

Medical Alliance Insurance Company

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MAY - 1 2008
IDFPR (MPC)
DIVISION OF INSURANCE
SPRINGFIELD



April 30, 2008

Ms. Gayle Neuman
Illinois Division of Insurance
Property and Liability Evaluation Section
320 West Washington St.
Springfield, IL 62767-0001

DIVISION OF INSURANCE
STATE OF ILLINOIS/IDFPR
FILED
MAY 01 2008
SPRINGFIELD, ILLINOIS

Re: Medical Malpractice Rule Filing PPL-08-01-R
Medical Alliance Insurance Company
FEI #: 32-0097644 ✓
NAIC #: 11861

Dear Ms. Neuman,

Enclosed please find the above-referenced rule filing which is being submitted on behalf of Medical Alliance Insurance Company (MAIC). This rule, the Risk Management Discount Program, was previously approved under Company File PPL-06-01. We have now revised the rule to better reward doctors for participation in the program as well as to encourage increased participation in our risk management education programs. The changes are as follows:

RATE/RULE

- Increased the overall total discount for the program to 8% from 7%.
- In subsection B., increased the total discount to 4% from 3%.
- In subsection B.1., increased the allowance to 1% for every 1 hour of participation from 1% for every 2 hours.

This revised rule will replace the rule in our existing manual and will enable MAIC physicians and surgeons to earn premium credits that will be applied to renewal premiums.

1151 East Warrenville Road
P.O. Box 3015
Naperville, Illinois 60566
630.276.5400

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Ms. Gayle Neuman
April 30, 2008
Page 2

Please be advised that we will consider this risk management discount effective as of May 1, 2008.

Thank you for your assistance on our behalf. If you should need any further clarification regarding this filing, please contact me directly.

Sincerely,

Carolyn M. Shanahan

Carolyn M. Shanahan
Paralegal
CShanahan@ihastaff.org
Phone: 630/276-5659
Fax: 630/276-5467

CERTIFICATION

I, Edward J. Holzhauer, a duly authorized officer of Medical Alliance Insurance Company, am authorized to certify on behalf of the Company making this filing, after due inquiry of a qualified actuary, 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.



Signature and Title of Authorized Insurance Company Officer

5-7-08
Date

Insurance Company FEIN: 32-0097644

Filing Number: PPL-08-01

Insurer's Address: 1151 East Warrenville Road, P.O. Box 3015

City: Naperville

State: IL

Zip Code: 60563

Contact Person and email: Carolyn M. Shanahan / CShanahan@lhastaff.org

Direct Telephone and Fax Number: 630/276-5659 / 630/276-5467

ILLINOIS CERTIFICATION FOR MEDICAL MALPRACTICE RATES

I, Mark Cain, a duly authorized actuary of Illinois Risk Management Services, am authorized to certify on behalf of Medical Alliance 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.


Signature, Title and Designation of Authorized Actuary

5/6/08
Date

Insurance Company FEIN 32-0097644 Filing Number PPL-08-01

Insurer's Address 1151 East Warrenville Road PO Box 3015

City Naperville State IL Zip 60563

Contact Person's Name and E-mail Carolyn M. Shanahan Cshanahan@ihastaff.org

Direct Telephone and Fax Number 630/276-5659 630/276-5467

Neuman, Gayle

From: Shanahan, Carolyn [CShanahan@ihastaff.org]
Sent: Monday, March 02, 2009 11:38 AM
To: Neuman, Gayle
Subject: RE: Medical Alliance Ins Co - Rate/Rule Filing #PPL-08-01-R

Good morning Ms. Neuman,

May 1, 2008 is the date we implemented the changes.

Many thanks,

Carolyn M. Shanahan
Paralegal

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, February 25, 2009 2:19 PM
To: Shanahan, Carolyn
Subject: Medical Alliance Ins Co - Rate/Rule Filing #PPL-08-01-R

Ms. Shanahan,

The above referenced submission has been reviewed and is ready to be stamped as "filed". When this was submitted, your letter indicated an effective date of May 1, 2008. Did you implement the changes in this submission on May 1, 2008? If not, what date do you want to use? We are ready to stamp it "filed" as of May 1, 2008. Please advise at your earliest convenience.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: Gayle.Neuman@illinois.gov

Neuman, Gayle

From: Neuman, Gayle
Sent: Friday, May 02, 2008 10:25 AM
To: 'Shanahan, Carolyn'
Subject: Medical Malpractice Rule Filing #PPL-08-01

Ms. Shanahan,

We are in receipt of the above referenced filing submitted by your letter dated April 30, 2008.

Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If a stat agency is used, please indicate which one?

215 ILCS 5/155.18 states it shall be certified in this 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.

In filing PPL-06-02, the Filing Memorandum states Appendix I will now be identified as Appendix II. So, we currently have no pages in Appendix I as we removed all pages under that section. Therefore, we request Medical Alliance provide a copy of every page of the manual as the page 16 of Appendix I that is being changed was previously removed from the manual.

We require you certify that nothing else in the filing has changed from what was previously filed, except for the changes brought to our attention in this filing.

We request receipt of your response by no later than May 16, 2008.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

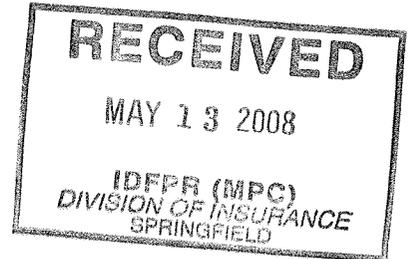
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Medical Alliance Insurance Company



May 8, 2008



Ms. Gayle Neuman
Illinois Division of Insurance
Property and Liability Evaluation Section
320 West Washington St.
Springfield, IL 62767-0001

Re: Medical Malpractice Rule Filing PPL-08-01 - R
Medical Alliance Insurance Company
FEI #: 32-0097644
NAIC #: 11861

Dear Ms. Neuman,

In accordance with your email request of May 2, we wish to provide you with additional information regarding the above-referenced filing.

MAIC does not report to statistical agencies but rather has internal policies in place for gathering and reporting statistics to the Division of Insurance.

Enclosed please find actuary and officer certifications.

As for the rule page, please accept my apologies for the confusion as the page originally contained in our filing included the wrong page number and appendix number. Enclosed is amended rule XII. Risk Management Educational Discount Program, as it will appear spanning pages 11 and 12 of Appendix II in our current rule manual.

1151 East Warrenville Road
P.O. Box 3015
Naperville, Illinois 60566
630.276.5400

Ms. Gayle Neuman
May 8, 2008
Page 2

We certify that nothing else in our manual has changed from what was previously filed, except for the changes contained in this filing.

Thank you for your assistance on our behalf. If you should need any further clarification regarding this filing, please contact me directly.

Sincerely,



Carolyn M. Shanahan

Paralegal

CShanahan@ihastaff.org

Phone: 630/276-5659

Fax: 630/276-5467

Neuman, Gayle

From: Neuman, Gayle
Sent: Wednesday, May 14, 2008 9:40 AM
To: 'Shanahan, Carolyn'
Subject: Medical Malpractice Rule Filing #PPL-08-01-R

Ms. Shanahan,

We did have to add "-R" to the filing number as PPL-08-01 had already been used.

The manual pages indicated "Physician Professional Liability" and "Physicians Claims-Made Rates". Your filings do appear to pertain to both physicians and surgeons. Please clarify. Additionally, please clarify the abbreviations used for surgery (i.e. SMRP, NMRP).

On future filings, it would be helpful if each page could reflect if it is under a certain appendix. You could use a page number like AP2-11 for the page submitted in this filing.

We request receipt of your response by May 21, 2008. You may respond via mail or e-mail.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

Please refer to the Property and Casualty Review Requirement Checklists before submitting any filing. The checklists can be accessed through the Department's website (<http://www.idfpr.com/>) by clicking on: Insurance; Industry; Regulatory; IS3 Review Requirements Checklists; Property Casualty IS3 Review Requirements Checklists.

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5/14/2008

EXPLANATORY NOTES:**IX. Risk Management Discount Program**

Physicians and Surgeons have the opportunity to qualify for a renewal discount by participating in MAIC-approved risk management programs. A physician or surgeon can earn a maximum discount of 8% from the following two (2) risk management components:

- A.** On-line risk management courses offered by MAIC:
 - 1. A 1% discount will be earned for the successful completion of each on-line course for a maximum discount of 4% per policy period.
 - 2. Successful completion will be determined by a passing grade in the on-line exam associated with each course taken.

- B.** Participation in an MAIC-approved risk management or physician office meeting or education or in-service program as may be made available at MAIC's discretion. The maximum discount that can be earned from this component of the plan is 4% and is based on:
 - 1. 1% discount for every one (1) hour of participation in an approved meeting or program.
 - 2. Discounts will be awarded only after attendance evidenced by a MAIC-awarded certificate of completion.
 - 3. No fractional percentages will be awarded and numbers will be rounded down; e.g. 3.5 hours of participation equals a 3% discount.

Discounts earned are applicable only to the renewal term immediately following the policy period in which they are earned and do not apply to any future renewal periods.

Medical Alliance Insurance Company

RECEIVED
MAY 27 2008
IDFPR (MPC)
DIVISION OF INSURANCE
SPRINGFIELD

May 23, 2008

Ms. Gayle Neuman
Illinois Division of Insurance
Property and Liability Evaluation Section
320 West Washington St.
Springfield, IL 62767-0001

Re: Medical Malpractice Rule Filing PPL-08-01-R
Medical Alliance Insurance Company
FEI #: 32-0097644
NAIC #: 11861

Dear Ms. Neuman,

In accordance with your email request of May 14, we wish to provide you with additional information regarding the above-referenced filing.

We acknowledge the addition of R to the subject filing number and will note the change in all subsequent correspondence.

Our program offers professional liability insurance for physicians (including surgeons), medical corporations and paramedical professionals.

The definitions of abbreviations SMRP and NMRP, among others, are contained in Appendix II, Paragraph IV. For your ease of reference, the definitions are repeated below:

- SMRP – specified minor risk procedures
- NMRP – no minor risk procedures
- MRP – minor risk procedures
- LMajRP – major risk procedures - limited performance
- MajRP – major risk procedures - other than limited performance

1151 East Warrenville Road
P.O. Box 3015
Naperville, Illinois 60566
630.276.5400

Neuman, Gayle

From: Shanahan, Carolyn [CShanahan@ihastaff.org]
Sent: Wednesday, June 11, 2008 12:59 PM
To: Neuman, Gayle
Subject: RE: Medical Alliance - Rate/Rule Filing #PPL-08-01-R

Ms. Neuman,

Thank you for your time in our phone conversation of May 27 regarding the above filing. Per our discussion, the risk management discount plan is only for our claims-made manual that was amended in 2006. The occurrence manual that we have on file will remain on file, however MAIC no longer writes occurrence business.

Sincerely,

Cari Shanahan
Paralegal
Phone: 630/276-5659
Fax: 630/276-5655

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tuesday, May 27, 2008 1:51 PM
To: Shanahan, Carolyn
Subject: Medical Alliance - Rate/Rule Filing #PPL-08-01-R

Ms. Shanahan,

We are in receipt of your response dated May 23, 2008.

Does this change being made only apply to claims-made coverage? There is an occurrence section in the manual but the page numbering varies from the claims-made section.

Your prompt attention is appreciated.

Gayle Neuman
Property & Casualty Compliance, Division of Insurance
Illinois Department of Financial & Professional Regulation
(217) 524-6497

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6/11/2008

XI. SCHEDULED RATING CREDITS/DEBITS

The following credits/debits may be applied at the discretion of MAIC in accordance with the following procedures:

- A. A Scheduled Rating Debit (up to a maximum of 100%) or Credit (up to a maximum of 50%) may be applied according to the following schedule:

	<u>Range</u>		
	<u>Credit</u>		<u>Debit</u>
Loss Experience	50%	to	100%
Specialty balance	8%	to	8%
Employees-selection, training, supervision, experience	5%	to	5%
Risk Management Program	15%	to	15%
Unusual Risk Characteristics	15%	to	15%

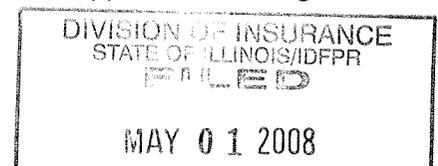
- B. The combination of scheduled rating and the Loss-Free Discount in Section X above may not exceed a 69.5% credit.

XII. RISK MANAGEMENT EDUCATIONAL DISCOUNT PROGRAM

Physicians have the opportunity to qualify for a renewal discount by participating in **MAIC**-approved risk management programs. Discounts earned are applicable only to the renewal term immediately following the **Policy Period** in which they are earned and do not apply to any future renewal periods. A **Physician** can earn a maximum discount of 8% from the following two (2) risk management components:

- A. On-line risk management courses offered by **MAIC**:
 1. A 1% discount will be earned for the successful completion of each on-line course for a maximum discount of 4% per **Policy Period**.
 2. Successful completion will be determined by a passing grade in the on-line exam associated with each course taken.

- B. Participation in a **MAIC**-approved risk management or **Physician** office meeting or education or in-service program as may be made available at **MAIC's** discretion. The maximum discount that can be earned from this component of the plan is 4% and is based on:
 1. 1% discount for every one (1) hour of participation in an approved meeting or program.



2. Discounts will be awarded only after attendance evidenced by a **MAIC**-awarded certificate of completion.
3. No fractional percentages will be awarded and numbers will be rounded down; e.g. 3.5 hours of participation equals a 3% discount.

Discounts earned are applicable only to the renewal term immediately following the policy period in which they are earned and do not apply to any future renewal periods.

