

SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	Consolidated					Personal Lines Account				
	Sep 2022	Sep 2021	Budget 2022	YOY Var	Budget Var	Sep 2022	Sep 2021	Budget 2022	YOY Var	Budget Var
Operations:										
Direct written premium	\$ 2,402,512	\$ 1,352,753	\$ 2,251,765	\$ 1,049,759	\$ 150,747	\$ 1,699,975	\$ 942,699	\$ 1,597,346	\$ 757,277	\$ 102,629
Ceded written premium:										
Depopulation	(13,816)	(1,774)	(3,399)	(12,042)	(10,417)	(13,155)	(1,141)	(2,470)	(12,014)	(10,685)
FHCF	(324,455)	(194,673)	(321,956)	(129,782)	(2,500)	(195,372)	(106,158)	(192,477)	(89,213)	(2,895)
Private reinsurance	(216,343)	(250,923)	(400,000)	34,580	183,657	(89,861)	(111,649)	(190,000)	21,788	100,139
Net earned premium	1,320,489	727,507	1,197,354	592,982	123,135	1,003,179	556,484	932,201	446,695	70,977
Net losses incurred	2,575,173	386,067	683,124	2,189,106	1,892,049	1,669,548	319,445	683,124	1,350,103	986,424
Net LAE incurred	659,531	216,364	231,839	443,167	427,693	472,038	177,056	231,839	294,982	240,200
Other underwriting expenses	240,831	129,361	212,616	111,470	28,215	165,890	88,137	212,616	77,753	(46,726)
Administrative expenses	104,797	99,168	121,662	5,630	(16,865)	73,134	68,762	121,662	4,372	(48,528)
Net Investment income	138,636	187,269	118,826	(48,633)	19,810	54,294	58,485	39,553	(4,191)	14,741
Net Income (loss)	\$ (2,118,108)	\$ 91,220	\$ 69,125	\$ (2,209,328)	\$ (2,187,233)	\$ (1,320,995)	\$ (33,605)	\$ (31,550)	\$ (1,287,390)	\$ (1,289,446)
Assets, Liabilities and Surplus:										
Cash and invested assets	\$ 10,119,551	\$ 9,111,990 (1)		\$ 1,007,561		\$ 3,930,908	\$ 3,301,972 (1)		\$ 628,936	
Net Loss Reserves	2,743,338	583,148 (1)		2,160,190		1,777,049	454,035 (1)		1,323,014	
Net LAE Reserves	857,268	424,429 (1)		432,839		632,257	350,211 (1)		282,046	
Net Unearned Premium Reserves	1,504,685	977,276 (1)		527,410		1,095,099	696,690 (1)		398,409	
Bonds and interest payable	291,643	452,853 (1)		(161,210)		-	139,420 (1)		(139,420)	
Surplus	\$ 4,408,283	\$ 6,526,508 (1)		\$ (2,118,225)		\$ 312,062	\$ 1,633,222 (1)		\$ (1,321,159)	
Policy Metrics:										
Policies inforce	1,071,850	708,919	1,000,671	362,931	71,179	851,447	546,319	777,242	305,128	74,205
Policies serviced	1,077,074	710,009	1,002,554	367,065	74,520	856,540	547,192	778,606	309,348	77,934
Cash flows										
Cashflow from operations	\$ 1,174,937	\$ 665,751		\$ 509,186		\$ 755,387	\$ 400,222		\$ 355,166	
Cashflow from investing	(969,002)	251,150		(1,220,152)		(608,267)	126,892		(735,158)	
Cashflow from financing	(139,591)	(160,020)		20,429		(122,565)	(137,900)		15,335	
Operating metrics:										
Direct loss ratio	227.1%	37.6%	35.6%	189.5%	191.5%	220.4%	45.4%	43.3%	175.0%	177.0%
Direct LAE ratio	46.2%	21.1%	12.1%	25.1%	34.1%	47.2%	25.2%	15.2%	22.0%	32.0%
Underwriting expense ratio	10.0%	9.6%	9.4%	0.5%	0.6%	9.8%	9.3%	9.3%	0.4%	0.5%
Administrative expense ratio	4.4%	7.3%	5.4%	-3.0%	-1.0%	4.3%	7.3%	5.4%	-3.0%	-1.1%
Expense ratio	14.4%	16.9%	14.8%	-2.5%	-0.5%	14.1%	16.6%	14.7%	-2.6%	-0.7%

(1) - Balance Sheet information presented is as of December 31, 2021.

SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$'000s omitted)

	Commercial Lines Account					Coastal Account				
	Sep 2022	Sep 2021	Budget 2022	YOY Var	Budget Var	Sep 2022	Sep 2021	Budget 2022	YOY Var	Budget Var
Operations:										
Direct written premium	\$ 42,479	\$ 13,296	\$ 15,115	\$ 29,182	\$ 27,363	\$ 660,058	\$ 396,758	\$ 639,303	\$ 263,300	\$ 20,755
Ceded written premium:										
Depopulation	-	-	-	-	-	(660)	(633)	(929)	(28)	269
FHCF	(6,372)	(3,352)	(3,901)	(3,020)	(2,472)	(122,711)	(85,162)	(125,578)	(37,549)	2,868
Private reinsurance	-	-	-	-	-	(126,482)	(139,273)	(210,000)	12,791	83,518
Net earned premium	19,921	8,944	10,930	10,977	8,991	297,389	162,080	254,222	135,310	43,167
Net losses incurred	47,814	710	1,833	47,105	45,982	857,811	65,912	1,833	791,899	855,978
Net LAE incurred	9,022	225	125	8,797	8,897	178,471	39,083	125	139,388	178,346
Other underwriting expenses	5,635	1,761	1,917	3,874	3,718	69,305	39,462	1,917	29,843	67,388
Administrative expenses	1,948	994	821	954	1,127	29,715	29,411	821	304	28,894
Net Investment income	31,570	57,242	27,668	(25,672)	3,902	52,772	71,542	51,604	(18,770)	1,168
Net Income (loss)	\$ (12,878)	\$ 62,541	\$ 33,982	\$ (75,419)	\$ (46,861)	\$ (784,234)	\$ 62,285	\$ 66,692	\$ (846,519)	\$ (850,926)
Assets, Liabilities and Surplus:										
Cash and invested assets	\$ 2,026,008	\$ 1,989,575 (1)		\$ 36,433		\$ 4,162,635	\$ 3,820,443 (1)		\$ 342,192	
Net Loss Reserves	65,909	24,695 (1)		41,214		900,380	104,417 (1)		795,963	
Net LAE Reserves	13,849	6,653 (1)		7,196		211,162	67,566 (1)		143,596	
Net Unearned Premium Reserves	25,007	8,822 (1)		16,185		384,580	271,764 (1)		112,815	
Bonds and interest payable	-	22,021 (1)		(22,021)		291,643	291,412 (1)		231	
Surplus	\$ 1,924,543	\$ 1,937,420 (1)		\$ (12,877)		\$ 2,171,677	\$ 2,955,866 (1)		\$ (784,189)	
Policy Metrics:										
Policies inforce	936	708	697	228	239	219,467	161,892	222,732	57,575	(3,265)
Policies serviced	936	708	697	228	239	219,598	162,109	223,251	57,489	(3,653)
Cash flows										
Cashflow from operations	\$ 60,374	\$ 34,750		\$ 25,624		\$ 359,175	\$ 230,779		\$ 128,397	
Cashflow from investing	(31,894)	(52,267)		20,373		(328,842)	176,525		(505,367)	
Cashflow from financing	(21,653)	(21,834)		181		4,627	(286)		4,913	
Operating metrics:										
Direct loss ratio	220.3%	6.2%	12.4%	214.1%	208.0%	244.6%	21.1%	18.9%	223.5%	225.7%
Direct LAE ratio	38.9%	2.0%	0.8%	36.9%	38.1%	43.8%	12.5%	5.3%	31.3%	38.5%
Underwriting expense ratio	13.3%	13.2%	12.7%	-	0.6%	10.5%	9.9%	9.8%	0.6%	0.7%
Administrative expense ratio	4.6%	7.5%	5.4%	-2.9%	-0.8%	4.5%	7.4%	5.3%	-2.9%	-0.8%
Expense ratio	17.9%	20.7%	18.1%	-2.9%	-0.3%	15.0%	17.4%	15.1%	-2.4%	-0.1%

(1) - Balance Sheet information presented is as of December 31, 2021.



	Consolidated Nine months ended		Personal Lines Account (PLA) Nine months ended	
	Sep 2022	Sep 2021	Sep 2022	Sep 2021
STATEMENT OF OPERATIONS				
Revenue:				
Direct premiums written	\$ 2,402,511,991	\$ 1,352,753,296	\$ 1,699,975,267	\$ 942,698,667
Change in direct unearned premium	(709,138,797)	(318,202,839)	(494,987,322)	(234,861,587)
Direct earned premium	1,693,373,194	1,034,550,457	1,204,987,945	707,837,080
Ceded premiums written - Depopulation	(13,815,611)	(1,773,598)	(13,155,145)	(1,140,858)
Ceded premiums written - FHCF	(324,455,191)	(194,672,888)	(195,371,925)	(106,158,488)
Ceded premiums written - Private reinsurance	(216,342,909)	(250,922,579)	(89,861,015)	(111,649,300)
Change in ceded unearned premium	181,729,224	140,325,558	96,578,722	67,595,188
Ceded earned premium	(372,884,486)	(307,043,508)	(201,809,363)	(151,353,458)
Net earned premium	\$ 1,320,488,708	\$ 727,506,949	\$ 1,003,178,582	\$ 556,483,622
Losses and Loss Adjustment Expenses:				
Losses				
Direct losses paid	\$ (481,425,891)	\$ (371,037,353)	\$ (390,212,931)	\$ (275,217,014)
Change in direct case loss reserves	(170,331,692)	12,894,145	(143,017,056)	(2,338,048)
Change in direct IBNR loss reserves	(3,165,129,796)	(27,444,728)	(2,096,696,640)	(41,467,438)
Ceded losses incurred	1,241,714,197	(478,815)	960,378,903	(422,595)
Losses incurred	(2,575,173,182)	(386,066,750)	(1,669,547,725)	(319,445,095)
Loss adjustment expenses				
Direct D&CC paid	(90,958,073)	(68,839,179)	(74,353,560)	(54,994,311)
Direct A&O paid	(145,131,909)	(112,701,393)	(117,822,971)	(87,114,859)
Change in direct case LAE reserves	(40,857,912)	(32,362,143)	(37,676,240)	(28,968,192)
Change in direct IBNR LAE reserves	(499,223,059)	(2,436,213)	(333,968,634)	(5,958,274)
Ceded LAE incurred	116,639,572	(25,459)	91,783,048	(20,740)
LAE incurred	(659,531,382)	(216,364,388)	(472,038,357)	(177,056,377)
Net losses and LAE incurred	\$ (3,234,704,564)	\$ (602,431,138)	\$ (2,141,586,081)	\$ (496,501,472)
Underwriting and Administrative Expenses:				
Producer Commissions	(176,461,313)	(95,788,958)	(119,649,817)	(64,553,347)
Taxes and Fees	(37,720,674)	(19,905,392)	(27,232,055)	(14,369,023)
Other underwriting expenses	(26,648,801)	(13,666,156)	(19,008,144)	(9,214,770)
All other administrative expenses	(104,797,357)	(99,167,620)	(73,134,083)	(68,762,199)
Underwriting and administrative expenses	(345,628,145)	(228,528,127)	(239,024,098)	(156,899,339)
Underwriting income (loss)	\$ (2,259,844,002)	\$ (103,452,316)	\$ (1,377,431,597)	\$ (96,917,189)
Net investment income:				
Net interest income (expense)				
Investment income earned	152,784,905	135,628,918	56,723,255	45,102,989
Interest expenses	(9,631,988)	(19,080,480)	(2,181,230)	(6,059,878)
Net interest income (expense)	143,152,917	116,548,438	54,542,024	39,043,111
Realized capital gains (loses)	(4,516,872)	70,720,192	(247,757)	19,441,867
Net investment income	\$ 138,636,044	\$ 187,268,630	\$ 54,294,268	\$ 58,484,978
Other income (expense)	3,099,862	7,403,678	2,141,840	4,826,957
Net income (loss)	\$ (2,118,108,096)	\$ 91,219,993	\$ (1,320,995,489)	\$ (33,605,254)



	Commercial Lines Account (CLA) Nine months ended		Coastal Account Nine months ended	
	Sep 2022	Sep 2021	Sep 2022	Sep 2021
STATEMENT OF OPERATIONS				
Revenue:				
Direct premiums written	\$ 42,478,576	\$ 13,296,321	\$ 660,058,148	\$ 396,758,308
Change in direct unearned premium	(18,309,630)	(2,117,699)	(195,841,846)	(81,223,554)
Direct earned premium	24,168,946	11,178,622	464,216,302	315,534,754
Ceded premiums written - Depopulation	-	-	(660,466)	(632,740)
Ceded premiums written - FHCF	(6,372,448)	(3,352,228)	(122,710,818)	(85,162,172)
Ceded premiums written - Private reinsurance	-	-	(126,481,894)	(139,273,279)
Change in ceded unearned premium	2,124,149	1,117,409	83,026,353	71,612,960
Ceded earned premium	(4,248,299)	(2,234,819)	(166,826,825)	(153,455,230)
Net earned premium	\$ 19,920,648	\$ 8,943,804	\$ 297,389,477	\$ 162,079,524
Losses and Loss Adjustment Expenses:				
Losses				
Direct losses paid	\$ (6,600,569)	\$ (11,934,238)	\$ (84,612,390)	\$ (83,886,102)
Change in direct case loss reserves	2,459,192	7,847,373	(29,773,828)	7,384,821
Change in direct IBNR loss reserves	(49,110,119)	3,394,828	(1,019,323,037)	10,627,882
Ceded losses incurred	5,437,027	(17,504)	275,898,267	(38,716)
Losses incurred	(47,814,469)	(709,541)	(857,810,988)	(65,912,115)
Loss adjustment expenses				
Direct D&CC paid	(583,204)	(666,375)	(16,021,309)	(13,178,494)
Direct A&O paid	(1,242,321)	(916,819)	(26,066,617)	(24,669,715)
Change in direct case LAE reserves	359,920	377,670	(3,541,593)	(3,771,621)
Change in direct IBNR LAE reserves	(7,941,708)	981,718	(157,312,717)	2,540,343
Ceded LAE incurred	385,388	(875)	24,471,136	(3,843)
LAE incurred	(9,021,925)	(224,680)	(178,471,100)	(39,083,330)
Net losses and LAE incurred	\$ (56,836,394)	\$ (934,221)	\$ (1,036,282,088)	\$ (104,995,445)
Underwriting and Administrative Expenses:				
Producer Commissions	(4,693,709)	(1,415,551)	(52,117,787)	(29,820,061)
Taxes and Fees	(761,886)	(195,335)	(9,726,734)	(5,341,034)
Other underwriting expenses	(179,902)	(150,518)	(7,460,755)	(4,300,869)
All other administrative expenses	(1,948,297)	(994,163)	(29,714,976)	(29,411,257)
Underwriting and administrative expenses	(7,583,795)	(2,755,567)	(99,020,253)	(68,873,221)
Underwriting income (loss)	\$ (44,499,541)	\$ 5,254,015	\$ (837,912,864)	\$ (11,789,142)
Net investment income:				
Net interest income (expense)				
Investment income earned	33,763,746	32,269,222	62,297,904	58,256,707
Interest expenses	(344,511)	(957,118)	(7,106,247)	(12,063,484)
Net interest income (expense)	33,419,235	31,312,104	55,191,657	46,193,223
Realized capital gains (loses)	(1,849,413)	25,929,978	(2,419,702)	25,348,347
Net investment income	\$ 31,569,822	\$ 57,242,082	\$ 52,771,955	\$ 71,541,569
Other income (expense)	51,395	44,518	906,627	2,532,204
Net income (loss)	\$ (12,878,324)	\$ 62,540,616	\$ (784,234,282)	\$ 62,284,631



ADMINISTRATIVE EXPENSES

	Nine months ended			Twelve months
	Sep 2022	Sep 2021	2022 Budget	2022 Budget
Salaries	\$ 83,532,921	\$ 75,505,625	\$ 87,103,308	\$ 118,125,887
Employee Benefits	26,683,442	23,601,325	29,892,166	32,786,631
Payroll Taxes	6,161,109	5,554,073	7,081,923	9,485,282
Contingent Staffing	51,103,408	39,193,770	59,786,419	78,485,873
Subscriptions & Dues	963,793	785,442	1,288,998	1,637,301
Bank Charges	186,288	152,884	188,992	255,372
Depreciation	480,850	966,870	521,164	656,104
FMAP Funding	(154,234)	(136,336)	(254,472)	(339,296)
Insurance	591,839	485,579	673,892	1,000,643
Legal	316,072	914,556	1,028,950	1,388,600
Operations & Maintenance	1,305,254	1,210,881	1,672,489	2,231,128
Miscellaneous	-	-	-	-
Operating Supplies	65,207	48,424	137,755	181,227
Computer Hardware	1,253,065	1,431,776	2,142,041	2,751,020
Postage	286,537	204,793	288,282	327,041
Printing	36,173	34,727	81,217	99,026
Producer Fees	(628,092)	(469,635)	(537,871)	(866,802)
Professional Services	7,485,325	5,746,941	13,257,647	17,684,925
Recruiting	290,129	388,889	381,460	581,000
Rent	4,418,385	4,647,512	4,657,022	6,194,946
Software Maint & Licensing	12,955,536	11,430,796	16,677,714	22,510,209
Telecommunications	1,372,839	1,866,036	2,455,919	3,444,088
Training	362,964	356,982	740,954	953,644
Travel & Meals	678,376	208,563	1,083,434	1,448,944
ULAE Expense Allocation	(94,949,831)	(74,962,851)	(108,687,370)	(142,434,779)
Total Administrative Expense	\$ 104,797,357	\$ 99,167,620	\$ 121,662,031	\$ 158,588,016