
Provider Alliance Adds Red Mountain as Program Carrier

CLEVELAND, OH, July 8, 2004 – Provider Alliance (from LTC Risk Purchasing Group) is pleased to announce the addition of **Red Mountain Casualty Insurance Company, Inc.**, as an issuing carrier to the program. Effective July 1, 2004, a policy was opened with Red Mountain Casualty for members of the Provider Alliance program. The addition of Red Mountain will accelerate the program's extraordinary growth, foster program enhancements, eliminate potential channel conflict and add stability for all Members.

Red Mountain Casualty is the E&S subsidiary of **ProAssurance Corporation**, one of the nation's largest writers of medical liability coverage. A.M. Best assigns a rating of "Excellent" ("A-") to ProAssurance and its subsidiaries; Standard & Poor's assigns the Company's professional liability carriers a "Strong" rating. Through ProAssurance Corporation, Red Mountain Casualty is backed by more than \$2.3 billion in assets and is given by AM Best a financial size of IX.

Look for all new business to be placed with Red Mountain by October 1st of this year. Renewal business will transfer over to RMC wholly by the end of the year. During this transition, some of your accounts may be placed with Red Mountain, while others are kept with CNA / Columbia Casualty. You will be notified account by account as the risks are presented.

This is another very positive occasion for the Provider Alliance program. A transition to Red Mountain Casualty will provide agents and members with numerous benefits:

- **Growth** – Red Mountain & ProAssurance do not currently have long term care business, and are anxious to aggressively grow this program.
- **Commitment & Stability** – We have buy-in from the top level executives at Red Mountain and ProAssurance, assuring a long-term commitment to the program.
- **Expertise, Flexibility & Creativity** – this new partnership will provide us with the flexibility and authority to make creative improvements to the program while working with recognized experts in the area of healthcare liability exposures.
- **Immediate Program Improvements** – during this transition, we will make some immediate, high impact improvements to the program. Look for:
 - Lower Minimum Premiums
 - Higher base commissions
 - Incentive based commissions
 - More competitive base rates
- **Added Security** – The addition of Red Mountain has already drawn the attention of potential reinsurance and excess markets. We plan to have excess coverage in place for ALL policy years within the next few months.

We are always looking for ways to improve the Provider Alliance program. The addition of Red Mountain Casualty certainly helps us to provide our agents and members with a significant program upgrade.

If you have any questions regarding this information, or specific account inquiries, please do not hesitate to contact us at 888.331.3305

Sincerely,

LTC Risk Purchasing Group / Provider Alliance
LTC Risk Management