is the three years immediately preceding the effective date of the current policy period and three years since the insured has had an experience debit.

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(a) Credit:

The dentist must be insured with CIC entirely during the experience period:

0 losses 25% **credit**

(b) Debits:

1 loss 15% **debit**
 2 losses 50% **debit**
 3 losses 100% **debit**

A loss is a paid or reserved claim (expenses are not included as a paid loss).

Any insured who qualifies for an Experience Debit may also be declined or non-renewed.

d. Occurrence Premiums

The occurrence premium is calculated by determining the proper class of the dentist and multiplying the base premium for the dentist by the appropriate increased limits factor and any applicable debits and credits.

(1) Base Premiums

Territory 01 - Cook County

Limits	Class			
	1	2	2A	2B
\$100,000 / 300,000	1,111	1,687	3,354	2,277

Territory 02 - Remainder of State

Limits	Class			
	1	2	2A	2B
\$100,000 / 300,000	790	1,211	2,403	1,635

(2) Medical Professional Territories

Dentists Professional Liability (Subline Code 230)

COOK COUNTY 001
REMAINDER OF STATE 002

Exposure = No. of dentists x No. of months (up to 12)

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(3) Increased Limits

(Limit Codes in Parentheses)

(Limits are in Thousands)

Aggregate	Per Dental Incident								
	100	150	200	250	300	500	1,000	1,500	2,000
300	1.00 (52)	1.07 (56)	1.09 (60)	1.11 (63)	1.12 (66)				
400	1.01 (55)	1.08 (56)	1.11 (60)	1.13 (63)	1.15 (66)				
500	1.02 (53)	1.09 (56)	1.13 (57)	1.15 (61)	1.17 (66)	1.20 (67)			
600	1.03 (55)	1.10 (56)	1.14 (58)	1.17 (63)	1.19 (66)	1.22 (70)			
750	1.04 (55)	1.11 (56)	1.15 (60)	1.18 (62)	1.21 (66)	1.24 (70)			
900	1.05 (55)	1.12 (56)	1.16 (60)	1.19 (63)	1.23 (65)	1.26 (70)			
1,000	1.06 (54)	1.13 (56)	1.17 (59)	1.20 (63)	1.24 (66)	1.27 (68)	1.33 (71)		
1,250	1.07 (55)	1.14 (56)	1.18 (60)	1.21 (63)	1.25 (66)	1.28 (70)	1.34 (73)		
1,500	1.08 (55)	1.15 (56)	1.19 (60)	1.22 (63)	1.25 (66)	1.29 (69)	1.35 (73)	1.39 (74)	
2,000	1.09 (55)	1.16 (56)	1.20 (60)	1.23 (63)	1.26 (66)	1.30 (70)	1.36 (73)	1.40 (74)	1.42 (75)
2,500	1.10 (55)	1.17 (56)	1.21 (60)	1.24 (63)	1.27 (66)	1.31 (91)	1.37 (73)	1.41 (74)	1.43 (75)
3,000	1.11 (55)	1.18 (56)	1.22 (60)	1.25 (63)	1.28 (66)	1.32 (70)	1.38 (72)	1.42 (74)	1.44 (75)
4,000	1.12 (55)	1.19 (56)	1.23 (60)	1.26 (63)	1.29 (66)	1.33 (70)	1.39 (73)	1.43 (74)	1.45 (75)

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Aggregate	Per Dental Incident								
	2,500	3,000	4,000	5,000	6,000	7,000	8,000	9,000	10,000
2,500	1.44 (76)								
3,000	1.45 (76)	1.46 (77)							
4,000	1.46 (76)	1.47 (77)	1.48 (78)						
4,500	1.47 (76)	1.48 (77)	1.49 (78)						
5,000	1.48 (76)	1.49 (77)	1.50 (78)	1.51 (79)					
6,000	1.49 (76)	1.50 (77)	1.51 (78)	1.52 (79)	1.53 (80)				
7,500	1.50 (76)	1.51 (77)	1.52 (78)	1.53 (79)	1.54 (80)	1.55 (81)			
9,000	1.51 (76)	1.52 (77)	1.53 (78)	1.54 (79)	1.55 (80)	1.56 (81)	1.57 (83)	1.58 (84)	
10,000	1.52 (76)	1.53 (77)	1.54 (78)	1.55 (79)	1.56 (80)	1.57 (81)	1.58 (83)	1.59 (84)	1.60 (85)

e. Prior Acts or Omissions Extension

(1) This optional endorsement to Dentist's Professional Liability Occurrence Coverage provides coverage for the reporting of claims arising out of the rendering or failure to render professional services on or after the retroactive date and prior to the effective date. This endorsement may be necessary when the insured was previously covered by a policy with a claims made trigger and an adequate Extended Report Period was not purchased.

(2) Dentist's Professional Prior Acts or Omissions Extension **PA 421** is used to provide this coverage.

(3) Premium Calculation

The following factors are applied to the gross CIC occurrence premium without the application of any credits or debits.

Number of Consecutive Years Insured has Purchased Claims-Made Coverage	Prior Acts Coverage Factors
1	.13
2	.24
3	.32
4	.35
5 or more	.37

This is a one time charge.

The premium is fully earned. No commission is paid on Prior Acts or Omissions.

(4) **Code 26050**

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7. Inland Marine

a. Accounts Receivable

- (1) Coverage is provided up to \$100,000 per location for Accounts Receivable with no deductible. Increased limits are available up to \$250,000. Use form **IA 4013**. To determine the premium, multiply the applicable location Business Personal Property base rate by the appropriate factor from the table below for each location being increased. Multiply the result by the Limit of Insurance (per \$100) in excess of \$100,000.

Accounts Receivable Rate Table
All Territories
10% of B.P.P. rate

(2) **Accounts Receivable - Away from Your Premises - IA 4014 (Class Code 155)**

Coverage is provided up to \$5,000 for Accounts Receivable - Away from Your Premises. Increased limits are available up to \$25,000. To determine the premium, multiply the rate indicated below by the Limit of Insurance in excess of \$5,000.

Accounts Receivable - Away from Your Premises Rate	
\$.25	Per \$100 - Per Policy

b. Electronic Data Processing Property - IA 4013 (Class Code 225)

Coverage is provided up to \$25,000 per location for electronic data processing exposures. Increased limits for this coverage are available. (A \$1,000 Mechanical Breakdown deductible applies per the form.) A completed Application **MA 004** must be submitted with requests for limits in excess of \$50,000. The premium for increased Electronic Data Processing Property Coverage shall be calculated by multiplying the Business Personal Property base rate by the factor shown below for each location being increased:

Electronic Data Processing Property Increased Limit Factor	
.60	Per \$100

Deletion of Power Surge Exclusion - FA 433 (Class Code 780)

Deletion of Power Surge Exclusion is available for a premium. The equipment must have a power surge protector if this exclusion is to be deleted.

Deletion of Power Surge Exclusion Premium	
\$25	Per Location

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Worldwide Coverage for Computers Temporarily Off Premises - IA 212 (Class Code 227)

For Data Processing Equipment, Data and Media that is in transit or temporarily away from the insured's premises, the policy territory can be expanded to provide worldwide coverage. The premium for this coverage will be as follows:

Worldwide Coverage for Computers Temporarily Off Premises Premium	
\$50	Per Policy

c. Signs - IA 4013 (Class Code 460)

Coverage is provided up to \$10,000 per location for outdoor signs not included in the building coverage. (Attached signs must be included in the Building value.) A \$250 deductible applies. Increased limits for this coverage are available. To determine the per location premium, multiply the rate indicated below by the Limit of Insurance in excess of \$10,000 (per \$100).

Signs Rate Table	
\$2.20	Per \$100 Per Location

d. Valuable Papers and Records (Class Code 530)

Coverage is provided up to \$100,000 per location for valuable papers with no deductible. Increased limits are available up to \$250,000. Use Form **IA 4013**. To determine the premium, multiply the Business Personal Property base rate by the appropriate Valuable Papers factor from the table below for each location being increased. Multiply the result by the Limit of Insurance in excess of \$100,000 (per \$100).

Valuable Papers and Records Rate Table	
All Territories	
25% of B.P.P. Rate	

8. Umbrella Liability

Coverage is available as an option. Use Form UF 501 or **UF 502 (e-CLAS™)** - Dentist's Commercial Umbrella Liability Coverage Declarations and **IF 438** - Dentist's Package Policy Commercial Umbrella Amendment. For all other forms, refer to forms filed by The Cincinnati Companies under the Commercial Umbrella Program.

a. Eligibility:

Umbrella coverage is available as a coverage option. Eligible risks will meet the requirements specified in (1) through (5) below. **Note:** Risks that do not meet these requirements may be eligible for a monoline Umbrella Policy.

(1) Auto Liability - Eligible risks:

- (a) Will have primary Hired & Nonowned Auto liability coverage insured by The Cincinnati Companies.

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- (b) Will have no more than five owned, private passenger automobiles and light commercial trucks that are primarily operated within a local radius and insured by The Cincinnati Companies.
- (2) Risks eligible for excess Employers Liability limits will have their primary Employers Liability coverage insured by an acceptable carrier.
- (3) Risks desiring excess Professional Liability limits will have their primary Professional Liability coverage insured under the Dentist's Package Policy.
- (4) Eligible risks will not have any of the following:
 - (a) Aircraft - owned or nonowned exposures
 - (b) Personal Umbrella(s)
 - (c) Watercraft - nonowned if craft exceeds 50 feet in length or owned exposure.
- (5) Eligible risks will have at least the following primary limits:

Automobile Liability	\$250/500 BI / \$100,000 PD or \$500,000 CSL. \$300,000 CSL if primary is with Cincinnati.
Business Liability	\$1,000,000
Employers Liability	\$100,000
Professional Liability	\$300,000
Coverage Option: Employee Benefit Liability	\$1,000,000

b. Agents Binding Authority - refer to Rule 8.

c. Premium - Except for Expense Modification, the premium for this coverage is not subject to any further modification or rate plan.

(1) Professional (Individual)

Premiums shown under this section are applicable to each individual partner, active corporate officer or any employee who is a Named Insured on the primary Professional Liability policy.

Primary Professional Liability Limits:	Annual Premiums for 1 st \$1,000,000	
	300 / 300	500 / 1,000 or higher
Dentist - Class 1	\$100	\$ 85
Dentist - Class 2	150	125
Dentist - Class 2B	200	170
Dentist - Class 2A	575	460

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(2) Auto

Primary Owned Auto Limits:	Annual Premiums for 1 st \$1,000,000	
	500 CSL or 250/500/100	Higher Limits
Private passenger and light GVW commercial - local radius	\$50 each auto	\$25 each auto
Hired and Nonowned Auto - included in Basic Premises Charge	N/C	N/C

(3) Minimum Premiums

Dentist - Individual	\$325
Dentist - Corporation or Partnership	\$400

(4) Increased Limits

For limits over \$1,000,000 up to \$5,000,000	With Professional and Owned Auto	With Professional and no Owned Auto	With Owned Auto and no Professional	With no Owned Auto and no Professional
Excluding UM/UIM (Charge for each additional \$1,000,000)	\$300	\$275	\$275	\$250
For limits over \$5,000,000	Submit to Home Office	Submit to Home Office	Submit to Home Office	Submit to Home Office

13. RATE PLANS

A. Building Age Credit

If the building is ten years or less in age, apply a .95 factor to the building base rate. Building Age Credit may not be applied to the Coverage Options provided in Rule 12.

B. Building Code Effectiveness Grading Rule

The Building Code Effectiveness Grading Schedule is designed to grade the effectiveness of a community's building code enforcement program. The Building Code Effectiveness Grades for a community, and their effective date, are provided in the Public Protection Classification Manual published by ISO Commercial Risk Services, Inc. Below are the ISO statistical codes for the Building Code Effectiveness Grades:

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1. Community Grading

Building, Business Personal Property and Earthquake

Grade (Code)

1	(01)
2	(02)
3	(03)
4	(04)
5	(05)
6	(06)
7	(07)
8	(08)
9	(09)
10	(10)
Ungraded	(99)

2. Individual Grading

Community Grade

Grade (Code)

1	(11)
2	(12)
3	(13)
4	(14)
5	(15)
6	(16)
7	(17)
8	(18)
9	(19)
10	(20)
Ungraded	(99)

C. Experience Rating

Any risk may be eligible for the application of experience rating. The experience period is the three years immediately preceding the effective date of the current policy period and the insurance must have been with The Cincinnati Insurance Company entirely during the experience period.

Experience Rating Table	
0 Losses (Paid or reserved)	15% Credit
Two or More Losses and a loss ratio (Paid & Reserves) / Earned Premium) that exceeds 90%	25% Debit

This Experience Rating Plan may not be applied to Blanket Basket Endorsement, Business Liability Broadened Endorsement, Coverage for Injury to Leased Workers, Earthquake, Employment Practices Liability, Equipment Breakdown, Freight or Passenger Elevator Inspection, Mine Subsidence, Professional Liability or Umbrella Liability.

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D. Schedule Rating Plan

1. General Rules

- a. This plan may be applied to a Dentist's Package Policy which develops a total premium of \$500 or more (excluding Blanket Basket Endorsement, Business Liability Broadened Endorsement, Coverage for Injury to Leased Workers, Earthquake, Employment Practices Liability, Equipment Breakdown, Freight or Passenger Elevator Inspection, Mine Subsidence, Professional Liability or Umbrella Liability).
- b. All rating plans apply for the term of the policy.

2. Rating Procedure

- a. If applicable, the modifications shown in the Schedule Rating Plan Table may be applied. These modifications reflect the individual characteristics of the risk that are not fully reflected in the basic premium or rates.
- b. When modifications from more than one Risk Characteristic apply, the modifications shall be added together, not multiplied.
- c. The total modifications under the following table shall not:
 - (1) Exceed 40%;
 - (2) Apply to minimum premiums; or
 - (3) Apply to Blanket Basket Endorsement, Business Liability Broadened Endorsement, Coverage for Injury to Leased Workers, Earthquake, Employment Practices Liability, Equipment Breakdown, Freight or Passenger Elevator Inspection, Mine Subsidence, Professional Liability or Umbrella Liability premiums.

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3. Risk Characteristics

Schedule Rating Plan Table			
Risk Characteristics	Range of Modifications		
	Credits		Debits
Management: Cooperation in matters of experience, qualification, stability	10%	to	10%
Location: Accessibility, congestion and exposures	10%	to	10%
Building Features: Age, condition and unusual structural features	10%	to	10%
Premises and Equipment Care, condition and type	10%	to	10%
Employees: Selection, training supervision and experience	10%	to	10%
Protection: Not otherwise recognized	10%	to	10%
Attitude: Complies with recommendations, controls exposure to loss	10%	to	10%

4. Total credits in excess of 10% should be discussed with your Field Marketing Representative or Headquarters Underwriter.

E. Large Premium Discount Plan (LPDP)

The LPDP may be used to modify premiums to reflect reduced costs realized by The Cincinnati Insurance Company through the combining of several coverages into a Dentist's Package Policy. The LPDP reflects the redundancies developed by large premiums.

1. Premium Development

- a. Individually compute the annual premium for each eligible coverage, refer to 2. below for ineligible coverages.
- b. Apply the LPDP factor from the Large Premium Discount Factors Table to the premium for each eligible coverage.

Large Premium Discount Factors Table	
Annual Coverage Premium	Factor
0 to \$ 1,000	None
1,001 to 2,000	.95
2,001 to 4,000	.90
4,001 to 8,000	.85
8,001 to 16,000	.80
16,001 and above	.75

- c. The sum of the modified premiums for each coverage eligible for the LPDP shall be added to the premiums of the coverages not eligible for LPDP to determine the annual policy premium.

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2. Coverages not eligible for LPDP:

The Large Premium Discount Plan may not be applied to Blanket Basket Endorsement, Business Liability Broadened Endorsement, Coverage for Injury to Leased Workers, Employment Practices Liability, Equipment Breakdown, Freight or Passenger Elevator Inspection, Mine Subsidence, Professional Liability or Umbrella Liability premiums.

F. Expense Modification

The schedule rating modification contemplates the standard provisions for expenses. If such expenses are less than standard, such modifications if a credit shall be increased, or if a debit shall be decreased, by the amount of the reduction in expenses.

14. ENDORSEMENTS

A. Mandatory Forms

1. Dentist's Package Policy Declarations - **IF 502** or **IF 504 (e-CLAS[®])**
2. Businessowners Package Policy Coverage Form - **IB 101**.
3. Dentist's Package Policy Coverage Endorsement - **IF 207**.
4. Dentist's Business Auto Coverage Declarations - **IF 505 IL**.
5. Dentist's Package Policy Auto Amendment - **IF 436 IL**.

B. State Mandatory Forms

1. Illinois Changes - **IA 4041**
2. Illinois Changes - Cancellation and Nonrenewal - **IA 4042 IL**

C. Classification or Coverage Mandatory Forms

1. Claims-Made Employment Practices Liability Coverage Part Declarations - **GA 520** or **GA 543 (e-CLAS[®])**. This form must be attached when Employment Practices Liability Insurance Coverage is provided.
2. Condominium Commercial Unit-Owners Coverage - **FA 418**. This form must be attached when covered property is Business Personal Property located in a condominium.

D. Other Endorsements

The following endorsements may be added at no charge as warranted by circumstances or exposures.

1. Additional Insured - Designated Person or Organization (Professional) - **PA 447**. This form is used to add the person or organization designated as an insured with respect to liability arising out of the insured's acts or omissions in the furnishing of professional services.

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2. Material Coverage Change Notification - Additional Insured - **IA 4087**. This form provides for prior notification of material changes for a specified number of days before the effective date of the coverage change.
3. Earlier Notice of Cancellation Provided by Us - **IA 4086**. This form increases the number of days required for notice of cancellation for any statutorily permitted reason other than nonpayment of premium.
4. Exclusion - All Hazards in Connection with Designated Premises - **GA 314**. This form may be used to exclude the insured's operations at a location for which coverage is provided by another policy or by another carrier.
5. Exclusion - Designated Products - **GB 306**. This form is used to exclude the products / completed operations hazard arising out of any of the insured's products named in this form's Schedule.
6. Exclusion - Lead Liability - **IA 305**. This endorsement excludes all liability coverage arising out of the exposure to or presence of lead in any form. (Required for habitational property built prior to 1980 unless the property has been certified lead free by abatement and / or there is written proof that the property has been professionally encapsulated. In either case, written documentation is needed.)
7. Exclusion - Lead Liability Schedule - **IB 473**. Used to indicate designated premises to which the Lead Liability Exclusion **IA 305** does not apply.
8. Exclusion - Personal and Advertising Injury - **IB 301**. This form is used to exclude liability for personal and advertising injury.
9. General Change Endorsement - **IB 447**, or **IB 478 (e-CLAS™)**. This form is used for making general changes to the policy.
10. Limitation of Coverage to Designated Premises - **GA 312**. This form may be used to limit liability coverage to a designated insured premises when the insured has other locations for which coverage is provided by another policy or by another carrier.
11. Loss Payable Provisions - **FA 435**. The following provisions are available:
 - a. Loss Payable, when it is intended to make loss payable to the insured and a named loss payee as their interests may appear. Under this provision, the rights of the loss payee are subject to the company's defenses against the insured.
 - b. Lender's Loss Payable, to protect the interest of a named lender. This provision is applicable when a mortgageholders clause is not applicable and where the interest has been established by warehouse receipts or other suitable documentary evidence. Under this provision, the rights of the lender are independent of any breach of condition by the insured.
 - c. Contract of Sale, to be used when duplicate interests exist in property undergoing transfer by sale.
12. Named Insured Schedule - **IA 905**. This form is used to indicate the Named Insured when it won't fit on the Dentist's Package Policy Declarations Page.

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13. Policy Reinstatement - **IA 475**. This form can be used to reinstate a policy that has been canceled by Direct Notice of Cancellation.
14. Premium Payment Endorsement - **IB 451**. This endorsement is used to show short-term premiums and to break out premiums, such as to show applicable state taxes.
15. Prior Policy Replacement - **IA 489**. This form is used when the insured(s) and Company agree that another policy will take the place of and replaces a prior policy issued by the Company on a designated date.
16. Resident Agent Countersignature Endorsement - **MI 1090**. This form is used when the resident agent's countersignature is required by state law.
17. Schedule of Additional Locations - **IF 424**. This form is used to schedule additional locations when there is not sufficient room on the Dentist's Package Policy Declarations page.
18. Schedule of Additional Mortgageholder(s) - **FA 434**. This form is used to schedule additional mortgageholders.
19. Welfare and Pension Named Plan - **CA 414**. This form is used to name welfare and / or pension plan(s).
20. Primary / Noncontributory Amendment of Conditions for Designated Additional Insureds - **IB 458**. This form amends the Business Liability coverage to primary and noncontributory, where required in a written contract, over any other insurance policy issued to the designated additional insured. This form is not an additional insured endorsement, it must be used in conjunction with an applicable additional insured endorsement.

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15. TERRITORY DEFINITIONS

The following list contains all the more important cities, towns, boroughs and villages in this state together with their counties and territory code assignments. For any cities or towns not specifically named, the territory codes are shown by county at the end of this listing.

City and County	Territory Code	City and County	Territory Code
A		M	
Argo, Cook	006	Melrose Park, Cook	006
B		Merrionette Park, Cook	006
Bedford Park, Cook	006	Moline, Rock Island	008
Blue Island, Cook	006	N	
Burnham, Cook	006	Nameoki, Madison	004
C		Niles, Cook	006
Calumet Park, Cook	006	Norridge, Cook	006
Canteen, St. Clair	004	O	
Centreville, St. Clair	004	Oak Park, Cook	006
Chicago, Cook	001	P	
Cicero, Cook	006	Park Ridge, Cook	006
D		Peoria, Peoria	008
Dalton, Cook	006	R	
E		Riverdale, Cook	006
East St. Louis, St. Clair	004	River Grove, Cook	006
Elmwood Park, Cook	006	Rock Island, Rock Island	008
Evanston, Cook	006	Rockford, Winnebago	008
Evergreen Park, Cook	006	S	
G		Springfield, Sangamon	008
Granite City, Madison	004	Stickney, Cook	006
H		Stites, St. Clair	004
Harwood Heights, Cook	006	Summit, Cook	006
Hometown, Cook	006	V	
L		Venice, Madison	004
Lincolnwood, Cook	006		

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County	Territory Code	County	Territory Code
Alexander	A 016	Lake	L 009
Cook	C 007	Massac	M 016
Du Page	D 009	Perry	P 016
Franklin	F 016	Pope	016
Gallatin	G 016	Pulaski	016
Hamilton	H 016	Saline	S 016
Hardin	016	Union	U 016
Jackson	J 016	White	W 016
Johnson	016	Will	009
Kane	K 009	Williamson	016
		Remainder of state	015

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16. RATE SECTION

A. Earthquake Territories

Use the zip codes and territory corresponding to the location of the risk being rated.

B. Territory Assignment

A new zip code may be created by the United States Postal Service, which may not yet be listed in the territory pages. If this is the case, to determine the rating territory for a risk located in a new zip code, use the zip code that formerly applied to the risk before the zip code boundaries were changed.

Zip Code	Territory						
60001	16	60044	16	60087	16	60128	16
60002	16	60045	16	60088	16	60129	16
60004	16	60046	16	60089	16	60130	16
60005	16	60047	16	60090	16	60131	16
60006	16	60048	16	60091	16	60132	16
60007	16	60049	16	60092	16	60133	16
60008	16	60050	16	60093	16	60134	16
60009	16	60051	16	60094	16	60135	16
60010	16	60053	16	60095	16	60136	16
60011	16	60055	16	60096	16	60137	16
60012	16	60056	16	60097	16	60138	16
60013	16	60060	16	60098	16	60139	16
60014	16	60061	16	60099	16	60140	16
60015	16	60062	16	60101	16	60141	16
60016	16	60064	16	60102	16	60142	16
60017	16	60065	16	60103	16	60143	16
60018	16	60067	16	60104	16	60144	16
60020	16	60068	16	60106	16	60145	16
60021	16	60069	16	60107	16	60146	16
60022	16	60070	16	60108	16	60147	16
60025	16	60071	16	60109	16	60148	16
60026	16	60072	16	60110	16	60150	16
60029	16	60073	16	60111	16	60151	16
60030	16	60074	16	60112	16	60152	16
60031	16	60075	16	60113	16	60153	16
60033	16	60076	16	60115	16	60154	16
60034	16	60077	16	60116	16	60155	16
60035	16	60078	16	60117	16	60156	16
60037	16	60079	16	60118	16	60157	16
60038	16	60081	16	60119	16	60159	16
60039	16	60082	16	60120	16	60160	16
60040	16	60083	16	60121	16	60161	16
60041	16	60084	16	60123	16	60162	16
60042	16	60085	16	60125	16	60163	16
60043	16	60086	16	60126	16	60164	16

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Zip Code	Territory						
60165	16	60208	16	60434	16	60468	16
60168	16	60209	16	60435	16	60469	16
60170	16	60301	16	60436	16	60470	16
60171	16	60302	16	60437	16	60471	16
60172	16	60303	16	60438	16	60472	16
60173	16	60304	16	60439	16	60473	16
60174	16	60305	16	60440	16	60474	16
60175	16	60398	16	60441	16	60475	16
60176	16	60399	16	60442	16	60476	16
60177	16	60401	16	60443	16	60477	16
60178	16	60402	16	60444	16	60478	16
60179	16	60406	16	60445	16	60479	16
60180	16	60407	16	60446	16	60480	16
60181	16	60408	16	60447	16	60481	16
60183	16	60409	16	60448	16	60482	16
60184	16	60410	16	60449	16	60490	16
60185	16	60411	16	60450	16	60491	16
60186	16	60412	16	60451	16	60499	16
60187	16	60415	16	60452	16	60501	16
60188	16	60416	16	60453	16	60504	16
60189	16	60417	16	60454	16	60505	16
60190	16	60419	16	60455	16	60506	16
60191	16	60420	16	60456	16	60507	16
60192	16	60421	16	60457	16	60510	16
60193	16	60422	16	60458	16	60511	16
60194	16	60423	16	60459	16	60512	16
60195	16	60424	16	60460	16	60513	16
60196	16	60425	16	60461	16	60514	16
60197	16	60426	16	60462	16	60515	16
60199	16	60429	16	60463	16	60516	16
60201	16	60430	16	60464	16	60517	16
60202	16	60431	16	60465	16	60518	16
60203	16	60432	16	60466	16	60519	16
60204	16	60433	16	60467	16	60520	16

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Zip Code	Territory						
60521	16	60561	16	60623	16	60664	16
60522	16	60563	16	60624	16	60665	16
60523	16	60564	16	60625	16	60666	16
60525	16	60565	16	60626	16	60667	16
60526	16	60566	16	60628	16	60668	16
60527	16	60567	16	60629	16	60670	16
60530	16	60568	16	60630	16	60671	16
60531	16	60570	16	60631	16	60673	16
60532	16	60572	16	60632	16	60674	16
60534	16	60597	16	60633	16	60675	16
60536	16	60598	16	60634	16	60677	16
60537	16	60599	16	60636	16	60678	16
60538	16	60601	16	60637	16	60679	16
60539	16	60602	16	60638	16	60680	16
60540	16	60603	16	60639	16	60681	16
60541	16	60604	16	60640	16	60682	16
60542	16	60605	16	60641	16	60683	16
60543	16	60606	16	60643	16	60684	16
60544	16	60607	16	60644	16	60685	16
60545	16	60608	16	60645	16	60686	16
60546	16	60609	16	60646	16	60687	16
60548	16	60610	16	60647	16	60688	16
60549	16	60611	16	60649	16	60689	16
60550	16	60612	16	60651	16	60690	16
60551	16	60613	16	60652	16	60691	16
60552	16	60614	16	60653	16	60693	16
60553	16	60615	16	60654	16	60694	16
60554	16	60616	16	60655	16	60695	16
60555	16	60617	16	60656	16	60696	16
60556	16	60618	16	60657	16	60697	16
60557	16	60619	16	60659	16	60701	16
60558	16	60620	16	60660	16	60706	16
60559	16	60621	16	60661	16	60707	16
60560	16	60622	16	60663	16	60712	16

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Zip Code	Territory						
60714	16	60941	16	61012	16	61058	16
60803	16	60942	16	61013	16	61059	16
60804	16	60944	16	61014	16	61060	16
60805	16	60945	16	61015	16	61061	16
60827	16	60946	16	61016	16	61062	16
60901	16	60948	16	61018	16	61063	16
60902	16	60949	16	61019	16	61064	16
60910	16	60950	16	61020	16	61065	16
60911	16	60951	16	61021	16	61067	16
60912	16	60952	16	61024	16	61068	16
60913	16	60953	16	61025	16	61070	16
60914	16	60954	16	61027	16	61071	16
60915	16	60955	16	61028	16	61072	16
60917	16	60956	16	61030	16	61073	16
60918	16	60957	16	61031	16	61074	16
60919	16	60959	16	61032	16	61075	16
60920	16	60960	16	61036	16	61077	16
60921	16	60961	16	61037	16	61078	16
60922	16	60962	16	61038	16	61079	16
60924	16	60963	16	61039	16	61080	16
60926	16	60964	16	61041	16	61081	16
60927	16	60966	16	61042	16	61084	16
60928	16	60967	16	61043	16	61085	16
60929	16	60968	16	61044	16	61087	16
60930	16	60969	16	61046	16	61088	16
60931	16	60970	16	61047	16	61089	16
60932	16	60973	16	61048	16	61091	16
60933	16	60974	16	61049	16	61101	16
60934	16	61001	16	61050	16	61102	16
60935	16	61006	16	61051	16	61103	16
60936	16	61007	16	61052	16	61104	16
60938	16	61008	16	61053	16	61105	16
60939	16	61010	16	61054	16	61106	16
60940	16	61011	16	61057	16	61107	16

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Zip Code	Territory						
61108	16	61257	16	61318	16	61359	16
61109	16	61258	16	61319	16	61360	16
61110	16	61259	16	61320	16	61361	16
61111	16	61260	16	61321	16	61362	16
61112	16	61261	16	61322	16	61363	16
61114	16	61262	16	61323	16	61364	16
61115	16	61263	16	61324	16	61367	16
61125	16	61264	16	61325	16	61368	16
61126	16	61265	16	61326	16	61369	16
61130	16	61266	16	61327	16	61370	16
61131	16	61270	16	61328	16	61371	16
61132	16	61272	16	61329	16	61372	16
61201	16	61273	16	61330	16	61373	16
61204	16	61274	16	61331	16	61374	16
61230	16	61275	16	61332	16	61375	16
61231	16	61276	16	61333	16	61376	16
61232	16	61277	16	61334	16	61377	16
61233	16	61278	16	61335	16	61378	16
61234	16	61279	16	61336	16	61379	16
61235	16	61281	16	61337	16	61401	16
61236	16	61282	16	61338	16	61402	16
61237	16	61283	16	61340	16	61410	16
61238	16	61284	16	61341	16	61411	16
61239	16	61285	16	61342	16	61412	16
61240	16	61299	16	61344	16	61413	16
61241	16	61301	16	61345	16	61414	16
61242	16	61310	16	61346	16	61415	16
61243	16	61311	16	61348	16	61416	16
61244	16	61312	16	61349	16	61417	16
61250	16	61313	16	61350	16	61418	16
61251	16	61314	16	61353	16	61419	16
61252	16	61315	16	61354	16	61420	16
61254	16	61316	16	61356	16	61421	16
61256	16	61317	16	61358	16	64122	16

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Zip Code	Territory						
61423	16	61466	16	61529	16	61569	16
61424	16	61467	16	61530	16	61570	16
61425	16	61468	16	61531	16	61571	16
61426	16	61469	16	61532	16	61572	16
61427	16	61470	16	61533	16	61601	16
61428	16	61471	16	61534	16	61602	16
61430	16	61472	16	61535	16	61603	16
61431	16	61473	16	61536	16	61604	16
61432	16	61474	16	61537	16	61605	16
61433	16	61475	16	61539	16	61606	16
61434	16	61476	16	61540	16	61607	16
61435	16	61477	16	61541	16	61610	16
61436	16	61478	16	61542	16	61611	16
61437	16	61479	16	61543	16	61612	16
61438	16	61480	16	61544	16	61613	16
61439	16	61482	16	61545	16	61614	16
61440	16	61483	16	61546	16	61615	16
61441	16	61484	16	61547	16	61616	16
61442	16	61485	16	61548	16	61625	16
61443	16	61486	16	61550	16	61628	16
61447	16	61488	16	61552	16	61629	16
61448	16	61489	16	61553	16	61630	16
61449	16	61490	16	61554	16	61632	16
61450	16	61491	16	61555	16	61633	16
61451	16	61501	16	61558	16	61634	16
61452	16	61516	16	61559	16	61635	16
61453	16	61517	16	61560	16	61636	16
61454	16	61519	16	61561	16	61637	16
61455	16	61520	16	61562	16	61638	16
61458	16	61523	16	61563	16	61639	16
61459	16	61524	16	61564	16	61640	16
61460	16	61525	16	61565	16	61641	16
61462	16	61526	16	61567	16	61643	16
61465	16	61528	16	61568	16	61644	16

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Zip Code	Territory						
61650	16	61742	16	61803	16	61852	16
61651	16	61743	16	61810	16	61853	16
61652	16	61744	16	61811	16	61854	16
61653	16	61745	16	61812	16	61855	16
61654	16	61747	16	61813	16	61856	16
61655	16	61748	16	61814	16	61857	16
61656	16	61749	16	61815	16	61858	16
61701	16	61750	16	61816	16	61859	16
61702	16	61751	16	61817	16	61862	16
61704	16	61752	16	61818	16	61863	16
61709	16	61753	16	61820	16	61864	16
61710	16	61754	16	61821	16	61865	16
61720	16	61755	16	61822	16	61866	16
61721	16	61756	16	61824	16	61870	16
61722	16	61758	16	61825	16	61871	16
61723	16	61759	16	61826	16	61872	16
61724	16	61760	16	61830	16	61873	16
61725	16	61761	16	61831	16	61874	16
61726	16	61764	16	61832	16	61875	16
61727	16	61769	16	61833	16	61876	16
61728	16	61770	16	61834	16	61877	16
61729	16	61771	16	61839	16	61878	16
61730	16	61772	16	61840	16	61880	16
61731	16	61773	16	61841	16	61882	16
61732	16	61774	16	61842	16	61883	16
61733	16	61775	16	61843	16	61884	16
61734	16	61776	16	61844	16	61910	16
61735	16	61777	16	61845	16	61911	16
61736	16	61778	16	61846	16	61912	15
61737	16	61790	16	61847	16	61913	16
61738	16	61791	16	61848	16	61914	16
61739	16	61799	16	61849	16	61917	16
61740	16	61801	16	61850	16	61919	16
61741	16	61802	16	61851	16	61920	16

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Zip Code	Territory						
61924	16	62018	14	62061	15	62203	14
61925	16	62019	15	62062	14	62204	14
61928	16	62021	15	62063	16	62205	14
61929	16	62022	16	62065	16	62206	14
61930	15	62023	16	62067	15	62207	14
61931	16	62024	14	62069	16	62208	14
61932	16	62025	15	62070	16	62214	14
61933	16	62026	14	62071	14	62215	14
61936	16	62027	16	62074	15	62216	15
61937	16	62028	15	62075	16	62217	15
61938	16	62030	16	62076	16	62218	14
61940	16	62031	15	62077	15	62219	15
61941	16	62032	15	62078	16	62220	14
61942	16	62033	16	62079	16	62221	14
61943	16	62034	15	62080	15	62222	14
61944	16	62035	15	62081	16	62223	14
61949	16	62036	15	62082	16	62224	14
61951	16	62037	15	62083	16	62225	14
61953	16	62040	14	62084	15	62226	14
61955	16	62044	16	62085	16	62230	15
61956	16	62045	16	62086	15	62231	15
61957	16	62046	15	62087	15	62232	14
62001	15	62047	16	62088	16	62233	14
62002	15	62048	14	62089	15	62234	14
62006	16	62049	15	62090	14	62236	14
62009	16	62050	16	62091	16	62237	15
62010	15	62051	16	62092	16	62238	14
62011	15	62052	16	62093	16	62239	15
62012	16	62053	16	62094	16	62240	14
62013	15	62054	16	62095	15	62241	14
62014	16	62056	16	62097	15	62242	14
62015	16	62058	15	62098	16	62243	14
62016	16	62059	14	62201	14	62244	14
62017	15	62060	14	62202	14	62245	14

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Zip Code	Territory						
62246	15	62285	14	62344	16	62414	15
62247	15	62286	15	62345	16	62417	15
62248	15	62288	14	62346	16	62418	15
62249	15	62289	14	62347	16	62419	15
62250	15	62292	15	62348	16	62420	16
62252	15	62293	15	62349	16	62421	15
62253	15	62294	15	62351	16	62422	15
62254	14	62295	14	62352	16	62423	16
62255	14	62297	15	62353	16	62424	15
62256	14	62298	15	62354	16	62425	15
62257	14	62301	16	62355	16	62426	15
62258	14	62305	16	62356	16	62427	15
62259	14	62306	16	62357	16	62428	15
62260	14	62311	16	62358	16	62431	15
62261	14	62312	16	62359	16	62432	15
62262	15	62313	16	62360	16	62433	15
62263	15	62314	16	62361	16	62434	15
62264	14	62316	16	62362	16	62435	16
62265	14	62319	16	62363	16	62436	15
62266	14	62320	16	62365	16	62438	15
62268	15	62321	16	62366	16	62439	15
62269	14	62323	16	62367	16	62440	16
62271	15	62324	16	62370	16	62441	16
62272	14	62325	16	62373	16	62442	16
62273	15	62326	16	62374	16	62443	15
62274	14	62329	16	62375	16	62444	15
62275	15	62330	16	62376	16	62445	15
62277	14	62334	16	62378	16	62446	14
62278	15	62336	16	62379	16	62447	16
62279	14	62338	16	62380	16	62448	15
62280	14	62339	16	62401	15	62449	15
62281	15	62340	16	62410	14	62450	15
62282	14	62341	16	62411	15	62451	15
62284	15	62343	16	62413	15	62452	15

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Zip Code	Territory						
62454	15	62522	16	62563	16	62644	16
62458	15	62523	16	62565	16	62649	16
62459	15	62524	16	62567	16	62650	16
62460	15	62525	16	62568	16	62651	16
62461	16	62526	16	62570	16	62655	16
62462	15	62530	16	62571	16	62656	16
62463	16	62531	16	62572	16	62659	16
62464	15	62532	16	62573	16	62660	16
62465	16	62533	16	62601	16	62661	16
62466	15	62534	16	62610	16	62662	16
62467	15	62535	16	62611	16	62663	16
62468	16	62536	16	62612	16	62664	16
62469	16	62537	16	62613	16	62665	16
62471	15	62538	16	62615	16	62666	16
62473	15	62539	16	62617	16	62667	16
62474	16	62540	16	62618	16	62668	16
62475	15	62541	16	62621	16	62670	16
62476	15	62543	16	62622	16	62671	16
62477	15	62544	16	62624	16	62672	16
62478	15	62545	16	62625	16	62673	16
62479	15	62546	16	62626	16	62674	16
62480	15	62547	16	62627	16	62675	16
62481	15	62548	16	62628	16	62677	16
62501	16	62549	16	62629	16	62681	16
62510	16	62550	16	62630	16	62682	16
62512	16	62551	16	62631	16	62683	16
62513	16	62553	16	62633	16	62684	16
62514	16	62554	16	62634	16	62685	16
62515	16	62555	16	62635	16	62688	16
62517	16	62556	16	62638	16	62689	16
62518	16	62557	16	62639	16	62690	16
62519	16	62558	16	62640	16	62691	16
62520	16	62560	16	62642	16	62692	16
62521	16	62561	16	62643	16	62693	16

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Zip Code	Territory						
62694	16	62786	16	62835	14	62870	15
62695	16	62791	16	62836	14	62871	14
62701	16	62794	16	62837	14	62872	14
62702	16	62796	16	62838	15	62874	13
62703	16	62801	15	62839	15	62875	15
62704	16	62803	15	62840	13	62876	15
62705	16	62805	14	62841	13	62877	15
62706	16	62806	14	62842	15	62878	15
62707	16	62807	15	62843	14	62879	15
62708	16	62808	15	62844	14	62880	15
62713	16	62809	14	62845	14	62881	15
62715	16	62810	14	62846	14	62882	15
62716	16	62811	14	62848	15	62883	14
62719	16	62812	14	62849	15	62884	14
62721	16	62814	14	62850	15	62885	15
62722	16	62815	14	62851	14	62886	14
62723	16	62816	14	62852	14	62887	14
62726	16	62817	14	62853	15	62888	14
62736	16	62818	14	62854	15	62889	15
62739	16	62819	14	62855	14	62890	14
62746	16	62820	14	62856	14	62891	14
62756	16	62821	14	62857	15	62892	15
62757	16	62822	14	62858	15	62893	15
62761	16	62823	15	62859	14	62894	14
62762	16	62824	14	62860	14	62895	14
62763	16	62825	14	62861	14	62896	13
62764	16	62827	14	62862	14	62897	14
62765	16	62828	14	62863	14	62898	15
62766	16	62829	13	62864	14	62899	15
62767	16	62830	15	62865	14	62901	13
62769	16	62831	15	62866	14	62902	13
62776	16	62832	14	62867	13	62903	13
62777	16	62833	14	62868	15	62905	14
62781	16	62834	14	62869	14	62906	15

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Zip Code	Territory						
62907	14	62935	14	62963	11	62994	14
62908	14	62938	14	62964	12	62995	14
62909	14	62939	14	62965	14	62996	12
62910	13	62940	13	62966	13	62997	14
62912	14	62941	14	62967	15	62998	13
62914	11	62942	12	62969	13	62999	14
62915	14	62943	14	62970	14	63673	13
62916	14	62946	14	62971	13		
62917	14	62947	15	62972	15		
62918	14	62948	13	62973	13		
62919	15	62949	14	62974	14		
62920	15	62950	12	62975	14		
62921	13	62951	14	62976	13		
62922	14	62952	13	62977	14		
62923	14	62953	14	62979	13		
62924	13	62954	14	62982	14		
62926	14	62955	15	62983	12		
62927	13	62956	13	62984	14		
62928	15	62957	12	62985	14		
62930	13	62958	14	62987	14		
62931	15	62959	14	62988	13		
62932	13	62960	14	62990	13		
62933	13	62961	13	62992	13		
62934	14	62962	11	62993	13		

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* **C. Rate Tables - Earthquake**

For Sublims Form FF 205, apply a 1.25 factor to the following rates:

TERRITORY 11 RATE TABLE		
Building Construction	Bldg. Rate	Base Ded.
Frame *	.276	5%
Joisted Masonry:		
Solid unreinforced brick	.389	10%
Hollow tile / block	.492	10%
Non-Combustible	.336	5%
Masonry Non-Combustible	.363	10%
Modified Fire Resistive or Fire Resistive	.363	10%

*Includes metal, non-combustible buildings.

TERRITORY 12 RATE TABLE		
Building Construction	Bldg. Rate	Base Ded.
Frame *	.221	5%
Joisted Masonry:		
Solid unreinforced brick	.296	10%
Hollow tile / block	.456	10%
Non-Combustible	.281	5%
Masonry Non-Combustible	.306	10%
Modified Fire Resistive or Fire Resistive	.331	10%

*Includes metal, non-combustible buildings.

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TERRITORY 13 RATE TABLE		
Building Construction	Bldg. Rate	Base Ded.
Frame *	.096	5%
Joisted Masonry:		
Solid unreinforced brick	.141	10%
Hollow tile / block	.211	10%
Non-Combustible	.128	5%
Masonry Non-Combustible	.132	10%
Modified Fire Resistive or Fire Resistive	.150	10%

*Includes metal, non-combustible buildings.

TERRITORY 14 RATE TABLE		
Building Construction	Bldg. Rate	Base Ded.
Frame *	.037	5%
Joisted Masonry:		
Solid unreinforced brick	.093	10%
Hollow tile / block	.142	10%
Non-Combustible	.062	5%
Masonry Non-Combustible	.081	10%
Modified Fire Resistive or Fire Resistive	.086	10%

*Includes metal, non-combustible buildings.

TERRITORY 15 RATE TABLE		
Building Construction	Bldg. Rate	Base Ded.
Frame *	.026	5%
Joisted Masonry:		
Solid unreinforced brick	.073	10%
Hollow tile / block	.112	10%
Non-Combustible	.046	5%
Masonry Non-Combustible	.062	10%
Modified Fire Resistive or Fire Resistive	.066	10%

*Includes metal, non-combustible buildings.

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THE CINCINNATI INSURANCE COMPANY
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DENTIST'S PACKAGE PROGRAM MANUAL
TERRORISM COVERAGE RULES

1. TERRORISM COVERAGE

The Terrorism Risk Insurance Act (TRIA) states that the Department of the Treasury will certify an act of terrorism for coverage to be subject to TRIA. Thus, acts of terrorism which are not certified may be considered other acts of terrorism.

A. Description of Coverage

1. **Certified Acts of Terrorism** - In accordance with the Terrorism Risk Insurance Act (TRIA), all companies writing commercial property and casualty insurance must make available to policyholders coverage for certified acts of terrorism. The Secretary of Treasury will declare when an act of terrorism is a certified act of terrorism.
2. **Other Acts of Terrorism** - An Other Act of Terrorism is any act of terrorism which meets the definition of terrorism but is not certified by the Secretary of Treasury.
3. For insureds of The Cincinnati Insurance Companies, Certified Acts of Terrorism Coverage and Other Acts of Terrorism Coverage are linked together, either provided or excluded together, barring unusual exposures or circumstances, and subject to the forms, limitations, exclusions and rates in the rules below.

B. Offer, Disclosure and Forms - Disclosures / Limitations / Exclusions:

1. TRIA requires that companies notify policyholders of the availability of coverage for certified terrorism losses and the premium charge applicable to such coverage. Companies must also inform insureds that a \$100 billion cap applies to certified acts of terrorism. Attach **Policyholder Notice Terrorism Insurance Coverage, Form IA 4236**.
2. Attach **Cap on Losses from Certified Acts of Terrorism, Form IA 4238** to the policy if the insured elects terrorism coverage.
3. If terrorism coverage is NOT desired, we must receive and have on file a written rejection from the insured. Attach **Exclusion of Certified Acts and Other Acts of Terrorism, Form IA 319 IL** to the policy.

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TERRORISM COVERAGE RULES

C. Premium Determination:

1. Certified Acts of Terrorism and Other Acts of Terrorism

- a. Apply the factor / rate shown below in accordance with the geographic tier and hazard class of the policy to all eligible policy premium to determine the additional premium for acts of terrorism.
- b. Factors / Rates apply per policy to all eligible coverage premiums and cannot be divided.
- c. Factors / Rates for terrorism coverage.
 - (1) **Eligible Policy Premium** - Includes all premium for all coverages and policies rated from any of the following except as noted:
 - (a) Division One - Auto
 - (b) Division Two - Machinery and Equipment
 - (c) Division Three - Crime
 - (d) Division Four - Farm
 - (e) Division Five - Fire and Allied Lines
 - (f) Division Six - General Liability
 - (g) Division Seven - Professional Liability, excluding any Medical Professional
 - (h) Division Eight - Inland Marine
 - (i) Division Nine - Multiple Line
 - (j) Commercial Umbrella Program, excluding any Medical Professional and any attached Personal Umbrella
 - (k) Businessowners Package Program, excluding any Medical Professional
 - (l) Dentist's Package Program, excluding any Medical Professional
 - (m) Package for Artisan Contractors
 - (n) Religious Institutions Package Policy
 - (o) Garage Operators Policy
 - (p) Financial Institutions Package Program
 - (q) Printers Package Program
 - (r) Metalworkers Package Policy
 - (s) Commercial Output Policy

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TERRORISM COVERAGE RULES

(2) Geographic Tiers:

TIER	TERRITORY DEFINITION	TERRITORY CODES (Fire)	TERRITORY CODES (GL)
1	San Francisco, CA	CA - 380, 410	CA - 001
	Washington, D.C.	DC - All Codes	DC - 001
	Chicago, IL	IL - 082	IL - 001
	New York City, NY (Manhattan only)	NY - 310	NY - 001
2	Los Angeles County, CA	CA - 600-630	CA - 003
	Cook County, IL (Outside Tier 1)	IL - 080-089, excl - 082	IL - 007
	Suffolk County, MA (Boston Area)	MA - 130, 131	MA - 014
	Montgomery & Prince George's Counties, MD (DC Area)	MD - 160-179	MD - 002
	New York City, NY except Manhattan	NY - 030, 240, 300-309, 410, 430, 520	NY - 010
	Philadelphia, PA	PA - 510	PA - 001
	Harris County, TX (Houston Area)	TX - 718	TX - 004
	Arlington, Alexandria, VA (DC Area)	VA - 040, 150, 495, 545, 565	VA - 001
King County, WA (Seattle Area)	WA - 170, 171	WA - 001	
3	Remainder of Country	All Other per State	All Other

(3) **Hazard Classes** - These are subject to change in accordance with evolving knowledge of terrorist means, targeting and reinsurance limitations. Refer to the Terrorism Hazard Underwriting Guideline for current specific class and risk definitions:

- (a) **High Hazard** - Subject to underwriting judgement, but primarily terrorism target properties as determined by ISO and / or associated with reinsurance limitations. Refer to company for classification and rating.
- (b) **Low Hazard** - Subject to underwriting judgement, but generally all other classes and risks not considered a high hazard terrorism target but still potentially subject to loss, even if just collateral damage or incidental liability.

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TERRORISM COVERAGE RULES

(4) Rate Factors:

(a) Auto and Other Than Auto (OTA):

HAZARD CLASS:	LINE:	GEOGRAPHIC TIERS:			MIN. PREM.:
		1	2	3	
LOW HAZARD	Auto OTA	0.2% (0.002)	0.2% (0.002)	0.2% (0.002)	\$25.00
		5.0% (0.050)	4.0% (0.040)	0.75% (0.0075)	
HIGH HAZARD	Auto OTA	0.2% (0.002)	0.2% (0.002)	0.2% (0.002)	\$125.00
		8.0% (0.080)	7.0% (0.070)	1.50% (0.0150)	

- (b)** Factors apply to final eligible premiums, after the application of all other rating factors including IRPM or Schedule credits or debits.
- (c)** Factors do not apply to state specified surcharges, fees or taxes.
- (d)** Except for Expense Modification, the premium for this coverage is not subject to any further modification or rate plan.
- (e)** This premium is subject to anniversary adjustment but not midterm adjustment.

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TERRITORY: 01

Buildings - Excluding Earthquake

PC 1-4 Building Construction		
Class A, B	Class C	Class D
0.151	0.329	0.401

Business Personal Property - Including Earthquake

PC 1-4 Building Construction		
Class A, B	Class C	Class D
0.362	0.627	0.745

\$2,000,000 Liability Limit Increment	
.031	Increment to be added to Business Personal Property rate.

TERRITORY: 04

Buildings - Excluding Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.131	0.266	0.318	0.140	0.287	0.346	0.157	0.326	0.397	0.211	0.442	0.539

Business Personal Property - Including Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.283	0.476	0.564	0.303	0.511	0.608	0.330	0.568	0.676	0.427	0.753	0.895

\$2,000,000 Liability Limit Increment	
.025	Increment to be added to Business Personal Property rate.

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TERRITORY: 06

Buildings - Excluding Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.138	0.278	0.332	0.149	0.301	0.363	0.165	0.342	0.411	0.224	0.464	0.561

Business Personal Property - Including Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.331	0.543	0.640	0.353	0.581	0.686	0.381	0.641	0.756	0.491	0.841	0.999

\$2,000,000 Liability Limit Increment											
.031						Increment to be added to Business Personal Property rate.					

TERRITORY: 07

Buildings - Excluding Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.119	0.252	0.309	0.128	0.277	0.335	0.146	0.318	0.389	0.202	0.439	0.543

Business Personal Property - Including Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.314	0.529	0.626	0.337	0.565	0.669	0.367	0.631	0.751	0.477	0.835	0.997

\$2,000,000 Liability Limit Increment											
.029						Increment to be added to Business Personal Property rate.					

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TERRITORY: 08

Buildings - Excluding Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.117	0.238	0.286	0.125	0.259	0.312	0.142	0.295	0.354	0.191	0.398	0.488

Business Personal Property - Including Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.273	0.453	0.532	0.291	0.484	0.574	0.316	0.536	0.638	0.409	0.706	0.842

\$2,000,000 Liability Limit Increment											
.023			Increment to be added to Business Personal Property rate.								

TERRITORY: 09

Buildings - Excluding Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.102	0.212	0.255	0.110	0.229	0.279	0.124	0.260	0.320	0.168	0.364	0.441

Business Personal Property - Including Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.277	0.452	0.535	0.224	0.484	0.571	0.320	0.535	0.633	0.412	0.703	0.832

\$2,000,000 Liability Limit Increment											
.029			Increment to be added to Business Personal Property rate.								

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TERRITORY: 15

Buildings - Excluding Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.119	0.243	0.293	0.129	0.263	0.316	0.146	0.298	0.363	0.193	0.409	0.495

Business Personal Property - Including Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.281	0.463	0.549	0.297	0.497	0.586	0.324	0.550	0.653	0.420	0.726	0.863

\$2,000,000 Liability Limit Increment											
.029						Increment to be added to Business Personal Property rate.					

TERRITORY: 16

Buildings - Excluding Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.126	0.273	0.333	0.137	0.298	0.364	0.158	0.347	0.427	0.218	0.483	0.593

Business Personal Property - Including Earthquake

PC 1-4 Building Construction			PC 5-6 Building Construction			PC 7-8 Building Construction			PC 9-10 Building Construction		
Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D	Class A, B	Class C	Class D
0.317	0.442	0.527	0.332	0.474	0.568	0.377	0.531	0.631	0.493	0.878	1.053

\$2,000,000 Liability Limit Increment											
.040						Increment to be added to Business Personal Property rate.					

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