

**MASSACHUSETTS MEDIAL MALPRACTICE
REINSURANCE PLAN**

COMPLIANCE COMMITTEE MEETING

Minutes of Meeting

June 19, 2006

A Compliance Committee meeting of the Massachusetts Medical Malpractice Reinsurance Plan (“MMMRP”) was held at the office of Towers Perrin Tillinghast, 111 Huntington Ave., Boston, MA on Monday June 19, 2006 at 11 am.

The following committee members were present in person unless otherwise noted:

Peter Robertson, Esq. (*via telephone conference*)
Jill A. Gold
Bonnie Bower, DDS
Richard W. Brewer
Philip Carling, MD
Geraldine Foley, Esq.

The following MMMRP staff/consultants were present in person:

William T. McGrail, President
Dolores M. Ivester, Director of Administration
Stacy A. Mina, Tillinghast

Mr. Peter Robertson, Committee chairman, called the meeting to order at 11:05 AM. Ms. Dolores Ivester kept a record of the proceedings.

1. Minutes of Meeting

Mr. Robertson noted the minutes to the previous meeting dated November 30, 2005 had been distributed. A motion was made and duly seconded to approve the November 30, 2005 minutes. The motion was voted unanimously.

2. St. Paul Claims Audit Report

Mr. William McGrail reported that he accompanied Atty. Geraldine Foley and conducted an audit of St. Paul claims on February 1, 2006 in North Haven, Connecticut. A copy of the written Audit Report prepared by Ms. Foley had been distributed to all in attendance and are attached to the minutes. This was the first time an audit had been done on St. Paul claims and comprised all St. Paul claims. Four of the claims were open and two of the claims had closed. Atty. Foley noted that her request for a copy of St. Paul's Claim Procedures/Guidelines in advance was denied. She also noted that each ceded claim contains a copy of an internal memo stating that the policy is reinsured. However, Atty. Foley reports that she feels the claims are being handled well considering that numerous company consolidations have taken place over the last few years and claim files have moved to various adjusters and locations. St Paul Travelers is not currently writing business in Massachusetts. Mr. Peter Robertson asked if discussions of audit reports at future meetings could be done in Executive Session to protect data regarding defendants. Mr. McGrail replied that he will ask the Plan's counsel for an opinion on this request.

3. At this time in the meeting, Mr. Robertson stated that he would be recused from the agenda items pertaining to the discussion of the ProMutual Claim Audit. Mr. Robertson then ended his telephone conference connection.

4. ProMutual Audit Reports

Dr. Philip Carling and Atty. Geraldine Foley conducted claims audits at ProMutual offices in Boston on March 17, 2006. Dr. Philip Carling handed out a revised copy of the audit report he prepared dated March 31, 2006. A copy of the report is attached to the

minutes. The report reviewed 10 ProMutual Open claim files. Eight of the files had been previously reviewed. Dr. Carling reported that overall the claim files are well documented and managed. Two of the claims have potential for large losses and will be reviewed within a year. Ms. Barbara Staples, ProMutual Claim Director, was available for questions and clarifications throughout the audit. The audit report prepared by Atty. Foley had been distributed to all in attendance. Her report was dated March 20, 2006 and was a review of 10 Closed Claim files as had been requested by the Compliance Committee from a previous meeting. A copy of the report is attached to the minutes. Atty. Foley reported that overall files are well executed and documented with proper financial reporting to the Plan. During discussion, it was noted that the next audit will be scheduled in September 2006.

5. NCMIC Request for Assessment Relief

A copy of correspondence from NCMIC as well as their presentation to the Plan in February 2006 had been distributed to all in attendance as well as a copy of a letter on the issue from Mr. Greg Hanson, Sr. VP of Underwriting at ProMutual, dated April 26, 2006. Copies of all the above mentioned documents are attached to the minutes. NCMIC requested assessment relief noting that the company only writes medical malpractice insurance for chiropractors, the reduced risk statistics of the field and the company does not intend to ever cede policies to the Plan. Mr. Brewer explained the contents of the ProMutual letter from Mr. Hanson. Mr. McGrail stated that the Compliance Committee could decide to relieve NCMIC of its assessment, leave the assessment as is or come up with another option. The amount of NCMIC's assessment was discussed as well as the impact if all companies who do not cede to the Plan were eliminated from assessment. Mr. McGrail stated that the purpose of the ceding legislation was to facilitate the medical malpractice insurance industry. Following the

discussions, Mr. McGrail indicated he will reply to NCMIC that the item is still under review and the Plan will seek an opinion of the Plan's counsel.

6. At this time, Atty. Foley and Dr. Carling exited the meeting and Mr. Robertson re-joined the meeting via telephone conference.

7. Tillinghast Assessment Analysis

At this time, Ms. Stacy Mina of Tillinghast entered the meeting. Ms. Mina handed out copies of her Assessment Analysis report dated June 19, 2006 to all in attendance. Mr. Peter Robertson received a copy of the report by email and a copy of the report is included with the minutes. Ms. Mina reviewed the report which included the following topics: Annual Statement 5-year data; Change in Deficit; Rule 4 Assessment; Indicated Assessment as of 12/31/05; Comparison of Deficit and Assessment; Written vs. Earned Premium; Cash Flow Projections; Assets and Surplus Projections; and Member Insolvencies. The report included projections of the 2006 Assessment accelerated and decelerated by one year along with the current Rule 4. Discussion took place on confidence level which is the risk margin of the booked reserves. Following the discussions, Mr. McGrail suggested that Plan personnel meet with the accountants prior to this committee meeting again to make a decision on 2006 assessment.

There being no further business, the meeting was adjourned at 1:00PM.

A true record transcribed July 18, 2006.