

**MASSACHUSETTS MEDIAL MALPRACTICE  
REINSURANCE PLAN**

**OPERATIONS COMMITTEE MEETING**

Minutes of Meeting

June 9, 2005

An Operations Committee meeting of the Massachusetts Medical Malpractice Reinsurance Plan (“MMMRP”) was held at the International Conference Center located at 159 Ballville Road, Bolton, MA on Thursday, June 9, 2005.

The following committee members were present in person:

Dr. John S. Coldiron, Chairman  
Gerald J. Cassidy, Member  
Michael J. Sabbagh, Member

The following MMMRP staff/consultants were present in person:

William T. McGrail, President  
Dolores M. Ivester, Director of Administration

Dr. John S. Coldiron, Chairman, called the meeting to order at 2:20PM. Ms. Dolores Ivester kept a record of the proceedings.

1. Minutes of Meeting

Dr. Coldiron noted the minutes to the previous meeting dated May 23, 2005 have been distributed. Dr. Coldiron noted a correction on page 1 that committee members were present in person not via conference call. A wording correction was noted in *Investment* paragraph of page 2 referring to Mr. Osborne preparing the Annual Statement. An additional wording correction was noted in *Corporate Records* paragraph of page 4 referring to Operations Committee deciding on chairman’s salary and benefits. A motion was made and

duly seconded to approve the May 23, 2005 minutes as discussed and amended. The motion was voted unanimously.

2. Ernst & Young Audit

Mr. William McGrail announced that he received a call from Mr. David Brown of E&Y informally indicating that the firm would most likely not continue to perform the annual audit for the Plan due in part to the size of the Plan's current deficit. It was discussed whether this situation would raise suspicions for the Plan. Mr. McGrail indicated that the Plan's deficit will be the topic of discussion and review at an upcoming Governing Committee meeting on June 17. Mr. McGrail is hopeful that E&Y would continue to audit the Plan for FY2005 if the deficit is reduced by actions of the Governing Committee and that the Plan would seek proposals for FY2006 audit. Mr. Cassidy did not feel it would raise suspicions for the Plan to seek proposals for this year's audit even if E&Y would choose not to bid. Based on current Rule 4, the two previous assessments did not include the two highest premium years and the consensus of the committee is to retain E&Y for the FY 2005 audit if possible.

3. Quarterly Financials

Mr. McGrail informed the committee that Mr. Robert Osborne has decided not to continue to work for the Plan as consulting controller. Mr. Osborne indicated that he would complete the Q2 2005 financial reports if necessary. Mr. McGrail reported that in discussions with Mr. John Tympanick that the LLJUA is hoping to add a part time accounting employee to its staff and has extended an offer to Mr. Maurice Edwards who holds a CPA designation. Mr. McGrail proposes that the Plan use this employee one day per week to prepare quarterly financial reports. If Mr. Edwards declines this offer, Mr. Tympanick has an alternate recommendation for the Plan who holds a CPA designation, but has no medical insurance

accounting experience. Mr. McGrail will advertise the position if either of these options do not work out.

4. Audit Committee

Discussion took place on whether a separate Audit Committee should be created or expand this committee to Operations and Audit Committee. Mr. Peter Kiely and Mr. Michael Sabbagh were discussed as candidates for an Audit Committee. Mr. Sabbagh has been a former member of an audit committee for an insurance company. The Operations Committee recommends that this committee expand to include Audit Committee responsibilities. A discussion took place on increasing the size of the Operations and Audit Committee and Mr. Kiely would be a likely candidate for a position. The Operations Committee recommends that at least one other member be added to the Operations and Audit committee. Mr. Cassidy offered to provide Audit Committee information to the Plan from his experience and contacts. Mr. McGrail would like to provide this recommendation and revised committee responsibilities to the Governing Committee at the June 17 meeting.

Meeting Adjourned

There being no further business, the meeting was adjourned at 3:05pm.

A true record transcribed on July 5, 2005 by Dolores M. Ivester.

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MMMRP Officer/Committee Chairman