

Rounds

NEWS FROM MEDICAL MUTUAL



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Company to begin underwriting Independent Advanced Practice Providers

In a move designed to support the changing dynamics of the evolving healthcare landscape and leverage the valuable expertise of Advanced Practice Providers, Medical Mutual will begin underwriting Independent Nurse Practitioners (NPs), Physician Assistants (PAs), Certified Nurse Midwives (CNMs) and Certified Registered Nurse Anesthetists (CRNAs) in all states the Company serves.

Medical Mutual President & CEO Shawn Anderson says, “Advanced Practice Providers have become indispensable members of the healthcare delivery system, particularly in smaller, more rural communities.” He said the expansion of eligibility will therefore enhance healthcare access in many under-served communities, where the need for high quality care is most critical.

APPs who secure medmal coverage through Medical Mutual will have the same access to all Company services and benefits as physicians and surgeons, including dividend eligibility and risk management guidance.

The expansion of eligibility took effect October 1st and the Company is currently accepting applications online or through agents appointed by Medical Mutual.



Company poised to finalize relocation

It started with a search of available spaces in and around Portland, then a thorough assessment of needs and amenities for the design and eventual build-out of the Company’s new corporate offices. Finally, the Company worked on an intricate and comprehensive move-in plan to minimize disruption of operations during the transition to the new state-of-the-art office just blocks from the current space at One City Center. Now the end is in sight.

Medical Mutual will officially open its doors at its new corporate headquarters at 100 Middle Street in Portland on January 1, 2026.



Medical Mutual VP of Marketing & Administration, John Doyle, led the effort of finding and managing the renovation of the new space, but says employee input was critical to the process. “This wasn’t just about changing our address,” he said. “We saw this as an opportunity to reimagine the future of work at Medical Mutual, so we sought input from all levels of the Company in developing the design for the new space.”

Doyle said the overarching goal was to enhance productivity and to provide an environment that promotes collaboration and reinforces Medical Mutual’s rich culture of customer service excellence. “It’s been quite an experience,” he said. “We’re excited to move in and enjoy our new work environment and also to welcome clients and business partners there when the calendar turns in January.”



Unraveling a captive to return to the commercial marketplace:

Medical Mutual’s blueprint has been proven to be successful

The medical professional liability landscape has shifted dramatically, and those physician groups and hospitals that previously ventured into self-insured or captive insurance programs are reconsidering their options. What seemed attractive during softer market conditions has become increasingly challenging to sustain.

This year, Medical Mutual received a submission from a large physician group that formed their own self-insured program years ago. After managing their own liability exposure independently, they recognized mounting challenges and decided to explore transitioning back to the commercial market. The catastrophic collapse of Steward Health Care in Massachusetts—which filed for bankruptcy in May 2024, resulting in hospital closures and forced sales of others—serves as a stark reminder of what can happen when healthcare organizations become financially unstable, particularly when self-insurance programs are tied to institutions facing broader financial distress.

The Growing Challenges Facing Self-Insured and Captive Programs

Today’s environment presents substantial headwinds testing the viability of self-insured structures:

- **Severity and Frequency:** Medical malpractice claim severity has escalated significantly, with verdicts reaching unprecedented levels. Self-insured programs that set reserves based on historical patterns find their capital requirements insufficient. After years of decline, many specialties are experiencing upticks in litigation frequency, requiring increased reserves while maintaining required surplus levels.
- **Claims Complexity:** Today’s claims involve increasingly complex procedures, multiple defendants, and sophisticated plaintiff strategies. Managing these effectively requires specialized expertise and resources that many self-insured programs struggle to maintain cost-effectively.

- **Regulatory Burden:** State insurance departments have heightened scrutiny of captive programs, requiring enhanced reporting, increased capital requirements, and more rigorous actuarial analysis. Compliance costs continue to rise.



- **Reinsurance Challenges:** The reinsurance market has hardened considerably, with capacity constraints, higher pricing, and more restrictive terms making adequate protection increasingly difficult and expensive to obtain.
- **Institutional Financial Interdependence:** For hospital-based self-insurance programs, the program’s viability becomes linked to the parent organization’s overall financial health. The Steward Health Care crisis demonstrated this danger—when the hospital system collapsed, physicians’ liability coverage became uncertain. Officials described the potential closures as a “catastrophe” for healthcare access, leaving physicians potentially exposed to liability risks they believed were covered.

Why Organizations Are Making the Move

Given these marketplace challenges, the administrative burden of maintaining self-insured programs has grown substantially, diverting management attention from core healthcare delivery. Hospital and practice managers in captive structures are beginning to realize the capital tied up in reserves and surplus could generate greater value if redeployed into daily operations and practice growth. In many cases, they are also seeing that reinsurance costs have increased to where total self-insurance program costs approach—or exceed—comprehensive commercial coverage costs.

Past successes inform a blueprint for a sensible, effective return to commercial coverage.

Medical Mutual has real-world experience transitioning self-insured entities back to the commercial marketplace. The Company helped a nine-hospital system achieve the coverage it sought with the professional claims management and risk management services that have helped it cost-effectively manage its medical professional liability for 10 years now. Soon after, when a four-hospital risk retention group was facing fiscal distress, one institution joined another captive with similar values and alignment and two joined a system already insured by Medical Mutual. Notably, the Company used its blueprint to write the fourth hospital on its own customized policy, which remains in force today, almost a decade later.

The blueprint includes tail coverage solutions, custom program design that reflects the client’s risk tolerance and specialty mix, as well as the Company’s vaunted risk management support. Senior management of every department is actively involved in crafting a program that ensures no gaps in coverage and a level of claims management that most captives simply cannot match.

The Path Forward

For organizations currently operating self-insured or captive programs, now is the time for thorough reassessment. Market conditions have shifted, and recent events in healthcare have underscored the risks of coupling professional liability coverage with institutional financial health.

Medical Mutual’s proven track record of successful transitions, combined with our deep understanding of medical professional liability, positions us uniquely to make this process smooth and effective. If your organization is facing these headwinds, we invite you to explore how Medical Mutual can help.





One City Center • PO Box 15275
Portland, Maine 04112-5275
Tel (207) 775-2791 • 1-800-942-2791
medicalmutual.com

Medical Mutual Maintains Strong A (Excellent) Rating from AM Best

Medical Mutual has once again demonstrated its financial strength and stability, receiving affirmation of its Financial Strength Rating and Issuer Credit Rating of “A Stable, a+ Stable” respectively from AM Best for the coming year.



The rating, announced in August by Shawn Anderson, Medical Mutual’s President and CEO, reflects the company’s solid financial performance, prudent risk management, and strong competitive position in the medical professional liability insurance marketplace. AM Best’s ratings are widely recognized as the benchmark for insurance company financial strength, providing assurance to policyholders, employers, and business partners.

“This is important to our ongoing success,” Shawn noted in his announcement to staff, extending congratulations to the entire team for their role in maintaining this high standard.

The A rating places Medical Mutual in the “Excellent” category, indicating exceptional financial strength and the ability to meet ongoing policyholder obligations. This stability is particularly important in today’s dynamic healthcare environment, where members and employer groups rely on their insurance carrier to be there when needed most.

The retention of this strong rating is a testament to the dedication and hard work of employees across all departments, from underwriting and claims to customer service and operations. It reflects Medical Mutual’s commitment to sound business practices and delivering value to members.