

2019 MLMIC CHAIR'S REPORT



2019 was an exciting year for MLMIC Insurance Company.

We completed our first full year of operations as a Berkshire Hathaway company. The alliance gives us access to unparalleled financial strength, and as part of the Berkshire Hathaway family of companies, we have an expanded ability to create innovative solutions for individual physicians, dentists, medical groups and health systems. In recognition of these attributes, and our long history of protecting our policyholders in New York, A.M. Best affirmed our A+ (Superior) financial strength rating, a designation few in our industry hold.

During 2019, we deployed several innovations that will help us better serve our policyholders and prospects in New York. We enhanced our claims free discount for physicians, giving them incrementally more discount for each year they remain claim free from 5 to 10 years. A large percentage of our insured physicians benefitted from this enhancement, which is good for them, their patients and for us.

We also established custom discounts for large groups of individual physicians that are members of risk purchasing groups, which help physicians deliver quality care to their patients. Many of these discounts were approved in the second half of the year, so their full effect has not yet been realized, but we plan to see more activity in 2020 and beyond, as awareness of these programs grows.

We enhanced our ability to price employed physicians and facilities using their own loss experience, and offer risk sharing features to those that desired them. As consolidation among providers continues and pressure on costs and reimbursement mounts, we felt it was important to have these tools in our arsenal to respond to these realities.

Finally, we enhanced our digital processing capabilities, to respond faster and more conveniently to our policyholders, producers and endorsed societies. Our goal is to interact with our constituents in the way they want to interact with us. Increasingly, that is digital, and we now have more ability to provide this option to them.

Our marketplace remains challenging, but we are confident in our ability to meet the challenges and deliver unparalleled service and protection to our policyholders. We thank you for the opportunity to serve you and look forward to another successful year in 2020.

Sincerely,

James K. Reed, MD, Chair

MLMIC is rated A+ by A.M. Best

Summary of audited statutory financial results*

	(\$ in Millions)
Assets	\$744
Liabilities	\$88
Surplus	\$656
Direct Premium Written	\$354
Net Income	(\$12)

*as of December 31, 2019

