

2018 / Annual Report

FORWARDWEGO



CMIC | Group

A NOTE FROM OUR CHAIRMAN AND CEO



John Hornby, MD
President & Chairman

Another eventful year completed. 2018 represented the first full year with new management at the controls. Top to bottom review of all phases of the Company's operations has been initiated with many needed changes identified and implemented. A new Strategic Plan, formulated in the spring of 2018, has clarified the vision and defined a path forward to achieve the goals of the Company and will position us to provide the first class services that you deserve.

In order to realize these goals, much needed improvements have been undertaken. A new information technology platform has been selected and will be launched over the coming year, and renovations at corporate headquarters will improve workflow for employees and visitors alike. Most importantly, the addition of new talent in several departments, as well as the creation of a new position of Chief Operating Officer, will further the development and add energy to the project of creating a Company of which we all can be proud. The Board and Management alike, always consider that this is your Company and that we, first and foremost, serve you.

As with all of medicine, the dynamics of the Medical Professional Liability industry remain daunting. The sea of change in how physicians practice medicine and the increase in employed versus independent private practice continues at a rapid pace. Interestingly, though each group identifies advantages and disadvantages to their respective mode of employment, neither is satisfied, and both would consider changing how they work given a better choice. Since private practice physicians and increasingly allied professionals (physician assistants and nurse practitioners) are the mainstay of our business, we are focusing on providing resources to support their independence.

Increased regulations and reporting requirements have added an enormous burden to private practice medicine and has been a significant driver for the expansion of employed physicians. Other business challenges such as marketing and contracting with medical insurers have also created a significant burden to private practitioners. The Company has set a goal of identifying "Value Added Services" that we can provide affordably to our members to help alleviate these burdens, freeing you to concentrate on your patients and the practice of medicine.

We would be remiss if we did not emphasize our core mission of providing superior coverage when you are in need, coupled with excellent loss prevention and risk management support to minimize your risks in advance. We are always identifying and mitigating risk as the practice of medicine continues to evolve and we are available to advise you when needed. We view our members excellent participation in our continually evolving loss prevention programs as an important contribution to patient satisfaction and safety.

Finally, thank you for your loyal support. As we go forward together to meet the existing and emerging challenges of the industry we continue to view our relationship as a partnership and encourage you to contact us if you need anything. We remain open to suggestions and value your opinions and questions. We look forward to serving you and wish you a safe and prosperous year.

John Hornby

John Hornby, MD, President and Chairman

Stephen J. Gallant

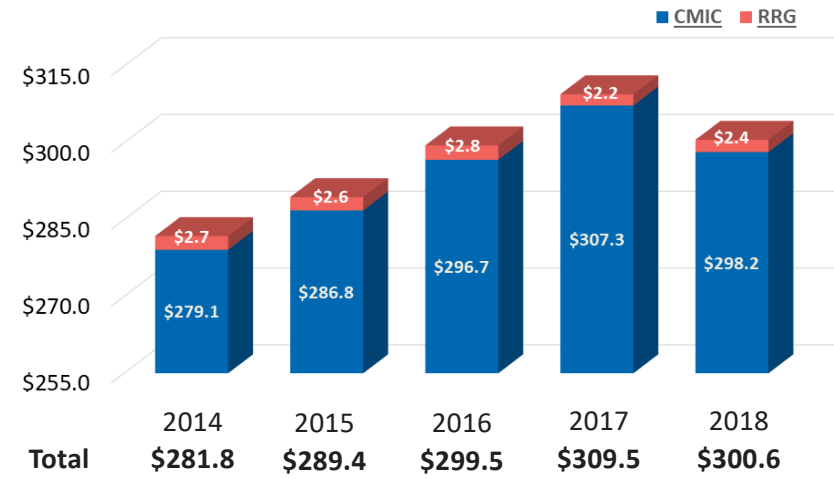
Stephen J. Gallant, CEO



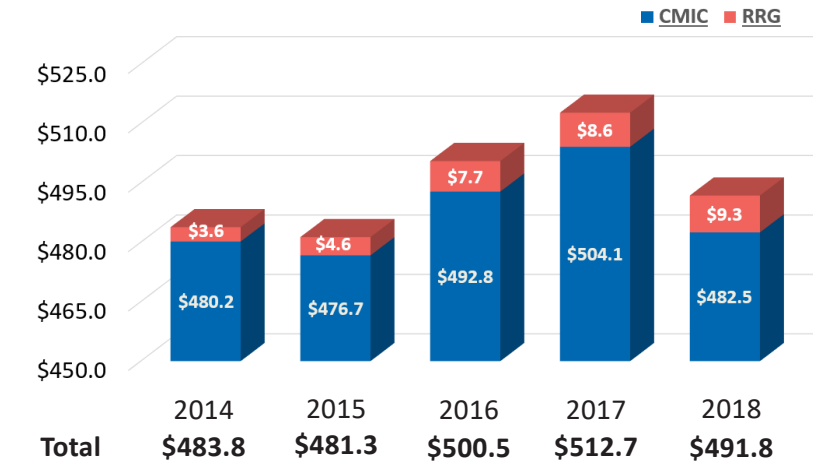
Stephen J. Gallant
Chief Executive Officer

FINANCIAL HIGHLIGHTS (as of 12/31/2018)

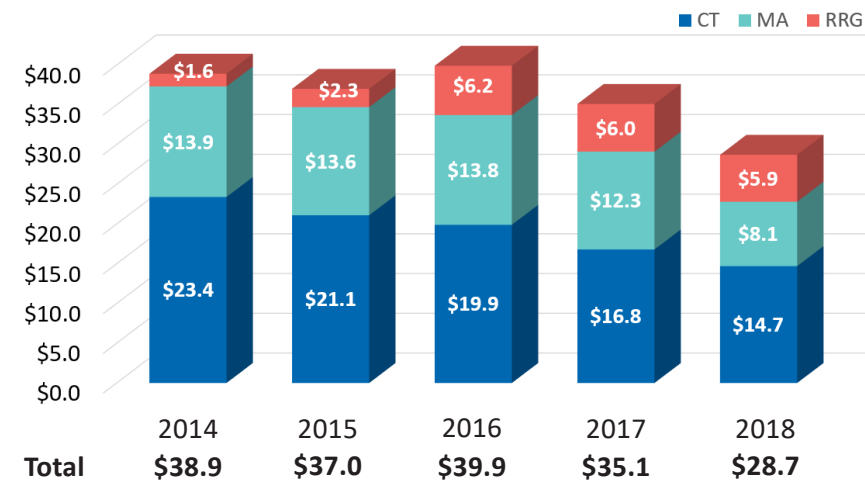
Policyholder Surplus



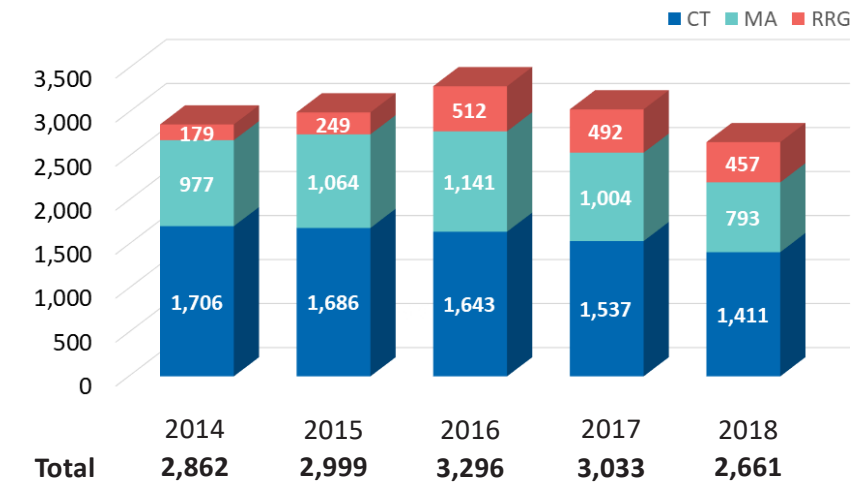
Total Admitted Assets



Direct Written Premium



Policies Inforce



MEMBER GROUP SPOTLIGHT

Connecticut Orthopaedic Specialists, P.C.

CMIC Member Since 1984

Connecticut Orthopaedic Specialists (COS) was founded in 1963 with two physicians. Today, COS has grown to over 60 physicians and spans nearly two-dozen locations. They are also the largest privately held orthopedic practice in Connecticut.

In the beginning, COS was able to differentiate themselves due to their reputation as a diversely specialized practice, hence the name Connecticut Orthopaedic Specialists. As orthopedics evolved, their focus shifted to sub-specialization. They have also come to be known for their emphasis on innovation.

COS was the first orthopedic group in the state to have their own MRI machine, and today, they have three, including a mobile MRI machine that travels between offices. Several years ago, they also forged a partnership with Hartford HealthCare, and likewise, MidState Medical Center in Meriden, opening the Connecticut Orthopaedic Institute.

The CEO of Connecticut Orthopaedic Specialists, Glenn Elia, has been with the organization for 26 years. "I've been lucky to have been a part of it," said Mr. Elia. "It's like a big family here (at COS) that keeps growing, not unlike the story of CMIC. We've stayed with CMIC for so long because of the relationship. So much of this is about relationships and partnerships. It's how a business should run. You don't find that as much anymore."

Likewise, Mr. Elia and COS have found a strong partner in the Hartford-based health system. "Hartford HealthCare has a tremendously open approach to partnership," he said. "It's been a wonderful collaboration, and having a positive working relationship with a large hospital system has been tremendously helpful." He added, "It's been a nationally recognized collaboration."

Following the partnership and opening of the Connecticut Orthopaedic Institute, COS continues to look to the future with a planned second institute in Branford and office



Connecticut Orthopaedic Specialists



Glenn Elia, CEO of Connecticut Orthopaedic Specialists, speaks at the grand opening of the Connecticut Orthopaedic Institute.

expansion into Fairfield County. The plan is to create an orthopedic system throughout the state so that residents do not have to travel for premier orthopedic care. "At COS, we stay ahead of new technology and have gifted doctors that are dedicated to their craft," said Mr. Elia. "You can get quality care right here in Connecticut."

Likewise, COS is continuing to innovate. In the spring of 2019, they are opening an eight-bed residential surgery center. They are also developing their own home care agency to complement their current division, STAR Physical Therapy.

"This will create continuity of care and speed of delivery, as well as a healthy, positive experience for the patients," said Mr. Elia. "Instead of being reactive we are always looking to where the market is going."

COS also has strong ties to the community. Not only do they provide the team doctors for Quinnipiac University, the University of New Haven, and Albertus Magnus College, but in the Southern Connecticut Conference they also sponsor the Comeback Player of the Year Scholarship. This award recognizes the student-athletes who have been injured but continue to show leadership to their teams through their recovery.

"The culture here is very caring and the future is bright as we move more patient experiences from in-patient to out-patient," said Mr. Elia. "COS aims to provide a wonderful experience for our patients, but we are still innovative in the delivery of healthcare. That's our mission."

MEMBER GROUP SPOTLIGHT

Woodland Anesthesiology Associates, P.C.

CMIC Member Since 1984

Woodland Anesthesiology Associates, P.C. (WAA) first opened its doors in December of 1975. At the time, the practice included 11 anesthesiologists, 15 nurse anesthetists, and four office staff members. Now, over four decades later, the practice has grown to over 60 anesthesiologists, 125 CRNAs and 27 staff members, and is considered the premier anesthesia provider in the Northeast. They also remain a proudly independent and physician-owned practice.

Franklin Rosenberg, MD, joined the group in 1996 as a result of a merger between WAA and an anesthesia practice affiliated with Mount Sinai Hospital, where he served as Chief of Anesthesiology. Initially a member of the WAA Board, Dr. Rosenberg has been President of WAA for the past 11 years. He has also been Chairman, Department of Anesthesiology and the Director of Anesthesia Services at Saint Francis Hospital for that same time period. He serves on Saint Francis Hospital's Board of Directors, Quality Committee of the Board of Directors and Medical Executive Committee. He is a member of the Saint Francis Hospital physician leadership institute and is an academic fellow of SFHMC.

Bill Witkowsky, Chief Operating Officer for WAA, also joined the group in 2008, following ten years with the Saint Francis Physician Hospital Organization (PHO) as its Director of Operations.

In addition to their size, the organization's reach has expanded as well. The group currently spans 13 locations,



WOODLAND ANESTHESIOLOGY
ASSOCIATES, P.C.

including Saint Francis Hospital, and in 2017, WAA became Trinity Health of New England's regional anesthesia provider. They operate as the exclusive anesthesia provider at every location they are contracted.

WAA attributes some of the success and growth they have experienced to their reputation for expertise in a variety of specialties. Today, WAA anesthesiologists are still highly regarded for their extensive range of specialties, including pain management, regional, cardiac, ambulatory, obstetrics, pediatrics, and geriatrics, among others.

At each of their many locations, the chief of that site is an established WAA member physician. Likewise, each site has a core group of providers dedicated to it, though a specialized expert from another site, for example, a pediatric anesthesiologist, can be sent when needed.

"It's important to us in upholding the standard of care for our patients that we have consistency at



Back Row, Left to Right: Robert Herreria, MD, Jonathan Abrams, MD, Franklin Rosenberg, MD, Wesley Knauff, MD, Sivasenthil Arumugam, MD, Victor Camacho, MD, Kenneth Gutierrez, MD; Front Row, Left to Right: Laura Morello, MD, Gwendolyn Moraski, MD, Goolcher Wadia, MD, Shu-Ming Wang, MD

our sites so they don't become a revolving door and our patients have consistent quality in their care," said Dr. Rosenberg. "We have a vested interest in ensuring the highest level of efficiency at each of our clinical sites, while assuring exceptional patient outcomes."

In addition to the group's extensive history in practice, they have a long history with CMIC as well. WAA joined CMIC at the insurance company's inception, and CMIC has been proud to insure them for over 30 years.

"WAA has been involved with CMIC since the beginning, and the consistency as well as the 24/7 support has made it a mutually beneficial relationship ever since," said Dr. Rosenberg.

"It's a true partnership," added Mr. Witkowsky.

WAA also has strong ties to the community, partnering with a variety of charitable organizations, including the Boys and Girls Club, military and veteran organizations, JDRE, and the March of Dimes, among others.

The mission of WAA is to provide state-of-the-art, safe and cost-effective anesthesia, pain and perioperative medicine.

"This is where we make our living and it is vital that we recognize the importance of giving back to the place where we provide our patients' care," said Dr. Rosenberg. "Not only to the hospital but to the community."

When asked about WAA's plans for the years ahead, Dr. Rosenberg and Mr. Witkowsky referred to their Regional and Acute Pain Medicine fellowship program, which began in 2016 in conjunction with Saint Francis Hospital. Since its formation, the program has seen continuous growth. Though it began with one fellow, in 2018 and 2019 it grew to include two fellows, and in 2020 and 2021, they expect it to expand to three.

"We continue to attract the best and brightest in anesthesia with our fellowship training," said Dr. Rosenberg. "The talent and skill of our providers allows us to assess and evaluate whatever additional ventures come our way, which could lead to additional growth."

"Our focus is on training for the future," said Mr. Witkowsky.

NEW EDUCATIONAL OPTION FOR MEMBERS

CMIC Launches Webinars

CMIC expanded its already robust educational offering in 2018, adding webinars to its catalog of courses available for both CME and premium credit. Starting in 2018, members were able to choose from the current offering of four pre-recorded educational webinars in order to earn credits. The webinars are weighted the same as the live events as far as premium credits, earning participants a 2.5% premium credit for each completed course, up to the yearly maximum of 7.5%, which is applied to the following year's renewal.

In 2018, over 400 members participated in the webinar courses.

The Loss Prevention Department, led by Director Denise Condon, plans on adding new webinar content in 2019. The current webinar courses available include: Managing Patient Expectations, The Informed Consent, The Practical Aspects of Prescribing Opioids for Chronic Pain, and An Update: Practical Aspects of Prescribing Opioids for Chronic Pain.

While the live educational events offer a variety of unique benefits, such as the opportunity for the doctors in attendance to interact with their peers and the prospect of being able to engage the presenter with specific questions, the webinars enable all of our membership, regardless of schedule limitations, to access CMIC's educational offering.

"Understanding the time constraints of medical providers, we are happy to offer webinars as an option for our educational programs," said Ms. Condon.



In addition to the webinars and live events offered by CMIC, members also have access to a catalog of downloadable enduring materials. These self-study courses are available 24/7 and earn CME credits.

As with all of our educational programs, the topics for webinars are developed through a variety of methods, such as the tracking of trends in claims, interactions and discussions with our physician membership, and industry research, all of which enable CMIC to provide the most relevant and current topics possible.

For more information on the courses available to membership, as well our other Loss Prevention-related services and benefits, please visit: <http://www.cmic.biz/Loss-Prevention/Services-and-Resources>

COMPANY PARTNERSHIPS

Partnerships are an essential component of a flourishing business. CMIC is proud to work in collaboration with many leading companies, such as Cronin, Insurance Systems Inc., Guy Carpenter, SLAM Collaborative and Verrill Dana, LLP, along with many other corporate partners. These partnerships enable us to continuously provide exceptional service to our membership.



In 2018, CMIC partnered with the Glastonbury, CT based Marketing Agency, Cronin. Cronin will be leading the CMIC re-branding initiative as well as designing a new website, along with our member and producer portals. Cronin has over 70 years of experience in the marketing field and offers extensive capabilities in multiple areas. The re-branding and website re-design will begin in early 2019.



The Information Technology Department has chosen Insurance Systems Inc. (ISI) for the Company's *Enterprise Transformation Project*, which will replace core IT systems. CMIC is proud to work with ISI to implement "best in-class" technology. ISI, located in Toronto, ON, has over 20 years of experience in custom software solutions.

The objective of this Company-wide effort is to enhance our technology and improve overall business execution to provide exceptional customer service to our policyholders and producers. ISI will be working with Cronin for the implementation of the new member and producer portals within the website.



Guy Carpenter & Company, LLC, is a leading global risk and reinsurance specialist with more than 2,300 professionals in over 60 offices around the world. Guy Carpenter's MPL group is the industry's leading team dedicated to providing solutions to all healthcare providers and MPL companies regardless of the size, scope or complexity of the reinsurance or risk management needs. Guy Carpenter provides CMIC with quality reinsurance to better protect our policyholders.



Verrill Dana, LLP, is a 120 lawyer firm with offices from Maine to Washington, DC, offering business clients quality legal services and solutions. Verrill provides the Company with trusted corporate counsel and supports CMIC in preparing for its future. Verrill is committed to providing quality service to clients while also giving back to the communities in which they live and work.



In an effort for continuous growth, CMIC has partnered with SLAM Collaborative to update the existing lobby and reception area. The new lobby will provide visitors and employees with an inviting reception area. Renovations will conclude in May 2019. SLAM Collaborative has over 40 years of experience in architecture, structural engineering, landscape and interior design and over 20 years in construction services.

CMIC Board of Directors

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Michael Conneely, CFO

Secretary

Stephen Gallant, CEO

Committees

1. Business Development Committee
2. Claims Committee
3. Compensation Committee
4. Finance & Audit Committee

5. Governance Committee
 6. Loss Prevention Committee
 7. Underwriting Committee
- * Chair of Committee

Management Team

Stephen J. Gallant

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Michael P. Conneely, CPA

Chief Financial Officer

Kevin M. Bresnahan, JD

Director - Claims

Denise M. Condron

Director - Loss Prevention

Garrett P. Cronin

Director - Member Services

Raymond E. Lilley

Director - Technology

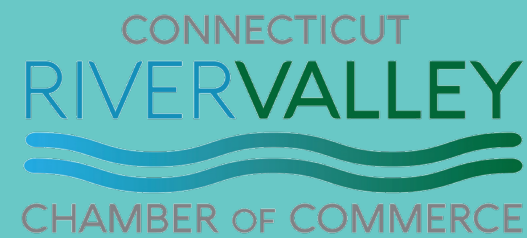
Michelle M. Ursini

Director - Marketing and Business Development

SPONSORSHIPS AND ASSOCIATIONS

Board Member, Dr. Robert Marra (middle), two CMIC insured doctors, and Underwriting Director, Garrett Cronin, participated in the 15th Annual CMGMA (Connecticut Medical Group Management Association) Golf Classic. Proceeds from this golf outing benefited the CMGMA's ACMPE (American College of Medical Practice Executives) Scholarship Fund and the Hole in the Wall Gang Camp.

CMIC has been involved with CMGMA for many years and is pleased to continuously support them as they work to enhance healthcare management professionals through education, certification, and advocacy.



Since 1990, CMIC has been a member of the Glastonbury Chamber of Commerce, now the River Valley Chamber of Commerce. CMIC is proud to be a part of an organization working to bring professionals in the community together.

The Connecticut River Valley Chamber of Commerce hosts a variety of events for the community and provides exceptional support for the businesses in the Glastonbury and East Hartford area.

CMIC was a Bronze Sponsor at the 2018 C. Robert Biondino Memorial Golf Classic. This event benefited the CSMS (Connecticut State Medical Society) Charitable Trust, which helps fight illness, domestic violence, poverty and homelessness in Connecticut.



CMIC was a sponsor of the *Believe, Trust & Pixie Dust*, the Connecticut Children's Medical Center's annual gala. Connecticut Children's Medical Center offers world-class care to patients and their families while also being committed to research, education and advocacy. This event supported the hospital and their physicians to continue to provide children with specialized care.



Black & Red

CMIC sponsored and attended the Hartford Hospital Black & Red Gala, which supported the Brownstone Ambulatory Care Services. The clinic is staffed by Hartford Hospital physicians donating their time to provide quality healthcare to many homeless and unemployed patients. The event raised over \$1.1 million to support those, like featured patient Joseph Molinari, who would otherwise have no option for healthcare. Photograph by Brian Ambrose Photography.



Making a Difference in the Health of our Community

CMIC is proud to insure and support, Milford Regional Medical Center, located in Milford, MA. CMIC participated in, and sponsored, the 29th Milford Regional Healthcare Foundation, which is committed to making a difference in the health of the community.

CMIC will be supporting the following organizations in 2019:

CT Medical Group Management Association (CMGMA)
 Connecticut Orthopaedic Society
 Franciscan Children's
 Fairfield County Medical Association (FCMA)

Massachusetts College of Emergency Physicians (MACEP)
 Maryland MGMA
 Milford Regional Medical Center
 And many more!

CMIC | Group

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