



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

	Consolidated					Personal Lines Account				
	Jun 2021	Jun 2020	Budget 2021	YOY Var	Budget Var	Jun 2021	Jun 2020	Budget 2021	YOY Var	Budget Var
<b>Operations:</b>										
Direct written premium	\$ 839,450	\$ 552,558	\$ 681,208	\$ 286,893	\$ 158,243	\$ 580,184	\$ 356,489	\$ 456,102	\$ 223,695	\$ 124,082
Ceded written premium:										
Depopulation	(1,820)	(4,938)	(2,875)	3,118	1,055	(1,165)	42	(1,727)	(1,207)	562
FHCF	(194,673)	(143,764)	(184,117)	(50,909)	(10,556)	(106,158)	(73,462)	(98,564)	(32,696)	(7,595)
Private reinsurance	(237,953)	(83,989)	(210,000)	(153,964)	(27,953)	(98,680)	(24,085)	(60,000)	(74,595)	(38,680)
Net earned premium	560,577	411,657	529,995	148,920	30,582	395,639	272,166	371,054	123,473	24,585
Net losses incurred	256,111	147,235	242,749	108,876	13,362	210,559	125,939	204,362	84,620	6,197
Net LAE incurred	140,045	92,195	80,393	47,849	59,651	115,408	72,446	70,169	42,963	45,239
Other underwriting expenses	78,710	53,819	67,249	24,891	11,461	53,084	33,603	43,699	19,481	9,385
Administrative expenses	67,160	65,659	74,700	1,500	(7,540)	46,311	42,098	50,368	4,213	(4,058)
Net Investment income	94,995	119,645	71,011	(24,650)	23,984	31,661	41,062	17,709	(9,400)	13,952
Net income (loss)	\$ 120,305	\$ 174,119	\$ 136,964	\$ (53,815)	\$ (16,659)	\$ 6,328	\$ 40,336	\$ 20,960	\$ (34,007)	\$ (14,631)
<b>Assets, Liabilities and Surplus:</b>										
Cash and invested assets	\$ 9,109,188	\$ 8,745,751 (1)		\$ 363,437		\$ 3,132,268	\$ 2,983,416 (1)		\$ 148,851	
Net Loss Reserves	490,528	442,657 (1)		47,871		369,335	314,314 (1)		55,021	
Net LAE Reserves	354,090	325,586 (1)		28,504		282,472	256,115 (1)		26,357	
Net unearned premium	472,380	627,953 (1)		(155,573)		405,770	427,229 (1)		(21,459)	
Bonds and interest payable	686,206	853,097 (1)		(166,891)		140,215	280,529 (1)		(140,314)	
Surplus	\$ 6,563,038	\$ 6,441,806 (1)		\$ 121,232		\$ 1,725,874	\$ 1,720,123 (1)		\$ 5,751	
<b>Policy Metrics:</b>										
Policies inforce	638,263	474,630	600,236	163,633	38,027	487,736	351,332	452,002	136,404	35,734
Policies serviced	641,330	478,530	605,452	162,800	35,878	489,735	352,315	455,112	137,420	34,623
<b>Cash flows</b>										
Cashflow from operations	\$ 477,301	\$ 214,730		\$ 262,571		\$ 274,173	\$ 93,667		\$ 180,506	
Cashflow from investing	57,055	351,421		(294,366)		92,471	81,361		11,110	
Cashflow from financing	(159,985)	(485,003)		325,018		(137,952)	(137,721)		(230)	
<b>Operating metrics:</b>										
Direct loss ratio	40.4%	32.6%	26.3%	7.8%	14.1%	48.9%	43.5%	38.6%	5.4%	10.3%
Direct LAE ratio	22.1%	20.5%	8.7%	1.6%	13.4%	26.8%	25.1%	13.2%	1.7%	13.5%
Underwriting expense ratio	9.4%	9.7%	9.9%	-0.4%	-0.5%	9.1%	9.4%	9.6%	-0.3%	-0.4%
Administrative expense ratio	8.0%	11.9%	11.0%	-3.9%	-3.0%	8.0%	11.8%	11.0%	-3.8%	-3.1%
Expense ratio	17.4%	21.6%	20.8%	-4.2%	-3.5%	17.1%	21.2%	20.6%	-4.1%	-3.5%

(1) - Balance sheet information presented is as of December 31, 2020



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

	Commercial Lines Account					Coastal Account				
	Jun 2021	Jun 2020	Budget 2021	YOY Var	Budget Var	Jun 2021	Jun 2020	Budget 2021	YOY Var	Budget Var
<b>Operations:</b>										
Direct written premium	\$ 10,371	\$ 7,439	\$ 7,709	\$ 2,932	\$ 2,662	\$ 248,895	\$ 188,629	\$ 217,396	\$ 60,266	\$ 31,499
Ceded written premium:										
Depopulation	-	-	-	-	-	(656)	(4,981)	(1,148)	4,325	492
FHCF	(3,352)	(2,859)	(3,352)	(493)	-	(85,162)	(67,442)	(82,201)	(17,720)	(2,961)
Private reinsurance	-	-	-	-	-	(139,273)	(59,904)	(150,000)	(79,369)	10,727
Net earned premium	6,502	5,707	6,606	795	(104)	158,436	133,784	152,335	24,652	6,101
Net losses incurred	1,463	766	951	696	512	44,090	20,530	37,436	23,560	6,654
Net LAE incurred	478	966	56	(488)	422	24,158	18,783	10,168	5,374	13,989
Other underwriting expenses	1,339	965	1,036	374	303	24,287	19,251	22,514	5,036	1,773
Administrative expenses	804	879	823	(74)	(18)	20,045	22,683	23,509	(2,638)	(3,464)
Net Investment income	28,119	31,547	20,414	(3,427)	7,705	35,215	47,037	32,888	(11,822)	2,327
Net income (loss)	\$ 30,570	\$ 33,706	\$ 24,199	\$ (3,136)	\$ 6,371	\$ 83,406	\$ 100,078	\$ 91,805	\$ (16,672)	\$ (8,399)
<b>Assets, Liabilities and Surplus:</b>										
Cash and invested assets	\$ 1,952,192	\$ 1,945,862 (1)		\$ 6,330		\$ 4,024,728	\$ 3,816,472 (1)		\$ 208,255	
Net Loss Reserves	28,445	34,595 (1)		(6,150)		92,748	93,749 (1)		(1,000)	
Net LAE Reserves	7,613	8,428 (1)		(815)		64,005	61,043 (1)		2,963	
Net unearned premium	6,837	6,320 (1)		517		59,773	194,404 (1)		(134,632)	
Bonds and interest payable	22,146	44,308 (1)		(22,162)		523,845	528,261 (1)		(4,416)	
Surplus	\$ 1,893,513	\$ 1,862,730 (1)		\$ 30,783		\$ 2,943,651	\$ 2,858,953 (1)		\$ 84,698	
<b>Policy Metrics:</b>										
Policies inforce	715	728	841	(13)	(126)	149,812	122,570	147,392	27,242	2,420
Policies serviced	715	728	841	(13)	(126)	150,880	125,487	149,498	25,393	1,382
<b>Cash flows</b>										
Cashflow from operations	\$ 22,652	\$ 21,992		\$ 660		\$ 180,476	\$ 99,070		\$ 81,406	
Cashflow from investing	(76,877)	22,031		(98,908)		41,462	248,030		(206,568)	
Cashflow from financing	(21,833)	(21,851)		18		(201)	(325,431)		325,230	
<b>Operating metrics:</b>										
Direct loss ratio	20.8%	12.1%	9.6%	8.7%	11.2%	22.4%	13.2%	9.7%	9.2%	12.7%
Direct LAE ratio	6.8%	15.6%	0.6%	-8.8%	6.2%	12.3%	12.2%	2.6%	0.2%	9.7%
Underwriting expense ratio	12.9%	13.0%	13.4%	-0.1%	-0.5%	9.8%	10.2%	10.4%	-0.4%	-0.6%
Administrative expense ratio	7.8%	11.8%	10.7%	-4.1%	-2.9%	8.1%	12.0%	10.8%	-4.0%	-2.8%
Expense ratio	20.7%	24.8%	24.1%	-4.1%	-3.4%	17.8%	22.2%	21.2%	-4.4%	-3.4%

(1) - Balance sheet information presented is as of December 31, 2020



STATEMENT OF OPERATIONS	Consolidated Six months ended		Personal Lines Account (PLA) Six months ended	
	Jun 2021	Jun 2020	Jun 2021	Jun 2020
<b>Revenue:</b>				
Direct premiums written	\$ 839,450,450	\$ 552,557,633	\$ 580,183,863	\$ 356,488,900
Change in direct unearned premium	(197,786,386)	(98,417,003)	(144,983,689)	(65,659,114)
<b>Direct earned premium</b>	<b>641,664,064</b>	<b>454,140,630</b>	<b>435,200,174</b>	<b>290,829,786</b>
Ceded premiums written - Depopulation	(1,820,394)	(4,938,357)	(1,164,692)	42,200
Ceded premiums written - FHCF	(194,672,888)	(143,763,583)	(106,158,488)	(73,462,253)
Ceded premiums written - Private reinsurance	(237,953,234)	(83,989,119)	(98,679,955)	(24,084,968)
Change in ceded unearned premium	<u>353,359,702</u>	<u>190,207,668</u>	<u>166,442,196</u>	<u>78,841,215</u>
<b>Ceded earned premium</b>	<b>(81,086,814)</b>	<b>(42,483,392)</b>	<b>(39,560,939)</b>	<b>(18,663,806)</b>
<b>Net earned premium</b>	<b>\$ 560,577,250</b>	<b>\$ 411,657,238</b>	<b>\$ 395,639,235</b>	<b>\$ 272,165,980</b>
<b>Losses and Loss Adjustment Expenses:</b>				
Losses				
Direct losses paid	\$ (256,263,176)	\$ (253,848,515)	\$ (187,122,468)	\$ (173,259,081)
Change in direct case loss reserves	16,252,352	47,389,177	3,675,200	30,691,379
Change in direct IBNR loss reserves	(16,158,217)	59,804,108	(27,204,321)	17,137,077
Ceded losses incurred	<u>57,777</u>	<u>(579,598)</u>	<u>92,750</u>	<u>(508,131)</u>
<b>Losses incurred</b>	<b>(256,111,264)</b>	<b>(147,234,828)</b>	<b>(210,558,838)</b>	<b>(125,938,756)</b>
Loss adjustment expenses				
Direct D&CC paid	(43,194,563)	(54,705,481)	(34,365,392)	(42,114,197)
Direct A&O paid	(73,584,088)	(71,531,379)	(56,265,854)	(51,407,909)
Change in direct case LAE reserves	(22,300,181)	9,091,737	(19,728,805)	5,381,939
Change in direct IBNR LAE reserves	(967,067)	24,924,730	(5,053,379)	15,719,698
Ceded LAE incurred	<u>1,370</u>	<u>24,961</u>	<u>5,027</u>	<u>(25,407)</u>
<b>LAE incurred</b>	<b>(140,044,528)</b>	<b>(92,195,432)</b>	<b>(115,408,404)</b>	<b>(72,445,876)</b>
<b>Net losses and LAE incurred</b>	<b>\$ (396,155,792)</b>	<b>\$ (239,430,260)</b>	<b>\$ (325,967,242)</b>	<b>\$ (198,384,632)</b>
<b>Underwriting and Administrative Expenses:</b>				
Producer Commissions	(59,284,931)	(40,763,705)	(39,481,755)	(25,009,300)
Taxes and fees	(11,931,126)	(7,789,117)	(8,549,214)	(5,202,662)
Other underwriting expenses	(7,493,912)	(5,266,224)	(5,052,970)	(3,390,918)
All other administrative expenses	<u>(67,159,962)</u>	<u>(65,659,489)</u>	<u>(46,310,652)</u>	<u>(42,097,962)</u>
<b>Underwriting and administrative expenses</b>	<b>(145,869,932)</b>	<b>(119,478,535)</b>	<b>(99,394,590)</b>	<b>(75,700,841)</b>
<b>Underwriting income (loss)</b>	<b>\$ 18,551,526</b>	<b>\$ 52,748,443</b>	<b>\$ (29,722,597)</b>	<b>\$ (1,919,493)</b>
<b>Net investment income:</b>				
Net interest income (expense)				
Investment income earned	92,287,017	104,029,939	30,197,928	34,626,776
Interest expenses	(13,550,480)	(20,055,727)	(4,742,343)	(7,193,213)
<b>Net interest income (expense)</b>	<b>78,736,537</b>	<b>83,974,212</b>	<b>25,455,585</b>	<b>27,433,563</b>
Realized capital gains (loses)	16,258,274	35,670,435	6,205,456	13,627,949
<b>Net investment income</b>	<b>\$ 94,994,811</b>	<b>\$ 119,644,647</b>	<b>\$ 31,661,041</b>	<b>\$ 41,061,512</b>
<b>Other income (expense)</b>	<b>6,758,298</b>	<b>1,726,356</b>	<b>4,390,012</b>	<b>1,193,542</b>
<b>Net income (loss)</b>	<b>\$ 120,304,635</b>	<b>\$ 174,119,446</b>	<b>\$ 6,328,456</b>	<b>\$ 40,335,561</b>



Commercial Lines Account (CLA)

Six months ended

Coastal Account

Six months ended

**STATEMENT OF OPERATIONS**

**Revenue:**

	Jun 2021	Jun 2020	Jun 2021	Jun 2020
Direct premiums written	\$ 10,371,137	\$ 7,439,271	\$ 248,895,450	\$ 188,629,462
Change in direct unearned premium	(3,310,275)	(1,255,230)	(49,492,421)	(31,502,658)
<b>Direct earned premium</b>	<b>7,060,862</b>	<b>6,184,041</b>	<b>199,403,029</b>	<b>157,126,804</b>
Ceded premiums written - Depopulation	-	-	(655,702)	(4,980,558)
Ceded premiums written - FHCF	(3,352,228)	(2,859,272)	(85,162,172)	(67,442,058)
Ceded premiums written - Private reinsurance	-	-	(139,273,279)	(59,904,151)
Change in ceded unearned premium	2,793,523	2,382,727	184,123,983	108,983,726
<b>Ceded earned premium</b>	<b>(558,705)</b>	<b>(476,545)</b>	<b>(40,967,170)</b>	<b>(23,343,040)</b>
<b>Net earned premium</b>	<b>\$ 6,502,157</b>	<b>\$ 5,707,495</b>	<b>\$ 158,435,858</b>	<b>\$ 133,783,763</b>

**Losses and Loss Adjustment Expenses:**

Losses

Direct losses paid	\$ (7,612,511)	\$ (5,752,093)	\$ (61,528,198)	\$ (74,837,341)
Change in direct case loss reserves	3,833,650	743,494	8,743,502	15,954,303
Change in direct IBNR loss reserves	2,312,344	4,262,198	8,733,760	38,404,833
Ceded losses incurred	3,742	(20,096)	(38,716)	(51,370)
<b>Losses incurred</b>	<b>(1,462,774)</b>	<b>(766,497)</b>	<b>(44,089,652)</b>	<b>(20,529,575)</b>

Loss adjustment expenses

Direct D&CC paid	(455,541)	(878,219)	(8,373,630)	(11,713,065)
Direct A&O paid	(838,138)	(1,215,511)	(16,480,096)	(18,907,959)
Change in direct case LAE reserves	166,544	507,646	(2,737,919)	3,202,152
Change in direct IBNR LAE reserves	648,630	620,964	3,437,681	8,584,068
Ceded LAE incurred	187	(1,005)	(3,844)	51,372
<b>LAE incurred</b>	<b>(478,317)</b>	<b>(966,124)</b>	<b>(24,157,807)</b>	<b>(18,783,432)</b>

**Net losses and LAE incurred**

	\$ (1,941,091)	\$ (1,732,621)	\$ (68,247,459)	\$ (39,313,007)
--	----------------	----------------	-----------------	-----------------

**Underwriting and Administrative Expenses:**

Producer Commissions	(1,096,950)	(800,746)	(18,706,226)	(14,953,660)
Taxes and fees	(159,370)	(110,417)	(3,222,542)	(2,476,037)
Other underwriting expenses	(82,537)	(53,543)	(2,358,405)	(1,821,764)
All other administrative expenses	(804,425)	(878,507)	(20,044,886)	(22,683,020)
<b>Underwriting and administrative expenses</b>	<b>(2,143,282)</b>	<b>(1,843,213)</b>	<b>(44,332,060)</b>	<b>(41,934,481)</b>

**Underwriting income (loss)**

	\$ 2,417,784	\$ 2,131,661	45,856,339	52,536,275
--	--------------	--------------	------------	------------

**Net investment income:**

Net interest income (expense)

Investment income earned	21,966,323	24,091,521	40,122,765	45,311,642
Interest expenses	(749,022)	(1,136,121)	(8,059,114)	(11,726,392)
<b>Net interest income (expense)</b>	<b>21,217,301</b>	<b>22,955,400</b>	<b>32,063,651</b>	<b>33,585,249</b>

Realized capital gains (loses)

	6,901,943	8,591,227	3,150,876	13,451,258
--	-----------	-----------	-----------	------------

**Net investment income**

	\$ 28,119,244	\$ 31,546,627	\$ 35,214,527	\$ 47,036,507
--	---------------	---------------	---------------	---------------

**Other income (expense)**

	33,133	27,437	2,335,152	505,377
--	--------	--------	-----------	---------

**Net income (loss)**

	\$ 30,570,161	\$ 33,705,726	\$ 83,406,018	\$ 100,078,160
--	---------------	---------------	---------------	----------------

## ADMINISTRATIVE EXPENSES

	Six months ended			Twelve months
	Jun 2021	Jun 2020	2021 Budget	2021 Budget
Salaries	\$ 49,374,160	\$ 46,284,646	\$ 49,438,542	\$ 101,954,835
Employee Benefits	18,724,175	18,446,888	21,831,368	27,201,761
Payroll Taxes	3,685,276	3,430,268	3,647,001	7,309,653
Contingent Staffing	24,194,195	27,887,497	30,352,850	58,632,809
Subscriptions & Dues	524,383	556,120	744,590	1,332,040
Bank Charges	95,164	53,728	101,256	202,512
Depreciation	697,294	1,221,501	705,495	1,201,817
FMAP Funding	(104,351)	(89,529)	(152,319)	(318,405)
Insurance	383,528	598,700	366,117	890,995
Legal	700,718	465,109	863,600	1,703,450
Operations & Maintenance	768,731	1,027,260	1,368,982	2,648,816
Miscellaneous	-	5,184	-	-
Operating Supplies	32,026	87,476	140,099	277,206
Computer Hardware	800,682	764,965	1,245,824	2,474,442
Postage	177,497	88,392	159,698	287,797
Printing	12,759	19,747	49,987	93,814
Producer Fees Collected	(191,252)	(217,585)	(254,155)	(717,455)
Professional Services	3,482,506	4,017,656	6,133,788	12,328,998
Recruiting	279,878	188,263	266,102	506,468
Rent	3,238,930	3,207,834	3,280,778	6,517,306
Software Maint & Licensing	7,390,575	7,812,828	8,588,029	17,885,232
Telecommunications	1,210,915	1,203,886	1,355,446	2,712,188
Training	275,351	157,156	500,931	1,023,575
Travel & Meals	122,993	297,533	491,705	1,142,787
ULAE Expense Allocation	(48,716,173)	(51,856,034)	(56,526,025)	(107,929,618)
<b>Total Administrative Expense</b>	<b>\$ 67,159,962</b>	<b>\$ 65,659,489</b>	<b>\$ 74,699,688</b>	<b>\$ 139,363,021</b>