



THE
BAR PLAN[®]

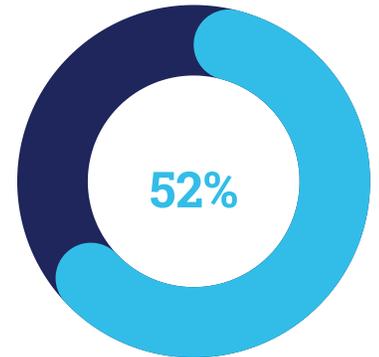
2022 ANNUAL REPORT

The Bar Plan by the Numbers

Malpractice insurance offered
in 5 States



Malpractice
Insurance Market
Share in Missouri*



Court bonds offered
in all 50 states



4,529 in force bonds
at the end of 2022



30% increase in business
over 2020

The Bar Plan is the endorsed carrier for LPL
and Court Bonds by The Missouri Bar,
and a Preferred Provider of The Tennessee
Bar Association



**2 State Bar
Associations**

**TENNESSEE
BAR ASSOCIATION**

Our risk managers
assisted 145 attorneys
with ethics and malpractice
issues through our FREE risk
management hotline**



**Provided 19 continuing
legal education (CLE)**
webinars enabling MO & KS
attorneys to meet their full annual
CLE requirements for a single fee
of only \$110.



*As reported by the Missouri Department of Commerce & Insurance, using 2022 statistics.

**The Bar Plan's risk management hotline is provided free to all.

President's Letter

2022 was a year of transition

for The Bar Plan. We sold our office building of more than 25 years and downsized into a more modern and advanced office space designed for how we work and function today. We also transitioned to a new, comprehensive administrative software that consolidates all of our departments onto a single platform, improves automation and efficiencies and allows us to provide a better experience for our customers. This includes advanced online features and capabilities.

Transition is never easy, but our team took these challenges in stride and produced a very solid year for The Bar Plan with an increase in Direct Written Premium, and Net Income of \$324K. We recognize that our transition was also shared by our customers and brokers, and we thank you for your patience and flexibility. We are committed to providing a first-rate experience for you that includes 24/7 online and self-help features that are important to you, and this transition has only just begun. Stay tuned.



A handwritten signature in black ink that reads "Karen R. McCarthy". The signature is fluid and cursive, written in a professional style.

Karen R. McCarthy

President and CEO

The Bar Plan has made numerous changes to keep costs low for our policyholders

Financials

Statutory Statements of Admitted Assets, Liabilities, & Surplus

Admitted Assets	
Bonds	\$22,567,975
Common Stocks:	
Affiliated Common Stocks of Subsidiaries	6,101,020
Unaffiliated Common Stocks	4,656,475
Real Estate	0
Cash On Deposit	1,827,768
Short-term investments	1,085,855
Subtotal Cash and Invested Assets	36,239,093
Reinsurance Recoverable	27,526
Premium Finance Receivable	2,018,007
Reinsurance Premiums Receivable	88,238
Deferred Tax Asset	397,472
FIT Recoverable	0
Electronic Data Processing Equipment	40,224
Interest Due and Accrued	99,125
Receivable from parent, subsidiaries, and affiliates	16,740
Profit Commission Receivable	0
Receivable for Sale of Securities	0
Guaranty Funds Receivable	1,325
Miscellaneous Assets	95,151
TOTAL	\$39,022,201
Liabilities	
Loss Reserve	\$8,403,498
Loss Adjustment Expense Reserve	6,795,411
Reinsurance Payable on Paid Losses & LAE	(20,325)
Other expenses	339,994
Taxes, Licenses and Fees (excluding federal income taxes)	(57,237)
Unearned Premium	4,951,607
Profit Commission Payable	114,568
Amounts Withheld	462,614
Reinsurance Ceded Balances Payable	978,978
Provision for Reinsurance	0
Payable to Parent, subsidiaries, and affiliates	94,381
Remittances & items not allocated (unprocessed premium)	164,138
Advanced Premium	364,827
Payable for Securities	0
FIT Payable	0
Guarantee Funds Payable	0
Unclaimed Funds	33,073
TOTAL	22,625,527
Surplus	
Policyholder Contributions	0
SSAP 10R Election	0
Surplus Notes	5,007,755
Unassigned Funds	11,397,374
TOTAL	16,397,374
TOTAL LIABILITIES ND SURPLUS	\$39,022,901

Statutory Statements of Operations & Changes in Surplus

Net Premiums Earned	9,242,916
Net Losses Incurred	1,235,800
Net Loss Adjustment Expense Incurred	3,786,574
Other Underwriting Expense Incurred	5,172,827
UW Gain/(Loss)	(952,285)
Net Investment Gain or (Loss)	192,515
Gain on sale of building	657,362
Miscellaneous Income	744,201
(Tax Incurred/Benefit)	3,372
Net Income/(Loss)	645,165
Change in Surplus	172,013
Surplus	16,397,374
Loss & LAE Ratio	54.3%
Expense Ratio	56.5%
Combined Ratio	110.8%

The Bar Plan has maintained an “A” “Exceptional” Financial Stability Rating from Demotech, Inc. since 2012. The Bar Plan earned its “A” “Exceptional” rating based on a strong balance sheet, key financial indicators, and demonstrable financial stability.

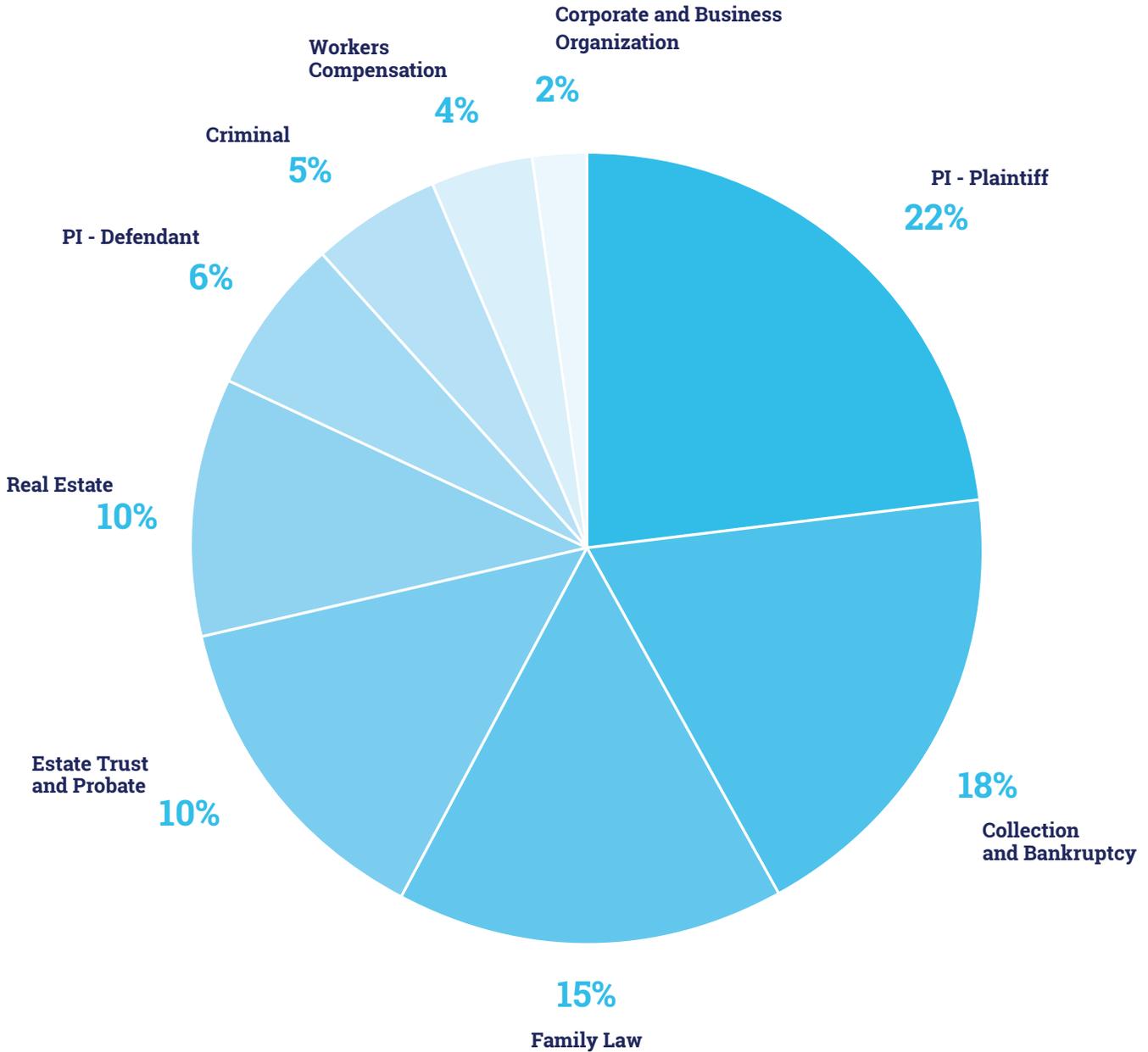
Demotech, a financial analysis firm specializing in evaluating the financial stability of regional and specialty insurers, was the first company to review and rate these types of companies since 1985. Demotech assigns accurate, reliable and proven Financial Stability Ratings® (FSRs) for Property & Casualty insurers and Title companies. FSRs are a leading indicator of financial stability, providing an objective baseline of the future solvency of an insurer. Unlike other ratings agencies, Demotech focuses on objective measures rather than subjective measures that often unfairly penalize regional, specialty companies. Demotech’s philosophy is to review and evaluate insurers based on objective financial criteria rather than solely on financial size.



Claims Frequency

Percentage of claims reported by area of law

Claims Reported 1/1/21-12/31/21



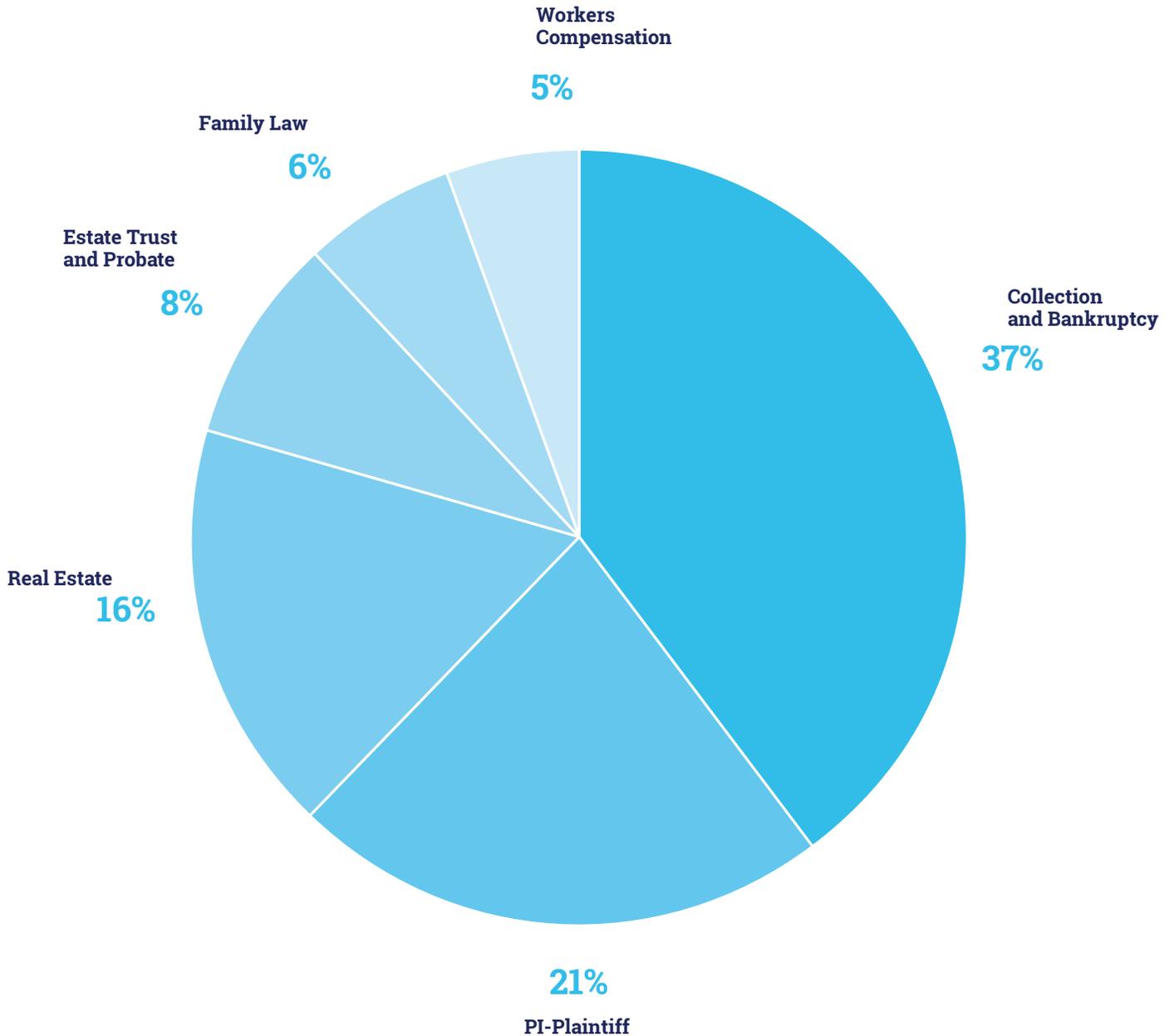
1%

Local Government Immigration/
Naturalization Government Contracts
Business Transaction Construction/
Building Contracts

Claims-Severity

Percentage of dollars spent on closed claims by area of law

Claims Closed with payment 1/1/21-12/31/21



2% or less

PI – Defendant Corporate/Business
Organizations Government Contracts
Labor Law

THE BAR PLAN[®]

WE HELP LAWYERS BUILD
A BETTER PRACTICE.

