

QUARTERLY FINANCIALS

FIRST QUARTER 2024



We are your source for superior long-term insurance and risk financing products and services.

Energy Insurance Mutual Limited (EIM) is a mutually owned insurance company that provides its Members with substantial capacity on its core products of Excess General Liability, Excess Directors and Officers Liability, Excess Fiduciary Liability and Excess General Partner Liability coverage for losses in excess of at least \$35 million.

In addition, capacity is available on other classes of business, including Property for those Members who purchase Excess General Liability and/or Excess Directors and Officers coverage.



FIRST QUARTER 2024

Energy Insurance Mutual Limited (“EIM”) recorded a gain on surplus of \$32.4 million for the three months ended March 31, 2024 driven by investment market performance partially offset by unfavorable claims development. This is compared to a budget of \$19.4 million and \$26.7 million for the same period in 2023.

EIM’s investment income totaled \$54.7 million for the first three months of 2024 compared to \$52.5 million for the same period in 2023. Current year investment results were impacted by favorable market performance across most asset sectors. EIM recorded a loss from underwriting of (\$13.8) million compared to a loss of (\$19.1) million for the first quarter 2023 as a result of higher claims activity in the first quarter.

Highlights from 2024 include:

- Policyholders’ Surplus of \$1.3 billion, an increase of \$32.4 million or 2.6% for the quarter.
- Combined ratio of 116.5% for the first three months 2024 as compared to 123.8% for the same period prior year.
- Membership retention of 99% was achieved in the first three months of 2024.

EIM’s return on investments of 2.43% compared to a budgeted return of 1.49% for the first quarter of 2024. The return is a result of gains on US equities of 9.51%, international equities of 4.90%, alternative investment securities of 1.84% and fixed income securities of 0.54%.



FINANCIAL STATEMENTS

As of and For the Period Ending March 31, 2024

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

	3/31/24	12/31/23
<u>Assets</u>		
Investments	\$ 2,166,002	\$ 2,230,574
Cash and cash equivalents	54,047	147,853
Reinsurance recoverables on losses	516,657	550,218
Prepaid reinsurance premiums	36,552	31,114
Premiums receivable	15,655	33,208
Income taxes recoverable	(1,889)	(1,889)
Other assets	1,481	2,262
Total assets	\$ 2,788,505	\$ 2,993,340
<u>Liabilities and policyholders' surplus</u>		
Reserves for losses and loss adjustment expenses	\$ 1,292,880	\$ 1,472,554
Unearned premiums	161,558	222,405
Reinsurance premiums payable and funds held	9,174	11,571
Net deferred tax liability	44,580	36,097
Accounts payable and accrued expenses	13,811	16,597
Total liabilities	1,522,003	1,759,224
Policyholders' surplus	1,266,502	1,234,116
Accumulated other comprehensive income		
Total liabilities and policyholders' surplus	\$ 2,788,505	\$ 2,993,340

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

	3/31/2024	3/31/2023
<u>Underwriting revenue</u>		
Net premiums earned	\$ 83,359	\$ 80,431
Other underwriting income	(24)	(64)
Total underwriting revenue	83,335	80,367
<u>Underwriting expenses</u>		
Net losses and loss adjustment expenses	92,030	94,578
Policy acquisition costs	642	536
Administrative expenses	4,457	4,371
Total underwriting expenses	97,129	99,485
Income (loss) from underwriting	(13,794)	(19,118)
Investment income (loss)	54,663	52,533
Income (loss) before policyholders' distribution and income taxes	40,869	33,415
Distributions to policyholders	-	-
Income tax expense (benefit)	8,483	6,706
Net income (loss)	\$ 32,386	26,709