

Notes

MEDICAL MUTUAL
Liability Insurance Society of Maryland

FROM THE CHAIR OF THE BOARD

November 2008

Dear MEDICAL MUTUAL Member:

Recent world events have underscored the crucial importance for Policyholders of an insurance company's financial strength.

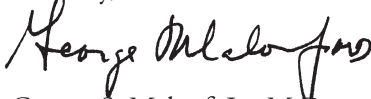
MEDICAL MUTUAL understands that message. Since our founding in 1975, we have considered it fundamental to our mission to maintain a strong and stable company for the security of both our Doctor Insureds and the citizens of Maryland. We have never shied away from tough but necessary operating decisions. The end result is a medical professional liability insurance company with the strength you need for the long-term protection of your career. In fact, A.M. Best, the leading independent insurance rating agency, recently acknowledged our sound position by once again reaffirming our "A-" (Excellent) rating.

The health of the company also played a significant role in some good news for our Maryland Doctors. Because of the continued moderation in the frequency of claims, as well as our financial strength, the street price for your renewal policy will remain flat for 2009. This is the result of a rate decrease and a dividend on renewal policies. We can make this announcement at this time, I am pleased to say, because of the timely and satisfactory resolution of our rate filing by the Maryland Insurance Administration. For complete information about our premium prices for next year, please take a few minutes to read the article below.

This issue of *Notes from the Chair* also includes informative articles on our risk management program, MedGuard coverage and more.

As always, we welcome your comments and suggestions. Thank you for your confidence in MEDICAL MUTUAL.

Sincerely,



George S. Malouf, Jr., M.D.
Chair of the Board

HEADLINES

Prices to Remain Unchanged in 2009

MEDICAL MUTUAL premium prices to remain unchanged from 2008 for Policyholders.

A.M. Best Rating Reaffirmed

A.M. Best has issued an "A-" (Excellent) rating for MEDICAL MUTUAL in recognition of our financial stability.

MedGuard Coverage Available for Purchase

MedGuard coverage can be purchased as a separate jacket policy from the Professionals Advocate Insurance Company.

Online Network Provides FDA Alerts

New online network seen as a useful alternative to the current FDA alert system.

Understanding Your Premium Invoice

A handy guide to help you recognize the information on your policy renewal invoice.

Risk Management Program Successful

Thanks to all Physicians and office staff members who participated in our 2008 program!

Policy Pricing To Remain Flat For 2009

The street price for 2009 renewal policies with MEDICAL MUTUAL will not change from 2008 levels. The MEDICAL MUTUAL Board of Directors has approved an 11% dividend for 2009. Based on that action, we received approval from the Maryland Insurance Commissioner for a 2% rate decrease. Absent other changes that may affect your price (such as claims-made step increases, changes to your claims-free discount status or other policy coverage changes), the combination of these two actions should result in no material increase in the premium you pay for the coming year. If you have questions concerning your policy, the rate decrease or the dividend, please contact your Insurance Producer or call the MEDICAL MUTUAL Customer Service Department at 410-785-0050 or 800-492-0193.

IMPORTANT NEWS FOR 2008

A.M. Best Reaffirms “A-” (Excellent) Rating for MEDICAL MUTUAL

Once again, MEDICAL MUTUAL has been rated “A-” (Excellent) by the A.M. Best Company, the nation’s leading independent insurance rating agency. An “A-” (Excellent) rating is assigned to companies that, in the opinion of A.M. Best, have an “excellent ability to meet the ongoing financial obligations to policyholders.” This strong financial rating reflects MEDICAL MUTUAL’s “excellent risk-adjusted capitalization, commitment to maintaining adequate rates and reserves, adherence to strict underwriting standards and its market leadership in providing professional liability coverage for Physicians.” The rating also acknowledges our “high policyholder retention” and “aggressive claims defense.” MEDICAL MUTUAL is pleased that A.M. Best has recognized our financial stability and we will continue to work to be a dependable, long-term source of liability coverage for Maryland Physicians.

MedGuard Coverage Available as a Stand- Alone Product

MEDICAL MUTUAL would like to remind Insureds that MedGuard coverage is still available for purchase. MedGuard pays for certain legal expenses necessary to defend you against various disciplinary proceedings, up to \$50,000. This coverage can be purchased as a stand-alone product from the Professionals Advocate Insurance Company, a wholly-owned subsidiary of MEDICAL MUTUAL. MedGuard is available for Maryland Physicians or Surgeons, CRNAs, Nurse Midwives, Physician/Surgeon Assistants, Nurse Practitioners and Professional Organizations, if all individual members of the Professional Organization also purchase MedGuard coverage. **For more information, please visit the Professionals Advocate web site at www.professionalsadvocate.com.**

Receive FDA Patient Safety Notices by E-Mail

As part of our ongoing effort to assist Insureds in improving patient safety and enhancing their medical liability protection, the MEDICAL MUTUAL Risk Management Department is recommending that all Insureds consider the benefits of enrollment in the Health Care Notification Network. The HCNN is a newly-created online system designed to deliver FDA product-related patient safety alerts via e-mail to Physicians. This is a significant improvement over the current system which is based upon paper and U.S. mail. Enrollment is free and you can opt out at any time. The network also gives you the ability to designate office staff members to receive the same notifications. We believe that this faster and more efficient dissemination of FDA alerts can potentially reduce malpractice claims. **For more information and online enrollment, please visit www.hcnn.net.**

Understanding Your Premium Invoice

The MEDICAL MUTUAL premium renewal invoice will be mailed on approximately October 31, 2008. During this renewal period, MEDICAL MUTUAL would like to offer this quick reference guide to help you understand your policy premium invoice. The invoice contains important information and dates for your reference. Please refer to the sample below, which shows highlights

and explanations for various sections. Please note that Insureds who are renewing their coverage with MEDICAL MUTUAL have the option of paying their entire balance for the year at once, which entitles them to a discount. If you have any questions about your premium invoice, please call the MEDICAL MUTUAL Customer Service Department at 410-785-0050 or 800-492-0193.

MEDICAL MUTUAL
Liability Insurance Society of Maryland

Box 8016, 225 International Circle
 Hunt Valley, MD 21030
 www.weinsuredocs.com

CURRENT INVOICE SUMMARY
 Invoice Date: 10/31/2008
 Invoice Number: 704399
 Balance Due: \$910.47
Minimum Payment Due: \$233.41
 Due Date: 12/01/2008

NAMED INSURED: DOCTOR M.D.
 CUSTOMER NUMBER: 172731
 POLICY NUMBER: MDD-0080530-02
 POLICY DATES: 01/01/2009 - 01/01/2010

POLICY INFORMATION
COVERAGES
 Primary: \$1,000,000/\$3,000,000
 Excess: \$1,000,000/\$1,000,000
Discounts **Surcharges** **Dividend**
 50% NEW DOC Y1 11 %

PREMIUM CHARGES & TRANSACTIONS

Eff. Date	Transactions	Amount
01/01/09	Renewal	\$1,049.00
01/01/09	Dividend	-\$115.39

IF YOU PAY QUARTERLY
 TOTAL POLICY PREMIUM \$933.61

IF YOU PAY IN FULL
 TOTAL POLICY PREMIUM \$910.47

BALANCE DUE \$933.61

FUTURE PAYMENT SCHEDULE
 Based on Current Transactions
 Bill Dates listed below are approximate Mailing dates and will be due 18 days from the actual mailing date

Installment	Bill Date	Amount
2	02/17/2009	\$233.40
3	05/19/2009	\$233.40
4	08/18/2009	\$233.40

PAYMENT OPTIONS
 As a valued insured you are offered two payment options, which are:
 1) Payment of the balance due by the due date.
Balance Due includes the 2.5% prepayment of premium discount
 2) Payment of "Minimum Payment Due" by the due date.
Either of these payment options may be made by check, credit card, or direct debit from your bank account. If you choose credit card payment you can fill out the form below or pay online at www.weinsuredocs.com. DIRECT DEBIT PAYMENT IS ONLY AVAILABLE VIA OUR WEBSITE

MESSAGE AREA
 Prompt payment of your premium by the due date guarantees continuation of your Medical Professional Liability coverage and timely mailing of your Certificates of Insurance.
Enroll in the AUTOMATIC CREDIT CARD PAYMENT PLAN and have your premium installments automatically charged to your credit card. For more information or to enroll, visit our website at www.weinsuredocs.com or call our customer service center.

MEDICAL MUTUAL APPRECIATES YOUR SUPPORT

FOR SERVICE www.weinsuredocs.com
 Call Your Producer: TEST

Or Call Our CUSTOMER SERVICE CENTER
 1-800-492-0193

PLEASE INCLUDE THIS PORTION WITH YOUR PAYMENT

REMITTANCE TO MEDICAL MUTUAL LIABILITY INSURANCE SOCIETY OF MARYLAND

Policy Number: MDD-0080530-02
 Invoice Number: 704399
 Invoice Date: 10/31/2008
 Balance Due: \$910.47
Minimum Payment Due: \$233.41
Due Date: 12/01/2008
 Please make check payable to:

MEDICAL MUTUAL
 P.O. BOX 64469
 BALTIMORE, MD 21264 4469

For Credit Card Payments—complete all fields below

CardHolder Name _____
 Card# _____
 Visa MasterCard American Express
 Expiration Date / Amount \$
 Signature _____
 This signature authorizes your card to be billed for the amount stated above

DOCTOR M.D.
 225 RED STREET
 HUNT VALLEY, MD 21030

Transactions processed after this date will appear on your next premium invoice

Time period your insurance is in effect

Total policy premium if paying quarterly

Total outstanding balance on your account. This is the amount required to pay for your coverage in full at renewal to receive the prepay discount

Amount of coverage, plus any discounts, surcharges or dividends are listed here

Installment plan minimum due in order to continue policy coverage

Payments received by this date will assure continued insurance protection

Risk Management Seminar Program Completed for 2008

The 2008 risk management program, *Shaping Effective Risk Management for Your Practice*, has successfully concluded. This year, MEDICAL MUTUAL offered three new topics and expanded our popular "Specialty Specifics" series to include seven different areas of expertise. Almost 5,000 Physicians made an effort to reduce their liability risk by attending one of these seminars. In addition, more than 150 office staff members participated in "The Art of Successful Staffing" seminar. The new risk management educational program will be announced in February 2009. We look forward to seeing you and your office staff at one of these future seminars!



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- A.M. Best Reaffirms "A-" (Excellent) Rating
- Stand-Alone MedGuard Coverage Available
- Network Provides Safety Alerts Via E-Mail
- A Guide to Your Premium Invoices
- Risk Management Seminars a Success

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