

# THE SURPLUS LINE ASSOCIATION

OF CALIFORNIA

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BULLETIN TO ALL MEMBERS:

RE: PHYSICIANS AND SURGEONS MALPRACTICE RATES - M. D.'S

In accordance with the instructions of the Chairman of the Malpractice Committee we wish to advise you as follows:

It has long been recognized that the Virginia Surety Company rates have, generally speaking, represented the lowest domestic rates, particularly for the northern area of the state.

New rating schedules have been adopted by the Virginia Surety Company and filed with the Stamping Office, effective March 1, 1959. Briefly, there are now three sets of rates: one for San Francisco and Alameda counties, one for the remainder of the northern California counties, and one for the southern area. The latter is broken down, by territory, between Los Angeles, Orange, and San Diego counties and two other groups of southern California counties.

The northern California schedules are patterned after the previous Virginia Surety rating procedures except for the inclusion of several new classes, the raising of the top limits to 300/900,000 and the alteration of the multiple assured rule. The rates reflect a sharp increase for the physicians' with no major surgery, and the surgeons' rates over the most recent rates and vary extensively for the other classes. The rating schedule for the southern California counties follow the Zurich Insurance Company rating plan almost to the letter as to rates, territories, classes and increased limit factors.

The Zurich Insurance Company has also released revised rating schedules for Los Angeles county, effective April 1, 1959 and for other southern California counties, effective January 1, 1959. The new Los Angeles county schedule reflects several re-shufflings of classifications and shows a rate increase of about 12% for Codes 1-A (a)—General Practice, and (c)—Obstetrics and Gynecology; 8% for Codes 1-B (a)—Surgery, (c)—Orthopedics, (d)—Urology; and 7% in Code 5—Radiology. We have also been advised that a revision of page 3 of the Los Angeles county schedule covering medical employees other than physicians will be filed in this office in the near future.

It should be noted, therefore, that, except for certain classifications in Los Angeles county, the new Virginia Surety rates cannot be said to represent the lowest domestic company.

March 13, 1959

Any exported business written on and after April 1, 1959 and based on Virginia Surety rates or on Zurich Insurance Company rates must follow the new rating schedules. Virginia Surety rates are to be effective April 1, 1959 with the consent of the Virginia Surety Company.

For information purposes the new schedules are on file in this office and may be reviewed by any interested Member.

*Thomas A. Scadden*

MANAGER

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