

# Accident Fund Insurance Company of America and Subsidiaries

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

|   | September 30,<br>2024 | December 31,<br>2023 |
|---|-----------------------|----------------------|
| <b>ADMITTED ASSETS</b>                          |                       |                      |
| CASH AND INVESTED ASSETS:                       |                       |                      |
| Bonds   | \$ 3,020,671          | \$ 2,880,398         |
| Common stocks and mutual funds                  | 237,036               | 222,681              |
| Property occupied by the Company                | 96,823                | 98,701               |
| Cash and cash equivalents                       | 48,810                | 164,891              |
| Short-term investments                          | 55,167                | 71,750               |
| Other invested assets - affiliated              | 790,688               | 723,230              |
| Other invested assets - unaffiliated            | 301,267               | 274,096              |
| Receivable from sale of securities              | 44,414                | 1,399                |
| Securities lending reinvested collateral assets | 9,935                 | 15,000               |
|   | <u>4,604,811</u>      | <u>4,452,146</u>     |
| Total cash and invested assets                  |                       |                      |
| OTHER ADMITTED ASSETS:                          |                       |                      |
| Premiums in the course of collection            | 285,498               | 233,718              |
| Premiums deferred and not yet due               | 604,810               | 485,556              |
| Net deferred tax asset                          | 94,094                | 105,195              |
| Investment income due and accrued               | 23,828                | 24,099               |
| Other assets                                    | 261,532               | 127,137              |
|   | <u>2,273,662</u>      | <u>1,976,705</u>     |
| TOTAL   | <u>\$ 5,874,573</u>   | <u>\$ 5,427,851</u>  |
| <b>LIABILITIES AND CAPITAL AND SURPLUS</b>      |                       |                      |
| LIABILITIES:                                    |                       |                      |
| Losses and loss adjustment expenses             | \$ 2,616,941          | \$ 2,432,727         |
| Unearned premiums                               | 713,723               | 676,726              |
| Assessments, taxes, and fees payable            | 17,029                | 30,321               |
| Payable for purchase of securities              | 68,076                | 11,116               |
| Payable for securities lending                  | 9,935                 | 15,000               |
| Note payables and accrued interest              | 6,271                 | 7,612                |
| Reinsurance balances payable                    | 179,879               | 158,065              |
| Accrued commissions                             | 39,912                | 54,027               |
| Accrued pension and postretirement benefits     | 44,074                | 39,124               |
| Other accrued expenses                          | 81,840                | 70,554               |
| Other liabilities                               | 148,677               | 96,566               |
|   | <u>3,926,357</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                              | 1,461,216             | 1,349,013            |
|   | <u>1,948,216</u>      | <u>1,836,013</u>     |
| Total capital and surplus                       |                       |                      |
| TOTAL   | <u>\$ 5,874,573</u>   | <u>\$ 5,427,851</u>  |

# ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

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

|   | Nine Months Ended<br>September 30 |                     |
|---|-----------------------------------|---------------------|
|   | 2024                              | 2023                |
| NET PREMIUMS EARNED   | \$ <u>1,460,721</u>               | \$ <u>1,335,809</u> |
| UNDERWRITING DEDUCTIONS:  |                                   |                     |
| Losses  | 787,344                           | 725,919             |
| Loss adjustment expenses  | 196,928                           | 186,698             |
| Other underwriting expenses   | 409,587                           | 358,312             |
| Policyholder dividends  | <u>-</u>                          | <u>-</u>            |
| Total underwriting deductions   | <u>1,393,859</u>                  | <u>1,270,929</u>    |
| NET UNDERWRITING GAIN   | <u>66,862</u>                     | <u>64,880</u>       |
| INVESTMENT INCOME:  |                                   |                     |
| Net investment income   | 74,174                            | 66,568              |
| Net realized capital (loss) gain—net of tax expense<br>(benefit) of \$8,094 and \$(2,423) in 2024 and 2023,<br>respectively | <u>26,383</u>                     | <u>(16,420)</u>     |
| Total investment income   | <u>100,557</u>                    | <u>50,148</u>       |
| OTHER EXPENSE—Net   | <u>(14,121)</u>                   | <u>(14,322)</u>     |
| INCOME BEFORE FEDERAL INCOME TAXES  | 153,298                           | 100,706             |
| FEDERAL INCOME TAXES  | <u>(26,526)</u>                   | <u>(25,215)</u>     |
| NET INCOME  | <u>\$ 126,772</u>                 | <u>\$ 75,491</u>    |

# ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

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

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|  | September 30,<br>2024 | December 31,<br>2023 |
|--|-----------------------|----------------------|
| BALANCE—Beginning of period  | \$ 1,836,013          | \$ 1,698,916         |
| Net income   | 126,772               | 110,528              |
| Change in net unrealized gains and<br>losses on investments—net of tax | 44,339                | 75,807               |
| Change in net deferred income taxes                                    | (6,006)               | (10,625)             |
| Change in nonadmitted assets   | 49,200                | 47,543               |
| Change in the provision for reinsurance                                | -                     | (24,307)             |
| Dividends to stockholder   | (102,102)             | (53,500)             |
| Other changes to surplus   | -                     | (8,349)              |
|  | <u>          </u>     | <u>          </u>    |
| BALANCE—End of period  | <u>\$ 1,948,216</u>   | <u>\$ 1,836,013</u>  |