

September 27, 2023

To American Physician Partners' Providers:

We are writing to notify you of important information regarding your medical malpractice insurance. On September 18, 2023, APP filed for Chapter 11 protection under the U.S. Bankruptcy Code. This followed the cessation of services under the provision of APP's medical contracts, all of which were terminated by July 31, 2023.

Prior to filing for bankruptcy, APP provided professional liability coverage for all clinicians employed or engaged with APP, excluding outsourced Locums providers. As such, we renewed our medical malpractice insurance policies provided through Mag Mutual and Professional Security Insurance Co., a subsidiary of Mag Mutual (the Mag Mutual Policies), as we had in previous years. The Mag Mutual Policies were renewed June 30, 2023, and certificates of insurance were delivered reflecting the renewal.

As APP wound down its provision of medical services and transitioned those services to alternative service providers or our healthcare/hospital partners, we also worked diligently to coordinate a solution to ensure prior acts or "tail" coverage was in place for our clinical team with each of our successors. In connection with these transitions, the overwhelming majority of those successors agreed to provide prior acts coverage.

However, a few successors were unwilling to provide continued prior acts coverage to APP's clinical team. Regarding those cases APP has continued to work diligently with our insurance broker and Mag Mutual to source a comprehensive solution. At this time, that solution is not in place.

Additionally, on or about August 3, 2023, Mag Mutual sent a written notice to APP asserting that it had cancelled the 2023 Mag Mutual policy, and rescinded coverage as of June 29, 2023. APP contests the alleged cancellation and rescission reserving all of its rights against Mag Mutual.

APP is working diligently with Mag Mutual to reach a resolution that protects members of our APP Clinical Team who are either (a) not covered under a successor's policy, or (b) who were previously employed by or engaged with APP. To date, we have been unable to reach such an agreement with Mag Mutual.

Unfortunately, Mag Mutual's alleged cancellation of our 2023 policy, along with certain of our successors' unwillingness to ensure prior acts coverage for the time providers were with APP, has left certain members of our team without medical malpractice insurance coverage for the services that were rendered while employed or engaged with APP.

While we are continuing to work on a solution, we are notifying you of this situation. We suggest you seek alternative independent options through Mag Mutual or any other third-party insurer to ensure you are covered, or confirm you are covered under a successor's prior acts policy.

Mag Mutual can be reached at:

* Mag Mutual at 800-282-4882 or visit <https://www.magmutual.com/><https://www.magmutual.com>

Thank you,

American Physician Partners