

State:	New York	First Filing Company:	Granite State Insurance Company, ...
TOI/Sub-TOI:	17.0 Other Liability-Occ/Claims Made/17.0019 Professional Errors & Omissions Liability		
Product Name:	Human Services Professional Liability Program 015106400288		
Project Name/Number:	Human Services Professional Liability Program /AIG-15-EO-02		

Supporting Document Schedules

Satisfied - Item:	Rate Narrative
Comments:	Attached please find a Rating Narrative - Exhibit CMP-1 (4-16).
Attachment(s):	CMP-1 NY Company Analysis Rating Narrative - 4-16.pdf
Item Status:	
Status Date:	

HUMAN SERVICES PROFESSIONAL LIABILITY COMPANY ANALYSIS - RATING NARRATIVE – NEW YORK

The proposed rate and rule manual is contained within this filing.

Base Rates - Professional Liability

The proposed rating plan for Human Services Professional Liability is based on the countrywide Social Service Professional Liability Program filed by the New Hampshire Insurance Companies under company filing number AIC-97-PR-10. We are proposing an occurrence base rate of \$46 for a full time para-professional social worker employee and a base limit of \$1,000,000/\$3,000,000. Relativity factors for greater professional exposure will be applied to the base rate according to the professional worker class description. A side by side comparison showing current countrywide rates versus proposed rates is attached.

Rating Factors

We are proposing expanded limit factors, a zero deductible option factor, and increased credit on the lowest deductible options. We are also including four modification categories in our Schedule Rating and proposing a separate Experience Rating factor with seven modification categories which were developed based on our experience and the judgment of the program underwriters. We believe that with these expanded modification factors, our Schedule Rating and Experience Rating structure recognizes more characteristics that are expected to have material effect on any entity's experience. The overall modification for all underwriting considerations still conforms to permissible scheduled deviations in each state.

Optional and Additional Coverage Charges

We are introducing the following additional optional coverage charges for Professional Liability.

1. Coverage for Foster Parents for the Developmentally Disabled Endorsement

Based on company experience and underwriting judgment writing this business class, the flat charges for this endorsement coverage range from \$75 for a firm whose budget is less than \$2,000,000 up to \$250 for firms with budgets of \$10,000,000 or greater.

2. Coverage for Foster Parents Endorsement

This optional coverage will be available when insuring risks that provide Foster Care Services. Based on company experience and underwriting judgment writing this business class we will apply a factor of 1.05 to the final professional liability premium.

3. Blanket Additional Insured Endorsement

Based on company experience writing this business class we will apply a flat charge for this endorsement coverage ranging from \$250 for a firm whose budget is less than \$2,000,000 up to \$1,000 for firms with budgets of \$10,000,000 or greater.

4. Additional Insured Endorsement

Based on company experience writing this business class, this optional coverage will be available at the request of the insured for a flat charge of \$250.

5. Employed Physician Coverage Endorsement

Rates for physicians – These rates, based on our affiliate company's professional liability healthcare rates, shall apply per physician using the table in Rate Rules Section II B. 6. Employed Physician coverage.

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Claims Made Factors

We are introducing a new claims made professional liability policy for human and social services. After all other exposure factors have been applied, the occurrence rates 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. We are also proposing several extended reporting period options for the Claims Made policy.

Large Account Modification

The proposed large account modification will be used to modify premiums for Human Services Professional Liability accounts. A risk may be eligible for the Large Account Modification Rule when the annual estimated budget* is equal to or greater than \$10,000,000.