



THIE



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# 2018 | ANNUAL REPORT

# ANNUAL REPORT 2018

INSURANCE COVERAGE YOU DESERVE  
FROM THE INSURANCE COMPANY YOU OWN

**THIE**

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**Austin, Texas 78731**

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**[www.thie.com](http://www.thie.com)**

# Content list

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MESSAGE FROM THE PRESIDENT/CEO 4

OUR SUCCESS IS YOUR SUCCESS 5

MESSAGE FROM THE CHAIRMAN 6

A YEAR IN REVIEW 7

THIE: A HISTORY 8

NEWS 10

BOARD OF DIRECTORS 14



“ THIE is on the leading edge of best practice for risk management and makes a trip to our facility annually. I have never been with an insurance company that goes through such a thorough assessment each year. The information we learn about our facility in this process has been extremely valuable. ”  
– **Christy Francis, CEO of Hemphill County Hospital District**



## MESSAGE FROM THE PRESIDENT/CEO

In 2018, I celebrated my 15-year anniversary at THIE. Looking back at the progress and growth of our organization, I am proud of our accomplishments during those years, including:

- Increase in THIE surplus of 602%, from \$3.6 million to \$25.6 million.
- Growth from our first Hot Topics in 2002 with representatives from two hospitals in attendance to our 2018 Hot Topics with 29 hospitals represented, generous sponsors, golf tournament and casino night.
- Growth of our staff from 12 to 17 experts.

- Improvement of our A.M. Best rating from C+ to B++.
- Expansion of our geographical reach to include Oklahoma.
- Partnerships with A rated re-insurers around the world for financial stability.
- Ability to share THIE's success with our subscribers through surplus refunds exceeding \$5 million.

As you review this annual report and see these successes and more on our timeline, I hope you are as proud as I am to be a part of THIE. Our

esteemed board of directors are outstanding leaders. Our staff members are long tenured experts in this industry. Our subscribers renew their insurance coverage at a rate of 99 percent.

Subscriber owned and governed, THIE is your insurance company!

Warm regards,

Tess Frazier  
President/CEO  
Texas Hospital Insurance Exchange

# Our success is your success

Insuring is THIE's specialty, providing a comprehensive range of affordable business insurance products and services for health care entities. By focusing on a single industry, THIE brings unmatched expertise and insight to meet the needs and challenges health care facilities face. Years of growth and progress has allowed THIE to develop our services beyond rural care, offering our insurance products to all health care entities including hospitals, 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, we allocate that profit to our subscribers. Each year, through our popular subscriber surplus refund program, we are able to distribute surplus refunds to our subscribers.

Since 2011, THIE has returned over **\$5 million** to our subscribers.

An additional point of pride for us: 2018 saw a 99% retention rate with our subscribers renewing our relationships for another year.

## SURPLUS YEAR HIGHLIGHTS





## MESSAGE FROM THE CHAIRMAN OF THE BOARD

It is with great excitement and honor that I begin my term as chairman of the THIE board of trustees after 13 plus years serving as board member for this wonderful organization.

I have been a subscriber to THIE at both West Texas hospitals for which I have worked. I speak from experience, no one in the marketplace offers the services, knowledge or commitment that THIE and their staff offers. There may be other insurance companies, but this is THE insurance company.

In the coming years of my chairmanship, I will work to not only support THIE CEO Tess Frazier and the staff in making sound decisions for the company and the hospitals we serve,

but also share my experience in working with THIE and future subscribers. This message will be critical in our growth as we continue to serve more and more health care facilities in Texas, Oklahoma and beyond. THIE has a proud history of the highest levels of customer satisfaction and customer loyalty. Our member hospitals are what make us so great, and I am proud to be part of the team.

I would be remiss if I did not take a moment to thank a spectacular person, former THIE board chair and board member emeritus, Dr. Sandra Wright. For 14 years, Dr. Wright served on our board and for the last five years has led our board through growth and change as board chair. She has been with us during our

expansion into Oklahoma, the re-branding of THIE, board and staff turnover and through our years of growth in surplus from \$12 million in 2014 to \$25 million in 2018.

Dr. Wright is a true lady, who has never met a stranger and lives life through giving first to others. She is someone I am truly blessed to call my friend.

Thank you, Dr. Wright, for your service to THIE and our subscribers. Job well done!

Sincerely,

Russell Tippin  
Andrews County Hospital District

# A year in review

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EDUCATIONAL-  
IN-SERVICE

9



CLAIMS  
REPORTED

374



POLICIES AND  
PREMIUMS WRITTEN

**476 POLICIES**  
**\$7.8 MILLION**  
**PREMIUM**



RISK MANAGEMENT  
SURVEYS  
COMPLETED

65



CONFERENCES  
WHERE THE  
EXHIBITED

10



THE GOLF  
BALLS  
DISTRIBUTED

249+



MILES DRIVEN  
BY RISK  
MANAGEMENT

15,000+





# THIE : A HISTORY

Added Workers' Compensation and General Liability products to our line of services

**1976-1980**

Received B++ rating from AM Best

**1994**

THIE's first Hot Topics

**2002**

**1975-1976**

Created as a reciprocal exchange  
First hospital signed; providing medical professional liability coverage

**1993**

Addition of Risk Management services

**1995**

Added Commercial Automobile coverage to our line of services

Development of our popular  
Surplus Refund Plan;  
11% in 2011

**2011**



\$20 million in surplus  
and the addition of  
Cyber Liability Coverage

**2015**



**2010**

Tess Frazier named  
CEO; Restructure of  
Management Team



**2014**

Reached \$12.5 million  
in surplus



**2018**

Growth into Oklahoma  
and celebrating the return  
to a B++ Rating



# NEWS



## OKLAHOMA

THIE's expansion into Oklahoma continues to be a success. THIE offers commercial automobile coverage as well as general liability and medical professional liability.

THIE staff can be found visiting hospitals, attending conferences and working closely with agents to continue growth in our neighboring state.



## B++ RATING

AM Best reports on the financial stability of insurers and the insurance industry. Annually, insurance companies go under review with AM Best to determine their rating. These ratings are “an essential tool to help the financial industry and consumers assess an insurer's financial strength, creditworthiness and ability to honor obligations to policyholders worldwide.”

We are pleased to report that in 2018, we moved our rating to B++.

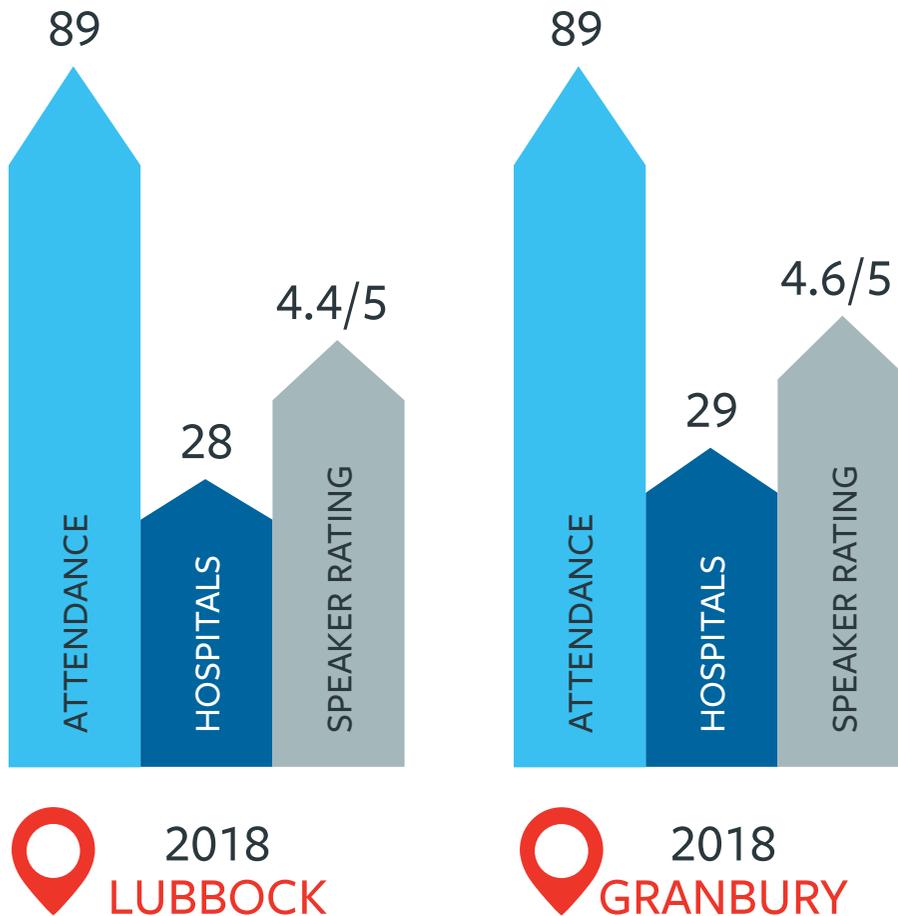


## EXCESS LIABILITY

In 2018, we opted to offer something big to our subscribers. THIE has added excess liability coverage — applicable to all products we offer. Our excess liability policy provides limits up to \$10 million. With excess coverage, hospitals can choose a limit above existing policies; ensuring the best and most coverage wherever needed.

# Hot Topics

## HOT TOPICS ATTENDANCE 2018



“ The Hot Topics Forum, hosted by THIE, is an excellent source of timely information relevant to the daily operational challenges faced by health care facilities. Tess and her staff put together an engaging agenda that covers a broad array of topics with a special emphasis on providers in rural communities. Legal insights, legislative updates, tips for human resources and risk analysis reminders are just a few highlights of a consistently content rich program. The Forum provides an ideal environment for the blending of executive level engagement with the opportunity for staff education and enrichment. ”

**-Jared Chanski, Preferred Management**

# PRODUCTS



## COMMERCIAL GENERAL LIABILITY

With THIE's commercial general liability program, a facility is protected from claims by the general public for negligent acts or omissions arising out of your operations. THIE's program is comprehensive, yet flexible enough to meet the unique needs of health care facilities.



## MEDICAL PROFESSIONAL LIABILITY

THIE's medical professional liability insurance protects an organization against legal liability resulting from negligence, errors and omissions, and other aspects of rendering or failing to render professional service to your patients. Premiums are based on your facility's exposures and experience each year.



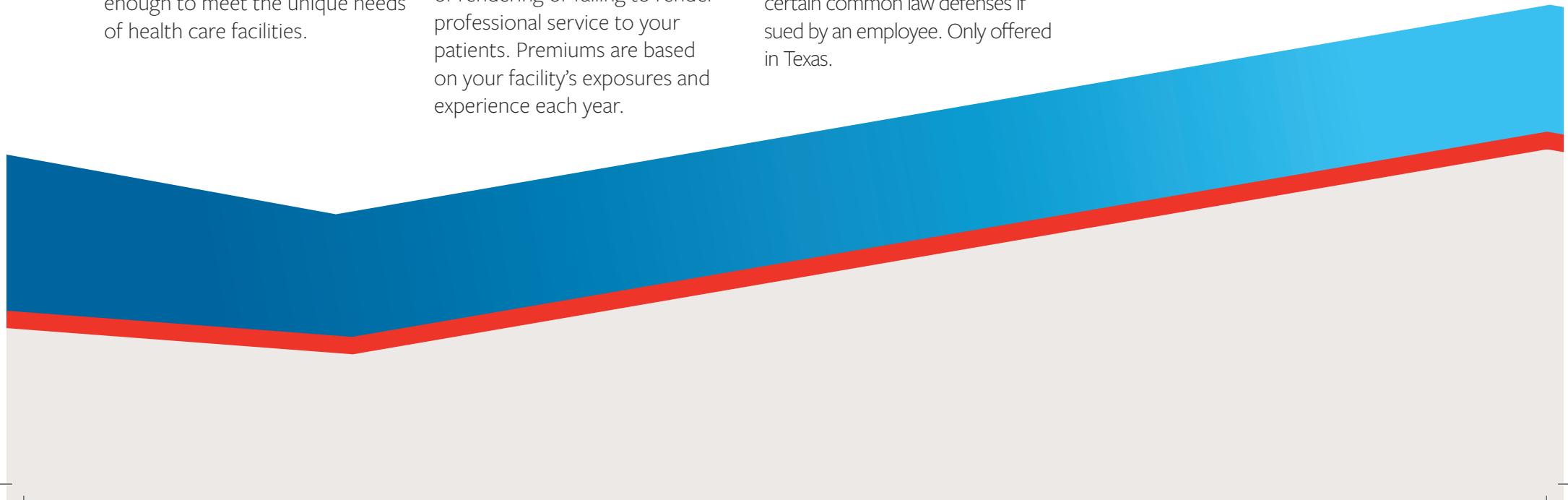
## WORKERS' COMPENSATION

THIE's comprehensive workers' compensation coverage for employees includes medical treatment and payments for time lost from work. The policy also protects your facility against additional liability and the loss of certain common law defenses if sued by an employee. Only offered in Texas.



## COMMERCIAL AUTOMOBILE

THIE's business automobile coverage protects from legal liability and physical damage. Hospitals may include emergency and non-owned vehicles in this program, and coverage is customized to specific needs.





## EXCESS LIABILITY

THIE has added excess liability coverage — applicable to all products. Excess liability policy provides limits up to \$10 million. With excess coverage hospitals choose a limit above existing policies, ensuring the best and most coverage wherever needed.



## RISK MANAGEMENT

Let the THIE experts help create a strategic plan to increase workplace safety and reduce claims. THIE's team conducts surveys, offers educational seminars and helps facilities lower overall risks.



## CONTINUING EDUCATION: HOT TOPICS

Join colleagues and fellow health experts for a full day of education designed for hospital leaders. These forums are offered multiple times throughout the year and are free to subscribers.



## CYBER LIABILITY

THIE's cyber liability program provided by NAS Insurance Services, offers comprehensive coverage to protect a facility in the event of a breach due to cyber extortion, cyber-crime, hacking or phishing incidents. Proactive privacy breach response will help control expenses such as IT forensics and potential fines associated with a cyber-attack.



“As a hospital administrator, one of the most important things you look for when it comes to any type of insurance is a company that you can trust to be there when you need them. THIE is just that type of company and is one of our most trusted partners!”  
– **Robbie Dewberry, CEO, Mitchell County Hospital District**

# BOARD OF DIRECTORS



**RUSSELL TIPPIN**

Chairman  
Andrews County Hospital District,  
Andrews



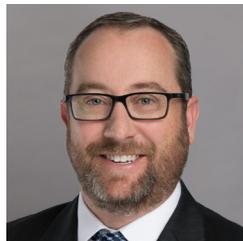
**JAMES VANEK**

Vice Chair  
Columbus Community Hospital,  
Columbus



**TED SHAW**

Secretary  
Texas Hospital Association,  
Austin



**JONATHAN BAILEY**

Hansford County Hospital  
District, Spearman



**DONNA BOATRIGHT**

Rolling Plains Memorial Hospital,  
Sweetwater



**ROBBIE DEWBERRY**

Mitchell County Hospital,  
Colorado City



**MIKE EASLEY**

Preferred Management  
Company, Austin



**CHRISTY FRANCIS**  
Hemphill County Hospital  
District, Canadian



**LESLIE HARDIN**  
Seymour Hospital, Seymour



**JIM HORTON**  
Rankin County Hospital  
District, Rankin



**DAVID LEE**  
Otto Kaiser Memorial  
Hospital, Kenedy



**ADAM WILLMANN**  
Goodall-Witcher Hospital  
Authority, Clifton



**JASON WREN**  
Wise Health System,  
Decatur

**DIRECTOR EMERITUS**

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**PAUL MCKINNEY**



**W. EVAN MOORE**



**STEVE SUMMERS**



**DR. SANDRA WRIGHT**



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