



December 21, 2011

Mr. Justin Elliot
Associate Director, State Government Affairs
American Physical Therapy Association
1111 Fairfax Street
Alexandria, VA 22314-1488

RE: Direct Access Liability

Dear Mr. Elliot,

The national office of the American Physical Therapy Association awarded its exclusive endorsement to the professional liability insurance program marketed by Healthcare Providers Service Organization (HPSO) and underwritten by American Casualty Company of Reading, Pennsylvania, a CNA Company, in 1992. Today, we are a leading provider of professional liability coverage to the physical therapy profession, insuring over 85,000 PTs, PTAs, and students of physical therapy.

We are aware that 46 states and the District of Columbia currently allow physical therapists direct access to patients without a physician referral. We regularly monitor trends to be sure that we are adequately accounting for all risks and have not noted any trends relative to the practice of physical therapy in direct access states. The current actuarial summary of the CNA/HPSO Program indicates that the average loss experience from physical therapy services in direct access states is comparable to the loss experience in those states where direct access has not yet been approved.

Based on the above, our underwriting practices have not changed. Direct access is not a risk factor that we specifically screen for in the underwriting of our program nor do we charge a premium differential for physical therapists in direct access states. We currently have no specific underwriting concerns with respect to direct access for physical therapists.

Sincerely,

Michael Loughran
President, Healthcare

Copy: Michael A. Scott/CNA HealthPro