

Accident Fund Insurance Company of America and Subsidiaries

Consolidated Statutory-Basis Financial Statements
as of and for the Periods Ended March 31, 2024, and
December 31, 2023

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND CAPITAL AND SURPLUS—STATUTORY-BASIS AS OF MARCH 31, 2024 AND DECEMBER 31, 2023 (Dollars in thousands)

	March 31, 2024	December 31, 2023
ADMITTED ASSETS		
CASH AND INVESTED ASSETS:		
Bonds	\$ 2,900,148	\$ 2,880,398
Common stocks and mutual funds	213,485	222,681
Property occupied by the Company	98,072	98,701
Cash and cash equivalents	114,666	164,891
Short-term investments	56,778	71,750
Other invested assets - affiliated	837,560	723,230
Other invested assets - unaffiliated	287,111	274,096
Receivable from sale of securities	17,131	1,399
Securities lending reinvested collateral assets	38,394	15,000
	<u>4,563,345</u>	<u>4,452,146</u>
Total cash and invested assets		
OTHER ADMITTED ASSETS:		
Premiums in the course of collection	250,500	233,718
Premiums deferred and not yet due	490,561	485,556
Net deferred tax asset	105,787	105,195
Investment income due and accrued	24,773	24,099
Other assets	159,537	127,137
	<u>1,031,158</u>	<u>1,075,705</u>
TOTAL	<u>\$ 5,594,503</u>	<u>\$ 5,427,851</u>
LIABILITIES AND CAPITAL AND SURPLUS		
LIABILITIES:		
Losses and loss adjustment expenses	\$ 2,499,236	\$ 2,432,727
Unearned premiums	683,058	676,726
Assessments, taxes, and fees payable	33,237	30,321
Payable for purchase of securities	36,775	11,116
Payable for securities lending	38,394	15,000
Note payables and accrued interest	7,158	7,612
Reinsurance balances payable	178,975	158,065
Accrued commissions	32,817	54,027
Accrued pension and postretirement benefits	40,589	39,124
Other accrued expenses	71,653	70,554
Other liabilities	90,521	96,566
	<u>3,712,413</u>	<u>3,591,838</u>
Total liabilities		
COMMITMENTS AND CONTINGENCIES		
CAPITAL AND SURPLUS:		
Common capital stock	3,000	3,000
Contributed surplus	134,000	134,000
Surplus notes	350,000	350,000
Unassigned surplus	1,395,090	1,349,013
	<u>1,882,090</u>	<u>1,836,013</u>
Total capital and surplus		
TOTAL	<u>\$ 5,594,503</u>	<u>\$ 5,427,851</u>

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS—STATUTORY-BASIS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND 2023 (Dollars in thousands)

	Three Months Ended March 31	
	2024	2023
NET PREMIUMS EARNED	\$ 480,070	\$ 421,946
UNDERWRITING DEDUCTIONS:		
Losses	273,606	225,227
Loss adjustment expenses	65,133	59,313
Other underwriting expenses	130,656	120,265
Policyholder dividends	-	-
Total underwriting deductions	<u>469,395</u>	<u>404,805</u>
NET UNDERWRITING GAIN	<u>10,675</u>	<u>17,141</u>
INVESTMENT INCOME:		
Net investment income	19,315	23,014
Net realized capital (loss) gain—net of tax expense (benefit) of \$3,903 and \$279 in 2024 and 2023, respectively	<u>12,547</u>	<u>(1,135)</u>
Total investment income	<u>31,862</u>	<u>21,879</u>
OTHER EXPENSE—Net	<u>(2,414)</u>	<u>(4,792)</u>
INCOME BEFORE FEDERAL INCOME TAXES	40,123	34,228
FEDERAL INCOME TAXES	<u>(7,225)</u>	<u>(10,313)</u>
NET INCOME	<u>\$ 32,898</u>	<u>\$ 23,915</u>

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CAPITAL AND SURPLUS—STATUTORY-BASIS FOR THE PERIODS ENDED MARCH 31, 2024 AND DECEMBER 31, 2023 (Dollars in thousands)

	March 31, 2024	December 31, 2023
BALANCE—Beginning of period	\$ 1,836,013	\$ 1,698,916
Net income	32,898	110,528
Change in net unrealized gains and losses on investments—net of tax	7,082	75,807
Change in net deferred income taxes	2,608	(10,625)
Change in nonadmitted assets	3,489	47,543
Change in the provision for reinsurance	-	(24,307)
Dividends to stockholder	-	(53,500)
Other changes to surplus	-	(8,349)
BALANCE—End of period	<u>\$ 1,882,090</u>	<u>\$ 1,836,013</u>