Accident Fund Insurance Company of America and Subsidiaries

Combined Statutory-Basis Financial Statements
as of and for the Periods Ended June 30, 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 JUNE 30, 2026 AND DECEMBER 31, 2025
(Dollars in thousands)

ADMITTED ASSETS	**June 30, 2026**	**December 31, 2025**
CASH AND INVESTED ASSETS:		
Bonds	$ 5,547,279	$ 5,327,790
Stocks and mutual funds	226,504	227,872
Property occupied by the Company	112,963	114,677
Cash and cash equivalents	397,883	570,770
Short-term investments	122,438	143,682
Other invested assets - affiliated	87,555	90,585
Other invested assets - unaffiliated	308,835	282,671
Receivable from sale of securities	3,954	2,074
Securities lending reinvested collateral assets	13,611	6,562
Total cash and invested assets	6,821,022	6,766,683
OTHER ADMITTED ASSETS:		
Premiums in the course of collection	346,224	338,031
Premiums deferred and not yet due	501,162	498,595
Reinsurance receivables	167,614	139,420
Net deferred tax asset	108,868	117,183
Investment income due and accrued	49,926	48,197
Other assets	134,297	122,789
TOTAL	$ 8,129,113	$ 8,030,898
LIABILITIES AND CAPITAL AND SURPLUS		
LIABILITIES:		
Losses and loss adjustment expenses	$ 4,385,075	$ 3,800,486
Unearned premiums	1,012,896	1,020,584
Assessments, taxes, and fees payable	24,607	27,652
Payable for purchase of securities	35,669	284
Payable for securities lending	13,611	6,562
Note payables and accrued interest	3,383	4,176
Reinsurance balances payable	172,219	149,340
Accrued commissions	41,059	57,340
Accrued pension and postretirement benefits	60,136	55,596
Other accrued expenses	58,131	74,748
Fund held by the Company under reinsurance treaties	774	528,008
Other liabilities	142,241	191,501
Total liabilities	5,949,801	5,916,277
CAPITAL AND SURPLUS:		
Common capital stock	3,000	3,000
Contributed surplus	134,000	134,000
Surplus notes	350,000	350,000
Unassigned surplus	1,692,312	1,627,621
Total capital and surplus	2,179,312	2,114,621
TOTAL	$ 8,129,113	$ 8,030,898

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

COMBINED STATEMENTS OF OPERATIONS—STATUTORY-BASIS
FOR THE SIX MONTHS ENDED JUNE 30, 2026 AND 2025
(Dollars in thousands)

	Six Months Ended June 30	
	2026	**2025**
NET PREMIUMS EARNED	$ 1,424,913	$ 1,384,564
UNDERWRITING DEDUCTIONS:		
Losses	765,831	777,762
Loss adjustment expenses	147,900	201,352
Other underwriting expenses	459,860	432,486
Policyholder dividends	-	37
Total underwriting deductions	1,373,591	1,411,637
NET UNDERWRITING GAIN (LOSS)	51,322	(27,073)
INVESTMENT INCOME:		
Net investment income	146,356	73,405
Net realized capital gain (loss)—net of tax expense (benefit) of $5,110 and ($1,385) in 2026 and 2025, respectively	10,271	(17,079)
Total investment income	156,627	56,326
OTHER INCOME (EXPENSE)—Net	1,393	(6,062)
INCOME BEFORE FEDERAL INCOME TAXES	209,342	23,191
FEDERAL INCOME TAXES	35,305	6,478
NET INCOME	$ 174,037	$ 16,713

ACCIDENT FUND INSURANCE COMPANY OF AMERICA AND SUBSIDIARIES

COMBINED STATEMENTS OF CAPITAL AND SURPLUS—STATUTORY-BASIS
FOR THE PERIODS ENDED JUNE 30, 2026 AND DECEMBER 31, 2025
(Dollars in thousands)

	June 30, 2026	December 31, 2025
BALANCE—Beginning of period	$ 2,114,621	$ 1,974,949
Net income	174,037	129,515
Change in net unrealized gains and losses on investments—net of tax	26,607	38,749
Change in net deferred income taxes	(5,516)	13,529
Change in nonadmitted assets	19,563	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	$ 2,179,312	$ 2,114,621