



**EXAMINATION REPORT  
OF**

**SOUTH PINELLAS MEDICAL MALPRACTICE  
RISK MANAGEMENT ASSOCIATION  
D/B/A SOUTH PINELLAS MEDICAL TRUST  
St. Petersburg, Florida**

**as of  
December 31, 2024**

**By  
The Florida Office of Insurance Regulation**

## TABLE OF CONTENTS

<b>LETTER OF TRANSMITTAL</b> .....	-
<b>SCOPE OF EXAMINATION</b> .....	1
<b>SUMMARY OF SIGNIFICANT FINDINGS</b> .....	2
CURRENT EXAMINATION FINDINGS .....	2
PREVIOUS EXAMINATION FINDINGS .....	2
<b>TRUST HISTORY</b> .....	2
GENERAL .....	2
DIVIDENDS .....	2
CAPITAL STOCK AND CAPITAL CONTRIBUTIONS.....	2
SURPLUS NOTES .....	2
ACQUISITIONS, MERGERS, DISPOSALS, DISSOLUTIONS .....	2
<b>MANAGEMENT AND CONTROL</b> .....	3
CORPORATE GOVERNANCE .....	3
HOLDING COMPANY SYSTEM .....	4
<b>ACCOUNTS AND RECORDS</b> .....	4
CUSTODIAL AGREEMENT .....	4
MANAGEMENT AGREEMENT .....	4
INDEPENDENT AUDITOR AGREEMENT .....	5
CORPORATE RECORDS REVIEW.....	5
<b>TERRITORY AND PLAN OF OPERATIONS</b> .....	5
<b>REINSURANCE</b> .....	5
REINSURANCE ASSUMED.....	6
REINSURANCE CEDED.....	6
<b>FINANCIAL STATEMENTS</b> .....	7
ASSETS.....	8
LIABILITIES, SURPLUS AND OTHER FUNDS .....	9
STATEMENT OF INCOME .....	10
RECONCILIATION OF CAPITAL AND SURPLUS.....	11
<b>ANALYSIS OF CHANGES IN FINANCIAL STATEMENT RESULTING FROM THE EXAMINATION</b> .....	11
<b>COMMENTS ON FINANCIAL STATEMENT ITEMS</b> .....	12
TRUSTEES ACCOUNT .....	12
<b>CONCLUSION</b> .....	13

December 16, 2025

Michael Yaworsky  
Commissioner  
Office of Insurance Regulation  
State of Florida  
Tallahassee, Florida 32399-0326

Dear Commissioner:

Pursuant to your instructions, in compliance with Section 624.316, Florida Statutes, Rule 69O-138.005, Florida Administrative Code, and in accordance with the practices and procedures promulgated by the National Association of Insurance Commissioners (“the NAIC”), we have conducted an examination as of December 31, 2024, of the financial condition and corporate affairs of

**South Pinellas Medical Malpractice Risk Management Association**  
**D/B/A South Pinellas Medical Trust**  
327 11<sup>th</sup> Avenue North, Suite 204  
St. Petersburg, Florida 33701

hereinafter referred to as “the Trust.” Such report of examination is herewith respectfully submitted.

## SCOPE OF EXAMINATION

This examination covered the period of January 1, 2020 through December 31, 2024, and the fieldwork commenced with planning with the Florida Office of Insurance Regulation (“the Office”) on June 1, 2025. The fieldwork concluded as of December 16, 2025. The Trust’s last full scope exam by representatives of the Office covered the period of January 1, 2015, through December 31, 2019.

The examination was conducted in accordance with the NAIC Financial Condition Examiners Handbook (“the Handbook”). The Handbook requires that the examination be planned and performed to evaluate the financial condition, assess corporate governance, identify current and prospective risks of the Trust, and evaluate system controls and procedures used to mitigate those risks. An examination also includes identifying and evaluating significant risks that could cause an insurer’s surplus to be materially misstated both currently and prospectively.

The examination was on a single Florida domestic insurer and did not involve participation from other states. The Trust solely writes in Pinellas County, Florida.

All accounts and activities of the Trust were considered in accordance with the risk-focused examination process. This may include assessing significant estimates made by management and evaluating management’s compliance with the NAIC Statements of Statutory Accounting Principles (“SSAP”).

This examination report includes information obtained from the examination of the records, accounts, files, and documents of, or relative to, the Trust and other information as permitted by Section 624.319, Florida Statutes. There may be other items identified during the examination that, due to their nature (for example, subjective conclusions or proprietary information), are not included within the examination report but separately communicated to other regulators and/or the Trust.

## **SUMMARY OF SIGNIFICANT FINDINGS**

### **Current Examination Findings**

There were no significant findings as a result of this examination.

### **Previous Examination Findings**

There were no significant findings in the previous examination.

## **TRUST HISTORY**

### **General**

The Trust was incorporated as South Pinellas Medical Practice Risk Management Association on December 30, 1975, under the laws of the State of Florida, as a Medical Malpractice Self-Insurance Fund in accordance with the provisions of Section 627.357, Florida Statutes. The Company commenced business on January 1, 1976, doing business as South Pinellas Medical Trust. On January 26, 1996, the Trust was authorized to transact medical malpractice insurance coverage in Florida. Membership in the fund is limited to medical doctors practicing in Pinellas County, Florida.

### **Dividends**

The Trust did not declare or pay any dividends during the examination period.

### **Capital Stock and Capital Contributions**

The Trust has no stockholders, maintains no capital stock, and receives no assessment from members.

### **Surplus Notes**

The Trust did not have or issue any surplus notes during the period under examination.

### **Acquisitions, Mergers, Disposals, Dissolutions**

The Trust had no acquisitions, mergers, disposals, or dissolutions during the period under examination.

## MANAGEMENT AND CONTROL

### Corporate Governance

The annual members meeting for the election of the Board of Trustees (“Board”) was held in accordance with Section 628.231, Florida Statutes. Trustees serving as of December 31, 2024, are shown below:

<b>Directors</b>		
<b>Name</b>	<b>City, State</b>	<b>Principal Occupation</b>
Mark Robert Gordon, M.D. <sup>(1)</sup>	St. Petersburg, Florida	Urology
Juan Pedro Casadevall, M.D.	St. Petersburg, Florida	Internal Medicine
Pamela Kay Patranella, M.D.	St. Petersburg, Florida	Pediatrics
Carlos Adalberto Labrador, M.D.	St. Petersburg, Florida	Family Practice
Abey Sarai, M.D.	Kenneth City, Florida	Infectious Diseases
Joseph Alfred Boulay, M.D.	St. Petersburg, Florida	Gastroenterology
Michael Andrew Zimmer, M.D.	St. Petersburg, Florida	Internal Medicine
Hudman Aloysius Hoo, M.D.	St. Petersburg, Florida	Pulmonary
Warren Russel Abel, M.D.	St. Petersburg, Florida	Pulmonary
David Mendelblatt, M.D.	St. Petersburg, Florida	Ophthalmology
Daniel McClenathan, M.D. <sup>(a)</sup>	St. Petersburg, Florida	Gastroenterology

1. Chairman

(a) Resigned March 2025.

In accordance with the Trust's Bylaws, the Board appointed the following Senior Officers:

<b>Senior Officers</b>		
<b>Name</b>	<b>City, State</b>	<b>Title</b>
Juan Pedro Casadevalls, M.D.	St. Petersburg, Florida	President
Pamela Kay Patranella, M.D.	St. Petersburg, Florida	Vice President
Carlos Adalberto Labrador, M.D.	St. Petersburg, Florida	Secretary
Abey Sarai, M.D.	Kenneth City, Florida	Treasurer

The Trust's Board appoints Claims and Membership Committees. All Trustees shown above are members of the committees.

### **Holding Company System**

The Trust is not part of a holding company system and does not have any affiliated agreements.

## **ACCOUNTS AND RECORDS**

The Trust maintained its principal operational offices in St. Petersburg, Florida.

The Trust has the following material agreements:

### **Custodial Agreement**

The Trust maintains a custodial agreement with Sabal Trust Company for the safeguarding of the Trust's investments. The agreement was executed on May 2, 2011.

### **Management Agreement**

The Trust has a management agreement with South Pinellas Management Company, Inc. ("SPMC"), effective January 1, 2012, for providing administrative and management services to the Trust that shall continue indefinitely unless terminated. Under this agreement, the Trust pays a 4% commission on the Trust's written premium, less return premiums and premiums written off as uncollectible, a monthly management fee, office rent, and overhead phone and internet

expenses. For 2024 and 2023, the Trust paid SPMC commission expenses of \$61,000 and \$52,000 respectively, and management fees of \$60,000 each year.

### **Independent Auditor Agreement**

An independent CPA, Hacker, Johnson & Smith PA (“HJS”) audited the Trust’s statutory basis financial statements annually for the years 2021 through 2024. In 2021, the Company changed from the auditor RSM US LLP, which provided the December 31, 2020, audit report, to HJS for the purpose of obtaining auditing services at a more reasonable fee. The change in auditor was reported to and approved by the FLOIR.

### **Corporate Records Review**

The recorded minutes of the Board and the Claims and Membership Committees were reviewed for the period under examination. The recorded minutes of the Board and its Committees documented its meetings and approval of Company transactions and events, in compliance with the Handbook adopted by Rule 69O-138.001, Florida Administrative Code, including the authorization of investments, as required by Section 625.304, Florida Statutes.

## **TERRITORY AND PLAN OF OPERATIONS**

The Trust is authorized to transact insurance only in the State of Florida and is authorized to write medical malpractice insurance. As of December 31, 2024, the Trust only writes professional liability policies for physicians in Pinellas County, Florida.

## **REINSURANCE**

Since the Trust’s inception, it has maintained a relationship with General Reinsurance Corporation (“Gen Re”) and cedes risk under one excess of loss reinsurance agreement which is renewed annually. No intermediary is used. The reinsurance agreement was reviewed for compliance with NAIC standards, and includes the standard insolvency clause, arbitration clause, transfer of risk, reporting and settlement information deadline requirements.

## **Reinsurance Assumed**

The Trust did not assume any reinsurance during the period of this examination.

## **Reinsurance Ceded**

The excess of loss agreement with Gen Re effective during the examination period was structured in several reinsurance levels, each with \$250,000 retention per claim, as follows:

- First Excess Cover: \$500,000 Per Claim/\$1,000,000 Annual Aggregate,
- Second Excess Cover: \$750,000 Per Claim/\$1,500,000 Annual Aggregate,
- Third Excess Cover: \$1,000,000 Per Claim/\$3,000,000 Annual Aggregate.

In addition, Gen Re provides combination coverage for claims involving three or more doctors, physician extenders, corporations, or policies written by the Trust in any one medical incident. In such an event, Gen Re would pay to the Trust the amount of a net loss above a combined retention of \$500,000, but not to exceed \$1,000,000.

## **FINANCIAL STATEMENTS**

The following includes the Trust's statutory Statement of Assets, Liabilities, Surplus and Other Funds; statutory Statement of Income; and the statutory Analysis of Changes in Surplus for the year ended December 31, 2024. The financial statements are based on the statutory financial statements filed by the Trust with the Florida Office of Insurance Regulation and present the financial condition of the Trust for the period ending December 31, 2024. (Note: Failure of the columns to add to the totals reflected in this Report is due to rounding.)

**South Pinellas Medical Trust**  
**Assets**  
**December 31, 2024**

	Per Trust
Cash and short-term investments	\$ 823,913
Securities at market value	7,257,506
Accrued interest	46,458
Premiums due	22,261
<b>Total</b>	<b>\$ 8,150,138</b>

**South Pinellas Medical Trust  
Liabilities, Surplus and Other Funds  
December 31, 2024**

	Per Trust
Losses	\$ 855,463
Loss adjustment expenses	413,863
Other expenses	28,158
Unearned premiums	1,189,071
Advance premiums	194,910
Refund payable	89
Total liabilities	2,681,554
Trustees account	5,468,586
Total liabilities and trustees account	\$ 8,150,140

**South Pinellas Medical Trust**  
**Statement of Income**  
**December 31, 2024**

	Per Trust
<b>Underwriting Income</b>	
Membership premiums	\$ 1,610,594
<b>Deductions</b>	
Ceded premiums	405,000
Fund loss and loss adjustment expenses incurred	642,619
Administrative expenses	478,657
Total underwriting deductions	1,121,276
Net underwriting gain (loss)	84,318
<b>Investment Income</b>	
Net investment income earned	340,860
Net investment gain or (loss)	340,860
<b>Other Income</b>	
Net income before dividends to policyholders, and before federal income taxes	425,177
Net income, after dividends to policyholders, but before federal income taxes	425,177
Net Income	\$ 425,177
<b>Trustees Account</b>	
Trustees account at close of previous year	\$ 5,061,149
Net Income	425,177
Net unrealized capital gains or losses	47,208
Change in non-admitted assets & other	(64,948)
Change in Trustees account during reporting year	407,437
Trustees account at close of current year	\$ 5,468,586

**South Pinellas Medical Trust  
Reconciliation of Capital and Surplus  
December 31, 2024**

<b>Trustee Account Change during Examination Period</b>			
Trustee Account at December 31, 2019, per Trust			\$5,300,840
	Increase	Decrease	
Net income	776,515		
Change in net unrealized capital gain (loss)	55,544		
Change in non-admitted assets		(161,230)	
Retrospective rate credits paid		(503,083)	
Net increase (or decrease)			167,746
Trustees Account at December 31, 2024, per Trust			\$5,468,586

**South Pinellas Medical Trust  
Analysis of Changes in Financial Statement Resulting from the Examination  
December 31, 2024**

No adjustments were made to surplus as regards policyholders, as a result of this examination.

## COMMENTS ON FINANCIAL STATEMENT ITEMS

### **Trustees Account**

The amount reported in the Trustees account of \$5,468,586 was in compliance with Rule 69O-187.005, Florida Administrative Code and Sections 624.468(7) and 627.357, Florida Statutes.

## CONCLUSION

The insurance examination practices and procedures as promulgated by the NAIC have been followed in ascertaining the financial condition of South Pinellas Medical Trust as of December 31, 2024, consistent with the insurance laws of the State of Florida.

In addition to the undersigned, the following individuals from the Office and The INS Companies (“INS”) also participated in the examination:

Bobby Jackson, CPA, APIR	Examination Manager	Office
Eliot Pardee	Analyst Supervisor	Office
Eric Lewis	Analyst	Office
Kelly Willison, CPA, CFE, CFE (Fraud)	Examination Manager	INS
Dave Gordon, CISA, CIA, CFE (Fraud)	IT Specialist	INS
Alex Albertini	IT Specialist	INS
John Pedrick, FCAS, MAAA	Consulting Actuary	INS
Mike Morro, ACAS, MAAA	Consulting Actuary	INS

Respectfully submitted,



Justin Kiehn, CFE  
Examiner in Charge  
The INS Companies  
Representing the Florida Office of Insurance Regulation



Chad Mason, PIR  
Chief Financial Examiner  
Property & Casualty/Life & Health Financial Oversight  
Florida Office of Insurance Regulation