

HOUSE No. 02765

The Commonwealth of Massachusetts

PRESENTED BY:

Peter J. Koutoujian

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 bill:

An Act relating to the medical professional mutual insurance company.

PETITION OF:

NAME:

Peter J. Koutoujian

DISTRICT/ADDRESS:

10th Middlesex

HOUSE No. 02765

By Mr. Koutoujian of Waltham, a petition (accompanied by bill, House, No. 2765) of Peter J. Koutoujian relative to the payment of dividends by the Medical Professional Mutual Insurance Company. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE
□ SENATE
□ , NO. 2385 OF 2009-2010.]

The Commonwealth of Massachusetts

In the Year Two Thousand Eleven

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 of
2 Chapter 63 of the Statutes of 1995, is amended by striking out section 6 therein and inserting in
3 place thereof the following:-
4
5 Section 6. Upon the approval of the commissioner, the medical professional mutual insurance
6 company, may for any purposes, including, but not limited to the fixing of separate percentages
7 of dividends under section eighty of chapter one hundred and seventy-five, consider the business
8 of each category of health care provider as a separate line of business; provided, however, that

9 the doctor of dental science category of insured shall continue to be treated as a separate line of
10 business by the medical professional mutual insurance company to the extent required by chapter
11 ninety-two of the acts of nineteen hundred and ninety-one, and, as promptly as possible after the
12 effective date of this act, any excess surplus of the association as determined by the
13 commissioner attributable to the doctor of dental science category of business as of the effective
14 date of the conversion shall be paid as a dividend by the mutual company for the benefit of the
15 association's doctor of dental science policyholders entitled thereto in accordance with the
16 methodology established and employed by the association for the payment of dividends to its
17 doctor of dental science policyholders prior to the date of the conversion. Any person in the
18 doctor of dental science category of insureds who was insured by the association at the time of
19 the conversion may elect to continue to be insured by the mutual company by specifically
20 assigning in writing this first dividend to be paid after the effective date of this act back to the
21 mutual company.

22 Effective January first, two thousand and eleven, all excess surplus as determined by the
23 commissioner, allocable to doctor of dental science policies issued by the company at any time
24 on or prior to December thirty-first, two thousand and ten, shall be paid annually, on or about
25 July first of the following year, as a dividend to those persons, firms and entities entitled thereto,
26 pursuant to the methodology established and employed by the association for the distribution of
27 such dividends prior to the conversion. No portion of such excess surplus as determined by the
28 commissioner shall be used or allocated for any other purpose or purposes and upon the payment
29 of such dividend, there shall be no excess surplus allocable to those doctor of dental science
30 policies issued by the company at any time on or prior to December thirty-first, two thousand
31 and ten. The medical professional mutual insurance company shall annually notify each person,

32 firm or entity entitled to such dividend of the amount of such dividend to which he is entitled.

33 For the purposes of this section, "excess surplus" shall mean any surplus allocable to the

34 association's doctor of dental science category of insureds beyond an amount determined by the

35 commissioner to be reasonably necessary as a margin against adverse development.