

VIRGINIA

This manual contains the rules, classifications, rates and rating procedures for the Human Services Professional Liability Program.

Any other rules, rates, or forms approved on behalf of the Company may apply when not in conflict with this program.

Section I. General Rules and Application of the Human Services Professional Liability Product Manual

A. POLICY TERM

All premium and rates contained in this manual are annual, unless otherwise specifically identified. Each renewal or anniversary premium shall be computed according to the then current rules, rates and forms.

B. PROGRAM ELIGIBILITY

This Human Services Program is designed to provide coverage for Human and Social Service organizations that are focused on managing services and programs to improve the wellbeing of individuals, families and communities. The most common type of programs can be geared towards, but not limited to, any or all of the following:

1. **Communities** – consisting of community action agencies, outreach referral services, homeless shelters, food banks, soup kitchens, thrift stores and job skills training;
2. **Developmentally Disabled** – consisting of sheltered workshops, supervised living, group homes, in-home respite care and job skills training;
3. **Youth** – consisting of outpatient counseling, supervised living, group homes, mentor programs and daycare;
4. **Substance Abuse** – consisting of outpatient counseling, detoxification, halfway houses and transitional living;
5. **Behavioral and Mental Health** – consisting of outpatient counseling, supervised living and group homes.
6. **Elderly** – consisting of daycare, outreach services, community centers and meals on wheels.

C. PREMIUM CALCULATION

The premium is calculated using the annual rates, rules and rating factors in **Section II. Rates** of this manual. The premium is then rounded to the nearest dollar amount.

D. LIMITS OF LIABILITY

Basic Limits: \$1,000,000 each claim
 \$3,000,000 aggregate

Refer to **Section II. Rates, Rule C. RATING FACTORS, Paragraph 1, INCREASED LIMITS/DECREASED LIMITS FACTORS** for the available limits and applicable factors.

E. DEDUCTIBLES

Refer to **Section II. Rates, Rule C. RATING FACTORS, Paragraph 2, Deductible Factors** for the available deductibles and applicable factors.

F. MID TERM CHANGES

1. Additional Premium Changes

- a. Prorate changes requiring additional premium
- b. Apply rates and rules in effect on the effective date of the change

2. Return Premium Changes

- a. Compute the return premium in accordance with **CANCELLATION** in this section.

G. CANCELLATION

1. **Pro Rata Cancellation** – The premium is adjusted proportionally based upon the time that the policy has been in force. This method is utilized when the Company cancels the policy or when the insured no longer has an insurable interest in the business.
2. **Short Rate Cancellation** – The premium is not in exact proportion to the time that the policy has been in force. An industry standard factor of 0.9 is multiplied by the premium that is adjusted proportionally based upon the time that the policy has been in force.

Section II. Rate Rules

A. BASE RATES – PROFESSIONAL LIABILITY COVERAGE PARTS

Human Service Professional Liability Base Premiums

Limit of Liability	Occurrence Base Premium
\$1,000,000 each claim / \$3,000,000 aggregate	\$1,173

- The base rate per full time para-professional social worker employee is \$46.
- To calculate the premium for a full time worker, multiply the base rate of \$46 by the applicable relativity factor per each professional worker.
- To calculate the premium for a part time worker, multiply the base rate of \$46 by a factor of .5 and then multiply the result by the applicable relativity factor per each applicable professional worker.
- Independent contractors are classified and rated based on their equivalent professional worker class description.
- To determine the unmodified premium, add the total premium for each class of professional worker to the occurrence base premium.

The following relativity factors and rates apply to professional workers classified as indicated:

PROFESSIONAL WORKER CLASS DESCRIPTION	RELATIVITY FACTOR Per full time professional
Para-professional/ Treatment Coordinator/Treatment Assistant/Peer Support Specialist	1.0
Homemaker/Home Health Nurse Aide/Sitter/Companion/Clerical/Treatment Technician/Aide/Certified Nursing Assistant	1.6
Resident Manager/Dietitian/Nutritionist	2.5
LPN/Dental Hygienist/Pharmacy Asst/Lab Tech/EKG-Ultrasound Tech/X-Ray Tech/Radiologist Tech/Certified Medical Asst/Medical Technician	3.4
Registered Nurse/Therapist/Teacher/Counselor/Case Manager/Social Worker/Dialysis Tech	4.2
Occupational Therapist/Speech Pathologist	5.0
Medical Director	4.7
Pharmacist	7.5
Physical Therapist/Respiratory Therapist/Phlebotomist/Clergy/Nuclear Medicine Tech/ Radiation Therapist	9.8
Psychologist	16.1
Nurse practitioner/Physician Assistant/Paramedic/EMT	21.0
	RATE
Psychiatrist	\$839

Minimum Policy Premium \$1,000

B. OPTIONAL AND ADDITIONAL COVERAGE CHARGES FOR PROFESSIONAL LIABILITY

The following additional coverage charges are added to the modified premium after application of all other rating factors in Section II C.

1. Coverage for Foster Parents Endorsement

This optional coverage will be available when insuring risks that provide Foster Care Services. A factor of 1.05 is multiplied by the modified premium.

2. Coverage for Foster Parents for the Developmentally Disabled Endorsement

- If Budget* is less than \$2,000,000, the flat charge is \$75.
- If Budget* is less than \$5,000,000, the flat charge is \$150.
- If Budget* is less than \$10,000,000, the flat charge is \$200.
- If Budget* is equal to or greater than \$10,000,000, the flat charge is \$250.

3. Blanket Additional Insured Endorsement

- If Budget * is less than \$2,000,000, the flat charge is \$250.
- If Budget * is less than \$5,000,000, the flat charge is \$500.
- If Budget * is less than \$10,000,000, the flat charge is \$750.
- If Budget * is equal to or greater than \$10,000,000, the flat charge is \$1,000.

4. Additional Insured Endorsement

This optional coverage will be available at the request of the insured and there is a flat charge of \$250.

5. Maximum Limit of Liability – Punitive Damages Endorsement

This optional coverage is available to provide a maximum amount of \$100,000 punitive damages limit of liability coverage where insurable by law. A factor of .95 is multiplied by the modified premium.

6. Employed Physician Coverage Endorsement

Rates for physicians – These rates shall be added to the Human Services Professional Liability Policy premium per physician using the following table.

Physician	Class Code	Territory	Rate
Physicians-Non Surgical (Excluding Psychiatrists)	80135	Loudoun, Arlington, Prince William, Alexandria City, Fairfax, Fairfax City, Fauquier, Falls Church City, Manassas City, Manassas Park City	\$15,120
Physicians-Non Surgical (Excluding Psychiatrists)	80135	Surry, York, Chesapeake City, Hampton City, Newport News City, Norfolk City, Gloucester, Poquoson City, Portsmouth City, Suffolk City, Virginia Beach City, Williamsburg City, Isle of Wight, James City	\$14,123
Physicians-Non Surgical (Excluding Psychiatrists)	80135	Accomack, King William, Lancaster, Lee, Louisa, Appomattox, Lunenburg, Madison, Mathews, Mecklenburg, Middlesex, Montgomery, Nelson, Northampton, Northumberland, Nottoway, Orange, Page, Patrick, Pittsylvania, Prince Edward, Augusta, Pulaski, Rappahannock, Roanoke, Rockbridge, Rockingham, Russell, Scott, Bath, Shenandoah, Smyth, Southampton, Sportsylvania, Stafford, Sussex, Tazewell, Warren, Bedford, Washington, Westmoreland, Wise, Wythe, Bland, Botetourt, Brunswick, Buchanan, Buckingham, Albermarle, Campbell, Caroline, Carroll, Charlotte, Clarke, Craig, Culpeper, Cumberland, Alleghany, Dickenson, Bedford City, Bristol, Buena Vista City, Charlottesville City, Clifton Forge City, Essex, Covington City, Danville, City, Emporia City, Franklin City, Floyd, Fredericksburg City, Galax City, Fluvanna, Harrisonburg City, Franklin, Lexington City, Lynchburg City, Frederick, Martinsville City, Amelia, Giles, Norton City, Radford, Richmond City, Grayson, Roanoke City, Salem, South Boston, Greene, Staunton City, Greensville, Waynesboro City, Halifax, Winchester	\$11,288

		City, Henry, Amherst, Highland, King and Queen, King George	
Physicians-Non Surgical (Excluding Psychiatrists)	80135	New Kent, Powhatan, Prince George, Richmond, Charles City, Chesterfield, Dinwiddie, Colonial Heights City, Hopewell City, Petersburg City, Goochland, Hanover, Henrico	\$10,080
Dentists-Non Surgical	80210	Entire State	\$4,086

***Budget** is the quantitative estimate of revenues and expenses for the projected year. Evaluating the annual budget information is an integral part of the underwriting process. The annual budget is captured on all of the Human Service Professional Liability program applications.

C. RATING FACTORS

The following rating factors apply to all coverages unless otherwise indicated.

1. Increased Limits /Decreased Limits Factors

Multiply the unmodified premium determined in Section II. Step A. by the applicable limit of liability factor in Table C.1.

The limit of liability factors listed below are multiplied by the Human Services Professional Liability Policy premium:

Limit of Liability	Factor
\$50,000/\$100,000	0.75
\$100,000/\$300,000	0.77
\$250,000/\$500,000	0.80
\$500,000/\$500,000	0.84
\$500,000/\$1,000,000	0.85
\$1,000,000/\$1,000,000	0.95
\$1,000,000/\$2,000,000	0.98
\$1,000,000/\$3,000,000	1.00
\$1,000,000/\$4,000,000	1.03
\$1,000,000/\$5,000,000	1.04
\$2,000,000/\$2,000,000	1.25
\$2,000,000/\$3,000,000	1.43
\$2,000,000/\$4,000,000	1.45
\$2,000,000/\$5,000,000	1.49
\$3,000,000/\$3,000,000	1.65
\$3,000,000/\$4,000,000	1.68
\$3,000,000/\$5,000,000	1.85
\$4,000,000/\$4,000,000	2.15
\$4,000,000/\$5,000,000	2.25
\$5,000,000/\$5,000,000	2.45

2. Deductible Factors – Professional

Multiply the premium determined in Section II. Step C. 1. by the applicable deductible factor in Table C.2

The deductible factors listed below are multiplied by the Human Services Professional Liability Policy premium:

Deductible	Factor
\$0.00	1.00
\$1,000	0.99
\$2,500	0.97
\$5,000	0.95
\$10,000	0.90
\$25,000	0.85
\$50,000	0.35

3. Schedule Rating

A schedule rating provision may apply if the Human Services Professional Liability Policy modified premium is greater than or equal to \$1,000.

Multiply the premium determined in Section II. Step C. 2. by the applicable schedule rating factor in Table C.3

Schedule rating must be applied uniformly in a non-discriminatory manner for all eligible classes of risk, even if its application results in zero modification, or no change in a previously applied modification.

Risk Characteristic	Description Underwriting Considerations	Modification Range Credit Debit
Professional experience of applicant	The professional type of experience and number of years for the principal owner or professional staff that are relevant to the specific industry and business operations.	+25% to -25%
Nature of Operations	Particular characteristics of the risk, which make it better, or worse, than the average risk for the class of business. For example, a risk may have hazards normally associated with such a risk, which hazards have been eliminated to a significant degree: or, conversely, a risk may have hazards that are greater than normally contemplated for such a risk, which hazards have not been lessened in any way.	+25% to -25%
Quality of Risk Management of applicant	Particular aspects of the insured's risk management practices that have an impact on their overall operations by mitigating or reducing hazards.	+25% to -25%
Employees	Selection, education, training supervision and experience of employees	+25% to -25%

Modification Subject to Maximum Range of +25% to -25%

4. Experience Rating

An experience rating provision shall apply if the Human Services Professional Liability unmodified premium, (not including increased limits, deductible credit and schedule rating), is equal to or greater than \$5,000.

This rating provision is calculated using historical data of actual claim activity and includes claims expenses, claims reserves and claims payments. Based on a review of the claim activity which analyzes and measures type of claim, frequency of claim and severity of claim, a category and factor is selected from the table below. Experience rating must be applied uniformly in a non-discriminatory manner for all eligible classes of risk, even if its application results in a "1.0" experience modification or no change in a previously applied experience rating modification.

Multiply the unmodified premium determined in Section II. Step A. by the applicable experience rating factor in Table C.4.

Historical claim experience factor shall apply as shown in the table below:

Experience considerations	Factor
No claims in the past 5 years	0.80
No claims in the past 3 years	0.90
No claims in the past 1 year	1.00
Total of all claims is 0.44% or less of total of all premiums paid in the most recent 3 year period of time preceding the expiring policy term	1.05
Total of all claims is 0.45% or more of total of all premiums paid in the most recent 3 year period of time preceding the expiring policy term	1.15
Material payout of 100% or more of average annual premium anticipated for open claim.	1.35
Significant multiple claims reported and/or multiple claims with expected payouts of 100% or more of average annual premium	1.60

The following form trigger factors described below in Steps 5 & 6 are multiplied by the unmodified premium before any other rating factors.

5. Step Factors or Retroactive Coverage (Claims Made Only)

For Claims Made Coverage the unmodified premium will be modified by a retroactive date factor to account for how far back the retroactive date is from the upcoming policy year. The difference in time will be measured from the retroactive date to the date coverage begins under the policy. Since the retroactive date will not move, this factor will increase every year until it reaches 1.00.

These step factors are multiplied by the unmodified premium shown in **Section II. Rate Rules A. Base Rates – Professional Liability Coverage Part.**

Years From Retro Date to Inception	Factor
0 to < 1	0.45
1 to < 2	0.69
2 to < 3	0.82
3 to < 4	0.91
4 to <5	0.95
5 and greater	1.00
Occurrence	1.00

6. Prior Acts Coverage for Claims Made Conversion to Occurrence (Nose Coverage)

The premium for this coverage will be calculated by multiplying the unmodified premium for the policy term by the appropriate factor. The appropriate factors are determined according to the prior acts date of the prior claims-made policy and are as follows:

Prior Years to Inception	Factor
1 year	1.55
2 years	1.75
3 years	1.90
4 years	1.95
5 years and greater	2.00

7. Extended Reporting Period Factors (Claims Made Only)

In the event of termination of coverage, the Named Insured shall have the right, subject to the limitations in the policy, to purchase coverage for claims arising from covered events that occurred after the retroactive date of coverage, before the expiration date of coverage, and are reported during the Extended Reporting Period (ERP).

The premium due for the optional extended reporting period will be calculated by multiplying the appropriate factor and the annual premium for the final policy term. The appropriate factors are determined according to the length of time requested for the optional extended reporting period and are as follows:

Optional Extended Reporting Period	Factor
1 year	1.00
2 years	1.50
3 years	1.85
4 years	2.00
5 years	2.25
Unlimited	2.50

