

Reliable Ready

2021 by the Numbers



A Letter from our Board Chair

The year 2021 was quite a challenge for doctors. The pandemic raged on, and then came labor shortages and inflation. Through all of this, SVMIC doctors continued to care for their patients. Lives were improved, and communities were supported. SVMIC understands and greatly appreciates this service.

Though these global issues are not under this company's control, SVMIC remains committed to being a reliable partner. This company will always provide the outstanding legal defense that you deserve and expect from your malpractice insurer. That is a given.

SVMIC can help in other ways, too. Our company provides quick connections to capable team members for advice on business challenges such as cyber security and constantly changing regulatory requirements. SVMIC is here to consistently provide careful, compassionate, and efficient service.

SVMIC is having to increase premium rates again this year. The amount of the increase will vary by state and will depend upon individual circumstances, but for most doctors the increase will be four percent or less. The increases will begin to take effect on May 15, 2022.

The causes of this rate increase are both the long-term upward trend in the frequency of large jury awards and the increased cost of legal defense. Premiums collected must remain in line with the cost of coverage provided. Please know that your Board of Directors takes this action very seriously and that this decision was made only after careful consideration and analysis.

SVMIC was founded with the sole purpose of helping doctors. That will always be the focus. From the physicians on the Board of Directors to the professionals who assist policyholders every day, each SVMIC team member is honored to serve you. Thank you for placing your trust in SVMIC.

Sincerely,



Hugh Francis, III, MD
CHAIR OF THE BOARD

Financial Highlights

At Year End (\$ in thousands)	2017	2018	2019	2020	2021
Cash and Invested Assets	1,193,190	1,208,752	1,249,626	1,294,540	1,390,803
Total Assets	1,249,290	1,243,394	1,278,382	1,321,878	1,415,225
Loss & Loss Adjustment Expense Reserves	472,500	469,000	455,000	456,000	468,500
Policyholders' Surplus	606,774	623,955	671,735	705,694	778,138
For The Year (\$ in thousands)	2017	2018	2019	2020	2021
Gross Written Premium	125,844	120,569	119,235	113,815	121,824
Net Investment Income	27,454	32,557	29,829	28,148	26,398
Net Paid Loss & Loss Adjustment Expenses	100,002	92,522	99,472	80,225	72,699
Policyholders' Dividends Declared	7,000	7,000	7,000	7,000	7,000
Net Income	29,646	28,542	22,074	23,853	17,077
Cumulative Dividends and Return of Capital	356,500	363,500	370,500	377,500	384,500
Outstanding Mutual Value Plan Balances	-	68,538	82,272	87,463	94,376

Condensed Balance Sheets

(As of December 31, 2021 & 2020)

Assets	2021	2020
Cash & Investments	1,390,803,000	1,294,540,000
Premiums Receivable	14,628,000	13,545,000
Accrued Investment Income	7,845,000	8,540,000
Reinsurance Recoverable	1,547,000	4,484,000
Federal Income Taxes Recoverable	207,000	439,000
Other Assets	195,000	330,000
Total Assets	\$1,415,225,000	\$1,321,878,000
Liabilities & Policyholders' Surplus (Liabilities)	2021	2020
Loss & Loss Adjustment Expense Reserves	468,500,000	456,000,000
Unearned Premiums	65,862,000	63,084,000
Reinsurance Balances Payable	19,260,000	21,686,000
Accounts Payable and Accrued Expenses	58,343,000	63,529,000
Net Deferred Tax Liabilities	17,393,000	3,786,000
Dividends Payable	2,714,000	2,696,000
Other Liabilities	5,015,000	5,403,000
Total Liabilities	\$ 637,087,000	\$ 616,184,000
(Policyholders' Surplus) Expected Mutual Value Plan Obligation	32,058,000	29,121,000
Unassigned Surplus	746,080,000	676,573,000
Total Policyholders' Surplus	\$ 778,138,000	\$ 705,694,000
TOTAL LIABILITIES & POLICYHOLDERS' SURPLUS	\$ 1,415,225,000	\$ 1,321,878,000

Condensed Statements of Income

(For the years ended December 31, 2021 & 2020)

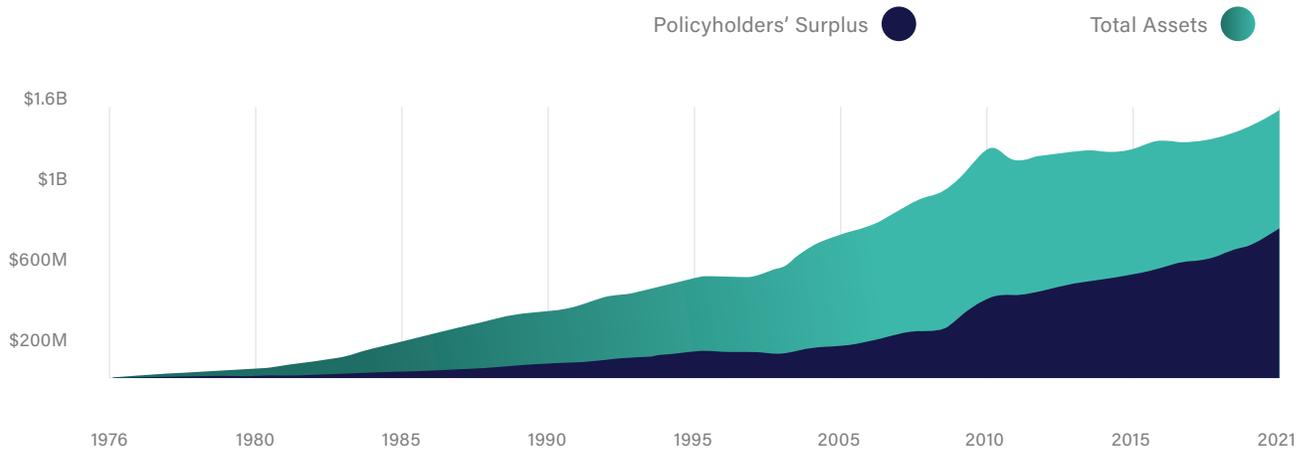
	2021	2020
Gross Written Premium	121,824,000	113,815,000
Ceded Premium	(11,934,000)	(11,537,000)
Net Written Premium	109,890,000	102,278,000
Change in Unearned Premium	(2,777,000)	742,000
Net Earned Premium	107,113,000	103,020,000
Loss & Loss Adjustment Expenses Incurred	85,199,000	81,225,000
Other Underwriting Expenses	23,892,000	23,816,000
Net Underwriting Income	(1,978,000)	(2,021,000)
Net Investment Income	26,398,000	28,148,000
Net Realized Capital Gains (Losses) on Investments	2,588,000	7,912,000
Net Investment Gains	28,986,000	36,060,000
Other Income (Expense)	(3,000)	(204,000)
Net Income Before Taxes and Policyholders' Dividends	27,005,000	33,835,000
Policyholders' Dividends & Federal Income Taxes Incurred	(9,928,000)	(9,982,000)
Net Income	\$ 17,077,000	\$ 23,853,000

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.

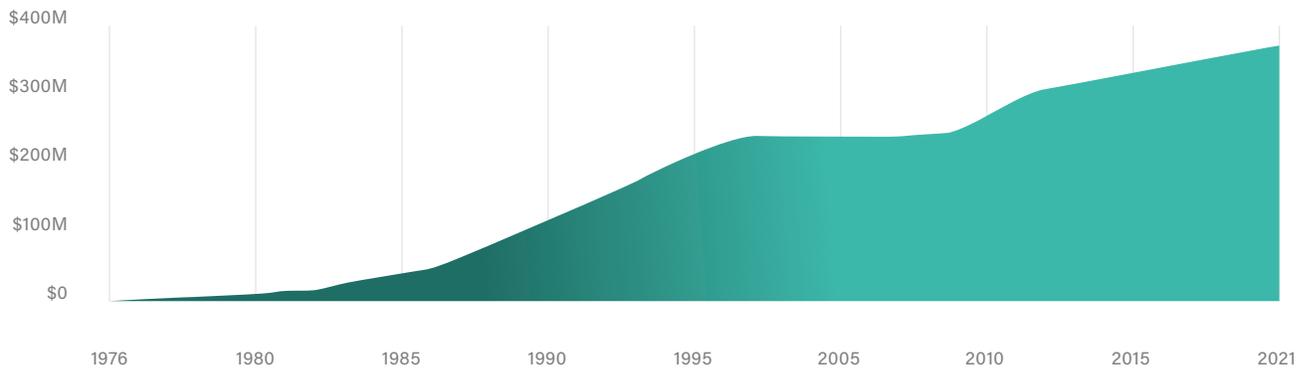
MVP Allocations

Cumulative Allocations	Q1	Q2	Q3	Q4
2018	--	--	\$56,297,395	\$68,916,748
2019	\$74,853,671	\$78,076,027	\$83,968,112	\$87,142,761
2020	\$90,943,386	\$93,036,476	\$96,015,035	\$97,918,479
2021	\$101,791,254	\$104,252,978	\$108,394,305	\$110,887,815

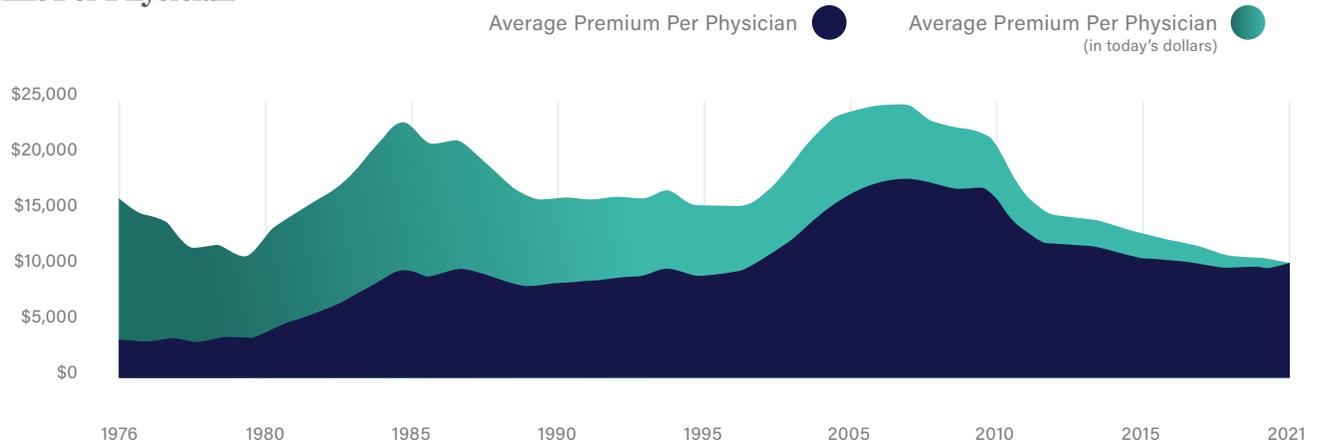
Policyholder's Surplus/Total Assets



Cumulative Dividends Declared & Return of Capital



Premiums Per Physician



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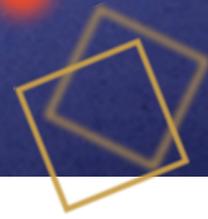
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