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## DELTA REPORT

### 10-Q

TIPT - TIPTREE INC.

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

**TOTAL DELTAS** 1496

■ CHANGES	599
■ DELETIONS	513
■ ADDITIONS	384

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**Form 10-Q**

**(Mark One)**

**Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the Quarterly period ended **September 30, 2023** **March 31, 2024**

OR

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-33549

**Tiptree Inc.**

(Exact name of Registrant as Specified in Its Charter)

Maryland 38-3754322

(State or Other Jurisdiction of Incorporation of Organization (IRS Employer Identification No.)

660 Steamboat Road, 2nd Floor, Greenwich, Connecticut 06830

(Address of Principal Executive Offices) Zip Code

Registrant's Telephone Number, Including Area Code: (212) 446-1400

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
common stock, par value \$0.001 per share	TIPT	NASDAQ Capital Market

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.) Yes  No

As of **November 1, 2023** **April 30, 2024**, there were **36,749,768** **36,785,305** shares, par value \$0.001, of the registrant's common stock outstanding.

**Tiptree Inc.**  
**Quarterly Report on Form 10-Q**  
**September 30, 2023** **March 31, 2024**

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## **PART I. FINANCIAL INFORMATION**

### **Forward-Looking Statements**

Except for the historical information included and incorporated by reference in this Quarterly Report on Form 10-Q, the information included and incorporated by reference herein are "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. Forward-looking statements provide our current expectations or forecasts of future events and are not statements of historical fact. These forward-looking statements include information about possible or assumed future events, including, among other things, discussion and analysis of our future financial condition, results of operations, and our strategic plans and objectives, objectives, and government legislation. When we use words such as "anticipate," "believe," "estimate," "expect," "intend," "seek," "may," "might," "plan," "project," "should," "target," "will," or similar expressions, we intend to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, many of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to, those described in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023**, in this Quarterly Report on Form 10-Q and in our other public filings with the SEC.

The factors described herein are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors also could affect our forward-looking statements. Consequently, our actual performance could be materially different from the results described or anticipated by our forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by the applicable law, we undertake no obligation to update any forward-looking statements.

### **Market and Industry Data**

Certain market data and industry data included in this Quarterly Report on Form 10-Q were obtained from reports of governmental agencies and industry publications and surveys. We believe the data from third-party sources to be reliable based upon our management's knowledge of the industry, but have not independently verified such data and as such, make no guarantees as to its accuracy, completeness or timeliness.

### **Note to Reader**

In reading this Quarterly Report on Form 10-Q, references to:

"A.M. Best" means A.M. Best Company, Inc.

"BSBY" means the Bloomberg Short-Term Bank Yield Index.

"Corvid Peak" means collectively: Corvid Peak Holdings, L.P., Corvid Peak Capital Management, LLC, Corvid Peak GP Holdings, LLC and Corvid Peak Holdings GP, LLC.

"Corvid Peak Funds" means Corvid Peak Restructuring Partners Onshore Fund LLC and Albatross CP LLC.

"EBITDA" means earnings before interest, taxes, depreciation and amortization.

"EBITDAR" means earnings before interest, taxes, depreciation and amortization, and restructuring or rent costs.

"E&S" means excess and surplus.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Fannie Mae" means Federal National Mortgage Association.

"Fortegra" or "The Fortegra Group" means The Fortegra Group, LLC Inc. and its subsidiaries prior to June 21, 2022 and to The Fortegra Group, Inc. on or after June 21, 2022, subsidiaries.

"Fortegra Additional Warrants" means the additional warrants issued to Warburg and Tiptree Holdings to acquire Fortegra Common Stock.

"Fortegra Additional Warrants (Warburg)" means the Fortegra Additional Warrants issued to Warburg.

"Fortegra Common Stock" means the common stock of Fortegra.

"Fortegra Plan" means the 2022 Equity Incentive Plan of Fortegra.

"Fortegra Preferred Stock" means the 5,333,333 shares of Series A Preferred Stock of Fortegra issued to Warburg.

"Fortegra Warrants" means the warrants to purchase shares of Fortegra Common Stock.

"Freddie Mac" means Federal Home Loan Mortgage Corporation.

"GAAP" means U.S. generally accepted accounting principles.

"Ginnie Mae" means Government National Mortgage Association.

"GSE" means government-sponsored enterprise.

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"Invesque" means Invesque Inc.

"ITC" means ITC Compliance GRP Limited.

"Luxury" means Luxury Mortgage Corp.

"NAIC" means the National Association of Insurance Commissioners.

"Premia" means Premia Solutions Limited.

"Reliance" means Reliance First Capital, LLC.

"SEC" means the U.S. Securities and Exchange Commission.

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"Securities Act" means the Securities Act of 1933, as amended.

"Sky Auto" means Sky Services LLC.

"Smart AutoCare" means the following entities and their subsidiaries operating under the Smart AutoCare brand: SAC Holdings, Inc., Freedom Insurance Company, Ltd., Dealer Motor Services, Inc., Independent Dealer Group, Inc., Ownershield, Inc. and Accelerated Service Enterprise, LLC.

"SOFR" means the Secured Overnight Financing Rate.

"Tiptree", the "Company", "we", "its", "us" and "our" means, unless otherwise indicated by the context, Tiptree Inc. and its consolidated subsidiaries.

"Tiptree Advisors" means collectively: Tiptree Advisors Holdings, L.P., Tiptree Advisors, LLC, Tiptree GP Holdings, LLC and Tiptree Holdings GP, LLC.

"Tiptree Advisors Funds" means Corvid Peak Restructuring Partners Onshore Fund LLC and Albatross CP LLC.

"Tiptree Holdings" means Tiptree Holdings LLC.

"Transition Services Agreement" means the Amended and Restated Transition Services Agreement between Corvid Peak Tiptree Advisors and Tiptree Inc., effective as of January 1, 2019.

"Warburg" means WP Falcon Aggregator, L.P., a Delaware limited partnership affiliated with funds advised or managed by Warburg Pincus LLC.

"WP Transaction" means the \$200 million strategic investment in Fortegra by Warburg.

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**TIPTREE INC. AND SUBSIDIARIES**  
Condensed Consolidated Balance Sheets (Unaudited)  
(in thousands, except share data)

		As of			
		September 30, 2023	December 31, 2022		
		As of			
		March 31, 2024	March 31, 2024	As of	
<b>Assets:</b>	<b>Assets:</b>				December 31, 2023
<b>Assets:</b>					
<b>Assets:</b>					

Investments:	Investments:
Investments:	
Investments:	
Available for sale securities, at fair value, net of allowance for credit losses	
Available for sale securities, at fair value, net of allowance for credit losses	
Available for sale securities, at fair value, net of allowance for credit losses	
Available for sale securities, at fair value, net of allowance for credit losses	
Loans, at fair value	
Equity securities	
Other investments	
Total investments	
Cash and cash equivalents	
Restricted cash	
Notes and accounts receivable, net	
Reinsurance recoverable	
Prepaid reinsurance premiums	
Deferred acquisition costs	
Goodwill	
Intangible assets, net	
Other assets	
<b>Total assets</b>	<b>Total assets</b>
<b>Total assets</b>	<b>Total assets</b>
Liabilities and Stockholders' Equity	Liabilities and Stockholders' Equity
Liabilities and Stockholders' Equity	
Liabilities:	Liabilities:
Liabilities:	
Debt, net	
Debt, net	
Debt, net	
Unearned premiums	
Policy liabilities and unpaid claims	

Deferred revenue	Deferred revenue	678,204	649,150
Reinsurance payable	Reinsurance payable	471,241	305,097
Other liabilities and accrued expenses	Other liabilities and accrued expenses	390,495	367,748
<b>Total liabilities</b>	<b>Total liabilities</b>	<b>\$4,283,818</b>	<b>\$3,505,990</b>
<b>Total liabilities</b>			
<b>Total liabilities</b>			
Stockholders' Equity:	Stockholders' Equity:		
<b>Stockholders' Equity:</b>			
Preferred stock: \$0.001 par value, 100,000,000 shares authorized, none issued or outstanding	Preferred stock: \$0.001 par value, 100,000,000 shares authorized, none issued or outstanding	\$ —	\$ —
Common stock: \$0.001 par value, 200,000,000 shares authorized, 36,749,768 and 36,385,299 shares issued and outstanding, respectively	Common stock: \$0.001 par value, 200,000,000 shares authorized, 36,749,768 and 36,385,299 shares issued and outstanding, respectively	37	36
Preferred stock: \$0.001 par value, 100,000,000 shares authorized, none issued or outstanding	Preferred stock: \$0.001 par value, 100,000,000 shares authorized, none issued or outstanding		
Preferred stock: \$0.001 par value, 100,000,000 shares authorized, none issued or outstanding	Preferred stock: \$0.001 par value, 100,000,000 shares authorized, none issued or outstanding		
Common stock: \$0.001 par value, 200,000,000 shares authorized, 36,781,281 and 36,756,187 shares issued and outstanding, respectively	Common stock: \$0.001 par value, 200,000,000 shares authorized, 36,781,281 and 36,756,187 shares issued and outstanding, respectively		
Additional paid-in capital	Additional paid-in capital	380,988	382,645
Accumulated other comprehensive income (loss), net of tax	Accumulated other comprehensive income (loss), net of tax	(40,577)	(39,429)
Retained earnings	Retained earnings	55,643	54,113
<b>Total Tiptree Inc. stockholders' equity</b>	<b>Total Tiptree Inc. stockholders' equity</b>	<b>396,091</b>	<b>397,365</b>
Non-controlling interests:			
Fortegra preferred interests	Fortegra preferred interests	77,679	77,679
Fortegra preferred interests			
Fortegra preferred interests			

Common interests	Common interests	69,803	58,529
Total non- controlling interests	Total non- controlling interests	147,482	136,208
<b>Total stockholders' equity</b>	<b>Total stockholders' equity</b>	<b>543,573</b>	<b>533,573</b>
<b>Total liabilities and stockholders' equity</b>	<b>Total liabilities and stockholders' equity</b>	<b>\$4,827,391</b>	<b>\$4,039,563</b>

See accompanying notes to condensed consolidated financial statements.

### TIPTREE INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Operations (Unaudited)  
(in thousands, except share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Revenues:</b>				
<b>Revenues:</b>				
Earned premiums, net	Earned premiums, net \$ 291,293	\$ 237,877	\$ 826,418	\$ 662,234
Earned premiums, net				
Earned premiums, net				
Service and administrative fees				
Service and administrative fees				
Service and administrative fees	Service and administrative fees 100,146	83,423	290,291	232,883
Ceding commissions	Ceding commissions 2,440	4,023	10,761	9,886
Ceding commissions				
Ceding commissions				
Net investment income				
Net investment income				
Net investment income	Net investment income 5,416	3,632	19,613	10,164
Net realized and unrealized gains (losses)	Net realized and unrealized gains (losses) 1,457	17,159	12,459	50,050
Net realized and unrealized gains (losses)				
Net realized and unrealized gains (losses)				
Other revenue				
Other revenue				

Other revenue	Other revenue	15,762	17,364	43,115	63,007
<b>Total revenues</b>	<b>Total revenues</b>	<b>416,514</b>	<b>363,478</b>	<b>1,202,657</b>	<b>1,028,224</b>
<b>Total revenues</b>					
<b>Total revenues</b>					
<b>Expenses:</b>					
<b>Expenses:</b>					
<b>Expenses:</b>	<b>Expenses:</b>				
Policy and contract benefits	Policy and contract benefits	153,966	121,242	443,375	330,353
Policy and contract benefits					
Policy and contract benefits					
Commission expense	Commission expense	153,744	137,559	442,893	382,435
Employee compensation and benefits	Employee compensation and benefits	45,663	38,210	130,844	142,927
Employee compensation and benefits					
Employee compensation and benefits					
Interest expense	Interest expense	6,716	5,503	20,225	24,837
Depreciation and amortization	Depreciation and amortization	6,347	5,549	17,475	17,714
Depreciation and amortization					
Depreciation and amortization					
Other expenses	Other expenses	28,937	30,290	94,857	100,978
<b>Total expenses</b>	<b>Total expenses</b>	<b>395,373</b>	<b>338,353</b>	<b>1,149,669</b>	<b>999,244</b>
<b>Total expenses</b>					
<b>Total expenses</b>					
Income (loss) before taxes					
Income (loss) before taxes					
Income (loss) before taxes	Income (loss) before taxes	21,141	25,125	52,988	28,980
Less: provision (benefit) for income taxes	Less: provision (benefit) for income taxes	12,273	5,068	29,119	31,537
Less: provision (benefit) for income taxes					
Less: provision (benefit) for income taxes					
<b>Net income (loss)</b>					
<b>Net income (loss)</b>					
<b>Net income (loss)</b>	<b>Net income (loss)</b>	<b>8,868</b>	<b>20,057</b>	<b>23,869</b>	<b>(2,557)</b>
Less: net income (loss) attributable to non-controlling interests	Less: net income (loss) attributable to non-controlling interests	6,715	5,834	16,789	6,588
Less: net income (loss) attributable to non-controlling interests					
Less: net income (loss) attributable to non-controlling interests					

<b>Net income (loss) attributable to common stockholders</b>									
<b>Net income (loss) attributable to common stockholders</b>									
<b>Net income (loss) attributable to common stockholders</b>	<b>Net income (loss) attributable to common stockholders</b>								
		\$	2,153	\$	14,223	\$	7,080	\$	(9,145)
<b>Net income (loss) per common share:</b>	<b>Net income (loss) per common share:</b>								
<b>Net income (loss) per common share:</b>									
Basic earnings per share	Basic earnings per share	\$	0.06	\$	0.39	\$	0.19	\$	(0.26)
Basic earnings per share									
Basic earnings per share									
Diluted earnings per share									
Diluted earnings per share	Diluted earnings per share	\$	0.04	\$	0.38	\$	0.18	\$	(0.26)
<b>Weighted average number of common shares:</b>	<b>Weighted average number of common shares:</b>								
Basic	Basic		36,749,199		36,304,385		36,672,120		35,261,659
Basic									
Basic									
Diluted									
Diluted	Diluted		37,684,131		36,783,248		37,569,405		35,261,659
Dividends declared per common share	Dividends declared per common share	\$	0.05	\$	0.04	\$	0.15	\$	0.12
Dividends declared per common share									
Dividends declared per common share									

See accompanying notes to condensed consolidated financial statements.

**TIPTREE INC. AND SUBSIDIARIES**  
Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)  
(in thousands)

	Three Months Ended				Nine Months Ended			
	September 30,				September 30,			
	2023	2022	2023	2022	2023	2022	2023	2022
<b>Net income (loss)</b>	\$ 8,868	\$ 20,057	\$ 23,869	\$ (2,557)				
<b>Other comprehensive income (loss), net of tax:</b>								
Change in unrealized gains (losses) on available for sale securities		(9,990)	(18,125)	(4,065)				(56,509)
Change in unrealized currency translation adjustments		(4,234)	(7,191)	1,398				(14,256)
Related (provision) benefit for income taxes		4,412	4,257	1,174				13,420
Other comprehensive income (loss), net of tax		(9,812)	(21,059)	(1,493)				(57,345)
Comprehensive income (loss)		(944)	(1,002)	22,376				(59,902)
Less: comprehensive income (loss) attributable to non-controlling interests		4,254	1,479	16,444				1,421

Comprehensive income (loss) attributable to common stockholders	\$ (5,198)	\$ (2,481)	\$ 5,932	\$ (61,323)
Three Months Ended March 31,				
	2024	2023		
Net income (loss)	\$ 15,881	\$ 3,151		
<b>Other comprehensive income (loss), net of tax:</b>				
Change in unrealized gains (losses) on available for sale securities	(4,756)	9,501		
Change in unrealized currency translation adjustments	420	2,932		
Related (provision) benefit for income taxes	1,796	(4,035)		
Other comprehensive income (loss), net of tax	(2,540)	8,398		
Comprehensive income (loss)	13,341	11,549		
Less: comprehensive income (loss) attributable to non-controlling interests	6,146	6,275		
<b>Comprehensive income (loss) attributable to common stockholders</b>	<b>\$ 7,195</b>	<b>\$ 5,274</b>		

See accompanying notes to condensed consolidated financial statements.

### TIPTREE INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited)  
(in thousands, except shares)

	Non-controlling									
	Common stock		Accumulated				Total			
	Number of	Par	Additional	other	Tiptree Inc.	Fortegra	Common	Non-controlling	stockholders'	
	shares	value	paid-in	comprehensive	Retained	stockholders'	preferred	Common	stockholders'	
<b>Balance at December 31, 2022</b>	<b>36,385,299</b>	<b>\$ 36</b>	<b>\$ 382,645</b>	<b>\$ (39,429)</b>	<b>\$ 54,113</b>	<b>\$ 397,365</b>	<b>\$ 77,679</b>	<b>\$ 58,529</b>	<b>\$ 533,573</b>	
<b>Common stock</b>										
Number of										
shares										
Number of										
shares										
<b>Balance at December 31, 2023</b>										
Amortization of share-based incentive compensation	—	—	4,711	—	—	4,711	—	1,155	5,866	
Vesting of share-based incentive compensation	309,462	1	(350)	—	—	(349)	—	(470)	(819)	
Shares issued upon exercise of options	55,007	—	—	—	—	—	—	—	—	
Non-controlling interest distributions	—	—	(1,751)	—	—	(1,751)	—	(3,174)	(4,925)	
Net change in non-controlling interests and other	—	—	(4,267)	—	—	(4,267)	—	2,106	(2,161)	
Common stock dividends declared	—	—	—	—	(5,550)	(5,550)	—	—	(5,550)	

Other comprehensive income	—	—	—	(1,148)	—	(1,148)	—	(345)	(1,493)	
(loss), net of tax	—	—	—	—	—	—	—	—	—	
Subsidiary preferred dividends	—	—	—	—	(4,787)	(4,787)	—	—	(4,787)	
declared	—	—	—	—	—	—	—	—	—	
Net income (loss)	—	—	—	—	11,867	11,867	—	12,002	23,869	
<b>Balance at September 30,</b>	<b>2023</b>	<b>36,749,768</b>	<b>\$ 37</b>	<b>\$ 380,988</b>	<b>\$ (40,577)</b>	<b>\$ 55,643</b>	<b>\$ 396,091</b>	<b>\$ 77,679</b>	<b>\$ 69,803</b>	<b>\$ 543,573</b>
<b>Balance at June 30, 2023</b>	<b>36,742,295</b>	<b>\$ 37</b>	<b>\$ 379,741</b>	<b>\$ (33,226)</b>	<b>\$ 55,340</b>	<b>\$ 401,892</b>	<b>\$ 77,679</b>	<b>\$ 66,497</b>	<b>\$ 546,068</b>	
Amortization of share-based incentive compensation	Amortization of share-based incentive compensation	—	—	1,135	—	—	1,135	—	665	1,800
Vesting of share-based incentive compensation	Vesting of share-based incentive compensation	7,473	—	112	—	—	112	—	—	112
Non-controlling interest contributions	Non-controlling interest contributions	Non-controlling interest contributions	Non-controlling interest contributions	Non-controlling interest distributions	Non-controlling interest distributions	Non-controlling interest distributions	Common stock dividends declared			
Common stock dividends declared	Common stock dividends declared	—	—	—	—	(1,850)	(1,850)	—	—	(1,850)
Other comprehensive income (loss), net of tax	Other comprehensive income (loss), net of tax	—	—	—	(7,351)	—	(7,351)	—	(2,461)	(9,812)
Subsidiary preferred dividends declared	Subsidiary preferred dividends declared	—	—	—	—	(1,613)	(1,613)	—	—	(1,613)
Net income (loss)	Net income (loss)	—	—	—	—	3,766	3,766	—	5,102	8,868
<b>Balance at September 30, 2023</b>	<b>36,749,768</b>	<b>\$ 37</b>	<b>\$ 380,988</b>	<b>\$ (40,577)</b>	<b>\$ 55,643</b>	<b>\$ 396,091</b>	<b>\$ 77,679</b>	<b>\$ 69,803</b>	<b>\$ 543,573</b>	
<b>Balance at March 31, 2024</b>	<b>36,742,295</b>	<b>\$ 37</b>	<b>\$ 379,741</b>	<b>\$ (33,226)</b>	<b>\$ 55,340</b>	<b>\$ 401,892</b>	<b>\$ 77,679</b>	<b>\$ 66,497</b>	<b>\$ 546,068</b>	

### TIPTREE INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Changes in Stockholders' Equity (Unaudited)  
(in thousands, except shares)

	Common stock		Accumulated other Total							
	Number of shares	Number of shares	Par value	Additional paid-in capital	comprehensive income (loss)	Retained earnings	Tiptree Inc. stockholders' equity	Fortegra preferred interests	Tiptree Inc. stockholders' equity	
<b>Balance at December 31, 2022</b>										
Amortization of share-based incentive compensation										
Amortization of share-based incentive compensation										
Amortization of share-based incentive compensation										
Vesting of share-based incentive compensation										
Shares issued upon exercise of options										
Shares issued upon exercise of options										
Shares issued upon exercise of options										
<b>Non-controlling interests</b>										
	Common stock		Accumulated other Total						Non-controlling interests	
	Number of shares	Par value	Additional paid-in capital	comprehensive income (loss)	Retained earnings	Tiptree Inc. stockholders' equity	Fortegra preferred interests	Common stock interests	Non-controlling stockholders' equity	
<b>Balance at December 31, 2021</b>	34,124,153	\$34	\$317,459	\$ (2,685)	\$ 68,146	\$ 382,954	\$ —	\$ 17,227	\$ 400,181	
Amortization of share-based incentive compensation	—	—	5,086	—	—	5,086	—	728	5,814	
Vesting of share-based incentive compensation	281,277	—	(293)	—	—	(293)	—	(1,086)	(1,379)	
Shares purchased under stock purchase plan	(158,162)	—	(1,654)	—	—	(1,654)	—	—	(1,654)	
Shares issued upon exercise of warrants	1,999,989	2	13,722	—	—	13,724	—	—	13,724	
Transfer of liability awards	—	—	4,847	—	—	4,847	—	—	4,847	
WP Transactions	—	—	41,092	7,193	—	48,285	77,679	41,044	167,008	
Non-controlling interest contributions	—	—	—	—	—	—	—	250	250	
Non-controlling interest distributions	—	—	—	—	—	—	—	(3,611)	(3,611)	
Non-controlling interest distributions										
Non-controlling interest distributions										

Net change in non-controlling interests and other									
Net change in non-controlling interests and other									
Net change in non-controlling interests and other	Net change in non-controlling interests and other	—	—	(63)	—	—	(63)	—	414
Common stock dividends declared	Common stock dividends declared	—	—	—	—	(4,284)	(4,284)	—	(4,284)
Other comprehensive income (loss), net of tax	Other comprehensive income (loss), net of tax	—	—	—	(52,178)	—	(52,178)	—	(5,167)
Subsidiary preferred dividends declared	Subsidiary preferred dividends declared	—	—	—	—	(1,771)	(1,771)	—	(1,771)
Net income (loss)	Net income (loss)	—	—	—	—	(7,374)	(7,374)	—	4,817
<b>Balance at September 30, 2022</b>		<b>36,247,257</b>	<b>\$ 36</b>	<b>\$ 380,196</b>	<b>\$ (47,670)</b>	<b>\$ 54,717</b>	<b>\$ 387,279</b>	<b>\$ 77,679</b>	<b>\$ 54,616</b>
<b>Balance at June 30, 2022</b>		<b>36,305,016</b>	<b>\$ 36</b>	<b>\$ 379,371</b>	<b>\$ (30,966)</b>	<b>\$ 41,964</b>	<b>\$ 390,405</b>	<b>\$ 77,679</b>	<b>\$ 57,256</b>
Amortization of share-based incentive compensation	—	—	1,486	—	—	1,486	—	108	1,594
Vesting of share-based incentive compensation	10,860	—	120	—	—	120	—	—	120
Shares purchased under stock purchase plan	(68,619)	—	(718)	—	—	(718)	—	—	(718)
<b>Balance at March 31, 2023</b>									
Non-controlling interest distributions	—	—	—	—	—	—	—	(3,028)	(3,028)
Net change in non-controlling interests and other	—	—	(63)	—	—	(63)	—	414	351
Common stock dividends declared	—	—	—	—	(1,470)	(1,470)	—	—	(1,470)
Other comprehensive income (loss), net of tax	—	—	—	(16,704)	—	(16,704)	—	(4,355)	(21,059)
Subsidiary preferred dividends declared	—	—	—	—	(1,613)	(1,613)	—	—	(1,613)
Net income (loss)	—	—	—	—	15,836	15,836	—	4,221	20,057
<b>Balance at September 30, 2022</b>		<b>36,247,257</b>	<b>\$ 36</b>	<b>\$ 380,196</b>	<b>\$ (47,670)</b>	<b>\$ 54,717</b>	<b>\$ 387,279</b>	<b>\$ 77,679</b>	<b>\$ 54,616</b>
									<b>\$ 519,574</b>

See accompanying notes to condensed consolidated financial statements.

#### TIPTREE INC. AND SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows (Unaudited)  
(in thousands)

	Nine Months Ended September 30,	
	2023	2022
<b>Operating Activities:</b>		
Net income (loss) attributable to common stockholders	\$ 7,080	\$ (9,145)

Net income (loss) attributable to non-controlling interests	16,789	6,588
<b>Net income (loss)</b>	<b>23,869</b>	<b>(2,557)</b>
<b>Adjustments to reconcile net income to net cash provided by (used in) operating activities</b>		
Net realized and unrealized (gains) losses	(12,459)	(50,050)
Net (gain) loss on held for sale of business	—	(3,825)
Non-cash compensation expense	5,955	7,911
Amortization/accretion of premiums and discounts	(5,272)	1,017
Depreciation and amortization expense	17,475	17,714
Non-cash lease expense	6,003	6,508
Deferred provision (benefit) for income taxes	26,761	29,339
Amortization of deferred financing costs	825	1,081
Change in fair value of liability classified warrants	(2,611)	—
Other	126	1,123
<b>Changes in operating assets and liabilities:</b>		
Mortgage loans originated for sale	(663,669)	(1,942,612)
Proceeds from the sale of mortgage loans originated for sale	676,866	2,195,612
(Increase) decrease in notes and accounts receivable	(142,020)	2,313
(Increase) decrease in reinsurance recoverable	(291,412)	(220,407)
(Increase) decrease in prepaid reinsurance premiums	(168,802)	(93,084)
(Increase) decrease in deferred acquisition costs	(38,936)	(105,826)
(Increase) decrease in other assets	24,664	5,224
Increase (decrease) in unearned premiums	249,586	225,405
Increase (decrease) in policy liabilities and unpaid claims	246,021	181,221
Increase (decrease) in deferred revenue	19,732	93,625
Increase (decrease) in reinsurance payable	166,144	51,630
Increase (decrease) in other liabilities and accrued expenses	(45,280)	(505)
<b>Net cash provided by (used in) operating activities</b>	<b>93,566</b>	<b>400,857</b>
<b>Investing Activities:</b>		
Purchases of investments	(1,030,746)	(872,037)
Proceeds from sales and maturities of investments	930,041	944,531
Purchases of property, plant and equipment	(12,503)	(5,314)
Proceeds from the sale of businesses and other assets	—	742
Proceeds from notes receivable	94,749	59,657
Issuance of notes receivable	(106,536)	(83,761)
Business and asset acquisitions, net of cash and deposits	(19,726)	(14,960)
<b>Net cash provided by (used in) investing activities</b>	<b>(144,721)</b>	<b>28,858</b>
<b>Financing Activities:</b>		
Dividends paid	(10,284)	(4,705)
Cash received for the exercise of warrants	—	13,724
Net non-controlling interest (redemptions) contributions and other	(13,563)	(5,081)
Issuance of Fortegra Common Stock	—	98,433
Issuance of Fortegra Warrants	—	13,101
Issuance of Fortegra Additional Warrants (Warburg)	—	6,230
Issuance of Fortegra Preferred Stock	—	83,486
Payment of WP Transaction costs	—	(12,848)
Payment of debt issuance costs	(366)	(6)
Proceeds from borrowings and mortgage notes payable	1,083,558	2,114,394
Principal paydowns of borrowings and mortgage notes payable	(1,019,740)	(2,409,398)
Repurchases of common stock and other changes in additional paid-in capital	—	(1,654)
<b>Net cash provided by (used in) financing activities</b>	<b>39,605</b>	<b>(104,324)</b>
Effect of exchange rate changes on cash	(1,935)	(6,833)

<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>(13,485)</b>	<b>318,558</b>
<b>Cash, cash equivalents and restricted cash – beginning of period</b>	<b>550,847</b>	<b>195,086</b>
Cash, cash equivalents and restricted cash – beginning of period - held for sale	—	9,360
Cash, cash equivalents and restricted cash – end of period	537,362	523,004
Less: Reclassification of cash to held for sale	—	9,172

### TIPTREE INC. AND SUBSIDIARIES

#### Condensed Consolidated Statements of Cash Flows (Unaudited)

(in thousands)

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,
	2024	2024	2024
<b>Operating Activities:</b>			
<b>Operating Activities:</b>			
<b>Operating Activities:</b>			
Net income (loss) attributable to common stockholders			
Net income (loss) attributable to common stockholders			
Net income (loss) attributable to common stockholders			
Net income (loss) attributable to non-controlling interests			
Net income (loss) attributable to non-controlling interests			
Net income (loss) attributable to non-controlling interests			
<b>Net income (loss)</b>			
Net income (loss)			
Net income (loss)			
<b>Adjustments to reconcile net income to net cash provided by (used in) operating activities</b>			
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Adjustments to reconcile net income to net cash provided by (used in) operating activities			
Net realized and unrealized (gains) losses			
Net realized and unrealized (gains) losses			
Net realized and unrealized (gains) losses			
Non-cash compensation expense			
Non-cash compensation expense			
Non-cash compensation expense			
Amortization/accretion of premiums and discounts			
Amortization/accretion of premiums and discounts			
Amortization/accretion of premiums and discounts			
Depreciation and amortization expense			
Depreciation and amortization expense			
Depreciation and amortization expense			
Non-cash lease expense			
Non-cash lease expense			
Non-cash lease expense			
Deferred provision (benefit) for income taxes			
Deferred provision (benefit) for income taxes			
Deferred provision (benefit) for income taxes			

Amortization of deferred financing costs
Amortization of deferred financing costs
Amortization of deferred financing costs
Change in fair value of liability classified warrants
Change in fair value of liability classified warrants
Change in fair value of liability classified warrants
Other
Other
Other
<b>Changes in operating assets and liabilities:</b>
<b>Changes in operating assets and liabilities:</b>
<b>Changes in operating assets and liabilities:</b>
Mortgage loans originated for sale
Mortgage loans originated for sale
Mortgage loans originated for sale
Proceeds from the sale of mortgage loans originated for sale
Proceeds from the sale of mortgage loans originated for sale
Proceeds from the sale of mortgage loans originated for sale
(Increase) decrease in notes and accounts receivable
(Increase) decrease in notes and accounts receivable
(Increase) decrease in notes and accounts receivable
(Increase) decrease in reinsurance recoverable
(Increase) decrease in prepaid reinsurance premiums
(Increase) decrease in prepaid reinsurance premiums
(Increase) decrease in prepaid reinsurance premiums
(Increase) decrease in deferred acquisition costs
(Increase) decrease in deferred acquisition costs
(Increase) decrease in deferred acquisition costs
(Increase) decrease in other assets
(Increase) decrease in other assets
(Increase) decrease in other assets
Increase (decrease) in unearned premiums
Increase (decrease) in unearned premiums
Increase (decrease) in unearned premiums
Increase (decrease) in policy liabilities and unpaid claims
Increase (decrease) in policy liabilities and unpaid claims
Increase (decrease) in policy liabilities and unpaid claims
Increase (decrease) in deferred revenue
Increase (decrease) in deferred revenue
Increase (decrease) in deferred revenue
Increase (decrease) in reinsurance payable
Increase (decrease) in reinsurance payable
Increase (decrease) in reinsurance payable
Increase (decrease) in other liabilities and accrued expenses
Increase (decrease) in other liabilities and accrued expenses
Increase (decrease) in other liabilities and accrued expenses
<b>Net cash provided by (used in) operating activities</b>
<b>Net cash provided by (used in) operating activities</b>
<b>Net cash provided by (used in) operating activities</b>
<b>Investing Activities:</b>

<b>Investing Activities:</b>
<b>Investing Activities:</b>
Purchases of investments
Purchases of investments
Purchases of investments
Proceeds from sales and maturities of investments
Proceeds from sales and maturities of investments
Proceeds from sales and maturities of investments
Purchases of property, plant and equipment
Purchases of property, plant and equipment
Purchases of property, plant and equipment
Proceeds from notes receivable
Proceeds from notes receivable
Proceeds from notes receivable
Issuance of notes receivable
Issuance of notes receivable
Issuance of notes receivable
Business and asset acquisitions, net of cash and deposits
Business and asset acquisitions, net of cash and deposits
Business and asset acquisitions, net of cash and deposits
<b>Net cash provided by (used in) investing activities</b>
<b>Net cash provided by (used in) investing activities</b>
<b>Net cash provided by (used in) investing activities</b>
<b>Financing Activities:</b>
<b>Financing Activities:</b>
<b>Financing Activities:</b>
Dividends paid
Dividends paid
Dividends paid
Net non-controlling interest (redemptions) contributions and other
Net non-controlling interest (redemptions) contributions and other
Net non-controlling interest (redemptions) contributions and other
Payment of debt issuance costs
Payment of debt issuance costs
Payment of debt issuance costs
Proceeds from borrowings and mortgage notes payable
Proceeds from borrowings and mortgage notes payable
Proceeds from borrowings and mortgage notes payable
Principal paydowns of borrowings and mortgage notes payable
Principal paydowns of borrowings and mortgage notes payable
Principal paydowns of borrowings and mortgage notes payable
<b>Net cash provided by (used in) financing activities</b>
<b>Net cash provided by (used in) financing activities</b>
<b>Net cash provided by (used in) financing activities</b>
Effect of exchange rate changes on cash

Effect of exchange rate changes on cash
Effect of exchange rate changes on cash
Net increase (decrease) in cash, cash equivalents and restricted cash
Net increase (decrease) in cash, cash equivalents and restricted cash
Net increase (decrease) in cash, cash equivalents and restricted cash
Cash, cash equivalents and restricted cash – beginning of period
Cash, cash equivalents and restricted cash – beginning of period
Cash, cash equivalents and restricted cash – beginning of period
Cash, cash equivalents and restricted cash – end of period
Cash, cash equivalents and restricted cash – end of period

		Nine Months Ended September 30,	
		2023	2022
Cash, cash equivalents and restricted cash – end of period	Cash, cash equivalents and restricted cash – end of period	\$ 537,362	\$ 513,832

<u>Supplemental Schedule of Non-Cash Investing and Financing Activities:</u>	<u>Supplemental Schedule of Non-Cash Investing and Financing Activities:</u>	As of
Right of use asset obtained in exchange for lease liability	\$ 3,115	\$ 12,232
Bonds and trade receivables exchanged for corporate loans and equity securities	\$ —	\$ 19,846

<u>Supplemental Schedule of Non-Cash Investing and Financing Activities:</u>	September 30, 2023	December 31, 2022
Right of use asset obtained in exchange for lease liability		
Right of use asset obtained in exchange for lease liability		
Right of use asset obtained in exchange for lease liability		
	As of	
	As of	
	As of	

<u>Reconciliation of cash, cash equivalents and restricted cash</u>	<u>Reconciliation of cash, cash equivalents and restricted cash</u>	September 30, 2023	December 31, 2022
Cash and cash equivalents	Cash and cash equivalents		
Cash and cash equivalents			
Cash and cash equivalents			
Restricted cash			
Restricted cash			
Restricted cash	Restricted cash	22,670	12,792

Total cash, cash equivalents and restricted cash shown in the statements of cash flows	Total cash, cash equivalents and restricted cash shown in the statements of cash flows	\$ 537,362	\$ 550,847
Total cash, cash equivalents and restricted cash shown in the statements of cash flows			
Total cash, cash equivalents and restricted cash shown in the statements of cash flows			

See accompanying notes to condensed consolidated financial statements.

## TIPTREE INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

September 30, 2023 March 31, 2024

(in thousands, except share data)

### (1) Organization

Tiptree Inc. (together with its consolidated subsidiaries, collectively, Tiptree, the Company, or we) is a Maryland Corporation that was incorporated on March 19, 2007. Tiptree's common stock trades on the Nasdaq Capital Market under the symbol "TIPT". Tiptree is a holding company that allocates capital across a broad spectrum of businesses, assets and other investments. We classify our business into two reportable segments: Insurance and Mortgage. We refer to our non-insurance operations, assets and other investments, which is comprised of our Mortgage reportable segment and our non-reportable segments and other business activities, as Tiptree Capital.

On June 21, 2022, the Company closed the WP Transaction whereby Warburg invested \$200,000 in Fortegra in exchange for Fortegra Common Stock, Fortegra Preferred Stock, Fortegra Warrants and Fortegra Additional Warrants. See Note (16) **Stockholders' Stockholders'** Equity for additional information regarding the terms of the securities issued in connection with the closing of the WP Transaction. As of **September 30, 2023** **March 31, 2024**, Fortegra was owned approximately **79.5%** **79.3%** by Tiptree Holdings, **17.5%** **17.7%** by Warburg and 3.0% by management and directors of Fortegra, before giving effect to the exercise of outstanding warrants and the conversion of outstanding preferred stock.

### (2) Summary of Significant Accounting Policies

#### **Basis of Presentation and Principles of Consolidation**

The accompanying unaudited condensed consolidated financial statements of Tiptree have been prepared in accordance with generally accepted accounting principles in the United States of America (GAAP) and include the accounts of the Company and its subsidiaries. The condensed consolidated financial statements are presented in U.S. dollars, the main operating currency of the Company. The unaudited condensed consolidated financial statements presented herein should be read in conjunction with the annual audited financial statements included in the Company's Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023**. In the opinion of management, the accompanying unaudited interim financial information reflects all adjustments, including normal recurring adjustments necessary to present fairly the Company's financial position, results of operations, comprehensive income and cash flows for each of the interim periods presented. The results of operations for the three **and nine** months ended **September 30, 2023** **March 31, 2024** are not necessarily indicative of the results that may be expected for the full year ending on **December 31, 2023** **December 31, 2024**.

Non-controlling interests **(NCI)** on the condensed consolidated balance sheets represent the ownership interests in certain consolidated subsidiaries held by entities or persons other than Tiptree. Accounts and transactions between consolidated entities have been eliminated.

#### **Recent Accounting Standards**

##### **Recently Adopted Accounting Pronouncements**

During the three months ended March 31, 2024, there were no accounting standards adopted by the Company.

## TIPTREE INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2024

(in thousands, except share data)

#### **Recently Issued Accounting Pronouncements, Not Yet Adopted**

Accounting Standard Update	Description	Adoption Date	Impact on Financial Statements
<b>Recently Issued Accounting Pronouncements, Not Yet Adopted</b>			

#### **Recently Issued Accounting Pronouncements, Not Yet Adopted**

Standard	Description	Adoption Date	Impact on Financial Statements
2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting and 2022-06 Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848	The amendments in these updates provide optional guidance for a limited period to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. The amendments provide optional expedients and exceptions for applying GAAP to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform if certain criteria are met.	The standard is effective for all entities as of March 12, 2020, through December 31, 2024.	The Company is evaluating its option to adopt the guidance when it is applicable.
2023-07 (Topic 280) Improvements to Reportable Segment Disclosures	In November 2023, the Financial Accounting Standards Board (FASB) issued ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (ASU 2023-07), which requires an enhanced disclosure of significant segment expenses on an annual and interim basis. This guidance will be effective for the annual periods beginning the year ended December 31, 2024, and for interim periods beginning January 1, 2025. Early adoption is permitted. Upon adoption, the guidance should be applied retrospectively to all prior periods presented in the financial statements.	The amendments in this update are effective for annual periods beginning after December 31, 2024.	The Company does not expect the adoption of this guidance to have a material impact on our consolidated financial statements
2023-09, Income Taxes (Topic 740) Improvements to Income Tax Disclosures	The amendments in this update enhance the transparency and decision usefulness of income tax disclosures. Investors, lenders, creditors, and other allocators of capital (collectively, "investors") indicated that the existing income tax disclosures should be enhanced to provide information to better assess how an entity's operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. Investors currently rely on the rate reconciliation table and other disclosures, including total income taxes paid, to evaluate income tax risks and opportunities. While investors find these disclosures helpful, they suggested possible enhancements to better (1) understand an entity's exposure to potential changes in jurisdictional tax legislation and the ensuing risks and opportunities, (2) assess income tax information that affects cash flow forecasts and capital allocation decisions, and (3) identify potential opportunities to increase future cash flows.	The amendments in this update are effective for annual periods beginning after December 15, 2024.	The Company is evaluating timing on when to adopt the guidance within the year.

### TIPTREE INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

September 30, 2023

(in thousands, except share data)

#### (3) Acquisitions

##### **Acquisition of Premia Solutions Limited**

On February 6, 2023, a subsidiary of Fortegra acquired a majority of the equity interests in Premia for total cash consideration of approximately \$19,726, net of cash acquired of \$3,873. Premia is an intermediate provider of automotive protection products in the United Kingdom.

The preliminary purchase price allocation has been developed based on preliminary estimates of fair value using the historical financial statements of Premia as of the acquisition date and is subject to the completion of management's final analysis. Identifiable assets acquired were primarily made up of goodwill and intangible assets. Management's preliminary allocation of the purchase price to the net assets acquired resulted in the recording of goodwill and intangible assets of \$18,359 and \$18,152, respectively, which the Company may modify during the one year period allowed for purchase accounting adjustments during the measurement period. See Note (8) Goodwill and Intangible Assets, net.

##### **Acquisition of ITC Compliance GRP Limited**

On April 1, 2022, Fortegra Europe Limited, a subsidiary of the Company, acquired all of the equity interests of ITC for total cash consideration of approximately \$15,000, net of cash acquired of \$6,123, plus earn out payments based on achievement of specific performance metrics. ITC is a provider of regulatory support and compliance services to the retail automotive sector in the United Kingdom.

Identifiable assets acquired were primarily made up of goodwill and intangible assets. Management's allocation of the purchase price to the net assets acquired resulted in the recording of goodwill and intangible assets of \$8,044 \$18,359 and \$10,964 \$18,152, respectively. See Note (8) Goodwill and Intangible Assets, net.

#### (4) Operating Segment Data

Tiptree is a holding company that allocates capital across a broad spectrum of businesses, assets and other investments. Tiptree's principal operating subsidiary, Fortegra, is a leading provider of specialty insurance, service contract products and related service solutions. Based on the quantitative analysis performed related to ASC Accounting Standard Codification ("ASC") 280, Segment Reporting, our reportable segments are Insurance and Mortgage. We refer to our non-insurance operations, assets and other investments, comprised of our Mortgage reportable segment and our non-reportable operating segments and other business activities, as Tiptree Capital. Corporate activities include holding company interest expense, employee compensation and benefits, and other expenses.

### TIPTREE INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2024

(in thousands, except share data)

Our reportable segments' income or loss is reported before income taxes and non-controlling interests. Segment results incorporate the revenues and expenses of these subsidiaries since they commenced operations or were acquired. Intercompany transactions are eliminated.

Descriptions of our Insurance reportable segment and Tiptree Capital, including our Mortgage reportable segment, are as follows:

**Insurance** operations are conducted through Fortegra, which is a leading provider of specialty insurance products and related services. Fortegra designs, markets and underwrites specialty property and casualty insurance products incorporating value-added coverages and services for select target markets or niches. Fortegra's products and services include niche commercial and personal lines, service contracts, and other insurance services.

**Tiptree Capital:**

**Mortgage** operations are conducted through Reliance. The Company's mortgage business originates loans for sale to institutional investors, including GSEs and FHA/VA and services loans on behalf of Fannie Mae, Freddie Mac, and Ginnie Mae.

**Other** includes our remaining maritime shipping operations, asset management and other investments (including our Invesque shares), and Luxury mortgage operations (deconsolidated effective as of July 1, 2022). investments.

**TIPTREE INC. AND SUBSIDIARIES**

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The tables below present the components of revenue, expense, income (loss) before taxes, and assets for our reportable segments as well as Tiptree Capital - Other for the following periods:

		Three Months Ended September 30, 2023							
		Tiptree Capital							
		Insurance	Mortgage	Other	Total				
		Three Months Ended March 31, 2024						Three Months Ended March 31, 2024	
		Tiptree	Capital						
		Insurance							
		Insurance							
		Insurance				Mortgage	Other		
Total revenues	Total revenues	\$ 406,779	\$ 14,718	\$ (4,983)	\$ 416,514				
Total expenses	Total expenses	(371,057)	(14,359)	(1,511)	(386,927)				
Corporate expenses	Corporate expenses	—	—	—	(8,446)				
Income (loss) before taxes	Income (loss) before taxes	\$ 35,722	\$ 359	\$ (6,494)	\$ 21,141				
Less: provision (benefit) for income taxes	Less: provision (benefit) for income taxes				12,273				
Net income (loss)	Net income (loss)								
Net income (loss)	Net income (loss)								
Net income (loss)	Net income (loss)								
Less: net income (loss) attributable to non-controlling interests	Less: net income (loss) attributable to non-controlling interests								
6,715	6,715								

Net income (loss) attributable to common stockholders	Net income (loss) attributable to common stockholders	\$ <u>2,153</u>
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	Three Months Ended March 31, 2023			
	Tiptree Capital			
	Insurance	Mortgage	Other	Total
Total revenues	\$ 368,444	\$ 11,561	\$ 1,620	\$ 381,625
Total expenses	(348,999)	(14,126)	(178)	(363,303)
Corporate expenses	—	—	—	(10,149)
Income (loss) before taxes	\$ 19,445	\$ (2,565)	\$ 1,442	\$ 8,173
Less: provision (benefit) for income taxes				5,022
Net income (loss)				\$ 3,151
Less: net income (loss) attributable to non-controlling interests				4,213
Net income (loss) attributable to common stockholders				\$ (1,062)

	Three Months Ended September 30, 2022			
	Tiptree Capital			
	Insurance	Mortgage	Other	Total
Total revenues	\$ 327,028	\$ 15,611	\$ 20,839	\$ 363,478
Total expenses	(311,724)	(16,551)	(1,762)	(330,037)
Corporate expenses	—	—	—	(8,316)
Income (loss) before taxes	\$ 15,304	\$ (940)	\$ 19,077	\$ 25,125
Less: provision (benefit) for income taxes				5,068
Net income (loss)				\$ 20,057
Less: net income (loss) attributable to non-controlling interests				5,834
Net income (loss) attributable to common stockholders				\$ 14,223

	Nine Months Ended September 30, 2023			
	Tiptree Capital			
	Insurance	Mortgage	Other	Total
Total revenue	\$ 1,159,900	\$ 43,346	\$ (589)	\$ 1,202,657
Total expense	(1,074,316)	(44,240)	(3,008)	(1,121,564)
Corporate expense	—	—	—	(28,105)
Income (loss) before taxes	\$ 85,584	\$ (894)	\$ (3,597)	\$ 52,988
Less: provision (benefit) for income taxes				29,119
Net income (loss)				\$ 23,869
Less: net income (loss) attributable to non-controlling interests				16,789
Net income (loss) attributable to common stockholders				\$ 7,080

	Nine Months Ended September 30, 2022			
	Tiptree Capital			
	Insurance	Mortgage	Other	Total
Total revenues	\$ 903,388	\$ 59,201	\$ 65,635	\$ 1,028,224
Total expenses	(864,331)	(55,851)	(45,167)	(965,349)
Corporate expenses	—	—	—	(33,895)
Income (loss) before taxes	\$ 39,057	\$ 3,350	\$ 20,468	\$ 28,980
Less: provision (benefit) for income taxes				31,537
Net income (loss)				\$ (2,557)
Less: net income (loss) attributable to non-controlling interests				6,588

Net income (loss) attributable to common stockholders \$ (9,145)

The Company conducts its operations primarily in the U.S. with 6.1% and 7.3% of total revenues generated overseas for the three months ended September 30, 2023, March 31, 2024 and 2022, respectively, and 5.7% and 8.4% for the nine months ended September 30, 2023 and 2022, 2023, respectively.

## TIPTREE INC. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements

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(in thousands, except share data)

The following table presents the reportable segments, Tiptree Capital - Other and Corporate assets for the following periods:

	As of September 30, 2023					As of December 31, 2022				
	Tiptree Capital					Tiptree Capital				
	Insurance	Mortgage	Other	Corporate	Total	Insurance	Mortgage	Other	Corporate	Total
Total assets	\$ 4,519,854	\$ 171,701	\$ 135,267	\$ 569	\$ 4,827,391	\$ 3,702,577	\$ 156,122	\$ 86,402	\$ 94,462	\$ 4,039,563

	As of March 31, 2024					As of December 31, 2023				
	Tiptree Capital					Tiptree Capital				
	Insurance	Mortgage	Other	Corporate	Total	Insurance	Mortgage	Other	Corporate	Total
Total assets	\$ 4,930,405	\$ 164,794	\$ 70,697	\$ 24,043	\$ 5,189,939	\$ 4,835,685	\$ 160,147	\$ 126,624	\$ 16,857	\$ 5,139,313

## (5) Investments

The following table presents the Company's investments related to insurance operations and other Tiptree investing activities, measured at fair value as of the following periods:

Equity securities						
Equity securities	Equity securities	26,291	—	37,165	63,456	
Other investments	Other investments	86,290	4,081	2,464	92,835	
Other investments						
Other investments						
Total investments	Total investments	\$ 796,035	\$ 66,168	\$ 71,301	\$ 933,504	
Total investments						
Total investments						
	As of December 31, 2022					
		Tiptree Capital				
	Insurance	Mortgage	Other	Total		
	As of December 31, 2023					As of December 31, 2023
		Tiptree				
	Capital					
	Insurance					
	Insurance					
	Insurance					
			Mortgage	Other		Total
Available for sale securities, at fair value, net of allowance for credit losses	Available for sale securities, at fair value, net of allowance for credit losses	\$ 611,980	\$ —	\$ —	\$ 611,980	
Loans, at fair value	Loans, at fair value	14,312	50,531	—	64,843	
Equity securities	Equity securities	72,992	—	12,784	85,776	
Other investments	Other investments	66,163	4,038	2,824	73,025	
Total investments	Total investments	\$ 765,447	\$ 54,569	\$ 15,608	\$ 835,624	

**Available for Sale Securities, at fair value**

A majority of the Company's investments in Available for Sale Securities, at fair value, net of allowance for credit losses (AFS securities) as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** are held by subsidiaries in the insurance segment. The following tables present the Company's investments in AFS securities:

		As of September 30, 2023					
		Allowance for credit losses <sup>(1)</sup>	Gross gains	Gross unrealized losses	Fair value		
	Amortized cost						
	As of March 31, 2024					As of March 31, 2024	
	Amortized cost						
	U.S. Treasury securities and obligations of U.S. government authorities and agencies	U.S. Treasury securities and obligations of U.S. government authorities and agencies	Amortized cost	Allowance for credit losses <sup>(1)</sup>	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. Treasury securities and obligations of U.S. government authorities and agencies	U.S. Treasury securities and obligations of U.S. government authorities and agencies	\$ 487,001	\$ —	\$ 448	\$ (40,654)	\$ 446,795	

Obligations of state and political subdivisions	Obligations of state and political subdivisions	49,889	(1)	—	(4,780)	45,108
Corporate securities	Corporate securities	191,425	(331)	—	(13,299)	177,795
Asset backed securities	Asset backed securities	32,054	(14)	—	(3,832)	28,208
Certificates of deposit	Certificates of deposit	1,724	—	—	—	1,724
Obligations of foreign governments	Obligations of foreign governments	1,806	—	—	(199)	1,608
<b>Total</b>	<b>Total</b>	<b>\$ 763,899</b>	<b>\$ (346)</b>	<b>\$ 448</b>	<b>\$ (62,764)</b>	<b>\$ 701,238</b>

### TIPTREE INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

September 30, 2023 March 31, 2024

(in thousands, except share data)

		As of December 31, 2022					As of December 31, 2023				
		Amortized cost	Allowance for credit losses <sup>(1)</sup>	Gross gains	Gross losses	Fair value	Amortized cost	Allowance for credit losses <sup>(1)</sup>	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. Treasury securities and obligations of U.S. government authorities and agencies	U.S. Treasury securities and obligations of U.S. government authorities and agencies	\$ 417,278	\$ —	\$ 844	\$ (36,062)	\$ 382,060					
Obligations of state and political subdivisions	Obligations of state and political subdivisions	54,390	(3)	4	(4,937)	49,454					
Corporate securities	Corporate securities	176,187	(183)	1	(14,006)	161,999					
Asset backed securities	Asset backed securities	19,596	(1)	—	(4,246)	15,349					
Certificates of deposit	Certificates of deposit	756	—	—	—	756					
Obligations of foreign governments	Obligations of foreign governments	2,629	(3)	—	(264)	2,362					
<b>Total</b>	<b>Total</b>	<b>\$ 670,836</b>	<b>\$ (190)</b>	<b>\$ 849</b>	<b>\$ (59,515)</b>	<b>\$ 611,980</b>					

<sup>(1)</sup> Represents the amount of impairment that has resulted from credit-related factors, and therefore was recognized in net realized and unrealized gains (losses) as a credit loss on AFS securities. Amount excludes unrealized losses relating to non-credit factors.

The amortized cost and fair values of AFS securities, by contractual maturity date, are shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

		As of			
		September 30, 2023	December 31, 2022	Amortized Cost	Fair Value
		Amortized Cost	Fair Value	Amortized Cost	Fair Value
As of				As of	
March 31, 2024		March 31, 2024		December 31, 2023	
Amortized cost		Amortized cost		Amortized cost	
Due in one year or less	Due in one year or less	\$ 243,795	\$ 242,412	\$ 52,265	\$ 51,315
Due after one year through five years	Due after one year through five years	239,551	220,569	300,767	280,965
Due after five years through ten years	Due after five years through ten years	38,350	34,686	54,419	49,465
Due after ten years	Due after ten years	210,149	175,363	243,789	214,887
Asset backed securities	Asset backed securities	32,054	28,208	19,596	15,348
Total	Total	\$ 763,899	\$ 701,238	\$ 670,836	\$ 611,980

The following tables present the gross unrealized losses on AFS securities by length of time that individual AFS securities have been in a continuous unrealized loss position for less than twelve months, and twelve months or greater and do not have an allowance for credit losses:

		As of September 30, 2023					
		Less Than or Equal to One Year			More Than One Year		
		Fair value	Gross unrealized losses	# of Securities <sup>(1)</sup>	Fair value	Gross unrealized losses	# of Securities <sup>(1)</sup>
As of March 31, 2024							
Less Than or Equal to One Year		As of March 31, 2024					
Less Than or Equal to One Year		Less Than or Equal to One Year			More Than One Year		
Fair value		Fair value	Gross unrealized losses	# of Securities <sup>(1)</sup>	Fair value	Gross unrealized losses	# of Securities <sup>(1)</sup>
U.S. Treasury securities and obligations of U.S. government authorities and agencies	U.S. Treasury securities and obligations of U.S. government authorities and agencies	\$ 205,524	\$ (12,178)	448	\$ 136,938	\$ (28,476)	464
Obligations of state and political subdivisions	Obligations of state and political subdivisions	1,304	(91)	29	43,802	(4,689)	158
Corporate securities	Corporate securities	167,158	(12,649)	1,053	10,637	(650)	52
Asset backed securities	Asset backed securities	2,102	(317)	29	26,107	(3,515)	153

Obligations of foreign governments	Obligations of foreign governments	—	—	1	1,607	(199)	7
Obligations of foreign governments							
Obligations of foreign governments							
Total	Total	\$376,088	\$ (25,235)	1,560	\$219,091	\$ (37,529)	834

### TIPTREE INC. AND SUBSIDIARIES

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As of December 31, 2022								As of December 31, 2023									
Less Than or Equal to One Year								More Than One Year									
		Gross				Gross				Gross				Gross			
Fair	unrealized	# of	Securities <sup>(1)</sup>	Fair	unrealized	# of	Securities <sup>(1)</sup>	Fair	unrealized	# of	Securities <sup>(1)</sup>	Fair	unrealized	# of	Securities <sup>(1)</sup>		
As of December 31, 2023																	
Less Than or Equal to One Year								More Than One Year									
Less Than or Equal to One Year								More Than One Year									
		Gross				Gross				Gross				Gross			
Fair	value	unrealized	losses	# of	Securities <sup>(1)</sup>	Fair	value	unrealized	losses	# of	Securities <sup>(1)</sup>	Fair	value	unrealized	losses	# of	Securities <sup>(1)</sup>
U.S. Treasury securities and obligations of U.S. government authorities and agencies	U.S. Treasury securities and obligations of U.S. government authorities and agencies	\$164,593	\$ (9,357)	354	\$186,591	\$ (26,705)	385										
Obligations of state and political subdivisions	Obligations of state and political subdivisions	25,507	(1,076)	97	20,219	(3,861)	78										
Corporate securities	Corporate securities	45,016	(1,446)	176	114,683	(12,560)	417										
Asset backed securities	Asset backed securities	10,298	(3,642)	46	5,051	(604)	34										
Obligations of foreign governments	Obligations of foreign governments	309	(1)	1	2,054	(263)	8										
Obligations of foreign governments	Obligations of foreign governments																
Total	Total	\$245,723	\$ (15,522)	674	\$328,598	\$ (43,993)	922										

<sup>(1)</sup> Presented in whole numbers.

Management believes that it is more likely than not that the Company will be able to hold the fixed maturity AFS securities that were in an unrealized loss position as of September 30, 2023 March 31, 2024 until full recovery of their amortized cost basis.

The table below presents a roll-forward of the activity in the allowance for credit losses on AFS securities by type as of September 30, 2023 March 31, 2024:

	Obligations of state and political subdivisions	Corporate securities	Asset backed securities	Obligations of foreign governments	Total
Balance at December 31, 2021	\$ —	\$ (241)	\$ —	\$ (4)	\$ (245)
<b>Obligations of state and political subdivisions</b>					
Balance at December 31, 2022					
(Increase) in allowance for credit losses	(Increase) losses	(3)	(109)	(1)	— (113)
Gains from recoveries of amounts previously written off	Gains from recoveries of amounts previously written off	—	70	—	2 72
Balance at September 30, 2022	\$ (3)	\$ (280)	\$ (1)	\$ (2)	\$ (286)
Gains from recoveries of amounts previously written off					
Gains from recoveries of amounts previously written off					
Balance at March 31, 2023					
Balance at December 31, 2022	\$ (3)	\$ (183)	\$ (1)	\$ (3)	\$ (190)
Balance at December 31, 2023					
Balance at December 31, 2023					
Balance at December 31, 2023					
(Increase) in allowance for credit losses	(Increase) losses	—	(287)	(14)	— (301)
Additions for AFS securities purchased with credit deterioration during the year					

Reduction in credit losses due to AFS securities sold during the year	Gains from recoveries of amounts previously written off	2	139	1	3	145
	Balance at September 30, 2023	\$ (1)	\$ (331)	\$ (14)	\$ —	\$ (346)
Gains from recoveries of amounts previously written off						
Gains from recoveries of amounts previously written off						
Balance at March 31, 2024						

The Company applies a discounted cash flow model, based on assumptions and model outputs provided by an investment management company, in determining its lifetime expected credit losses on AFS securities. This includes determining the present value of expected future cash flows discounted at the book yield of the security.

The table below presents the amount of gains from recoveries (credit losses) on AFS securities recorded by the Company for the following period:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net gains from recoveries (credit losses) on AFS securities	\$ (50)	\$ 35	\$ (156)	\$ (41)
Three Months Ended March 31,				
		2024	2023	
Net gains from recoveries (credit losses) on AFS securities	\$ (122)	\$ 46		

Pursuant to certain reinsurance agreements and statutory licensing requirements, the Company has deposited invested assets in custody accounts or insurance department safekeeping accounts. The Company cannot remove or replace investments in regulatory deposit accounts without prior approval of the contractual party or regulatory authority, as applicable. The following table presents the Company's restricted investments included in the Company's AFS securities:

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	As of			As of	
	March 31, 2024	March 31, 2024		December 31, 2023	September December
	As of				
Fair value of restricted investments in trust pursuant to reinsurance agreements					

Fair value of restricted investments in trust pursuant to reinsurance agreements		
Fair value of restricted investments in trust pursuant to reinsurance agreements	Fair value of restricted investments in trust pursuant to reinsurance agreements	
		\$ 48,092
		\$ 34,386
Fair value of restricted investments for special deposits required by state insurance departments	Fair value of restricted investments for special deposits required by state insurance departments	
		16,681
		16,816
Total fair value of restricted investments	Total fair value of restricted investments	
		\$ 64,773
		\$ 51,202

The following table presents additional information on the Company's AFS securities:

		Three Months Ended March 31,					
		Three Months Ended March 31,					
		Three Months Ended March 31,					
			Three Months Ended September 30,				Nine Months Ended September 30,
			2024				
			2024				
			2023	2022	2023	2022	
			2024				
Purchases of AFS securities	Purchases of AFS securities	\$ 146,512	\$ 12,395	\$ 449,165	\$ 138,738		
Purchases of AFS securities							
Purchases of AFS securities							
Proceeds from maturities, calls and prepayments of AFS securities							
Proceeds from maturities, calls and prepayments of AFS securities							
Proceeds from maturities, calls and prepayments of AFS securities							
Proceeds from maturities, calls and prepayments of AFS securities							
Gross proceeds from sales of AFS securities	Gross proceeds from sales of AFS securities	\$ 2,578	\$ —	\$ 42,536	\$ 16,970		
Gross proceeds from sales of AFS securities							
Gross proceeds from sales of AFS securities							

The following table presents the gross realized gains and gross realized losses from sales and redemptions of AFS securities:

	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2024		2024		2024	
Gross realized (losses)			Three Months Ended September 30,		Nine Months Ended September 30,	
Gross realized gains	2023		2022		2023	
Gross realized (losses)	\$ 80		\$ —		\$ 80	
Gross realized (losses)	\$ (78)		\$ —		\$ (3,034)	
Total net realized gains (losses) from investment sales and redemptions	Total net realized gains (losses) from investment sales and redemptions		\$ 2		\$ (2,954)	
Total net realized gains (losses) from investment sales and redemptions	\$ (184)		\$ (110)			
Total net realized gains (losses) from investment sales and redemptions						
Total net realized gains (losses) from investment sales and redemptions						

#### Loans, at fair value

The following table presents the Company's investments in loans measured at fair value and the Company's investments in loans measured at fair value pledged as collateral:

	As of September 30, 2023			As of December 31, 2022				
	Fair value		Fair value					
	Unpaid principal	exceeds / Pledged	Unpaid principal	exceeds / Pledged				
	Fair value	(UPB)	Unpaid principal	Fair value	Unpaid principal	Fair value	(UPB)	
	balance	UPB	balance	(UPB)	balance	balance	UPB	
	value	(UPB)	value	(UPB)	value	value	(UPB)	
	As of March 31, 2024				As of March 31, 2024		As of December 31, 2023	
					Unpaid principal	Fair value Pledged	Unpaid principal Fair value	
					Fair balance	exceeds / as Fair balance	exceeds / as Pledged	
					value	(UPB)	(UPB)	
Insurance:	Insurance:							
Corporate loans (1)								
Corporate loans (1)								
Corporate loans (1)	Corporate loans (1)	\$ 13,888	\$ 17,118	\$ (3,230)	\$ —	\$ 14,312	\$ 16,032	
Mortgage:	Mortgage:							
Mortgage:								
Mortgage:	Mortgage loans held for sale (2)							
Mortgage:	Mortgage loans held for sale (2)							

Mortgage loans held for sale (2)	Mortgage loans held for sale (2)	62,087	61,392	695	61,376	50,531	49,361	1,170	50,113
Total loans, at fair value	Total loans, at fair value	\$ 75,975	\$ 78,510	\$ (2,535)	\$ 61,376	\$ 64,843	\$ 65,393	\$ (550)	\$ 50,113

(1) The cost basis of Corporate loans was approximately \$17,118 \$12,671 and \$16,032 \$14,671 at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

(2) As of September 30, 2023 March 31, 2024, there were three mortgage loans held for sale that were 90 days or more past due. As of December 31, 2022 December 31, 2023, there were no mortgage loans held for sale that were 90 days or more past due.

### Equity Securities

Equity securities consist mainly of publicly traded common and preferred stocks and fixed income exchange traded funds. Included within the equity securities balance are 17.0 million 16.98 million shares of Invesque as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, for which the Company has elected to apply the fair value option. The following table presents information on the cost and fair value of the Company's equity securities related to Insurance and Tiptree Capital as of the following periods:

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As of September 30, 2023									
		Insurance		Tiptree Capital - Other				Total	
		Cost	Fair Value	Cost	Fair Value			Cost	Fair Value
As of March 31, 2024									
Invesque	Invesque	\$ 23,339	\$ 1,174	\$ 111,491	\$ 5,619	\$ 134,830	\$ 6,793		
Fixed income exchange traded funds	Fixed income exchange traded funds	1,339	1,291	—	—	1,339	1,291		
As of March 31, 2024									
Invesque	Invesque	\$ 23,339	\$ 1,174	\$ 111,491	\$ 5,619	\$ 134,830	\$ 6,793		
Other equity securities	Other equity securities	25,749	23,826	29,941	31,546	55,690	55,372		
Other equity securities	Other equity securities	\$ 50,427	\$ 26,291	\$ 141,432	\$ 37,165	\$ 191,859	\$ 63,456		
As of December 31, 2022									
Tiptree Capital -									
		Insurance		Other		Total			

		Fair Cost	Fair Value	Fair Cost	Fair Value			
		As of December 31, 2023				As of December 31, 2023		
		Insurance				Insurance	Tiptree Capital - Other	Total
		Cost				Cost	Fair Value	Cost
Invesque	Invesque	\$23,339	\$ 2,670	\$111,491	\$12,784	\$134,830	\$15,454	
Fixed income	Fixed income							
exchange	exchange							
traded funds	traded funds	56,263	56,256	—	—	56,263	56,256	
Other equity	Other equity							
securities	securities	15,773	14,066	—	—	15,773	14,066	
Total	Total							
equity	equity							
securities	securities	\$95,375	\$72,992	\$111,491	\$12,784	\$206,866	\$85,776	

#### Other Investments

The following table contains information regarding the Company's other investments as of the following periods:

		As of September 30, 2023					
		Tiptree Capital					
		Insurance	Mortgage	Other	Total		
As of March 31, 2024							
		Tiptree Capital					
		Insurance					
		Insurance					
Corporate	Corporate						
bonds, at fair	bonds, at fair						
value (1)	value (1)	\$ 62,929	\$ —	\$ —	\$ 62,929		
Debentures	Debentures	23,234	—	—	23,234		
Debentures	Debentures						
Debentures	Debentures						
Investment in credit fund	Investment in credit fund						
Investment in credit fund	Investment in credit fund						
Investment in credit fund	Investment in credit fund						
Other	Other	127	4,081	2,464	6,672		
Total other	Total other	\$ 86,290	\$ 4,081	\$ 2,464	\$ 92,835		
investments	investments	=====	=====	=====	=====		
As of December 31, 2022							
		Tiptree Capital					
		Insurance	Mortgage	Other	Total		
		Insurance					
Corporate	Corporate						
bonds, at fair	bonds, at fair						
value (1)	value (1)	\$ 42,080	\$ —	\$ —	\$ 42,080		
Debentures	Debentures	23,853	—	—	23,853		
Debentures	Debentures						
		As of December 31, 2023					
		Tiptree Capital					
		Insurance					
		Insurance					
Corporate	Corporate						
bonds, at fair	bonds, at fair						
value (1)	value (1)	\$ 42,080	\$ —	\$ —	\$ 42,080		
Debentures	Debentures	23,853	—	—	23,853		
Debentures	Debentures						

Debentures				
Investment in credit fund				
Other	Other	230	4,038	2,824
				7,092
Total other investments	Total other investments	\$ 66,163	\$ 4,038	\$ 2,824
				\$ 73,025

(b) The cost basis of corporate bonds was \$64,656 \$39,378 and \$45,630 \$59,315 as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

## TIPTREE INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

September 30, 2023 March 31, 2024

(in thousands, except share data)

### Net Investment Income - Insurance

Net investment income represents investment income and expense from investments related to insurance operations as disclosed within net investment income on the condensed consolidated statements of operations. The following table presents the components of net investment income by source of income:

	Three Months Ended			Nine Months Ended				
	September 30,		2023	2022		September 30,	2023	2022
Interest:	Three Months Ended			Three Months Ended				
Interest:	March 31,			March 31,				
Interest:	Interest:			Interest:				
AFS securities	AFS securities	\$	5,255	\$	3,094	\$	16,863	\$ 7,955
AFS securities								
AFS securities								
Loans, at fair value								
Loans, at fair value								
Loans, at fair value	Loans, at fair value		168		173		422	514
Other investments	Other investments		1,758		1,382		5,837	4,240
Other investments								
Other investments								
Dividends from equity securities								
Dividends from equity securities								
Dividends from equity securities	Dividends from equity securities		39		212		1,339	883
Subtotal	Subtotal		7,220		4,861		24,461	13,592
Subtotal								
Subtotal								
Less: investment expenses								
Less: investment expenses								
Less: investment expenses	Less: investment expenses		1,804		1,229		4,848	3,428
Net investment income	Net investment income	\$	5,416	\$	3,632	\$	19,613	\$ 10,164

Net investment income
Net investment income

#### Other Investment Income - Tiptree Capital

Other investment income represents revenue from non-insurance activities as disclosed within other revenue on the condensed consolidated statements of operations, see Note (15) Other Revenue and Other Expenses. The following tables present the components of other investment income by type:

	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,		Nine Months Ended September 30,	
	2024		2024		2024		2022	
Interest income from Loans, at fair value								
		2023		2022		2023		2022
Interest income from Loans, at fair value								
Interest income from Loans, at fair value (1)	\$ 826		\$ 766		\$ 2,213		\$ 4,652	
Interest income from Loans, at fair value								
Loan fee income (1)	4,193		3,998		12,186		14,494	
Loan fee income								
Loan fee income								
Loan fee income								
Other								
Other								
Other	Other	1,072		7,829		2,458		28,337
Other investment income	Other investment income	\$ 6,091		\$ 12,593		\$ 16,857		\$ 47,483
Other investment income								
Other investment income								

(1) Includes income related to Loans at fair value classified as Held for Sale for the periods prior to July 1, 2022.

#### Net Realized and Unrealized Gains (Losses)

The following table presents the components of net realized and unrealized gains (losses) recorded on the condensed consolidated statements of operations. Net unrealized gains (losses) on AFS securities are included within other comprehensive income (loss) ("OCI"), net of tax, and, as such, are not included in this table. Net realized and unrealized gains (losses) on non-investment related financial assets and liabilities are included below:

	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,			
	2024		2024		2024			
Net realized gains (losses)								
Net realized gains (losses)								
Net realized gains (losses)								
Insurance:								
Insurance:								
Insurance:								

Reclass of unrealized gains (losses)  
on AFS securities from OCI  
Reclass of unrealized gains (losses)  
on AFS securities from OCI  
Reclass of unrealized gains (losses)  
on AFS securities from OCI  
Net gains from recoveries (credit  
losses) on AFS securities  
Net gains from recoveries (credit  
losses) on AFS securities  
Net gains from recoveries (credit  
losses) on AFS securities  
Net realized gains (losses) on loans  
Net realized gains (losses) on loans  
Net realized gains (losses) on loans  
Net realized gains (losses) on equity  
securities  
Net realized gains (losses) on equity  
securities  
Net realized gains (losses) on equity  
securities  
Net realized gains (losses) on  
corporate bonds  
Net realized gains (losses) on  
corporate bonds  
Net realized gains (losses) on  
corporate bonds  
Other  
Other  
Other

Tiptree Capital

Tiptree Capital

Tiptree Capital

Mortgage:

Mortgage:

Mortgage:

Net realized gains (losses) on loans  
Net realized gains (losses) on loans  
Net realized gains (losses) on loans  
Other  
Other  
Other

Other:

Other:

Other:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net realized gains (losses) on equity securities				
<b>Net realized gains (losses)</b>				
Reclass of unrealized gains (losses) on AFS securities from OCI	\$ 2	\$ —	\$ (2,954)	\$ (110)

Net gains from recoveries (credit losses) on AFS securities	(50)	35	(156)	(41)
Net realized gains (losses) on loans	(2,902)	(1,241)	(2,900)	(1,617)
Net realized gains (losses) on equity securities	(1,076)	(1,639)	(1,923)	(4,104)
Net realized gains (losses) on corporate bonds	(695)	(2,937)	(1,919)	(3,049)
Other	1,089	3,951	335	(2,612)
<b>Tiptree Capital</b>				
<b>Mortgage:</b>				
Net realized gains (losses) on loans	8,848	11,902	29,680	32,475
Other	1,971	663	2,107	13,376
<b>Other:</b>				
Net realized gains (losses) on loans <sup>(1)</sup>	—	—	—	24,403
Net realized gains on vessel sales	—	14,099	—	21,217
Net realized gains (losses) on equity securities				

### TIPTREE INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

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(in thousands, except share data)

Other	—	—	—	762
Total net realized gains (losses)				
Total net realized gains (losses)				
Total net realized gains (losses)	Total net realized gains (losses)	\$ 7,187	\$ 24,833	\$ 22,270
Net unrealized gains (losses)	Net unrealized gains (losses)			\$ 80,700
Net unrealized gains (losses)				
Net unrealized gains (losses)				
<b>Insurance:</b>				
<b>Insurance:</b>				
Insurance:	Insurance:			
Net change in unrealized gains (losses) on loans	Net change in unrealized gains (losses) on loans	\$ 2,563	\$ (783)	\$ (1,510)
Net change in unrealized gains (losses) on loans				\$ (467)
Net change in unrealized gains (losses) on loans				
Net unrealized gains (losses) on equity securities held at period end				
Net unrealized gains (losses) on equity securities held at period end				
Net unrealized gains (losses) on equity securities held at period end	Net unrealized gains (losses) on equity securities held at period end	(3,844)	(452)	(2,537)
Net unrealized gains (losses) on equity securities held at period end				\$ (5,087)

Reclass of unrealized (gains) losses from prior periods for equity securities sold	Reclass of unrealized (gains) losses from prior periods for equity securities sold	410	(1)	(7)	(953)
Reclass of unrealized (gains) losses from prior periods for equity securities sold					
Reclass of unrealized (gains) losses from prior periods for equity securities sold					
Other					
Other	Other	2,887	(3,316)	2,969	(5,112)
<u>Tiptree Capital</u>	<u>Tiptree Capital</u>				
<u>Tiptree Capital</u>					
<u>Mortgage:</u>					
<u>Mortgage:</u>					
<u>Mortgage:</u>	<u>Mortgage:</u>				
Net change in unrealized gains (losses) on loans	Net change in unrealized gains (losses) on loans	(287)	(2,104)	(476)	(4,005)
Net change in unrealized gains (losses) on loans					
Net change in unrealized gains (losses) on loans					
Other					
Other	Other	(834)	385	(2,365)	2,866
<u>Other:</u>	<u>Other:</u>				
Net change in unrealized gains (losses) on loans <sup>(1)</sup>	—	—	—	—	(4,513)
<u>Other:</u>					
<u>Other:</u>					
Net unrealized gains (losses) on equity securities held at period end	Net unrealized gains (losses) on equity securities held at period end	(6,624)	(1,405)	(5,561)	(12,924)
Other		(1)	2	(324)	(455)
Net unrealized gains (losses) on equity securities held at period end					
Net unrealized gains (losses) on equity securities held at period end					
Reclass of unrealized (gains) losses from prior periods for equity securities sold					
Reclass of unrealized (gains) losses from prior periods for equity securities sold					
Reclass of unrealized (gains) losses from prior periods for equity securities sold					
Total net unrealized gains (losses)					
Total net unrealized gains (losses)					
Total net unrealized gains (losses)	Total net unrealized gains (losses)	(5,730)	(7,674)	(9,811)	(30,650)

Total net realized and unrealized gains (losses)	Total net realized and unrealized gains (losses)	\$ 1,457	\$ 17,159	\$ 12,459	\$ 50,050
Total net realized and unrealized gains (losses)					
Total net realized and unrealized gains (losses)					

(1) Relates to Loans, at fair value classified as Held for Sale for the periods prior to July 1, 2022.

## **(6) Notes and Accounts Receivable, net**

The following table presents the total notes and accounts receivable, net:

		As of		
		September 30, 2023	December 31, 2022	
As of				
As of				
As of				
March 31, 2024		March 31, 2024	December 31, 2023	
Accounts and premiums receivable, net	Accounts and premiums receivable, net	\$ 269,202	\$ 142,011	
Retrospective commissions receivable	Retrospective commissions receivable	233,351	191,092	
Notes receivable, net	Notes receivable, net	131,692	121,419	
Trust receivables		2,604	18,455	
Other receivables				
Other receivables				
Other receivables	Other receivables	28,068	29,334	
Total notes and accounts receivable, net	Total notes and accounts receivable, net	\$ 664,917	\$ 502,311	

The following table presents the total valuation allowance and bad debt expense for the following periods:

Valuation allowance			
Valuation allowance			
Valuation allowance			<b>Bad Debt Expense</b>
	<b>Valuation allowance</b>	<b>Bad Debt Expense</b>	
	As of		
	As of		
		Three	Nine
		Months	Months
		Ended	Ended
		September	September
	As of	30,	30,
September	December		
30, 2023	31, 2022	2023	2022
	As of		
			<b>Three Months Ended March 31,</b>

March 31, 2024	
Notes receivable, net	
- premium financing	
program (1)	
Notes receivable, net	
- premium financing	
program (1)	
Notes receivable, net -	
net -	
premium financing	
program (1) \$	51 \$ 85 \$ 17 \$ 39 \$ 101 \$ 129
Accounts and premiums receivable, net	\$ 134 \$ 94 \$ 2 \$ 9 \$ 14 \$ 54
Accounts and premiums receivable, net	
Accounts and premiums receivable, net	

(1) As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, there were \$136 \$398 and \$166 \$219 in balances classified as 90 days plus past due, respectively.

#### (7) Reinsurance Recoverable and Prepaid Reinsurance Premiums

The following table presents the effect of reinsurance on premiums written and earned by our insurance business for the following periods:

TIPTREE INC. AND SUBSIDIARIES						
Notes to Condensed Consolidated Financial Statements						
September 30, 2023						
(in thousands, except share data)						
	Direct Amount	Ceded to Other Companies	Assumed from Other Companies	Net Amount	Percentage of Amount - Assumed to Net	
<b>Three Months Ended September 30, 2023</b>						
<b>Premiums written:</b>						
Life insurance	\$ 22,161	\$ 11,207	\$ 70	\$ 11,024		0.6 %
Accident and health insurance	36,070	24,961	(5,773)	5,336		(108.2)%
Property and liability insurance	463,891	227,785	81,455	317,561		25.7 %
<b>Total premiums written</b>	<b>\$ 522,122</b>	<b>\$ 263,953</b>	<b>\$ 75,752</b>	<b>\$ 333,921</b>		22.7 %
<b>Premiums earned:</b>						
Life insurance	\$ 20,585	\$ 10,186	\$ 63	\$ 10,462		0.6 %
Accident and health insurance	34,688	24,071	(5,765)	4,852		(118.8)%
Property and liability insurance	366,462	174,801	84,318	275,979		30.6 %
<b>Total premiums earned</b>	<b>\$ 421,735</b>	<b>\$ 209,058</b>	<b>\$ 78,616</b>	<b>\$ 291,293</b>		27.0 %
<b>Three Months Ended September 30, 2022</b>						
<b>Premiums written:</b>						
Life insurance	\$ 24,658	\$ 12,230	\$ 32	\$ 12,460		0.3 %
Accident and health insurance	40,433	27,905	187	12,715		1.5 %
Property and liability insurance	340,593	193,181	171,707	319,119		53.8 %

Total premiums written	\$ 405,684	\$ 233,316	\$ 171,926	\$ 344,294	49.9 %
<b>Premiums earned:</b>					
Life insurance	\$ 21,176	\$ 10,514	\$ 115	\$ 10,777	1.1 %
Accident and health insurance	36,453	25,088	233	11,598	2.0 %
Property and liability insurance	284,119	151,756	83,139	215,502	38.6 %
Total premiums earned	\$ 341,748	\$ 187,358	\$ 83,487	\$ 237,877	35.1 %
<b>Nine Months Ended September 30, 2023</b>					
<b>Premiums written:</b>					
Life insurance	\$ 59,625	\$ 30,389	\$ 187	\$ 29,423	0.6 %
Accident and health insurance	93,840	63,978	6,119	35,981	17.0 %
Property and liability insurance	1,294,903	714,195	289,527	870,235	33.3 %
Total premiums written	\$ 1,448,368	\$ 808,562	\$ 295,833	\$ 935,639	31.6 %
<b>Premiums earned:</b>					

### TIPTREE INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

September 30, 2023 March 31, 2024

(in thousands, except share data)

Direct Amount	Percentage				Ceded to Other Companies	f C		
	Direct Amount	Ceded to Other Companies	Assumed from Other Companies	Net Amount				
<b>Three Months Ended March 31, 2024</b>								
<b>Three Months Ended March 31, 2024</b>								
<b>Three Months Ended March 31, 2024</b>								
<b>Premiums written:</b>								
<b>Premiums written:</b>								
<b>Premiums written:</b>								
Life insurance								
Life insurance								
Life insurance				\$ 17,344	\$ 8,935	\$ 231		
Accident and health insurance				29,978	20,101	415		
Property and liability insurance				409,785	222,664	112,098		
Total premiums written				\$457,107	\$251,700	\$112,744		
<b>Premiums earned:</b>								
<b>Premiums earned:</b>								
<b>Premiums earned:</b>								



The following table presents the components of policy and contract benefits, including the effect of reinsurance on losses and loss adjustment expenses (LAE) incurred:

	Direct Amount				Percentage of Amount - Assumed to Net	Direct Amount	Ceded to Other Companies		Assumed from Other Companies			
	Ceded to Other Companies		Assumed from Other Companies				Ceded to Other Companies		Assumed from Other Companies			
	Direct Amount	Other Companies	from Other Companies	Net Amount			Direct Amount	Other Companies				
<b>Three Months Ended September 30, 2023</b>												
<b>Three Months Ended March 31, 2024</b>												
<b>Three Months Ended March 31, 2024</b>												
<b>Losses and LAE Incurred</b>												
<b>Losses and LAE Incurred</b>												
<b>Losses and LAE Incurred</b>												
<b>Life insurance</b>												
Life insurance	\$ 11,386	\$ 6,014	\$ 26	\$ 5,398	0.5 %	\$ 12,201	\$ 6,717	\$ (32)	\$ 5,4			
Accident and health insurance	8,259	6,796	(253)	1,210	(20.9) %	5,529	4,058	4,058	871	2,342		
Property and liability insurance	186,371	124,492	56,636	118,515	47.8 %	181,685	104,395	104,395	90,296	167,586		
Total losses and LAE incurred	\$ 206,016	\$ 137,302	\$ 56,409	\$ 125,123	45.1 %	inurred \$ 199,415	\$ 115,170	\$ 115,170	\$ 91,135	\$		
<b>Member benefit claims (1)</b>												
<b>Total policy and contract benefits</b>												
<b>Total policy and contract benefits</b>												
<b>Total policy and contract benefits</b>												
<b>Three Months Ended March 31, 2023</b>												
<b>Three Months Ended March 31, 2023</b>												
<b>Three Months Ended March 31, 2023</b>												
<b>Losses and LAE Incurred</b>												
<b>Losses and LAE Incurred</b>												

<u>Losses and LAE</u>					
<u>Incurred</u>					
Life insurance					
Life insurance				\$ 13,245	\$ 7,204
Life insurance					\$ 38
Accident and health insurance	Accident and health insurance				
and health insurance	insurance	6,567		4,504	4,505
Property and liability insurance	Property and liability insurance				
insurance	133,690		88,932		56,922
Total losses and LAE incurred	Total losses and LAE incurred	\$ 153,502		\$ 100,640	\$ 61,465
<hr/>					
Member benefit claims <sup>(1)</sup>					
Total policy and contract benefits					
Total policy and contract benefits					
Total policy and contract benefits					
Member benefit claims <sup>(1)</sup>	28,843				
Total policy and contract benefits	\$153,966				
<b>Three Months Ended</b>					
<b>September 30, 2022</b>					

<sup>(1)</sup> Member benefit claims are not covered by reinsurance.

**TIPTREE INC. AND SUBSIDIARIES**  
 Notes to Condensed Consolidated Financial Statements  
 September 30, 2023 March 31, 2024  
*(in thousands, except share data)*

<u>Losses and LAE Incurred</u>						
Life insurance	\$ 13,383	\$ 7,388	\$ 78	\$ 6,073		1.3 %
Accident and health insurance	6,855	4,966	488	2,377		20.5 %
Property and liability insurance	119,369	87,898	57,906	89,377		64.8 %
Total losses and LAE incurred	\$ 139,607	\$ 100,252	\$ 58,472	\$ 97,827		59.8 %
<hr/>						
Member benefit claims <sup>(1)</sup>						23,415
Total policy and contract benefits						\$ 121,242
<b>Nine Months Ended September 30, 2023</b>						
<u>Losses and LAE Incurred</u>						
Life insurance	\$ 35,969	\$ 19,436	\$ 82	\$ 16,615		0.5 %
Accident and health insurance	21,001	16,391	5,560	10,170		54.7 %
Property and liability insurance	464,299	314,394	177,787	327,692		54.3 %
Total losses and LAE incurred	\$ 521,269	\$ 350,221	\$ 183,429	\$ 354,477		51.7 %
<hr/>						
Member benefit claims <sup>(1)</sup>						88,898
Total policy and contract benefits						\$ 443,375
<b>Nine Months Ended September 30, 2022</b>						
<u>Losses and LAE Incurred</u>						
Life insurance	\$ 40,993	\$ 22,158	\$ 424	\$ 19,259		2.2 %
Accident and health insurance	24,826	19,304	6,581	12,103		54.4 %
Property and liability insurance	333,582	234,440	133,552	232,694		57.4 %
Total losses and LAE incurred	\$ 399,401	\$ 275,902	\$ 140,557	\$ 264,056		53.2 %

		Member benefit claims (1)		66,297
		Total policy and contract benefits	\$	330,353

(1) Member benefit claims are not covered by reinsurance.

The following table presents the components of the reinsurance recoverable:

		As of		
		September 30, 2023	December 31, 2022	
		As of		
		As of		
		As of		
	March 31, 2024		March 31, 2024	December 31, 2023
Ceded claim reserves:	Ceded claim reserves:			
Ceded claim reserves:				
Ceded claim reserves:				
Life insurance				
Life insurance				
Life insurance	Life insurance	\$ 4,244	\$ 3,965	
Accident and health insurance	Accident and health insurance	22,186	19,408	
Property and liability insurance	Property and liability insurance	367,091	243,726	
Total ceded claim reserves recoverable	Total ceded claim reserves recoverable	393,521	267,099	
Other reinsurance settlements recoverable	Other reinsurance settlements recoverable	348,511	183,521	
Total reinsurance receivables		\$ 742,032	\$ 450,620	
Total reinsurance recoverable				

The following table presents the components of prepaid reinsurance premiums:

		As of		
		September 30, 2023	December 31, 2022	
		As of		
		As of		
		As of		
	March 31, 2024		March 31, 2024	December 31, 2023
Prepaid reinsurance premiums:	Prepaid reinsurance premiums:			
Prepaid reinsurance premiums:				
Prepaid reinsurance premiums:				
Life insurance (1)				
Life insurance (1)				

Life insurance	Life insurance				
(1)	(1)	\$ 74,942	\$ 75,553		
Accident and health insurance (1)	Accident and health insurance (1)	75,672	81,718		
Property and liability insurance	Property and liability insurance	743,658	568,199		
Total prepaid reinsurance premiums	Total prepaid reinsurance premiums	\$ 894,272	\$ 725,470		

(1) Including policyholder account balances ceded.

The following table presents the aggregate amount included in reinsurance receivables that is comprised of the three largest receivable balances from non-affiliated reinsurers:

	As of
Total of the three largest receivable balances from non-affiliated reinsurers	September 30,
	2023 March 31, 2024
	\$ 161,714 184,202

### TIPTREE INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

September 30, 2023

(in thousands, except share data)

As of September 30, 2023 March 31, 2024, the non-affiliated reinsurers from whom our insurance business has the largest receivable balances were: Accredited Insurance (Europe) Limited (A.M. Best Rating: A- rated) (Accredited), Allianz Global Corporate & Specialty SE (A.M. Best Rating: A+ rated) (Allianz), Accredited and Accident Fund Insurance (Europe) Limited (A.M. Best Rating A-) and Sidecars Reinsurance Company Inc. of America (A.M. Best Rating: Not Rated) A rated (Accident). A majority of Accredited balances are collateralized; the related receivables from these reinsurers are collateralized by assets on hand Accident and letters of credit; receivable Allianz balances from authorized reinsurers do not require collateral. Allianz Global Corporate & Specialty SE is an collateral based on the authorized reinsurer in status of the states in which Fortegra's U.S. based insurance entities are domiciled. parties. The Company monitors authorization status, financial statements and A.M. Best ratings of its reinsurers periodically. As of September 30, 2023 March 31, 2024, the Company does not believe there is a risk of loss due to the concentration of credit risk in the reinsurance program given the collateralization, related collateralization or reinsurer A.M. Best rating.

### TIPTREE INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

March 31, 2024

(in thousands, except share data)

### (8) Goodwill and Intangible Assets, net

The following table presents identifiable finite and indefinite-lived intangible assets, accumulated amortization, and goodwill by operating segment and/or reporting unit, as appropriate:

Finite-Lived Intangible Assets:	As of March 31, 2024			As of December 31, 2023		
	As of September 30, 2023			As of December 31, 2022		
	Insurance	Other	Total	Insurance	Other	Total
<b>Finite-Lived Intangible Assets:</b>						
<b>Finite-Lived Intangible Assets:</b>						
Customer relationships	\$ 162,026	\$ —	\$ 162,026	\$ 149,835	\$ —	\$ 149,835
Accumulated amortization	(71,128)	—	(71,128)	(60,401)	—	(60,401)
Trade names	16,165	800	16,965	15,028	800	15,828
Accumulated amortization	(8,094)	(660)	(8,754)	(7,039)	(600)	(7,639)

Software licensing	Software licensing	17,034	640	17,674	12,386	640	13,026
Accumulated amortization	Accumulated amortization	(9,654)	(640)	(10,294)	(9,084)	(640)	(9,724)
Insurance policies and contracts acquired	Insurance policies and contracts acquired	36,500	—	36,500	36,500	—	36,500
Accumulated amortization	Accumulated amortization	(36,474)	—	(36,474)	(36,374)	—	(36,374)
Other	Other	1,069	—	1,069	751	—	751
Accumulated amortization	Accumulated amortization	(464)	—	(464)	(276)	—	(276)
Total finite-lived intangible assets	Total finite-lived intangible assets	106,980	140	107,120	101,326	200	101,526
Indefinite-Lived Intangible Assets: (1)	Indefinite-Lived Intangible Assets: (1)						
Insurance licensing agreements	Insurance licensing agreements	13,761	—	13,761	13,761	—	13,761
Insurance licensing agreements	Insurance licensing agreements						
Other	Other	—	1,728	1,728	—	1,728	1,728
Total indefinite-lived intangible assets	Total indefinite-lived intangible assets	13,761	1,728	15,489	13,761	1,728	15,489
Total intangible assets, net	Total intangible assets, net	\$ 120,741	\$ 1,868	\$ 122,609	\$ 115,087	\$ 1,928	\$ 117,015
Goodwill	Goodwill	203,315	1,708	205,023	184,900	1,708	186,608
Goodwill	Goodwill						
Total goodwill and intangible assets, net	Total goodwill and intangible assets, net	\$ 324,056	\$ 3,576	\$ 327,632	\$ 299,987	\$ 3,636	\$ 303,623

(1) Impairment tests are performed at least annually on indefinite-lived intangible assets.

### Goodwill

The following table presents the activity in goodwill, by operating segment and/or reporting unit, as appropriate, and includes the adjustments made to the balance of goodwill to reflect the effect of the final valuation adjustments made for acquisitions, as well as the reduction to any goodwill attributable to impairment related charges:

		Insurance	Other	Total			
		Insurance					
		Insurance					
Balance at December 31, 2022	Balance at December 31, 2022	\$ 184,900	\$ 1,708	\$ 186,608			

Goodwill	Goodwill			
acquired	acquired			
(1)	(1)	18,359	—	18,359
Foreign	Foreign			
currency	currency			
translation	translation			
and other	and other	56	—	56
Balance at September				
30, 2023		\$203,315	\$1,708	\$205,023
Balance at				
December				
31, 2023				
Foreign currency				
translation and other				
Foreign currency				
translation and other				
Foreign currency				
translation and other				
Balance at				
March 31,				
2024				

(1) See Note (3) Acquisitions for more information.

The Company conducts annual impairment tests of its goodwill as of October 1. For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, no impairments were recorded on the Company's goodwill. There was no accumulated impairment recorded in the goodwill balance as of March 31, 2024.

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#### Intangible Assets, net

The following table presents the activity, by operating segment and/or reporting unit, as appropriate, in finite and indefinite-lived other intangible assets and includes the adjustments made to the balance to reflect the effect of any final valuation adjustments made for acquisitions, as well as any reduction attributable to impairment-related charges:

	Insurance			Other	Total
	Insurance	Other	Total		
Balance at December 31, 2022					
Balance at December 31, 2022					
Balance at December 31, 2022	Balance at December 31, 2022				
Intangible assets	Intangible assets				
acquired (1)	acquired (1)	18,152	—	18,152	
Amortization expense	Amortization expense	(12,668)	(60)	(12,728)	
Foreign currency translation and other	Foreign currency translation and other	170	—	170	
Balance at September 30, 2023	\$120,741	\$1,868	\$122,609		
Impairment					
Balance at December 31, 2023					
Amortization expense					
Amortization expense					

Amortization expense
Foreign
currency
translation
and other
Balance at March 31, 2024
Balance at March 31, 2024
Balance at March 31, 2024

(a) See Note (3) Acquisitions for more information.

The following table presents the amortization expense on finite-lived intangible assets for the following periods:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023		2022	
	\$	4,879	\$	4,129
Amortization expense on intangible assets			\$	12,728
Three Months Ended March 31,				
Amortization expense on intangible assets	2024		2023	
	\$	3,991	\$	3,926

For the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, no impairments were recorded on the Company's intangible assets. The Company recorded \$728 of accumulated impairment on intangible assets as of March 31, 2024.

The following table presents the amortization expense on finite-lived intangible assets for the next five years and thereafter by operating segment and/or reporting unit, as appropriate:

	As of September 30, 2023					
	Insurance		Other	Total		
	\$	4,253	\$	20	\$	4,273
Remainder of 2023						
2024		15,354		80		15,434
2025		13,240		40		13,280
2026		10,894		—		10,894
2027		9,543		—		9,543
2028 and thereafter		54,442		—		54,442
Total (1)	\$	107,726	\$	140	\$	107,866

	As of March 31, 2024					
	Insurance (1)		Other	Total		
	\$	11,514	\$	60	\$	11,574
Remainder of 2024						
2025		13,240		40		13,280
2026		10,894		—		10,894
2027		9,543		—		9,543
2028		8,341		—		8,341
2029 and thereafter		46,101		—		46,101
Total	\$	99,633	\$	100	\$	99,733

(b) Does not include foreign currency translation adjustment of \$(746) \$46 as of September 30, 2023 March 31, 2024.

#### **(9) Derivative Financial Instruments and Hedging**

The Company selectively utilizes derivative financial instruments as part of its overall investment and hedging activities. Derivative contracts are subject to additional risk that can result in a loss of all or part of an investment. The Company's derivative activities are primarily entered into in order to manage underlying credit risk, market risk, interest rate risk

and currency exchange rate risk. In addition, the Company is also subject to counterparty risk should its counterparties fail to meet the contract terms. Derivative assets are reported in other investments. Derivative liabilities are reported within other liabilities and accrued expenses. Derivatives for our mortgage business are primarily comprised of interest rate lock commitments (IRLCs), forward delivery contracts, and TBA mortgage-backed securities.

#### Interest Rate Lock Commitments

Derivatives for our mortgage business are primarily comprised of interest rate lock commitments (IRLCs), forward delivery contracts, and TBA mortgage-backed securities. The fair value of these instruments is based upon valuation pricing models, which represent the amount the Company would expect to receive or pay at the balance sheet date to exit the position. Our mortgage origination subsidiary issues IRLCs to their customers, which are carried at estimated fair value on the Company's condensed consolidated balance sheets. The

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estimated fair values of these commitments are generally calculated by reference to the value of the underlying loan associated with the IRLC net of costs to produce and an expected pull through assumption. The fair values of these commitments generally fall under Level 3 in the fair value hierarchy.

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#### Forward Delivery Contracts and TBA Mortgage-Backed Securities

Our mortgage origination subsidiary manages their exposure by entering into forward delivery commitments with loan investors. For loans not locked with investors under a forward delivery commitment, the Company enters into hedge instruments, primarily TBAs, to protect against movements in interest rates. The fair values of TBA mortgage-backed securities and forward delivery contracts generally fall under Level 2 in the fair value hierarchy.

The remaining derivatives are generally comprised of a combination of swaps, currency forwards and options, which are generally classified as Level 2 in the fair value hierarchy. In addition, the Fortegra Additional Warrant (Warburg) is a derivative liability and classified as Level 3 in the fair value hierarchy. See Note (16) Stockholders' Stockholders' Equity for additional information regarding the Fortegra Additional Warrant.

The following table presents the gross notional and fair value amounts of derivatives (on a gross basis) categorized by underlying risk:

	As of September 30, 2023			As of December 31, 2022			As of March 31, 2024			As of March 31, 2024			As of December 31, 2023		
	Notional values	Asset derivatives	Liability derivatives	Notional values	Asset derivatives	Liability derivatives	Notional values	Asset derivatives	Liability derivatives	Notional values	Asset derivatives	Liability derivatives	Notional values	Asset derivatives	Liability derivatives
As of March 31, 2024															
Interest rate lock commitments	Interest rate lock commitments	\$160,957	\$ 3,002	\$ —	\$147,963	\$ 3,652	\$ —								
Forward delivery contracts	Forward delivery contracts	24,999	62	15	32,160	112	39								
TBA mortgage-backed securities	TBA mortgage-backed securities	165,600	1,017	155	133,500	273	141								
Fortegra Additional Warrants (Warburg)(1)	Fortegra Additional Warrants (Warburg)(1)	—	—	2,680	—	—	5,291								
Other	Other	13,144	127	14	13,427	230	7,730								
Total	Total	\$364,700	\$ 4,208	\$ 2,864	\$327,050	\$ 4,267	\$ 13,201								

(1) See Note (16) Stockholders' Stockholders' Equity for additional information.

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**(10) Debt, net**

The following table presents the balance of the Company's debt obligations, net of discounts and deferred financing costs for our corporate and asset based debt. Asset based debt is generally recourse only to specific assets and related cash flows.

		As of September 30, 2023			As of March 31, 2024			As of March 31, 2024			As of March 31, 2024		
Corporate debt	Corporate debt	Insurance	Mortgage	Total	Corporate debt	Insurance	Mortgage				Total		
Secured revolving credit agreements	Secured revolving credit agreements												
(1)	(1)	\$ 46,000	\$ —	\$ 46,000									
Preferred trust securities (LIBOR + 4.10%)													
Preferred trust securities (LIBOR + 4.10%)													
Preferred trust securities (LIBOR + 4.10%)	Preferred trust securities (LIBOR + 4.10%)	35,000	—	35,000									
8.50% Junior subordinated notes	8.50% Junior subordinated notes	125,000	—	125,000									
Total corporate debt	Total corporate debt	206,000	—	206,000									
Asset based debt	Asset based debt												
Asset based debt	Asset based debt												
Asset based revolving financing (SOFR + 2.75%)	Asset based revolving financing (SOFR + 2.75%)	65,538	—	65,538									
Residential mortgage warehouse borrowings (1.75% to 2.50% over SOFR; 2.00% to 3.00% over BSBY) (2)(3)		—	60,361	60,361									
Asset based revolving financing (SOFR + 2.75%)													
Asset based revolving financing (SOFR + 2.75%)													
Residential mortgage warehouse borrowings (1.75% to 2.50% over SOFR) (2)(3)													
Total asset based debt													
Total asset based debt													
Total asset based debt	Total asset based debt	65,538	60,361	125,899									

Total debt, face value	Total debt, face value	271,538	60,361	331,899		
Unamortized deferred financing costs	Unamortized deferred financing costs	(8,068)	(189)	(8,257)		
Unamortized deferred financing costs	Unamortized deferred financing costs					
Total debt, net	Total debt, net	\$ 263,470	\$ 60,172	\$ 323,642		
	As of December 31, 2022					
	As of December 31, 2023					
	As of December 31, 2023					
	As of December 31, 2023					
<b>Corporate debt</b>	<b>Corporate debt</b>	<b>Insurance</b>	<b>Mortgage</b>	<b>Total</b>		
Secured revolving credit agreements	Secured revolving credit agreements					
(1)	(1)	\$ —	\$ —	\$ —		
Preferred trust securities (LIBOR + 4.10%)	Preferred trust securities (LIBOR + 4.10%)					
Preferred trust securities (LIBOR + 4.10%)	Preferred trust securities (LIBOR + 4.10%)	35,000	—	35,000		
8.50% Junior subordinated notes	8.50% Junior subordinated notes	125,000	—	125,000		
Total corporate debt	Total corporate debt	160,000	—	160,000		
<b>Asset based debt</b>	<b>Asset based debt</b>					
Asset based revolving financing (LIBOR + 2.75%)	Asset based revolving financing (LIBOR + 2.75%)	60,628	—	60,628		
Residential mortgage warehouse borrowings (1.88% to 2.50% over SOFR; 2.00% to 3.00% over BSBY) (2)(3)	Residential mortgage warehouse borrowings (1.88% to 2.50% over SOFR; 2.00% to 3.00% over BSBY) (2)(3)	—	47,454	47,454		
Asset based revolving financing (LIBOR + 2.75%)	Asset based revolving financing (LIBOR + 2.75%)					
Asset based revolving financing (LIBOR + 2.75%)	Asset based revolving financing (LIBOR + 2.75%)					

Residential mortgage warehouse borrowings (1.75% to 2.75% over SOFR) <sup>(2)(3)</sup>				
Total asset based debt				
Total asset based debt				
Total asset based debt	Total asset based debt	60,628	47,454	108,082
Total debt, face value	Total debt, face value	220,628	47,454	268,082
Unamortized deferred financing costs	Unamortized deferred financing costs	(8,703)	(13)	(8,716)
Unamortized deferred financing costs				
Unamortized deferred financing costs				
Total debt, net	Total debt, net	\$ 211,925	\$ 47,441	\$ 259,366

(i) The secured credit agreements include separate tranches with multiple rate structures that are adjustable based on Fortegra's senior leverage ratio, which as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023** was SOFR + 1.50%.

(2) As of **September 30, 2023** March 31, 2024, included (i) a \$60,000 \$50,000 line of credit at **2.00%** 1.75%, **2.50%** 2.00% and **3.00%** 2.50% over the BSBY one month SOFR rate, (ii) a \$25,000 line of credit at 1.75% or 2.25% over the one month SOFR rate, with a **BSBY** floor of **0.5%** 4.00%, (iii) and (iv) a \$25,000 line of credit at 1.875% over the one month SOFR rate. As of December 31, 2023, included (i) a \$50,000 line of credit at 1.75%, 2.00% and 2.50% over the one month SOFR rate, and (ii) a \$65,000 line of credit at 1.75%, 2.25% and **2.25%** 2.75% over the one month SOFR rate, with a floor of 4.00%. The balance credit rate on the \$50,000 line of credit was 25 basis points lower than the floor. As of December 31, 2022, included (i) a \$60,000 line of credit at 2.00%, 2.50% and 3.00% over the BSBY rate with a BSBY floor of 0.5% and (ii) a \$50,000 line of credit at 1.875%, 2.00% and 2.50% over the one month SOFR rate. The balance credit rate on the \$50,000 line of credit was 25 basis points lower than the floor.

<sup>(3)</sup> The weighted average coupon rate for residential mortgage warehouse borrowings was 7.21% 7.18% and 6.31% 7.15% at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

The following table presents the amount of interest expense the Company incurred on its debt for the following periods:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Total Interest expense - corporate debt	\$ 4,732	\$ 3,592	\$ 14,058	\$ 15,559
Total Interest expense - asset based debt	1,984	1,857	6,167	8,992
Interest expense on debt	\$ 6,716	\$ 5,449	\$ 20,225	\$ 24,551

	Three Months Ended March 31,	
	2024	2023
Interest expense - corporate debt	\$ 6,002	\$ 4,430
Interest expense - asset based debt	2,288	2,035
<b>Total interest expense on debt</b>	<b>\$ 8,290</b>	<b>\$ 6,465</b>

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The following table presents the contractual principal payments and future maturities of the unpaid principal balance on the Company's debt for the following periods:

As of September 30, 2023		As of March 31, 2024
Remainder of 2023	\$ 65,538	
2024	60,361	
As of March 31, 2024		As of March 31, 2024
Remainder of 2024		
2025	2025	—
2026	2026	—
2027	2027	46,000
2028 and thereafter		160,000
2028		
2029 and thereafter		
Total	Total \$ 331,899	

The following narrative is a summary of certain terms of our debt agreements for the period three months ended September 30, 2023 March 31, 2024:

#### **Corporate Debt**

##### *Secured Revolving Credit Agreements*

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, a total of \$46,000 \$129,000 and \$0 130,000, respectively, was outstanding under the revolving line of credit in our insurance business. The maximum borrowing capacity under the agreements as of September 30, 2023 March 31, 2024 was \$200,000.

#### **Asset Based Debt**

##### *Asset Based Revolving Financing*

On January 31, 2023 October 6, 2023, subsidiaries of Fortegra amended the asset based revolving financing to increase the revolving commitment to \$100,000 \$125,000 and transition to SOFR. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, a total of \$65,538 \$69,218 and \$60,628, \$67,138, respectively, was outstanding under the borrowing related to our premium finance offerings in our insurance business.

##### *Residential Mortgage Warehouse Borrowings*

In January 2023, a \$60,000 As of March 31, 2024, our mortgage business had three warehouse lines of credit with three separate lending partners totaling \$100,000 of borrowing capacity. The \$50,000 line of credit was renewed matures in August 2024 and the maturity date was extended from January 2023 to January 2024. In June 2023, the Company received notification that one of its warehouse lending partners was exiting the warehouse lending market. In October 2023, the line was terminated and repaid in full. The Company entered into a new \$65,000 warehouse line two \$25,000 lines of credit on September 20, 2023 with similar terms with a maturity of August 2024.

mature in September 2024 and February 2025. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, a total of \$60,361 \$56,456 and \$47,454, \$54,350, respectively, was outstanding under such financing agreements.

#### **(11) Fair Value of Financial Instruments**

The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs to the extent possible to measure a financial instrument's fair value. Observable inputs reflect the assumptions market participants would use in pricing an asset or liability, and are affected by the type of product, whether the product is traded on an active exchange or in the secondary market, as well as current market conditions. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Fair value is estimated by applying the hierarchy discussed in Note (2) Summary of Significant Accounting Policies of our Annual Report on Form 10-K which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized within Level 3 of the fair value hierarchy.

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The Company's fair value measurements are based primarily on a market approach, which utilizes prices and other relevant information generated by market transactions involving identical or comparable financial instruments. Sources of inputs to

### TIPTREE INC. AND SUBSIDIARIES

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the market approach include third-party pricing services, independent broker quotations and pricing matrices. Management analyzes the third-party valuation methodologies and its related inputs to perform assessments to determine the appropriate level within the fair value hierarchy and to assess reliability of values. Further, management has a process in place to review all changes in fair value that occurred during each measurement period. Any discrepancies or unusual observations are followed through to resolution through the source of the pricing as well as utilizing comparisons, if applicable, to alternate pricing sources.

The Company utilizes observable and unobservable inputs within its valuation methodologies. Observable inputs may include: benchmark yields, reported trades, broker-dealer quotes, issuer spreads, benchmark securities, bids, offers and reference data. In addition, specific issuer information and other market data is used. Broker quotes are obtained from sources recognized to be market participants. Unobservable inputs may include: expected cash flow streams, default rates, supply and demand considerations and market volatility.

#### **Available for Sale Securities, at fair value**

The fair values of AFS securities are based on prices provided by an independent pricing service and a third-party investment manager. The Company obtains an understanding of the methods, models and inputs used by the independent pricing service and the third-party investment manager by analyzing the investment manager-provided pricing report.

The following details the methods and assumptions used to estimate the fair value of each class of AFS securities and the applicable level each security falls within the fair value hierarchy:

*U.S. Treasury Securities, Obligations of U.S. Government Authorities and Agencies, Obligations of State and Political Subdivisions, Corporate Securities, Asset Backed Securities, and Obligations of Foreign Governments:* Fair values were obtained from an independent pricing service and a third-party investment manager. The prices provided by the independent pricing service and third-party investment manager are based on quoted market prices, when available, non-binding broker quotes, or matrix pricing and fall under Level 2 or Level 3 in the fair value hierarchy.

*Certificates of Deposit:* The estimated fair value of certificates of deposit approximate carrying value and fall under Level 1 of the fair value hierarchy.

#### **Equity Securities**

The fair values of publicly traded common and preferred equity securities and exchange traded funds ("ETFs") are obtained from market value quotations provided by an independent pricing service and fall under Level 1 in the fair value hierarchy. The fair values of non-publicly traded common and preferred stocks are based on prices derived from multiples of comparable public companies and fall under Level 3 in the fair value hierarchy.

#### **Loans, at fair value**

*Corporate Loans:* These loans are comprised of middle market loans and bank loans and are generally classified under either Level 2 or Level 3 in the fair value hierarchy. To determine fair value, the Company uses quoted prices, including those provided from pricing vendors, which provide coverage of secondary market participants, where available. The values represent a composite of mark-to-market bid/offer prices. In certain circumstances, the Company will make its own determination of fair value of loans based on internal models and other unobservable inputs.

*Mortgage Loans Held for Sale:* Mortgage loans held for sale are generally classified under Level 2 in the fair value hierarchy and fair value is based upon forward sales contracts with third-party investors, including estimated loan costs.

#### **Derivative Assets and Liabilities**

Derivatives for our mortgage business are primarily comprised of IRLCs, forward delivery contracts and TBA mortgage-backed securities. The fair value of these instruments is based upon valuation pricing models, which represent the amount the

### TIPTREE INC. AND SUBSIDIARIES

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Company would expect to receive or pay at the balance sheet date to exit the position. Our mortgage origination subsidiaries issue IRLCs to their customers, which are carried at estimated fair value on the Company's condensed consolidated balance sheets. The estimated fair values of these commitments are generally calculated by reference to the value of the underlying

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loan associated with the IRLC net of costs to produce and an expected pull through assumption. The fair values of these commitments generally fall under Level 3 in the fair value hierarchy. Our mortgage origination subsidiaries manage their exposure by entering into forward delivery commitments with loan investors. For loans not locked with investors under a forward delivery commitment, the Company enters into hedge instruments, primarily TBAs, to protect against movements in interest rates. The fair values of TBA mortgage-backed securities and forward delivery contracts generally fall under Level 2 in the fair value hierarchy.

The remaining derivatives are generally comprised of a combination of swaps, currency forwards and options, which are generally classified as Level 2 in the fair value hierarchy. In addition, the Fortegra Additional Warrants (Warburg) are a derivative liability and classified as Level 3 in the fair value hierarchy. See Note (16) **Stockholders' Equity** for additional information regarding the Fortegra Additional **Warrant**.

### **Corporate Bonds**

Corporate bonds are generally classified under Level 2 in the fair value hierarchy and fair value is provided by a third-party investment manager, based on quoted market prices. We perform internal price verification procedures monthly to ensure that the prices provided are reasonable.

### **Securities Sold, Not Yet Purchased**

Securities sold, not yet purchased are generally classified under Level 1 or Level 2 in the fair value hierarchy, based on the leveling of the securities sold short, and fair value is provided by a third-party investment manager, based on quoted market prices. We perform internal price verification procedures monthly to ensure that the prices provided are reasonable.

### **Mortgage Servicing Rights**

Mortgage servicing rights are classified under Level 3 in the fair value hierarchy and fair value is provided by a third-party valuation service. Various observable and unobservable inputs are used to determine fair value, including discount rate, cost to service and weighted average prepayment speed.

## TIPTREE INC. AND SUBSIDIARIES

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The following tables present the Company's fair value hierarchies for financial assets and liabilities, measured on a recurring basis:

As of September 30, 2023				As of March 31, 2024			
Quoted prices in active markets	Other significant observable inputs	Significant unobservable inputs	Fair value	Quoted prices in active markets	Other significant observable inputs	Significant unobservable inputs	Fair value
Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
<b>Assets:</b>				<b>Assets:</b>			
Available for sale securities, at fair value:				Available for sale securities, at fair value:			
Available for sale securities, at fair value:				Available for sale securities, at fair value:			
U.S. Treasury securities and obligations of U.S. government authorities and agencies							

U.S. Treasury securities and obligations of U.S. government authorities and agencies					
U.S. Treasury securities and obligations of U.S. government authorities and agencies	U.S. Treasury securities and obligations of U.S. government authorities and agencies	\$ —	\$ 446,796	\$ —	\$ 446,796
Obligations of state and political subdivisions	Obligations of state and political subdivisions	—	45,108	—	45,108
Obligations of foreign governments	Obligations of foreign governments	—	1,607	—	1,607
Certificates of deposit	Certificates of deposit	1,724	—	—	1,724
Asset backed securities	Asset backed securities	—	28,199	9	28,208
Corporate securities	Corporate securities	—	177,795	—	177,795
Total available for sale securities, at fair value	Total available for sale securities, at fair value	1,724	699,505	9	701,238
Loans, at fair value:	Loans, at fair value:				
Loans, at fair value:					
Loans, at fair value:					
Corporate loans					
Corporate loans					
Corporate loans	Corporate loans	—	4,691	9,197	13,888
Mortgage loans held for sale	Mortgage loans held for sale	—	62,087	—	62,087
Total loans, at fair value	Total loans, at fair value	—	66,778	9,197	75,975
Equity securities:	Equity securities:				
Equity securities:					
Invesque					
Invesque					
Invesque	Invesque	6,793	—	—	6,793
Fixed income ETFs	Fixed income ETFs	1,291	—	—	1,291
Other equity securities	Other equity securities	49,092	—	6,280	55,372
Total equity securities	Total equity securities	57,176	—	6,280	63,456

Other investments, at fair value:	Other investments, at fair value:				
Other investments, at fair value:	Other investments, at fair value:				
Corporate bonds	Corporate bonds	—	62,929	—	62,929
Derivative assets	Derivative assets	—	1,194	3,014	4,208
Other					
Total other investments, at fair value	Total other investments, at fair value	—	64,123	3,014	67,137
Mortgage servicing rights	Mortgage servicing rights	—	—	43,458	43,458
(1)	(1)				
Mortgage servicing rights (1)	Mortgage servicing rights (1)				
Total					
Total	Total	\$ 58,900	\$ 830,406	\$ 61,958	\$ 951,264
<b>Liabilities:</b> (2)	<b>Liabilities:</b> (2)				
Securities sold, not yet purchased		\$ 923	\$ 33,481	\$ —	\$ 34,404
<b>Liabilities:</b> (2)	<b>Liabilities:</b> (2)				
Derivative liabilities					
Derivative liabilities	Derivative liabilities	—	182	2	184
Fortegra	Fortegra				
Additional Warrants (Warburg)	Additional Warrants (Warburg)	—	—	2,680	2,680
Contingent consideration payable	Contingent consideration payable	—	—	2,928	2,928
Total	Total	\$ 923	\$ 33,663	\$ 5,610	\$ 40,196

(1) Included in other assets. See Note (14) Other Assets and Other Liabilities and Accrued Expenses.

(2) Included in other liabilities and accrued expenses. See Note (14) Other Assets and Other Liabilities and Accrued Expenses.

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As of December 31, 2022			
Quoted prices in active markets	Other significant inputs	Significant observable inputs	Fair value
Level 1	Level 2	Level 3	

As of December 31, 2023				As of December 31, 2023			
Quoted prices in active markets Level 1		Quoted prices in active markets Level 1		Other significant observable inputs Level 2		Significant unobservable inputs Level 3	
Assets:	Assets:						Fair value
Available for sale securities, at fair value:	Available for sale securities, at fair value:						
Available for sale securities, at fair value:	Available for sale securities, at fair value:						
U.S. Treasury securities and obligations of U.S. government authorities and agencies	U.S. Treasury securities and obligations of U.S. government authorities and agencies						
U.S. Treasury securities and obligations of U.S. government authorities and agencies	U.S. Treasury securities and obligations of U.S. government authorities and agencies	\$ —	\$ 382,060	\$ —	\$ 382,060		
Obligations of state and political subdivisions	Obligations of state and political subdivisions	—	49,454	—	49,454		
Obligations of foreign governments	Obligations of foreign governments	—	2,362	—	2,362		
Certificates of deposit	Certificates of deposit	756	—	—	756		
Asset backed securities	Asset backed securities	—	15,254	95	15,349		
Corporate securities	Corporate securities	—	161,999	—	161,999		
Total available for sale securities, at fair value	Total available for sale securities, at fair value	756	611,129	95	611,980		
Loans, at fair value:	Loans, at fair value:						
Loans, at fair value:	Loans, at fair value:						
Corporate loans	Corporate loans						
Corporate loans	Corporate loans						

Corporate loans	Corporate loans	—	3,104	11,208	14,312
Mortgage loans held for sale	Mortgage loans held for sale	—	50,531	—	50,531
Total loans, at fair value	Total loans, at fair value	—	53,635	11,208	64,843
Equity securities:	Equity securities:				
Equity securities:					
Invesque	Invesque	15,454	—	—	15,454
Fixed income	Fixed income				
ETFs	ETFs	56,256	—	—	56,256
Other equity securities	Other equity securities	7,181	—	6,885	14,066
Total equity securities	Total equity securities	78,891	—	6,885	85,776
Other investments, at fair value:	Other investments, at fair value:				
Other investments, at fair value:					
Corporate bonds	Corporate bonds				
Corporate bonds	Corporate bonds	—	42,080	—	42,080
Derivative assets	Derivative assets	7	608	3,652	4,267
Other	Other	—	—	324	324
Total other investments, at fair value	Total other investments, at fair value	7	42,688	3,976	46,671
Mortgage servicing rights <sup>(1)</sup>	Mortgage servicing rights <sup>(1)</sup>	—	—	41,426	41,426
Mortgage servicing rights <sup>(1)</sup>	Mortgage servicing rights <sup>(1)</sup>				
Total	Total				
Total	Total	\$ 79,654	\$ 707,452	\$ 63,590	\$ 850,696
<b>Liabilities:</b> <sup>(2)</sup>	<b>Liabilities:</b> <sup>(2)</sup>				
Securities sold, not yet purchased		\$ 10,263	\$ 6,312	\$ —	\$ 16,575
<b>Liabilities:</b> <sup>(2)</sup>	<b>Liabilities:</b> <sup>(2)</sup>				
Derivative liabilities	Derivative liabilities				
Derivative liabilities	Derivative liabilities				
Derivative liabilities	Derivative liabilities	—	7,910	—	7,910

Fortegra	Fortegra				
Additional	Additional				
Warrants	Warrants				
(Warburg)	(Warburg)	—	—	5,291	5,291
Contingent	Contingent				
consideration	consideration				
payable	payable	—	—	2,904	2,904
<b>Total</b>	<b>Total</b>	<b>\$10,263</b>	<b>\$ 14,222</b>	<b>\$ 8,195</b>	<b>\$ 32,680</b>
<b>Total</b>	<b>Total</b>				

(1) Included in other assets. See Note (14) Other Assets and Other Liabilities and Accrued Expenses.

(2) Included in other liabilities and accrued expenses. See Note (14) Other Assets and Other Liabilities and Accrued Expenses.

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Transfers between Level 2 and 3 were a result of subjecting third-party pricing on assets to various liquidity, depth, bid-ask spread and benchmarking criteria as well as assessing the availability of observable inputs affecting their fair valuation.

The following table presents additional information about assets that are measured at fair value on a recurring basis for which the Company has utilized Level 3 inputs to determine fair value for the following periods:

	Three Months Ended		Three Months Ended	
	March 31,		March 31,	
	2024	2024	2023	2023
Balance at January 1,				
Net realized and unrealized gains or losses included in:				
Earnings				
Earnings				
Earnings				
OCI				
Origination of IRLCs				
Sales and repayments				
Sales and repayments				
Sales and repayments				
Distributions				
Conversions to mortgage loans held for sale				
	For the Nine Months Ended			
	September 30,			
	2023	2022		
Balance at January 1,	\$63,590	\$61,443		
Net realized and unrealized gains or losses included in:				
Earnings	(3,610)	8,572		

OCI	2,563	305
Origination of IRLCs	33,185	42,722
Purchases	31	—
Sales and repayments	(6)	(3,802)
Conversions to mortgage loans held for sale	(33,835)	(48,731)
Settlement of trade claims	—	(19,169)
Exchange of bonds for term loans	—	12,243
Exchange of trade receivables for equity securities	—	7,104
Transfer out of Level 3	(41)	—
Conversions to real estate owned	81	—
Balance at September 30,	\$ 61,958	\$ 60,687
Transfer out of Level 3		
Transfer out of Level 3		
Balance at March 31,		
Balance at March 31,		
Balance at March 31,		
Changes in unrealized gains		
Changes in unrealized gains (losses) included gains (losses) in included in earnings related to related to assets still assets still held at held at period end	\$ (8,610)	
Changes in unrealized gains (losses) included in earnings related to assets still held at period end		\$ (5,171)
Changes in unrealized gains (losses) included in earnings related to assets still held at period end		

Changes in unrealized gains (losses) included in OCI related to assets still held at period end	Changes in unrealized gains (losses) included in OCI related to assets still held at period end	\$ 2,563	\$ (395)
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The following table presents the range and weighted average (WA) used to develop significant unobservable inputs for the fair value measurements of Level 3 assets and liabilities.

**TIPTREE INC. AND SUBSIDIARIES**  
**Notes to Condensed Consolidated Financial Statements**  
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		As of																							
		March 31, 2024																							
		As of		As of																					
<b>Assets</b>																									
<b>Assets</b>																									
		September 30, 2023		December 31, 2022		Valuation technique				September 30, 2023		December 31, 2022													
<b>Assets</b>		<b>Assets</b>		<b>Fair value</b>		<b>Valuation technique</b>				<b>WA</b>		<b>WA</b>													
<b>Assets</b>										<b>Range</b>		<b>Range</b>													
IRLCs	IRLCs	\$ 3,002	\$ 3,652	Internal model		Unobservable input(s)				45%	to	95%	59%												
Mortgage servicing rights	Mortgage servicing rights	43,458	41,426	External model		Pull through rate				55%	to	95%	65%												
Equity securities	Equity securities	6,280	6,837	Internal model		Discount rate				9%	to	14%	9%												
Equity securities						Cost to service				\$65	to	\$80	\$73												
Equity securities						Prepayment speed				\$65	to	\$80	\$72												
Corporate loans	Corporate loans	9,197	11,208	External/Internal model		Forecast EBITDAR				\$1,039,000	to	\$1,422,000	N/A												
Total	Total	\$ 61,937	\$ 63,123			Bid marks/EBITDA				\$728,000	to	\$1,039,000	N/A												
<b>Liabilities</b>	<b>Liabilities</b>																								
<b>Liabilities</b>																									
<b>Liabilities</b>																									
Fortegra Additional Warrants (Warburg)						Discount rate				3%	to	5%	4.6%												
Fortegra Additional Warrants (Warburg)	Fortegra Additional Warrants (Warburg)	\$ 2,680	\$ 5,291	External Model		Implied Equity Volatility				40%	to	50%	45%												
Contingent consideration	Contingent consideration	2,928	2,904	Cash Flow model		Forecast Cash EBITDA				td,500	to	\$4,000	N/A												
										td,500	to	\$4,000	N/A												

payable	payable	Forecast	Underwriting	\$—	to	td,000	N/A	\$—	to	td,000	N/A	payable
			EBITDA									
Total	Total	\$ 5,608	\$ 8,195									

(1) Unobservable inputs were weighted by the relative fair value of the instruments.

## TIPTREE INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

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The following table presents the carrying amounts and estimated fair values of financial assets and liabilities that are not recorded at fair value and their respective levels within the fair value hierarchy:

	As of September 30, 2023			As of December 31, 2022			As of March 31, 2024			As of December 31, 2023			
	Level within fair value hierarchy		Fair value		Carrying value		Level within fair value hierarchy		Fair value		Carrying value		
	fair value hierarchy	Fair value	Carrying value	hierarchy	fair value	Carrying value	fair value hierarchy	Fair value	Carrying value	hierarchy	Fair value	Carrying value	
As of March 31, 2024													
Assets:						Level within fair value hierarchy						Level within fair value hierarchy	
Debentures (1)	2	\$ 23,234	\$ 23,234	2	\$ 23,853	\$ 23,853						Assets:	Assets:
Debentures													
Debentures													
Debentures													
Notes receivable, net	Notes receivable, net	2	131,692	131,692	2	121,419	121,419						
Total assets	Total assets		\$154,926	\$154,926		\$145,272	\$145,272						
Liabilities:													
Liabilities:						Liabilities:						Liabilities:	
Debt													
Debt	Debt	3	\$324,712	\$331,899	3	\$262,932	\$268,082						
Total liabilities	Total liabilities		\$324,712	\$331,899		\$262,932	\$268,082						

(1) Included in other investments.

**Debentures:** Since interest rates on debentures are at current market rates for similar credit risks, the carrying amount approximates fair value. These values are net of allowance for doubtful accounts. See Note (5) Investments.

**Notes Receivable, net:** To the extent that carrying amounts differ from fair value, fair value is determined based on contractual cash flows discounted at market rates for similar credits. Categorized under Level 2 in the fair value hierarchy. See Note (6) Notes and Accounts Receivable, net.

**Debt:** The carrying value, which approximates fair value of floating rate debt, represents the total debt balance at face value excluding the unamortized discount. The fair value of the Junior subordinated notes is determined based on dealer quotes. Categorized under Level 3 in the fair value hierarchy.

Additionally, the following financial assets and liabilities on the condensed consolidated balance sheets are not carried at fair value, but whose carrying amounts approximate their fair value:

**Cash and Cash Equivalents:** The carrying amounts of cash and cash equivalents are carried at cost which approximates fair value. Categorized under Level 1 in the fair value hierarchy.

*Accounts and Premiums Receivable, net, Retrospective Commissions Receivable and Other Receivables:* The carrying amounts approximate fair value since no interest rate is charged on these short duration assets. Categorized under Level 2 in the fair value hierarchy. See Note (6) Notes and Accounts Receivable, net.

*Due from Brokers, Dealers, and Trustees and Due to Brokers, Dealers and Trustees:* The carrying amounts are included in other assets and other liabilities and accrued expenses and approximate their fair value due to their short term nature. Categorized under Level 2 in the fair value hierarchy.

### TIPTREE INC. AND SUBSIDIARIES

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(in thousands, except share data)

#### (12) Liability for Unpaid Claims and Claim Adjustment Expenses

##### *Roll forward of Claim Liability*

The following table presents the activity in the net liability for unpaid losses and allocated loss adjustment expenses of short duration contracts for the following periods:

		For the Nine Months Ended			
		September 30,			
		2023	2022		
		Three Months Ended		Three Months Ended	
		March 31,		March 31,	
		2024	2024	2023	
Policy	Policy				
liabilities	liabilities				
and unpaid	and unpaid				
claims	claims				
balance as	balance as				
of January	of January				
1,	1,	\$567,193	\$331,703		
Less:	Less:				
liabilities of	liabilities of				
policy-	policy-				
holder	holder				
account	account				
balances,	balances,				
gross	gross	(1,923)	(801)		
Less: non-	Less: non-				
insurance	insurance				
warranty	warranty				
benefit	benefit				
claim	claim				
Liabilities	Liabilities	(140)	(10,785)		
Gross	Gross				
Liabilities for	Liabilities for				
unpaid	unpaid				
losses and	losses and				
loss	loss				
adjustment	adjustment				
expenses	expenses	565,130	320,117		
Less:	Less:				
reinsurance	reinsurance				
recoverable	recoverable				
on unpaid	on unpaid				
losses -	losses -				
short	short				
duration	duration	(266,889)	(165,129)		
Less: other	Less: other				
lines, gross	lines, gross	(184)	(576)		

Net	Net		
balance as	balance as		
of January	of January		
1, short	1, short		
duration	duration	298,057	154,412
<u>Incurred</u>	<u>incurred</u>		
(short	(short		
duration)	duration)		
related to:	related to:		
<u>Incurred (short duration)</u>			
related to:			
<u>Incurred (short duration)</u>			
related to:			
Current year			
Current year			
Current	Current		
year	year	353,167	265,277
Prior years	Prior years	910	(2,205)
Total	Total		
incurred	incurred	354,077	263,072
<u>Paid (short</u>	<u>Paid (short</u>		
<u>duration)</u>	<u>duration)</u>		
related to:	related to:		
<u>Paid (short duration)</u>			
related to:			
<u>Paid (short duration)</u>			
related to:			
Current year			
Current year			
Current	Current		
year	year	170,949	138,274
Prior years	Prior years	62,739	18,436
Total paid	Total paid	233,688	156,710
Net balance as of			
September 30, short			
duration		418,446	260,774
Net balance as of			
March 31, short			
duration			
Net balance as of			
March 31, short			
duration			
Net balance as of			
March 31, short			
duration			
Plus:	Plus:		
reinsurance	reinsurance		
recoverable	recoverable		
on unpaid	on unpaid		
losses -	losses -		
short	short		
duration	duration	393,333	248,418
Plus: other	Plus: other		
lines, gross	lines, gross	161	157

Gross	Gross		
liabilities for	liabilities for		
unpaid	unpaid		
losses and	losses and		
loss	loss		
adjustment	adjustment		
expenses	expenses	811,940	509,349
Plus:	Plus:		
liabilities of	liabilities of		
policy-	policy-		
holder	holder		
account	account		
balances,	balances,		
gross	gross	1,157	2,715
Plus: non-	Plus: non-		
insurance	insurance		
warranty	warranty		
benefit	benefit		
claim	claim		
liabilities	liabilities	117	860
Policy liabilities and			
unpaid claims balance			
as of September 30,		\$813,214	\$512,924
Policy			
liabilities			
and unpaid			
claims			
balance as			
of March			
31,			

The following schedule reconciles the total amount of losses incurred on short duration contracts per the table above to the amount of total losses incurred as presented in the condensed consolidated statements of operations, excluding the amount for member benefit claims:

	Three Months Ended				Nine Months Ended			
	September 30,				September 30,			
	2023	2022			2023	2022		
Three Months Ended								
		March 31,						
Three Months Ended								
		March 31,						
Three Months Ended								
		March 31,						
2024								
2024								
2024								
Short duration incurred								
Short duration incurred								
Short duration	Short duration							
incurred	incurred	\$	125,165	\$	97,501	\$	354,077	\$
Other lines incurred	Other lines incurred		(281)		(36)		1	
Other lines incurred								327
Other lines incurred								
Other lines incurred								
Unallocated loss adjustment expenses								
Unallocated loss adjustment expenses								
Unallocated loss	Unallocated loss							
adjustment	adjustment							
expenses	expenses		239		362		399	
Total losses	Total losses							
incurred	incurred	\$	125,123	\$	97,827	\$	354,477	\$
Total losses	Total losses							
incurred	incurred							264,056

Total losses incurred
Total losses incurred
During the <b>nine</b> three months ended <b>September 30, 2023</b> <b>March 31, 2024</b> , the Company experienced unfavorable prior year development of <b>\$910,773</b> , primarily driven by higher-than-expected claims paid development in our commercial lines of business, primarily with a single partner.

During the three months ended March 31, 2023, the Company experienced unfavorable prior year development of **\$328**, primarily as a result of higher-than-expected claim severity in our commercial lines of business partially offset by favorable development in our personal lines of business as a result of lower-than-expected claim severity.

During the nine months ended September 30, 2022, the Company experienced favorable prior year development of **\$2,205**, primarily as a result of lower-than-expected claim severity in our **and** commercial lines of business.

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Management considers the prior year development for each of these years to be insignificant when considered in the context of our annual earned premiums, net as well as our net losses and loss adjustment expenses and member benefit claims expenses. We analyze our development on a quarterly basis and given the short duration nature of our products, favorable or

### TIPTREE INC. AND SUBSIDIARIES

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adverse development emerges quickly and allows for timely reserve strengthening, if necessary, or modifications to our product pricing or offerings.

The unfavorable prior year development of **\$910,773** in the **nine** three months ended **September 30, 2023** **March 31, 2024** represented **1.1%****2.1%** of our insurance business income before taxes of **\$85,584****\$36,811** and **0.3%****0.2%** of the opening net liability for losses and loss adjustment expenses of **\$393,455**, as of January 1, 2024.

The unfavorable prior year development of **\$328** in the three months ended March 31, 2023 represented 1.7% of our insurance business income before taxes of **\$19,445**, and 0.1% of the opening net liability for losses and loss adjustment expenses of **\$298,057**, as of January 1, 2023.

The favorable prior year development of **\$2,205** in the nine months ended September 30, 2022 represented 5.6% of our insurance business income before taxes of **\$39,057**, and 1.4% of the opening net liability for losses and loss adjustment expenses of **\$154,412**, as of January 1, 2022.

Based upon our internal analysis and our review of the statement of actuarial opinions provided by our actuarial consultants, we believe that the amounts recorded for policy liabilities and unpaid claims reasonably represent the amount necessary to pay all claims and related expenses which may arise from incidents that have occurred as of the balance sheet date.

### (13) Revenue from Contracts with Customers

The Company's revenues from insurance and contractual and liability insurance operations are primarily accounted for under Financial Services-Insurance (Topic (ASC 944) that are not within the scope of Revenue for Contracts with Customers (Topic (ASC 606). The Company's remaining revenues that are within the scope of Topic (ASC 606 are primarily comprised of revenues from contracts with customers for monthly membership dues for motor clubs, monthly administration fees for services provided for premiums, claims and reinsurance processing revenues, vehicle service contracts, vessel related revenue and revenues for household goods and appliances service contracts (collectively, remaining contracts).

The following table presents the disaggregated amounts of revenue from contracts with customers by product type for the following periods:

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended September 30,	Nine Months Ended September 30,
	2024				
		2023		2022	2023
			2024		2022
				2024	
Service and Administrative Fees:					

Service and Administrative Fees:									
Service and Administrative Fees:	Service and Administrative Fees:								
Service contract revenue	Service contract revenue	\$	74,844	\$	56,968	\$	211,028	\$	150,788
Service contract revenue									
Motor club revenue	Motor club revenue		11,158		13,949		35,277		39,724
Motor club revenue									
Motor club revenue									
Other	Other		919		8,826		3,593		33,473
Other									
Other									
Revenue from contracts with customers	Revenue from contracts with customers	\$	86,921	\$	79,743	\$	249,898	\$	223,985
Revenue from contracts with customers									
Revenue from contracts with customers									

#### Service and Administrative Fees

Service and administrative fees are generated from non-insurance programs including warranty service contracts, motor clubs and other services. Service and administrative fees are recognized consistent with the earnings recognition pattern of the underlying policies, debt cancellation contracts and motor club memberships being administered, using pro rata, Rule of 78's, modified Rule of 78's, or other methods as appropriate for the contract. Management selects the appropriate method based on available information, and periodically reviews the selections as additional information becomes available.

Management reviews the financial results under each significant contract on a monthly basis. Any losses that may occur due to a specific contract would be recognized in the period in which the loss is determined to be probable.

We do not disclose information about remaining performance obligations pertaining to contracts that have an original expected duration of one year or less. The transaction price allocated to remaining unsatisfied or partially unsatisfied performance obligations with an original expected duration exceeding one year was not material as of **September 30, 2023** **March 31, 2024**.

#### **TIPTREE INC. AND SUBSIDIARIES**

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The timing of our revenue recognition may differ from the timing of payment by our customers. We record a receivable when revenue is recognized prior to payment and we have an unconditional right to payment. Alternatively, when payment precedes the provision of the related services, we record deferred revenue until the performance obligations are satisfied.

The following table presents the activity in the **significant** deferred assets and liabilities related to revenue from contracts with customers for the following period:

	January 1, 2024				March 31, 2024			
	Beginning balance	Additions	Amortization	Ending balance				
<b>Deferred acquisition costs</b>								
Service and Administrative Fees:								
Service contract revenue	\$ 201,903	\$ 30,489	\$ 26,658	\$ 205,734				
Motor club revenue	16,636	7,928	8,972	15,592				
Total	\$ 218,539	\$ 38,417	\$ 35,630	\$ 221,326				

#### **TIPTREE INC. AND SUBSIDIARIES**

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	January 1, 2023			September 30, 2023		
	Beginning balance	Additions	Amortization	Ending balance		
<b>Deferred acquisition costs</b>						
Service and Administrative Fees:						
Service contract revenue	\$ 172,129	\$ 91,746	\$ 65,467	\$ 198,408		
Motor club revenue		17,142	26,463	27,825		15,780
Total	\$ 189,271	\$ 118,209	\$ 93,292	\$ 214,188		
<b>Deferred revenue</b>						
<b>Deferred revenue</b>						
<b>Deferred revenue</b>						
Service and Administrative Fees:						
Service and Administrative Fees:						
Service and Administrative Fees:						
Service and Administrative Fees:						
Service contract revenue	\$ 581,882	\$ 246,467	\$ 211,028	\$ 617,321		
Service contract revenue						
Service contract revenue						
Motor club revenue	22,949	33,063	35,277	20,735		
Other						
Total	\$ 604,831	\$ 279,530	\$ 246,305	\$ 638,056		

For the periods presented, no write-offs for unrecoverable deferred acquisition costs and deferred revenue were recognized.

#### (14) Other Assets and Other Liabilities and Accrued Expenses

##### **Other Assets**

The following table presents the components of other assets as reported in the condensed consolidated balance sheets:

	As of			As of	
	March 31, 2024		March 31, 2024	December 31, 2023	
	As of				
Accrued investment income					
Accrued investment income	\$ 6,041	\$ 3,919			
Loans eligible for repurchase	33,982	32,136			
Mortgage servicing rights	43,458	41,426			
Right of use assets - operating leases	32,666	31,499			
Right of use assets - operating leases <sup>(1)</sup>					

Income tax receivable	Income tax receivable	990	19,790
Furniture, fixtures and equipment, net	Furniture, fixtures and equipment, net	29,948	21,829
Due from broker/trustee		25,616	298
Prepaid expenses			
Prepaid expenses	Prepaid expenses	11,998	18,526
Other	Other	3,695	2,720
Total other assets	Total other assets	\$ 188,394	\$ 172,143

(1) See Note (20) Commitments and Contingencies for additional information.

The following table presents the depreciation expense related to furniture, fixtures and equipment for the following periods:

Depreciation expense related to furniture, fixtures and equipment	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023		2023	
	\$ 1,429	\$ 1,032	\$ 4,668	\$ 2,822
Depreciation expense related to furniture, fixtures and equipment				
Depreciation expense related to furniture, fixtures and equipment	Three Months Ended March 31,		Three Months Ended March 31,	
	2024		2023	
	\$ 1,577		\$ 1,069	

### TIPTREE INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

September 30, 2023 March 31, 2024

(in thousands, except share data)

#### Other Liabilities and Accrued Expenses

The following table presents the components of other liabilities and accrued expenses as reported in the condensed consolidated balance sheets:

	As of		As of
	March 31, 2024	March 31, 2024	December 31, 2023
	As of		
Accounts payable and accrued expenses			
	September 30, 2023	December 31, 2022	
Accounts payable and accrued expenses			
Accounts payable and accrued expenses	\$ 97,941	\$ 119,394	
Loans eligible for repurchase liability	33,982	32,136	

Deferred tax liabilities, net	Deferred tax liabilities, net	119,192	90,391
Operating lease liabilities		39,900	38,031
Operating lease liabilities <sup>(1)</sup>			
Commissions payable	Commissions payable	28,030	42,741
Securities sold, not yet purchased		34,404	16,575
Commissions payable			
Commissions payable			
Derivative liabilities	Derivative liabilities	2,864	13,201
Derivative liabilities			
Derivative liabilities			
Due to broker/trustee			
Other	Other	34,182	15,279
Total other liabilities and accrued expenses	Total other liabilities and accrued expenses	\$ 390,495	\$ 367,748

(1) See Note (20) Commitments and Contingencies for additional information.

## (15) Other Revenue and Other Expenses

### **Other Revenue**

The following table presents the components of other revenue as reported in the condensed consolidated statement of operations. Other revenue is primarily generated by Tiptree Capital's non-insurance activities except as noted in the footnote to the table.

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Three Months Ended				
	March 31,		March 31,	
	Three Months Ended		March 31,	
	March 31,		March 31,	
	2024		2024	
	2024		2024	
Other investment income <sup>(1)</sup>	Other investment income <sup>(1)</sup>	\$ 6,091	\$ 12,593	\$ 16,857
Other investment income <sup>(1)</sup>				\$ 47,483
Other investment income <sup>(1)</sup>				
Financing interest income				
Financing interest income				
Financing interest income				
Other <sup>(2)</sup>	Other <sup>(2)</sup>	9,671	4,771	26,258
Total other revenue	Total other revenue	\$ 15,762	\$ 17,364	\$ 43,115
Total other revenue				\$ 63,007

Total other revenue

Total other revenue

(1) See Note (5) Investments for the components of Other investment income.

(2) Includes \$9,093 \$4,378 and \$4,454 \$3,118 for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$23,418 and \$11,371 for the nine months ended September 30, 2023 and 2022, 2023, respectively, related to Insurance.

#### Other Expenses

The following table presents the components of other expenses as reported in the condensed consolidated statement of operations:

		Three Months Ended September 30,				Nine Months Ended September 30,	
		2023	2022			2023	2022
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		2024					
		2024					
		2024					
General and administrative							
General and administrative							
General and administrative	General and administrative	\$ 9,405	\$ 6,677	\$ 28,441	\$ 18,768		
Professional fees	Professional fees	6,804	6,678	20,991	21,077		
Professional fees							
Professional fees							
Premium taxes							
Premium taxes							
Premium taxes	Premium taxes	2,767	5,873	13,920	16,174		
Mortgage origination expenses	Mortgage origination expenses	3,178	4,130	9,398	13,269		
Mortgage origination expenses							
Mortgage origination expenses							
Rent and related							
Rent and related							
Rent and related	Rent and related	4,009	4,384	11,883	13,302		
Other	Other	2,774	2,548	10,224	18,388		
Other							
Other							
Total other expenses	Total other expenses	\$ 28,937	\$ 30,290	\$ 94,857	\$ 100,978		
Total other expenses							
Total other expenses							

#### TIPTREE INC. AND SUBSIDIARIES

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#### (16) Stockholders' Equity

##### Stock Repurchases

The Board of Directors authorized the Company to make repurchases of up to \$20,000 of shares of the Company's outstanding common stock in the aggregate, at the discretion of the Company's Executive Committee. There were no shares repurchased during the **nine** **three** months ended **September 30, 2023** **March 31, 2024**. As of **September 30, 2023** **March 31, 2024**, the remaining repurchase authorization was \$11,945.

#### Dividends

The Company declared cash dividends per share for the following periods presented below:

	Dividends per share for the	Dividends per share for the	Dividends per share for the	Three Months Ended March 31, 2024	Three Months Ended March 31,
First quarter					
First quarter					
First quarter					
	Dividends per share for the				
	Nine Months Ended September 30,				
Total cash dividends declared					
		2023	2022		
First quarter		\$0.05	\$0.04		
Second quarter		0.05	0.04		
Third quarter		0.05	0.04		
Total cash dividends declared	Total cash dividends declared	Total cash dividends declared	\$0.15	\$0.12	
Total cash dividends declared					

#### Fortegra Non-Controlling Interests

On June 21, 2022, the Company closed the WP Transaction. On that date, Fortegra converted to a Delaware corporation and Warburg made a \$200,000 investment in Fortegra in exchange for Fortegra Common Stock, Fortegra Preferred Stock, Fortegra Warrants and Fortegra Additional Warrants. Also, in connection with the closing of the WP Transaction, Tiptree was issued Fortegra Additional Warrants, and management's interests in LOTS Intermediate were exchanged for interests in Fortegra.

On March 28, 2024, Tiptree and Warburg contributed \$29,229 and \$9,621, respectively, to Fortegra in exchange for Fortegra Common Stock. As of **September 30, 2023** **March 31, 2024**, Fortegra was owned **approximately** 79.5% by Tiptree Holdings, 17.5% by Warburg and 3.0% by management and directors of Fortegra.

#### Fortegra Preferred Stock

The face amount of the Fortegra Preferred Stock is \$80,000. Dividends are cumulative and accrue at a rate of 8% per annum, compounding quarterly. Any quarterly dividend may be paid in cash, at Fortegra's option. During the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, cash dividends declared were \$4,787. \$1,595.

Warburg has the option to convert, at any time, its shares of Fortegra Preferred Stock into shares of Fortegra Common Stock at an initial conversion premium of 33% to Warburg's initial investment valuation (the "Fortegra Preferred Stock Conversion Price"). The Fortegra Preferred Stock Conversion Price is adjusted for any Fortegra Common Stock splits,

dividends, extraordinary dividends and similar transactions. All of the Fortegra Preferred Stock will automatically convert into shares of Fortegra Common Stock at the Fortegra Preferred Stock Conversion Price upon the closing of a qualifying initial public offering, subject to a five year make-whole provision. Upon conversion, the Fortegra Preferred Stock would result in Warburg owning an additional **6.6% 6.3%** interest in Fortegra, for a total as converted ownership of **24.0% 24.1%** (including its ownership of Fortegra Common Stock).

#### Fortegra Warrants

The Fortegra Warrants have a seven-year term and an exercise premium of 33% to Warburg's initial investment valuation (the "Fortegra Warrant Exercise Price"). The Fortegra Warrant Exercise Price will be reduced by any Fortegra Common Stock cash dividends made by Fortegra and adjusted for stock splits, common stock dividends, extraordinary dividends and similar transactions. The Fortegra Warrants, if exercised with cash, would result in Warburg owning an additional **3.8% 3.7%** interest in Fortegra.

#### TIPTREE INC. AND SUBSIDIARIES

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#### Fortegra Additional Warrants

The Fortegra Additional Warrants issued to both Warburg and Tiptree have a seven-year term and an exercise price of \$0.01 per share of Fortegra Common Stock. The Fortegra Additional Warrants issued to Warburg will be forfeited based on Warburg achieving an all-in return on its investment in excess of 23%, as measured primarily by Fortegra's Common Stock price. The Fortegra Additional Warrants issued to Warburg are classified as liabilities, at fair value. The Fortegra Additional Warrants issued to Tiptree will vest based on Warburg achieving an all-in return on its investment in excess of 30%, as measured primarily by Fortegra's Common Stock price. The number of shares of Fortegra Common Stock issuable to Warburg or Tiptree with respect to the Fortegra Additional Warrants is subject to adjustment for Fortegra Common Stock splits, stock or cash dividends and similar transactions. The Fortegra Additional Warrants are exercisable from the earlier of a transaction that results in Warburg having sold 50% of its Fortegra Common Stock or the fifth anniversary of the closing date. The maximum number of shares issued to Warburg or Tiptree, if exercised with cash, would be an additional 1.7% interest in Fortegra on an as converted basis (including its ownership of Fortegra Common and Preferred Stock).

The following table presents the components of non-controlling interests as reported in the condensed consolidated balance sheets:

		As of			
		September 30, 2023	December 31, 2022		
		As of		As of	
		March 31, 2024	March 31, 2024	December 31, 2023	
Fortegra preferred interests	Fortegra preferred interests	\$ 77,679	\$ 77,679		
Fortegra preferred interests					
Fortegra common interests	Fortegra common interests	69,803	55,364		
Other third-party common interests		—	3,165		
Total non-controlling interests	Total non-controlling interests	\$ 147,482	\$ 136,208		
Total non-controlling interests					
Total non-controlling interests					

#### Statutory Reporting and Insurance Company Subsidiaries Dividend Restrictions

The Company's U.S. insurance subsidiaries prepare financial statements in accordance with Statutory Accounting Principles (SAP) prescribed or permitted by the insurance departments of their states of domicile. Prescribed SAP includes the Accounting Practices and Procedures Manual of the NAIC as well as state laws, regulations and administrative rules.

#### Statutory Capital and Surplus

The Company's insurance company subsidiaries must maintain minimum amounts of statutory capital and surplus as required by regulatory authorities, including the NAIC; their capital and surplus levels exceeded respective minimum requirements as of **September 30, 2023 March 31, 2024** and **December 31, 2022 December 31, 2023**.

Under the NAIC Risk-Based Capital Act of 1995, a company's Risk-Based Capital (RBC) is calculated by applying certain risk factors to various asset, claim and reserve items. If a company's adjusted surplus falls below calculated RBC thresholds, regulatory intervention or oversight is required. The Company's U.S. domiciled insurance company subsidiaries' RBC levels, as calculated in accordance with the NAIC's RBC instructions, exceeded all RBC thresholds as of **September 30, 2023** **March 31, 2024** and **December 31, 2022** **December 31, 2023**.

The Company also has a foreign insurance subsidiary that is not subject to SAP. The statutory capital and surplus amounts and statutory net income presented above do not include the foreign insurance subsidiary in accordance with SAP.

#### Statutory Dividends

The Company's U.S. domiciled insurance company subsidiaries may pay dividends to the Company, subject to statutory restrictions. Payments in excess of statutory restrictions (extraordinary dividends) to the Company are permitted only with prior approval of the insurance department of the applicable state of domicile. The Company eliminates all dividends from its subsidiaries in the condensed consolidated financial statements.

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There were no dividends paid to the Company by its U.S. domiciled insurance company subsidiaries for the periods three months ended **September 30, 2023** **March 31, 2024** and **2022**.

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2023. The following table presents the combined amount available for ordinary dividends of the Company's U.S. domiciled insurance company subsidiaries for the following periods:

	As of	
	September 30, 2023	December 31, 2022
Amount available for ordinary dividends of the Company's insurance company subsidiaries	\$ 32,867	\$ 35,145
	As of	
	March 31, 2024	December 31, 2023
Amount available for ordinary dividends of the Company's insurance company subsidiaries	\$ 24,327	\$ 24,327

At **September 30, 2023** **March 31, 2024**, the maximum amount of dividends that our U.S. domiciled insurance company subsidiaries could pay under applicable laws and regulations without regulatory approval was approximately **\$32,867** **\$24,327**. The Company may seek regulatory approval to pay dividends in excess of this permitted amount, but there can be no assurance that the Company would receive regulatory approval if sought.

#### (17) Accumulated Other Comprehensive Income (Loss) (AOCI)

The following table presents the activity of AFS securities in AOCI, net of tax, for the following periods:

Unrealized gains (losses) on available for sale securities	Unrealized gains (losses) on available for sale securities	Foreign currency translation adjustment	Total AOCI	Amount attributable to non- controlling interests	Total AOCI to Tiptree Inc.
Unrealized gains (losses)	Amount				
on available for sale securities	attributable to non- controlling interests	AOCI to Tiptree Inc.			
Foreign currency translation adjustment	Total AOCI				
Balance at December 31, 2022					

Balance at December 31, 2021	\$ (2,686)	\$ —	\$ (2,686)	\$ 1	\$ (2,685)
Other comprehensive income (losses) before reclassifications	(43,175)	(14,256)	(57,431)	5,167	(52,264)
Amounts reclassified from AOCI	86	—	86	—	86
WP Transaction	—	—	—	7,193	7,193
OCI	(43,089)	(14,256)	(57,345)	12,360	(44,985)
Balance at September 30, 2022	\$ (45,775)	\$ (14,256)	\$ (60,031)	\$ 12,361	\$ (47,670)
<b>Balance at December 31, 2022</b>					
Balance at December 31, 2022	\$ (43,043)	\$ (7,311)	\$ (50,354)	\$ 10,925	\$ (39,429)
Other comprehensive income (losses) before reclassifications	Other comprehensive income (losses) before reclassifications	(5,126)	1,398	(3,728)	345
Amounts reclassified from AOCI	Amounts reclassified from AOCI	2,235	—	2,235	—
OCI	OCI	(2,891)	1,398	(1,493)	345
OCI	OCI	(2,891)	1,398	(1,493)	345
Balance at September 30, 2023	\$ (45,934)	\$ (5,913)	\$ (51,847)	\$ 11,270	\$ (40,577)
Balance at March 31, 2023					
Balance at March 31, 2023					
Balance at March 31, 2023					
Balance at December 31, 2023					
Balance at December 31, 2023					
Balance at December 31, 2023					
Other comprehensive income (losses) before reclassifications	Other comprehensive income (losses) before reclassifications	(5,126)	1,398	(3,728)	345
Amounts reclassified from AOCI	Amounts reclassified from AOCI	2,235	—	2,235	—
OCI	OCI	(2,891)	1,398	(1,493)	345
Balance at March 31, 2024	\$ (45,934)	\$ (5,913)	\$ (51,847)	\$ 11,270	\$ (40,577)
Balance at March 31, 2024					
Balance at March 31, 2024					
Balance at March 31, 2024					

The following table presents the reclassification adjustments out of AOCI included in net income and the impacted line items on the condensed consolidated statement of operations for the following periods:

Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023	Affected line item in condensed consolidated statements of operations
Three Months Ended March 31, 2024	Nine Months Ended March 31, 2024	Affected line item in condensed consolidated statements of operations

		Three Months Ended March 31,			
Components of AOCI	Components of AOCI	2023	2022	2023	2022
Affected line item in condensed consolidated statements of operations					
Unrealized gains (losses) on available for sale securities					
Unrealized gains (losses) on available for sale securities					
Unrealized gains (losses) on available for sale securities	Unrealized gains (losses) on available for sale securities	\$ 2	\$ —	\$(2,954)	\$(110)
				Net realized and unrealized gains (losses)	Net realized and unrealized gains (losses)
				\$ (116)	\$ 365
Related tax (expense) benefit	Related tax (expense) benefit	—	—	719	24
				Provision for income tax	Provision for income tax
Net of tax	Net of tax	\$ 2	\$ —	\$(2,235)	\$(86)

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#### (18) Stock Based Compensation

##### *Tiptree Equity Plans*

The table below summarizes changes to the issuances under the Company's 2017 Omnibus Incentive Equity Plan for the periods indicated, excluding awards granted under the Company's subsidiary incentive plans that are exchangeable for Tiptree common stock:

2017 Equity Plan	Number of shares
Available for issuance as of December 31, 2022 December 31, 2023	2,371,977 2,260,550
Restricted Stock Unit; RSU; stock and option awards granted	(105,008) (83,379)
PRSU awards granted	(1,420,833)
Available for issuance as of September 30, 2023 March 31, 2024	2,266,969 756,338

##### *Restricted Stock Units (RSUs) and Stock Awards*

The Company values RSUs at their grant-date fair value as measured by Tiptree's common stock price. Generally, the Tiptree RSUs vest and become non-forfeitable either (i) after the third anniversary, or (ii) with respect to one-third of Tiptree shares granted on each of the first, second and third year anniversaries of the grant date. RSU awards are expensed using the straight-line method over the requisite service period. The RSUs granted after 2019 include a retirement provision and are amortized over the lesser of the service condition or expected retirement date. Stock awards issued as director compensation are deemed to be granted and immediately vested upon issuance.

The following table presents changes to the issuances of RSUs and stock awards under the 2017 Omnibus Incentive Equity Plan for the periods indicated:

Number of shares issuable	Number of shares issuable	Weighted average grant date fair value

			Number of shares issuable	average grant date fair value	Weighted average
Unvested units as of December 31, 2022			501,007	\$ 9.63	
Unvested units as of December 31, 2023					
Unvested units as of December 31, 2023					
Unvested units as of December 31, 2023					
Granted	Granted		105,008		16.13
Vested	Vested		(352,784)		8.25
Unvested units as of September 30, 2023					
(1)			253,231	\$ 14.25	
Unvested units as of March 31, 2024 (1)					
Unvested units as of March 31, 2024 (1)					
Unvested units as of March 31, 2024 (1)					

<sup>(1)</sup>Includes 62,940 139,888, 81,873 and 78,360 shares that vest ratably over two years and 108,418 and 81,874 shares that cliff vest in 2025, 2026 and 2026 2027, respectively.

The following tables present the detail of the granted and vested RSUs and stock awards for the periods indicated.

Net Vested	309,462	281,277
Net Vested		

*Tiptree Senior Management Incentive Plan*

On August 4, 2021, a total of 3,500,000 Performance Restricted Stock Units (PRSUs) were awarded to members of the Company's senior management. An additional 350,000 PRSUs were awarded on October 14, 2022. The PRSUs have a 10-year term and are subject to the recipient's continuous service and a market requirement. A portion of the PRSUs will generally vest upon the achievement of each of five Tiptree share price target milestones ranging from \$15 to \$60, adjusted for dividends paid, within five pre-established determination periods (subject to a catch-up vesting mechanism) occurring on the second, fourth, sixth, eighth and tenth anniversaries of the grant date.

In November 2021, the first tranche of the PRSUs vested, resulting in a net issuance of 215,583 shares of Tiptree common stock.

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On January 1, 2024, Tiptree granted 1,420,833 PRSUs to members of the Company's senior management. The PRSUs will generally vest upon achievement of a \$70 Tiptree share price target (adjusted for dividends paid) prior to the tenth anniversary of the date of grant, subject to the Grantee's continued employment with Tiptree.

As of **September 30, 2023** **March 31, 2024**, **3,616,667** **5,037,500** PRSUs **are** **were** unvested. The below table illustrates the aggregate number of PRSUs that will vest upon the achievement of each Tiptree share price target. Such price targets are adjusted down for cumulative

**TIPTREE INC. AND SUBSIDIARIES**

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dividends paid by the Company since grant (e.g., the next share price target is **\$19.61** **\$19.50** as adjusted for cumulative dividends paid to date).

Original Tiptree Share Price Target	Original Tiptree Share Price Target	Original Number of PRSUs that Vest	Original Tiptree Share Price Target	Number of PRSUs that Vest
\$20	\$20	516,667	\$20	516,667
\$30	\$30	775,000	\$30	775,000
\$45	\$45	1,033,333	\$45	1,033,333
\$60	\$60	1,291,667	\$60	1,291,667
\$70			\$70	1,420,833

Upon vesting, the Company will issue shares, or if shares are not available under the 2017 Equity Plan, then the Company may in its sole discretion instead deliver cash equal to the fair market value of the underlying shares. The fair value of the PRSUs was estimated using a Black-Scholes-Merton option pricing formula embedded within a Monte Carlo model used to simulate the future stock prices of the Company, which assumes that the market requirement is achieved. The historical volatility was computed based on historical daily returns of the Company's stock price simulated over the performance period using a lookback period of 10 years. The valuation was done under a risk-neutral framework using the 10-year zero-coupon risk-free interest rate derived from the Treasury Constant Maturities yield curve on the reporting date. The **current** quarterly dividend rates in effect as of the reporting date are used to calculate a spot dividend yield for use in the model.

The following table presents the assumptions used to measure the fair value of the PRSUs as of **the respective grant date**, or June 7, 2022, when **they** the original tranches were converted to equity awards.

Valuation Input	Assumption
Historical volatility	38.75%
Risk-free rate	3.04%
Dividend yield	1.45%
Cost of equity	11.72%
Expected term (years)	6

  

Valuation Input	June 2022	October 2022	January 2024
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Historical volatility	38.75%	39.23%	39.10%
Risk-free rate	3.04%	3.95%	3.80%
Dividend yield	1.45%	1.44%	1.05%
Cost of equity	11.72%	14.19%	13.65%
Expected term (years)	6.0	5.9	5.5

#### Stock Option Awards

Between 2016 and 2020, option awards were granted to the Executive Committee with an exercise price equal to the fair market value of our common stock on the date of grant. The option awards have a 10-year term and are subject to the recipient's continuous service, a market requirement, and vest one third on each of the three, four, and five-year anniversaries of the grant date. As of **September 30, 2023** **March 31, 2024**, the market requirement for all outstanding options has been achieved. There were no stock option awards granted in 2022 or 2023, from 2021 to March 31, 2024.

The following table presents the Company's stock option activity for the current period:

	Options outstanding	Weighted average exercise price (in dollars per stock option)	Weighted average grant date value (in dollars per stock option)	Options exercisable
Balance, December 31, 2022	1,675,514	\$ 6.50	\$ 2.30	1,018,805
Balance, September 30, 2023	1,583,873	\$ 6.51	\$ 2.25	1,225,083
Weighted average remaining contractual term at September 30, 2023 (in years)	4.5			

	Options outstanding	Weighted average exercise price (in dollars per stock option)	Weighted average grant date value (in dollars per stock option)	Options exercisable
Balance, December 31, 2023	1,583,873	\$ 6.51	\$ 2.25	1,225,083
Balance, March 31, 2024	1,583,873	\$ 6.51	\$ 2.25	1,442,114
Weighted average remaining contractual term at March 31, 2024 (in years)	4.0			

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#### Subsidiary Equity Plans

Certain of the Company's subsidiaries have established incentive plans under which they are authorized to issue equity of those subsidiaries to certain of their employees. Such awards are accounted for as equity unless otherwise noted. These awards are subject to performance-vesting criteria based on the performance of the subsidiary (performance vesting awards) and time-vesting subject to continued employment (time vesting awards). The Company has the option, but not the obligation to settle the exchange right in cash.

#### Fortegra Equity Incentive Plan

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Fortegra adopted the 2022 Equity Incentive Plan ("Fortegra Plan") on June 21, 2022, and further amended on January 18, 2024, which permits the grant of RSUs, stock based awards and options up to **7.2%** **11.0%** of Fortegra Common Stock (assuming conversion of the Fortegra Preferred Stock), of which the substantial majority is expected to be delivered in options. As of **September 30, 2023** **March 31, 2024**, time vesting RSUs and time and performance vesting options representing approximately **5.0%** **4.7%** of Fortegra Common Stock (assuming conversion of the Fortegra Preferred Stock) have been granted and remain unvested. The general purpose of the Fortegra Plan is to attract, motivate and retain selected employees of Fortegra, to provide them with incentives and rewards for performance and to better align their interests with those of Fortegra's stockholders. Unless otherwise extended, the Fortegra Plan terminates automatically on June 21, 2032. The awards under the Fortegra Plan are not exchangeable for Tiptree common stock.

In May 2023 and November 2023, Fortegra granted management options with a strike price equal to the per share price on the date of the WP Transaction, delivered in equal portions of time and performance vested grants equal to approximately **4.6%** **4.5%** of Fortegra Common Stock (assuming cash exercise, and after conversion of the Fortegra Preferred Stock and excluding forfeitures). The time vested options vest in equal parts over five years and expire on the ten year anniversary of the grant date. The performance vested options vest based on specific internal rate of return targets determined at the time of a change of control of Fortegra or sale by Warburg of more than 50% of its Fortegra securities (on an as converted basis) acquired in 2022. These time and performance options must be exercised in the calendar year they vest and shall be deemed

automatically exercised if not otherwise done so by December 31 of the calendar year in which they vest. The fair value option grants were estimated on the date of grant using a Black-Scholes Merton option pricing formula embedded within a Monte Carlo model used to simulate the future value of Fortegra Common Stock, which assumes the market requirement is achieved. Key assumptions used in the model were a historical volatility of 45.0%, a risk free rate of 3.6% 3.7%, no dividend yield and an expected term of 4.2 years.

In May 2023 and March 2024, Fortegra granted time vesting RSUs equal to approximately 0.1% 0.2% of Fortegra Common Stock (assuming conversion of the Fortegra Preferred Stock). The RSUs include a retirement provision and are amortized over the lesser of the service condition or expected retirement date.

In May 2023 and November 2023, Fortegra granted performance based restricted stock units (Fortegra PRSUs) that vest based on the achievement of specified gross written premium volume targets and underwriting ratios for selected specialty insurance lines written in 2024. Upon vesting, the Fortegra PRSUs entitle recipients to participate in an aggregate pool of between \$5,000 and \$20,000 payable in shares of Fortegra. The Fortegra PRSUs are accounted for as liability awards and were unvested as of **September 30, 2023** **March 31, 2024**.

The following table presents changes to the issuances of subsidiary awards under the subsidiary incentive plans for the periods indicated:

		Grant date fair value of equity shares issuable
Unvested balance as of December 31, 2022	December 31, 2023	\$ 1,487 20,609
Granted		18,339 1,200
Vested		(808) (1,081)
Performance assumption adjustment		(49)
Unvested balance as of September 30, 2023	March 31, 2024	\$ 19,018 20,679

## TIPTREE INC. AND SUBSIDIARIES

## Notes to Condensed Consolidated Financial Statements

September 30, 2023 | March 31, 2024

(in thousands, except share data)

### ***Stock Based Compensation Expense***

The following table presents total stock based compensation expense and the related income tax benefit recognized on the condensed consolidated statements of operations:

Net stock based compensation expense
Net stock based compensation expense

Additional information on total non-vested stock based compensation is as follows:

As of September 30, 2023				As of March 31, 2024				As of March 31, 2024			
		Restricted stock awards and RSUs	Performance Stock Units			Subsidiary Stock options	Restricted stock awards and RSUs			Performance Restricted Stock Units	
Unrecognized compensation cost related to non-vested awards (1)	awards (1)	\$ 16,444	\$ 1,792	\$ 5,304							
Weighted average recognition period (in years)	years)	2.3	0.9	1.0 (in years)		2.1	0.8				1.5

(1) Includes unrecognized compensation cost of \$16,439 \$16,963 related to stock options, \$970 \$1,772 related to RSUs, and \$580 \$513 related to PRSUs at The Fortegra Group.

## **(19) Income Taxes**

The following table presents the Company's provision (benefit) for income taxes reflected as a component of income (loss):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
<b>Three Months Ended March 31,</b>				
Total income tax expense (benefit)				
Total income tax expense (benefit)				
Total income tax expense (benefit) \$	12,273	\$ 5,068	\$ 29,119	\$ 31,537
Effective tax rate (ETR) (%)	58.0	%	20.2	%
Effective tax rate (ETR)				
Effective tax rate (ETR)				

(1) Higher than the U.S. federal statutory income tax rate of 21% primarily due to the impact of outside basis deferred taxes on Tiptree's investment in Fortegra and other discrete items.

(2) Lower than the U.S. federal statutory income tax rate of 21% primarily due to the impact of discrete items, partially offset by state taxes.

(3) Higher than the U.S. federal statutory income tax rate of 21% primarily due to the initial recording of deferred taxes on the outside basis of Tiptree's investment in Fortegra.

Tiptree owns less than 80% of Fortegra and is required to record deferred taxes on the outside basis on its investment in Fortegra. This deferred tax liability represents the tax that would be due, before consideration of loss carryforwards, if Tiptree were to sell all of its Fortegra stock at its carrying value on Tiptree's balance sheet.

For the three months ended **September 30, 2023** **March 31, 2024**, the deferred tax liability relating to Fortegra increased by **\$2,280**, **\$3,930**, of which **\$2,116** **\$535** of benefit was recorded in OCI, and **\$4,396** **\$4,465** expense was recorded as a provision for income taxes. For the three months ended **September 30, 2022** **March 31, 2023**, the deferred tax liability decreased by **\$1,424**, **\$4,144**, of which **\$1,808** expense was recorded in OCI, and **\$2,336** **expense** was recorded as a provision for income taxes. Excluding the impact of these deferred taxes, the effective tax rates for the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023** were **37.3%** **31.5%** and **25.8%** **32.9%**, respectively.

For the Organization for Economic Cooperation and Development ("OECD") has introduced a framework to implement a global minimum corporate tax rate of 15%, commonly referred to as Pillar Two. Many aspects of Pillar Two are effective beginning calendar year 2024 and other aspects will be effective beginning in calendar year 2025. While it is uncertain whether the nine months ended September 30, 2023, this deferred tax liability relating U.S. will adopt Pillar Two, certain countries in which the Company operates have adopted legislation and other countries are in the process of introducing legislation to Fortegra was \$48,627, which was an increase of \$8,656 from implement Pillar Two. While we do not expect Pillar Two to have a material impact on the year ended December 31, 2022, of which a \$332 benefit was recorded Company, our analysis is ongoing as the OECD releases additional guidance and countries implement additional legislation.

### TIPTREE INC. AND SUBSIDIARIES

#### Notes to Condensed Consolidated Financial Statements

March 31, 2024

(in OCI, \$1,222 benefit was recorded directly in stockholders' equity, and \$10,210 expense was recorded as a provision for income taxes. For the nine months ended September 30, 2022, this deferred tax liability was \$33,450, which was an increase of \$33,450 from the year ended December 31, 2021, of which \$14,064 was recorded directly in stockholders' equity and \$19,386 was recorded as a provision for income taxes. Excluding the impact of these deferred taxes, the effective tax rates for the nine months ended September 30, 2023 and 2022 were 35.7% and 25.6%, respectively, thousands, except share data)

#### (20) Commitments and Contingencies

The following table presents rent expense for the Company's office leases recorded in other expenses on the condensed consolidated statements

### TIPTREE INC. AND SUBSIDIARIES

#### Notes to Condensed Consolidated Financial Statements

September 30, 2023

(in thousands, except share data)

of operations for the following periods:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2023	2022	2023	2022
Rent expense for office leases (1)	\$ 1,925	\$ 1,942	\$ 6,003	\$ 6,508

(1) Includes lease expense of \$0 and \$202 for the nine months ended September 30, 2023 and 2022, respectively, for assets classified as held for sale for the periods prior to July 1, 2022.

#### Three Months Ended

March 31,

	2024	2023
Rent expense for office leases	\$ 1,990	\$ 2,069

The Company entered into a sublease of their its former corporate office space in December 2022. As a result of the sublease, future lease payments will be offset by \$1,842 annually beginning from July 2023 through August 2029.

#### **Litigation**

The Company is a defendant in Mullins v. Southern Financial Life Insurance Co., a class action filed in February 2006, in Pike County Circuit Court in the Commonwealth of Kentucky on behalf of Kentucky consumers that purchased certain credit life and disability insurance coverage between 1997-2007. The action alleges violations of the Kentucky Consumer Protection Act ("KCPA") and certain insurance statutes, common law fraud and breach of contract and the covenant of good faith and fair dealing. The plaintiffs seek compensatory and punitive damages, attorneys' fees and interest.

Two classes were certified in June 2010: Subclass A includes class members who suffered a disability during the coverage period but allegedly received less than full disability benefits; Subclass B includes all class members whose loan termination date extended beyond the termination date of the credit disability coverage period.

In a series of orders issued in October 2022 on competing motions for partial summary judgment, the court found in favor of the plaintiffs as to the Subclass A breach of contract claim (the Subclass A Order) and, as to Subclass B, found that the Company was unjustly enriched to the extent the premium it collected exceeded the proportion of the premium for which the Company provided benefits coverage (the Subclass B Order). The court found in favor of the Company as to the plaintiffs' claims for common law fraud and violation of Kentucky's insurance statutes and ordered the plaintiffs' Motion for Sanctions for Spoliation of Evidence held in abeyance. The Company has appealed the Subclass A Order and Subclass B Order and all interlocutory orders made final by entry of the Subclass A Order and Subclass B Order.

In December 2022, the court dismissed the plaintiffs' KCPA claims as to both Subclass A Order and Subclass B Order. The court also dismissed the plaintiffs' breach of covenant of good faith and fair dealing claim as to Subclass B Order but declined to dismiss such claim as to Subclass A Order pending resolution of the Company's appeal. The trial, previously

scheduled for December 2023, has been remanded while the matter is on appeal.

The Company considers such litigation customary in the insurance industry. In management's opinion, based on information available at this time, the ultimate resolution of such litigation, which it is vigorously defending, should not be materially adverse to the financial position of the Company. It should be noted that large punitive damage awards, bearing little relation to actual damages sustained by plaintiffs, have been awarded in certain states against other companies in the credit insurance business. At this time, the Company cannot estimate a range of loss that is reasonably possible.

The Company and its subsidiaries are parties to other legal proceedings in the ordinary course of business. Although the Company's legal and financial liability with respect to such proceedings cannot be estimated with certainty, the Company does not believe that these proceedings, either individually or in the aggregate, are likely to have a material adverse effect on the Company's financial position.

#### **(21) Earnings Per Share**

The Company calculates basic net income per share of common stock (common share) based on the weighted average number of common shares outstanding, which includes vested corporate RSUs. Unvested corporate RSUs have a non-forfeitable right to participate in dividends declared and paid on the Company's common stock on an as vested basis and are

#### **TIPTREE INC. AND SUBSIDIARIES**

Notes to Condensed Consolidated Financial Statements

March 31, 2024

(in thousands, except share data)

therefore considered a participating security. The Company calculates basic earnings per share using the "two-class" method under which the income available to common stockholders is allocated to the unvested corporate RSUs.

Diluted net income attributable to common stockholders includes the effect of unvested subsidiaries' RSUs, when dilutive. The assumed exercise of all potentially dilutive instruments is included in the diluted net income per common share calculation, if dilutive.

#### **TIPTREE INC. AND SUBSIDIARIES**

Notes to Condensed Consolidated Financial Statements

September 30, 2023

(in thousands, except share data)

The following table presents a reconciliation of basic and diluted net income per common share for the following periods:

		Three Months Ended September 30,				Nine Months Ended September 30,	
		2023	2022			2023	2022
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		Three Months Ended March 31,					
		2024					
		2024					
		2024					
<b>Net income (loss)</b>							
<b>Net income (loss)</b>							
Net income (loss)	Net income (loss)	\$ 8,868	\$ 20,057	\$ 23,869	\$ (2,557)		
<u>Less:</u>	<u>Less:</u>						
<u>Less:</u>							
<u>Less:</u>							
Net income (loss) attributable to non-controlling interests							
Net income (loss) attributable to non-controlling interests							
Net income (loss) attributable to non-controlling interests	Net income (loss) attributable to non-controlling interests	6,715	5,834	16,789	6,588		

Net income allocated to participating securities	Net income allocated to participating securities	14	195	57	—
Net income allocated to participating securities	Net income allocated to participating securities	14	195	57	—
Net income allocated to participating securities	Net income allocated to participating securities	14	195	57	—
<b>Net income (loss) attributable to Tiptree Inc. common shares - basic</b>	<b>Net income (loss) attributable to Tiptree Inc. common shares - basic</b>				
Net income (loss) attributable to Tiptree Inc. common shares - basic	Net income (loss) attributable to Tiptree Inc. common shares - basic	2,139	14,028	7,023	(9,145)
<u>Effect of Dilutive Securities:</u>	<u>Effect of Dilutive Securities:</u>				
Securities of subsidiaries	Securities of subsidiaries	(502)	(47)	(91)	—
Adjustments to income relating to exchangeable interests and contingent considerations, net of tax	—	3	—	—	—
Securities of subsidiaries	Securities of subsidiaries				
Securities of subsidiaries	Securities of subsidiaries				
<b>Net income (loss) attributable to Tiptree Inc. common shares - diluted</b>	<b>Net income (loss) attributable to Tiptree Inc. common shares - diluted</b>				
Net income (loss) attributable to Tiptree Inc. common shares - diluted	Net income (loss) attributable to Tiptree Inc. common shares - diluted	\$ 1,637	\$ 13,984	\$ 6,932	\$ (9,145)
<u>Weighted average number of shares of common stock outstanding - basic</u>	<u>Weighted average number of shares of common stock outstanding - basic</u>				
Weighted average number of shares of common stock outstanding - basic	Weighted average number of shares of common stock outstanding - basic	36,749,199	36,304,385	36,672,120	35,261,659
Weighted average number of shares of common stock outstanding - basic	Weighted average number of shares of common stock outstanding - basic				
Weighted average number of incremental shares of common stock issuable from exchangeable interests and contingent considerations	Weighted average number of incremental shares of common stock issuable from exchangeable interests and contingent considerations	934,932	478,863	897,285	—
Weighted average number of incremental shares of common stock issuable from exchangeable interests and contingent considerations	Weighted average number of incremental shares of common stock issuable from exchangeable interests and contingent considerations				

Weighted average number of incremental shares of common stock issuable from exchangeable interests and contingent considerations								
<b>Weighted average number of shares of common stock outstanding - diluted</b>								
<b>Weighted average number of shares of common stock outstanding - diluted</b>								
<b>Weighted average number of shares of common stock outstanding - diluted</b>	<b>Weighted average number of shares of common stock outstanding - diluted</b>							
Basic net income (loss) attributable to common shares	Basic net income (loss) attributable to common shares	\$	0.06	\$	0.39	\$	0.19	\$ (0.26)
Basic net income (loss) attributable to common shares								
Diluted net income (loss) attributable to common shares	Diluted net income (loss) attributable to common shares	\$	0.04	\$	0.38	\$	0.18	\$ (0.26)
Diluted net income (loss) attributable to common shares								
Diluted net income (loss) attributable to common shares								

## **(22) Related Party Transactions**

Corvid Peak Tiptree Advisors is a related party of the Company because Corvid Peak Tiptree Advisors is deemed to be controlled by Michael Barnes, the Company's Executive Chairman. The Company is invested in funds managed by Corvid Peak Tiptree Advisors (the Corvid Peak Tiptree Advisors Funds) and Corvid Peak Tiptree Advisors manages investment portfolio accounts of Fortegra and certain of its subsidiaries under an investment advisory agreement (the IAA). With respect to the Corvid Peak Tiptree Advisors Funds and the IAA, the Company incurred \$1,507 \$1,421 and \$847 \$1,102 of management and incentive fees for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively. The Company incurred \$3,876 and \$2,255 of management and incentive fees for the nine months ended September 30, 2023 and 2022, 2023, respectively.

Beginning January 1, 2021, Tiptree has been allocated 10.2% of certain profits interests earned by Corvid Peak with an additional 10.2% interest for each of the next consecutive four years. Beginning on January 1, 2023 January 1, 2024, Tiptree's percentage of profits interest in Tiptree Advisors was 40.8%. As of January 1, 2025, Tiptree's percentage interest increased will increase to 31.84% (including interests acquired from former Corvid Peak equity holders) 51.0%.

Pursuant to the Transition Services Agreement, Tiptree and Corvid Peak Tiptree Advisors have mutually agreed to provide certain services to one another. Payments under the Transition Services Agreement in the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 were not material.

Pursuant to a Partner Emeritus Agreement, Tiptree agreed to provide Mr. Inayatullah, a greater than 5% stockholder of the Company, support services and reimburse Mr. Inayatullah for a portion of benefit expenses in exchange for advice and other consulting services as requested by the Company's Executive Committee. Transactions related to the Partner Emeritus Agreement in the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 were not material.

## **(23) Subsequent Events**

On October 6, 2023, South Bay Acceptance Corporation and South Bay Funding LLC (the "Borrowers"), subsidiaries of Fortegra, entered into a three-year \$125.0 million secured credit agreement ("the "Credit Agreement") with the lenders from time to time party thereto and Fifth Third Bank, N.A., as the administrative agent. The Credit Agreement amends and restates the prior credit agreement dated October 16, 2020, among the Borrowers, Fifth Third Bank, N.A., and the lenders party thereto, and, among other things, extends the maturity date of the revolving credit facility from October 2023 to October 2026 and increases the total revolving credit commitments from \$100.0 million to \$125.0 million.

On October 31, 2023 April 30, 2024, the Company's board of directors declared a quarterly cash dividend of \$0.05 \$0.06 per share to holders of common stock with a record date of November 20, 2023 May 20, 2024, and a payment date of November 27, 2023.

## **TIPTREE INC. AND SUBSIDIARIES**

Notes to Condensed Consolidated Financial Statements

September 30, 2023

(in thousands, except share data)

## **Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations**

Our Management's Discussion and Analysis of Financial Condition and Results of Operations is presented in this section as follows:

- Overview
- Results of Operations
- Non-GAAP Measures and Reconciliations
- Liquidity and Capital Resources
- Critical Accounting Policies and Estimates

### **OVERVIEW**

Tiptree allocates capital to select small and middle market companies with the mission of building long-term value. Established in 2007, we have a significant track record investing in the insurance sector and across a variety of other industries, including mortgage, specialty finance and shipping. Our largest operating subsidiary, Fortegra, is a leading provider of specialty insurance products and related services. We also generate earnings from a diverse group of select investments that we refer to as Tiptree Capital, which includes our Mortgage segment and other, non-insurance businesses and assets. We evaluate performance primarily by the comparison of stockholders' long-term total return on capital, as measured by growth in stock price plus dividends paid, in addition to Adjusted Net Income.

Our **year-to-date 2023 first quarter 2024** highlights include:

#### **Overall:**

- Tiptree reported net income of **\$7.1 million** **\$9.1 million** for the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, compared to a net loss of **\$9.1 million** **\$1.1 million** in the prior year period, driven by growth in insurance operations, partially offset by **lower** **mortgage** and **shipping** **revenues**, the **increase** in **addition** to the **tax** **expense** in **2022** from **related** to the **tax** **deconsolidation** of **Fortegra**. Fortegra from **\$2.3 million** in **2023** to **\$4.5 million** in **2024**. Return on average equity was **2.4%** **8.6%**, compared to **(0.7)** **(1.1)%** in **2022, 2023**.
- Adjusted net income of **\$65.1 million** **\$20.5 million** increased **\$16.3 million** from **\$48.8 million** **\$12.6 million** in **2022, 2023**, driven by growth in insurance operations. Adjusted return on average equity was **16.1%** **19.5%**, as compared to **14.2%** **12.6%** in **2022, 2023**.

#### **Insurance:**

- Gross written premiums and premium equivalents were **\$2.4 billion** **\$663.4 million** for the **nine** **three** months ended **September 30, 2023** **March 31, 2024**, an increase of **\$482.9 million** **\$42.3 million**, or **24.7%** **6.8%**, from the prior year period as a result of growth in specialty E&S and admitted insurance lines in the U.S. and fee-based service offerings, Europe.
- Net written premiums were **\$318.2 million** for the **three** months ended **March 31, 2024**, an increase of **13.2%**, consistent with growth in gross written premiums, and as a result of increased retention on Fortegra's whole account quota share reinsurance arrangement from **30%** to **40%**, effective April 1, 2023.
- Total revenues were **\$1.2 billion** **\$478.8 million**, an increase of **\$256.5 million** **\$110.3 million**, or **28.4%** **29.9%**, from **2022, 2023**, driven by **increases** **premium** **growth** in **earned** **premiums**, specialty E&S and admitted insurance lines in the U.S. and Europe, along with growth in net **service** and **administrative** **fees**, **net** **investment** **income** and **other** **income**.
- Combined ratio of **90.5%** **90.3%**, driven by consistent underwriting performance and the scalability of Fortegra's operating platform.
- Income before taxes of **\$85.6 million** **\$36.8 million** as compared to **\$39.1 million** **\$19.4 million** in **2022, 2023**. Return on average equity was **22.9%** **22.3%** in **2023, 2024** as compared to **12.1%** **16.7%** in **2022, 2023**. The increases were driven by growth in underwriting and fee revenues and increased net investment income.
- Adjusted net income (before NCI) was **\$83.1 million** **\$34.1 million**, an increase of **\$23.2 million** **\$11.2 million**, or **38.7%** **48.8%**, from **2022, 2023**. Adjusted return on average equity was **30.3%** **28.3%**, as compared to **25.8%** **26.1%** in **2022, 2023**.
- In **February 2023**, Fortegra acquired **Premia**, one **Fortegra's** total stockholders' equity was **\$513.7 million** as of **March 31, 2024**, compared to **\$452.6 million** as of **December 31, 2023**, with the **largest** **providers** **increase** driven by **net** **income** during the **current** **year** **period**, the **aggregate** **capital** **contribution** from **Tiptree** and **Warburg** of **automotive** **protection** **products** **\$38.9 million**, partially offset by an **increase** in the **United** **Kingdom**, for **net** **cash** **consideration** of **approximately** **\$19.7 million**, **accumulated** **other** **comprehensive** **loss** **position**.

#### **Tiptree Capital:**

- Mortgage **loss** **income** before taxes was **\$0.9 million** in **\$0.8 million** for the **nine** **three** months ended **2023, March 31, 2024**, as compared to **income** **loss** of **\$3.4 million** **\$2.6 million** in **2022, 2023**, with the **decrease** **increase** driven by **declines** in **higher** **origination** **volumes** and **lower** **positive** **fair** **value** **adjustments** on the **mortgage** **servicing** **portfolio**.
- Maritime transportation **loss** before taxes was **\$1.7 million** in the **nine** **months** ended **2023**, as compared to **income** of **\$36.5 million** in **2022**, as a **result** of the **sale** of **five** **vessels** in **2022**.

#### **Key Trends:**

Our results of operations are affected by a variety of factors including, but not limited to, general economic conditions and GDP growth, market liquidity and volatility, consumer confidence, U.S. demographics, employment and wage growth, business confidence and investment, inflation, interest rates and spreads, the impact of the regulatory environment, and the other factors set forth in Part I, Item 1A in our Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023**. Generally, our businesses are positively affected by a healthy U.S. consumer, stable to gradually rising interest rates, stable markets and business conditions, and global growth and trade flows. Conversely, rising unemployment, volatile markets, rapidly rising interest rates, inflation, changing regulatory requirements and slowing business conditions can have a material adverse effect on our results of operations or financial condition.

Insurance results primarily depend on pricing, underwriting, risk retention and the accuracy of reserves, reinsurance arrangements, returns on invested assets, and policy and contract renewals and run-off. Factors affecting these items, including conditions in financial markets, the global economy and the markets in which we operate, fluctuations in exchange rates, interest rates and inflation, including the current period of inflationary pressures, may have a material adverse effect on our results of operations or financial condition. Fortegra designs, markets and underwrites specialty property and casualty insurance products for select target markets or niches. The types of products Fortegra offers tend to have limited aggregation risk and limited exposure to catastrophic and residual risk. The business has historically generated significant fee-based revenues by incorporating value-add coverages and services. Underwriting risk is mitigated through a combination of reinsurance and sliding scale commission structures with agents, distribution partners and/or third-party reinsurers. To mitigate counterparty risk, Fortegra ensures its reinsurance receivables are placed with highly rated and appropriately capitalized counterparties or with our distribution partners' captive insurance vehicles which are collateralized with highly liquid investments, cash or letters of credit. While Fortegra's insurance operations have historically maintained a relatively stable combined ratio, initiatives to change the business mix along with these economic factors could generate different results than the business has historically experienced. In particular, the current period of rising inflation can have an impact on replacement costs associated with claims from our customers. To customers to the extent we are unable to pass the higher costs of claims through higher premiums, lower underwriting margins could adversely affect our profitability. premiums. In addition, fluctuations of the U.S. dollar relative to other currencies, including the British pound and Euro, would have an impact on book value between periods.

Fortegra's investment portfolio includes fixed maturity securities, loans, credit investment funds, and equity securities. Many of those investments are held at fair value. In recent periods, the U.S. fixed income markets experienced a significant rise in interest rates. Rising interest rates have and could continue to impact the value of Fortegra's fixed maturity securities, with any unrealized losses recorded in equity, and if realized, could impact our results of operations. Offsetting the impact of a rising interest rate environment, new investments in fixed rate instruments from both maturities and portfolio growth have and could continue to result in higher net interest income on investments. The weighted average duration of our fixed income available for sale securities is less than three years. While our asset and liability mix is relatively matched, should we need to liquidate any of these investments before maturity to pay claims, any realized losses could materially negatively impact our results of operations. Changes in fair value for loans, credit investment funds, and equity securities in Fortegra's investment portfolio are reported as unrealized gains or losses in revenues and can be impacted by changes in interest rates, credit risk, currency risk, or market risk, including specific company or industry factors. In addition, our equity holdings are relatively concentrated. General equity market trends, along with company and industry specific factors, can impact the fair value which can result in unrealized gains and losses affecting our results.

Rising 10-year treasury yields, and the tapering of the Federal Reserve's purchases of mortgage-backed securities, has resulted in substantial increases in mortgage interest rates. Low mortgage interest rates driven by the Federal Reserve intervention in mortgage markets, and rising home prices in certain markets, provided tailwinds to the mortgage markets in 2020 and 2021, which benefited our mortgage operations and margins. The substantial rise in rates in recent periods resulted in a sharp reversal of those trends, with volumes and margins declining significantly. Only partially offsetting the declines in mortgage originations is an increase in the fair value of our mortgage servicing portfolio as rising rates slow prepayment speeds, with a resulting increase in servicing income. Continued rising or elevated mortgage rates could have a materially negative impact on our mortgage operations, and is likely to be only partially mitigated by the improvement in mortgage servicing revenues. A sustained period of negative profitability in the mortgage industry could also impact the availability of funding sources for our mortgage business.

Rising interest rates can also impact the cost of floating interest rate debt obligations, while declining rates can decrease the cost of debt. Our secured revolving and term credit agreements, preferred trust securities and asset based revolving financing are all floating rate obligations. A continuation of rising rates could have a material impact on our costs of floating rate debt.

Our investment in Invesque, which operates in the seniors housing, skilled nursing and medical office industries, is carried on our condensed consolidated balance sheets at fair value. The combination of the COVID-19 pandemic impacting occupancy rates and other market factors impacting operating costs has resulted in a significant decline in Invesque's stock price over the past three years. Any additional declines in the fair value of Invesque's common stock could continue to have a significant impact on our results of operations and the value of the investment.

A discussion of our performance for the three and nine months ended September 30, 2023 compared to the three and nine months ended September 30, 2022 appears below.

## RESULTS OF OPERATIONS

The following is a summary of our condensed consolidated financial results for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. In addition to GAAP results, management uses the Non-GAAP measures Adjusted net income, Adjusted return on average equity and book value per share as measurements of operating performance. Management believes these measures provide supplemental information useful to investors as they are frequently used by the financial community to analyze financial performance and comparison among companies.

*Adjusted Net Income and Adjusted Return on Average Equity.* Adjusted net income is defined as income before taxes, less provision (benefit) for income taxes, and excluding the after-tax impact of various expenses that we consider to be unique and non-recurring in nature, including merger and acquisition related expenses, stock-based compensation, net realized and unrealized gains (losses) and intangibles amortization associated with purchase accounting. The calculation of adjusted net income excludes net realized and unrealized gains (losses) that relate to investments or assets rather than business operations. Adjusted net income is presented before the impacts of non-controlling interests. Adjusted return on average equity represents adjusted net income expressed on an annualized basis as a percentage of average beginning and ending stockholders' equity during the period. Management uses Adjusted net income and adjusted return on average equity as part of its capital allocation process and to assess comparative returns on invested capital. We believe adjusted net income provides additional clarity on the results of the Company's underlying business operations as a whole for the periods presented by excluding distortions created by the unpredictability and volatility of realized and unrealized gains (losses). We also believe adjusted net income provides useful supplemental information to investors as it is frequently used by the financial community to analyze financial performance between periods and for comparison among companies.

Adjusted net income and adjusted return on average equity are not measurements of financial performance or liquidity under GAAP and should not be considered as an alternative or substitute for GAAP net income. See "Non-GAAP Reconciliations" for a reconciliation of these measures to their GAAP equivalents.

## Selected Key Metrics

(\$ in thousands, except per share information)

(\$ in thousands, except per share  
information)

(\$ in thousands, except per share information)	(\$ in thousands, except per share information)	Three Months Ended September 30,				Nine Months Ended September 30,		Three Months Ended March 31,
		2023	2022	2023	2022	2023	2022	
Total revenues	Total revenues	\$ 416,514	\$ 363,478	\$ 1,202,657	\$ 1,028,224			
Total revenues								
Total revenues								
Net income (loss) attributable to common stockholders								
Net income (loss) attributable to common stockholders								
Net income (loss) attributable to common stockholders	Net income (loss) attributable to common stockholders	\$ 2,153	\$ 14,223	\$ 7,080	\$ (9,145)			
Diluted earnings per share	Diluted earnings per share	\$ 0.04	\$ 0.38	\$ 0.18	\$ (0.26)			
Diluted earnings per share								
Diluted earnings per share								
Cash dividends paid per common share	Cash dividends paid per common share	\$ 0.05	\$ 0.04	\$ 0.15	\$ 0.12			
Cash dividends paid per common share								
Cash dividends paid per common share								
Return on average equity								
Return on average equity								
Return on average equity	Return on average equity	2.2 %	15.4 %	2.4 %	(0.7) %			
Non-GAAP: <sup>(1)</sup>	Non-GAAP: <sup>(1)</sup>							
Non-GAAP: <sup>(1)</sup>								
Adjusted net income	Adjusted net income	\$ 24,033	\$ 19,395	\$ 65,121	\$ 48,833			
Adjusted net income								
Adjusted net income								
Adjusted return on average equity								
Adjusted return on average equity								
Adjusted return on average equity	Adjusted return on average equity	17.6 %	14.8 %	16.1 %	14.2 %			
Book value per share	Book value per share	\$ 10.78	\$ 10.68	\$ 10.78	\$ 10.68			
Book value per share								
Book value per share								

<sup>(1)</sup> See “—Non-GAAP Reconciliations” for a discussion of non-GAAP financial measures.

#### Revenues

For the three months ended **September 30, 2023** **March 31, 2024**, revenues were **\$416.5 million** **\$498.2 million**, which increased **\$53.0 million** **\$116.6 million**, or **14.6%**, compared to the prior year period. For the nine months ended **September 30, 2023**, revenues were **\$1,202.7 million**, which increased **\$174.4 million**, or **17.0%** **30.6%**, compared to the prior year period. The **changes for both periods were** **change was** primarily driven by growth in earned premiums, net, **and** service and administrative fees, **in our insurance business**, partially offset by lower **investment gains**, and higher **mortgage and shipping** revenues compared to the prior year **periods**, **period**.

The table below provides a break down between net realized and unrealized gains and losses from Invesque and other securities which impacted our consolidated results on a pre-tax basis. Many investments are carried at fair value and marked to market through unrealized gains and losses. As a result, we expect earnings related to these investments to be relatively volatile between periods. Fixed income securities are primarily marked to market through AOCI in stockholders' equity and do not impact net realized and unrealized gains and losses until they are sold.

(\$ in thousands)	Three Months Ended		Nine Months Ended	
	(\$ in thousands)	September 30,	(\$ in thousands)	September 30,
	2024	2023	2022	2023
Net realized and unrealized gains (losses) - Invesque				
Net realized gains - Maritime transportation	\$ —	\$ 14,100	\$ —	\$ 21,217
Net realized and unrealized gains (losses) - Invesque				
Net realized and unrealized gains (losses) - Invesque	\$ (6,793)	\$ (1,698)	\$ (8,661)	\$ (15,624)
Net realized and unrealized gains (losses) <sup>(1)</sup>	\$ (660)	\$ (6,007)	\$ (6,893)	\$ (12,475)
Net realized and unrealized gains (losses) <sup>(1)</sup>				
Net realized and unrealized gains (losses) <sup>(1)</sup>				

<sup>(1)</sup> Excludes Invesque, Maritime transportation and Mortgage realized and unrealized gains and losses.

#### Net Income (Loss) Attributable to common stockholders

For the three months ended **September 30, 2023** **March 31, 2024**, the net income attributable to common stockholders was **\$2.2 million**, compared to a net income of **\$14.2 million** in the prior year period. The decrease was driven by the sale of our vessels and increased investment losses on Invesque in the current year period, partially offset by growth in Fortegra's underwriting and fee operations. For the nine months ended **September 30, 2023**, the net income attributable to common stockholders was **\$7.1 million** **\$9.1 million**, compared to a net loss of **\$9.1 million** **\$1.1 million** in the prior year period. The increase was driven by growth in Fortegra's underwriting and fee income, improved mortgage operations and \$25.5 million of tax expense associated with the WP Transaction recorded investment gains on securities in the prior year period, Company's investment holdings, partially offset by increased investment losses on Invesque in the sale of our vessels in 2022, current year period.

#### Adjusted net income & Adjusted return on average equity - Non-GAAP

Adjusted net income for the three months ended **September 30, 2023** **March 31, 2024** was **\$24.0 million** **\$20.5 million**, an increase of **\$4.6 million** **\$8.0 million**, or **23.9%** **63.5%**, from the three months ended **September 30, 2022** **March 31, 2023**, driven by growth in our insurance operations. For the three months ended **September 30, 2023** **March 31, 2024**, adjusted return on average equity was **17.6%** **19.5%**, as compared to **14.8%** **12.6%** for the three months ended **September 30, 2022** **March 31, 2023**, driven by the increase in adjusted net income.

Adjusted net income for the nine months ended **September 30, 2023** was **\$65.1 million**, an increase of **\$16.3 million**, or **33.4%**, from the nine months ended **September 30, 2022**, driven by growth in our insurance operations. For the nine months ended **September 30, 2023**, adjusted return on average equity was **16.1%**, as compared to **14.2%** for the nine

months ended September 30, 2022, driven by the increase in adjusted net income.

#### Book Value per share - Non-GAAP

Total stockholders' equity was \$543.6 million \$598.6 million as of September 30, 2023 March 31, 2024 compared to \$519.6 million \$541.6 million as of September 30, 2022 March 31, 2023, with the increase driven by comprehensive income over the trailing four quarters, partially offset by net changes in non-controlling interests and preferred dividends paid at Fortegra. In the nine three months ended September 30, 2023 March 31, 2024, Tiptree returned \$5.5 million \$2.2 million to stockholders through dividends paid.

Book value per share for the period ended September 30, 2023 March 31, 2024 was \$10.78 \$11.55, an increase from book value per share of \$10.68 \$10.91 as of September 30, 2022 March 31, 2023, driven by comprehensive income per share, partially offset by dividends paid of \$0.19 \$0.21 per share, net changes in non-controlling interests and preferred dividends paid at Fortegra.

#### Results by Segment

We classify our business into two reportable segments, Insurance and Mortgage, with the remainder of our operations aggregated into Tiptree Capital - Other. Corporate activities include holding company interest expense, corporate employee compensation and benefits, and other expenses, including public company expenses.

The following tables present the components of Revenue, Income (loss) before taxes and Adjusted net income for the following periods:

(\$ in thousands)	(\$ in thousands)	Three Months Ended		Nine Months Ended		
		September 30,	2022	September 30,	2022	
(\$ in thousands)						
(\$ in thousands)						
2024						
2024						
2024						
<u>Revenues:</u>						
<u>Revenues:</u>						
Insurance	Insurance	\$ 406,779	\$ 327,028	\$ 1,159,900	\$ 903,388	
Insurance		—	—	—	—	
Insurance		—	—	—	—	
Mortgage		—	—	—	—	
Mortgage		—	—	—	—	
Mortgage	Mortgage	14,718	15,611	43,346	59,201	
Tiptree Capital - other	Tiptree Capital - other	(4,983)	20,839	(589)	65,635	
Tiptree Capital - other		—	—	—	—	
Tiptree Capital - other		—	—	—	—	
Corporate	Corporate	—	—	—	—	
Corporate		—	—	—	—	
Corporate		—	—	—	—	
Total revenues		—	—	—	—	
Total revenues		—	—	—	—	
Total revenues	Total revenues	\$ 416,514	\$ 363,478	\$ 1,202,657	\$ 1,028,224	
<u>Income (loss) before taxes:</u>						
<u>Income (loss) before taxes:</u>						
<u>Income (loss) before taxes:</u>						
Insurance		—	—	—	—	
Insurance		—	—	—	—	
Insurance	Insurance	\$ 35,722	\$ 15,304	\$ 85,584	\$ 39,057	
Mortgage	Mortgage	359	(940)	(894)	3,350	
Mortgage		—	—	—	—	
Mortgage		—	—	—	—	
Tiptree Capital - other		—	—	—	—	

Tiptree Capital - other									
Tiptree Capital - other	Tiptree Capital - other		(6,494)		19,077		(3,597)	20,468	
Corporate	Corporate		(8,446)		(8,316)		(28,105)	(33,895)	
Corporate									
Corporate									
Total income (loss) before taxes									
Total income (loss) before taxes									
Total income (loss) before taxes	Total income (loss) before taxes	\$	21,141	\$	25,125	\$	52,988	\$	28,980
Non-GAAP -	Non-GAAP -								
Adjusted net income:	Adjusted net income:	(1)	(1)						
Non-GAAP - Adjusted net income: (1)									
Non-GAAP - Adjusted net income: (1)									
Insurance									
Insurance									
Insurance	Insurance	\$	30,043	\$	19,831	\$	83,101	\$	59,893
Mortgage	Mortgage		(327)		(777)		(1,389)		(3,516)
Mortgage									
Mortgage									
Tiptree Capital - other									
Tiptree Capital - other									
Tiptree Capital - other	Tiptree Capital - other		5		5,656		1,637		13,272
Corporate	Corporate		(5,688)		(5,315)		(18,228)		(20,816)
Corporate									
Corporate									
Total adjusted net income	Total adjusted net income	\$	24,033	\$	19,395	\$	65,121	\$	48,833
Total adjusted net income									
Total adjusted net income									

(1) See "—Non-GAAP Reconciliations" for a discussion of non-GAAP financial measures.

## Insurance

Our principal operating subsidiary, Fortegra, is a specialty insurance underwriter and service provider, which focuses on niche lines and fee-oriented services. The combination of specialty insurance underwriting, service contract products, and related service solutions delivered through a vertically integrated business model creates a blend of traditional underwriting revenues, investment income and unregulated fee revenues. The business is an agent-driven model, distributing products through independent insurance agents, consumer finance companies, online retailers, auto dealers, and regional big box retailers to deliver products that complement the consumer transaction.

As of **September 30, 2023** **March 31, 2024**, Fortegra was owned approximately **79.5%** **79.3%** by Tiptree, **17.5%** **17.7%** by Warburg and 3.0% by management and directors of Fortegra, before giving effect to the exercise of outstanding warrants and the conversion of outstanding preferred stock. The following tables and discussion present the Insurance segment results, including non-controlling interests, for the **nine** **three** months ended **September 30, 2023** **March 31, 2024** and **2022** **2023**.

## Components of our Results of Operations

### Revenues

*Earned Premiums, net* represents the earned portion of gross written and assumed premiums, less the earned portion that is ceded to third-party reinsurers under reinsurance agreements. Fortegra's insurance policies generally have a term of six months to seven years depending on the underlying product and premiums are earned pro rata over the term of the policy. At the end of each reporting period, premiums written but not earned are classified as unearned premiums and are earned in subsequent periods over the remaining term of the policy.

*Service and Administrative Fees* represent the earned portion of gross written premiums and premium equivalents, which is generated from non-insurance products including warranty service contracts, motor club contracts and other services offered as part of Fortegra's vertically integrated product offerings. Such fees are typically positively correlated

with transaction volume and are recognized as revenue when realized and earned. At the end of each reporting period, gross written premiums and premium equivalents written for service contracts not earned are classified as deferred revenue, which are earned in subsequent periods over the remaining term of the policy.

*Ceding Commissions and Other Revenue* consists of commissions earned on policies written on behalf of third-party insurance companies with no exposure to the insured risk and certain fees earned in conjunction with underwriting policies. Other revenue also includes the interest income earned on the premium finance product offering.

*Net Investment Income* represents earned investment income on our portfolio of invested assets. Our invested assets are primarily comprised of fixed maturity securities, and may also include cash and cash equivalents and equity securities. The principal factors that influence net investment income are the size of our investment portfolio, the yield on that portfolio and expense due to external investment managers. The insurance investment portfolio includes investments held in statutory insurance companies and in unregulated entities. The portfolios held in statutory insurance companies are subject to different regulatory considerations, including with respect to types of assets, concentration limits, affiliate transactions and the use of leverage.

*Net Realized and Unrealized Gains (Losses)* on investments are a function of the difference between the amount received by us on the sale of a security and the security's cost basis, as well as any "other-than-temporary" impairments and allowances for credit losses which are recognized in earnings. In addition, equity securities and certain other investments are carried at fair value with unrealized gains and losses included in this line. Fortegra's investment strategy is designed to achieve attractive risk-adjusted returns across select asset classes, sectors and geographies while maintaining adequate liquidity to meet claims payment obligations. As such, volatility from realized and unrealized gains and losses may impact period-over-period performance. Unrealized gains and losses on equity securities and loans held at fair value impact current period net income, while unrealized gains and losses on AFS securities impact AOCI.

## Expenses

*Net Losses and Loss Adjustment Expenses* represent actual insurance claims paid, changes in unpaid claim reserves, net of amounts ceded and the costs of administering claims for insurance lines. Incurred claims are impacted by loss frequency, which is a measure of the number of claims per unit of insured exposure, and loss severity, which is based on the average size of claims. Factors affecting loss frequency and loss severity include the volume of underwritten contracts, changes in claims reporting patterns, claims settlement patterns, judicial decisions, economic conditions, morbidity patterns and the attitudes of claimants towards settlements, and original pricing of the product for purposes of the loss ratio in relation to loss emergence over time. Losses and loss adjustment expenses are based on an actuarial analysis of the estimated losses, including losses incurred during the period and changes in estimates from prior periods.

*Member Benefit Claims* represent the costs of services and replacement devices incurred in warranty and motor club service contracts. Member benefit claims represent claims paid on behalf of contract holders directly to third-party providers for roadside assistance and for the repair or replacement of covered products. Claims can also be paid directly to contract holders as a reimbursement payment, provided supporting documentation of loss is submitted to the Company. Claims are recognized as expense when incurred.

*Commission Expenses* reflect commissions paid to retail agents, ~~program~~ third party administrators and managing general underwriters, net of ceding commissions received on business ceded under certain reinsurance contracts. Commission expenses are deferred and amortized to expense in proportion to the premium earned over the policy life. Commission expense is incurred on most product lines. The majority of commissions are retrospective commissions paid to agents, distributors and retailers selling the Company's products, including credit insurance policies, warranty service contracts and motor club memberships. When claims increase, in most cases distribution partners bear the risk through a reduction in their retrospective commissions. Commission rates are, in many cases, set by state regulators, such as in credit and collateral protection programs and are also impacted by market conditions and the retention levels of distribution partners.

*Operating and Other Expenses* represent the general and administrative expenses of insurance operations including employee compensation and benefits and other expenses, including, technology costs, office rent, and professional services fees, such as legal, accounting and actuarial services.

*Interest Expense* consists primarily of interest expense on corporate revolving debt, notes, preferred trust securities due June 15, 2037 (Preferred Trust Securities) and asset based debt for premium finance and warranty service contract financing, which is non-recourse to Fortegra.

*Depreciation Expense* is primarily associated with furniture, fixtures and equipment. *Amortization Expense* is primarily associated with purchase accounting amortization including values associated with acquired customer relationships, trade names and internally developed software and technology.

## Key Performance Metrics

We discuss certain key performance metrics, described below, which provide useful information about our business and the operational factors underlying its financial performance.

*Gross written premiums and premium equivalents* represent total gross written premiums from insurance policies and warranty service contracts issued, as well as premium finance volumes during a reporting period. They represent the volume of insurance policies written or assumed and warranty service contracts issued during a specific period of time without reduction for policy acquisition costs, reinsurance costs or other deductions. Gross written premiums is a volume measure commonly used in the insurance industry to compare sales performance by period. Premium equivalents are used to compare sales performance of warranty service and administrative contract volumes to gross written premiums. Similar to how management considers gross written premiums to be a relevant measure of volume, regardless of the impact of reinsurance on net earned premiums, management considers premium equivalents to be a relevant measure of contract volume, regardless of whether the Company retains the full obligation. Investors also use these measures to compare sales growth among comparable companies, while management uses these measures to evaluate the relative performance of various sales channels.

*Combined Ratio, Loss Ratio, Acquisition Ratio, Underwriting Ratio and Operating Expense Ratio*

Combined ratio is an operating measure, which equals the sum of the underwriting ratio and the operating expense ratio. Loss ratio is the ratio of the GAAP line items net losses and loss adjustment expenses and member benefit claims to earned premiums, net, service and administrative fees (excluding ceding fees), and other revenue (excluding cash and cash equivalent interest income). Acquisition ratio is the ratio of the GAAP line items commission expense (less ceding fees and ceding commissions) to earned premiums, net, service and administrative fees (excluding ceding fees), and other revenue (excluding cash and cash equivalent interest income). Underwriting ratio is the combination of the loss ratio and the acquisition ratio. Operating expense ratio is the ratio of the GAAP line items employee compensation and benefits and other expenses to earned premiums, net, service and administrative fees (excluding ceding fees) and other revenue (excluding cash and cash equivalent interest income).

A combined ratio under 100% generally indicates an underwriting profit. A combined ratio over 100% generally indicates an underwriting loss. These ratios are commonly used in the insurance industry as a measure of underwriting profitability, excluding earnings on the insurance portfolio. Investors commonly use these measures to compare underwriting performance among companies separate from the performance of the investment portfolio. Management uses these measures to compare the profitability of various products we underwrite as well as profitability among our various agents and sales channels.

*Return on average equity* is expressed as the ratio of net income to average stockholders' equity during the period. Management uses this ratio as a measure of the on-going performance of the totality of the Company's operations.

## Non-GAAP Financial Measures

Underwriting and Fee Revenues and Underwriting and Fee Margin - Non-GAAP(1)

In order to better explain to investors the underwriting performance of the Company's programs and the respective retentions between the Company and its agents and reinsurance partners, we use the non-GAAP metrics – underwriting and fee revenues and underwriting and fee margin. We generally manage our exposure to the risks we underwrite using both reinsurance (e.g., quota share and excess of loss) and sliding scale commission agreements with our agents (e.g., commissions paid are adjusted based on the actual underlying losses incurred), which mitigates our risk. Generally, when losses are incurred, the risk which is retained by our agents and reinsurers is reflected in a reduction in commissions paid.

*Underwriting and fee revenues* represents earned premiums, net, service and administrative fees (excluding ceding fees) and other income (excluding cash and cash equivalent interest income). We reconcile underwriting and fee revenues as total revenues excluding net investment income, net realized gains (losses) and net unrealized gains (losses), ceding fees, ceding commissions and cash and cash equivalent interest income as reported in other income. See “*—Non-GAAP Reconciliations*” for a reconciliation of underwriting and fee revenues to total revenues in accordance with GAAP.

*Underwriting and fee margin* represents income before taxes excluding net investment income, net realized gains (losses), net unrealized gains (losses), cash and cash equivalent interest income, employee compensation and benefits, other expenses, interest expense and depreciation and amortization. We deliver our products and services on a vertically integrated basis to our agents. As such, underwriting and fee margin exclude general and administrative expenses, interest income, depreciation and amortization and other corporate expenses, including income taxes, as these corporate expenses support our vertically integrated delivery model and are not specifically supporting any individual business line. See “—Non-GAAP Reconciliations” for a reconciliation of underwriting and fee margin to total revenues in accordance with GAAP.

*Adjusted net income* represents income before taxes, less provision (benefit) for income taxes, and excluding the after-tax impact of various expenses that we consider to be unique and non-recurring in nature, including merger and acquisition

related expenses, stock-based compensation, net realized and unrealized gains (losses), and intangibles amortization associated with purchase accounting.

*Adjusted return on average equity* represents adjusted net income expressed on an annualized basis as a percentage of average beginning and ending stockholders' equity during the period.

See “—Non-GAAP Reconciliations” for a reconciliation of underwriting and fee revenues, underwriting and fee margin, adjusted net income and adjusted return on average equity to their GAAP equivalents.

**Results of Operations - Three Months Ended September 30, 2023 March 31, 2024 compared to 2022**

Service and administrative fees	Service and administrative fees	100,146	83,423	16,723	20.0 %	Service and administrative fees	110,487	92,032	92,032	18,455	18,455	20.1
Ceding commissions	Ceding commissions	2,440	4,023	(1,583)	(39.3)%	Ceding commissions	2,744	3,645	3,645	(901)	(901)	(24.7)
Net investment income	Net investment income	5,416	3,632	1,784	49.1 %	Net investment income	6,758	5,109	5,109	1,649	1,649	32.3
Net realized and unrealized gains (losses)	Net realized and unrealized gains (losses)	(1,616)	(6,382)	4,766	(74.7)%	Net realized and unrealized gains (losses)	2,819	(4,607)	(4,607)	7,426	7,426	(161.2)
Other revenue	Other revenue	9,100	4,455	4,645	104.3 %	Other revenue	8,638	6,935	6,935	1,703	1,703	24.6
Total revenues	Total revenues	\$ 406,779	\$ 327,028	\$ 79,751	24.4 %	Total revenues	\$ 478,756	\$ 368,444	\$ 368,444	\$ 110,312	\$ 110,312	29.9
<b>Expenses:</b>	<b>Expenses:</b>											
Net losses and loss adjustment expenses	Net losses and loss adjustment expenses											
Net losses and loss adjustment expenses	Net losses and loss adjustment expenses	\$ 125,123	\$ 97,827	\$ 27,296	27.9 %	\$ 175,380	\$ 114,327	\$ 61,053	\$ 61,053	53.4	53.4	
Member benefit claims	Member benefit claims	28,843	23,415	5,428	23.2 %	Member benefit claims	32,284	27,348	27,348	4,936	4,936	18.0
Commission expense	Commission expense	153,744	137,559	16,185	11.8 %	Commission expense	156,948	146,450	146,450	10,498	10,498	7.2
Employee compensation and benefits	Employee compensation and benefits	30,969	22,071	8,898	40.3 %	Employee compensation and benefits	31,450	24,613	24,613	6,837	6,837	27.8
Interest expense	Interest expense	6,260	5,027	1,233	24.5 %	Interest expense	7,639	6,081	6,081	1,558	1,558	25.6
Depreciation and amortization	Depreciation and amortization	5,823	4,742	1,081	22.8 %	Depreciation and amortization	5,083	4,811	4,811	272	272	5.7
Other expenses	Other expenses	20,295	21,083	(788)	(3.7)%	Other expenses	33,161	25,369	25,369	7,792	7,792	30.7
<b>Total expenses</b>	<b>Total expenses</b>	<b>\$ 371,057</b>	<b>\$ 311,724</b>	<b>\$ 59,333</b>	<b>19.0 %</b>	<b>Total expenses</b>	<b>\$ 441,945</b>	<b>\$ 348,999</b>	<b>\$ 348,999</b>	<b>\$ 92,946</b>	<b>\$ 92,946</b>	<b>26.6</b>
Income (loss) before taxes (1)	Income (loss) before taxes (1)	\$ 35,722	\$ 15,304	\$ 20,418	133.4 %	Income (loss) before taxes (1)	\$ 36,811	\$ 19,445	\$ 19,445	\$ 17,366	\$ 17,366	89.3
<b>Key Performance Metrics:</b>	<b>Key Performance Metrics:</b>											
Gross written premiums and premium equivalents	Gross written premiums and premium equivalents											
Gross written premiums and premium equivalents	Gross written premiums and premium equivalents											
Gross written premiums and premium equivalents	Gross written premiums and premium equivalents	\$ 834,532	\$ 761,446	\$ 73,086	9.6 %	\$ 663,417	\$ 621,158	\$ 42,259	\$ 42,259	6.8	6.8	6.8

Net written premiums	Net written premiums	\$333,921	\$344,294	\$(10,373)	(3.0)%	Net written premiums	\$318,151	\$	\$281,146	\$	\$ 37,005	13.2
Loss ratio	Loss ratio	39.8 %	38.5 %									
Acquisition ratio	Acquisition ratio	36.6 %	39.1 %									
Acquisition ratio												
Underwriting ratio												
Underwriting ratio	Underwriting ratio	76.4 %	77.6 %									
Operating expense ratio	Operating expense ratio	13.8 %	13.7 %									
Operating expense ratio												
Combined ratio												
Combined ratio	Combined ratio	90.2 %	91.3 %									
Return on average equity	Return on average equity	27.5 %	14.4 %									
Return on average equity												
Non-GAAP Financial Measures (2):	Non-GAAP Financial Measures (2):											
Adjusted net income		\$ 30,043	\$ 19,831	\$ 10,212	51.5 %							
Non-GAAP Financial Measures (2):												
Non-GAAP Financial Measures (2):												
Adjusted net income (before NCI)												
Adjusted net income (before NCI)												
Adjusted net income (before NCI)												
Adjusted return on average equity	Adjusted return on average equity	31.2 %	24.8 %			\$ 34,133		\$ 22,939		\$ 11,194		48

Net income was \$26.5 million for the three months ended September 30, 2023 compared to \$11.5 million for the three months ended September 30, 2022.

<sup>(2)</sup> See “—Non-GAAP Reconciliations” for a discussion of non-GAAP financial measures.

Revenues - Three Months Ended **September 30, 2023** **March 31, 2024** compared to **2022** **2023**

For the three months ended **September 30, 2023** **March 31, 2024**, total revenues increased **24.4%** **29.9%**, to **\$406.8 million** **\$478.8 million**, as compared to **\$327.0 million** **\$368.4 million** for the three months ended **September 30, 2022** **March 31, 2023**. Earned premiums, net of **\$291.3 million** **\$347.3 million** increased **\$53.4 million** **\$82.0 million**, or **22.5%** **30.9%**, driven by growth in specialty E&S and admitted insurance lines. Earned premiums assumed from other insurance companies were **\$78.6 million** **\$141.3 million**, or **27.0%** **40.7%** of the total, compared to **\$83.5 million** **\$110.0 million**, or **35.1%** **41.4%** of the total, in the prior year period. As it expands to new geographies and expands product offerings, the Company works to obtain necessary licenses and intends to write this business directly upon obtaining necessary licenses. The Company views direct written and assumed business as having similar characteristics. Service and administrative fees of **\$100.1 million** **\$110.5 million** increased by **20.0%** **20.1%** driven primarily by growth in vehicle service contract revenues. Ceding commissions of **\$2.4 million** **\$2.7 million** decreased by **\$1.6 million** **\$0.9 million**, or **39.3%** **24.7%**. Other revenues increased by **\$4.6 million** **\$1.7 million**, or **104.3%** **24.6%** driven by growth in premium finance product offerings and interest income on cash and cash equivalents.

For the three months ended **September 30, 2023** **March 31, 2024**, **27.5%** **25.5%** of revenues were derived from fees that were not solely dependent upon the underwriting performance of Fortegra's insurance products, resulting in more diversified earnings. For the three months ended **September 30, 2023** **March 31, 2024**, **83.1%** **80.3%** of fee-based revenues were generated in non-regulated service companies, with the remainder in regulated insurance companies.

For the three months ended **September 30, 2023** **March 31, 2024**, net investment income was **\$5.4 million** **\$6.8 million** as compared to **\$3.6 million** **\$5.1 million** in the prior year period, primarily driven by growth in investments and the increase in yields. Net realized and unrealized **losses****gains** were **\$1.6 million** **\$2.8 million**, an improvement of **\$4.8 million** **\$7.4 million**, as compared to net realized and unrealized losses of **\$6.4 million** **\$4.6 million** in the prior year period, primarily driven by the change in fair value of certain equity and other investments carried at fair value. Unrealized losses on AFS securities impacting OCI for the three months ended **September 30, 2023** **March 31, 2024** were **\$10.0 million** **\$4.8 million**, driven by the increase in yields (yields and bonds prices are inversely related) and corresponding impact to the fair value of investments.

#### Expenses - Three Months Ended **September 30, 2023** **March 31, 2024** compared to **2022** **2023**

For the three months ended **September 30, 2023** **March 31, 2024**, net losses and loss adjustment expenses were **\$125.1 million** **\$175.4 million**, member benefit claims were **\$28.8 million** **\$32.3 million** and commission expense was **\$153.7 million** **\$156.9 million**, as compared to **\$97.8 million** **\$114.3 million**, **\$23.4 million** **\$27.3 million**, and **\$137.6 million** **\$146.5 million**, respectively, for the three months ended **September 30, 2022** **March 31, 2023**. The increase in net losses and loss adjustment expenses of **\$27.3 million** **\$61.1 million**, or **27.9%** **53.4%**, was driven by growth in U.S. and European insurance lines and the shift in business mix toward commercial lines, which tend to have higher loss ratios and lower commission and expense ratios. In addition, the Company experienced **favorable** **unfavorable** prior year development of **\$1.5 million** **\$0.8 million** for the three months ended **September 30, 2023** **March 31, 2024**, driven by **higher-than-expected** **claim severity** in our **personal** **commercial** lines of business, as a result of **lower-than-expected** **claim severity**, primarily driven by one partner. The increase in member benefit claims of **\$5.4 million** **\$4.9 million**, or **23.2%** **18.0%**, was driven by growth in vehicle service contracts and the impacts of inflation on replacement costs and labor rates. Commission expenses increased by **\$16.2 million** **\$10.5 million**, or **11.8%** **7.2%**, generally in line with the growth in earned premiums, net and service and administrative fees, fees, partially offset by the impact of sliding scale commissions as losses increased.

For the three months ended **September 30, 2023** **March 31, 2024**, employee compensation and benefits were **\$31.0 million** **\$31.5 million** and other expenses were **\$20.3 million** **\$33.2 million**, as compared to **\$22.1 million** **\$24.6 million** and **\$21.1 million** **\$25.4 million**, respectively, for the three months ended **September 30, 2022** **March 31, 2023**. Employee compensation and benefits increased by **\$8.9 million** **\$6.8 million**, or **40.3%** **27.8%**, driven by investments in human capital associated with growth in E&S, admitted and warranty lines. Other expenses decreased increased by **\$0.8 million** **\$7.8 million**, or **3.7%** **30.7%**, driven by a change in fair value of the Fortegra Additional Warrant liability of **\$4.2 million**, and **\$3.2 million** of expenses related to legal and other expenses associated with preparation of the registration statement for the withdrawn Fortegra initial public offering in February 2024.

For the three months ended **September 30, 2023** **March 31, 2024**, interest expense was **\$6.3 million** **\$7.6 million** as compared to **\$5.0 million** **\$6.1 million** for the three months ended **September 30, 2022** **March 31, 2023**. The increase in interest expense of **\$1.2 million** **\$1.6 million**, or **24.5%** **25.6%**, was primarily driven by the rise in short-term interest rates and increased borrowings on Fortegra's corporate revolver and asset based debt for premium finance lines.

For the three months ended **September 30, 2023** **March 31, 2024**, depreciation and amortization expense was **\$5.8 million** **\$5.1 million**, including **\$4.9 million** **\$4.0 million** of intangible amortization related to purchase accounting associated with the acquisitions of Fortegra Smart AutoCare, Sky Auto, ITC and Premia, from 2019 to 2023, as compared to **\$4.7 million** **\$4.8 million**, including **\$4.1 million** **\$3.9 million** of intangible amortization from purchase accounting in 2022, 2023.

#### Gross Written Premiums and Premium Equivalents

The below table shows gross written premiums and premium equivalents by business mix for the three months ended **September 30, 2023** **March 31, 2024** and **2022** **2023**:

(\$ in thousands)	(\$ in thousands)	Three Months Ended September 30,		(\$ in thousands)	Three Months Ended March 31,
		2023	2022		
Property and short-tail					
Property and short-tail					
Property and short-tail					
Contractual liability					
Contractual liability					
Contractual liability					
General liability	General liability	\$ 84,610	\$ 111,250		
General liability					
General liability					
Alternative risks					
Alternative risks					
Alternative risks					
Professional liability	Professional liability	67,382	34,567		

Contractual liability	93,587	95,342
Property and short-tail	114,461	93,291
Alternative risks	90,320	100,943
Professional liability		
Professional liability		
Europe		
Europe		
Europe	Europe	36,584
Commercial lines	Commercial lines	\$486,944
Commercial lines		\$461,736
Commercial lines		
Commercial lines		
Personal lines		
Personal lines	Personal lines	\$110,863
Personal lines		\$115,875
Insurance	Insurance	\$597,807
Insurance		\$577,611
Insurance		
Insurance		
Auto and consumer goods warranty		
Auto and consumer goods warranty		
Auto and consumer goods warranty	Auto and consumer goods warranty	191,993
Auto and consumer goods warranty		134,043
Other services	Other services	44,732
Other services		49,792
Services (1)		\$236,725
Services (1)		\$183,835
Total		\$834,532
Total		\$761,446
Other services		
Other services		
Services		
Services		
Services		
Total (1,2)		
Total (1,2)		
Total (1,2)		

(a) The difference between Services total gross written premiums and premium equivalents of \$236.7 million compared to gross additions of \$88.7 million \$663.4 million and \$621.2 million for the three months ended September 30, 2023 March 31, 2024 and 2023, respectively, were comprised of gross written premiums of \$457.1 million and \$424.9 million, reported in plus assumed premiums of \$112.7 million and \$106.9 million, plus gross service and administrative fee additions of \$93.6 million and \$89.3 million, respectively. See Note (7) Reinsurance Recoverable and Prepaid Reinsurance Premiums and Note (13) Revenue from Contracts with Customers is driven by \$24.3 million of Revenue from Contracts with Customers within the respective periods for more information.

(a) The premium finance volumes with the remainder relating to equivalents metric excludes amounts received from failure to perform vehicle service contracts whereby premiums are deposited into trust accounts held off balance in off-balance sheet for trusts and premium finance volumes as it was determined to be unlikely these amounts will be recognized as revenue. The first quarter 2023 has been conformed resulting in a reduction of premium equivalents of \$129.2 million. This change only impacted the benefit of premium equivalents metric and did not impact the Company's condensed consolidated financial statements.

Total gross written premiums and premium equivalents for the three months ended September 30, 2023 March 31, 2024 were \$834.5 million \$663.4 million, representing an increase of \$73.1 million \$42.3 million, or 9.6% 6.8%. The increase was driven by a combination of factors including expanding Fortegra's distribution partner network, growing specialty admitted and E&S insurance lines, and increasing penetration in the vehicle service contract sector.

For the three months ended September 30, 2023 March 31, 2024, Insurance increased by \$20.2 million \$38.0 million, or 3.5% 7.1%, driven by growth in specialty commercial lines, including E&S and admitted business. For the three months ended September 30, 2023 March 31, 2024, Services increased by \$52.9 million \$4.2 million, or 28.8% 4.8%, driven by growth in vehicle service contracts and the acquisition of Premia, contracts.

The growth in gross written premiums and premium equivalents, combined with higher retention in select products as of **September 30, 2023** **March 31, 2024**, has resulted in an increase of **\$307.0 million** **\$263.3 million**, or **15.5%** **12.7%**, in unearned premiums and deferred revenue on the condensed consolidated balance sheets as compared to **September 30, 2022** **March 31, 2023**. As of **September 30, 2023** **March 31, 2024**, unearned premiums and deferred revenues were \$2.3 billion, as compared to **\$2.0 billion** **\$2.1 billion** as of **September 30, 2022** **March 31, 2023**.

#### Net written premiums

(\$ in thousands)	Three Months Ended	
	March 31,	2023
Property and short-tail	\$ 108,436	\$ 73,902
Contractual liability	21,765	19,258
General liability	28,460	34,324
Alternative risks	56,488	55,831
Professional liability	22,305	23,739
Europe	41,708	29,572
Commercial lines	\$ 279,162	\$ 236,626
Personal lines	\$ 38,989	\$ 44,520
Insurance	\$ 318,151	\$ 281,146

Net written premiums for the three months ended **September 30, 2023** **March 31, 2024** were **\$333.9 million** **\$318.2 million**, representing a **decrease** an increase of **\$10.4 million** **\$37.0 million**, or **3.0%** **13.2%**, consistent with growth in gross written premiums, and as a result of increased retention on Fortegra's whole account quota share reinsurance arrangement from 30% to 40%, effective April 1, 2023. For the three months ended March 31, 2024, Net written premiums from commercial lines increased by \$42.5 million, or 18.0%, driven by a **year-over-year decline** in commercial assumed premiums, partially offset by growth in retained direct specialty E&S and admitted business. For the three months ended March 31, 2024, net written premiums from personal lines decreased by \$5.5 million, or 12.4%, driven by declines in personal credit insurance lines. Net written premiums from property and short-tail lines represented \$108.4 million, or 34.1%, of the total net written premiums for the three months ended March 31, 2024 compared to \$73.9 million, or 26.3%, for the prior year period. Property and short-tail net written premiums were diversified by geographic location, exposure and risk type with substantial reinsurance protection. As of March 31, 2024, the net loss to the Company in a 1-in-250 year catastrophe event represented approximately 2.8% of Fortegra's stockholders' equity. This reported loss includes the impact of incurred losses based on the estimated frequency and severity of potential events, reinstatements premiums, reinsurance recoveries and taxes.

#### Combined Ratio

The combined ratio was **90.2%** **90.3%** for the three months ended **September 30, 2023** **March 31, 2024**, compared to **91.3%** **91.6%** for the prior year period, reflecting the consistent underwriting performance and scalability of the Company's operating platform. The underwriting ratio was **76.4%** **77.5%**, a decrease of **1.2%** **0.4%** from the prior year period, which consists of a loss ratio of **39.8%** **46.3%**, compared to **38.5%** **40.5%** in the prior year period, and an acquisition ratio of **36.6%** **31.2%**, compared to **39.1%** **37.4%** in the prior year period. The increase in loss ratio was driven by changes in business mix, which was more than offset by the decline in acquisition ratio. The operating expense ratio was consistent at **13.8%** decreased **0.9** percentage points to **12.8%**, as compared to 13.7% in the prior year period.

#### Underwriting and Fee Revenues and Margin - Non-GAAP

The below tables show underwriting and fee revenues and underwriting and fee margin by business mix for the three months ended **September 30, 2023** **March 31, 2024** and **2022**, 2023.

(\$ in thousands)	Three Months Ended September 30,					
	Three Months Ended March 31,			Three Months Ended March 31,		
	Three Months Ended March 31,			Three Months Ended March 31,		
(\$ in thousands)	(\$ in thousands)	2023	Total	(\$ in thousands)	2022	Total
(\$ in thousands)	(\$ in thousands)	Insurance	Services	(\$ in thousands)	(\$ in thousands)	(\$ in thousands)
(\$ in thousands)	(\$ in thousands)	Insurance	Insurance	(\$ in thousands)	(\$ in thousands)	(\$ in thousands)
Underwriting and Fee Revenues <sup>(1)</sup>						
Underwriting and Fee Revenues <sup>(1)</sup>	Underwriting and Fee Revenues <sup>(1)</sup>	\$ 294,390	\$ 92,831	\$ 387,221	\$ 240,839	\$ 73,835
Underwriting and Fee Revenues <sup>(1)</sup>	Underwriting and Fee Revenues <sup>(1)</sup>	\$ 294,390	\$ 92,831	\$ 387,221	\$ 240,839	\$ 73,835
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Underwriting and Fee Revenues <sup>(1)</sup>	Underwriting and Fee Revenues <sup>(1)</sup>					

Net losses and loss adjustment expenses	Net losses and loss adjustment expenses	125,103	20	125,123	97,812	15	97,827
Net losses and loss adjustment expenses							
Net losses and loss adjustment expenses							
Member benefit claims							
Member benefit claims	Member benefit claims	—	28,843	28,843	—	23,415	23,415
Commission expense <sup>(2)</sup>	Commission expense <sup>(2)</sup>	108,265	33,328	141,593	96,687	26,196	122,883
Commission expense <sup>(2)</sup>							
Commission expense <sup>(2)</sup>							
Underwriting and Fee Margin <sup>(1)</sup>							
Underwriting and Fee Margin <sup>(1)</sup>							
Underwriting and Fee Margin	Underwriting and Fee Margin	—	—	—	—	—	—
(1)	(1)	\$ 61,022	\$ 30,640	\$ 91,662	\$ 46,340	\$ 24,209	\$ 70,549
Loss ratio	Loss ratio	42.5 %	31.1 %	39.8 %	40.6 %	31.7 %	38.5 %
Loss ratio							
Loss ratio							
Acquisition ratio							
Acquisition ratio							
Acquisition ratio	Acquisition ratio	36.8 %	35.9 %	36.6 %	40.1 %	35.5 %	39.1 %
Underwriting ratio	Underwriting ratio	79.3 %	67.0 %	76.4 %	80.7 %	67.2 %	77.6 %
Underwriting ratio							
Underwriting ratio							

(1) See “—Non-GAAP Reconciliations” for a discussion of non-GAAP financial measures.

(2) Commission expense in this table is presented net of ceding fees and ceding commissions of \$9.7 million \$14.6 million and \$2.4 million \$2.7 million, respectively, as of the three months ended September 30, 2023 March 31, 2024, and \$10.7 million \$11.9 million and \$4.0 million \$3.6 million, respectively, as of the three months ended September 30, 2022 March 31, 2023.

Underwriting and fee revenues were \$387.2 million \$448.1 million for the three months ended September 30, 2023 March 31, 2024 as compared to \$314.7 million \$350.2 million for the three months ended September 30, 2022 March 31, 2023. Total underwriting and fee revenues increased \$72.5 million \$97.9 million, or 23.1% 27.9%, driven by growth in all business lines. The increase in Insurance was \$53.6 million \$81.1 million, or 22.2% 30.1%, driven by growth in specialty E&S and admitted insurance lines. The increase in Services was \$19.0 million \$16.8 million, or 25.7% 20.7%, driven by growth in vehicle service contracts and premium finance offerings, in addition to the acquisition of Premia.

Underwriting and fee margin was \$91.7 million \$100.8 million for the three months ended September 30, 2023 March 31, 2024 as compared to \$70.5 million \$77.6 million for the three months ended September 30, 2022 March 31, 2023. Total underwriting and fee margin increased \$21.1 million \$23.2 million, or 29.9%, driven by growth in Insurance and Services. Insurance grew by \$14.7 million \$17.6 million, or 31.7% 34.0%, driven by revenue growth in admitted and E&S lines. Services increased by \$6.4 million \$5.6 million, or 26.6% 21.7%, driven by growth in vehicle service contracts and premium finance offerings, in addition to the acquisition of Premia.

#### Return on Average Equity

Return on average equity was 27.5% 22.3% for the three months ended September 30, 2023 March 31, 2024, as compared to 14.4% 16.7% for the prior year period. The increase in net income and annualized return on average equity was driven by revenue growth and improvement of the combined ratio, in addition to improvements in net investment income and net realized and unrealized gains and losses.

#### Adjusted Net Income and Adjusted Return on Average Equity - Non-GAAP

For the three months ended September 30, 2023 March 31, 2024, adjusted net income and adjusted return on average equity were \$30.0 million \$34.1 million and 31.2% 28.3%, respectively, as compared to \$19.8 million \$22.9 million and 24.8% 26.1%, respectively, for the three months ended September 30, 2022 March 31, 2023.

#### Results of Operations - Nine Months Ended September 30, 2023 compared to 2022

(\$ in thousands)	Nine Months Ended September 30,
-------------------	---------------------------------

	2023	2022	Change	% Change
<b>Revenues:</b>				
Earned premiums, net	\$ 826,418	\$ 662,234	\$ 164,184	24.8 %
Service and administrative fees	290,291	232,883	57,408	24.7 %
Ceding commissions	10,761	9,886	875	8.9 %
Net investment income	19,613	10,164	9,449	93.0 %
Net realized and unrealized gains (losses)	(10,602)	(23,151)	12,549	(54.2) %
Other revenue	23,419	11,372	12,047	105.9 %
<b>Total revenues</b>	<b>\$ 1,159,900</b>	<b>\$ 903,388</b>	<b>\$ 256,512</b>	<b>28.4 %</b>
<b>Expenses:</b>				
Net losses and loss adjustment expenses	354,477	264,056	90,421	34.2 %
Member benefit claims	88,898	66,297	22,601	34.1 %
Commission expense	442,893	382,435	60,458	15.8 %
Employee compensation and benefits	83,292	64,159	19,133	29.8 %
Interest expense	18,921	15,166	3,755	24.8 %
Depreciation and amortization	15,955	13,697	2,258	16.5 %
Other expenses	69,880	58,521	11,359	19.4 %
<b>Total expenses</b>	<b>\$ 1,074,316</b>	<b>\$ 864,331</b>	<b>\$ 209,985</b>	<b>24.3 %</b>
<b>Income (loss) before taxes <sup>(1)</sup></b>	<b>\$ 85,584</b>	<b>\$ 39,057</b>	<b>\$ 46,527</b>	<b>119.1 %</b>
<b>Key Performance Metrics:</b>				
Gross written premiums and premium equivalents	\$ 2,439,883	\$ 1,956,998	\$ 482,885	24.7 %
Net written premiums	\$ 935,639	\$ 844,212	\$ 91,427	10.8 %
Loss ratio	40.3 %	37.7 %		
Acquisition ratio	36.3 %	39.2 %		
Underwriting ratio	76.6 %	76.9 %		
Operating expense ratio	13.9 %	13.8 %		
Combined ratio	90.5 %	90.7 %		
Return on average equity	22.9 %	12.1 %		
<b>Non-GAAP Financial Measures <sup>(2)</sup>:</b>				
Adjusted net income	\$ 83,101	\$ 59,893	\$ 23,208	38.7 %
Adjusted return on average equity	30.3 %	25.8 %		

<sup>(1)</sup> Net income was \$62.6 million for the nine months ended September 30, 2023 compared to \$28.0 million for the nine months ended September 30, 2022.

<sup>(2)</sup> See "—Non-GAAP Reconciliations" for a discussion of non-GAAP financial measures.

#### Revenues - Nine Months Ended September 30, 2023 compared to 2022

For the nine months ended September 30, 2023, total revenues increased 28.4%, to \$1,159.9 million, as compared to \$903.4 million for the nine months ended September 30, 2022. Earned premiums, net of \$826.4 million increased \$164.2 million, or 24.8%, driven by growth in specialty E&S and admitted insurance lines. Earned premiums assumed from other insurance companies were \$299.3 million, or 36.2% of total earned premiums, net, compared to \$227.6 million, or 34.4%, in the prior year period. As it expands to new geographies and expands product offerings, the Company works to obtain necessary licenses and intends to write this business directly upon obtaining necessary licenses. The Company views direct written and assumed business as having similar characteristics. Service and administrative fees of \$290.3 million increased by 24.7% primarily driven by growth in vehicle service contract revenues. Ceding commissions of \$10.8 million increased by \$0.9 million, or 8.9%, in line with growth in ceded premiums. Other revenues increased by \$12.0 million, or 105.9%, driven by growth in premium finance product offerings and interest income on cash and cash equivalents.

For the nine months ended September 30, 2023, 28.0% of revenues were derived from fees that were not solely dependent upon the underwriting performance of Fortegra's insurance products, resulting in more diversified earnings. For the nine months ended September 30, 2023, 81.2% of fee-based revenues were generated in non-regulated service companies, with the remainder in regulated insurance companies.

For the nine months ended September 30, 2023, net investment income was \$19.6 million as compared to \$10.2 million in the prior year period, primarily driven by growth in investments and the increase in yields. Net realized and unrealized losses were \$10.6 million, an improvement of \$12.5 million, as compared to net realized and unrealized losses of \$23.2 million in the prior year period, primarily driven by the change in fair value of certain equity and other investments carried at fair value.

Unrealized losses on AFS securities impacting OCI for the nine months ended September 30, 2023 were \$4.1 million, driven by positive fair value adjustments on U.S. Treasury securities and other investments.

#### Expenses - Nine Months Ended September 30, 2023 compared to 2022

For the nine months ended September 30, 2023, net losses and loss adjustment expenses were \$354.5 million, member benefit claims were \$88.9 million and commission expense was \$442.9 million, as compared to \$264.1 million, \$66.3 million, and \$382.4 million, respectively, for the nine months ended September 30, 2022. The increase in net losses and loss adjustment expenses of \$90.4 million, or 34.2%, was driven by growth in U.S. and European insurance lines and the shift in business mix toward commercial lines, which tend to have higher loss ratios and lower commission and expense ratios. In addition, the Company experienced unfavorable prior year development of \$0.9 million for the nine months ended September 30, 2023 primarily as a result of higher-than-expected claim severity in our commercial lines of business, partially offset by favorable development in our personal lines of business as a result of lower-than-expected claim severity. For the nine months ended September 30, 2022, the Company experienced favorable prior year development of \$2.2 million, primarily as a result of lower-than-expected claim severity in our commercial lines of business. The increase in member benefit claims of \$22.6 million, or 34.1%, was driven by growth in vehicle service contracts and the impacts of inflation on replacement costs and labor rates. Commission expenses increased by \$60.5 million, or 15.8%, generally in line with the growth in earned premiums, net and service and administrative fees.

For the nine months ended September 30, 2023, employee compensation and benefits were \$83.3 million and other expenses were \$69.9 million, as compared to \$64.2 million and \$58.5 million, respectively, for the nine months ended September 30, 2022. Employee compensation and benefits increased by \$19.1 million, or 29.8%, driven by investments in human capital associated with growth in E&S, admitted and warranty lines. Other expenses increased by \$11.4 million, or 19.4%, driven primarily by investment in data science, technology and marketing expenses, and professional fees associated with the acquisition of Premia.

For the nine months ended September 30, 2023, interest expense was \$18.9 million as compared to \$15.2 million for the nine months ended September 30, 2022. The increase in interest expense of \$3.8 million, or 24.8%, was primarily driven by the rise in short-term interest rates and increased borrowings on Fortegra's corporate revolver and asset based debt for premium finance lines.

For the nine months ended September 30, 2023, depreciation and amortization expense was \$16.0 million, including \$12.7 million of intangible amortization related to purchase accounting associated with the acquisitions of Fortegra, Smart AutoCare, Sky Auto, ITC and Premia, as compared to \$13.7 million, including \$12.1 million of intangible amortization from purchase accounting in 2022.

#### Gross Written Premiums and Premium Equivalents

(\$ in thousands)	Nine Months Ended September 30,	
	2023	2022
General liability	\$ 273,462	\$ 255,776
Professional liability	184,805	68,331
Contractual liability	296,086	265,768
Property and short-tail	359,336	189,147
Alternative risks	242,275	272,841
Europe	104,209	87,702
Commercial lines	\$ 1,460,173	\$ 1,139,565
Personal lines	\$ 284,027	\$ 317,594
Insurance	\$ 1,744,200	\$ 1,457,159
Auto and consumer goods warranty	566,003	354,949
Other services	129,680	144,890
Services	\$ 695,683	\$ 499,839
Total	\$ 2,439,883	\$ 1,956,998

(1) The difference between Services premium equivalents of \$695.7 million compared to gross additions of \$279.5 million for the nine months ended September 30, 2023, reported in Note (13) Revenue from Contracts with Customers is driven by \$74.1 million of premium finance volumes with the remainder relating to failure to perform vehicle service contracts whereby premiums are deposited into trust accounts held off balance sheet for the benefit of the Company.

Total gross written premiums and premium equivalents for the nine months ended September 30, 2023 were \$2,439.9 million, representing an increase of \$482.9 million, or 24.7%. The growth is driven by a combination of factors including expanding Fortegra's distribution partner network, growing specialty admitted and E&S insurance lines, and increasing penetration in the vehicle service contract sector.

For the nine months ended September 30, 2023, Insurance increased by \$287.0 million, or 19.7%, driven by growth in specialty commercial lines, including E&S and admitted business. For the nine months ended September 30, 2023, Services increased by \$195.8 million, or 39.2%, driven by growth in vehicle service contracts and the acquisition of Premia.

#### Net written premiums

Net written premiums for the nine months ended September 30, 2023 were \$935.6 million, representing an increase of \$91.4 million, or 10.8%, driven by growth in commercial E&S lines.

#### Combined Ratio

The combined ratio was 90.5% for the nine months ended September 30, 2023, compared to 90.7% for the prior year period, reflecting the consistent underwriting performance and scalability of the Company's operating platform. The underwriting ratio was 76.6%, a decrease of 0.3% from the prior year period, which consists of a loss ratio of 40.3%, compared

to 37.7% in the prior year period, and an acquisition ratio of 36.3%, compared to 39.2% in the prior year period. The increase in the loss ratio was driven by changes in business mix, which was more than offset by the decline in the acquisition ratio. The operating expense ratio was 13.9%, as compared to 13.8% in the prior year period.

#### Underwriting and Fee Revenues and Margin - Non-GAAP

The below tables show underwriting and fee revenues and underwriting and fee margin by business mix for the three months ended September 30, 2023 and 2022.

(\$ in thousands)	Nine Months Ended September 30,					
	2023			2022		
	Insurance	Services	Total	Insurance	Services	Total
Underwriting and Fee Revenues <sup>(1)</sup>	\$ 836,172	\$ 263,516	\$ 1,099,688	\$ 672,098	\$ 204,634	\$ 876,732
Net losses and loss adjustment expenses	354,427	50	354,477	263,956	100	264,056
Member benefit claims	—	88,898	88,898	—	66,297	66,297
Commission expense <sup>(2)</sup>	303,856	95,663	399,519	272,815	70,713	343,528
Underwriting and Fee Margin <sup>(1)</sup>	<u>\$ 177,889</u>	<u>\$ 78,905</u>	<u>\$ 256,794</u>	<u>\$ 135,327</u>	<u>\$ 67,524</u>	<u>\$ 202,851</u>
Loss ratio	42.4 %	33.8 %	40.3 %	39.3 %	32.4 %	37.7 %
Acquisition ratio	36.3 %	36.3 %	36.3 %	40.6 %	34.6 %	39.2 %
Underwriting ratio	78.7 %	70.1 %	76.6 %	79.9 %	67.0 %	76.9 %

<sup>(1)</sup> See "—Non-GAAP Reconciliations" for a discussion of non-GAAP financial measures.

<sup>(2)</sup> Commission expense in this table is presented net of ceding fees and ceding commissions of \$32.6 million and \$10.8 million, respectively, as of the nine months ended September 30, 2023, and \$29.0 million and \$9.9 million, respectively, as of the nine months ended September 30, 2022.

Underwriting and fee revenues were \$1,099.7 million for the nine months ended September 30, 2023 as compared to \$876.7 million for the nine months ended September 30, 2022. Total underwriting and fee revenues increased \$223.0 million, or 25.4%, driven by growth in all business lines. The increase in Insurance was \$164.1 million, or 24.4%, driven by growth in specialty E&S and admitted insurance lines. The increase in Services was \$58.9 million, or 28.8%, driven by growth in vehicle service contracts and premium finance offerings, in addition to acquisitions of Premia and ITC.

Underwriting and fee margin was \$256.8 million for the nine months ended September 30, 2023 as compared to \$202.9 million for the nine months ended September 30, 2022. Total underwriting and fee margin increased \$53.9 million, or 26.6%, driven by growth in all product lines. Insurance grew by \$42.6 million, or 31.5%, driven by revenue growth in specialty E&S and admitted lines. Services increased by \$11.4 million, or 16.9%, driven by growth in vehicle service contracts and the acquisition of Premia and ITC, partially offset by increased member benefit claims associated with the impacts of inflation on replacement costs and labor rates.

#### Return on Average Equity

Return on average equity was 22.9% for the nine months ended September 30, 2023, as compared to 12.1% for the nine months ended September 30, 2022. The increase in net income and annualized return on average equity was driven by revenue growth and consistent combined ratio, in addition to improvements in net investment income and net realized and unrealized gains and losses.

#### Adjusted Net Income and Adjusted Return on Average Equity - Non-GAAP

For the nine months ended September 30, 2023, adjusted net income and adjusted return on average equity were \$83.1 million and 30.3%, respectively, as compared to \$59.9 million and 25.8%, respectively, for the nine months ended September 30, 2022. The improvement of adjusted net income was driven by the growth in revenues and consistent combined ratio, in addition to improvements in net investment income.

#### Tiptree Capital

Tiptree Capital consists of our Mortgage segment, which includes the operating results of Reliance, our mortgage business, and Tiptree Capital - Other, which consists of our other non-insurance operating businesses and investments. As of September 30, 2023 March 31, 2024, Tiptree Capital - Other includes our Invesque shares and other investments.

#### Mortgage

Through our Mortgage operating subsidiary, Reliance, we originate, sell, securitize and service one-to-four-family, residential mortgage loans, comprised of conforming mortgage loans, Federal Housing Administration ("FHA"), Veterans Administration ("VA"), United States Department of Agriculture ("USDA"), and to a lesser extent, non-agency jumbo prime. We are an approved seller/servicer for Fannie Mae and Freddie Mac. We are also an approved issuer and servicer for Ginnie Mae. We originate residential mortgage loans through our retail distribution channel (directly to consumers) in 39 states and the District of Columbia as of September 30, 2023 March 31, 2024.

#### Components of our Results of Operations

##### Revenues

*Net Realized and Unrealized Gains (Losses)* include gains on sale of mortgage loans and the fair value adjustment in mortgage servicing rights. Gains on the sale of mortgage loans represent the difference between the selling price and carrying value of loans sold and are recognized upon settlement. Such gains also include the changes in fair value of loans held for sale and loan-related hedges and derivatives. We transfer the risk of loss or default to the loan purchaser, however, in some cases we are required to indemnify purchasers for losses related to non-compliance with borrowers' creditworthiness and collateral requirements. Because of this, we recognize gains on sale net of required indemnification and premium recapture reserves. The fair value adjustment on mortgage servicing rights represents fair value adjustments considering estimated prepayments and other factors associated with changes in interest rates, plus actual run-off in the servicing portfolio. We report these adjustments separate from servicing income and servicing expense.

*Other Revenue* includes loan origination fees, interest income, and mortgage servicing income. Loan origination fees are earned as mortgage loans are funded. Servicing fees are earned over the life of the loan. Interest income includes interest earned on loans held for sale and interest income on bank balances and short-term investments.

## Expenses

*Employee Compensation and Benefits* includes salaries, commissions, benefits, bonuses, other incentive compensation and related taxes for employees. Commissions expense for sales staff generally varies with loan origination volumes.

*Interest Expense* represents borrowing costs under warehouse and other credit facilities used primarily to fund loan originations. Amortization of deferred financing costs, including commitment fees, is included in interest expense.

*Depreciation* is mainly associated with furniture, fixtures and equipment. *Amortization* is primarily associated with a trade name and internally developed software.

*Other Expenses* include loan origination expenses, namely, leads, appraisals, credit reporting and licensing fees, general and administrative expenses, including office rent, insurance, legal, consulting and payroll processing expenses, and servicing expense.

The following tables present the Mortgage segment results for the following periods:

## Results of Operations

(\$ in thousands)	(\$ in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,		
		2023	2022	2023	2022	
(\$ in thousands)						
(\$ in thousands)						
2024						
<b>Revenues:</b>						
<b>Revenues:</b>						
<b>Revenues:</b>	<b>Revenues:</b>					
Net realized and unrealized gains (losses)	Net realized and unrealized gains (losses)	\$ 9,698	\$ 10,847	\$ 28,946	\$ 44,711	
Net realized and unrealized gains (losses)	Net realized and unrealized gains (losses)					
Other revenue	Other revenue					
Other revenue	Other revenue					
Other revenue	Other revenue	5,020	4,764	14,400	14,490	
Total revenues	Total revenues					
Total revenues	Total revenues	\$ 14,718	\$ 15,611	\$ 43,346	\$ 59,201	
<b>Expenses:</b>						
<b>Expenses:</b>						
<b>Expenses:</b>	<b>Expenses:</b>					

Employee compensation and benefits	Employee compensation and benefits	\$ 8,738	\$ 9,517	\$ 26,691	\$ 35,137
Employee compensation and benefits					
Employee compensation and benefits					
Interest expense					
Interest expense					
Interest expense	Interest expense	456	475	1,304	1,116
Depreciation and amortization	Depreciation and amortization	145	190	477	618
Depreciation and amortization					
Depreciation and amortization					
Other expenses					
Other expenses					
Other expenses	Other expenses	5,020	6,369	15,768	18,980
Total expenses	Total expenses	\$ 14,359	\$ 16,551	\$ 44,240	\$ 55,851
Total expenses					
Total expenses					
Income (loss) before taxes					
Income (loss) before taxes					
Income before taxes	Income (loss) before taxes	\$ 359	\$ (940)	\$ (894)	\$ 3,350
Key Performance Metrics:	Key Performance Metrics:				
Key Performance Metrics:					
Key Performance Metrics:					
Origination volumes					
Origination volumes					
Origination volumes	Origination volumes	\$232,938	\$279,793	\$663,668	\$940,958
Gain on sale margins	Gain on sale margins	4.5 %	4.9 %	4.7 %	4.6 %
Gain on sale margins					
Gain on sale margins					
Return on average equity					
Return on average equity					
Return on average equity	Return on average equity	2.1 %	(5.9)%	(1.6)%	5.6 %
Non-GAAP Financial Measures (1):	Non-GAAP Financial Measures (1):				
Non-GAAP Financial Measures (1):					

Non-GAAP Financial Measures (1)						
Adjusted net income (1)						
Adjusted net income (1)						
Adjusted net income (1)	Adjusted net income (1)	\$ (327)	\$ (777)	\$ (1,389)	\$ (3,516)	
Adjusted return on average equity (1)	Adjusted return on average equity (1)	(2.4)%	(5.4)%	(3.4)%	(8.0)%	
Adjusted return on average equity (1)						
Adjusted return on average equity (1)						

(1) See "—Non-GAAP Reconciliations" for a discussion of non-GAAP financial measures.

#### Revenues - Three and Nine Months Ended September 30, 2023 2024 compared to 2022 2023

For the three months ended September 30, 2023 March 31, 2024, \$232.9 million \$210.4 million of loans were funded, compared to \$279.8 million \$202.8 million for the prior year period, a decrease an increase of \$46.9 million \$7.6 million, or 16.7% 3.7%, driven by the increase in mortgage interest rates compared to the prior year period. Gain on sale margins decreased to 4.5% for the three months ended September 30, 2023, down approximately 40 basis points from 4.9% for the three months ended September 30, 2022. For the nine months ended September 30, 2023, \$663.7 million of loans were funded, compared to \$941.0 million for the prior year period, a decrease of \$277.3 million, or 29.5%, driven by increase in normalized mortgage interest rates compared to the prior year period. Gain on sale margins increased to 4.7% 5.0% for the nine three months ended September 30, 2023 March 31, 2024, up approximately 1020 basis points from 4.6% 4.8% for the nine three months ended September 30, 2022 March 31, 2023.

Net realized and unrealized gains for the three months ended September 30, 2023 March 31, 2024 were \$9.7 million \$10.7 million, compared to \$10.8 million \$7.1 million in the prior year period, a decrease an increase of \$1.1 million \$3.6 million or 10.6% 50%. The primary driver of decreased increased gain on sale revenues was the decline in volumes. Net realized and unrealized gains for the nine months ended September 30, 2023 were \$28.9 million, compared to \$44.7 million in the prior year period, a decrease of \$15.8 million or 35.3%. The primary driver of decreased gain on sale revenues was the decline increase in volumes and positive fair value adjustment in mortgage servicing rights of \$0.9 million \$1.2 million in 2023 2024 compared to a positive negative fair value adjustment of \$8.0 million \$1.4 million in the prior year period.

Other revenue for the three months ended September 30, 2023 March 31, 2024 was \$5.0 million \$5.2 million, compared to \$4.8 million \$4.5 million in the prior year period, an increase of \$0.3 million \$0.8 million, or 5.4%. Other revenue for the nine months ended September 30, 2023 was \$14.4 million, compared to \$14.5 million in the prior year period, a decrease of \$0.1 million, or 0.6% 17%. As of September 30, 2023 March 31, 2024, the mortgage servicing asset was \$43.5 million \$42.0 million, an increase from \$41.4 million \$40.8 million as of December 31, 2022 December 31, 2023.

#### Expenses - Three and Nine Months Ended September 30, 2023 2024 compared to 2022 2023

For the three months ended September 30, 2023 March 31, 2024, employee compensation and benefits were \$8.7 million \$9.2 million, compared to \$9.5 million \$8.2 million in the prior year period, a decrease an increase of \$0.8 million \$1.0 million or 8.2%. For the nine months ended September 30, 2023 12%, employee compensation and benefits were \$26.7 million, compared to \$35.1 million in the prior year period, a decrease of

\$8.4 million or 24.0%. The decrease for both periods was driven primarily by reduced higher commissions on lower increased origination volumes.

For the three months ended September 30, 2023 March 31, 2024, interest expense was at \$0.5 million \$0.7 million, compared to 0.5 million \$0.4 million in prior year period, and for the nine months ended September 30, 2023, interest expense was at \$1.3 million, an increase of \$0.2 million, or 16.8%, with the increase driven by higher interest rates.

For the three months ended September 30, 2023 March 31, 2024, other expenses were \$5.0 million \$5.1 million, compared to \$6.4 million \$5.4 million in the prior year period, a decrease of \$1.3 million and for the nine months ended September 30, 2023, other expenses were \$15.8 million, compared to \$19.0 million in the prior year period, a decrease of \$3.2 million, \$0.2 million with the decreases decrease driven by a reduction of mortgage operational expenses, including marketing costs.

#### Income (loss) before taxes - 2024 compared to 2023

The income before taxes for the three months ended September 30, 2023 March 31, 2024 was \$359.0 thousand, \$0.8 million, compared to loss before taxes of \$940.0 thousand \$2.6 million in the prior year period. The loss before taxes for the nine months ended September 30, 2023 was \$894.0 thousand, compared to income before taxes of \$3.4 million in the prior year period. The decrease increase was driven by a decline in higher volumes partially offset by higher and mortgage servicing fees attributable to the larger servicing portfolio.

#### Tiptree Capital - Other

The following tables present a summary of Tiptree Capital - Other results for the following periods:

#### Results of Operations

		Three Months Ended September 30,				Three Months Ended March 31,				Three Months Ended March 31,				Three Months Ended March 31,									
(\$ in thousands)	(\$ in thousands)	Total revenue		Income (loss) before taxes		(\$ in thousands)	Total revenue	Income (loss) before taxes		(\$ in thousands)	Total revenue	Income (loss) before taxes		(\$ in thousands)	Total revenue	Income (loss) before taxes							
		2023	2022	2023	2022			2023	2022			2023	2022			2023	2022						
<b>2024</b>																							
Senior living (Invesque)																							
Senior living (Invesque)																							
Senior living (Invesque)	Senior living (Invesque)			\$ (5,620)	\$ (1,405)	\$ (5,620)	\$ (1,405)																
Maritime transportation	Maritime transportation																						
(1)	(1)	447	21,928	(993)	20,124																		
Other (2)		190	316	119	358																		
Maritime transportation (1)																							
Maritime transportation (1)																							
Other																							
Other																							
Total																							
Total	Total	\$ (4,983)	\$ 20,839	\$ (6,494)	\$ 19,077																		
<b>Nine Months Ended September 30,</b>																							
(\$ in thousands)		Total revenue		Income (loss) before taxes				Total revenue				Income (loss) before taxes				Total revenue							
		2023	2022	2023	2022			2023	2022			2023	2022			2023	2022						
Senior living (Invesque)		\$ (7,165)	\$ (12,924)	\$ (7,165)	\$ (12,924)																		
Maritime transportation (1)		1,158	49,554	(1,716)	36,537																		
Other (2)		5,418	29,005	5,284	(3,145)																		
Total		\$ (589)	\$ 65,635	\$ (3,597)	\$ 20,468																		

(1) Includes \$1.4 million \$0.6 million and \$1.8 million \$0.2 million of expenses related to our Maritime transportation operations for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and \$2.9 million and \$13.0 million of expenses related to our Maritime transportation operations for the nine months ended September 30, 2023 and 2022, 2023, respectively.

(2) Includes asset management, our formerly held for sale mortgage originator (Luxury) for the nine months ended September 30, 2022 as it was deconsolidated on July 1, 2022, and certain intercompany elimination transactions.

## Revenues

Tiptree Capital - Other earns revenues from the following sources: net interest income; revenues on our formerly held for sale mortgage originator (Luxury) income, realized and unrealized gains and losses on the Company's investment holdings (including Invesque); and charter revenues from vessels within the Company's maritime transportation operations. Subsequent to the sale of our dry bulk and tanker vessels, operations include two smaller vessels and other ancillary assets.

Revenues for the three months ended September 30, 2023 March 31, 2024 were losses of \$5.0 million \$3.6 million compared to \$20.8 million \$1.6 million for 2022 2023 with the decline increase primarily driven by sale of five vessels, and investments gains on securities in the Company's investment holdings, partially offset by increased investment losses on Invesque in the three months ended September 30, 2023 March 31, 2024, compared to the prior year period. Revenues for the nine months ended September 30, 2023 were losses of \$0.6 million compared to \$65.6 million in the prior year period with the decline driven by the deconsolidation of Luxury effective July 1, 2022, sale of five vessels, partially offset by investment gains on securities in the Company's investment holdings and decreased investment losses on Invesque in 2023 compared to 2022.

## Income (loss) before taxes

The loss income before taxes from Tiptree Capital - Other for the three months ended September 30, 2023 March 31, 2024 was \$6.5 million \$3.0 million, compared to the income before taxes of \$19.1 million \$1.4 million in the prior year period. The loss before taxes from Tiptree Capital - Other for the nine months ended September 30, 2023 was \$3.6 million, compared to the income before taxes of \$20.5 million in the prior year period. The decrease for both periods increase was driven by the same factors that impacted revenues.

## Adjusted net income - Non-GAAP<sup>(1)</sup>

(\$ in thousands)	(\$ in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
		2024	2022	2023	2022
(\$ in thousands)		2024			
(\$ in thousands)		2024			
		2024			
		2023	2022	2023	2022
Senior living (Invesque)	\$ —	\$ —	\$ —	\$ —	\$ —
Maritime transportation					
Maritime transportation					
Maritime transportation	Maritime transportation	(884)	5,477	(1,527)	12,949
Other	Other	889	180	3,164	324
Other					
Other					
Total					
Total	Total	\$ 5	\$ 5,657	\$ 1,637	\$ 13,273

(b) See "—Non-GAAP Reconciliations" for a discussion of non-GAAP financial measures.

Adjusted net income decreased to \$5.0 thousand \$0.7 million for the three months ended September 30, 2023 March 31, 2024 compared to \$5.7 million \$1.4 million in 2022 and decreased to \$1.6 million for the nine months ended September 30, 2023 compared to \$13.3 million in 2022.2023. The decrease was driven from the sale of five vessels in 2022, partially offset by lower interest income on cash and cash equivalents and U.S. Treasury securities recorded in other income.

## Corporate

The following table presents a summary of corporate results for the following periods:

### Results of Operations

(\$ in thousands)	(\$ in thousands)	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022
(\$ in thousands)					
(\$ in thousands)					
		2024			
		2024			
		2024			
Employee compensation and benefits					
Employee compensation and benefits					
Employee compensation and benefits	Employee compensation and benefits	\$ 2,058	\$ 1,880	\$ 6,502	\$ 5,824
Employee incentive compensation expense	Employee incentive compensation expense	3,789	3,032	13,973	12,069
Interest expense		—	—	—	4,224
Employee incentive compensation expense					
Employee incentive compensation expense					
Depreciation and amortization					
Depreciation and amortization					
Depreciation and amortization	Depreciation and amortization	359	205	963	604
Other expenses	Other expenses	2,240	3,199	6,667	11,174

Other expenses					
Other expenses					
Total expenses	Total expenses	\$ 8,446	\$ 8,316	\$ 28,105	\$ 33,895
Total expenses					
Total expenses					

Corporate expenses include expenses of the holding company for employee compensation and benefits, interest expense, and public company and other expenses. Corporate employee compensation and benefits includes the expense of management, legal and accounting staff. Other expenses primarily consisted of audit and professional fees, insurance, office rent and other related expenses.

Employee compensation and benefits, including incentive compensation expense, were \$20.5 million \$8.4 million for the nine three months ended September 30, 2023 March 31, 2024, compared to \$17.9 million \$7.8 million for the prior year period, driven by an increase in accrued bonus expense. Of the incentive compensation expense in the nine three months ended September 30, 2023 and 2022, \$5.0 million March 31, 2024, \$3.1 million was stock-based compensation expense, compared to \$2.3 million in 2023. As of September 30, 2023, March 31, 2024 and 2023, the Company had no outstanding borrowings at the holding company and therefore incurred no interest expense for the nine months ended September 30, 2023 compared to \$4.2 million in 2022 related periods. Other expenses of \$6.7 million decreased by \$4.5 million from \$2.1 million remained consistent with the nine months ended September 30, 2022, primarily driven by decreased consulting and professional fees prior year period.

#### Provision for Income Taxes

The total income tax expense of \$12.3 million \$13.8 million and \$5.0 million for the three months ended September 30, 2023 March 31, 2024 and \$5.1 million for the three months ended September 30, 2022 2023, respectively, is reflected as a component of net income (loss). For the three months ended September 30, 2023, March 31, 2024 and 2023, the Company's effective tax rate was equal to 58.0%. For the three months ended September 30, 2022 46.5% and 61.5%, the Company's effective tax rate was equal to 20.2%. The effective rate for the three months ended September 30, 2023 was significantly higher than the U.S. statutory income tax rate of 21.0%, primarily due to the impact of outside basis deferred taxes on Tiptree's investment in Fortegra.

The total income tax expense of \$29.1 million for the nine months ended September 30, 2023 and \$31.5 million for the nine months ended September 30, 2022 is reflected as a component of net income (loss). For the nine months ended September 30, 2023, the Company's effective tax rate was equal to 55.0%. For the nine months ended September 30, 2022, the Company's effective tax rate was equal to 108.9%. The effective rates for the nine months ended September 30, 2023 and 2022 were respectively, with both significantly higher than the U.S. statutory income tax rate of 21.0%, primarily due to the impact of outside basis deferred taxes on Tiptree's investment in Fortegra.

Tiptree owns less than 80% of Fortegra and is required to record deferred taxes on the outside basis on its investment in Fortegra. This deferred tax liability represents the tax that would be due, before consideration of loss carryforwards, if Tiptree were to sell all of its Fortegra stock at its carrying value on Tiptree's balance sheet.

As of September 30, 2023 March 31, 2024, this the deferred tax liability relating to Fortegra was \$48.6 million \$65.6 million, which was an increase of \$8.7 million \$3.9 million from the year ended December 31, 2022 December 31, 2023, of which \$0.3 million \$0.5 million benefit was recorded in OCI, \$1.2 million benefit was recorded directly in stockholders' equity, and \$10.2 million \$4.5 million expense was recorded as a provision for income taxes. As of September 30, 2022 March 31, 2023, this the deferred tax liability relating to Fortegra was \$33.4 million \$44.1 million, which was an increase of \$33.4 million \$4.1 million from the year ended December 31, 2021 December 31, 2022, of which \$14.1 million \$1.8 million was recorded directly in stockholders' equity OCI and \$19.4 million \$2.3 million was recorded as a provision for income taxes. Excluding the impact of these deferred taxes, the effective tax rates for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023 were 35.7% 31.5% and 25.6% 32.9%, respectively.

On August 16, 2022, the U.S. government enacted Public Law no. 117-169, commonly referred to as the Inflation Reduction Act, which, among other things, establishes a corporate minimum tax on book earnings and an excise tax on stock buybacks. It is not expected that this legislation will have a material financial impact on the Company or its operations.

#### Balance Sheet Information

Tiptree's total assets were \$4.8 billion \$5,189.9 million as of September 30, 2023 March 31, 2024, compared to \$4.0 billion \$5,139.3 million as of December 31, 2022 December 31, 2023. The \$787.8 million \$50.6 million increase in assets is primarily attributable to the growth in the Insurance segment.

Total stockholders' equity was \$543.6 million \$598.6 million as of September 30, 2023 March 31, 2024, compared to \$533.6 million \$576.6 million as of December 31, 2022 December 31, 2023, with the increase primarily driven by comprehensive income for the nine three months ended September 30, 2023 March 31, 2024. As of September 30, 2023 March 31, 2024, there were 36,749,768 36,781,281 shares of common stock outstanding as compared to 36,385,299 36,756,187 shares as of December 31, 2022 December 31, 2023, with the increase driven by the vesting of share-based incentive compensation compensation.

On March 28, 2024, Tiptree and the exercise Warburg contributed \$29.2 million and \$9.6 million, respectively, to Fortegra in exchange for common shares of options. Fortegra. As of March 31, 2024, Fortegra was owned approximately 79.3% by Tiptree Holdings, 17.7% by Warburg and 3.0% by management and directors of Fortegra.

The following table is a summary of certain balance sheet information:

As of September 30, 2023						As of March 31, 2024					
Tiptree Capital						As of March 31, 2024					
As of March 31, 2024						As of March 31, 2024					
(\$ in thousands)	(\$ in thousands)	Insurance	Mortgage	Other	Corporate	(\$ in thousands)	(\$ in thousands)	Insurance	Mortgage	Other	Corporate
		Total						Total			
		Insurance									

		Insurance									
		Insurance						Mortgage	Other	Corporate	Total
Total assets	Total assets	4,519,854	\$171,701	\$135,267	\$ 569	\$ 4,827,391					
Corporate debt											
Corporate debt											
Corporate debt	Corporate debt	\$ 206,000	\$ —	\$ —	\$ —	\$ —	\$ 206,000				
Asset based debt	Asset based debt	65,538	60,361	—	—	—	125,899				
Tiptree Inc. stockholders' equity <sup>(1)</sup>	Tiptree Inc. stockholders' equity <sup>(1)</sup>	\$ 244,559	\$ 54,078	\$ 131,833	\$ (34,379)	\$ 396,091					
Tiptree Inc. stockholders' equity											
(1)											
Tiptree Inc. stockholders' equity											
(1)											
Non-controlling interests:	Non-controlling interests:										
Fortegra preferred interests	Fortegra preferred interests										
Fortegra preferred interests	Fortegra preferred interests	77,679	—	—	—	—	77,679				
Common interests	Common interests	69,803	—	—	—	—	69,803				
Total stockholders' equity	Total stockholders' equity	\$ 392,041	\$ 54,078	\$ 131,833	\$ (34,379)	\$ 543,573					

<sup>(1)</sup> Included in Corporate equity is the deferred tax liability on the outside basis on Tiptree's investment in Fortegra of \$48.6 million \$65.6 million as of September 30, 2023, March 31, 2024.

## NON-GAAP MEASURES AND RECONCILIATIONS

### Non-GAAP Reconciliations

In addition to GAAP results, management uses the non-GAAP financial measures underwriting and fee revenues and underwriting and fee margin in order to better explain to investors the underwriting performance and the respective retentions between the Company and its agents and reinsurance partners. We also use the non-GAAP financial measures adjusted net income and adjusted return on average equity as measures of operating performance and as part of our resource and capital allocation process, to assess comparative returns on invested capital. Management believes these measures provide supplemental information useful to investors as they are frequently used by the financial community to analyze financial performance and to compare relative performance among comparable companies. Adjusted net income, adjusted return on average equity, underwriting and fee revenues and underwriting and fee margin are not measurements of financial performance or liquidity under GAAP and should not be considered as an alternative or substitute for earned premiums, net income or any other measure derived in accordance with GAAP.

### ***Underwriting and Fee Revenues and Underwriting and Fee Margin — Non-GAAP (Insurance only)***

***Underwriting and Fee Revenues — Non-GAAP*** — We define underwriting and fee revenues as earned premiums, net, service and administrative fees (excluding ceding fees) and other income (excluding cash and cash equivalent interest income). We reconcile underwriting and fee revenues as total revenues excluding net investment income, net realized gains (losses) and net unrealized gains (losses), ceding fees, ceding commissions and cash and cash equivalent interest income as reported in other income. Underwriting and fee revenues represents revenues generated by our underwriting and fee-based operations and allows us to evaluate our underwriting performance without regard to investment income. We use this metric as we believe it gives our management and other users of our financial information useful insight into our underlying business performance. Underwriting and fee revenues should not be viewed as a substitute for total revenues calculated in accordance with GAAP, and other companies may define underwriting and fee revenues differently.

(\$ in thousands)	(\$ in thousands)	Three Months Ended		Nine Months Ended	
		September 30,	2023	September 30,	2023
(\$ in thousands)					

(\$ in thousands)		2024		2024		2024	
Total revenues							
Total revenues							
Total revenues	Total revenues	\$ 406,779		\$ 327,028		\$ 1,159,900	
Less: Net investment income	Less: Net investment income	(5,416)		(3,632)		(19,613)	
Less: Net investment income							
Less: Net investment income							
Less: Net realized and unrealized gains (losses)							
Less: Net realized and unrealized gains (losses)							
Less: Net realized and unrealized gains (losses)	Less: Net realized and unrealized gains (losses)	1,616		6,382		10,602	
Less: Ceding fees <sup>(1)</sup>	Less: Ceding fees <sup>(1)</sup>	(9,711)		(10,653)		(32,613)	
Less: Ceding fees <sup>(1)</sup>							
Less: Ceding fees <sup>(1)</sup>							
Less: Ceding commissions	Less: Ceding commissions	(2,440)		(4,023)		(10,761)	
Less: Cash and cash equivalent interest income <sup>(2)</sup>	Less: Cash and cash equivalent interest income <sup>(2)</sup>	(3,607)		(428)		(7,827)	
Underwriting and fee revenues	\$ 387,221			\$ 314,674		\$ 1,099,688	
Underwriting and fee revenues							
Underwriting and fee revenues							
Underwriting and fee revenues							

(1) Ceding fees were included in service and administrative fees on the statement of operations.

(2) Cash and cash equivalent interest income ~~was~~ was included in other revenue on the statement of operations.

(3) Underwriting and fee revenues exclude ceding fees, ceding commissions and cash and cash equivalent interest income from other revenue. The three months ended March 31, 2023 has been conformed to this presentation resulting in a reduction of underwriting and fee revenues of \$17.7 million. This change only impacted the underwriting and fee revenues metric and did not impact the Company's condensed consolidated financial statements.

**Underwriting and Fee Margin — Non-GAAP** — We define underwriting and fee margin as income before taxes, excluding net investment income, net realized gains (losses), net unrealized gains (losses), cash and cash equivalent interest income, employee compensation and benefits, other expenses, interest expense and depreciation and amortization. Underwriting and fee margin represents the underwriting performance of our underwriting and fee-based programs. As such, underwriting and fee margin excludes general administrative expenses, interest expense, depreciation and amortization and other corporate expenses as those expenses support the vertically integrated business model and not any individual component of our business mix. We use this metric as we believe it gives our management and other users of our financial information useful insight into the specific performance of our underlying underwriting and fee programs. Underwriting and fee income should not be viewed as a substitute for income before taxes calculated in accordance with GAAP, and other companies may define underwriting and fee margin differently.

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Three Months		Nine Months Ended	
(\$ in thousands)	(\$ in thousands)	Ended September 30,	September 30,



Plus: Other expenses	Plus: Other expenses	20,295	21,083	69,880	58,521
Underwriting and fee margin		\$91,662	\$70,549	\$256,794	\$202,850
Plus: Other expenses					
Plus: Other expenses					
Underwriting and fee margin (2)					
Underwriting and fee margin (2)					
Underwriting and fee margin (2)					

(1) Cash and cash equivalent **interests** interest income **were** were included in other revenue on the statement of operations.

(2) Underwriting and fee margin exclude cash and cash equivalent interest income. The three months ended March 31, 2023 has been conformed to this presentation resulting in a reduction of underwriting and fee margin of \$2.2 million. This change only impacted the underwriting and fee margin metric and did not impact the Company's condensed consolidated financial statements.

#### Adjusted Net Income — Non-GAAP

We define adjusted net income as income before taxes, less provision (benefit) for income taxes, and excluding the after-tax impact of various expenses that we consider to be unique and non-recurring in nature, including merger and acquisition related expenses, stock-based compensation, net realized and unrealized gains (losses) and intangibles amortization associated with purchase **accounting**, accounting, all of which is reduced for non-controlling **interests**. The calculation of **Adjusted Net Income** adjusted net income excludes net realized and unrealized gains (losses) that relate to investments or assets rather than business operations. Adjusted net income should not be viewed as a substitute for income before taxes calculated in accordance with GAAP, and other companies may define adjusted net income differently. Adjusted net income **(before NCI)** is presented before the impacts of non-controlling interests.

We present adjustments for amortization associated with acquired intangible assets. The intangible assets were recorded as part of purchase accounting in connection with Tiptree's acquisition of Fortegra Financial in 2014, **Defend in** and additional services businesses from 2019 and Smart AutoCare and Sky Auto in 2020, ITC in 2022 and Premia into 2023. The intangible assets acquired contribute to overall revenue generation, and the respective purchase accounting adjustments will continue to occur in future periods until such intangible assets are fully amortized in accordance with the respective amortization periods required by GAAP.

#### Adjusted Return on Average Equity — Non-GAAP

We define adjusted return on average equity as adjusted net income expressed on an annualized basis as a percentage of average beginning and ending stockholders' equity during the period. See "—Adjusted Net Income—Non-GAAP" above. Adjusted return on average equity should not be viewed as a substitute for return on average equity calculated in accordance with GAAP, and other companies may define adjusted return on average equity differently.

(\$ in thousands)	Three Months Ended September 30, 2023					
	Tiptree Capital					
	Insurance	Mortgage	Other	Corporate	Total	
Income (loss) before taxes	\$ 35,722	\$ 359	\$ (6,494)	\$ (8,446)	\$ 21,141	
Less: Income tax (benefit) expense	(9,261)	(76)	1,179	(4,115)	(12,273)	
Less: Net realized and unrealized gains (losses) (1)	1,616	(788)	6,625	—	7,453	
Plus: Intangibles amortization (2)	4,878	—	—	—	4,878	
Plus: Stock-based compensation expense	717	—	—	1,246	1,963	
Plus: Non-recurring expenses (3)	113	—	—	—	113	
Plus: Non-cash fair value adjustments (4)	(2,447)	—	—	—	(2,447)	
Plus: Impact of tax deconsolidation of Fortegra (5)	—	—	—	4,396	4,396	
Less: Tax on adjustments (6)	(1,295)	178	(1,305)	1,231	(1,191)	
Adjusted net income	\$ 30,043	\$ (327)	\$ 5	\$ (5,688)	\$ 24,033	
Adjusted net income	\$ 30,043	\$ (327)	\$ 5	\$ (5,688)	\$ 24,033	
Average stockholders' equity	\$ 385,266	\$ 53,939	\$ 139,786	\$ (34,169)	\$ 544,822	
Adjusted return on average equity	31.2 %	(2.4) %	— %	NM %	17.6 %	

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		Three Months Ended March 31, 2024				
		Three Months Ended September 30, 2022				
		Three Months Ended March 31, 2024				
(\$ in thousands)	(\$ in thousands)	Tiptree Capital				
		Insurance	Mortgage	Other	Corporate	Total
(\$ in thousands)	(\$ in thousands)					
		Insurance				
		Insurance				
		Insurance				
Income (loss) before taxes						
Income (loss) before taxes						
Income (loss) before taxes	Income (loss) before taxes	\$ 15,304	\$ (940)	\$ 19,077	\$ (8,316)	\$ 25,125
Less: Income tax (benefit) expense	Less: Income tax (benefit) expense	(3,765)	92	(3,963)	2,568	(5,068)
Less: Income tax (benefit) expense						
Less: Income tax (benefit) expense						
Less: Net realized and unrealized gains (losses) <sup>(1)</sup>						
Less: Net realized and unrealized gains (losses) <sup>(1)</sup>						
Less: Net realized and unrealized gains (losses) <sup>(1)</sup>	Less: Net realized and unrealized gains (losses) <sup>(1)</sup>	6,382	(82)	(12,694)	—	(6,394)
Plus: Intangibles amortization <sup>(2)</sup>	Plus: Intangibles amortization <sup>(2)</sup>	4,115	—	—	—	4,115
Plus: Intangibles amortization <sup>(2)</sup>						
Plus: Intangibles amortization <sup>(2)</sup>						
Plus: Stock-based compensation expense						
Plus: Stock-based compensation expense						
Plus: Stock-based compensation expense	Plus: Stock-based compensation expense	33	—	75	1,588	1,696
Plus: Non-recurring expenses <sup>(3)</sup>	Plus: Non-recurring expenses <sup>(3)</sup>	89	—	53	—	142
Plus: Non-recurring expenses <sup>(3)</sup>						
Plus: Non-recurring expenses <sup>(3)</sup>						
Plus: Non-cash fair value adjustments <sup>(4)</sup>						

Plus: Non-cash fair value adjustments (4)						
Plus: Non-cash fair value adjustments (4)	Plus: Non-cash fair value adjustments (4)	—	—	(130)	—	(130)
Plus: Impact of tax deconsolidation of Fortegra (5)	Plus: Impact of tax deconsolidation of Fortegra (5)	—	—		(1,425)	(1,425)
Plus: Impact of tax deconsolidation of Fortegra (5)						
Plus: Impact of tax deconsolidation of Fortegra (5)						
Less: Tax on adjustments (6)	Less: Tax on adjustments (6)	(2,327)	153	3,238	270	1,334
Less: Tax on adjustments (6)						
Less: Tax on adjustments (6)						
Adjusted net income (before NCI)						
Adjusted net income (before NCI)						
Adjusted net income (before NCI)						
Less: Impact of non-controlling interests						
Less: Impact of non-controlling interests						
Less: Impact of non-controlling interests						
Adjusted net income						
Adjusted net income						
Adjusted net income	Adjusted net income	\$ 19,831	\$ (777)	\$ 5,656	\$ (5,315)	\$ 19,395
Adjusted net income	Adjusted net income	\$ 19,831	\$ (777)	\$ 5,656	\$ (5,315)	\$ 19,395
Adjusted net income (before NCI)						
Adjusted net income (before NCI)						
Adjusted net income (before NCI)						
Average stockholders' equity	Average stockholders' equity	\$319,703	\$57,133	\$84,445	\$ 61,178	\$522,459
Adjusted return on average equity		24.8 %	(5.4)%	26.8 %	NM%	14.8 %
Average stockholders' equity						
Average stockholders' equity						
Adjusted return on average equity (7)						
Adjusted return on average equity (7)						
Adjusted return on average equity (7)						

(\$ in thousands)	Nine Months Ended September 30, 2023				
	Tiptree Capital				
	Insurance	Mortgage	Other	Corporate	Total

Income (loss) before taxes	\$ 85,584	\$ (894)	\$ (3,597)	\$ (28,105)	\$ 52,988
Less: Income tax (benefit) expense	(22,936)	231	419	(6,833)	(29,119)
Less: Net realized and unrealized gains (losses) <sup>(1)</sup>	10,602	(933)	5,885	—	15,554
Plus: Intangibles amortization <sup>(2)</sup>	12,667	—	—	—	12,667
Plus: Stock-based compensation expense	1,238	—	—	5,032	6,270
Plus: Non-recurring expenses <sup>(3)</sup>	2,476	—	—	—	2,476
Plus: Non-cash fair value adjustments <sup>(4)</sup>	(2,611)	—	—	—	(2,611)
Plus: Impact of tax deconsolidation of Fortegra <sup>(5)</sup>	—	—	—	10,210	10,210
Less: Tax on adjustments <sup>(6)</sup>	(3,919)	207	(1,070)	1,468	(3,314)
Adjusted net income	<u>\$ 83,101</u>	<u>\$ (1,389)</u>	<u>\$ 1,637</u>	<u>\$ (18,228)</u>	<u>\$ 65,121</u>
Adjusted net income	\$ 83,101	\$ (1,389)	\$ 1,637	\$ (18,228)	\$ 65,121
Average stockholders' equity	\$ 365,375	\$ 54,411	\$ 103,332	\$ 15,456	\$ 538,574
Adjusted return on average equity	30.3 %	(3.4)%	2.1 %	NM %	16.1 %

Nine Months Ended September 30, 2022						
(\$ in thousands)	Tiptree Capital					
	Insurance	Mortgage	Other	Corporate	Total	
Income (loss) before taxes	\$ 39,057	\$ 3,350	\$ 20,468	\$ (33,895)	\$ 28,980	
Less: Income tax (benefit) expense	(11,099)	(874)	(3,469)	(16,095)	(31,537)	
Less: Net realized and unrealized gains (losses) <sup>(1)</sup>	23,151	(7,976)	(8,293)	—	6,882	
Plus: Intangibles amortization <sup>(2)</sup>	12,146	—	—	—	12,146	
Plus: Stock-based compensation expense	2,376	—	98	5,437	7,911	
Plus: Non-recurring expenses <sup>(3)</sup>	1,561	—	(869)	2,108	2,800	
Plus: Non-cash fair value adjustments <sup>(4)</sup>	—	—	3,554	—	3,554	
Plus: Impact of tax deconsolidation of Fortegra <sup>(5)</sup>	1,560	—	—	22,544	24,104	
Less: Tax on adjustments <sup>(6)</sup>	(8,859)	1,984	1,783	(915)	(6,007)	
Adjusted net income	<u>\$ 59,893</u>	<u>\$ (3,516)</u>	<u>\$ 13,272</u>	<u>\$ (20,816)</u>	<u>\$ 48,833</u>	
Adjusted net income	\$ 59,893	\$ (3,516)	\$ 13,272	\$ (20,816)	\$ 48,833	
Average stockholders' equity	\$ 309,042	\$ 58,558	\$ 94,169	\$ (1,891)	\$ 459,878	
Adjusted return on average equity	25.8 %	(8.0)%	18.8 %	NM%	14.2 %	

The footnotes below correspond to the tables above, under "Adjusted Net Income - Non-GAAP" and "Adjusted Return on Average Equity - Non-GAAP".

Three Months Ended March 31, 2023						
(\$ in thousands)	Tiptree Capital					
	Insurance	Mortgage	Other	Corporate	Total	
Income (loss) before taxes	\$ 19,445	\$ (2,565)	\$ 1,442	\$ (10,149)	\$ 8,173	
Less: Income tax (benefit) expense	(4,747)	613	(263)	(625)	(5,022)	
Less: Net realized and unrealized gains (losses) <sup>(1)</sup>	4,607	1,443	323	—	6,373	
Plus: Intangibles amortization <sup>(2)</sup>	3,894	—	—	—	3,894	
Plus: Stock-based compensation expense	33	—	—	2,282	2,315	
Plus: Non-recurring expenses <sup>(3)</sup>	2,125	—	—	—	2,125	
Plus: Non-cash fair value adjustments <sup>(4)</sup>	(118)	—	—	—	(118)	
Plus: Impact of tax deconsolidation of Fortegra <sup>(5)</sup>	—	—	—	2,314	2,314	
Less: Tax on adjustments <sup>(6)</sup>	(2,300)	(344)	(89)	(37)	(2,770)	
Adjusted net income (before NCI)	\$ 22,939	\$ (853)	\$ 1,413	\$ (6,215)	\$ 17,284	
Less: Impact of non-controlling interests	(4,725)	—	—	—	(4,725)	
Adjusted net income	<u>\$ 18,214</u>	<u>\$ (853)</u>	<u>\$ 1,413</u>	<u>\$ (6,215)</u>	<u>\$ 12,559</u>	
Adjusted net income (before NCI)	\$ 22,939	\$ (853)	\$ 1,413	\$ (6,215)	\$ 17,284	
Average stockholders' equity	\$ 351,953	\$ 53,768	\$ 114,219	\$ 17,626	\$ 537,566	
Adjusted return on average equity <sup>(7)</sup>	26.1 %	(6.3)%	4.9 %	NM%	12.9 %	

(d) Net realized and unrealized gains (losses) added back in Adjusted net income excludes net realized and unrealized gains (losses) from the mortgage segment **those relating to our held-for-sale mortgage originator (Luxury)**, and unrealized gains (losses) on mortgage servicing rights.

(e) Specifically associated with acquisition purchase accounting. See Note (8) Goodwill and Intangible Assets, net.

(f) For the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2022**, included in other expenses were expenses related to **banker legal and legal fees other expenses** associated with preparation of the registration statement for the **withdrawn** Fortegra initial public offering in 2024 and acquisitions of **Premia** and **ITC** services businesses in 2023, respectively.

(g) For the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2023**, non-cash fair-value adjustments represent a **decrease** **change** in fair value of the Fortegra Additional Warrant **liability** which are **added-back** to **adjusted net income**. For the **2022** periods, maritime transportation depreciation and amortization was deducted as a reduction in the value of the **vessel** **liability**.

(h) For the three **and nine** months ended **September 30, 2023** **March 31, 2024** and **2023**, included in the adjustment is an add-back of **\$4.4 million** **\$4.5 million** and **\$10.2 million**, respectively, related to deferred tax expense from the **WP Transaction**. For the **three and nine months ended September 30, 2022**, included in the adjustment is an add-back of **\$(1.4) million** and **\$24.1 million** **\$2.3 million**, respectively, related to deferred tax expense from the **WP Transaction**.

(i) Tax on adjustments represents the tax applied to the total non-GAAP adjustments and includes adjustments for non-recurring or discrete tax impacts.

(j) Total Adjusted return on average equity after non-controlling interests was 19.5% and 12.6% for the three months ended March 31, 2024 and 2023, respectively, based on \$20.5 million and \$12.6 million of Adjusted net income over \$420.8 million and \$399.0 million of average Tiptree Inc. stockholders' equity.

#### Book Value per share - Non-GAAP

Management believes the use of this financial measure provides supplemental information useful to investors as book value is frequently used by the financial community to analyze company growth on a relative per share basis. The following table provides a reconciliation between total stockholders' equity and total shares outstanding, net of treasury shares.

	<b>As of September 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Total stockholders' equity</b>	\$ 543,573	\$ 519,574
Less: Non-controlling interests	147,482	132,295
<b>Total stockholders' equity, net of non-controlling interests</b>	\$ 396,091	\$ 387,279
<b>Total common shares outstanding (information)</b>		
	<b>36,750</b>	<b>36,247</b>
Book value per share	\$ 2024 10.78	\$ 2023 10.68
Total stockholders' equity	\$ 598,638	\$ 541,557
Less: Non-controlling interests	173,903	140,910
<b>Total stockholders' equity, net of non-controlling interests</b>	<b>\$ 424,735</b>	<b>\$ 400,647</b>
<b>Total common shares outstanding</b>	<b>36,781</b>	<b>36,735</b>
Book value per share	\$ 11.55	\$ 10.91

#### LIQUIDITY AND CAPITAL RESOURCES

Our principal sources of liquidity are unrestricted cash, cash equivalents and other liquid investments and distributions from operating subsidiaries, including income from our investment portfolio and sales of assets and investments. We intend to use our cash resources to continue to fund our operations and grow our businesses. We may seek additional sources of cash to fund acquisitions or investments. These additional sources of cash may take the form of debt or equity and may be at the parent, subsidiary or asset level. We are a holding company and our liquidity needs are primarily for compensation, professional fees, office rent and insurance costs.

Our subsidiaries' ability to generate sufficient net income and cash flows to make cash distributions will be subject to numerous business and other factors, including restrictions contained in agreements for the strategic investment by Warburg in Fortegra, our subsidiaries' financing agreements, regulatory restrictions, availability of sufficient funds at such subsidiaries, general economic and business conditions, tax considerations, strategic plans, financial results and other factors such as target capital ratios and ratio levels anticipated by rating agencies to maintain or improve current ratings. We expect our cash and cash equivalents and distributions from operating subsidiaries, our subsidiaries' access to financing, and sales of investments to be adequate to fund our operations for at least the next 12 months, as well as the long term.

As of **September 30, 2023** **March 31, 2024**, cash and cash equivalents, excluding restricted cash, were **\$514.7 million** **\$474.6 million**, compared to **\$538.1 million** **\$468.7 million** at **December 31, 2022** **December 31, 2023**, a **decrease** **an increase** of **\$(23.4) million** **\$5.8 million**, primarily driven by an **increase** **decrease** in investments.

Our insurance business uses borrowings to fund long-term growth and for operational working capital purposes. As of March 31, 2024 and December 31, 2023, a total of \$129.0 million and \$130.0 million, respectively, was outstanding under the revolving line of credit in our insurance business. The maximum borrowing capacity under the agreements as of March 31, 2024 and 2023 was \$200.0 million.

Our mortgage business relies on short term uncommitted sources of financing as a part of their normal course of operations. To date, we have been able to obtain and renew uncommitted warehouse credit facilities. If we were not able to obtain financing, then we may need to draw on other sources of liquidity to fund our mortgage business. See Note (10) Debt, net in the notes to our condensed consolidated financial statements for additional information regarding our insurance and mortgage warehouse borrowings.

We believe that cash flow from operations will provide sufficient capital to continue to grow the business and fund interest on the outstanding debt, capital expenditures and other general corporate needs over the next several years. As we continue to expand our business, including by any acquisitions we may make, we may, in the future, require additional working capital for increased costs.

For purposes of determining enterprise value, we consider corporate credit agreements and preferred trust securities, which we refer to as corporate debt, as corporate financing and associated interest expense is added back. The below table outlines this amount by debt outstanding and interest expense at the insurance company and corporate level.

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## Corporate Debt

(\$ in thousands)	Corporate Debt Outstanding as of September 30,		Interest Expense for the three months ended September 30,		Interest Expense for the nine months ended September 30,	
	2023		2022		2023	
Insurance	\$ 206,000	\$ 160,000	\$ 4,732	\$ 3,592	\$ 14,058	\$ 10,944
Corporate	—	—	—	—	—	4,615
Total	\$ 206,000	\$ 160,000	\$ 4,732	\$ 3,592	\$ 14,058	\$ 15,559

The balance of the corporate credit facility was repaid during June 2022 as part of the WP Transaction. See Note (10) Debt, net in the notes to condensed consolidated financial statements for details for prior periods.

On October 21, 2022, Fortegra entered into a Second Amended and Restated Credit Agreement by and among Fortegra Financial, and its subsidiary, LOTS Intermediate Co., as borrowers, the lenders from time to time party thereto, certain of Fortegra's subsidiaries, as guarantors, and Fifth Third Bank, National Association, as the administrative agent and issuing lender (the "Fortegra Credit Agreement"). The Fortegra Credit Agreement provides for a \$200 million revolving credit facility, all of which is available for the issuance of letters of credit, with a sub-limit of \$25 million for swing loans and matures on October 21, 2027.

## Consolidated Comparison of Cash Flows

(\$ in thousands)	(\$ in thousands)	Nine Months Ended September 30,		
		2023	2022	
(\$ in thousands)				
(\$ in thousands)				
Cash and cash equivalents provided by (used in):				
Cash and cash equivalents provided by (used in):				
Cash and cash equivalents provided by (used in):				
Operating activities	Operating activities	\$ 93,566	\$ 400,857	
Operating activities				

Investing activities		
Investing activities		
Investing activities	Investing activities	(144,721) 28,858
Financing activities	Financing activities	39,605 (104,324)
Financing activities		
Financing activities		
Effect of exchange rate changes on cash	Effect of exchange rate changes on cash	(1,935) (6,833)
Change in cash, cash equivalents and restricted cash		
cash	\$ (13,485)	\$ 318,558
Effect of exchange rate changes on cash		
Effect of exchange rate changes on cash		

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(\$ in thousands)	Three Months Ended	
	March 31,	2024
Change in cash, cash equivalents and restricted cash	\$ 110,396	\$ (124,917)

#### Operating Activities

Cash provided by operating activities was \$93.6 million \$62.7 million for the nine three months ended September 30, 2023 March 31, 2024. In 2023, 2024, the primary sources of cash from operating activities included growth in insurance premiums written resulting in increases in deferred revenues, unearned premiums, policy liabilities and unpaid claims reinsurance payables and other liabilities and accrued expenses which were partially offset by increases in notes and accounts receivable reinsurance recoverable and prepaid reinsurance other liabilities and accrued expenses and a decrease in unearned premiums.

Cash provided by operating activities was \$400.9 million \$43.0 million for the nine three months ended September 30, 2022 March 31, 2023. In 2022, 2023, the primary sources of cash from operating activities included proceeds from mortgage loans outpacing originations and growth in insurance written premiums written resulting in increases in unearned premiums, policy liabilities and unpaid claims, and deferred revenues and reinsurance payables, which were partially offset by increases in deferred acquisition costs, reinsurance recoverable and prepaid reinsurance premiums.

#### Investing Activities

Cash provided by investing activities was \$40.5 million for the three months ended March 31, 2024. In 2024, the primary source of cash was proceeds from the sale of investments outpacing purchases.

Cash used in investing activities was \$144.7 million \$247.5 million for the nine three months ended September 30, 2023 March 31, 2023. In 2023, the primary uses of cash were the purchases of investments outpacing the proceeds from the sale of investments, as well as the acquisition of Premia.

Cash provided by investing activities was \$28.9 million for the nine months ended September 30, 2022. In 2022, the primary sources of cash were the proceeds of sales and maturities of investments outpacing the purchases of investments offset by the acquisition of ITC.

#### Financing Activities

Cash provided by financing activities was \$39.6 million \$8.0 million for the nine three months ended September 30, 2023 March 31, 2024. In 2024, the cash provided was primarily proceeds from corporate borrowings at Fortegra and mortgage warehouse facilities, which exceeded repayments, and a non-controlling interest contribution to Fortegra, partially offset by the payment of common and preferred dividends.

Cash provided by financing activities was \$78.3 million for the three months ended March 31, 2023. In 2023, the cash provided was primarily proceeds from corporate borrowings and mortgage warehouse facilities, which exceeded repayments, partially offset by non-controlling interests distributions and the payment of dividends.

Cash used in financing activities was \$104.3 million for the nine months ended September 30, 2022. In 2022, principal repayments on mortgage warehouse facilities exceeded proceeds from borrowings, which was partially offset by cash received from the WP Transaction and the exercise of warrants.

#### **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of our financial statements in accordance with U.S. GAAP, which requires management to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. Actual results could differ materially from those estimates. There have been no material changes to the critical accounting policies and estimates as discussed in Part II, Item 7A in our Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023**.

#### **Recently Adopted and Issued Accounting Standards**

For a discussion of recently adopted and issued accounting standards, see the section "Recent Accounting Standards" in Note (2) Summary of Significant Accounting Policies of the notes to the accompanying condensed consolidated financial statements.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

Our Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023** described our Quantitative and Qualitative Disclosures About Market Risk. There were no material changes to the assumptions or risks during the **nine** **three** months ended **September 30, 2023** **March 31, 2024**.

#### **Item 4. Controls and Procedures**

##### **Evaluation of Disclosure Controls and Procedures**

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act as of the end of the period covered by this report. The Company's disclosure controls and procedures are designed to provide reasonable assurance that material information is recorded, processed, summarized and reported accurately and on a timely basis. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective.

##### **Changes in Internal Control over Financial Reporting**

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

#### **PART II. OTHER INFORMATION**

#### **Item 1. Legal Proceedings**

Our legal proceedings are discussed under the heading "Litigation" in Note (20) Commitments and Contingencies in the Notes to the condensed consolidated financial statements in this report.

#### **Item 1A. Risk Factors**

For information regarding factors that could affect our Company, results of operations and financial condition, see the risk factors discussed under Part I, Item 1A in our Annual Report on Form 10-K for the fiscal year ended **December 31, 2022** **December 31, 2023**. There have been no material changes in those risk factors.

#### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

##### **Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

Share repurchase activity for **nine** **three** months ended **September 30, 2023** **March 31, 2024** was as follows:

Period	Purchaser	Total Number of Shares Purchased <sup>(1)</sup>	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value (\$ in thousands of Shares That May Yet Be Purchased Under the Plans or Programs <sup>(1)</sup> )
July 1, 2023 to January 31, 2024	Tiptree Inc.	— \$	—	—	—
August 1, 2023 to August 31, 2023	Tiptree Inc.	— \$	—	—	—
September 1, 2023 to September 30, 2023	Tiptree Inc.	— \$	—	—	—
Total		— \$	—	— \$	11,945

(1) On November 2, 2020, the Board of Directors of Tiptree authorized Tiptree's Executive Committee to repurchase up to \$20 million of its outstanding common stock in the aggregate from time to time.

#### Item 3. Defaults Upon Senior Securities

None.

#### Item 4. Mine Safety Disclosures

Not Applicable.

#### Item 5. Other Information

##### Trading Plans

On September 6, 2023, Jonathan Ilany, Chief Executive Officer and a director of the Company, entered into a stock trading plan intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act, providing for a third-party broker to donate up to 17,863 shares of common stock of the Company that Mr. Ilany currently owns. Shares will be donated under the stock trading plan in accordance with the parameters set forth in Mr. Ilany's stock trading plan. Mr. Ilany's stock trading plan terminates upon the earlier of all the transactions set forth in the plan being executed or September 6, 2024.

As of November 1, 2023, Mr. Ilany is deemed to beneficially own 1,032,043 shares of common stock of the Company, consisting of 205,434 shares of common stock Mr. Ilany owns directly and 826,609 shares of common stock issuable upon exercise of vested stock options that Mr. Ilany owns directly. Mr. Ilany's beneficial ownership excludes an aggregate of 1,370,810 shares of common stock held at various estate planning vehicles for the benefit of Mr. Ilany's family. Mr. Ilany has no control over, nor pecuniary interest in, any of these estate planning vehicles. None.

#### Item 6. Exhibits, Financial Statement Schedules

The following documents are filed as a part of this Form 10-Q:

##### Financial Statements (Unaudited):

Condensed Consolidated Balance Sheets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023	F-3
Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023	F-4
Condensed Consolidated Statements of Comprehensive Income (Loss) for the three and nine months ended September 30, 2023 March 31, 2024 and 2022 2023	F-5
Condensed Consolidated Statements of Changes in Stockholders' Equity for the periods ended September 30, 2023 March 31, 2024 and 2022 2023	F-6
Condensed Consolidated Statements of Cash Flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022 2023	F-7
Notes to Condensed Consolidated Financial Statements	F-108

##### Exhibits:

The Exhibits listed in the Index of Exhibits, which appears immediately following the signature page, is incorporated herein by reference and is filed as part of this Form 10-Q.

#### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Tiptree Inc. has duly caused this report to be signed on its behalf by the undersigned, there unto duly authorized.

**Tiptree Inc.**

Date: November May 1, 2023 2024

By:/s/ Michael Barnes

Michael Barnes

Executive Chairman

Date: November May 1, 2023 2024

By:/s/ Jonathan Ilany

Jonathan Ilany

Chief Executive Officer

Date: November May 1, 2023 2024

By:/s/ Scott McKinney

Scott McKinney

Chief Financial Officer

(Principal Financial Officer and  
Principal Accounting Officer)

**EXHIBIT INDEX**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
10.1	<a href="#">Amended and Restated Credit Agreement dated as of October 6, 2023 by and among South Bay Acceptance Corporation, South Bay Funding LLC, the lenders from time to time party thereto and Fifth Third Bank, National Association as the administrative agent (previously filed as Exhibit 10.1 to the Registrant's Current Report on Form 8-K (File No. 001-33549), filed on October 11, 2023 and herein incorporated by reference).</a>
10.2	<a href="#">Tiptree Inc. 2023 Deferred Compensation Plan (previously filed as Exhibit 10.1 to the Registrant's Form 10-Q (File No. 001-33549, filed on August 2, 2023 and herein incorporated by reference).**</a>
31.1	<a href="#">Certification of Executive Chairman pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).</a>
31.2	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).</a>
31.3	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).</a>
32.1	<a href="#">Certification of Executive Chairman pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).</a>
32.2	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).</a>
32.3	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith).</a>
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
104	Cover page from Tiptree's Form 10-Q for the quarter ended <u>September 30, 2023</u> <u>March 31, 2024</u> formatted in iXBRL (included in Exhibit 101).

\* Attached as Exhibit 101 to this Quarterly Report on Form 10-Q are the following materials, formatted in XBRL (eXtensible Business Reporting Language): (i) the Condensed Consolidated Balance Sheets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, (ii) the Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, (iii) the Condensed Consolidated Statements of Comprehensive Income (Loss) for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, (iv) the Condensed Consolidated Statements of Changes in Stockholders' Equity for the three and nine months ended September 30, 2023 March 31, 2024 and 2022, 2023, (v) the Condensed Consolidated Statements of Cash Flows for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023 and (vi) the Notes to the Condensed Consolidated Financial Statements.

\*\* Denotes a management contract or compensatory plan, contract or arrangement.

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EXHIBIT 31.1

**CERTIFICATIONS**

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REFINITIV 

I, Michael Barnes, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Tiptree Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November** **May 1,**  
**2023** **2024**

/s/ Michael Barnes  
**Michael Barnes**  
**Executive Chairman**

n>

EXHIBIT 31.2

#### CERTIFICATIONS

I, Jonathan Ilany, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Tiptree Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November May 1,  
2023 2024

/s/ Jonathan Ilany

**Jonathan Ilany**

**Chief Executive Officer**

EXHIBIT 31.3

#### CERTIFICATIONS

I, Scott McKinney, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Tiptree Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **November 1, 2023**

/s/ Scott McKinney

**Scott McKinney**  
**Chief Financial Officer**

EXHIBIT 32.1

**Certification Pursuant to Section 18 U.S.C. Section 1350,  
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Tiptree Inc. (the "Company") on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Barnes, the Executive Chairman of the Company, certify pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael Barnes

**Michael Barnes**  
**Executive Chairman**

Date: **November 1, 2023** **May 1, 2024**

EXHIBIT 32.2

**Certification Pursuant to Section 18 U.S.C. Section 1350,  
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Tiptree Inc. (the "Company") on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jonathan Ilany, the Chief Executive Officer of the Company, certify pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that;

- (i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Jonathan Ilany

**Jonathan Ilany**  
**Chief Executive Officer**

Date: **November 1, 2023** **May 1, 2024**

EXHIBIT 32.3

**Certification Pursuant to Section 18 U.S.C. Section 1350,  
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Tiptree Inc. (the "Company") on Form 10-Q for the quarter ended **September 30, 2023** **March 31, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott McKinney, the Chief Financial Officer of the Company, certify pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that;

- (i) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Scott McKinney

**Scott McKinney**  
**Chief Financial Officer**

Date: **November 1, 2023** **May 1, 2024**

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