



2019 ANNUAL REPORT

Highlights

This 2019 annual report was prepared prior to the coronavirus public health emergency. How our world has changed! This report highlights doctors who, like you, strive to improve the lives of so many. Hopefully it will be enjoyable to learn about your colleagues and their contributions to their communities. Also included is a financial summary of SVMIC's 2019 business operations.

SVMIC succeeds when its policyholders are successful, and its policyholders are feeling remarkable pressure right now. So, in an unprecedented move, SVMIC's Board of Directors this year have decided to suspend all planned rate increases. We are also waiving all fees for self-study risk management courses for the balance of 2020. If your practice's financial situation prohibits timely payment of your premium, or if your practice volume has been significantly reduced, please contact our underwriting department to assess ways we can help you through this challenge. SVMIC's mission is to protect, support, and advocate for physicians and advanced practice professionals so that they can provide the best possible patient care. The need for that care is particularly urgent right now. Please call if we can help or access our clinical resources at [SVMIC.com/COVID-19](https://www.svmic.com/COVID-19).

Thank you for your hard work during this difficult time for our community. Please know that as we work through this public health emergency, one thing remains constant: SVMIC is committed to helping its physicians and advanced practice professionals be successful. If there is anything this company can do to better serve you, please let us know.



Hugh Francis, III, MD
CHAIR OF THE BOARD

Strength in Numbers

Financial Highlights

At Year End (\$ in thousands)	2015	2016	2017	2018	2019
Cash and Invested Assets	1,144,648	1,165,959	1,193,190	1,208,752	1,249,626
Total Assets	1,193,207	1,211,111	1,249,290	1,243,394	1,278,382
Loss & Loss Adjustment Expense Reserves	508,000	491,500	472,500	469,000	455,000
Policyholders' Surplus	537,975	566,994	606,774	623,955	671,735
For The Year (\$ in thousands)	2015	2016	2017	2018	2019
Gross Written Premium	133,966	130,355	125,844	120,569	119,235
Net Investment Income	31,797	29,213	27,454	32,557	29,829
Net Paid Loss & Loss Adjustment Expenses	112,812	106,001	100,002	92,522	99,472
Policyholders' Dividends Declared	7,000	7,000	7,000	7,000	7,000
Net Income	25,483	22,365	29,646	28,542	22,074
Cumulative Dividends and Return of Capital	342,500	349,500	356,500	363,500	370,500
Outstanding Mutual Value Plan Balances	-	-	-	68,538	82,272

Condensed Balance Sheets

(As of December 31, 2019 & 2018)

Assets	2019	2018
Cash & Investments	1,249,626,000	1,208,752,000
Premiums Receivable	15,690,000	15,124,000
Accrued Investment Income	8,428,000	8,996,000
Reinsurance Recoverable	4,099,000	1,390,000
Federal Income Taxes Recoverable	409,000	2,425,000
Net Deferred Tax Assets	-	6,246,000
Other Assets	130,000	461,000
Total Assets	\$1,278,382,000	\$1,243,394,000
Liabilities & Policyholders' Surplus (Liabilities)	2019	2018
Loss & Loss Adjustment Expense Reserves	455,000,000	469,000,000
Unearned Premiums	63,825,000	64,459,000
Reinsurance Balances Payable	18,783,000	24,450,000
Accounts Payable and Accrued Expenses	61,664,000	53,704,000
Net Deferred Tax Liabilities	452,000	-
Dividends Payable	2,707,000	2,778,000
Other Liabilities	4,216,000	5,048,000
Total Liabilities	\$606,647,000	\$619,439,000
Expected Mutual Value Plan Obligation (Policyholders' Surplus)	26,033,000	20,781,000
Unassigned Surplus	645,702,000	603,174,000
Total Policyholders' Surplus	\$671,735,000	\$623,955,000
TOTAL LIABILITIES & POLICYHOLDERS' SURPLUS	\$1,278,382,000	\$1,243,394,000

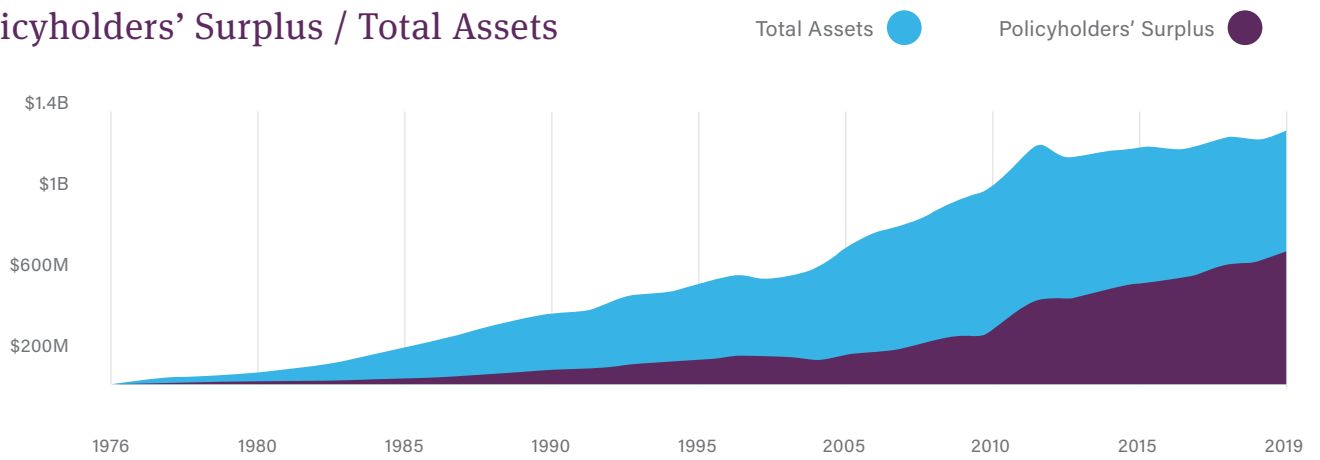
Condensed Statements of Income

(For the years ended December 31, 2019 & 2018)

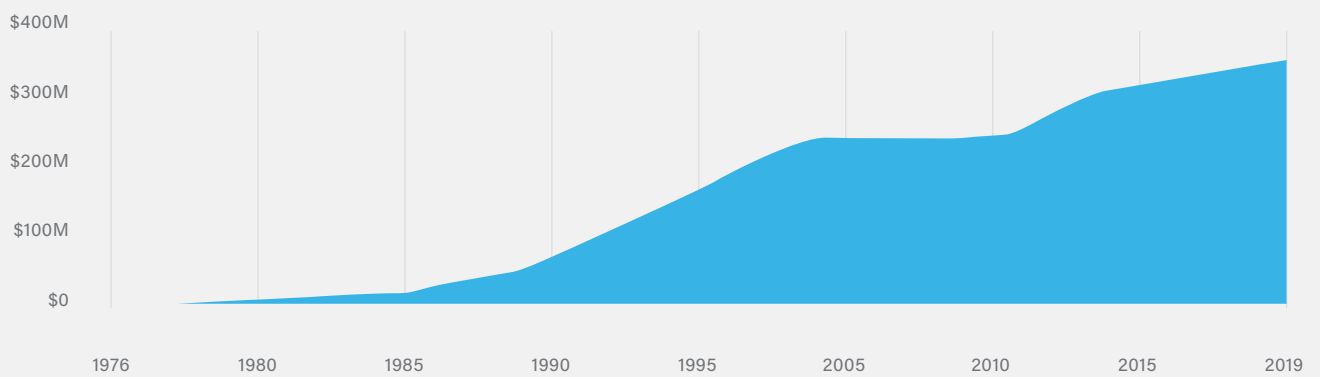
	2019	2018
Gross Written Premium	119,235,000	120,569,000
Ceded Premium	(8,895,000)	(2,575,000)
Net Written Premium	110,340,000	117,994,000
Change in Unearned Premium	633,000	1,717,000
Net Earned Premium	110,973,000	119,711,000
Loss & Loss Adjustment Expenses Incurred	85,472,000	89,022,000
Other Underwriting Expenses	23,990,000	23,610,000
Net Underwriting Income	1,511,000	7,079,000
Net Investment Income	29,829,000	32,557,000
Net Realized Capital Gains (Losses) on Investments	1,207,000	1,150,000
Net Investment Gains	31,036,000	33,707,000
Other Income (Expense)	(63,000)	(24,000)
Net Income Before Taxes and Policyholders' Dividends	32,484,000	40,762,000
Policyholders' Dividends & Federal Income Taxes Incurred	(10,410,000)	(12,220,000)
Net Income	\$22,074,000	\$28,542,000

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.

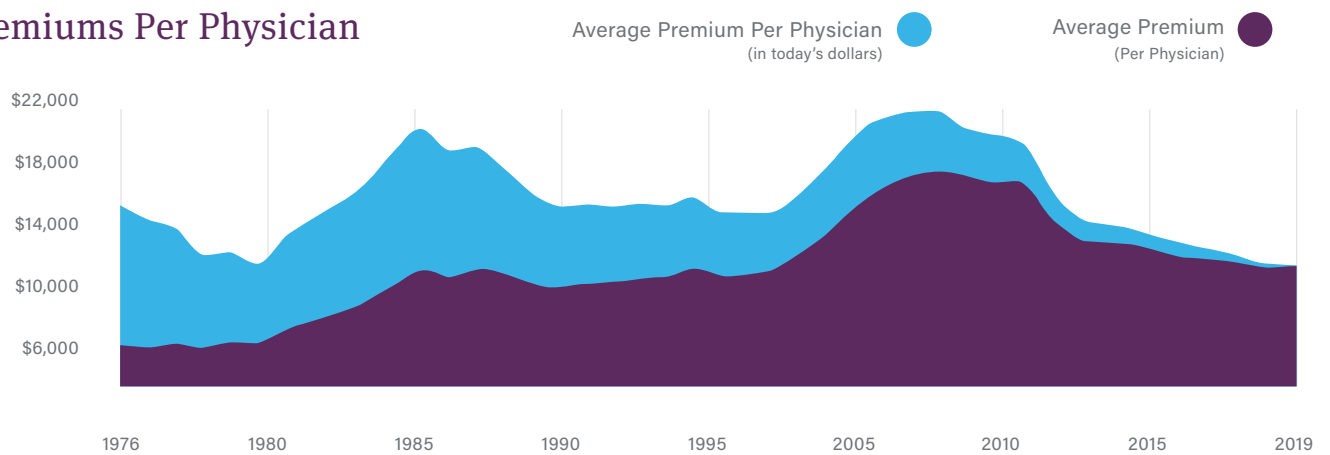
Policyholders' Surplus / Total Assets



Cumulative Dividends Declared and Return of Capital



Premiums Per Physician



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General and Vascular Surgery
Memphis Surgery Associates PC
Memphis, Tennessee
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South Arkansas Orthopaedic Center
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Director Since 2009

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Tennessee Medicine and Pediatrics PC
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Physician Director of Surgical Services
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Milan Medical Center PC
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Internal Medicine/Infectious Disease
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