

# Star Insurance Company and Subsidiaries

Consolidated Statutory-Basis Financial Statements  
as of and for the Periods Ended September 30, 2023, and  
December 31, 2022

# STAR INSURANCE COMPANY AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND CAPITAL AND SURPLUS - STATUTORY BASIS AS OF SEPTEMBER 30, 2023 AND DECEMBER 31, 2022 (Dollars in thousands)

	September 30, 2023	December 31, 2022
<b>Admitted assets</b>		
Cash and invested assets:		
Bonds, at amortized cost	\$1,565,903	\$1,599,144
Stocks	2,603	81,011
Properties occupied by the company	-	5,731
Cash, cash equivalents and short-term investments	371,622	213,435
Other invested assets	35,248	34,715
Receivable for securities	49,626	2,113
Total cash and invested assets	\$ 2,025,002	\$ 1,936,149
Investment income due and accrued	14,441	13,370
Premiums receivable	109,514	94,695
Reinsurance recoverables on ceded paid losses	18,654	16,605
Funds deposited with reinsured companies	398	412
Federal income tax recoverable	11,621	14,144
Net deferred tax asset	24,823	29,053
Other assets	25,549	27,051
Total admitted assets	\$ 2,230,002	\$ 2,131,479
<b>Liabilities</b>		
Losses and loss adjustment expenses	\$ 723,710	\$ 1,193,461
Commissions and other expenses payable	6,017	4,408
Taxes, licenses and fees	5,280	5,979
Borrowed money	-	40,000
Unearned premiums	347,696	283,987
Ceded reinsurance premiums payable	27,395	31,021
Funds held for reinsurance treaties	517,746	-
Amounts retained for account of others	2,521	2,508
Provision for reinsurance	3,158	871
Payable to parent and affiliates	7,164	2,658
Retroactive reinsurance recoverable	(35,204)	(42,268)
Other liabilities	1,460	4,090
Total liabilities	\$ 1,606,943	\$ 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)	205,865	187,570
Total capital and surplus	623,059	604,764
Total liabilities and capital and surplus	\$ 2,230,002	\$ 2,131,479

# STAR INSURANCE COMPANY AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF OPERATIONS - STATUTORY-BASIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(Dollars in thousands)

	Nine Months Ended	
	September 30	
	2023	2022
Net premiums earned	\$ 510,425	\$ 464,607
Losses and loss adjustment expenses incurred	359,534	328,665
Other underwriting expenses incurred	183,898	156,925
Net underwriting gain (loss)	\$ (33,007)	\$ (20,983)
Net investment income earned	34,763	42,504
Net realized capital gains (losses)	6,081	(3,345)
Net other income (expense)	248	(901)
Income before dividends to policyholders and federal income taxes	\$ 8,085	\$ 17,275
Dividends to policyholders	110	106
Income before federal income taxes	\$ 7,975	\$ 17,169
Federal income tax incurred	(10,276)	6,903
Net income	\$ 18,251	\$ 10,266

## STAR INSURANCE COMPANY AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CAPITAL AND SURPLUS - STATUTORY-BASIS FOR THE PERIODS ENDED SEPTEMBER 30, 2023 AND DECEMBER 31, 2022

(Dollars in thousands)

	September 30, <b>2023</b>	December 31, <b>2022</b>
Surplus, beginning of year	\$ 604,764	\$ 678,553
Net income	18,251	(47,696)
Change in net unrealized capital gains or (losses)	5,602	(16,062)
Change in net deferred income tax	(9,847)	3,547
Change in nonadmitted assets	6,576	(4,209)
Change in provision for reinsurance	(2,287)	631
Dividends to stockholders	-	(10,000)
Change in surplus	<u>\$ 18,295</u>	<u>\$ (73,789)</u>
Surplus, end of year	<u>\$ 623,059</u>	<u>\$ 604,764</u>