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Bulletin No. 08-004 **March 6, 2008**

NEVADA MEDICAL PROFESSIONAL LIABILITY SCHEDULE RATING

The Commissioner of Insurance has adopted a regulation, LCB File No. R082-07, that sets forth rules relating to schedule rating on policies of professional liability insurance covering practitioners licensed pursuant to Chapters 630 to 640, inclusive, of the Nevada Revised Statutes (NRS).

Under this regulation:

1) Schedule rating may be used only to reflect individual risk characteristics which reflect potential hazards;
2) Schedule rating may be applied only to policies which develop at least a $2,500 annual premium or a $7,500 three-year prepaid premium.
3) The schedule rating plan must provide for both credits and debits.
4) The schedule rating plan is subject to a maximum total credit or debit of 25 percent for the policy. However, any individual practitioner who is covered under the policy may have a maximum credit or debit up to 40 percent if the overall credit or debit under the policy is not more than 25 percent.
5) The insurer shall retain adequate supporting data for the credits and debits applicable to each risk and shall make such records available for inspection by the Division of Insurance upon request.
6) The Schedule rating plan must be filed with the Division of Insurance for approval before use. The filing must include a statement that the filing conforms to the provisions of the regulation.

The regulation is effective January 30, 2008. Each insurer using schedule rating for policies of medical professional liability insurance which come under the scope of R082-07 must file its schedule rating plan not later than April 30, 2008, to demonstrate compliance with the regulation. Pending approval of the new plan, the company may continue to use its currently approved plan but must limit the credit as prescribed in regulation R082-07.

The filing must include the Uniform Property and Casualty Transmittal Document and a $25 filing fee. After April 30, 2008, any insurer which continues to use schedule rating but has not filed its schedule rating plan in accordance with this Bulletin will be presumed to be in violation of R082-07.

For any questions concerning schedule rating plans, please contact the Property and Casualty section of the Division at (775) 687-4270.

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