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## **CBS Carrier Files for 26% Rate Increase Nationwide**

### **Policyholders Will See Higher Rates When They Renew Their Malpractice Insurance**

By Editorial Staff

On April 16, 2002, TIG, the underwriting insurance carrier for Chiropractic Benefit Services (CBS), filed for a 21.6 percent rate increase for DCs in California. According to the TIG filing memorandum, "(t)he proposed effective date of this filing is May 15, 2002 for all new and renewal policies."

The rate memorandum states that TIG has "amended the initial filing strategy to include the results of the most recent experience indications." TIG has already received approval of rate changes in 34 states. The countrywide impact of those revisions is "estimated to be a 26.2 percent increase."

Unlike many chiropractic malpractice insurance carriers, TIG combines chiropractic into its "Allied Healthcare Program" which covers "over 100 different classes of complementary and alternative health care providers nationwide." TIG's rate memorandum proposes a 25 percent rate increase for chiropractic countrywide, which is higher than every other allied profession except nurse midwives:

<b>Profession</b>	<b>Proposed Rate Increase</b>
Nurses	0%
Nurse Anesthetists	15.8%
Nurse Midwives	57.6%
Counselors	15.0%
Pharmacists	10.0%
Allied Health	9.5%
Psychologists	15.0%
<b>Chiropractors</b>	<b>25.0%</b>

Combining chiropractic with other "allied health" providers appears to be contributing to the huge rate increases. Other chiropractic malpractice carriers that only insure DCs are expecting few if any rate increases depending on the state. Some industry insiders speculate that the increase is an effort to supplement losses to TIG's medical malpractice division.

The 26 percent rate increase comes on the heels of a recent downgrading by A.M. Best that moved TIG down to a B++ rating. This makes the CBS policy rating the lowest in chiropractic with all other carriers rated from A- to A+(16).

Additional information on all chiropractic malpractice companies will be presented in the September 1 issue of Dynamic Chiropractic. This upcoming article will provide a comparison of all national carriers serving the profession.

*Reference*

1. A.M. Best Downgrades Rating of TIG; Affirms Rating of Crum and Forster; Affirms Ratings of Fairfax and its Subsidiaries. Press release 11/30/2001.



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