

Accident Fund Insurance Company of America and Subsidiaries

Combined Statutory-Basis Financial Statements
as of and for the Periods Ended March 31, 2025, and
December 31, 2024 *

* December 31, 2024, balances restated to combined Star Insurance Company and its affiliates

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

COMBINED STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND CAPITAL AND SURPLUS—STATUTORY-BASIS AS OF MARCH 31, 2025 AND DECEMBER 31, 2024 (Dollars in thousands)

	March 31 2025	December 31, 2024
ADMITTED ASSETS		
CASH AND INVESTED ASSETS:		
Bonds	\$ 5,237,027	\$ 5,132,310
Common stocks and mutual funds	192,718	190,750
Property occupied by the Company	95,573	96,198
Cash and cash equivalents	432,338	315,848
Short-term investments	117,842	130,568
Other invested assets - affiliated	90,775	182,369
Other invested assets - unaffiliated	281,684	271,973
Receivable from sale of securities	29,402	2,570
Securities lending reinvested collateral assets	14,106	56,301
Total cash and invested assets	6,491,465	6,378,887
OTHER ADMITTED ASSETS:		
Premiums in the course of collection	342,032	356,847
Premiums deferred and not yet due	487,962	492,305
Net deferred tax asset	126,390	125,469
Investment income due and accrued	43,741	45,455
Other assets	302,167	266,784
TOTAL	\$ 7,793,757	\$ 7,665,747
LIABILITIES AND CAPITAL AND SURPLUS		
LIABILITIES:		
Losses and loss adjustment expenses	\$ 3,550,762	\$ 3,492,682
Unearned premiums	1,033,657	1,002,353
Assessments, taxes, and fees payable	36,283	40,455
Payable for purchase of securities	52,583	7,135
Payable for securities lending	14,106	56,301
Note payables and accrued interest	5,414	5,840
Reinsurance balances payable	181,864	172,312
Fund held under reinsurance treaties	555,924	549,507
Accrued commissions	59,343	76,191
Accrued pension and postretirement benefits	52,888	50,595
Other accrued expenses	110,890	101,997
Other liabilities	207,612	135,430
Total liabilities	5,861,326	5,690,798
CAPITAL AND SURPLUS:		
Common capital stock	3,000	3,000
Contributed surplus	134,000	134,000
Surplus notes	350,000	350,000
Unassigned surplus	1,445,431	1,487,949
Total capital and surplus	1,932,431	1,974,949
TOTAL	\$ 7,793,757	\$ 7,665,747

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

COMBINED STATEMENTS OF OPERATIONS—STATUTORY-BASIS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (Dollars in thousands)

	Three Months Ended March 31	
	2025	2024
NET PREMIUMS EARNED	<u>\$ 729,467</u>	<u>\$ 667,917</u>
UNDERWRITING DEDUCTIONS:		
Losses	399,441	413,044
Loss adjustment expenses	97,741	65,133
Other underwriting expenses	225,661	197,333
Policyholder dividends	<u>37.00</u>	<u>-</u>
Total underwriting deductions	<u>722,880</u>	<u>675,510</u>
NET UNDERWRITING GAIN	<u>6,587</u>	<u>(7,593)</u>
INVESTMENT INCOME:		
Net investment income	37,100	34,056
Net realized capital (loss) gain—net of tax expense (benefit) of \$5,957 and \$(1,385) in 2024 and 2023, respectively	<u>(10,210)</u>	<u>12,495</u>
Total investment income	<u>26,890</u>	<u>46,551</u>
OTHER EXPENSE—Net	<u>(5,397)</u>	<u>(2,380)</u>
INCOME BEFORE FEDERAL INCOME TAXES	28,080	36,578
FEDERAL INCOME TAXES	<u>(11,055)</u>	<u>(8,180)</u>
NET INCOME	<u>\$ 17,025</u>	<u>\$ 28,398</u>

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

COMBINED STATEMENTS OF CAPITAL AND SURPLUS—STATUTORY-BASIS FOR THE PERIODS ENDED MARCH 31, 2025 AND DECEMBER 31, 2024 (Dollars in thousands)

	March 31, 2025	December 31, 2024
BALANCE—Beginning of period	\$ 1,974,949	\$ 1,836,013
Net income	17,025	215,530
Change in net unrealized gains and losses on investments—net of tax	2,539	1,927
Change in net deferred income taxes	3,476	(3,026)
Change in nonadmitted assets	(10,558)	46,215
Change in the provision for reinsurance	-	(17,428)
Dividends to stockholder	(55,000)	(102,102)
Other changes to surplus	-	(2,180)
BALANCE—End of period	<u>\$ 1,932,431</u>	<u>\$ 1,974,949</u>