

Notes

MEDICAL MUTUAL
Liability Insurance Society of Maryland

FROM THE CHAIR OF THE BOARD

HEADLINES

Policyholders Receive 2005 Premium Subsidy

The State of Maryland has provided funds to MEDICAL MUTUAL from a new Rate Stabilization Fund to help subsidize the 2005 premiums of eligible Physician members. Third-quarter invoices mailed to Policyholders last month reflected the full subsidy for 2005.

June 2005

Dear MEDICAL MUTUAL Member:

We are glad to announce significant progress in implementing recently enacted medical malpractice insurance legislation. Many of you already have received benefits from the state subsidy created under this new law.

If you are eligible for and opted to participate in the program, your 2005 subsidy was reflected in your third quarter invoice. This was made possible after the Maryland Insurance Administration provided initial funding to MEDICAL MUTUAL from a newly established Rate Stabilization Fund and also approved an accounting treatment so MEDICAL MUTUAL could provide the total subsidy immediately.

Premium relief was a key component of emergency legislation in Annapolis aimed at addressing the plight of Physicians who faced a medical professional liability insurance crisis caused by dramatically rising litigation expenses.

I want to thank Governor Bob Ehrlich and Insurance Commissioner Al Redmer for recognizing the importance of accelerating the funding process. Maryland Doctors desperately needed the premium relief created by the Maryland General Assembly. We are pleased that everyone worked to make sure eligible Physicians received the full amount of their subsidy on an expedited basis.

As a result, if you are eligible for the subsidy, opted to participate and pay for your insurance in installments, you received a credit for the full 2005 subsidy on your third quarter invoice. If you've already paid your 2005 insurance premium in full and are eligible and opted to participate in the subsidy, you were mailed a notice offering one of two options – apply the subsidy to your 2006 policy renewal or receive a cash refund for the full 2005 subsidy.

Throughout this long and arduous process, MEDICAL MUTUAL has done everything in its power to speed implementation of this complex legislation. We thank you for your patience, your understanding and your support.

If you have questions concerning your policy or the state subsidy, please contact your Insurance Producer or call the MEDICAL MUTUAL Customer Service Department at 410-785-0050 or 800-492-0193. You also will find details about the legislation through our web site, www.weinsuredocs.com.

Sincerely,



D. Ted Lewers, M.D.
Chair of the Board

Your Premium Subsidy: Summary of Key Points

- Bills enacted in Annapolis create a fund to provide a temporary subsidy on Physicians' medical professional liability insurance premiums.
- Participation in this fund is optional for both insurance companies and for insured Physicians. MEDICAL MUTUAL has opted to participate.
- The state's 2005 subsidy applies to the portion of the 2005 premium that exceeded 105% of a Physician's 2004 rate.
- The state provided initial funding for the subsidy to MEDICAL MUTUAL last month and approved an accounting treatment so MEDICAL MUTUAL could provide the rest of the subsidy immediately.
- Eligible members paying via installments saw their full 2005 subsidy reflected in a reduced amount due on their third quarter invoices.
- Eligible members who had paid in full were offered the option of applying their subsidy to their next renewal or receiving a refund check on their already-paid 2005 premium.

Questions? Contact our Customer Service Department at:

410-785-0050 or 800-492-0193

Additional details are also available through our web site:

www.weinsuredocs.com

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**June 2005
ISSUE**

- **Policyholders Receive State Subsidy on Third Quarter MEDICAL MUTUAL Invoice**

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