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INSURANCE COMMISSIONER
OKLAHOMA

**BEFORE THE INSURANCE COMMISSIONER OF THE
STATE OF OKLAHOMA**

**IN THE MATTER OF THE RATE FILING)
BY PHYSICIANS LIABILITY)
INSURANCE COMPANY)**

FILE NO. 03-1242-PRJ

ORDER

This matter came before the Insurance Commissioner for hearing on the 18th day of November, 2003. After giving due consideration to the statutorily required factors and the oral and written evidence submitted at the hearing, the Commissioner issues the following order.

FINDINGS OF FACT

1. Physicians Liability Insurance Company ("PLICO") is an authorized insurer in the State of Oklahoma, holding certificate of authority number 6659.
2. On or about October 6, 2003, PLICO filed a Rate Application with the Commissioner, seeking a rate change, with a proposed effective date of January 1, 2004. The Oklahoma Insurance Department file number is 03-4356C.
3. Simultaneous with its filing and pursuant to 36 O.S. § 6821, policyholders were notified of the desired rate change.
4. On October 21, 2003, the Commissioner received a written request for a hearing.
5. On October 24, 2003, the Commissioner issued a Notice of Hearing for the above styled cause of action, pursuant to 36 O.S. § 6821.

CONCLUSIONS OF LAW

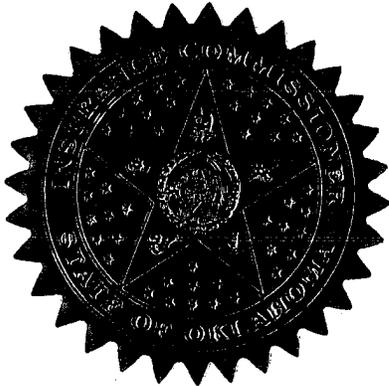
1. Notice of the public hearing containing a statement of the time, place and nature of the hearing was properly given in compliance with the requirements of Title 75, Section 309 of the Oklahoma Administrative Procedures Act.
2. The public hearing on November 18, 2003, concerning PLICO's rate change application was held in compliance with the provisions of Title 36, Section 6821.
3. Pursuant to Section 6821, the Commissioner shall not approve rates that are excessive, inadequate, unfairly discriminatory or in other violation of the statute. The burden of proof of the justification for the requested rate change is on the insurer, as well as the burden of proof of statutory compliance.
4. The Order of the Commissioner will not produce medical professional liability rates that are excessive, inadequate, unfairly discriminatory or in other violation of Title 36, Section 6821.
5. The requested rate change is not excessive, inadequate, unfairly discriminatory or in other violation of Title 36, Section 6821.

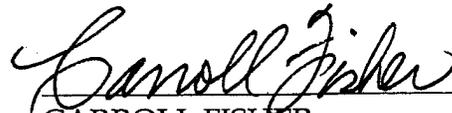
ORDER

It is therefore ordered the above referenced rate change application filed by PLICO is approved and modified as follows:

1. The rate change shall be apportioned over three years, beginning January 1, 2004.
2. From January 1, 2004, through December 31, 2004, the current rate will be increased by thirty-nine and one-half percent (39.5%).
3. From January 1, 2005, through December 31, 2005, the rate will be fifteen percent (15%) greater than the 2004 rate.
4. From January 1, 2006, through December 31, 2006, the rate will be fourteen percent (14%) greater than the 2005 rate.
5. The Commissioner reserves the right to reconsider these changes.

WITNESS My Hand and Official Seal this 21st day of November, 2003.





CARROLL FISHER
INSURANCE COMMISSIONER
STATE OF OKLAHOMA

CERTIFICATE OF MAILING

I, Robert Noll, hereby certify that a true and correct copy of the above and foregoing Order was mailed postage prepaid by certified mail with return receipt requested on this 21st day of November, 2003, to:

Physicians Liability Insurance Company

All individuals requesting a hearing

and that a copy was delivered to:

Oklahoma Secretary of State

And that copies of this notice were posted on the bulletin board and the web site (www.insurance.state.ok.us) of the Oklahoma Insurance Department, as well as delivered to the Oklahoma State Medical Association.



Robert Noll
Assistant General Counsel