



BETTER

**TOGETHER**

2020 ANNUAL REPORT

## DEAR COLLEAGUES:

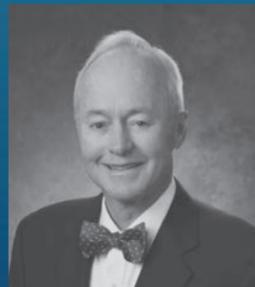
Finally, we can say that hindsight is 2020. Thank you, physicians, medical providers, and health care professionals for your commitment to your profession and your patients. Amid the pandemic and the emotional and business stresses on individuals, practices, and the health care system, those in health care persevered under the toughest of circumstances. COPIC stands beside you and is continually looking at how we can be a valuable resource to help guide our insureds through these challenges.



**GERALD ZARLENGO, MD**  
Chairman and Chief  
Executive Officer

As the magnitude of the pandemic became apparent, we shifted our focus to help the health care community address a myriad of challenges. From state regulatory updates and HR questions to telemedicine and other legal concerns, COPIC launched a dedicated COVID-19 online resource center, and fielded hundreds of calls to support our insureds and partners. Our in-person conferences, seminars, and practice reviews turned virtual, and we grew our customer support team to address ever-changing needs. Our dedication to customers remained the top priority and our commitment to health care was unwavering.

Even with the adversities of 2020, COPIC was fortunate to grow our presence across several states and further expand our services. We gained 3000+ physicians and 20+ new facilities. We became the number one carrier in South Dakota—now our second biggest state behind Colorado. We couldn't have achieved these successes without our strong partnerships with state medical associations. Across our eight endorsed partnerships, we found new ways to build on our relationships: checking in regularly to see how we could provide support, virtually attending state conferences, and offering our insight and expertise throughout the year.



**STEVEN A. RUBIN**  
President

Inside COPIC, staff transitioned to work from home, following CDC and local guidelines designed to keep everyone safer. And as the hope for only a few remote weeks turned into nine months, we found ways to keep the COPIC culture vibrant: creating a work-from-home playlist, offering at-home healthy habits challenges including remote yoga classes, and staying connected to each other with the ubiquitous Zoom happy hours. The social unrest our country experienced prompted us to look at diversity, equity, and inclusion within COPIC, and we organized a committee to advance our goals in this area. We were honored to receive the Civic 50 Colorado award for the second year in a row, a recognition given to the 50 most community-minded companies in our home state. It was a very busy year!

Our mission—to improve medicine in the communities we serve—is always at the heart of what we do. It drives each of COPIC's teams to work hard, adapt to the situation, and realize that truly, we are better together as we support each other. Please take a few moments to read about our shared successes in this year's Annual Report.

With deep appreciation,

**Gerald Zarlengo, MD**  
Chairman/CEO

**Steve Rubin**  
President

# BETTER MEDICINE

# BETTER LIVES

## COPIC Family of Companies

### COPIC Insurance Company

is a leading provider of medical liability insurance that goes beyond basic coverage to offer educational resources, expert guidance, and proven programs designed to address health care risks and support better outcomes.

### COPIC Medical Foundation

is a 501(c)(3) nonprofit organization that supports improvements in health care outcomes through the advancement of patient safety and quality improvement initiatives.

### COPIC Financial Service Group

is a brokerage and consulting firm that focuses on insurance and financial services and products for members of the health care community.

### COPIC Risk Retention Group

is an alternative option for medical liability insurance that allows for flexible coverage across multiple states.

# BETTER SUPPORT

COPIC responded to the pandemic in a variety of ways to support those on the frontlines and the broader health care community.

- We provided **direct access to expert support on COVID-19 related challenges** through our Legal and HR Helplines, as well as our 24/7 Risk Management hotline which connects insureds to a physician risk manager.
- We instituted **deferred payments for insureds**, and offered policy options when they needed flexibility.
- We created **topical, virtual seminars** such as “COVID, Burnout and Beyond: Finding Meaning and Wellness During a Pandemic” and “The Short Route to Telecare.”

We launched a **COVID-19 Information and Resources** section on our website dedicated to assist medical providers and facilities with timely information.



- COPIC experts participated in **virtual town halls** providing direct support across our markets on COVID-related topics. This included COPIC Financial Service Group offering expertise about business insurance questions for physician and dental practices.
- We addressed the personal, emotional toll COVID-19 is having on medical providers by **contracting with resources** to provide confidential, no-cost access to psychologists, psychiatrists, and licensed clinical social workers who understand the pressures health care providers are under.
- We offered a **policy specifically designed to ease adding new providers** to help manage COVID-19 and address immediate needs for medical staffing.
- We stayed in touch with our **state medical association partners** to identify and provide resources for their members.
- We developed a **special consent form template for elective surgeries** performed during COVID-19 that was adopted by the national Medical Professional Liability Association and requested by state medical associations.

**\$250k**

pledged by the  
COPIC Medical Foundation

for the procurement of personal protective equipment for Colorado medical providers in partnership with Governor Jared Polis' Innovation Response Team Task Force.

# BETTER OUTREACH

## Volunteer Physician Policies

Responding to the COVID-19 crisis, physicians generously chose to **volunteer in their communities**. COPIC saw an increase in requests for Volunteer Physician policies in Colorado, Nebraska, and Arizona – up by 24% from 197 in 2019 to 245 in 2020.

## COPIC Humanitarian Awards

COPIC partnered with its endorsed state medical associations to expand its **Humanitarian Award** from Colorado, Nebraska, and North Dakota into Iowa, Minnesota, South Dakota, and Utah, recognizing physicians who generously volunteer their medical services outside the spectrum of their day-to-day lives. Each award recipient designates a local health care-related organization to receive \$10,000.

Congratulations to the 2020 award recipients:



Colorado  
Ben Galloway, MD



Iowa  
James Bell, MD



Minnesota  
Tom Schrup, MD



Nebraska  
Donna Faber, MD



North Dakota  
Dennis Wolf, MD



South Dakota  
Jennifer Tinguely, MD



Utah  
David Nelson, MD

## Virtual Engagement

### The Forum: A Virtual Conference with Tangible Takeaways

In typical years, COPIC hosts the Forum in Colorado for our policyholders, a **two-day conference** geared toward acute care and ambulatory care facilities. This year, we shifted to a virtual format with topics that included cyber security, early reporting, patient complaints, surgical safety issues, and finding meaning during a pandemic. Approximately 150 people participated from throughout our region in two half-day sessions in October—a positive turnout during a challenging time.

## Virtual Site Visits

As the pandemic continued, we engaged technology to **offer site visits remotely for insured practices and facilities**. Conducted by specially trained registered nurses in accordance with risk management guidelines, the goal of these visits is to identify high risk areas and offer an array of tools and expert assistance to address any issues. Between in-person and virtual visits in 2020, we completed nearly 900 practice and facility assessments.

# BETTER ENGAGEMENT

## State Association Endorsements



In 2020, our collaboration with state associations that endorse COPIC highlighted the importance of these partnerships in various ways:

- COPIC experts presented to association members on COVID-related topics from telehealth to navigating staffing issues related to the CARES Act
- Contributing articles and other content to member publications
- Participating in town hall discussions
- Shifting to accommodate and support virtual conferences

We also hosted a monthly state medical association executive meeting that allowed peers in the Midwest/Rocky Mountain region to discuss the challenges their organizations and members are facing and share knowledge on how to address these challenges.

## Colorado Candor Act and Iowa Candor Law

The Colorado Candor Act and Iowa Candor Law establish a framework for health care providers and facilities to address adverse medical incidents in a way that preserves the provider-patient relationship, allows for open communication, and supports improvements in patient safety. In 2020, COPIC launched an open-access page on our website dedicated to the Iowa Candor Law. We also have a webpage dedicated to Colorado Candor Act Resources.

We hosted educational seminars with our insured facilities and other strategic partners in both Colorado and Iowa, along with the Minnesota Medical Association's Ethics & Medical-Legal Affairs Committee. And we lent our expertise to an article published in the *Journal of Patient Safety and Risk Management* entitled, "How U.S. Teams Advanced Communication and Resolution Program Adoption at Local, State and National Levels." We are a trusted resource about Candor, and COPIC's expertise is sought by organizations looking to implement similar legislation in their states.

## Corporate Social Responsibility

COPIC continues to elevate, align, and enhance our corporate social responsibility efforts. Corporate social responsibility at COPIC is directed in three ways: **philanthropy, employee engagement, and community engagement.**

### Philanthropy

In 2020, after conducting a **comprehensive strategic planning process**, the COPIC Medical Foundation launched a responsive grantmaking model with this goal: "To be a catalyst in improving the quality of health care delivery by reducing adverse outcomes and supporting innovation." Launching its first Request for Proposal cycle, the Foundation will award grants in 2021 focusing on solutions to the issue of Fragmentation Across Care Settings.

In direct support for COVID-19, the Foundation **purchased 85,000 KN95 masks** which were then donated to the State of Colorado and distributed across the state through the Colorado Department of Public Health and Environment.

### Employee Engagement

COPIC's Culture Committee and Events Committee **helped employees transition to remote work.** A "Perform the Norms" campaign encouraged a positive culture and recognized employees and departments who live COPIC's norms through their daily interactions. A Diversity, Equity, and Inclusion (DEI) Committee was formed to highlight and elevate COPIC's efforts that demonstrate the company's commitment to DEI.

### Community Engagement

The Community Action Team (CATEam) offered **remote volunteer activities** this year, including our annual Giving Tree opportunity to provide gifts during the holiday season to families in need. And, while we weren't able to hold our employee silent auction during the pandemic, COPIC directed funds to EmMadiTy, an organization that helps children with hearing difficulties, dyslexia, Down syndrome, and other challenges. We continued our employee-directed donation program where employees nominate nonprofits that are aligned with COPIC's mission. Approximately \$15,800 was donated to 27 different organizations.



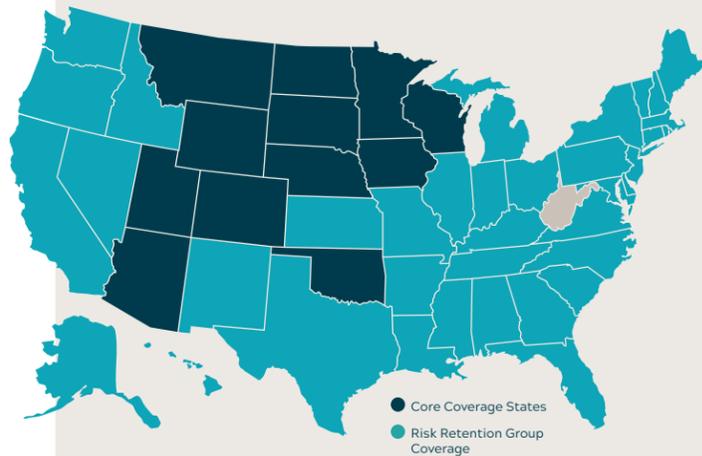
### Civic 50 Colorado

For the second year in a row, COPIC was **recognized as one of the 50 most community-minded businesses in Colorado** by CSR Solutions of Colorado. This award recognizes superior corporate citizenship and showcases how companies can use their time, skills, and resources to impact local communities. We are proud to receive this distinction for our continuing efforts to connect our business values to improve medicine in the communities we serve.

# BETTER CONNECTION

## The Launching of a Podcast: Within Normal Limits

We launched a podcast in 2020! Within Normal Limits: Navigating Medical Risks is hosted by Eric Zacharias, MD, an internal medicine doctor and risk manager with COPIC. Dr. Zacharias has candid conversations with medical experts on topics offering practical guidance, detailed analysis, discussion on current issues, and case study reviews, with an eye toward patient safety, risk management, and professional liability issues.



## State-Level Advocacy

COPIC's Public Affairs team works closely with partner organizations to maintain access to safe, quality health care and monitors legislation with the potential to impact health care delivery. COPIC brings a strong and credible voice to address issues facing states, providing insight from years of experience. In 2020, we worked to support our partners to draft or review COVID-19 relief for health care providers via executive orders or legislative bills and will continue this effort in 2021.

We worked with partners in **Nebraska** to maintain a stable tort environment. COPIC testified in opposition of a bill that aimed to increase the cap tenfold (\$2.25mil to \$10mil).

We worked with partners in **Iowa** to advance legislation that would ensure stability in the medical liability environment. While the legislation failed, COPIC will continue to support its partners in this effort again in 2021.

We actively worked to maintain access to safe, quality care in **Colorado** by offering patient safety insight on bills and fighting efforts that aimed to increase frivolous and duplicative lawsuits.

## The Business Side of Medicine

More than just a provider of professional liability insurance, COPIC's family of companies offer expertise on the business side of practicing medicine. With an independent brokerage and consulting firm, human resources support, and cyber liability information and solutions, a broad base of knowledge helped support our insureds in 2020.

### **COPIC Financial Service Group (COPIC FSG)**

COPIC FSG works with physicians, dentists, and members of the health care community as an independent insurance brokerage and consulting firm with a full menu of services. It shares the same high values and ethical standards as COPIC Insurance Company, leads with integrity, and has a strong customer support system.

### **Human Resources (HR)**

2020 was a year that brought many questions for practices and facilities about HR issues. Our HR team led seminars and fielded questions to help insureds navigate the CARES Act, business operations, and employee issues.

### **Cyber Crime in 2020**

One of the heightened risks to the health care industry in 2020 was cybercrime. A federal advisory warned of increased cyber threats targeting U.S. hospitals and health care providers. COPIC's professional liability policies include cyber coverage, and we communicated to our insureds ways to raise awareness of the risks and increase their protection.

**Balance Sheet - Statutory Basis**

COPIC INSURANCE COMPANY YEAR ENDED DECEMBER 31; IN THOUSANDS

**ADMITTED ASSETS**

	2020	2019
Bonds	\$393,245	\$382,535
Stocks	\$169,886	\$143,664
Cash, Cash Equivalents and Short-Term Investments	\$11,236	\$20,711
Other Invested Assets	\$21	\$8
<b>Total Cash and Invested Assets</b>	<b>\$574,388</b>	<b>\$546,918</b>
Other Assets	\$39,167	\$37,622
<b>Total Admitted Assets</b>	<b>\$613,555</b>	<b>\$584,540</b>

**LIABILITIES AND CAPITAL AND SURPLUS**

Loss and Loss Adjustment Expense Reserves	\$199,189	\$194,953
Unearned Premiums	\$60,546	\$60,373
Other Liabilities	\$21,459	\$20,299
<b>Total Liabilities</b>	<b>\$281,194</b>	<b>\$275,625</b>
<b>Total Capital and Surplus</b>	<b>\$332,361</b>	<b>\$308,915</b>
<b>Total Liabilities and Capital and Surplus</b>	<b>\$613,555</b>	<b>\$584,540</b>

**Statement Of Income - Statutory Basis**

COPIC INSURANCE COMPANY YEAR ENDED DECEMBER 31; IN THOUSANDS

	2020	2019
Premiums Earned	\$95,861	\$85,314
Net Losses and Loss Adjustment Expenses	\$(64,391)	\$(58,663)
Other Underwriting Expenses Incurred	\$(22,105)	\$(19,791)
<b>Underwriting Gain</b>	<b>\$9,365</b>	<b>\$6,860</b>
Net Investment Income	\$12,531	\$14,376
Net Realized Capital Gains (Losses)	\$8,879	\$4,814
<b>Net Investment Gain (Loss)</b>	<b>\$21,410</b>	<b>\$19,190</b>
Other (Expenses) Income	\$(622)	\$(374)
Income After Tax on Capital Gains, Before Distributions to Policyholders and All Other Federal Income Taxes	\$30,153	\$25,676
Distributions To Policyholders	\$16,221	\$16,227
<b>Net Income Before Taxes</b>	<b>\$13,932</b>	<b>\$9,449</b>
Income Taxes	\$1,274	\$358
<b>Net Income</b>	<b>\$12,658</b>	<b>\$9,091</b>

**NOTES TO THE FINANCIALS**

COPIC's last annual audit (conducted by Johnson Lambert and covering statutory financial statements from 2019) was "clean," meaning COPIC's statements accurately represent the company's operating results and the company's financial condition as of December 31, 2019. At the time of printing, the 2020 audit was underway but not completed. To request a full set of audited financial statements, please contact COPIC.

COPIC's last five-year financial exam by the Colorado Division of Insurance (completed in 2019 and covering 2013 through 2017) resulted in no recommendations or audit differences identified, with no adjustments needed.

COPIC Insurance Company prepares its financial statements in accordance with the prescribed statutory accounting principles as permitted by the Colorado Division of Insurance (DOI). The DOI has adopted the National Association of Insurance Commissioners' (NAIC) statutory accounting practices (Codification) as the basis for its statutory accounting practices.

**Financial Highlights**

As a response to the pandemic, we offered flexibility in payment of premiums, requesting from our policyholders that they pay what they could when they could, and do their best to pay off their balances by the end of 2020. We want to sincerely thank our policyholders for their payments: we know it was a very hard year.

Even with the uncertainty COVID-19 brought in 2020, we were pleased to have exceeded our new business goals, growing in every market, and are proud of our excellent retention rates.

COPIC continues to be financially strong and stable in a competitive environment. We have maintained an "A" (Excellent) rating from A.M. Best since 1999. Our robust growth is reflected in our financials, reinforcing that our long-term mission and strategy to improve medical outcomes in the communities we serve is a solid one.

**97.8%**

OVERALL RETENTION RATE

**BOARD OF DIRECTORS**

Gerald V. Zarlengo, MD <i>Chairman and Chief Executive Officer</i>	Brian C. Harrington, MD, MPH, FAAFP <i>Family Medicine</i>	Harold R. Roth <i>Executive Vice President, Chief Financial Officer, and General Counsel, Colorado Rockies</i>
Steven A. Rubin <i>President</i>	Davis K. Hurley, MD <i>Orthopaedic/Hand Surgery</i>	Alan Synn, MD, FACS <i>Vascular Surgery</i>
Matthew J. Fleishman, MD, FACR <i>Radiology</i>	Sophia Meharena, DO, FAAP <i>Pediatrics</i>	Rebecca Vogel, MD <i>General Surgery</i>
Harris Frankel, MD <i>Neurology</i>	Kathryn A. Paul, Retired <i>Past President and CEO, Delta Dental Plan of Colorado</i>	

**COPIC MEDICAL FOUNDATION**

Meredith Hintze <i>Executive Director</i>	<b>BOARD MEMBERS</b>	Alan Synn, MD, FACS
	Sophia Meharena, DO, FAAP <i>Board Chair</i>	Rebecca Vogel, MD
	Brian C. Harrington, MD, MPH, FAAFP	

**LEADERSHIP TEAM**

Gerald V. Zarlengo, MD <i>Chairman and Chief Executive Officer</i>	Niles Cole <i>Chief Financial Officer</i>	Janel Loud-Mahany <i>Sr. VP, Underwriting and Policyholder Services</i>
Steven A. Rubin <i>President</i>	Kathleen A. Brown <i>VP, Corporate Marketing and Communications</i>	Beverly Razon <i>Sr. VP, Public Affairs</i>
Gerry Lewis-Jenkins <i>Chief Operating Officer</i>	Sean Gelsey <i>Sr. VP, Claims and Strategic Partnerships</i>	Kristin Stepien <i>Sr. VP, Sales and Business Development</i>
John Domeika <i>General Counsel</i>	Thomas A. Koenig <i>VP, Information Technology</i>	Shelly Waggoner <i>Sr. VP, Human Resources</i>
Alan M. Lembitz, MD <i>Chief Medical Officer</i>	Brenda L. Lantzy <i>VP, Office Services</i>	

**CONSULTANTS**

<b>AUDIT</b> <i>Johnson and Lambert</i> Marcia Jerding, CPA	<b>LEGISLATIVE ADVOCACY</b> <i>Nexus Policy Group (Colorado)</i> Patrick Boyle Kayla Tibbals	<b>REINSURANCE</b> <i>BMS Intermediaries, Ltd.</i> Tony Hill Andrew Wheeler
<b>ACTUARIAL</b> <i>Willis Towers Watson</i> James D. Hurley Alison M. Milford	<i>Mueller Robak LLC (Nebraska)</i> Kim Robak Matt Schaefer	
<b>INSURANCE/ADVISORY</b> <i>Christopher J. Payne, LLC</i>	<i>J.A. Smith Law (Iowa)</i> Julie Smith	
<b>INVESTMENTS</b> <i>Callan Associates Inc.</i> Gordon Weightman, CFA		

**FACULTY CONSULTANTS**

Robert G. Bonebrake, MD, FACOG <i>OB/GYN</i> <i>Perinatal Associates PC</i> <i>Omaha, NE</i>	John Jacobs, MD <i>Radiology-Interventional</i> <i>Summit Physician Specialists PC</i> <i>Salt Lake City, UT</i>	Sarah M. Takimoto, MD <i>OB/GYN</i> <i>Midtown OB/GYN PC</i> <i>Denver, CO</i>
Catherine Coffman, MD <i>OB/GYN</i> <i>The Women's Clinic of Northern Colorado</i> <i>Fort Collins, CO</i>	Brian J. Larkin, MD <i>Orthopedic Surgery</i> <i>Orthopedic Centers of Colorado</i> <i>Denver, CO</i>	Alan G. Thorson, MD, FACS <i>Colon &amp; Rectal Surgery</i> <i>Volunteer Medicine</i> <i>Omaha, NE</i>
Shannon L. Daniels, MD <i>Radiology-Diagnostic and Invasive</i> <i>Colorado Springs Radiologists PC</i> <i>Colorado Springs, CO</i>	Brooks Long, MD <i>Hospitalist - Internal Medicine</i> <i>Centura Health Physician Group</i> <i>Westminster, CO</i>	Joseph J. Vavriceck, MD <i>Radiology-Diagnostic and Invasive</i> <i>Grand Island Radiology Associates PC</i> <i>West Des Moines, IA</i>
Ashley Davis, MD <i>General Surgery</i> <i>Surgery Specialists of Colorado</i> <i>Golden, CO</i>	Christine M. Lum Lung, MD, SFHM <i>Hospitalist - Internal Medicine</i> <i>Origin Healthcare</i> <i>Fort Collins, CO</i>	John W. West, MD <i>Family/General Practice</i> <i>McCook Clinic PC</i> <i>McCook, NE</i>
Nicole L. Dix, DO <i>OB/GYN</i> <i>Nebraska Methodist Health System Inc.</i> <i>Omaha, NE</i>	Jennifer L. Markus, MD <i>Anesthesiology-Pain Management</i> <i>Northern Colorado Anesthesia Professionals PLLC</i> <i>Fort Collins, CO</i>	Christopher J. Wibbelsman, MD <i>General Surgery-NOC</i> <i>Colorado Surgical Affiliates LLC</i> <i>Grand Junction, CO</i>
Joel D. Elson, MD, FACR <i>Radiology-Interventional</i> <i>Radiology Consultants of the Midwest</i> <i>Omaha, NE</i>	Andrew D. Mills, MD <i>Radiology-Interventional</i> <i>Advanced Medical Imaging Consultants PC</i> <i>Fort Collins, CO</i>	Joel H. Witter, MD <i>Hospitalist</i> <i>CarePoint Health PC</i> <i>Denver, CO</i>
Roy E. Erb, MD <i>Radiology-Diagnostic and Invasive</i> <i>Western Colorado Radiologic Associates PC</i> <i>Grand Junction, CO</i>	David A. Oppenheimer, MD <i>Radiology-Interventional</i> <i>Boulder Radiologists Inc. PC</i> <i>Boulder, CO</i>	Peggy A. Wrich, DO <i>Family/General Practice Obstetrics</i> <i>Primary Care Partners Inc.</i> <i>Grand Junction, CO</i>
James S. Gebhard, MD <i>Orthopaedic Surgery-Spine</i> <i>Community Physicians</i> <i>Grand Junction, CO</i>	Anne M. Siple, MD <i>Family/General Practice Obstetrics</i> <i>Associates in Family Medicine PC</i> <i>Fort Collins, CO</i>	J. Werner Ziegler, MD <i>Radiology-Interventional</i> <i>Radiology &amp; Imaging</i> <i>Consultants, PC</i> <i>Colorado Springs, CO</i>
Gayette F. Grimm, MD, FACS <i>General Surgery</i> <i>VanDiest Medical Center</i> <i>Webster City, IA</i>	Carl V. Smith, MD <i>OB/GYN</i> <i>The Nebraska Medical Center</i> <i>Omaha, NE</i>	
June Ivey, MD <i>Internal Medicine</i> <i>SSM Health</i> <i>Oklahoma City, OK</i>	Krynn L. Stegelmeier, MD <i>Radiology-Interventional</i> <i>Southern Colorado Radiologists PC</i> <i>Pueblo, CO</i>	



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