

The 2023 Annual Report

**We exist for your
strong defense.**

A Letter from our Board Chair

The year 2023 was another great one at SVMIC. In the face of an increasing number of large jury verdicts across the country, rising bond yields caused higher investment income at SVMIC and allowed your company to return approximately \$10M to its physician policyholders through dividends and Mutual Value Plan contributions. SVMIC continues its commitment to strong legal defense, excellent customer service, and disciplined stewardship of its resources. In a world of uncertainty and turmoil, SVMIC is a stable force that is always present when needed.

SVMIC's bylaws require the Board Chair to step down at the age of sixty-five. This rule has been in place for decades, and it has served the company well. This is the year for a new Board Chair, and the Board has elected Matthew L. Perkins, MD, of Smyrna, Tennessee, to succeed me. Dr. Perkins is an internal medicine-pediatrics physician who has been on the SVMIC Board since 2008. He has served as Board Vice Chair since 2022 and was the company's Treasurer before that. Dr. Perkins and I have worked closely together through these years, and he understands all facets of the company's governance. Matt is a dedicated private practitioner who listens and thinks more than he talks. Matt is a natural leader. He is well-prepared and will be excellent in his role as Board Chair.

Katrina M. Hood, MD, will become the new Board Vice Chair. Dr. Hood is a pediatrician from Lexington, Kentucky, who has been on the SVMIC Board since 2009. She has been active in Board leadership and has served as the company's Secretary since 2015. Katrina has a brilliant mind and is into the details. She will be a great asset to SVMIC in her role as Board Vice Chair.

Both Dr. Perkins and Dr. Hood are fully committed to SVMIC's mission, vision, and values. These two capable leaders will ensure that SVMIC continues its long history of serving doctors with expertise, strength, and sensitivity. Your company is in good hands.

This annual report explores SVMIC's strong legal defense. Highlighted will be the individuals and systems which ensure that policyholders get the excellent defense they both expect and deserve. Sooner or later most physicians face a claim of medical malpractice. That is when the best possible team is needed to defend the doctor's reputation and protect his or her assets. As the severity of jury verdicts continues to rise, SVMIC remains steadfast in its commitment to vigorously defend good medicine and good doctors.

Thank you for placing your trust in SVMIC, and thank you for giving me the honor and privilege to serve this great company.

Sincerely,



Hugh Francis, III, MD

CHAIR, SVMIC BOARD OF DIRECTORS

A Strong Legal Defense

What does a strong legal defense mean to you?

“



Zynthia Howse
Senior Claims Attorney

“We advance well supported factual and legal grounds to defend and challenge opposing issues and allegations for the doctors.”

“



Jesse Lawler
Business Development Executive

“We only work with the best defense attorneys and provide them with the resources they need to provide the optimal defense”

“



Michael A. Ricciardelli, CPA
Chief Financial Officer

“A strong legal defense means the willingness to defend good medicine at all costs.”

“



Savannah Pyles
Assistant Vice President, Underwriting

“It means having an experienced and effective team that is committed to representing our policyholders while having their best interest at heart”

Financial Highlights

Taking good care of the resources entrusted to us.

At Year End (\$ in thousands)	2019	2020	2021	2022	2023
Cash and Invested Assets	1,249,626	1,294,540	1,390,803	1,357,781	1,442,715
Total Assets	1,278,382	1,321,878	1,415,225	1,385,631	1,473,577
Loss & Loss Adjustment Expense Reserves	455,000	456,000	468,500	461,000	488,000
Policyholders' Surplus	671,735	705,694	778,138	766,831	821,076
For The Year (\$ in thousands)	2019	2020	2021	2022	2023
Gross Written Premium	119,235	113,815	121,824	137,233	145,691
Net Investment Income	29,829	28,148	26,398	35,345	35,550
Net Paid Loss & Loss Adjustment Expenses	99,472	80,225	72,699	91,332	80,594
Policyholders' Dividends Declared	7,000	7,000	7,000	7,500	8,500
Net Income	22,074	23,853	17,077	21,669	16,288
Cumulative Dividends and Return of Capital	370,500	377,500	384,500	392,000	400,500
Cumulative Mutual Value Plan Allocations	87,143	97,918	110,888	122,475	134,760
Outstanding Mutual Value Plan Balances	82,272	87,463	94,376	98,304	103,021

Condensed Balance Sheets

(December 31, 2023 & 2022)

Assets	2023	2022
Cash & Investments	1,442,715,000	1,357,781,000
Premiums Receivable	16,635,000	15,084,000
Accrued Investment Income	8,747,000	7,956,000
Reinsurance Recoverable	3,470,000	3,292,000
Federal Income Taxes Recoverable	1,015,000	1,287,000
Other Assets	995,000	231,000
Total Assets	\$1,473,577,000	\$1,385,631,000
Liabilities & Policyholders' Surplus	2023	2022
Liabilities		
Loss & Loss Adjustment Expense Reserves	488,000,000	461,000,000
Unearned Premiums	72,810,000	69,742,000
Reinsurance Balances Payable	23,790,000	29,606,000
Accounts Payable and Accrued Expenses	42,446,000	41,930,000
Net Deferred Tax Liabilities	18,646,000	9,774,000
Dividends Payable	3,350,000	2,735,000
Other Liabilities	3,459,000	4,013,000
Total Liabilities	\$652,501,000	\$618,800,000
Policyholders' Surplus		
Expected Mutual Value Plan Obligation	35,933,000	34,031,000
Unassigned Surplus	785,143,000	732,800,000
Total Policyholders' Surplus	\$821,076,000	\$766,831,000
TOTAL LIABILITIES & POLICYHOLDERS' SURPLUS	\$1,473,577,000	\$1,385,631,000

Condensed Statements of Income

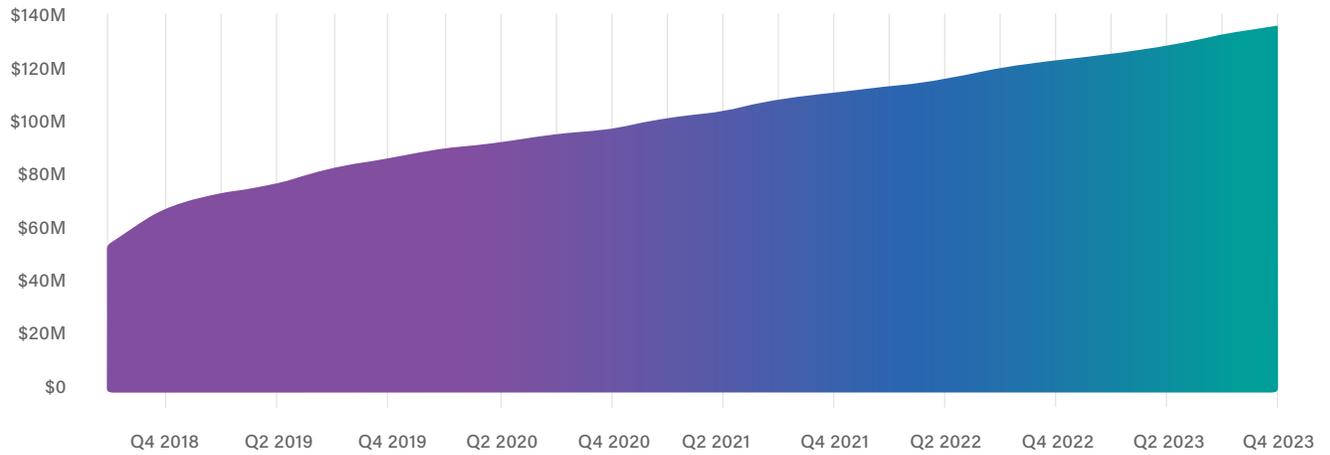
(December 31, 2023 & 2022)

	2023	2022
Gross Written Premium	145,691,000	137,233,000
Ceded Premium	(16,712,000)	(27,228,000)
Net Written Premium	\$128,979,000	\$110,005,000
Change in Unearned Premium	(3,068,000)	(3,880,000)
Net Earned Premium	\$125,911,000	\$106,125,000
Loss & Loss Adjustment Expenses Incurred	107,595,000	83,832,000
Other Underwriting Expenses	26,900,000	25,166,000
Net Underwriting Income	(\$8,584,000)	(\$2,873,000)
Net Investment Income	35,550,000	35,345,000
Net Realized Capital Gains (Losses) on Investments	1,365,000	(678,000)
Other Income (Expense)	(122,000)	(10,000)
Net Income Before Taxes and Policyholders' Dividends	\$28,209,000	\$31,784,000
Policyholders' Dividends & Federal Income Taxes Incurred	(11,921,000)	(10,115,000)
Net Income	\$16,288,000	\$21,669,000

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.

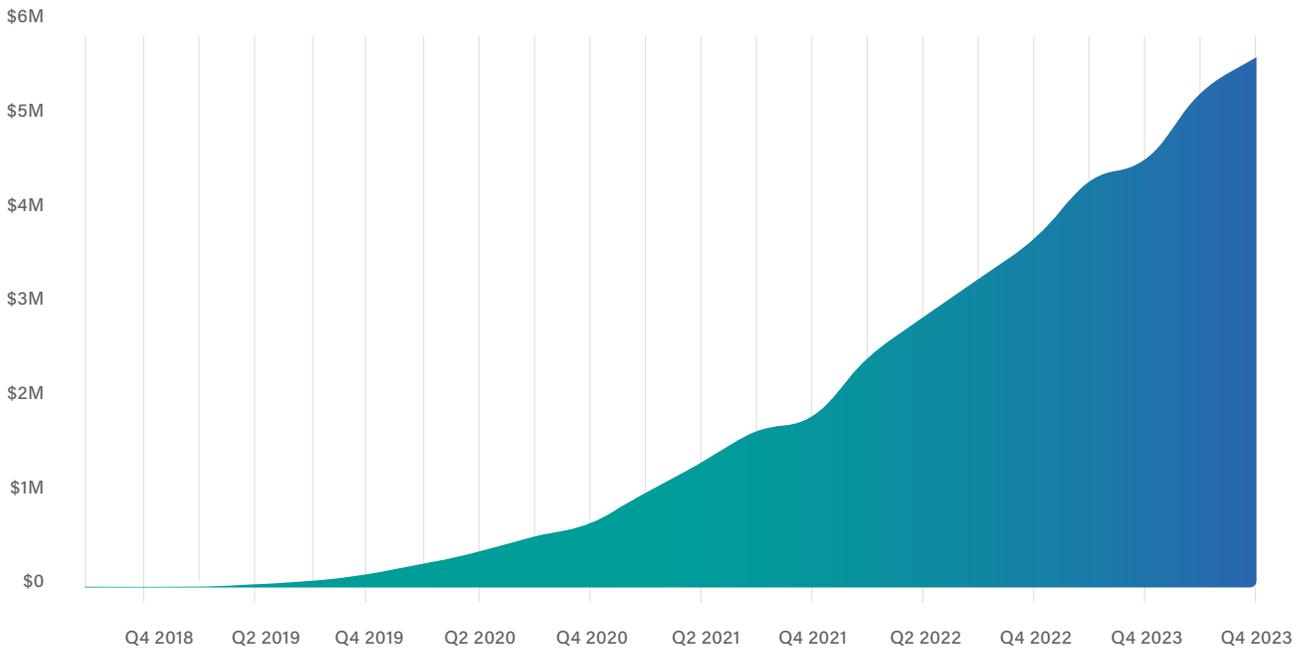
Mutual Value Plan® Allocations and Distributions

Mutual Value Plan® Allocations



Established in 2018

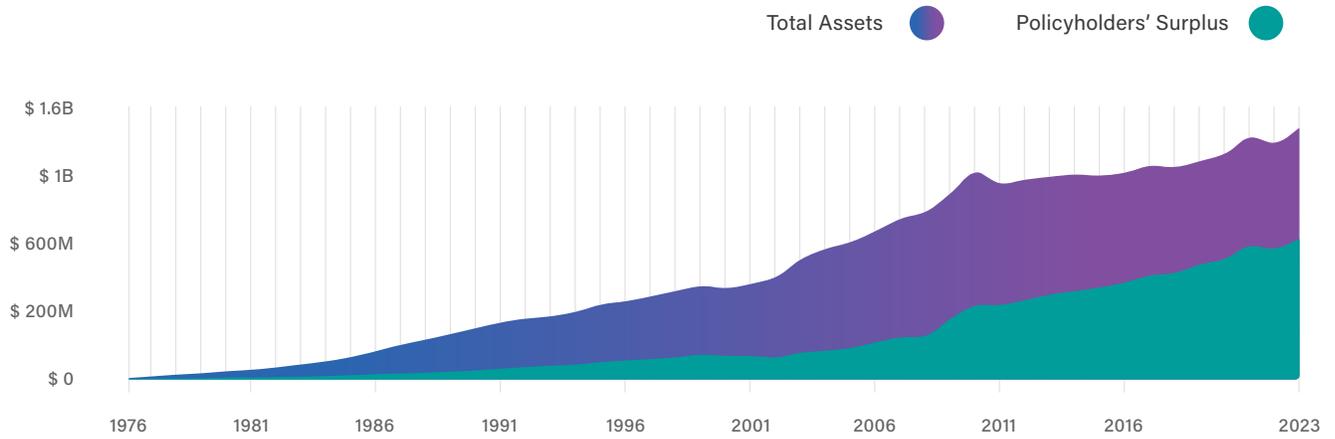
Mutual Value Plan® Distribution



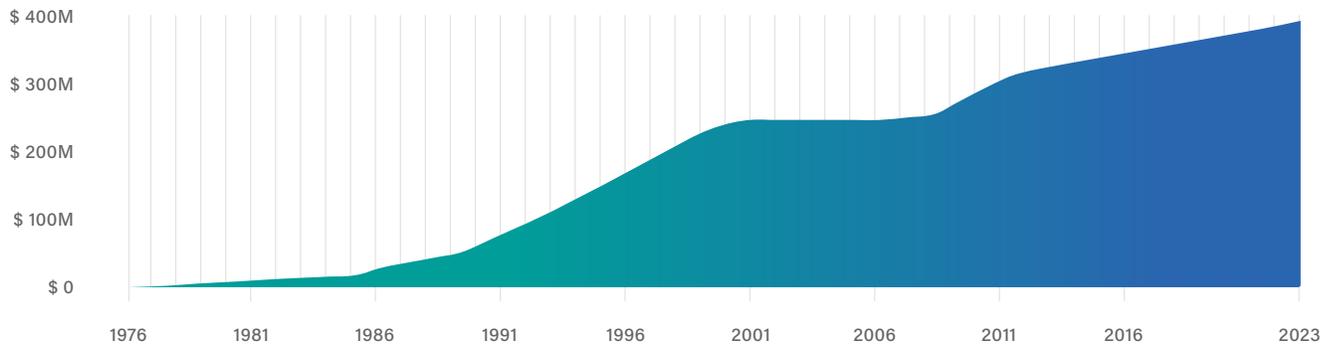
Established in 2018

Policyholders' Surplus

Policyholder's 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
CHAIR-ELECT
Internal Medicine and Pediatrics
Tennessee Medicine and
Pediatrics PC
Smyrna, Tennessee
Director Since 2008

Katrina M. Hood, MD

SECRETARY OF SVMIC
VICE CHAIR-ELECT
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

Melanie B. Blake, MD, MBA

Internal Medicine
Medical Consultant, Unum
Hospitalist, Rhea Medical Center
Chattanooga, Tennessee
Director Since 2018

Ravi D. Chauhan, MD

Urology
The Conrad Pearson Clinic
Memphis, Tennessee
Director Since 2023

John O. Lytle, MD

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

Russell E. Miller, CAE

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

Ryan D. Mire, MD

Internal Medicine
Heritage Medical Associates
Nashville, Tennessee
Director Since 2023

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—Committees

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, Inactive*

Budget Committee

Elise E. Schriver, MD, **Chair**
Chad T. Couch, MD
Hugh Francis, III, MD
Katrina M. Hood, MD
John O. Lytle, MD
Matthew L. Perkins, MD
Lisa J. Young, 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. Almarshharawi, MD
Esha I. Cannon, DO
Robert G. "Greg" Chandler, MD
Jon S. Cohen, MD
Daniel S. Ely, MD
Robin M. Floyd, 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. Muhler, MD
Alan P. Mullins, MD
Frank J. Murabito, MD
E. Lee Murray, II, MD
David C. Portnoy, MD
Chris E. Rickman, MD

Compensation Committee

Elise E. Schriver, MD, **Chair**
Chad T. Couch, MD
Hugh Francis, III, MD
Katrina M. Hood, MD
John O. Lytle, MD
Matthew L. Perkins, MD
Lisa J. Young, MD
Matt Leach*

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
Lisa J. Young, MD

Innovation Task Force

Brady W. Allen, MD, **Lead Physician**
Ravi D. Chauhan, MD
Hugh Francis, III, MD
Katrina Hood, 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**
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Katrina M. Hood, MD

John O. Lytle, MD
Matthew L. Perkins, MD
Elise E. Schriver, MD
Lisa J. Young, MD

Risk Management Committee

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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

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John H. Mize, FCAS, MAAA
Matthew L. Perkins, MD
Michael A. Ricciardelli, CPA
Elise E. Schriver, MD
Matt Leach*

Underwriting Committee

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Mark E. Bigler, MD
Ravi D. Chauhan, MD
Chad T. Couch, MD
Anthony T. Everhart, MD
Hugh Francis, III, MD
Benjamin L. Huff, 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

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

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CHIEF FINANCIAL OFFICER

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FACMPE

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VICE PRESIDENT

Corporate and Legal

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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

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ASSISTANT VICE PRESIDENT

Evaluation Services

Dan Himmelberg, JD

ASSISTANT VICE PRESIDENT

Claims

Julie Loomis, RN, JD

ASSISTANT VICE PRESIDENT

Risk Education

Judy Musgrove, ACC

ASSISTANT VICE PRESIDENT

Marketing and Communications

Savannah Pyles

ASSISTANT VICE PRESIDENT

Underwriting

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