



2. In order for NORCAL physician and hospital medical professional liability rates to be competitive with other Oregon insurers the company would be required to increase rates by 40- 60 per cent in Oregon depending on physician specialty. However, the rates would not be actuarially sound. Actuarially sound rates would require a rate increase of over 200%. A rate increase of this magnitude is uncompetitive.

Consequently, NORCAL is justified in withdrawing from, or nonrenewing or canceling all policies, providing medical professional liability insurance to physicians and hospitals in Oregon.

NORCAL had issued sixteen physician policies in Oregon.

**Order**

Pursuant to ORS 731.482, NORCAL may withdraw from, or nonrenew or cancel all policies, providing medical professional liability insurance to physicians and hospitals in Oregon.

NORCAL shall notify all affected insureds at least 60 days before the effective date of withdrawing, nonrenewing or canceling any such policies.

Dated February 23, 2004

/s/Cory Streisinger  
Cory Streisinger  
Director  
Department of Consumer and Business Services

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