

THE 2022 ANNUAL REPORT

# Created *by* doctors *for* doctors



# A letter from our Board Chair

---

SVMIC exists to serve physicians. This company was founded in 1975 when commercial carriers stopped offering the medical professional liability insurance doctors needed. At that time a group of visionary physicians collaborated to create this mutually-owned insurance company and thus take control of a very important aspect of doctors' professional and personal lives. At first, the company's only purpose was to provide a reliable source of medical malpractice insurance, but now SVMIC has expanded to help doctors be successful through a broad range of support and advocacy services.

Today, SVMIC continues to be proudly owned and governed by doctors. Fourteen of SVMIC's sixteen directors are physicians. These directors oversee SVMIC's operations, provide governance to the management team, and help establish the company's strategy. This board leads with a remarkable commitment to the company's policyholders.

Doctors' leadership at SVMIC goes well beyond its board of directors. SVMIC's governance committees are composed almost entirely of physicians, and these committees oversee claims management, underwriting, and financial operations. Doctors on the risk management committee help select and develop risk education programs. This physician guidance ensures that SVMIC's products and services are in line with the wants and needs of its physician members.

Perhaps most importantly, physician leadership ensures that SVMIC remains committed both to the high levels of service that its policyholders expect and to the strong legal defense that its policyholders deserve. SVMIC has never wavered from its promise to vigorously defend good medicine and good doctors. This commitment is a fundamental part of SVMIC's culture and is evident in the dedication of its team members at every level.

Helping doctors be successful will always be SVMIC's focus. Everyone at this company shares this commitment and is honored to serve its physicians. Thank you for placing your trust in SVMIC.

Sincerely,



**Hugh Francis, III, MD**  
CHAIR OF THE BOARD

## Financial Highlights

<b>At Year End</b> (\$ in thousands)	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Cash and Invested Assets	1,208,752	1,249,626	1,294,540	1,390,803	1,357,781
Total Assets	1,243,394	1,278,382	1,321,878	1,415,225	1,385,631
Loss & Loss Adjustment Expense Reserves	469,000	455,000	456,000	468,500	461,000
Policyholders' Surplus	623,955	671,735	705,694	778,138	766,831
<b>For The Year</b> (\$ in thousands)	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Gross Written Premium	120,569	119,235	113,815	121,824	137,233
Net Investment Income	32,557	29,829	28,148	26,398	35,345
Net Paid Loss & Loss Adjustment Expenses	92,522	99,472	80,225	72,699	91,332
Policyholders' Dividends Declared	7,000	7,000	7,000	7,000	7,500
Net Income	28,542	22,074	23,853	17,077	21,669
Cumulative Dividends and Return of Capital	363,500	370,500	377,500	384,500	392,000
Cumulative Mutual Value Plan Allocations	68,917	87,143	97,918	110,888	122,475

# Condensed Balance Sheets

(As of December 31, 2022 & 2021)

<b>Assets</b>	<b>2022</b>	<b>2021</b>
Cash & Investments	1,357,781,000	1,390,803,000
Premiums Receivable	15,084,000	14,628,000
Accrued Investment Income	7,956,000	7,845,000
Reinsurance Recoverable	3,292,000	1,547,000
Federal Income Taxes Recoverable	1,287,000	207,000
Other Assets	231,000	195,000
<b>TOTAL ASSETS</b>	<b>\$ 1,385,631,000</b>	<b>\$ 1,415,225,000</b>
<b>Liabilities &amp; Policyholders' Surplus</b> (Liabilities)	<b>2022</b>	<b>2021</b>
Loss & Loss Adjustment Expense Reserves	461,000,000	468,500,000
Unearned Premiums	69,742,000	65,862,000
Reinsurance Balances Payable	29,606,000	19,260,000
Accounts Payable and Accrued Expenses	41,930,000	58,343,000
Net Deferred Tax Liabilities	9,774,000	17,393,000
Dividends Payable	2,735,000	2,714,000
Other Liabilities	4,013,000	5,015,000
<b>Total Liabilities</b>	<b>\$ 618,800,000</b>	<b>\$ 637,087,000</b>
Policyholders' Surplus		
<b>Total Policyholders' Surplus</b>	<b>\$ 766,831,000</b>	<b>\$ 778,138,000</b>
<b>TOTAL LIABILITIES &amp; POLICYHOLDERS' SURPLUS</b>	<b>\$ 1,385,631,000</b>	<b>\$ 1,415,225,000</b>

# Condensed Statements of Income

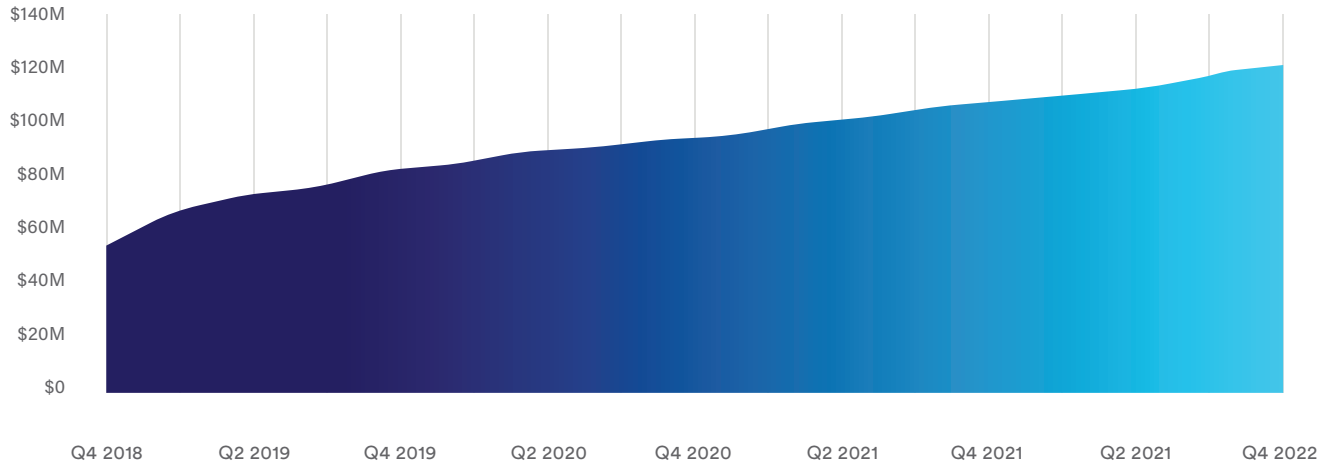
(For the years ended December 31, 2022 & 2021)

	2022	2021
Gross Written Premium	137,233,000	121,824,000
Ceded Premium	(27,228,000)	(11,934,000)
Net Written Premium	<b>110,005,000</b>	<b>109,890,000</b>
Change in Unearned Premium	(3,880,000)	(2,777,000)
<b>Net Earned Premium</b>	<b>106,125,000</b>	<b>107,113,000</b>
Loss & Loss Adjustment Expenses Incurred	83,832,000	85,199,000
Other Underwriting Expenses	25,166,000	23,892,000
<b>Net Underwriting Income</b>	<b>(2,873,000)</b>	<b>(1,978,000)</b>
Net Investment Income	35,345,000	26,398,000
Net Realized Capital Gains (Losses) on Investments	(678,000)	2,588,000
Other Income (Expense)	(10,000)	(3,000)
<b>Net Income Before Taxes and Policyholders' Dividends</b>	<b>31,784,000</b>	<b>27,005,000</b>
Policyholders' Dividends & Federal Income Taxes Incurred	(10,115,000)	(9,928,000)
<b>Net Income</b>	<b>\$ 21,669,000</b>	<b>\$ 17,077,000</b>

Note: The financial statements have been prepared in conformity with accounting practices prescribed or permitted by the Tennessee Department of Commerce and Insurance. The condensed financial information has been derived from the complete statutory-basis financial statements which were audited by Ernst & Young LLP, our independent auditors. A complete set of audited financial statements is available upon request.

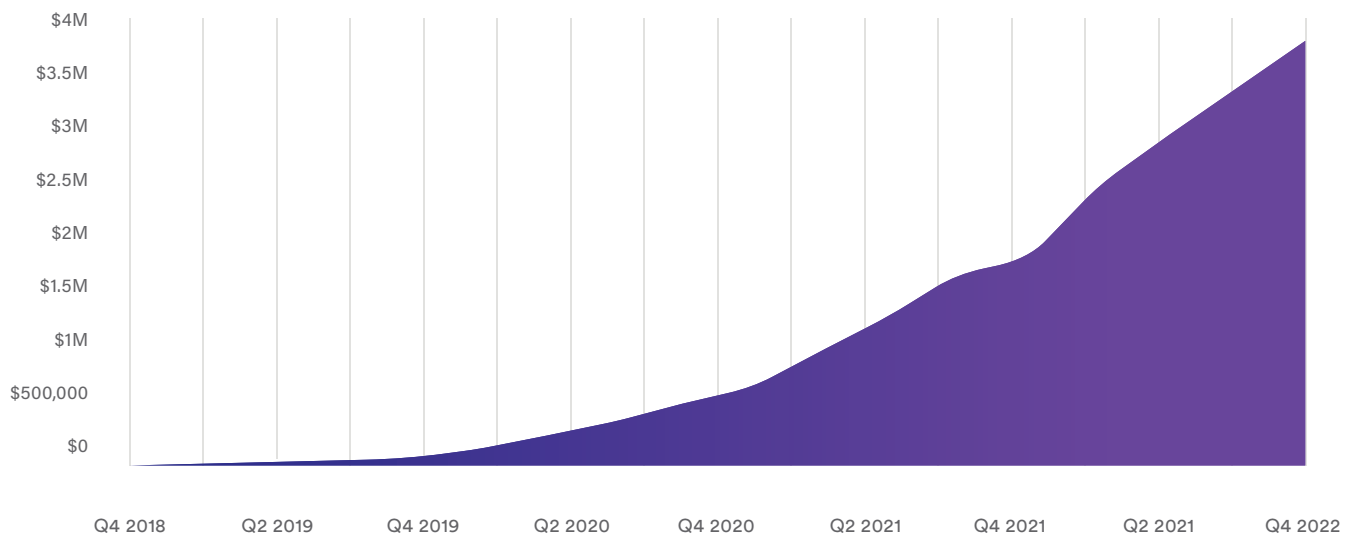
# Mutual Value Plan® Allocations and Distributions

## Mutual Value Plan® Allocations



Established in 2018

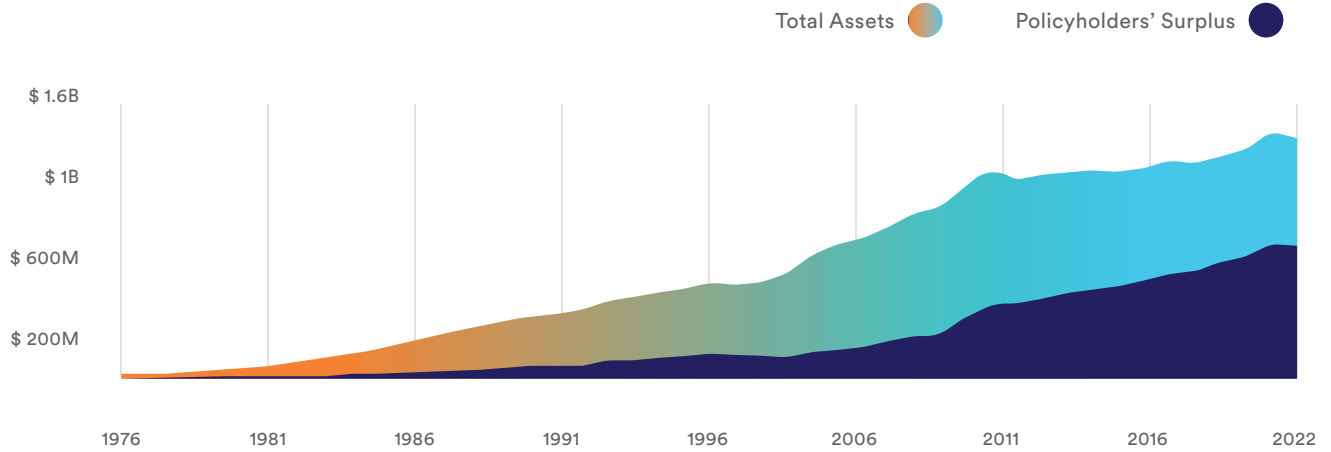
## Mutual Value Plan® Distributions



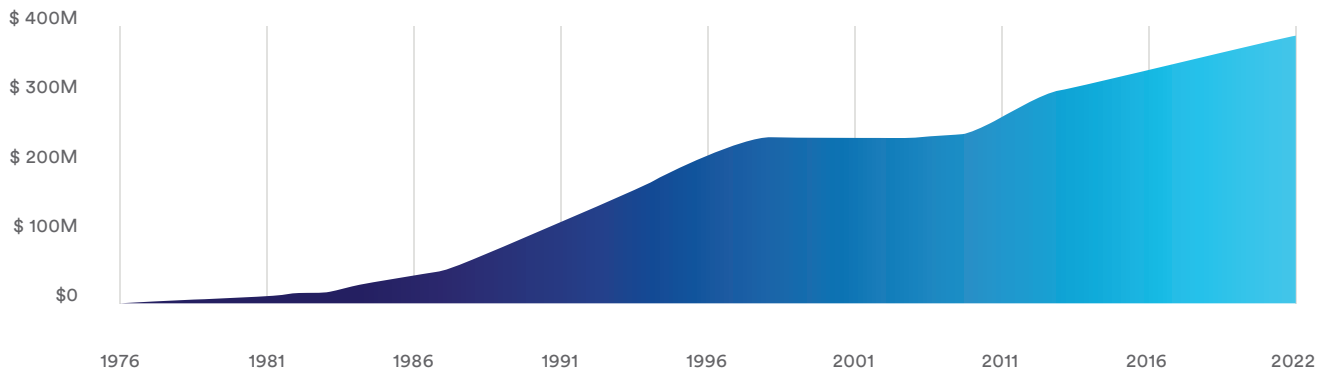
Established in 2018

# Policyholders' Surplus

## Policyholders' Surplus & Total Assets



## Cumulative Dividends Declared & Return of Capital



# Leadership – Board of Directors

## Hugh Francis, III, MD

### CHAIR OF THE BOARD

General and Vascular Surgery  
Memphis Surgery Associates  
Memphis, Tennessee  
Director Since 1997

## Matthew L. Perkins, MD

### VICE CHAIR OF THE BOARD

Internal Medicine and Pediatrics  
Tennessee Medicine and  
Pediatrics PC  
Smyrna, Tennessee  
Director Since 2008

## Katrina M. Hood, MD

### SECRETARY OF SVMIC

Pediatrics  
Pediatric and Adolescent  
Associates PSC  
Lexington, Kentucky  
Director Since 2009

## Chad T. Couch, MD, MBA

### TREASURER OF SVMIC

Urology  
President of Northeast Market  
CEO, Bristol Regional Medical Center  
Bristol, Tennessee  
Director Since 2008

## Brady W. Allen, MD

Emergency Medicine  
Ascension Saint Thomas  
Nashville, Tennessee  
Director Since 2020

## Robert J. Berkompas, MD

Internal Medicine  
Saint Thomas Medical Group  
Nashville, Tennessee  
Director Since 2010

## Melanie B. Blake, MD, MBA

Internal Medicine  
Galen Medical Group  
Chattanooga, Tennessee  
Director Since 2018

## John O. Lytle, MD

Orthopedic Surgery  
South Arkansas Orthopaedic Center  
Pine Bluff, Arkansas  
Director Since 2006

## Michael A. McAdoo, MD

Family Medicine  
Milan Medical Center PC  
Milan, Tennessee  
Director Since 2002

## Russell E. Miller, CAE

Chief Executive Officer,  
Tennessee Medical Association  
Nashville, Tennessee  
Director Since 2013

## John H. Mize, FCAS, MAAA

President and Chief Executive Officer  
SVMIC  
Brentwood, Tennessee  
Director Since 2013

## Craig A. Myers, MD

Obstetrics/Gynecology  
Generations OB/GYN  
Knoxville, Tennessee  
Director Since 2021

## Antwan D. Robinson, MD

Cardiology  
Jackson Clinic, PA  
Jackson, Tennessee  
Director Since 2021

## Elise E. Schriver, MD

Pulmonary and Critical Care Medicine  
University Pulmonary & Critical Care  
Knoxville, Tennessee  
Director Since 2002

## Jane M. Sneed, MD

Pediatrics  
The Children's Clinic  
Jonesboro, Arkansas  
Director Since 2013

## Lisa J. Young, MD

Cardiology  
Sutherland Cardiology Clinic, Inc.  
Germantown, Tennessee  
Director Since 2013



# Leadership – Officers

## **Hugh Francis, III, MD**

Chair of the Board

## **Matthew L. Perkins, MD**

Vice Chair of the Board

## **Katrina M. Hood, MD**

Secretary of SVMIC

## **Chad T. Couch, MD, MBA**

Treasurer of SVMIC

## **John H. Mize, FCAS, MAAA**

President & Chief Executive Officer

## **Michael A. Ricciardelli, CPA**

Chief Financial Officer

## **Stephen A. Dickens, JD, FACMPE**

Vice President, Medical Practice Services

## **Sherie L. Edwards, JD, MBA**

Vice President, Corporate and Legal

## **Joseph J. Lebryk**

Vice President, Business Development

## **Andy J. Meyers**

Vice President, Information Systems

## **Kenneth W. Rucker, JD**

Vice President, Claims

## **Charmy M. Shrode**

Vice President, Underwriting

## **Rochelle E. Weatherly, JD**

Vice President, Risk Education and Evaluation Services

## **Jackie P. Boswell, MBA, FACMPE**

Assistant Vice President, Medical Practice Services

## **Robin Buter, BSN, RN, LNCC**

Assistant Vice President, Evaluation Services

## **Corrine Dennison, SPHR, SHRM-SCP**

Assistant Vice President, Human Resources

## **Dan Himmelberg, JD**

Assistant Vice President, Claims

## **Julie Loomis, RN, JD**

Assistant Vice President, Risk Education

## **Judy Musgrove**

Assistant Vice President, Marketing and Communications

## **Deborah D. Rose, RN, LNC**

Assistant Vice President, Medical Information Services

## **Alisa S. Wamble, JD**

Assistant Vice President, Claims

## **Tom C. Werner, FCAS, MAAA**

Assistant Vice President, Actuarial and Business Analytics

## **Jessica E. Elston**

Controller

## **Renee A. Lewis**

Director, Claims Operations and  
Assistant Corporate Secretary

## **Patrick T. McBride, CPA**

Director, Financial Reporting and  
Assistant Corporate Secretary



## Arkansas Advisory Committee

Jane M. Sneed, MD, Chair  
J. Greg Elders, MD  
Patrick J. Flaherty, DO  
Keitha D. Holland, MD  
John O. Lytle, MD  
Juan C. Roman, MD  
Dennis B. Yelvington, MD

## Audit Committee

Lisa J. Young, MD, **Chair**  
Melanie B. Blake, MD  
John O. Lytle, MD  
David A. Curbo, CPA\*\*

## Budget Committee

Michael A. McAdoo, MD, Chair  
Robert J. Berkompas, MD  
Chad T. Couch, MD  
Hugh Francis, III, MD  
Katrina M. Hood, MD  
John O. Lytle, MD  
Matthew L. Perkins, MD  
Elise E. Schriver, MD

## Claims Management Core Committee

Elise E. Schriver, MD, Chair  
Chad T. Couch, MD  
Hugh Francis, III, MD  
John O. Lytle, MD  
Matthew L. Perkins, MD

## Claims Management Committee Consultants

Issam M. Almashharawi, MD  
Esha I. Cannon, DO  
Robert G. “Greg” Chandler, MD  
Jon S. Cohen, MD  
Daniel S. Ely, MD  
Keith L. Goldberg, MD  
William J. Harb, MD  
Jennifer L. Jacks, MD  
Brian M. Jerkins, MD

Robert H. Miller, III, MD  
J. Philip Moyers, MD  
Michael K. Muhlert, MD  
Alan P. Mullins, MD  
Frank J. Murabito, MD  
E. Lee Murray, II, MD  
David C. Portnoy, MD

## Compensation Committee

Michael A. McAdoo, MD, Chair  
Robert J. Berkompas, MD  
Chad T. Couch, MD  
Hugh Francis, III, MD  
Katrina M. Hood, MD  
John O. Lytle, MD  
Matthew L. Perkins, MD  
Elise E. Schriver, MD  
Kye Hudson\*\*

## Executive Committee

Matthew L. Perkins, MD, Chair  
Chad T. Couch, MD  
Hugh Francis, III, MD  
Katrina M. Hood, MD  
John H. Mize, FCAS, MAAA  
Elise E. Schriver, MD

## Innovation Task Force

Brady W. Allen, MD, Chair  
Hugh Francis, III, MD  
John O. Lytle, MD  
Craig A. Myers, MD  
Matthew L. Perkins, MD  
Antwan D. Robinson, MD  
Elise E. Schriver, MD  
Jane M. Sneed, MD

## Investment Committee

Chad T. Couch, MD, Chair  
Robert J. Berkompas, MD  
Hugh Francis, III, MD  
Katrina M. Hood, MD  
John O. Lytle, MD  
Michael A. McAdoo, MD  
Matthew L. Perkins, MD  
Elise E. Schriver, MD

## Risk Management Committee

Elise E. Schriver, MD, Chair  
J. Michelle Allmon, MD  
Michael S. Dolan, MD  
Daniel S. Ely, MD  
JimBob Faulk, MD  
Scott R. Fowler, MD  
Hugh Francis, III, MD  
Katrina M. Hood, MD  
Charles S. Joels, MD  
John O. Lytle, MD  
Matthew L. Perkins, MD  
Antwan D. Robinson, MD  
Matthew P. Willis, MD

## Succession Planning Committee

Hugh Francis, III, MD, Chair  
John O. Lytle, MD  
John H. Mize, FCAS, MAAA  
Matthew L. Perkins, MD  
Michael A. Ricciardelli, CPA  
Elise E. Schriver, MD  
Kye Hudson\*

## Underwriting Committee

Lisa J. Young, MD, Chair  
Brady W. Allen, MD  
Robert J. Berkompas, MD  
Mark E. Bigler, MD  
Ravi D. Chauhan, MD  
Chad T. Couch, MD  
Anthony T. Everhart, MD  
Hugh Francis, III, MD  
Benjamin L. Huff, MD  
Robert C. Hughes, MD  
John O. Lytle, MD  
Clinton A. Marlar, MD  
Ryan D. Mire, MD  
Craig A. Myers, MD  
Matthew L. Perkins, MD  
Jason A. Weaver, MD