

# 2018 Financial Results

## Summary of Financial Position *(in thousands)*

<b>Assets</b>	<b>2018</b>	<b>2017</b>
Invested assets	\$ 711,323	\$ 768,057
Other assets	129,857	115,679
<b>Total Assets</b>	<b>\$ 841,180</b>	<b>\$ 883,736</b>
<b>Liabilities and members' surplus</b>		
Liabilities:		
Unpaid losses and loss adjustment expenses	\$ 332,354	\$ 328,419
UMIA subscriber liability	-	44,373
Other liabilities	137,874	121,881
<b>Total liabilities</b>	<b>470,228</b>	<b>494,673</b>
Members' surplus	370,952	389,063
<b>Total liabilities and members' surplus</b>	<b>\$ 841,180</b>	<b>\$ 883,736</b>

## Summary of Operations *(in thousands)*

<b>Revenues</b>	<b>2018</b>	<b>2017</b>
Net premiums earned	\$ 147,502	\$ 135,312
Net investment income	24,022	24,807
Net realized and unrealized (losses) gains		
on investments	(29,102)	39,170
Other	1,674	5,360
	144,096	204,649
<b>Losses and Expenses</b>		
Losses and loss adjustment expenses	124,203	99,212
Policyholder dividends	1,000	2,000
Underwriting, acquisition and		
insurance expenses	34,419	29,473
Other operating expenses	8,797	14,560
Amortization expense	6,649	6,849
Contingent consideration on UMIA		
subscriber liability	-	1,510
	175,068	153,604
(Loss) Income before income taxes	(30,972)	51,045
Income tax (benefit) expense	(9,719)	7,948
<b>Net (loss) income</b>	<b>\$ (21,253)</b>	<b>\$ 43,097</b>

## Summary of Cash Flows *(in thousands)*

	<b>2018</b>	<b>2017</b>
Net cash provided by operating activities	\$ 43,868	\$ 57,450
Net cash provided by (used in)		
investing activities	4,800	(5,701)
Net cash used in financing activities	(43,472)	(49,017)
Increase in cash	5,196	2,732
Cash at beginning of year	8,584	5,852
<b>Cash at end of year</b>	<b>\$ 13,780</b>	<b>\$ 8,584</b>

These summary financial statements are derived from the company's audited consolidated financial statements, which are prepared on the basis of United States generally accepted accounting principles. Baker Tilly Virchow Krause, LLP is the company's independent auditor. The company's audited consolidated financial statements are available to members of the mutual holding company by written request to: