

MLMIC Cash Payout

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CLIENT ALERT:

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On September 14, 2018, MLMIC Insurance Co. policyholders approved the conversion of the mutual company to a stock company and sale of the stock to National Indemnity Co. (a Berkshire Hathaway subsidiary) for \$2.5 billion. As part of this transaction, MLMIC policyholders as of July 14, 2016, are eligible for a cash payout. Each payment will be approximately equal to 1.9 times the premiums paid between July 15, 2013 and July 14, 2016. MLMIC has already begun making payments, which are expected to continue through the end of the year.

But who is entitled to this money?

Employers often pay the malpractice premiums on behalf of their physician employees; whereas, MLMIC intends on paying the designated policyholder, which is most often the physician. This situation is ripe for disputes between employer and employee over who is entitled to the payout.

Each dispute is unique, and a fact-specific analysis must be performed to get a full understanding of the circumstances, positions of the parties, and their rights. These disputes often raise contractual, statutory, and equitable issues. We have been at the forefront of these issues.

For more information on the MLMIC cash consideration payout, please contact [Patrick Formato, Esq.](#) or [Ayman Soliman, Esq.](#) or any Abrams Fensterman [healthcare attorney](#) at (516) 328-2300.

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