



# 2024 Report of Consolidated Financials



# 2024 Summary

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## Favorable financial results in 2024 as demonstrated by the following:

- ✓ Decreased loss levels resulting in reduced loss ratio
- ✓ Continued focus on expense management while investing in technology and enhancing operational efficiency
- ✓ Improved investment performance, with opportunities for increased yield; in line with risk tolerance
- ✓ Positive contribution to surplus due to net income and strong investment market results
- ✓ A- (Excellent) A.M. Best rating and outlook supported by results
- ✓ Clean 2024 actuarial and financial audit opinions

# Financial Highlights

FINANCIAL HIGHLIGHTS			
(DOLLARS IN MILLIONS)	2024	2023	2022
UNDERWRITING OPERATIONS			
Net Premiums Earned	\$ 92.2	\$ 98.1	\$ 94.8
Net Losses and Loss Adjustment Expense	\$ 55.1	\$ 67.0	\$ 67.9
Underwriting Expenses	\$ 31.5	\$ 29.9	\$ 28.2
Underwriting Income (Loss)	\$ 5.6	\$ 1.2	\$ (1.4)
INVESTMENT OPERATIONS			
Net Investment Revenue	\$ 19.2	\$ 15.6	\$ 11.1
Cash and Invested Assets	\$ 516.0	\$ 492.0	\$ 467.5
FINANCIAL POSITION			
Total Assets	\$ 558.0	\$ 534.8	\$ 509.6
Unpaid Losses (Reserves)	\$ 236.0	\$ 242.3	\$ 234.4
Surplus	\$ 298.2	\$ 267.4	\$ 250.1
Profitability/Ratios			
Contribution to Surplus	\$ 23.0	\$ 15.9	\$ 9.2
Loss Ratio	59.8%	68.3%	71.7%
Expense Ratio	34.5%	30.5%	29.7%
Combined Ratio	94.3%	98.8%	101.4%

The Incurred Losses for 2024 were considerably lower than anticipated, leading to appropriate adjustments in reserve levels which created positive impacts to the bottom line and Loss Ratio.

Underwriting Expenses and the related Expense Ratio were higher than expected due to an unplanned State workman's compensation assessment in 2024.

The main factor contributing to Surplus was Net Investment Revenue, driven by positive market conditions.

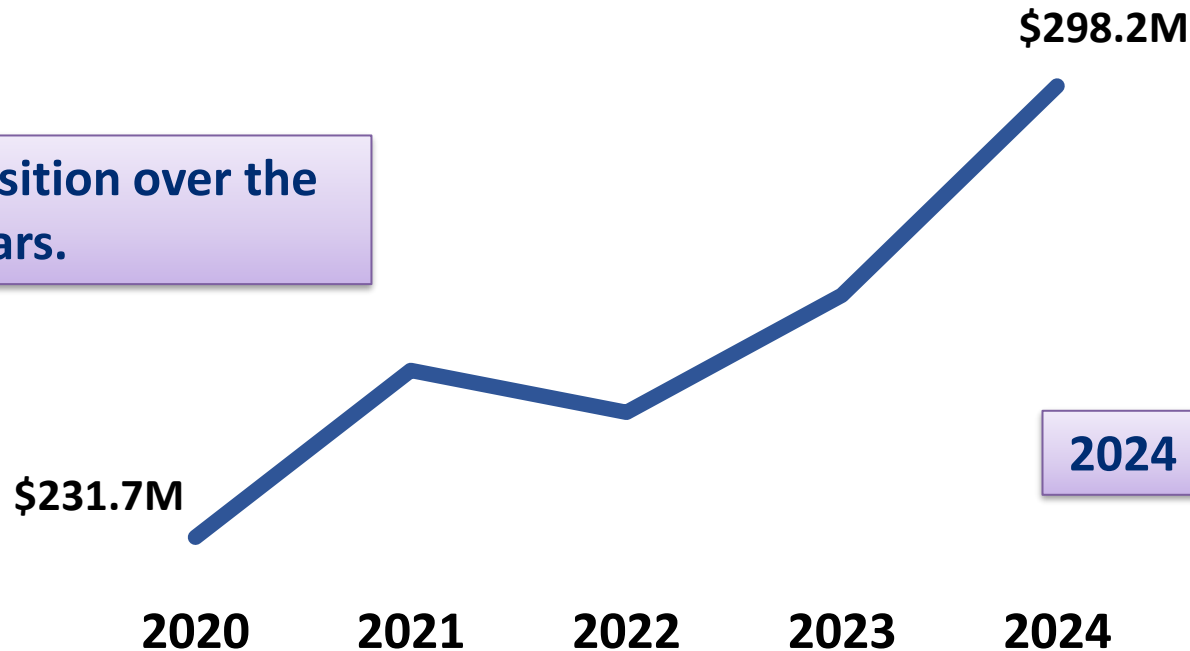
Since 2021 Total Assets have increased by \$50.3M with \$41.9M in Surplus growth



# Surplus

## Surplus Growth

Improving financial position over the last five years.



2024 increase in Surplus of 11.5%

## Why Surplus matters?

- Maintain A.M. Best Rating
- Adhere to regulatory requirements
- To support changes in economic conditions, unexpected losses and adverse changes in underwriting results