

MASSACHUSETTS MEDICAL MALPRACTICE
REINSURANCE PLAN

Investment Committee

Minutes of a Meeting

Monday August 15, 2005

A Meeting of the Investment Committee of the Massachusetts Medical Malpractice Reinsurance Plan (“the Plan”) was held Monday, August 15, 2005 at MMMRP Executive Office, 95A Turnpike Road, Westborough, MA.

The following members were present in person:

Peter Kiely, Chairman
John S. Coldiron, M.D.
John W. Tympanick, CPA, MST, LLJUA President

The following MMMRP staff/consultants were present in person:

William T. McGrail, Chairman
Dolores M. Ivester, Director of Administration
Moe Edwards, Controller

Also present were:

Ned Dubilo, Smith Barney/Dubilo & Hill
Frank Hill, Smith Barney/Dubilo & Hill
Kevin T. Grimes, Grimes & Company
Timothy J. Grimes, Grimes & Company
Gregory J. Pinto, Baystate Financial Services
Luke Parsons, Baystate Financial Services

Mr. Peter Kiely, Chairman, called the meeting to order at 9AM. The meeting was scheduled to hear presentations from several investment/money management firms following the change to Rule 4 of the Rules of Operation.

1. Minutes of Prior Meeting

Minutes to the previous meeting dated June 9, 2005 have been distributed. A motion was made and duly seconded to approve the June 9, 2005 minutes as presented. The motion passed by unanimous vote.

2. Smith Barney/Dubilo & Hill

The firm was represented by Mr. Ned Dublio and Mr. Frank Hill and they were invited to enter the meeting. An agenda sheet and one bound booklet were distributed to meeting attendees. Mr. Dubilo and Mr. Hill each introduced themselves and reviewed their professional and personal backgrounds. In addition, Mr. Dubilo reviewed the background of the four junior team members of the group. It was noted that Dubilo & Hill currently manage \$700M of assets for current clients. Further topics of the presentation included Developing an Investment Policy Statement, Asset Allocation Decisions, Investment Manager Evaluations and Selections, and Performance Review of Investment Managers which were included in the bound handout. Extensive research and analysis is continually performed on over 1,000 Investment Managers producing both qualitative and quantitative reports. It was noted that Dubilo & Hill have been consulting with the LLJUA for 18 years. No specific fee schedule was included in the presentation, but Dubilo & Hill discussed that fees are made up of the following: custody, accounting, money management, transactions/commissions and consulting. Discussion continued on fees and Dubilo & Hill estimated the overall fee for MMMRP would be 65 weighted basis points. It was also noted that Mr. McGrail and Mr. Tympanick researched custodian options and have come up with a possible SunGuard / Wachovia option for MMMRP. The session ended with Q & A including topics of in-house vs. independent research; emerging markets; asset classes; and 10 year bond return.

At this time, Chairman Kiely thanked Mr. Dubilo and Mr. Hill and both gentlemen exited the meeting. Handouts from this presentation are attached to these minutes.

3. The meeting recessed for a ten-minute break.

4. Grimes & Company, Inc

The firm was represented by Mr. Kevin Grimes and Mr. Timothy Grimes and they were invited to enter the meeting at this time. A handout packet and bound booklet were distributed to meeting attendees. Mr. Timothy Grimes began the presentation by stating that the company is an independent investment management firm representing individual and institutional investors. The firm currently manages \$500M of client assets. Mr. Grimes further indicated that the firm can partner with any custodial agent. The firm performs its own research and analysis and produces various financial models. The company has been recognized as one of the top independent investment management firms by Bloomberg Magazine for the past three years. The firm utilizes the clearing arm of Fidelity Institution to transact its business. Mr. Kevin Grimes presented the following topics: Fixed Income Process; Short and Long term bond yields;

Efficient Frontier graph (risk vs. duration); S&P 500 Fair Value and Stock Selection using quantitative models and qualitative analysis which were all include in the bound booklet. Fees for MMMRP would total approximately 36 basis points. Mr. Kevin Grimes and Mr. Timothy Grimes along with 2 additional team members would manage MMMRP's portfolio.

At this time, Chairman Kiely thanked Mr. Timothy Grimes and Mr. Kevin Grimes and both gentlemen exited the meeting. Handouts from this presentation are attached to these minutes.

5. Baystate Financial Services

The firm was represented by Mr. Gregory Pinto and his assistant, Mr. Luke Parsons. They were invited to enter the meeting at this time. Two bound booklets were distributed to meeting attendees. Mr. Pinto began with an overview of the company including the fact that the firm has over \$4B in assets under advisement including 3400 private clients. The company offers a full array of investment services including Investment Policy development, Asset Allocation and Management, Performance Analysis and Regulatory Reporting including consolidated Schedule D reports. Following description of each of the areas of service, Mr. Pinto's presentation included an overview of the Plan's investment objectives and a recommended Asset Allocation Schedule. Historical Performance charts were included for the recommended allocation. Fees were discussed and based on the recommended allocation, the Plan's all inclusive fee is estimated at 54 basis points. Consolidated Schedule D reports could be provided for an additional fee of approximately 3 basis points. Mr. Pinto included handouts for Sage Advisory Services and a Statement of Financial Condition for First Clearing, LLC (of Wachovia Securities).

At this time, Chairman Kiely thanked Mr. Pinto and his assistant and both gentlemen exited the meeting. Handouts from this presentation are attached to these minutes

6. The meeting recessed for lunch at 12:40pm.

7. Following lunch, the meeting resumed at 2pm. The committee discussed the pros and cons of each firm and concluded that Dubilo & Hill would provide the highest overall value for an advisor to generate the best risk adjusted total return portfolio. The committee will ask Dubilo & Hill to return on Monday August 29th to further discuss specific details for MMMRP asset allocations and processes.

8. There being no further business, the meeting adjourned at 2:25pm.

Investment Committee Chairman