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To All Galen Insureds:

I am writing to let you know about two changes to your Galen professional liability policy, each of which is favorable to you.

Recently we have shortened the period an insured must be covered by Galen before he or she can retire and obtain free "tail" coverage. We had a five year requirement, which was the standard, but we have lowered the period to three years after consulting with our actuary. A three year period is becoming more common, and we feel that this change helps some of the physicians we insure without imposing unacceptable risks.

Also, toward the end of 2006 we heard from a physician who treats patients in a third world country at no charge each year. He wondered if Galen would cover him if a claim arose out of this work. Programs that arrange for doctors to work overseas may include insurance, and Galen could not provide a defense in legal systems about which we have no knowledge. We were told, however, about occasions when a patient is brought back to the United States for treatment and we felt that the risk of providing professional liability in such a situation was outweighed by the need to support our physician-insureds.

Once we began to think about this we realized that some doctors may do charity work outside of Missouri but within the United States rather than in foreign countries, and so we have broadened our coverage to include incidents arising from unpaid work on behalf of a charity wherever the work takes place, in addition to "Good Samaritan" acts, as long as the claim is filed in the United States.

We thought it appropriate to bring these changes to your attention, recognizing that if we sent out new policies they might be overlooked. Galen's standard policy also provides that revisions broadening coverage without calling for additional premium apply immediately to every policy outstanding. Therefore these changes affect everyone with a Galen policy, as well as new physician-insureds.

We will continue to keep improving our product and appreciate your confidence in Galen.

Best wishes,

Matthew P. McCauley
President and CEO