

ANNUAL REPORT

2021

INSURANCE COVERAGE **YOU**
DESERVE FROM THE INSURANCE
COMPANY **YOU OWN**

Texas Hospital Insurance Exchange

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INSURING HEALTH CARE FACILITIES
ACROSS TEXAS, OKLAHOMA,
AND ARKANSAS





Phillip Smith, Vice President, Healthcare Practice Group Leader
INSURICA, Norman, OK

“THIE sets the industry standard for claims handling and risk consulting services. Having several clients with THIE, I have witnessed firsthand THIE’s commitment to the clients’ success. So often, carriers treat clients as a number but with THIE, clients are partners to be invested in. It is a privilege to work with the THIE staff and I am honored to do so.”

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FROM THE CEO

Tess Frazier



Tess Frazier,
President & CEO

Tess Frazier is President & CEO of the Texas Hospital Insurance Exchange (THIE) and its attorney-in-fact, Texas Hospital Insurance Network, a wholly owned subsidiary of the Texas Hospital Association.

Tess has been with THIE since 2003. Prior to being named President, she served as Chief Financial Officer.

I am thrilled to announce another record-breaking year for THIE! In 2021, business continued to grow in both Texas and Oklahoma. THIE’s balance sheet strength, strong operating performance, solid surplus growth, and enterprise risk management efforts were recently recognized by A.M. Best through an upgrade in our rating to A-. This is a huge win for a relatively small insurance carrier operating in a niche market and brings with it opportunity for continued growth.

Construction began on the new THIE Headquarters in Georgetown, TX, with estimated completion in the spring of 2022. We hope our subscribers will enjoy the new facility and feel free to use it for meetings

and office space when visiting the Austin area.

We wished Liz Jennings well in her retirement after 27 years of being the face of THIE, and we welcomed Dan Andersen to the team.

While we could only host one Hot Topics event in 2021, we enjoyed a great March 2022 event in San Antonio. We look forward to our next Hot Topics in Lubbock and hope to see you there, October 5-6!

On behalf of the THIE team, thank you for placing your trust in us. THIE, insurance coverage you deserve from the insurance company you own!

FROM THE CHAIRMAN

James Vanek
Columbus Community Hospital



As Chairman of the THIE Board of Directors, I am honored to serve on this Board alongside twelve of my esteemed peers. THIE Board members are hospital CEOs, elected by a vote of all the active THIE subscribers. Their engagement with THIE is critical to steer the organization for strategic growth, as well as provide insurance products and services that our hospitals need.

THIE Board members participate in annual education regarding insurance. They are involved with the THIE leadership team in quarterly committee meetings in the areas of claims, underwriting, risk management, finance, and marketing. They ensure

representation of hospitals of various sizes and across two states.

With the leadership of CEO Tess Frazier and the support of this Board of Directors, THIE has grown and been strengthened and has just been recognized by AM Best with an upgraded rating to A-. This rating increase brings opportunity for THIE to work with more health care entities and recognizes continued growth and stability. It is my pleasure to affirm, along with the entire THIE Board, that THIE is well positioned to continue to serve the health care facilities of our communities.



Donny Booth, CEO
Permian Regional Medical Center, Andrews, TX

“One of my favorite conferences is THIE Hot Topics held biannually. They do an amazing job to ensure that topics presented are relevant for the current health care environment. The THIE team also encourages and allows time for invaluable networking with the other participants and vendors.”

THIE is under the direction of a 13-member board of directors, comprised of hospital CEOs from across Texas and Oklahoma. Board members are elected by their peers from the THIE active subscribers.



James Vanek
Columbus Community Hospital
Chairman



Robbie Dewberry
Mitchell County Hospital District
Vice Chair



John Hawkins
Texas Hospital Association
Secretary/Treasurer



Jonathan Bailey
Hansford County Hospital District



Christy Francis
Hemphill County Hospital District



Leslie Hardin
Seymour Hospital



Jim Horton
Rankin County Hospital District



Jeremy Jones
Arbuckle Memorial Hospital



David Lee
Otto Kaiser Memorial Hospital



Melanie Richburg
Lynn County Healthcare System



Russell Tippin
Medical Center Health System



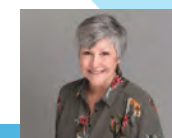
Adam Willmann
Bosque County Hospital District



Jason Wren
Wise Health System

MEET THE BOARD

Director Emeritus



Donna Boatright



Dr. Sandra Wright



Ted Shaw

Honorary Emeritus

Evan Moore
Paul McKinney

ABOUT OUR COMPANY

PROVIDING A COMPREHENSIVE RANGE OF AFFORDABLE BUSINESS INSURANCE PRODUCTS AND SERVICES FOR HEALTH CARE ENTITIES FOR OVER 40 YEARS.



THIE offers a full package of dependable, competitively priced insurance products for health care providers. Whether your facility needs an evaluation of current coverage, risk management consultation, in-service education, or quick claims processing, THIE delivers.

Insuring is THIE's specialty. By focusing on a single industry, THIE brings unmatched expertise and insight into the needs and challenges health care facilities face.

Years of growth and progress have allowed THIE to develop our services beyond rural hospitals. We now offer our insurance

products to all health care entities including hospitals, clinics, home health care agencies, management companies and more.

Unlike insurance companies only interested in making a profit, THIE is a reciprocal exchange — meaning THIE subscribers share ownership and have a vested interest in its success.

When THIE profits, so do our subscribers. Over the last eleven years, over \$8 million of surplus has been refunded to our subscriber owners.

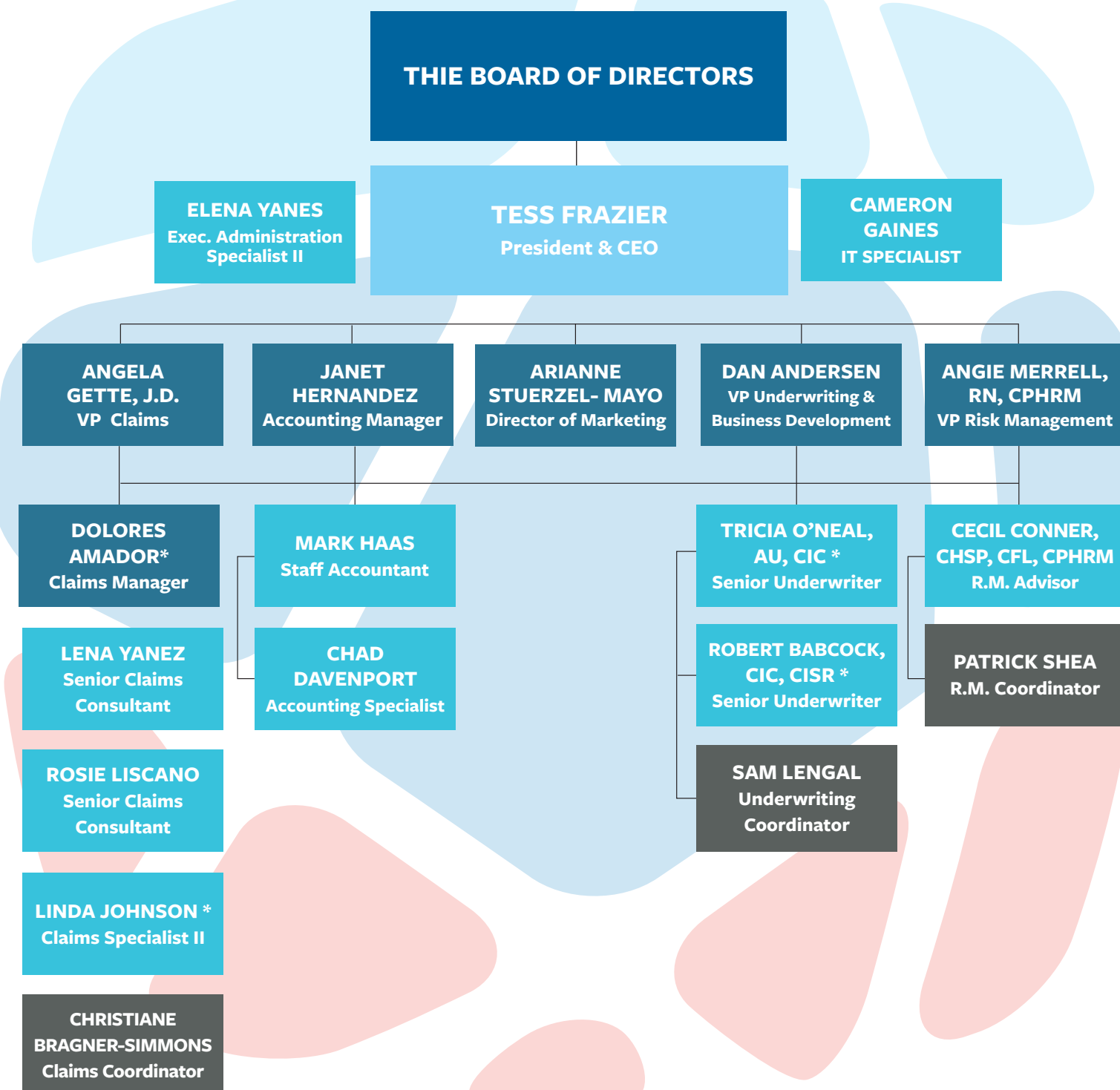


Paula Smithhart, HR Director
Coryell Health, Gatesville, TX

I have worked with THIE since 2006 when I became the Human Resources Director at Coryell Health. I have always found them to be a great group to work with through the handling of our workers compensation program. The staff are always readily available to provide answers to my questions regarding our claims and to help me strategize on back to work opportunities that are beneficial to our employees and to our organization. Their guidance has been much appreciated over the years and an added bonus has been the friendships that I have made with so many at THIE.

ORGANIZATIONAL CHART

A STAFF OF 20, WITH 4 MEMBERS* HOLDING THE STATUS OF 20 + YEAR EMPLOYEES.



FAREWELL TO LIZ JENNINGS



It is with bittersweet feelings that we wish Liz many happy days in her well-earned retirement! After 27 years as the face of THIE, Liz Jennings announced her retirement in 2021 and closed out one of the best years THIE has ever seen. A key asset to the team, Liz joined THIE in 1994 and served in both the marketing and underwriting departments prior to accepting the position of Vice President.

Liz, we could never put into words what you, your work, and your presence has meant. You taught many of us about insurance and about Texas traveling. A true blessing to work with, you will remain a lifetime friend to many.



“Our partnership with THIE has had profound positive impact within our organization. Their guidance and feedback have allowed us to implement educational safety programs that have significantly reduced the number of work injuries and created a safer and more productive work environment. The hands on and personal approach of THIE staff is greatly appreciated in this digital age. They are always quick to respond and treat your employees with the utmost respect. We look forward to our continuation of this partnership for years to come.”

Eloy Garza Jr., MHA
Assistant Administrator, Starr County Memorial Hospital, Rio Grande City, TX

WELCOME TO DAN ANDERSEN



THIE Welcomes Dan Andersen, VP Underwriting and Business Development

Following in the footsteps of tenured THIE staffer Liz Jennings, it is our pleasure to welcome Dan Andersen to the THIE team. Dan joined the Texas Hospital Insurance Exchange in September 2021 and has worked closely with Liz to transition the VP of Underwriting role while meeting and working with many of our subscribers and agents.

Dan has over 20 years' experience underwriting all types of medical professional liability coverage including large physician groups, hospitals, and other medical facilities.

In his new position, Dan is responsible for new business production and retention of subscribers through the promotion and marketing of the products and services of THIE. He oversees the operation of the underwriting department including compliance with state agencies and regulatory authorities.

Dan's prior insurance experience comes from his many years of service at COPIC Insurance Company and NORCAL.

FORMED, OWNED AND GOVERNED
BY HEALTH CARE ENTITIES TO
PROVIDE AN

mission

AFFORDABLE INSURANCE
PLATFORM AND LIMIT RISK FOR
OUR MEMEBERS

vision

TO SERVE AS THE PREMIER
INSURANCE RESOURCE FOR
HEALTH CARE ENTITIES

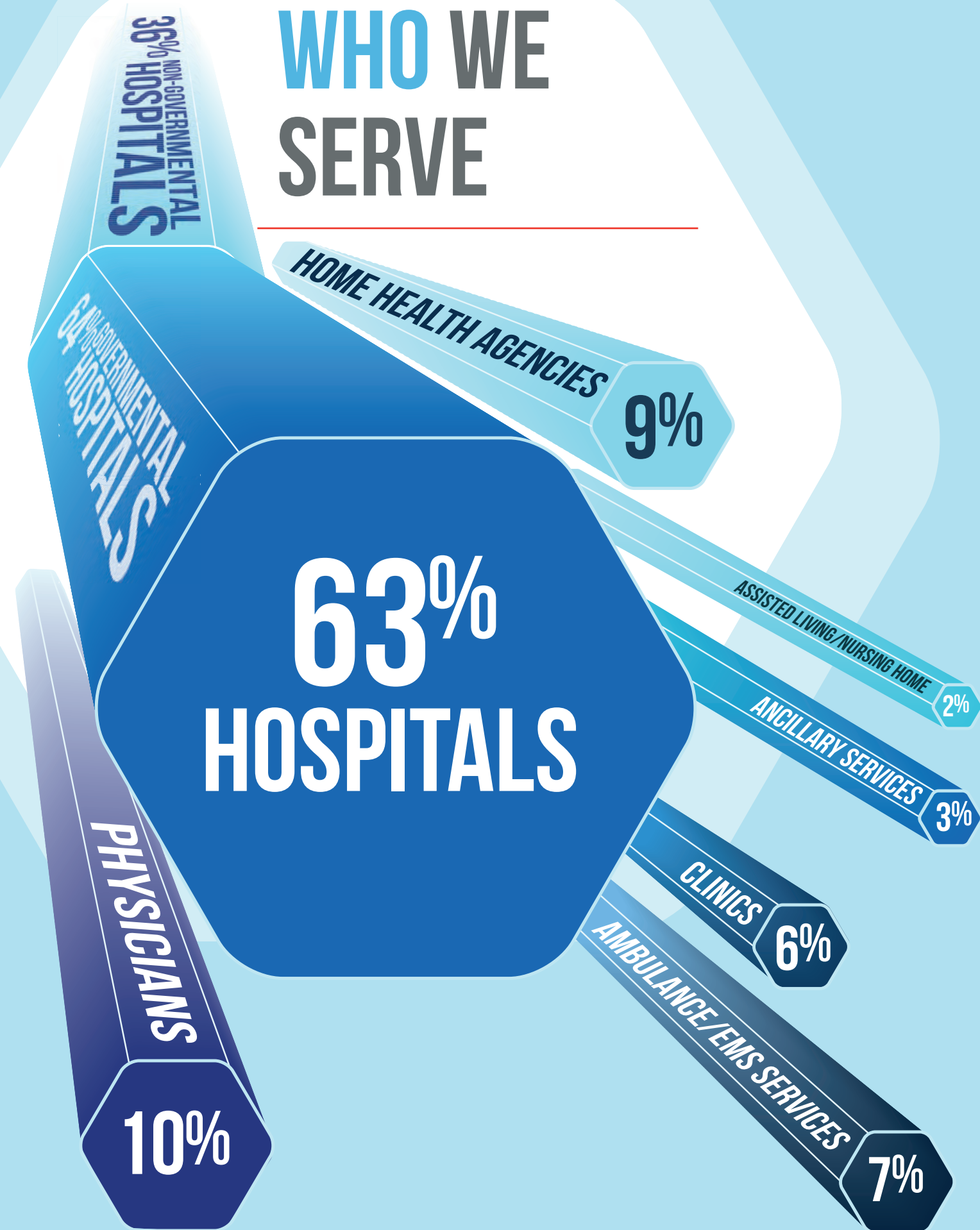
|LOYALTY|
|PERSONALIZED SERVICE|
|AFFORABILITY|
|RISK MANAGEMENT|
|TRUSTED PARTNERSHIP|

values

30+ YEARS SUBSCRIBERS

IRAAN GENERAL HOSPITAL, IRAAN, TX	45 YEARS
SMITHVILLE HOSPITAL AUTHORITY, SMITHVILLE, TX	44 YEARS
PECOS COUNTY MEMORIAL HOSPITAL, FT. STOCKTON, TX	
TYLER COUNTY HOSPITAL DISTRICT, WOODVILLE, TX	43 YEARS
PARMER COUNTY COMMUNITY HOSPITAL, FRIONA, TX	
REFUGIO COUNTY MEMORIAL HOSPITAL, REFUGIO, TX	42 YEARS
STARR COUNTY MEMORIAL HOSPITAL, RIO GRANDE CITY, TX	
JACKSON COUNTY HOSPITAL DISTRICT, EDNA, TX	41 YEARS
STEPHENS MEMORIAL HOSPITAL, BRECKENRIDGE, TX	
HASKELL MEMORIAL HOSPITAL, HASKELL, TX	40 YEARS
COLUMBUS COMMUNITY HOSPITAL, COLUMBUS, TX	
ROLLING PLAINS MEMORIAL HOSPITAL, SWEETWATER, TX	39 YEARS
MEDICAL ARTS HOSPITAL, LAMESA, TX	
LAVACA MEDICAL CENTER, HALLETTSVILLE, TX	38 YEARS
CROSBYTON CLINIC HOSPITAL, CROSBYTON, TX	
CONNALLY MEMORIAL MEDICAL CENTER, FLORESVILLE, TX	37 YEARS
COLEMAN COUNTY MEDICAL CENTER, COLEMAN, TX	
NORTH RUNNELS HOSPITAL, WINTERS, TX	36 YEARS
HANSFORD COUNTY HOSPITAL DISTRICT, SPEARMAN, TX	
BOSQUE COUNTY HOSPITAL DISTRICT, CLIFTON, TX	35 YEARS
PERMIAN REGIONAL MEDICAL CENTER, ANDREWS, TX	
OCHILTREE GENERAL HOSPITAL, PERRYTON, TX	34 YEARS
PARKVIEW HOSPITAL, WHEELER, TX	
BELLVILLE HOSPITAL DISTRICT, BELLVILLE, TX	33 YEARS
CHILlicothe HOSPITAL DISTRICT, CHILlicothe, TX	
CORYELL HEALTH, GATESVILLE, TX	32 YEARS
HAMILTON COUNTY HOSPITAL DISTRICT, HAMILTON, TX	
MEDINA COUNTY HOSPITAL DISTRICT, HONDO, TX	31 YEARS
MULESHOE AREA MEDICAL CENTER, MULESHOE, TX	
SCURRY COUNTY HOSPITAL DISTRICT, SNYDER, TX	30 YEARS
SOUTH LIMESTONE HOSPITAL DISTRICT, GROESBECK, TX	
SWISHER MEMORIAL HOSPITAL DISTRICT, TULIA, TX	29 YEARS
UVALDE COUNTY HOSPITAL AUTHORITY, UVALDE, TX	

WHO WE SERVE



CLAIMS MANAGEMENT & IMO NETWORK

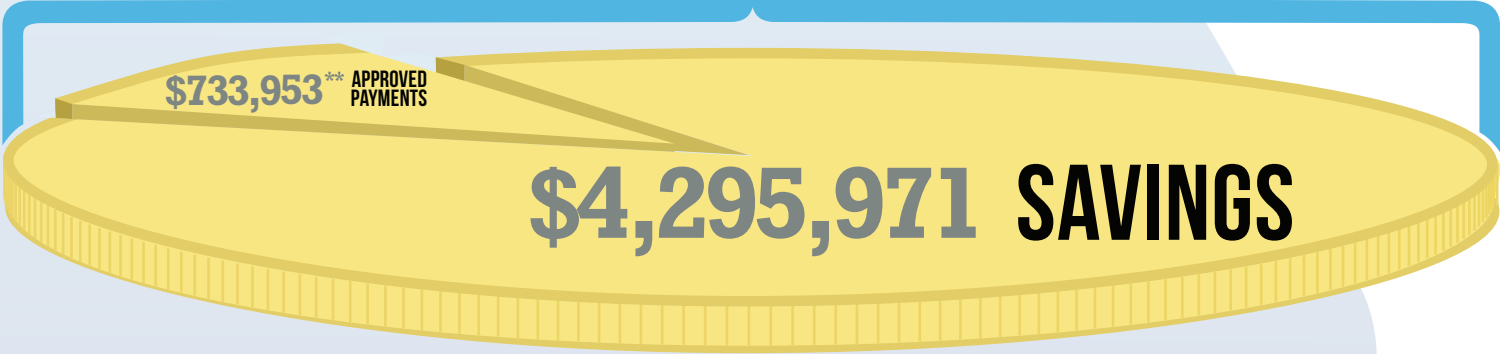
\$4.2MILLION

of IMO savings in 2021

The THIE Claims Department works hard to provide great service and savings to our Subscribers. As part of the workers' compensation claims process, our team is leading the Injury Management Organization (IMO) Med-Select Network initiative. The organization has the lowest average claim costs statewide for lost-time claims, the highest physical functioning scores for networks, a 98% return-to-work rate, and a 98.5 Performance Based Oversight rating from the Texas Department of Insurance. In our first year, we are already seeing significant results in the average number of lost workdays per claim. As this trend continues, it will lead to decreased workers' compensation costs, which leads to decreased premiums for Subscribers.

TOTAL CHARGES AND SAVINGS IN 2021 (UTILIZATION REVIEW, PREAUTHORIZATION, NETWORK)

\$5,029,924*
ALL MEDICAL CHARGES



* Charges for medical treatments: Hospital, Doctor, Pharmacy
** Approved payments: After IMO adjustments: fees, duplicates, network savings, preauth denials



The relationship between Wise Health System and IMO Med-Select Network is successful because we have the same goal - to return injured employees to work, with positive outcomes.

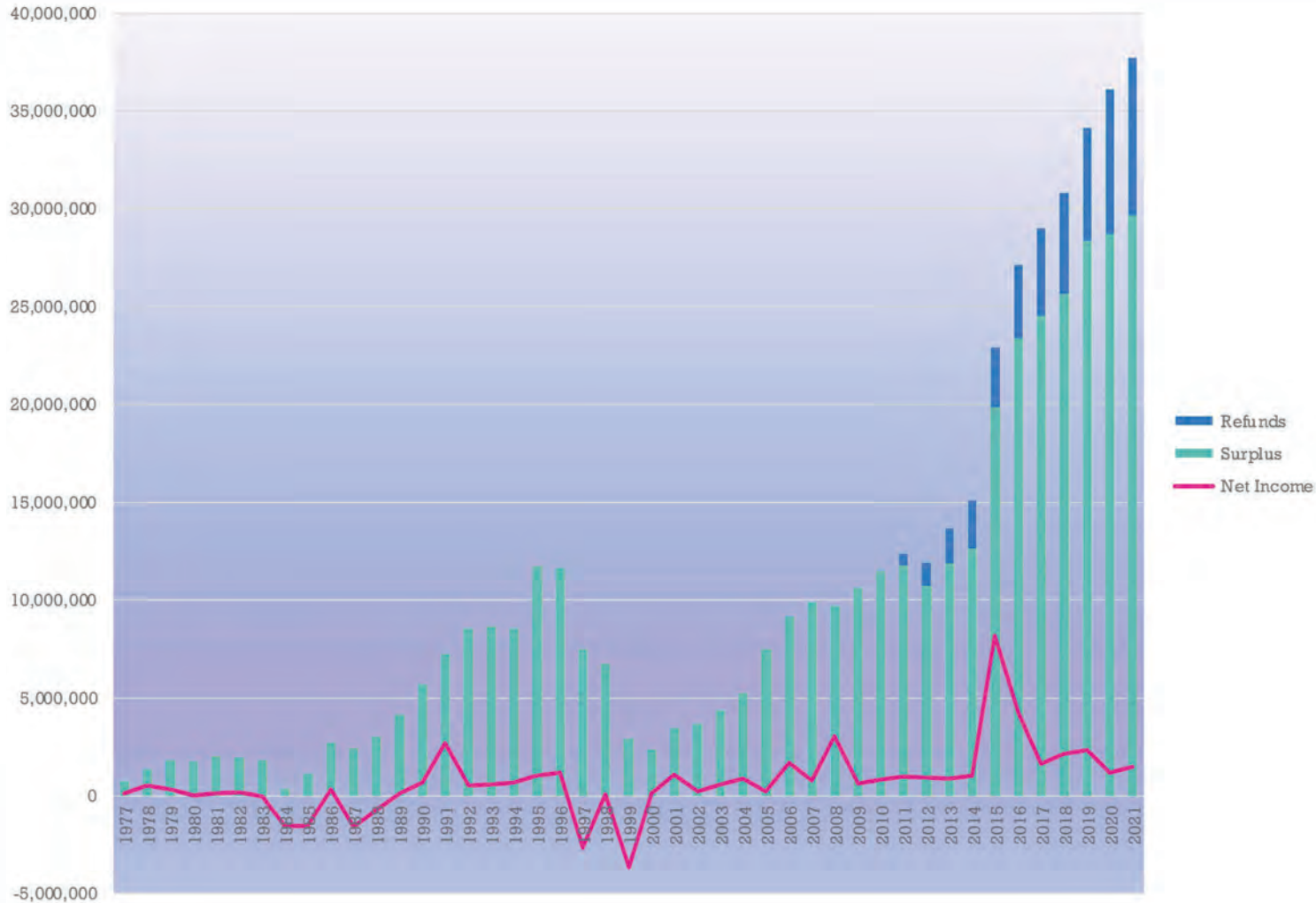
Jason Wren, CEO
Wise Health System, Decatur, TX



The IMO Med-Select Network allows our injured employees the ability to schedule with an in-network physician quickly. The IMO team keeps me well informed of injured employees' progress and return to work status.

Heather Hayes, HR Manager
Wise Health System, Decatur, TX

SUBSCRIBERS' SURPLUS



THIE has been an outstanding, trusted, long-term partner for Iraan General Hospital, providing remarkable services for our liability insurance and risk management needs. We are confident that THIE will remain a vital organizational partner for us for many years to come as they have always been accessible, dependable, and ready to serve our needs.

Jason Rybolt, PT, CEO
Iraan General Hospital District, Iraan, TX

FINANCIAL HIGHLIGHTS

	2021		2020	
	(UNAUDITED)			
GROSS WRITTEN PREMIUM	10,001,135		9,622,640	
NET EARNED PREMIUM	8,434,713		7,360,181	
LOSS & LAE INCURRED	3,497,499	41%	3,385,953	46%
UNDERWRITING EXPENSES	4,709,487	47%	3,939,225	41%
UNDERWRITING GAIN/LOSS	227,727		35,003	
NET INVESTMENT GAIN	980,298		1,176,383	
NET INCOME (LOSS)	1,476,452		1,187,300	
ADMITTED ASSETS	40,576,305		39,417,107	
LIABILITIES	10,892,728		10,726,776	
SUBSCRIBERS' SURPLUS	29,683,577		28,690,332	
SUBSCRIBERS' SURPLUS REFUNDS	617,718		1,629,066	
ACTIVE SUBSCRIBERS	223		215	
IN-FORCE POLICY COUNT	460		428	

insuring health care facilities

ACROSS TEXAS, OKLAHOMA, & ARKANSAS

- | GENERAL LIABILITY |
- | MEDICAL PROFESSIONAL |
- | WORKERS' COMPENSATION* |
- | COMMERCIAL AUTO |
- | TAILORED RISK MANAGEMENT SOLUTIONS |
- | UMBRELLA |

*state exceptions apply



NEW THIE HEADQUARTERS



New THIE Headquarters is currently under construction in Georgetown, TX.

THIE HQ is a custom designed facility with space for continued staff growth and will be available for use by our Subscribers, for Board meetings, in-service education sessions, or workspace when visiting the Austin area.

Staff was joined at the groundbreaking celebration by former THIE Board Chairman Ken Poteete. Anticipated completion date: March 2022.

