



SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	Consolidated					Personal Lines Account				
	June 2023	June 2022	Budget 2023	YOY Var	Budget Var	June 2023	June 2022	Budget 2023	YOY Var	Budget Var
Operations:										
Direct written premium	\$ 2,651,898	\$ 1,494,035	\$ 2,391,718	\$ 1,157,862	\$ 260,180	\$ 1,600,669	\$ 1,051,632	\$ 1,728,928	\$ 549,037	\$ (128,259)
Ceded written premium:										
Depopulation	(42,112)	(13,930)	(7,740)	(28,182)	(34,373)	(41,739)	(13,266)	(7,262)	(28,473)	(34,477)
FHCF	(488,274)	(324,599)	(506,199)	(163,676)	17,925	(302,446)	(195,372)	(317,021)	(107,074)	14,575
Private reinsurance	(638,115)	(216,343)	(725,000)	(421,772)	86,885	(374,697)	(89,861)	(400,000)	(284,836)	25,303
Net earned premium	1,615,170	921,897	1,593,030	693,273	22,139	1,120,877	669,348	1,170,115	451,529	(49,238)
Net losses incurred	515,833	318,915	667,883	196,918	(152,050)	455,140	276,646	566,281	178,494	(111,141)
Net LAE incurred	254,562	166,347	231,085	88,215	23,477	207,360	139,385	202,793	67,975	4,567
Underwriting expenses	281,950	148,042	237,686	133,908	44,263	157,866	101,161	166,676	56,705	(8,810)
Administrative expenses	84,848	72,192	96,892	12,656	(12,044)	51,214	50,194	69,879	1,019	(18,665)
Net investment income	118,618	84,894	109,706	33,724	8,912	50,044	31,929	33,991	18,115	16,053
Net income (loss)	\$ 599,507	\$ 303,179	\$ 473,590	\$ 296,329	\$ 125,917	\$ 301,257	\$ 135,215	\$ 201,897	\$ 166,041	\$ 99,360
Assets, Liabilities and Surplus:										
Cash and invested assets	\$ 10,178,099	\$ 9,029,738	(1)	\$ 1,148,361		\$ 3,849,712	\$ 3,316,485	(1)	\$ 533,227	
Net loss reserves	1,249,352	1,626,253	(1)	(376,901)		943,264	1,144,503	(1)	(201,239)	
Net LAE reserves	983,234	993,452	(1)	(10,218)		815,964	818,526	(1)	(2,561)	
Net unearned premium	1,572,947	1,704,720	(1)	(131,773)		975,634	1,214,725	(1)	(239,091)	
Bonds and interest payable	284,920	287,119	(1)	(2,200)		-	-	(1)	-	
Surplus	\$ 4,876,526	\$ 4,279,524	(1)	\$ 597,003		\$ 433,321	\$ 134,142	(1)	\$ 299,179	
Policy Metrics:										
Policies inforce	1,317,174	931,357	1,416,137	385,817	(98,963)	1,065,435	735,365	1,146,840	330,070	(81,405)
Policies serviced	1,342,493	940,173	1,425,172	402,320	(82,679)	1,090,369	743,867	1,155,347	346,502	(64,978)
Cash flows:										
Cashflow from operations	\$ 1,151,220	\$ 835,032		\$ 316,188		\$ 532,221	\$ 535,831		\$ (3,610)	
Cashflow from investing	502,888	(799,665)		1,302,553		296,070	(503,396)		799,466	
Cashflow from financing	15,552	(149,821)		165,373		6,125	(130,815)		136,940	
Operating metrics:										
Direct loss ratio	29.4%	31.4%	37.4%	-2.0%	-8.0%	37.3%	38.5%	44.2%	-1.2%	-6.9%
Direct LAE ratio	14.8%	16.4%	12.9%	-1.6%	1.9%	17.5%	19.4%	15.8%	-1.9%	1.7%
Underwriting expense ratio	10.6%	9.9%	9.9%	0.7%	0.7%	9.9%	9.6%	9.6%	0.2%	0.2%
Administrative expense ratio	3.2%	4.8%	4.1%	-1.6%	-0.9%	3.2%	4.8%	4.0%	-1.6%	-0.8%
Expense ratio	13.8%	14.7%	14.0%	-0.9%	-0.2%	13.1%	14.4%	13.7%	-1.3%	-0.6%

(1) - Balance sheet information presented is as of December 31, 2022



SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	Commercial Lines Account					Coastal Account				
	June 2023	June 2022	Budget 2023	YOY Var	Budget Var	June 2023	June 2022	Budget 2023	YOY Var	Budget Var
Operations:										
Direct written premium	\$ 190,079	\$ 33,089	\$ 67,993	\$ 156,990	\$ 122,086	\$ 861,150	\$ 409,315	\$ 594,797	\$ 451,835	\$ 266,353
Ceded written premium:										
Depopulation	-	-	-	-	-	(373)	(664)	(477)	291	104
FHCF	(13,313)	(6,372)	(11,680)	(6,940)	(1,633)	(172,516)	(122,854)	(177,498)	(49,661)	4,983
Private reinsurers	-	-	-	-	-	(263,417)	(126,482)	(325,000)	(136,935)	61,583
Net earned premium	59,361	11,953	35,485	47,408	23,876	434,932	240,596	387,431	194,336	47,501
Net losses incurred	(1,051)	1,257	5,649	(2,309)	(6,700)	61,744	41,012	95,953	20,732	(34,209)
Net LAE incurred	3,327	1,085	451	2,242	2,876	43,875	25,877	27,841	17,999	16,034
Other underwriting expenses	25,392	4,367	9,426	21,024	15,966	98,692	42,514	61,585	56,178	37,107
Administrative expenses	6,082	1,675	2,607	4,407	3,475	27,553	20,323	24,406	7,229	3,147
Net investment income	25,173	20,363	29,786	4,811	(4,613)	43,401	32,603	45,929	10,798	(2,528)
Net income (loss)	\$ 50,893	\$ 23,957	\$ 47,445	\$ 26,936	\$ 3,448	\$ 247,358	\$ 144,007	\$ 224,248	\$ 103,351	\$ 23,110
Assets, Liabilities and Surplus:										
Cash and invested assets	\$ 2,177,460	\$ 2,021,600	(1)	\$ 155,861		\$ 4,150,927	\$ 3,691,653	(1)	\$ 459,274	
Net loss reserves	25,528	49,752	(1)	(24,224)		280,560	431,998	(1)	(151,438)	
Net LAE reserves	8,008	8,719	(1)	(710)		159,261	166,207	(1)	(6,946)	
Net unearned premium	153,435	36,030	(1)	117,405		443,878	453,965	(1)	(10,088)	
Bonds and interest payable	-	-	(1)	-		284,920	287,119	(1)	(2,200)	
Surplus	\$ 1,989,506	\$ 1,938,647	(1)	\$ 50,859		\$ 2,453,699	\$ 2,206,734	(1)	\$ 246,965	
Policy Metrics:										
Policies inforce	2,674	849	1,220	1,825	1,454	249,065	195,143	268,077	53,922	(19,012)
Policies serviced	2,674	849	1,312	1,825	1,362	249,450	195,457	268,513	53,993	(19,063)
Cash flows:										
Cashflow from operations	\$ 154,397	\$ 43,994		\$ 110,403		\$ 464,602	\$ 255,207		\$ 209,395	
Cashflow from investing	36,559	(41,331)		77,890		170,259	(254,938)		425,197	
Cashflow from financing	2,527	(21,614)		24,141		6,900	2,608		4,292	
Operating metrics:										
Direct loss ratio	10.8%	9.5%	16.7%	1.3%	-5.9%	12.3%	14.5%	20.7%	-2.2%	-8.4%
Direct LAE ratio	6.7%	8.3%	1.3%	-1.6%	5.4%	9.0%	9.2%	6.0%	-0.2%	3.0%
Underwriting expense ratio	13.4%	13.2%	13.9%	0.2%	-0.5%	11.5%	10.4%	10.4%	1.1%	1.1%
Administrative expense ratio	3.2%	5.1%	3.8%	-1.9%	-0.6%	3.2%	5.0%	4.1%	-1.8%	-0.9%
Expense ratio	16.6%	18.3%	17.7%	-1.7%	-1.1%	14.7%	15.4%	14.5%	-0.7%	0.2%

(1) - Balance sheet information presented is as of December 31, 2022



Consolidated

Personal Lines Account (PLA)

Six months ended

Six months ended

STATEMENTS OF OPERATIONS

	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revenue:				
Direct premiums written	\$ 2,651,897,657	\$ 1,494,035,351	\$ 1,600,668,687	\$ 1,051,631,871
Change in direct unearned premium	(835,871,210)	(474,383,620)	(354,759,754)	(327,693,160)
Direct earned premium	<u>1,816,026,447</u>	<u>1,019,651,731</u>	<u>1,245,908,933</u>	<u>723,938,711</u>
Ceded premiums written - Depopulation	(42,112,238)	(13,930,119)	(41,739,171)	(13,266,370)
Ceded premiums written - FHCF	(488,274,313)	(324,598,643)	(302,445,945)	(195,371,925)
Ceded premiums written - Private reinsurance	(638,114,543)	(216,342,909)	(374,697,168)	(89,861,015)
Change in ceded unearned premium	967,644,447	457,117,140	593,850,668	243,908,999
Ceded earned premium	<u>(200,856,646)</u>	<u>(97,754,531)</u>	<u>(125,031,616)</u>	<u>(54,590,311)</u>
Net earned premium	<u>\$ 1,615,169,802</u>	<u>\$ 921,897,200</u>	<u>\$ 1,120,877,317</u>	<u>\$ 669,348,400</u>
Losses and Loss Adjustment Expenses:				
Losses				
Direct losses paid	\$ (915,495,718)	(307,294,827)	\$ (674,462,601)	\$ (243,284,752)
Change in direct case loss reserves	(17,334,185)	(19,638,321)	(9,053,522)	(28,433,478)
Change in direct IBNR loss reserves	403,119,879	8,646,188	222,945,040	(4,324,992)
Ceded losses incurred	13,877,249	(627,854)	5,430,782	(602,795)
Losses incurred	<u>(515,832,774)</u>	<u>(318,914,814)</u>	<u>(455,140,301)</u>	<u>(276,646,017)</u>
Loss adjustment expenses				
Direct D&CC paid	(100,245,748)	(56,758,056)	(84,524,918)	(46,042,828)
Direct A&O paid	(166,976,166)	(94,755,207)	(126,300,931)	(76,083,902)
Change in direct case LAE reserves	4,481,067	(19,740,321)	1,699,158	(18,467,467)
Change in direct IBNR LAE reserves	(3,643,623)	4,938,145	(7,358,739)	1,239,229
Ceded LAE incurred	11,822,309	(31,392)	9,125,107	(30,140)
LAE incurred	<u>(254,562,161)</u>	<u>(166,346,832)</u>	<u>(207,360,323)</u>	<u>(139,385,109)</u>
Net losses and LAE incurred	<u>\$ (770,394,936)</u>	<u>\$ (485,261,646)</u>	<u>\$ (662,500,624)</u>	<u>\$ (416,031,126)</u>
Underwriting and Administrative Expenses:				
Producer commissions	(213,547,119)	(109,774,579)	(113,597,143)	(73,781,497)
Taxes and fees	(46,847,800)	(23,108,359)	(28,591,375)	(16,566,932)
Other underwriting expenses	(21,555,153)	(15,159,011)	(15,677,831)	(10,812,668)
All other administrative expenses	(84,847,716)	(72,192,178)	(51,213,546)	(50,194,228)
Underwriting and administrative expenses	<u>(366,797,787)</u>	<u>(220,234,127)</u>	<u>(209,079,895)</u>	<u>(151,355,326)</u>
Underwriting income (loss)	<u>\$ 477,977,079</u>	<u>\$ 216,401,426</u>	<u>\$ 249,296,798</u>	<u>\$ 101,961,948</u>
Net Investment Income:				
Net interest income (expense)				
Investment income earned	132,898,168	95,366,920	54,772,126	34,166,672
Interest expenses	(6,675,374)	(7,272,004)	(2,000,000)	(2,181,230)
Net interest income (expense)	<u>126,222,794</u>	<u>88,094,916</u>	<u>52,772,126</u>	<u>31,985,442</u>
Realized capital gains (losses)	(7,604,316)	(3,200,746)	(2,728,124)	(56,866)
Net investment income	<u>\$ 118,618,478</u>	<u>\$ 84,894,171</u>	<u>\$ 50,044,002</u>	<u>\$ 31,928,576</u>
Other income (expense)	<u>2,911,871</u>	<u>1,883,267</u>	<u>1,915,802</u>	<u>1,324,598</u>
Net income (loss)	<u><u>\$ 599,507,428</u></u>	<u><u>\$ 303,178,864</u></u>	<u><u>\$ 301,256,601</u></u>	<u><u>\$ 135,215,121</u></u>



Commercial Lines Account (CLA)

Coastal Account

STATEMENTS OF OPERATIONS

	Six months ended		Six months ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	14.80%	12.90%		
Revenue:				
Direct premiums written	\$ 190,079,027	\$ 33,088,932	\$ 861,149,943	\$ 409,314,548
Change in direct unearned premium	(128,499,384)	(20,073,769)	(352,612,072)	(126,616,690)
Direct earned premium	61,579,643	13,015,163	508,537,871	282,697,858
Ceded premiums written - Depopulation	-	-	(373,066)	(663,749)
Ceded premiums written - FHCf	(13,312,873)	(6,372,448)	(172,515,495)	(122,854,270)
Ceded premiums written - Private reinsurance	-	-	(263,417,375)	(126,481,894)
Change in ceded unearned premium	11,094,061	5,310,373	362,699,719	207,897,768
Ceded earned premium	(2,218,812)	(1,062,075)	(73,606,217)	(42,102,145)
Net earned premium	\$ 59,360,831	\$ 11,953,088	\$ 434,931,653	\$ 240,595,712
Losses and Loss Adjustment Expenses:				
Losses				
Direct losses paid	\$ (24,370,642)	\$ (6,226,433)	\$ (216,662,475)	\$ (57,783,642)
Change in direct case loss reserves	5,880,050	5,130,667	(14,160,712)	3,664,489
Change in direct IBNR loss reserves	11,864,700	(136,314)	168,310,140	13,107,494
Ceded losses incurred	7,677,308	(25,060)	769,159	0
Losses incurred	1,051,416	(1,257,140)	(61,743,889)	(41,011,657)
Loss adjustment expenses				
Direct D&CC paid	(515,099)	(436,956)	(15,205,731)	(10,278,271)
Direct A&O paid	(3,582,014)	(1,100,282)	(37,093,221)	(17,571,023)
Change in direct case LAE reserves	244,859	183,632	2,537,050	(1,456,486)
Change in direct IBNR LAE reserves	(243,241)	269,641	3,958,356	3,429,274
Ceded LAE incurred	768,672	(1,253)	1,928,530	0
LAE incurred	(3,326,822)	(1,085,219)	(43,875,016)	(25,876,505)
Net losses and LAE incurred	\$ (2,275,407)	\$ (2,342,358)	\$ (105,618,905)	\$ (66,888,162)
Underwriting and Administrative Expenses:				
Producer commissions	(21,131,939)	(3,661,066)	(78,818,036)	(32,332,016)
Taxes and fees	(3,722,131)	(603,785)	(14,534,294)	(5,937,642)
Other underwriting expenses	(537,622)	(102,336)	(5,339,700)	(4,244,006)
All other administrative expenses	(6,081,596)	(1,674,807)	(27,552,574)	(20,323,143)
Underwriting and administrative expenses	(31,473,288)	(6,041,995)	(126,244,604)	(62,836,806)
Underwriting income (loss)	\$ 25,612,136	\$ 3,568,735	\$ 203,068,145	\$ 110,870,744
Net Investment Income:				
Net interest income (expense)				
Investment income earned	26,060,143	22,364,937	52,065,900	38,835,311
Interest expenses	-	(344,511)	(4,675,374)	(4,746,262)
Net interest income (expense)	26,060,143	22,020,426	47,390,526	34,089,049
Realized capital gains (losses)	(886,910)	(1,657,812)	(3,989,282)	(1,486,067)
Net investment income	\$ 25,173,232	\$ 20,362,613	\$ 43,401,244	\$ 32,602,982
Other income (expense)	107,582	25,245	888,488	533,424
Net income (loss)	\$ 50,892,951	\$ 23,956,593	\$ 247,357,876	\$ 144,007,150



ADMINISTRATIVE EXPENSES

	Six months ended			Twelve months
	June 30, 2023	June 30, 2022	2023 Budget	2023 Budget
Salaries	\$ 63,827,835	\$ 54,600,157	\$ 69,622,458	\$ 144,388,985
Employee Benefits	28,146,455	22,481,023	32,256,756	42,592,646
Payroll Taxes	4,824,323	4,075,920	5,756,468	11,614,949
Contingent Staffing	75,649,376	33,212,285	78,047,427	137,526,112
Subscriptions and Dues	1,167,655	728,496	1,209,598	2,334,766
Bank Charges	108,448	112,487	191,749	391,813
FMAP Funding	(127,916)	(108,574)	(112,750)	(530,589)
Insurance	524,958	454,479	484,788	890,099
Legal	831,389	119,082	534,500	1,068,500
Operations And Maintenance	921,991	861,577	1,189,441	2,378,889
Miscellaneous	(127,365)	12,909	-	-
Operating Supplies	58,748	45,071	98,037	190,770
Computer Hardware	1,196,919	776,016	1,788,630	3,064,242
Postage	356,688	193,805	248,305	446,076
Printing	38,902	33,829	54,066	123,649
Producer Fees Collected	(342,759)	(318,978)	(248,968)	(807,989)
Professional Services	5,250,257	4,522,609	8,292,564	21,359,603
Recruiting	165,061	212,771	237,864	560,886
Rent	2,928,745	2,962,223	2,964,715	5,884,230
Software Maintenance and Licensing	10,213,417	8,732,306	11,801,153	25,005,689
Telecommunications	1,367,134	978,051	1,484,940	3,317,884
Training	330,434	228,615	629,582	1,159,568
Travel	749,346	359,282	943,240	1,848,816
Depreciation	84,564	323,815	96,617	197,099
ULAE Expense	(113,296,890)	(63,407,079)	(120,678,760)	(219,222,037)
Total Administrative Expense	\$ 84,847,716	\$ 72,192,178	\$ 96,892,420	\$ 185,784,656