

**MASSACHUSETTS MEDIAL MALPRACTICE
REINSURANCE PLAN**

COMPLIANCE COMMITTEE MEETING

Minutes of Meeting

May 10, 2005

A Compliance Committee meeting of the Massachusetts Medical Malpractice Reinsurance Plan (“MMMRP”) was held at the office of Tillinghast-Towers Perrin, 111 Huntington Avenue, Boston, MA on Tuesday May 10, 2005 at 10 am.

The following committee members were present in person:

Peter T. Robertson, Esq., Chairman
Jill A. Gold
Dr. Philip Carling
Richard W. Brewer

The following MMMRP staff/consultants were present in person:

William T. McGrail, President
Dolores M. Ivester, Director of Administration
Geraldine M. Foley, Esq, Consultant
Daniel Lowen, Tillinghast
Judy Fischer, Tillinghast

Mr. Peter T. Robertson, Committee Chairman, called the meeting to order at 10:05 AM. Dolores Ivester kept a record of the proceedings.

1. Minutes of Meeting

Mr. Robertson noted the minutes to the previous meeting dated January 7, 2005 had been distributed. A motion was made and duly seconded to approve the January 7, 2005 minutes. The motion was voted unanimously.

2. Tillinghast Assessment Analysis – Mr. Daniel Lowen

Mr. Daniel Lowen presented copies of the Assessment Analysis as of December 31, 2004 report dated May 10, 2005. The presentation included the following topics: 2004 Annual Statement, changes in deficit, Rule 4, December 31, 2004 assessment, future assessments and modeling, cash flow and assets projections, surplus and member insolvency. A copy of the Assessment Analysis report is attached to the minutes. The committee discussed assessment options including changing current percentages and/or accelerating deficit collection as specified in Rule 4. Mr. Robertson questioned whether Rule 4 can be changed now for a 2004 assessment and Mr. McGrail indicated it could. Discussion consensus indicates assessment should be accelerated, but opinions differ as to the timing. Mr. McGrail noted that by eliminating the delay, the Plan would collect 52% of the deficit. Tillinghast projected loss ratio and medical malpractice market credit risk were also discussed. Upon question, Mr. Lowen agreed to provide the Plan an interactive model to calculate assessment collection. It was decided to present assessment options to the Governing Committee for a final decision on the 2004 assessment. A meeting separate from the upcoming Annual Meeting will be scheduled for that purpose and June 17th will be the tentative date for such meeting pending confirmation from the remaining committee members.

3. Claims Audit Report

Copies of the report of the March 4, 2005 Claims Audit were previously distributed. The audit was conducted at a member company office and the report was prepared by Dr. Philip Carling and Ms. Geraldine Foley. Ms. Foley and Dr. Carling agree that the computerized claims records at the member company are working well. In

addition, the staff has been very helpful and cooperative to answer any questions. Seventeen files were audited: three were newly established files, nine were revisited and five had not been previously audited. The member company is in the process of providing follow-up information to the Plan for a specific nurse practitioner defendant regarding additional insurance coverage. The question was asked whether sexual misconduct is covered on policies and Mr. Brewer believes it is not. However, additional coverage up to \$25,000 is available by way of the BRM. It was also discussed whether the member's electronic claim files could be accessed offsite. Technology is not in place at this time for this option and would need to prevent access to unauthorized claims. Ms. Foley noted that she and Dr. Carling are paying specific attention to audited claims having multiple defendants in respect to loss allocations. Mr. McGrail discussed potential audits for Expenses and Underwriting. Invoices for expenses and losses are taken at face value and paid by the Plan. It would be beneficial to have the Plan's consulting controller, Mr. Robert Osborne, conduct an Expense Audit at a member company office. The Plan may want to consult with someone experienced in medical malpractice underwriting to conduct a future Underwriting Audit. It was noted that a recent claim on a member company who is not longer ceding was properly handled in court. The next audit will be scheduled for August or September.

There being no further business, the meeting was adjourned at 11:20 AM.

Transcribed May 20, 2005 by Dolores M. Ivester

MMMRP Plan Officer