

# SECOND QUARTER 2025 RESULTS

August 6, 2025



# SAFE HARBOR STATEMENT AND NON-GAAP MEASURES

This presentation may contain forward-looking statements about our operations, anticipated performance and other similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor under the Securities Act of 1933 and the Securities Exchange Act of 1934 for forward-looking statements. The forward-looking statements are not historical facts and involve risks and uncertainties that could cause actual results to differ from those expected and/or projected. Such forward-looking statements are based on current expectations, estimates, forecasts and projections about the Company, the industry in which we operate, and beliefs and assumptions made by management. Words such as "expect(s)," "anticipate(s)," "intend(s)," "plan(s)," "believe(s)," "continue(s)," "seek(s)," "estimate(s)," "goal(s)," "remain(s) optimistic," "target(s)," "forecast(s)," "project(s)," "predict(s)," "should," "could," "may," "will," "might," "hope," "can" and other words and terms of similar meaning or expression in connection with a discussion of future operations, financial performance or financial condition, are intended to identify forward-looking statements. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed in such forward-looking statements. Some factors that could cause actual outcomes and results to differ materially from those expressed in the forward-looking statements is contained in Part I, Item 1A "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2024 filed with the Securities and Exchange Commission ("SEC") on February 26, 2025. The risks identified in our Annual Report on Form 10-K and in our other SEC filings are representative of the risks, uncertainties, and assumptions that could cause actual outcomes and results to differ materially from what is expressed in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release or as of the date they are made. Except as required under the federal securities laws and the rules and regulations of the SEC, we do not have any intention and disclaim any duty or obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

## Non-GAAP financial measures

This presentation also includes certain non-GAAP financial measures within the meaning of Regulation G, including "adjusted operating income (loss)," which are used where management believes them to be helpful in understanding the Company's results of operations or financial position. Refer to information about the non-GAAP measures contained in this presentation. Additional information as required by Regulation G are available in our Annual Report on Form 10-K and our Form 8-K furnished as of the date of this presentation with the SEC, which are available at <http://ir.ufginsurance.com> under "Financials." Investors are cautioned not to place undue reliance on these non-GAAP measures in assessing our overall financial performance.

# CONSOLIDATED FINANCIAL RESULTS

(In Millions, Except Per Share Data)	Second Quarter			Year to Date		
	2025	2024	Change	2025	2024	Change
Net written premium	\$373	\$326	14%	\$708	\$647	9%
Net earned premium	\$315	\$288	9%	\$623	\$568	10%
<b>GAAP Ratios:</b>						
Net loss ratio	61.5%	70.1%	(8.6) pts	61.5%	67.0%	(5.5) pts
Underwriting expense ratio	34.9%	35.5%	(0.6) pts	36.4%	35.2%	1.2 pts
Combined ratio	96.4%	105.6%	(9.2) pts	97.9%	102.2%	(4.3) pts
<b>Loss Ratios:</b>						
Net loss ratio	61.5%	70.1%	(8.6) pts	61.5%	67.0%	(5.5) pts
Catastrophe loss ratio <sup>(1)</sup>	5.5%	11.2%	(5.7) pts	5.3%	7.9%	(2.6) pts
Reserve development (excl. catastrophe) <sup>(1)</sup>	(1.6%)	0.0%	(1.6) pts	(0.8%)	0.0%	(0.8) pts
Underlying loss ratio <sup>(1)</sup>	57.6%	58.9%	(1.3) pts	57.0%	59.1%	(2.1) pts
Underlying combined ratio <sup>(2)</sup>	92.5%	94.4%	(1.9) pts	93.4%	94.3%	(0.9) pts
Net investment income	\$22	\$18		\$45	\$34	
Net investment gains (losses)	(\$1)	(\$1)		(\$2)	(\$2)	
Net income (loss)	\$23	(\$3)		\$41	\$11	
Adjusted operating income (loss) <sup>(3)</sup>	\$24	(\$2)		\$42	\$13	
Net income (loss) per diluted share	\$0.87	(\$0.11)		\$1.54	\$0.42	
Adjusted operating income (loss) per diluted share <sup>(3)</sup>	\$0.90	(\$0.07)		\$1.60	\$0.49	
Return on equity <sup>(4)</sup>				10.0%	2.9%	
Book Value per Share				\$33.18		
Adjusted Book Value per Share <sup>(5)</sup>				\$34.93		

(1) Underlying loss ratio is a non-GAAP financial measure that is defined as the net loss ratio less impacts of catastrophes and non-catastrophe prior year reserve development.

(2) Underlying combined ratio is a non-GAAP financial measure that is defined as the GAAP combined ratio less impacts of catastrophes and non-catastrophe prior year reserve development.

(3) Adjusted operating income (loss) is a non-GAAP financial measure of net income excluding net investment gains and losses, after applicable taxes.

(4) Return on equity is calculated by dividing annualized net income by average stockholders' equity, which is calculated using a simple average of the beginning and ending balances for the period.

(5) Adjusted book value per share is a non-GAAP financial measure calculated by dividing shareholders' equity, excluding net unrealized investment gains and losses, after applicable federal and state income taxes, by the number of common shares outstanding.

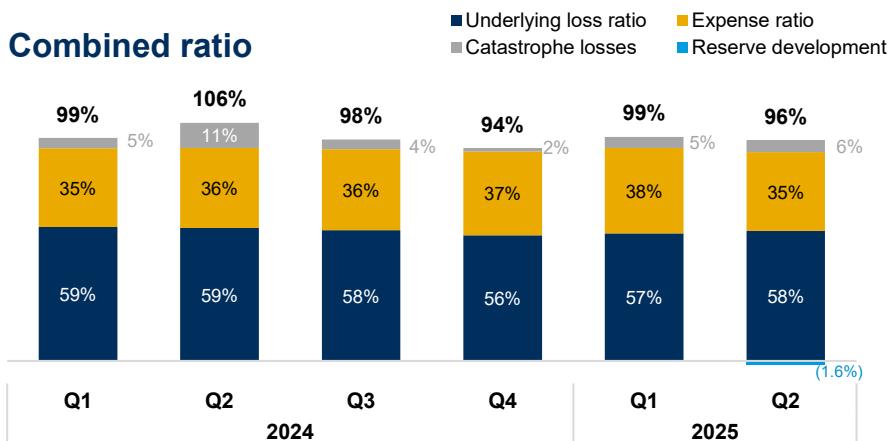
- Strong second quarter net income of \$23M, or \$0.87 per share with adjusted operating income per share of \$0.90
- Year-to-date ROE improved to 10%
- Net written premium grew 14% to a record \$373M
- Combined ratio of 96.4%, the best second quarter result in more than 10 years
- Year-to-date catastrophe losses remained below the full-year plan of 5.7%
- Net investment income increased 20% with continued improvement in fixed maturity income
- Book value per share increased to \$33.18, adjusted book value per share increased to \$34.93

# P&C TRENDS

## Net written premium (\$M)



## Combined ratio

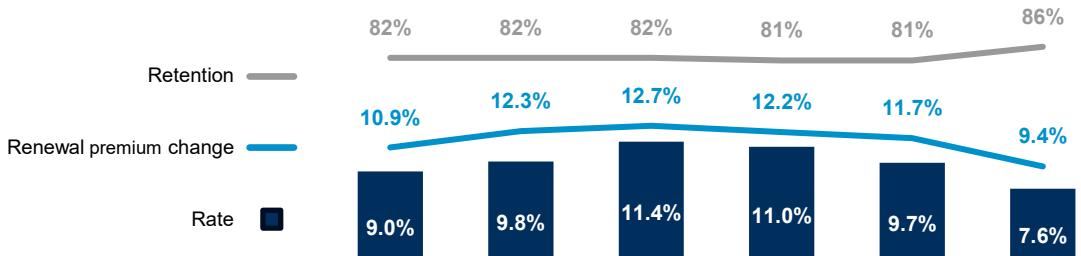


(1) Underlying loss ratio is a non-GAAP financial measure that is defined as the net loss ratio less impacts of catastrophes and non-catastrophe prior year reserve development.

(2) Underlying combined ratio is a non-GAAP financial measure that is defined as the GAAP combined ratio less impacts of catastrophes and non-catastrophe prior year reserve development.

- Net written premium grew 14% to a record \$373M
- All combined ratio elements improved compared to prior year in second quarter
- Underlying loss ratio improved from ongoing benefits of strong earned rate achievement and moderating loss trends from continued underwriting discipline
- Q2 catastrophe loss ratio of 5.5% outperformed five- and 10-year historical averages as well as the quarterly plan of 8.9%
- Favorable prior year reserve development driven by annual review of loss adjustment expenses
- Underwriting expense ratio improved to more normalized level of 34.9%

# P&C PRODUCTION RESULTS



		Q1	Q2	Q3	Q4	Q1	Q2
BUSINESS UNIT DETAIL		2024				2025	
SMALL BUSINESS	Retention	81%	80%	78%	77%	80%	86%
	Rate	4%	1%	5%	6%	5%	6%
	New business \$	8	11	11	13	14	14
CONSTRUCTION	Retention	85%	83%	84%	82%	83%	84%
	Rate	8%	9%	12%	12%	11%	7%
	New business \$	17	22	18	14	26	38
MIDDLE MARKET	Retention	79%	84%	83%	83%	80%	89%
	Rate	12%	13%	12%	11%	9%	9%
	New business \$	13	15	10	15	16	20
CORE COMMERCIAL	GWP \$	239	240	202	199	256	285
	NWP \$	223	224	186	184	239	268
	New business \$	41	50	40	42	57	75
SURETY	NWP \$	14	12	14	10	15	15
SPECIALTY	NWP \$	7	18	11	16	8	16
ALT DIST	NWP \$	77	72	95	69	74	75

Notes:

Monoline IM included in total core commercial results

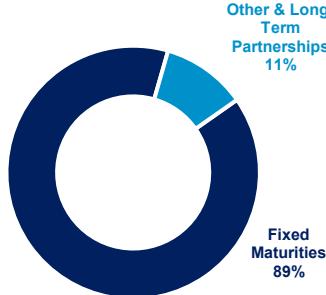
Surety NWP excludes proportional reinsurance

- Q2 growth led by core commercial, where net written premium increased 20% from prior year
- Core commercial rate increases of 7.6% continued to exceed loss trends, but moderated with market conditions
- Retention increased commensurate with confidence in portfolio following heightened risk selection and pricing improvement actions
- New business production eclipsed \$100M for the first time, with all businesses contributing
- Surety net written premium growth continued in Q2
- Specialty gross written premium grew while increased reinsurance costs caused net written premium to decline slightly
- Alternative distribution growth moderated thus far in 2025 with selective capacity deployment in evolving market conditions

# INVESTMENT PORTFOLIO

## Investment portfolio composition & quality

### Portfolio Composition



### Fixed Maturity Credit Rating

Rating	% of Portfolio
AAA	28.8%
AA	40.5%
A	19.8%
Baa / BBB	10.3%
<hr/>	
Investment Grade	99.4%
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Other / Not Rated	0.6%
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Total Fixed Maturity	100.0%

*Note: Totals impacted by rounding*

- Q2 invested assets of \$2.2B, with 89% of invested assets in fixed income securities
- High-quality portfolio with average credit rating on fixed maturity assets improved to AA from AA- in prior year
- Portfolio strategically positioned to reinvest at higher rates with duration maintained at approximately four years
- Unrealized loss improved in Q2 due to interest rate movement

## Unrealized gain / loss impact on stockholders' equity

Fixed Maturity Asset Balance (\$M)	Q2 2025	Year End 2024	YTD Change
Book Value	\$2,011	\$1,962	
Unrealized Gain (Loss)	(\$58)	(\$93)	\$35
Carried Assets on Balance Sheet	\$1,953	\$1,868	

*Change in Equity (After-Tax)* \$28

*Note: Totals impacted by rounding*

# INVESTMENT INCOME

## Results

(In Millions)	Second Quarter			Year to Date		
	2025	2024	Change	2025	2024	Change
<b>Investment income:</b>						
Interest on fixed maturities	\$21	\$16	34%	\$42	\$31	36%
Dividends on equity securities	\$0	\$0	NM	\$0	\$0	NM
Income on other long-term investments	\$0	\$1	NM	\$2	\$0	NM
Other	\$3	\$4	(18%)	\$7	\$8	(13%)
<b>Total investment income</b>	<b>\$25</b>	<b>\$21</b>	<b>20%</b>	<b>\$51</b>	<b>\$40</b>	<b>29%</b>
Less investment expenses	(\$3)	(\$3)	(17%)	(\$6)	(\$6)	(13%)
<b>Net investment income</b>	<b>\$22</b>	<b>\$18</b>	<b>20%</b>	<b>\$45</b>	<b>\$34</b>	<b>31%</b>
<b>Net investment gains (losses)</b>	<b>(\$1)</b>	<b>(\$1)</b>		<b>(\$2)</b>	<b>(\$2)</b>	

## Net investment income trend (\$M)

- Fixed Maturity
- Equity
- Inv. Expense
- Long-Term Investments & Other



### Pre-tax yield<sup>1</sup>

Total	3.6%	3.6%	4.0%	4.1%	4.3%	4.3%
New Money	5.5%	5.6%	5.2%	5.4%	5.3%	5.4%

(1) Fixed maturity yield excluding unrealized gains/losses and expenses

- Fixed maturity income increased 34% above prior year due to portfolio management actions and reinvestment of portfolio proceeds at yields above portfolio average
- New purchase yield remained strong at 5.4%, outpacing total portfolio yield and supporting future shareholder returns
- Other long-term investments including limited partnerships generated positive, but lower than anticipated returns in the second quarter