

QUARTERLY FINANCIALS

SECOND QUARTER 2021



We are your source for superior long-term insurance and risk financing products and services.

Energy Insurance Mutual Limited (EIM) is a mutually owned insurance company that provides its Members with substantial capacity on its core products of Excess General Liability, Excess Directors and Officers Liability, Excess Fiduciary Liability and Excess General Partner Liability coverage for losses in excess of at least \$35 million.

In addition, capacity is available on other classes of business, including Property for those Members who purchase Excess General Liability and/or Excess Directors and Officers coverage.



2ND QUARTER 2021

Energy Insurance Mutual Limited (“EIM”) recorded a gain on surplus of \$57.4 million for the six months ended June 30, 2021 compared to \$3.3 million for the same period in 2020. EIM recorded income from underwriting of \$0.5 million compared to a loss of (\$3.7) million in the prior year.

EIM had investment income of \$70.6 million for the first six months of 2021 compared to a loss of (\$3.1) million for the same period in 2020. Current year investment results were impacted by favorable equity market performance.

Highlights from 2021 include:

- Distribution of \$50.0 million paid in March 2021 to members of record at December 31, 2020.
- Policyholders’ Surplus of \$1.2 billion, an increase of \$57.4 million or 4.8% for the year.
- Combined ratio of 99.5% for the first six months 2021 as compared to 103.6% for the same period prior year.
- Membership retention of 99% was achieved in the first six months of 2021.

EIM’s return on investments of 4.08% compared to a benchmark return of 4.12%. The return is a result of gains on US equities of 14.48%, international equities of 9.83%, alternative investment securities of 4.35% and losses on fixed income securities of -0.01%.



FINANCIAL STATEMENTS

As of and For the Period Ending June 30, 2021
(Unaudited)

Balance Sheets

(Expressed in Thousands of U.S. Dollars)

	06/30/21	12/31/20
Assets		
Investments	\$ 1,904,621	\$ 1,790,148
Cash and cash equivalents	90,175	58,589
Reinsurance recoverables on losses	433,795	461,929
Prepaid reinsurance premiums	47,689	53,754
Premiums receivable	45,848	20,109
Income taxes recoverable	-	27,162
Other assets	3,054	3,241
Total assets	\$ 2,525,182	\$ 2,414,932
Liabilities and policyholders' surplus		
Reserves for losses and loss adjustment expenses	\$ 1,037,758	\$ 905,086
Unearned premiums	150,605	181,141
Reinsurance premiums payable and funds held	8,842	18,085
Net deferred tax liability	66,937	58,815
Policyholder distributions payable	-	50,000
Accounts payable and accrued expenses	12,932	13,087
Income taxes payable	1,980	-
Total liabilities	1,279,054	1,226,214
Members' account balance	1,246,128	1,188,718
Total policyholders' surplus	1,246,128	1,188,718
Total liabilities and policyholders' surplus	\$ 2,525,182	\$ 2,414,932

Statements of Income YTD

(Expressed in Thousands of U.S. Dollars)

	6/30/21	6/30/20
Underwriting revenue		
Net premiums earned	\$ 108,891	\$ 104,150
Other underwriting income	2,427	1,537
Total underwriting revenue	111,318	105,687
Underwriting expenses		
Net losses and loss adjustment expenses	102,597	101,299
Policy acquisition costs	1,776	1,717
Administrative expenses	6,472	6,404
Total underwriting expenses	110,845	109,420
Income (loss) from underwriting	473	(3,733)
Investment income (loss)	70,639	(3,054)
Income (loss) before income taxes	71,112	(6,787)
Income tax expense (benefit)	13,702	(10,116)
Net income	\$ 57,410	\$ 3,329