

MASSACHUSETTS MEDICAL MALPRACTICE  
REINSURANCE PLAN

INVESTMENT COMMITTEE

Minutes of a Meeting  
Monday, October 17, 2005

A Meeting of the Investment Committee of the Massachusetts Medical Malpractice Reinsurance Plan (“MMMRP”; the Plan) was held at the Executive Offices, 95A Turnpike Road, Westborough, MA on Monday, October 17, 2005.

The following members were present:

Peter F. Kiely, Chairman  
John S. Coldiron, MD  
John W. Tympanick

The following MMMRP Staff/Consultants were present:

William T. McGrail, Chairman  
Dolores M. Ivester, Director of Administration  
Maurice (Moe) T. Edwards, CPA, Controller  
Frank Hill, Sr. VP, CIMA, Citigroup Consulting/Smith Barney  
Ned Dubilo, Sr. VP, Citigroup Consulting/Smith Barney  
Scott Notargiacomo, Citigroup Consulting/Smith Barney

Mr. Peter Kiely called the meeting to order at 9:00AM. Dolores Ivester kept a record of the proceedings.

Previous Minutes

Minutes to the previous meeting dated September 26, 2005 have been distributed. A motion was made to approve the September 26 minutes with the following correction: pg. 1 change Chairman from John S. Coldiron to Peter F. Kiely. The motion was duly seconded and passed unanimously.

## Smith Barney/Citigroup Consulting Presentation

A copy of a printed, bound presentation was handed out to all those in attendance. Mr. Frank Hill began the presentation with overview of Table of Contents. Seven sections were included in the presentation: 1) an MMMRP Proposed Equity Asset Allocation chart; and 2) Individual Manager Search Results for six Asset Classes in the allocation chart. Mr. Hill reviewed the Proposed Equity Asset Allocation graph. Mr. Hill explained that the checks received by the Plan as a result of the October 2005 Assessment invoices could be deposited directly to Wachovia for distribution to selected Asset Managers. Mr. Ned Dubilo reported that the Plans's assets from Ameritrade have been transferred to Wachovia. These existing Plan funds are being invested under the direction of Asset Manager Madison Scottsdale.

Mr. Hill reviewed each of the Asset Class sections of the proposed equity asset allocation which included Large Cap Value, Large Cap Growth, International, REITS, Small Cap Value and Global Resources. Each Asset Class section of the presentation was prepared and presented in the same manner. Only asset managers meeting MMMRP parameters were represented in the accompanying charts, graphs and list displays. Mr. Hill noted that displays of asset manager information were shown in relation to the Russell 1000 Value Index, MSCI USA (USD) Index & S&P 500 Index unless otherwise noted. The presentation also included a comprehensive research profile for the top two asset managers recommended in each class. Questions and discussion took place during the entire presentation. Based on a specific question by Mr. John Tympanick, a lengthy discussion took place on allocation of the portfolio of the large cap growth manager, Santa Barbara Asset Management, a recommended manager for this asset class. Mr. Tympanick expressed concern that the company was categorized as a large cap growth company while 20-30% of its assets were invested in mid-cap companies as stated in the research profile. Mr. Dubilo agreed to

provide current portfolio details to the Investment Committee for Santa Barbara Asset Management and KCM Investment Advisors, LLC.

Mr. Tympanick questioned the inclusion of 10% REITS in the proposed Equity Asset Allocation. Following discussion, it was decided that the percentage of REITS would be reduced to 5% and asset class Large Cap Growth would increase to 25%.

Mr. Dubilo and Mr. Hill recommended that the Investment Committee hear a presentation from Newgate, LLP, the only asset manager represented in the Global Resources class. The Investment Committee agreed to hear such presentation prior to investing in this asset class.

Smith Barney/Citigroup Consulting handed out a one page Equity Management Fee structure for the Investment Committee's review. The estimated equity blended fee is equal to 1.1%.

Mr. William McGrail stated that the Governing Committee is scheduled to meet on Thursday December 1 and will vote on the equity recommendations of the Investment Committee. Mr. Hill noted that preparations could be made so that investment transactions could take place within days of such vote.

A motion was made to propose to the Governing Committee the following Equity Asset Allocation: Small Cap Value 10%, Global Resources 5%, Large Cap Value 35%, Large Cap Growth 25%, International 20% and REITS 5%. The motion was duly seconded and voted unanimously.

A motion was made to accept the following Asset Manager recommendations: Large Cap Value, Great Lakes Advisors, Inc.; Large Cap Growth, Santa Barbara Asset Management pending receipt of the company's portfolio details; International Equities, Delaware Capital Management; and Small Cap Value, Vaughan Nelson Investment Management. Motion was duly seconded and approved unanimously. The Investment

Committee has agreed to hear presentations from Newgate LLP, Global Resources asset class, and Lasalle Investment Management, REITS asset class, prior to voting on these recommendations.

#### Investment Policy Statement

Mr. Scott Notargiacomo handed out copies of an updated Investment Policy Statement as modified from the last Investment Committee meeting. It was decided that a review and vote on this policy would be tabled to the next Investment Committee meeting. A copy of the updated Investment Policy Statement is attached to the minutes.

#### Other Business

There was no further business to discuss.

#### Next Meeting

Mr. Dubilo will provide tentative dates for presentations by Lasalle and Newgate as indicated in the above minutes. Next Investment Committee meeting will be scheduled pending receipt of those dates.

#### 12. Adjournment

The meeting adjourned at 11:10am.

A true record transcribed on October 17, 2005.