

Constellation 2019 Financial Results

Summary of Financial Position (in thousands)

Assets	2019	2018
Invested assets	\$ 758,401	\$ 711,323
Other assets	157,249	129,857
Total assets	<u>\$ 915,650</u>	<u>\$ 841,180</u>
Liabilities and members' surplus		
Liabilities:		
Unpaid losses and loss adjustment expenses	\$ 349,938	\$ 332,354
Other liabilities	154,758	137,874
Total liabilities	<u>504,696</u>	<u>470,228</u>
Members' surplus	410,954	370,952
Total liabilities and members' surplus	<u>\$ 915,650</u>	<u>\$ 841,180</u>

Summary of Operations (in thousands)

Revenues	2019	2018
Net premiums earned	\$ 150,689	\$ 147,502
Net investment income	23,138	24,022
Net realized and unrealized gains (losses) on investments	50,405	(29,102)
Other	2,446	1,674
	<u>226,678</u>	<u>144,096</u>
Losses and Expenses		
Losses and loss adjustment expenses	129,298	124,203
Policyholder dividends	-	1,000
Underwriting, acquisition and insurance expenses	31,930	34,419
Other operating expenses	8,333	8,797
Amortization expense	6,450	6,649
	<u>176,011</u>	<u>175,068</u>
Income (loss) before income taxes	50,667	(30,972)
Income tax expense (benefit)	8,401	(9,719)
Net income (loss)	<u>\$ 42,266</u>	<u>\$ (21,253)</u>

Summary of Cash Flows (in thousands)

	2019	2018
Net cash (used in) provided by operating activities	\$ (2,631)	\$ 43,868
Net cash (used in) provided by investing activities	(7,331)	4,800
Net cash provided by (used in) financing activities	5,000	(43,472)
Increase in cash	(4,962)	5,196
Cash at beginning of year	13,780	8,584
Cash at end of year	<u>\$ 8,818</u>	<u>\$ 13,780</u>

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:

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