



SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	Consolidated					Personal Lines Account				
	YTD-Sep 17	YTD-Sep 16	Budget	YOY Var	Budget Var	YTD-Sep 17	YTD-Sep 16	Budget	YOY Var	Budget Var
<b>Operations:</b>										
Direct written premium	\$ 701,592	\$ 767,527	\$ 770,469	\$ (65,935)	\$ (68,877)	\$ 382,491	\$ 362,354	\$ 413,040	\$ 20,136	\$ (30,549)
Ceded written premium:										
Depopulation	8,952	19,384	(8,499)	(10,431)	17,451	2,637	5,131	(6,155)	(2,494)	8,792
FHCF	158,263	180,680	162,829	(22,417)	(4,566)	63,198	50,681	63,251	12,517	(53)
Private reinsurers	92,710	181,399	70,000	(88,689)	22,710	-	-	-	-	-
Net earned premium	487,492	506,328	536,859	(18,836)	(49,367)	299,768	309,620	312,496	(9,852)	(12,728)
Net losses incurred	1,146,081	222,943	322,336	923,138	823,745	444,737	171,728	261,276	273,009	183,461
Net LAE incurred	212,959	104,605	62,910	108,354	150,049	108,191	73,394	46,714	34,797	61,477
Other underwriting expenses	72,435	85,291	85,939	(12,855)	(13,504)	38,825	38,716	44,468	109	(5,643)
Administrative expenses	100,260	104,517	112,022	(4,257)	(11,762)	54,393	49,548	61,407	4,844	(7,014)
Net investment income	96,431	81,080	57,395	15,351	39,036	42,405	39,565	23,605	2,840	18,800
Net income (loss)	\$ (944,166)	\$ 71,919	\$ 12,883	\$ (1,016,085)	\$ (957,049)	\$ (301,715)	\$ 17,217	\$ (76,366)	\$ (318,933)	\$ (225,349)
<b>Assets, Liabilities and Surplus:</b>										
Cash and invested assets	\$ 11,201,668	\$ 12,105,605	(1)	\$ (903,937)		\$ 3,862,222	\$ 3,949,225	(1)	\$ (87,003)	
Net loss reserves	1,401,166	499,051	(1)	902,115		587,884	321,403	(1)	266,482	
Net LAE reserves	302,140	221,765	(1)	80,374		169,362	154,492	(1)	14,869	
Net unearned premium	394,589	440,413	(1)	(45,825)		239,993	223,105	(1)	16,888	
Bonds and interest payable	2,373,390	3,373,901	(1)	(1,000,511)		700,854	813,762	(1)	(112,909)	
Surplus	\$ 6,456,727	\$ 7,401,802	(1)	\$ (945,075)		\$ 2,136,112	\$ 2,438,797	(1)	\$ (302,685)	
<b>Policy Metrics:</b>										
Policies inforce	459,343	491,779	496,913	(32,436)	(37,570)	306,947	308,197	336,651	(1,250)	(29,704)
Policies serviced	474,205	522,851	500,832	(48,646)	(26,627)	314,579	322,677	336,651	(8,098)	(22,072)
<b>Cash flows:</b>										
Cashflow from operations	\$ 109,137	\$ 40,927		\$ 68,210		\$ 25,955	\$ (11,263)		\$ 37,218	
Cashflow from investing	1,478,434	488,609		989,825		386,191	30,950		355,241	
Cashflow from financing	(1,000,336)	(925,264)		(75,072)		(107,555)	(90,530)		(17,025)	
<b>Operating metrics:</b>										
Direct loss ratio	201.9%	29.8%	41.9%	172.1%	160.0%	130.1%	50.1%	69.5%	80.0%	60.6%
Direct LAE ratio	33.9%	14.0%	8.2%	19.8%	25.7%	31.7%	21.5%	12.4%	10.2%	19.3%
Underwriting expense ratio	10.3%	11.1%	11.2%	-0.8%	-0.8%	10.2%	10.7%	10.8%	-0.5%	-0.6%
Administrative expense ratio	14.3%	13.6%	14.5%	0.7%	-0.2%	14.2%	13.7%	14.6%	0.5%	-0.4%
Expense ratio	24.6%	24.7%	25.7%	-0.1%	-1.1%	24.4%	24.4%	25.4%	0.0%	-1.0%

(1) - Balance sheet information presented is as of December 31, 2016.



**SUMMARY OF FINANCIAL POSITION AND OPERATIONS**

(\$000s omitted)

	Commercial Lines Account					Coastal Account				
	YTD-Sep 17	YTD-Sep 16	Budget	YOY Var	Budget Var	YTD-Sep 17	YTD-Sep 16	Budget	YOY Var	Budget Var
<b>Operations:</b>										
Direct written premium	\$ 15,382	\$ 29,904	\$ 24,782	\$ (14,522)	\$ (9,400)	\$ 303,719	\$ 375,268	\$ 332,647	\$ (71,549)	\$ (28,928)
Ceded written premium:										
Depopulation	(103)	26	159	(130)	(262)	6,419	14,227	(2,503)	(7,808)	8,922
FHCF	7,395	10,600	7,395	(3,205)	0	87,670	119,399	92,183	(31,729)	(4,513)
Private reinsurers	-	-	-	-	-	92,710	181,399	70,000	(88,689)	22,710
Net earned premium	15,377	27,445	20,026	(12,069)	(4,649)	172,347	169,263	204,337	3,084	(31,990)
Net losses incurred	27,317	2,760	2,834	24,557	24,483	674,027	48,455	58,226	625,572	615,801
Net LAE incurred	1,866	1,374	315	492	1,551	102,902	29,836	15,881	73,066	87,021
Other underwriting expenses	2,011	4,197	3,316	(2,185)	(1,305)	31,599	42,378	38,155	(10,779)	(6,556)
Administrative expenses	2,211	4,824	3,650	(2,613)	(1,439)	43,656	50,145	46,965	(6,489)	(3,309)
Net investment income	30,280	28,261	18,826	2,019	11,454	23,746	13,254	14,964	10,492	8,782
Net income (loss)	\$ 12,335	\$ 42,739	\$ 28,928	\$ (30,404)	\$ (16,593)	\$ (654,785)	\$ 11,963	\$ 60,321	\$ (666,748)	\$ (715,106)
<b>Assets, Liabilities and Surplus:</b>										
Cash and invested assets	\$ 1,943,337	\$ 1,929,492	(1)	\$ 13,845		\$ 5,396,109	\$ 6,226,888	(1)	\$ (830,779)	
Net loss reserves	94,205	80,009	(1)	14,197		719,076	97,639	(1)	621,437	
Net LAE reserves	18,668	19,179	(1)	(511)		114,110	48,094	(1)	66,016	
Net unearned premium	8,421	15,708	(1)	(7,287)		146,175	201,601	(1)	(55,426)	
Bonds and interest payable	110,695	128,528	(1)	(17,833)		1,561,841	2,431,611	(1)	(869,769)	
Surplus	\$ 1,713,791	\$ 1,701,468	(1)	\$ 12,323		\$ 2,606,824	\$ 3,261,537	(1)	\$ (654,713)	
<b>Policy Metrics:</b>										
Policies inforce	1,495	2,420	1,927	(925)	(432)	150,901	181,162	158,335	(30,261)	(7,434)
Policies serviced	1,571	2,617	1,985	(1,046)	(414)	158,055	197,557	162,196	(39,502)	(4,141)
<b>Cash flows:</b>										
Cashflow from operations	\$ 38,361	\$ 32,533		\$ 5,828		\$ 44,821	\$ 19,657		\$ 25,164	
Cashflow from investing	162,127	(71,731)		233,858		930,116	529,390		400,726	
Cashflow from financing	(23,039)	(34,424)		11,385		(869,742)	(800,310)		(69,432)	
<b>Operating metrics:</b>										
Direct loss ratio	134.5%	8.0%	10.3%	126.5%	124.2%	290.5%	13.1%	15.9%	277.4%	274.6%
Direct LAE ratio	9.2%	4.0%	1.1%	5.2%	8.1%	38.2%	8.1%	4.3%	30.1%	33.9%
Underwriting expense ratio	13.1%	14.0%	13.4%	-1.0%	-0.3%	10.4%	11.3%	11.5%	-0.9%	-1.1%
Administrative expense ratio	14.4%	16.1%	14.4%	-1.8%	0.0%	14.4%	13.4%	13.8%	1.0%	0.6%
Expense ratio	27.5%	30.2%	27.8%	-2.7%	-0.3%	24.8%	24.7%	25.3%	0.1%	-0.5%

(1) - Balance sheet information presented is as of December 31, 2016.



STATEMENTS OF OPERATIONS (Consolidated)

Three months ended

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
<b>Revenue:</b>					
Direct premiums written	\$ 236,460,212	\$ 254,272,738	\$ 210,859,039	\$ 206,313,564	\$ 238,251,024
Change in direct unearned premium	(7,341,262)	(22,673,316)	25,149,941	46,710,075	28,114,899
<b>Direct earned premium</b>	<b>229,118,950</b>	<b>231,599,423</b>	<b>236,008,980</b>	<b>253,023,639</b>	<b>266,365,923</b>
Ceded premiums written - Depopulation	(4,845,160)	(914,171)	(3,193,151)	(44,048,080)	1,339,619
Ceded premiums written - FHCF	330,338	(158,593,093)	-	4,288,157	5,618,653
Ceded premiums written - Private reinsurance	-	(92,709,527)	-	-	-
Change in ceded unearned premium	(129,872,730)	195,834,370	(15,272,327)	(94,051,782)	(206,654,485)
<b>Ceded earned premium</b>	<b>(134,387,552)</b>	<b>(56,382,420)</b>	<b>(18,465,478)</b>	<b>(133,811,706)</b>	<b>(199,696,213)</b>
<b>Net earned premium</b>	<b>\$ 94,731,398</b>	<b>\$ 175,217,002</b>	<b>\$ 217,543,502</b>	<b>\$ 119,211,934</b>	<b>\$ 66,669,709</b>
<b>Losses and Loss Adjustment Expenses:</b>					
Losses					
Direct losses paid	\$ (89,194,904)	\$ (75,024,171)	\$ (79,863,239)	\$ (78,766,670)	\$ (79,436,272)
Change in direct case loss reserves	(284,445,089)	(6,790,585)	3,270,487	(9,205,331)	6,070,104
Change in direct IBNR loss reserves	(814,627,463)	13,668,550	11,403,074	(34,665,775)	(13,434,153)
Ceded losses incurred	175,505,104	(19,083)	36,351	(187,591)	12,723
<b>Losses incurred</b>	<b>(1,012,762,352)</b>	<b>(68,165,289)</b>	<b>(65,153,326)</b>	<b>(122,825,367)</b>	<b>(86,787,598)</b>
Loss adjustment expenses					
Direct D&CC paid	(18,448,286)	(18,014,438)	(18,749,231)	(16,672,100)	(14,612,300)
Direct A&O paid	(31,343,096)	(23,430,686)	(22,646,911)	(25,526,179)	(19,972,843)
Change in direct case LAE reserves	(34,238,332)	(1,855,041)	(1,214,512)	(5,183,392)	(4,004,336)
Change in direct IBNR LAE reserves	(65,015,023)	969,396	12,247,994	(15,163,076)	4,838,080
Ceded LAE incurred	8,803,936	(26,785)	2,386	4,054	(59,334)
<b>LAE incurred</b>	<b>(140,240,801)</b>	<b>(42,357,554)</b>	<b>(30,360,274)</b>	<b>(62,540,694)</b>	<b>(33,810,733)</b>
<b>Net losses and LAE incurred</b>	<b>\$ (1,153,003,153)</b>	<b>\$ (110,522,843)</b>	<b>\$ (95,513,601)</b>	<b>\$ (185,366,061)</b>	<b>\$ (120,598,332)</b>
<b>Underwriting and Administrative Expenses:</b>					
Producer commissions	(18,081,773)	(19,655,614)	(16,161,872)	(16,039,148)	(18,698,860)
Taxes and fees	(260,904)	(4,849,145)	(3,998,514)	1,560,351	(4,473,101)
Other underwriting expenses	(3,229,751)	(2,648,815)	(3,549,094)	(4,843,607)	(2,455,891)
All other administrative expenses	(34,021,578)	(29,759,121)	(36,479,079)	(32,330,076)	(32,647,515)
<b>Underwriting and administrative expenses</b>	<b>(55,594,005)</b>	<b>(56,912,695)</b>	<b>(60,188,559)</b>	<b>(51,652,481)</b>	<b>(58,275,367)</b>
<b>Underwriting income (loss)</b>	<b>\$ (1,113,865,761)</b>	<b>\$ 7,781,464</b>	<b>\$ 61,841,343</b>	<b>\$ (117,806,607)</b>	<b>\$ (112,203,989)</b>
<b>Net Investment Income:</b>					
Net interest income (expense)					
Investment income earned	54,418,085	53,174,909	49,047,833	44,360,585	43,447,341
Interest expenses	(18,926,940)	(26,590,697)	(30,323,524)	(30,398,750)	(30,411,458)
<b>Net interest income (expense)</b>	<b>35,491,146</b>	<b>26,584,212</b>	<b>18,724,309</b>	<b>13,961,835</b>	<b>13,035,883</b>
Realized capital gains (losses)	19,096,969	343,653	(3,809,509)	4,307,604	29,771,034
<b>Net investment income</b>	<b>\$ 54,588,114</b>	<b>\$ 26,927,865</b>	<b>\$ 14,914,801</b>	<b>\$ 18,269,439</b>	<b>\$ 42,806,916</b>
<b>Other income (expense)</b>	<b>1,795,841</b>	<b>788,352</b>	<b>1,062,097</b>	<b>541,033</b>	<b>542,574</b>
<b>Net income (loss)</b>	<b>\$ (1,057,481,805)</b>	<b>\$ 35,497,680</b>	<b>\$ 77,818,240</b>	<b>\$ (98,996,135)</b>	<b>\$ (68,854,499)</b>



STATEMENTS OF OPERATIONS (Personal Lines Account)

Three months ended

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
<b>Revenue:</b>					
Direct premiums written	\$ 129,058,963	\$ 136,600,040	\$ 116,831,712	\$ 108,224,578	\$ 115,896,504
Change in direct unearned premium	(7,217,200)	(18,083,917)	(698,391)	12,089,217	8,060,059
<b>Direct earned premium</b>	<b>121,841,763</b>	<b>118,516,123</b>	<b>116,133,321</b>	<b>120,313,795</b>	<b>123,956,563</b>
Ceded premiums written - Depopulation	(449,426)	(169,949)	(2,017,576)	(14,265,659)	(734,453)
Ceded premiums written - FHCF	-	(63,197,951)	-	(9,215,544)	5,618,653
Ceded premiums written - Private reinsurance	-	-	-	-	-
Change in ceded unearned premium	(34,527,892)	47,383,435	(3,743,920)	(8,813,322)	(35,537,244)
<b>Ceded earned premium</b>	<b>(34,977,318)</b>	<b>(15,984,465)</b>	<b>(5,761,496)</b>	<b>(32,294,525)</b>	<b>(30,653,043)</b>
<b>Net earned premium</b>	<b>\$ 86,864,445</b>	<b>\$ 102,531,658</b>	<b>\$ 110,371,825</b>	<b>\$ 88,019,270</b>	<b>\$ 93,303,519</b>
<b>Losses and Loss Adjustment Expenses:</b>					
Losses					
Direct losses paid	\$ (65,425,785)	\$ (57,101,293)	\$ (55,754,684)	\$ (54,104,794)	\$ (61,528,857)
Change in direct case loss reserves	(84,088,960)	(3,686,726)	(2,470,470)	(3,069,553)	6,941,854
Change in direct IBNR loss reserves	(191,042,332)	7,211,072	7,695,312	(22,561,182)	(17,104,261)
Ceded losses incurred	(45,378)	(25,429)	(2,489)	(59,803)	7,633
<b>Losses incurred</b>	<b>(340,602,455)</b>	<b>(53,602,376)</b>	<b>(50,532,331)</b>	<b>(79,795,333)</b>	<b>(71,683,632)</b>
Loss adjustment expenses					
Direct D&CC paid	(14,710,683)	(14,305,216)	(14,796,234)	(12,480,814)	(11,300,108)
Direct A&O paid	(19,308,097)	(14,938,327)	(15,296,907)	(16,175,193)	(13,795,577)
Change in direct case LAE reserves	(20,106,073)	(1,583,745)	(714,774)	(5,515,430)	(3,346,948)
Change in direct IBNR LAE reserves	(125,056)	723,745	6,952,046	(8,765,843)	3,432,349
Ceded LAE incurred	35,590	(22,752)	5,897	(4,494)	(79,777)
<b>LAE incurred</b>	<b>(54,214,319)</b>	<b>(30,126,294)</b>	<b>(23,849,972)</b>	<b>(42,941,774)</b>	<b>(25,090,060)</b>
<b>Net losses and LAE incurred</b>	<b>\$ (394,816,774)</b>	<b>\$ (83,728,670)</b>	<b>\$ (74,382,304)</b>	<b>\$ (122,737,106)</b>	<b>\$ (96,773,692)</b>
<b>Underwriting and Administrative Expenses:</b>					
Producer commissions	(9,110,491)	(9,676,402)	(8,303,338)	(7,693,152)	(8,215,080)
Taxes and fees	(490,233)	(2,687,355)	(2,280,981)	538,696	(2,268,969)
Other underwriting expenses	(2,150,036)	(2,054,571)	(2,071,359)	(2,843,888)	(1,380,295)
All other administrative expenses	(18,304,263)	(17,620,966)	(18,467,488)	(15,728,331)	(16,379,651)
<b>Underwriting and administrative expenses</b>	<b>(30,055,024)</b>	<b>(32,039,294)</b>	<b>(31,123,166)</b>	<b>(25,726,675)</b>	<b>(28,243,995)</b>
<b>Underwriting income (loss)</b>	<b>\$ (338,007,353)</b>	<b>\$ (13,236,306)</b>	<b>\$ 4,866,355</b>	<b>\$ (60,444,511)</b>	<b>\$ (31,714,168)</b>
<b>Net Investment Income:</b>					
Net interest income (expense)					
Investment income earned	18,866,901	18,460,338	17,069,231	15,495,570	15,020,683
Interest expenses	(5,848,424)	(6,326,803)	(6,579,466)	(6,603,499)	(6,627,343)
<b>Net interest income (expense)</b>	<b>13,018,477</b>	<b>12,133,535</b>	<b>10,489,765</b>	<b>8,892,070</b>	<b>8,393,340</b>
Realized capital gains (losses)	7,097,361	547,311	(881,626)	(708,375)	6,742,809
<b>Net investment income</b>	<b>\$ 20,115,838</b>	<b>\$ 12,680,846</b>	<b>\$ 9,608,139</b>	<b>\$ 8,183,696</b>	<b>\$ 15,136,148</b>
<b>Other income (expense)</b>	<b>1,439,855</b>	<b>418,929</b>	<b>398,328</b>	<b>26,734</b>	<b>567,295</b>
<b>Net income (loss)</b>	<b>\$ (316,451,660)</b>	<b>\$ (136,531)</b>	<b>\$ 14,872,823</b>	<b>\$ (52,234,081)</b>	<b>\$ (16,010,725)</b>



STATEMENTS OF OPERATIONS (Commercial Lines Account)

Three months ended

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
<b>Revenue:</b>					
Direct premiums written	\$ 3,616,710	\$ 6,795,229	\$ 4,970,032	\$ 7,233,334	\$ 7,015,564
Change in direct unearned premium	2,351,800	212,713	3,536,371	2,886,125	3,941,963
<b>Direct earned premium</b>	<b>5,968,510</b>	<b>7,007,942</b>	<b>8,506,403</b>	<b>10,119,459</b>	<b>10,957,527</b>
Ceded premiums written - Depopulation	3,245	32,949	66,931	(1,581,550)	106,937
Ceded premiums written - FHCF	-	(7,395,142)	-	6,939,132	-
Ceded premiums written - Private reinsurance	-	-	-	-	-
Change in ceded unearned premium	(3,911,219)	5,715,120	(618,206)	(2,499,681)	(6,004,175)
<b>Ceded earned premium</b>	<b>(3,907,974)</b>	<b>(1,647,072)</b>	<b>(551,276)</b>	<b>2,857,900</b>	<b>(5,897,238)</b>
<b>Net earned premium</b>	<b>\$ 2,060,536</b>	<b>\$ 5,360,870</b>	<b>\$ 7,955,127</b>	<b>\$ 12,977,360</b>	<b>\$ 5,060,288</b>
<b>Losses and Loss Adjustment Expenses:</b>					
Losses					
Direct losses paid	\$ (1,937,462)	\$ (3,367,701)	\$ (7,814,790)	\$ (3,822,540)	\$ (4,435,703)
Change in direct case loss reserves	(25,674,652)	(2,175,880)	2,711,325	(361,661)	(1,312,713)
Change in direct IBNR loss reserves	2,092,589	4,842,871	4,007,069	(85,685)	4,208,462
Ceded losses incurred	-	-	-	-	-
<b>Losses incurred</b>	<b>(25,519,525)</b>	<b>(700,709)</b>	<b>(1,096,396)</b>	<b>(4,269,885)</b>	<b>(1,539,955)</b>
Loss adjustment expenses					
Direct D&CC paid	(116,817)	(278,084)	(286,907)	(482,310)	(464,287)
Direct A&O paid	443,400	(1,575,431)	(563,495)	(984,220)	(627,465)
Change in direct case LAE reserves	(727,316)	237,280	(162,397)	386,457	282,685
Change in direct IBNR LAE reserves	(1,516,794)	1,095,017	1,585,366	2,718,453	489,721
Ceded LAE incurred	-	-	-	-	-
<b>LAE incurred</b>	<b>(1,917,527)</b>	<b>(521,219)</b>	<b>572,567</b>	<b>1,638,380</b>	<b>(319,346)</b>
<b>Net losses and LAE incurred</b>	<b>\$ (27,437,052)</b>	<b>\$ (1,221,928)</b>	<b>\$ (523,829)</b>	<b>\$ (2,631,505)</b>	<b>\$ (1,859,300)</b>
<b>Underwriting and Administrative Expenses:</b>					
Producer commissions	(379,012)	(734,196)	(532,382)	(772,874)	(733,589)
Taxes and fees	86,775	(137,630)	(101,889)	28,024	(140,506)
Other underwriting expenses	(73,005)	(6,544)	(133,554)	(197,043)	(106,817)
All other administrative expenses	(535,615)	(663,240)	(1,012,122)	(1,532,387)	(1,479,453)
<b>Underwriting and administrative expenses</b>	<b>(900,858)</b>	<b>(1,541,610)</b>	<b>(1,779,947)</b>	<b>(2,474,280)</b>	<b>(2,460,365)</b>
<b>Underwriting income (loss)</b>	<b>\$ (26,277,375)</b>	<b>\$ 2,597,332</b>	<b>\$ 5,651,351</b>	<b>\$ 7,871,574</b>	<b>\$ 740,623</b>
<b>Net Investment Income:</b>					
Net interest income (expense)					
Investment income earned	10,669,463	10,392,798	9,322,242	8,069,620	7,965,849
Interest expenses	(923,721)	(999,277)	(1,039,184)	(1,042,980)	(1,046,746)
<b>Net interest income (expense)</b>	<b>9,745,742</b>	<b>9,393,521</b>	<b>8,283,058</b>	<b>7,026,640</b>	<b>6,919,103</b>
Realized capital gains (losses)	3,488,076	117,546	(747,631)	2,455,576	7,564,035
<b>Net investment income</b>	<b>\$ 13,233,818</b>	<b>\$ 9,511,067</b>	<b>\$ 7,535,426</b>	<b>\$ 9,482,216</b>	<b>\$ 14,483,138</b>
<b>Other income (expense)</b>	<b>24,698</b>	<b>32,043</b>	<b>26,450</b>	<b>16,717</b>	<b>27,306</b>
<b>Net income (loss)</b>	<b>\$ (13,018,859)</b>	<b>\$ 12,140,442</b>	<b>\$ 13,213,227</b>	<b>\$ 17,370,507</b>	<b>\$ 15,251,067</b>



STATEMENTS OF OPERATIONS (Coastal Account)

Three months ended

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
<b>Revenue:</b>					
Direct premiums written	\$ 103,784,539	\$ 110,877,469	\$ 89,057,295	\$ 90,855,652	\$ 115,338,956
Change in direct unearned premium	(2,475,862)	(4,802,111)	22,311,962	31,734,733	16,112,877
<b>Direct earned premium</b>	<b>101,308,677</b>	<b>106,075,358</b>	<b>111,369,257</b>	<b>122,590,385</b>	<b>131,451,833</b>
Ceded premiums written - Depopulation	(4,398,979)	(777,172)	(1,242,506)	(28,200,871)	1,967,134
Ceded premiums written - FHCF	330,338	(88,000,000)	-	6,564,569	-
Ceded premiums written - Private reinsurance	-	(92,709,527)	-	-	-
Change in ceded unearned premium	(91,433,618)	142,735,815	(10,910,201)	(82,738,779)	(165,113,066)
<b>Ceded earned premium</b>	<b>(95,502,260)</b>	<b>(38,750,884)</b>	<b>(12,152,707)</b>	<b>(104,375,081)</b>	<b>(163,145,932)</b>
<b>Net earned premium</b>	<b>\$ 5,806,417</b>	<b>\$ 67,324,474</b>	<b>\$ 99,216,550</b>	<b>\$ 18,215,304</b>	<b>\$ (31,694,098)</b>
<b>Losses and Loss Adjustment Expenses:</b>					
Losses					
Direct losses paid	\$ (21,831,657)	\$ (14,555,177)	\$ (16,293,765)	\$ (20,839,336)	\$ (13,471,712)
Change in direct case loss reserves	(174,681,477)	(927,980)	3,029,631	(5,774,118)	440,962
Change in direct IBNR loss reserves	(625,677,721)	1,614,607	(299,307)	(12,018,908)	(538,353)
Ceded losses incurred	175,550,482	6,346	38,841	(127,787)	5,091
<b>Losses incurred</b>	<b>(646,640,372)</b>	<b>(13,862,204)</b>	<b>(13,524,599)</b>	<b>(38,760,149)</b>	<b>(13,564,012)</b>
Loss adjustment expenses					
Direct D&CC paid	(3,620,787)	(3,431,138)	(3,666,090)	(3,708,977)	(2,847,906)
Direct A&O paid	(12,478,398)	(6,916,928)	(6,786,508)	(8,366,766)	(5,549,801)
Change in direct case LAE reserves	(13,404,943)	(508,577)	(337,341)	(54,420)	(940,074)
Change in direct IBNR LAE reserves	(63,373,173)	(849,366)	3,710,582	(9,115,687)	916,010
Ceded LAE incurred	8,768,346	(4,033)	(3,511)	8,549	20,443
<b>LAE incurred</b>	<b>(84,108,955)</b>	<b>(11,710,042)</b>	<b>(7,082,869)</b>	<b>(21,237,300)</b>	<b>(8,401,327)</b>
<b>Net losses and LAE incurred</b>	<b>\$ (730,749,327)</b>	<b>\$ (25,572,246)</b>	<b>\$ (20,607,468)</b>	<b>\$ (59,997,449)</b>	<b>\$ (21,965,339)</b>
<b>Underwriting and Administrative Expenses:</b>					
Producer commissions	(8,592,269)	(9,245,017)	(7,326,153)	(7,573,122)	(9,750,191)
Taxes and fees	142,555	(2,024,160)	(1,615,644)	993,631	(2,063,625)
Other underwriting expenses	(1,006,710)	(587,701)	(1,344,181)	(1,802,677)	(968,779)
All other administrative expenses	(15,181,699)	(11,474,914)	(16,999,468)	(15,069,357)	(14,788,412)
<b>Underwriting and administrative expenses</b>	<b>(24,638,124)</b>	<b>(23,331,791)</b>	<b>(27,285,446)</b>	<b>(23,451,526)</b>	<b>(27,571,007)</b>
<b>Underwriting income (loss)</b>	<b>\$ (749,581,033)</b>	<b>\$ 18,420,437</b>	<b>\$ 51,323,636</b>	<b>\$ (65,233,671)</b>	<b>\$ (81,230,444)</b>
<b>Net Investment Income:</b>					
Net interest income (expense)					
Investment income earned	24,881,722	24,321,774	22,656,361	20,795,396	20,460,809
Interest expenses	(12,154,795)	(19,264,618)	(22,704,874)	(22,752,271)	(22,737,369)
<b>Net interest income (expense)</b>	<b>12,726,927</b>	<b>5,057,156</b>	<b>(48,513)</b>	<b>(1,956,875)</b>	<b>(2,276,560)</b>
Realized capital gains (losses)	8,511,532	(321,205)	(2,180,252)	2,560,403	15,464,190
<b>Net investment income</b>	<b>\$ 21,238,458</b>	<b>\$ 4,735,952</b>	<b>\$ (2,228,765)</b>	<b>\$ 603,528</b>	<b>\$ 13,187,631</b>
<b>Other income (expense)</b>	<b>331,288</b>	<b>337,380</b>	<b>637,319</b>	<b>497,582</b>	<b>(52,028)</b>
<b>Net income (loss)</b>	<b>\$ (728,011,286)</b>	<b>\$ 23,493,769</b>	<b>\$ 49,732,190</b>	<b>\$ (64,132,561)</b>	<b>\$ (68,094,842)</b>



ADMINISTRATIVE EXPENSES

	Nine months ended			Three months ended				
	September 30, 2017	September 30, 2016	2017 Budget	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Salaries	\$ 72,741,068	\$ 71,610,518	\$ 75,111,285	\$ 23,075,069	\$ 19,858,388	\$ 29,807,612	\$ 20,690,028	\$ 20,402,757
Employee Benefits	13,203,810	16,058,398	14,767,632	4,005,603	4,721,876	4,476,330	5,651,273	5,313,142
Payroll Taxes	5,072,611	5,053,409	5,536,548	1,750,772	1,639,042	1,682,796	1,583,911	1,608,824
Contingent Staffing	24,022,579	14,973,349	23,796,276	10,477,161	7,962,472	5,582,947	7,712,812	5,022,963
Subscriptions and Dues	551,809	1,002,105	1,161,186	93,623	193,890	264,296	370,697	354,431
Bank Charges	146,447	167,249	165,452	103,596	(17,582)	60,433	50,960	50,343
Depreciation	2,973,253	3,277,187	4,131,758	1,012,937	963,896	996,420	1,092,503	1,118,350
FMAP Funding	(94,834)	26,647	(191,700)	(49,541)	(21,000)	(24,292)	(31,537)	(16,457)
Insurance	685,555	643,890	506,885	251,090	230,347	204,119	211,434	211,973
Legal	967,153	1,580,920	801,000	439,655	116,509	410,989	(130,187)	797,912
Operations and Maintenance	1,722,273	1,142,955	3,401,143	755,096	629,563	337,614	587,709	348,019
Miscellaneous	172,459	-	-	(52,194)	224,653	-	-	-
Operating Supplies	197,516	288,874	327,445	78,867	61,608	57,041	86,530	116,703
Computer Hardware and Maintenance	2,293,912	1,406,427	930,164	714,894	577,776	1,001,242	501,020	734,722
Postage	312,356	261,175	303,018	105,875	119,614	86,867	98,579	101,178
Printing	76,844	65,605	65,784	54,595	13,628	8,621	29,030	24,088
Producer Fees Collected	(420,878)	(261,033)	(584,625)	(132,015)	(45,338)	(243,526)	(470,111)	(1,894)
Professional Services	7,672,864	6,215,557	11,479,955	3,003,593	2,929,538	1,739,734	3,701,288	2,445,382
Recruiting	202,976	385,072	430,338	41,928	99,720	61,328	59,086	113,103
Rent	5,586,848	7,391,146	5,652,628	2,387,858	1,152,138	2,046,852	2,867,859	2,349,589
Software Maintenance and Licensing	10,788,349	10,041,789	12,316,402	3,664,525	3,878,797	3,245,027	3,372,702	3,181,951
Telecommunications	3,484,346	3,116,984	3,481,660	2,421,130	650,658	412,557	1,081,841	819,663
Training	336,119	359,343	704,459	52,631	151,601	131,887	157,533	100,654
Travel	2,260,411	913,558	1,364,660	1,515,365	433,176	311,871	492,106	320,948
ULAE Expense Allocation	(54,696,068)	(41,203,879)	(53,637,254)	(21,750,533)	(16,765,850)	(16,179,686)	(17,436,990)	(12,870,827)
<b>TOTAL</b>	<b>\$ 100,259,777</b>	<b>\$ 104,517,245</b>	<b>\$ 112,022,100</b>	<b>\$ 34,021,578</b>	<b>\$ 29,759,121</b>	<b>\$ 36,479,079</b>	<b>\$ 32,330,076</b>	<b>\$ 32,647,515</b>