



## PRESS RELEASE

### **American Healthcare Providers Insurance Services Company Announces the Approval For the Return of Over \$1 Million in Surplus to its Physician Insured Clients.**

*By: American Healthcare Providers LLC, Public Relations*

**Philadelphia, PA – August 4, 2010** -- American Healthcare Providers Insurance Services Company (“American”) announced today it has received approval from the Commissioner of the Pennsylvania Insurance Department to enter the second phase of the surplus restructuring program for Healthcare Providers Insurance Exchange (“HPIX”).

The restructuring program began in 2009, when HPIX returned over \$1 million to physicians who joined The Exchange in 2003. In 2010, HPIX will enter the second phase of the Surplus Restructuring Program, which includes the return of another \$1 million to its member physicians who joined The Exchange in 2003 and 2004. Physicians who joined HPIX in 2003, and who continue to be insured by HPIX will receive their second surplus installment, representing 20% of their original contribution. Physicians who joined The Exchange in 2004, and who continue to be insured by HPIX will receive the first of their surplus return contribution, also equal to 20% of their original contribution.

Thomas Gaudiosi, American’s CEO, describes the impetus of the plan. “In these difficult economic times, we are delighted to be able to reward our loyal physician clients who have remained with us over the past 8 years. HPIX finds itself in the best financial position since its inception, and we are pleased to celebrate our success with our insureds. The surplus contribution certificates we issue stipulate that the surplus contribution is not returnable until the earlier of the 15th anniversary of the date we issued the surplus contribution certificate or our dissolution or liquidation. However, because of our excellent financial position, we have begun returning surplus contribution beginning on the sixth anniversary of the date your entire surplus contribution has been paid, subject to the prior approval of the Commissioner. We are pleased that the Commissioner has approved the second phase of our Surplus Restructuring Program, allowing for the return of 20% of the surplus contributions we received in 2003, and 20% of the contributions we received in 2004 from physicians whom we continue to insure. Our ability to do this is a major accomplishment for the company and also a huge barometer of success in the insurance exchange model.”

The principal terms of this plan are as follows:

- A subscriber does not become eligible to receive any return of surplus until the sixth anniversary of the date on which that subscriber's surplus contribution has been paid and we continue to insure the subscriber;
- Once the six-year period is completed, subject only to receiving the approval of the Commissioner and your continuance as one of our insureds, we will pay you 20% of your surplus contribution on the sixth, seventh, eighth, ninth and tenth anniversaries of the date on which your surplus contribution was paid;
- If you cease being insured by us, we will stop repaying your surplus contribution and you will not again be eligible to receive the return of your surplus contribution until the 15<sup>th</sup> anniversary of the date we issued a surplus contribution certificate to you;
- We reserve the right in our discretion to suspend or terminate the return of surplus contributions; and
- We reserve the right in our discretion to establish administrative procedures relating to the return of surplus contributions.