

ALASKA

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.

Other Calculations

If Paragraph 1. does not apply, compute return premium as follows:

1. Continuous And Annual Premium Payment Policies

Compute return premium at .925 of the pro rata unearned premium for the one year or annual installment period and round to the next higher whole dollar.

2. Prepaid Policies

If cancelled during the first year, compute the return premium at .925 of the pro rata unearned premium for the first full year, plus the full annual premium for the subsequent years and round to the nearest whole dollar.

3. Policies With Term Less Than One Year

Compute return premium at .925 of the pro rata unearned premium and round to the next higher whole dollar.

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	\$1,110

- The base rate per full time para-professional social worker employee is \$46.
- To calculate the premium for a part time worker a factor of .5 is applied to the relativity factor per each applicable professional worker class description.
- Independent contractors are classified and rated based on their equivalent professional worker class description.

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	1.5
Resident Manager/Dietitian/Nutritionist	2.41
LPN/Dental Hygienist/Pharmacy Asst/Lab Tech/EKG-Ultrasound Tech/X-Ray Tech/Radiologist Tech/Certified Medical Asst/Medical Technician	3.24
Registered Nurse/Therapist/Teacher/Counselor/Case Manager/Social Worker/Dialysis Tech	3.98
Occupational Therapist/Speech Pathologist	4.76
Medical Director	5.43
Pharmacist	7.09
Physical Therapist/Respiratory Therapist/Phlebotomist/Clergy/Nuclear Medicine Tech/ Radiation Therapist	9.24
Psychologist	15.22
Nurse practitioner/Physician Assistant/Paramedic/EMT	19.89
	RATE
Psychiatrist	\$1,485

Minimum Premium \$1,000

B. OPTIONAL AND ADDITIONAL COVERAGE CHARGES FOR PROFESSIONAL LIABILITY

1. 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.

2. 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 applied to the final professional liability premium.

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 applied to the final professional liability premium.

6. Employed Physician Coverage Endorsement

Rates for physicians – These rates shall apply per physician using the following table.

Physician	Class Code	Rate
Physicians-Non Surgical (Excluding Psychiatrists)	80135	\$11,550
Dentists-Non Surgical	80210	\$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. Budget is a critical factor in determining whether an account meets the threshold for the large account modification rule and may be entitled to premium modification.

C. RATING FACTORS

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

1. Increased Limits /Decreased Limits Factors

The limit of liability factors listed below are applied to 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	1.00
\$1,000,000/\$2,000,000	1.01
\$1,000,000/\$3,000,000	1.02
\$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

The deductible factors listed below are applied to 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 premium is greater than or equal to \$1,000.

A. Modification Of Rates

A schedule rating modification shall also be applied to the otherwise chargeable premium in accordance with Table 3.C. Schedule Rating Modifications, subject to a maximum credit or debit of 25%, to reflect such characteristics of the risk as are not reflected in its experience, or that have not been taken into account in calculating the otherwise chargeable premium. Credits or debits can only be assigned for risk characteristics described in the table. Underwriting judgment may be used to determine an appropriate amount of any credit or debit within the ranges shown in the table.

B. Uniform Application

Schedule rating must be applied uniformly to all eligible insureds or applicants at policy issuance and at policy renewal, even if its application results in a zero modification or no change to a previous modification. Schedule rating may not be applied in such a way as to duplicate other rating or rate development factors, including those in a manual rate, the classification of insureds within a rating system, or in the experience rating part of this plan, or any other experience rating plan.

C. Schedule Rating Modifications Table

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.	+15%	-15%
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.	+15%	-15%
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.	+10%	-10%
Employees	Selection, education, training supervision and experience of employees	+10%	-10%

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

D. Documentation

1. Underwriting File

An underwriting file shall be maintained containing documentation for the application of this schedule rating plan. The documentation must support each underwriting determination and may include inspection reports, photographs, licensee observations and analysis, premises evaluations, formal safety plans of the insured and narrative reports covering other aspects of the insured's hazards.

2. Worksheet

The documentation must include a worksheet prepared annually that:

- Describes each characteristic and the range of permissible credits or debits for each characteristic of the plan for which the insured is eligible;
- Shows the underwriting determination of a credit, debit, or zero change for each risk characteristic; plus the date the determination was made, the identity of the person making the determination, and the basis for the determination.

4. Experience Rating

An experience rating provision shall apply if the Human Services Professional Liability Policy 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.

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

Experience considerations	Factor
No claims in the past 5 or more 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 same period of time not to be less than a 3 year time period	1.05
Total of all claims is 0.45% or more of total of all premiums paid in the same period of time not to be less than a 3 year time period	1.15
Material payout anticipated for open claim.	1.35
Significant multiple claims reported and/or multiple claims with expected payouts	1.60

5. 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	.85
2 years	1.05
3 years	1.35
4 years	1.60
5 years	1.85

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

After all other exposure factors have been applied the 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.

These step factors are applied to occurrence rates 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

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

The premium for this coverage will be calculated by multiplying the annual occurrence 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