

Notes

MEDICAL MUTUAL
Liability Insurance Society of Maryland

FROM THE CHAIR OF THE BOARD

July 2025

Dear **MEDICAL MUTUAL** Member:

Our company, **MEDICAL MUTUAL**, was established in 1975 by the Governor, the General Assembly, and a group of forward-thinking Maryland Physicians and business leaders in response to the urgent need of reliable medical professional liability insurance.

MEDICAL MUTUAL, a company built by Physicians, for Physicians, has stood as a pillar of strength, stability, and trust, providing unparalleled protection for our Members.

Over the past 50 years we have weathered many storms together and continue to evolve to meet the ever-changing needs of our Physicians. Through our unwavering commitment to provide the gold standard in Claims defense and our tireless advocacy to protect Maryland's civil liability climate, we never lose sight of our Mission to provide quality professional liability insurance to Maryland Physicians.

Thank you for placing your trust in **MEDICAL MUTUAL**; we are honored by our partnership.

Please join me in celebrating the next 50 years of excellence!

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

HEADLINES

Celebrating 50 Years

Only **MEDICAL MUTUAL** has defended and protected Maryland Physicians continuously since 1975.

Fifty years of Success: *The MEDICAL MUTUAL Story*

Highlights from our rich history of navigating legislative challenges, and advocating for and defending Maryland Physicians.

New Policyholder benefit: *Witness Assistance*

Witness Assistance provides coverage for an attorney to help Policyholders answer subpoenas, prepare for deposition or trial testimony, and respond to certain practice-related requests for information.

For more information about the Company's 50th anniversary, please visit us on the web at:

MMLIS.com/content/medical-mutual-50th-anniversary



Fifty Years of Success: *The MEDICAL MUTUAL Story*

A rich history of navigating legislative enactments and advocating for Physicians in Annapolis has been instrumental to MEDICAL MUTUAL's evolution. From our creation in 1975 in response to an insurance crisis, to our current status as a cornerstone of medical professional liability (MPL) insurance in Maryland, MEDICAL MUTUAL's journey is a testament to the power of legislative action to shape a stable, reliable insurance market for private practice Physicians.



From left: Governor Wes Moore; George S. Malouf Jr., M.D., FACS, Chair of the Board, Medical Mutual; Mrs. Grace Malouf; Cheryl F. Matricciani, President and CEO, Medical Mutual.

★ The 1970s ★

In 1974, The St. Paul Companies, Inc., then the primary MPL insurer for Maryland Physicians, faced rising claims costs and could not secure a rate increase. Consequently, the company announced its withdrawal from the Maryland market. In response, the Maryland General Assembly created MEDICAL MUTUAL Liability Insurance Society of Maryland ("MEDICAL MUTUAL") as a mutual insurance company overseen by a Board of Directors comprised of Physicians and business professionals. MEDICAL MUTUAL began operations in July 1975 in a small room in the Maryland Casualty Company's Baltimore offices, before eventually opening its home office in Hunt Valley, Maryland in 1987.

These early years laid the foundation for MEDICAL MUTUAL becoming the primary MPL insurer of Maryland private practice Physicians. While other MPL insurance carriers have come and gone, MEDICAL MUTUAL has protected and defended Maryland Physicians continuously for 50 years.

★ The 1980s ★



Governor Schaefer signing House Bill 944 in Annapolis on April 12, 1988.

Clockwise from top left: Reynaldo Lee-Llacer, M.D., President, MedChi; Gerard E. Evans; Alan M. Rifkin; Angelo J. Troisi, Executive Director, MedChi; Raymond M. You, M.D., Chair of the Board and CEO, Medical Mutual; Governor William Donald Schaefer; Thomas V. Mike Miller, Jr., Senate President.

The 1980s ushered in a new wave of challenges. Across the United States, medical liability claims surged in both frequency and severity. Maryland's General Assembly responded with comprehensive tort reform legislation designed to stabilize the insurance market. Key reforms that successfully stabilized Maryland's tort environment in 1986 included:

- A \$350,000 cap on noneconomic damages
- Provisions for structured payments and itemized awards
- A requirement for a certificate from a qualified expert before a case could proceed to health claims arbitration
- Enhanced procedures for peer review and risk management among Physicians and hospitals

After legislation was passed in 1985 authorizing MEDICAL MUTUAL to create subsidiaries, Med-Lantic Management Services, Inc. was formed to provide risk management services to Policyholders.

★ The 1990s ★

In 1993, the Court of Appeals of Maryland (renamed the Supreme Court of Maryland in 2022) struck down the cap on noneconomic damages for wrongful death cases in *United States v. Streidel*. In response to *Streidel*, in 1994 the Maryland General Assembly reinstated the noneconomic damages cap at \$500,000, added a 150% cap for wrongful death claims with two or more claimants, and added an annual \$15,000 escalator.

Throughout the 1990s and early 2000s, MEDICAL MUTUAL faced several market upheavals as other insurers left the market or became insolvent. These events prompted a significant number of Maryland Physicians to turn to MEDICAL MUTUAL for coverage, and the Company continued to persevere, earning a financial strength rating of “A-” (Excellent) from A.M. Best for the first time in 1996.

★ The 2000s ★

Medical liability verdicts resulted in sizable claims settlements and payouts, making significant premium increases necessary for the MPL insurance industry to survive. Maryland Physicians lobbied for tort reform, and the Maryland General Assembly took action to assist in stabilizing the market. MEDICAL MUTUAL thereafter experienced a sharp decline in the number of new claims. This decrease in new claims and subsequent rate decrease, along with a state premium subsidy and Policyholder dividends, stabilized the amount that Policyholders paid for MPL insurance.

True to our mission, between 2001-2004, MEDICAL MUTUAL provided coverage for nearly 2,000 additional Maryland Physicians as other MPL insurance carriers either became insolvent or stopped writing insurance in the state.

★ The 2010s ★

Lockshin v. Semsker (2010) was a pivotal case for Maryland Physicians. In *Semsker*, the petitioners challenged the application of the noneconomic damages cap in a wrongful death action. The Court of Appeals of Maryland upheld the cap, reaffirming the legislative intent to limit noneconomic damages in MPL cases.

In 2017, MEDICAL MUTUAL achieved an upgraded financial strength rating of “A” (Excellent) from A.M. Best.

★ 2020: The COVID-19 Pandemic ★

From enhanced infection control to temporary shutdowns, Maryland Physicians worked tirelessly to adapt to the evolving needs of their patients and practices during the pandemic. MEDICAL MUTUAL provided additional support to its Policyholders during COVID-19-era restrictions on in-person interaction by adding extensive telemedicine resources to MMLIS.com, creating a new online portal for Policyholders to track emerging government rules and regulations, and suspending the underwriting rule that initial patient interactions must occur face-to-face. As risk management education programs remained essential, the year’s programs were modified to be delivered online only. In recognition of the financial pressures that Physicians were facing due to the pandemic, MEDICAL MUTUAL provided immediate financial assistance to each Policyholder in the form of a 25% “Pandemic Credit.”

★ TODAY ★

MEDICAL MUTUAL is proudly owned and directed by its Maryland Physician Policyholders.

A.M. Best has reaffirmed the Company's “A” (Excellent) financial strength rating every year since 2017.

MEDICAL MUTUAL provides MPL insurance to more Maryland private practice Physicians than any other carrier.

MEDICAL MUTUAL is recognized nationally as an industry leader for our gold standard claims defense, comprehensive coverage, and responsive personal service.

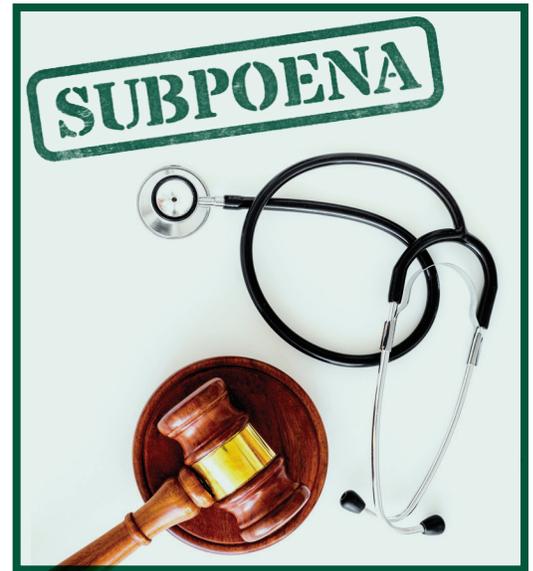
New for 2025: *Witness Assistance Coverage*

Effective March 1, 2025, all policies with MedGuard protection have been enhanced with new *Witness Assistance* coverage. Up to \$10,000 in coverage may be available for attorney representation to help a Policyholder answer a subpoena, prepare for a deposition or trial, or respond to a practice-related request for information.* For example, *Witness Assistance* coverage may be available if:

- A Policyholder receives a subpoena to testify as a witness in a malpractice suit that their patient filed against another health care provider, or
- A patient is unhappy with the results of a procedure and requests a written explanation from the Policyholder.

If you receive a subpoena or other request for information, call MEDICAL MUTUAL to determine your eligibility for *Witness Assistance* coverage.

*All terms, conditions, and exclusions are set forth in the applicable policy from (MM 32205 0325).



Notes

MEDICAL  MUTUAL
Liability Insurance Society of Maryland

July 2025
ISSUE

FROM THE CHAIR OF THE BOARD

- **MEDICAL MUTUAL celebrates 50th Anniversary**
- **Fifty Years of Success: *The MEDICAL MUTUAL Story***
- **New for 2025: *Witness Assistance* coverage**

FIRST CLASS
U.S. POSTAGE
PAID
PERMIT NO. 5415
BALTIMORE, MD

MEDICAL  MUTUAL
Liability Insurance Society of Maryland
P.O. Box 8016, 225 International Circle
Hunt Valley, MD 21030