

QUARTERLY FINANCIALS

THIRD 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.



3RD QUARTER 2021

Energy Insurance Mutual Limited (“EIM”) recorded a gain on surplus of \$59.0 million for the nine months ended September 30, 2021 compared to \$22.4 million for the same period in 2020. EIM recorded a loss from underwriting of \$0.2 million compared to a loss of \$24.2 million in the prior year.

EIM had investment income of \$71.3 million for the first nine months of 2021 compared to \$40.9 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 \$59.0 million or 5.0% for the year.
- Combined ratio of 100.1% for the first nine months 2021 as compared to 115.5% for the same period prior year.
- Membership retention of 99% was achieved in the first nine months of 2021.

EIM’s return on investments of 4.17% compared to a benchmark return of 4.75%. The return is a result of gains on US equities of 14.28%, international equities of 8.99%, alternative investment securities of 5.80% and losses on fixed income securities of -0.04%.



FINANCIAL STATEMENTS

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

Balance Sheets

(Expressed in Thousands of U.S. Dollars)

	09/30/21	12/31/20
Assets		
Investments	\$ 1,933,403	\$ 1,790,146
Cash and cash equivalents	94,206	58,589
Reinsurance recoverables on losses	529,697	461,929
Prepaid reinsurance premiums	38,941	53,754
Premiums receivable	7,794	20,109
Income taxes recoverable	-	27,162
Other assets	2,802	3,242
Total assets	\$ 2,606,843	\$ 2,414,931
Liabilities and policyholders' surplus		
Reserves for losses and loss adjustment expenses	\$ 1,104,353	\$ 905,085
Unearned premiums	178,947	181,141
Reinsurance premiums payable and funds held	460	18,085
Net deferred tax liability	61,545	58,815
Policyholder distributions payable	-	50,000
Accounts payable and accrued expenses	13,698	13,087
Income taxes payable	148	-
Total liabilities	1,359,151	1,226,213
Members' account balance	1,247,692	1,188,718
Total policyholders' surplus	1,247,692	1,188,718
Total liabilities and policyholders' surplus	\$ 2,606,843	\$ 2,414,931

Statements of Income YTD

(Expressed in Thousands of U.S. Dollars)

	9/30/21	9/30/20
Underwriting revenue		
Net premiums earned	\$ 164,746	\$ 156,148
Other underwriting income	3,301	2,472
Total underwriting revenue	168,047	158,620
Underwriting expenses		
Net losses and loss adjustment expenses	156,249	171,665
Policy acquisition costs	2,594	2,603
Administrative expenses	9,405	8,556
Total underwriting expenses	168,248	182,824
Loss from underwriting	(201)	(24,204)
Investment income	71,277	40,937
Income before income taxes	71,076	16,733
Income tax expense (benefit)	12,102	(5,660)
Net income	\$ 58,974	\$ 22,393

