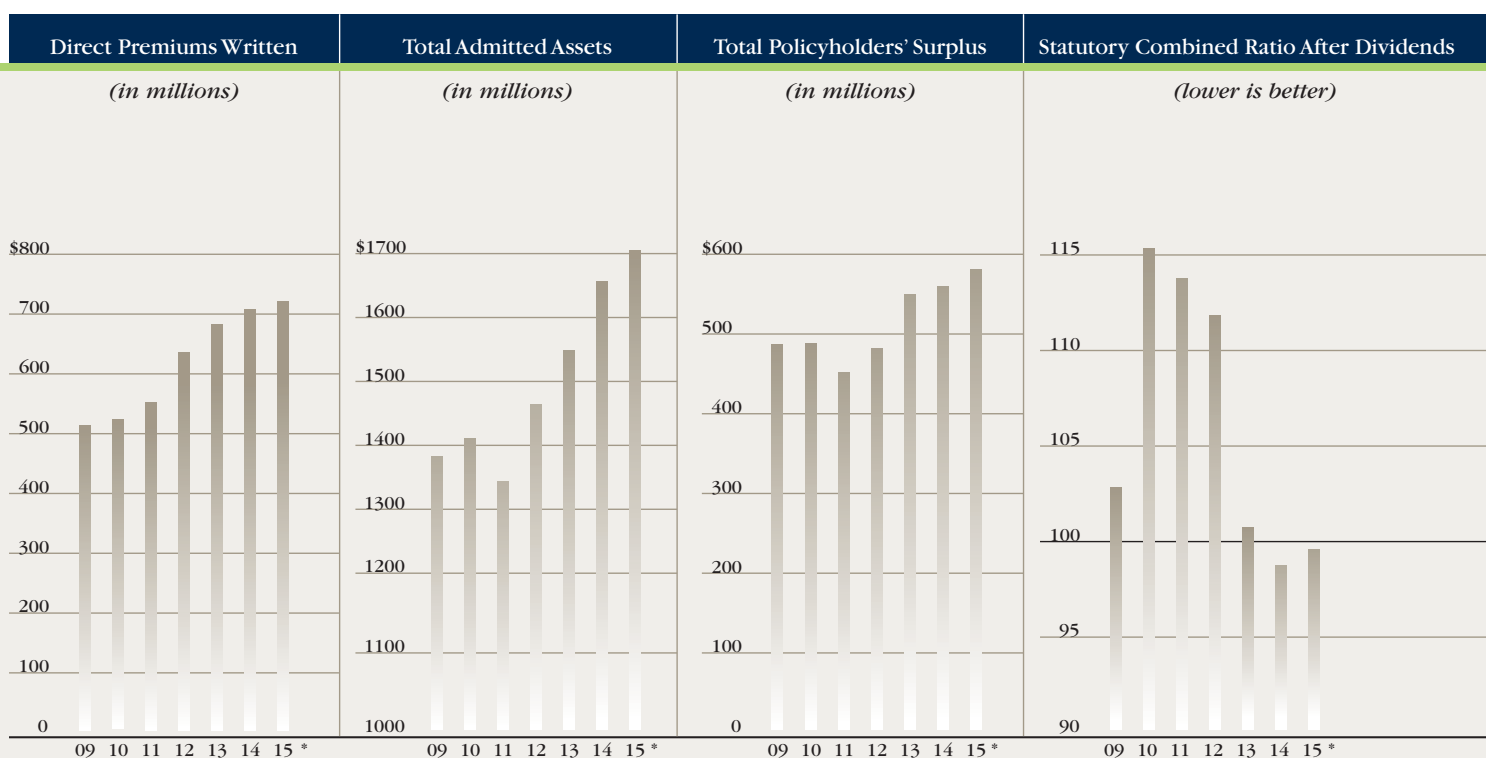




# 2015

## Combined Statutory Financial Highlights

(Dollars in thousands)	2015	2014	2013	2012	2011*	2010*	2009*
Direct premiums written	<b>\$ 719,977</b>	\$ 706,213	\$ 681,691	\$ 633,571	\$ 551,033	\$ 518,978	\$ 512,056
Net premiums written	<b>675,358</b>	666,301	644,536	595,863	517,723	489,123	481,156
Net premiums earned	<b>668,381</b>	653,181	619,758	570,761	507,689	488,099	487,031
Investment income, including realized gains and losses	<b>45,280</b>	55,988	51,419	49,272	46,369	50,672	51,528
Net income (loss)	<b>28,295</b>	42,526	32,795	13,715	(25,164)	(11,029)	29,040
Total cash and investments	<b>1,369,384</b>	\$1,376,699	\$1,328,973	\$1,223,269	\$1,137,748	\$1,210,396	\$1,204,785
Total admitted assets	<b>1,700,593</b>	1,668,067	1,559,170	1,454,559	1,348,683	1,406,703	1,382,014
Total policyholders' surplus	<b>580,803</b>	567,445	550,211	481,590	451,151	487,148	484,850
Combined ratio after dividends	<b>99.2</b>	98.9	100.9	111.6	113.8	115.7	103.0





# 2015

## Combined Statutory Financial Statements (Unaudited)

### Combined Statutory Balance Sheets (Unaudited)

December 31, (dollars in thousands)	2015	2014
<b>Admitted Assets</b>		
Investments:		
Bonds	\$1,194,980	\$1,197,810
Stocks	133,817	134,652
Mortgage loans	18,090	18,621
Real estate & other	1,270	1,576
Cash and cash equivalents	21,227	24,040
Total cash and investments	1,369,384	1,376,699
Agents' balances and uncollected premiums	178,054	173,010
Investment income due and accrued	10,469	11,020
Amounts due from reinsurers	94,604	61,639
Deferred tax asset, net	42,617	40,886
Other assets	5,465	4,813
Total admitted assets	\$1,700,593	\$1,668,067
<b>Liabilities and Policyholders' Surplus</b>		
Liabilities:		
Reserves for losses and loss adjustment expenses	\$ 673,424	\$ 671,908
Unearned premiums	305,410	298,433
Premium taxes and other expenses	55,520	66,583
Drafts outstanding	12,357	12,386
Other liabilities	73,079	51,312
Total liabilities	1,119,790	1,100,622
Policyholders' surplus:		
Surplus notes	50,000	50,000
Unassigned surplus	530,803	517,445
Total policyholders' surplus	580,803	567,445
Total liabilities and policyholders' surplus	\$1,700,593	\$1,668,067



# 2015

## Combined Statutory Financial Statements (Unaudited)

### Combined Statutory Statements of Income (Unaudited)

Years Ended December 31, (dollars in thousands)	2015	2014
Underwriting income:		
Net premiums written	\$675,358	\$666,301
Increase in unearned premiums	(6,977)	(13,120)
Premiums earned	668,381	653,181
Losses and loss adjustment expenses	434,224	423,268
Underwriting expenses	226,208	221,944
Total losses and expenses	660,432	645,212
Total underwriting income	7,949	7,969
Investment income:		
Net investment income	42,846	43,720
Net realized gains on investments	2,434	12,268
Total investment income	45,280	55,988
Other expenses, net	16,217	9,931
Income before dividends and federal income tax expense	37,012	54,026
Dividends to policyholders	5,362	4,613
Income before federal income tax expense	31,650	49,413
Federal income tax expense	3,355	6,887
Net income	\$ 28,295	\$ 42,526

### Combined Statutory Operating Statistics (Unaudited)

Years Ended December 31,	2015	2014
Loss ratio	55.4	55.3
Loss adjustment expense ratio	9.6	9.5
Loss and loss adjustment expense ratio	65.0	64.8
Underwriting expense ratio	33.4	33.4
Dividend ratio	0.8	0.7
Combined ratio after dividends	99.2	98.9
Net premiums written to surplus ratio	1.2	1.2
Net liabilities to surplus ratio	1.9	1.9
Net leverage ratio	3.1	3.1