

Accident Fund Insurance Company of America and Subsidiaries

Consolidated Statutory-Basis Financial Statements
as of and for the Periods Ended June 30, 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 JUNE 30, 2024 AND DECEMBER 31, 2023 (Dollars in thousands)

	June 30 2024	December 31, 2023
ADMITTED ASSETS		
CASH AND INVESTED ASSETS:		
Bonds	\$ 2,987,791	\$ 2,880,398
Common stocks and mutual funds	237,379	222,681
Property occupied by the Company	97,448	98,701
Cash and cash equivalents	138,762	164,891
Short-term investments	58,341	71,750
Other invested assets - affiliated	817,066	723,230
Other invested assets - unaffiliated	290,327	274,096
Receivable from sale of securities	9,790	1,399
Securities lending reinvested collateral assets	34,731	15,000
	<u>4,671,635</u>	<u>4,452,146</u>
Total cash and invested assets		
OTHER ADMITTED ASSETS:		
Premiums in the course of collection	248,617	233,718
Premiums deferred and not yet due	484,361	485,556
Net deferred tax asset	100,507	105,195
Investment income due and accrued	25,239	24,099
Other assets	158,837	127,137
	<u>1,022,561</u>	<u>1,075,705</u>
TOTAL	<u>\$ 5,689,196</u>	<u>\$ 5,427,851</u>
LIABILITIES AND CAPITAL AND SURPLUS		
LIABILITIES:		
Losses and loss adjustment expenses	\$ 2,488,004	\$ 2,432,727
Unearned premiums	675,419	676,726
Assessments, taxes, and fees payable	16,191	30,321
Payable for purchase of securities	27,463	11,116
Payable for securities lending	34,731	15,000
Note payables and accrued interest	6,711	7,612
Reinsurance balances payable	235,192	158,065
Accrued commissions	39,468	54,027
Accrued pension and postretirement benefits	42,424	39,124
Other accrued expenses	58,287	70,554
Other liabilities	123,209	96,566
	<u>3,747,099</u>	<u>3,591,838</u>
Total liabilities		
CAPITAL AND SURPLUS:		
Common capital stock	3,000	3,000
Contributed surplus	134,000	134,000
Surplus notes	350,000	350,000
Unassigned surplus	1,455,097	1,349,013
	<u>1,942,097</u>	<u>1,836,013</u>
Total capital and surplus		
TOTAL	<u>\$ 5,689,196</u>	<u>\$ 5,427,851</u>

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS—STATUTORY-BASIS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (Dollars in thousands)

	Six Months Ended June 30	
	2024	2023
NET PREMIUMS EARNED	\$ <u>923,258</u>	\$ <u>863,661</u>
UNDERWRITING DEDUCTIONS:		
Losses	503,631	470,577
Loss adjustment expenses	126,859	118,985
Other underwriting expenses	260,378	233,791
Policyholder dividends	<u>-</u>	<u>-</u>
Total underwriting deductions	<u>890,868</u>	<u>823,353</u>
NET UNDERWRITING GAIN	<u>32,390</u>	<u>40,308</u>
INVESTMENT INCOME:		
Net investment income	53,662	51,942
Net realized capital (loss) gain—net of tax expense (benefit) of \$5,957 and \$(1,385) in 2024 and 2023, respectively	<u>18,826</u>	<u>(9,055)</u>
Total investment income	<u>72,488</u>	<u>42,887</u>
OTHER EXPENSE—Net	<u>(6,729)</u>	<u>(8,302)</u>
INCOME BEFORE FEDERAL INCOME TAXES	98,149	74,893
FEDERAL INCOME TAXES	<u>(15,362)</u>	<u>(14,424)</u>
NET INCOME	<u>\$ 82,787</u>	<u>\$ 60,469</u>

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CAPITAL AND SURPLUS—STATUTORY-BASIS FOR THE PERIODS ENDED JUNE 30, 2024 AND DECEMBER 31, 2023 (Dollars in thousands)

	June 30 2024	December 31, 2023
BALANCE—Beginning of period	\$ 1,836,013	\$ 1,698,916
Net income	82,787	110,528
Change in net unrealized gains and losses on investments—net of tax	18,894	75,807
Change in net deferred income taxes	(3,865)	(10,625)
Change in nonadmitted assets	8,268	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>\$ 1,942,097</u>	<u>\$ 1,836,013</u>