



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

	Consolidated					Personal Lines Account				
	Sep 2021	Sep 2020	Budget 2021	YOY Var	Budget Var	Sep 2021	Sep 2020	Budget 2021	YOY Var	Budget Var
<b>Operations:</b>										
Direct written premium	\$ 1,352,753	\$ 880,977	\$ 1,043,346	\$ 471,777	\$ 309,408	\$ 942,699	\$ 573,054	\$ 695,498	\$ 369,644	\$ 247,200
Ceded written premium:										
Depopulation	(1,774)	(4,849)	(3,015)	3,075	1,242	(1,141)	48	(1,813)	(1,189)	672
FHCF	(194,673)	(143,764)	(184,117)	(50,909)	(10,556)	(106,158)	(73,462)	(98,564)	(32,696)	(7,595)
Private reinsurance	(250,923)	(83,989)	(210,000)	(166,933)	(40,923)	(111,649)	(24,085)	(60,000)	(87,564)	(51,649)
Net earned premium	727,507	556,651	658,556	170,856	68,951	556,484	392,905	510,848	163,579	45,636
Net losses incurred	386,067	262,291	375,958	123,776	10,109	319,445	203,233	316,674	116,212	2,772
Net LAE incurred	216,364	158,043	124,524	58,322	91,841	177,056	118,775	108,732	58,281	68,325
Other underwriting expenses	129,361	85,602	102,754	43,759	26,607	88,137	53,983	66,501	34,154	21,636
Administrative expenses	99,168	93,674	107,359	5,493	(8,191)	68,762	60,626	72,389	8,137	(3,627)
Net Investment income	187,269	177,597	105,289	9,672	81,979	58,485	60,220	26,050	(1,735)	32,435
Net income (loss)	\$ 91,220	\$ 137,298	\$ 54,853	\$ (46,078)	\$ 36,367	\$ (33,605)	\$ 18,322	\$ (26,186)	\$ (51,928)	\$ (7,419)
<b>Assets, Liabilities and Surplus:</b>										
Cash and invested assets	\$ 9,335,971	\$ 8,745,751 (1)		\$ 590,220		\$ 3,282,091	\$ 2,983,416 (1)		\$ 298,675	
Net Loss Reserves	529,254	442,657 (1)		86,596		403,473	314,314 (1)		89,159	
Net LAE Reserves	370,309	325,586 (1)		44,723		293,309	256,115 (1)		37,194	
Net unearned premium	805,831	627,953 (1)		177,877		594,495	427,229 (1)		167,266	
Bonds and interest payable	691,736	853,097 (1)		(161,361)		141,532	280,529 (1)		(138,996)	
Surplus	\$ 6,535,212	\$ 6,441,806 (1)		\$ 93,406		\$ 1,687,223	\$ 1,720,123 (1)		\$ (32,900)	
<b>Policy Metrics:</b>										
Policies inforce	708,919	511,055	621,583	197,864	87,336	546,319	380,257	468,828	166,062	77,491
Policies serviced	710,009	513,450	624,247	196,559	85,762	547,192	380,405	470,399	166,787	76,793
<b>Cash flows</b>										
Cashflow from operations	\$ 665,751	\$ 323,956		\$ 341,795		\$ 400,222	\$ 158,067		\$ 242,155	
Cashflow from investing	251,150	126,295		124,855		126,892	31,338		95,553	
Cashflow from financing	(160,020)	(485,100)		325,081		(137,900)	(137,605)		(295)	
<b>Operating metrics:</b>										
Direct loss ratio	37.6%	36.9%	35.7%	0.7%	1.9%	45.4%	44.3%	47.3%	1.1%	-1.9%
Direct LAE ratio	21.1%	22.3%	11.8%	-1.2%	9.3%	25.2%	25.9%	16.2%	-0.7%	9.0%
Underwriting expense ratio	9.6%	9.7%	9.8%	-0.2%	-0.3%	9.3%	9.4%	9.6%	-0.1%	-0.2%
Administrative expense ratio	7.3%	10.6%	10.3%	-3.3%	-3.0%	7.3%	10.6%	10.4%	-3.3%	-3.1%
Expense ratio	16.9%	20.3%	20.1%	-3.5%	-3.2%	16.6%	20.0%	20.0%	-3.4%	-3.3%

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



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

	Commercial Lines Account					Coastal Account				
	Sep 2021	Sep 2020	Budget 2021	YOY Var	Budget Var	Sep 2021	Sep 2020	Budget 2021	YOY Var	Budget Var
<b>Operations:</b>										
Direct written premium	\$ 13,296	\$ 10,355	\$ 11,236	\$ 2,942	\$ 2,060	\$ 396,758	\$ 297,568	\$ 336,611	\$ 99,191	\$ 60,147
Ceded written premium:										
Depopulation	-	-	-	-	-	(633)	(4,897)	(1,202)	4,264	570
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	8,944	7,534	8,630	1,410	314	162,080	156,213	139,078	5,867	23,001
Net losses incurred	710	2,254	1,462	(1,544)	(752)	65,912	56,804	57,822	9,108	8,090
Net LAE incurred	225	1,444	86	(1,219)	138	39,083	37,824	15,706	1,259	23,378
Other underwriting expenses	1,761	1,351	1,514	411	247	39,462	30,268	34,739	9,194	4,723
Administrative expenses	994	1,099	1,182	(105)	(188)	29,411	31,949	33,787	(2,538)	(4,376)
Net Investment income	57,242	47,996	30,784	9,246	26,458	71,542	69,382	48,455	2,160	23,087
Net income (loss)	\$ 62,541	\$ 49,427	\$ 35,236	\$ 13,114	\$ 27,305	\$ 62,285	\$ 69,548	\$ 45,803	\$ (7,264)	\$ 16,482
<b>Assets, Liabilities and Surplus:</b>										
Cash and invested assets	\$ 1,982,123	\$ 1,945,862 (1)		\$ 36,261		\$ 4,071,756	\$ 3,816,472 (1)		\$ 255,284	
Net Loss Reserves	23,370	34,595 (1)		(11,225)		102,411	93,749 (1)		8,662	
Net LAE Reserves	7,070	8,428 (1)		(1,359)		69,930	61,043 (1)		8,888	
Net unearned premium	7,320	6,320 (1)		1,000		204,015	194,404 (1)		9,611	
Bonds and interest payable	22,354	44,308 (1)		(21,954)		527,849	528,261 (1)		(412)	
Surplus	\$ 1,925,488	\$ 1,862,730 (1)		\$ 62,758		\$ 2,922,501	\$ 2,858,953 (1)		\$ 63,548	
<b>Policy Metrics:</b>										
Policies inforce	708	724	843	(16)	(135)	161,892	130,074	151,911	31,818	9,981
Policies serviced	708	724	843	(16)	(135)	162,109	132,321	153,004	29,788	9,105
<b>Cash flows</b>										
Cashflow from operations	\$ 34,750	\$ 34,766		\$ (16)		\$ 230,779	\$ 131,123		\$ 99,655	
Cashflow from investing	(52,267)	(48,226)		(4,040)		176,525	143,183		33,342	
Cashflow from financing	(21,834)	(21,879)		45		(286)	(325,617)		325,331	
<b>Operating metrics:</b>										
Direct loss ratio	6.2%	23.7%	12.2%	-17.5%	-6.0%	21.1%	23.5%	15.6%	-2.4%	5.5%
Direct LAE ratio	2.0%	15.3%	0.7%	-13.3%	1.3%	12.5%	15.7%	4.2%	-3.2%	8.3%
Underwriting expense ratio	13.2%	13.0%	13.5%	0.2%	-0.2%	9.9%	10.2%	10.3%	-0.2%	-0.4%
Administrative expense ratio	7.5%	10.6%	10.5%	-3.1%	-3.0%	7.4%	10.7%	10.0%	-3.3%	-2.6%
Expense ratio	20.7%	23.7%	24.0%	-2.9%	-3.3%	17.4%	20.9%	20.4%	-3.5%	-3.0%

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



Consolidated  
Nine months ended

Personal Lines Account (PLA)  
Nine months ended

STATEMENT OF OPERATIONS

	Sep 2021	Sep 2020	Sep 2021	Sep 2020
<b>Revenue:</b>				
Direct premiums written	\$ 1,352,753,296	\$ 880,976,740	\$ 942,698,667	\$ 573,054,431
Change in direct unearned premium	(318,202,839)	(165,848,332)	(234,861,587)	(112,425,446)
<b>Direct earned premium</b>	<b>1,034,550,457</b>	<b>715,128,408</b>	<b>707,837,080</b>	<b>460,628,985</b>
Ceded premiums written - Depopulation	(1,773,598)	(4,848,851)	(1,140,858)	48,206
Ceded premiums written - FHCF	(194,672,888)	(143,763,583)	(106,158,488)	(73,462,253)
Ceded premiums written - Private reinsurance	(250,922,579)	(83,989,119)	(111,649,300)	(24,084,968)
Change in ceded unearned premium	140,325,558	74,124,271	67,595,188	29,774,990
<b>Ceded earned premium</b>	<b>(307,043,508)</b>	<b>(158,477,282)</b>	<b>(151,353,458)</b>	<b>(67,724,025)</b>
<b>Net earned premium</b>	<b>\$ 727,506,949</b>	<b>\$ 556,651,126</b>	<b>\$ 556,483,622</b>	<b>\$ 392,904,960</b>
<b>Losses and Loss Adjustment Expenses:</b>				
Losses				
Direct losses paid	\$ (371,037,353)	\$ (357,929,080)	\$ (275,217,014)	\$ (249,705,368)
Change in direct case loss reserves	12,894,145	50,719,627	(2,338,048)	37,062,288
Change in direct IBNR loss reserves	(27,444,728)	45,494,968	(41,467,438)	9,853,525
Ceded losses incurred	(478,815)	(576,103)	(422,595)	(443,612)
<b>Losses incurred</b>	<b>(386,066,750)</b>	<b>(262,290,588)</b>	<b>(319,445,095)</b>	<b>(203,233,167)</b>
Loss adjustment expenses				
Direct D&CC paid	(68,839,179)	(79,550,219)	(54,994,311)	(61,494,964)
Direct A&O paid	(112,701,393)	(108,247,816)	(87,114,859)	(77,864,924)
Change in direct case LAE reserves	(32,362,143)	6,857,427	(28,968,192)	3,319,925
Change in direct IBNR LAE reserves	(2,436,213)	22,934,090	(5,958,274)	17,287,227
Ceded LAE incurred	(25,459)	(36,267)	(20,740)	(22,181)
<b>LAE incurred</b>	<b>(216,364,388)</b>	<b>(158,042,785)</b>	<b>(177,056,377)</b>	<b>(118,774,916)</b>
<b>Net losses and LAE incurred</b>	<b>\$ (602,431,138)</b>	<b>\$ (420,333,373)</b>	<b>\$ (496,501,472)</b>	<b>\$ (322,008,083)</b>
<b>Underwriting and Administrative Expenses:</b>				
Producer Commissions	(95,788,958)	(64,586,229)	(64,553,347)	(40,068,108)
Taxes and fees	(19,905,392)	(12,690,566)	(14,369,023)	(8,554,372)
Other underwriting expenses	(13,666,156)	(8,325,046)	(9,214,770)	(5,360,491)
All other administrative expenses	(99,167,620)	(93,674,154)	(68,762,199)	(60,625,625)
<b>Underwriting and administrative expenses</b>	<b>(228,528,127)</b>	<b>(179,275,996)</b>	<b>(156,899,339)</b>	<b>(114,608,596)</b>
<b>Underwriting income (loss)</b>	<b>\$ (103,452,316)</b>	<b>\$ (42,958,243)</b>	<b>\$ (96,917,189)</b>	<b>\$ (43,711,720)</b>
<b>Net investment income:</b>				
Net interest income (expense)				
Investment income earned	135,628,918	151,988,014	45,102,989	50,584,781
Interest expenses	(19,080,480)	(27,136,972)	(6,059,878)	(9,792,908)
<b>Net interest income (expense)</b>	<b>116,548,438</b>	<b>124,851,042</b>	<b>39,043,111</b>	<b>40,791,873</b>
Realized capital gains (losses)	70,720,192	52,745,874	19,441,867	19,427,663
<b>Net investment income</b>	<b>\$ 187,268,630</b>	<b>\$ 177,596,915</b>	<b>\$ 58,484,978</b>	<b>\$ 60,219,536</b>
<b>Other income (expense)</b>	<b>7,403,678</b>	<b>2,659,115</b>	<b>4,826,957</b>	<b>1,814,631</b>
<b>Net income (loss)</b>	<b>\$ 91,219,993</b>	<b>\$ 137,297,788</b>	<b>\$ (33,605,254)</b>	<b>\$ 18,322,448</b>



Commercial Lines Account (CLA)  
Nine months ended

Coastal Account  
Nine months ended

STATEMENT OF OPERATIONS

	Sep 2021	Sep 2020	Sep 2021	Sep 2020
<b>Revenue:</b>				
Direct premiums written	\$ 13,296,321	\$ 10,354,565	\$ 396,758,308	\$ 297,567,744
Change in direct unearned premium	(2,117,699)	(914,808)	(81,223,554)	(52,508,079)
<b>Direct earned premium</b>	<b>11,178,622</b>	<b>9,439,757</b>	<b>315,534,754</b>	<b>245,059,665</b>
Ceded premiums written - Depopulation	-	-	(632,740)	(4,897,057)
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	1,117,409	953,091	71,612,960	43,396,191
<b>Ceded earned premium</b>	<b>(2,234,819)</b>	<b>(1,906,181)</b>	<b>(153,455,230)</b>	<b>(88,847,075)</b>
<b>Net earned premium</b>	<b>\$ 8,943,804</b>	<b>\$ 7,533,576</b>	<b>\$ 162,079,524</b>	<b>\$ 156,212,590</b>
<b>Losses and Loss Adjustment Expenses:</b>				
Losses				
Direct losses paid	\$ (11,934,238)	\$ (7,437,592)	\$ (83,886,102)	\$ (100,786,119)
Change in direct case loss reserves	7,847,372	301,344	7,384,821	13,355,995
Change in direct IBNR loss reserves	3,394,828	4,900,226	10,627,882	30,741,217
Ceded losses incurred	(17,504)	(17,545)	(38,716)	(114,946)
<b>Losses incurred</b>	<b>(709,541)</b>	<b>(2,253,567)</b>	<b>(65,912,115)</b>	<b>(56,803,854)</b>
Loss adjustment expenses				
Direct D&CC paid	(666,375)	(1,143,997)	(13,178,494)	(16,911,259)
Direct A&O paid	(916,819)	(1,645,276)	(24,669,715)	(28,737,616)
Change in direct case LAE reserves	377,670	939,397	(3,771,621)	2,598,105
Change in direct IBNR LAE reserves	981,718	407,200	2,540,343	5,239,663
Ceded LAE incurred	(875)	(877)	(3,843)	(13,209)
<b>LAE incurred</b>	<b>(224,680)</b>	<b>(1,443,552)</b>	<b>(39,083,330)</b>	<b>(37,824,317)</b>
<b>Net losses and LAE incurred</b>	<b>\$ (934,221)</b>	<b>\$ (3,697,119)</b>	<b>\$ (104,995,445)</b>	<b>\$ (94,628,171)</b>
<b>Underwriting and Administrative Expenses:</b>				
Producer Commissions	(1,415,551)	(1,116,648)	(29,820,061)	(23,401,473)
Taxes and fees	(195,335)	(149,342)	(5,341,034)	(3,986,852)
Other underwriting expenses	(150,518)	(84,642)	(4,300,869)	(2,879,913)
All other administrative expenses	(994,163)	(1,099,328)	(29,411,257)	(31,949,202)
<b>Underwriting and administrative expenses</b>	<b>(2,755,567)</b>	<b>(2,449,960)</b>	<b>(68,873,221)</b>	<b>(62,217,439)</b>
<b>Underwriting income (loss)</b>	<b>\$ 5,254,015</b>	<b>\$ 1,386,497</b>	<b>(11,789,142)</b>	<b>(633,020)</b>
<b>Net investment income:</b>				
Net interest income (expense)				
Investment income earned	32,269,222	35,335,008	58,256,707	66,068,224
Interest expenses	(957,118)	(1,546,726)	(12,063,484)	(15,797,337)
<b>Net interest income (expense)</b>	<b>31,312,104</b>	<b>33,788,282</b>	<b>46,193,223</b>	<b>50,270,887</b>
Realized capital gains (loses)	25,929,978	14,207,311	25,348,347	19,110,900
<b>Net investment income</b>	<b>\$ 57,242,082</b>	<b>\$ 47,995,593</b>	<b>\$ 71,541,569</b>	<b>\$ 69,381,786</b>
<b>Other income (expense)</b>	<b>44,518</b>	<b>44,773</b>	<b>2,532,204</b>	<b>799,710</b>
<b>Net income (loss)</b>	<b>\$ 62,540,616</b>	<b>\$ 49,426,863</b>	<b>\$ 62,284,631</b>	<b>\$ 69,548,476</b>



## ADMINISTRATIVE EXPENSES

	Nine months ended			Twelve months
	Sep 2021	Sep 2020	2021 Budget	2021 Budget
Salaries	\$ 75,505,625	\$ 70,282,622	\$ 75,159,434	\$ 101,954,835
Employee Benefits	23,601,325	20,521,589	25,237,396	27,201,761
Payroll Taxes	5,554,073	5,120,761	5,458,604	7,309,653
Contingent Staffing	39,193,770	42,858,029	45,115,033	58,632,809
Subscriptions & Dues	785,442	840,495	1,068,619	1,332,040
Bank Charges	152,884	75,600	151,884	202,512
Depreciation	966,869	1,709,342	986,060	1,201,817
FMAP Funding	(136,336)	(138,168)	(235,589)	(318,405)
Insurance	485,579	700,210	539,200	890,995
Legal	914,556	662,774	1,273,800	1,703,450
Operations & Maintenance	1,210,881	1,289,575	1,994,018	2,648,816
Miscellaneous	-	5,263	-	-
Operating Supplies	48,424	131,366	210,390	277,206
Computer Hardware	1,431,776	1,294,644	1,865,783	2,474,442
Postage	204,793	155,969	246,545	287,797
Printing	34,727	43,139	75,597	93,814
Producer Fees Collected	(469,635)	(279,760)	(382,230)	(717,455)
Professional Services	5,746,941	5,855,953	9,275,115	12,328,998
Recruiting	388,889	296,283	359,020	506,468
Rent	4,647,512	4,784,707	4,898,767	6,517,306
Software Maint & Licensing	11,430,796	11,445,467	13,464,711	17,885,232
Telecommunications	1,866,036	2,145,005	2,085,819	2,712,188
Training	356,982	300,456	762,779	1,023,575
Travel & Meals	208,563	344,726	841,866	1,142,787
ULAE Expense Allocation	(74,962,851)	(76,771,892)	(83,093,973)	(107,929,618)
<b>Total Administrative Expense</b>	<b>\$ 99,167,620</b>	<b>\$ 93,674,154</b>	<b>\$ 107,358,648</b>	<b>\$ 139,363,021</b>