

1st Auto & Casualty Insurance Company
Balance Sheet
12/31/2023
Unaudited

	Assets	Assets Non-Admitted	Net Admitted Assets 12/31/2023	Net Admitted Assets 12/31/2022	Current Year Change
Assets					
Bonds	5,372,018		5,372,018	17,395,656	(12,023,638)
Preferred Stock	-		-	169,720	(169,720)
Common Stock	-		-	-	-
Net Real Estate	-		-	-	-
Cash Total	4,329,062		4,329,062	1,263,726	3,065,336
Cash	2,429,741		-	-	-
Short-Term Investments	250,000		-	-	-
Cash Equivalents	1,649,321		-	-	-
Receivable for securities	-		-	-	-
Cash and Invested Assets	9,701,080	-	9,701,080	18,829,102	(9,128,022)
Accrued Investment Income	58,030		58,030	105,162	(47,132)
Premium Receivable	886,609	(36,669)	849,940	474,097	375,843
Deferred Premium Receivable	-		-	3,964,062	(3,964,062)
Reins Loss/LAE Recoverable on Paid	1,712,487		1,712,487	1,063,114	649,373
Federal Income Tax Receivable	-		-	-	-
Deferred Tax Asset	1,512,268	(1,512,268)	-	-	-
EDP Equipment & Software - Net	-	-	-	-	-
Receivable from Affiliates	110,273		110,273	451,164	(340,891)
Furniture & Equipment - Net	-	-	-	-	-
Other Assets	58,147	(58,147)	-	-	-
Total Assets	14,038,894	(1,607,084)	12,431,810	24,886,701	(12,454,891)
Other Assets					
Other Accounts Receivable	-	-	-	-	-
Cash Surrender Value - Life Insurance	-		-	-	-
Third Party Postage Deposit	-		-	-	-
Prepaid Expenses	58,147	(58,147)	-	-	-
State Income Tax Receivable	-		-	-	-
Total Other Assets	58,147	(58,147)	-	-	-

1st Auto & Casualty Insurance Company

Balance Sheet

12/31/2023

<u>Liabilities & Surplus</u>	<u>12/31/2023</u>	<u>12/31/2022</u>	<u>Current Year Change</u>
Net Loss Reserves	4,913,094	2,854,904	2,058,190
Current Accident Year	4,063,229		
Reinsurance Payable on Pairs			
Net LAE Reserves	1,653,346	2,735,206	(1,081,860)
Commissions Payable, Contingent Commissions	(314,498)	551,382	(865,880)
Other Expenses	251,656	589,151	(337,495)
Tax Licenses and Fees Payable	(182,299)	93,970	(276,269)
Federal Income Taxes Payable	-	-	-
Deferred Tax Liability			
Net Unearned Premium	1,246,612	10,368,343	(9,121,731)
Net of Reinsurance	91,544		
Advance Premiums	-	348,848	(348,848)
Reinsurance Payable	(111,847)	141,460	(253,307)
Funds Held Reinsurance Treaties	-	-	-
Remittances and items not allocated (Premium in Suspense)	(19,304)	(1,383)	(17,921)
Declared Dividends to Stockholders	-	-	-
Provision for Reinsurance	-	-	-
Payable to Affiliates	468,987	1,075,723	(606,736)
Payable for Securities	-	-	-
Deferred Compensation Liability	-	-	-
IRS Assessment	-	-	-
Stock Redemption	-	-	-
Total Liabilities	7,905,747	18,757,604	(10,851,857)
Common Capital Stock	7,000,000	7,000,000	-
Preferred Capital Stock	-	-	-
Gross Paid In & Contributed Surplus	1,000,000	1,000,000	-
Unassigned Surplus	(3,473,937)	(1,870,903)	(1,603,034)
Treasury Stock			
Common Stock	-	-	-
Preferred Stock	-	-	-
Stock Redemption	-	-	-
Total Surplus	4,526,063	6,129,097	(1,603,034)
Total Liabilities and Surplus	12,431,810	24,886,701	(12,454,891)

1st Auto & Casualty Insurance Company

Income Statement

12/31/2023

Unaudited

		12/31/2023	12/31/2022	12/31/2022	Current Year Change
Premium Earned	<i>Written</i>				
Premium Written Assumed	19,197,187	28,773,211	38,839,340	38,839,340	(10,066,129)
Premium Ceded Written	920,302	1,374,594	3,454,030	3,454,030	(2,079,436)
Net Premium Earned	18,276,885	27,398,617	35,385,310	35,385,310	(7,986,693)
Losses Incurred (Current Year)	18,360,611	67.01%			
Assumed Losses Incurred		19,893,762	30,193,221	30,193,221	(10,299,459)
Ceded Losses Incurred		714,745	6,994,782	6,994,782	(6,280,037)
<i>Total Net Incurred Losses</i>	70.00%	19,179,017	23,198,439	23,198,439	(4,019,422)
Loss Expenses Incurred	6.49%	1,777,661	3,897,398	3,897,398	(2,119,737)
Other Underwriting Expenses	43.14%	7,884,842	11,749,263	11,749,263	(3,864,421)
<i>Total Underwriting Expenses</i>		28,841,520	38,845,100	38,845,100	(10,003,580)
Underwriting Gain/(Loss)	119.63%	(1,442,903)	(3,459,790)	(3,459,790)	2,016,887
Investment Income Earned		297,874	306,207	306,207	(8,333)
Net Realized Capital Gain/(Loss)		(809,834)	(257,105)	(257,105)	(552,729)
<i>Net Investment Capital Gain/(Loss)</i>		(511,960)	49,102	49,102	(561,062)
Lease Income		-	-	-	-
Other Income		262,529	373,141	373,141	(110,612)
Aggregate Write - Ins Misc Income		-	20,416	20,416	(20,416)
<i>Total Other Income</i>		262,529	393,557	393,557	(131,028)
Net Income/(Loss) Before Tax		(1,692,334)	(3,017,131)	(3,017,131)	1,324,797
Federal Income Tax		-	(8,675)	(8,675)	8,675
Net Income/(Loss)		(1,692,334)	(3,008,456)	(3,008,456)	1,316,122
Details of Write - Ins					
Carryback Interest Refund		-	20,416	20,416	(20,416)

1st Auto & Casualty Insurance Company

Expense Exhibit

12/31/2023

Unaudited

	Loss Adjust Expense	Underwriting Expenses	Investment Expenses	12/31/2023 Total	12/31/2022 Total	12/31/2022 Total	Change
Loss Adjustment Services							
Gross LAE Incurred	(58,982)	-	-	(58,982)	1,310,714	1,310,714	(1,369,696)
Ceded LAE Incurred	(304,865)	-	-	(304,865)	(23,958)	(23,958)	(280,907)
<i>Net Loss Adjustment Expense</i>	<i>(363,847)</i>	<i>-</i>	<i>-</i>	<i>(363,847)</i>	<i>1,286,756</i>	<i>1,286,756</i>	<i>(1,650,603)</i>
Commissions and Brokerage							
Gross Commissions	-	2,135,696	-	2,135,696	4,970,512	4,970,512	(2,834,816)
Contingent Commissions	-	19,891	-	19,891	190,412	190,412	(170,521)
Ceded Commissions	-	(151,253)	-	(151,253)	(396,452)	(396,452)	245,199
<i>Net Commission Expense</i>	<i>-</i>	<i>2,004,334</i>	<i>-</i>	<i>2,004,334</i>	<i>4,764,472</i>	<i>4,764,472</i>	<i>(2,760,138)</i>
General Expenses							
Advertising	-	2,063	-	2,063	37,913	37,913	(35,850)
Boards, Bureaus, & Assoc	-	38,495	-	38,495	76,659	76,659	(38,164)
Salaries	1,077,658	1,589,546	26,941	2,694,145	3,533,312	3,533,312	(839,167)
Payroll Taxes	79,026	116,563	1,976	197,565	262,941	262,941	(65,376)
Employee Relations & Welfare	268,740	396,391	6,718	671,849	927,743	927,743	(255,894)
Insurance	76,924	113,463	1,923	192,311	160,372	160,372	31,939
Director Fees	-	-	-	-	-	-	-
Travel & Travel Items	1,624	30,854	-	32,478	38,455	38,455	(5,977)
Rent & Rent Items	55,306	81,576	1,383	138,264	138,264	138,264	-
Equipment	4,204	6,201	105	10,511	30,947	30,947	(20,436)
Cost/Depreciation of EDP Equipment	62,255	91,826	1,556	155,637	191,913	191,913	(36,276)
Printing & Stationery	26,102	38,500	653	65,254	94,850	94,850	(29,596)
Postage, Telephone, Etc	74,245	109,511	1,856	185,612	179,145	179,145	6,467
Computer Services	310,532	458,035	7,763	776,331	768,324	768,324	8,007
Professional Services	82,358	1,564,793	-	1,647,151	1,484,244	1,484,244	162,907
Legal & Audit Fees	18,571	352,854	-	371,425	296,709	296,709	74,716
State & Local Insurance Taxes	-	200,970	22,330	223,300	363,073	363,073	(139,773)
Insurance Dept Licenses & Fees	3,674	69,808	-	73,482	63,246	63,246	10,236
Guanty Fund Assessments	(2,528)	(48,023)	-	(50,550)	(1,590)	(1,590)	(48,960)
Real Estate Expenses	-	-	-	-	6,030	6,030	(6,030)
Real Estate Taxes	-	-	145	145	24	24	121
Investment Expenses	-	-	107,162	107,162	93,427	93,427	13,735
Underwriting Expenses	-	613,547	-	613,547	951,594	951,594	(338,047)
Miscellaneous Expenses	2,817	53,532	-	56,349	96,501	96,501	(40,152)
<i>Total General Expenses</i>	<i>2,141,508</i>	<i>5,880,505</i>	<i>180,511</i>	<i>8,202,526</i>	<i>9,794,096</i>	<i>9,794,096</i>	<i>(1,591,570)</i>
Total Expenses Incurred	1,777,661	7,884,839	180,511	9,843,013	15,845,324	15,845,324	(6,002,311)
	1,653,346	(245,141)	-	1,408,205	3,969,709	3,969,709	(2,561,504)
Add: Unpaid Expenses - Previous	2,735,206	1,234,503	-	3,969,709	3,817,273	3,817,273	152,436
Total Expenses Paid	2,859,521	9,364,483	180,511	12,404,517	15,692,888	15,692,888	(3,288,371)

1st Auto & Casualty Insurance Company**Change in Capital & Surplus**

12/31/2023

Unaudited

	12/31/2023	12/31/2022	12/31/2022	Current Year Change
Surplus - Beginning of Year	6,129,097	9,654,335	9,654,335	(3,525,238)
Net Income/(Loss)	(1,692,334)	(3,008,456)	(3,008,456)	1,316,122
Change in Unrealized Capital Gain/(Loss)	23,765	(25,266)	(25,265)	49,030
Change in Deferred Income Tax	361,605	625,282	625,282	(263,677)
Change in Non-Admitted Assets	(296,070)	(1,116,799)	(1,116,799)	820,729
Change in Provision for Reinsurance	-	-	-	-
Cummulative Effect of a Correction of Error	-	-	-	-
Capital Changes				-
Paid In	-	-	-	-
Transferred to Surplus (Stock Dividend)				-
Transferred to Surplus				-
Surplus Adjustments				-
Paid In	-	-	-	-
Transferred to Capital (Stock Dividend)				-
Transferred from Capital				-
Dividends to Stockholders	-	-	-	-
Change in Treasury Stock	-	-	-	-
Change in Preferred Stock Redemption				-
<i>Change in Surplus</i>	(1,603,034)	(3,525,239)	(3,525,238)	1,922,204
Ending Surplus	4,526,063	6,129,096	6,129,097	(1,603,034)

1st Auto & Casualty Insurance Company

Cash Flow Statement

12/31/2023

Unaudited

	12/31/2023	12/31/2022	Current Year Change
Cash from Operations			
Premiums collected net of reinsurance	21,251,029	34,156,202	(12,905,173)
Net Investment Income	394,549	453,939	(59,390)
Miscellaneous Income	262,529	393,559	(131,030)
Total	21,908,107	35,003,700	(13,095,593)
Benefit and Loss Related Payments	17,770,200	24,252,560	(6,482,360)
Commissions, Expenses Paid and Aggregate Write-Ins for Deductions	12,436,632	15,324,128	(2,887,496)
Federal and Foreign Income Taxes Paid	-	(423,039)	423,039
<i>Net Cash from Operations</i>	(8,298,725)	(4,149,949)	(4,148,776)
Cash from Investments			
Proceeds from Bonds Sold, Matured or Repaid			
Bonds	11,182,666	7,535,667	3,646,999
Stocks	180,338	50,600	129,738
Real Estate	-	-	-
Net gains or (losses) on cash, cash equivalent and short-term	-	-	-
Miscellaneous Proceeds	-	-	-
<i>Total investments proceeds</i>	11,363,004	7,586,267	3,776,737
Cost of investments acquired (long-term only)			
Bonds	-	1,899,666	(1,899,666)
Stocks	-	-	-
Real Estate	-	-	-
Net gains or (losses) on cash, cash equivalent and short-term	(1,057)	-	(1,057)
Miscellaneous applications	-	-	-
<i>Total investments acquired</i>	(1,057)	1,899,666	(1,900,723)
Net cash from investments	11,364,061	5,686,601	5,677,460
Cash from Financing and Miscellaneous Sources			
Cash provided (applied)			
Capital and paid in surplus, less treasury stock	-	-	-
Dividends to Stockholders	-	-	-
Other cash provided (applied)	-	-	-
<i>Net cash from financing and miscellaneous sources</i>	-	-	-
Net change in cash, cash equivalents and short-term investments	3,065,336	1,536,652	1,528,684
Cash, cash equivalents and short-term investments:			
Beginning of the year	1,263,726	(272,926)	1,536,652
End of Period	4,329,062	1,263,726	3,065,336