



# Helping You in Medicine, Business & Life

**2020 ANNUAL REPORT**

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# 01



## Message to Members

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### MESSAGE FROM CEO & CHAIRMAN

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## Dear Member,

The medical profession faced the most challenging year in memory in 2020. The COVID-19 crisis ravaged communities; placed unimaginable strain on providers as they risked their own health to care for others; and disrupted practice finances, forcing many to pause or even shutter operations. In the face of these challenges, we at Curi were resolute in our commitment to supporting our members through our mission of helping physicians in medicine, business, and life.

We were able to do that thanks in large part to changes we made in prior years, when we had no idea of the turmoil that would face the profession in 2020. The holding company model we adopted—with your approval—in 2014 enabled us not only to offer the protection of our industry-leading medical professional liability insurance, but also Curi Capital’s wealth management and retirement plan solutions, which supported individuals and practices through a period of significant financial instability. The success of our investment operations buttressed your company while a hardening MPL market put pressure on our insurance business. And the first-rate team we have been building for years came together and showed us just what a talented, committed group of individuals can do when they work together toward a common goal.

We would like to end this letter on a personal note from Dale:

*This 2020 Annual Report will be the last one that begins with my greeting to you. Our Chief Operating Officer/Chief Financial Officer, Jason Sandner, has stepped into the CEO role after 10 years with the company, and I could not be more excited and optimistic about Curi's future under Jason's leadership. I'm grateful for the years I got to spend serving you and our other members, and I look forward to continuing to interact with many of you in the months and years to come.*

Sincerely,



**A. Dale Jenkins**  
Chief Executive Officer



**Robert E. Schaaf, MD**  
Chairman

**BOARD OF DIRECTORS**

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**Robert E. Schaaf, MD**

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*Raleigh, NC*

**Chris M. Teigland, MD**

Vice Chairman and  
First Vice President  
Urology  
*Charlotte, NC*

**A. Dale Jenkins**

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**E. Hunter Dyer, MD**

Neurosurgery  
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**Michael P. Moulton, MD**

Emergency Medicine  
*Wilmington, NC*

**Scott Shapiro, MD**

Cardiology  
*Abington, PA*

**Caroline Wilds, MD**

Internal Medicine  
*Charlotte, NC*

# 02



## Curi Holdings

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### COVID-19

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## There when you need us most.

A crisis on the scale of the COVID-19 pandemic requires a response to match it. That's why the Curi team swung into action as soon as the pandemic's impact on physicians, practices, and patients became clear early in 2020. Functions from every part of the company joined in the effort, including Curi Insurance and Curi Capital.

More importantly, our COVID response gave us the opportunity to deliver fully on every aspect of our mission to help physicians in medicine, business, and life—delivering a full range of services, tools, and content to our members to help you make it through this emergency.



### COVERAGE SUPPORT

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Because the financial impact of the pandemic was so immediate and so acute, it was essential for us to respond immediately and forcefully to our members' needs. We suspended all medical professional liability premium invoicing from March through the end of June and gave practices a twelve-month period to pay their premiums back; offered the ability to suspend MPL coverage for practices needing to close temporarily; and offered leave of absence coverage of up to one year for any furloughed physicians and advance practice providers.

**\$19.5M** in total suspended premium

### TOOLS AND RESOURCES

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The uncertainty surrounding the pandemic and its impact meant that our member practices needed tools and resources to help keep their operations moving. Starting in March, we developed tools such as the Telehealth Guide, Back to Business Resource Guide, and COVID-19 Vaccine Resource Guide. We also made available a \$100,000 pool of consulting time with two practice management experts, Medical Management Associates and Smith Anderson, to give our members dedicated support for their questions about practice management and employment law. Ultimately, our Risk Management team responded to 484 COVID-related outreaches across the year.

**484** COVID-related phone & email responses  
from Curi's Risk Management team

### MEMBER SERVICES

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When our practices had questions about issues such as telehealth, billing, and leaves-of-absence, they called our Member Services team, which answered 632 COVID-related emails in 2020. Curi's human resources member benefit provided by HR|Experts\* also proved its value during a time of uncertainty about staffing, responding to 1,480 phone calls about COVID-related issues.

**632** emails about COVID-related issues

### PRACTICE COMMAND CENTER

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We launched our COVID-19 Practice Command Center shortly after the pandemic began—a dedicated landing page on Curi's website offering resources, FAQs on a range of important topics, and news about the evolving crisis. The site was accessed 64,019 times across the year.

**64,019** page views

### COVID-19 UPDATE EMAILS

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Daily at first, and on an as-needed basis after a few months, we sent out an email update to our members and other stakeholders with the latest news about COVID-19, including updates on Curi resources, federal legislation and regulation, and state-level activity.

**73** COVID-19 Update emails sent

**WEBINARS**

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The Curi team gathered a roster of external thought leaders and internal experts to deliver a series of webinars to help our members navigate the crisis. Topics included practice financial and retirement plan management, telehealth, risk management and professional liability, and human resources.

**90%** average webinar attendee satisfaction score



**FINANCIALS**

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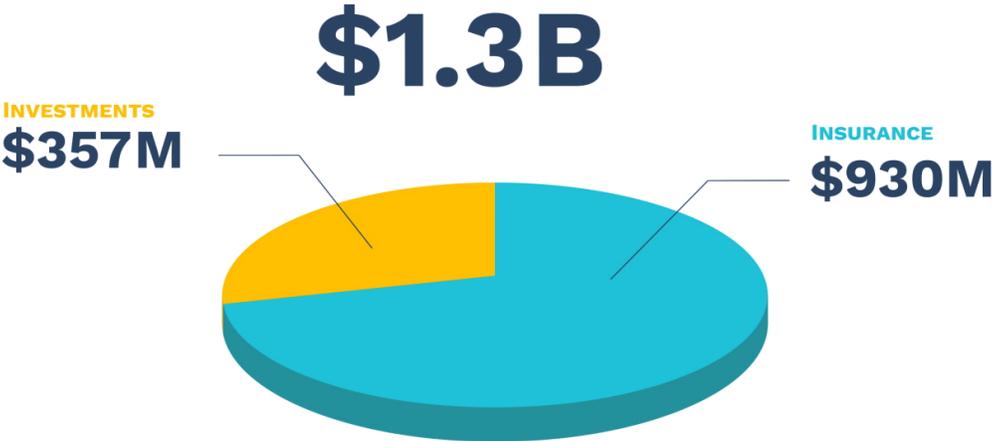
## Investments that work for you.

Even in a year as challenging as 2020, our strategy of prudently balancing risk and reward in investing your premium dollars helped our asset base grow by more than one hundred million dollars—shoring up our finances and maintaining our ability to serve you at the level you’re accustomed to.

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**TOTAL ASSETS UNDER CONTROL**

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**SURPLUS**

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# \$608M

## Capital for your success.

Having a strong surplus puts us in a position to weather cyclical challenges in the markets we operate in, invest in the defense of our policyholders, develop new products and services, and expand the business in ways that help you run your practice as effectively as possible.

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### CONSOLIDATED NET INCOME

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2020



2019



2018



2017



2016



### OPERATING CASH FLOWS

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# \$24M

Positive cash flows in a challenging environment.

Thanks to our diligent underwriting and the strength of our investment strategy, Curi achieved positive cash flow yet again in 2020—allowing us to continue reinvesting in the company.

### INVESTMENTS

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# Investments for you.

We invest the capital you entrust with us with a strategy of diversification and risk mitigation. We spread that risk across three categories:



#### **CORE PORTFOLIO**

Our most conservative portfolio, and the basis for our solid financial foundation.

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#### **SURPLUS CAPITAL**

We invest surplus funds more aggressively, aiming to fund innovation by bringing higher returns.

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#### **STRATEGIC INVESTMENTS**

A percentage of our portfolio is reserved for investment in other operating companies. Our goal here is to both generate positive financial return, enhance our capabilities and competitive advantage, and bring new services and solutions to you.

# 03



## Curi Insurance

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**PERFORMANCE DATA**

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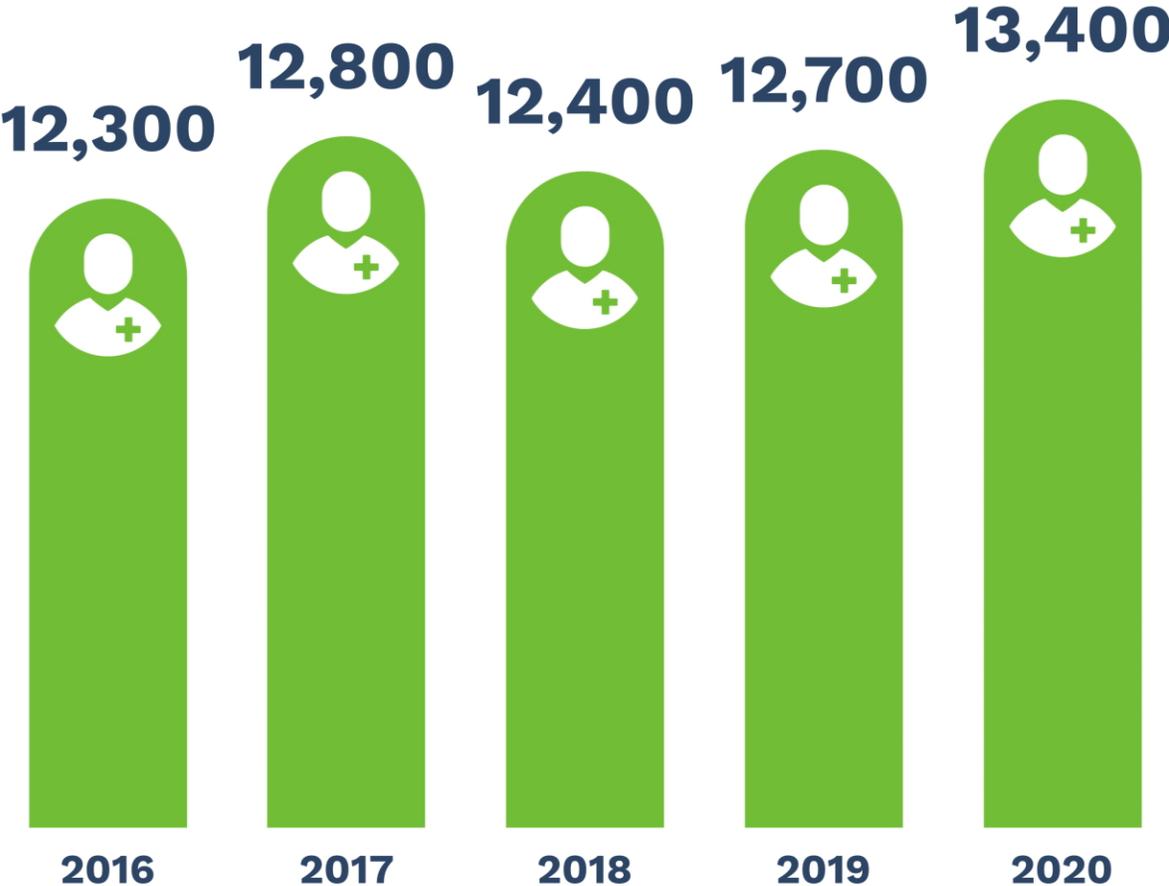
# Serving more physicians than ever.

In 2020, we covered the most physicians in our history.

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**SCOPE**

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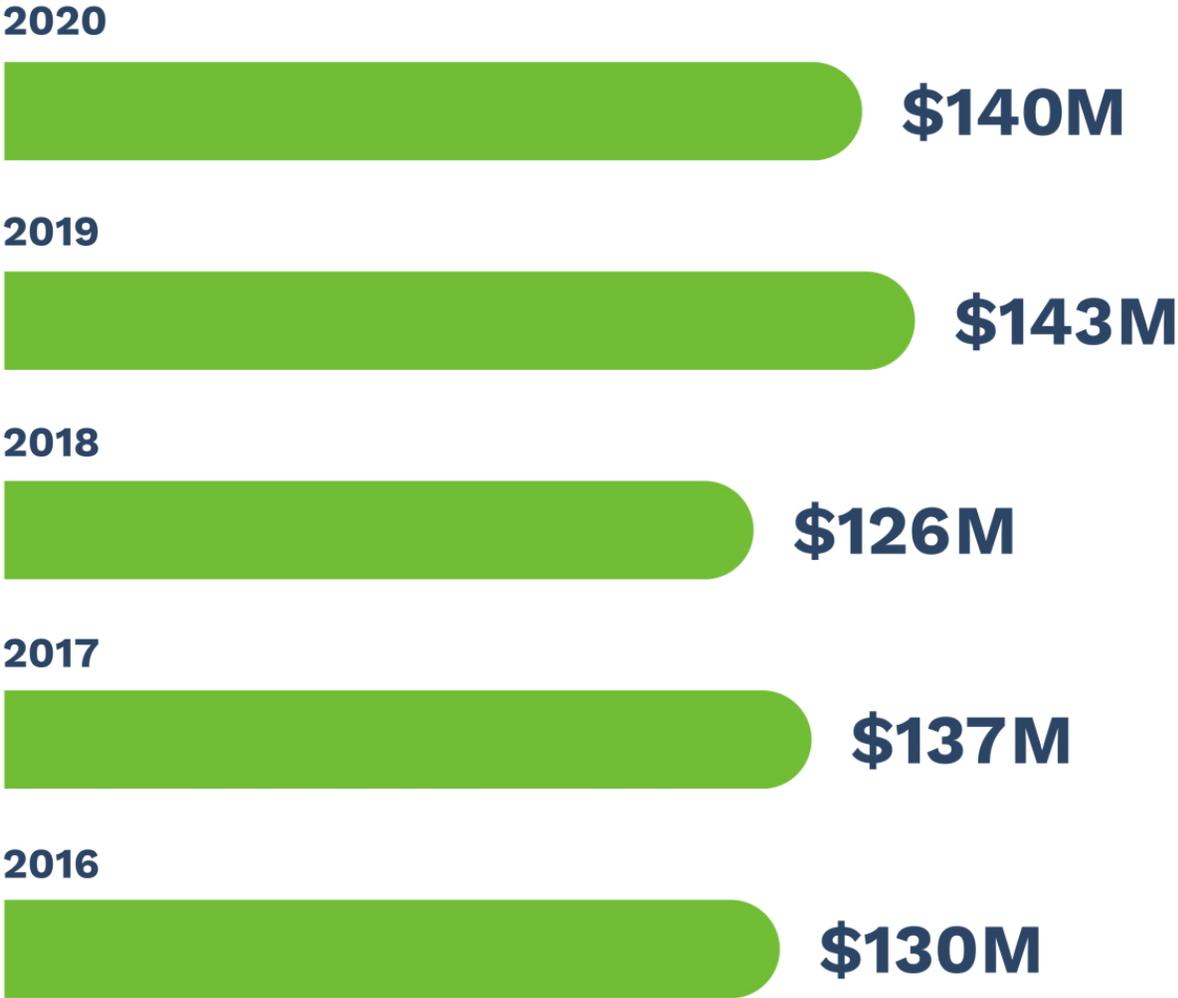


GROSS WRITTEN PREMIUM

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# A strong premium base.

Our gross written premium stayed strong in 2020, driven by business from both customized programs and traditional large, midsize, and small practices.



**FINANCIAL DATA**

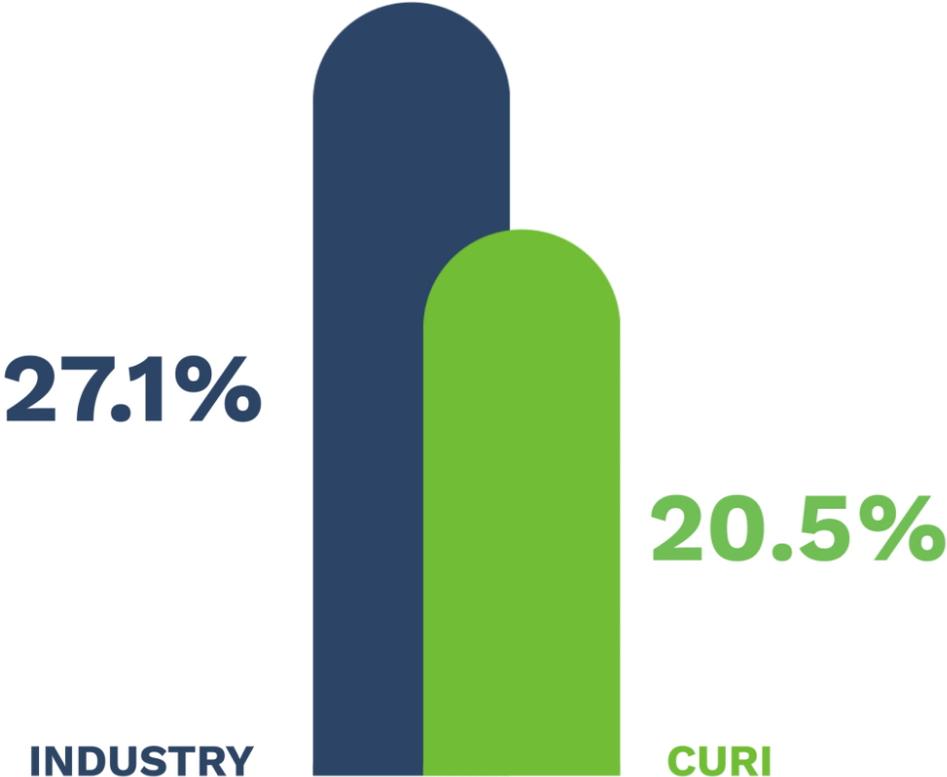
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# Controlling expenses diligently.

Our expense ratio (the amount of operating expenses we incur relative to our premium) continued to stay well below industry average in 2020, a mark of our responsible management of your company.

**EXPENSE RATIO**

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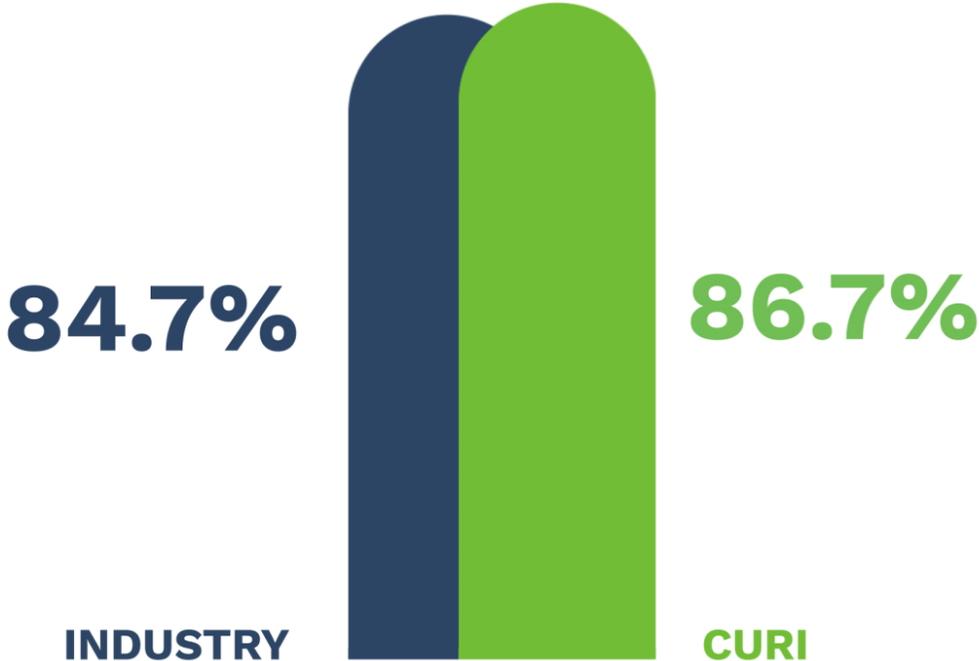


## Managing losses in a challenging environment.

Curi was not immune to industry trends in 2020, and our loss ratio (the percentage of premium used to pay claims) reflected the increasing claims severity seen by MPL carriers across the nation.

### LOSS RATIO

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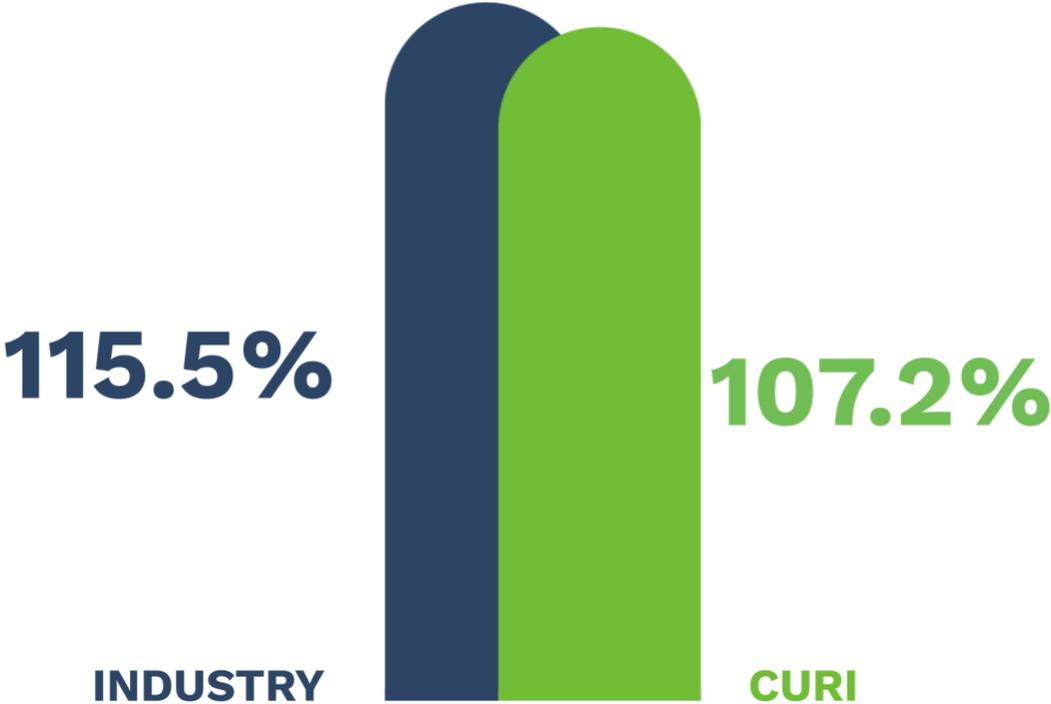


# Profitability for our members.

Our combined ratio (loss ratio plus expense ratio) beat the industry average yet again in 2020, while at the same time reflecting the challenging trends in the physician liability arena. We're here to help you successfully navigate those trends.

**COMBINED RATIO**

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### RECOGNITION

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## 17 Years of A's

Curi's strong balance sheet and consistent operating performance earned us a seventeenth consecutive "A" (Excellent) financial strength rating from A.M. Best Rating service in 2020, even in a challenging MPL financial environment.



## Standing out from the crowd.

Curi was named to the "Ward's 50" list in 2020, as the one of the 50 top-performing insurers in the property-casualty industry—and the only company specializing in physician professional liability. The award, given by Aon's Ward Group, goes to 50 carriers that demonstrate superior performance over a five-year analysis period.



**FINANCIAL BENEFITS FOR MEMBERS**

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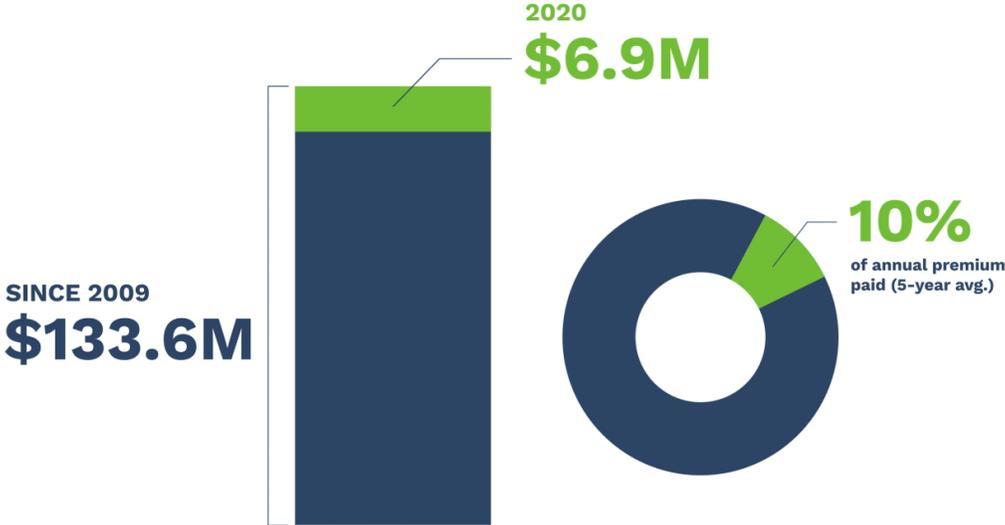
# Paying back your investment in us.

Being a member-owned mutual company means sharing our success with the physicians whose premium dollars are an investment in Curi. Through our Legacy Fund and Policyholder Dividends programs, we aim to return approximately half our net income each year to you as a return on that investment.

**THE LEGACY FUND**

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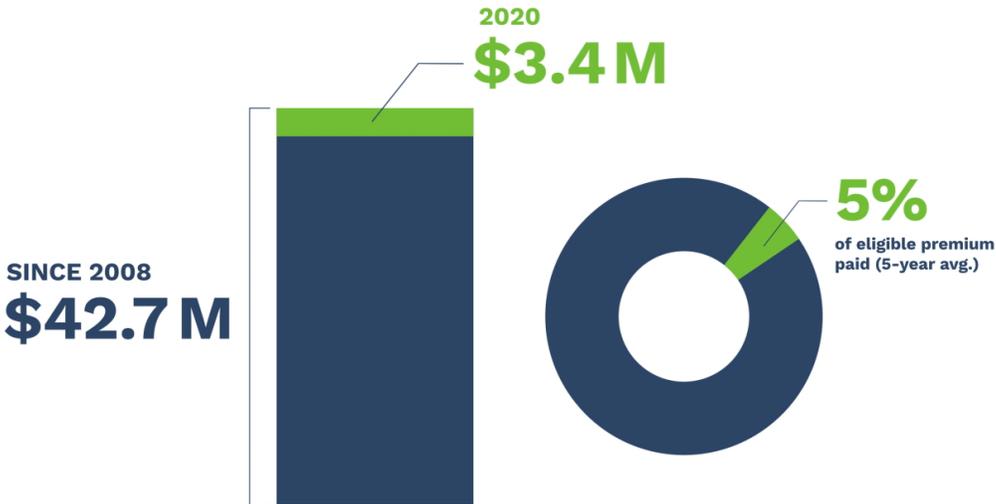
Member savings accounts that grow tax-deferred and pay out upon designated events, including retirement.



**POLICYHOLDER DIVIDENDS**

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Annual cash payments to qualifying physicians.



**CLAIMS**

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**Doubling down for our members.**

In a year like no other, Curi’s claims results were not immune from external trends. With courts shuttered by March and many trials pushed back by a year or more, we tried just a fraction of the usual number of cases—fewer than at any point in decades. We lost three trials early in the year, including two in venues that have traditionally been challenging for the defense, and then as COVID hit we never regained the opportunity to win the many trials that had been scheduled to occur in 2020 but that were postponed indefinitely due to the pandemic. Our results reflect this reality.

We did use the time created by the lack of court activity to turn our focus inward and shore up our claims operations. We invested in our defense counsel network as they faced the economic challenges many small businesses—including medical practices—experienced, by reimbursing them more frequently and letting them directly pass through to us expenses that they historically fronted. We grew the knowledge base of our team by hosting two virtual defense counsel summits with

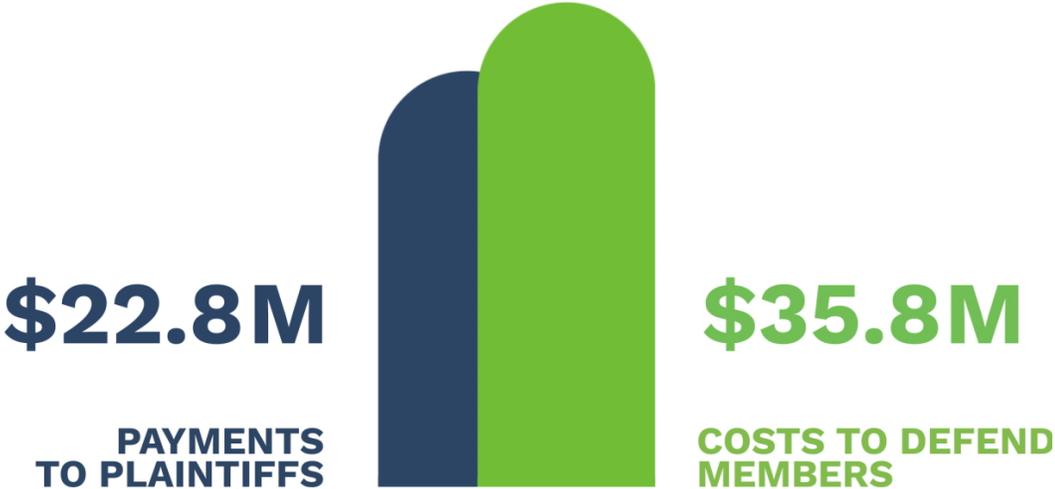
nationally recognized speakers. We hired two new claims examiners to help manage the increase in new suits that has followed the growth of our member base. And we conducted internal case reviews, looking closely at all our pending cases to make sure we had thoroughly evaluated them and taken all necessary steps for them to succeed. These steps helped make sure we would be trial-ready when courts started opening up again—and the strategy was validated in October, when we won our first “pandemic-era” trial in Pennsylvania.

**INDEMNITY PAYMENTS VS. DEFENSE COSTS**

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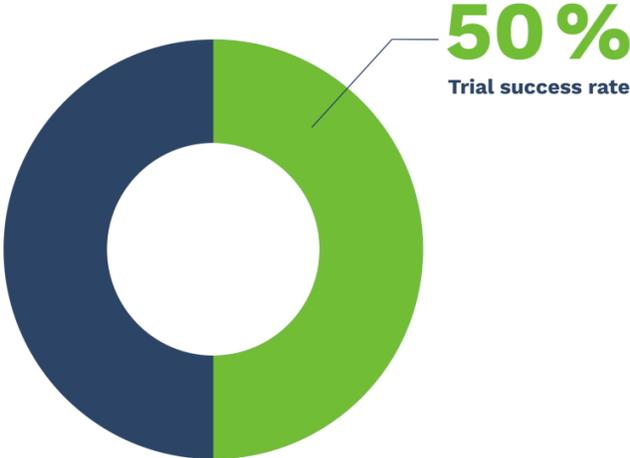
## Investing for you.

Despite the unusual year, we continued with our commitment to defending good medicine in 2020, spending \$13 million more to defend cases than on making indemnity payments to plaintiff patients.

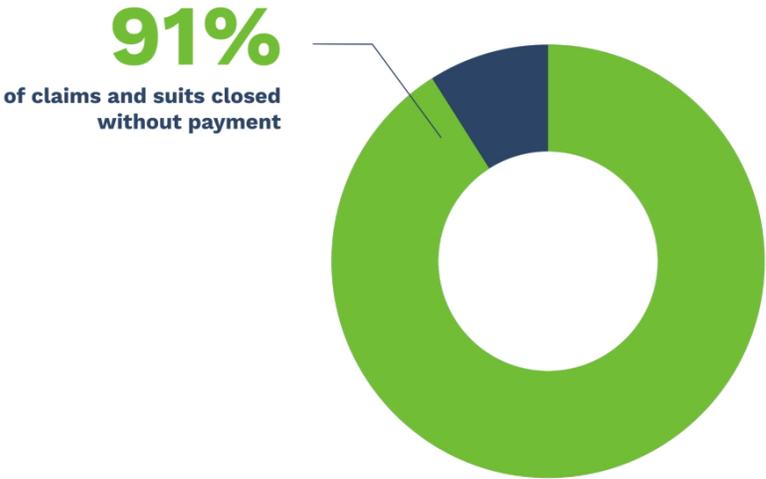


**TRIAL SUCCESS RATE**

With just two months of trial activity before courts shut down, Curi prevailed in half of the contested-liability cases that closed in 2020.



Nearly all our cases closed without payment in 2020.



# 04



## Curi Capital

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# A team for your, and your practice's, financial needs.

Curi Capital grew dramatically in 2020—in the size and scope of our team, in our ability to serve physicians and medical practices, and in our operational capabilities.

Starting with new leadership from CEO Dimitri Eliopoulos, who joined us in early February, our team then went on to add three more members who brought a broad range of talents. Several of our existing team members were recognized for their performance. One team member was named to the National Association of Plan Advisors' Top Retirement Plan Advisors Under 40 list. Another earned his Certified Financial Planner™ certification.

We enhanced the client experience with more solutions that help us operate as well-rounded, comprehensive wealth managers. We brought on a second custodian, we lowered fees, and we enhanced the quantity and quality of helpful wealth management content going out to our clients.

Finally, we built up our operational capabilities with enhanced product service and solution distribution offerings, including a new customer relationship management system and new trading rebalancing software.



### **WEALTH MANAGEMENT**

Comprehensive wealth advisory services designed to help you take control of your financial life and build a lasting legacy.



### **RETIREMENT PLAN SOLUTIONS**

A holistic approach to managing retirement plans for physicians and their staff.



### **PRIVATE INVESTMENTS**

Investment strategies not available to the retail investor—critical in today's changing investment landscape.

Our team is stocked with people who are equipped with the expertise to serve you well, including individuals with the following professional designations:

7

CFPs

2

MBA's

1

CFA

### WEALTH MANAGEMENT

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## Wealth planning customized for your unique needs.

At Curi Capital, we use a full-balance-sheet approach to build our wealth management solutions around what you want your money to do for you.

#### OUR WEALTH MANAGEMENT AND FINANCIAL PLANNING:

- Comprehensive financial planning
- Discretionary investment management & asset allocation
- Asset protection & risk analysis
- Gifting & legacy planning
- Business succession & transition
- Debt management

We will continue to focus on identifying and adding valuable investment and financial planning resources to address the needs and goals of our members and clients.

**RETIREMENT PLAN SOLUTIONS**

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# Helping you today to build your team's tomorrow.

Curi Capital's Retirement Plan Solutions offering helps organizations like your practice build the best possible retirement plan for their teams. Our offerings include 401(k), 403(b), pension, and non-qualified plan consulting services.

**OUR SERVICES FOR RETIREMENT PLAN DEVELOPMENT**

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**INVESTMENT  
MANAGEMENT**



**FIDUCIARY PROCESS  
MANAGEMENT**



**SERVICE PROVIDER  
MANAGEMENT**



**PLAN DESIGN  
OPTIMIZATION**



**PARTICIPANT ADVICE  
AND EDUCATION**

### CAPITAL

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### INDIVIDUAL ACCOUNTS

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### TOTAL ASSETS

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**\$382M** → **\$704M**  
TOTAL ASSETS IN 2019 ASSETS END-OF-YEAR 2020

# 05



## Outlook

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### OUTLOOK

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# Standing with you even through the hardest times.

Through the grueling and often painful challenges of 2020, we learned more about how to serve you, and what it means to help you in medicine, business, and life. Our team is stronger now than we were when the year began thanks to the shared experience of working together—and serving our members—through a crisis.

As we look toward the future, we intend to build on the lessons of 2020 to give you even more of the products, services, and support you need. Curi's growth into a full-service advisory company for physicians and medical practices is far from over, and we look forward with excitement to continuing to offer you more tools to help you and your business thrive.

### END NOTES

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#### Disclaimer

All insurance products and services are provided by licensed insurance companies that are subsidiaries of Curi Holdings, Inc. Not all insurance products and services are available to all persons in all states. Not all Curi-affiliated companies are mutual companies, and not all Curi policyholders are insured by a mutual company.

\* Curi is pleased to offer its members complimentary access to advice and information provided by HR|Experts. HR|Experts is solely responsible for the content of any/all services it provides to Curi members. While Curi has found that use of such services may help reduce the risks medical practices may face, Curi cannot guarantee that using this or any other complimentary member benefit will prevent claims against physicians and/or their practices. HR|Experts cannot and does not provide legal advice to Curi members. Members should contact their personal or corporate counsel if they require legal advice.

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All items discussed in this report regarding Curi Capital are for informational purposes only, are not advice of any kind, and nothing contained herein constitutes tax, legal, insurance, or investment advice. Past performance is not indicative of future results. There can be no assurance that the future performance of any specific investment, investment strategy, or product made reference to directly or indirectly in this report will be profitable, equal to any corresponding indicated historical performance level(s), or be suitable for you. Moreover, you should not assume that any discussion or information contained in this report serves as the receipt of, or as a substitute for, personalized investment advice from Curi Capital, LLC. To the extent that a reader has any questions regarding the applicability of any specific issue discussed above to his/her individual situation, he/she is encouraged to consult with the professional advisor of his/her choosing. A copy of our current ADV 2A Brochure and Form CRS disclosure documents discussing our advisory services and fees is available for review upon request. You may also view these documents by following this link: <https://adviserinfo.sec.gov/firm/summary/281133>. For background on our performance data, please contact Curi Capital. Investment Advisory Services offered by Curi Capital, LLC.

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