

Star Insurance Company and Subsidiaries

Consolidated Statutory-Basis Financial Statements
as of and for the Periods Ended June 30, 2024, and
December 31, 2023

STAR INSURANCE COMPANY 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, at amortized cost | \$1,932,142 | \$1,536,500 |
| Stocks | 2,715 | 2,603 |
| Cash, cash equivalents and short-term investments | 153,516 | 490,410 |
| Other invested assets | 28,668 | 30,782 |
| Receivable for securities | 5,055 | 1,354 |
| Total cash and invested assets | \$ 2,122,096 | \$ 2,061,649 |
| Investment income due and accrued | 16,592 | 14,542 |
| Premiums receivable | 115,895 | 89,744 |
| Reinsurance recoverables on ceded paid losses | 19,797 | 18,838 |
| Funds deposited with reinsured companies | - | 389 |
| Federal income tax recoverable | - | 6,717 |
| Net deferred tax asset | 27,485 | 24,869 |
| Receivables from parent and affiliates | 12,781 | 8,469 |
| Other assets | 18,747 | 27,048 |
| Total admitted assets | \$ 2,333,393 | \$ 2,252,265 |
| Liabilities | | |
| Losses and loss adjustment expenses | \$ 767,692 | \$ 740,212 |
| Commissions and other expenses payable | 3,129 | 7,943 |
| Taxes, licenses and fees | 6,398 | 5,408 |
| Unearned premiums | 357,907 | 319,024 |
| Ceded reinsurance premiums payable | 66 | 26,927 |
| Funds held for reinsurance treaties | 536,122 | 523,800 |
| Reinsurance payable on paid losses and loss adjustment expenses | - | 637 |
| Provision for reinsurance | 2,904 | 2,811 |
| Amounts retained for account of others | 2,498 | 2,520 |
| Payable to parent and affiliates | 20,469 | 10,321 |
| Retroactive reinsurance recoverable | (20,644) | (28,480) |
| Other liabilities | 10,864 | 3,622 |
| Total liabilities | \$ 1,687,405 | \$ 1,614,745 |
| Capital and surplus | | |
| Segregated surplus on retroactive reinsurance contract | 20,000 | 20,000 |
| Common stock | 5,040 | 5,040 |
| Gross paid in and contributed surplus | 392,154 | 392,154 |
| Unassigned funds (surplus) | 228,794 | 220,326 |
| Total capital and surplus | 645,988 | 637,520 |
| Total liabilities and capital and surplus | \$ 2,333,393 | \$ 2,252,265 |

STAR INSURANCE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS - STATUTORY-BASIS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023

(Dollars in thousands)

| | Three Months Ended | |
|---|--------------------|-------------|
| | June 30 | |
| | 2024 | 2023 |
| Net premiums earned | \$ 382,842 | \$ 326,984 |
| Losses and loss adjustment expenses incurred | 272,354 | 241,079 |
| Other underwriting expenses incurred | 132,475 | 116,148 |
| Net underwriting gain (loss) | \$ (21,987) | \$ (30,243) |
| Net investment income earned | 29,180 | 21,662 |
| Net realized capital gains (losses) | 381 | 6,038 |
| Net other income (expense) | (2) | (104) |
| Income before dividends to policyholders and federal income taxes | \$ 7,572 | \$ (2,647) |
| Dividends to policyholders | 1 | 105 |
| Income before federal income taxes | \$ 7,571 | \$ (2,752) |
| Federal income tax incurred | 3,911 | (12,890) |
| Net income | \$ 3,660 | \$ 10,138 |

STAR INSURANCE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CAPITAL AND SURPLUS - STATUTORY-BASIS FOR THE PERIODS ENDED JUNE30, 2024 AND DECEMBER 31, 2023

(Dollars in thousands)

| | June 30, 2024 | December 31, 2023 |
|--|------------------|----------------------|
| Surplus, beginning of year | \$ 637,520 | \$ 604,764 |
| Net income | 3,660 | 32,739 |
| Change in net unrealized capital gains or (losses) | (230) | 5,179 |
| Change in net deferred income tax | (106) | (11,440) |
| Change in nonadmitted assets | 583 | 8,218 |
| Change in provision for reinsurance | (94) | (1,940) |
| Change in surplus | \$ 3,813 | \$ 32,756 |
| Surplus, end of year | \$ 641,333 | \$ 637,520 |