# MEDICAL MUTUAL Liability Insurance Society of Maryland

# annual report 2024 THE MEDICAL MUTUAL



# Celebrating 50 Years

# STRENGTH, STABILITY & UNMATCHED PROTECTION

Since 1975, MEDICAL MUTUAL has stood apart as a Doctor-owned and directed mutual insurance company dedicated exclusively to serving the Physicians of Maryland.





# To Our Members:

#### What sets MEDICAL MUTUAL apart?

As we celebrate MEDICAL MUTUAL's 50th anniversary, we reflect on what makes us different: our unwavering commitment to protecting your practice and professional reputation, our unmatched claims defense, and our unparalleled risk management resources. As the only medical professional liability insurer that has protected and defended Maryland Physicians continuously since 1975, our sole focus has always been, and always will be, providing the gold standard in service and protection to our Policyholders.

The 2024 Annual Report for MEDICAL MUTUAL highlights our continued dedication to delivering value to our Policyholders. In 2024, the Board of Directors approved a 20% Renewal Dividend Credit, a 16% Special Dividend Credit, and a 10% *Mutual Advantage Plan* (MAP) renewal allocation. Additionally, A.M. Best reaffirmed our "A" (Excellent) financial strength rating, demonstrating our commitment to protecting Maryland Physicians today and for years to come. Please review this Annual Report to learn more about MEDICAL MUTUAL.

MEDICAL MUTUAL's reputation is built on our 50-year history of engendering trust, providing the strongest protection for your practice, and advocating for Maryland Physicians. This is the MEDICAL MUTUAL difference.

Thank you for your continued trust and confidence.

Sincerely,

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

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

# *2024* HIGHLIGHTS

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

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

A.M. Best reaffirms "A" (Excellent) financial strength rating



# Commitment to Maryland Physicians

MEDICAL MUTUAL is owned and directed by Maryland Physicians.
Maryland Physicians also serve on our Claims, Risk Management, and Underwriting Advisory Committees, providing invaluable insight and guidance on the latest practice issues facing Doctors today. You can rest assured that MEDICAL MUTUAL shares your values and understands your needs, which is why the majority of Maryland Physicians in private practice trust MEDICAL MUTUAL to protect their practice and professional reputation.



# Physician Focus

MEDICAL MUTUAL has a long history of financially rewarding our loyal Policyholders. Each year since 2016, when the *Mutual Advantage Plan* (MAP) was established, the Board of Directors has declared MAP renewal allocations, and participating Policyholders' MAP account balances have steadily grown. To date, over 1,200 Policyholders have received a lump sum distribution upon a qualifying event, such as retirement.





# Claims Defense

MEDICAL MUTUAL Policyholders have exclusive access to the best team of medical professional liability defense attorneys and claims management professionals in Maryland. Our aggressive approach to defending the practice of good medicine makes MEDICAL MUTUAL a formidable adversary in the courtroom. And if you face a claim, our team will provide close, personal attention throughout the duration of the claim, so you will never have to navigate the litigation process without the necessary support.

# Risk Management

MEDICAL MUTUAL offers a broad array of risk management tools to help our Insureds understand and manage the liability risks associated with their practice. Our popular risk management programs are presented by leading medicolegal experts and focus on important and timely issues facing Physicians today. Program participants can earn continuing medical education (CME) credits, as well as a premium credit on their next renewal policy.



# PROGRAM OPTIONS FOR YOUR CONVENIENCE

MEDICAL MUTUAL offers a wide variety of risk management education programs in multiple modalities, including live in-person, live webinar, online self-paced, and home-study options.

#### RM DIRECT

Opt in to a private Dashboard on our website to receive relevant risk management news and reference materials. Select topics and specialties to personalize your experience and view "Two-Minute Drill" informational videos.

#### PRACTICE MANAGER TOOLBOX

PMT is a free, Members-only resource that supports your practice manager in navigating the day-to-day scenarios commonly faced in a busy medical practice. This resource addresses such topics as practice operations, patient engagement, and billing and insurance. PMT is updated regularly, and includes a sample employee handbook, hiring forms, and more.



# TIMELY AND INFORMATIVE PUBLICATIONS

MEDICAL MUTUAL's semiannual publication, *Doctors RX*, explores current topics in risk management and patient safety and offers Physicians the opportunity to earn CME credit.



#### **RESOURCES AVAILABLE 24/7**

Explore our comprehensive online risk management library at MMLIS.com, with expert resources and tools to help you mitigate liability risks and enhance patient care.



#### SPEAK WITH A RISK MANAGEMENT EXPERT

Risk Management experts are ready to listen to your concerns, answer "what if" questions, and help you identify strategies to reduce your professional liability exposure. Call our Risk Management team at 410-785-0050 or 800-492-0193 (toll free).

# Advocacy

MEDICAL MUTUAL is the only insurer that consistently fights to protect and defend the professional liability interests of its Policyholders in the Maryland General Assembly and the Supreme Court of Maryland. We work tirelessly to preserve hardearned tort reforms and maintain a fair legal environment.



# Customer Service

We take pride in attending personally to our Members' inquiries with friendly and knowledgeable customer service. In 2024, MEDICAL MUTUAL's team of experienced customer service representatives answered 99.5% of incoming calls, reflecting our commitment to providing exceptional customer service.



# 2024 FINANCIALS

#### BALANCE SHEETS Statutory Basis / DECEMBER 31

Admitted Assets	2024	2023
Cash and short-term investments	\$ 14,442,586	\$ 23,803,517
Long-term invested assets	792,770,624	785,165,017
Other assets	28,531,683	27,924,019
Total Admitted Assets	\$ 835,744,893	\$ 836,892,553
Liabilities & Policyholders' Surplus Reserve for losses and loss adjustment		
expenses, net of reinsurance recoverable	\$ 150,473,306	\$ 151,939,750
Reserve for unearned premiums	55,045,288	56,902,870
Deposits received on policies not in force	26,392,493	27,361,265
Dividends payable to Policyholders	113,641,956	116,888,853
Other liabilities	16,699,391	16,430,755
Total Liabilities	\$ 362,252,434	\$ 369,523,493
Total Policyholders' Surplus	\$ 473,492,459	\$ 467,369,060
Total Liabilities & Policyholders' Surplus	\$ 835,744,893	\$ 836,892,553

#### STATEMENTS OF INCOME Statutory Basis / DECEMBER 31

	2024	2023
Premiums earned	\$ 78,377,470	\$ 76,508,342
Losses and loss adjustment expenses incurred	53,145,781	43,557,119
Underwriting expenses	18,380,219	17,357,163
Net Underwriting Gain	\$ 6,851,470	\$ 15,594,060
Net investment income earned		
and realized capital gains and losses	\$ 21,662,393	\$ 17,270,943
Other income	391,285	780,377
Income Before Dividends to		
Policyholders & Federal Income Taxes	\$ 28,905,148	\$ 33,645,380
Dividends to Policyholders	\$ 22,000,000	\$ 25,000,000
Income Before Federal Income Taxes	\$ 6,905,148	\$ 8,645,380
Federal income tax	\$ 264,597	\$ 1,017,798
Net Income	\$ 6,640,551	\$ 7,627,582

The 2024 and 2023 condensed financial statements of MEDICAL MUTUAL have been prepared in conformity with accounting practices prescribed or permitted by the Maryland Insurance Administration. 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.

# 2024 BOARD OF DIRECTORS

#### 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: CO-Chair, FB-Chair, EX

#### CHERYL F. MATRICCIANI, Esq., CPA

President and Chief Executive Officer, MEDICAL MUTUAL

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

#### KEITH P. ALLEN

Senior Vice President, Chief Actuary, MEDICAL MUTUAL

#### MARY LURA DUVALL, CPA

Retired Senior Vice President, Chief Financial Officer and Treasurer of MEDICAL MUTUAL

Comm: AU-Chair, CO, EX, FB

#### 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, CL, 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, CO

#### 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

Comm: AU, EX, PN

#### MAURICE L. HAYWOOD, CFA

Managing Director and Senior Portfolio Manager, Brown Capital Management

Comm: AU, EX, FB

#### THOMAS W. JOHNSON

Former Executive Vice President, Chief Risk and Administration Officer of FCCI Insurance Group, former Managing Director, Financial Services Group, HSBC Securities

Comm: AU, FB

#### ADAM E. KANE, Esq., MBA

Managing Director of Corporate Affairs, Redwood Holdings, former Director of Unity Insurance, former Chair of the Maryland Health Services Cost Review Commission

Comm: AU, 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, PN-Chair, UW

#### GARY W. MICHAEL

President of NAI Michael, with over 45 years of experience in all fields of commercial real estate, including sales, leasing, property management, and development

Comm: 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, PN, RM



## **OFFICERS**

GEORGE S. MALOUF JR., M.D., FACS Chair of the Board

#### MARY ELLEN M. VALLIANT, AIF

Vice Chair of the Board

#### CHERYL F. MATRICCIANI

President and Chief Executive Officer

#### KEITH P. ALLEN

Senior Vice President, Chief Actuary

#### JOHN H. CLIFTON III

Senior Vice President, Claims and Operations

#### STEVEN P. KEULER

Senior Vice President, Chief Financial Officer and Treasurer

#### DEREK B. YARMIS

Senior Vice President, General Counsel and Secretary

#### CORY A. BENDER

Vice President, Claims

#### **GEORGE CHAMBERS**

Vice President, Information Technology

#### NATALIE A. ROBERTS

Vice President, Accounting and Controller

#### BENJAMIN C. ROHM

Vice President, Underwriting

#### DONALD G. WILSON

Vice President, Marketing

#### ALEXIS R. BRAUN

Assistant Vice President, Associate General Counsel

# COMMITTEE CONSULTANTS

#### Claims Committee

#### Consultants

Syeda Naureen Alam, M.D.

George H. Bone, M.D.

Janet F. Brown, M.D.

Kendra K. Kay, M.D.

Daniel E. Kohn, M.D.

Michael E. Langbaum, M.D.

Mark T. Matsunaga, M.D.

John P. O'Hearn, M.D.

Neil P. O'Malley, M.D.

Vasil X. Parousis, M.D.

Adrian L. Preston, 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.

Eric S. Wargotz, 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**

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#### THE GOLD STANDARD

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