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In light of the unprecedented events surrounding the Covid-19 outbreak in the United States, we recognize that many of our insureds have either temporarily closed their practice or dramatically reduced the number of procedures they are performing and the number of patients they are seeing. Due to this reduction in exposure, we anticipate that this will have some corresponding reduction in the number of medical malpractice claims over the next several years.

As an insurer who writes Claims-Made coverage, we know that the reduction in claims cost will materialize over a number of years as this reduction in 2020 exposure plays out across multiple report years. Because we wish to provide some measure of premium relief in line with this anticipated reduction in claims cost, we are proposing a new discount, the Covid-19 Discount. This discount has been calculated in line with our claims-made pattern in the state and varies based on the reduction in exposure a provider experiences within 2020. We have chosen a three-year window during which this discount will apply. Details of the calculation are attached.

Although we believe the rate level indication is reasonable and not excessive, inadequate or unfairly discriminatory, no guarantee can be made that actual results will not differ, perhaps materially, from expected given the need to project future contingent events.

The author of this report is a member of the Casualty Actuarial Society and the American Academy of Actuaries. She meets its requirements for signing this report.

Jennifer Teter, ACAS, MAAA
Chief Actuary