

FINAL

**MASSACHUSETTS MEDICAL MALPRACTICE
REINSURANCE PLAN**

COMPLIANCE COMMITTEE MEETING

Minutes of Meeting

July 15, 2008

A Compliance Committee meeting of the Massachusetts Medical Malpractice Reinsurance Plan (“MMMRP”) was held at the offices of Towers Perrin, 111 Huntington Ave, 8th floor, Boston, MA on Tuesday, July 15, 2008 at 1:30PM

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

Peter T. Robertson, Esq., Chairman
Jill A. Gold
Bonnie L. Bower, DDS (*via teleconference*)
Richard W. Brewer
Geraldine M. Foley, Esq.

The following MMMRP staff/consultants were present in person:

William T. McGrail, Chairman
Maurice T. Edwards, CPA, CFO
Dolores M. Ivester, Director of Administration

Stacy L. T. Mina, Towers Perrin
Tom Ghezzi, Towers Perrin

Chairman Atty. Peter Robertson called the meeting to order at 1:40 PM. Ms. Dolores Ivester kept a record of the proceedings.

1. Minutes of Meeting

Atty. Robertson noted the minutes to the previous meeting had been distributed. A **motion** was made and duly seconded to approve the October 15, 2007 minutes. The motion was voted unanimously.

2. Towers Perrin - Analysis Report as of December 31, 2007

A copy of the Towers Perrin Analysis Report dated July 15, 2008 prepared by Ms. Stacy Mina and Mr. Tom Ghezzi had been distributed to all attendees and a copy is included with the minutes. Ms. Mina

thoroughly reviewed the report answering questions as needed. The report contained major topics of: Reviews of Historical Financial Results and Deficit Analysis Results for Year-End 2007; Forecast of Financial Results based on Various Assumptions and Impact of Current Reserving Approach. Discussions took place on loss reserves with 85% confidence level now in effect and impact on surplus. The committee also discussed the deficit impact of current Rule 4. Ms. Mina noted from the report that the deficit decrease since 2004 was due to a net assessment collection of \$9.6M since 2004 and favorable loss emergence for the period 2005-07. Ms. Mina reported an updated financial model was used to forecast future assets, assessments/returns, tax liability and surplus. The report showed decreases in Written Premium beginning in 2004 with substantial drop in 2007. Graphs reflected three scenarios for Assessment/(Return), Assets, Surplus and Cash Flow through year 2015. Projected assets will decrease under all scenarios due to reduced premium level which also has a significant impact on cash flow. The committee discussed the impact of the Plan's approach to setting reserves at 85% confidence level which was modified in 2005. The committee asked Towers Perrin to prepare analysis through mid-year 2008 data for next meeting held prior to year-end. The committee will also need updated cash needs for the Plan as well as analyze Rule 4 before final decision on any assessment/return should be made.

3. ProMutual Audit Report of 10/25/07 – Atty. Geraldine Foley

Atty. Robertson recused himself from the ProMutual Audit Report discussions. A copy of the report prepared by Atty. Foley had been distributed to all in attendance and is included with the minutes. Her report included audits of 11 claim files of which 10 had never been audited. The one previously audited claim had been noted by Atty. Foley for future review and settled through mediation in September 2007. Her assessment overall for the remaining claims on the report was that there were no major events and files were being well handled and complete.

4. ProMutual Audit Report of 4/23/08 – Dr. Philip C. Carling

A copy of Dr. Carling's report had been distributed to all in attendance and is included with the minutes. Dr. Carling had planned on joining the meeting by conference call, but due to technical difficulties from his location, he was unable to connect to the call. Mr. McGrail indicated that if there are any questions regarding his report, they can be addressed at the next meeting.

5. Medical Protective Audit Report of 6/30/08 – Atty. Foley and Ms. Dolores Ivester

Atty. Robertson re-joined the meeting. A copy of this report had been distributed to all in attendance and is included with the minutes. Ms. Ivester and Atty. Foley visited Medical Protective in Fort Wayne, IN to perform first time audits on all claims submitted to the Plan to-date which were 10 in number. Atty. Foley noted that specific handling policies and procedures were not available, rather claim handling was described as 'fluid' with cases themselves dictating handling. It was noted that multiple files carried \$2-3K reserves for an average of two years before a final realistic exposure reserve was determined. Atty. Foley noted that since the beginning of 2008, Medical Protective's reserve policy was in the process of being changed to set realistic reserves within a year of inception. Atty. Foley reported a File Manager Check Off sheet was used to internally audit their claims.

6. Other Business

There was no other business to discuss.

Motion made by Mr. Brewer and duly seconded by Attorney Robertson to adjourn the Compliance Committee meeting at 3:05PM . The motion was voted unanimously.

A true record transcribed November 4, 2008.

MMMRP Compliance Committee