

MASSACHUSETTS MEDICAL MALPRACTICE  
REINSURANCE PLAN

INVESTMENT COMMITTEE

Minutes of a Meeting

Monday, September 26, 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, September 26, 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, Esq., Chairman  
Dolores M. Ivester, Director of Administration  
Maurice (Moe) T. Edwards, Controller  
Frank Hill, Sr. VP, CIMA, Citigroup Consulting/Smith Barney  
Ned Dubilo, Sr. VP, Citigroup Consulting/Smith Barney

Mr. Peter Kiely called the meeting to order at 1:10PM. Dolores Ivester kept a record of the proceedings. The meeting began during lunch at a nearby restaurant and concluded at the MMMRP Executive Offices.

Previous Minutes

Minutes to the previous meeting dated August 29, 2005 have been distributed. A motion was made to approve the August 29 minutes with a wording correction on page 2 in the motion to amend the Investment Policy Guidelines. The words ‘normal operating needs’ should be changed to ‘an amount for normal needs of operation’. The motion was duly seconded and passed unanimously.

### Transition Progress / Startup Date

Mr. John Tympanick explained that staff from MMMRP, Citigroup and SunGard Insurance Systems held a lengthy conference call on Tuesday September 20, 2005 to review the draft SunGard PreImplementation Document. This document defines the specific accounting and data requirements of the Plan and will then be used to setup the MMMRP SunGard database with appropriate parameters and security. Mr. Carl Brooker of SunGard led the discussion and provided a final version of the document for execution. It was expected that October 3 is the startup date for data transfer from Ameritrade (Madison) to the SunGard database.

### Investment Policy Statement

Mr. Frank Hill passed out copies of a bound presentation prepared by Smith Barney/Citigroup for MMMRP. A copy of the presentation is attached to the minutes. Mr. Hill led the discussion and review of the draft Statement of Investment Policy / Objectives & Guidelines which had been prepared by Smith Barney/Citigroup. Mr. Hill noted that Mr. McGrail, Mr. Tympanick and Mr. Edwards had done a preliminary review by conference call earlier in the day. Revisions from that conference were included in the version being discussed at this meeting. Following review of the more general sections of the document, detailed discussion took place on topics referring to Assets including Allowable and Prohibited Assets, Asset Allocation, and Selection of Investment Managers. Revisions were noted by Mr. Hill and will be incorporated into the next draft of the document which will be prepared for the next Investment Committee meeting.

### Asset Allocation

Next topic of discussion was Equity performance. Several graphs were included to show performance results of a) Stock and Bond Diversification otherwise known as the Efficient Frontier Chart and b) a 20-year Periodic Table of Index Returns across asset classes. The next section of the presentation showed historical performance of eleven Investment Allocation Models covering very low to very high risk. These historical performance graphs were followed by a set of sample Asset Allocation and Equity Allocation Models. Mr. Tympanick reinforced the Plan's intended asset allocation of \$10M in Portfolio A and \$40M in Portfolio B. Upon further discussion and review of the presented material, the committee approved an asset split of 75% Bonds / 25% Equities for Portfolio B which translates to an 80% Bonds / 20% Equities overall allocation for the Plan due to 100% of Portfolio A is to be invested in Bonds.

#### Other Business

There was no further business to discuss.

#### Next Meeting

Next Investment Committee meeting will take place Monday October 17, 2005 at MMMRP Executive Office, Westborough, 9AM.

#### 12. Adjournment

The meeting adjourned at 4pm.

A true record transcribed on October 12, 2005.