

Accident Fund Insurance Company of America and Subsidiaries

Combined Statutory-Basis Financial Statements
as of and for the Periods Ended March 31, 2026, and
December 31, 2025

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

COMBINED STATEMENTS OF ADMITTED ASSETS, LIABILITIES, AND CAPITAL AND SURPLUS—STATUTORY-BASIS AS OF MARCH 31, 2026 AND DECEMBER 31, 2025 (Dollars in thousands)

ADMITTED ASSETS	March 31, 2026	December 31, 2025
CASH AND INVESTED ASSETS:		
Bonds	\$ 5,455,968	\$ 5,327,790
Stocks and mutual funds	217,841	227,872
Property occupied by the Company	113,786	114,677
Cash and cash equivalents	404,053	570,770
Short-term investments	131,329	143,682
Other invested assets - affiliated	89,075	90,585
Other invested assets - unaffiliated	307,538	282,671
Receivable from sale of securities	18,618	2,074
Securities lending reinvested collateral assets	3,393	6,562
	<u>6,741,601</u>	<u>6,766,683</u>
Total cash and invested assets		
OTHER ADMITTED ASSETS:		
Premiums in the course of collection	340,652	338,031
Premiums deferred and not yet due	507,292	498,595
Reinsurance receivables	134,948	139,420
Net deferred tax asset	119,010	117,183
Investment income due and accrued	46,426	48,197
Other assets	122,184	122,789
	<u>1,267,542</u>	<u>1,264,215</u>
TOTAL	<u>\$ 8,012,113</u>	<u>\$ 8,030,898</u>
LIABILITIES AND CAPITAL AND SURPLUS		
LIABILITIES:		
Losses and loss adjustment expenses	\$ 4,293,084	\$ 3,800,486
Unearned premiums	1,053,640	1,020,584
Assessments, taxes, and fees payable	27,512	27,652
Payable for purchase of securities	27,393	284
Payable for securities lending	3,393	6,562
Note payables and accrued interest	3,777	4,176
Reinsurance balances payable	173,739	149,340
Accrued commissions	32,709	57,340
Accrued pension and postretirement benefits	57,863	55,596
Other accrued expenses	83,503	74,748
Fund held by the Company under reinsurance treaties	774	528,008
Other liabilities	192,820	191,501
	<u>5,950,207</u>	<u>5,916,277</u>
Total liabilities		
CAPITAL AND SURPLUS:		
Common capital stock	3,000	3,000
Contributed surplus	134,000	134,000
Surplus notes	350,000	350,000
Unassigned surplus	1,574,906	1,627,621
	<u>2,061,906</u>	<u>2,114,621</u>
Total capital and surplus		
TOTAL	<u>\$ 8,012,113</u>	<u>\$ 8,030,898</u>

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

COMBINED STATEMENTS OF OPERATIONS—STATUTORY-BASIS FOR THE THREE MONTHS ENDED MARCH 31, 2026 AND 2025 (Dollars in thousands)

	Three Months Ended March 31	
	2026	2025
NET PREMIUMS EARNED	\$ 697,400	\$ 729,467
UNDERWRITING DEDUCTIONS:		
Losses	259,710	399,441
Loss adjustment expenses	188,362	97,741
Other underwriting expenses	235,215	225,661
Policyholder dividends	-	37
Total underwriting deductions	<u>683,287</u>	<u>722,880</u>
NET UNDERWRITING GAIN	<u>14,113</u>	<u>6,587</u>
INVESTMENT INCOME:		
Net investment income	82,857	37,100
Net realized capital (loss) gain—net of tax (benefit) expense of (\$2,215) and (\$1,161) in 2026 and 2025, respectively	<u>1,175</u>	<u>(10,210)</u>
Total investment income	<u>84,032</u>	<u>26,890</u>
OTHER EXPENSE—Net	<u>30</u>	<u>(5,397)</u>
INCOME BEFORE FEDERAL INCOME TAXES	98,175	28,080
FEDERAL INCOME TAXES	<u>24,675</u>	<u>11,055</u>
NET INCOME	<u>\$ 73,500</u>	<u>\$ 17,025</u>

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

COMBINED STATEMENTS OF CAPITAL AND SURPLUS—STATUTORY-BASIS FOR THE PERIODS ENDED MARCH 31, 2026 AND DECEMBER 31, 2025 (Dollars in thousands)

	March 31, 2026	December 31, 2025
BALANCE—Beginning of period	\$ 2,114,621	\$ 1,974,949
Net income	73,500	129,515
Change in net unrealized gains and losses on investments—net of tax	9,977	38,749
Change in net deferred income taxes	4,228	13,529
Change in nonadmitted assets	9,580	8,889
Change in the provision for reinsurance	-	(24,460)
Dividends to stockholder	(150,000)	(55,000)
Other changes to surplus	-	28,450
BALANCE—End of period	<u>\$ 2,061,906</u>	<u>\$ 2,114,621</u>