



2025 Report of Consolidated Financials



2025 Summary

Favorable financial results in 2025 as demonstrated by the following:

- ✓ Continued focus on expense management while investing in technology and enhancing operational efficiency
- ✓ Improved investment performance, and strong Net Income
- ✓ 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 2025 actuarial and financial audit opinions

Financial Highlights

FINANCIAL HIGHLIGHTS			
(DOLLARS IN MILLIONS)	2025	2024	2023
UNDERWRITING OPERATIONS			
Net Premiums Earned	\$ 84.6	\$ 92.2	\$ 98.1
Net Losses and Loss Adjustment Expense	\$ 55.4	\$ 55.1	\$ 67.0
Underwriting Expenses	\$ 31.1	\$ 31.5	\$ 29.9
Underwriting Income (Loss)	\$ (2.0)	\$ 5.6	\$ 1.2
INVESTMENT OPERATIONS			
Net Investment Revenue	\$ 26.7	\$ 19.2	\$ 15.6
Cash and Invested Assets	\$ 533.5	\$ 516.0	\$ 492.0
FINANCIAL POSITION			
Net Income	\$ 24.5	\$ 23.0	\$ 15.9
Total Assets	\$ 575.0	\$ 558.0	\$ 534.8
Unpaid Losses (Reserves)	\$ 224.2	\$ 236.0	\$ 242.3
Surplus	\$ 325.6	\$ 298.2	\$ 267.4
Profitability/Ratios			
Contribution to Surplus	\$ 27.4	\$ 30.8	\$ 17.2
Loss Ratio	65.5%	59.8%	68.3%
Expense Ratio	36.8%	34.5%	30.5%
Combined Ratio	102.3%	94.3%	98.8%

Earned premiums were lower than prior year due to continued rate reductions and increased competition resulting in an Underwriting Loss.

Investments exceeded expectations due to higher interest rate environment and realized capital gains.

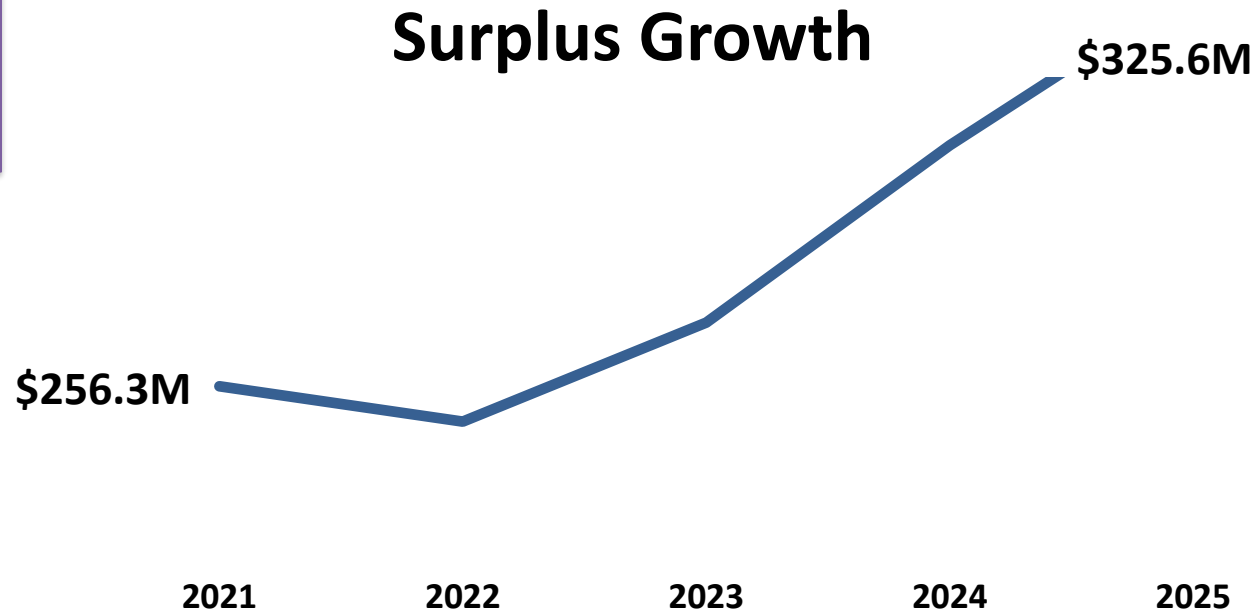
Net Income is comparable to prior year driven by Net Investment Revenue.

Total Assets increased by \$17.0M with \$27.4M in Surplus growth.



Surplus

Improving financial position over the last five years.



5-year surplus growth of \$69.3M

2025 increase in Surplus of 9.2%

Why Surplus matters?

- Maintain A.M. Best Rating
- Indicator of strong financial health
- To support changes in economic conditions, unexpected losses and adverse changes in underwriting results