

Accident Fund Insurance Company of America and Subsidiaries

Combined Statutory-Basis Financial Statements
as of and for the Periods Ended September 30, 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

CONSOLIDATED STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND CAPITAL AND SURPLUS—STATUTORY-BASIS AS OF SEPTEMBER 30, 2025 AND DECEMBER 31, 2024 (Dollars in thousands)

	September 30, 2025	December 31, 2024
ADMITTED ASSETS		
CASH AND INVESTED ASSETS:		
Bonds	\$ 5,271,495	\$ 5,132,310
Common stocks and mutual funds	213,251	190,750
Property occupied by the Company	94,327	96,198
Cash and cash equivalents	327,473	315,848
Short-term investments	132,581	130,568
Other invested assets - affiliated	147,538	182,369
Other invested assets - unaffiliated	297,660	271,973
Receivable from sale of securities	12,105	2,570
Securities lending reinvested collateral assets	8,189	56,301
Total cash and invested assets	6,504,619	6,378,887
OTHER ADMITTED ASSETS:		
Premiums in the course of collection	449,279	356,847
Premiums deferred and not yet due	500,390	492,305
Net deferred tax asset	114,330	125,469
Investment income due and accrued	44,057	45,455
Other assets	602,985	266,784
TOTAL	\$ 8,215,660	\$ 7,665,747
LIABILITIES AND CAPITAL AND SURPLUS		
LIABILITIES:		
Losses and loss adjustment expenses	\$ 3,649,389	\$ 3,492,682
Unearned premiums	1,128,332	1,002,353
Assessments, taxes, and fees payable	37,990	40,455
Payable for purchase of securities	43,623	7,135
Payable for securities lending	8,189	56,301
Note payables and accrued interest	4,582	5,840
Reinsurance balances payable	173,395	172,312
Reinsurance balances payable	557,206	549,507
Accrued commissions	50,136	76,191
Accrued pension and postretirement benefits	57,473	50,595
Other accrued expenses	71,478	101,997
Other liabilities	398,721	135,430
Total liabilities	6,180,514	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	1,548,146	1,487,949
Total capital and surplus	2,035,146	1,974,949
TOTAL	\$ 8,215,660	\$ 7,665,747

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS—STATUTORY-BASIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025 AND 2024 (Dollars in thousands)

	Nine Months Ended September 30	
	2025	2024
NET PREMIUMS EARNED	\$ 2,100,199	\$ 2,037,956
UNDERWRITING DEDUCTIONS:		
Losses	1,168,479	1,109,473
Loss adjustment expenses	293,481	283,979
Other underwriting expenses	649,958	600,794
Policyholder dividends	<u>38</u>	<u></u>
Total underwriting deductions	<u>2,111,956</u>	<u>1,994,246</u>
NET UNDERWRITING GAIN	<u>(11,757)</u>	<u>43,710</u>
INVESTMENT INCOME:		
Net investment income	125,622	117,739
Net realized capital (loss) gain—net of tax (benefit) expense of (\$1,088) and \$7,995 in 2025 and 2024, respectively	<u>(14,443)</u>	<u>26,013</u>
Total investment income	<u>111,179</u>	<u>143,752</u>
OTHER EXPENSE—Net	<u>(9,215)</u>	<u>(14,501)</u>
INCOME BEFORE FEDERAL INCOME TAXES	90,207	172,961
FEDERAL INCOME TAXES	<u>(23,604)</u>	<u>(27,326)</u>
NET INCOME	<u>\$ 66,603</u>	<u>\$ 145,635</u>

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CAPITAL AND SURPLUS—STATUTORY-BASIS FOR THE PERIODS ENDED SEPTEMBER 30, 2025 AND DECEMBER 31, 2024 (Dollars in thousands)

	September 30, 2025	December 31, 2024
BALANCE—Beginning of period	\$ 1,974,949	\$ 1,836,013
Net income	66,603	215,530
Change in net unrealized gains and losses on investments—net of tax	33,079	1,927
Change in net deferred income taxes	(1,416)	(3,026)
Change in nonadmitted assets	16,931	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>\$ 2,035,146</u>	<u>\$ 1,974,949</u>