
A STRONG FOUNDATION

Protecting Maryland Doctors

ANNUAL REPORT 2022

A Strong Foundation

Protecting Maryland Doctors

An aggressive defense of good medicine is a key part of the strong foundation every practice needs to succeed. That's why, since our founding in 1975, the majority of private practice Maryland Doctors have depended on MEDICAL MUTUAL to protect their medical practices and professional reputations.

to our MEMBERS

The 2022 MEDICAL MUTUAL annual report examines the many reasons why we are critical to the foundation of our Insureds' practices. Our unmatched strengths allow Physicians to count on us when they most need our support. Whether defending a challenging claim, providing risk management advice in a complex scenario, or developing innovative insurance solutions for a changing world, we are here for you.

During the day-to-day operations of a mutual insurance company, we become very attuned to the needs and expectations of our Policyholders, who also are the owners of the company. From claims defense to customer service, Policyholders expect that *their* company will be the best it can be. This includes transitions in leadership.

MEDICAL MUTUAL is exemplary in this regard. In addition to our 48-year history of providing the Gold Standard in coverage, claims defense, and customer service, MEDICAL MUTUAL has a history of seamlessly transitioning senior management. The company prides itself on promoting leaders from within after years of professional development and mentorship. As of January 3, 2023, Cheryl F. Matricciani – who has served the company in various leadership roles for more than 18 years, most recently as Executive Vice President and Chief Operating Officer – is now the President and Chief Executive Officer.

We would like to take the opportunity to thank Jeffrey M. Poole, our retiring President and Chief Executive Officer, for his exceptional leadership during more than three decades of service to MEDICAL MUTUAL Policyholders. Jeff was very dedicated to the company's mission to provide quality professional liability insurance to Maryland Physicians and helped lay the groundwork for this transition. We are sincerely grateful for his dedication and wish him the best in retirement.

2022 was a busy year and had many highlights. The Board announced a 10% *Mutual Advantage Plan* renewal allocation, a 20% Renewal Dividend Credit, and a 16% Special Dividend Credit. New risk management services were introduced, including greater access to live online webinar presentations. Please review this annual report to learn about other ways we are striving to serve you better.

Sincerely,



George S. Malouf, Jr., M.D., FACS
Chair of the Board



Cheryl F. Matricciani, Esq., CPA
President & Chief Executive Officer

HIGHLIGHTS

Special Dividend Credit of 16% declared in addition to 20% Renewal Dividend Credit.

Mutual Advantage Plan (MAP) accounts grew with a 10% allocation.

Cheryl F. Matricciani, Esq., CPA, named President & CEO.





UNWAVERING

commitment to maryland doctors

Only MEDICAL MUTUAL has defended Maryland Doctors continuously since 1975. We're Doctor-owned and directed and have the dedication and financial stability for your long-term protection.

UNPARALLELED

risk management

Each year our local, medico/legal experts create new risk management education programs specifically designed to address the unique patient care and liability challenges faced by Maryland Doctors.

MEDICAL MUTUAL Insured receives risk management guidance from Mike Doll, Director of Risk Management.



UNBEATABLE

doctor focus

MEDICAL MUTUAL has a long history of consistently providing our insured Doctors with strong benefits, such as the *Mutual Advantage Plan* financial reward program and regular dividend credits.

Phyllis Powell, Accounts Receivable Lead, prepares a MAP check mailing for a retiring MEDICAL MUTUAL Doctor.

OUR PEOPLE

make the difference



UNMATCHED

claims defense

No other insurance company has access to our elite legal defense team, including Maryland's most talented malpractice defense attorneys and our experienced claims management specialists.

Cory Bender, Assistant VP – Claims Operations, discusses case information with Jill Hobbs, Claims Manager.

UNSURPASSED

customer service

MEDICAL MUTUAL offers friendly, knowledgeable and efficient customer service from our Hunt Valley office for the convenience of your practice. Get helpful, personalized service when you need it.

Donna Hurley, Senior Customer Service Representative, helps a Practice Manager with a policy question.



UNCOMPROMISING

physician advocacy

Only MEDICAL MUTUAL consistently fights for your professional liability interests in the Maryland legislature and appellate courts.

Derek Yarmis, Senior VP, General Counsel and Secretary, reviews actions of the recent legislative session with MEDICAL MUTUAL managers.

2022 FINANCIALS

balance sheets

STATUTORY BASIS / DECEMBER 31

	2022	2021
Admitted Assets		
Cash and short-term investments	\$ 24,871,753	\$ 31,632,519
Long-term invested assets	788,949,948	790,315,043
Other assets	26,815,734	25,891,643
Total Admitted Assets	\$ 840,637,435	\$ 847,839,205

Liabilities & Policyholders' Surplus

Reserve for losses and loss adjustment expenses, net of reinsurance recoverable	\$ 157,533,476	\$ 165,206,522
Reserve for unearned premiums	57,318,923	50,173,828
Deposits received on policies not in force	28,017,059	29,205,584
Dividends payable to Policyholders	117,482,698	118,912,251
Other liabilities	15,831,744	14,990,067
Total Liabilities	\$ 376,183,900	\$ 378,488,252
Total Policyholders' Surplus	\$ 464,453,535	\$ 469,350,953
Total Liabilities & Policyholders' Surplus	\$ 840,637,435	\$ 847,839,205

The 2022 and 2021 condensed financial statements of MEDICAL MUTUAL have been prepared in conformity with accounting practices prescribed or permitted by the Maryland Insurance Administration.

statements of income

STATUTORY BASIS / DECEMBER 31

	2022	2021
Premiums earned	\$ 70,821,684	\$ 79,869,046
Losses and loss adjustment expenses incurred	44,232,069	59,705,375
Underwriting expenses	17,291,733	17,305,102
Net Underwriting Gain	\$ 9,297,882	\$ 2,858,569
Net investment income earned and realized capital gains and losses	\$ 16,183,651	\$ 18,091,370
Other income	2,647,478	1,971,898
Income Before Dividends to Policyholders & Federal Income Taxes	\$ 28,129,011	\$ 22,921,837
Dividends to Policyholders	\$ 25,000,000	\$ 20,000,000
Income Before Federal Income Taxes	\$ 3,129,011	\$ 2,921,837
Federal income tax	\$ 363,998	\$ 392,172
Net Income	\$ 2,765,013	\$ 2,529,665

The condensed financial statements have been derived from complete statutory-basis financial statements, which were audited by our independent auditors. A complete set of audited financial statements may be obtained upon request.

2022 BOARD

George S. Malouf, Jr., M.D., FACS

Chair of the Board, Physician in Comprehensive Ophthalmology in Montgomery and Prince George's Counties, MD

Comm: EX-Chair, Ex Officio: AU, CL, CO, FB, RM, UW

Mary Ellen M. Valliant, AIF

Vice-Chair of the Board, Managing Partner, Valliant and Associates, LLC, Private Wealth Management Services of Chestertown, MD

Comm: FB-Chair, PN-Chair, CO, EX

Jeffrey M. Poole, MBA, CPCU

President and Chief Executive Officer, MEDICAL MUTUAL

Comm: EX, Ex Officio: AU, CL, CO, FB, PN, RM, UW

John H. Clifton, III

Senior Vice President – Claims, MEDICAL MUTUAL

Comm: CL

Willarda V. Edwards, M.D., MBA

Practicing Internal Medicine Physician in Baltimore, MD, Member Board of Trustees of the American Medical Association, past President of MedChi, The Maryland State Medical Society, past President and Chief Operating Officer of Sickle Cell Disease Association of America, past President of the National Medical Association

Comm: UW-Chair, EX

Walter J. Giblin, M.D.

Practicing Dermatologist in Rockville, MD, member of MedChi, The Maryland State Medical Society, serving as long-time delegate for the Montgomery County Medical Society, past President of the Washington, D.C. Dermatological Society

Comm: RM-Chair, PN

Sanjay D. Goel, M.D.

Practicing Ophthalmologist in Baltimore and Howard Counties, MD, former member Board of Trustees of the American Academy of Ophthalmology, past President Maryland Society of Eye Physicians and Surgeons

Maurice L. Haywood, CFA

Managing Director and Senior Portfolio Manager, Brown Capital Management

Comm: EX, FB

Paul C. Marinelli, M.D.

Practicing Radiologist in Hagerstown, MD, Chairman, Department of Radiology, Meritus Medical Center and President, Associated Radiologists, PA

Comm: CL-Chair, UW

John W. McCullough, CPA

Retired Partner with the international accounting firm of Ernst & Young, LLP

Comm: AU-Chair, CO, EX, FB

Robert R. Neall

Retired Maryland Secretary of Health, former Chief Executive Officer of Priority Partners Managed Care Organization, former member of Maryland State Senate and House of Delegates, former County Executive of Anne Arundel County

Comm: CO-Chair, AU, EX, FB

Gene M. Ransom, III, Esq.

Chief Executive Officer of MedChi, The Maryland State Medical Society, former member and President of the Queen Anne's County Commission

Comm: FB, RM

Hugo J. Warns, III, CFA

Senior Vice President and Global Head of Equities of Stifel

Comm: AU, FB, PN

Mark L. Wasserman

Retired Senior Vice President – External Affairs of University of Maryland Medical System

Comm: AU, FB

board committee key

AU...Audit

CL...Claims

CO...Compensation and Retirement Plans

EX...Executive

FB...Finance and Budget

PN...Proxy and Nominating

RM...Risk Management

UW...Underwriting Advisory

OFFICERS & COMMITTEE CONSULTANTS

**George S. Malouf, Jr.,
M.D., FACS**
Chair of the Board

Cheryl F. Matricciani
President and Chief Executive
Officer

Keith P. Allen
Senior Vice President – Actuary

John H. Clifton, III
Senior Vice President – Claims

Steven P. Keuler
Senior Vice President, Treasurer

Derek B. Yarmis
Senior Vice President,
General Counsel and Secretary

George Chambers
Vice President –
Information Technology

Natalie A. Roberts
Vice President –
Accounting, Controller

Benjamin C. Rohm
Vice President – Underwriting

Donald G. Wilson
Vice President – Marketing

Cory A. Bender
Assistant Vice President –
Claims Operations

CLAIMS COMMITTEE

CONSULTANTS

Syeda Naureen Alam, M.D.
George H. Bone, M.D.
Janet F. Brown, M.D.
J. Douglas Clarke, M.D.
Daniel E. Kohn, M.D.
William D. Lamm, M.D.
Michael E. Langbaum, M.D.
Mark T. Matsunaga, M.D.
John P. O’Hearn, M.D.
Neil P. O’Malley, M.D.
Kevin L. Stitely, M.D.
Matthew T. Yeatman, M.D.

RISK MANAGEMENT COMMITTEE

CONSULTANTS

Steven M. Berlin, M.D.
Steven J. Brand, M.D.
Joseph S. Fastow, M.D.
Andrew P. Fridberg, M.D.
Samuel D. Friedel, M.D.
Louis S. Halikman, M.D.
Karen H. Klocko, D.D.S.
Daniel E. Kohn, M.D.
Kiran G. Kuna, M.D.
Sarah A. Merritt, M.D.

UNDERWRITING ADVISORY COMMITTEE

CONSULTANTS

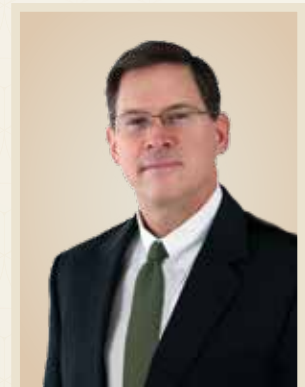
Michael J. Damiano, M.D.
Jayant B. Desai, M.D.
Craig A. Dickman, M.D.
Eugenio S. Machado, M.D.
Allan R. Rutzen, M.D.

INDEPENDENT AUDITORS

Ernst & Young, LLP
Baltimore, Maryland

Jeffrey M. Poole Retires

Jeffrey M. Poole, President and Chief Executive Officer, retired in January 2023 after 32 years of service to the MEDICAL MUTUAL Liability Insurance Society of Maryland. Mr. Poole served with distinction in numerous leadership roles throughout his tenure, including: President and Chief Executive Officer; Executive Vice President and Chief Operating Officer; Senior Vice President – Operations; Vice President – Finance and Risk Management; Assistant Vice President – Finance; Underwriting Manager; and a member of the Board of Directors for various terms beginning in 2009. Mr. Poole will be remembered for many accomplishments, notably his fierce and tireless advocacy on behalf of Maryland Physicians, and his steadfast commitment to the professional development and personal well-being of MEDICAL MUTUAL employees. We are extremely grateful for his many years of dedicated service.





Cheryl Matricciani, President and CEO

Effective January 3, 2023, Cheryl F. Matricciani, Esq., CPA, assumed the role of President and CEO. She replaces Jeffrey M. Poole, who retired from the role in January 2023 after 32 years of service to the Company.

MAP Allocation of 10%

Eligible Maryland Physician participants in our *Mutual Advantage Plan* (MAP) reward program, one of our most valued Policyholder benefits, who renewed with MEDICAL MUTUAL for 2023, received an additional MAP allocation of 10%. Funds allocated to a MAP account may be distributed upon a qualifying event, such as retirement.

AM Best “A” Excellent

AM Best, the leading rating agency for the insurance industry, once again has awarded MEDICAL MUTUAL a rating of “A” (Excellent). This is a result of the Company’s financial stability, aggressive and effective claims defense, and long-tenured management team.

year in review

- + 0% Base Rate Increase*
- + 20% Renewal Dividend Credit
- + 16% Special Dividend Credit

**NO CHANGE IN PREMIUM
FOR 2023**



99.6%

Policyholder Premium

The Board of Directors authorized a Special Dividend Credit of 16% to be distributed in 2023. This was in addition to the 20% Renewal Dividend Credit included in the 2023 renewal policy invoice. When combined with an unchanged base rate there was no change* in premium for 2023. *Based on no change in coverage.

RM Direct

MEDICAL MUTUAL introduced RM DIRECT in 2022 to enable Insureds to select the specific types of risk management information they want to receive on an ongoing basis. This personalized “feed” will be provided on each Insured’s private Dashboard on our website with links leading to RM resources not previously viewed.

Continued Gold Standard Customer Service

In 2022, 99.6% of all telephone calls placed to the MEDICAL MUTUAL Customer Service department in our Hunt Valley Home Office were answered live. Our friendly and efficient professionals take pride in providing timely, personalized and accurate information to each of our Insureds.

Steadfast Commitment

PROTECTING MARYLAND DOCTORS *since 1975*

*Operating exclusively in Maryland,
MEDICAL MUTUAL is the only
insurer to protect Maryland
Doctors continuously since
our founding.*

UNMATCHED

Absolute Strongest Claims Defense

No other insurance company has access to our elite legal defense team,
including Maryland's most talented malpractice defense attorneys.

MEDICAL  MUTUAL
Liability Insurance Society of Maryland

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