



Integrus Group®

2021 Annual Report

Strength in
PURPOSE

Letter from the Chairman & CEO



John Hornby, MD
President & Chairman

2021 has developed as a transitional year, where we learned that we could successfully provide a high level of service while working remotely. Now, as the Covid pandemic is waning, we have pivoted to crafting a back-to-the-office policy that permits the flexibility of remote work while reinvigorating the team spirit that an in-person workplace fosters. Some of the changes that were made, particularly with claims management, will remain as newfound efficiency. Overall, the stresses of this year have strengthened the Company's operations in many ways.

The medical professional liability marketplace continues to firm, with many carriers raising rates for coverage, primarily due to the increase in ongoing settlement claim costs. This development, and overall inflation, has also required the Company to increase premiums at nominal levels.

We have completed a thorough review of the Risk Retention Group (RRG) and have made changes to the

organization, including rebranding the Company from CMIC RRG to Integris Risk Retention Group, Inc., in order to better reflect its position in the Integris family. In the months ahead, updates to the RRG website, policy forms, and resource materials will be rolled out to its members. With these changes, we are now well positioned to make the RRG a significant part of our growth plan, including business in new states. Expanding the Company's footprint, as well as our reach in the states in which we are already active, is a key strategic goal for the Company and one that will ultimately prove advantageous for our members through the premier benefits and services we always strive to offer.

We continued to add talent to the Company in 2021, including our first human resources manager to support recruitment and retainment, as well as oversee our compensation and benefits policies and practices. The Company continues to work on both the human resources and information technology areas to best manage

the growth and expansion that we anticipate in the coming months and years. In addition, we have added a data analytics tool that will help us identify and assess new risks and write business prudently as the Company grows. We continue to look for new acquisitions to help the Company diversify its product offerings and geographic territories, while providing the highest level of protection and services that remain our utmost priority.

A dividend was again declared for policyholders, which marks our 11th consecutive year of dividend payouts. We are proud to be able to consistently provide this benefit to our members. Our Loyalty Rewards program has been enhanced, expanded, and rebranded to Legacy Rewards. This revitalized benefit provides an increased annual distribution to eligible providers, substantially shortens the eligibility waiting period, and now encompasses our RRG members.

The popular Risk Management education programs, that serve the dual purpose of saving you premium and reducing policyholder risk, remains in force. We look forward to expanding and diversifying our services and benefits, in addition to adding new ones, solidifying our commitment to an unparalleled level of service to our members.

Finally, we want to thank you for trusting us to protect you should the need arise. But remember, we are here to help you, even if it is just to answer a question. This is the unshakeable commitment that animates the directors, managers, and all who work for the Integris family. And, as always, we appreciate your continued support.

A handwritten signature in black ink that reads "John Hornby MD".

John Hornby, MD
President & Chairman

A handwritten signature in black ink that reads "Stephen S. Gallant".

Stephen Gallant
Chief Executive Officer



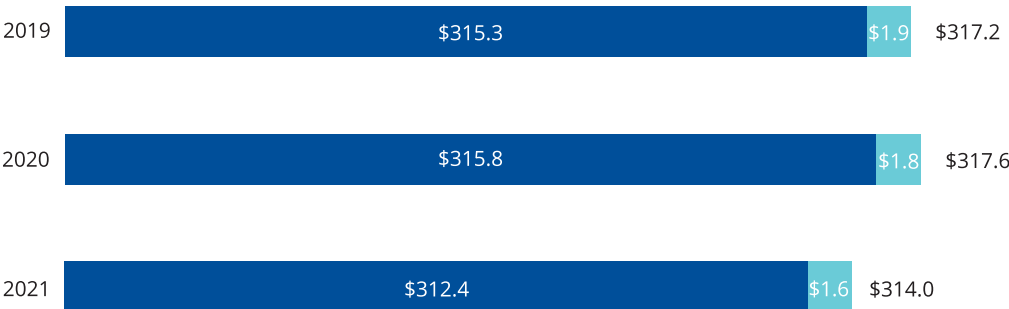
Stephen Gallant
Chief Executive Officer

Financial Overview

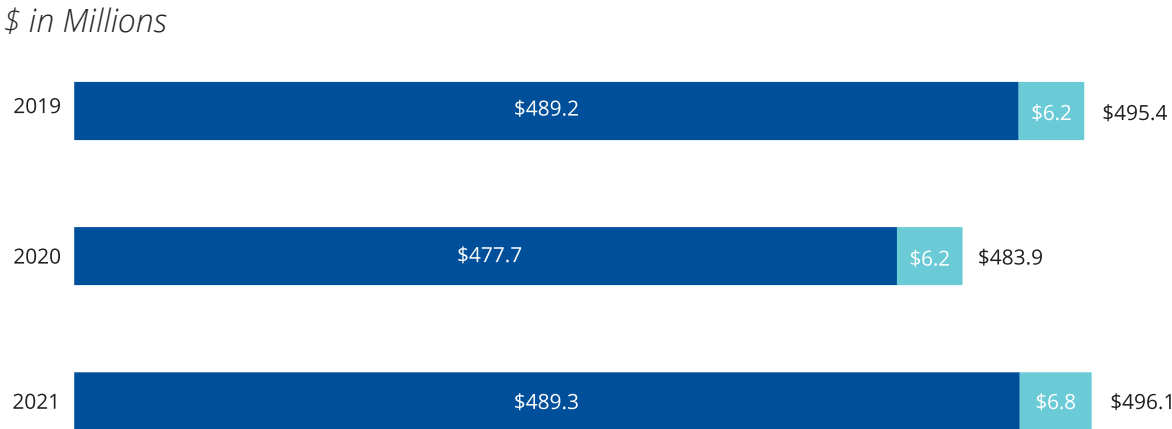
Policyholder Surplus

\$ in Millions

■ Integris Insurance Company ■ Integris RRG



Total Admitted Assets

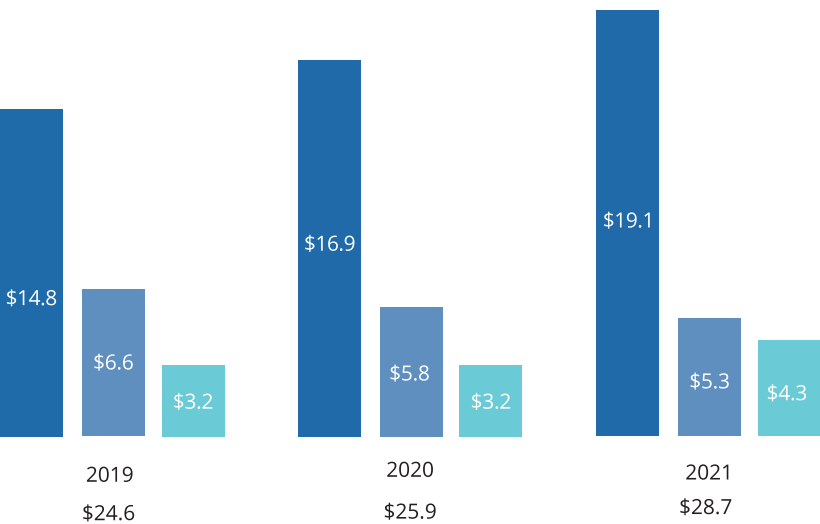


The above information is inclusive of Integris RRG, which is an Integris Group sponsored Risk Retention Group.

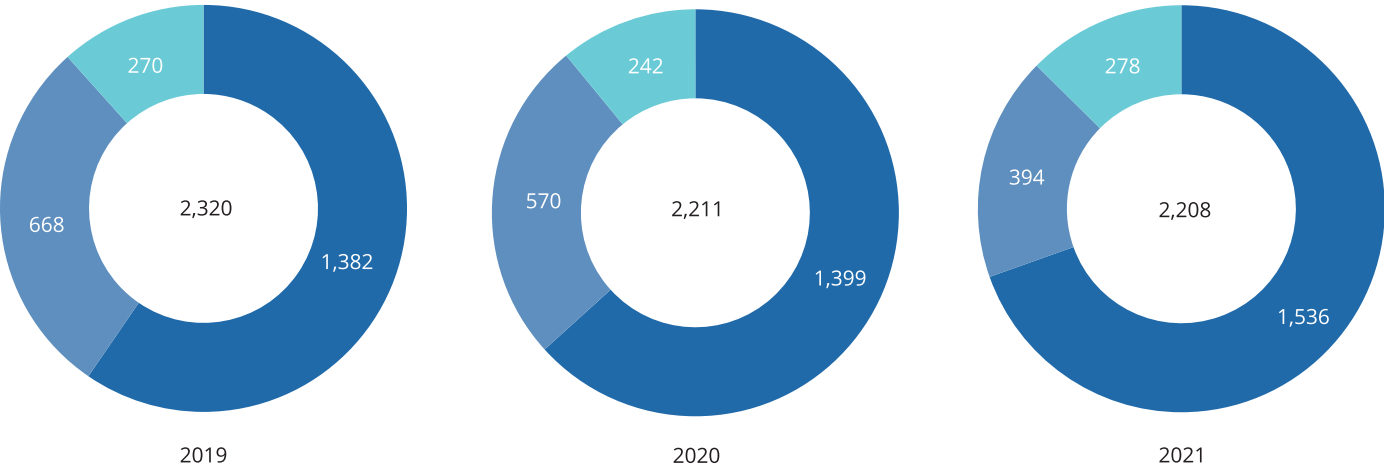
Direct Written Premium

\$ in Millions

■ Integris Insurance Company — CT ■ Integris Insurance Company — MA ■ Integris RRG



Policies Inforce



“ 2021 continued to present universal challenges and despite the tough market cycle, Integris’ overall financial strength stabilized capital levels. Our continued strength will be advantageous for the Company as we look to expand the RRG in the coming years. ”

— Michael Conneely
Chief Financial Officer

Member Spotlight

Concierge Physicians of Westport was founded in 2017 by four doctors looking to forge a new type of practice. The group, composed of Dr. David Baum, Dr. Jill Denowitz, Dr. Nina Karol, and Dr. Robert Teltser, had worked together for many years, but had grown frustrated with the practice of corporate medicine.

"We wanted to form a new type of practice where our allegiance was fully to our patients and not to a hospital system," said the doctors. "Our philosophy has always been to place our patients' best interests first and create a warm and welcoming practice where patients are comfortable coming to seek medical care."

Strong communication between the four partners has been key to the success of Concierge Physicians of Westport.

"We are always discussing cases, new information, disease treatments..." said the group, "which helps us to practice medicine even better than if we were solo doctors." They added, "Coming to work every day and being able to work with a talented and professional staff is amazing!"

In addition to having a lengthy history working together, the providers also have longevity with Integris Group, having been insured by Integris (formerly CMIC) in their prior practice as well.



Concierge Physicians of Westport

"It felt very comforting to have (Integris) back as our carrier, having been so familiar with them for all of these years," said the group. "The CME activities have also been very relevant to our current practice as well."

Like the wider healthcare community, operating in the unprecedented environment of a global pandemic presented many challenges for the medical practice.

"The pandemic has been hard for everyone," said the group.

From struggles with illness amongst the staff to the related staffing

challenges, operating a medical practice during the pandemic was difficult, especially with the practice having a substantial increase in volume over the past two years.

"Demand for medical services has increased in general and the same has applied to our practice," said the doctors. "More than ever, we needed to balance the needs of our staff with those of our patients."

In the years ahead, Concierge Physicians of Westport's goals are to maintain their current level of service and continue to provide exceptional medical care.



Concierge Physicians of Westport staff



From left to right: Dr. Robert Teltser, Dr. Jill Denowitz, Dr. David Baum, Dr. Nina Karol

"Our philosophy has always been to place our patients' best interests first and create a warm and welcoming practice where patients are comfortable coming to seek medical care."

"We feel that we have wonderful and welcoming clinical and administrative staff members who help to make the office feel accessible and help our patients feel that they are getting excellent care," said the practice. "We also strive to be a true medical home where the doctors, nurses, and support staff work seamlessly together to provide top notch medical care. All of us at Concierge Physicians of Westport share this patient-centered philosophy."

Giving back to their local community as well as the greater healthcare

community is another priority for the practice. Concierge Physicians of Westport are supporters of Pink Aid, which provides support for breast cancer patients, the Connecticut Institute for Refugees and Immigrants, and the Westport Sunrise Rotary.

Overall, the many rewards of practicing medicine have far outweighed any challenges for Concierge Physicians of Westport.

"We think that the most rewarding part of practicing medicine in a concierge practice is the ability to

devote more time to each patient and each problem as it arises," said the doctors.

The innovative model of the practice has allowed the providers to get to know their patients and their health issues more thoroughly, enabling them to seamlessly navigate their care.

The doctors added, "Getting to know individual patients and their families over many years has enriched all of our lives."

Board Member Spotlight

Dr. Mark D'Agostino, Treasurer on the Integris Group Board of Directors, and Otolaryngologist with roots in North Haven, Connecticut, knew he wanted to pursue a career in medicine since he was very young.

"Having the ability to treat or cure was always intriguing," said Dr. D'Agostino. "Initially, I thought I was going to be a veterinarian, but after four years in an agriculture program at Lyman Hall High School studying animal science, I gravitated over to the human side of medicine."

After receiving his undergraduate degree from Quinnipiac University (where he also met his wife while she was pursuing a degree in microbiology), Dr. D'Agostino went on to receive his medical degree from the Chicago Medical School.

"During my time in school, I found the surgical specialties to be the most fascinating and challenging," said Dr. D'Agostino. "In particular, Otolaryngology (commonly referred to as "ENT" or Ear, Nose and Throat), was the most interesting to me due to the complex anatomy of the head and neck, the ability to treat children and adults, and the wide variety of subspecialties within the field."

After his residency (at Northwestern University), Dr. D'Agostino entered the Air Force as a physician and was stationed at Andrews Air Force Base in Washington, DC. There, he cared for the crew of Air Force One, White House staff, members of the military

bands and musical groups, and was a consultant to the Pentagon and the Lajes Air Force Base in the Azores.

"Upon leaving the Air Force as a Major in 1997, we moved back home to Connecticut with our three children, Amanda, Nicholas and Adam, and I joined Southern New England Ear, Nose, Throat and Facial Plastic Surgery Group, where I have practiced ever since," said Dr. D'Agostino.

In 2010, he was board certified in sleep medicine and developed a special interest in obstructive sleep apnea. Dr. D'Agostino was also one of the pioneers in developing robotic surgery for sleep apnea and was the first physician in New England to perform hypoglossal nerve stimulation therapy for sleep apnea.

Dr. D'Agostino has also been a member of the Integris (previously CMIC) Board of Directors since 2009.

"It has been a great honor to serve on the Integris Board representing the many physician policyholders for whom this company was created," he said of the experience. "When a physician needs our help, they always find it comforting and reassuring to know that a fellow physician, friend, and colleague has their back, and their best interest at heart."

Apart from medicine, Dr. D'Agostino enjoys a wide variety of interests and hobbies, including boating, fishing, and painting. He is also an avid guitarist and music lover.



Dr. Mark D'Agostino

Specialty: Otolaryngology

Board Member since 2009

“The last two years have been difficult for all, but particularly challenging for those of us in healthcare. Being able to protect our staff while maintaining a high standard of care for our patients during this pandemic has been particularly arduous. We have had to change the way we run our practices and our daily lives without compromising the care we strive to offer.”

Employee Spotlight

Can you describe your work prior to joining Integris Group and your professional background?

I hold a Bachelor of Science Degree in Business Administration – Finance from the University of Connecticut. I have been a Licensed Casualty Adjustor in Connecticut since 1988. I am currently a Constable in the Town of Berlin.

Prior to joining Integris Group, I spent eight years at Aetna Life & Casualty, and their successor, Travelers/Aetna Property Casualty Company, handling personal and commercial lines bodily injury claims. I guess I'm a claims lifer!

What can you share about your family and upbringing?

I was born and raised in Berlin, CT, attending local Berlin schools and then the University of Connecticut. I married my wonderful wife Amy in 1999 and we have three terrific children – Jack, who will be a senior at Sacred Heart University, and twins, William, who will be attending Sacred Heart University in the fall, and Madeline, who will be attending Fairfield University in the fall.

What do you most enjoy about your role as Senior Claims Representative at Integris Group?

I enjoy assisting physicians in a time of need. Getting sued is certainly stressful, and hopefully, I can alleviate some of that stress.

What are the biggest challenges for your role?

Plaintiff's attorneys are always looking for new angles on cases, new theories of negligence, and ways to expose additional insurance policies. We always have to be on our toes with this. Additionally, juries in Connecticut have no restrictions on the amount of money they could potentially award a plaintiff. We must be ever mindful of this as well.

How has the MPL world evolved during your time in the industry?

The implementation of Electronic Health Records (EHR) was certainly a game changer. In some ways, it made handling MPL claims easier, but in many ways, it made it more difficult. For example, plaintiff's lawyers are now seeking audit trials of EHR, hoping to find some smoking gun.

Also, it has been interesting to watch the consolidations and mergers among MPL insurers.

What are your hobbies outside of work?

I have been a certified High School Baseball Umpire in Connecticut for 36 years. I play drums in a band called The Ebbas. I am the Public Address Announcer at St. Paul Catholic High School for football and soccer and do some freelance Public Address Announcing.



Brian Kurnik

Senior Claims Representative

Employee since 1996

Do you have any anecdotes you'd like to share from your time at Integris Group?

I have many great memories from my time at Integris. The off-site functions in particular were lots of fun. But, above all else, the people who work for the company are the best!

What is your favorite quotation?

"Integrity is doing the right thing, even when no one is watching." – C.S. Lewis

MEMBER Advantage⁺

In 2021, Integris Group announced Member Advantage⁺, a benefits package encompassing resources and programs that are all designed to give our membership the ultimate advantage in the MPL marketplace.

Integris Group is committed to investing in our members and offering all of our policyholders benefits that have true value to them. This compilation of member benefits is one more way we are fulfilling that commitment.



The following is a summary of the benefits already included under Member Advantage⁺:



Following a full year of coverage, we allocate 5% of an eligible member's prior year premium to their **Legacy Rewards** account, which continues accruing each year that the member remains insured with the Company. The full balance is distributed upon a qualifying event



A **Member Portal** where members can easily conduct transactions related to their policy, along with a step-by-step tutorial so they can take full advantage of all the tools and resources within the portal



A **cyber liability portal** where members can learn about cyber liability exposure and how to strengthen their practice's safeguards, download templates, and participate in online trainings, such as a HIPAA compliance course



Data analytics reports that include information beneficial to the operations of our insured practices



Online webinars on business management topics presented by subject-matter experts



A **sexual harassment training course** that satisfies state requirements (Connecticut only)



An **annual gift** to renewing members



A non-clinical **e-newsletter** dedicated to relevant and timely topics

And more to come!

Board of Directors

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Dermatology

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