

SENATE No. 479

The Commonwealth of Massachusetts

PRESENTED BY:

James T. Welch

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying:

An Act relating to the medical professional mutual insurance company.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>James T. Welch</i>	<input type="checkbox"/> <i>[District]</i> <input type="checkbox"/>
<i>Bradley H. Jones, Jr.</i>	<i>20th Middlesex</i>

SENATE No. 479

By Mr. Welch, petition (accompanied by bill, Senate, No. 479) of James Welch and Bradley H. Jones, Jr for legislation relative to the medical professional mutual company [Joint Committee on Financial Services].

The Commonwealth of Massachusetts

An Act relating to the medical professional mutual insurance company.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1: Section 9 of Chapter 330 of the Statutes of 1994, as amended by Section 3
2 of Chapter 63 of the Statutes of 1995, is amended by striking out section 6 therein and inserting
3 in place thereof the following:-

4 Section 6. Upon the approval of the commissioner, the medical professional mutual
5 insurance company, may for any purposes, including, but not limited to the fixing of separate
6 percentages of dividends under section eighty of chapter one hundred and seventy-five, consider
7 the business of each category of health care provider as a separate line of business; provided,
8 however, that the doctor of dental science category of insured shall continue to be treated as a
9 separate line of business by the medical professional mutual insurance company to the extent
10 required by chapter ninety-two of the acts of nineteen hundred and ninety-one, and, as promptly
11 as possible after the effective date of this act, any excess surplus of the association as determined
12 by the commissioner attributable to the doctor of dental science category of business as of the
13 effective date of the conversion shall be paid as a dividend by the mutual company for the
14 benefit of the association's doctor of dental science policyholders entitled thereto in accordance
15 with the methodology established and employed by the association for the payment of dividends
16 to its doctor of dental science policyholders prior to the date of the conversion. Any person in the
17 doctor of dental science category of insureds who was insured by the association at the time of
18 the conversion may elect to continue to be insured by the mutual company by specifically
19 assigning in writing this first dividend to be paid after the effective date of this act back to the
20 mutual company.

21 Effective January first, two thousand and eleven, all excess surplus as determined by the
22 commissioner, allocable to doctor of dental science policies issued by the company at any time
23 on or prior to December thirty-first, two thousand and ten, shall be paid annually, on or about
24 July first of the following year, as a dividend to those persons, firms and entities entitled thereto,

25 pursuant to the methodology established and employed by the association for the distribution of
26 such dividends prior to the conversion. No portion of such excess surplus as determined by the
27 commissioner shall be used or allocated for any other purpose or purposes and upon the payment
28 of such dividend, there shall be no excess surplus allocable to those doctor of dental science
29 policies issued by the company at any time on or prior to December thirty-first, two thousand
30 and ten. The medical professional mutual insurance company shall annually notify each person,
31 firm or entity entitled to such dividend of the amount of such dividend to which he is entitled.
32 For the purposes of this section, "excess surplus" shall mean any surplus allocable to the
33 association's doctor of dental science category of insureds beyond an amount determined by the
34 commissioner to be reasonably necessary as a margin against adverse development.