

UNAUDITED

ENERGY INSURANCE MUTUAL LIMITED

Balance Sheets
(Expressed in Thousands of U.S. Dollars)

	06/30/19	06/30/18
<u>Assets</u>		
Investments	\$ 1,701,786	\$ 1,660,359
Cash and cash equivalents	37,676	41,348
Reinsurance recoverables on losses	301,514	218,249
Prepaid reinsurance premiums	29,952	30,319
Premiums receivable	21,556	19,282
Income taxes recoverable	2,968	-
Other assets	10,580	(2,746)
Total assets	<u>\$ 2,106,032</u>	<u>\$ 1,966,811</u>
<u>Liabilities and policyholders' surplus</u>		
Reserves for losses and loss adjustment expenses	\$ 710,309	\$ 602,125
Unearned premiums	121,304	104,038
Reinsurance premiums payable and funds held	8,971	7,970
Net deferred tax liability	52,503	55,707
Accounts payable and accrued expenses	9,929	11,548
Income taxes payable	-	2,050
Total liabilities	<u>903,016</u>	<u>783,438</u>
Members' account balance	1,170,319	940,835
Accumulated other comprehensive income	32,697	242,538
Total policyholders' surplus	<u>1,203,016</u>	<u>1,183,373</u>
Total liabilities and policyholders' surplus	<u>\$ 2,106,032</u>	<u>\$ 1,966,811</u>

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Statements of Income and Comprehensive Income (Expressed in Thousands of U.S. Dollars)

	06/30/19	06/30/18
<u>Underwriting revenue</u>		
Net premiums earned	\$ 76,544	\$ 77,573
Other underwriting income	1,063	1,119
Total underwriting revenue	<u>77,607</u>	<u>78,692</u>
<u>Underwriting expenses</u>		
Net losses and loss adjustment expenses	112,091	61,676
Policy acquisition costs	1,451	951
Administrative expenses	6,751	5,358
Total underwriting expenses	<u>120,293</u>	<u>67,985</u>
(Loss) income from underwriting	(42,686)	10,707
Investment income	93,215	32,761
Income before policyholders' distribution and income taxes	50,529	43,468
Policyholder distribution	-	-
Income before income taxes	50,529	43,468
Income tax expense	9,189	7,257
Net income	41,340	36,211
Other comprehensive income (loss)	26,506	(21,678)
Comprehensive income	<u>\$ 67,846</u>	<u>\$ 14,533</u>

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Statements of Changes in Policyholders' Surplus (Expressed in Thousands of U.S. Dollars)

	Accumulated Other Comprehensive Income	Members' Account Balance	Total Policyholders' Surplus
Balance at January 1, 2018	\$ 264,215	\$ 904,625	\$ 1,168,840
Other comprehensive loss, net of tax	(77,323)	-	(77,323)
Net income	-	43,653	43,653
Balance at December 31, 2018	186,892	948,278	1,135,170
Impact of adoption of ASU 2016-01	(180,701)	180,701	-
Other comprehensive income, net of tax	26,506	-	26,506
Net income	-	41,340	41,340
Balance at June 30, 2019	<u>\$ 32,697</u>	<u>\$ 1,170,319</u>	<u>\$ 1,203,016</u>