



SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	Consolidated					Personal Lines Account				
	September 2023	September 2022	Budget 2023	YOY Var	Budget Var	September 2023	September 2022	Budget 2023	YOY Var	Budget Var
Operations:										
Direct written premium	\$ 4,035,803	\$ 2,402,512	\$ 2,391,718	\$ 1,633,291	\$ 1,644,085	\$ 2,532,785	\$ 1,699,975	\$ 1,728,928	\$ 832,809	\$ 803,857
Ceded written premium:										
Depopulation	(54,188)	(13,816)	(7,740)	(40,372)	(46,449)	(53,142)	(13,155)	(7,262)	(39,987)	(45,880)
FHCF	(488,274)	(324,455)	(506,199)	(163,819)	17,925	(302,446)	(195,372)	(317,021)	(107,074)	14,575
Private reinsurance	(695,244)	(216,343)	(725,000)	(478,901)	29,756	(388,198)	(89,861)	(400,000)	(298,337)	11,802
Net earned premium	2,154,451	1,320,489	1,593,030	833,962	561,420	1,499,737	1,003,179	1,170,115	496,559	329,622
Net losses incurred	954,582	2,575,173	667,883	(1,620,591)	286,699	842,969	1,669,548	566,281	(826,578)	276,688
Net LAE incurred	450,334	659,531	231,085	(209,197)	219,249	369,250	472,038	202,793	(102,788)	166,457
Underwriting expenses	433,514	240,831	237,686	192,683	195,827	256,301	165,890	166,676	90,411	89,625
Administrative expenses	121,841	104,797	96,892	17,044	24,949	76,458	73,134	69,879	3,323	6,579
Net investment income	201,073	138,636	109,706	62,437	91,367	86,588	54,294	33,991	32,294	52,597
Net income (loss)	\$ 395,312	\$ (2,118,108)	\$ 473,590	\$ 2,513,421	\$ (78,278)	\$ 40,418	\$ (1,320,995)	\$ 201,897	\$ 1,361,414	\$ (161,479)
Assets, Liabilities and Surplus:										
Cash and invested assets	\$ 10,537,298	\$ 9,029,738	(1)	\$ 1,507,560		\$ 4,028,901	\$ 3,316,485	(1)	\$ 712,416	
Net loss reserves	1,360,597	1,626,253	(1)	(265,656)		1,057,186	1,144,503	(1)	(87,317)	
Net LAE reserves	1,038,379	993,452	(1)	44,927		858,680	818,526	(1)	40,154	
Net unearned premium	2,348,365	1,704,720	(1)	643,645		1,503,987	1,214,725	(1)	289,262	
Bonds and interest payable	287,244	287,119	(1)	124		-	-	(1)	-	
Surplus	\$ 4,672,004	\$ 4,279,524	(1)	\$ 392,481		\$ 171,768	\$ 134,142	(1)	\$ 37,626	
Policy Metrics:										
Policies inforce	1,407,805	1,071,850	1,564,914	335,955	(157,109)	1,142,538	851,447	1,276,541	291,091	(134,003)
Policies serviced	1,437,038	1,077,074	1,568,637	359,964	(131,599)	1,171,330	856,540	1,280,093	314,790	(108,763)
Cash flows:										
Cashflow from operations	\$ 1,516,380	\$ 1,174,936		\$ 341,444		\$ 722,079	\$ 755,387		\$ (33,308)	
Cashflow from investing	805,947	(969,003)		1,774,950		466,104	(608,267)		1,074,371	
Cashflow from financing	(6,964)	(139,591)		132,627		(5,884)	(122,565)		116,681	
Operating metrics:										
Direct loss ratio	32.7%	227.1%	37.4%	-194.4%	-4.7%	42.9%	220.4%	44.2%	-177.5%	-1.3%
Direct LAE ratio	15.6%	46.2%	12.9%	-30.6%	2.7%	19.3%	47.2%	15.8%	-27.9%	3.5%
Underwriting expense ratio	10.7%	10.0%	9.9%	0.7%	0.8%	10.1%	9.8%	9.6%	0.4%	0.5%
Administrative expense ratio	3.0%	4.4%	4.1%	-1.3%	-1.0%	3.0%	4.3%	4.0%	-1.3%	-1.0%
Expense ratio	13.8%	14.4%	14.0%	-0.6%	-0.2%	13.1%	14.1%	13.7%	-0.9%	-0.5%

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



SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	Commercial Lines Account					Coastal Account				
	September 2023	September 2022	Budget 2023	YOY Var	Budget Var	September 2023	September 2022	Budget 2023	YOY Var	Budget Var
Operations:										
Direct written premium	\$ 249,160	\$ 42,479	\$ 67,993	\$ 206,681	\$ 181,167	\$ 1,253,858	\$ 660,058	\$ 594,797	\$ 593,800	\$ 659,061
Ceded written premium:										
Depopulation	-	-	-	-	-	(1,046)	(660)	(477)	(386)	(569)
FHCF	(13,313)	(6,372)	(11,680)	(6,940)	(1,633)	(172,516)	(122,711)	(177,498)	(49,805)	4,983
Private reinsurers	-	-	-	-	-	(307,046)	(126,482)	(325,000)	(180,564)	17,954
Net earned premium	117,042	19,921	35,485	97,122	81,557	537,672	297,389	387,431	240,282	150,241
Net losses incurred	3,878	47,814	5,649	(43,936)	(1,771)	107,735	857,811	95,953	(750,076)	11,782
Net LAE incurred	5,108	9,022	451	(3,914)	4,657	75,976	178,471	27,841	(102,495)	48,135
Other underwriting expenses	33,491	5,636	9,426	27,855	24,065	143,722	69,305	61,585	74,417	82,137
Administrative expenses	7,524	1,948	2,607	5,576	4,917	37,859	29,715	24,406	8,144	13,453
Net investment income	40,482	31,570	29,786	8,913	10,696	74,002	52,772	45,929	21,230	28,073
Net income (loss)	\$ 107,862	\$ (12,878)	\$ 47,445	\$ 120,740	\$ 60,417	\$ 247,033	\$ (784,234)	\$ 224,248	\$ 1,031,267	\$ 22,785
Assets, Liabilities and Surplus:										
Cash and invested assets	\$ 2,219,246	\$ 2,021,600	(1)	\$ 197,646		\$ 4,289,151	\$ 3,691,653	(1)	\$ 597,497	
Net loss reserves	27,897	49,752	(1)	(21,855)		275,514	431,998	(1)	(156,485)	
Net LAE reserves	8,030	8,719	(1)	(689)		171,669	166,207	(1)	5,462	
Net unearned premium	154,834	36,030	(1)	118,804		689,544	453,965	(1)	235,579	
Bonds and interest payable	-	-	(1)	-		287,244	287,119	(1)	124	
Surplus	\$ 2,046,248	\$ 1,938,647	(1)	\$ 107,601		\$ 2,453,988	\$ 2,206,734	(1)	\$ 247,254	
Policy Metrics:										
Policies inforce	3,663	936	1,477	2,727	2,186	261,604	219,467	286,896	42,137	(25,292)
Policies serviced	3,663	936	1,477	2,727	2,186	262,045	219,598	287,067	42,447	(25,022)
Cash flows:										
Cashflow from operations	\$ 201,165	\$ 60,374		\$ 140,791		\$ 593,136	\$ 359,175		\$ 233,961	
Cashflow from investing	60,702	(31,894)		92,596		279,141	(328,842)		607,983	
Cashflow from financing	76	(21,653)		21,729		(1,156)	4,627		(5,783)	
Operating metrics:										
Direct loss ratio	9.0%	6.2%	16.7%	2.8%	-7.7%	12.9%	244.6%	20.7%	-231.7%	-7.8%
Direct LAE ratio	4.7%	2.0%	1.3%	2.7%	3.4%	8.7%	43.8%	6.0%	-35.1%	2.7%
Underwriting expense ratio	13.4%	13.3%	13.9%	0.2%	-0.4%	11.5%	10.5%	10.4%	1.0%	1.1%
Administrative expense ratio	3.0%	4.6%	3.8%	-1.6%	-0.8%	3.0%	4.5%	4.1%	-1.5%	-1.1%
Expense ratio	16.5%	17.9%	17.7%	-1.4%	-1.2%	14.5%	15.0%	14.5%	-0.5%	0.0%

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



STATEMENTS OF OPERATIONS

	Consolidated		Personal Lines Account (PLA)	
	Nine months ended		Nine months ended	
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revenue:				
Direct premiums written	\$ 4,035,802,628	\$ 2,402,511,991	\$ 2,532,784,634	\$ 1,699,975,267
Change in direct unearned premium	(1,059,417,088)	(709,138,797)	(540,736,071)	(494,987,321)
Direct earned premium	2,976,385,540	1,693,373,194	1,992,048,563	1,204,987,946
Ceded premiums written - Depopulation	(54,187,791)	(13,815,611)	(53,141,753)	(13,155,145)
Ceded premiums written - FHCF	(488,274,313)	(324,455,191)	(302,445,945)	(195,371,925)
Ceded premiums written - Private reinsurance	(695,244,252)	(216,342,909)	(388,198,032)	(89,861,015)
Change in ceded unearned premium	415,771,864	181,729,224	251,474,268	96,578,722
Ceded earned premium	(821,934,492)	(372,884,486)	(492,311,462)	(201,809,363)
Net earned premium	\$ 2,154,451,048	\$ 1,320,488,708	\$ 1,499,737,101	\$ 1,003,178,583
Losses and Loss Adjustment Expenses:				
Losses				
Direct losses paid	\$ (1,345,814,302)	(481,425,891)	\$ (1,007,943,909)	\$ (390,212,931)
Change in direct case loss reserves	20,660,926	(170,331,692)	22,162,443	(143,017,056)
Change in direct IBNR loss reserves	361,717,029	(3,165,129,796)	144,185,798	(2,096,696,640)
Ceded losses incurred	8,854,111	1,241,714,198	(1,373,743)	960,378,904
Losses incurred	(954,582,236)	(2,575,173,181)	(842,969,411)	(1,669,547,724)
Loss adjustment expenses				
Direct D&CC paid	(152,545,247)	(90,958,073)	(129,150,869)	(74,353,560)
Direct A&O paid	(264,041,346)	(145,131,909)	(203,827,536)	(117,822,971)
Change in direct case LAE reserves	(3,516,104)	(40,857,912)	(7,679,202)	(37,676,240)
Change in direct IBNR LAE reserves	(38,231,420)	(499,223,059)	(37,364,003)	(333,968,634)
Ceded LAE incurred	8,000,003	116,639,572	8,771,606	91,783,048
LAE incurred	(450,334,114)	(659,531,382)	(369,250,004)	(472,038,357)
Net losses and LAE incurred	\$ (1,404,916,350)	\$ (3,234,704,563)	\$ (1,212,219,414)	\$ (2,141,586,081)
Underwriting and Administrative Expenses:				
Producer commissions	(319,629,659)	(176,461,313)	(180,036,489)	(119,649,817)
Taxes and fees	(71,505,157)	(37,720,674)	(45,440,848)	(27,232,055)
Other underwriting expenses	(42,378,989)	(26,648,801)	(30,823,750)	(19,008,144)
All other administrative expenses	(121,840,877)	(104,797,357)	(76,457,542)	(73,134,083)
Underwriting and administrative expenses	(555,354,682)	(345,628,145)	(332,758,629)	(239,024,098)
Underwriting income (loss)	\$ 194,180,016	\$ (2,259,844,000)	\$ (45,240,942)	\$ (1,377,431,596)
Net Investment Income:				
Net interest income (expense)				
Investment income earned	216,894,949	152,784,905	90,261,893	56,723,255
Interest expenses	(9,218,752)	(9,631,988)	(2,219,275)	(2,181,230)
Net interest income (expense)	207,676,197	143,152,917	88,042,618	54,542,024
Realized capital gains (losses)	(8,822,670)	(4,516,872)	(3,673,842)	(247,757)
Net investment income	\$ 198,853,527	\$ 138,636,044	\$ 84,368,777	\$ 54,294,268
Other income (expense)	2,278,884	3,099,862	1,290,179	2,141,840
Net income (loss)	\$ 395,312,427	\$ (2,118,108,094)	\$ 40,418,013	\$ (1,320,995,488)



STATEMENTS OF OPERATIONS

Commercial Lines Account (CLA)

Coastal Account

Nine months ended

Nine months ended

	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
Revenue:				
Direct premiums written	\$ 249,159,740	\$ 42,478,576	\$ 1,253,858,254	\$ 660,058,148
Change in direct unearned premium	(123,242,068)	(18,309,630)	(395,438,948)	(195,841,846)
Direct earned premium	<u>125,917,672</u>	<u>24,168,946</u>	<u>858,419,306</u>	<u>464,216,302</u>
Ceded premiums written - Depopulation	-	-	(1,046,038)	(660,466)
Ceded premiums written - FHCF	(13,312,873)	(6,372,448)	(172,515,495)	(122,710,818)
Ceded premiums written - Private reinsurance	-	-	(307,046,220)	(126,481,894)
Change in ceded unearned premium	4,437,624	2,124,149	159,859,972	83,026,353
Ceded earned premium	<u>(8,875,249)</u>	<u>(4,248,299)</u>	<u>(320,747,782)</u>	<u>(166,826,825)</u>
Net earned premium	<u>\$ 117,042,423</u>	<u>\$ 19,920,648</u>	<u>\$ 537,671,524</u>	<u>\$ 297,389,477</u>
Losses and Loss Adjustment Expenses:				
Losses				
Direct losses paid	\$ (34,726,056)	\$ (6,600,569)	\$ (303,144,336)	\$ (84,612,390)
Change in direct case loss reserves	13,916,063	2,459,192	(15,417,581)	(29,773,828)
Change in direct IBNR loss reserves	9,515,673	(49,110,119)	208,015,558	(1,019,323,037)
Ceded losses incurred	7,416,343	5,437,027	2,811,511	275,898,267
Losses incurred	<u>(3,877,978)</u>	<u>(47,814,469)</u>	<u>(107,734,847)</u>	<u>(857,810,988)</u>
Loss adjustment expenses				
Direct D&CC paid	(666,610)	(583,204)	(22,727,769)	(16,021,309)
Direct A&O paid	(5,580,601)	(1,242,321)	(54,633,209)	(26,066,617)
Change in direct case LAE reserves	1,521,906	359,920	2,641,193	(3,541,593)
Change in direct IBNR LAE reserves	(1,138,596)	(7,941,708)	271,179	(157,312,717)
Ceded LAE incurred	755,707	385,388	(1,527,309)	24,471,136
LAE incurred	<u>(5,108,195)</u>	<u>(9,021,925)</u>	<u>(75,975,915)</u>	<u>(178,471,100)</u>
Net losses and LAE incurred	<u>\$ (8,986,173)</u>	<u>\$ (56,836,394)</u>	<u>\$ (183,710,762)</u>	<u>\$ (1,036,282,088)</u>
Underwriting and Administrative Expenses:				
Producer commissions	(27,556,258)	(4,693,709)	(112,036,912)	(52,117,787)
Taxes and fees	(4,877,366)	(761,886)	(21,186,943)	(9,726,734)
Other underwriting expenses	(1,057,003)	(179,902)	(10,498,236)	(7,460,755)
All other administrative expenses	(7,523,909)	(1,948,297)	(37,859,426)	(29,714,976)
Underwriting and administrative expenses	<u>(41,014,537)</u>	<u>(7,583,795)</u>	<u>(181,581,516)</u>	<u>(99,020,253)</u>
Underwriting income (loss)	<u>\$ 67,041,713</u>	<u>\$ (44,499,541)</u>	<u>\$ 172,379,246</u>	<u>\$ (837,912,863)</u>
Net Investment Income:				
Net interest income (expense)				
Investment income earned	41,373,797	33,763,746	85,259,258	62,297,904
Interest expenses	-	(344,511)	(6,999,477)	(7,106,247)
Net interest income (expense)	<u>41,373,797</u>	<u>33,419,235</u>	<u>78,259,781</u>	<u>55,191,657</u>
Realized capital gains (losses)	(891,385)	(1,849,413)	(4,257,443)	(2,419,702)
Net investment income	<u>\$ 40,482,412</u>	<u>\$ 31,569,822</u>	<u>\$ 74,002,338</u>	<u>\$ 52,771,955</u>
Other income (expense)	<u>337,528</u>	<u>51,395</u>	<u>651,177</u>	<u>906,627</u>
Net income (loss)	<u>\$ 107,861,653</u>	<u>\$ (12,878,324)</u>	<u>\$ 247,032,760</u>	<u>\$ (784,234,282)</u>



ADMINISTRATIVE EXPENSES

	<u>Nine months ended</u>			<u>Twelve months</u>
	<u>September 30, 2023</u>	<u>September 30, 2022</u>	<u>2023 Budget</u>	<u>2023 Budget</u>
Salaries	\$ 97,727,412	\$ 83,532,921	\$ 106,214,174	\$ 144,388,985
Employee Benefits	32,775,925	26,683,442	38,459,657	42,592,646
Payroll Taxes	7,256,425	6,161,109	8,671,166	11,614,949
Contingent Staffing	124,513,059	51,103,408	108,387,328	137,526,112
Subscriptions and Dues	1,618,025	963,793	1,803,989	2,334,766
Bank Charges	200,830	186,288	292,270	391,813
FMAP Funding	(170,644)	(154,234)	(330,550)	(530,589)
Insurance	699,770	591,839	632,356	890,099
Legal	1,185,000	316,072	789,250	1,068,500
Operations And Maintenance	1,467,886	1,305,254	1,769,790	2,378,889
Operating Supplies	106,211	65,207	143,989	190,770
Computer Hardware	1,620,047	1,253,065	2,398,137	3,064,242
Postage	509,518	286,537	379,438	446,076
Printing	57,746	36,173	103,470	123,649
Producer Fees Collected	(770,183)	(628,092)	(529,512)	(807,989)
Professional Services	7,894,985	7,485,325	15,207,602	21,359,603
Recruiting	265,055	290,129	373,033	560,886
Rent	4,454,428	4,418,385	4,424,223	5,884,230
Software Maintenance and Licensing	16,080,617	12,955,536	18,163,897	25,005,689
Telecommunications	1,705,555	1,372,839	2,389,410	3,317,884
Training	471,916	362,964	943,061	1,159,568
Travel	961,764	678,376	1,380,771	1,848,816
Depreciation	129,199	480,850	148,134	197,099
ULAE Expense	(178,919,667)	(94,949,831)	(170,316,081)	(219,222,037)
Total Administrative Expense	<u>\$ 121,840,879</u>	<u>\$ 104,797,357</u>	<u>\$ 141,899,002</u>	<u>\$ 185,784,656</u>