

September 3, 2010

Medical Mutual filed for and recently received approval from the New Hampshire Insurance Department to raise Physician and Hospital rates effective October 1, 2010, by 5% and 9%, respectively.

For New Hampshire physicians, this rate change represents the first rate increase since 2006. Changes in relativities produced an overall average net rate reduction of 8.6% for New Hampshire physicians in 2008. The increase for hospitals is the first rate change since base rates were increased in 2005.

These new rates are based on actuarial indications, which show an increase in incurred losses on claims in the state. Since claims are the single largest contributing factor to our financial performance, it's critical for the Company to take appropriate action when actuarial analysis determines additional premium is needed to cover expected losses. At the same time, we understand that any increase in expenses, particularly in this economy, has a significant impact on how physicians and hospitals manage their financial resources. Thus, we make every effort to manage rate fluctuations, which includes paying dividends when possible, as we have three times in New Hampshire since 2007.

While other medical professional liability carriers have come and gone from the New Hampshire market, Medical Mutual has provided what we believe to be the best coverage and service to New Hampshire's physicians and hospitals since 1992, without interruption.

We are committed to protecting the assets and reputations of you - our member policyholders. You are the reason we exist and we remain eager to help in any way can. Should you have any questions regarding these rate changes, please do not hesitate to contact us, or your independent insurance agent.

Very truly yours,



Terrance J. Sheehan, MD
President and CEO