

UNAUDITED

ENERGY INSURANCE MUTUAL LIMITED

Balance Sheets
(Expressed in Thousands of U.S. Dollars)

	09/30/20	12/31/19
<u>Assets</u>		
Investments	\$ 1,735,247	\$ 1,659,784
Cash and cash equivalents	96,637	19,774
Reinsurance recoverables on losses	462,636	437,571
Prepaid reinsurance premiums	35,444	37,388
Premiums receivable	12,763	15,113
Income taxes recoverable	24,277	21,120
Other assets	10,064	10,238
Total assets	<u>\$ 2,377,068</u>	<u>\$ 2,200,988</u>
<u>Liabilities and policyholders' surplus</u>		
Reserves for losses and loss adjustment expenses	\$ 949,687	\$ 757,436
Unearned premiums	173,523	160,581
Reinsurance premiums payable and funds held	16,391	13,586
Net deferred tax liability	50,622	53,675
Policyholder distributions payable	-	50,000
Accounts payable and accrued expenses	11,482	12,740
Total liabilities	<u>1,201,705</u>	<u>1,048,018</u>
Members' account balance	<u>1,175,363</u>	<u>1,152,970</u>
Total policyholders' surplus	<u>1,175,363</u>	<u>1,152,970</u>
Total liabilities and policyholders' surplus	<u>\$ 2,377,068</u>	<u>\$ 2,200,988</u>

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Statements of Income (Expressed in Thousands of U.S. Dollars)

	09/30/20	09/30/19
<u>Underwriting revenue</u>		
Net premiums earned	\$ 156,148	\$ 121,472
Other underwriting income	2,472	1,617
Total underwriting revenue	<u>158,620</u>	<u>123,089</u>
<u>Underwriting expenses</u>		
Net losses and loss adjustment expenses	171,665	191,255
Policy acquisition costs	2,603	2,181
Administrative expenses	8,556	9,072
Total underwriting expenses	<u>182,824</u>	<u>202,508</u>
Loss from underwriting	(24,204)	(79,419)
Investment income	40,937	152,860
Income before policyholders' distribution and income taxes	16,733	73,441
Policyholder distribution	-	25,000
Income tax (benefit) expense	(5,660)	8,301
Net income	<u>\$ 22,393</u>	<u>\$ 40,140</u>

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Statements of Changes in Policyholders' Surplus (Expressed in Thousands of U.S. Dollars)

	Accumulated Other Comprehensive Income	Members' Account Balance	Total Policyholders' Surplus
Balance at January 1, 2019	\$ 186,892	\$ 948,278	\$ 1,135,170
Impact of adoption of ASU 2016-01	(180,702)	180,702	-
Trading portfolio election	(6,190)	6,190	-
Net income	-	17,800	17,800
Balance at December 31, 2019	-	1,152,970	1,152,970
Net income	-	22,393	22,393
Balance at September 30, 2020	\$ -	\$ 1,175,363	\$ 1,175,363