JohnsonLambert LLP
cpas + consultants

Energy Insurance Mutual Limited

Audited Financial Statements

Years ended December 31, 2024 and 2023
with Report of Independent Auditors

Energy Insurance Mutual Limited

Audited Financial Statements

Years ended December 31, 2024 and 2023

Contents

Report of Independent Auditors

To the Audit Committee of the Board of Directors
Energy Insurance Mutual Limited

Opinion
We have audited the financial statements of Energy Insurance Mutual Limited (the Company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of operations, changes in policyholders' surplus, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the disclosures about short-duration insurance contracts, including incurred and cumulative paid losses and allocated loss adjustment expenses, net of reinsurance and average annual percentage payout of incurred claims by age, on pages 21 - 23 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Johnson Lambert LLP

Jacksonville, Florida
February 24, 2025

Energy Insurance Mutual Limited

Balance Sheets

(Expressed in Thousands of U.S. Dollars)

	As of December 31, 2024	As of December 31, 2023
Assets		
Fixed maturity securities, trading	$ 1,437,241	$ 1,302,685
Equity securities	552,134	519,567
Alternative investments	417,988	385,880
Investment in subsidiaries	6,395	6,104
Total investments	2,413,758	2,214,236
Cash and cash equivalents	294,036	147,853
Reinsurance recoverables on unpaid losses	570,457	541,467
Reinsurance recoverables on paid losses	8,037	8,751
Prepaid reinsurance premiums	41,025	34,039
Accrued investment income	9,100	7,443
Receivables for securities sold	3,707	9,026
Premiums receivable	40,981	33,208
Deferred policy acquisition costs	1,236	1,259
Due from subsidiaries	362	-
Other assets	1,609	1,911
Total assets	$ 3,384,308	$ 2,999,193
Liabilities and policyholders' surplus		
Liabilities:		
Reserve for losses and loss adjustment expenses	$ 1,587,680	$ 1,472,554
Unearned and advance premiums	333,864	222,405
Reinsurance premiums payable and funds held for reinsurers	18,436	14,496
Net deferred tax liability	38,159	36,097
Policyholder distributions payable	25,000	-
Accounts payable and accrued expenses	21,682	16,726
Due to subsidiaries	-	908
Income taxes payable	9,138	1,891
Total liabilities	2,033,959	1,765,077
Policyholders' surplus	1,350,349	1,234,116
Total liabilities and policyholders' surplus	$ 3,384,308	$ 2,999,193

See accompanying notes to the financial statements.

Energy Insurance Mutual Limited

Statements of Operations

(Expressed in Thousands of U.S. Dollars)

	Years ended December 31, 2024	2023
Underwriting revenue		
Net premiums earned		
Direct and assumed premiums earned	$ 454,024	$ 378,080
Ceded premiums earned	(80,862)	(77,584)
Total underwriting revenue	373,162	300,496
Underwriting expenses		
Net losses and loss adjustment expenses		
Direct and assumed losses and loss adjustment expenses	513,928	490,269
Ceded losses and loss adjustment expenses	(163,737)	(137,218)
Net losses and loss adjustment expenses	350,191	353,051
Policy acquisition costs	2,712	2,646
Administrative expenses	19,097	14,813
Total underwriting expenses	372,000	370,510
Underwriting income (loss)	1,162	(70,014)
Investment income		
Net realized gain on investments	58,277	96,640
Net investment income	110,837	78,459
Total investment income	169,114	175,099
Income before policyholders' distribution and income taxes	170,276	105,085
Distributions to policyholders	(25,000)	-
Income tax provision	(29,043)	(19,042)
Net income	$ 116,233	$ 86,043

See accompanying notes to the financial statements.

Energy Insurance Mutual Limited

Statements of Changes in Policyholders' Surplus

(*Expressed in Thousands of U.S. Dollars)*

	Policyholders' Surplus
Balance at January 1, 2023	$ 1,148,073
Net income	86,043
Balance at December 31, 2023	1,234,116
Net income	116,233
Balance at December 31, 2024	$ 1,350,349

See accompanying notes to the financial statements.

Energy Insurance Mutual Limited

Statements of Cash Flows
(Expressed in Thousands of U.S. Dollars)

	Years ended December 31, 2024	2023
Net income	$ 116,233	$ 86,043
Cash flows from operating activities		
Add (deduct) items not affecting cash:		
Depreciation	171	164
Amortization of bond premium or discount	(8,862)	(7,733)
Net realized investment gain	(4,162)	(6,624)
Net change in fair value on securities held	(54,115)	(90,016)
Deferred income taxes	2,062	11,380
Changes in operating assets and liabilities:		
Reinsurance recoverables on unpaid and paid losses	(28,276)	(45,493)
Prepaid reinsurance premiums	(6,986)	(5,807)
Premiums receivable	(7,773)	(16,361)
Other	5,809	14,381
Reserve for losses and loss adjustment expenses	115,126	294,089
Unearned and advance premiums	111,459	28,023
Reinsurance premiums payable and funds held for reinsurers	3,940	12,131
Policyholder distribution payable	25,000	(25,000)
Accounts payable and accrued expenses	1,352	(1,916)
Due (to) from subsidiaries	(1,270)	1,185
Net cash from operations	269,708	248,446
Cash flows from investing activities		
Cost of investments purchased	(1,135,183)	(819,131)
Proceeds from sales of investments	787,963	510,860
Proceeds from maturities of investments	236,094	93,468
Change in amount due from purchase/sale of securities	8,922	(6,817)
Income from alternative investments	(21,030)	(400)
Equity in earnings of subsidiaries	(291)	(7,374)
Purchases of fixed assets	-	3,543
Net cash from investing	(123,525)	(225,851)
Net change in cash and cash equivalents	146,183	22,595
Cash and cash equivalents, beginning of year	147,853	125,258
Cash and cash equivalents, end of year	$ 294,036	$ 147,853
Supplemental disclosure of cash flow information		
Income taxes paid	$ 21,050	$ -

See accompanying notes to the financial statements.

Note A - Organization and Significant Accounting Policies

Organization
Energy Insurance Mutual Limited (the Company or EIM) is a mutual insurance company incorporated in Barbados on June 13, 1986. On June 9, 1988, EIM was licensed by the State of Florida as an industrial insured captive insurance company. EIM operates as an eligible surplus lines insurer in all other states and the District of Columbia.

The Company is a mutual insurance company with membership available to any utility or member of the energy services industry that meets EIM's underwriting standards. The Company provides excess general liability, excess fiduciary liability, and excess directors and officers liability policies written on a claims first made basis. In addition, to a lesser extent, the Company writes property insurance for its members. All members have casualty policies in place, approximately half of those members have property policies as well. The Company also provides cyber liability coverage to its members.

Basis of Reporting
The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States (GAAP) promulgated by the Financial Accounting Standards Board Accounting Standards Codification (ASC or the guidance). Preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investment in Subsidiaries
The Company is the sponsor and 100% common stockholder of Energy Insurance Services, Inc. (EIS), a sponsored cell captive insurance company domiciled in South Carolina. As a sponsored captive, EIS allows EIM members, known as Mutual Business Programs (MBPs), to insure or reinsure the risks of their sponsoring organizations, including property, general and environmental liability, asbestos, workers' compensation, and retiree medical stop loss. Through participation agreements with the MBPs, the insurance risks underwritten by the MBPs are contractually limited to the funds available in the individual cell's account, and neither EIS nor EIM has any obligation to absorb losses of the MBPs. Likewise, EIS has no right to the capital and accumulated profits of the MBPs cells. EIM does not have the power to direct the activities of the MBPs that most significantly impact their economic performance.

Note A - Organization and Significant Accounting Policies (Continued)

Investment in Subsidiaries (Continued)
As of December 31, 2024, EIS has assets (exclusive of assets held in MBPs) of $9.8 million, shareholder's equity of $5.2 million, and net income of $256,000. As of December 31, 2023, EIS had assets (exclusive of assets held in MBPs) of $10.3 million, shareholder's equity of $5.0 million and net income of $364,000.

The Company considers EIS a variable interest entity, which is not consolidated due to the lack of obligations, rights, and powers described above. EIM accounts for its investment in EIS using the equity method of accounting.

During 2015, EIM formed Energy Captive Management, LLC (ECM) to provide captive management services to EIS. As of December 31, 2024, ECM has assets of $2.4 million, member's equity of $886,000, and net income of $31,000. As of December 31, 2023, ECM had assets of $3.9 million, member's equity of $854,000 and net income of $26,000.

During 2021, EIM formed Energy Risk Solutions SC, Inc (ERS). ERS is a sponsored captive insurance company domiciled in South Carolina. As of December 31, 2024, ERS has assets of $293,000, member's equity of $287,000 and net loss of $1,000. As of December 31, 2023, ERS has assets of $290,000, member's equity of $288,000 and net loss of $1,000.

Fixed Maturity Securities
Investments in fixed maturity securities are classified as trading and reported at fair value, with changes in fair value reported on the statement of operations. Purchase premium or discount is amortized to net investment income based on the scientific method.

EIM invests in various investment securities. Investment securities are exposed to various risk, such as interest rate, market, liquidity and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur in the near term and those changes could materially affect the amounts reported on the balance sheets.

Equity Securities
Investments in marketable equity securities are carried at fair value. The changes in fair value on equity securities held are reported on the statement of operations.

Note A - Organization and Significant Accounting Policies (Continued)

Alternative Investments
Alternative investments include interests in shares of investment funds (Funds), which are considered non-marketable. Alternative investments are structured such that the Company holds an interest in the Funds and not the underlying holdings of such Funds. The Company's ownership does not provide for control over the related investees, and financial risk is limited to the funded and unfunded commitment for each investment. The Company accounts for the Funds at fair value, with all gains and losses included within net investment income using internal valuation calculations or net asset value where that is a permitted practical expedient.

These alternative investment funds give investors the right, subject to predetermined redemption procedures, to redeem their investments at net asset value. Since the Funds are not actively traded on an exchange, the fair values are subject to judgment and uncertainty.

The financial statements of the Funds are audited annually by independent auditors, although the timing for reporting the results of such audits may not coincide with the Company's financial reporting.

Cash and Cash Equivalents
The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. The Company maintains certain cash and cash equivalent balances that are not subject to Federal Deposit Insurance Corporation. Management does not believe these balances represent a significant credit risk to the Company.

Losses and Loss Adjustment Expense Reserves
The reserve for losses and loss adjustment expenses (LAE) represents the estimated ultimate gross cost of all reported and unreported losses unpaid through December 31. Case reserves represent the estimated future payments on reported losses. Case reserves are continually reviewed and updated; however, given the uncertainty regarding the extent of the Company's ultimate liability, the actual amount may be significantly in excess or below the amount recorded. Supplemental reserves (e.g., IBNR) are recorded based upon actuarial projections.

Although considerable variability is inherent in these estimates, particularly due to the nature of the insured exposures, management believes that the aggregate reserve for losses and LAE is adequate. These estimates are periodically reviewed and adjusted as experience develops or new information becomes known. Such adjustments are included in current operations.

Note A - Organization and Significant Accounting Policies (Continued)

Credit Losses
The Company measures expected credit losses on financial assets held at amortized cost, and records an allowance for credit loss when management determines a credit loss exists. Allowances for credit losses are recorded as contra-assets that reduce the corresponding financial assets on the balance sheet, with the offset recorded as credit losses within the statement of operations. As the estimate of expected credit losses changes, those increases and decreases are recognized in current operations. The Company writes off uncollectible amounts against the allowance for credit losses when it determines that a financial asset is partially or fully uncollectible.

Prior to the adoption of the credit loss standard on January 1, 2023, financial assets reported at amortized cost were reviewed for impairment using an incurred loss model.

Premiums
Direct and assumed premiums are recognized as revenue on a pro-rata basis over the policy term. The portion of premiums that will be earned in the future is deferred and reported as unearned premiums. The Company pays commissions on assumed business, which is initially capitalized and expensed over the life of the policy.

Reinsurance
In the normal course of business, the Company seeks to reduce the loss that may arise from large claims, catastrophes, or other events by reinsuring certain levels of risk in various areas of exposure with other insurance companies. Reinsurance premiums, ceding commissions, loss reimbursement, and reinsurance recoverables on unpaid claims are accounted for on a basis consistent with that used in accounting for the original policies or claims.

The Company measures expected credit losses on reinsurance recoverables on a collective basis based on A.M. Best credit ratings, or on an individual basis when more relevant. An expected credit loss is calculated by first considering the impact of any collateral or credit enhancements related to specific reinsurance recoverables. Management then applies historical default rates to the uncollateralized receivables by credit rating, adjusted for current conditions and reasonable and supportable forecasts. For non-rated reinsurers or reinsurers in default, the credit loss evaluation is a case-by-case analysis that includes credit and collateral analysis and other considerations. Changes in the allowance for credit losses on reinsurance recoverables are recorded as credit losses within the statement of operations. As of December 31, 2024 substantially all reinsurance recoverable amounts are due from reinsurers rated A- or better by A.M. Best. There was no allowance for credit loss on reinsurance recoverables as of December 31, 2024 or 2023.

Note A - Organization and Significant Accounting Policies (Continued)

Premiums Receivable
Premiums receivable are reported net of an allowance for credit losses. The Company measures expected credit losses on premiums receivable on a collective basis through review of aging schedules, or on an individual basis when more relevant. An expected credit loss is calculated based on the Company's ongoing review of amounts outstanding and historical loss data including delinquencies and write offs, and is then adjusted for current conditions. Credit risk is partially mitigated by the Company's ability to cancel the policy for failure to pay the premium. There was no allowance for credit losses on premiums receivable as of December 31, 2024 or 2023.

Deferred Policy Acquisition Costs
Commissions and other costs of acquiring insurance that are directly related to the successful acquisition of new and renewal business are deferred and amortized over the life of the policy to which they relate. These costs are deferred, net of any related ceding commissions, to the extent deemed recoverable.

Income Taxes
Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Company and its subsidiaries file a consolidated federal income tax return. Income taxes are allocated based on separate return calculations.

Policyholder Distributions
As a mutual insurer, EIM is owned by its policyholders. Policyholder distributions are released from excess surplus, and are charged to income when declared by the Board of Directors. During 2024 and 2023, the Board of Directors approved the declaration of policyholder distributions in the amount of $25 million and $0 million, respectively.

Subsequent Events
The Company has evaluated subsequent events for disclosure and recognition through February 24, 2025, the date on which these financial statements were available to be issued.

Note B - Insurance Activity

Premium activity for 2024 and 2023 is summarized as follows *(in Thousands of U.S. Dollars)*:

2024	Direct	Assumed	Ceded	Net
Premiums written	$ 563,086	$ 3,043	$ (87,848)	$ 478,281
Change in unearned premiums	(112,039)	(66)	6,986	(105,119)
Premiums earned	$ 451,047	$ 2,977	$ (80,862)	$ 373,162

2023	Direct	Assumed	Ceded	Net
Premiums written	$ 402,987	$ 2,556	$ (83,391)	$ 322,152
Change in unearned premiums	(27,100)	(363)	5,807	(21,656)
Premiums earned	$ 375,887	$ 2,193	$ (77,584)	$ 300,496

Activity in the liability for losses and LAE is summarized as follows *(in Thousands of U.S. Dollars)*:

	2024	2023
Gross balance, beginning of year	$ 1,472,554	$ 1,178,465
Less: reinsurance recoverables on unpaid losses and LAE	(541,467)	(477,873)
Net balance, beginning of year	931,087	700,592
Incurred related to:		
Current year	347,812	320,953
Prior years	2,379	32,098
Total incurred	350,191	353,051
Paid related to:		
Current year	331	1,634
Prior years	263,724	120,922
Total paid	264,055	122,556
Net balance, end of year	1,017,223	931,087
Plus: reinsurance recoverables on unpaid losses and LAE	570,457	541,467
Gross balance, end of year	$ 1,587,680	$ 1,472,554

During 2024, incurred losses and LAE attributable to events of prior years increased by $2.4 million. The unfavorable development of prior year losses related primarily to prior accident years 2010, 2017 and 2022, which increased by $83 million. This was offset primarily by favorable loss development of $75 million relating to prior accident years 2021 and 2023.

Note B - Insurance Activity (Continued)

During 2023, incurred losses and LAE attributable to events of prior years decreased by $32.1 million. The unfavorable development of prior year losses related primarily to prior accident years 2014, 2020 and 2022, which increased by $60 million. This was offset primarily by favorable loss development of $29 million relating to prior accident years 2016, 2019 and 2021.

The reconciliation of the net incurred and paid losses development tables to the liability for losses and LAE on the balance sheet as of December 31, 2024 is as follows *(in Thousands of U.S. Dollars)*:

Net liabilities for unpaid losses and allocated LAE	$ 931,860
All outstanding liabilities before 2015, net of reinsurance	76,863
Total net liabilities for unpaid losses and allocated LAE	1,008,723
Reinsurance recoverables on unpaid losses and allocated LAE	570,457
Unallocated LAE	8,500
Gross liability for unpaid losses and LAE	$ 1,587,680

The following is information about incurred and cumulative paid losses and allocated LAE, net of reinsurance, total incurred-but-not-reported (IBNR) reserves plus expected development on reported claims, net of reinsurance and the cumulative number of reported claims as of December 31, 2024 *(in Thousands of U.S. Dollars, Except Cumulative Number of Reported Claims Data)*:

Accident Year	Incurred	Cumulative Paid	IBNR Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2015	$ 181,717	$ 178,814	$ 2,885	209
2016	73,545	71,213	2,250	305
2017	180,697	169,082	1,577	264
2018	202,821	200,987	1,756	218
2019	171,583	159,815	1,678	258
2020	227,168	184,703	35,208	318
2021	107,416	63,431	12,838	291
2022	320,291	25,342	85,851	285
2023	273,701	98,849	161,763	393
2024	345,488	331	241,036	486
Total	$ 2,084,427	$ 1,152,567	$ 546,842	

Note B - Insurance Activity (Continued)

Methodology for Determining Losses and LAE Reserves: With the assistance of a consulting actuary, generally accepted actuarial reserving techniques are utilized to project the estimate of ultimate losses and LAE at each reporting date. The principal methodologies utilized by management and its consulting actuary to evaluate the reserve estimate include stochastic projection methodologies that estimate a range of outputs corresponding to numerous economic scenarios and traditional loss development methods.

Methodology for Determining Cumulative Number of Reported Claims: Cumulative number of reported claims include open and closed claims by accident year at the claimant level.

The Company uses excess of loss reinsurance to protect against severe losses on the directors and officers, general partner, general liability, and fiduciary liability books of business. After certain deductibles or retentions have been satisfied, the maximum amount that could be recoverable under the 2024 and 2023 reinsurance treaties are $216,375,000 and $205,200,000 with respect to general liability and $100,175,000 and $102,600,000 with respect to directors and officers, general partner, and fiduciary liability, respectively.

During the years ended December 31, 2024 and 2023, the Company maintained reinsurance coverage for its property book of business with various reinsurers. Under the reinsurance agreements, the Company retains $15,000,000 of risk per each loss under the direct coverage. The reinsurers are then liable for net losses of $20,000,000 in excess of the Company's $15,000,000 retention.

Reinsurance ceded contracts do not relieve the Company from its obligations to policyholders. The Company remains liable to its policyholders for the portion reinsured to the extent that the reinsurer does not meet the obligations assumed under the reinsurance agreement. The reinsurance recoverable on paid and unpaid losses is substantially due from National Indemnity Company, Nuclear Electric Insurance Limited (NEIL), and various Lloyds of London syndicates, comprising 28%, 9%, and 14%, respectively, of the balance at December 31, 2024. At December 31, 2023, the reinsurance recoverable on paid and unpaid losses due from National Indemnity Company, NEIL, and various Lloyds of London Syndicates comprised of 24%, 19%, and 13%, respectively. The remaining balance is comprised of amounts due from various reinsurers, each not exceeding 10% of the total for 2024 and 2023.

Note C - Investments

Current accounting guidance establishes a three-level hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets (Level 1), the next priority to quoted prices for identical assets in active markets or similar assets in active markets (Level 2) and the lowest priority to unobservable inputs (Level 3).

Note C - Investments (Continued)

The following table presents the Company's investment securities within the fair value hierarchy, indicating the objectivity and reliability of the inputs used to value those securities at December 31, 2024 and 2023 *(in Thousands of U.S. Dollars):*

At December 31, 2024:	Total	Level 1	Level 2	Level 3
Fixed maturity securities, trading	$ 1,437,241	$ -	$ 1,437,241	$ -
Equity securities	552,134	552,134	-	-
Alternative investments*	37,033	-	-	37,033
Total	$ 2,026,408	$ 552,134	$ 1,437,241	$ 37,033

At December 31, 2023:	Total	Level 1	Level 2	Level 3
Fixed maturity securities, trading	$ 1,302,685	$ -	$ 1,302,685	$ -
Equity securities	519,567	519,567	-	-
Alternative investments*	31,756	-	-	31,756
Total	$ 1,854,008	$ 519,567	$ 1,302,685	$ 31,756

*Alternative investments valued using NAV as a permissible practical expedient totaling $381 million and $354.1 million at December 31, 2024 and 2023, respectively, are not required to be included in the fair value hierarchy table above.

During 2023, the Company invested in a new alternative investment that is not qualified to use NAV as a practical expedient. Management elected to value the investment using the fair value option under GAAP. In estimating fair value, management utilized the exit price as of December 31, 2024 and 2023 as reported by the investee.

Activity in Level 3 securities during the years ended December 31, 2024 and 2023 are summarized as follows *(in Thousands of U.S. Dollars)*:

	2024	2023
Opening balance	$ 31,756	$ -
Purchases	-	25,000
Holding gain	5,277	6,756
Ending balance	$ 37,033	$ 31,756

Note C - Investments (Continued)

The net realized gain on investments for the years ended December 31, 2024 and 2023 is composed of the following *(in Thousands of U.S. Dollars):*

	2024	2023
Net realized gain on securities sold	$ 4,162	$ 6,624
Net holding period (loss) gain on fixed maturity securities held	(3,829)	23,305
Net holding period gain on equity securities held	57,944	66,711
Net realized gain on investments	$ 58,277	$ 96,640

The composition of net investment income for the years ended December 31, 2024 and 2023 is composed of the following *(in Thousands of U.S. Dollars):*

	2024	2023
Interest income	$ 65,500	$ 49,992
Dividend income	23,403	22,252
Income from subsidiaries	291	400
Income from alternative investments	27,266	11,329
Other	(44)	(50)
Gross investment income	116,416	83,923
Investment management fees	(5,535)	(5,425)
Interest expense	(44)	(39)
Net investment income	$ 110,837	$ 78,459

At December 31, 2024 and 2023, EIM holds investments with a total fair value of $34 million and $46 million, respectively, in issuers who are also policyholders.

Alternative investments include the following investment categories as of December 31 *(in Thousands of U.S. Dollars)*:

	2024	2023	Redemption Frequency	Redemption Notice Period
Catastrophe reinsurance	$ 39,429	$ 38,712	Quarterly	90 days
High-yield bank loan	165,482	146,980	Monthly	30 days
Core real estate	100,741	114,194	Quarterly	45 days
Industrial real estate	18,360	18,571	Quarterly	60 days
Trade finance	93,976	67,423	Quarterly	45 days
Total	$ 417,988	$ 385,880		

Note C - Investments (Continued)

The catastrophe reinsurance class includes funds with investments primarily in portfolios of traditional reinsurance and other insurance-based investment instruments that have returns tied to property and casualty catastrophe risk. In addition, this class may hold cash, treasury bills, and money market funds. The investors in this class have limited redemption rights that may be suspended from time to time.

The high yield bank loan class includes funds that invest in a diversified portfolio consisting primarily of direct or indirect interests in non-investment grade, floating rate bank loans.

The real estate class includes three funds that invest primarily in industrial, retail, office, and multifamily housing.

The trade finance class consists of short-term loans that support the physical flow of goods while using those same goods within the transaction as primary security.

As of December 31, 2024, there were no unfunded commitments related to these investments.

Note D - Federal Income Taxes

The components of the provision for federal income taxes for the years ended December 31, 2024 and 2023 are as follows *(in Thousands of U.S. Dollars)*:

	2024	2023
Current income tax provision	$ (26,981)	$ (7,662)
Deferred income tax provision	(2,062)	(11,380)
Total income tax provision	$ (29,043)	$ (19,042)

The provision for federal income tax differs from the amount derived by applying the statutory federal tax rates to pretax income for financial reporting purposes due primarily to tax exempt investment income and gains and losses from investments.

Deferred federal income taxes arise from temporary differences between the valuation of assets and liabilities as determined for financial reporting purposes and federal income tax purposes. In 2024 and 2023, the Company measured its deferred tax items at its effective tax rate of 21%.

Note D - Federal Income Taxes (Continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31 are as follows *(in Thousands of U.S. Dollars)*:

	2024	2023
Deferred tax assets:		
Unpaid losses and LAE	$ 15,095	$ 13,651
Unearned premiums	12,299	8,034
Accrued expenses and other	5,038	5,098
Total deferred tax assets	32,432	26,783
Deferred tax liabilities:		
Fair value adjustments on securities	(55,780)	(50,648)
Fair value adjustments on alternatives	(12,948)	(9,784)
Bond amortization	(1,582)	(2,172)
Other	(281)	(276)
Total deferred tax liabilities	(70,591)	(62,880)
Net deferred tax liability	$ (38,159)	$ (36,097)

The Company is required to establish a valuation allowance for any portion of the deferred tax asset that management believes will not be realized. The Company has historically been a taxpayer, and in the opinion of management, will continue to be in the future. Management believes that it is more likely than not that the Company will realize the benefit of the deferred tax assets; therefore, no valuation allowance has been established.

During 2003, the Company applied for and was granted an exemption from Barbados income tax by the Minister of Finance under the Duties, Taxes, and Other Payment (Exemption) Act. Federal income taxes incurred by the Company are determined in accordance with the provisions of the Internal Revenue Code.

At December 31, 2024 and 2023, the Company determined there are no material unrecognized tax benefits, and no adjustments to liabilities or operations were required.

Note E - Related Party Transactions

During 2024 and 2023, EIM ceded premiums earned of $1.9 million and $819,000 and had ceded incurred losses of $15 million and $4 million to EIS, respectively.

Note F - Commitments and Contingencies

The Company is named as defendant in various legal actions arising in the normal course of business from claims made under insurance policies and contracts. These actions are considered by the Company in estimating the loss and LAE reserves. The Company's management believes that the resolution of these actions will not have a material adverse effect on the Company's financial position or results of operations.

Note G - Trust Funds and Deposits

The Company has established a trust fund within a federally insured depository. This trust fund serves as security for policyholders and third-party claimants to satisfy requirements for being listed as an alien surplus lines insurer by the National Association of Insurance Commissioners (NAIC). The Company is required to maintain a minimum amount of the lesser of $250,000,000 or $6,500,000 plus 30% of liabilities arising from business on or after January 1, 1998. At December 31, 2024 and 2023, the Company was in compliance with NAIC requirements. These funds have been included in the accompanying balance sheets within fixed maturity securities.

Note H - Line of Credit

The Company has a $25,000,000 and $75,000,000 line of credit used solely to fund claim payments that are subject to reinsurance recovery as of December 31, 2024 and 2023, respectively. During 2024 and 2023, there were no draws or payments made under the line of credit.

Note I - Retiree Medical Benefits

The Company provides employees with a Post-retirement Medical, Dental, and Vision Plan (the Plan). The Plan is available to retirees (upon fulfilling eligibility requirements), their spouses, and dependents as a continuation of the healthcare plan available to active employees. Current and/or retired employees hired after December 31, 2011, are required to contribute 50% of the medical plan COBRA rate, upon fulfilling the eligibility requirements under the Plan. Employees hired after June 1, 2017 are not eligible under the Plan. The Plan is unfunded.

The assumed discount rate used to determine the benefit obligation is 5.65% for 2024. The assumed healthcare cost trend rate is 6.9% for 2024, trending to 3.98% by 2050. The Company recognized a liability representing the actuarially determined accumulated post-retirement benefit obligation in the amount of $10,252,000 and $10,635,000 as of December 31, 2024 and 2023, respectively, which is included as a component of accounts payable and accrued expenses on the balance sheet.

Note J - Margin of Solvency

In order to meet the requirements of the Laws of Barbados, the Company must have contributed reserves of $38 million. The policyholders' surplus provided an excess margin of solvency of $1.3 billion at December 31, 2024.

Required Supplementary Information

Energy Insurance Mutual Limited

Incurred and Cumulative Paid Losses and Allocated Expenses,
Net of Reinsurance (Unaudited)

The following is information about incurred and paid claims development, net of reinsurance, for years ended December 31 *(in Thousands of U.S. Dollars)*.

	Incurred Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
Accident Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2015	$ 152,607	$ 172,589	$ 158,105	$ 169,930	$ 182,232	$ 181,740	$ 182,582	$ 182,674	$ 182,886	$ 181,717
2016		101,671	87,042	69,607	59,243	58,295	86,190	76,911	74,376	73,545
2017			146,429	112,609	144,520	187,525	173,662	169,134	172,929	180,697
2018				153,984	232,998	234,396	223,672	202,921	205,039	202,821
2019					120,841	138,087	165,064	173,114	172,833	171,583
2020						158,615	172,240	209,615	223,404	227,168
2021							170,865	155,599	136,438	107,416
2022								234,965	263,907	320,291
2023									318,314	273,701
2024										345,488
Total										$2,084,427

Energy Insurance Mutual Limited

Incurred and Cumulative Paid Losses and Allocated Expenses,
Net of Reinsurance (Unaudited) (Continued)

Accident Year	Cumulative Paid Losses and Allocated Loss Adjustment Expenses, Net of Reinsurance									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2015	$ 695	$ 141,523	$ 142,183	$ 142,445	$ 143,574	$ 177,661	$ 178,803	$ 178,808	$ 178,812	$ 178,814
2016		483	6,555	12,580	45,963	46,042	46,063	71,170	71,210	71,213
2017			93	2,270	55,505	117,197	137,417	163,962	169,068	169,082
2018				187	194,978	191,809	197,206	200,817	200,912	200,987
2019					1	2,434	97,168	120,644	158,663	159,815
2020						1,151	2,364	44,789	46,246	184,703
2021							186	1,499	50,670	63,431
2022								3,745	14,520	25,342
2023									1,634	98,849
2024										331
Total										$1,152,567

Reconciliation of incurred to liabilities for losses and loss adjustment expenses, net of reinsurance:

Incurred losses and allocated loss adjustment expenses, net of reinsurance	$2,084,427
Less cumulative paid losses and allocated loss adjustment expenses, net of reinsurance	(1,152,567)
All outstanding liabilities before 2015, net of reinsurance	76,863
Liabilities for losses and loss adjustment expenses, net of reinsurance	$1,008,723

Energy Insurance Mutual Limited

Average Annual Percentage Payout of Incurred Claims by Age (Unaudited)

The following is the average historical claims duration as of December 31, 2024:

	Average Annual Percentage Payout of Incurred Claims by Age									
Years	1	2	3	4	5	6	7	8	9	10
	0.4 %	25.0 %	20.0 %	15.5 %	16.1 %	6.8 %	9.4 %	- %	- %	- %