



SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	Consolidated					Personal Lines Account				
	Mar 2019	Mar 2018	Budget 2019	YOY Var	Budget Var	Mar 2019	Mar 2018	Budget 2019	YOY Var	Budget Var
Operations:										
Direct written premium	\$ 202,139	\$ 206,632	\$ 206,015	\$ (4,493)	\$ (3,875)	\$ 125,532	\$ 123,460	\$ 129,892	\$ 2,072	\$ (4,361)
Ceded written premium:										
Depopulation	(2,838)	(3,308)	(8,008)	471	5,170	(1,450)	(1,249)	(1,273)	(201)	(177)
FHCF	-	-	-	-	-	-	-	-	-	-
Private reinsurance	-	-	-	-	-	-	-	-	-	-
Net earned premium	207,361	209,470	206,921	(2,109)	440	128,219	119,754	127,178	8,465	1,041
Net losses incurred	52,511	62,124	82,048	(9,613)	(29,537)	51,698	51,426	69,024	271	(17,327)
Net LAE incurred	49,037	45,213	25,625	3,824	23,412	39,870	34,911	21,774	4,959	18,096
Other underwriting expenses	21,132	20,474	21,375	659	(243)	12,781	12,136	13,030	646	(249)
Administrative expenses	35,563	39,130	42,483	(3,568)	(6,921)	22,085	16,940	26,786	5,145	(4,701)
Net investment income	41,753	27,206	28,207	14,546	13,545	14,291	9,219	8,926	5,072	5,365
Net income (loss)	\$ 91,554	\$ 65,517	\$ 27,192	\$ 26,037	\$ 64,362	\$ 16,555	\$ 9,686	\$ (54,912)	\$ 6,869	\$ 71,467
Assets, Liabilities and Surplus:										
Cash and invested assets	\$ 9,212,869	\$ 9,250,735	(1)	\$ (37,866)		\$ 3,134,016	\$ 3,133,359	(1)	\$ 657	
Net loss reserves	301,290	378,951	(1)	(77,661)		233,684	262,329	(1)	(28,645)	
Net LAE reserves	341,425	360,843	(1)	(19,418)		268,770	278,499	(1)	(9,728)	
Net unearned premium	415,513	423,572	(1)	(8,059)		259,413	263,550	(1)	(4,138)	
Bonds and interest payable	1,726,911	1,712,061	(1)	14,850		573,637	568,698	(1)	4,939	
Surplus	\$ 6,319,322	\$ 6,230,729	(1)	\$ 88,593		\$ 1,768,945	\$ 1,755,547	(1)	\$ 13,398	
Policy Metrics:										
Policies inforce	420,467	440,351	425,705	(19,884)	(5,238)	300,786	303,699	305,662	(2,913)	(4,876)
Policies serviced	434,050	459,219	440,437	(25,169)	(6,387)	307,478	311,786	312,903	(4,308)	(5,425)
Cash flows:										
Cashflow from operations	\$ (30,455)	\$ (84,161)		\$ 53,706		\$ 1,255	\$ (64,271)		\$ 65,526	
Cashflow from investing	124,049	51,615		72,434		86,163	17,449		68,714	
Cashflow from financing	(893)	(406)		(487)		(89)	206		(295)	
Operating metrics:										
Direct loss ratio	25.3%	29.7%	39.7%	-4.3%	-14.3%	40.3%	42.9%	54.3%	-2.6%	-14.0%
Direct LAE ratio	23.6%	21.6%	12.4%	2.1%	11.3%	31.1%	29.2%	17.1%	1.9%	14.0%
Underwriting expense ratio	10.5%	9.9%	10.4%	0.5%	0.1%	10.2%	9.8%	10.0%	0.4%	0.2%
Administrative expense ratio	17.6%	18.9%	20.6%	-1.3%	-3.0%	17.6%	13.7%	20.6%	3.9%	-3.0%
Expense ratio	28.0%	28.8%	31.0%	-0.8%	-2.9%	27.8%	23.6%	30.7%	4.2%	-2.9%

(1) - Balance sheet information presented is as of December 31, 2018



SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	Commercial Lines Account					Coastal Account				
	Mar 2019	Mar 2018	Budget 2019	YOY Var	Budget Var	Mar 2019	Mar 2018	Budget 2019	YOY Var	Budget Var
Operations:										
Direct written premium	\$ 3,134	\$ 4,015	\$ 3,069	\$ (881)	\$ 64	\$ 73,474	\$ 79,157	\$ 73,053	\$ (5,683)	\$ 421
Ceded written premium:										
Depopulation	(9)	(7)	(272)	(1)	264	(1,379)	(2,052)	(6,462)	673	5,083
FHCF	-	-	-	-	-	-	-	-	-	-
Private reinsurers	-	-	-	-	-	-	-	-	-	-
Net earned premium	3,491	4,713	3,808	(1,222)	(317)	75,651	85,002	75,934	(9,352)	(283)
Net losses incurred	(9,653)	726	478	(10,379)	(10,131)	10,466	9,972	12,546	495	(2,079)
Net LAE incurred	(432)	12	28	(444)	(460)	9,599	10,290	3,823	(691)	5,776
Other underwriting expenses	424	520	417	(95)	8	7,927	7,819	7,928	108	(2)
Administrative expenses	551	865	633	(314)	(82)	12,926	21,325	15,065	(8,399)	(2,138)
Net investment income	11,729	7,640	8,077	4,089	3,652	15,732	10,347	11,204	5,386	4,528
Net income (loss)	\$ 24,345	\$ 10,233	\$ 38,295	\$ 14,111	\$ (13,950)	\$ 50,654	\$ 45,598	\$ 43,809	\$ 5,056	\$ 6,845
Assets, Liabilities and Surplus:										
Cash and invested assets	\$ 1,909,683	\$ 1,903,587	(1)	\$ 6,096		\$ 4,169,170	\$ 4,213,789	(1)	\$ (44,619)	
Net loss reserves	37,199	57,935	(1)	(20,737)		30,407	58,687	(1)	(28,279)	
Net LAE reserves	9,396	12,050	(1)	(2,654)		63,259	70,295	(1)	(7,035)	
Net unearned premium	6,416	6,782	(1)	(366)		149,684	153,240	(1)	(3,556)	
Bonds and interest payable	90,602	89,822	(1)	780		1,062,672	1,053,541	(1)	9,131	
Surplus	\$ 1,775,969	\$ 1,751,599	(1)	\$ 24,370		\$ 2,774,408	\$ 2,723,583	(1)	\$ 50,825	
Policy Metrics:										
Policies inforce	847	1,196	833	(349)	14	118,834	135,456	119,210	(16,622)	(376)
Policies serviced	861	1,300	900	(439)	(39)	125,711	146,133	126,634	(20,422)	(923)
Cash flows:										
Cashflow from operations	\$ 4,671	\$ 7,400		\$ (2,729)		\$ (36,381)	\$ (27,290)		\$ (9,091)	
Cashflow from investing	(2,758)	1,773		(4,531)		40,644	32,393		8,251	
Cashflow from financing	37	(18)		55		(841)	(594)		(247)	
Operating metrics:										
Direct loss ratio	-276.5%	15.4%	12.5%	-291.9%	-289.1%	13.8%	11.7%	16.5%	2.1%	-2.7%
Direct LAE ratio	-12.4%	0.2%	0.7%	-12.6%	-13.1%	12.7%	12.1%	5.0%	0.6%	7.7%
Underwriting expense ratio	13.5%	12.9%	13.6%	0.6%	0.0%	10.8%	9.9%	10.9%	0.9%	-0.1%
Administrative expense ratio	17.6%	21.5%	20.6%	-4.0%	-3.0%	17.6%	26.9%	20.6%	-9.3%	-3.0%
Expense ratio	31.1%	34.5%	34.2%	-3.4%	-3.1%	28.4%	36.8%	31.5%	-8.4%	-3.1%

(1) - Balance sheet information presented is as of December 31, 2018



Consolidated

Personal Lines Account (PLA)

Three months ended

Three months ended

STATEMENTS OF OPERATIONS

Revenue:

	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Direct premiums written	\$ 202,139,419	\$ 206,632,338	\$ 125,531,868	\$ 123,460,275
Change in direct unearned premium	10,922,874	13,276,867	4,512,613	(829,327)
Direct earned premium	213,062,293	219,909,205	130,044,481	122,630,948
Ceded premiums written - Depopulation	(2,837,825)	(3,308,382)	(1,450,341)	(1,248,979)
Ceded premiums written - FHCF	-	-	-	-
Ceded premiums written - Private reinsurance	-	-	-	-
Change in ceded unearned premium	(2,863,660)	(7,131,105)	(375,065)	(1,627,763)
Ceded earned premium	(5,701,486)	(10,439,487)	(1,825,406)	(2,876,741)

Net earned premium

Losses and Loss Adjustment Expenses:

Losses

Direct losses paid	\$ (225,637,636)	\$ (195,822,532)	\$ (142,044,073)	\$ (114,332,936)
Change in direct case loss reserves	35,262,016	(52,623,059)	14,220,064	(29,825,611)
Change in direct IBNR loss reserves	137,864,814	186,321,886	76,126,513	92,732,367
Ceded losses incurred	-	-	-	-
Losses incurred	(52,510,806)	(62,123,704)	(51,697,496)	(51,426,180)

Loss adjustment expenses

Direct D&CC paid	(33,837,058)	(20,422,417)	(25,293,537)	(16,095,937)
Direct A&O paid	(39,391,045)	(62,406,475)	(27,390,007)	(38,467,097)
Change in direct case LAE reserves	10,828,710	(16,425,079)	7,507,880	(12,128,571)
Change in direct IBNR LAE reserves	13,362,276	54,040,945	5,305,442	31,780,298
Ceded LAE incurred	(0)	-	(0)	(1)
LAE incurred	(49,037,117)	(45,213,025)	(39,870,221)	(34,911,308)

Net losses and LAE incurred

Underwriting and Administrative Expenses:

Producer commissions	(15,111,384)	(15,574,657)	(8,890,288)	(8,720,494)
Taxes and fees	(2,501,732)	(2,584,071)	(1,630,351)	(1,664,279)
Other underwriting expenses	(3,519,366)	(2,314,969)	(2,260,619)	(1,750,811)
All other administrative expenses	(35,562,527)	(39,130,417)	(22,084,908)	(16,940,319)
Underwriting and administrative expenses	(56,695,008)	(59,604,115)	(34,866,166)	(29,075,904)

Underwriting income (loss)

Net Investment Income:

Net interest income (expense)				
Investment income earned	57,254,904	52,478,719	19,890,490	18,833,457
Interest expenses	(14,849,784)	(17,267,812)	(4,938,667)	(5,807,825)
Net interest income (expense)	42,405,120	35,210,907	14,951,823	13,025,631
Realized capital gains (losses)	(652,508)	(8,004,561)	(660,982)	(3,806,339)

Net investment income

Other income (expense)

	683,129	(4,218,286)	478,672	(3,874,274)
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Net income (loss)

	\$ 91,553,618	\$ 65,516,933	\$ 16,554,704	\$ 9,685,833
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Commercial Lines Account (CLA)

Coastal Account

Three months ended

Three months ended

STATEMENTS OF OPERATIONS

	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue:				
Direct premiums written	\$ 3,133,514	\$ 4,014,939	\$ 73,474,037	\$ 79,157,124
Change in direct unearned premium	380,438	812,023	6,029,823	13,294,171
Direct earned premium	3,513,952	4,826,962	79,503,860	92,451,295
Ceded premiums written - Depopulation	(8,504)	(7,202)	(1,378,980)	(2,052,201)
Ceded premiums written - FHC	-	-	-	-
Ceded premiums written - Private reinsurance	-	-	-	-
Change in ceded unearned premium	(14,448)	(106,700)	(2,474,147)	(5,396,642)
Ceded earned premium	(22,952)	(113,902)	(3,853,128)	(7,448,843)
Net earned premium	\$ 3,491,000	\$ 4,713,059	\$ 75,650,733	\$ 85,002,452
Losses and Loss Adjustment Expenses:				
Losses				
Direct losses paid	\$ (11,083,397)	\$ (3,923,744)	\$ (72,510,166)	\$ (77,565,852)
Change in direct case loss reserves	17,815,101	(23,393,301)	3,226,851	595,854
Change in direct IBNR loss reserves	2,921,423	26,591,198	58,816,878	66,998,321
Ceded losses incurred	-	-	-	-
Losses incurred	9,653,128	(725,847)	(10,466,437)	(9,971,677)
Loss adjustment expenses				
Direct D&CC paid	(259,495)	(326,956)	(8,284,025)	(3,999,524)
Direct A&O paid	(1,962,561)	(793,723)	(10,038,477)	(23,145,655)
Change in direct case LAE reserves	1,257,307	(360,072)	2,063,523	(3,936,437)
Change in direct IBNR LAE reserves	1,396,682	1,469,137	6,660,151	20,791,510
Ceded LAE incurred	-	-	(0)	1
LAE incurred	431,933	(11,614)	(9,598,828)	(10,290,104)
Net losses and LAE incurred	\$ 10,085,060	\$ (737,461)	\$ (20,065,265)	\$ (20,261,781)
Underwriting and Administrative Expenses:				
Producer commissions	(335,990)	(432,039)	(5,885,106)	(6,422,123)
Taxes and fees	(40,037)	(51,195)	(831,344)	(868,597)
Other underwriting expenses	(48,343)	(36,345)	(1,210,404)	(527,813)
All other administrative expenses	(551,281)	(865,122)	(12,926,338)	(21,324,977)
Underwriting and administrative expenses	(975,651)	(1,384,701)	(20,853,192)	(29,143,510)
Underwriting income (loss)	\$ 12,600,410	\$ 2,590,897	\$ 34,732,275	\$ 35,597,161
Net Investment Income:				
Net interest income (expense)				
Investment income earned	12,564,674	10,872,660	24,799,741	22,772,602
Interest expenses	(780,031)	(917,309)	(9,131,087)	(10,542,677)
Net interest income (expense)	11,784,643	9,955,351	15,668,654	12,229,925
Realized capital gains (losses)	(55,199)	(2,315,039)	63,673	(1,883,183)
Net investment income	\$ 11,729,444	\$ 7,640,312	\$ 15,732,327	\$ 10,346,742
Other income (expense)	14,772	2,097	189,685	(346,109)
Net income (loss)	\$ 24,344,626	\$ 10,233,307	\$ 50,654,288	\$ 45,597,793



ADMINISTRATIVE EXPENSES

	Three months ended			Twelve months
	March 31, 2019	March 31, 2018	2019 Budget	2019 Budget
Salaries	\$ 22,103,429	\$ 21,600,309	\$ 22,498,434	\$ 94,555,768
Employee Benefits	13,288,588	14,137,557	14,400,065	22,169,258
Payroll Taxes	1,658,386	1,632,927	1,703,385	7,111,855
Contingent Staffing	11,283,340	26,348,372	25,953,709	93,940,174
Subscriptions and Dues	184,225	357,801	422,350	1,627,545
Bank Charges	56,651	81,024	57,183	228,728
Depreciation	732,587	1,058,517	751,105	2,807,043
FMAP Funding	(34,748)	(47,616)	(41,448)	(264,495)
Insurance	90,871	291,176	291,268	861,405
Legal	481,682	340,556	306,750	1,267,000
Operations And Maintenance	483,944	578,920	931,086	2,726,466
Miscellaneous	1,747	92,562	-	-
Operating Supplies	52,653	57,062	71,406	287,192
Computer Hardware	415,918	833,807	1,285,931	2,217,861
Postage	101,522	92,463	153,309	638,629
Printing	7,944	2,261	81,099	341,154
Producer Fees Collected	(162,777)	(179,260)	(171,126)	(684,500)
Professional Services	1,114,295	2,176,675	4,248,608	12,425,151
Recruiting	40,523	85,979	192,002	749,658
Rent	1,918,505	1,734,327	1,883,982	7,488,441
Software Maintenance and Licensing	4,451,506	6,126,887	4,840,348	18,873,678
Telecommunications	739,299	962,935	721,250	2,900,300
Training	139,238	130,055	244,594	1,144,293
Travel	296,773	812,321	432,611	1,765,544
ULAE Expense	(23,883,575)	(40,177,201)	(38,774,709)	(137,137,928)
Total Administrative Expense	\$ 35,562,527	\$ 39,130,417	\$ 42,483,194	\$ 138,040,220