



**SUMMARY OF FINANCIAL POSITION AND OPERATIONS**  
**(\$000s omitted)**

	Consolidated Account					Personal Lines Account				
	Sep 2020	Sep 2019	Budget 2020	YOY Var	Budget Var	Sep 2020	Sep 2019	Budget 2020	YOY Var	Budget Var
<b>Operations:</b>										
Direct written premium	\$ 880,977	\$ 662,109	\$ 663,261	\$ 218,868	\$ 217,716	\$ 573,054	\$ 413,846	\$ 419,507	\$ 159,208	\$ 153,547
Ceded written premium:										
Depopulation	(4,849)	(6,710)	(3,012)	1,861	(1,836)	48	(4,512)	(1,063)	4,560	1,111
FHCFC	(143,764)	(135,800)	(134,870)	(7,964)	(8,894)	(73,462)	(67,800)	(70,418)	(5,662)	(3,044)
Private reinsurance	(83,989)	(94,639)	(125,000)	10,650	41,011	(24,085)	(18,395)	(25,000)	(5,690)	915
Net earned premium	556,651	474,257	462,266	82,394	94,385	392,905	333,613	346,881	59,292	46,024
Net losses incurred	262,291	237,396	257,347	24,895	4,943	203,233	167,411	217,951	35,822	(14,718)
Net LAE incurred	158,043	122,929	84,323	35,113	73,720	118,775	107,903	73,500	10,872	45,275
Other underwriting expenses	85,602	67,708	66,927	17,894	18,675	53,983	41,144	41,080	12,839	12,903
Administrative expenses	93,674	93,441	100,380	233	(6,706)	60,626	58,405	64,635	2,221	(4,009)
Net Investment income	177,597	127,572	117,021	50,025	60,576	60,220	48,475	35,701	11,745	24,518
Net income (loss)	\$ 137,298	\$ 82,239	\$ 70,921	\$ 55,059	\$ 66,377	\$ 18,322	\$ 8,578	\$ (14,155)	\$ 9,744	\$ 32,477
<b>Assets, Liabilities and Surplus:</b>										
Cash and invested assets	\$ 8,788,213	\$ 8,878,282 (1)		\$ (90,069)		\$ 2,997,903	\$ 2,941,410 (1)		\$ 56,493	
Net Loss Reserves	417,513	393,658 (1)		23,855		283,356	263,051 (1)		20,305	
Net LAE Reserves	292,956	307,917 (1)		(14,962)		225,189	242,435 (1)		(17,246)	
Net unearned premium	538,211	446,487 (1)		91,724		370,492	287,841 (1)		82,650	
Bonds and interest payable	866,483	1,355,414 (1)		(488,931)		284,817	423,534 (1)		(138,718)	
Surplus	\$ 6,444,731	\$ 6,317,933 (1)		\$ 126,798		\$ 1,759,793	\$ 1,747,896 (1)		\$ 11,897	
<b>Policy Metrics:</b>										
Policies inforce	511,055	421,332	438,199	89,723	72,856	380,257	302,864	323,086	77,393	57,171
Policies serviced	513,450	428,767	441,367	84,683	72,083	380,405	307,558	324,731	72,847	55,674
<b>Cash flows</b>										
Cashflow from operations	\$ 323,956	\$ (25,862)		\$ 349,818		\$ 158,067	\$ (70,804)		\$ 228,871	
Cashflow from investing	126,295	337,573		(211,278)		31,338	242,825		(211,487)	
Cashflow from financing	(485,100)	(330,496)		(154,604)		(137,605)	(134,490)		(3,115)	
<b>Operating metrics:</b>										
Direct loss ratio	36.9%	52.5%	35.6%	-15.6%	1.3%	44.3%	68.5%	49.3%	-24.2%	-5.0%
Direct LAE ratio	22.3%	18.5%	11.7%	3.8%	10.6%	25.9%	28.9%	16.6%	-2.9%	9.3%
Underwriting expense ratio	9.7%	10.2%	10.1%	-0.5%	-0.4%	9.4%	9.9%	9.8%	-0.5%	-0.4%
Administrative expense ratio	10.6%	14.1%	15.1%	-3.5%	-4.5%	10.6%	14.1%	15.4%	-3.5%	-4.8%
Expense ratio	20.3%	24.3%	25.2%	-4.0%	-4.9%	20.0%	24.1%	25.2%	-4.1%	-5.2%

(1) - Balance sheet information presented is as of December 31, 2019



**SUMMARY OF FINANCIAL POSITION AND OPERATIONS**  
(\$000s omitted)

	Commercial Lines Account					Coastal Account				
	Sep 2020	Sep 2019	Budget 2020	YOY Var	Budget Var	Sep 2020	Sep 2019	Budget 2020	YOY Var	Budget Var
<b>Operations:</b>										
Direct written premium	\$ 10,355	\$ 9,169	\$ 6,842	\$ 1,186	\$ 3,513	\$ 297,568	\$ 239,094	\$ 236,912	\$ 58,473	\$ 60,656
Ceded written premium:										
Depopulation	-	(7)	(77)	7	77	(4,897)	(2,191)	(1,872)	(2,706)	(3,025)
FHCF	(2,859)	(2,600)	(1,888)	(259)	(971)	(67,442)	(65,400)	(62,563)	(2,042)	(4,879)
Private reinsurance	-	-	-	-	-	(59,904)	(76,245)	(100,000)	16,340	40,096
Net earned premium	7,534	8,168	6,336	(635)	1,197	156,213	132,475	109,048	23,737	47,164
Net losses incurred	2,254	4,246	1,045	(1,993)	1,208	56,804	65,739	38,351	(8,935)	18,453
Net LAE incurred	1,444	2,010	62	(566)	1,382	37,824	13,016	10,761	24,808	27,063
Other underwriting expenses	1,351	1,247	913	104	437	30,268	25,317	24,934	4,952	5,334
Administrative expenses	1,099	1,294	1,021	(195)	79	31,949	33,743	34,725	(1,793)	(2,776)
Net Investment income	47,996	36,240	30,842	11,756	17,154	69,382	42,857	50,478	26,525	18,904
Net income (loss)	\$ 49,427	\$ 35,656	\$ 34,180	\$ 13,771	\$ 15,247	\$ 69,548	\$ 38,005	\$ 50,896	\$ 31,544	\$ 18,652
<b>Assets, Liabilities and Surplus:</b>										
Cash and invested assets	\$ 1,950,490	\$ 1,909,325 (1)		\$ 41,164		\$ 3,839,820	\$ 4,027,547 (1)		\$ (187,727)	
Net Loss Reserves	37,631	42,815 (1)		(5,184)		96,526	87,792 (1)		8,734	
Net LAE Reserves	9,363	10,709 (1)		(1,346)		58,404	54,774 (1)		3,630	
Net unearned premium	5,763	5,801 (1)		(38)		161,956	152,844 (1)		9,112	
Bonds and interest payable	44,985	66,894 (1)		(21,910)		536,681	864,985 (1)		(328,303)	
Surplus	\$ 1,845,296	\$ 1,796,507 (1)		\$ 48,789		\$ 2,839,642	\$ 2,773,530 (1)		\$ 66,112	
<b>Policy Metrics:</b>										
Policies inforce	724	767	555	(43)	169	130,074	117,701	114,558	12,373	15,516
Policies serviced	724	771	573	(47)	151	132,321	120,438	116,063	11,883	16,258
<b>Cash flows</b>										
Cashflow from operations	\$ 34,766	\$ 24,188		\$ 10,578		\$ 131,123	\$ 20,754		\$ 110,369	
Cashflow from investing	(48,226)	(2,322)		(45,904)		143,183	97,070		46,113	
Cashflow from financing	(21,879)	(21,797)		(82)		(325,617)	(174,209)		(151,408)	
<b>Operating metrics:</b>										
Direct loss ratio	23.7%	42.9%	12.7%	-19.2%	11.0%	23.5%	25.4%	14.1%	-1.9%	9.4%
Direct LAE ratio	15.3%	20.3%	0.7%	-5.0%	14.5%	15.7%	0.4%	4.0%	15.3%	11.7%
Underwriting expense ratio	13.0%	13.6%	13.3%	-0.6%	-0.3%	10.2%	10.6%	10.5%	-0.4%	-0.4%
Administrative expense ratio	10.6%	14.1%	14.9%	-3.5%	-4.3%	10.7%	14.1%	14.7%	-3.4%	-3.9%
Expense ratio	23.7%	27.7%	28.3%	-4.1%	-4.6%	20.9%	24.7%	25.2%	-3.8%	-4.3%

(1) - Balance sheet information presented is as of December 31, 2019



Consolidated  
Nine months ended

Personal Lines Account (PLA)  
Nine months ended

**STATEMENT OF OPERATIONS**

**Revenue:**

	Sep 2020	Sep 2019	Sep 2020	Sep 2019
Direct premiums written	\$ 880,976,740	\$ 662,109,232	\$ 573,054,431	\$ 413,846,104
Change in direct unearned premium	(165,848,332)	(20,550,006)	(112,425,446)	(17,991,860)
<b>Direct earned premium</b>	<b>715,128,408</b>	<b>641,559,226</b>	<b>460,628,985</b>	<b>395,854,244</b>
Ceded premiums written - Depopulation	(4,848,851)	(6,709,525)	48,206	(4,511,996)
Ceded premiums written - FHCF	(143,763,583)	(135,800,000)	(73,462,253)	(67,800,000)
Ceded premiums written - Private reinsurance	(83,989,119)	(94,639,245)	(24,084,968)	(18,394,693)
Change in ceded unearned premium	74,124,271	69,846,616	29,774,990	28,465,903
<b>Ceded earned premium</b>	<b>(158,477,282)</b>	<b>(167,302,154)</b>	<b>(67,724,025)</b>	<b>(62,240,786)</b>
<b>Net earned premium</b>	<b>\$ 556,651,126</b>	<b>\$ 474,257,072</b>	<b>\$ 392,904,960</b>	<b>\$ 333,613,458</b>

**Losses and Loss Adjustment Expenses:**

Losses

Direct losses paid	\$ (357,929,080)	\$ (598,805,459)	\$ (249,705,368)	\$ (383,576,276)
Change in direct case loss reserves	50,719,627	72,359,180	37,062,288	35,290,751
Change in direct IBNR loss reserves	45,494,968	196,681,562	9,853,525	80,476,861
Ceded losses incurred	(576,103)	92,369,052	(443,612)	100,397,960
<b>Losses incurred</b>	<b>(262,290,588)</b>	<b>(237,395,666)</b>	<b>(203,233,167)</b>	<b>(167,410,704)</b>

Loss adjustment expenses

Direct D&CC paid	(79,550,219)	(90,625,013)	(61,494,964)	(68,008,160)
Direct A&O paid	(108,247,816)	(118,464,856)	(77,864,924)	(83,547,019)
Change in direct case LAE reserves	6,857,427	19,462,669	3,319,925	12,847,105
Change in direct IBNR LAE reserves	22,934,090	73,762,887	17,287,227	25,785,217
Ceded LAE incurred	(36,267)	(7,065,038)	(22,181)	5,019,898
<b>LAE incurred</b>	<b>(158,042,785)</b>	<b>(122,929,350)</b>	<b>(118,774,916)</b>	<b>(107,902,959)</b>

**Net losses and LAE incurred**

<b>\$ (420,333,373)</b>	<b>\$ (360,325,016)</b>	<b>\$ (322,008,083)</b>	<b>\$ (275,313,663)</b>
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**Underwriting and Administrative Expenses:**

Producer Commissions	(64,586,229)	(49,324,147)	(40,068,108)	(29,217,480)
Taxes and fees	(12,690,566)	(8,573,541)	(8,554,372)	(5,625,434)
Other underwriting expenses	(8,325,046)	(9,809,902)	(5,360,491)	(6,301,263)
All other administrative expenses	(93,674,154)	(93,441,369)	(60,625,624)	(58,404,784)
<b>Underwriting and administrative expenses</b>	<b>(179,275,996)</b>	<b>(161,148,958)</b>	<b>(114,608,596)</b>	<b>(99,548,961)</b>

**Underwriting income (loss)**

<b>\$ (42,958,243)</b>	<b>\$ (47,216,902)</b>	<b>\$ (43,711,720)</b>	<b>\$ (41,249,166)</b>
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**Net investment income:**

Net interest income (expense)

Investment income earned	151,988,014	170,437,502	50,584,781	58,201,659
Interest expenses	(27,136,972)	(40,118,826)	(9,792,908)	(13,322,159)
<b>Net interest income (expense)</b>	<b>124,851,042</b>	<b>130,318,676</b>	<b>40,791,873</b>	<b>44,879,500</b>

Realized capital gains (loses)

52,745,874	(2,746,936)	19,427,663	3,595,437
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**Net investment income**

<b>\$ 177,596,915</b>	<b>\$ 127,571,740</b>	<b>\$ 60,219,536</b>	<b>\$ 48,474,937</b>
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**Other income (expense)**

2,659,115	1,884,139	1,814,631	1,352,585
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**Net income (loss)**

<b>\$ 137,297,788</b>	<b>\$ 82,238,977</b>	<b>\$ 18,322,448</b>	<b>\$ 8,578,355</b>
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Commercial Lines Account (CLA)  
Nine months ended

Coastal Account  
Nine months ended

**STATEMENT OF OPERATIONS**

**Revenue:**

	Sep 2020	Sep 2019	Sep 2020	Sep 2019
Direct premiums written	\$ 10,354,565	\$ 9,168,796	\$ 297,567,744	\$ 239,094,332
Change in direct unearned premium	(914,808)	778,673	(52,508,079)	(3,336,819)
<b>Direct earned premium</b>	9,439,757	9,947,469	245,059,665	235,757,513
Ceded premiums written - Depopulation	-	(6,754)	(4,897,057)	(2,190,775)
Ceded premiums written - FHC	(2,859,272)	(2,600,000)	(67,442,058)	(65,400,000)
Ceded premiums written - Private reinsurance	-	-	(59,904,151)	(76,244,552)
Change in ceded unearned premium	953,091	827,627	43,396,191	40,553,086
<b>Ceded earned premium</b>	(1,906,181)	(1,779,126)	(88,847,075)	(103,282,241)
<b>Net earned premium</b>	\$ 7,533,576	\$ 8,168,343	\$ 156,212,590	\$ 132,475,272

**Losses and Loss Adjustment Expenses:**

Losses

Direct losses paid	\$ (7,437,592)	\$ (18,917,676)	\$ (100,786,119)	\$ (196,311,507)
Change in direct case loss reserves	301,344	16,081,696	13,355,995	20,986,733
Change in direct IBNR loss reserves	4,900,226	(1,410,185)	30,741,217	117,614,885
Ceded losses incurred	(17,545)	-	(114,946)	(8,028,908)
<b>Losses incurred</b>	(2,253,567)	(4,246,165)	(56,803,854)	(65,738,797)
Loss adjustment expenses				
Direct D&CC paid	(1,143,997)	(575,158)	(16,911,259)	(22,041,696)
Direct A&O paid	(1,645,276)	(3,499,827)	(28,737,616)	(31,418,011)
Change in direct case LAE reserves	939,397	1,444,705	2,598,105	5,170,859
Change in direct IBNR LAE reserves	407,200	620,266	5,239,663	47,357,404
Ceded LAE incurred	(877)	-	(13,209)	(12,084,935)
<b>LAE incurred</b>	(1,443,552)	(2,010,013)	(37,824,317)	(13,016,378)
<b>Net losses and LAE incurred</b>	\$ (3,697,119)	\$ (6,256,178)	\$ (94,628,171)	\$ (78,755,175)

**Underwriting and Administrative Expenses:**

Producer Commissions	(1,116,648)	(996,837)	(23,401,473)	(19,109,829)
Taxes and fees	(149,342)	(115,243)	(3,986,852)	(2,832,864)
Other underwriting expenses	(84,642)	(134,752)	(2,879,913)	(3,373,887)
All other administrative expenses	(1,099,328)	(1,293,963)	(31,949,202)	(33,742,622)
<b>Underwriting and administrative expenses</b>	(2,449,960)	(2,540,795)	(62,217,439)	(59,059,202)
<b>Underwriting income (loss)</b>	\$ 1,386,497	\$ (628,630)	(633,020)	(5,339,106)

**Net investment income:**

Net interest income (expense)				
Investment income earned	35,335,008	38,007,854	66,068,224	74,227,989
Interest expenses	(1,546,726)	(2,104,148)	(15,797,337)	(24,692,519)
<b>Net interest income (expense)</b>	33,788,282	35,903,706	50,270,887	49,535,470
Realized capital gains (losses)	14,207,311	335,920	19,110,900	(6,678,293)
<b>Net investment income</b>	\$ 47,995,593	\$ 36,239,626	\$ 69,381,786	\$ 42,857,177

**Other income (expense)**

	44,773	45,069	799,710	486,485
<b>Net income (loss)</b>	\$ 49,426,863	\$ 35,656,065	\$ 69,548,476	\$ 38,004,557



## ADMINISTRATIVE EXPENSES

	Nine months ended			Twelve months
	Sep 2020	Sep 2019	2020 Budget	2020 Budget
Salaries	\$ 70,282,622	\$ 68,321,945	\$ 71,976,382	\$ 97,570,910
Employee Benefits	20,521,589	17,199,272	20,778,196	22,450,512
Payroll Taxes	5,120,761	4,971,068	5,347,150	7,030,655
Contingent Staffing	42,858,029	44,945,914	51,723,949	67,144,807
Subscriptions & Dues	840,495	553,942	1,313,028	1,693,534
Bank Charges	75,600	149,587	83,454	110,341
Depreciation	1,709,342	2,151,631	1,747,573	2,184,160
FMAP Funding	(138,168)	(109,828)	(208,814)	(315,954)
Insurance	700,210	380,303	557,014	876,272
Legal	662,774	1,076,853	1,190,650	1,583,000
Operations & Maintenance	1,289,575	1,658,577	1,772,369	2,370,564
Miscellaneous	5,263	(7,049)	-	-
Operating Supplies	131,366	167,549	204,207	270,927
Computer Hardware	1,294,644	1,326,219	1,621,986	2,050,228
Postage	155,969	217,530	369,324	463,146
Printing	43,139	31,775	152,129	199,622
Producer Fees Collected	(279,760)	(375,502)	(517,817)	(717,000)
Professional Services	5,855,953	4,807,939	9,524,555	11,949,362
Recruiting	296,283	298,587	439,756	595,795
Rent	4,784,707	5,545,758	4,845,326	6,474,951
Software Maint & Licensing	11,445,467	13,458,468	14,065,901	18,675,510
Telecommunications	2,145,005	2,185,188	2,083,187	2,730,280
Training	300,456	589,452	833,162	1,083,768
Travel & Meals	344,726	1,020,810	1,427,295	1,641,726
ULAE Expense Allocation	(76,771,892)	(77,124,620)	(87,892,182)	(114,276,829)
<b>Total Administrative Expense</b>	<b>\$ 93,674,154</b>	<b>\$ 93,441,369</b>	<b>\$ 103,437,781</b>	<b>\$ 133,840,286</b>