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ProMutual Group Announces Rate Increase for Physicians and Surgeons in Massachusetts for 2006

Boston, MA — June 1, 2006 — Effective July 1, 2006, ProMutual Group will increase rates for its Physician and Surgeon Professional Liability policies in Massachusetts. Insured healthcare providers will see an increase in base rates of five percent.

An increase such as this is necessary at this time in order for ProMutual Group to continue to protect the healthcare providers we insure and to maintain the company's long-term financial strength in the face of rising claim costs. The rates ProMutual Group charges reflect expected future legal defense and claim costs. Although ProMutual Group's strong financial standing and capital base remain stable, it is necessary that rate levels must be adequate to match anticipated costs.

Although insureds will see a rate increase this year, it should be noted that ProMutual Group did not file a rate change for Massachusetts Individual Professional Liability policies last year. This year's rate increase reflects the growth in claim costs since the last rate increase in 2004.

ProMutual Group remains a financially strong provider of medical malpractice insurance and is acknowledged as a leader in providing risk management and claim services. In fact, in March, A.M. Best, the nation's leading insurance rating organization, reaffirmed its A- (Excellent) rating of ProMutual Group for 2006.

"ProMutual Group is a company of unquestioned financial strength," says Richard W. Brewer, president and CEO of ProMutual Group. "We will continue to build upon that strength and maintain our key services to help healthcare professionals control and reduce risk and allow them to do what they do best – practice excellent medicine."

One way ProMutual Group ensures its financial strength while providing physicians with this essential protection comes from the company's Claim Department. ProMutual Group's Claim Department makes every effort to control and, where possible, reduce claim costs while still maintaining the superior defense our policyholders expect. For certain cases, using alternative dispute resolution techniques such as binding arbitration and mediation have been highly effective.

ProMutual Group also remains committed to risk management as an effective means of reducing risk and increasing patient safety. The cornerstone of the company's risk management program is the office appraisal, an on-site assessment of an office or hospital practice. The hundreds of office appraisals performed each year by the Risk Management Department professional staff are designed to help physicians in all specialties identify and then correct the risk exposures which, left unchanged, could compromise patients' health. The Risk Management Department's education efforts are ongoing. In the past year, the department, in conjunction with various specialty societies, focused on the importance of effective communication in both reducing risk and enhancing patient safety.

ProMutual Group also takes a proactive role in specialties that are considered high-risk. Obstetricians, for example, are at particular risk for claim and loss. To help mitigate that risk, this past year ProMutual Group-insured obstetricians were offered a unique hands-on learning experience at the Center for Simulation in Cambridge. Simulated emergency situations enabled physicians to practice teamwork and refine critical skills in a learning environment. The Risk Management team also made available to our insured obstetricians a virtual, interactive program on techniques to utilize when confronted with a case of shoulder dystocia, an obstetric emergency with often catastrophic consequences.

Looking forward, ProMutual Group will continue to intensify its efforts to respond to the needs of policyholders. ProMutual Group also will continue to provide cost-effective patient safety initiatives and risk management training to insureds.

About ProMutual Group

ProMutual Group is the largest provider of medical malpractice liability insurance in New England, insuring more than 18,000 physicians, surgeons, certified nurse midwives and dentists, as well as a large number of hospitals, health centers and clinics. ProMutual Group has in excess of \$1.9 billion in admitted assets, \$418 million in policyholder surplus, and nearly \$350 million in direct written premium and has a Best's Rating of A- (Excellent). Based in Massachusetts, ProMutual Group member companies also operate in Connecticut, Maine, New Hampshire, New Jersey, Rhode Island and Vermont.

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