

Press Release

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LLJUA Restructures as Hospitality Mutual Insurance Company *New Insurance Company Set To Compete In Hospitality Market*

WESTBORO, Mass., July 7, 2008 – The Liquor Liability Joint Underwriting Association of Massachusetts (LLJUA) announced today that by an act of the Massachusetts legislature a bill to restructure it as a mutual insurance company to be called the Hospitality Mutual Insurance Company has been enacted.

Like LLJUA, Hospitality Mutual will continue to cover any eligible licensee in the Commonwealth providing more comprehensive coverage, additional products and competitive premiums.

“In many cases, LLJUA’s policyholders have had to piece together full coverage using a number of insurers,” according to Hospitality Mutual President and CEO John W. Tympanick. “By converting to a competitive, mutually owned company, Hospitality Mutual will offer coverage that is more efficient, more competitively priced and tailored to the needs of its policyholders.”

Tympanick compared the conversion of LLJUA into Hospitality Mutual with the 1994 conversion of the Medical Malpractice Joint Underwriting Association into ProMutual.

“By any measure, that conversion has been a tremendous success,” Tympanick said. “Not only is the medical malpractice market in the state much more competitive than it was before, but the company is financially very strong, has increased its size and reach, and has expanded its employee base.”

Likewise, he believes the conversion to Hospitality Mutual will benefit everyone involved:

Others who need liquor liability coverage – including bars, restaurants, social clubs, package stores and caterers – will have a new domestic insurance company that understands their market and can serve their needs, so they will no longer have to rely solely on out of state carriers for a portion of their coverage.

The Commonwealth will also benefit, as premiums will stay within the state and new jobs will be created.

Given these benefits, those who testified in support of legislation to create Hospitality Mutual include the Massachusetts Restaurant Association, the Massachusetts Insurance Federation and the Massachusetts Association of Insurance Agents.

LLJUA was created in 1985 to provide liquor liability insurance to bars, restaurants and package stores that could not readily purchase coverage in the voluntary market. Since then, LLJUA has issued 30,000 policies with total premiums approaching one hundred million dollars and is in a strong financial position. Hospitality Mutual will continue to stabilize the liquor liability market negating the need for a residual market.

“As a mutual insurance company, Hospitality Mutual will have the ability to operate as a competitive business,” Tympanick said. “This means it will be able offer new products that better meet the needs of our policyholders and enter new markets to expand our business.”

The act was signed into law by Lieutenant Governor Timothy P. Murray on June 20, 2008.

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Hospitality Mutual Insurance Company (www.HospitalityMutualIC.com), formerly the Liquor Liability Joint Underwriting Association of Massachusetts (LLJUA), specializes in providing liquor liability insurance coverage for bars, restaurants, package stores, caterers and others who serve alcoholic beverages. For further information, contact John Tympanick at 877-366-1140 or 508-366-1140, ext. 11.

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