



**LAMMICO Board of Directors**

Top row from left: Thomas V. Bertuccini, M.D., MBA; N. Joseph Deumite, M.D.; Mahlon D. Sanford, CPA; Frederick J. White, III, M.D.; Kenneth E. Brown, Sr., M.D., MBA; John G. Burvant, M.D.; William P. Coleman, III, M.D.; James E. Brown, M.D. Bottom row from left: J. Michael Conerly, M.D., MBA, Chairman of the Board; Thomas H. Grimstad, M.D.; President and CEO; Stefanie A. Schultis, M.D.

# LAMMICO



## 2017 Year-In-Review

It's important for a mutual insurance company like LAMMICO to reflect on the policyholders whose needs and interests guide our organization. Without you, LAMMICO would not exist. You are the reason for the insurance products and services we deliver to sustain our long-term stable presence in the healthcare community. It is upon this foundation that we are able to offer more and better ways to serve the unique needs of the healthcare professionals, hospitals and facilities we insure.

## Stability Through Turbulent Times

More than 35 years ago, our founders formed LAMMICO to support healthcare providers and to bring rate stability to the then volatile medical professional liability marketplace. In recent years, the healthcare community has faced sweeping legislative, regulatory, economic and operational changes that have impacted the practice of medicine. Through it all, LAMMICO has remained a sound and stable presence for our insureds amidst the turbulent healthcare landscape. Our structure as a mutual insurance company is one of the many factors that have helped foster LAMMICO's long-term stability.

## Why a Mutual?

As a mutual insurance company, LAMMICO answers to our policyholder owners (not stockholders) who are the beneficiaries of the company. We give them a seat at the table to oversee our operations by voting for members of Company governance. The result is a healthcare provider-majority Board and physician CEO. Not all med-mal insurance companies operate this way, but our policyholders can rest assured that their best interests are our priority.

## Dividend Declared

LAMMICO announced a 4% dividend in December 2017, 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 almost \$56 million in total dividends to LAMMICO policyholders.

### FINANCIAL HIGHLIGHTS

All values in millions

	2013	2014	2015	2016	2017
Total Assets	\$411.9	\$421.5	\$427.1	\$431.3	\$432.9
Gross Written Premium	\$50.6	\$50.9	\$51.3	\$52.2	\$52.3
Net Income	\$13.9	\$12.3	\$11.6	\$9.4	\$7.6
Surplus	\$194.0	\$206.0	\$214.9	\$226.6	\$238.8



**Financial Strength Rating  
A Excellent**

A.M. 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.

Nearly  
**\$56M**

Returned in Policyholder  
Dividends Since 2008

● ● ●  
**34**

New Online Risk  
Management Courses

● ● ●  
**92.6%**

Retention: Insureds  
Remaining With LAMMICO

(7.4% not retained includes death,  
disability & retirement)

## 2017 Facts at a Glance

### CLAIMS

Claims Opened	950
Claims Closed	962
Pending Claims	2,743
Trial Win Record	81%

### UNDERWRITING

Physician and Dentist Insured Count	5,112
Advanced & Allied Healthcare Provider Count	2,293
Total Hospital and Facility Insured Count	79

### RISK MANAGEMENT

Participation in Online Education	48,171*
Participation in Live Lectures	1,601
Risk Management Phone Consultations Resolved	812

\*Includes LAMMICO insureds and MI clients

### MARKETING

Total Number of New Policies	330
Total Number of New Insureds	638
Total New Written Premium	\$1,142,529

## LAMMICO Year-In-Review Highlights

- LAMMICO secured \$1.1 million in new business premium despite the soft market and aggressive pricing by competitors.
- LAMMICO and our subsidiary risk management company, Medical Interactive Community (MI), received Accreditation with Commendation as a provider of Continuing Medical Education (CME) from the Accreditation Council for Continuing Medical Education and Accreditation with Distinction as a provider of Continuing Nursing Education (CNE) from the American Nurses Credentialing Center.
- MI launched a new learning management system this year for LAMMICO insureds to approach risk management from a 3-dimensional framework of education. The new learning management system has many advanced features designed to enhance and optimize the learning experience.
- LAMMICO launched an online resource dedicated to making the business of medicine more manageable with the advent of Practice Solutions. From broad-ranging risk reduction tools to Quality Payment Program (QPP) Medicare reimbursement resources, Revenue Cycle Management assessments, and access to the NAS CyberNET® portal, LAMMICO has expanded our risk mitigation efforts to support our policyholders and their practice managers in 2017.
- LAMMICO worked with external vendors to complete enhanced security measures such as our Incident Response Plan, our network and infrastructure, and our physical office security to further enhance protection of policyholder data. LAMMICO also provided additional education to our employees regarding physical and cyber security to better protect the Company against threats.