

Agency Alert

IMPORTANT INFORMATION FOR MASSACHUSETTS AGENTS: PHYSICIAN & SURGEON DIVIDEND DISTRIBUTION & RATE REVISION

Medical Professional Mutual Insurance Company (“ProMutual”) has announced that its Board of Directors has declared a **6% dividend** for most physician and surgeon policyholders in Massachusetts, the second consecutive year of a dividend. The decision comes at the same time as a **4% increase** in base rates for medical liability insurance for physicians and surgeons effective **July 1, 2009**.

This year’s rate increase corresponds to a recent trend of increased frequency in medical malpractice claims in Massachusetts. The rate increase will allow the company to adequately prepare for this increase in medical malpractice claims and ensure that anticipated defense and legal costs and indemnity awards are properly funded.

The dividend reflects the positive past performance of the company. Because the company’s losses were less than anticipated in prior years, it is able to give back funds originally allocated to pay forecasted claims. Qualified policyholders will receive the dividend on their invoices as their policies renew or a check will be mailed as their policies expire, beginning on **July 1, 2009**.

The following criteria must be met in order for a policyholder to receive the dividend:

- The expiring policy expiration date must be between July 1, 2009, and June 30, 2010.
- The expiring policy term must be equal to or greater than 12 months.
- The expiring policy must be a physician and surgeon policy. This includes part time, moonlighting, separate limit employees, corporations and vicarious liability.
- Individual, group and corporate policies are all eligible.
- Policies that have been cancelled for any reason, are **not** eligible.
- If, for any reason, an expiring policy is canceled and rewritten between July 1, 2009, and July 1, 2010, it will **not** be eligible.
- If the physician is otherwise eligible, but chooses not to renew coverage with ProMutual Group, a check for the dividend amount will be mailed directly to the physician.

(continued on next page)



FINANCIAL INTEGRITY, PHYSICIAN LOYALTY

Attached please find a revised Massachusetts Classification Plan and Rate Sheet.

If you have any questions or concerns, please contact your marketing representative or underwriter.

All the best,

A handwritten signature in black ink, appearing to read "Michael Kubik". The signature is fluid and cursive, with the first name "Michael" being more prominent than the last name "Kubik".

Michael Kubik
Vice President, Marketing

April 27, 2009

Enc. MA Classification Plan & Rate Sheet

ProMutual - Massachusetts - Physicians and Surgeons Professional Liability - Eff: 7/1/09

First Year Claims Made Rates

Group	<u>1,000/1,000</u>	<u>1,000/3,000</u>	<u>2,000/6,000</u>
A	529	566	674
1	1,774	1,897	2,262
2	2,250	2,406	2,868
3	3,828	4,093	4,880
4	4,165	4,453	5,310
5	4,317	4,626	5,613
6	4,869	5,207	6,208
7	5,560	5,957	7,228
8	5,452	5,829	6,950
9	6,184	6,612	7,884
10	6,327	6,765	8,066
11	7,754	8,308	10,080
12	8,459	9,063	10,996
13	8,746	9,351	11,150
14	12,712	13,620	16,525
15	14,137	15,147	18,378
16	15,594	16,708	20,272
17	25,064	26,854	32,583
18	30,431	32,604	39,560
19	31,540	33,793	41,002
N1	2,435	2,609	3,165

Fourth Year Claims Made Rates

Group	<u>1,000/1,000</u>	<u>1,000/3,000</u>	<u>2,000/6,000</u>
A	1,587	1,697	2,023
1	5,322	5,691	6,785
2	6,745	7,212	8,599
3	11,481	12,276	14,637
4	12,492	13,358	15,927
5	12,947	13,872	16,831
6	14,604	15,615	18,618
7	16,674	17,865	21,677
8	16,352	17,485	20,848
9	18,552	19,837	23,651
10	18,977	20,291	24,193
11	23,257	24,919	30,235
12	25,371	27,183	32,982
13	26,235	28,052	33,446
14	38,125	40,848	49,563
15	42,402	45,431	55,123
16	46,769	50,110	60,800
17	75,175	80,544	97,727
18	91,273	97,793	118,655
19	94,603	101,360	122,983
N1	7,299	7,821	9,489

Second Year Claims Made Rates

Group	<u>1,000/1,000</u>	<u>1,000/3,000</u>	<u>2,000/6,000</u>
A	882	944	1,125
1	2,957	3,162	3,770
2	3,749	4,009	4,780
3	6,380	6,822	8,134
4	6,942	7,422	8,850
5	7,195	7,709	9,353
6	8,115	8,677	10,346
7	9,265	9,927	12,045
8	9,085	9,715	11,583
9	10,307	11,021	13,141
10	10,545	11,276	13,444
11	12,923	13,847	16,800
12	14,097	15,104	18,326
13	14,576	15,586	18,583
14	21,184	22,698	27,540
15	23,562	25,245	30,631
16	25,987	27,843	33,783
17	41,771	44,755	54,303
18	50,718	54,341	65,933
19	52,567	56,322	68,337
N1	4,056	4,345	5,272

Mature Claims Made Rates

Group	<u>1,000/1,000</u>	<u>1,000/3,000</u>	<u>2,000/6,000</u>
A	1,763	1,885	2,247
1	5,914	6,323	7,539
2	7,496	8,015	9,557
3	12,756	13,639	16,262
4	13,881	14,842	17,697
5	14,387	15,415	18,703
6	16,225	17,349	20,686
7	18,528	19,852	24,087
8	18,170	19,429	23,165
9	20,612	22,040	26,278
10	21,086	22,546	26,882
11	25,842	27,688	33,595
12	28,189	30,202	36,645
13	29,150	31,169	37,163
14	42,362	45,387	55,070
15	47,114	50,480	61,249
16	51,967	55,679	67,557
17	83,531	89,497	108,590
18	101,417	108,661	131,842
19	105,117	112,626	136,653
N1	8,111	8,690	10,544

Third Year Claims Made Rates

Group	<u>1,000/1,000</u>	<u>1,000/3,000</u>	<u>2,000/6,000</u>
A	1,321	1,413	1,685
1	4,435	4,742	5,654
2	5,623	6,012	7,168
3	9,568	10,231	12,198
4	10,411	11,132	13,273
5	10,791	11,562	14,028
6	12,171	13,014	15,517
7	13,897	14,889	18,066
8	13,629	14,573	17,376
9	15,463	16,534	19,714
10	15,817	16,912	20,164
11	19,385	20,770	25,201
12	21,146	22,657	27,490
13	21,866	23,381	27,877
14	31,778	34,048	41,311
15	35,343	37,868	45,946
16	38,982	41,766	50,677
17	62,658	67,134	81,456
18	76,077	81,511	98,900
19	78,852	84,484	102,507
N1	6,083	6,518	7,908

Occurrence Rates

Group	<u>1,000/1,000</u>	<u>1,000/3,000</u>	<u>2,000/6,000</u>
A	1,643	1,756	2,146
1	5,513	5,889	7,200
2	6,989	7,467	9,128
3	11,895	12,707	15,535
4	12,943	13,827	16,904
5	13,282	14,275	17,737
6	15,129	16,162	19,759
7	17,104	18,384	22,842
8	16,942	18,099	22,127
9	19,220	20,533	25,102
10	19,661	21,003	25,678
11	23,856	25,640	31,858
12	26,025	27,972	34,754
13	27,181	29,037	35,499
14	39,108	42,034	52,227
15	43,495	46,749	58,085
16	47,976	51,564	64,068
17	77,114	82,883	102,981
18	93,627	100,631	125,033
19	97,043	104,302	129,595
N1	7,488	8,048	10,000

Limits are shown in \$1,000



FINANCIAL INTEGRITY, PHYSICIAN LOYALTY

Medical Professional Liability Classification Plan (Alphabetical) - MA

Group	Class	Description	Group	Class	Description
14	80166	Abdominal, major surgery	4	80257	Internal medicine, no surgery
1	80225	Administrative	12	80107	Neoplastic disease, major surgery
3	80230	Aerospace medicine	8	80286	Neoplastic disease, minor surgery
2	80254	Allergy	3	80259	Neoplastic disease, no surgery
11	80151	Anesthesiology	12	80108	Nephrology, major surgery
7	80199	Anesthesiology (with risk management discount)	8	80287	Nephrology, minor surgery
14	80184	Bariatric, major surgery	4	80260	Nephrology, no surgery
12	80101	Bronco-esophagology, major surgery	19	80152	Neurology - incl. children, major surgery
14	80141	Cardiac, major surgery	9	80288	Neurology - incl. children, minor surgery
16	80150	Cardiovascular disease, major surgery	6	80261	Neurology - incl. children, no surgery
8	80281	Cardiovascular disease, minor surgery	2	80262	Nuclear medicine
3	80255	Cardiovascular disease, no surgery	2	80248	Nutrition
N1	71501	Certified nurse-midwife	18	80153	OB, gynecology, major surgery
12	80115	Colon & rectal, major surgery	18	80168	OB, major surgery
12	80818	Dermatology, major surgery	2	80233	Occupational medicine
8	80282	Dermatology, minor surgery	5	80114	Ophthalmology, major surgery
2	80256	Dermatology, no surgery	5	80289	Ophthalmology, minor surgery
8	80271	Diabetes, minor surgery	2	80263	Ophthalmology, no surgery
3	80237	Diabetes, no surgery	15	80354	Orthopedic excl. spinal, major surgery
14	80157	Emergency medicine, incl. major surgery (board cert.)	17	80154	Orthopedic incl. spinal, major surgery
14	80465	Emergency medicine, incl. major surgery (no board cert.)	12	80159	Otorhinolaryngology, major surgery
13	80102	Emergency medicine, no major surgery (board cert.)	8	80291	Otorhinolaryngology, minor surgery
13	80464	Emergency medicine, no major surgery (no board cert.)	3	80265	Otorhinolaryngology, no surgery
12	80103	Endocrinology, major surgery	6	80816	Pain management, no surgery
8	80272	Endocrinology, minor surgery	8	80292	Pathology, minor surgery
3	80238	Endocrinology, no surgery	3	80266	Pathology, no surgery
9	80421	Family practice, GP (excl. all OB), minor surgery	8	80293	Pediatrics, minor surgery
3	80420	Family practice, GP (excl. all OB), no surgery	2	80267	Pediatrics, no surgery
9	80467	Family practice, GP - incl. OB, assist CS	3	80234	Pharmacology, clinical
2	80240	Forensic medicine, legal medicine	9	80422	Physician - no major surgery, major invasive proc.
12	80104	Gastroenterology, major surgery	9	80443	Physician - no major surgery, minor invasive proc.
8	80274	Gastroenterology, minor surgery	9	80294	Physician (NOC), minor surgery
4	80241	Gastroenterology, no surgery	2	80268	Physician (NOC), no surgery
14	80143	General (NOC), major surgery	1	80235	Physiatry, phys. med. & rehab.
3	80231	General preventative medicine, no surgery	14	80155	Plastic - otorhinolaryngology, major surgery
12	80105	Geriatrics, major surgery	14	80156	Plastic (NOC), major surgery
8	80276	Geriatrics, minor surgery	1	80249	Psychiatry - incl. children
2	80243	Geriatrics, no surgery	1	80250	Psychoanalysis
14	80167	Gynecology, major surgery	3	80251	Psychosomatic medicine
8	80277	Gynecology, minor surgery	2	80236	Public health
4	80244	Gynecology, no surgery	3	80269	Pulmonary disease, no surgery
14	80169	Hand, major surgery	4	80817	Radiation oncologist
16	80170	Head & neck, major surgery	10	80280	Radiology - diagnosis, minor surgery
8	80278	Hematology, minor surgery	6	80253	Radiology - diagnosis, no surgery
4	80245	Hematology, no surgery	A	80221	Retired
4	80814	Hospitalist	3	80252	Rheumatology, no surgery
2	80232	Hypnosis	14	80144	Thoracic, major surgery
8	80279	Infectious disease, minor surgery	16	80171	Traumatic, major surgery
2	80246	Infectious disease, no surgery	12	80145	Urology, major surgery
8	80283	Intensive care medicine	16	80146	Vascular, major surgery
4	80815	Intensivist/urgent care	A	80220	Volunteer
8	80284	Internal medicine, minor surgery			

This guide is supplied as a quick aid. If there is a discrepancy between this guide and the published rates/classes in the ProMutual Group Rules & Rating Manual, the manual will take preference.

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