

# Star Insurance Company and Subsidiaries

Consolidated Statutory-Basis Financial Statements  
as of and for the Periods Ended March 31, 2023, and  
December 31, 2022

# STAR INSURANCE COMPANY AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND CAPITAL AND SURPLUS - STATUTORY BASIS AS OF MARCH 31, 2023 AND DECEMBER 31, 2022 (Dollars in thousands)

	March 31, 2023	December 31, 2022
<b>Admitted assets</b>		
Cash and invested assets:		
Bonds, at amortized cost	\$1,662,160	\$1,599,144
Stocks	87,417	81,011
Properties occupied by the company	5,658	5,731
Cash, cash equivalents and short-term investments	169,101	213,435
Other invested assets	35,689	34,715
Receivable for securities	1,412	2,113
Total cash and invested assets	\$ 1,961,437	\$ 1,936,149
Investment income due and accrued	13,750	13,370
Premiums receivable	114,466	94,695
Reinsurance recoverables on ceded paid losses	5,855	16,605
Funds deposited with reinsured companies	409	412
Federal income tax recoverable	24,130	14,144
Net deferred tax asset	26,575	29,053
Other assets	27,589	27,051
Total admitted assets	\$ 2,174,211	\$ 2,131,479
<b>Liabilities</b>		
Losses and loss adjustment expenses	\$ 700,778	\$ 1,193,461
Commissions and other expenses payable	3,153	4,408
Taxes, licenses and fees	5,776	5,979
Borrowed money	20,000	40,000
Unearned premiums	312,085	283,987
Ceded reinsurance premiums payable	26,773	31,021
Funds held for reinsurance treaties	505,847	-
Provision for reinsurance	1,097	871
Amounts retained for account of others	2,436	2,508
Payable to parent and affiliates	26,091	2,658
Retroactive reinsurance recoverable	(38,407)	(42,268)
Other liabilities	2,826	4,090
Total liabilities	\$ 1,568,455	\$ 1,526,715
<b>Capital and surplus</b>		
Segregated surplus on retroactive reinsurance contract	20,000	20,000
Common stock	5,040	5,040
Gross paid in and contributed surplus	392,154	392,154
Unassigned funds (surplus)	188,562	187,570
Total capital and surplus	605,756	604,764
Total liabilities and capital and surplus	\$ 2,174,211	\$ 2,131,479

# STAR INSURANCE COMPANY AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS - STATUTORY-BASIS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022

(Dollars in thousands)

	Three Months Ended	
	March 31	
	2023	2022
Net premiums earned	\$ 157,404	\$ 147,567
Losses and loss adjustment expenses incurred	123,709	95,943
Other underwriting expenses incurred	59,294	50,591
Net underwriting gain (loss)	\$ (25,599)	\$ 1,033
Net investment income earned	10,549	9,624
Net realized capital gains (losses)	(401)	549
Net other income (expense)	41	214
Income before dividends to policyholders and federal income taxes	\$ (15,410)	\$ 11,420
Dividends to policyholders	72	44
Income before federal income taxes	\$ (15,482)	\$ 11,376
Federal income tax incurred	(9,771)	3,696
Net income	\$ (5,711)	\$ 7,680

## STAR INSURANCE COMPANY AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CAPITAL AND SURPLUS - STATUTORY-BASIS FOR THE PERIODS ENDED MARCH 31, 2023 AND DECEMBER 31, 2022

(Dollars in thousands)

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Surplus, beginning of year	\$ 604,764	\$ 678,553
Net income	(5,711)	(47,696)
Change in net unrealized capital gains or (losses)	7,570	(16,062)
Change in net deferred income tax	(6,818)	3,547
Change in nonadmitted assets	6,177	(4,209)
Change in provision for reinsurance	(226)	631
Dividends to stockholders	-	(10,000)
Change in surplus	<u>\$ 992</u>	<u>\$ (73,789)</u>
Surplus, end of year	<u>\$ 605,756</u>	<u>\$ 604,764</u>