

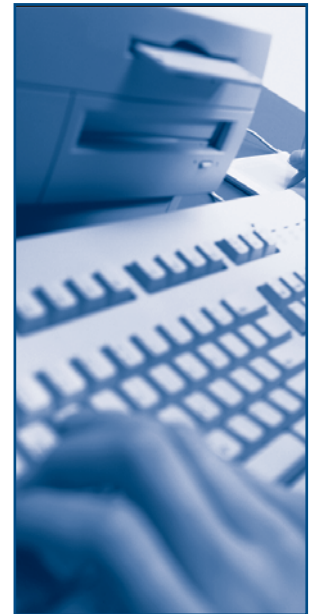
Online Policyholder Service Center Coming Soon

Policyholders now have secure online access to their billing and policy information. If you are a registered MMIC Group Web site user, you will be able to view up-to-date account information, choose between two-payment options—recurring and a one-time payment—and view policy history. The new online Policyholder Service Center is located on the MMIC Group Web site at www.mmicgroup.com. As a security measure, you are required to register once to gain access to PHS. Registrations will be verified within 24 business hours.

The bill payment option is just the first in a series of services that we are adding to our Web site. Currently, policyholders can download loss history reports and

Certificates of Insurance and download forms and applications. Eventually all of these services and much more will be included in the online Policyholder Service Center.

This free service will be available 24-hours and will feature real-time account information. More information on the new Policyholders Service Center will appear in next quarter's *Review*.



Understanding the Rating Systems

Each year, insurance rating organizations evaluate and rate insurance companies including medical specialty companies like MMIC. The most familiar of the rating companies are A.M. Best Company, Standard and Poor's (S&P) and Moody's Investors Services. However, for specialty insurers that are not publicly owned, like MMIC, the one that has the most meaning is A.M. Best, the oldest and best known of the rating companies.

Understanding Best, Moody's and S&P's ratings is important, especially when determining the most appropriate insurance company to cover your exposures.

All of the rating systems provide an opinion on an insurance company's financial strength and its ability to meet short- and long-term obligations. However, they do not all have the same evaluation methodology.

S&P and Moody's monitor and evaluate all publicly available data, such as annual reports, quarterly and annual financial statements and other publicly available information. To form an accurate rating or opinion as to an insurance company's financial strength

and claim-paying ability requires more than a quantitative review of publicly available information. S&P ratings listed with a "pi" are performed on all insurance companies on a quantitative basis.

A.M. Best derives its opinions from an evaluation of a company's balance sheet strength, operating performance and business profile. A.M. Best conducts a more detailed qualitative review of the companies it evaluates, meeting with company management at least annually. Best is the only rating agency to specialize in insurance company claim-paying ability. S&P and Moody's also rate corporate credits and all issuers of debt, including municipalities and states.

MMIC's top executives meet with A.M. Best each year. Before the process is completed, A.M. Best has reviewed company financials, interviewed management and looked at all aspects of the MMIC Group and its current and future ability to serve its stakeholders well.

Currently, MMIC has an A.M. Best rating of "A" Excellent with a "Stable" outlook.



2006 Rate Notification is in the Mail

The Underwriting Department mailed letters explaining 2006 base rates to policyholders in October. The MMIC board of directors approved the 2006 rate recommendations by independent actuaries in August. Overall, we are pleased to be able to maintain the same base rate for the majority of our states for 2006. We attribute this to the sound risk management efforts of staff and policyholders.

The actuarial review showed that loss frequency is stable while loss severity continues to rise. Severity

includes total indemnity paid and reserved, and the cost to defend all claims. Over the past several years, these costs have continued to increase at an accelerated pace.

Policy specific information is being included in your renewal packet. Underwriting began mailing 2006 renewal information in November.

For more information, please contact your underwriter at 800-328-5532 or your insurance agent.