

REFINITIV

DELTA REPORT

10-Q

HIPPO HOLDINGS INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 613

█ CHANGES 219

█ DELETIONS 176

█ ADDITIONS 218

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 **March 31, 2024** **June 30, 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 001-39711

HIPPO HOLDINGS INC.
(Exact name of registrant as specified in its charter)

Delaware	32-0662604
(State of incorporation)	(I.R.S. Employer Identification No.)
150 Forest Avenue	94301
Palo Alto, California	(Zip Code)
(Address of Principal Executive Offices)	
(650) 294-8463	
(Registrant's telephone number, including area code)	
Not Applicable	
(Former name, former address and former fiscal year, if changed since last report)	

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, \$0.0001 par value per share	HIPO	New York Stock Exchange
Warrants to purchase common stock	HIPO.WS	New York Stock Exchange

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 and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted 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 and post such files). Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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 Act). Yes No

The registrant had outstanding **24,429,711** **24,919,809** shares of common stock as of **April 22, 2024** **July 31, 2024**.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q of Hippo Holdings Inc. ("Hippo," the "Company," "we," "us" and "our") contains statements that are forward-looking and as such are not historical facts. This includes, without limitation, statements regarding the financial position, business strategy and the plans and objectives of management for our future operations. These statements constitute projections, forecasts and forward-looking statements, and are not guarantees of performance. Such statements can be identified by the fact that they do not relate strictly to historical or current facts. When used in this Quarterly Report on Form 10-Q, words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "strive," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements in this Quarterly Report on Form 10-Q may include, for example, statements about:

- our future results of operations and financial condition and our ability to attain profitability;
- our ability to grow our business and, if such growth occurs, to effectively manage such growth;
- customer satisfaction and our ability to attract, retain, and expand our customer base;
- our ability to maintain and enhance our brand and reputation;
- our business strategy, including our diversified distribution strategy and our plans to expand into new markets and new products;
- the effects of seasonal trends on our results of operations;
- our expectations about our book of business, including our ability to cross-sell and to attain greater value from each customer;
- our ability to compete effectively in our industry;
- our ability to maintain reinsurance contracts and our near- and long-term strategies and expectations with respect to cession of insurance risk;
- our ability to utilize our proprietary technology;
- our ability to underwrite risks accurately and charge profitable rates;

- our ability to leverage our data, technology and geographic diversity to help manage risk;
- our ability to protect our intellectual property;
- our ability to expand our product offerings or improve existing ones;
- our ability to attract and retain personnel, including our officers and key employees;
- potential harm caused by misappropriation of our data and compromises in cybersecurity;
- potential harm caused by changes in internet search engines' methodologies;
- our expected use of cash on our balance sheet, our future capital needs and our ability to raise additional capital;
- fluctuations in our results of operations and operating metrics;
- our ability to receive, process, store, use and share data, and compliance with laws and regulations related to data privacy and data security;
- our ability to stay in compliance with laws and regulations that currently apply, or become applicable, to our business both in the United States and internationally;
- our inability to predict the lasting impacts of COVID-19 to our business in particular, and the global economy generally;
- our public securities' liquidity and trading; and
- other factors detailed in the section titled "Risk Factors" in this Quarterly Report on Form 10-Q.

These forward-looking statements are based on information available as of the date of this Quarterly Report on Form 10-Q, and current expectations, forecasts and assumptions, and involve a number of judgments, risks and uncertainties. Accordingly, forward-looking statements should not be relied upon as representing our views as of

any subsequent date, and we do not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date they were made, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws. As a result of a number of known and unknown risks and uncertainties, our actual results or performance may be materially different from those expressed or implied by these forward-looking statements. You should not place undue reliance on these forward-looking statements.

PART I - Financial Information

Item 1: Financial Statements

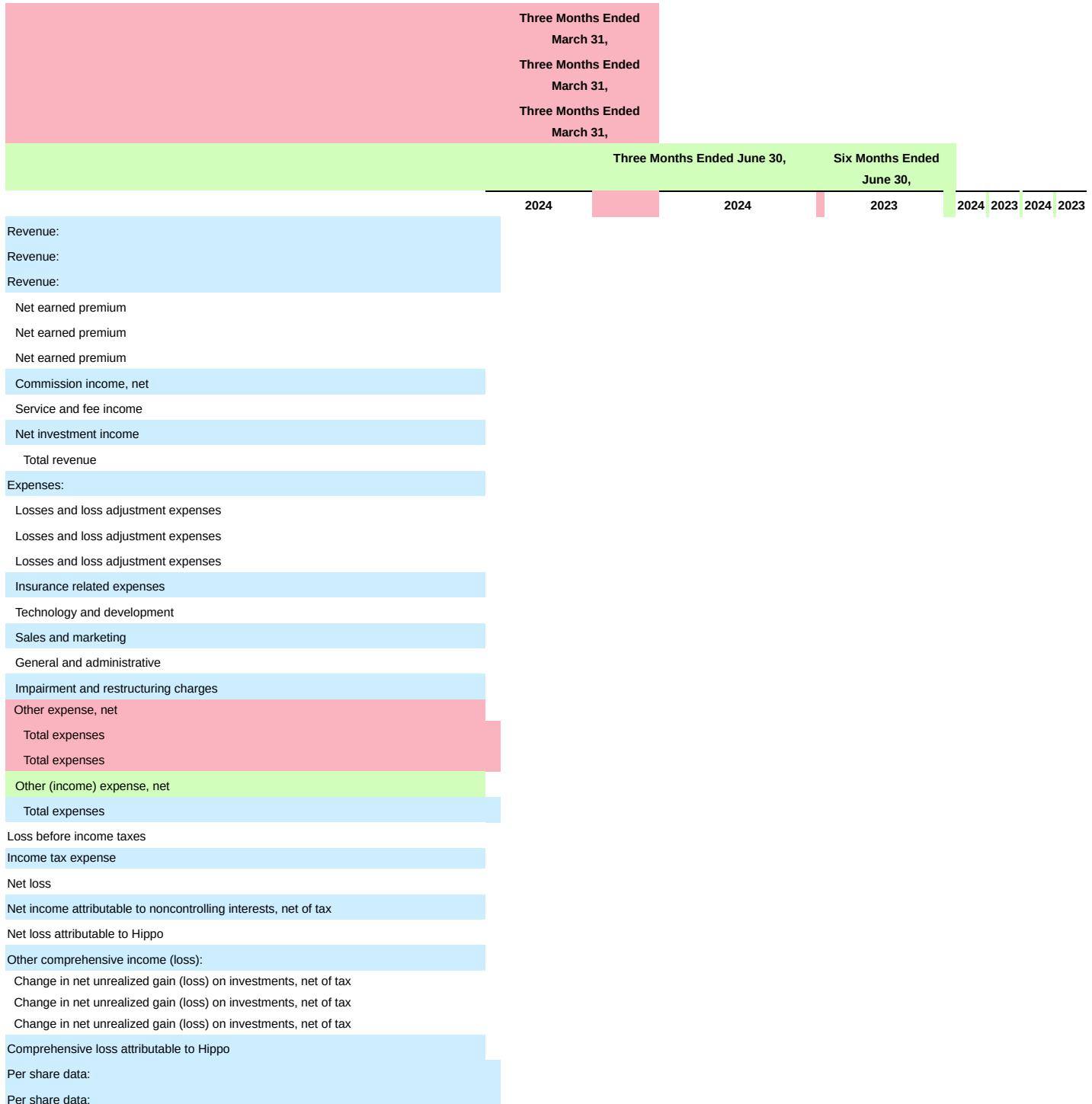
HIPPO HOLDINGS INC.
Condensed Consolidated Balance Sheets
 (In millions, except share and per share data)
 (Unaudited)

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
(Unaudited)		
Assets		
Assets		
Assets		
Investments:		
Investments:		
Investments:		
Fixed maturities available-for-sale, at fair value (amortized cost: \$166.0 million and \$164.6 million, respectively)		
Fixed maturities available-for-sale, at fair value (amortized cost: \$166.0 million and \$164.6 million, respectively)		

Fixed maturities available-for-sale, at fair value (amortized cost: \$166.0 million and \$164.6 million, respectively)		
Short-term investments, at fair value (amortized cost: \$124.7 million and \$187.1 million, respectively)		
Fixed maturities available-for-sale, at fair value (amortized cost: \$170.6 million and \$164.6 million, respectively)		
Fixed maturities available-for-sale, at fair value (amortized cost: \$170.6 million and \$164.6 million, respectively)		
Fixed maturities available-for-sale, at fair value (amortized cost: \$170.6 million and \$164.6 million, respectively)		
Short-term investments, at fair value (amortized cost: \$148.5 million and \$187.1 million, respectively)		
Total investments		
Cash and cash equivalents		
Restricted cash		
Accounts receivable, net of allowance of \$0.5 million and \$0.5 million, respectively		
Reinsurance recoverable on paid and unpaid losses and LAE		
Prepaid reinsurance premiums		
Ceding commissions receivable		
Capitalized internal use software		
Intangible assets		
Other assets		
Total assets		
Liabilities and stockholders' equity		
Liabilities:		
Liabilities:		
Liabilities:		
Loss and loss adjustment expense reserve		
Loss and loss adjustment expense reserve		
Loss and loss adjustment expense reserve		
Unearned premiums		
Reinsurance premiums payable		
Provision for commission		
Accrued expenses and other liabilities		
Accrued expenses and other liabilities		
Accrued expenses and other liabilities		
Total liabilities		
Commitments and contingencies (Note 12)	Commitments and contingencies (Note 12)	Commitments and contingencies (Note 12)
Stockholders' equity:		
Stockholders' equity:		
Stockholders' equity:		
Common stock, \$0.0001 par value per share; 80,000,000 and 80,000,000 shares authorized as of March 31, 2024 and December 31, 2023, respectively; 24,409,724 and 24,148,308 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively		
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Common stock, \$0.0001 par value per share; 80,000,000 and 80,000,000 shares authorized as of June 30, 2024 and December 31, 2023, respectively; 24,891,528 and 24,148,308 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively		
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Additional paid-in capital		
Accumulated other comprehensive loss		
Accumulated deficit		
Total Hippo stockholders' equity		
Noncontrolling interest		
Total stockholders' equity		
Total liabilities and stockholders' equity		

See Notes to the Condensed Consolidated Financial Statements

HIPPO HOLDINGS INC.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(In millions, except share and per share data)
(Uaudited)



Per share data:

Net loss attributable to Hippo - basic and diluted

Net loss attributable to Hippo - basic and diluted

Net loss attributable to Hippo - basic and diluted

Weighted-average shares used in computing net loss per share attributable to Hippo -

basic and diluted

Net loss per share attributable to Hippo - basic and diluted

See Notes to the Condensed Consolidated Financial Statements

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HIPPO HOLDINGS INC.
Condensed Consolidated Statements of Stockholders' Equity
(In millions, except share data)
(Unaudited)

Common Stock	Common Stock						Accumulated						Common Stock	Accumulated					
	Shares	Shares	Amount	Total Stockholders' Equity	Additional Capital	Other	Comprehensive Income (Loss)	Accumulated Deficit	Total Hippo Stockholders' Equity	Non Controlling Interests	Total Stockholders' Equity		Additional Capital	Other	Comprehensive Income (Loss)	Accumulated Deficit	Total Hippo Stockholders' Equity	Non Controlling Interests	
Balance at January 1, 2024																			
Balance at January 1, 2024																			
Balance at January 1, 2024																			
Net loss																			
Other comprehensive loss																			
Other comprehensive income (loss)																			
Issuance of common stock from stock plans and contingently issuable shares																			
Shares withheld related to net share settlement																			
Stock-based compensation expense																			
Other																			
Balance at March 31, 2024																			
Net loss																			

Other comprehensive income (loss)
Issuance of common stock from stock plans and contingently issuable shares
Shares withheld related to net share settlement
Stock-based compensation expense
Other
Balance at June 30, 2024

Common Stock	Common Stock	Accumulated						Common Stock								
		Total Stockholders' Additional Paid-in Comprehensive Income (Loss)	Other	Total Hippo	Non	Total	Additional Paid-in Comprehensive Income (Loss)	Other	Total Hippo	Non	Capital	Amount	Equity	Deficit	Equity	Interests
Shares	Shares	Amount	Equity	Capital	Deficit	Equity	Interests	Equity	Capital	Amount	Equity	Deficit	Equity	Interests	Equity	
Balance at January 1, 2023																
Balance at January 1, 2023																
Balance at January 1, 2023																

Net loss
Other comprehensive income
Other comprehensive income (loss)

Issuance of common stock from stock plans and contingently issuable shares

Repurchase of common stock

Shares withheld related to net share settlement

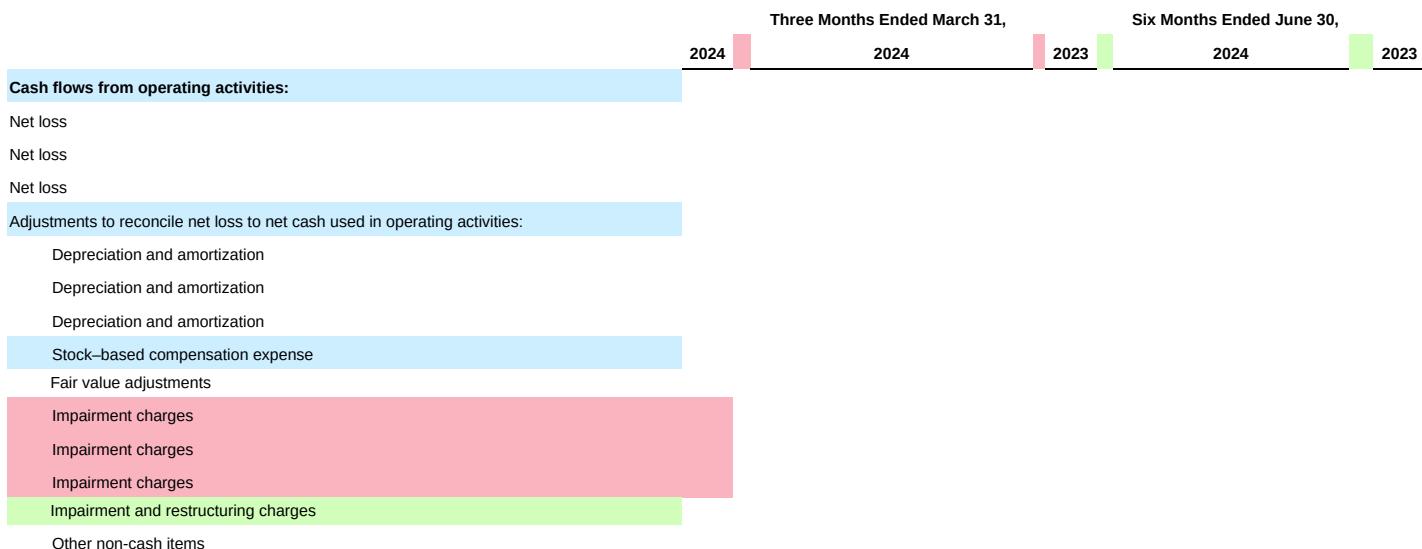
Stock-based compensation expense

Other
Balance at
March 31, 2023
Net loss
Other
comprehensive
income (loss)
Issuance of
common stock
from stock
plans and
contingently
issuable
shares
Repurchase of
common stock
Shares
withheld
related to net
share
settlement
Stock-based
compensation
expense
Other
Balance at
June 30, 2023

See Notes to the Condensed Consolidated Financial Statements

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HIPPO HOLDINGS INC.
Condensed Consolidated Statements of Cash Flows
(in millions)
(Uaudited)



Changes in assets and liabilities:
Accounts receivable, net
Accounts receivable, net
Accounts receivable, net
Reinsurance recoverable on paid and unpaid losses and LAE
Ceding commissions receivable
Prepaid reinsurance premiums
Other assets
Provision for commission
Accrued expenses and other liabilities
Loss and loss adjustment expense reserves
Unearned premiums
Reinsurance premiums payable
Net cash provided by (used in) operating activities
Cash flows from investing activities:
Capitalized internal use software costs
Capitalized internal use software costs
Capitalized internal use software costs
Purchases of property and equipment
Purchases of fixed maturities
Maturities of fixed maturities
Sales of fixed maturities
Purchases of short-term investments
Maturities of short-term investments
Sales of short-term investments
Other
Net cash provided by investing activities
Cash flows from financing activities:
Taxes paid related to net share settlement of equity awards
Taxes paid related to net share settlement of equity awards
Taxes paid related to net share settlement of equity awards
Proceeds from issuance of common stock
Share repurchases under program
Payments of contingent consideration
Distributions to noncontrolling interests and other
Distributions to noncontrolling interests and other
Distributions to noncontrolling interests and other
Net cash used in financing activities
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 at the beginning of the period
Cash, cash equivalents, and restricted cash at the end of the period

See Notes to the Condensed Consolidated Financial Statements

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HIPPO HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Description of Business and Summary of Significant Accounting Policies

Description of Business

Hippo Holdings Inc., referred to herein as "Hippo" or the "Company" is an insurance holding company incorporated in Delaware. Hippo has subsidiaries that provide property and casualty insurance products to both individuals and business customers. The Company's headquarters are located in Palo Alto, California.

Basis of Presentation and Consolidation

The interim condensed consolidated financial statements and accompanying notes of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and include the Company's consolidated subsidiaries. All intercompany transactions and balances have been eliminated in consolidation. Certain information and disclosures normally included in condensed consolidated financial statements prepared in accordance with GAAP have been omitted accordingly.

The interim financial information is unaudited, but reflects all normal recurring adjustments that are, in the opinion of management, necessary to fairly present the information set forth herein. The interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. Interim results are not necessarily indicative of the results for a full year.

Use of Estimates

The preparation of the Company's condensed consolidated financial statements in conformity with GAAP requires management to make estimates that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include, but are not limited to, loss and loss adjustment expense ("LAE") reserves, provision for commission slide and cancellations, reinsurance recoverable on paid and unpaid losses and LAE, the fair values of investments, stock-based awards, **warrant liabilities**, contingent consideration liabilities, acquired intangible assets, deferred tax assets and uncertain tax positions, and revenue recognition. The Company evaluates these estimates on an ongoing basis. These estimates are informed by experience and other assumptions that the Company believes are reasonable under the circumstances. Actual results may differ significantly from these estimates.

Recent Accounting Pronouncements

Accounting Pronouncements Not Yet Adopted

In November 2023, the FASB issued ASU No. 2023-07, *Improvements to Reportable Segment Disclosures*. The ASU includes requirements that an entity disclose the title of the chief operating decision maker (CODM) and on an interim and annual basis, significant segment expenses and the composition of other segment items for each segment's reported profit. The standard also permits disclosure of additional measures of segment profit. This ASU is effective for public companies with annual periods beginning after December 15, 2023, and interim periods within annual period beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of the ASU on its disclosures.

In December 2023, the FASB issued ASU No. 2023-09, *Improvements to Income Tax Disclosures*, which requires disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. The standard is intended to benefit investors by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. This ASU is effective for public companies with annual periods beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of the ASU on its disclosures.

HIPPO HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

2. Investments

The amortized cost and fair value of fixed maturities securities and short-term investments are as follows (in millions):

	March 31, 2024				June 30, 2024				
	Amortized Cost	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed maturities available-for-sale:									
U.S. government and agencies									
U.S. government and agencies									
U.S. government and agencies									
States and other territories									
Corporate securities									
Foreign securities									
Residential mortgage-backed securities									

Commercial mortgage-backed securities
Asset backed securities
Total fixed maturities available-for-sale
Short-term investments:
U.S. government and agencies
U.S. government and agencies
U.S. government and agencies
Commercial paper
Corporate securities
Total short-term investments
Total

	December 31, 2023				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	
Fixed maturities available-for-sale:					
U.S. government and agencies	\$ 18.6	\$ —	\$ (0.2)	\$ 18.4	
States and other territories	9.3	—	(0.4)	8.9	
Corporate securities	91.3	1.1	(1.3)	91.1	
Foreign securities	0.9	—	—	0.9	
Residential mortgage-backed securities	20.7	0.1	(1.3)	19.5	
Commercial mortgage-backed securities	7.7	—	(0.6)	7.1	
Asset backed securities	16.1	—	(0.3)	15.8	
Total fixed maturities available-for-sale	164.6	1.2	(4.1)	161.7	
Short-term investments:					
U.S. government and agencies	137.7	—	—	137.7	
Commercial paper	34.5	—	—	34.5	
Corporate securities	14.9	—	—	14.9	
Total short-term investments	187.1	—	—	187.1	
Total	\$ 351.7	\$ 1.2	\$ (4.1)	\$ 348.8	

HIPPO HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The following tables present the gross unrealized losses and related fair values for the Company's investments in available-for-sale debt securities and short-term investments, grouped by duration of time in a continuous unrealized loss position as of **March 31, 2024** **June 30, 2024**, and December 31, 2023 (in millions):

	March 31, 2024					June 30, 2024				
	Less than 12 months		Less than 12 months		Total	Less than 12 months		12 months or more		Total
	Fair Value	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Fixed maturities available-for-sale:										
U.S. government and agencies										
U.S. government and agencies										

U.S. government and agencies
States and other territories
Corporate securities
Corporate securities
Corporate securities
Foreign securities
Residential mortgage-backed securities
Commercial mortgage-backed securities
Asset backed securities
Short-term investments:
U.S. government and agencies
U.S. government and agencies
U.S. government and agencies
Commercial paper
Corporate securities
Total

	December 31, 2023									
	Less than 12 months			12 months or more			Total			
	Gross Unrealized			Gross Unrealized			Gross Unrealized			Gross Unrealized
	Fair Value	Losses		Fair Value	Losses		Fair Value	Losses		Losses
Fixed maturities available-for-sale:										
U.S. government and agencies	\$ 4.3	\$ —	\$ 10.5	\$ (0.2)	\$ 14.8	\$ (0.2)				
States and other territories	1.5	—	7.4	(0.4)	8.9	(0.4)				
Corporate securities	5.7	—	37.4	(1.3)	43.1	(1.3)				
Foreign securities	—	—	0.9	—	0.9	—				
Residential mortgage-backed securities	—	—	11.6	(1.3)	11.6	(1.3)				
Commercial mortgage-backed securities	0.4	—	5.8	(0.6)	6.2	(0.6)				
Asset backed securities	1.6	—	8.2	(0.3)	9.8	(0.3)				
Short-term investments:										
U.S. government and agencies	137.7	—	—	—	—	—	137.7	—	—	—
Commercial paper	34.5	—	—	—	—	—	34.5	—	—	—
Corporate securities	14.9	—	—	—	—	—	14.9	—	—	—
Total	\$ 200.6	\$ —	\$ 81.8	\$ (4.1)	\$ 282.4	\$ (4.1)				

HIPPO HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The Company has determined that unrealized losses as of **March 31, 2024** **June 30, 2024** and December 31, 2023 resulted from the interest rate environment, rather than a deterioration of the creditworthiness of the issuers. Therefore, an allowance for credit losses was not necessary as it is more likely than not that the Company will not be required to sell the investments before the recovery of the amortized cost basis or until maturity. As of **March 31, 2024** **June 30, 2024**, none of the Company's fixed maturity portfolio was unrated or rated below investment grade.

The amortized cost and fair value of fixed maturities securities by contractual maturity are as follows (in millions):

	March 31, 2024		June 30, 2024	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value

Due to mature:	
One year or less	
One year or less	
One year or less	
After one year through five years	
After five years	
After ten years	
Residential mortgage-backed securities	
Commercial mortgage-backed securities	
Asset backed securities	
Total fixed maturities available-for-sale	
Total fixed maturities available-for-sale	
Total fixed maturities available-for-sale	

Expected maturities may differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties.

Net realized gains and losses on fixed maturity securities were insignificant for the three and six months ended **March 31, 2024**, **June 30, 2024** and 2023, respectively.

The Company's net investment income is comprised of the following (in millions):

	2024	2024	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	2024	2024	Three Months Ended June 30,	2023	2024	Six Months Ended June 30,	2023
Interest on cash and cash equivalents												
Interest on cash and cash equivalents												
Interest on cash and cash equivalents												
Fixed maturities income												
Fixed maturities income												
Fixed maturities income												
Short-term investment income												
Short-term investment income												
Short-term investment income												
Total gross investment income												
Total gross investment income												
Total gross investment income												
Investment expenses												
Investment expenses												
Investment expenses												
Net investment income												
Net investment income												
Net investment income												

Pursuant to certain regulatory requirements, the Company is required to hold assets on deposit with various state insurance departments for the benefit of policyholders. These special deposits are included in cash and cash equivalents, fixed maturities, or short-term investments on the condensed consolidated balance sheets. The carrying value of securities on deposit with state regulatory authorities total **\$13.7 million**, **\$13.6 million** and **\$12.9 million** as of **March 31, 2024**, **June 30, 2024** and December 31, 2023, respectively.

HIPPO HOLDINGS INC.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

3. Cash, Cash Equivalents, and Restricted Cash

The following table sets forth the cash, cash equivalents, and restricted cash (in millions):

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Cash and cash equivalents:		
Cash		
Cash		
Cash		
Money market funds		
Commercial paper		
U.S. government and agencies		
Total cash and cash equivalents		
Restricted cash:		
Restricted cash:		
Restricted cash:		
Fiduciary assets		
Fiduciary assets		
Fiduciary assets		
Letters of credit and cash on deposit		
Total restricted cash		
Total cash, cash equivalents, and restricted cash		

4. Fair Value Measurement

When determining the fair value measurements for assets and liabilities, which are required to be recorded at fair value, the Company considers the principal or most advantageous market in which the Company would transact and the market-based risk measurements or assumptions that market participants would use in pricing the asset or liability, such as risks inherent in valuation techniques, transfer restrictions, and credit risk. Fair value is estimated by applying the following hierarchy, 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:

- Level 1 — Quoted prices in active markets for identical assets or liabilities that are publicly accessible at the measurement date.
- Level 2 — Observable inputs other than quoted prices in active markets for identical assets and liabilities, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 — Inputs that are generally unobservable and typically reflect management's estimate of assumptions that market participants would use in pricing the asset or liability.

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The following table summarizes the Company's fair value hierarchy for its financial assets and liabilities measured at fair value on a recurring basis (in millions):

	March 31, 2024				June 30, 2024			
	Level 1	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Financial assets:								
Cash, cash equivalents, and restricted cash								
Cash, cash equivalents, and restricted cash								
Cash, cash equivalents, and restricted cash								
Fixed maturities available-for-sale:								
U.S. government and agencies								
U.S. government and agencies								
U.S. government and agencies								

States and other territories	
Corporate securities	
Foreign securities	
Residential mortgage-backed securities	
Commercial mortgage-backed securities	
Asset backed securities	
Total fixed maturities available-for-sale	
Short-term investments	
U.S. government and agencies	
U.S. government and agencies	
U.S. government and agencies	
Commercial paper	
Corporate securities	
Total short-term investments	
Total financial assets	
Financial liabilities:	
Financial liabilities:	
Financial liabilities:	
Contingent consideration liability	
Contingent consideration liability	
Contingent consideration liability	
Public warrants	
Private placement warrants	
Total financial liabilities	

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	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash, cash equivalents, and restricted cash	\$ 195.1	\$ —	\$ —	\$ 195.1
Fixed maturities available-for-sale:				
U.S. government and agencies	18.4	—	—	18.4
States and other territories	—	8.9	—	8.9
Corporate securities	—	91.1	—	91.1
Foreign securities	—	0.9	—	0.9
Residential mortgage-backed securities	—	19.5	—	19.5
Commercial mortgage-backed securities	—	7.1	—	7.1
Asset backed securities	—	15.8	—	15.8
Total fixed maturities available-for-sale	<u>18.4</u>	<u>143.3</u>	<u>—</u>	<u>161.7</u>
Short-term investments				
U.S. government and agencies	137.7	—	—	137.7
Commercial paper	—	34.5	—	34.5
Corporate securities	—	14.9	—	14.9
Total short-term investments	<u>137.7</u>	<u>49.4</u>	<u>—</u>	<u>187.1</u>
Total financial assets	<u><u>\$ 351.2</u></u>	<u><u>\$ 192.7</u></u>	<u><u>\$ —</u></u>	<u><u>\$ 543.9</u></u>
Financial liabilities:				

Contingent consideration liability	\$	—	\$	—	\$	13.6	\$	13.6
Public warrants		0.1		—		—		0.1
Private placement warrants		—		0.1		—		0.1
Total financial liabilities	\$	0.1	\$	0.1	\$	13.6	\$	13.8

The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels at the end of each reporting period. There were no transfers between levels in the fair value hierarchy during the **three** **six** months ended **March 31, 2024** **June 30, 2024**.

Contingent Consideration

The contingent consideration, relating to the Company's 2019 acquisition of North American Advantage Insurance Services, LLC, is re-valued to fair value at the end of each reporting period using the present value of future payments based on an estimate of revenue and customer renewals. North American Advantage Insurance Services, LLC's ultimate parent company was Lennar Corporation, a related party of the Company. There is no limit to the maximum potential contingent consideration as the consideration is based on acquired customer retention. The table below presents the changes in the contingent consideration liability valued using Level 3 inputs (in millions):

	2024	2024	2023	2024	2023
Balance as of January 1,					
Payments of contingent consideration					
Changes in fair value					
Balance as of March 31,					
Balance as of June 30,					

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5. Intangible Assets

	March 31, 2024				December 31, 2023					
	June 30, 2024		December 31, 2023		Weighted-Average Useful Life		December 31, 2023			
	Weighted-Average Useful Life	Remaining Useful Life (in years)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount		
Agency and carrier relationships										
State licenses and domain name										
Customer relationships										
Other										
Other										
Total intangible assets, net										

(in millions)

Amortization expense related to intangible assets for the three months ended **March 31, 2024** **June 30, 2024** and 2023 was \$1.2 million and \$1.1 million, respectively, and for the six months ended **June 30, 2024** and 2023 was \$2.4 million and \$2.2 million, respectively. The amortization expense is included in sales and marketing expenses for customer relationships, agency and carrier relationships, and other on the condensed consolidated statements of operations and comprehensive loss.

6. Capitalized Internal Use Software

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
(in millions)		
Capitalized internal use software		
Less: accumulated amortization		
Total capitalized internal use software		

Amortization expense related to capitalized internal use software for the three months ended March 31, 2024 June 30, 2024 and 2023 was \$3.9 million \$4.1 million and \$2.9 million \$3.1 million, respectively, and for the six months ended June 30, 2024 and 2023 was \$8.0 million and \$6.0 million, respectively. The amortization expense is included in insurance related expenses on the condensed consolidated statements of operations and comprehensive loss.

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7. Other Assets

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
(in millions)		
Property and equipment		
Property and equipment		
Property and equipment		
Prepaid expenses		
Claims receivable		
Lease right-of-use assets		
Deferred policy acquisition costs		
Other		
Total other assets		

8. Accrued Expenses and Other Liabilities

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
(in millions)		
Claim payments outstanding		
Claim payments outstanding		
Claim payments outstanding		
Lease liability		
Advances from customers		
Deferred revenue		
Employee related accruals		
Premium refund liability		
Fiduciary liability		
Contingent consideration liability		
Other		
Other		
Other		

Total accrued expenses and other liabilities

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9. Loss and Loss Adjustment Expense Reserves

The reconciliation of the beginning and ending reserve balances for losses and loss adjustment expenses ("LAE"), net of reinsurance is summarized as follows for the **three** **six** months ended **March 31**, **June 30**, (in millions):

	2024	2024	2023	2024	2023
Reserve for losses and LAE gross of reinsurance recoverables on unpaid losses and LAE as of beginning of the period					
Less: Reinsurance recoverables on unpaid losses and LAE					
Reserve for losses and LAE, net of reinsurance recoverables as of beginning of the period					
Add: Incurred losses and LAE, net of reinsurance, related to:					
Current year					
Current year					
Current year					
Prior years					
Total incurred					
Deduct: Loss and LAE payments, net of reinsurance, related to:					
Current year					
Current year					
Current year					
Prior years					
Total paid					
Reserve for losses and LAE, net of reinsurance recoverables at end of period					
Reserve for losses and LAE, net of reinsurance recoverables at end of period					
Reserve for losses and LAE, net of reinsurance recoverables at end of period					
Add: Reinsurance recoverables on unpaid losses and LAE at end of period					
Reserve for losses and LAE gross of reinsurance recoverables on unpaid losses and LAE as of end of the period					

Loss development occurs when actual losses incurred vary from the Company's previously developed estimates, which are established through the Company's loss and LAE reserve estimate processes.

Net incurred losses and LAE experienced **an insignificant amount of development for the three months ended March 31, 2024 and a net favorable development of \$0.1 million** **\$1.9 million and \$2.2 million for the three** **six** **months ended March 31, 2023.**

June 30, 2024 and 2023, respectively. The three months ended March 31, 2023 prior period's favorable period development in 2024 of **\$0.1 million** **\$1.9 million** was driven primarily by favorable net loss development relating to the 2023 accident year, resulting in a net release of \$1.9 million from catastrophe reserves. These changes are primarily a result of ongoing analysis of claims emergence patterns and loss trends. The prior period development in 2023 of \$2.2 million was driven primarily by favorable net loss development relating primarily to the 2022 accident year, resulting in a net release of **\$0.2** **\$1.0 million** from catastrophe reserves offset by adverse development of **\$0.1** and **\$1.2 million** from attritional reserves. These changes **were** are primarily a result of ongoing analysis of claims emergence patterns and loss trends.

10. Reinsurance

The Company purchases reinsurance to help manage exposure to property and casualty insurance risks, including attritional and catastrophic risks. The Company's insurance company subsidiaries have entered into both

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proportional and non-proportional reinsurance treaties. The Company also assumes risk from non-affiliated insurance carriers.

Proportional Reinsurance Treaties — Hippo Home Insurance Program

In 2024, the Company started transitioning from proportional reinsurance to a more traditional excess of loss (XOL) reinsurance structure, retaining nearly all the attritional risk and related premium, and purchasing XOL reinsurance to protect against major catastrophic weather events.

For the Company's primary homeowners reinsurance program for policies with effective dates in 2024, the Company elected not to purchase proportional reinsurance and to retain more of the exposure and associated premium.

For business produced through the Company's builder channel for policies with effective dates in 2024, the Company purchased proportional reinsurance from one third-party reinsurer and expects to retain approximately

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85% of the premium and associated risk, before purchasing catastrophe protection. All reinsurance obligations are appropriately collateralized. The reinsurance contracts are subject to contingent commission adjustments and limited loss participation features, which align the Company's interests with those of the reinsurers.

For the Company's primary homeowners reinsurance treaty for policies with effective dates in 2023, the Company secured proportional reinsurance from a diverse panel of six third-party reinsurers. All reinsurers are either rated "A-" Excellent or better by AM Best, or the reinsurance is appropriately collateralized. In 2023, the Company retained approximately 40% of the premium through its insurance company subsidiaries or its captive reinsurance company, RH Solutions Insurance (Cayman) Ltd. ("RHS"), before purchasing catastrophe protection.

Effective January 1, 2024, the Company elected to cut off 25% of the reinsurer's participation on the 2023 proportional reinsurance treaty and retain the remaining exposure and related premiums.

For business produced through the Company's builder channel for policies with effective dates in 2023, the Company purchased proportional reinsurance from three third-party reinsurers. All reinsurers are rated "A-" Excellent or better by AM Best, or the reinsurance is appropriately collateralized. In 2023, the Company retained approximately 58% of the premium produced through the Company's insurance company subsidiaries or RHS, before purchasing catastrophe protection.

For the Company's primary homeowners reinsurance treaty for policies with effective dates in 2022, the Company secured proportional reinsurance from a diverse panel of eleven third-party reinsurers with AM Best ratings of "A-" Excellent or better. A total of approximately 10% of the premium was retained through the Company's insurance company subsidiaries, including the Company's captive reinsurance company, RHS.

The Company also seeks to further reduce its risk retention through purchases of non-proportional reinsurance described below.

Non-Proportional Reinsurance — Hippo Home Insurance Program

The Company purchases non-proportional excess of loss catastrophe coverage ("XOL") reinsurance which includes traditional reinsurance protection, state subsidized reinsurance protection, catastrophe bonds, and industry loss warranty products. Through the Company's insurance company subsidiaries, the Company is exposed to the risk of natural catastrophe events that could occur on the risks arising from policies underwritten by the Company or other managing general agents ("MGAs"). The Company is also exposed to this risk through its captive reinsurer, which takes on a share of the risk underwritten by the Company's MGA business.

In May 2023, the Company secured new catastrophe protection through a per occurrence XOL reinsurance agreement with Mountain Re Ltd. ("Mountain Re"), an independent Bermuda company, licensed as a Special Purpose Insurer. The reinsurance agreement meets the requirements to be accounted for as reinsurance in accordance with the guidance for reinsurance contracts. In connection with the reinsurance agreement, Mountain Re issued notes (generally referred to as "catastrophe bonds") to investors, consistent with the amount of coverage provided under the reinsurance agreement. The reinsurance agreement provides the Company with coverage through June 2026, and pursuant to the agreement, Mountain Re provides XOL reinsurance coverage to the Company for

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losses from a variety of perils, including named storms, fire following an earthquake, severe thunderstorms, and winter storms on business produced through the Hippo MGA. Under the terms of the reinsurance agreement, the Company is obligated to pay annual reinsurance premiums to Mountain Re for the reinsurance coverage. coverage which inures to the benefit of the Company's traditional XOL program described below. Amounts payable under the reinsurance agreement with respect to any covered event cannot exceed the Company's actual losses from such event.

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The Company's XOL program provides protection to the Company from catastrophes that could impact a large number of insurance policies. In 2023, the Company purchased XOL reinsurance so that the probability of losses from a single occurrence exceeding the protection purchase was no more than 0.4%. In 2024, the Company increased its purchase of non-proportional XOL reinsurance, raising the per occurrence XOL limit by 11% and increasing the number of participating reinsurers from 14 to 19. Under this placement, along with other existing catastrophe protections, the Company is protected on the upper layers of risk up to a 1 in 250-year event when considering the Mountain Re

per occurrence, described above, corporate catastrophe, and the Florida Hurricane Catastrophe Fund (the "FHCF") XOL described below under "Other Reinsurance". Reinsurance." The reinsurance protects the Company from all but the most severe catastrophic events.

Other Reinsurance

Spinnaker Insurance Company ("Spinnaker") purchases reinsurance for programs written by MGAs other than Hippo through its Insurance-as-a-Service business. The reinsurance treaties are a mix of proportional and XOL in which generally 80% to 100% of the risk, up to the 1 in 250 year return period, is ceded. The reinsurance contracts are subject to variable commission adjustments and loss participation features, including loss caps, which may increase the amount of losses retained by the Company in excess of the Company's pro-rata participation. Such provisions are recognized in the period based on the experience to date under the agreement.

Spinnaker purchases a corporate catastrophe XOL program that attaches above the individual programmatic reinsurance programs protecting the property business written by Hippo as well as the other MGAs. This treaty has a floating retention and attaches at the exhaustion point of the underlying programs' specific reinsurance. The catastrophe bond, and the FHCFs, described below, inures to the benefit of this contract. This program provides the Company protection from catastrophes that could impact a large number of correlated insurance policies underwritten by the Company and its other MGAs. The Company buys this XOL so that the probability of losses from a single occurrence across the property portfolio exceeding the protection purchased is no more than 0.4%, or equivalent to a 1 in 250-year return period. This reinsurance protects the Company from all but the most severe catastrophic events.

Spinnaker also purchases reinsurance from the State Board of Administration in Florida via the FHCF annually for admitted residential hurricane losses in Florida. This coverage is provided and required by the State of Florida and protects business written by Hippo as well as other MGAs that produce admitted residential policies. The Company currently purchases reimbursement protection at the maximum level (90%) of mandatory coverage offered by the FHCF.

With all reinsurance programs, the Company's wholly owned insurance carriers are not relieved of their primary obligations to policyholders in the event of a default or the insolvency of their reinsurers. As a result, a credit exposure exists to the extent that any reinsurer fails to meet its obligations assumed in the reinsurance agreements. To mitigate this exposure to reinsurance insolvencies, the Company evaluates the financial condition of its reinsurers and, in certain circumstances, holds substantial collateral (in the form of funds withheld, qualified trusts, and letters of credit) as security under the reinsurance agreements. No allowance has been recorded in the three and six months

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three months ended March 31, 2024 June 30, 2024, and 2023 for amounts anticipated to be uncollectible or for the anticipated failure of a reinsurer to meet its obligations under the contracts.

The following tables reflect amounts affecting the condensed consolidated statements of operations and comprehensive loss for reinsurance as of and for the three and six months ended March 31, 2024 June 30, 2024, and 2023 (in millions).

	For the Three Months Ended March 31,				For the Three Months Ended June 30,				For the Six Months Ended June 30,				
	2024		2024		2023		2024		2023		2023		
	Written premiums	Written premiums	Earned premiums	Loss and LAE incurred	Written premiums	Earned premiums	Loss and LAE incurred	Written premiums	Earned premiums	Loss and LAE incurred	Written premiums	Earned premiums	Loss and LAE incurred
Direct													
Assumed													
Gross													
Ceded													
Net													
	For the Six Months Ended June 30,												
	2024						2023						
	Written premiums		Earned premiums		Loss and LAE incurred		Written premiums		Earned premiums		Loss and LAE incurred		
Direct	\$ 443.6	\$ 410.8	\$ 236.5	\$ 425.9	\$ 349.5	\$ 320.7							
Assumed	8.8	8.1	7.9	8.3	2.8	5.6							
Gross	452.4	418.9	244.4	434.2	352.3	326.3							
Ceded	(249.7)	(294.0)	(131.4)	(381.7)	(316.2)	(211.9)							
Net	\$ 202.7	\$ 124.9	\$ 113.0	\$ 52.5	\$ 36.1	\$ 114.4							

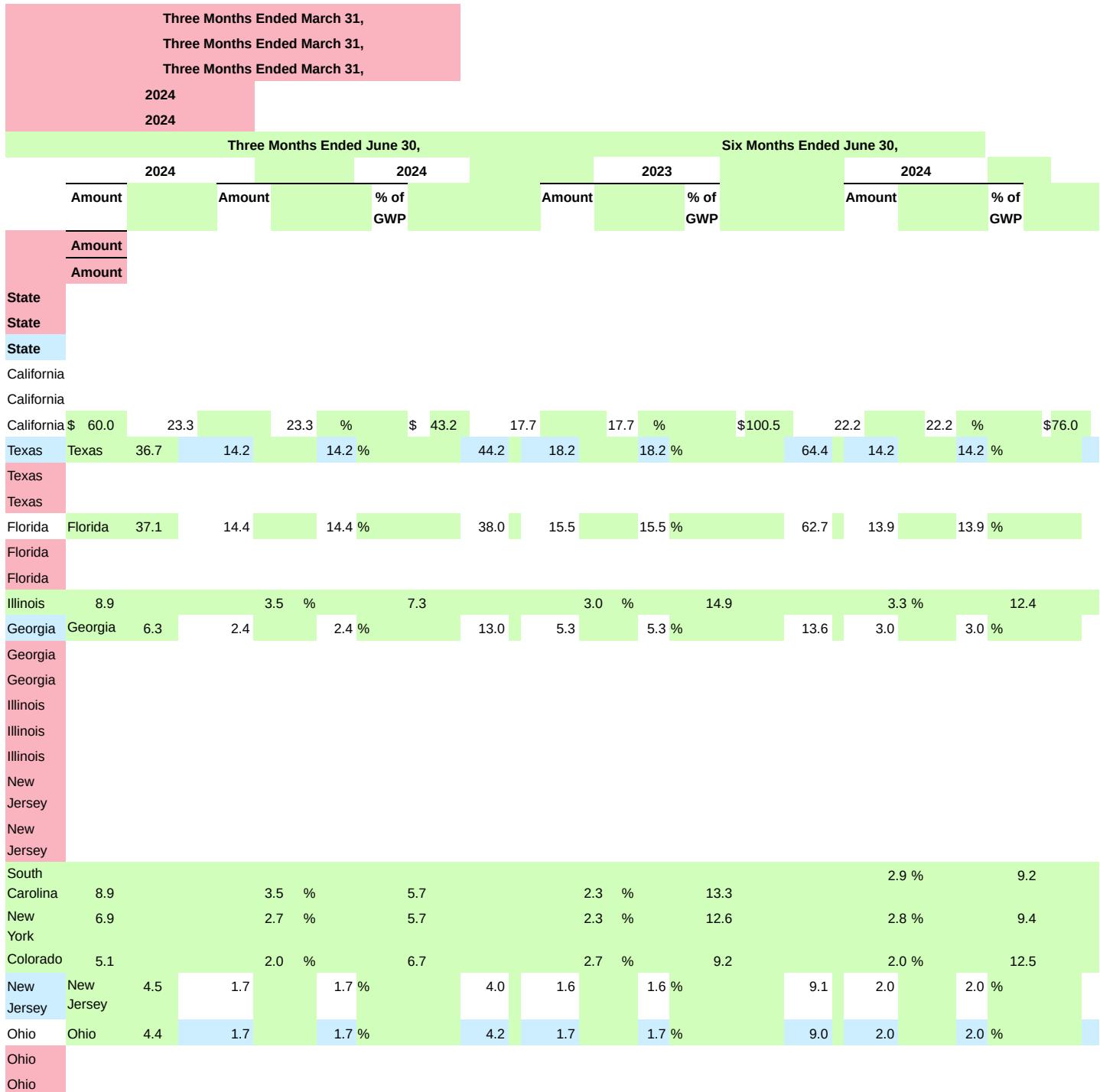
As of March 31, 2024 June 30, 2024 and December 31, 2023, a provision for sliding scale commissions of \$27.6 \$31.1 million and \$23.8 million, respectively, is included in provision for commission on the condensed consolidated balance sheets. As of March 31, 2024 June 30, 2024 and December 31, 2023, a receivable for sliding scale commissions of \$6.7 \$2.5 million and \$5.8 million, respectively, is included in ceding commissions receivable on the condensed consolidated balance sheets.

As of March 31, 2024 June 30, 2024 and December 31, 2023, a provision for loss participation features of \$51.9 \$42.2 million and \$112.8 million, respectively, was recorded as a contra-asset in reinsurance recoverable on the condensed consolidated balance sheets.

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11. Geographical Breakdown of Gross Written Premium

Gross written premium by state is as follows (in millions):



Colorado												
Colorado												
Colorado												
Arizona												
Arizona												
Arizona												
Missouri												
Missouri												
Missouri												
Other												
Other												
Other	Other	78.8	30.6	30.6 %	72.8	29.7	29.7 %	143.1	31.7	31.7 %	1	
Total	Total	\$257.6	100.0	100.0 %	\$244.8	100	100 %	\$452.4	100	100 %	\$4	
Total												
Total												

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12. Commitments and Contingencies

Legal Proceedings

From time to time, the Company may become involved in litigation or other legal proceedings. The Company is routinely named in litigation involving claims from policyholders. Legal proceedings relating to claims are reserved in the normal course of business. The Company does not believe it is a party to any pending litigation or other legal proceedings that is likely to have a material adverse effect on the Company's business, financial condition or results of operations. Regardless of outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors.

The Company records a liability for litigation if an unfavorable outcome is probable and the amount of loss or range of loss can be reasonably estimated. If an unfavorable outcome is probable and a reasonable estimate of the loss is a range, the Company accrues the best estimate within the range. If no amount within the range is a better estimate than any other amount, the Company accrues the minimum amount within the range. If an unfavorable outcome is probable but the amount of the loss cannot be reasonably estimated, the Company discloses the nature of the litigation and indicates that an estimate of the loss or range of loss cannot be made. If an unfavorable outcome is reasonably possible and the estimated loss is material, the Company discloses the nature and estimate of the possible loss of the litigation. The Company does not disclose information with respect to litigation where an unfavorable outcome is considered to be remote or where the estimated loss would not be material. Based on current expectations, such matters, both individually and in the aggregate, are not expected to have a material adverse effect on the Company's liquidity, results of operations, business, or financial condition.

On November 19, 2021, Hippo and Assaf Wand were named in a civil action in San Francisco Superior Court brought by Eyal Navon. Mr. Navon alleged six claims against Mr. Wand for breach of fiduciary duty, breach of contract, promissory estoppel, fraud, negligent misrepresentation, and constructive fraud surrounding a loan and call option entered into between Innovius Capital Canopus I, L.P. ("Innovius") and Mr. Navon, as well as alleged promises made by Mr. Wand to Mr. Navon while Mr. Navon was an employee of Hippo. Innovius was an investor in the Company prior to its transaction with Mr. Navon. Mr. Navon filed a Fourth Amended Complaint on February 2, 2024, February

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2, 2024, in which he alleged 19 claims for relief and sought treble damages in connection with certain of the claims. Hippo has engaged counsel to defend both Hippo and Mr. Wand.

On February 16, 2024, Hippo and Mr. Wand filed an answer to the Fourth Amended Complaint, and filed a cross-complaint against Mr. Navon for fraud, negligent misrepresentation, fraudulent inducement, and breach of contract.

Additionally, on February 16, 2024, Innovius also filed an amended cross-complaint naming Mr. Navon, Hippo, and Mr. Wand as cross-defendants. Innovius alleged that Hippo and Mr. Wand aided and abetted Mr. Navon's fraud against Innovius. The cross-complaint also included a breach of contract claim.

Hippo and Mr. Wand have filed a Motion for Summary Judgment against each of the claims filed by Mr. Navon and Innovius. Mr. Navon has filed a Motion for Summary Judgment on Hippo's cross complaint against the claims filed by Hippo and Mr. Wand. A hearing on the Motions for Summary Judgment is expected to take place in June 2024. was held on June 7, 2024, and a final order on the motion was issued by the court on July 1, 2024. The court has granted in part and denied in part Hippo's and Mr. Wand's motions. Specifically, the court (i) dismissed all of Mr. Navon's claims against Hippo such that none of Mr. Navon's claims against Hippo remain; (ii) dismissed all of Mr. Navon's claims against Mr. Wand, with the exception of the promissory estoppel claim; (iii) dismissed all of Innovius' claims against Hippo and Mr. Wand, with the exception of one

claim of breach of contract against Hippo; and (iv) denied Mr. Navon's Motion for Summary Judgment on Hippo and Mr. Wand's claims against Mr. Navon, such that all of those claims survive.

Although the court had set a trial date of September 9, 2024, on July 23, 2024, Mr. Navon filed a petition for a writ of mandate, seeking appellate review of the court's orders on the Motion for Summary Judgment and requesting that the September 9, 2024 trial date be stayed. The court rescheduled the trial date to February 10, 2025, and required the parties to mediate the claim prior to the trial.

Any potential losses associated with the ongoing dispute with Mr. Navon's claims Navon cannot be estimated at this time.

13. Stockholders' Equity

Common Stock

The Company's common stock and warrants trade on the New York Stock Exchange ("NYSE") under the ticker symbols "HIPO" and "HIPO.WS," respectively. Pursuant to its Certificate of Incorporation, the Company is authorized to issue 80 million shares of common stock, with a par value of \$0.0001 per share. Each share of common stock is entitled to one vote. The holders of the common stock are also entitled to receive dividends

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whenever funds are legally available and when declared by the board of directors. No dividends have been declared or paid since inception.

Stock Options

The following table summarizes option activity under the plans:

	Options Outstanding Number of Shares	Options Outstanding	Weighted-Average Remaining Aggregate Intrinsic Value (In Millions)	Options Outstanding	Weighted-Average Remaining Aggregate Intrinsic Value (In Millions)
Outstanding as of December 31, 2023					
Outstanding as of December 31, 2023					
Outstanding as of December 31, 2023					
Granted					
Exercised					
Exercised					
Exercised					
Cancelled/Expired					
Cancelled/Expired					
Cancelled/Expired					
Outstanding as of March 31, 2024					
Outstanding as of March 31, 2024					
Outstanding as of March 31, 2024					
Vested and exercisable as of March 31, 2024					
Outstanding as of June 30, 2024					
Outstanding as of June 30, 2024					
Outstanding as of June 30, 2024					
Vested and exercisable as of June 30, 2024					

The aggregate intrinsic value of options exercised during the ~~three~~ six months ended ~~March 31, 2024~~ June 30, 2024 and 2023 was ~~\$0.4 million~~ \$0.5 million and ~~\$0.3 million~~ \$0.5 million, respectively, and is calculated based on the difference between the exercise price and the fair value of the Company's common stock as of the exercise date. There were no options granted during the ~~three~~ six months ended ~~March 31, 2024~~ June 30, 2024 and 2023.

Total unrecognized compensation cost of ~~\$2.5 million~~ \$1.6 million as of ~~March 31, 2024~~ June 30, 2024 is expected to be recognized over a weighted-average period of 1.1 years.

Stock Option Repricing

On March 1, 2023, the Company's Board of Directors ("Board") approved a one-time repricing of certain stock option awards. The repricing impacted out-of-the-money stock options held by all employees who were employed through March 6, 2023 (the "Repricing Date"), including the Company's executive officers. Each stock option was repriced to

have a per share exercise price equal to the closing price of the Company's common stock on the Repricing Date, except that the per share exercise price of each stock option held by any of the Company's executive officers that was repriced was subject to a premium. The premium was in effect from the Repricing Date through the first anniversary of the Repricing Date (the "Premium End Date"). In the event the applicable executive officer (i) exercised his/her stock options prior to the Premium End Date or (ii) did not provide services to the Company as an employee or a consultant through the Premium End Date, the per share exercise price applicable to his/her stock options was two times the closing price of the Company's common stock on the Repricing Date. There were no changes to the number of shares, the vesting schedule or the expiration date of the repriced stock options. As a result of the repricing, the Company will record an incremental share-based compensation charge of \$3.6 million, of which \$1.4 million was recognized on the Repricing Date, and \$2.2 million is being recognized over the remaining term of the repriced options.

Restricted Stock Units and Performance Restricted Stock Units

The Company grants service based RSUs and performance based RSUs ("PRSUs") as part of the Company's equity compensation plans. The Company measures RSU and PRSU expense for awards granted based on the estimated fair value of those awards at the grant date. To estimate the fair value of PRSUs containing a market condition, the Company used the Monte Carlo valuation model. The fair value of all other awards is based on the closing price of the Company's common stock as reported on the NYSE on the date of grant. The RSUs

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generally vest over a period of two to four years. The PRSUs vest based on the level of achievement of the performance goals and continued employment with the Company over a one to four year performance period.

Stock-based compensation expense for RSUs is recognized based on the straight-line basis over the employee requisite service period. Stock-based compensation expense for PRSUs is recognized on a graded accelerated basis over the employee requisite service period. The Company accounts for forfeitures as they occur.

During 2022, the Company granted PRSUs. Half of the PRSUs granted are subject to the achievement of market-based performance goals, and the remaining PRSUs are subject to vesting pursuant to internal financial measures. The actual number of units that ultimately vest will range from 0% to 100% of the granted amount, based on the level of achievement of the performance goals and continued employment with the Company.

The following table summarizes the RSU and PRSU activity for the **three** six months ended **March 31, 2024** **June 30, 2024**:

	Number of Shares	Number of Shares	Weighted Average Grant-Date Fair Value per Share	Number of Shares	Weighted Average Grant-Date Fair Value per Share
Unvested and outstanding as of December 31, 2023					
Granted					
Released					
Canceled and forfeited					
Unvested and outstanding as of March 31, 2024					
Unvested and outstanding as of June 30, 2024					

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Total unrecognized compensation cost related to unvested RSUs and PRSUs is **\$39.3 million** **\$45.8 million** as of **March 31, 2024** **June 30, 2024**, and it is expected to be recognized over a weighted-average period of 1.5 years.

2021 Employee Stock Purchase Plan

The Company adopted the 2021 Employee Stock Purchase Plan (the "2021 ESPP"), which is designed to allow eligible employees of the Company to purchase shares of the Company's common stock with their accumulated payroll deductions at a price equal to 85% of the lesser of the fair market value on the first business day of the offering period or on the designated purchase date of the offering period, up to a maximum purchase amount of \$25,000 during the calendar year. The 2021 ESPP offers a six-month look-back feature as well as an automatic reset feature that provides for an offering period to be reset to a new lower-priced offering if the offering price of the new offering period is less than that of the current offering period. **No** During the six months ended June 30, 2023, 80,990 shares were have been issued under the 2021 ESPP during for \$1.0 million. During the **three** six months ended **March 31, 2024** and **2023**, June 30, 2024, 104,384 shares have been issued under the 2021 ESPP for \$0.8 million. In addition, the number of shares available for issuance under the 2021 ESPP is increased annually on January 1 of each calendar year ending in 2031, by an amount equal to the lesser of (i) one percent of the shares outstanding (on a converted basis) on the last day of the immediately preceding fiscal year and (ii) such number of shares as may be determined by the board of directors.

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Stock-Based Compensation

Total stock-based compensation expense, classified in the accompanying condensed consolidated statements of operations and comprehensive loss was as follows (in millions):

2024	Three Months Ended	Three Months Ended	Three Months Ended	Six Months Ended	March 31, June 30,
	March 31,	March 31,	March 31,	March 31,	
	March 31,	March 31,	March 31,	March 31,	
	March 31,	March 31,	March 31,	March 31,	
Losses and loss adjustment expenses					
Losses and loss adjustment expenses					
Losses and loss adjustment expenses					
Insurance related expenses					
Insurance related expenses					
Insurance related expenses					
Technology and development					
Technology and development					
Technology and development					
Sales and marketing					
Sales and marketing					
Sales and marketing					
General and administrative					
General and administrative					
General and administrative					
Total stock-based compensation expense					
Total stock-based compensation expense					
Total stock-based compensation expense					

Stock Repurchases

In March 2023, the Board authorized the repurchase of up to \$50.0 million of its common stock, with no expiration date. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases to be determined at the Company's discretion depending on market conditions and corporate needs. Open market repurchases will be structured to occur in accordance with applicable federal securities laws, including within the pricing and volume requirements of Rule 10b-18 under the Securities Exchange Act of 1934, as amended. The Company may also, from time to time, enter into Rule 10b5-1 plans to facilitate repurchases of its common stock under this authorization. This program does not obligate the Company to acquire any particular amount of its common stock, and may be modified, suspended or terminated at any time at the Company's discretion. No share repurchases were made under this program during the **three six** months ended **March 31, 2024 June 30, 2024**. As of **March 31, 2024 June 30, 2024**, \$48.2 million of common stock remains available for **repurchases, repurchase**. Shares repurchased by the Company are accounted for when the transaction is settled. As of **March 31, 2024 June 30, 2024**, there were no unsettled share repurchases. Direct costs incurred to acquire the shares are included in the total cost of the shares.

14. Income Taxes

The consolidated effective tax rate was **(0.7) (1.3)%** and **(0.4) (0.3)%** for the **three six** months ended **March 31, 2024 June 30, 2024** and 2023, respectively. The difference between the rate for the three months ended **March 31, 2024 June 30, 2024** and 2023 and the U.S.

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federal income tax rate of 21% was due primarily to a full valuation allowance against the Company's net deferred tax assets.

As of **March 31, 2024** **June 30, 2024** and 2023, the Company has **\$5.4** **\$5.8** million and **\$3.5** **\$3.8** million of unrecognized tax benefits, respectively, fully offset by a valuation allowance. No material interest or penalties were incurred during the **three** **six** months ended **March 31, 2024** **June 30, 2024** and 2023.

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15. Net Loss Per Share Attributable to Common Stockholders

Net loss per share attributable to common stockholders was computed as follows:

	Three Months Ended	Three Months Ended	Six Months Ended	
	March 31, March 31, March 31,			
	2024	2024	2024	
Numerator:				
Net loss attributable to Hippo – basic and diluted (in millions)				
Net loss attributable to Hippo – basic and diluted (in millions)				
Net loss attributable to Hippo – basic and diluted (in millions)				
Denominator:				
Weighted-average shares used in computing net loss per share attributable to Hippo — basic and diluted				
Weighted-average shares used in computing net loss per share attributable to Hippo — basic and diluted				
Weighted-average shares used in computing net loss per share attributable to Hippo — basic and diluted	24,633,960	23,387,767	24,583,168	23,293,652
Net loss per share attributable to Hippo — basic and diluted				
Net loss per share attributable to Hippo — basic and diluted				
Net loss per share attributable to Hippo — basic and diluted				

The potential shares of common stock that were excluded from the computation of diluted net loss per share attributable to common stockholders for the periods presented because including them would have been antidilutive are as follows:

	March 31, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Outstanding options				
Outstanding options				
Outstanding options	1,441,527	1,864,217	1,419,555	1,710,915
Common stock from outstanding warrants	360,000	360,000	360,000	360,000
Common stock subject to repurchase				
Common stock subject to repurchase				
Common stock subject to repurchase	19,539	52,134	13,020	39,096

RSU and PRSUs	RSU and PRSUs	2,526,930	2,602,593	RSU and PRSUs	2,712,423	3,168,631
Total						
Total						
Total		<u>4,347,996</u>	<u>4,878,944</u>		<u>4,504,998</u>	<u>5,278,642</u>

16. Segments

The Company has three reportable segments: Services, Insurance-as-a-Service, and Hippo Home Insurance Program.

The Company's Services segment earns fees and/or commission income without assuming underwriting risk or need for reinsurance. The Company also partners with home builders, as well as independent agencies, to source insureds seeking a product for which the Company provides the best carrier for the insured, whether it be of Hippo or a third-party carrier, including other insurance products like auto, rental, etc.

Insurance-as-a-Service is managed through the Company's subsidiary Spinnaker and is a platform to support third party MGAs. The Company rents its capital, 50 state licenses and the strong financial rating of Spinnaker (rated "A-" Excellent by A.M. Best) to earn fee-based revenues with the assumption of limited underwriting risk using quota-share reinsurance. The Company also earns a portion of the premiums paid to it for the risk the Company retains as well as generates investment income. The diversification of the Company's balance sheet allows it to carry less capital than the Company's MGA clients would be required to on their own.

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The Hippo Home Insurance Program is the Company's Hippo-branded homeowners insurance business. The Company's main source of revenue is the premiums paid to it by the Company's homeowner customers. In addition, the Company's revenues include commissions for premiums the Company cedes to third parties, policy and services fees and investment income. The Company's strategy is to retain the portion of the underwriting risk where the Company believes its loss prevention strategies are the most effective.

The Company's Chief Executive Officer, who serves as the chief operating decision maker ("CODM"), evaluates the financial performance of the Company's segments based upon segment adjusted operating income or

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(loss) as the profitability measure. Items outside of adjusted operating income or (loss) are not reported by segment, since they are excluded from the single measure of segment profitability reviewed by the CODM. The Company's CODM does not use segment assets to allocate resources or to assess performance of the segments and, therefore, segment assets have not been reported separately.

The tables below present segment information reconciled to total Net Loss attributable to Hippo, for the periods indicated (in millions).

	Three Months Ended March 31, 2024				
	Insurance-as-a-Service		Hippo Home Insurance Program	Intersegment Eliminations ⁽¹⁾	Total
	Services	Service			
Revenue:					
Net earned premium	\$ —	\$ 12.4	\$ 48.1	\$ —	\$ 60.5
Commission income, net	11.3	5.5	0.9	(1.8)	15.9
Service and fee income	0.1	—	2.7	—	2.8
Net investment income	—	2.5	3.4	—	5.9
Total revenue	11.4	20.4	55.1	(1.8)	85.1
Adjusted Operating Expenses:					
Loss and loss adjustment expense	—	4.5	47.9	—	52.4
Insurance related expense	—	6.9	12.2	(2.6)	16.5
Sales and marketing	8.4	—	1.6	(0.2)	9.8
Technology and development	2.9	—	3.7	—	6.6
General and administrative	2.8	1.8	6.5	—	11.1
Other expenses	—	—	—	—	—
Total adjusted operating expenses	14.1	13.2	71.9	(2.8)	96.4

Less: Net investment income	—	(2.5)	(3.4)	—	(5.9)
Less: Noncontrolling interest	(2.6)	—	—	—	(2.6)
Adjusted operating income (loss)	(5.3)	4.7	(20.2)	1.0	(19.8)
Net investment income					5.9
Depreciation and amortization					(5.6)
Stock-based compensation					(8.4)
Fair value adjustments					(1.5)
Other one-off transactions					(2.5)
Income tax expense					(0.2)
Impairment and restructuring charges					(3.6)
Net loss attributable to Hippo				\$	(35.7)
Income tax expense					0.2
Noncontrolling interest					2.6
Loss before income taxes				\$	(32.9)

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	Three Months Ended June 30, 2024				
	Services	Insurance-as-a-Service	Hippo Home Insurance Program	Intersegment Eliminations ⁽¹⁾	Total
Revenue:					
Net earned premium	\$ —	\$ 15.6	\$ 48.8	\$ —	\$ 64.4
Commission income, net	12.1	5.9	1.2	(3.1)	16.1
Service and fee income	—	—	3.0	—	3.0
Net investment income	—	2.9	3.2	—	6.1
Total revenue	12.1	24.4	56.2	(3.1)	89.6
Adjusted Operating Expenses:					
Loss and loss adjustment expense	—	5.2	54.9	—	60.1
Insurance related expense	—	8.8	12.7	(2.6)	18.9
Sales and marketing	8.1	—	1.6	(0.4)	9.3
Technology and development	2.5	0.1	3.2	—	5.8
General and administrative	2.7	1.7	6.6	—	11.0
Other expenses	—	—	—	—	—
Total adjusted operating expenses	13.3	15.8	79.0	(3.0)	105.1
Less: Net investment income	—	(2.9)	(3.2)	—	(6.1)
Less: Noncontrolling interest	(3.3)	—	—	—	(3.3)
Adjusted operating income (loss)	(4.5)	5.7	(26.0)	(0.1)	(24.9)
Net investment income					6.1
Depreciation and amortization					(5.9)
Stock-based compensation					(11.9)
Fair value adjustments					(0.4)
Other one-off transactions					(2.8)
Income tax expense					(0.7)
Net loss attributable to Hippo				\$	(40.5)
Income tax expense					0.7
Noncontrolling interest					3.3
Loss before income taxes				\$	(36.5)

⁽¹⁾Intersegment eliminations include commissions paid from Hippo Home Insurance Program for policies sold by the Company's Services segment (revenue, cost, and other adjustments in respective business units eliminated as part of consolidation).

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	Three Months Ended March 31, 2023					Three Months Ended June 30, 2023				
	Services	Services	Insurance-as-a-Service	Hippo Home Insurance Program	Intersegment Eliminations ⁽¹⁾	Total	Services	Insurance-as-a-Service	Hippo Home Insurance Program	In Eli
Revenue:										
Net earned premium										
Net earned premium										
Net earned premium										
Commission income, net	Commission 9.6	3.8	6.2	(2.2)		17.4	Commission 11.3	4.8	2.7	(2.6)
Service and fee income	Service and 0.2	—	3.0	—		3.2	Service and 0.2	—	3.6	—
Net investment income	Net investment income	—	1.5	3.9	—	5.4	Net investment income	1.5	3.9	—
Total revenue	Total revenue	9.8	12.9	19.3	(2.2)	39.8	Total revenue	11.5	16.2	22.6
Adjusted Operating Expenses:										
Loss and loss adjustment expense										
Loss and loss adjustment expense										
Loss and loss adjustment expense										
Insurance related expense										
Sales and marketing										
Technology and development										
General and administrative										
Other expenses										
Total adjusted operating expenses										
Less: Net investment income										

Less:				
Noncontrolling interest				
Adjusted operating income (loss)				
Net investment income	Net investment income		5.4	Net investment income
Depreciation and amortization	Depreciation and amortization		(4.3)	Depreciation and amortization
Stock-based compensation				
Stock-based compensation				
Stock-based compensation			(16.1)	
Fair value adjustments	Fair value adjustments		(1.0)	Fair value adjustments
Other one-off transactions				
Other one-off transactions				
Other one-off transactions			(1.4)	
Income tax expense	Income tax expense		(0.3)	Income tax expense
Net loss attributable to Hippo				
Net loss attributable to Hippo				
Net loss attributable to Hippo				
Income tax expense				
Noncontrolling interest				
Loss before income taxes				

(a) Intersegment eliminations include commissions paid from Hippo Home Insurance Program for policies sold by the Company's Services segment (revenue, cost, and other adjustments in respective business units eliminated as part of consolidation).

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	Six Months Ended June 30, 2024				
	Services		Insurance-as-a- Service	Hippo Home Insurance Program	Intersegment Eliminations ^(a)
	Total				
Revenue:					
Net earned premium	\$	—	\$ 28.0	\$ 96.9	\$ —
Commission income, net		23.4	11.4	2.1	(4.9)
Service and fee income		0.1	—	5.7	—
Net investment income		—	5.4	6.6	—
Total revenue		23.5	44.8	111.3	(4.9)
Adjusted Operating Expenses:					
Loss and loss adjustment expense		—	9.7	102.8	—
Insurance related expense		—	15.7	24.9	(5.2)
Sales and marketing		16.5	—	3.2	(0.6)
Technology and development		5.4	0.1	6.9	—
					12.4

General and administrative	5.5	3.5	13.1	—	22.1
Other expenses	—	—	—	—	—
Total adjusted operating expenses	27.4	29.0	150.9	(5.8)	201.5
Less: Net investment income	—	(5.4)	(6.6)	—	(12.0)
Less: Noncontrolling interest	(5.9)	—	—	—	(5.9)
Adjusted operating income (loss)	(9.8)	10.4	(46.2)	0.9	(44.7)
Net investment income					12.0
Depreciation and amortization					(11.5)
Stock-based compensation					(20.3)
Fair value adjustments					(1.9)
Other one-off transactions					(5.2)
Income tax expense					(1.0)
Impairment and restructuring charges					(3.6)
Net loss attributable to Hippo				\$	(76.2)
Income tax expense					1.0
Noncontrolling interest					5.9
Loss before income taxes				\$	(69.3)

⁽¹⁾Intersegment eliminations include commissions paid from Hippo Home Insurance Program for policies sold by the Company's Services segment (revenue, cost, and other adjustments in respective business units eliminated as part of consolidation).

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	Six Months Ended June 30, 2023				
	Services	Insurance-as-a-Service	Hippo Home Insurance Program	Intersegment Eliminations ⁽¹⁾	Total
Revenue:					
Net earned premium	\$ —	\$ 17.5	\$ 18.6	\$ —	\$ 36.1
Commission income, net	20.9	8.7	9.0	(5.0)	33.6
Service and fee income	0.3	—	6.7	—	7.0
Net investment income	—	3.0	7.8	—	10.8
Total Revenue	21.2	29.2	42.1	(5.0)	87.5
Adjusted Operating Expenses:					
Loss and loss adjustment expense	—	6.5	107.2	—	113.7
Insurance related expense	—	8.9	18.5	(1.6)	25.8
Sales and marketing	23.3	—	10.1	(2.4)	31.0
Technology and development	7.8	0.3	9.3	—	17.4
General and administrative	6.0	2.6	15.4	—	24.0
Other expenses	0.4	—	—	—	0.4
Total adjusted operating expenses	37.5	18.3	160.5	(4.0)	212.3
Less: Net investment income	—	(3.0)	(7.8)	—	(10.8)
Less: Noncontrolling interest	(4.3)	—	—	—	(4.3)
Adjusted operating income (loss)	(20.6)	7.9	(126.2)	(1.0)	(139.9)
Net investment income					10.8
Depreciation and amortization					(9.5)
Stock-based compensation					(32.8)
Fair value adjustments					(3.7)
Other one-off transactions					(2.1)

Income tax expense	(0.5)
Net loss attributable to Hippo	\$ (177.7)
Income tax expense	0.5
Noncontrolling interest	4.3
Loss before income taxes	\$ (172.9)

(a)Intersegment eliminations include commissions paid from Hippo Home Insurance Program for policies sold by the Company's Services segment (revenue, cost, and other adjustments in respective business units eliminated as part of consolidation).

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless the context otherwise requires, references in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" to "we," "our," "Hippo" and "the Company" refer to the business and operations of Hippo Holdings Inc. and its consolidated subsidiaries. You should read the following discussion of our financial condition and results of operations in conjunction with our condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q and with our audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission.

Overview

Hippo is an insurance holding company with subsidiaries that provide property and casualty insurance products to both individuals and business customers. We conduct our operations through three reportable segments: Services, Insurance-as-a-Service, and Hippo Home Insurance Program. We offer our services primarily in the United States.

In the third quarter of 2023 we began taking several actions to lower the volatility of our Hippo Homeowners Insurance Program portfolio in light of the significant catastrophe losses we experienced in the second quarter, including raising rates on a portion of our renewal business, increasing deductibles for wind and hail perils, selectively non-renewing policies in certain regions, and instituting a nationwide pause on underwriting new premiums for our HO3 business as we examine our risk appetite. We also launched an expense reduction initiative across the Company, including a reduction in staff which we announced in October 2023.

Further information on our business and reportable segments is presented in Part I, Item 1, "Business" and in Note 22 of the Notes to the Consolidated Financial Statements included in Part II, Item 8, "Financial Statements and Supplementary Data" of our Annual Report on Form 10-K for the year ended December 31, 2023.

Reinsurance

We utilize reinsurance primarily to support the growth of our new and renewal insurance business, to reduce the volatility of our earnings, and to optimize our capital management.

As an MGA, we underwrite homeowners insurance policies on behalf of our insurance company subsidiaries (Spinnaker and Spinnaker Specialty Insurance Company ("SSIC")) and other non-affiliated third-party insurance carriers. These carriers purchase reinsurance from a variety of sources and in a variety of structures. In the basic form of this arrangement, fronting insurance carriers will typically cede a significant portion of the total insurance premium they earn from customers, in return for a proportional amount of reinsurance protection. This is known as "ceding" premium and losses through a "quota share" or "proportional" reinsurance treaty.

The insurance carrier and the MGA are paid a percentage of the ceded premium as compensation for sales and marketing, underwriting, insurance, support, claims administration, and other related services (in totality, known as a ceding commission). As additional protection against natural catastrophes or other large loss events, the fronting carrier frequently purchases additional, non-proportional reinsurance.

Without reinsurance protection, the insurer would shoulder all of the insurance risk itself and would need incremental capital to satisfy regulators and rating agencies requirements. Reinsurance allows a carrier to write more business while reducing its balance sheet exposure and volatility of earnings.

Proportional Reinsurance Treaties — Hippo Home Insurance Program

For our Hippo primary homeowners' reinsurance program for policies with effective dates in 2024, we elected not to purchase proportional reinsurance. Based on our growing confidence in the profitability and predictability of our underwriting results, we decided to retain more of the exposure and associated premium.

For business produced through our builder channel for policies with effective dates in 2024, we purchased proportional reinsurance from one third-party reinsurer and expect to retain approximately 85% of the premium and associated risk, before purchasing catastrophe protection. All reinsurance obligations are appropriately collateralized. The reinsurance contracts are subject to contingent commission adjustments and a loss occurrence limit, which aligns our interests with that of the reinsurer.

Effective January 1, 2024, we also elected to cut off 25% of the reinsurer's participation on the 2023 proportional reinsurance treaty and retain the remaining exposure and related premiums.

In 2024, we continue to further protect our balance sheet through the purchase of non-proportional reinsurance described below in the section titled "Non-Proportional Reinsurance."

For our primary homeowners' reinsurance program for policies with effective dates in 2023, we secured proportional reinsurance from a diverse panel of third-party reinsurers. All reinsurers are either rated "A-" Excellent or better by AM Best, or the reinsurance is appropriately collateralized. In 2023, we retained approximately 40% of the premium through our insurance company subsidiaries or our captive reinsurance company, RHS, before purchasing catastrophe protection. Additionally, the reinsurance contracts are subject to contingent commission adjustments and loss participation features, which align our interests with those of our reinsurers. Loss participation features may increase the amount of losses retained by our insurance company subsidiaries in excess of our pro rata participation.

For business produced through our builder channel for policies with effective dates in 2023, we purchased proportional reinsurance from three third-party reinsurers. All reinsurers are rated "A-" Excellent or better by AM Best, or the reinsurance is appropriately collateralized. In 2023, we retained approximately 58% of the premium produced through our insurance company subsidiaries or RHS, before purchasing catastrophe protection. The reinsurance contracts are subject to contingent commission adjustments and limited loss participation features, which align our interests with those of the reinsurers.

For our primary homeowners reinsurance program for policies with effective dates in 2022, we secured quota share reinsurance from a diverse panel of third-party reinsurers. All reinsurers are either rated "A-" Excellent or better by AM Best, or the reinsurance is collateralized. In 2022, we retained approximately 10% of the premium through

our insurance company subsidiaries, including our captive reinsurance company, RHS. Additionally, the reinsurance contracts are subject to variable commission adjustments and loss participation features, including loss ratio caps and loss corridors, which align our interests with those of our reinsurers. Similar to the prior year, we saw increased use of loss participation features in the 2022 reinsurance agreements, which increased the amount of losses retained by our insurance company subsidiaries in excess of our pro rata participation in both the 2022 and 2023 fiscal periods.

Non-Proportional Reinsurance — Hippo Home Insurance Program

We also purchased non-proportional excess of loss catastrophe coverage ("XOL") reinsurance which includes traditional reinsurance protection, state subsidized reinsurance protection, catastrophe bonds, and industry loss warranty products. Through our insurance company subsidiaries, we are exposed to the risk of natural catastrophe events that could occur on the risks arising from policies underwritten by us or other MGAs. We are also exposed to this risk through our captive reinsurer, which takes on a share of the risk underwritten by our MGA business.

In May 2023, we secured new catastrophe protection through a per occurrence XOL reinsurance agreement with Mountain Re Ltd. ("Mountain Re"), an independent Bermuda company, licensed as a Special Purpose Insurer. The reinsurance agreement meets the requirements to be accounted for as reinsurance in accordance with the guidance for reinsurance contracts. In connection with the reinsurance agreement, Mountain Re issued notes (generally referred to as "catastrophe bonds") to investors, consistent with the amount of coverage provided under the reinsurance agreement. The reinsurance agreement provides us with coverage through June 2026, and pursuant to the agreement, Mountain Re provides XOL reinsurance coverage to us for losses from a variety of perils, including named storms, fire following an earthquake, severe thunderstorms, and winter storms on business produced through the Hippo MGA. Under the terms of the reinsurance agreement, we are obligated to pay annual reinsurance premiums to Mountain Re for the reinsurance coverage, coverage which inures to the benefit of our traditional

XOL program described below. Amounts payable under the reinsurance agreement with respect to any covered event cannot exceed our actual losses from such event.

Our XOL program provides us protection from catastrophes that could impact a large number of insurance policies. We buy XOL so that the probability of losses from a single occurrence exceeding the protection purchased is no more than 0.4%, or equivalent to a 1 in 250-year return period when considered with the Mountain Re per occurrence, described above, corporate catastrophe, and Florida Hurricane Catastrophe Fund (the "FHCF") XOL described below under "Other Reinsurance". Reinsurance. This reinsurance protects us from all but the most severe catastrophic events.

Other Reinsurance

Spinnaker also purchased reinsurance for programs written by MGAs other than Hippo through our Insurance-as-a-Service business. The reinsurance treaties are a mix of proportional and XOL in which generally 80% to 100% of the risk, up to the 1 in 250-year return period, is ceded. The reinsurance contracts are subject to variable commission adjustments and loss participation features, including loss caps, which may increase the amount of losses retained by us in excess of our pro-rata participation. Such provisions are recognized in the period based on the experience to date under the agreement.

Spinnaker purchased a corporate catastrophe XOL program that attaches above the individual programmatic reinsurance programs protecting the property business written by Hippo as well as the other MGAs. This treaty has a floating retention and attaches at the exhaustion point of the underlying programs' specific reinsurance. The catastrophe bond, and the FHCFs, described above, inures to the benefit of this contract. This program provides us protection from catastrophes that could impact a large number of correlated insurance policies underwritten by us and our other MGAs. We buy this XOL so that the probability of losses from a single occurrence across the property portfolio exceeding the protection purchased is no more than 0.4%, or equivalent to a 1 in 250 year-return period. This reinsurance protects us from all but the most severe catastrophic events.

We purchased reinsurance from the State Board of Administration in Florida via the FHCF annually for admitted residential hurricane losses in the State of Florida. This coverage is provided and required by the State of Florida and protects business written by Hippo as well as other MGAs that produce admitted residential policies. We currently purchase reimbursement protection at the maximum level (90%) of mandatory coverage offered by the FHCF.

Key Factors and Trends Affecting our Operating Results

Our financial condition and results of operations have been, and will continue to be, affected by a number of factors, including the following:

Our Ability to Attract New Customers

Our long-term growth will depend, in large part, on our continued ability to attract new customers to our platform. For Hippo home insurance policies, we seek to minimize the volatility of our portfolio and are currently in the process of analyzing overall underwriting results for the segment, taking actions as needed. Our short-term focus is on attracting new customers to our licensed insurance agency to purchase non-Hippo policies and to our home care offerings, although over time we expect to strategically return to Hippo underwritten policies as our underwriting actions take hold. We intend to continue to drive new customer growth by highlighting our consumer-focused approach to home protection and insurance across multiple distribution channels, regardless of whether the customer is a Hippo policyholder. In particular, we seek to grow by:

- Promoting our agency for sales of non-Hippo policies, growing our network of partners within existing partner channels, and geographically optimizing our Hippo policyholder base;
- Developing new strategic partnerships with key players involved in the real estate transaction ecosystem; and
- Deepening our relationships with our customers by connecting them to partners offering value-added services that are not specifically insurance products, such as home maintenance, home monitoring, and energy consumption optimization.

Our ability to attract new customers depends on the pricing of our products, the offerings of our competitors, our geographic reach, and the extent and effectiveness of our marketing efforts. Our ability to attract customers also depends on maintaining and strengthening our brand by providing superior customer experiences across all of our offerings through our proactive, tech-enabled strategy.

We face competition from traditional insurers who have more diverse product offerings and longer established operating histories, as well as from new, technology-driven entrants who may pursue more horizontal growth strategies. These competitors may mimic certain aspects of our digital platform and offerings and have more types of insurance products, allowing them to offer customers the ability to "bundle" multiple coverage types together, which may be attractive to many customers.

Although the COVID-19 pandemic and the various responses to it created significant worldwide volatility, uncertainty and economic disruption over the past few years, recently there has been a return to more normal societal interactions, including in the way we operate our business. We cannot predict the future impacts of the COVID-19 pandemic

or any new public health events. See Part II, Item 1A. "Risk Factors" for more information.

Our Ability to Retain Customers

Our ability to derive significant lifetime value from our customer relationships depends, in part, on our ability to retain our customers over time. Strong retention allows us to build a recurring revenue base, generating additional premium term over term without material incremental marketing costs. Our customers typically become more valuable to us over time because retention rates have historically increased with the age of customer cohorts and because non-catastrophic loss frequency declines as cohorts mature.

As we expect to broadly retain our customers who are not located in high severe weather exposed regions, over the long-term, we expect our book of business to evolve to be weighted more towards renewals versus new business, as is the case with our more mature competitors. We expect that this would enable us to benefit from the higher premium retention rates and inherently lower frequency of losses that characterize renewed premiums.

Our ability to retain customers will depend on a number of factors, including our customers' satisfaction with our products, the offerings of our competitors, and our ability to continue delivering exceptional customer service and support.

Our Ability to Manage Regulatory Impact, Including on Our Efforts to Manage Our Exposure to Volatility

We are subject to extensive laws, regulations, administrative directives, and regulatory actions. From time to time, regulatory authorities or legislative bodies seek to influence and restrict premium rates, require premium refunds to policyholders, require reinstatement of terminated policies, restrict the ability of insurers to cancel or non-renew policies, require insurers to continue to write new policies or limit their ability to write new policies, limit insurers' ability to change coverage terms and deductibles or to impose underwriting standards, impose additional regulations regarding agency and broker compensation, impose fines and penalties for unintended errors or mistakes, impose additional regulations regarding cybersecurity and privacy, and otherwise expand overall regulation of insurance products and the insurance industry. These laws may limit or restrict our ability to reduce our exposures, including to weather related losses.

Our Ability to Expand Fee Income and Premium Through Cross-Sales to Existing Customers

One of our strategies to increase the value we are providing to our customers is to offer incremental services to assist our customers in better maintaining and protecting their homes. As we roll out these services, we expect to be able to generate incremental, non-risk-based service and fee income from our existing customers. We expect these home protection services not only to generate incremental revenue, but also to reduce losses for our customers, and—by implication—our loss ratios. Our success in expanding revenue and reducing losses by offering these services depends on our ability to market these services, our operational ability to deliver value to our customers, and the ability of these services to reduce the probability of loss for an average homeowner.

We are also in the early stages of cross-selling non-homeowner insurance products across our customer base. Cross-sales allow us to generate additional premium per customer, and ultimately higher revenue and fee income, without material incremental marketing spend. Our success in expanding revenue through cross-sales depends on our marketing efforts with new products, offerings of our competitors, additional expansion into new states, and the pricing of our bundled products.

Our Ability to Manage Risk

We leverage data, technology, and geographic diversity to help manage risk. For instance, we obtain dynamic data from various sources and use advanced statistical methods to model that data into our pricing algorithm. Incorporating these external data sources and utilizing the experience gained with our own customer base should lead to better underwriting, reduced loss frequency, and—adjusting for weather related events—lower loss ratios over time. While our current reinsurance framework helps us manage the volatility of earnings, reducing our overall gross loss ratio is critical to our success. Our ability to incorporate new data sources as they become available and to use them to improve our ability to accurately and competitively price risk is central to our growth strategy.

Seasonality of Claims Losses

Seasonal patterns can impact our incurrence of claims losses, as seasonal weather patterns impact the level and amount of claims we receive. These patterns include hurricanes, wildfires, and coastal storms in the fall, cold weather patterns and changing home heating needs in the winter, and tornadoes and hailstorms in the spring and summer. The mix of geographic exposure and products within our customer base impacts our exposure to these weather patterns, and as we diversify our base of premium such that our exposure more closely resembles the industry exposure, we should see the impact of these events on our business more closely resemble the impact on the broader industry.

Components of Results of Operations

Revenue

Gross Written Premium

Gross written premium is the amount received or to be received for insurance policies written or assumed by us and our affiliates as a carrier or captive reinsurer, without reduction for policy acquisition costs, reinsurance costs, or other deductions. The volume of our gross written premium in any given period is generally influenced by:

- New business submissions;
- Binding of new business submissions into policies;
- Bound policies going effective;
- Renewals of existing policies; and
- Average size and premium rate of bound policies.

Ceded Written Premium

Ceded written premium is the amount of gross written premium written or assumed by us and our affiliates as a carrier that we cede to reinsurers. We enter into reinsurance contracts to limit our exposure to losses, as well as to provide additional capacity for growth. Ceded written premium is treated as a reduction from gross written premium. The volume of our ceded written premium is impacted by the level of our gross written premium and decisions we make to increase or decrease retention levels.

Net Earned Premium

Net earned premium represents the earned portion of our gross written premium for insurance policies written or assumed by us and less the earned portion of ceded written premium (any portion of our gross written premium that is ceded to third-party reinsurers under our reinsurance agreements). We earn written premiums on a pro-rata basis over the term of the policies.

Commission Income, Net Includes:

a. *MGA Commission:* We operate as an MGA for multiple insurers. We design and underwrite insurance products on behalf of the insurers culminating in the sale of insurance policies. We earn recurring

commission and policy fees associated with the policies we sell. We have underwriting authority and responsibility for administering claims (see Claim Processing Fees below) and we work with affiliated and unaffiliated carrier platforms who pay us a commission in exchange for the opportunity to take that risk on their balance sheets. Our performance obligation associated with these contracts is the placement of the policy, which is met on the effective date. Upon issuance of a new policy, we charge policy fees and inspection fees (see Service and Fee Income below), retain our share of commission, and remit the balance

to the respective insurers. Subsequent commission adjustments arising from policy changes such as endorsements are recognized in the period when the adjustments occur. Cash received in advance of policy effective dates is recorded on the condensed consolidated balance sheets, representing our portion of commission and premium due to insurers and reinsurers, and held in trust for the benefit of the insurers and reinsurers as fiduciary liabilities.

The MGA commission is subject to adjustments, higher or lower (commonly referred to as "commission slide"), depending on the underwriting performance of the policies placed by us. We are required to return a portion of our MGA commission due to commission slide on the policies placed as an MGA if the underwriting performance varies due to higher Hippo programs' loss ratio from provisional performance of the Hippo programs' loss ratio. We also return a portion of our MGA commission if the policies are cancelled before the term of the policy. Accordingly, we reserve for commission slide using estimated Hippo programs' loss ratio performance, or a cancellation reserve as a reduction of revenue for each period presented in our statement of operations and comprehensive loss.

b. *Agency Commission:* We also operate licensed insurance agencies that are engaged solely in the sale of policies, including non-Hippo policies. For these policies, we earn a recurring agency commission from the carriers whose policies we sell, which is recorded in the commission income, net line on our statements of operations and comprehensive loss. Similar to the MGA businesses, the performance obligation from the agency contracts is placement of the insurance policies.

For both MGA and insurance agency activities, we recognize commission received from insurers for the sale of insurance contracts as revenue at a point in time on the policy effective dates.

c. *Ceding Commission:* We receive commission based on the premium we cede to third-party reinsurers for the reimbursement for our acquisition and underwriting services. Excess ceding commission over the cost of acquisition is included in the commission income, net line on our statements of operations and comprehensive loss. For the policies that we write on our own carrier as MGA, we recognize this commission as ceding commission on the statement of operations and comprehensive loss. We earn commission on reinsurance premium ceded in a manner consistent with the recognition of the earned premium on the underlying insurance policies, on a pro-rata basis over the terms of the policies reinsured. We record the portion of ceding commission income, which represents reimbursement of successful direct acquisition costs related to the underlying policies, as an offset to the applicable direct acquisition costs.

d. *Carrier Fronting Fees:* Through our Insurance-as-a-Service business, we earn fronting fees from the MGA programs we support. We earn fronting fees in a manner consistent with the recognition of the earned premium on the underlying insurance policies, on a pro-rata basis over the terms of the policies. This revenue is included in the commission income, net line on our statements of operations and comprehensive loss.

e. *Claim Processing Fees:* As an MGA, we receive a fee that is calculated as a percent of the premium from the insurers in exchange for providing claims adjudication services. The claims adjudication services are provided over the term of the policy and recognized ratably over the same period. This revenue is included in the commission income, net line on our statements of operations and comprehensive loss.

Service and Fee Income

Service and fee income mainly represents policy fees and other revenue. We directly bill policyholders for policy fees and collect and retain fees per the terms of the contracts between us and our insurers. Similar to the commission revenue, we estimate a cancellation reserve for policy fees using historical information. The performance obligation associated with these fees is satisfied at a point in time upon completion of the underwriting process, which is the policy effective date. Accordingly, we recognize all fees as revenue on the policy effective date.

Net Investment Income

Net investment income represents interest earned from fixed maturity securities, short-term investments and other investments, and the gains or losses from the sale of investments. Our cash and invested assets primarily consist of fixed-maturity securities, and may also include cash and cash equivalents, equity securities, and short-term investments. The principal factors that influence net investment income are the size of our investment portfolio and the yield on that portfolio. As measured by amortized cost (which excludes changes in fair value, such as changes in interest rates), the size of our investment portfolio is mainly a function of our invested equity capital along with premium we receive from our customers less payments on customer claims.

Net investment income also includes an insignificant amount of net realized gains (losses) on investments, which are a function of the difference between the amount received by us on the sale of a security and the security's amortized cost, as well as any allowances for credit losses recognized in earnings, if any.

Expenses

Loss and Loss Adjustment Expenses

Loss and loss adjustment expenses represent the costs incurred for losses net of amounts ceded to reinsurers. We enter into reinsurance contracts to limit our exposure to potential losses as well as to provide additional capacity for growth. The expenses are a function of the size and term of the insurance policies and the loss experience and loss participation features associated with the underlying risks. Loss and LAE are based on actuarial assumptions and management judgements, including losses incurred during the period and changes in estimates from prior periods. Loss and LAE also include employee compensation (including stock-based compensation and benefits) of our claims processing teams, as well as allocated occupancy costs and related overhead based on headcount.

Insurance-Related Expenses

Insurance related expenses primarily consist of amortization of direct acquisition commission costs and premium taxes incurred on the successful acquisition of business written on a direct basis and credit card processing fees not charged to our customers. Insurance related expenses also include employee compensation (including stock-based compensation and benefits) of our underwriting teams, amortization of capitalized internal use software, as well as allocated occupancy costs and related overhead based on

headcount. Insurance related expenses are offset by a portion of ceding commission income, which represents reimbursement of successful acquisition costs related to the underlying policies. Additionally, insurance related expenses include the costs of providing bound policies and delivering claims services to our customers. These costs include underwriting technology service costs including software, data services used for performing underwriting, and third-party call center costs in addition to personnel-related costs.

Technology and Development

Technology and development expenses primarily consist of employee compensation (including stock-based compensation and benefits) for our technology staff, which includes technology development, infrastructure support, actuarial, and third-party services. Technology and development also include allocated facility costs and related overhead based on headcount. We expense development costs as incurred, except for costs related to internal use software development projects, which are capitalized and subsequently depreciated over the expected useful life of the developed software.

Sales and Marketing

Sales and marketing expenses primarily consist of sales commission, advertising costs, and marketing expenditures, as well as employee compensation (including stock-based compensation and benefits) for employees engaged in sales, marketing, data analytics, and customer acquisition. Sales and marketing expenses also include allocated facility costs and related overhead based on headcount.

General and Administrative

General and administrative expenses primarily consist of employee compensation (including stock-based compensation and benefits) for our finance, human resources, legal, and general management functions, as well as facilities, insurance, and professional services.

Impairment and Restructuring Charges

Impairment and restructuring charges consist of non-cash impairment charges relating to goodwill. We review goodwill for impairment annually on October 1 and more frequently if events or changes in circumstances indicate that an impairment may exist. If the carrying value of the reporting unit exceeds its fair value, the fair value of the reporting unit's goodwill is calculated and an impairment loss equal to the excess is recorded. It also consists of severance and other personnel costs associated with exit and disposal activities as well as reductions in workforce.

Other (Income) Expense, *net*

Other (income) expense, *net* primarily consists of certain fair value adjustments and other non-operating income expenses.

Income Taxes

We record income taxes using the asset and liability method. Under this method, we record deferred income tax assets and liabilities based on the estimated future tax effects of differences between the financial statement and income tax basis of existing assets and liabilities. We measure these differences using the enacted statutory tax rates that are expected to apply to taxable income for the years in which differences are expected to reverse. We recognize the effect on deferred income taxes of a change in tax rates in income in the period that includes the enactment date.

We record a valuation allowance to reduce deferred tax assets and liabilities to the net amount that we believe is more likely than not to be realized. We consider all available evidence, both positive and negative, including historical levels of income, expectations, and risks associated with estimates of future taxable income and ongoing tax planning strategies in assessing the need for a valuation allowance.

Key Operating and Financial Metrics and Non-GAAP Measures

We regularly review the following key operating and financial metrics in order to evaluate our business, measure our performance, identify trends in our business, prepare financial projections, and make strategic decisions.

The non-GAAP financial measures below have not been calculated in accordance with GAAP, should be considered in addition to results prepared in accordance with GAAP, and should not be considered as a substitute for, or superior to, GAAP results. In addition, adjusted EBITDA should not be construed as an indicator of our operating performance, liquidity, or cash flows generated by operating, investing, and financing activities, as there may be significant factors or trends that it fails to address. We caution investors that non-GAAP financial information—by its nature—departs from traditional accounting conventions. Therefore, its use can make it difficult to compare our current results with our results from other reporting periods and with the results of other companies.

Our management uses non-GAAP financial measures, in conjunction with GAAP financial measures, as an integral part of managing our business and to, among other things: (i) monitor and evaluate the performance of our business operations and financial performance; (ii) facilitate internal comparisons of the historical operating performance of our business operations; (iii) review and assess the operating performance of our management team; (iv) analyze and evaluate financial and strategic planning decisions regarding future operating investments; and (v) plan for and prepare future annual operating budgets and determine appropriate levels of operating investments.

	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended March 31,	Three Months Ended June 30,	Three Months Ended June 30,	Six Months Ended June 30,	Six Months Ended June 30,
	2024	2024	2024	2024	2024	2023	2023
	2024	2024	2024				
Total Generated Premium							
Total Revenue							
Total Revenue							
Total Revenue							

Net Loss attributable to Hippo						
Net Loss attributable to Hippo						
Net Loss attributable to Hippo						
Adjusted EBITDA						
Adjusted EBITDA						
Adjusted EBITDA						
Gross Loss Ratio	Gross Loss Ratio	58	%	107	%	58
Gross Loss Ratio						93
Gross Loss Ratio						%
Net Loss Ratio						
Net Loss Ratio						
Net Loss Ratio	Net Loss Ratio	94	%	344	%	91
Net Loss Ratio						317
Net Loss Ratio						%

Total Generated Premium

We define Total Generated Premium as the aggregate written premium placed across all of our business platforms for the period presented. We measure Total Generated Premium as it reflects the volume of our business irrespective of choices related to how we structure our reinsurance treaties, the amount of risk we retain on our own balance sheet, or the amount of business written in our capacity as an MGA, agency, or as an insurance carrier/reinsurer. We calculate Total Generated Premium as the sum of:

- i) Gross written premium ("GWP")—a GAAP measure defined above; and
- ii) Gross placed premium—premium of policies placed with third-party insurance companies, for which we do not retain insurance risk and for which we earn a commission payment, and policy fees charged by us to the policyholders on the effective date of the policy.

	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended March 31,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	
	Three Months Ended June 30,	
	2024	
	2024	
	2024	
Gross Written Premium	(\$ in millions)	
Gross Written Premium	(\$ in millions)	
Gross Written Premium	(\$ in millions)	
Gross Placed Premium		
Gross Placed Premium		
Gross Placed Premium		
Total Generated Premium		
Total Generated Premium		
Total Generated Premium		

Our Total Generated Premium for the three months ended **March 31, 2024** **June 30, 2024** grew 20% year-over-year to **\$293.5 million** **\$380.1 million** from **\$244.9 million** **\$317.6 million** for the three months ended **March 31, 2023** **June 30, 2023**. The growth was driven primarily by the growth of non-Hippo written premium supported by our Insurance-as-a-Service business, the growth in the total book of business in our aggregator channel, as well as in our builder channel for new and renewal business, as we maintain higher retention rates and experienced premium rate increases. This was partially offset by a decrease in our Hippo Home Insurance Program ("HHIP") as we have taken actions to reduce our exposure to wind and hail while achieving planned premium rate increases.

Our Total Generated Premium for the six months ended **June 30, 2024** grew 20% year-over-year to **\$673.6 million** from **\$562.6 million** for the six months ended **June 30, 2023**. The growth was driven primarily by the growth of non-Hippo written premium supported by our Insurance-as-a-Service business, the growth in the total book of business in our aggregator channel, as well as in our builder channel for new and renewal business, as we maintain higher retention rates and experienced premium rate increases. This was partially offset by a decrease in our Hippo Home Insurance Program ("HHIP") as we have taken actions to reduce our exposure to wind and hail while achieving planned premium rate increases.

Adjusted EBITDA

We define adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization ("adjusted EBITDA"), a Non-GAAP financial measure, as net loss attributable to Hippo excluding interest expense, income tax expense, depreciation, amortization, stock-based compensation, net investment income, restructuring charges, impairment expense, other non-cash fair market value adjustments including contingent consideration for one of our acquisitions, and other transactions, which may include certain legal fees and settlement costs, that we consider to be unique in nature.

For the three months ended **March 31, 2024** **June 30, 2024**, adjusted EBITDA loss was **\$19.8 million** **\$24.9 million**, a decrease of **\$32.3 million** **\$62.8 million** compared to a **\$52.1 million** **\$87.7 million** EBITDA loss for the three months ended **March 31, 2023** **June 30, 2023**. The decrease was due primarily to a growth in revenue reflecting an increase in premiums earned mainly due to higher premium retention as a result of the 2023 and 2024 reinsurance treaty compared to prior periods, a lower HHIP gross loss ratio **due primarily to the benefits of the pricing and underwriting actions we have taken, including a reduction of loss participation features in our reinsurance treaties, and a decrease in other operating expenses. These improvements**

For the six months ended June 30, 2024, adjusted EBITDA loss was \$44.7 million, a decrease of \$95.2 million compared to a \$139.9 million EBITDA loss for the six months ended June 30, 2023. The decrease was due primarily to a growth in EBITDA were partially offset by revenue reflecting an increase in losses premiums earned mainly due to higher premium retention as **noted above** a result of the 2023 and **overall** growth of our book of business. For

the three months ended March 31, 2024, our net 2024 reinsurance treaty compared to prior periods, a lower HHIP gross loss ratio was 87% compared **due primarily to 273%** for the three months ended March 31, 2023, **benefits of the pricing and underwriting actions we have taken, including a reduction of loss participation features in our reinsurance treaties, and a decrease in other operating expenses.**

The following table provides a reconciliation from net loss attributable to Hippo to adjusted EBITDA for the periods presented (in millions):

	Three Months Ended March 31,			Six Months Ended June 30,		
	2024	2024	2024	2023	2024	2023
Net loss attributable to Hippo						
Net loss attributable to Hippo						
Net loss attributable to Hippo						
Adjustments:						
Adjustments:						
Adjustments:						
Net investment income						
Net investment income						
Net investment income						
Depreciation and amortization						
Depreciation and amortization						
Depreciation and amortization						
Stock-based compensation						
Stock-based compensation						
Stock-based compensation						
Fair value adjustments						
Fair value adjustments						
Fair value adjustments						
Other one-off transactions						
Other one-off transactions						
Other one-off transactions						
Income tax expense						
Income tax expense						
Income tax expense						
Impairment and restructuring charges						
Impairment and restructuring charges						
Impairment and restructuring charges						
Adjusted EBITDA						
Adjusted EBITDA						

Adjusted EBITDA

Gross Loss Ratio

Gross Loss Ratio, expressed as a percentage, is the ratio of the Gross Losses and LAE to the Gross Earned Premium (in millions).

	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2024		2024		2024	
	2024		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2024	2024	2023	2024	2023
Gross Losses and LAE						
Gross Losses and LAE						
Gross Losses and LAE						
Gross Earned Premium						
Gross Earned Premium						
Gross Earned Premium						
Gross Loss Ratio	Gross Loss Ratio	58 %		107 %	58 %	93 %
Gross Loss Ratio						
Gross Loss Ratio						

The following table provides a reconciliation of Gross Loss Ratio by named event Property Claims Services ("PCS") and non-PCS events.

	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2024		2024		2024	
	2024		Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2024	2024	2023	2024	2023
PCS losses	PCS losses	10 %		57 %	10 %	42 %
PCS losses						
PCS losses						
Non-PCS losses						
Non-PCS losses						
Non-PCS losses	Non-PCS losses	48 %		50 %	48 %	51 %
Gross loss ratio	Gross loss ratio	58 %		107 %	58 %	93 %
Gross loss ratio						
Gross loss ratio						

For the three months ended **March 31, 2024** June 30, 2024, our Gross Loss Ratio was **59% 58%** net of a prior year favorable development of 5 percentage points relating to PCS events compared with **76% 107%** net of a prior year favorable development of 6 percentage points relating to Non-PCS events and 4 percentage points relating to PCS events for the three months ended **March 31, 2023** June 30, 2023. The decrease reflected the benefits of the pricing and underwriting actions we have **taken**, taken and due to a lower impact from PCS events. We expect continued improvement as these actions have more time to impact our financial results. **There**

For the six months ended June 30, 2024, our Gross Loss Ratio was **no material PCS or non-PCS 58%** net of a prior year developments in the current quarter. The prior year quarter includes **1** favorable development of 2 percentage point of net favorable development points relating to PCS events compared with **93%** net of a prior year favorable development of 3 percentage points relating to Non-PCS events and 2 percentage points relating to PCS events for the six months ended June 30, 2023. The decrease reflected the benefits of the pricing and underwriting actions we have **taken** and due to a lower impact from PCS events. We expect continued improvement as these actions have more time to impact our financial results.

Net Loss Ratio

Net loss ratio expressed as a percentage, is the ratio of the net losses and LAE to the net earned premium (in millions).

	Three Months Ended March 31,		Three Months Ended March 31,		Three Months Ended March 31,	
	2024		2024		2024	

	2024		2024		Three Months Ended June 30,		Six Months Ended June 30,			
	2024	2024	2024	2024	2023	2023	2024	2024	2023	2023
Net Losses and LAE										
Net Losses and LAE										
Net Losses and LAE										
Net Earned Premium										
Net Earned Premium										
Net Earned Premium										
Net Loss Ratio	Net Loss Ratio	94	%		344	%	91	%	317	%
Net Loss Ratio	Net Loss Ratio									
Net Loss Ratio	Net Loss Ratio									

For the three months ended **March 31, 2024** June 30, 2024, our net loss ratio was 87% 94% net of a prior year favorable development of 3 percentage points relating to PCS events compared with 273% 344% net of a prior year favorable development of 7 percentage points relating to Non-PCS events and 4 percentage points relating to PCS events for the three months ended **March 31, 2023** June 30, 2023. The decrease from prior year was due primarily to reflected the positive impact benefits of our pricing and underwriting and pricing actions on our Non-PCS losses, the increase we have taken, including a reduction of loss participation features in our net reinsurance treaties, higher retention of earned premium as a result of higher premium retention due to our 2023 and 2024 reinsurance treaties, and a lower impact from PCS events. We expect continued improvement as these actions have more time to impact our financial results.

For the six months ended June 30, 2024, our net loss ratio was 91% net of a prior year favorable development of 2 percentage points relating to PCS events compared with 317% net of a prior year favorable development of 3 percentage points relating to Non-PCS events and 3 percentage points relating to PCS events for the six months ended June 30, 2023. The decrease in PCS catastrophic weather reflected the benefits of the pricing and other weather loss experience and our underwriting actions we have taken, including a reduction of loss participation features in our reinsurance treaties, higher retention of earned premium due to our 2023 and the growth of our book of business. There was no material PCS or non-PCS prior year developments in the current quarter. The prior year quarter includes 3 percentage points of net adverse developments for non-PCS events 2024 reinsurance treaties, and 1 percentage point net favorable developments for a lower impact from PCS events. We expect continued improvement as these actions have more time to impact our financial results.

Segment Information

	Three Months Ended June 30, 2024					(\$ in millions)
	Services		Insurance-as-a-Service		Hippo Home Insurance Program	
	Total Generated Premium	\$ 163.3	\$ 186.3	\$ 74.1	\$ (43.6)	\$ 380.1
Total Revenue		12.1	24.4	56.2	(3.1)	89.6
Adjusted operating income (loss)		(4.5)	5.7	(26.0)	(0.1)	(24.9)
Three Months Ended June 30, 2023						
	Services		Insurance-as-a-Service		Hippo Home Insurance Program	Intersegment Eliminations ⁽¹⁾
	Total Generated Premium	\$ 118.1	\$ 151.7	\$ 102.2	\$ (54.4)	\$ 317.6
	Total Revenue	11.5	16.2	22.6	(2.6)	47.7
Adjusted operating income (loss)		(9.6)	4.7	(82.2)	(0.6)	(87.7)
Six Months Ended June 30, 2024						
	Services		Insurance-as-a-Service		Hippo Home Insurance Program	Intersegment Eliminations ⁽¹⁾
	Total Generated Premium	\$ 297.0	\$ 316.3	\$ 139.6	\$ (79.3)	\$ 673.6
	Total Revenue	23.5	44.8	111.3	(4.9)	174.7
Adjusted operating income (loss)		(9.8)	10.4	(46.2)	0.9	(44.7)
Six Months Ended June 30, 2023						
	Services		Insurance-as-a-Service		Hippo Home Insurance Program	Intersegment Eliminations ⁽¹⁾
	Total Generated Premium					Total
	Total Revenue					
Adjusted operating income (loss)						

Total Generated Premium	\$ 216.0	\$ 255.7	\$ 194.4	\$ (103.5)	\$ 562.6
Total Revenue	21.2	29.2	42.1	(5.0)	87.5
Adjusted operating income (loss)	(20.6)	7.9	(126.2)	(1.0)	(139.9)

Three Months Ended March 31, 2024						
(\$ in millions)						
	Services	Insurance-as-a-Service	Hippo Home Insurance Program	Intersegment Eliminations ⁽¹⁾	Total	
Total Generated Premium	\$ 133.7	\$ 130.0	\$ 65.5	\$ (35.7)	\$ 293.5	
Total Revenue	11.4	20.4	55.1	(1.8)	85.1	
Adjusted operating income (loss)	(5.3)	4.7	(20.2)	1.0	(19.8)	

Three Months Ended March 31, 2023						
(\$ in millions)						
	Services	Insurance-as-a-Service	Hippo Home Insurance Program	Intersegment Eliminations ⁽¹⁾	Total	
Total Generated Premium	\$ 97.9	\$ 104.0	\$ 92.2	\$ (49.2)	\$ 244.9	
Total Revenue	9.8	12.9	19.3	(2.2)	39.8	
Adjusted operating income (loss)	(10.8)	3.2	(44.3)	(0.2)	(52.1)	

⁽¹⁾Intersegment eliminations include commissions paid from Hippo Home Insurance Program for policies sold by the Company's Services segment (revenue, cost, and other adjustments in respective business units eliminated as part of consolidation). Intersegment eliminations also include premiums written between the segments.

Segment adjusted operating income (loss) is our primary segment profitability measure, and is calculated as segment revenue less operating expenses that are directly attributable to the segments. Refer to Note 16 of the accompanying condensed consolidated financial statements for additional information on segments and a reconciliation of Segment adjusted operating income (loss) to net loss attributable to Hippo.

Services

For the three months ended **March 31, 2024** June 30, 2024, our Services segment, which earns fees and/or commission income without assuming underwriting risk or need for reinsurance, had Total Generated Premium of **\$133.7 million** \$163.3 million, an increase of **37% 38%** from **\$97.9 million** \$118.1 million over the prior year quarter, while revenue was **\$11.4 million** \$12.1 million, an increase of **16% 5%** from **\$9.8 million** \$11.5 million over the prior year quarter. The growth was driven primarily due to the growth in the total book of business in our aggregator channel, as well as in our builder channel for new and renewal business, as we maintain higher retention rates and experienced premium rate increases. Our adjusted operating loss was **\$5.3 million** \$4.5 million, a decrease of **51% 53%** compared to a loss of **\$10.8 million** \$9.6 million in the prior year quarter, due primarily to the increase in revenue noted above and lower adjusted operating expenses including a decrease in advertising costs, costs, and an increase in revenue as noted above.

For the six months ended June 30, 2024, our Services segment, which earns fees and/or commission income without assuming underwriting risk or need for reinsurance, had Total Generated Premium of \$297.0 million, an increase of 38% from \$216.0 million over the prior year period, while revenue was \$23.5 million, an increase of 11% from \$21.2 million over the prior year period. The growth was driven primarily due to the growth in the total book of business in our aggregator channel, as well as in our builder channel for new and renewal business, as we maintain higher retention rates and experienced premium rate increases. Our adjusted operating loss was \$9.8 million, a decrease of 52% compared to a loss of \$20.6 million in the prior year period, due primarily to lower adjusted operating expenses including a decrease in advertising costs, and an increase in revenue as noted above.

Insurance-as-a-Service

Our Insurance-as-a-Service segment, which through our carrier, Spinnaker, leverages our capital and insurance licenses to provide capacity to third party MGAs, creating diversified income through fees, underwriting profits, and investment income. For the three months ended **March 31, 2024** June 30, 2024, Total Generated Premium was **\$130.0 million** \$186.3 million, an increase of **25% 23%** from **\$104.0 million** \$151.7 million over the prior year quarter, while revenue was **\$20.4 million** \$24.4 million, an increase of **58% 51%** from **\$12.9 million** \$16.2 million over the prior year quarter. The growth was driven primarily by the increase in performance of existing programs. Adjusted operating income was **\$4.7 million** \$5.7 million, an increase of **47% 21%** compared to income of **\$3.2 million** \$4.7 million in the prior year quarter, due primarily to the increase in revenue mentioned above, partially offset by an increase in insurance related expenses and loss and loss adjustment expenses due to the growth of the book of business.

For the six months ended June 30, 2024, Total Generated Premium was \$316.3 million, an increase of 24% from \$255.7 million over the prior year period, while revenue was \$44.8 million, an increase of 53% from \$29.2 million over the prior year period. The growth was driven primarily by the increase in performance of existing programs. Adjusted operating income was \$10.4 million, an increase of 32% compared to income of \$7.9 million in the prior year quarter, due primarily to the increase in revenue mentioned above, partially offset by an increase in insurance related expenses and loss and loss adjustment expenses due to the growth of the book of business.

Hippo Home Insurance Program

For the three months ended **March 31, 2024** June 30, 2024, our Hippo Homeowners Insurance Program had Total Generated Premium of **\$65.5 million** \$74.1 million, a decrease of **29% 27%** from **\$92.2 million** \$102.2 million over the prior year quarter, while revenue was **\$55.1 million** \$56.2 million, an increase of **185% 149%** from **\$19.3 million** \$22.6 million over the prior year quarter. The increase in revenue was due primarily to higher net earned premium, partially offset by a decrease in commission income, net, reflecting changes in our 2023 and 2024 reinsurance treaties, resulting in higher premium retention, and achieving planned premium rate increases. The increase in revenue from net earned premiums was partially offset by the cost of XOL premiums for our catastrophic coverage which results in an increase in ceded earned premium and lower net earned premium. We

purchased XOL to cover events in excess of per occurrence limits based on the expected growth in exposure during the year, which results in an increase in ceded earned premium and lower net earned premium.

For the three months ended March 31, 2024 June 30, 2024 and 2023, \$7.1 \$7.9 million and \$7.4 \$8.5 million, respectively, was offset against earned premium for XOL. Adjusted operating loss was \$20.2 million \$26.0 million in the quarter, a decrease of 54% 68% compared to a loss of \$44.3 million \$82.2 million in the prior year quarter. The decrease in adjusted operating loss was due primarily to the increase in revenue noted above and an improvement in our net loss ratio due to improved terms on our reinsurance treaties and a lower impact of PCS events. This was partially offset by an increase in insurance related expenses due to higher premium retention.

For the six months ended June 30, 2024, our Hippo Homeowners Insurance Program had Total Generated Premium of \$139.6 million, a decrease of 28% from \$194.4 million over the prior year period, while revenue was \$111.3 million, an increase of 164% from \$42.1 million over the prior year quarter. The increase in revenue was due primarily to higher net earned premium, partially offset by a decrease in commission income, net, reflecting changes in our 2023 and 2024 reinsurance treaties, resulting in higher premium retention, and achieving planned premium rate increases. We purchased XOL to cover events in excess of per occurrence limits based on the expected growth in exposure during the year which results in an increase in ceded earned premium and lower net earned premium. For the six months ended June 30, 2024 and 2023, \$15.0 million and \$15.9 million, respectively, was offset against earned premium for XOL. Adjusted operating loss was \$46.2 million in the quarter, a decrease of 63% compared to a loss of \$126.2 million in the prior year quarter. The decrease in adjusted operating loss was due primarily to the increase in revenue noted above, a decrease in sales and marketing expenses, including a reduction in headcount and decrease in sales commissions, as well as an improvement in our net loss ratio due to improved terms on our reinsurance treaties and a lower impact of PCS catastrophic weather and other weather loss experience and our loss participation features, which events. This was partially offset by an increase in losses insurance related expenses due to the higher premium retention as noted above.

Based in part on the second quarter of FY 2023 impact of PCS cat losses of \$109.9 million on a gross basis and \$50.9 million on a net basis, we began taking actions to reduce our future exposure to wind and hail, with the goal of reducing the volatility of our financial results. Our aim is to materially reduce our exposure to the hail and storm risks which have caused a disproportionate portion of our losses to date. We have temporarily put on hold the underwriting of new premiums nationwide for our HO3 product as we re-examine our risk appetite in light of observed changes in weather and climate activity. For renewals, we are implementing actions that include increasing deductibles for wind and hail perils, selectively non-renewing policies in high-risk regions, and increasing the rates we charge for cat-exposed properties across our portfolio. We expect these actions will result in Total Generated Premium declines in 2024.

In addition, we have taken steps to reduce our Hippo Home Insurance Program's dependence on the reinsurance market and the costs associated with not retaining the risk we underwrite on our own balance sheet, including the catastrophe bonds noted in our reinsurance disclosures above.

Hippo Home Insurance Program Gross Loss Ratio

Hippo Home Insurance Program Gross Loss Ratio ("HPGLR") is a key performance indicator that represents our underwriting operational performance for the entire Total Generated Premium underwritten by Hippo as part of the Hippo Home Insurance Program. This ratio includes losses and premiums written and placed on Spinnaker (our carrier) as well as other carriers for Hippo policies (policies underwritten by the Hippo MGA). For the periods presented, changes in this ratio also impact our ceding commission revenue and loss participation features in our reinsurance treaties, which is included in loss and loss adjustment expense on our condensed consolidated statements of operations and comprehensive loss. This ratio is also used by our reinsurers and other carriers to make business decisions relating to the capacity of reinsurance and amount of ceding commission that would be available to Hippo. The lower the ratio, the better the economics for Hippo.

		Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,				
		2024	2024	2024	2024	2023	2023	2024	2023	
		Hippo Home Insurance Program				Hippo Home Insurance Program				
		Hippo Home Insurance Program								
		Hippo Home Insurance Program								
	Non-PCS									
PCS										
PCS										
PCS										
PCS losses	24	%		120	%		23	%		
Non-PCS losses	60	%		58	%		59	%		
HPGLR	HPGLR	84	%		178	%		82	%	
HPGLR	HPGLR									

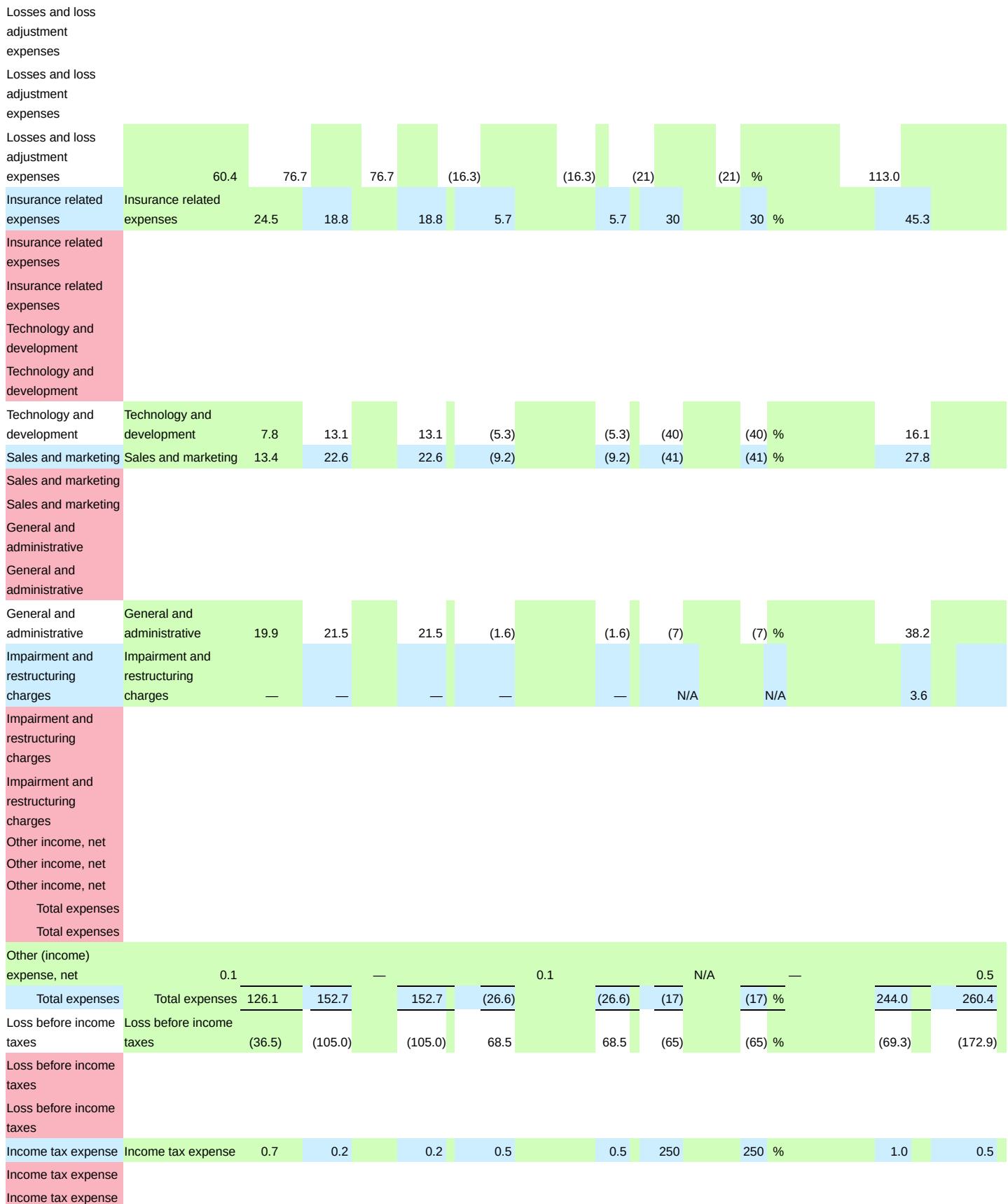
For the three months ended March 31, 2024 June 30, 2024, HPGLR was 80% compared 84% net of a prior year favorable development of 15 percentage points relating to 101% in the PCS events and 178% net of a prior year favorable development of 5 percentage points relating to Non-PCS events and 2 percentage points relating to PCS events. The decrease for the three-month period reflected the benefits of the pricing and underwriting actions we have taken as well as and a lower number impact from PCS events. We expect continued improvement as these actions have more time to impact our financial results.

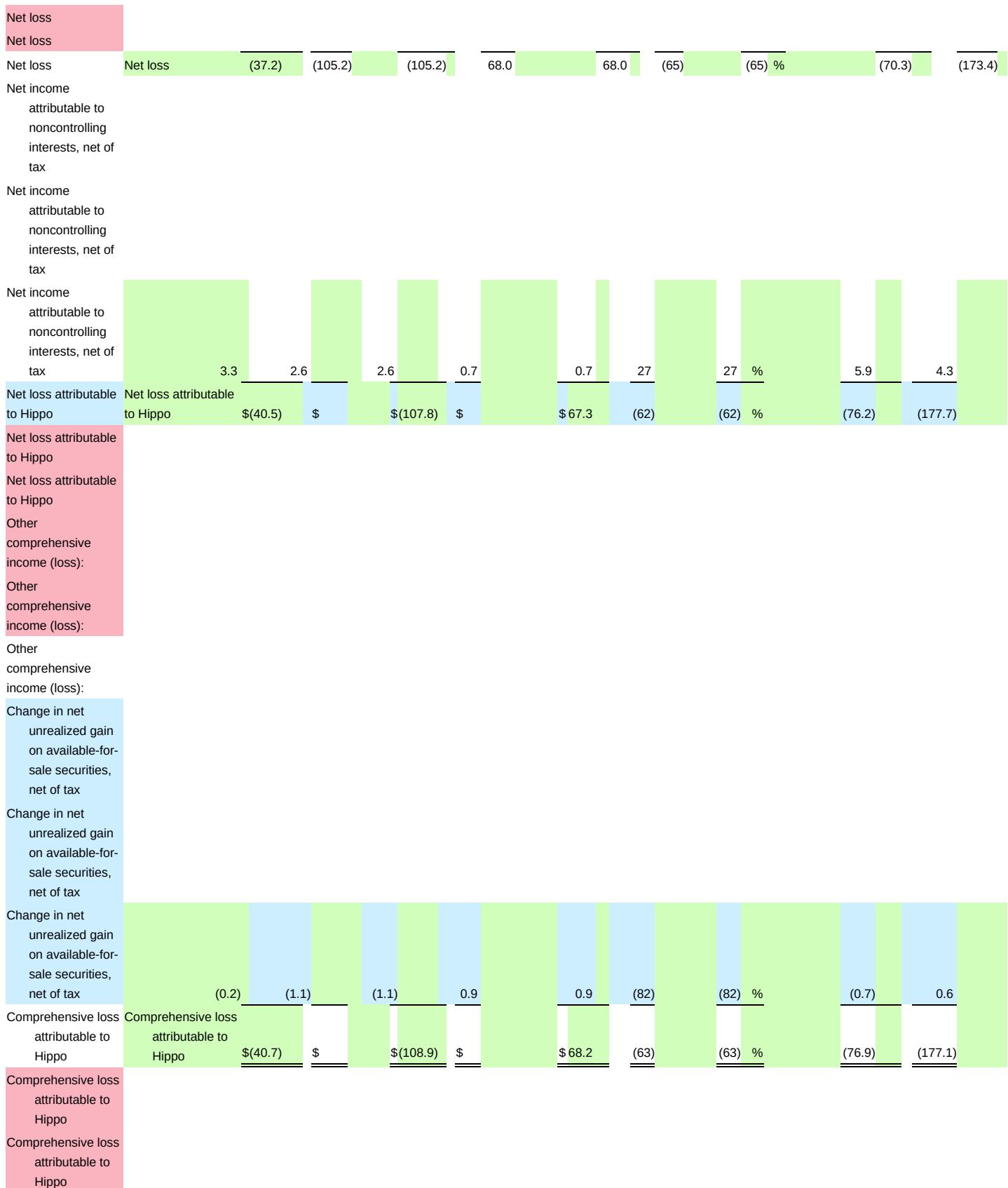
For the six months ended June 30, 2024, HPGLR was 82% net of **catastrophes** in a prior year favorable development of 7 percentage points relating to PCS events and 140% net of a prior year favorable development of 2 percentage points relating to Non-PCS events and 1 percentage points relating to PCS events. The decrease reflected the **first quarter** benefits of the **current year** compared pricing and underwriting actions we have taken and a lower impact from PCS events. We expect continued improvement as these actions have more time to **the prior year** impact our financial results.

Results of Operations

The following table sets forth our **condensed** consolidated results of operations data for the periods presented (in millions, except percent data):

	Three Months Ended									
	Three Months Ended									
	March 31,									
	June 30,									
	June 30,									
	June 30,									
	2024	2023	Change			% Change			2024	2023
	2024	2023							2024	2023
Revenue:										
Revenue:										
Revenue:										
Net earned premium										
Net earned premium										
Net earned premium	\$ 64.4	\$ 22.3	\$ 42.1	189	189	%	\$ 124.9	\$ 30.1	\$ 94.8	\$ 30.1
Commission income, net	Commission income, net	16.1	16.2	16.2	(0.1)	(0.1)	(1)	(1)	32.0	30.1
Commission income, net										
Commission income, net										
Service and fee income										
Service and fee income										
Service and fee income	Service and fee income	3.0	3.8	3.8	(0.8)	(0.8)	(21)	(21)	5.8	5.8
Net investment income	Net investment income	6.1	5.4	5.4	0.7	0.7	13	13	12.0	12.0
Net investment income										
Net investment income										
Total revenue	Total revenue	89.6	47.7	47.7	41.9	41.9	88	88	174.7	174.7
Total revenue										
Total revenue										
Expenses:										
Expenses:										
Expenses:										





Comparison of the Three and Six Months Ended **March 31, 2024** June 30, 2024 and 2023

Net Earned Premium

For the three months ended **March 31, 2024** June 30, 2024, net earned premium was **\$60.5 million** **\$64.4 million**, an increase of **\$46.7 million** **\$42.1 million** compared to **\$13.8 million** **\$22.3 million** for the three months ended **March 31, 2023** June 30, 2023. This increase was due primarily to increases in gross earned premium due to year-over-year growth of our total book of business and higher retention of earned premium due to our 2023 and 2024 reinsurance treaties, partially offset by an increased cost of XOL premiums for our catastrophic coverage which results in an increase in ceded earned premium and lower net earned premium. We purchased XOL to cover events in excess of per occurrence limits based on the expected growth in exposure during the year. For the three months ended **March 31, 2024** June 30, 2024 and 2023, **\$13.5 million** **\$15.4 million** and **\$11.7 million** **\$13.9 million**, respectively, was offset against earned premium for XOL.

For the six months ended June 30, 2024, net earned premium was **\$124.9 million**, an increase of **\$88.8 million** compared to **\$36.1 million** for the six months ended June 30, 2023. This increase was due primarily to increases in gross earned premium due to year-over-year growth of our total book of business and higher retention of earned premium due to our 2023 and 2024 reinsurance treaties, partially offset by an increased cost of XOL premiums for our catastrophic coverage which results in an increase in ceded earned premium and lower net earned premium. We purchased XOL to cover events in excess of per occurrence limits based on the expected growth in exposure during the year. For the six months ended June 30, 2024 and 2023, **\$28.9 million** and **\$25.6 million**, respectively, was offset against earned premium for XOL.

The following table presents gross written premium, ceded written premium, net written premium, change in unearned premium, and net earned premium for the three and six months ended **March 31, 2024** June 30, 2024 and 2023 (in millions).

	Three Months Ended		Three Months Ended		Three Months Ended		
	March 31,	March 31,	March 31,	June 30,	June 30,	June 30,	
	2024	2024	2024	2023	Change	2023	Change
Gross written premium							
Gross written premium							
Gross written premium							
Ceded written premium							
Ceded written premium							
Ceded written premium							
Net written premium							
Net written premium							
Net written premium							
Change in unearned premium							
Change in unearned premium							
Change in unearned premium							
Net earned premium							
Net earned premium							
Net earned premium							

Commission Income, Net

For the three months ended **March 31, 2024** June 30, 2024, commission income was **\$15.9 million** **\$16.1 million**, a decrease of **\$1.5 million** **\$0.1 million**, or **9% 1%**, compared to **\$17.4 million** **\$16.2 million** for the three months ended **March 31, 2023** June 30, 2023. The decrease was due primarily to a decrease in ceding commissions of **\$6.6 million** **\$4.0 million** due to higher premium retention, which decreases ceding commissions and increases net earned premium. This decrease was partially offset by an increase in agency commissions of **\$3.5 million** **\$2.5 million** and carrier fronting fees of **\$1.7 million** **\$1.0 million**, both of which grew due to the year-over-year growth of our total book of business.

For the six months ended June 30, 2024, commission income was **\$32.0 million**, a decrease of **\$1.6 million**, or **5%**, compared to **\$33.6 million** for the six months ended June 30, 2023. The decrease was due primarily to a decrease in ceding commissions of **\$10.6 million** due to higher premium retention, which decreases ceding commissions and increases net earned premium. This decrease was partially offset by an increase in agency commissions of **\$6.1 million** and carrier fronting fees of **\$2.7 million**, both of which grew due to the year-over-year growth of our total book of business.

Service and Fee Income

For the three months ended **March 31, 2024** June 30, 2024, service and fee income was **\$2.8 million** \$3.0 million, a decrease of **\$0.4 million** \$0.8 million, or **13% 21%**, compared to **\$3.2 million** \$3.8 million for the three months ended **March 31, 2023** June 30, 2023. The decrease was due primarily to a decrease in non-inspection policy fees and fee sharing arrangements.

For the six months ended June 30, 2024, service and fee income was \$5.8 million, a decrease of \$1.2 million, or 16%, compared to \$7.0 million for the six months ended June 30, 2023. The decrease was due primarily to a decrease in policy fees and fee sharing arrangements.

Net Investment Income

For the three months ended **March 31, 2024** June 30, 2024, net investment income was **\$5.9 million** \$6.1 million, an increase of **\$0.5 million** \$0.7 million, compared to \$5.4 million for the three months ended **March 31, 2023** June 30, 2023. The increase was due primarily to an increase in yields and diversification. We are mainly invested in money market accounts, securities issued by the U.S. government and agencies, high-grade corporate securities, residential and commercial mortgage-backed securities, and other governmental related securities.

For the six months ended June 30, 2024, net investment income was \$12.0 million, an increase of \$1.2 million, compared to \$10.8 million for the six months ended June 30, 2023. The increase was due primarily to an increase in yields and diversification. We are mainly invested in money market accounts, securities issued by the U.S. government and agencies, high-grade corporate securities, residential and commercial mortgage-backed securities, and other governmental related securities.

Loss and Loss Adjustment Expenses

For the three months ended **March 31, 2024** June 30, 2024, loss and loss adjustment expenses were **\$52.6 million** \$60.4 million, an increase a decrease of **\$14.9 million** \$16.3 million, compared to **\$37.7 million** \$76.7 million for the three months ended **March 31, 2023** June 30, 2023. The increase decrease was due primarily to an improvement in our net loss ratio due to improved terms on our reinsurance treaties and a lower impact of PCS events, which is partially offset by an increase in losses due to higher premium retention rates and the growth of our book of business.

This For the six months ended June 30, 2024, loss and loss adjustment expenses were \$113.0 million, a decrease of \$1.4 million, compared to \$114.4 million for the six months ended June 30, 2023. The decrease was partially offset by due primarily to an improvement in our net loss ratio due to improved terms on our reinsurance treaties and a lower number impact of catastrophes PCS events, which is partially offset by an increase in losses due to higher premium retention rates and the first quarter growth of the current year compared to the prior year our book of business.

Insurance Related Expenses

For the three months ended **March 31, 2024** June 30, 2024, insurance related expenses were **\$20.8 million** \$24.5 million, an increase of **\$5.0 million** \$5.7 million, or **32% 30%**, compared to **\$15.8 million** \$18.8 million for the three months ended **March 31, 2023** June 30, 2023. The increase was due primarily to an increase in amortization of deferred direct acquisition costs of **\$5.5 million** \$5.7 million due to higher premium retention rates and the growth of our book of business. This was partially offset by a decrease in underwriting costs.

For the six months ended June 30, 2024, insurance related expenses were \$45.3 million, an increase of \$10.8 million, or 31%, compared to \$34.5 million for the six months ended June 30, 2023. The increase was due primarily to an increase in amortization of deferred direct acquisition costs of \$11.2 million due to higher premium retention rates and the growth of our book of business. This was partially offset by a decrease in underwriting costs.

The primary components of insurance related expenses are listed below (in millions):

	Three Months Ended	Three Months Ended	Three Months Ended
	March 31,	March 31,	March 31,
	June 30,	June 30,	June 30,
Amortization of deferred direct acquisition costs, net			
Amortization of deferred direct acquisition costs, net			
Amortization of deferred direct acquisition costs, net			
Employee-related costs			
Employee-related costs			
Employee-related costs			
Underwriting costs			
Underwriting costs			
Underwriting costs			
Amortization of capitalized internal use software			

Amortization of capitalized internal use software
Amortization of capitalized internal use software
Other
Other
Other
Total
Total
Total

Direct acquisition costs were \$24.2 million and \$20.7 million and \$44.9 million for the three and six months ended March 31, 2024 June 30, 2024, of which \$12.7 million and \$20.8 million were offset by ceding commission income.

Direct acquisition costs were \$16.3 million and \$19.7 million and \$36.0 million for the three and six months ended March 31, 2023 June 30, 2023, of which \$10.3 million and \$23.1 million were offset by ceding commission income.

Technology and Development Expenses

For the three months ended March 31, 2024 June 30, 2024, technology and development expenses were \$8.3 million \$7.8 million, a decrease of \$3.3 million \$5.3 million, or 28% 40%, compared to \$11.6 million \$13.1 million for the three months ended March 31, 2023 June 30, 2023. The decrease was due primarily to a decrease in employee-related costs of \$3.4 million \$5.3 million, including a decrease in stock-based compensation of \$1.7 million \$2.0 million, driven by a decrease in headcount.

For the six months ended June 30, 2024, technology and development expenses were \$16.1 million, a decrease of \$8.6 million, or 35%, compared to \$24.7 million for the six months ended June 30, 2023. The decrease was partially offset due primarily to a decrease in employee-related costs of \$8.7 million, including a decrease in stock-based compensation of \$3.7 million, driven by a decrease in capitalized internal use software costs of \$1.0 million, headcount.

Sales and Marketing Expenses

For the three months ended March 31, 2024 June 30, 2024, sales and marketing expenses were \$14.4 million \$13.4 million, a decrease of \$8.0 million \$9.2 million, or 36% 41%, compared to \$22.4 million \$22.6 million for the three months ended March 31, 2023 June 30, 2023. The decrease was due primarily to a decrease in advertising costs of \$3.0 million \$2.4 million and a decrease in employee-related costs of \$3.8 million \$2.0 million, including a decrease in stock-based compensation of \$0.9 million due to a decrease in headcount. The decrease was also due to the change in fair value of contingent consideration of \$2.5 million and decrease in commission expense of \$0.8 million.

For the six months ended June 30, 2024, sales and marketing expenses were \$27.8 million, a decrease of \$17.2 million, or 38%, compared to \$45.0 million for the six months ended June 30, 2023. The decrease was due primarily to a decrease in advertising costs of \$5.4 million and a decrease in employee-related costs of \$5.8 million, including a decrease stock-based compensation of \$2.4 million \$3.3 million due to a decrease in headcount. The decrease was also due to the change in fair value of contingent consideration of \$1.7 million and decrease in commission expense of \$1.3 million.

General and Administrative Expenses

For the three months ended March 31, 2024 June 30, 2024, general and administrative expenses were \$18.3 million \$19.9 million, a decrease of \$1.5 million \$1.6 million, or 8% 7%, compared to \$19.8 million \$21.5 million for the three months ended March 31, 2023 June 30, 2023. The decrease was due primarily to a decrease in stock-based compensation of \$2.5 million which \$2.3 million and a decrease in corporate insurance costs of \$0.8 million. This was partially offset by an increase in legal costs of \$1.1 million \$1.8 million.

For the six months ended June 30, 2024, general and administrative expenses were \$38.2 million, a decrease of \$3.1 million, or 8%, compared to \$41.3 million for the six months ended June 30, 2023. The increase was due primarily to a decrease in stock-based compensation of \$4.8 million, partially driven by a charge due to the repricing of options during the first half of 2023, and a decrease in corporate insurance of \$1.6 million. This was partially offset by an increase in legal costs of \$2.9 million.

Impairment and Restructuring Charges

For the three months ended March 31, 2024 June 30, 2024 and 2023, there were no impairment or restructuring charges.

For the six months ended June 30, 2024, impairment and restructuring charges were \$3.6 million which is primarily related to the impairment of a lease right-of-use asset due to abandonment of leased office space.

There were no impairment and restructuring charges for the six months ended June 30, 2023.

Other (Income) Expense, net

For the three months ended March 31, 2024 June 30, 2024, other income, expense, net was \$0.1 million compared to \$0.0 million for the three months ended June 30, 2023.

For the six months ended June 30, 2024, other expense, net was \$0.0 million compared to an expense of \$0.3 million \$0.5 million for the three six months ended March 31, 2023 June 30, 2023. The decrease in other income, expense, net was due primarily to changes a decrease in the fair market value on the outstanding public and private placement warrants and our share of losses from equity method investees.

Income Taxes

For the three months ended March 31, 2024 June 30, 2024, income tax expense was \$0.2 million \$0.7 million, an increase of \$0.1 million \$0.5 million compared to an expense of \$0.3 million \$0.2 million for the three months ended March 31, 2023 June 30, 2023.

For the six months ended June 30, 2024, income tax expense was \$1.0 million, an increase of \$0.5 million compared to \$0.5 million for the six months ended June 30, 2023.

Net Loss Attributable to Hippo

Net loss attributable to Hippo is calculated in accordance with GAAP as total revenue less total expenses and taxes and net of net income attributable to noncontrolling interest, net of tax.

For the three months ended **March 31, 2024** June 30, 2024, net loss attributable to Hippo was **\$35.7 million** \$40.5 million, a decrease of **\$34.1 million** \$67.3 million compared to **\$69.8 million** \$107.8 million for the three months ended **March 31, 2023** June 30, 2023 due to the factors described above.

For the six months ended June 30, 2024, net loss attributable to Hippo was \$76.2 million, a decrease of \$101.5 million compared to \$177.7 million for the six months ended June 30, 2023 due to the factors described above.

Liquidity and Capital Resources

Sources of Liquidity

Our existing sources of liquidity include cash and cash equivalents and marketable securities. As of **March 31, 2024** June 30, 2024, we had **\$223.4 million** \$220.2 million of cash, **\$39.9 million** \$44.3 million of restricted cash, and **\$287.4 million** \$315.5 million of available-for-sale fixed income securities and short-term investments.

In addition, we are a member of the Federal Home Loan Bank (FHLB) of New York, which provides secured borrowing capacity. Our borrowing capacity as of **March 31, 2024** June 30, 2024, is **\$11.9 million** \$11.3 million, and there were no outstanding amounts under this agreement.

To date, we have funded operations primarily with issuances of convertible preferred stock, convertible promissory notes, and from net proceeds from a private placement transaction in connection with the Business Combination, the Business Combination, and revenue. Until we can generate sufficient revenue and other income to

cover operating expenses, working capital and capital expenditures, we expect the funds raised as discussed above to fund our cash needs. Our capital requirements depend on many factors, including the volume of issuances of insurance policies, the timing and extent of spending to support research and development efforts, investments in information technology systems, and the expansion of sales and marketing activities. In the future, we may raise additional funds through the issuance of debt or equity securities or through borrowing. We cannot assure that such funds will be on favorable terms, or available at all.

Cash Flow Summary

The following table summarizes our cash flows for the periods presented (in millions):

	Three Months Ended			Six Months Ended		
	March 31,	March 31,	March 31,	June 30,	June 30,	June 30,
2024				2024		
2023				2023		
Change				Change		

Net cash provided by (used in):

Operating activities						
Operating activities						
Operating activities						
Investing activities						
Financing activities						

Operating Activities

Cash used in operating activities represents payments for our operations including, payroll, loss and loss adjusted expenses and marketing activities. Cash provided by operating activities was **\$17.7 million** \$7.1 million for the **three** six months ended **March 31, 2024** June 30, 2024, a decrease an increase of **\$53.4 million** \$52.1 million, from cash used in operating activities of **\$35.7 million** \$45.0 million for the **three** six months ended **March 31, 2023** June 30, 2023. Our cash used in operations The increase was lower than last year due primarily to an increase in revenues as well as working capital changes that benefited cash including a decrease in prepaid reinsurance premiums due to higher premium retention. This was partially offset by an increase in retention and improved terms on our loss and loss adjustment expenses. reinsurance treaties.

Investing Activities

Cash provided by investing activities was **\$58.5 million** \$30.4 million for the **three** six months ended **March 31, 2024** June 30, 2024, due primarily to the maturities of investment securities, partially offset by purchases of investment securities.

Cash provided by investing activities was **\$13.8 million** \$48.8 million for the **three** six months ended **March 31, 2023** June 30, 2023, due primarily to purchases the maturities and sales of investment securities, partially offset by maturities and sales purchases of investment securities, securities and an office building.

Financing Activities

Cash used in financing activities was **\$8.0 million** **\$12.4 million** for the **three** **six** months ended **March 31, 2024** **June 30, 2024**, primarily driven by distributions to noncontrolling interests and change in fiduciary liabilities, and taxes paid related to net share settlement of RSUs, partially offset by proceeds from common stock issuances.

Cash used in financing activities was **\$1.9 million** **\$9.9 million** for the **three** **six** months ended **March 31, 2023** **June 30, 2023**, primarily driven by distributions to noncontrolling interests, repurchases of shares, and taxes paid related to net share settlement of RSUs, and distributions to noncontrolling interests, partially offset by proceeds from common stock issuances.

Material Cash Requirements

Our material cash requirements from known contractual and other obligations primarily relate to purchase commitments, lease payments, and unpaid loss and loss adjustment expense. There have been no material changes to our contractual obligations from those described in the Annual Report on Form 10-K for the year ended December 31, 2023, other than an increase in Unpaid Loss and Loss Adjustment Expense. The estimation of the unpaid losses and loss adjustment expenses is based on various complex and subjective judgments. Actual losses paid may differ, perhaps significantly, from the reserve estimates reflected in our condensed consolidated financial statements.

Similarly, the timing of payment of our estimated losses is not fixed and there may be significant changes in actual payment activity. The assumptions used in estimating the likely payments due by period are based on our historical claims payment experience and industry payment patterns, but due to the inherent uncertainty in the process of estimating the timing of such payments, there is a risk that the amounts paid can be significantly different from the amounts disclosed.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of our financial statements requires us to make estimates and judgments that affect the reported amounts in our condensed consolidated financial statements. We evaluate our estimates on an on-going basis, including those related to our revenue, loss and loss adjustment expense reserve, recoverability of our net deferred tax asset, and intangible assets. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Although actual results have historically been reasonably consistent with management's expectations, the actual results may differ from these estimates, or our estimates may be affected by different assumptions or conditions.

Recent Accounting Pronouncements

The information set forth under Note 1 to the condensed consolidated financial statements under the caption "Description of Business and Summary of Significant Accounting Policies" is incorporated herein by reference.

Emerging Growth Company Status

We currently qualify as an "emerging growth company" under the JOBS Act. Accordingly, we are provided the option to adopt new or revised accounting guidance either (1) within the same periods as those otherwise applicable to non-emerging growth companies or (2) within the same time periods as private companies.

We have elected to adopt new or revised accounting guidance within the same time period as private companies, unless management determines that it is preferable to take advantage of early adoption provisions offered within the applicable guidance. Our utilization of these transition periods may make it difficult to compare our financial statements to those of non-emerging growth companies and other emerging growth companies that have opted out of the transition periods afforded under the JOBS Act.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks related to interest rate changes and the corresponding changes in the market values of our investments.

Interest Rate Risk

Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest rates. We are primarily exposed to market risk through our fixed maturities, short-term investments, and cash and cash equivalents. We invest our excess cash primarily in money market accounts, corporate and foreign securities, residential and commercial mortgage-backed securities, and other governmental related securities. Our current investment strategy seeks first to preserve principal, second to provide liquidity for our operating and capital needs, and third to maximize yield without putting principal at risk. We do not enter into investments for trading or speculative purposes. Our investments are exposed to market risk due to the fluctuation of prevailing interest rates that may reduce the yield on our investments or their fair value. Management does not expect our results of operations or cash flows to be materially affected by a sudden change in market interest rates.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and our chief financial officer, has concluded, based upon its evaluation as of the end of the period covered by this report, that the Company's "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), are effective in providing reasonable assurance that information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosures.

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting that occurred during the most recently completed fiscal quarter covered by this Quarterly Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

The information set forth under Note 12 Commitments and Contingencies in the notes to the condensed consolidated financial statements under the caption "Legal Proceedings" is incorporated herein by reference.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors previously disclosed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, except for the following risk factor which supplements the risk factors referenced above.

We are subject to extensive insurance industry regulations.

Currently, Spinnaker is licensed to write limited lines of business in 50 states and the District of Columbia, and Hippo Analytics Inc. is licensed as an insurance agency in 50 states and the District of Columbia.

Each U.S. state regulator retains the authority to license insurance producers and insurance companies in their states, and a producer or company generally may not operate in a state in which it is not licensed. Accordingly, we are not permitted to sell or underwrite insurance to residents of the remaining states and territories of the United States for lines or products for which we are not authorized, which is likely to put us at a disadvantage among many of our competitors that have been in business much longer than us and are licensed to sell their insurance products in most, if not all, U.S. jurisdictions.

Additionally, RHS is domiciled in the Cayman Islands, and as such noncompliance with applicable Cayman regulations may subject us to regulatory action or private litigation. Further, applicable laws, regulations, and administrative practices in the Cayman Islands may be subject to significant change, with or without notice, due to economic, political, and other conditions.

We are subject to extensive regulation and supervision in the states in which we transact business by the individual state insurance departments. This regulation is generally designed to protect the interests of consumers, and not necessarily the interests of insurers or producers, their shareholders, or other investors. Numerous aspects of our insurance business are subject to regulation, including, but not limited to, premium rates, mandatory covered risks, limitations on the ability to non-renew or to cancel or elect not to renew business, prohibited exclusions, licensing and appointment of agents, restrictions on the size of risks that may be insured under a single policy, reserves and provisions for unearned premiums, losses and other obligations, deposits of securities for the benefit of customers, investments and capital, policy forms and coverages, advertising and other conduct, including restrictions on the use of credit information and other factors in underwriting, as well as other production, underwriting and claims practices. To the extent we decide to expand our current product offerings to include other insurance products, this would subject us to additional regulatory requirements and scrutiny in each state in which we elect to offer such products. States have also adopted legislation defining and prohibiting unfair methods of competition and unfair or deceptive acts and practices in the business of insurance. Prohibited practices include, but are not limited to, misrepresentations, false advertising, coercion, disparaging other insurers, unfair claims settlement procedures, discrimination in the business of insurance, and offering illegal inducements in connection with insurance sales. Noncompliance with any of such state statutes may subject us to regulatory action by the relevant state insurance regulator, and, in certain states, private litigation. States also regulate various aspects of the contractual relationships between insurers and licensed agents and brokers.

Such laws, rules, and regulations are usually overseen and enforced by the various state insurance departments, as well as through private rights of action and by state attorneys general. Such regulations or enforcement actions are often responsive to current consumer and political sensitivities, such as homeowners' insurance rates and coverage forms, which may arise after a major event. Such rules and regulations may result in rate suppression, limit our ability to manage our exposure to unprofitable or volatile risks, or lead to fines, premium refunds, or other adverse consequences. The federal government also may regulate aspects of our businesses, such as the protection of consumer confidential information or the use of consumer insurance (credit) scores to underwrite and assess the risk of customers under the Fair Credit Reporting Act ("FCRA"). Among other things, the FCRA requires insurance companies to have a permissible purpose before obtaining and using a consumer report for underwriting purposes, as well as comply with related notice and recordkeeping requirements. Failure to comply with federal requirements under the FCRA or any other applicable federal laws would subject us to regulatory fines and other sanctions. In addition, given our short operating history to-date and rapid speed of growth, we are particularly vulnerable to regulators identifying errors in the policy forms we use, the rates we charge, and our customer communications, including but not limited to cancellations, non-renewals, and reinstatements. For example, in March 2024 we received inquiries from the California Department of Insurance ("CDI") related to the complaints they received from consumers specifically as regards the compliance with California law of the non-renewal of those homeowners' policies. **As a result Although Hippo was able to resolve the California complaints and corresponding concerns of any such noncompliance, regulators the CDI, if additional or future compliance issues arise, the CDI could impose fines rebates, as well as require remediation, refunds, or other penalties, including which could be substantial. Regulatory actions or related civil actions by consumers could have a material financial impact on Hippo or its subsidiaries. Regulators also have the ability to issue cease-and-desist orders for an individual state, or all states, until the identified noncompliance is rectified, and take other civil actions to address compliance.**

Our ability to retain state licenses depends on our ability to meet licensing requirements enacted or promulgated in each state (sometimes based on model laws and regulations developed by the NAIC), subject to significant variations across states. If we are unable to satisfy the applicable licensing requirements of any particular state, we could lose our license to do business in such state, which would result in the temporary or permanent cessation of our operations in that state. Alternatively, if we are unable to satisfy applicable state licensing requirements, we may be subject to additional regulatory oversight, have our license suspended, face monetary penalties, or be subject to seizure of assets. Any such events could adversely affect our business, results of operations or financial condition.

In addition, as a condition to writing business in certain states, insurance companies are often required to participate in various pools or risk sharing mechanisms or to accept certain classes of risk, regardless of whether such risks meet their underwriting requirements for voluntary business. Some states also limit or impose restrictions on the ability of an insurer to withdraw from certain classes of business. Certain states impose significant restrictions on a company's ability to materially reduce its exposures, non-renew, or to withdraw from certain lines of business. State insurance departments can impose significant charges on an insurer in connection with a market withdrawal or refuse to approve withdrawal plans including on the grounds that they could lead to market disruption. Laws and regulations that limit cancellation and non-renewal of policies or that subject withdrawal plans to prior approval requirements may significantly restrict our ability to terminate unprofitable **risks policies** or to exit unprofitable markets. Such actions and related regulatory restrictions may limit our ability to reduce our potential exposure including, but not limited to, catastrophe events such as hurricane-related losses.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Company Purchases of Equity Securities

The following table provides information with respect to purchases of our common stock by the Company or any "affiliated purchaser" as defined in Rule 10b-18(a)(3) under the Exchange Act, during the three months ended **March 31, 2024** **June 30, 2024**.

Period	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid per Share ⁽²⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
(in millions, except share and per share data)				
January April 1 through January 31, 2024 April 30, 2024	—	\$ —	—	—
February May 1 through February 29, 2024 May 31, 2024	—	\$ —	—	—
March June 1 through March 31, 2024 June 30, 2024	—	\$ —	—	—
Total	—	—	—	\$ 48.2

(1) In March 2023, the Company's Board of Directors authorized a share repurchase program to purchase up to \$50.0 million of the Company's common stock, with no expiration date. Repurchases under the program may be made in the open market, in privately negotiated transactions or otherwise, with the amount and timing of repurchases to be determined at the Company's discretion depending on market conditions and corporate needs. This program does not obligate the Company to acquire any particular amount of its common stock, and may be modified, suspended or terminated at any time at the Company's discretion.

(2) Includes direct costs incurred to acquire the shares.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Rule 10b5-1 Trading Arrangements

From time to time, our officers (as defined in Rule 16a-1(f)) and directors may enter into Rule 10b5-1 or non-Rule 10b5-1 trading arrangements (as each such term is defined in Item 408 of Regulation S-K). During the three months ended **March 31, 2024** **June 30, 2024**, our officers and directors took the following actions with respect to trading arrangements that are intended to satisfy the affirmative defense conditions of Rule 10b5-1(c):

Name and Position	Action	Date	Trading Arrangement		Total Shares to be Sold	Expiration Date
			Rule 10b5-01	Non- Rule 10b5-01		
Richard McCathron Anirudh Badia (Chief Executive Accounting Officer)	Adopt	3/8/6/14/2024	X	—	29,997 84,969	3/6/2025
Michael Stienstra (GM & Chief Insurance Officer, HHIP)	Adopt	3/21/2024	X	—	42,792	3/1/2025
Assaf Wand (Executive Chairman)	Adopt	3/7/11/2024	X	—	147,000	6/10/2025

ITEM 6. EXHIBITS

Exhibit Number	Description
31.1	Certification of Chief Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
31.2	Certification of Chief Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.*
32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.#
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.#
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*
Exhibit 104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

*

Filed herewith.

Exhibits 32.1 and 32.2 are being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of that section, nor shall such exhibits be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act or the Exchange Act, except as otherwise specifically stated in such filing.

#

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on **May 2, 2024** August 8, 2024.

HIPPO HOLDINGS INC.

By: /s/ Richard McCathron

Name: Richard McCathron

Title: Chief Executive Officer

By: /s/ Stewart Ellis

Name: Stewart Ellis

Title: Chief Financial Officer & Chief Strategy Officer

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EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Richard McCathron, certify that:

- I have reviewed this Quarterly Report on Form 10-Q of Hippo Holdings Inc.;
- 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;
- 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 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: **May 2, 2024** August 8, 2024

By: /s/ Richard McCathron

Richard McCathron
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULE 13A-14(A) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stewart Ellis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Hippo Holdings 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 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: **May 2, 2024** **August 8, 2024**

By: **/s/ Stewart Ellis**

Stewart Ellis

Chief Financial Officer & Chief Strategy Officer

Exhibit 32.1

**CERTIFICATION PURSUANT TO
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 Hippo Holdings Inc. (the "Company") on Form 10-Q for the quarter ended **March 31, 2024** **June 30, 2024**, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Richard McCathron, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: **May 2, 2024** **August 8, 2024**

/s/ Richard McCathron

Name: Richard McCathron

Title: Chief Executive Officer

Exhibit 32.2

**CERTIFICATION PURSUANT TO
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 Hippo Holdings Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2024 June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stewart Ellis, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

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

Date: May 2, 2024 August 8, 2024

/s/ Stewart Ellis

Name: Stewart Ellis
Title: Chief Financial Officer

& Chief Strategy Officer

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