



SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

| | Consolidated | | | | | Personal Lines Account | | | | |
|---|---------------|---------------|------------|--------------|-------------|------------------------|--------------|------------|-------------|------------|
| | YTD-Mar 18 | YTD-Mar 17 | Budget | YOY Var | Budget Var | YTD-Mar 18 | YTD-Mar 17 | Budget | YOY Var | Budget Var |
| Operations: | | | | | | | | | | |
| Direct written premium | \$ 206,632 | \$ 210,859 | \$ 216,885 | \$ (4,227) | \$ (10,253) | \$ 123,460 | \$ 116,832 | \$ 131,174 | \$ 6,629 | \$ (7,714) |
| Ceded written premium: | | | | | | | | | | |
| Depopulation | (3,308) | (3,193) | (9,842) | (115) | 6,533 | (1,249) | (2,018) | (1,844) | 769 | 595 |
| FHCF | - | - | - | - | - | - | - | - | - | - |
| Private reinsurers | - | - | - | - | - | - | - | - | - | - |
| Net earned premium | 209,470 | 217,544 | 209,770 | (8,074) | (300) | 119,754 | 110,372 | 119,589 | 9,382 | 165 |
| Net losses incurred | 62,124 | 65,153 | 89,866 | (3,030) | (27,742) | 51,426 | 50,532 | 74,862 | 894 | (23,436) |
| Net LAE incurred | 45,213 | 30,360 | 23,217 | 14,853 | 21,996 | 34,911 | 23,850 | 18,340 | 11,061 | 16,571 |
| Other underwriting expenses | 20,474 | 23,709 | 22,936 | (3,236) | (2,463) | 12,136 | 12,656 | 13,412 | (520) | (1,276) |
| Administrative expenses | 39,130 | 36,479 | 42,381 | 2,651 | (3,250) | 16,940 | 18,467 | 26,594 | (1,527) | (9,653) |
| Net investment income | 27,206 | 14,915 | 27,973 | 12,292 | (767) | 9,219 | 9,608 | 9,812 | (389) | (593) |
| Net income (loss) | \$ 65,517 | \$ 77,818 | \$ 60,056 | \$ (12,301) | \$ 5,461 | \$ 9,686 | \$ 14,873 | \$ (3,322) | \$ (5,187) | \$ 13,008 |
| Assets, Liabilities and Surplus: | | | | | | | | | | |
| Cash and invested assets | \$ 10,044,514 | \$ 10,109,043 | (1) | \$ (64,529) | | \$ 3,493,511 | \$ 3,552,212 | (1) | \$ (58,700) | |
| Net loss reserves | 606,672 | 740,371 | (1) | (133,699) | | 378,910 | 441,817 | (1) | (62,907) | |
| Net LAE reserves | 394,547 | 432,163 | (1) | (37,616) | | 263,943 | 283,594 | (1) | (19,652) | |
| Net unearned premium | 424,440 | 430,586 | (1) | (6,146) | | 249,204 | 246,747 | (1) | 2,457 | |
| Bonds and interest payable | 2,008,697 | 1,991,430 | (1) | 17,268 | | 695,897 | 690,089 | (1) | 5,808 | |
| Surplus | \$ 6,446,202 | \$ 6,359,300 | (1) | \$ 86,902 | | \$ 1,901,232 | \$ 1,886,040 | (1) | \$ 15,192 | |
| Policy Metrics: | | | | | | | | | | |
| Policies inforce | 440,351 | 451,189 | 444,540 | (10,838) | (4,189) | 303,699 | 293,295 | 307,854 | 10,404 | (4,155) |
| Policies serviced | 459,219 | 489,203 | 469,869 | (29,984) | (10,650) | 311,786 | 313,006 | 319,590 | (1,220) | (7,804) |
| Cash flows: | | | | | | | | | | |
| Cashflow from operations | \$ (84,161) | \$ 92,005 | | \$ (176,166) | | \$ (64,271) | \$ 28,835 | | \$ (93,106) | |
| Cashflow from investing | 51,615 | 191,094 | | (139,479) | | 17,449 | 39,013 | | (21,564) | |
| Cashflow from financing | (406) | (98) | | (308) | | 206 | 339 | | (133) | |
| Operating metrics: | | | | | | | | | | |
| Direct loss ratio | 29.7% | 30.0% | 42.8% | -0.3% | -13.2% | 42.9% | 45.8% | 62.6% | -2.8% | -19.7% |
| Direct LAE ratio | 21.6% | 14.0% | 11.1% | 7.6% | 10.5% | 29.2% | 21.6% | 15.3% | 7.5% | 13.8% |
| Underwriting expense ratio | 9.9% | 11.2% | 10.6% | -1.3% | -0.7% | 9.8% | 10.8% | 10.2% | -1.0% | -0.4% |
| Administrative expense ratio | 18.9% | 17.3% | 19.5% | 1.6% | -0.6% | 13.7% | 15.8% | 20.3% | -2.1% | -6.6% |
| Expense ratio | 28.8% | 28.5% | 30.1% | 0.3% | -1.3% | 23.6% | 26.6% | 30.5% | -3.1% | -6.9% |

(1) - Balance sheet information presented is as of December 31, 2017.



SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

| | Commercial Lines Account | | | | | Coastal Account | | | | |
|---|--------------------------|--------------|-----------|------------|------------|-----------------|--------------|-----------|-------------|------------|
| | YTD-Mar 18 | YTD-Mar 17 | Budget | YOY Var | Budget Var | YTD-Mar 18 | YTD-Mar 17 | Budget | YOY Var | Budget Var |
| Operations: | | | | | | | | | | |
| Direct written premium | \$ 4,015 | \$ 4,970 | \$ 4,186 | \$ (955) | \$ (171) | \$ 79,157 | \$ 89,057 | \$ 81,525 | \$ (9,900) | \$ (2,368) |
| Ceded written premium: | | | | | | | | | | |
| Depopulation | (7) | 67 | (713) | (74) | 706 | (2,052) | (1,243) | (7,284) | (810) | 5,232 |
| FHCF | - | - | - | - | - | - | - | - | - | - |
| Private reinsurers | - | - | - | - | - | - | - | - | - | - |
| Net earned premium | 4,713 | 7,955 | 4,901 | (3,242) | (188) | 85,002 | 99,217 | 85,280 | (14,214) | (277) |
| Net losses incurred | 726 | 1,096 | 410 | (371) | 316 | 9,972 | 13,525 | 14,594 | (3,553) | (4,622) |
| Net LAE incurred | 12 | (573) | 170 | 584 | (158) | 10,290 | 7,083 | 4,707 | 3,207 | 5,583 |
| Other underwriting expenses | 520 | 768 | 548 | (248) | (28) | 7,819 | 10,286 | 8,977 | (2,467) | (1,158) |
| Administrative expenses | 865 | 1,012 | 687 | (147) | 179 | 21,325 | 16,999 | 15,100 | 4,326 | 6,225 |
| Net investment income | 7,640 | 7,535 | 7,927 | 105 | (287) | 10,347 | (2,229) | 10,234 | 12,576 | 113 |
| Net income (loss) | \$ 10,233 | \$ 13,213 | \$ 11,037 | \$ (2,980) | \$ (804) | \$ 45,598 | \$ 49,732 | \$ 52,341 | \$ (4,134) | \$ (6,743) |
| Assets, Liabilities and Surplus: | | | | | | | | | | |
| Cash and invested assets | \$ 1,948,935 | \$ 1,936,461 | (1) | \$ 12,475 | | \$ 4,602,067 | \$ 4,620,371 | (1) | \$ (18,304) | |
| Net loss reserves | 69,993 | 73,190 | (1) | (3,198) | | 157,770 | 225,364 | (1) | (67,594) | |
| Net LAE reserves | 16,886 | 17,995 | (1) | (1,109) | | 113,719 | 130,574 | (1) | (16,855) | |
| Net unearned premium | 8,977 | 9,682 | (1) | (705) | | 166,260 | 174,157 | (1) | (7,898) | |
| Bonds and interest payable | 109,912 | 108,995 | (1) | 917 | | 1,202,888 | 1,192,346 | (1) | 10,543 | |
| Surplus | \$ 1,748,842 | \$ 1,738,657 | (1) | \$ 10,185 | | \$ 2,796,128 | \$ 2,734,603 | (1) | \$ 61,525 | |
| Policy Metrics: | | | | | | | | | | |
| Policies inforce | 1,196 | 1,723 | 1,192 | (527) | 4 | 135,456 | 156,171 | 135,494 | (20,715) | (38) |
| Policies serviced | 1,300 | 2,054 | 1,330 | (754) | (30) | 146,133 | 174,143 | 148,949 | (28,010) | (2,816) |
| Cash flows: | | | | | | | | | | |
| Cashflow from operations | \$ 7,400 | \$ 12,553 | | \$ (5,153) | | \$ (27,290) | \$ 50,617 | | \$ (77,907) | |
| Cashflow from investing | 1,773 | (2,112) | | 3,885 | | 32,393 | 154,193 | | (121,800) | |
| Cashflow from financing | (18) | (490) | | 472 | | (594) | 53 | | (647) | |
| Operating metrics: | | | | | | | | | | |
| Direct loss ratio | 15.4% | 13.8% | 8.4% | 1.6% | 7.0% | 11.7% | 13.7% | 17.1% | -1.9% | -5.4% |
| Direct LAE ratio | 0.2% | -7.2% | 3.5% | 7.4% | -3.2% | 12.1% | 7.1% | 5.5% | 5.0% | 6.6% |
| Underwriting expense ratio | 12.9% | 15.4% | 13.1% | -2.5% | -0.1% | 9.9% | 11.5% | 11.0% | -1.7% | -1.1% |
| Administrative expense ratio | 21.5% | 20.4% | 16.4% | 1.2% | 5.1% | 26.9% | 19.1% | 18.5% | 7.9% | 8.4% |
| Expense ratio | 34.5% | 35.8% | 29.5% | -1.3% | 5.0% | 36.8% | 30.6% | 29.5% | 6.2% | 7.3% |

(1) - Balance sheet information presented is as of December 31, 2017.



STATEMENTS OF OPERATIONS (Consolidated)

Revenue:

| | Twelve months ended | | Three months ended | |
|--|----------------------|----------------------|---------------------|---------------------|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| Direct premiums written | \$ 889,763,075 | \$ 946,391,629 | \$ 206,632,338 | \$ 210,859,039 |
| Change in direct unearned premium | 17,988,859 | 91,968,133 | 13,276,867 | 25,149,941 |
| Direct earned premium | 907,751,934 | 1,038,359,762 | 219,909,205 | 236,008,980 |
| Ceded premiums written - Depopulation | (30,841,743) | (54,241,738) | (3,308,382) | (3,193,151) |
| Ceded premiums written - FHCF | (153,934,815) | (176,391,990) | - | - |
| Ceded premiums written - Private reinsurance | (92,709,527) | (181,398,651) | - | - |
| Change in ceded unearned premium | (11,893,745) | (36,663,654) | (7,131,105) | (15,272,327) |
| Ceded earned premium | (289,379,829) | (448,696,034) | (10,439,487) | (18,465,478) |

| | | | | |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Net earned premium | \$ 618,372,105 | \$ 589,663,727 | \$ 209,469,718 | \$ 217,543,502 |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|

Losses and Loss Adjustment Expenses:

Losses

| | | | | |
|-------------------------------------|------------------------|----------------------|---------------------|---------------------|
| Direct losses paid | \$ (907,606,990) | \$ (326,826,501) | \$ (195,822,532) | \$ (79,863,239) |
| Change in direct case loss reserves | (103,168,580) | 11,790,018 | (52,623,059) | 3,270,487 |
| Change in direct IBNR loss reserves | (625,190,371) | (24,966,822) | 186,321,886 | 11,403,074 |
| Ceded losses incurred | 606,143,593 | (738,217) | - | 36,351 |
| Losses incurred | (1,029,822,349) | (340,741,522) | (62,123,704) | (65,153,326) |

Loss adjustment expenses

| | | | | |
|------------------------------------|----------------------|----------------------|---------------------|---------------------|
| Direct D&CC paid | (73,858,533) | (63,137,479) | (20,422,417) | (18,749,231) |
| Direct A&O paid | (289,490,773) | (89,082,006) | (62,406,475) | (22,646,911) |
| Change in direct case LAE reserves | (29,447,439) | (13,549,428) | (16,425,079) | (1,214,512) |
| Change in direct IBNR LAE reserves | (209,163,622) | (2,980,780) | 54,040,945 | 12,247,994 |
| Ceded LAE incurred | 54,865,258 | (85,865) | - | 2,386 |
| LAE incurred | (547,095,109) | (168,835,558) | (45,213,025) | (30,360,274) |

| | | | | |
|------------------------------------|---------------------------|-------------------------|-------------------------|------------------------|
| Net losses and LAE incurred | \$ (1,576,917,457) | \$ (509,577,079) | \$ (107,336,730) | \$ (95,513,601) |
|------------------------------------|---------------------------|-------------------------|-------------------------|------------------------|

Underwriting and Administrative Expenses:

| | | | | |
|---|----------------------|----------------------|---------------------|---------------------|
| Producer commissions | (67,825,453) | (74,288,289) | (15,574,657) | (16,161,872) |
| Taxes and fees | (10,020,085) | (12,368,515) | (2,584,071) | (3,998,514) |
| Other underwriting expenses | (14,458,013) | (14,441,088) | (2,314,969) | (3,549,094) |
| All other administrative expenses | (133,428,851) | (133,687,631) | (39,130,417) | (36,479,079) |
| Underwriting and administrative expenses | (225,732,401) | (234,785,524) | (59,604,115) | (60,188,559) |

| | | | | |
|-----------------------------------|---------------------------|-------------------------|----------------------|----------------------|
| Underwriting income (loss) | \$ (1,184,277,753) | \$ (154,698,876) | \$ 42,528,874 | \$ 61,841,343 |
|-----------------------------------|---------------------------|-------------------------|----------------------|----------------------|

Net Investment Income:

| | | | | |
|--------------------------------------|--------------------|-------------------|-------------------|-------------------|
| Net interest income (expense) | | | | |
| Investment income earned | 211,398,605 | 180,138,526 | 52,478,719 | 49,047,833 |
| Interest expenses | (81,187,401) | (128,118,865) | (17,267,812) | (30,323,524) |
| Net interest income (expense) | 130,211,204 | 52,019,661 | 35,210,907 | 18,724,309 |

| | | | | |
|---------------------------------|------------|------------|-------------|-------------|
| Realized capital gains (losses) | 14,234,757 | 51,922,329 | (8,004,561) | (3,809,509) |
|---------------------------------|------------|------------|-------------|-------------|

| | | | | |
|------------------------------|-----------------------|-----------------------|----------------------|----------------------|
| Net investment income | \$ 144,445,961 | \$ 103,941,991 | \$ 27,206,346 | \$ 14,914,801 |
|------------------------------|-----------------------|-----------------------|----------------------|----------------------|

| | | | | |
|-------------------------------|------------------|------------------|--------------------|------------------|
| Other income (expense) | (852,653) | 2,368,051 | (4,218,286) | 1,062,097 |
|-------------------------------|------------------|------------------|--------------------|------------------|

| | | | | |
|--------------------------|---------------------------|------------------------|----------------------|----------------------|
| Net income (loss) | \$ (1,040,684,446) | \$ (48,388,835) | \$ 65,516,933 | \$ 77,818,240 |
|--------------------------|---------------------------|------------------------|----------------------|----------------------|



STATEMENTS OF OPERATIONS (Personal Lines Account)

Revenue:

Direct premiums written
Change in direct unearned premium
Direct earned premium

Ceded premiums written - Depopulation
Ceded premiums written - FHCF
Ceded premiums written - Private reinsurance
Change in ceded unearned premium
Ceded earned premium

Net earned premium

Losses and Loss Adjustment Expenses:

Losses

Direct losses paid
Change in direct case loss reserves
Change in direct IBNR loss reserves
Ceded losses incurred
Losses incurred

Loss adjustment expenses

Direct D&CC paid
Direct A&O paid
Change in direct case LAE reserves
Change in direct IBNR LAE reserves
Ceded LAE incurred
LAE incurred

Net losses and LAE incurred

Underwriting and Administrative Expenses:

Producer commissions
Taxes and fees
Other underwriting expenses
All other administrative expenses
Underwriting and administrative expenses

Underwriting income (loss)

Net Investment Income:

Net interest income (expense)
Investment income earned
Interest expenses
Net interest income (expense)

Realized capital gains (losses)

Net investment income

Other income (expense)

Net income (loss)

Twelve months ended

Three months ended

| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
|--|-------------------------|-------------------------|------------------------|------------------------|
| Revenue: | | | | |
| Direct premiums written | \$ 502,062,126 | \$ 473,696,692 | \$ 123,460,275 | \$ 116,831,712 |
| Change in direct unearned premium | (15,154,322) | 14,743,148 | (829,327) | (698,391) |
| Direct earned premium | 486,907,804 | 488,439,840 | 122,630,948 | 116,133,321 |
| Ceded premiums written - Depopulation | (8,235,491) | (17,675,255) | (1,248,979) | (2,017,576) |
| Ceded premiums written - FHCF | (62,111,026) | (59,896,891) | - | - |
| Ceded premiums written - Private reinsurance | - | - | - | - |
| Change in ceded unearned premium | (6,502,130) | (15,386,337) | (1,627,763) | (3,743,920) |
| Ceded earned premium | (76,848,647) | (92,958,483) | (2,876,741) | (5,761,496) |
| Net earned premium | \$ 410,059,157 | \$ 395,481,356 | \$ 119,754,207 | \$ 110,371,825 |
| Losses and Loss Adjustment Expenses: | | | | |
| Losses | | | | |
| Direct losses paid | \$ (491,590,141) | \$ (238,727,435) | \$ (114,332,936) | \$ (55,754,684) |
| Change in direct case loss reserves | (40,010,757) | 10,040,994 | (29,825,611) | (2,470,470) |
| Change in direct IBNR loss reserves | (207,163,160) | (24,378,900) | 92,732,367 | 7,695,312 |
| Ceded losses incurred | 184,470,529 | (692,355) | - | (2,489) |
| Losses incurred | (554,293,530) | (253,757,696) | (51,426,180) | (50,532,331) |
| Loss adjustment expenses | | | | |
| Direct D&CC paid | (58,650,280) | (48,865,305) | (16,095,937) | (14,796,234) |
| Direct A&O paid | (171,859,274) | (60,193,941) | (38,467,097) | (15,296,907) |
| Change in direct case LAE reserves | (20,973,236) | (11,472,695) | (12,128,571) | (714,774) |
| Change in direct IBNR LAE reserves | (103,897,961) | (1,471,296) | 31,780,298 | 6,952,046 |
| Ceded LAE incurred | 9,233,555 | (125,652) | (1) | 5,897 |
| LAE incurred | (346,147,196) | (122,128,888) | (34,911,308) | (23,849,972) |
| Net losses and LAE incurred | \$ (900,440,726) | \$ (375,886,585) | \$ (86,337,487) | \$ (74,382,304) |
| Underwriting and Administrative Expenses: | | | | |
| Producer commissions | (35,494,805) | (33,642,643) | (8,720,494) | (8,303,338) |
| Taxes and fees | (6,163,854) | (6,608,352) | (1,664,279) | (2,280,981) |
| Other underwriting expenses | (10,125,661) | (8,552,007) | (1,750,811) | (2,071,359) |
| All other administrative expenses | (72,645,084) | (65,163,539) | (16,940,319) | (18,467,488) |
| Underwriting and administrative expenses | (124,429,404) | (113,966,542) | (29,075,904) | (31,123,166) |
| Underwriting income (loss) | \$ (614,810,973) | \$ (94,371,770) | \$ 4,340,816 | \$ 4,866,355 |
| Net Investment Income: | | | | |
| Net interest income (expense) | | | | |
| Investment income earned | 74,256,082 | 62,367,572 | 18,833,457 | 17,069,231 |
| Interest expenses | (23,811,263) | (26,837,202) | (5,807,825) | (6,579,466) |
| Net interest income (expense) | 50,444,819 | 35,530,370 | 13,025,631 | 10,489,765 |
| Realized capital gains (losses) | 4,959,401 | 10,846,075 | (3,806,339) | (881,626) |
| Net investment income | \$ 55,404,221 | \$ 46,376,444 | \$ 9,219,292 | \$ 9,608,139 |
| Other income (expense) | (1,255,437) | 1,393,965 | (3,874,274) | 398,328 |
| Net income (loss) | \$ (560,662,189) | \$ (46,601,361) | \$ 9,685,833 | \$ 14,872,823 |



STATEMENTS OF OPERATIONS (Commercial Lines Account)

| | Twelve months ended | | Three months ended | |
|--|------------------------|-----------------------|----------------------|----------------------|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| Revenue: | | | | |
| Direct premiums written | \$ 18,839,527 | \$ 32,109,734 | \$ 4,014,939 | \$ 4,970,032 |
| Change in direct unearned premium | 4,411,619 | 10,017,062 | 812,023 | 3,536,371 |
| Direct earned premium | 23,251,146 | 42,126,796 | 4,826,962 | 8,506,403 |
| Ceded premiums written - Depopulation | (249,895) | (1,176,131) | (7,202) | 66,931 |
| Ceded premiums written - FHCF | (6,097,953) | (3,660,868) | - | - |
| Ceded premiums written - Private reinsurance | - | - | - | - |
| Change in ceded unearned premium | (599,046) | (1,697,909) | (106,700) | (618,206) |
| Ceded earned premium | (6,946,894) | (6,534,909) | (113,902) | (551,276) |
| Net earned premium | \$ 16,304,252 | \$ 35,591,887 | \$ 4,713,059 | \$ 7,955,127 |
| Losses and Loss Adjustment Expenses: | | | | |
| Losses | | | | |
| Direct losses paid | \$ (16,435,691) | \$ (21,565,046) | \$ (3,923,744) | \$ (7,814,790) |
| Change in direct case loss reserves | (24,983,702) | 2,775,445 | (23,393,301) | 2,711,325 |
| Change in direct IBNR loss reserves | 22,361,991 | 11,203,877 | 26,591,198 | 4,007,069 |
| Ceded losses incurred | 5,919,359 | - | - | - |
| Losses incurred | (13,138,042) | (7,585,725) | (725,847) | (1,096,396) |
| Loss adjustment expenses | | | | |
| Direct D&CC paid | (897,004) | (1,541,130) | (326,956) | (286,907) |
| Direct A&O paid | (3,324,403) | (2,892,757) | (793,723) | (563,495) |
| Change in direct case LAE reserves | (1,060,796) | 75,837 | (360,072) | (162,397) |
| Change in direct IBNR LAE reserves | 1,635,193 | 5,588,405 | 1,469,137 | 1,585,366 |
| Ceded LAE incurred | 295,968 | - | - | - |
| LAE incurred | (3,351,043) | 1,230,356 | (11,614) | 572,567 |
| Net losses and LAE incurred | \$ (16,489,085) | \$ (6,355,369) | \$ (737,461) | \$ (523,829) |
| Underwriting and Administrative Expenses: | | | | |
| Producer commissions | (2,024,367) | (3,415,232) | (432,039) | (532,382) |
| Taxes and fees | (136,295) | (472,150) | (51,195) | (101,889) |
| Other underwriting expenses | (257,496) | (591,111) | (36,345) | (133,554) |
| All other administrative expenses | (2,966,799) | (5,355,265) | (865,122) | (1,012,122) |
| Underwriting and administrative expenses | (5,384,956) | (9,833,758) | (1,384,701) | (1,779,947) |
| Underwriting income (loss) | \$ (5,569,790) | \$ 19,402,760 | \$ 2,590,897 | \$ 5,651,351 |
| Net Investment Income: | | | | |
| Net interest income (expense) | | | | |
| Investment income earned | 42,380,973 | 32,403,446 | 10,872,660 | 9,322,242 |
| Interest expenses | (3,760,834) | (4,238,762) | (917,309) | (1,039,184) |
| Net interest income (expense) | 38,620,139 | 28,164,684 | 9,955,351 | 8,283,058 |
| Realized capital gains (losses) | 1,005,641 | 10,987,831 | (2,315,039) | (747,631) |
| Net investment income | \$ 39,625,780 | \$ 39,152,514 | \$ 7,640,312 | \$ 7,535,426 |
| Other income (expense) | 252,963 | 182,855 | 2,097 | 26,450 |
| Net income (loss) | \$ 34,308,953 | \$ 58,738,130 | \$ 10,233,307 | \$ 13,213,227 |



STATEMENTS OF OPERATIONS (Coastal Account)

| | Twelve months ended | | Three months ended | |
|--|-------------------------|-------------------------|------------------------|------------------------|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| Revenue: | | | | |
| Direct premiums written | \$ 368,861,422 | \$ 440,585,203 | \$ 79,157,124 | \$ 89,057,295 |
| Change in direct unearned premium | 28,731,563 | 67,207,923 | 13,294,171 | 22,311,962 |
| Direct earned premium | 397,592,985 | 507,793,126 | 92,451,295 | 111,369,257 |
| Ceded premiums written - Depopulation | (22,356,357) | (35,390,352) | (2,052,201) | (1,242,506) |
| Ceded premiums written - FHCF | (85,725,836) | (112,834,231) | - | - |
| Ceded premiums written - Private reinsurance | (92,709,527) | (181,398,651) | - | - |
| Change in ceded unearned premium | (4,792,569) | (19,579,408) | (5,396,642) | (10,910,201) |
| Ceded earned premium | (205,584,289) | (349,202,642) | (7,448,843) | (12,152,707) |
| Net earned premium | \$ 192,008,696 | \$ 158,590,484 | \$ 85,002,452 | \$ 99,216,550 |
| Losses and Loss Adjustment Expenses: | | | | |
| Losses | | | | |
| Direct losses paid | \$ (399,581,158) | \$ (66,534,020) | \$ (77,565,852) | \$ (16,293,765) |
| Change in direct case loss reserves | (38,174,121) | (1,026,421) | 595,854 | 3,029,631 |
| Change in direct IBNR loss reserves | (440,389,203) | (11,791,798) | 66,998,321 | (299,307) |
| Ceded losses incurred | 415,753,705 | (45,862) | - | 38,841 |
| Losses incurred | (462,390,777) | (79,398,100) | (9,971,677) | (13,524,599) |
| Loss adjustment expenses | | | | |
| Direct D&CC paid | (14,311,248) | (12,731,045) | (3,999,524) | (3,666,090) |
| Direct A&O paid | (114,307,095) | (25,995,309) | (23,145,655) | (6,786,508) |
| Change in direct case LAE reserves | (7,413,407) | (2,152,570) | (3,936,437) | (337,341) |
| Change in direct IBNR LAE reserves | (106,900,854) | (7,097,889) | 20,791,510 | 3,710,582 |
| Ceded LAE incurred | 45,335,735 | 39,787 | 1 | (3,511) |
| LAE incurred | (197,596,869) | (47,937,025) | (10,290,104) | (7,082,869) |
| Net losses and LAE incurred | \$ (659,987,646) | \$ (127,335,126) | \$ (20,261,781) | \$ (20,607,468) |
| Underwriting and Administrative Expenses: | | | | |
| Producer commissions | (30,306,281) | (37,230,414) | (6,422,123) | (7,326,153) |
| Taxes and fees | (3,719,936) | (5,288,014) | (868,597) | (1,615,644) |
| Other underwriting expenses | (4,074,855) | (5,297,970) | (527,813) | (1,344,181) |
| All other administrative expenses | (57,816,968) | (63,168,826) | (21,324,977) | (16,999,468) |
| Underwriting and administrative expenses | (95,918,041) | (110,985,224) | (29,143,510) | (27,285,446) |
| Underwriting income (loss) | \$ (563,896,991) | \$ (79,729,866) | \$ 35,597,161 | \$ 51,323,636 |
| Net Investment Income: | | | | |
| Net interest income (expense) | | | | |
| Investment income earned | 94,761,551 | 85,367,509 | 22,772,602 | 22,656,361 |
| Interest expenses | (53,615,305) | (97,042,901) | (10,542,677) | (22,704,874) |
| Net interest income (expense) | 41,146,246 | (11,675,392) | 12,229,925 | (48,513) |
| Realized capital gains (losses) | 8,269,714 | 30,088,424 | (1,883,183) | (2,180,252) |
| Net investment income | \$ 49,415,960 | \$ 18,413,032 | \$ 10,346,742 | \$ (2,228,765) |
| Other income (expense) | 149,821 | 791,230 | (346,109) | 637,319 |
| Net income (loss) | \$ (514,331,210) | \$ (60,525,603) | \$ 45,597,793 | \$ 49,732,190 |



ADMINISTRATIVE EXPENSES

| | 12 months ended | | 2018 Budget - YTD | March 31, 2018 | Three months ended | | | March 31, 2017 |
|------------------------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | March 31, 2018 | March 31, 2017 | | | December 31, 2017 | September 30, 2017 | June 30, 2017 | |
| Salaries | \$ 87,816,249 | \$ 91,614,306 | \$ 22,991,178 | \$ 21,600,309 | \$ 23,282,483 | \$ 23,075,069 | \$ 19,858,388 | \$ 29,807,612 |
| Employee Benefits | 28,368,820 | 20,809,583 | 14,012,825 | 14,137,557 | 5,503,783 | 4,005,603 | 4,721,876 | 4,476,330 |
| Payroll Taxes | 6,834,176 | 6,546,011 | 1,778,486 | 1,632,927 | 1,811,435 | 1,750,772 | 1,639,042 | 1,682,796 |
| Contingent Staffing | 97,934,893 | 23,476,760 | 51,677,469 | 26,348,372 | 53,146,889 | 10,477,161 | 7,962,472 | 5,582,947 |
| Subscriptions and Dues | 2,039,920 | 1,307,386 | 398,659 | 357,801 | 1,394,606 | 93,623 | 193,890 | 264,296 |
| Bank Charges | 236,383 | 215,955 | 53,941 | 81,024 | 69,344 | 103,596 | (17,582) | 60,433 |
| Depreciation | 4,065,429 | 4,287,694 | 1,191,776 | 1,058,517 | 1,030,080 | 1,012,937 | 963,896 | 996,420 |
| FMAP Funding | (146,348) | 10,644 | (54,459) | (47,616) | (28,191) | (49,541) | (21,000) | (24,292) |
| Insurance | 976,909 | 843,301 | 313,377 | 291,176 | 204,297 | 251,090 | 230,347 | 204,119 |
| Legal | 1,341,521 | 1,364,452 | 303,750 | 340,556 | 444,801 | 439,655 | 116,509 | 410,989 |
| Operations and Maintenance | 2,581,457 | 1,623,533 | 712,001 | 578,920 | 617,878 | 755,096 | 629,563 | 337,614 |
| Miscellaneous | 126,300 | - | - | 92,562 | (138,721) | (52,194) | 224,653 | - |
| Operating Supplies | 291,922 | 330,832 | 95,600 | 57,062 | 94,385 | 78,867 | 61,608 | 57,041 |
| Computer Hardware and Maintenance | 3,063,512 | 2,474,269 | 853,175 | 833,807 | 937,035 | 714,894 | 577,776 | 1,001,242 |
| Postage | 450,539 | 307,417 | 99,581 | 92,463 | 132,586 | 105,875 | 119,614 | 86,867 |
| Printing | 78,511 | 88,012 | 19,413 | 2,261 | 8,028 | 54,595 | 13,628 | 8,621 |
| Producer Fees Collected | (626,693) | (788,033) | (194,875) | (179,260) | (270,080) | (132,015) | (45,338) | (243,526) |
| Professional Services | 11,857,806 | 9,797,262 | 4,149,218 | 2,176,675 | 3,748,000 | 3,003,593 | 2,929,538 | 1,739,734 |
| Recruiting | 366,668 | 396,589 | 135,424 | 85,979 | 139,041 | 41,928 | 99,720 | 61,328 |
| Rent | 7,106,721 | 9,445,644 | 1,953,235 | 1,734,327 | 1,832,397 | 2,387,858 | 1,152,138 | 2,046,852 |
| Software Maintenance and Licensing | 17,623,490 | 13,333,665 | 5,096,540 | 6,126,887 | 3,953,280 | 3,664,525 | 3,878,797 | 3,245,027 |
| Telecommunications | 4,912,200 | 3,493,354 | 935,440 | 962,935 | 877,476 | 2,421,130 | 650,658 | 412,557 |
| Training | 586,067 | 542,494 | 285,504 | 130,055 | 251,781 | 52,631 | 151,601 | 131,887 |
| Travel | 4,937,711 | 1,452,149 | 449,832 | 812,321 | 2,176,849 | 1,515,365 | 433,176 | 311,871 |
| ULAE Expense Allocation | (149,395,311) | (59,285,626) | (64,876,534) | (40,177,201) | (70,701,728) | (21,750,533) | (16,765,850) | (16,179,686) |
| TOTAL | \$ 133,428,851 | \$ 133,687,652 | \$ 42,380,554 | \$ 39,130,417 | \$ 30,517,735 | \$ 34,021,578 | \$ 29,759,121 | \$ 36,479,079 |