

QUARTERLY FINANCIALS

THIRD 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.



THIRD QUARTER 2024

Energy Insurance Mutual Limited (“EIM”) recorded a gain on surplus of \$124.2 million for the nine months ended September 30, 2024 driven by favorable investment market performance partially offset by modest underwriting loss. This is compared to a budget of \$68.0 million and \$13.8 million for the same period in 2023.

EIM’s investment income totaled \$180.9 million for the first nine months of 2024 compared to \$58.0 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 (\$25.2) million compared to a loss of (\$44.0) million for the nine months of 2024.

Highlights from 2024 include:

- Surplus of \$1.36 billion, an increase of \$124.2 million or 10.1% for the first nine months.
- Combined ratio of 109.8% for the first nine months 2024 as compared to 119.3% for the same period prior year.
- Membership retention of 96% was achieved in the first nine months of 2024.

EIM’s return on investments of 7.9% compared to a budgeted return of 4.5% for the first nine months of 2024. The return is a result of gains on US equities of 20.5%, international equities of 9.9%, alternative investment securities of 6.8% and fixed income securities of 5.2%.



FINANCIAL STATEMENTS

As of and For the Period Ending September 30, 2024

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

	9/30/2024	12/31/2023
<u>Assets</u>		
Investments	\$ 2,386,748	\$ 2,230,574
Cash and cash equivalents	292,607	147,853
Reinsurance recoverables on losses	588,374	550,218
Prepaid reinsurance premiums	35,526	31,114
Premiums receivable	28,532	33,208
Other assets	3,417	2,262
Total assets	<u>\$ 3,335,204</u>	<u>\$ 2,995,229</u>
<u>Liabilities and surplus</u>		
Reserves for losses and loss adjustment expenses	\$ 1,561,489	\$ 1,472,554
Unearned premiums	319,692	222,405
Reinsurance premiums payable and funds held	16,290	11,571
Net deferred tax liability	47,611	36,097
Income taxes payable	18,734	1,889
Accounts payable and accrued expenses	13,054	16,597
Total liabilities	<u>1,976,870</u>	<u>1,761,113</u>
Surplus	<u>1,358,334</u>	<u>1,234,116</u>
Total liabilities and surplus	<u>\$ 3,335,204</u>	<u>\$ 2,995,229</u>

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

	9/30/2024	9/30/2023
<u>Underwriting revenue</u>		
Net premiums earned	\$ 258,072	\$ 227,741
Other underwriting income	4	2
Total underwriting revenue	<u>258,076</u>	<u>227,743</u>
<u>Underwriting expenses</u>		
Net losses and loss adjustment expenses	270,411	260,050
Policy acquisition costs	2,040	1,911
Administrative expenses	10,809	9,771
Total underwriting expenses	<u>283,260</u>	<u>271,732</u>
Income (loss) from underwriting	<u>(25,184)</u>	<u>(43,989)</u>
Investment income	180,901	57,968
Income before income taxes	155,717	13,979
Income tax expense	31,499	135
Net income	<u>\$ 124,218</u>	<u>\$ 13,844</u>