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Public hearing set on proposed merger of malpractice insurers

(Salem) The Oregon Department of Consumer and Business Services (DCBS) will hold a public hearing November 17 in Salem on a proposal to merge Northwest Physicians Mutual Insurance Company (NPM) into a subsidiary of The Doctors Company, a physician-owned California insurer.

Underwriter for the Professions Insurance Company, a subsidiary of The Doctors Company, has made an offer to purchase NPM, a Salem insurer that is owned by its policyholders. NPM insures about 24 percent of active physicians in Oregon, making it one of the two largest medical malpractice insurers in the state. It also insures physicians in Washington and Idaho. The Doctors Company insures only 4 percent of Oregon physicians, but operates in every state except New York.

The public hearing, which begins at 6 p.m. at the new Salem Conference Center, will allow the involved parties to explain their intentions and provide an opportunity for NPM policyholders and others to comment on the proposed merger. If DCBS approves the transaction, it will be presented to NPM members for a vote of approval. If at least two-thirds of the members voting approve the merger, the proposal will be implemented. Under the terms of the agreement, NPM policyholders as of September 1, 2005, will receive compensation for their ownership interests once the merger is complete.

A complete copy of the merger agreement may be examined at the offices of NPM, 2965 Ryan Drive S.E., Salem, or at the offices of the DCBS Insurance Division, 350 Winter Street N.E., Room 440, Salem. The merger agreement and other information also are available on the Insurance Division's Web site: **insurance.oregon.gov**. Click on *What's New*.

Written comments about the proposed merger must be received by November 24, 2005. Comments should be sent to Russell Latham, Financial Regulation Section, Oregon Insurance Division, P.O. Box 14480, Salem, OR 97309-0405.

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NOTE TO EDITORS AND NEWS DIRECTORS:

The public hearing will be in Santiam River Rooms 4 and 5 of the Salem Conference Center, 200 Commercial Street SE.