

# QUARTERLY FINANCIALS

SECOND 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.



## SECOND QUARTER 2024

Energy Insurance Mutual Limited (“EIM”) recorded a gain on surplus of \$12.3 million for the six months ended June 30, 2024 driven by favorable investment market performance partially offset by unfavorable claims development related to current year wildfire claim activity. This is compared to a budget of \$41.5 million and \$25.8 million for the same period in 2023.

EIM’s investment income totaled \$81.8 million for the first six months of 2024 compared to \$84.2 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 (\$67.0) million compared to a loss of (\$52.4) million for the first half of 2023.

Highlights from 2024 include:

- Policyholders’ Surplus of \$1.2 billion, an increase of \$12.3 million or 1.0% for the first six months.
- Combined ratio of 141.1% for the first six months 2024 as compared to 133.6% for the same period prior year.
- Membership retention of 97% was achieved in the first six months of 2024.

EIM’s return on investments of 3.5% compared to a budgeted return of 3.0% for the first half of 2024. The return is a result of gains on US equities of 12.1%, international equities of 2.7%, alternative investment securities of 3.7% and fixed income securities of 1.3%.

# FINANCIAL STATEMENTS

As of and For the Period Ending June 30, 2024

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

	6/30/24	12/31/23
<u>Assets</u>		
Investments	\$ 2,179,917	\$ 2,230,574
Cash and cash equivalents	215,335	147,853
Reinsurance recoverables on losses	572,895	550,218
Prepaid reinsurance premiums	35,148	31,114
Premiums receivable	42,747	33,208
Income taxes recoverable	1,245	(1,889)
Other assets	3,540	2,262
<b>Total assets</b>	<b>\$ 3,050,827</b>	<b>\$ 2,993,340</b>
<u>Liabilities and policyholders' surplus</u>		
Reserves for losses and loss adjustment expenses	\$ 1,533,185	\$ 1,472,554
Unearned premiums	208,188	222,405
Reinsurance premiums payable and funds held	10,838	11,571
Net deferred tax liability	38,653	36,097
Accounts payable and accrued expenses	13,554	16,597
<b>Total liabilities</b>	<b>1,804,418</b>	<b>1,759,224</b>
Policyholders' surplus	1,246,409	1,234,116
<b>Total liabilities and policyholders' surplus</b>	<b>\$ 3,050,827</b>	<b>\$ 2,993,340</b>

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

	6/30/2024	6/30/2023
<u>Underwriting revenue</u>		
Net premiums earned	\$ 162,690	\$ 156,236
Other underwriting income	4	(3)
<b>Total underwriting revenue</b>	<b>162,694</b>	<b>156,233</b>
<u>Underwriting expenses</u>		
Net losses and loss adjustment expenses	220,515	200,232
Policy acquisition costs	1,377	1,205
Administrative expenses	7,784	7,226
<b>Total underwriting expenses</b>	<b>229,676</b>	<b>208,663</b>
Income (loss) from underwriting	(66,982)	(52,430)
Investment income (loss)	81,831	84,223
Income (loss) before policyholders' distribution and income taxes	14,849	31,793
Distributions to policyholders	-	-
Income tax expense (benefit)	2,556	5,981
<b>Net income (loss)</b>	<b>\$ 12,293</b>	<b>25,812</b>