



SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	Consolidated					Personal Lines Account				
	YTD-Jun 18	YTD-Jun 17	Budget	YOY Var	Budget Var	YTD-Jun 18	YTD-Jun 17	Budget	YOY Var	Budget Var
<b>Operations:</b>										
Direct written premium	\$ 460,040	\$ 465,132	\$ 489,711	\$ (5,091)	\$ (29,670)	\$ 275,380	\$ 253,432	\$ 299,704	\$ 21,948	\$ (24,324)
Ceded written premium:										
Depopulation	(4,683)	(4,107)	(10,497)	(575)	5,814	(2,062)	(2,188)	(2,232)	125	170
FHCF	(152,294)	(158,593)	(149,377)	6,299	(2,917)	(72,172)	(63,198)	(69,143)	(8,974)	(3,029)
Private reinsurers	(88,573)	(92,710)	(100,000)	4,137	11,427	-	-	-	-	-
Net earned premium	382,796	392,761	385,069	(9,964)	(2,273)	232,273	212,903	234,978	19,370	(2,705)
Net losses incurred	134,766	133,319	184,147	1,447	(49,381)	104,987	104,135	153,851	852	(48,864)
Net LAE incurred	94,443	72,718	47,536	21,726	46,907	76,804	53,976	37,691	22,828	39,113
Other underwriting expenses	46,378	50,863	50,839	(4,486)	(4,461)	27,512	27,074	30,015	438	(2,503)
Administrative expenses	66,103	66,238	76,265	(136)	(10,162)	39,146	36,088	47,856	3,058	(8,710)
Net investment income	59,278	41,843	56,696	17,436	2,583	18,899	22,289	19,877	(3,390)	(979)
Net income (loss)	\$ 96,879	\$ 113,316	\$ 60,056	\$ (16,437)	\$ 36,823	\$ (733)	\$ 14,736	\$ (3,322)	\$ (15,470)	\$ 2,589
<b>Assets, Liabilities and Surplus:</b>										
Cash and invested assets	\$ 9,659,822	\$ 10,109,043	(1)	\$ (449,221)		\$ 3,335,038	\$ 3,552,212	(1)	\$ (217,174)	
Net loss reserves	466,689	740,371	(1)	(273,683)		314,695	441,817	(1)	(127,121)	
Net LAE reserves	379,499	432,163	(1)	(52,664)		260,218	283,594	(1)	(23,377)	
Net unearned premium	262,281	430,586	(1)	(168,306)		215,620	246,747	(1)	(31,127)	
Bonds and interest payable	1,723,033	1,991,430	(1)	(268,396)		572,557	690,089	(1)	(117,532)	
Surplus	\$ 6,479,470	\$ 6,359,300	(1)	\$ 120,170		\$ 1,890,794	\$ 1,886,040	(1)	\$ 4,754	
<b>Policy Metrics:</b>										
Policies inforce	443,262	452,593	460,629	(9,331)	(17,367)	309,091	298,072	323,914	11,019	(14,823)
Policies serviced	456,060	476,717	477,682	(20,657)	(21,622)	314,852	311,411	332,110	3,441	(17,258)
<b>Cash flows:</b>										
Cashflow from operations	\$ (170,633)	\$ 99,973		\$ (270,606)		\$ (97,261)	\$ 34,752		\$ (132,013)	
Cashflow from investing	6,566	284,241		(277,675)		1,053	37,595		(36,542)	
Cashflow from financing	(256,252)	(998,540)		742,288		(110,987)	(110,621)		(366)	
<b>Operating metrics:</b>										
Direct loss ratio	31.8%	30.7%	43.2%	1.1%	-11.4%	42.9%	46.6%	62.4%	-3.7%	-19.5%
Direct LAE ratio	22.3%	16.7%	11.1%	5.6%	11.2%	31.4%	24.2%	15.3%	7.3%	16.1%
Underwriting expense ratio	10.1%	10.9%	10.4%	-0.9%	-0.3%	10.0%	10.7%	10.0%	-0.7%	0.0%
Administrative expense ratio	14.4%	14.2%	15.6%	0.1%	-1.2%	14.2%	14.2%	16.0%	0.0%	-1.8%
Expense ratio	24.5%	25.2%	26.0%	-0.7%	-1.5%	24.2%	24.9%	26.0%	-0.7%	-1.8%

(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-Jun 18	YTD-Jun 17	Budget	YOY Var	Budget Var	YTD-Jun 18	YTD-Jun 17	Budget	YOY Var	Budget Var
<b>Operations:</b>										
Direct written premium	\$ 9,431	\$ 11,765	\$ 9,129	\$ (2,334)	\$ 303	\$ 175,229	\$ 199,935	\$ 180,878	\$ (24,706)	\$ (5,649)
Ceded written premium:										
Depopulation	1	100	(713)	(99)	714	(2,621)	(2,020)	(7,552)	(602)	4,930
FHCF	(4,716)	(7,395)	(4,983)	2,679	267	(75,406)	(88,000)	(75,251)	12,594	(155)
Private reinsurers	-	-	-	-	-	(88,573)	(92,710)	(100,000)	4,137	11,427
Net earned premium	8,533	13,316	8,631	(4,783)	(98)	141,990	166,541	141,460	(24,551)	531
Net losses incurred	7,404	1,797	802	5,607	6,602	22,374	27,387	29,494	(5,013)	(7,120)
Net LAE incurred	(3,009)	(51)	333	(2,958)	(3,342)	20,648	18,793	9,512	1,855	11,136
Other underwriting expenses	1,239	1,646	1,184	(407)	55	17,626	22,143	19,640	(4,517)	(2,013)
Administrative expenses	1,345	1,675	1,235	(330)	110	25,611	28,474	27,173	(2,863)	(1,562)
Net investment income	17,394	17,046	15,922	348	1,472	22,985	2,507	20,897	20,478	2,089
Net income (loss)	\$ 18,977	\$ 25,354	\$ 11,037	\$ (6,376)	\$ 7,940	\$ 78,635	\$ 73,226	\$ 52,341	\$ 5,409	\$ 26,294
<b>Assets, Liabilities and Surplus:</b>										
Cash and invested assets	\$ 1,905,617	\$ 1,936,461	(1)	\$ (30,843)		\$ 4,419,167	\$ 4,620,371	(1)	\$ (201,204)	
Net loss reserves	46,393	73,190	(1)	(26,798)		105,601	225,364	(1)	(119,764)	
Net LAE reserves	12,745	17,995	(1)	(5,250)		106,536	130,574	(1)	(24,038)	
Net unearned premium	5,865	9,682	(1)	(3,817)		40,795	174,157	(1)	(133,362)	
Bonds and interest payable	90,432	108,995	(1)	(18,563)		1,060,045	1,192,346	(1)	(132,301)	
Surplus	\$ 1,757,663	\$ 1,738,657	(1)	\$ 19,006		\$ 2,831,013	\$ 2,734,603	(1)	\$ 96,410	
<b>Policy Metrics:</b>										
Policies inforce	1,102	1,561	1,104	(459)	(2)	133,069	152,960	135,611	(19,891)	(2,542)
Policies serviced	1,158	1,755	1,210	(597)	(52)	140,050	163,551	144,362	(23,501)	(4,312)
<b>Cash flows:</b>										
Cashflow from operations	\$ (7,837)	\$ 20,871		\$ (28,708)		\$ (65,535)	\$ 44,350		\$ (109,885)	
Cashflow from investing	(12,508)	(12,360)		(148)		18,021	259,006		(240,985)	
Cashflow from financing	(17,727)	(18,721)		994		(127,538)	(869,198)		741,660	
<b>Operating metrics:</b>										
Direct loss ratio	79.4%	12.4%	8.5%	67.1%	71.0%	13.2%	14.0%	17.3%	-0.8%	-4.1%
Direct LAE ratio	-32.3%	-0.4%	3.5%	-31.9%	-35.8%	12.2%	9.6%	5.6%	2.6%	6.6%
Underwriting expense ratio	13.1%	14.0%	13.0%	-0.9%	0.2%	10.1%	11.1%	10.9%	-1.0%	-0.8%
Administrative expense ratio	14.3%	14.2%	13.5%	0.0%	0.7%	14.6%	14.2%	15.0%	0.4%	-0.4%
Expense ratio	27.4%	28.2%	26.5%	-0.8%	0.9%	24.7%	25.3%	25.9%	-0.6%	-1.2%

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



STATEMENTS OF OPERATIONS (Consolidated)

Twelve months ended

Year to date

Three months ended

	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
<b>Revenue:</b>						
Direct premiums written	\$ 888,898,358	\$ 909,696,365	\$ 460,040,359	\$ 465,131,777	\$ 253,408,021	\$ 254,272,738
Change in direct unearned premium	8,836,428	77,301,600	(18,548,881)	2,476,626	(31,825,747)	(22,673,316)
<b>Direct earned premium</b>	<b>897,734,786</b>	<b>986,997,965</b>	<b>441,491,478</b>	<b>467,608,403</b>	<b>221,582,274</b>	<b>231,599,423</b>
Ceded premiums written - Depopulation	(31,301,768)	(46,815,784)	(4,682,579)	(4,107,323)	(1,374,197)	(914,171)
Ceded premiums written - FHCF	(147,635,785)	(148,686,283)	(152,294,063)	(158,593,093)	(152,294,063)	(158,593,093)
Ceded premiums written - Private reinsurance	(88,573,021)	(92,709,527)	(88,573,021)	(92,709,527)	(88,573,021)	(92,709,527)
Change in ceded unearned premium	(13,742,415)	(120,144,224)	186,854,596	180,562,043	193,985,701	195,834,370
<b>Ceded earned premium</b>	<b>(281,252,989)</b>	<b>(408,355,817)</b>	<b>(58,695,067)</b>	<b>(74,847,898)</b>	<b>(48,255,580)</b>	<b>(56,382,420)</b>
<b>Net earned premium</b>	<b>\$ 616,481,797</b>	<b>\$ 578,642,148</b>	<b>\$ 382,796,412</b>	<b>\$ 392,760,505</b>	<b>\$ 173,326,693</b>	<b>\$ 175,217,002</b>
<b>Losses and Loss Adjustment Expenses:</b>						
Losses						
Direct losses paid	\$ (1,045,306,093)	\$ (313,090,352)	\$ (408,545,806)	\$ (154,887,410)	\$ (212,723,274)	\$ (75,024,171)
Change in direct case loss reserves	(141,686,911)	(6,655,326)	(97,931,974)	(3,520,098)	(45,308,916)	(6,790,585)
Change in direct IBNR loss reserves	(453,240,310)	(23,028,304)	371,940,497	25,071,624	185,618,611	13,668,550
Ceded losses incurred	605,934,431	(157,599)	(228,245)	17,269	(228,245)	(19,083)
<b>Losses incurred</b>	<b>(1,034,298,883)</b>	<b>(342,931,581)</b>	<b>(134,765,528)</b>	<b>(133,318,615)</b>	<b>(72,641,823)</b>	<b>(68,165,289)</b>
Loss adjustment expenses						
Direct D&CC paid	(75,685,086)	(68,048,070)	(40,263,408)	(36,763,669)	(19,840,991)	(18,014,438)
Direct A&O paid	(310,576,356)	(91,576,619)	(106,922,743)	(46,077,597)	(44,516,269)	(23,430,686)
Change in direct case LAE reserves	(49,510,655)	(12,257,281)	(38,343,336)	(3,069,553)	(21,918,257)	(1,855,041)
Change in direct IBNR LAE reserves	(173,045,846)	2,892,393	91,128,117	13,217,390	37,087,172	969,396
Ceded LAE incurred	54,849,921	(79,679)	(42,122)	(24,399)	(42,122)	(26,785)
<b>LAE incurred</b>	<b>(553,968,022)</b>	<b>(169,069,255)</b>	<b>(94,443,493)</b>	<b>(72,717,828)</b>	<b>(49,230,467)</b>	<b>(42,357,554)</b>
<b>Net losses and LAE incurred</b>	<b>\$ (1,588,266,905)</b>	<b>\$ (512,000,836)</b>	<b>\$ (229,209,020)</b>	<b>\$ (206,036,444)</b>	<b>\$ (121,872,291)</b>	<b>\$ (110,522,843)</b>
<b>Underwriting and Administrative Expenses:</b>						
Producer commissions	(67,256,357)	(70,555,495)	(34,661,176)	(35,817,486)	(19,086,519)	(19,655,614)
Taxes and fees	(8,639,036)	(11,760,409)	(6,052,168)	(8,847,659)	(3,468,097)	(4,849,145)
Other underwriting expenses	(15,158,373)	(13,497,408)	(5,664,145)	(6,197,909)	(3,349,176)	(2,648,815)
All other administrative expenses	(130,641,976)	(131,215,790)	(66,102,663)	(66,238,199)	(26,972,246)	(29,759,121)
<b>Underwriting and administrative expenses</b>	<b>(221,695,743)</b>	<b>(227,029,102)</b>	<b>(112,480,152)</b>	<b>(117,101,254)</b>	<b>(52,876,037)</b>	<b>(56,912,695)</b>
<b>Underwriting income (loss)</b>	<b>\$ (1,193,480,851)</b>	<b>\$ (160,387,790)</b>	<b>\$ 41,107,239</b>	<b>\$ 69,622,806</b>	<b>\$ (1,421,634)</b>	<b>\$ 7,781,464</b>
<b>Net Investment Income:</b>						
Net interest income (expense)						
Investment income earned	214,056,763	190,030,669	108,311,785	102,222,742	55,833,066	53,174,909
Interest expenses	(71,069,321)	(117,724,430)	(33,740,429)	(56,914,222)	(16,472,617)	(26,590,697)
<b>Net interest income (expense)</b>	<b>142,987,441</b>	<b>72,306,239</b>	<b>74,571,356</b>	<b>45,308,521</b>	<b>39,360,449</b>	<b>26,584,212</b>
Realized capital gains (losses)	6,602,737	30,612,782	(15,292,928)	(3,465,856)	(7,288,367)	343,653
<b>Net investment income</b>	<b>\$ 149,590,178</b>	<b>\$ 102,919,021</b>	<b>\$ 59,278,428</b>	<b>\$ 41,842,665</b>	<b>\$ 32,072,082</b>	<b>\$ 26,927,865</b>
<b>Other income (expense)</b>	<b>(929,700)</b>	<b>2,934,055</b>	<b>(3,506,981)</b>	<b>1,850,449</b>	<b>711,305</b>	<b>788,352</b>
<b>Net income (loss)</b>	<b>\$ (1,044,820,373)</b>	<b>\$ (54,534,714)</b>	<b>\$ 96,878,686</b>	<b>\$ 113,315,921</b>	<b>\$ 31,361,753</b>	<b>\$ 35,497,680</b>



STATEMENTS OF OPERATIONS (Personal Lines Account)

	Twelve months ended		Year to date		Three months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
<b>Revenue:</b>						
Direct premiums written	\$ 517,381,982	\$ 477,552,834	\$ 275,380,171	\$ 253,431,752	\$ 151,919,896	\$ 136,600,040
Change in direct unearned premium	(22,088,190)	1,366,967	(25,847,112)	(18,782,308)	(25,017,785)	(18,083,917)
<b>Direct earned premium</b>	<u>495,293,792</u>	<u>478,919,801</u>	<u>249,533,059</u>	<u>234,649,444</u>	<u>126,902,111</u>	<u>118,516,123</u>
Ceded premiums written - Depopulation	(8,878,606)	(17,187,636)	(2,062,042)	(2,187,525)	(813,063)	(169,949)
Ceded premiums written - FHCF	(71,084,703)	(66,794,842)	(72,171,628)	(63,197,951)	(72,171,628)	(63,197,951)
Ceded premiums written - Private reinsurance	-	-	-	-	-	-
Change in ceded unearned premium	4,715,963	(711,051)	56,973,765	43,639,515	58,601,527	47,383,435
<b>Ceded earned premium</b>	<u>(75,247,346)</u>	<u>(84,693,529)</u>	<u>(17,259,906)</u>	<u>(21,745,961)</u>	<u>(14,383,164)</u>	<u>(15,984,465)</u>
<b>Net earned premium</b>	<u>\$ 420,046,445</u>	<u>\$ 394,226,272</u>	<u>\$ 232,273,153</u>	<u>\$ 212,903,483</u>	<u>\$ 112,518,946</u>	<u>\$ 102,531,658</u>
<b>Losses and Loss Adjustment Expenses:</b>						
Losses						
Direct losses paid	\$ (552,354,022)	\$ (228,489,628)	\$ (232,198,109)	\$ (112,855,977)	\$ (117,865,173)	\$ (57,101,293)
Change in direct case loss reserves	(74,663,990)	(2,284,894)	(68,165,569)	(6,157,195)	(38,339,958)	(3,686,726)
Change in direct IBNR loss reserves	(111,520,458)	(24,759,060)	195,586,141	14,906,384	102,853,774	7,211,072
Ceded losses incurred	184,286,295	(80,089)	(209,663)	(27,919)	(209,663)	(25,429)
<b>Losses incurred</b>	<u>(554,252,174)</u>	<u>(255,613,671)</u>	<u>(104,987,200)</u>	<u>(104,134,707)</u>	<u>(53,561,020)</u>	<u>(53,602,376)</u>
Loss adjustment expenses						
Direct D&CC paid	(59,934,494)	(52,882,371)	(31,685,367)	(29,101,450)	(15,589,429)	(14,305,216)
Direct A&O paid	(187,019,538)	(60,206,004)	(68,565,688)	(30,235,234)	(30,098,591)	(14,938,327)
Change in direct case LAE reserves	(34,010,684)	(11,160,896)	(26,749,763)	(2,298,519)	(14,621,193)	(1,583,745)
Change in direct IBNR LAE reserves	(86,140,242)	2,342,297	50,261,763	7,675,791	18,481,465	723,745
Ceded LAE incurred	9,191,115	(101,126)	(65,192)	(16,854)	(65,191)	(22,752)
<b>LAE incurred</b>	<u>(357,913,842)</u>	<u>(122,008,100)</u>	<u>(76,804,247)</u>	<u>(53,976,266)</u>	<u>(41,892,939)</u>	<u>(30,126,294)</u>
<b>Net losses and LAE incurred</b>	<u>\$ (912,166,016)</u>	<u>\$ (377,621,772)</u>	<u>\$ (181,791,447)</u>	<u>\$ (158,110,973)</u>	<u>\$ (95,453,960)</u>	<u>\$ (83,728,670)</u>
<b>Underwriting and Administrative Expenses:</b>						
Producer commissions	(36,499,635)	(33,887,972)	(19,401,726)	(17,979,739)	(10,681,232)	(9,676,402)
Taxes and fees	(5,692,725)	(6,698,610)	(3,880,506)	(4,968,336)	(2,216,226)	(2,687,355)
Other underwriting expenses	(10,550,325)	(8,350,112)	(4,230,046)	(4,125,930)	(2,479,235)	(2,054,571)
All other administrative expenses	(77,229,965)	(68,196,436)	(39,146,166)	(36,088,455)	(22,205,847)	(17,620,966)
<b>Underwriting and administrative expenses</b>	<u>(129,972,650)</u>	<u>(117,133,130)</u>	<u>(66,658,444)</u>	<u>(63,162,460)</u>	<u>(37,582,540)</u>	<u>(32,039,294)</u>
<b>Underwriting income (loss)</b>	<u>\$ (622,092,220)</u>	<u>\$ (100,528,630)</u>	<u>\$ (16,176,738)</u>	<u>\$ (8,369,950)</u>	<u>\$ (20,517,554)</u>	<u>\$ (13,236,306)</u>
<b>Net Investment Income:</b>						
Net interest income (expense)						
Investment income earned	75,578,568	66,045,821	38,616,281	35,529,568	19,782,824	18,460,338
Interest expenses	(23,005,903)	(26,137,111)	(11,329,269)	(12,906,269)	(5,521,443)	(6,326,803)
<b>Net interest income (expense)</b>	<u>52,572,665</u>	<u>39,908,709</u>	<u>27,287,012</u>	<u>22,623,300</u>	<u>14,261,381</u>	<u>12,133,535</u>
Realized capital gains (losses)	(169,970)	5,700,120	(8,388,399)	(334,314)	(4,582,060)	547,311
<b>Net investment income</b>	<u>\$ 52,402,696</u>	<u>\$ 45,608,829</u>	<u>\$ 18,898,613</u>	<u>\$ 22,288,985</u>	<u>\$ 9,679,321</u>	<u>\$ 12,680,846</u>
<b>Other income (expense)</b>	<u>(1,255,451)</u>	<u>1,411,287</u>	<u>(3,455,359)</u>	<u>817,257</u>	<u>418,915</u>	<u>418,929</u>
<b>Net income (loss)</b>	<u><u>\$ (570,944,976)</u></u>	<u><u>\$ (53,508,514)</u></u>	<u><u>\$ (733,484)</u></u>	<u><u>\$ 14,736,292</u></u>	<u><u>\$ (10,419,317)</u></u>	<u><u>\$ (136,531)</u></u>



STATEMENTS OF OPERATIONS (Commercial Lines Account)

	Twelve months ended		Year to date		Three months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
<b>Revenue:</b>						
Direct premiums written	\$ 17,460,832	\$ 26,014,159	\$ 9,431,473	\$ 11,765,261	\$ 5,416,534	\$ 6,795,229
Change in direct unearned premium	3,459,359	10,577,172	72,476	3,749,084	(739,547)	212,713
<b>Direct earned premium</b>	<b>20,920,191</b>	<b>36,591,331</b>	<b>9,503,949</b>	<b>15,514,345</b>	<b>4,676,987</b>	<b>7,007,942</b>
Ceded premiums written - Depopulation	(274,955)	(1,374,733)	687	99,880	7,889	32,949
Ceded premiums written - FHCF	(3,419,023)	(456,010)	(4,716,212)	(7,395,142)	(4,716,212)	(7,395,142)
Ceded premiums written - Private reinsurance	-	-	-	-	-	-
Change in ceded unearned premium	(2,462,870)	(3,406,942)	3,744,596	5,096,914	3,851,296	5,715,120
<b>Ceded earned premium</b>	<b>(6,156,848)</b>	<b>(5,237,686)</b>	<b>(970,928)</b>	<b>(2,198,348)</b>	<b>(857,026)</b>	<b>(1,647,072)</b>
<b>Net earned premium</b>	<b>\$ 14,763,343</b>	<b>\$ 31,353,645</b>	<b>\$ 8,533,021</b>	<b>\$ 13,315,997</b>	<b>\$ 3,819,961</b>	<b>\$ 5,360,870</b>
<b>Losses and Loss Adjustment Expenses:</b>						
Losses						
Direct losses paid	\$ (43,346,129)	\$ (19,440,734)	\$ (34,201,883)	\$ (11,182,491)	\$ (30,278,139)	\$ (3,367,701)
Change in direct case loss reserves	(1,542,629)	(1,138,928)	(2,128,108)	535,445	21,265,193	(2,175,880)
Change in direct IBNR loss reserves	19,855,663	12,972,717	28,927,742	8,849,940	2,336,544	4,842,871
Ceded losses incurred	5,917,440	-	(1,919)	-	(1,919)	-
<b>Losses incurred</b>	<b>(19,115,654)</b>	<b>(7,606,945)</b>	<b>(7,404,168)</b>	<b>(1,797,105)</b>	<b>(6,678,321)</b>	<b>(700,709)</b>
Loss adjustment expenses						
Direct D&CC paid	(837,524)	(1,511,588)	(545,560)	(564,991)	(218,604)	(278,084)
Direct A&O paid	(2,650,344)	(3,750,612)	(1,695,095)	(2,138,927)	(901,372)	(1,575,431)
Change in direct case LAE reserves	(1,376,115)	744,026	(438,110)	74,884	(78,038)	237,280
Change in direct IBNR LAE reserves	4,759,037	5,888,557	5,687,997	2,680,383	4,218,860	1,095,017
Ceded LAE incurred	295,872	-	(96)	-	(96)	-
<b>LAE incurred</b>	<b>190,926</b>	<b>1,370,383</b>	<b>3,009,137</b>	<b>51,348</b>	<b>3,020,750</b>	<b>(521,219)</b>
<b>Net losses and LAE incurred</b>	<b>\$ (18,924,728)</b>	<b>\$ (6,236,562)</b>	<b>\$ (4,395,032)</b>	<b>\$ (1,745,757)</b>	<b>\$ (3,657,570)</b>	<b>\$ (1,221,928)</b>
<b>Underwriting and Administrative Expenses:</b>						
Producer commissions	(1,882,439)	(2,773,041)	(1,024,308)	(1,266,578)	(592,269)	(734,196)
Taxes and fees	(77,432)	(352,001)	(129,963)	(239,519)	(78,768)	(137,630)
Other underwriting expenses	(299,341)	(443,957)	(84,733)	(140,098)	(48,388)	(6,544)
All other administrative expenses	(2,783,713)	(4,687,203)	(1,345,276)	(1,675,363)	(480,154)	(663,240)
<b>Underwriting and administrative expenses</b>	<b>(5,042,925)</b>	<b>(8,256,202)</b>	<b>(2,584,280)</b>	<b>(3,321,557)</b>	<b>(1,199,579)</b>	<b>(1,541,610)</b>
<b>Underwriting income (loss)</b>	<b>\$ (9,204,310)</b>	<b>\$ 16,860,881</b>	<b>\$ 1,553,709</b>	<b>\$ 8,248,683</b>	<b>\$ (1,037,188)</b>	<b>\$ 2,597,332</b>
<b>Net Investment Income:</b>						
Net interest income (expense)						
Investment income earned	43,879,024	35,750,508	22,763,509	19,715,039	11,890,848	10,392,798
Interest expenses	(3,633,635)	(4,128,187)	(1,789,387)	(2,038,461)	(872,078)	(999,277)
<b>Net interest income (expense)</b>	<b>40,245,389</b>	<b>31,622,321</b>	<b>20,974,122</b>	<b>17,676,578</b>	<b>11,018,770</b>	<b>9,393,521</b>
Realized capital gains (losses)	(376,660)	9,389,525	(3,579,794)	(630,085)	(1,264,755)	117,546
<b>Net investment income</b>	<b>\$ 39,868,729</b>	<b>\$ 41,011,847</b>	<b>\$ 17,394,328</b>	<b>\$ 17,046,493</b>	<b>\$ 9,754,016</b>	<b>\$ 9,511,067</b>
<b>Other income (expense)</b>	<b>248,156</b>	<b>102,516</b>	<b>29,334</b>	<b>58,493</b>	<b>27,237</b>	<b>32,043</b>
<b>Net income (loss)</b>	<b>\$ 30,912,575</b>	<b>\$ 57,975,244</b>	<b>\$ 18,977,371</b>	<b>\$ 25,353,669</b>	<b>\$ 8,744,064</b>	<b>\$ 12,140,442</b>



STATEMENTS OF OPERATIONS (Coastal Account)

	Twelve months ended		Year to date		Three months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
<b>Revenue:</b>						
Direct premiums written	\$ 354,055,544	\$ 406,129,372	\$ 175,228,715	\$ 199,934,764	\$ 96,071,591	\$ 110,877,469
Change in direct unearned premium	27,465,259	65,357,461	7,225,755	17,509,851	(6,068,415)	(4,802,111)
<b>Direct earned premium</b>	<b>381,520,803</b>	<b>471,486,833</b>	<b>182,454,470</b>	<b>217,444,615</b>	<b>90,003,176</b>	<b>106,075,358</b>
Ceded premiums written - Depopulation	(22,148,208)	(28,253,414)	(2,621,224)	(2,019,678)	(569,023)	(777,172)
Ceded premiums written - FHCF	(73,132,059)	(81,435,431)	(75,406,223)	(88,000,000)	(75,406,223)	(88,000,000)
Ceded premiums written - Private reinsurance	(88,573,021)	(92,709,527)	(88,573,021)	(92,709,527)	(88,573,021)	(92,709,527)
Change in ceded unearned premium	(15,995,507)	(116,026,231)	126,136,235	131,825,615	131,532,877	142,735,815
<b>Ceded earned premium</b>	<b>(199,848,795)</b>	<b>(318,424,603)</b>	<b>(40,464,232)</b>	<b>(50,903,590)</b>	<b>(33,015,390)</b>	<b>(38,750,884)</b>
<b>Net earned premium</b>	<b>\$ 181,672,008</b>	<b>\$ 153,062,230</b>	<b>\$ 141,990,238</b>	<b>\$ 166,541,024</b>	<b>\$ 56,987,786</b>	<b>\$ 67,324,474</b>
<b>Losses and Loss Adjustment Expenses:</b>						
Losses						
Direct losses paid	\$ (449,605,943)	\$ (65,159,990)	\$ (142,145,814)	\$ (30,848,942)	\$ (64,579,962)	\$ (14,555,177)
Change in direct case loss reserves	(65,480,292)	(3,231,503)	(27,638,297)	2,101,652	(28,234,151)	(927,980)
Change in direct IBNR loss reserves	(361,575,515)	(11,241,961)	147,426,615	1,315,300	80,428,294	1,614,607
Ceded losses incurred	415,730,695	(77,509)	(16,663)	45,187	(16,663)	6,346
<b>Losses incurred</b>	<b>(460,931,055)</b>	<b>(79,710,964)</b>	<b>(22,374,159)</b>	<b>(27,386,803)</b>	<b>(12,402,482)</b>	<b>(13,862,204)</b>
Loss adjustment expenses						
Direct D&CC paid	(14,913,068)	(13,654,111)	(8,032,482)	(7,097,228)	(4,032,958)	(3,431,138)
Direct A&O paid	(120,906,474)	(27,620,003)	(36,661,961)	(13,703,436)	(13,516,306)	(6,916,928)
Change in direct case LAE reserves	(14,123,856)	(1,840,411)	(11,155,462)	(845,918)	(7,219,026)	(508,577)
Change in direct IBNR LAE reserves	(91,664,641)	(5,338,460)	35,178,357	2,861,216	14,386,847	(849,366)
Ceded LAE incurred	45,362,933	21,447	23,166	(7,545)	23,165	(4,033)
<b>LAE incurred</b>	<b>(196,245,106)</b>	<b>(48,431,538)</b>	<b>(20,648,382)</b>	<b>(18,792,910)</b>	<b>(10,358,278)</b>	<b>(11,710,042)</b>
<b>Net losses and LAE incurred</b>	<b>\$ (657,176,161)</b>	<b>\$ (128,142,502)</b>	<b>\$ (43,022,541)</b>	<b>\$ (46,179,714)</b>	<b>\$ (22,760,760)</b>	<b>\$ (25,572,246)</b>
<b>Underwriting and Administrative Expenses:</b>						
Producer commissions	(28,874,282)	(33,894,483)	(14,235,142)	(16,571,169)	(7,813,018)	(9,245,017)
Taxes and fees	(2,868,879)	(4,709,798)	(2,041,699)	(3,639,804)	(1,173,102)	(2,024,160)
Other underwriting expenses	(4,308,707)	(4,703,338)	(1,349,366)	(1,931,882)	(821,553)	(587,701)
All other administrative expenses	(50,628,299)	(58,332,151)	(25,611,222)	(28,474,382)	(4,286,245)	(11,474,914)
<b>Underwriting and administrative expenses</b>	<b>(86,680,168)</b>	<b>(101,639,770)</b>	<b>(43,237,428)</b>	<b>(50,617,237)</b>	<b>(14,093,918)</b>	<b>(23,331,791)</b>
<b>Underwriting income (loss)</b>	<b>\$ (562,184,320)</b>	<b>\$ (76,720,041)</b>	<b>\$ 55,730,269</b>	<b>\$ 69,744,074</b>	<b>\$ 20,133,108</b>	<b>\$ 18,420,437</b>
<b>Net Investment Income:</b>						
Net interest income (expense)						
Investment income earned	94,599,171	88,234,340	46,931,996	46,978,135	24,159,394	24,321,774
Interest expenses	(44,429,784)	(87,459,132)	(20,621,774)	(41,969,492)	(10,079,096)	(19,264,618)
<b>Net interest income (expense)</b>	<b>50,169,387</b>	<b>775,208</b>	<b>26,310,222</b>	<b>5,008,643</b>	<b>14,080,297</b>	<b>5,057,156</b>
Realized capital gains (losses)	7,149,366	15,523,137	(3,324,735)	(2,501,456)	(1,441,552)	(321,205)
<b>Net investment income</b>	<b>\$ 57,318,754</b>	<b>\$ 16,298,345</b>	<b>\$ 22,985,487</b>	<b>\$ 2,507,187</b>	<b>\$ 12,638,745</b>	<b>\$ 4,735,952</b>
<b>Other income (expense)</b>	<b>77,594</b>	<b>1,420,252</b>	<b>(80,956)</b>	<b>974,699</b>	<b>265,153</b>	<b>337,380</b>
<b>Net income (loss)</b>	<b>\$ (504,787,973)</b>	<b>\$ (59,001,443)</b>	<b>\$ 78,634,799</b>	<b>\$ 73,225,959</b>	<b>\$ 33,037,006</b>	<b>\$ 23,493,769</b>



**ADMINISTRATIVE EXPENSES**

	Twelve months ended		Year to date		Three months ended				
	June 30, 2018	June 30, 2017	2018 Budget	June 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017	June 30, 2017
Salaries	\$ 89,363,611	\$ 90,758,784	\$ 46,686,077	\$ 43,006,060	\$ 21,405,750	\$ 21,600,309	\$ 23,282,483	\$ 23,075,069	\$ 19,858,388
Employee Benefits	26,511,406	20,162,622	17,034,267	17,002,020	2,864,463	14,137,557	5,503,783	4,005,603	4,721,876
Payroll Taxes	6,753,085	6,514,573	3,471,257	3,190,878	1,557,950	1,632,927	1,811,435	1,750,772	1,639,042
Contingent Staffing	110,745,830	26,281,193	92,189,548	47,121,779	20,773,408	26,348,372	53,146,889	10,477,161	7,962,472
Subscriptions and Dues	1,083,315	1,183,314	833,179	(404,913)	(762,714)	357,801	1,394,606	93,623	193,890
Bank Charges	273,471	144,154	107,881	100,530	19,506	81,024	69,344	103,596	(17,582)
Depreciation	4,080,856	4,171,170	2,507,253	2,037,839	979,323	1,058,517	1,030,080	1,012,937	963,896
FMAP Funding	(184,861)	(93,286)	(107,767)	(107,129)	(59,513)	(47,616)	(28,191)	(49,541)	(21,000)
Insurance	948,809	857,872	490,583	493,423	202,247	291,176	204,297	251,090	230,347
Legal	1,467,970	1,195,223	607,500	583,514	242,958	340,556	444,801	439,655	116,509
Operations and Maintenance	2,599,977	1,902,904	1,432,469	1,227,003	648,083	578,920	617,878	755,096	629,563
Miscellaneous	(100,814)	224,653	-	90,101	(2,461)	92,562	(138,721)	(52,194)	224,653
Operating Supplies	306,530	321,883	209,517	133,278	76,215	57,062	94,385	78,867	61,608
Computer Hardware and Maintenance	2,942,650	2,814,760	1,499,017	1,290,722	456,915	833,807	937,035	714,894	577,776
Postage	431,255	406,237	199,106	192,794	100,331	92,463	132,586	105,875	119,614
Printing	88,291	75,367	65,750	25,668	23,407	2,261	8,028	54,595	13,628
Producer Fees Collected	(666,755)	(760,868)	(389,750)	(264,660)	(85,400)	(179,260)	(270,080)	(132,015)	(45,338)
Professional Services	11,363,866	10,815,942	8,067,711	4,612,273	2,435,598	2,176,675	3,748,000	3,003,593	2,929,538
Recruiting	358,468	333,237	379,483	177,500	91,521	85,979	139,041	41,928	99,720
Rent	8,119,735	8,416,438	3,967,801	3,899,480	2,165,153	1,734,327	1,832,397	2,387,858	1,152,138
Software Maintenance and Licensing	17,702,476	13,678,477	9,651,434	10,084,671	3,957,784	6,126,887	3,953,280	3,664,525	3,878,797
Telecommunications	4,794,738	2,964,719	1,851,700	1,496,132	533,197	962,935	877,476	2,421,130	650,658
Training	572,199	541,674	607,817	267,787	137,733	130,055	251,781	52,631	151,601
Travel	5,279,369	1,558,100	922,125	1,587,155	774,834	812,321	2,176,849	1,515,365	433,176
ULAE Expense Allocation	(164,193,501)	(63,253,353)	(116,019,461)	(71,741,241)	(31,564,040)	(40,177,201)	(70,701,728)	(21,750,533)	(16,765,850)
<b>TOTAL</b>	<b>\$ 130,641,976</b>	<b>\$ 131,215,790</b>	<b>\$ 76,264,496</b>	<b>\$ 66,102,663</b>	<b>\$ 26,972,246</b>	<b>\$ 39,130,417</b>	<b>\$ 30,517,735</b>	<b>\$ 34,021,578</b>	<b>\$ 29,759,121</b>