

# YEAR-IN-REVIEW 2019

LAMMICO



## LAMMICO BOARD OF DIRECTORS

Front row from left to right: Thomas V. Bertuccini, M.D., MBA; Kenneth E. Brown, M.D., MBA; J. Michael Conerly, M.D., MBA, President and CEO; Frederick J. White, III, M.D., MBA, Chairman; Stefanie A. Schultis, M.D., Thomas H. Grimstad, M.D.

Back row from left to right: Mahlon D. Sanford, CPA; N. Joseph Deumite, M.D.; William P. Coleman, III, M.D.; John G. Burvant, M.D.; James E. Brown, M.D.

## A YEAR OF GROWTH

I am pleased to report that LAMMICO enjoyed another successful year of growth in 2019. Despite the soft market and aggressive pricing by our competitors, LAMMICO welcomed more than 1,000 new insureds and secured \$4.3 million in new business premium.

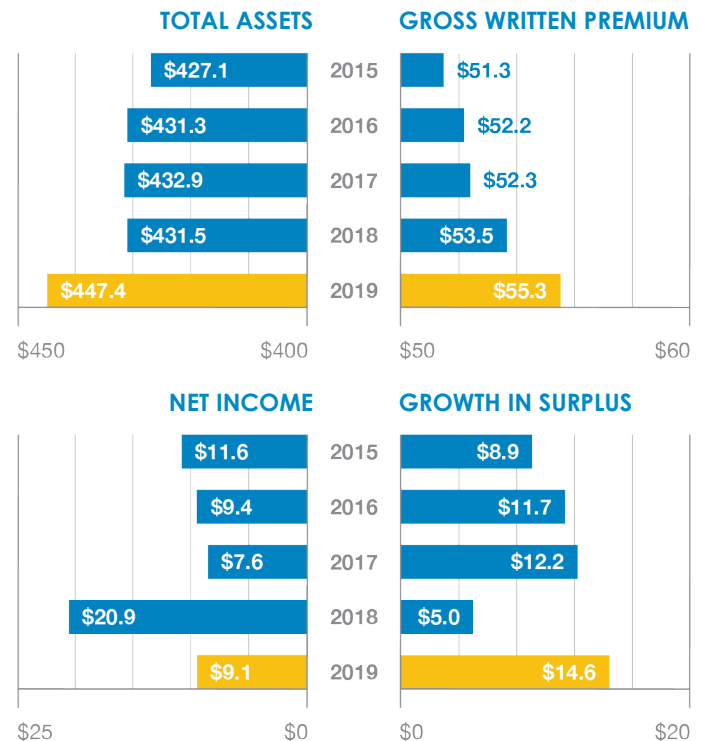
During the year, another medical professional liability company in Louisiana was determined to be insolvent, leaving many physicians and other healthcare providers without necessary professional liability coverage. LAMMICO responded to the needs of these displaced physicians and healthcare providers by providing quotes to those lacking coverage. While we've seen other medical professional liability companies come and go, LAMMICO remains a long-term stable presence for the healthcare community.

As I look back on my first year as President and CEO, I am more convinced than ever about what a great company LAMMICO is, and what a wonderful group of people we have here. I believe that from top to bottom, the employees do indeed seek to form "enduring partnerships" with you, our insureds. I am humbled and honored to lead LAMMICO.

**J. Michael Conerly, M.D., MBA**  
President and CEO

## FINANCIAL HIGHLIGHTS

All values in millions



**Financial Strength Rating**  
**A (Excellent)**

AM Best is the world's oldest and most authoritative source of insurer ratings and financial data.

A complete set of financial statements and notes may be obtained upon request.

## DIVIDEND DECLARED

LAMMICO announced a 5% dividend in December 2019, demonstrating once again our commitment to return the benefits of our Company's excellent financial operations to its mutual owners. Not all mutual companies pay dividends. But LAMMICO is guided toward continued success with a strict fiduciary duty to all policyholders. This is one reason why dividends have been returned to our members every year since 2008, resulting in more than \$60 million in total dividends to LAMMICO policyholders.

# 2019

## 2019 FACTS AT A GLANCE

### \$60M

Returned in Policyholder  
Dividends Since 2008



69  
New Online Risk  
Management Courses

### 92% RETENTION



Insureds Remaining With LAMMICO  
(8% not retained includes death,  
disability and retirement)

### CLAIMS

Claims Opened	858
Claims Closed	901
Trial Win Record	88%

### UNDERWRITING

Physician and Dentist Insured Count	5,107
Advanced & Allied Healthcare Provider Count	2,754
Total Hospital and Facility Insured Count	110

### RISK MANAGEMENT

Participation in Online Education, Live Lectures and Webinar	30,705*
Risk Management Phone Consultations Resolved	974

\*Includes LAMMICO insureds and MI clients

### MARKETING

Total Number of New Policies	403
Total Number of New Insureds	1,124
Total New Written Premium	\$4.3M

## YEAR-IN-REVIEW HIGHLIGHTS

- LAMMICO secured \$4.3 million in new business premium despite the soft market and aggressive pricing by competitors.
- LAMMICO strives to achieve the delicate balance between rate stability and maintaining sufficient surplus. Beginning with January 1, 2019 renewals, rate changes as approved by our independent actuary and the Louisiana Department of Insurance represented an overall premium impact of less than 0.11%.
- LAMMICO began underwriting long-term care facilities and secured \$1 million in new premium.
- 63% of LAMMICO insureds earned their Risk Management Premium Discount credit, which means that these insureds earned a 10% discount on the basic limits portion of their LAMMICO premium for 2020. This represents an all time high for the program.
- Cybersecurity continues to be an area of great focus for the healthcare industry as targeted cyber attacks increase. LAMMICO further strengthened its IT security infrastructure to better protect our data.
- LAMMICO created an online Physician Job Board as a complimentary tool for insureds to post and find open physician positions. It is also designed to be a useful resource for physicians completing residency programs who are seeking employment.
- Elatas Risk Partners, a wholly-owned subsidiary agency of LAMMICO, increased its Property & Casualty revenue by 9.5%.
- 29% of insured physicians and their practices benefited from LAMMICO's Practice Solutions program. Our practice-specific consultations resulted in positive Medicare payment adjustments for medical practices, and savings as we helped them enhance their revenue cycle management processes and mitigate risk.