

## Media Reports Major Medical Malpractice Insurance Carrier Ousts CEO

As reported by [the Albany Times Union](#) and *Politico* on July 6, 2017, New York State has ousted the CEO of the state's second largest medical malpractice insurance carrier. In the *Politico* article – [Bonomo ousted at PRI amid accusations of self-dealing and mismanagement](#) – reporter Dan Goldberg writes, “The board of PRI, the state’s second-largest medical malpractice insurance company, met shortly after 5 p.m. on Thursday and voted to void the company’s management contract with Administrators for the Professions, a subsidiary of AJB Ventures, which Bonomo owns... [AJB’s] contract was set to expire at the end of the year, but the Cuomo administration did not want to wait that long.”

According to [Newsday’s article](#) on the development, Bonomo has been “ousted from control of Roslyn-based Physicians Reciprocal Insurers amid charges of self-dealing, cronyism and mismanagement.” The story goes on to say, “New York financial services Superintendent Maria Vullo found in an order issued Thursday that Bonomo breached fiduciary duties to the malpractice insurer, ignored ‘sound actuarial principles’ when setting loss reserves and covered up problems by firing auditors and whistleblowers.”

MLMIC President John Lombardo says, “These findings by DFS are shocking and deeply disturbing, and we’re pleased to see DFS take action to preserve the integrity of the medical malpractice insurance market in NYS. It’s no accident that MLMIC continues to demonstrate a sound financial condition. *MLMIC makes it its mission to provide affordable insurance at the lowest possible cost that’s consistent with fiscal responsibility.* Our business practices ensure that the company has a sound financial foundation so that we are able to fulfill our obligations to policyholders. We stand ready to assist any medical professional or institution that has questions or concerns regarding their coverage.”

Affirming MLMIC’s historic and [stable position](#) in the market, the Medical Society of the State of New York recently shared the following in an email updating members about the ongoing situation with the troubled competitor: “We are quite pleased to report that our trusted partner and longstanding endorsed professional liability insurer, MLMIC, stands apart and above the fray. MLMIC’s stability, especially in today’s marketplace, is notably reassuring.”

We continue to monitor the situation in the market. If you have any questions, please call 1-800-ASK-MLMIC.