**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA**

CHIROPRACTOR PROFESSIONAL LIABILITY PLUS INSURANCE PROGRAM Occurrence & Claims Made Rating Rules

**NEW JERSEY**

1. **Coverage:** All coverages are written on an occurrence or claims made basis. For details of coverage, please refer to the policy.

2. **Limits of Liability:** Manual rates provide a basic limit of $1,000,000 each occurrence and $3,000,000 aggregate. The standard coverage provides for one limit to apply to all persons listed under a single policy. When a corporation or partnership is also covered, the organization shares in the limit of liability with the individuals.

A separate limit of liability for partnership or corporation liability may be purchased in accordance with Section 4. However, only one set of limits applies regardless of the number of partnerships or corporations added.

3. **Classification Procedure:** Classifications are as follows:

Class I Straight Chiropractors

Class II Modified Straight Chiropractors

Class III Mixer Chiropractors

Class IV Liberal Mixer Chiropractors

**Class I. Straight Chiropractor**

1. “Chiropractic Adjusting” including, but not limited to, manual adjusting, adjusting with instruments, and any adjunctive therapies not classified as Class II, Class III, or Class IV in these rating rules.

Class II, III, and IV % of Practice Qualifier:

A chiropractor will be designated in one of the classes below if any of the listed procedures represent greater than 25% of their annual practice.

**Class II. Modified Straight Chiropractors**

1. Acupuncture– Insertion of needles into tissue to stimulate certain nerves to “restore harmony” in the body.

**Class III. Mixer Chiropractor**

**A.** Diagnosis and treatment of both symptoms and disease. Main area of interest is Neuro-Musculo-Skeletal problems.

**B.** Colon Irrigation – Used for constipation, autointoxication and high blood pressure as indicated and when acute symptoms of vertigo, nausea, headache, irritability, insomnia and over-excitement exist.

**C.** Laboratory work involving urinalysis and blood work (finger puncture and venipuncture).

**D.** Intravenous nutrient supplements or I.V. therapy of any kind.

**Class IV. Liberal Mixer Chiropractor (Diagnosis/Medical)**

1. Diagnosis and treatment of all conditions without limitation, including casting of broken bones.
2. Invasive needle Electromyography (EMG) – EMG procedures penetrate the skin (full body diagnosis), Magnetic Resonance Imaging (MRI), CT Scans and EKG’s performed by the insured.

**C.** Minor Surgery.

**D.** Breast/Gynecological Exams.

4. **Rating Procedure:**

**Individual** Each individual receives a basic rate which is derived from the individual’s classification as shown in Section 3. above, location of practice and the limit of liability chosen. Credits or debits may apply according to practice situation.

**Partnership** Each partner receives a basic rate which is derived from the partner’s classification as shown in Section 3. above and the limit of liability chosen. Credits or debits may apply according to practice situation.

**Corporation/Partnership** Corporation/Partnership coverage can be added with separate limits for an additional premium of 10% of the five highest rated Chiropractors. There is no premium charge for adding the Corporation/Partnership on a shared limit basis.

**Additional Insured** Additional Insureds may be added for a premium charge of 5% of the total professional liability premium.

Landlord - Flat $15 charge

**NOTE:** A primary chiropractor’s policy can be issued with limits up to $2,000,000/$4,000,000. The total policy limit cannot exceed $4,000,000 except where required per law.

5. **Student/School Rates:** The following rates shall apply for students and/or schools.

**Individual Student** Each individual student can purchase his/her own policy for 10% of the base

$1MM/$3MM rate. Higher or lower rates are not available for student policies. The applicable rate shall be based on the state in which the school is located.

**School** A school may purchase coverage for their students for 10% of the base $1MM/$3MM rate per student, based on the state in which the school is located. The School can be added as an insured for 25% of the total developed base premium of all the students. A minimum premium for the student/school policy shall apply of $1,000.

6. **Extended Reporting Period:**

The reporting endorsement provides coverage for claims arising from professional services which occur subsequent to the

Retroactive Date and prior to the end of the policy period.

Options Factor\*

1 Year Option 55% of mature claims made rate

2 Year Option 85% of mature claims made rate

3 Year Option 100% of mature claims made rate

Unlimited Option 110% of mature claims made rate

\*Factor to apply to mature claims made rate in the year the tail policy is written.

The extended reporting endorsement is provided at no cost if:

a) A chiropractor has been with the program more than 7 consecutive years, or

b) A chiropractor retires at age fifty (50) and has been continuously insured on a claims made basis for 5 years, or

c) A chiropractor is permanently disabled or dies.

The aggregate limits of liability applicable to the policy shall not be increased or reinstated under the extended reporting period offered under a), b), and c) above.

7. **Group Policy Discount:**

A single group practice policy issued to three or more insureds may be eligible for a premium discount determined by the following table:

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| --- | --- | --- |
| **Practice Size (# of Chiropractors)** | **Discount** | **Multiplicative factor** |
| 5-10 | 12.0% | .880 |
| 11-20 | 15.0% | .850 |
| 21-40 | 18.0% | .820 |
| 41 or more | Submit to Company | Submit to Company |

8. **Temporary Leave Of Absence:**

A Chiropractor who becomes Temporarily Disabled or is on a Leave of Absence for a period of 45 days up to 180 days may be eligible for restricted coverage, at the written request of the Chiropractor.

A premium rate of 25% of the applicable full time rate for the period of disability or leave of absence will apply.

When the Chiropractor resumes practice he/she will be charged the current premium he/she would have been charged had he/she not taken the Leave of Absence. Coverage will not apply to any claim that occurs during the Leave of Absence. Coverage is provided for any claims or incidents reported during the Leave of Absence period that occurred subsequent to the retroactive date and prior to the Leave of Absence period.

The Chiropractor will be required to complete a certificate acknowledging the time period of the Leave and the reason(s) for the request. Leave of absence may include professional education, but does not include vacation.

9. **Part Time Practice:**

A Chiropractor who practices twenty (20) hours or less per week during the term of an annual policy will be considered a Part

Time Chiropractor and will be eligible for a reduction in the otherwise applicable rate by a 50% discount.

10. **Premium Modifiers:**

The manual rates for Chiropractors may be modified by the following credits/debits, subject to a maximum modification of -25%

/ +25%, to recognize risk characteristics that are not reflected in the otherwise applicable rate. All modifications applied under this schedule rating are subject to periodic review. No credits may be applied if a debit has been applied for claims/incidents. The modifications shall be based on one or more of the following considerations:

**SCHEDULE OF DEBITS (+) & CREDITS (-)**

 Written Patient Safety Policy/Practice Standards *+/-*5.0%

 Utilization of Informed Consent Forms +/-5.0%

 Risk Management Seminar/Continuing Education involving Risk Management +/-10.0%

 Claims/Incidents History in the Last Four (4) Years +/-15.0% (The frequency/severity of claims for the Chiropractor is greater/less than the expected experience for a

Chiropractor of the same class or recognition of unusual circumstances of claims in the Chiropractor’s loss history).

 Association Membership -5.0%

 Classification Anomalies +/-10.0% (Applicable to the Chiropractor whose procedures or practices are primarily concentrated in areas other than their practice classification. This would differentiate the Chiropractor to have greater/less liability exposure than other members of the same class, or recognize recent developments within a classification or jurisdiction that are anticipated to impact future loss experience).

 Cumulative Years of Patient Experience +/-15% (The Chiropractor demonstrates a greater/less than stable longstanding practice and/or significant degree of experience in their current area of chiropractic).

 Number/Type of Patient Demographics +/-10% (Size and/or demographics of the patient population which negatively or positively influences the liability exposure).

 Unusual or Unique Risk Characteristics +/-10%

11. **Manipulation under Anesthesia**

Deletes the policy exclusion to allow for manipulation treatment under anesthesia, subject to underwriting, which includes the training, history and experience of the practitioner. A separate application must be completed if coverage is requested. There is a Flat Charge of $350 for this coverage. Chiropractor class and rate will be determined by the class rating plan in this document and this flat charge will be added to the final premium after all scheduled rating and discounts have been applied.

12. **Animal Adjusting**

A separate application must be completed if coverage is requested.

Limits of Liability: $25,000 Per Wrongful Act

$50,000 Aggregate

There is a Flat Charge of $350 for this coverage. Chiropractor class and rate will be determined by the class rating plan in this document and this flat charge will be added to the final premium after all scheduled rating and discounts have been applied.

13. **New Practitioner Discounts**

License Date: Use the license date as the reference date to be eligible for discounts. The license date is defined as the first date the chiropractor is eligible to practice chiropractic. Only one date is used as the license date to reference discounts. The license date used to reference discounts is the first time a chiropractor ever becomes licensed to practice.

**1. First year Licensure Discount**

Chiropractors who become licensed and are eligible to practice chiropractic for the first time shall be given a first year licensure discount of 75% of the filed and approved base premium. The insured’s first licensure date must fall within 18 months of the insured’s graduation date.

**2. Second year Licensure Discount**

Chiropractors in their second year of practice after becoming licensed for the first time shall be given a second year licensure discount of 40% of the filed and approved base premium. The insured’s first licensure date must fall within 30 months of the insured’s graduation date.

**3. Third Year Licensure Discount**

Chiropractors in their third year of practice after becoming licensed for the first time shall be given a third year licensure discount of 25% of the filed and approved base premium. The insured’s first licensure date must fall within 42 months of the insured’s graduation date.

**4. Fourth Year Licensure Discount**

Chiropractors in their fourth year of practice after becoming licensed for the first time shall be given a fourth year licensure discount of 15% of the filed and approved base premium. The insured’s first licensure date must fall within 54 months of the insured’s graduation date.

14. **Independent Contractors – Additional Insured – Vicarious Liability**

1099 form independent contractors who carry their own professional liability insurance may be added but must be listed on the policy and certify coverage of at least equal limits from an insurance carrier with at least A.M. Best rating of B+. A 10% charge of the applicable professional liability rate at policy limits will be charged to cover the vicarious liability exposure assumed in such arrangement.

15. **Locum Tenens**

A Locum Tenens endorsement may be provided for chiropractors who temporarily replace an insured chiropractor for a period up to 60 days each policy year. The Locum Tenens will share in the insured chiropractor’s limit of liability. As a result, there will be no additional premium charge. A separate application must be completed if coverage is requested.

16. **Exposure Reporting Basis:** The exposure reporting basis for chiropractors is per Chiropractor per 12 month period.

17. **Rounding Rule:**

A. Compute the premium using the rates in effect at the time of policy issuance

B. Premiums are calculated as specified for their respective coverage. Rounding to the nearest whole dollar amount (i.e. .50 and greater rounds up; .49 and below rounds down) is done after the computation of the final premium.

18. **Deductible Credit Rule**:

The deductible credits are applicable to primary liability limit premium, net of all other applicable credits. Proof of financial responsibility shall be required. The deductible applies to each chiropractic incident or occurrence and it applies to damages only. Deductible Factors are listed in the New Jersey Rate Plan on page 1.

19. **Defense Costs and Other Expenses Rule**:

The following defense costs and other expenses are included in the chiropractor professional liability plus policy and incorporated in the rate. See the New Jersey Rate Plan on page 2 for Optional 1 and Optional 2 increased limit options for purchase. These defense costs and other expenses are not offered with the student or school policies.

|  |  |  |
| --- | --- | --- |
| Defense Costs and Other Expenses | (Each event, if applicable) | (Aggregate for Policy Period) |
| B. Loss of Earnings for Defense Assist | $2,500 per day | $ 10,000 |
| C. HIPAA Defense Only Coverage | $N/A | $ 10,000 |
| D. Administrative Hearings Defense Costs | $N/A | $ 10,000 |
| E. Assault Upon You Personal Expenses | $N/A | $ 25,000 |
| G. First Aid Personal Expenses | $N/A | $ 5,000 |
| H. Medical Payments to Others | $2,500 per patient chiropractic | $100,000 |
|  | incident or patient occurrence |  |
| I. Deposition Fees When Not Named Party | $N/A | $ 2,500 |
| Endorsement: Billing E&O | $N/A | $10,000 |

20. **Consent to Settle Credit Rule**:

At policy inception the insured may elect to remove the consent to settle provision within the policy. A 1% credit will be applied.

21. **Corporate Identity Protection Coverage**

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **Corporate Identity Protection Coverage** | |  |  |  |  |  |  |
| Coverage is available as follows: | | |  |  |  |  |  |
| Limits of Liability\* | | Premium |  |  |  |  |  |
| $10,000 |  | $100 |  |  |  |  |  |
| a. Personal Identity Liability Sublimit for all personal identity events | | | |  |  |  | $10,000 |
| b. Administrative Action Sublimit for all administrative expenses | | | |  |  |  | $10,000 |
| c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event services | | | | | |  | $10,000 |
|  |  |  |  |  |  |  |  |
| Limits of Liability\* | | Premium |  |  |  |  |  |
| $25,000 |  | $150 |  |  |  |  |  |
| a. Personal Identity Liability Sublimit for all personal identity events | | | |  |  |  | $25,000 |
| b. Administrative Action Sublimit for all administrative expenses | | | |  |  |  | $25,000 |
| c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event services | | | | | |  | $25,000 |
|  |  |  |  |  |  |  |  |
| Limits of Liability\* | | Premium |  |  |  |  |  |
| $50,000 |  | $300 |  |  |  |  |  |
| a. Personal Identity Liability Sublimit for all personal identity events | | | |  |  |  | $50,000 |
| b. Administrative Action Sublimit for all administrative expenses | | | |  |  |  | $50,000 |
| c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event services | | | | | |  | $50,000 |
|  |  |  |  |  |  |  |  |
| Limits of Liability\* | | Premium |  |  |  |  |  |
| $100,000 |  | $600 |  |  |  |  |  |
| a. Personal Identity Liability Sublimit for all personal identity events | | | |  |  |  | $100,000 |
| b. Administrative Action Sublimit for all administrative expenses | | | |  |  |  | $100,000 |
| c. Identity Event Services Sublimit for all notification costs, crisis expenses and post event services | | | | | |  | $100,000 |
| \*Retention of $500 is mandatory for each personal identity event | | | |  |  |  |  |

22. **Increased Premium Prohibition Rule**:

In compliance with Bulletin 05-11 we will not increase an insured’s premium on the basis of medical negligence of a malpractice claim with no indemnity payment by the insurer if the insured was dismissed from civil action within 180 days of the filing of the last responsive pleading in such action.

Our Underwriting Guidelines are maintained in accordance with Bulletin 05-11 accordingly.