

# MUTUAL OF WAUSAU INSURANCE CORPORATION

## BALANCE SHEETS

May 31, 2023 and December 31, 2022

Assets					
	5/31/23	%	12/31/22	%	Increase (Decrease)
<b>Cash and Invested Assets:</b>					
Bonds	\$ 22,161,643.92	62.1%	\$ 21,678,165.43	61.6%	\$ 483,478.49
Stocks and mutual funds	7,623,947.30	21.4%	7,704,491.56	21.9%	(80,544.26)
Real estate	1,332,504.51	3.7%	1,342,735.54	3.8%	(10,231.03)
Cash & checking accounts	58,651.88	0.2%	(483,644.10)	-1.4%	542,295.98
Savings and MM accounts	1,680,050.10	4.7%	2,346,798.72	6.7%	(666,748.62)
<b>Cash and invested assets</b>	<b>32,856,797.71</b>	<b>92.0%</b>	<b>32,588,547.15</b>	<b>92.6%</b>	<b>268,250.56</b>
Accrued investment income	161,304.00	0.5%	166,369.00	0.5%	(5,065.00)
Premiums receivable	257,366.18	0.7%	403,627.73	1.1%	(146,261.55)
Premiums receivable-nonadmitted	(4,848.00)	0.0%	(4,746.00)	0.0%	(102.00)
Premiums receivable-deferred inst	1,493,574.85	4.2%	1,403,584.05	4.0%	89,990.80
Reinsurance recoverable-claims	(15,842.89)	0.0%	324,002.84	0.9%	(339,845.73)
Ceded reinsurance receivable	345,649.66	1.0%	0.00	0.0%	345,649.66
Refundable federal income taxes	42,216.00	0.1%	62,896.00	0.2%	(20,680.00)
Refundable state income taxes	23,909.90	0.1%	0.00	0.0%	23,909.90
Deferred tax asset	165,520.00	0.5%	228,816.00	0.6%	(63,296.00)
Deferred tax asset-nonadmitted	0.00	0.0%	0.00	0.0%	0.00
Data processing equipment	21,025.68	0.1%	32,038.72	0.1%	(11,013.04)
Computer software	564.05	0.0%	968.00	0.0%	(403.95)
Computer software-nonadmitted	(564.05)	0.0%	(968.00)	0.0%	403.95
Office equipment	26,681.34	0.1%	45,368.75	0.1%	(18,687.41)
Office equipment-nonadmitted	(26,681.34)	-0.1%	(45,368.75)	-0.1%	18,687.41
Receivable from affiliate	356,635.06	1.0%	0.00	0.0%	356,635.06
Other receivables	0.00	0.0%	1,132.10	0.0%	(1,132.10)
Prepaid expenses	0.00	0.0%	0.00	0.0%	0.00
Prepaid expenses-nonadmitted	0.00	0.0%	0.00	0.0%	0.00
<b>Total Admitted Assets</b>	<b>\$ 35,703,308.15</b>	<b>100.0%</b>	<b>\$ 35,206,267.59</b>	<b>100.0%</b>	<b>497,040.56</b>
<b>Liabilities and Policyholders' Surplus</b>					
<b>Liabilities:</b>					
Losses (net)	\$ 2,648,951.57	7.4%	\$ 2,280,869.02	6.5%	\$ 368,082.55
Loss adjustment expenses	108,132.95	0.3%	153,958.43	0.4%	(45,825.48)
Commissions payable	692,457.67	1.9%	676,371.36	1.9%	16,086.31
Other accrued expenses	307,250.73	0.9%	369,406.49	1.0%	(62,155.76)
Taxes, licenses and fees	33,281.00	0.1%	17,780.10	0.1%	15,500.90
Accrued federal income taxes	0.00	0.0%	0.00	0.0%	0.00
Deferred tax liability	0.00	0.0%	0.00	0.0%	0.00
Loan	0.00	0.0%	0.00	0.0%	0.00
Unearned premiums	9,211,548.23	25.8%	9,402,855.39	26.7%	(191,307.16)
Advance premiums	967,366.58	2.7%	523,144.57	1.5%	444,222.01
Payable to affiliate	0.00	0.0%	203,814.24	0.6%	(203,814.24)
Ceded reinsurance payable	0.00	0.0%	124,617.00	0.4%	(124,617.00)
<b>Total Liabilities</b>	<b>13,968,988.73</b>	<b>39.1%</b>	<b>13,752,816.60</b>	<b>39.1%</b>	<b>216,172.13</b>
<b>Policyholders' Surplus</b>					
Policyholder's surplus - beginning	21,453,452.05	60.1%	21,399,456.35	60.8%	53,995.70
Net income (loss)	117,613.33	0.3%	522,005.28	1.5%	(404,391.95)
Unrealized capital gains (losses)	207,561.74	0.6%	(963,638.76)	-2.7%	1,171,200.50
Deferred taxes - unrealized gain/loss	(66,868.00)	-0.2%	163,458.00	0.5%	(230,326.00)
Deferred taxes - other	3,572.00	0.0%	334,678.00	1.0%	(331,106.00)
Change in nonadmitted assets	18,988.30	0.1%	(2,507.88)	0.0%	21,496.18
<b>Total Policyholders' Surplus</b>	<b>21,734,319.42</b>	<b>60.9%</b>	<b>21,453,450.99</b>	<b>60.9%</b>	<b>280,868.43</b>
<b>Total Liabilities and Policyholders' Surplus</b>	<b>\$ 35,703,308.15</b>	<b>100.0%</b>	<b>\$ 35,206,267.59</b>	<b>100.0%</b>	<b>\$ 497,040.56</b>

# MUTUAL OF WAUSAU INSURANCE CORPORATION

## ANALYSIS OF NET LOSSES AND UNEARNED PREMIUMS

May 31, 2023 and December 31, 2022

	5/31/23	12/31/22
<b>Losses (net of reinsurance):</b>		
Losses - Mutual of Wausau	\$ 2,485,087.57	\$ 2,417,466.02
Losses - Assumed - Homestead	1,252,473.00	494,624.00
Losses - Ceded- Homestead	(1,088,609.00)	(631,221.00)
<b>Total losses (net of reinsurance)</b>	<b>\$ <u>2,648,951.57</u></b>	<b>\$ <u>2,280,869.02</u></b>
<b>Unearned Premiums:</b>		
Unearned premiums - Mutual of Wausau	\$ 8,789,065.23	\$ 9,370,659.39
Unearned premiums - Assumed - Homestead	5,167,825.00	2,557,914.00
Unearned premiums - Ceded - Homestead	(4,745,342.00)	(2,525,718.00)
<b>Total unearned premiums</b>	<b>\$ <u>9,211,548.23</u></b>	<b>\$ <u>9,402,855.39</u></b>

# MUTUAL OF WAUSAU INSURANCE CORPORATION

## STATEMENT OF INCOME

Month and Year-To-Date Ended May 31, 2023

	Month Ended May of 2023	Year To Date 5/31/23	Year To Date 5/31/22	Increase (Decrease)
<b>Premiums:</b>				
Direct premiums written	\$ 1,889,496.04	\$ 7,090,800.84	\$ 6,055,973.19	\$ 1,034,827.65
Change in unearned premiums	(279,100.12)	597,256.64	536,159.63	61,097.01
Premiums assumed - pooling	1,053,997.00	4,200,262.00	1,998,070.00	2,202,192.00
Change in unearned premiums - pooling	<u>(230,964.00)</u>	<u>(2,609,911.00)</u>	<u>(52,955.00)</u>	<u>(2,556,956.00)</u>
Premiums earned	2,433,428.92	9,278,408.48	8,537,247.82	741,160.66
Reinsurance ceded	432,321.87	1,901,011.18	1,229,251.85	671,759.33
Change in unearned reinsurance	0.00	15,662.19	16,351.61	(689.42)
Premiums ceded - pooling	1,000,787.00	3,838,961.00	1,789,853.00	2,049,108.00
Change in ceded unearned - pooling	<u>(173,421.00)</u>	<u>(2,219,624.00)</u>	<u>103,749.00</u>	<u>(2,323,373.00)</u>
Cost of reinsurance	<u>1,259,687.87</u>	<u>3,536,010.37</u>	<u>3,139,205.46</u>	<u>396,804.91</u>
<b>Net premiums earned</b>	<b>1,173,741.05</b>	<b>5,742,398.11</b>	<b>5,398,042.36</b>	<b>344,355.75</b>
<b>Losses:</b>				
Direct losses incurred	722,689.13	2,415,163.02	4,067,473.43	(1,652,310.41)
Losses assumed - pooling	434,583.00	1,682,600.00	1,007,257.00	675,343.00
Reinsurance recoveries	(131,066.71)	87,475.77	(1,149,215.65)	1,236,691.42
Losses ceded - pooling	<u>(346,246.00)</u>	<u>(1,457,401.00)</u>	<u>(873,541.00)</u>	<u>(583,860.00)</u>
<b>Net losses incurred</b>	<b>679,959.42</b>	<b>2,727,837.79</b>	<b>3,051,973.78</b>	<b>(324,135.99)</b>
<b>Loss Adjusting:</b>				
Loss adjusting expense	7,471.96	1,401.91	344,091.81	(342,689.90)
LAE reinsurance recoveries	0.00	(16,554.88)	(209,438.13)	192,883.25
Allocated loss adjusting exp	<u>77,813.00</u>	<u>365,569.00</u>	<u>311,864.00</u>	<u>53,705.00</u>
<b>Net Loss Adjusting Incurred</b>	<b>85,284.96</b>	<b>350,416.03</b>	<b>446,517.68</b>	<b>(96,101.65)</b>
<b>Gross Underwriting Gain (Loss)</b>	<b>408,496.67</b>	<b>2,664,144.29</b>	<b>1,899,550.90</b>	<b>764,593.39</b>
<b>Operating Expenses:</b>				
Operating expenses incurred	703,966.18	3,308,844.41	2,825,976.85	482,867.56
Less expenses allocated	<u>(107,819.06)</u>	<u>(508,146.30)</u>	<u>(436,724.35)</u>	<u>(71,421.95)</u>
<b>Net Underwriting Expenses Incurred</b>	<b>596,147.12</b>	<b>2,800,698.11</b>	<b>2,389,252.50</b>	<b>411,445.61</b>
<b>Net Underwriting Gain (Loss)</b>	<b>(187,650.45)</b>	<b>(136,553.82)</b>	<b>(489,701.60)</b>	<b>353,147.78</b>
<b>Investment and Other Income:</b>				
Investment income	64,421.31	303,813.29	233,831.73	69,981.56
Realized gain (loss)	(3,510.67)	(23,388.44)	18,027.82	(41,416.26)
Allocated investment expenses	(30,006.06)	(142,577.30)	(124,860.35)	(17,716.95)
Policy and installment fees	55,323.26	155,150.34	16,982.19	138,168.15
Consulting income	0.00	0.00	0.00	0.00
Miscellaneous income	<u>290.04</u>	<u>1,849.26</u>	<u>83.83</u>	<u>1,765.43</u>
<b>Total Investment &amp; Other income</b>	<b>86,517.88</b>	<b>294,847.15</b>	<b>144,065.22</b>	<b>150,781.93</b>
<b>Income (Loss) Before Income Taxes</b>	<b>(101,132.57)</b>	<b>158,293.33</b>	<b>(345,636.38)</b>	<b>503,929.71</b>
Federal income tax expense (credit)	<u>(4,740.00)</u>	<u>40,680.00</u>	<u>(71,410.00)</u>	<u>112,090.00</u>
<b>Net Income (Loss)</b>	<b>\$ (96,392.57)</b>	<b>\$ 117,613.33</b>	<b>\$ (274,226.38)</b>	<b>\$ 391,839.71</b>

# MUTUAL OF WAUSAU INSURANCE CORPORATION

## SCHEDULE OF OPERATING EXPENSES

Month and Year-To-Date Ended May 31, 2023

	Month Ended May of 2023	Year To Date 5/31/23	Year To Date 5/31/22	Increase (Decrease)
<b>Operating Expenses:</b>				
Agent Commissions	\$ 318,751.26	\$ 1,225,864.03	\$ 1,154,111.13	\$ 71,752.90
LESS: reinsurance commissions	(1,578.18)	2,396.01	(27,909.00)	30,305.01
Advertising and marketing	11,707.24	97,911.20	33,256.98	64,654.22
Association dues and licenses	13,994.00	41,223.99	21,946.08	19,277.91
Underwriting expenses	3,054.25	8,715.85	3,010.93	5,704.92
Auto Product Development	0.00	3,500.00	129,810.89	(126,310.89)
Salaries and wages	176,998.24	856,456.67	670,668.74	185,787.93
Payroll taxes	10,897.45	67,888.29	53,674.75	14,213.54
Employee benefits	32,083.42	177,474.71	113,478.62	63,996.09
Insurance	(2,294.00)	51,616.73	33,043.79	18,572.94
Directors' fees and expenses	7,707.70	26,600.83	25,414.53	1,186.30
Occupancy expenses	9,904.77	59,670.87	57,621.14	2,049.73
Auto leasing and maintenance	12,928.13	52,875.00	56,980.24	(4,105.24)
Computer services	46,815.02	217,607.89	164,518.64	53,089.25
Office expense	18,266.60	97,565.78	70,171.03	27,394.75
Postage	7,831.99	43,812.62	24,311.10	19,501.52
Telephone	5,620.57	25,617.42	21,027.73	4,589.69
Legal and other professional fees	(5,493.00)	26,687.00	7,620.00	19,067.00
Accounting and auditing	7,056.00	26,396.37	27,420.50	(1,024.13)
Investment expenses and fees	7,667.36	38,510.03	38,203.46	306.57
Fire department dues	10,159.12	48,722.56	42,500.00	6,222.56
State Income Tax	(1,890.00)	17,870.00	0.00	17,870.00
Regulatory licenses and fees	134.25	18,726.16	18,092.09	634.07
Property taxes	3,100.00	15,500.00	20,000.00	(4,500.00)
Education and meetings	2,111.69	15,674.85	28,100.73	(12,425.88)
Miscellaneous expense	(124.69)	1,257.38	0.00	1,257.38
Depreciation expense	8,556.99	42,702.17	38,902.75	3,799.42
<b>Total operating expenses</b>	<b>\$ 703,966.18</b>	<b>\$ 3,308,844.41</b>	<b>\$ 2,825,976.85</b>	<b>\$ 482,867.56</b>

### Ratios:

YTD Change in Premiums Written		17.1%	
Direct Losses Incurred/Direct Earned	44.9%	31.4%	61.7%
Net Losses Incurred/Net Earned	50.2%	43.4%	54.6%
Pooled Losses Incurred/Pooled Earned	57.9%	47.5%	56.5%
Underwriting Exp/Net Premiums Written	35.8%	50.5%	47.1%
Losses & LAE/Net Premiums Earned	<u>65.2%</u>	<u>53.6%</u>	<u>64.8%</u>
Combined Ratio	101.0%	104.1%	111.9%