NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA

PSYCHIATRIST PROFESSIONAL LIABILITY

Missouri

**ELIGIBILITY RULE**: All Psychiatrists eligible for coverage under this program will have an MD or DO with training in their field of psychiatry, and a license in the state they practice.

**1. Coverage:** Coverage’s are written on an Occurrence or Claims Made basis. For details of coverage please refer to the policy form.

**2.** **Rates:** All rates are based on a one (1) year policy period unless otherwise noted. For a policy term other than annual all rates will be pro-rata. Calculate rate using the rates in effect on the policy date and by the territorial base rate definitions of this state.

**3**. **Additional Premium (AP) and Return Premium (RP):**

The additional premium charges will be calculated as follows:

1. Pro-rate all changes requiring additional premium.
2. Apply the rates and rules in effect on the effective date of the change.
3. Waive additional premium of $20.00 or less. The waiver only applies to cash exchange due on an endorsement effective date.

The return premium charges will be calculated as follows:

1. Deletion of a mandatory coverage is not permitted unless the entire policy is canceled.
2. Compute return premium at the rate used to calculate the policy premium.
3. Compute return premium pro rata when any coverage or exposure is deleted or an amount of insurance is reduced.
4. Waive return premium of $20.00 or less. Grant any return premium if requested by the Insured. This waiver only applies to cash exchanges due on the endorsement effective date.

**4. Limits of Liability:**

Manual rates provide a basic professional liability limit of $1,000,000 each occurrence, a premise liability limit of $1,000,000 each occurrence, and a combined professional and premise liability $3,000,000 aggregate as well as the following:

* $25,000 for Administrative Hearing coverage
* $25,000 for Billing E&O Claims Expense coverage
* $50,000 for Corporate Identity Protection coverage
* $50,000 for HIPPA Defense only coverage

**5. Rating Procedure:**

**Individual:**  The Named Insured individual Psychiatrist listed on the Declarations Page receives a basic rate which is derived from the location of the practice. Individual coverage (separate limit) for other behavioral health professionals will be rated as a percentage of the applicable Psychiatrist premium. Based on the following:

**Professional Type Relativity to Psychiatrist Rate**

Psychologists ……0.25

Social Workers 0.03

Therapists 0.03

Nurses 0.05

Nurse Practitioners/Physician Assistant 0.25

When any professional (including Psychiatrist) is added to an individual’s policy with shared limits, there will be a 15% reduction in the calculated premium based on the above table or individual Psychiatrist base rate.

**Corporation/Group Account:**

A corporation/group account may be listed as the Named Insured on the Declarations Page. Premium calculation is as follows:

When we insure all professional employees of an entity:

Add individually derived premiums for each scheduled named insured. The base rate for each individual will be reduced by the following factors when the insured is sharing the limit with the entity:

|  |  |
| --- | --- |
| Number of Insured’s | Reduction Factor |
| < 5 | 5% |
| 5 or more | 10% |

When we do not insure all professional employees of an entity, including physicians and ancillary professionals, there will be a charge to account for the vicarious liability based on the number of uninsured employees as follows:

|  |  |
| --- | --- |
| Number of employees | Vicarious Liability Surcharge |
| <5 | 2% |
| 5-19 | 5% |
| >20 | 10% |

If the Professional Employee Exclusion is added, this charge is waived.

**Additional Insured:**  An additional insured may be added with shared limits to a corporation or group policy or an individual Psychiatrist’s policy for a 5% charge of the developed premium. Coverage is only provided with respect to the actions of the named insured.

Additional Named Insured’s that are corporations or entities may be added as follows:

1. Where we insure all of the professional employees, the additional Named Insured is added to a policy with shared limits for no additional charge;
2. Where we insure all of the professional employees, the additional Named Insured is added with separate limits for a 10% surcharge; this will be capped at 10% of the top 5 highest priced individuals.
3. Where we do not insure all of the professional employees, the additional Named Insured may be added with shared limits using the vicarious liability surcharge listed above;
4. Where we do not insure all of the professional employees, the additional Named Insured may be added with separate limits for a 10% surcharge (capped as derived from the 5 highest priced individuals) plus the vicarious liability surcharge.

If the Professional Employee Exclusion is added, the vicariously liability charge is waived.

**6. Deductibles:** A Deductible will be offered at the insured’s request for the amount listed on the corresponding state’s rate page. This deductible will apply to indemnity only.

1. **Rating Modifications:**

**Discounts:**

* Part-time - Each individual will be charged 50% of the full-time premium rate for practicing 20 hours or less per week, or fewer than 26 weeks per year.
* Prep Discount – This is available to those Psychiatrists entering private practice for the first time who purchase a policy within 3 years upon completing an internship program, fellowship program, residency program or military service. The applicable prep discount is based on the number of years since the psychiatrist completed the program or service as follows:

|  |  |
| --- | --- |
| Number of Years | Discount |
| <1 | 50% |
| 1 < 1.99 | 35% |
| 2 < 2.99 | 25% |
| ≥ 3 | None |

* Member in Training (MIT Discount) – 50% discount is available to those insured’s classified as a MIT by the American Psychiatric Association.

*Only one of the above discounts may apply to an insured per policy year.*

* Risk Management Credit 5-10%
  + - * 1. Participated in Risk Management focused continuing education program. (5%)
        2. Participated in Risk Management seminar in the last 12 months, in addition to continuing education requirement. (10%)
* Child and Adolescent Psychiatry - a 15% discount is available for Psychiatrists whose patient base is less than 50% adult psychiatry.
* New Business – A 10% credit will be applied for each insured applying to the CIS Company/Program for the first time, provided they have been claims free for the past 12 months.

**Schedule Rating:** To recognize the individual and unique characteristics within each account, it shall be permissible to apply a Schedule Rating debit and/or credit. *The following scheduled modifiers will be considered on the listed criteria and the range will be as indicated below.*

* Practice Setting (+/- 25%)

1. Detention Facilities
2. Patient Recruitment
3. Facility has been subject to license or accreditation disciplinary action or federal investigation or prosecution, mass tort litigation or investigative reporting
4. Clinical teaching activities exceed 50% of total practice time.

* Nature and Scope of Practice (+/- 25%)

1. Treatment of borderline personalities and multiple personality disorders
2. Treatment of Pain Management
3. Use of abreaction, rage; sodium amatol, sex and recovered memory therapies.
4. Supervision of /Consultation with professionals in 1,2 and 3 above
5. Above or below average daily patients volume
6. Adverse Risk not considered in base rate

* General Factors (-10%/+25%)

1. Hospital Staff Privileges
2. Managed Care Network Privileges
3. Medical Record Keeping and Billing

*The maximum scheduled rating adjustment will be +/-25%*

**Experience Rating:** Based upon the insured’s claim experience and history over the preceding ten (10) year period, an Experience Rating debit or credit may be applied. The maximum credit shall not exceed 10% and debit shall not exceed 50%. *The following debits/credits will be considered on the claims history criteria of the insured and the range will be as indicated below.*

* Claims Free Credit

1. 1 year loss free 1%
2. 2 years loss free 2%
3. 3 years loss free 3%
4. 4 years loss free 4%
5. 5 years loss free 5%
6. 6 years loss free 6%
7. 7 years loss free 7%
8. 8 years loss free 8%
9. 9 years loss free 9%
10. 10 years loss free 10%

* Loss Experience is determined based on the chargeable loss amount and frequency within the last 5 years. The chargeable loss includes loss payments, outstanding reserves, and loss adjustment expenses. One (1) loss is considered to be a reported claim that incurs at least $250 of chargeable loss.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Chargeable loss | Applied Debit | | | |
|  | 1 loss | 2 losses | 3 losses | 4 losses |
| $250 - $3,000 | 0% | 10% | 15% | 30% |
| $3,001 - $10,000 | 10% | 15% | 20% | 35% |
| $10,001 - $25,000 | 15% | 20% | 25% | 40% |
| $25,001 - $50,000 | 20% | 25% | 30% | 50% |
| $50,001 - $100,000 | 25% | 30% | 40% | 50% |
| $100,001 + | 30% | 40% | 50% | 50% |

*The maximum combined Rating Modification will be -75% (if 1-3 of discounts applies) otherwise the maximum will be -50% and +50%.*

1. **Administrative Hearing:** Additional limits for Administrative Hearing Coverage are available as provided within the Rating Plan.
2. **Corporate Identity Protection:** Additional limits for Corporate Identity Protection are available as provided within the Rating Plan.
3. **Billing E&O Claims Expense Coverage:** Additional limits for Billing E&O Claims Expense Coverage are available as provided within the Rating Plan.
4. **HIPAA Defense Only Coverage:** Additional limits for HIPPA Defense Only Coverage are available as provided within the rating Plan.
5. **Cancellation:**

The policy will be cancelled as the pro-rata unearned premium for the following instances:

1. A policy is cancelled by the company;
2. The insured company no longer has an insurable or financial interest;
3. A policy is cancelled and rewritten.

The policy will be cancelled as 90% of the pro-rata unearned premium when:

1. The cancellation is the result of any other circumstance.
2. **Extended Reporting Period (ERP):** Coverage for the ERP will be granted upon request, pursuant to the applicable policy conditions regarding the Extended Reporting Period. The rate will be calculated by applying the corresponding factor on the individual’s state rate page to the most recently expiring annual premium rate. The available limits of liability shall not exceed those afforded under the current policy.

The Extended Reporting Period will be provided at no cost if:

1. The insured has maintained a continuous 10 year relationship with no claims reported during that period.
2. The insured retires permanently at 55, and has been insured with the company for at least 5 consecutive years.
3. The insured dies, or is permanently disabled while the policy is in force.

1. **Locum Tenens:** A Locum Tenens endorsement may be provided for Psychiatrists who temporarily replace an insured Psychiatrist for a period up to 60 days each policy year. The Locum Tenens will share in the insured’s limit of liability. As a result, there will be no additional premium charge.
2. **Disability or Leave of Absence (LOA):** An insured may request a period of restricted coverage due to a disability or a prolonged leave of absence. The insured will not be covered for claims or suits which arise based on an occurrence within the scheduled period of disability or leave of absence. The insured is entitled to report claims during this period, only if they arise from occurrences when the policy was in force.

If the period is between 45-90 days, a premium rate of 50% will apply. If the period is between 91 days – 1 year, a premium rate of 25% will apply.

If the Named Insured does not return to practice after the period of disability or leave of absence, the Company will date the cancellation and calculate the premium for the Extended Reporting Period Endorsement effective from the beginning of the period of suspension.

1. **Installment Payments:** We will offer the option for insured’s to pay by installments. The initial down payment will be 30% of premium with additional payments due every 60 days subsequent the effective date. The additional payments can be made in 3 or 4 equal installments, depending on the preference of the insured. A service charge of $5 will be included with each subsequent payment.
2. **Rounding:** Premium will be rounded to the nearest whole dollar. A premium ending in $.50 or more will be rounded to the next higher whole dollar. Thus, $1,000.50 = 1,001.00; $1,000.49 = $1,000.00.
3. **Exclusion of Patient:** We will offer the option for insureds to exclude coverage for claims arising out of allegations from a particular patient or patients. Upon request we will apply endorsement 111867, Exclusion of Scheduled Patient Endorsement.
4. **Exclusion of Person or Organization:** We will offer the option for insureds to exclude coverage for claims arising out of services provided by particular persons or organizations. This will be mandatory to waive the vicarious liability surcharge; all individuals will be listed. Upon request we will apply endorsement 111868, Exclusion of Scheduled Person or Organization Endorsement.
5. **Policy Change:** The policy change endorsements will only be used to correct errors on the Declarations Page as well as requested coverage changes upon written notification of the insured. The endorsements will not be used to amend policy language. We will apply Policy Change Endorsement 111871 or 111872 accordingly.
6. **Medical Director:** We will offer the option to extend coverage that includes the services of a Medical Director to a Named Insured, for a charge. This charge will apply to the undeveloped base rate, and the Medical Director Endorsement 113563 will be used to extend coverage as requested.
7. **Prior Acts Coverage**: The following rating is used when an insured converts their claims-made policy to an occurrence policy and does not purchase the extended reporting endorsement from the prior carrier. The Prior Acts Endorsement will be effective the inception date of insured’s occurrence policy and will cover claims reported after the termination date of the prior claims- made policy for incidents that occurred between the retroactive date and termination date of the prior claims-made policy.

The following conditions apply:

a) There can be no coverage of known claims

b) Prior Acts coverage is to be provided only to an insured switching from a claims-made policy and is not available to an insured with an uninsured prior acts exposure; and

c) Prior Acts coverage, once purchased, must survive termination of the occurrence policy; i.e. any act is treated as if it took place while the occurrence policy was in place.