



Assembly

June 16, 2012

**Information Items
ISBA Mutual Insurance**



ISBA MUTUAL INSURANCE COMPANY
REPORT TO THE ISBA ASSEMBLY
June 16, 2012
By Jon W. DeMoss, President & CEO

Two Thousand eleven was another very good year for our company. Favorable operating results allowed us to pay a 10% dividend to our policyholders. This was the seventh year in a row that we have paid a dividend. Checks for the 2011 dividend were mailed to our policyholders in February 2012. Our company is practically unique among professional liability insurers in the payment of a dividend.

We finished 2011 with just over \$17 million in gross written premium. Over \$900,000 of this amount was from new business, which was a slight increase from 2010. Our policyholders' surplus rose to \$29.85 million, even after the payment of the dividend, which represents an all time high for our company. We benefited from slightly over \$2 million in investment income while maintaining the value of our investment portfolio.

Our company's stability in the current challenging economic climate has been looked upon favorably by A.M. Best. Best affirmed our "A" (excellent) rating with a stable outlook last November.

Two thousand twelve continues our experience in 2011. Both our gross written premium level and our surplus are up slightly. After the first quarter of this year, our surplus stood at slightly over \$31 million. We are receiving income on our invested assets consistent with recent years and the value of our portfolio has increased slightly. We have held our base rates stable for many years and do not expect any need for an increase in the foreseeable future.

We are happy to be the principal sponsor of Fastcase which is provided free of charge to all ISBA members and we continue to sponsor many other worthwhile ISBA activities including events at the Annual and Mid-Year Meetings. We are looking forward to continuing as a major sponsor of the annual ISBA Solo and Small Firm Conference in September and the Illinois Bar Foundation Gala coming up in October.

Much of our growth in the past has been by word of mouth from our ISBA member policyholders. If you know of any lawyer who might be interested in insurance through our company, we would appreciate it if you could refer them to Kurt Bounds, our Vice President of Business Development and Service, at 800-473-4722.