

SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

	Consolidated						Personal Lines Account												
		FY 2018		FY 2017	Budget 2018		YOY Var	В	udget Var		FY 2018		FY 2017	Bue	dget 2018	Y	OY Var	Bu	dget Var
Operations:																			
Direct written premium	\$	868,417	\$	893,990	\$ 1,005,839	\$	(25,573)	\$	(137,422)	\$	527,770	\$	495,434	\$	635,936	\$	32,337	\$	(108,166)
Ceded written premium:																			
Depopulation		(17,896)		(30,727)	(29,109)	12,831		11,213		(6,164)		(9,004))	(7,728)		2,840		1,564
FHCF		(146,151)		(153,935)	(149,377)	7,784		3,226		(67,128)		(62,111))	(69,143)		(5,017)		2,015
Private reinsurance		(88,409)		(92,710)	(100,000)	4,301		11,591		-		-		-		-		-
Net earned premium		622,976		626,446	647,173		(3,470)		(24,197)		437,674		400,677		467,446		36,998		(29,771)
Net losses incurred		466,995		1,032,852	393,791		(565,857)		73,205		287,075		553,400		331,185		(266,325)		(44,110)
Net LAE incurred		222,717		532,242	101,466		(309,525)		121,251		198,275		335,086		81,135		(136,811)		117,140
Other underwriting expenses		87,700		95,539	103,764		(7,840)		(16,064)		52,862		52,304		63,151		557		(10,289)
Administrative expenses		126,262		130,778	140,331		(4,515)		(14,068)		76,715		74,172		88,057		2,543		(11,342)
Net investment income		134,228		132,154	116,050		2,073		18,178		44,869		55,793		40,543		(10,924)		4,326
Net income (loss)	\$	(151,350)	\$	(1,028,383)	\$ 27,192	\$	877,033	\$	(178,542)	\$	(135,861)	\$	(555,475)	\$	(54,912)	\$	419,614	\$	(80,949)
Assets, Liabilities and Surplus: Cash and invested assets	\$	9,250,735	\$	10,109,043	(1)	\$	(858,308)			\$	3,133,359	\$	3,552,212	(1)		\$	(418,853)		
Net loss reserves		378,951		740,371	(1)		(361,421)				262,329		441,817	(1)			(179,488)		
Net LAE reserves		360,843		432,163	(1)		(71,321)				278,499		283,594	(1)			(5,096)		
Net unearned premium		423,572		430,586	(1)		(7,014)				263,550		246,747	(1)			16,804		
Bonds and interest payable		1,712,061		1,991,430	(1)		(279,368)				568,698		690,089	(1)			(121,391)		
Surplus	\$	6,230,729	\$	6,359,300	(1)	\$	(128,571)			\$	1,755,547	\$	1,886,040	(1)		\$	(130,493)		
Policy Metrics: Policies inforce		427,395		440,407	500,173		(13,012)		(72,778)		304,536		300,505		366,204		4,031		(61,668)
Policies serviced		441,066		463,754	513,332		(22,688)		(72,266)		310,983		311,223		372,044		(240)		(61,061)
Cash flows:																			
Cashflow from operations	\$	(525,474)	\$	(584,562)		\$	59,088			\$	(277,857)	\$	(273,941)			\$	(3,916)		
Cashflow from investing		316,169		1,872,597			(1,556,428)				242,453		426,327				(183,874)		
Cashflow from financing		(260,090)		(1,350,792)			1,090,702				(112,198)		(107,846)				(4,352)		
Operating metrics: Direct loss ratio		53.9%		187.7%	43.9%	,	-133.8%		10.0%		82.5%		159.4%		61.7%		-76.9%		20.8%
Direct LAE ratio		30.8%		67.2%	11.3%	,	-36.5%		19.5%		40.5%		74.4%		15.1%		-33.9%		25.4%
Underwriting expense ratio		10.1%		10.7%	10.3%	,	-0.6%		-0.2%		10.0%		10.6%		9.9%		-0.5%		0.1%
Administrative expense ratio		14.5%		14.6%	14.0%	,	-0.1%		0.6%		14.5%		15.0%		13.8%		-0.4%		0.7%
Expense ratio		24.6%		25.3%	24.3%)	-0.7%		0.4%		24.6%		25.5%		23.8%		-1.0%		0.8%

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



SUMMARY OF FINANCIAL POSITION AND OPERATIONS

(\$000s omitted)

Pr Pr<		Commercial Lines Account						Γ			Coast	tal A	Account						
Direct written premium Geded written premium: \$ 14.665 \$ 19.765 \$ 16.872 \$ (1.207) \$ 325.081 \$ 378.762 \$ 364.031 \$ (62.780) \$ (28.049) Coded written premium: (51) (176) (1.065) 125 1.044 (40.893) (1.004) 4.893 (1.024) 4.893 (1.024) 4.993 (28.2710) (20.285) 7.5251 1.118 7.25 Private reinsurers .		FY 2018		FY 2017	Budge	et 2018	YOY Var	Bu	dget Var		FY	2018	FY 2017	Bu	dget 2018	١	'OY Var	Bu	idget Var
Ceded witten penulum: Depopulation (51) (176) (1.095) 125 1.044 (11.681) (21.547) (20.285) 9.896 8.604 FHCF (4.494) (6.098) (4.983) 1.504 488 (74.528) (65.726) (75.251) 11.198 723 Net lasses insured 35.608 13.609 15.10 21.903 (65.28) 117 22.825 100.000 4.301 11.523 Net lasses insured 35.608 15.10 21.903 (65.28) 1144.512 465.944 61.096 621.423 83.444 Other underwriting genenase 1.933 2.066 2.086 (744) (11.681) 91.705 (168.241) 6.444 Other underwriting genenase 3.7.62 39.521 32.098 (1.759) 5.664 5 (51.97) 36.840 43.409 14.756 8.188 Net locs reserves 57.935 7.3190 (1 (52.87) 7.722 30.574 (10.6677) 7.7225 130.574 11.90.567	Operations:																		
Depopulation (51) (176) (1,095) 125 1,044 (11,681) (21,547) (20,285) 9,868 6,604 FHOF (4,494) (6,098) (4,983) 1,604 449 (74,528) (85,728) (75,228) (11,198) 723 Private reinsures 1 13,020 10,546 12,003 (6,558) 417 (17,223) 226,223 (75,28) (11,198) (21,43) 917,12 (33,41) 5,158 Net losses incurred 35,048 13,509 1,510 21,900 33,888 144,512 465,544 61,096 (62,243) 63,416 64,620 Other underwriting expenses 2,140 3,114 2,273 (974) (134) 47,407 53,401 50,000 (60,84) (2,522) Administrative expenses 2,140 3,114 2,273 (974) (134) 47,407 53,401 50,000 (60,84) (4,522) Net loss reavers 5,7,935 77,935 77,935 (75,935 (75,935 (75,935) (1,96,657) (1,176) (20,917) (1,96,657) (1,176	Direct written premium	\$ 14,665	\$	19,795	\$	15,872	\$ (5,129)	\$	(1,207)		\$	325,981	\$ 378,762	\$	354,031	\$	(52,780)	\$	(28,049)
HCF (4,494) (6,098) (4,983) 1,604 489 (74,528) (75,27) (11,198) 723 Pivate reinsures -	Ceded written premium:																		
Dirkst Link Link <thlink< th=""> Link Link <t< td=""><td>Depopulation</td><td>(51)</td><td></td><td>(176)</td><td></td><td>(1,095)</td><td>125</td><td></td><td>1,044</td><td></td><td></td><td>(11,681)</td><td>(21,547)</td><td></td><td>(20,285)</td><td></td><td>9,866</td><td></td><td>8,604</td></t<></thlink<>	Depopulation	(51)		(176)		(1,095)	125		1,044			(11,681)	(21,547)		(20,285)		9,866		8,604
Net earned premium13.0219,54612,603(6,526)417172.281206.233167,123(33,941)5,158Net losses incurred35,40613,5091,51021,90033,886144,512465,54461.06(221,432)83,416Net LAE incurred(1,767)2,767626(4,473)(2,332)26,149194,39019,705(168,241)0.6444Other underwiting expenses2,1403,1142,273(974)(134)47,40753,49150,000(6,084)(2,522)Net investment income37,76239,52132,098(1,759)5,66451,59736,84043,40914,7568,8178788,1787Assets, Labilities and Surplus:512,941539,641(1)\$(32,873)54,213,789\$4,620,371(1)\$\$(40,682)Net lose reserves12,05017,995(1)(15,245)155,5441192,346(1)(168,677)Net LAE reserves12,05017,995(1)(2,900)15,5441192,346(1)(13,804)11,020Policies serviced9331,3401,002(4677)(69)121,130138,591133,039(16,655)(11,103)Policies serviced9331,3401,002(4677)(75,877)(5,578)15,151138,591130,039(16,655)(11,103)Policies serviced9331,3401,020(17,597)<	FHCF	(4,494)		(6,098)		(4,983)	1,604		489			(74,528)	(85,726)		(75,251)		11,198		723
Net losses incurred 35,408 13,509 1,510 21,900 33,898 144,512 465,944 61,096 (22,132) 83,416 Net LAE incurred (1,706) 2,767 6,266 (4,473) (2,322) 22,149 19,705 (168,241) 6,444 Other underwriting expenses 1,963 2,266 2,040 (1,740) 32,875 40,569 38,527 (7,633) (5,552) Net investment income 37,762 39,521 32,098 (1,759) 5,664 51,597 36,840 43,409 14,765 8,188 Net investment income 5 1,936,661 (1) \$ (2,2,37) 5 4,620,371 (1) \$ (4,2,3,08) \$ 4,620,371 (1) \$ (4,66,682) 7,743 7,725 7,73190 (1) (1,52,55) 5 5,8687 22,5344 (1) \$ (4,02,00) 1 5 4,620,371 (1) \$ (4,06,682) 1 1 5 6,62,614 1 1,65,57 7,935 7,73190 (1) (1,94,00) 1 1 1 <	Private reinsurers	-		-		-	-		-			(88,409)	(92,710)		(100,000)		4,301		11,591
Net LAE incurred (1,706) 2,767 628 (4,473) (2,332) 28,149 19,300 19,705 (168,24) 6,444 Other underwriting expenses 1,903 2,666 2,066 (704) (124) 32,875 40,669 38,527 (7,603) (5,652) Administrative expenses 2,140 31,14 2,273 (974) (134) 47,470 53,491 5000 (6,624) (2,592) Net investment income 37,762 39,521 32,096 \$ (24,348) \$ (25,32) 5 (64,67) 5 (66,677) 5 (72,633) \$ (40,582) 5 (72,95) 5 (24,30) \$ 4,213,789 \$ 4,3409 \$ 406,582) (70,62) (72,63) \$ (72,63) \$ (72,63) \$ (72,63) \$ (72,63) \$ (72,63) \$ (72,63) \$ (72,63) \$ (72,63) \$ (72,63) \$ (73,63) \$ (74,61) \$ (76,62) (71,63) \$ (72,63) \$ (72,63,63) \$	Net earned premium	13,020		19,546		12,603	(6,526)		417			172,281	206,223		167,123		(33,941)		5,158
Other underwriting expenses 1,963 2,666 2,086 (704) (124) Administrative expenses 2,140 3,114 2,273 (974) (134) Net investment income 37,762 39,521 32,098 (1,759) 5,664 51,997 38,840 43,409 14,756 8,188 Net investment income 37,762 39,521 32,098 (1,759) 5,664 51,997 38,840 43,409 14,756 8,188 Net income (loss) \$ 1,903,587 \$ 1,903,681 (1) \$ (32,873) \$ (24,348) \$ (24,348) \$ (4,20,371 (1) \$ (406,582) \$ (72,239) \$ 4,213,789 \$ 4,213,789 \$ 4,213,789 \$ 4,213,789 \$ 4,203,71 (1) \$ (406,582) \$ (72,239) \$ 5 1,738,657 (1) (19,173) \$ (1,141,102) \$ (1,102) \$ (11,103) \$ (11,103) <td< td=""><td>Net losses incurred</td><td>35,408</td><td></td><td>13,509</td><td></td><td>1,510</td><td>21,900</td><td></td><td>33,898</td><td></td><td></td><td>144,512</td><td>465,944</td><td></td><td>61,096</td><td></td><td>(321,432)</td><td></td><td>83,416</td></td<>	Net losses incurred	35,408		13,509		1,510	21,900		33,898			144,512	465,944		61,096		(321,432)		83,416
Administrative expenses 2,140 3,114 2,273 (974) (134) 47,407 53,491 50,000 (6,084) (2,592) Net investment income 37,762 39,521 32,098 (1,759) 5,664 5,597 36,840 43,409 14,756 8,188 Net income (loss) \$ 12,241 \$ 37,289 \$ 32,985 \$ (2,233) \$ 5 5,664 5 564 5 56,840 43,409 14,756 8,188 Net income (loss) \$ 1,903,587 \$ 1,936,461 (1) \$ (32,873) \$ 4,213,789 \$ 4,20,371 (1) \$ (406,582) \$ 406,652 \$ (16,667) \$ (10,62,600) \$ (10,62,600) \$ (10,62,600) \$ \$ (10,62,600) \$ (10,60,620) \$ (10,60,620) \$ \$ (10,62,600) \$ (10,62,600) \$ (10,63,640) \$ (10,63,640) \$ (11,100) \$ \$ (11,102) \$ \$ (11,102) \$ \$	Net LAE incurred	(1,706)		2,767		626	(4,473)		(2,332)			26,149	194,390		19,705		(168,241)		6,444
Net investment income Net investment income (loss) 37,762 39,521 32,098 (1,759) 5,664 51,597 36,840 43,409 14,756 8,188 Net income (loss) \$ 12,941 \$ 37,229 \$ 38,295 \$ (24,348) \$ (25,354) \$ (28,430) \$ (43,09) \$ 481,767 \$ (72,239) Assets, Liabilities and Surplus: Cash and invested assets \$ 1,930,587 \$ 1,936,461 (1) \$ (32,873) \$ \$ 4,213,789 \$ 4,620,371 (1) \$ (406,582) Net Los reserves 12,050 17,995 (1) (2,900) \$ 58,687 \$ 4,203,917 (1) (60,280) \$ Net Los reserves 1,751,599 \$ 1,738,657 (1) (19,173) \$ 2,272,568 \$ 2,734,603 (1) \$ (11,02) Bonds and interest payable \$ 1,751,599 \$ 1,311 930 (388) (7)	Other underwriting expenses	1,963		2,666		2,086	(704)		(124)			32,875	40,569		38,527		(7,693)		(5,652)
Net income (loss) \$ 12,941 \$ 37,289 \$ 38,295 \$ (24,348) \$ (28,349) \$ (28,430) \$ (31,107) \$ 43,809 \$ 481,777 \$ (72,239) Assets, Liabilities and Surplus: \$ 1,903,587 \$ 1,936,461 (1) \$ (32,873) \$ \$ (28,430) \$ (28,430) \$ (42,13,769) \$ 43,809 \$ 481,777 \$ (72,239) Assets, Liabilities and Surplus: \$ 1,903,587 \$ 1,936,461 (1) \$ (32,873) \$ \$ 4,213,769 \$ 4,620,371 (1) \$ (406,582) \$ \$ (72,239) \$ 4,101,12,37 (1) (166,677) \$ (10,97) \$ 4,300 \$ 4,90,381 \$ (20,901) 1,013,3240 1,011,11 (10,93,541 1,112,376 (1,12,937) 1,013,3039 (16,655) (11,103) \$ 2,723,863 \$ 2,723,463 1,33,039 (16,655) (11,103) \$ 1,12,936 138,861 1,33,03	Administrative expenses	2,140		3,114		2,273	(974)		(134)			47,407	53,491		50,000		(6,084)		(2,592)
Assets. Liabilities and Surplus: Cash and invested assets \$ 1,903,587 \$ 1,936,461 (1) \$ (32,873) 5 4,620,371 (1) \$ (406,582) Net loss reserves 12,050 17,995 (1) (5,945) 70,295 130,574 (1) (166,677) Net LAE reserves 6,782 9,682 (1) (2,900) 153,240 174,157 (1) (20,917) Bonds and interest payable 89,822 108,995 (1) (19,173) 1,053,541 1,192,346 (1) (138,804) Policy Metrics: 923 1,311 930 (388) (7) 121,936 138,591 133,039 (16,655) (11,103) Policy Metrics: 923 1,311 930 (388) (7) 121,936 138,591 133,039 (16,655) (11,103) Policy Metrics: 923 1,311 930 (388) (7) 121,936 138,591 133,039 (16,655) (11,103) Cashflow from operations \$ <td>Net investment income</td> <td>37,762</td> <td></td> <td>39,521</td> <td>:</td> <td>32,098</td> <td>(1,759)</td> <td></td> <td>5,664</td> <td></td> <td></td> <td>51,597</td> <td>36,840</td> <td></td> <td>43,409</td> <td></td> <td>14,756</td> <td></td> <td>8,188</td>	Net investment income	37,762		39,521	:	32,098	(1,759)		5,664			51,597	36,840		43,409		14,756		8,188
Cash and invested assets \$ 1,903,587 \$ 1,903,687 \$ 1,936,461 (1) \$ (32,873) \$ 4,213,789 \$ 4,620,371 (1) \$ (406,562) Net loss reserves 12,050 17,995 (1) (5,945) 70,295 130,574 (1) (60,280) Net unearned premium 6,782 9,682 (1) (19,173) 135,240 17,4157 (1) (20,917) Bonds and interest payable 89,822 108,995 (1) (19,173) 1,053,541 1,192,346 (1) (10,38,804) Policy Metrics: 923 1,311 930 (388) (7) 121,936 138,591 133,039 (16,655) (11,103) Policies serviced 923 1,311 930 (388) (7) 121,936 138,591 133,039 (16,655) (11,103) Policies serviced 933 1,400 1,002 (467) (69) 121,936 138,591 133,039 (16,655) (11,103) Cashflow from investing Cashflow from financing (1,7829) 158,58 (37,877) <td>Net income (loss)</td> <td>\$ 12,941</td> <td>\$</td> <td>37,289</td> <td>\$</td> <td>38,295</td> <td>\$ (24,348)</td> <td>\$</td> <td>(25,354)</td> <td></td> <td>\$</td> <td>(28,430)</td> <td>\$ (510,197)</td> <td>\$</td> <td>43,809</td> <td>\$</td> <td>481,767</td> <td>\$</td> <td>(72,239)</td>	Net income (loss)	\$ 12,941	\$	37,289	\$	38,295	\$ (24,348)	\$	(25,354)		\$	(28,430)	\$ (510,197)	\$	43,809	\$	481,767	\$	(72,239)
Net loss reserves 57,935 73,190 (1) (15,255) (1) (16,677) Net LAE reserves 12,050 17,995 (1) (2,900) 153,240 174,157 (1) (60,280) Net unearned premium 6,782 9,682 (1) (2,900) 153,240 174,157 (1) (20,917) Bonds and interest payable 89,822 108,995 (1) (19,173) \$ 2,27,2838 \$ 2,734,603 (1) \$ (11,02) Policy Metrics: 923 1,311 930 (388) (7) 121,936 138,591 133,039 (16,655) (11,103) Policies inforce 923 1,311 930 (388) (7) 121,936 138,591 133,039 (16,655) (11,103) Policies serviced 933 1,400 1,002 (467) (69) 129,150 151,131 140,286 (21,981) (11,103) Cashflow from investing Cashflow from investing Cashflow from investing (17,829) 158,158 (175,987) 5,178 1 (130,013) (1,219,889) 1,089,876 1.089,876							()												
Net LAE reserves 12,050 17,995 (1) (5,945) 70,295 130,574 (1) (60,280) Net unearned premium 6,782 9,682 (1) (2,900) 153,240 174,157 (1) (20,917) Bonds and interest payable 89,822 108,995 (1) (19,173) \$ 2,734,603 (1) (138,804) \$ (1,102) \$ (1,103) \$ (1,103) \$ (1,103) \$ (1,103) \$ (1,103) \$ (1,103) \$ (1,103) \$ (1,103) \$ (1,103) \$ (1,103) \$ \$ (1,103) \$ \$ (1,103) \$ \$ (1,103) \$ \$ (1,103) \$ \$ (1,103) \$ \$ (1,103) \$ </td <td></td> <td>\$</td> <td>\$</td> <td></td> <td>. ,</td> <td></td> <td>\$,</td> <td></td> <td></td> <td></td> <td>\$</td> <td></td> <td>\$</td> <td>• •</td> <td></td> <td>\$</td> <td> ,</td> <td></td> <td></td>		\$	\$. ,		\$,				\$		\$	• •		\$,		
Net unearned premium Bonds and interest payable Surplus 6,782 9,682 (1) (2,900) 153,240 174,157 (1) (20,917) Bonds and interest payable Surplus \$ 1,751,599 \$ 1,738,657 (1) \$ 12,942 \$ 2,723,583 \$ 2,734,603 (1) \$ (11,023) Policy Metrics: Policies serviced 923 1,311 930 (388) (7) 121,936 138,591 133,039 (16,655) (11,103) Policies serviced 933 1,400 1,002 (467) (69) 129,150 151,131 140,286 (21,981) (11,136) Cashflow from operations Cashflow from investing Cashflow from financing \$ (4,326) \$ 33,551 \$ (37,877) 5,178 \$ (243,291) \$ (344,172) \$ 100,881 (1,196,567) Direct loss ratio 168,4% 75,8% 8.6% 92,6% 159,8% 4.8% 229,2% 17,8% -224,4% -13,1% Direct LAE ratio -11,4% 11,9% 3.6% -23,4% -15,0% 18,3% 62,3% 5.8% -44,1% 12,5% Underwriting expense ratio 13,4% 13,5% 13,1%<		,			. ,		,					,		• •			,		
Bonds and interest payable 89,822 108,995 (1) (19,173) (19,173) (1,1053,541 1,192,346 (7) (138,804) Surplus \$ 1,751,599 \$ 1,738,657 (1) \$ 12,942 \$ 2,723,683 \$ 2,734,603 (7) \$ (11,020) Policies inforce 923 1,311 930 (388) (7) 121,936 138,591 133,039 (16,655) (11,103) Policies serviced 923 1,400 1,002 (467) (69) 121,936 138,591 133,039 (16,655) (11,103) Cashflows: Cashflow from operations \$ (4,326) \$ 33,551 \$ (37,877) 5,178 \$ (243,291) \$ (10,881) 1,199,886 1,008,816 1,199,886 1,008,816 1,11,136 1,089,876 1	Net LAE reserves	,			. ,		,					-,		• •			(60,280)		
Surplus \$ 1,751,599 \$ 1,738,657 (1) \$ 12,942 \$ 2,723,583 \$ 2,734,603 (1) \$ (11,020) Policy Metrics: Policies inforce 923 1,311 930 (388) (7) 121,936 138,591 133,039 (16,655) (11,103) Policies serviced 923 1,311 930 (388) (7) 121,936 138,591 133,039 (16,655) (11,103) Cash flows: Cashflow from operations Cashflow from investing Cashflow from financing \$ (4,326) \$ 33,551 \$ (37,877) * \$ (243,291) \$ (344,172) \$ 100,881 * * Operating metrics: Direct loss ratio 168,4% 75,8% 8.6% 92,6% 159,8% 4.8% 229,2% 17,8% -224,4% -13,1% Underwriting expense ratio 13.4% 13.5% 13.1% -0.1% 0.2% 10.1% 10.7% 10.9% -0.6% -0.8%		,					(, , ,					,					,		
Policy Metrics: 923 1,311 930 (388) (7) 121,936 138,591 133,039 (16,655) (11,103) Policies inforce 933 1,400 1,002 (467) (69) 129,150 151,131 140,286 (21,981) (11,103) Cash flow from operations \$ (4,326) \$ 33,551 \$ (37,877) \$ (243,291) \$ (344,172) \$ 100,881 Cashflow from investing (17,829) 158,158 (17,5987) \$ (243,291) \$ (344,172) \$ 100,881 Direct loss ratio 168,4% 75,8% 8.6% 92,6% 159.8% 4.8% 229,2% 17.8% -224.4% -13.1% Direct loss ratio 11.4% 11.9% 3.6% -23.4% -15.0% 18.3% 62.3% 5.8% -44.1% 12.5% Underwriting expense ratio 13.4% 13.5% 13.1% -0.1% 0.2% 10.1% 10.7% 10.9% -0.8%	Bonds and interest payable	,		108,995	(1)		(, ,						1,192,346	(1)			,		
Policies inforce 923 1,311 930 (388) (7) 121,936 138,591 133,039 (16,655) (11,103) Policies serviced 933 1,400 1,002 (467) (69) 129,150 151,131 140,286 (21,981) (11,136) Cash flows: (4,326) 33,551 (4,326) (33,551) (17,598) (17,598) (17,598) (17,598) (17,879) (17,879) (23,057) (175,987) (130,013) (1,219,889) (1,219,889) (1,196,567) (1,196,567) (1,196,567) (1,196,567) (1,196,567) (1,196,567) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,196,567) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,98,97) (1,198,97,97) (1,198,97,97) (1,198,97,97) (1,198,97,97) (1,198,97	Surplus	\$ 1,751,599	\$	1,738,657	(1)		\$ 12,942				\$	2,723,583	\$ 2,734,603	(1)		\$	(11,020)		
Policies serviced 933 1,400 1,002 (467) (69) 129,150 151,131 140,286 (21,981) (11,136) Cash flows: Cashflow from operations Cashflow from investing Cashflow from financing (4,326) 33,551 (17,829) \$ (37,877)		923		1 311		930	(388)		(7)			121 936	138 591		133 039		(16 655)		(11 103)
Cash flows: * (4,326) * 33,551 * (37,877) * * (243,291) * (344,172) * * 100,881 Cashflow from investing (17,829) 158,158 (175,987) 91,545 1,288,112 (1,196,567) (1,196,567) 1,089,876 Cashflow from financing * <t< td=""><td></td><td></td><td></td><td>,</td><td></td><td></td><td>. ,</td><td></td><td></td><td></td><td></td><td>,</td><td></td><td></td><td></td><td></td><td> ,</td><td></td><td> ,</td></t<>				,			. ,					,					,		,
Cashflow from operations \$ (4,326) \$ 33,551 \$ (37,877) \$ (243,291) \$ (344,172) \$ 100,881 Cashflow from investing (17,829) 158,158 (175,987) 91,545 1,288,112 (1,196,567) Cashflow from financing (17,879) (23,057) 5,178 159,8% 100,881 (1,196,567) Operating metrics: Direct loss ratio 168.4% 75.8% 8.6% 92.6% 159.8% 4.8% 229.2% 17.8% -224.4% -13.1% Direct LAE ratio -11.4% 11.9% 3.6% -23.4% -15.0% 18.3% 62.3% 5.8% -44.1% 12.5% Underwriting expense ratio 13.4% 13.5% 13.1% -0.1% 0.2% 10.1% 10.7% 10.9% -0.8%				.,		.,	(,		()			,	,		,		(,)		(,)
Cashflow from investing Cashflow from financing (17,829) 158,158 (17,879) (175,987) 91,545 1,288,112 (130,013) (1,196,567) Operating metrics: Direct LAE ratio 168.4% 75.8% 8.6% 92.6% 159.8% 4.8% 229.2% 17.8% -224.4% -13.1% Underwriting expense ratio 13.4% 13.5% 13.1% -0.1% 0.2% 10.1% 10.7% 10.9% -0.6% -0.8%																			
Cashflow from financing (17,879) (23,057) 5,178 (130,013) (1,219,889) 1,089,876 Operating metrics: Direct loss ratio 168.4% 75.8% 8.6% 92.6% 159.8% 4.8% 229.2% 17.8% -224.4% -13.1% Direct LAE ratio -11.4% 11.9% 3.6% -23.4% -15.0% 18.3% 62.3% 5.8% -44.1% 12.5% Underwriting expense ratio 13.4% 13.5% 13.1% -0.1% 0.2% 10.1% 10.7% 10.9% -0.6% -0.8%		\$	\$,			\$ 				\$,	\$,						
Operating metrics: Direct loss ratio 168.4% 75.8% 8.6% 92.6% 159.8% 4.8% 229.2% 17.8% -224.4% -13.1% Direct LAE ratio -11.4% 11.9% 3.6% -23.4% -15.0% 18.3% 62.3% 5.8% -44.1% 12.5% Underwriting expense ratio 13.4% 13.5% 13.1% -0.1% 0.2% 10.1% 10.7% 10.9% -0.6% -0.8%	Ŭ	()		,			,					,							
Direct loss ratio 168.4% 75.8% 8.6% 92.6% 159.8% 4.8% 229.2% 17.8% -224.4% -13.1% Direct LAE ratio -11.4% 11.9% 3.6% -23.4% -15.0% 18.3% 62.3% 5.8% -44.1% 12.5% Underwriting expense ratio 13.4% 13.5% 13.1% -0.1% 0.2% 10.1% 10.7% 10.9% -0.6% -0.8%	Cashflow from financing	(17,879)		(23,057)			5,178					(130,013)	(1,219,889)				1,089,876		
Underwriting expense ratio 13.4% 13.5% 13.1% -0.1% 0.2% 10.1% 10.7% 10.9% -0.6% -0.8%		168.4%		75.8%		8.6%	92.6%		159.8%			4.8%	229.2%		17.8%		-224.4%		-13.1%
	Direct LAE ratio	-11.4%		11.9%		3.6%	-23.4%		-15.0%			18.3%	62.3%		5.8%		-44.1%		12.5%
Administrative expense ratio 14.6% 15.7% 14.3% -1.1% 0.3% 14.5% 14.4% 14.4% 0.4% 0.4%	Underwriting expense ratio	13.4%		13.5%		13.1%	-0.1%		0.2%			10.1%	10.7%		10.9%		-0.6%		-0.8%
$- \frac{14.0}{0} = 14.0$	Administrative expense ratio	14.6%		15.7%		14.3%	-1.1%		0.3%			14.5%	14.1%		14.1%		0.4%		0.4%
Expense ratio 28.0% 29.2% 27.5% -1.2% 0.5% 24.6% 24.8% 25.0% -0.2% -0.4%	Expense ratio	28.0%		29.2%		27.5%	-1.2%		0.5%			24.6%	24.8%		25.0%		-0.2%		-0.4%

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



Direct earned premium 884,755,934 923,851,710 220,303,284 227,124,357 Ceded premiums written - PHO2 (17,395,686) (13,0726,512) (12,549,299) (21,774,029) Ceded premiums written - PHO2 (146,150,038) (153,334,815) 6,143,225 4,327,940 Ceded premiums written - PHO2 (146,150,038) (153,334,815) 6,143,225 4,327,940 Ceded premiums written - PHO2 (281,779,926) (297,405,821) (71,716,766) (70,724,281) Ceded earned premium (282,976,009) \$ 662,445,889 \$ 142,194,847 \$ 138,953,987 Losses and Loss Adjustment Expenses: Losses (285,008,373) \$ (79,1647,697) \$ 138,953,987 Losses incurred (466,995,022) (1,33,281,971) (21,239,599) 113,228,987 Losses incurred (285,498,002) (13,03,281,971) (21,239,599) 113,228,987 Losses incurred (202,466,987) (247,730,370) (40,90,57,71) (42,373,209) Losses incurred (202,466,987) (24,731,209) (54,24,103) (16,97,332) Direct D&CC paid (96,087,	-				D		D	
Direct premiums written \$ 86.863.917.110 \$ 80.803.989.776 \$ 188.829.914 \$ 192.397.727 Change in direct unsemed premium 984.755.934 923.851.710 220.303.284 223.851.710 220.303.284 223.851.710 220.303.284 223.7124.357 Ceded premiums written - Depopulation (17.895.686) (30.726.512) (12.549.299) (21.776.029) Ceded premiums written - Private reinsurance (88.408.617) (22.709.527) 14.404 -2.77.24.281 Ceded premiums written - Private reinsurance (88.408.617) (22.709.527) (7.176.766) (70.722.281) Ceded premiums written - Private reinsurance (88.408.617) (22.77.45.58) (20.74.65.821) (70.722.281) Cade arend premium \$ 62.277.0525 (20.74.05.821) (70.722.81) (70.722.81) Losses and Loss Adjustment Expenses: Losses 5 (915.699.135) \$ (79.1.647.697) \$ (300.198.392) \$ (547.555.343) Change in direct case loss reserves 58.655.177 (47.275.035) 1.206.077 240.099.153 1.206.077.12	\$							2017
Change in direct unsamed premium 16 338 824 22 881 394 31 472 8570 34 728 570 Direct earned premiums witten - Depopulation (17,895,686) (30,726,512) (12,549,299) (21,774,029) Caded premiums witten - PtrVet reinsurance (146,150,038) (153,394,187) (71,116,766) (70,774,029) Caded dremiums witten - PtrVet reinsurance (88,408,187) (20,795,527) (71,116,766) (70,724,287) Caded armed premium (9,324,7826) (20,034,967) (71,116,766) (70,724,287) Losses Direct losses paid \$ 622,976,009 \$ 626,445,889 \$ 142,194,847 \$ 138,953,987 Losses Direct losses paid \$ (916,699,135) \$ (791,647,697) \$ (300,198,392) \$ (547,655,383) Change in direct lase loss reserves 588,655,317 (800,101,84) 49,447,954 (10,553,344) Coded losses incurred (466,995,202) (1,032,851,971) (21,232,958) 113,228,997 Losse adjustment expenses Direct losse paid (96,018,577) (72,185,347) (29,730,452) (16,973,332) Direct losce paid (96,018,577) <t< th=""><th>\$</th><th></th><th></th><th></th><th></th><th></th><th></th><th></th></t<>	\$							
Direct earned premium 884,755,934 923,851,710 220,303,284 227,124,357 Ceded premiums written - PHO2 (17,395,686) (13,0726,512) (12,549,299) (21,774,029) Ceded premiums written - PHO2 (146,150,038) (153,334,815) 6,143,225 4,327,940 Ceded premiums written - PHO2 (146,150,038) (153,334,815) 6,143,225 4,327,940 Ceded premiums written - PHO2 (281,779,926) (297,405,821) (71,716,766) (70,724,281) Ceded earned premium (282,976,009) \$ 662,445,889 \$ 142,194,847 \$ 138,953,987 Losses and Loss Adjustment Expenses: Losses (285,008,373) \$ (79,1647,697) \$ 138,953,987 Losses incurred (466,995,022) (1,33,281,971) (21,239,599) 113,228,987 Losses incurred (285,498,002) (13,03,281,971) (21,239,599) 113,228,987 Losses incurred (202,466,987) (247,730,370) (40,90,57,71) (42,373,209) Losses incurred (202,466,987) (24,731,209) (54,24,103) (16,97,332) Direct D&CC paid (96,087,		868,417,110	\$	893,989,776	\$	188,829,914	\$	192,397,787
Ceded premiums witten - Depopulation (17,895,686) (30,726,512) (12,549,299) (21,774,029) Ceded premiums witten - Private reinsurance (9,324,785) (20,034,967) (77,176,766) (77,724,221) Ceded armed premium (28,179,222) (220,34,967) (78,108,437) (88,170,370) Net carmed premium \$ 622,976,009 \$ 626,445,889 \$ 142,194,847 \$ 138,953,987 Losses Direct losses paid \$ (915,699,135) \$ (791,647,697) \$ (300,198,392) \$ (547,565,383) Change in direct BNR loss reserves 588,655,617 (800,199,184) 36,722,171 49,947,954 (10,553,344, 40,961,73) (14,532,497) (222,24,171) 430,675,711 123,228,997 113,228,997 113,228,997 113,228,997 113,228,997 113,228,997 113,228,997 114,2194,847 \$ 138,953,348 (14,943,111) (14,23,471,49) 436,724,171 430,675,711 120,926,677 121,926,677 121,926,677 121,926,677 121,926,677 121,926,971 121,926,971 (14,93,225,989)		16,338,824		29,861,934		31,473,370		34,726,570
Ceded premiums witten - Priváte reinsurance Change in ceded unearned premium Ceded earned premium (142,150,838) (153,334,815) 6,143,225 4,227,940 Ceded earned premium Ceded earned premium (9,324,785) (20,034,967) (71,716,766) (70,724,281) Net earned premium (9,324,785) (20,034,967) (70,108,437) (86,170,370) Net earned premium (8,02,976,009) \$ 626,445,889 \$ 142,194,847 \$ 138,953,987 Losses and Loss Adjustment Expenses: Losses Losses 5 (915,699,135) \$ (71,726,035) 12,96,677 240,699,153 (140,553,344) 439,847,954 (10,553,344) Ceded losses incurred (466,995,202) (10,32,851,977) (212,329,569) 113,226,997 133,005,733,249,907 133,005,733,249,907,133,249,907 (212,329,569) 113,226,997 132,056,733 (212,329,569) 113,226,997,101,223,299,971 (212,329,569) 113,226,997,101,223,223,299,133,249,133,249,133,249,133,249,133,249,1444,249,144,249,144,249,144,249,144,249,144,249,144,249,144,249,144		884,755,934		923,851,710		220,303,284		227,124,357
Ceded premiums witten - Priváte reinsurance Change in ceded unearned premium Ceded earned premium (142,150,838) (153,334,815) 6,143,225 4,227,940 Ceded earned premium Ceded earned premium (9,324,785) (20,034,967) (71,716,766) (70,724,281) Net earned premium (9,324,785) (20,034,967) (70,108,437) (86,170,370) Net earned premium (8,02,976,009) \$ 626,445,889 \$ 142,194,847 \$ 138,953,987 Losses and Loss Adjustment Expenses: Losses Losses 5 (915,699,135) \$ (71,726,035) 12,96,677 240,699,153 (140,553,344) 439,847,954 (10,553,344) Ceded losses incurred (466,995,202) (10,32,851,977) (212,329,569) 113,226,997 133,005,733,249,907 133,005,733,249,907,133,249,907 (212,329,569) 113,226,997 132,056,733 (212,329,569) 113,226,997,101,223,299,971 (212,329,569) 113,226,997,101,223,223,299,133,249,133,249,133,249,133,249,133,249,1444,249,144,249,144,249,144,249,144,249,144,249,144,249,144,249,144		(17.895.686)		(30,726,512)		(12.549.299)		(21.774.029)
Ceded premiums witten - Private reinsurance Change in ceded unearmed premium (88,408,617) (92,034,967) (71,716,766) (70,724,281) Ceded earned premium (261,779,926) (297,405,821) (78,108,437) (88,170,370) Net earned premium \$ 622,976,009 \$ 626,445,889 \$ 142,194,847 \$ 138,953,987 Losses and Loss Adjustment Expenses: Losses Direct losses paid \$ (915,699,135) \$ (791,647,697) \$ (300,198,392) \$ (647,656,383) Change in direct tase loss reserves 588,655,317 (800,109,184) 49,847,954 (10,657,344) Ceded losses incurred (466,995,202) (1,032,851,971) (212,329,589) 113,228,997 Loss adjustment expenses (96,018,577) (72,716,432) (54,7461,30) (172,730,352) Direct A&O paid (96,018,577) (72,185,347) (29,730,452) (16,973,392) Change in direct IBNR LAE reserves (49,018,870) (14,238,672) 54,711 430,672,711 Direct A&O paid (202,456,987) (249,730,452) (16,973,392) 54,826,104) (172,310,516) Change in direct IBNR LAE reserves (83,619,250)								
Change in ceded unearned premium (9.324,785) (20,749,926) (27,747,676) (77,746,766) Net earned premium \$ 622,976,009 \$ 626,445,821) (76,108,437) (88,170,370) Losses and Loss Adjustment Expenses: Losses \$ 142,194,847 \$ 138,953,987 Losses incurred \$ (915,699,135) \$ (79,1647,697) \$ (300,198,392) \$ (647,665,383) Change in direct case loss reserves \$ 188,053,987 (42,750,335) 1,296,677 240,690,153 Change in direct case loss reserves \$ 588,665,317 (800,109,184) 49,847,954 (10,553,344) Change in direct case loss reserves \$ 588,655,317 (20,730,452) (16,973,392) Loss adjustment expenses Direct D&CC paid (96,018,577) (72,185,347) (29,730,452) (16,973,392) Direct A&O paid (202,456,987) (249,731,209) (54,241,034) (172,310,516) Change in direct case LAE reserves (83,619,250) (14,236,872) (29,730,452) (16,973,392) Direct A&O paid (222,717,419) (522,956,73) (32,278,251) (199,158,940) Change in direc								-
Ceded earned premium (261,779,926) (297,405,821) (78,108,437) (88,170,370) Net earned premium \$ 622,976,009 \$ 626,445,889 \$ 142,194,847 \$ 138,953,987 Losses Direct losses paid S (915,699,135) \$ (791,647,697) \$ (300,198,392) \$ (647,765,334) Change in direct case loss reserves Change in direct LBNR loss reserves (145,5008,373) (47,275,035) \$ (300,198,392) \$ (647,765,334) Ceded losses incurred (4494,3011) 606,179,944 36,724,171 430,657,711 Losses incurred (466,995,202) (10,22,851,971) (212,239,589) (116,973,392) Loss adjustment expenses (202,456,987) (249,731,209) (54,241,034) (172,310,516) Change in direct IBNR LAE reserves (49,018,577) (72,185,347) (29,730,452) (16,973,392) Direct D&CC paid (202,456,987) (249,731,209) (54,241,034) (172,310,516) Change in direct IBNR LAE reserves (39,018,970) (14,246,872) (146,098,329) \$ (230,7403) (319,283,728) Change in direct IBNR LAE reserves (658,712,621) \$ (11,644,648)						,		(70 724 281)
Losses and Loss Adjustment Expenses: S (915,699,135) \$ (791,647,697) S (300,198,392) \$ (547,565,383) Direct losses paid \$ (915,699,135) \$ (791,647,697) \$ (300,198,392) \$ (547,565,383) Change in direct lBNR loss reserves 588,655,317 (800,109,184) 49,847,954 (10,553,344) Ceded closses incurred (466,995,202) (1,032,851,971) (212,329,589) 113,228,997 Loss adjustment expenses (202,456,897) (240,731,209) (54,241,034) (172,310,516) Direct A&O paid (96,018,577) (240,731,209) (54,241,034) (172,310,516) Change in direct IBNR LAE reserves (49,018,970) (14,236,872) 547,191 23,071,013 Change in direct IBNR LAE reserves (49,018,970) (14,236,872) (54,241,034) (172,310,516) Ceded LAE incurred \$ (689,712,621) \$ (156,964,329) \$ (322,76,251) (199,358,294) Net losses and LAE incurred \$ (65,113,417) (68,412,668) (14,020,205) (14,513,408) Taxes and fees (11,1451,078) (13,0777,512) (3,068,146) <								(88,170,370)
Losses Direct losses paid \$ (915,699,135) \$ (791,647,697) \$ (300,198,692) \$ (547,565,383) Change in direct losse sincured (46,995,202) (47,275,035) 1,296,677) 240,680,153 (47,275,035) 1,296,677 240,680,153 (44,699,153) (47,275,035) 1,296,677 240,680,153 (44,69,697,112) (46,699,5202) (10,032,851,971) (212,329,589) 113,228,997 Loss adjustment expenses Direct D&CC paid (202,456,897) (249,731,209) (54,241,034) (172,310,516) (16,973,392) Change in direct IBNR LAE reserves (49,018,970) (14,236,872) 547,161 230,071,013 (212,322,357) (16,973,392) Change in direct IBNR LAE reserves (49,018,970) (14,236,872) 547,161 (23,07,1013) (319,283,728) 46,088,107 (116,246,130) (319,283,728) Coded LAE incurred \$ (65,113,417) (66,412,668) (14,020,205) (14,513,408) (232,5965) (20,054,408) (2,235,965) (230,581,460) (232,59,656) (230,581,460) (232,59,656) (230,581,460) (232,59,656) (21,307,43	\$	622,976,009	\$	626,445,889	\$	142,194,847	\$	138,953,987
Losses Direct losses paid S (915,699,135) S (791,647,697) S (300,198,692) S (547,565,383) Change in direct losse sincured (46,995,202) (47,275,035) 1,296,677) 240,680,153 (47,275,035) 1,296,677 240,680,153 (44,699,5202) (10,533,344) 49,847,954 (10,553,344) Losses incurred (466,995,202) (1,032,851,971) (212,329,589) 113,228,997 Loss adjustment expenses (96,018,577) (72,185,347) (29,730,452) (16,973,392) Change in direct LBNR LAE reserves (49,018,970) (14,236,872) 544,7191 23,077,1013 Change in direct IBNR LAE reserves (49,018,970) (14,236,872) 547,161 23,077,1013 Ceded LAE incurred (222,717,419) (532,242,357) (116,246,130) (319,283,728) 46,088,107 Net losses and LAE incurred \$ (65,113,417) (64,412,668) (14,020,205) (14,513,408) Taxes and fees (11,1405,047) (116,841,268) (20,058,016) (33,621,545) Underwriting and administrative expenses <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>								
Direct losses paid \$ (915,699,135) \$ (791,647,697) \$ (300,198,302) \$ (647,565,383) Change in direct lBNR loss reserves 588,655,317 (800,109,184) 49,847,954 (10,553,343) Ceded losses incurred (4,943,011) (605,179,944) 36,724,171 430,657,571 Losse incurred (466,095,202) (10,22,851,971) (212,329,589) 113,228,997 Loss adjustment expenses (96,018,577) (72,165,347) (29,730,452) (16,973,392) Direct D&CC paid (96,018,577) (72,165,347) (29,730,452) (16,973,392) Ceded LAE incurred 41,157,865 54,867,644 (543,583) 46,038,372 Ceded LAE incurred \$ (689,712,621) \$ (11,62,46,130) (319,283,728) Underwriting and Administrative expenses: (11,41,07,66) (11,43,528) (20,00,54,732) \$ (226,07,432) Underwriting and Administrative expenses: (11,41,076) (11,43,528) (23,07,403) (23,25,657,719) \$ (20,05,47,32) Underwriting and administrative expenses:								
Change in direct case loss reserves (135,008,373) (47,275,035) 1,296,677 240,690,153 Change in direct IBNR loss reserves 588,655,317 (800,109,184) 49,847,954 (10,553,344) Ceded losses incurred (4,943,011) 606,179,944 36,724,171 430,627,571 Losse adjustment expenses (466,995,202) (1,032,851,971) (212,329,589) 113,228,997 Loss adjustment expenses (40,018,577) (72,185,347) (29,730,452) (16,973,392) Direct A&O paid (202,456,987) (249,731,209) (54,241,034) (172,310,516) Change in direct IBNR LAE reserves (49,018,970) (14,236,872) 547,191 23,071,013 Ceded LAE incurred (212,717,419) (532,242,357) (116,246,130) (319,283,728) Net losses and LAE incurred \$ (689,712,621) \$ (1,565,094,329) \$ (32,8,575,719) \$ (20,006,04,72) Underwriting and Administrative Expenses: (11,405,047) (15,922,137) (338,814,60) (40,22,25,96) Underwriting and administrative expenses (126,262,380) (130,777,512) (30,581,460) (30,517,735)	¢	(015 600 135)	¢	(701 647 607)	¢	(300 108 302)	¢	(547 565 383)
Change in direct IBNR loss reserves 588 655,317 (800,109,184) 49,847,954 (10,553,341) Coded losses incurred (4,943,011) 606,179,944 36,724,171 430,067,571 Losses incurred (466,995,202) (1,032,851,971) (212,329,589) 113,228,997 Loss adjustment expenses Direct D&CC paid (96,018,577) (72,185,347) (29,730,452) (16,973,392) Direct D&CC paid (49,018,570) (14,236,872) 547,191 23,071,013 Change in direct IBNR LAE reserves 83,619,250 (250,956,573) (32,278,251) (199,158,940) Ceded LAE incurred (41,157,865 548,487,644 (543,583) 46,088,107 LAE incurred \$ (68,712,621) \$ (1563,242,357) (116,246,130) (319,283,728) Net losses and LAE incurred \$ (68,9712,621) \$ (1568,912,91) \$ (226,054,732) Underwriting and Administrative expenses (11,1781,078) (11,434,528) (23,028,676,887) \$ (206,054,732) Underwriting income (loss) \$ (238,059,533) \$ </td <td>Ψ</td> <td></td> <td>Ψ</td> <td></td> <td>Ψ</td> <td></td> <td>Ψ</td> <td></td>	Ψ		Ψ		Ψ		Ψ	
Ceded losses incurred (4,943,011) 606,179,944 36,724,171 430,657,571 Losses incurred (466,995,202) (1,032,851,971) (212,329,589) 113,228,997 Loss adjustment expenses (202,456,987) (72,185,347) (29,730,452) (16,973,392) Direct A&O paid (96,018,577) (72,185,347) (29,730,452) (16,973,392) Change in direct case LAE reserves (49,018,970) (14,236,872) 547,191 23,071,013 Change in direct IBNR LAE reserves 83,619,250 (250,956,573) (32,278,251) (199,158,940) Ceded LAE incurred (222,717,419) (532,242,357) (116,246,130) (319,283,728) Net losses and LAE incurred \$ (689,712,621) \$ (1,565,094,329) \$ (236,575,719) \$ (206,054,732) Underwriting and Administrative Expenses: (11,434,05047) (15,652,043,29) \$ (236,576,043) (2,225,965) Other underwriting expenses (11,405,0471) (16,8412,668) (14,020,205) (14,513,408) Underwriting and Administrative expenses (126,262,380) (130,777,512) (30,581,460) (30,517,73								, ,
Losses incurred (466,995,202) (1,032,851,971) (212,329,589) 113,228,997 Loss adjustment expenses Direct D&CC paid (96,018,577) (72,185,347) (29,730,452) (16,973,392) Direct A&O paid (202,456,887) (249,731,209) (54,241,034) (172,310,516) Change in direct LBNR LAE reserves (38,619,250) (213,265,73) (32,278,251) (199,158,940) Ceded LAE incurred 41,157,865 54,867,644 (543,583) 46,0088,107 LAE incurred (222,717,419) (532,242,357) (116,246,130) (319,283,728) Net losses and LAE incurred \$ (668,712,621) \$ (1,565,094,329) \$ (328,575,719) \$ (206,054,732) Underwriting and Administrative expenses: - - - - (14,513,408) (2,307,403) (2,325,965) (14,513,408) (32,51,571) \$ (206,054,732) Underwriting expenses (11,140,047) (15,682,137) (3,686,948) (6,264,477) (2,307,403) (2,325,965) (14,513,408) (30,517,735) (30,517,735) (30,517,453)								
Loss adjustment expenses (96,018,577) (72,185,347) (29,730,452) (16,973,392) Direct A&O paid (202,456,987) (249,731,209) (54,241,034) (172,310,516) Change in direct case L&E reserves (49,018,970) (14,236,872) (54,241,034) (199,158,940) Ceded LAE incurred 222,717,419 (532,242,357) (116,246,130) (319,283,728) Net losses and LAE incurred \$ (65,113,417) (68,412,668) (14,020,205) (14,513,408) Producer commissions (11,481,078) (11,434,528) (2,307,403) (2,223,966) Other underwriting expenses (11,405,047) (15,622,137) (3,686,948) (6,264,477) All other administrative expenses (213,961,921) (226,316,845) (50,596,016) (53,221,925) Underwriting and administrative expenses (213,961,921) (226,316,845) (50,596,016) (53,621,585) Underwriting income (loss) \$ (280,698,533) \$ (1,164,965,284) \$ (236,976,887) \$ (120,722,329) Net interest income (expense) (63,570,509) (94,2								
Direct D&CC paid (96,018,577) (72,185,347) (29,730,452) (16,973,392) Direct A&O paid (202,456,987) (249,731,209) (54,241,034) (172,310,516) Change in direct case LAE reserves (40,018,970) (14,236,872) 547,191 23,071,013 Change in direct BNR LAE reserves 83,619,250 (250,956,573) (32,278,251) (199,158,940) Ceded LAE incurred 41,157,865 54,867,644 (543,583) 46,088,107 LAE incurred (222,717,419) (532,242,357) (116,246,130) (319,283,728) Net losses and LAE incurred \$ (689,712,621) \$ (1,565,094,329) \$ (328,575,719) \$ (206,054,732) Underwriting and Administrative Expenses: (11,181,078) (11,434,528) (2,307,403) (2,232,596,57,73) Other underwriting expenses (11,406,047) (15,692,137) (3,686,948) (6,264,477) All other administrative expenses (213,961,921) (226,316,845) (50,596,016) (53,621,585) Underwriting and administrative expenses (213,961,921) (226,316,845) \$ (236,976,887) \$ (120,722,329)		(400,330,202)		(1,052,051,371)		(212,529,509)		115,220,337
Direct A&O paid (202,456,987) (249,731,209) (54,241,034) (172,310,516) Change in direct case LAE reserves (49,018,970) (14,236,872) 547,191 23,071,013 Change in direct IBNR LAE reserves 83,619,250 (250,956,573) (32,278,251) (193,88,40) Ceded LAE incurred 41,157,865 54,867,644 (543,583) 46,088,107 LAE incurred (222,717,419) (532,242,357) (116,246,130) (319,283,728) Net losses and LAE incurred \$ (669,712,621) \$ (1,565,094,329) \$ (328,575,719) \$ (206,054,732) Underwriting and Administrative Expenses: (114,0178) (114,434,528) (230,774,03) (232,59,65) Other underwriting expenses (11,405,047) (15692,137) (3,686,948) (6,264,477) All other administrative expenses (213,961,921) (226,316,845) (50,596,016) (53,221,985) Underwriting income (loss) \$ (280,698,533) \$ (11,64,965,284) \$ (236,97,6887) \$ (120,722,329) Net interest income (expense) (63,570,509) (94,243,113) (14,893,405) (18,401,552) <tr< td=""><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr<>								
Change in direct case LAE reserves (49,018,970) (14,236,872) 547,191 23,071,013 Change in direct IBNR LAE reserves 83,619,250 (250,956,573) (32,278,251) (199,158,940) Ceded LAE incurred 41,157,865 54,867,644 (543,583) 46,088,107 LAE incurred (222,717,419) (532,242,357) (116,246,130) (319,283,728) Net losses and LAE incurred \$ (689,712,621) \$ (1,565,094,329) \$ (328,575,719) \$ (206,054,732) Underwriting and Administrative Expenses: - - - - Producer commissions (65,113,417) (68,412,668) (14,020,205) (14,513,408) Taxes and fees (11,416,047) (15,692,137) (3,686,948) (6,264,477) All other administrative expenses (213,961,921) (226,316,845) (50,596,016) (55,326,585) Underwriting income (loss) \$ (280,698,533) \$ (1,164,965,284) \$ (236,976,887) \$ (120,722,329) Net Interest income (expense) (63,577,609) (94,243,113) (14,893,405) (18,401,952) Interest expenses ((96,018,577)		(72,185,347)		(29,730,452)		(16,973,392)
Change in direct IBNR LAE reserves Ceded LAE incurred 83,619,250 (250,956,573) (32,278,251) (199,158,940) LAE incurred (222,717,119) (532,242,357) (116,246,130) (319,283,728) Net losses and LAE incurred \$ (689,712,621) \$ (1,565,094,329) \$ (328,575,719) \$ (206,054,732) Underwriting and Administrative Expenses: Producer commissions (65,113,417) (68,412,668) (14,020,205) (14,513,408) Other underwriting expenses (11,410,78) (11,434,528) (2,307,403) (2,325,965) Underwriting income (loss) \$ (280,698,533) \$ (1,164,965,284) \$ (236,976,887) \$ (120,722,329) Net Investment Income: Net interest income (expense) (53,570,509) \$ (23,978,931) (120,722,329) Interest expenses (63,570,509) (11,434,528) (2,307,403) (2,232,965) Net interest income (expense) (126,262,380) (130,777,512) (30,581,460) (30,517,735) Interest expenses (233,670,509) \$ (236,976,887) \$ (120,722,329) \$ (120,722,329) Net interest income (expense) (158,156,662 113,724,606 42,014,870 <td></td> <td>(202,456,987)</td> <td></td> <td>(249,731,209)</td> <td></td> <td>(54,241,034)</td> <td></td> <td>(172,310,516)</td>		(202,456,987)		(249,731,209)		(54,241,034)		(172,310,516)
Ceded LAE incurred 41,157,865 54,867,644 (543,583) 46,088,107 LAE incurred (222,717,419) (532,242,357) (116,246,130) (319,283,728) Net losses and LAE incurred \$ (689,712,621) \$ (1,565,094,329) \$ (328,575,719) \$ (206,054,732) Underwriting and Administrative Expenses: Producer commissions (65,113,417) (68,412,668) (14,020,205) (14,513,408) Other underwriting expenses (11,181,078) (11,434,528) (2,307,403) (2,325,965) Other underwriting expenses (11,60,047) (15,692,137) (3,686,948) (62,64,477) All other administrative expenses (213,961,921) (226,316,845) (50,596,016) (53,621,585) Underwriting income (loss) \$ (280,698,533) \$ (1,164,965,284) \$ (236,976,887) \$ (120,722,329) Net interest income (expense) (63,570,509) (94,243,113) (14,833,405) (18,401,952) Investment income (expense) (53,576,662) 113,724,606 42,014,870 32,924,940 Realized capital gains (losses) (23,928,938) 18,429,809 (1,951,820) <		(49,018,970)		(14,236,872)		547,191		23,071,013
LAE incurred (222,717,419) (532,242,357) (116,246,130) (319,283,728) Net losses and LAE incurred \$ (689,712,621) \$ (1,565,094,329) \$ (328,575,719) \$ (206,054,732) Underwriting and Administrative Expenses: Producer commissions Taxes and fees (11,181,078) (11,434,528) (2,307,403) (2,325,965) Other underwriting expenses (11,405,047) (15,692,137) (3,686,948) (6,264,477) All other administrative expenses (213,961,921) (226,316,845) (30,581,460) (30,517,735) Underwriting income (loss) \$ (280,698,533) \$ (1,164,965,284) \$ (236,976,887) \$ (120,722,329) Net interest income (expense) [158,156,662] 113,724,606 42,014,870 32,924,940 Interest expenses (23,928,938) 18,429,809 (1,951,820) 2,798,696 Net investment income \$ 134,227,723 \$ 132,154,416 \$ 40,063,050 \$ 35,723,636 Other income (expense) (4,879,022) 4,427,730 (2,133,849) 781,440		83,619,250		(250,956,573)		(32,278,251)		(199,158,940
Net losses and LAE incurred (add, n, n, n, n) (add, n, n, n, n) (add, n, n, n, n) (add, n, n) (add, n)		41,157,865		54,867,644		(543,583)		46,088,107
Underwriting and Administrative Expenses: Victor		(222,717,419)		(532,242,357)		(116,246,130)		(319,283,728
Producer commissions (65,113,417) (68,412,668) (14,020,205) (14,513,408) Taxes and fees (11,181,078) (11,434,528) (2,307,403) (2,325,965) Other underwriting expenses (11,405,047) (15,692,137) (3,686,948) (6,264,477) All other administrative expenses (213,961,921) (226,316,845) (50,596,016) (53,621,585) Underwriting income (loss) \$ (280,698,533) \$ (1,164,965,284) \$ (236,976,887) \$ (120,722,329) Net interest income (expense) Interest expenses (63,570,509) (94,243,113) (14,893,405) (18,401,952) Net interest income (expense) 158,156,662 113,724,606 42,014,870 32,924,940 Realized capital gains (losses) (23,928,938) 18,429,809 (1,951,820) 2,798,696 Net investment income \$ 134,227,723 \$ 132,154,416 \$ 40,063,050 \$ 35,723,636 Other income (expense) (4,879,022) 4,427,730 (2,133,849) 781,440	\$	(689,712,621)	\$	(1,565,094,329)	\$	(328,575,719)	\$	(206,054,732)
Taxes and fees (11,181,078) (11,434,528) (2,307,403) (2,325,965) Other underwriting expenses (11,181,078) (11,434,528) (2,307,403) (2,325,965) Other underwriting expenses (11,181,078) (11,405,047) (15,692,137) (3,686,948) (6,264,477) All other administrative expenses (213,961,921) (226,316,845) (50,596,016) (53,621,585) Underwriting income (loss) \$ (280,698,533) \$ (1,164,965,284) \$ (236,976,887) \$ (120,722,329) Net interest income (expense) Investment income earned 221,727,170 207,967,720 56,908,276 51,326,892 Interest income (expense) 158,156,662 113,724,606 42,014,870 32,924,940 Realized capital gains (losses) (23,928,938) 18,429,809 (1,951,820) 2,798,696 Net investment income \$ 134,227,723 \$ 132,154,416 40,063,050 \$ 35,723,636 Other income (expense) (4,879,022) 4,427,730 (2,133,849) 781,440								
Other underwriting expenses (11,405,047) (15,692,137) (3,686,948) (6,264,477) All other administrative expenses (213,961,921) (226,316,845) (50,596,016) (53,621,585) Underwriting income (loss) \$ (280,698,533) \$ (1,164,965,284) \$ (236,976,887) \$ (120,722,329) Net investment income:		(65,113,417)		(68,412,668)		(14,020,205)		(14,513,408)
Other underwriting expenses (11,405,047) (15,692,137) (3,686,948) (6,264,477) All other administrative expenses (213,961,921) (226,316,845) (30,581,460) (30,517,735) Underwriting and administrative expenses (213,961,921) (226,316,845) (50,596,016) (53,621,585) Underwriting income (loss) \$ (280,698,533) \$ (1,164,965,284) \$ (236,976,887) \$ (120,722,329) Net investment Income:		(11,181,078)		(11,434,528)		(2,307,403)		(2,325,965)
All other administrative expenses (126,262,380) (130,777,512) (30,581,460) (30,517,735) Underwriting and administrative expenses (213,961,921) (226,316,845) (50,596,016) (53,621,585) Underwriting income (loss) \$ (280,698,533) \$ (1,164,965,284) \$ (236,976,887) \$ (120,722,329) Net investment income:		(11.405.047)		(15.692.137)		(3.686.948)		(6,264,477)
Underwriting and administrative expenses (213,961,921) (226,316,845) (50,596,016) (53,621,585) Underwriting income (loss) \$ (280,698,533) \$ (1,164,965,284) \$ (236,976,887) \$ (120,722,329) Net Investment Income: Net interest income (expense) Investment income earned Interest expenses 221,727,170 207,967,720 56,908,276 51,326,892 Net interest income (expense) (63,570,509) (94,243,113) (14,893,405) (18,401,952) Net interest income (expense) 158,156,662 113,724,606 42,014,870 32,924,940 Realized capital gains (losses) (23,928,938) 18,429,809 (1,951,820) 2,798,696 Net investment income \$ 134,227,723 \$ 132,154,416 \$ 40,063,050 \$ 35,723,636 Other income (expense) (4,879,022) 4,427,730 (2,133,849) 781,440		(126,262,380)				(30,581,460)		(30.517.735)
Net Investment Income: 221,727,170 207,967,720 56,908,276 51,326,892 Investment income earned 221,727,170 207,967,720 (14,893,405) (18,401,952) Interest expenses (63,570,509) (94,243,113) (14,893,405) (18,401,952) Net interest income (expense) 158,156,662 113,724,606 42,014,870 32,924,940 Realized capital gains (losses) (23,928,938) 18,429,809 (1,951,820) 2,798,696 Net investment income \$ 134,227,723 \$ 132,154,416 \$ 40,063,050 \$ 35,723,636 Other income (expense) (4,879,022) 4,427,730 (2,133,849) 781,440								(53,621,585)
Net interest income (expense) Investment income earned Interest expenses 221,727,170 (63,570,509) 207,967,720 (94,243,113) 56,908,276 (14,893,405) 51,326,892 (18,401,952) Net interest income (expense) 158,156,662 113,724,606 42,014,870 32,924,940 Realized capital gains (losses) (23,928,938) 18,429,809 (1,951,820) 2,798,696 Net investment income \$ 134,227,723 \$ 132,154,416 \$ 40,063,050 \$ 35,723,636 Other income (expense) (4,879,022) 4,427,730 (2,133,849) 781,440	\$	(280,698,533)	\$	(1,164,965,284)	\$	(236,976,887)	\$	(120,722,329)
Net interest income (expense) Investment income earned Interest expenses 221,727,170 (63,570,509) 207,967,720 (94,243,113) 56,908,276 (14,893,405) 51,326,892 (18,401,952) Net interest income (expense) 158,156,662 113,724,606 42,014,870 32,924,940 Realized capital gains (losses) (23,928,938) 18,429,809 (1,951,820) 2,798,696 Net investment income \$ 134,227,723 \$ 132,154,416 \$ 40,063,050 \$ 35,723,636 Other income (expense) (4,879,022) 4,427,730 (2,133,849) 781,440								
Investment income earned Interest expenses 221,727,170 (63,570,509) 207,967,720 (94,243,113) 56,908,276 (14,893,405) 51,326,892 (18,401,952) Net interest income (expense) 158,156,662 113,724,606 42,014,870 32,924,940 Realized capital gains (losses) (23,928,938) 18,429,809 (1,951,820) 2,798,696 Net investment income \$ 134,227,723 \$ 132,154,416 \$ 40,063,050 \$ 35,723,636 Other income (expense) (4,879,022) 4,427,730 (2,133,849) 781,440								
Interest expenses (63,570,509) (94,243,113) (14,893,405) (18,401,952) Net interest income (expense) 158,156,662 113,724,606 42,014,870 32,924,940 Realized capital gains (losses) (23,928,938) 18,429,809 (1,951,820) 2,798,696 Net investment income \$ 134,227,723 \$ 132,154,416 \$ 40,063,050 \$ 35,723,636 Other income (expense) (4,879,022) 4,427,730 (2,133,849) 781,440		221.727.170		207.967.720		56.908.276		51.326.892
Net interest income (expense) 158,156,662 113,724,606 42,014,870 32,924,940 Realized capital gains (losses) (23,928,938) 18,429,809 (1,951,820) 2,798,696 Net investment income \$ 134,227,723 \$ 132,154,416 \$ 40,063,050 \$ 35,723,636 Other income (expense) (4,879,022) 4,427,730 (2,133,849) 781,440				, ,		, ,		, ,
Net investment income \$ 134,227,723 \$ 132,154,416 \$ 40,063,050 \$ 35,723,636 Other income (expense) (4,879,022) 4,427,730 (2,133,849) 781,440					_			
Other income (expense) (4,879,022) 4,427,730 (2,133,849) 781,440		(23,928,938)		18,429,809		(1,951,820)		2,798,696
	\$	134,227,723	\$	132,154,416	\$	40,063,050	\$	35,723,636
Net income (loss) \$ (151,349,832) \$ (1.028,383,138) \$ (199.047.686) \$ (84.217.254)		(4,879,022)		4,427,730		(2,133,849)		781,440
	\$	(151,349,832)	\$	(1,028,383,138)	\$	(199,047,686)	\$	(84,217,254)
		\$\$\$\$	884,755,934 (17,895,686) (146,150,838) (88,408,617) (9,324,785) (261,779,926) \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ (915,699,135) (135,008,373) 588,655,317 (49,018,970) 83,619,250 41,157,865 (222,717,419) \$ (689,712,621) \$ (280,698,533) (213,961,921) \$ \$ (280,698,533) 221,727,170 (63,570,509) 158,156,662 (23,928,938) \$ 134,227,723 (4,879,022) (4,879,022)	884,755,934 (17,895,686) (146,150,838) (88,408,617) (9,3224,785) (261,7779,926) \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ 622,976,009 \$ (915,699,135) \$ (96,018,577) (202,456,987) (49,018,970) \$ (669,712,621) \$ (669,712,621) \$ (669,712,621) \$ (280,698,533) \$ (213,961,921) \$ (280,698,533) \$ 221,727,170 (63,570,509) 158,156,662 (23,928,938) 34,227,723 \$ (4,879,022)	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$	$\begin{array}{ c c c c c c c c c c c c c c c c c c c$



PROPERTY INSURANCE CORPORATION		Twelve mo	onths e	nded	Three months ended					
EMENTS OF OPERATIONS (Personal Lines Account)	C	ecember 31, 2018	D	ecember 31, 2017	6	December 31, 2018	D	ecember 31, 2017		
Revenue:										
Direct premiums written	\$	527,770,361	\$	495,433,563	\$	119,384,804	\$	112,942,84		
Change in direct unearned premium		(14,332,090)		(15,023,387)		13,238,516	-	10,976,12		
Direct earned premium		513,438,271		480,410,176		132,623,320		123,918,97		
Ceded premiums written - Depopulation		(6,163,935)		(9,004,089)		(3,580,692)		(6,367,13		
Ceded premiums written - FHCF		(67,128,194)		(62,111,026)		5,043,434		1,086,92		
Ceded premiums written - Private reinsurance		(07,120,104)		(02,111,020)		0,040,404		1,000,52		
Change in ceded unearned premium		(2,471,652)		(8,618,287)		(22,280,288)		(17,729,90		
Ceded earned premium		(75,763,781)		(79,733,401)		(20,817,546)		(23,010,12		
Net earned premium	\$	437,674,490	\$	400,676,775	\$	111,805,774	\$	100,908,84		
Losses and Loss Adjustment Expenses:										
Losses										
Direct losses paid	\$	(553,838,035)	\$	(433,011,889)	\$	(186,178,206)	\$	(254,730,12		
Change in direct case loss reserves		(74,421,127)		(12,655,616)		3,996,131		77,590,54		
Change in direct IBNR loss reserves		211,766,752		(292,200,216)		(80,269,132)		(116,064,26		
Ceded losses incurred		129,417,412		184,468,040		123,709,635		184,541,33		
Losses incurred		(287,074,996)		(553,399,681)		(138,741,573)		(108,662,51		
Loss adjustment expenses										
Direct D&CC paid		(74,040,509)		(57,350,577)		(22,323,357)		(13,538,44		
Direct A&O paid		(133,759,399)		(148,689,084)		(35,923,738)		(99,145,75		
Change in direct case LAE reserves		(32,650,642)		(9,559,439)		924,715		12,845,15		
Change in direct IBNR LAE reserves		35,759,730		(128,726,214)		(30,403,990)		(136,276,94		
Ceded LAE incurred		6,416,162		9,239,453		6,185,482		9,220,71		
LAE incurred		(198,274,658)		(335,085,861)		(81,540,888)		(226,895,27		
Net losses and LAE incurred	\$	(485,349,654)	\$	(888,485,542)	\$	(220,282,460)	\$	(335,557,79		
Underwriting and Administrative Expenses:										
Producer commissions		(37,236,939)		(35,077,648)		(8,451,979)		(7,987,41		
Taxes and fees		(7,061,179)		(6,780,555)		(1,331,198)		(1,321,98		
Other underwriting expenses		(8,563,706)		(10,446,209)		(2,779,368)		(4,170,24		
All other administrative expenses		(76,715,154)		(74,172,254)		(19,218,041)		(19,779,53		
Underwriting and administrative expenses	•	(129,576,978)	•	(126,476,666)	•	(31,780,586)	•	(33,259,18		
Underwriting income (loss)	\$	(177,252,143)	\$	(614,285,433)	\$	(140,257,272)	\$	(267,908,12		
Net Investment Income:										
Net interest income (expense)										
Investment income earned		78,318,619		72,491,856		19,908,584		18,095,38		
Interest expenses Net interest income (expense)	_	(21,256,584) 57.062.036		(24,582,903) 47,908,953		(4,955,375) 14,953,209		(5,828,21)		
Realized capital gains (losses)		(12,193,376)		7,884,115		(892,156)		1,121,06		
Net investment income	\$	44,868,660	\$	55,793,068	\$	14,061,053	\$	13,388,24		
Other income (expense)		(3,477,863)		3,017,165		(496,597)		760,05		
Net income (loss)	\$	(135,861,345)	\$	(555,475,200)	\$	(126,692,816)	\$	(253,759,83		
	φ	(133,001,345)	φ	(000,470,200)	φ	(120,092,010)	φ	(200,109,0		



	Twelve months ended				Three months ended					
ATEMENTS OF OPERATIONS (Commercial Lines Account)		ecember 31, 2018	December 31, 2017		December 31, 2018		December 31, 2017			
Revenue:										
Direct premiums written	\$	14,665,266	\$	19,794,620	\$	2,972,726	\$	4,412,649		
Change in direct unearned premium		3,076,264		7,135,967		991,243		1,035,08		
Direct earned premium		17,741,530		26,930,587		3,963,969		5,447,73		
Ceded premiums written - Depopulation		(51,213)		(175,762)		(53,955)		(278,88		
Ceded premiums written - FHCF		(4,494,332)		(6,097,953)		221,880		1,297,18		
Ceded premiums written - Private reinsurance		(4,494,332)		(0,097,955)		221,000		1,297,10		
Change in ceded unearned premium		- (175,787)		- (1,110,553)		- (1,535,692)		- (2,296,24		
Ceded earned premium		(4,721,332)		(7,384,267)		(1,367,767)		(1,277,94		
·		() / /						• • •		
Net earned premium	\$	13,020,198	\$	19,546,319	\$	2,596,203	\$	4,169,78		
Losses and Loss Adjustment Expenses:										
Losses		/								
Direct losses paid	\$	(50,663,468)	\$	(20,326,736)	\$	(13,092,966)	\$	(7,206,78		
Change in direct case loss reserves		(17,094,094)		1,120,925		5,735,410		26,260,13		
Change in direct IBNR loss reserves		38,268,750		(222,138)		1,332,883		(11,164,66		
Ceded losses incurred		(5,919,359)		5,919,359		-		5,919,35		
Losses incurred		(35,408,171)		(13,508,591)		(6,024,673)		13,808,04		
Loss adjustment expenses										
Direct D&CC paid		(1,092,573)		(856,955)		(264,442)		(175,14		
Direct A&O paid		(3,146,886)		(3,094,176)		(700,894)		(1,398,64		
Change in direct case LAE reserves		(2,082,054)		(863,121)		(683,197)		(210,68		
Change in direct IBNR LAE reserves		8,323,255		1,751,422		2,554,619		587,83		
Ceded LAE incurred		(295,968)		295,968		-		295,96		
LAE incurred		1,705,775		(2,766,862)		906,086		(900,684		
Net losses and LAE incurred	\$	(33,702,397)	\$	(16,275,453)	\$	(5,118,587)	\$	12,907,350		
Underwriting and Administrative Expenses:										
Producer commissions		(1,586,137)		(2,124,709)		(322,704)		(479,11		
Taxes and fees		(204,262)		(186,988)		(58,827)		(34,24		
Other underwriting expenses		(172,142)		(354,705)		(55,150)		(141,60		
All other administrative expenses		(2,139,804)		(3,113,799)		(488,879)		(902,82		
Underwriting and administrative expenses		(4,102,345)		(5,780,202)		(925,561)		(1,557,78		
Underwriting income (loss)	\$	(24,784,544)	\$	(2,509,336)	\$	(3,447,945)	\$	15,519,35		
Net Investment Income:										
Net interest income (expense)										
Investment income earned		47,072,373		40,830,554		12,316,056		10,446,05		
Interest expenses		(3,357,338)		(3,882,709)		(782,668)		(920,52		
Net interest income (expense)		43,715,035		36,947,845		11,533,388		9,525,52		
Realized capital gains (losses)		(5,952,790)		2,573,049		(822,522)		(284,94		
	\$	37,762,245	\$	39,520,894	\$	10,710,866	\$	9,240,58		
Net investment income	Ψ	0.,.02,2.0	-			-, -,				
Net investment income Other income (expense)	Ψ	(36,350)	Ŧ	277,315		(82,597)		194,12		



PROPERTY INSURANCE CORPORATION		Twelve mo	nths e	nded	Three months ended					
EMENTS OF OPERATIONS (Coastal Account)	D	ecember 31, 2018	D	ecember 31, 2017	D	ecember 31, 2018	0	ecember 31, 2017		
Revenue:										
Direct premiums written	\$	325,981,483	\$	378,761,593	\$	66,472,384	\$	75,042,290		
Change in direct unearned premium		27,594,650		37,749,354		17,243,610		22,715,366		
Direct earned premium		353,576,133		416,510,947		83,715,994		97,757,656		
Ceded premiums written - Depopulation		(11,680,538)		(21,546,662)		(8,914,652)		(15,128,004)		
Ceded premiums written - FHCF		(74,528,312)		(85,725,836)		877,911		1,943,826		
Ceded premiums written - Private reinsurance		(88,408,617)		(92,709,527)		14,404		-		
Change in ceded unearned premium		(6,677,346)		(10,306,128)		(47,900,786)		(50,698,124		
Ceded earned premium		(181,294,813)		(210,288,152)		(55,923,124)		(63,882,303		
Net earned premium	\$	172,281,320	\$	206,222,795	\$	27,792,870	\$	33,875,353		
Losses and Loss Adjustment Expenses:										
Losses										
Direct losses paid	\$	(311,197,632)	\$	(338,309,071)	\$	(100,927,219)	\$	(285,628,472		
Change in direct case loss reserves		(43,493,152)		(35,740,344)		(8,434,863)		136,839,481		
Change in direct IBNR loss reserves		338,619,814		(507,686,830)		128,784,203		116,675,591		
Ceded losses incurred		(128,441,064)		415,792,545		(86,985,464)		240,196,876		
Losses incurred		(144,512,034)		(465,943,699)		(67,563,344)		208,083,476		
Loss adjustment expenses										
Direct D&CC paid		(20,885,495)		(13,977,815)		(7,142,653)		(3,259,800		
Direct A&O paid		(65,550,702)		(97,947,949)		(17,616,403)		(71,766,115		
Change in direct case LAE reserves		(14,286,274)		(3,814,311)		305,672		10,436,549		
Change in direct IBNR LAE reserves		39,536,265		(123,981,782)		(4,428,880)		(63,469,825		
Ceded LAE incurred		35,037,671		45,332,223		(6,729,065)		36,571,421		
LAE incurred		(26,148,535)		(194,389,634)		(35,611,328)		(91,487,769		
Net losses and LAE incurred	\$	(170,660,569)	\$	(660,333,334)	\$	(103,174,672)	\$	116,595,707		
Underwriting and Administrative Expenses:										
Producer commissions		(26,290,341)		(31,210,310)		(5,245,522)		(6,046,871		
Taxes and fees		(3,915,636)		(4,466,984)		(917,378)		(969,735		
Other underwriting expenses		(2,669,199)		(4,891,223)		(852,430)		(1,952,631		
All other administrative expenses		(47,407,422)		(53,491,459)		(10,874,539)		(9,835,378		
Underwriting and administrative expenses		(80,282,598)		(94,059,976)		(17,889,869)		(18,804,616		
Underwriting income (loss)	\$	(78,661,847)	\$	(548,170,515)	\$	(93,271,670)	\$	131,666,444		
Net Investment Income:										
Net interest income (expense)										
Investment income earned		96,336,178		94,645,310		24,683,635		22,785,454		
Interest expenses		(38,956,587)		(65,777,502)		(9,155,362)		(11,653,215		
Net interest income (expense)		57,379,590		28,867,808		15,528,273		11,132,238		
Realized capital gains (losses)		(5,782,773)		7,972,645		(237,142)		1,962,570		
Net investment income	\$	51,596,818	\$	36,840,453	\$	15,291,131	\$	13,094,808		
		(4.004.040)		1,133,249		(4 EEA CEE)		(172,738)		
Other income (expense)		(1,364,810)		1,133,249		(1,554,655)		(172,730		



	т	welve months ende	d	т	hree months ende	d
	December 31,	December 31,		December 31,	December 31,	
	2018	2017	2018 Budget	2018	2017	2018 Budget
Salaries	\$ 90,909,159	\$ 96,023,551	\$ 94,956,194	\$ 24,205,846	\$ 23,282,483	\$ 24,626,553
Employee Benefits	19,764,926	18,707,593	21,832,186	1,238,845	5,503,783	1,850,476
Payroll Taxes	6,583,944	6,884,045	6,621,758	1,711,913	1,811,435	1,518,786
Contingent Staffing	92,862,183	77,169,468	161,628,536	28,376,269	53,146,889	32,642,503
Subscriptions and Dues	791,558	1,946,415	1,549,393	267,633	1,394,606	331,209
Bank Charges	206,193	215,792	215,762	54,792	69,344	53,941
FMAP Funding	(156,602)	(123,024)	(207,221)	(20,177)	(28,191)	(49,714)
Insurance	890,583	889,852	894,192	199,478	204,297	226,402
Legal	1,221,667	1,411,954	1,215,000	537,468	444,801	303,750
Misc Expense	(384)	33,738	-	(82,497)	(138,721)	-
Operations and Maintenance	2,472,313	2,340,151	2,646,526	579,985	617,878	593,242
Operating Supplies	248,263	291,901	377,435	80,218	94,385	83,747
Computer Hardware	2,943,739	3,230,947	2,805,684	1,090,581	937,035	655,674
Postage	333,232	444,942	596,757	34,198	132,586	198,426
Printing	39,376	84,871	344,400	4,417	8,028	139,313
Producer Fees Collected	(631,275)	(690,958)	(779,500)	(244,605)	(270,080)	(194,875)
Professional Services	9,462,438	11,420,864	13,489,191	2,792,816	3,748,000	2,610,994
Recruiting	389,807	342,017	658,250	76,859	139,041	139,059
Rent	7,835,570	7,419,245	7,975,425	2,086,509	1,832,397	2,003,643
Software Maintenance and Licensing	18,053,736	14,741,629	18,582,787	4,643,176	3,953,280	4,383,804
Telecommunications	3,173,354	4,361,822	3,534,220	760,976	877,476	841,260
Training	787,189	587,900	1,129,022	317,031	251,781	280,230
Travel	2,882,078	4,437,261	1,809,776	669,279	2,176,849	443,711
Depreciation	3,908,194	4,003,332	5,139,006	908,642	1,030,080	1,292,184
ULAE Expense	(138,708,861)	(125,397,796)	(206,684,225)	(39,708,192)	(70,701,728)	(43,214,121)
Total Administrative Expense	\$ 126,262,380	\$ 130,777,512	\$ 140,330,554	\$ 30,581,460	\$ 30,517,735	\$ 31,760,196

ADMINISTRATIVE EXPENSES