UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE TRANSITION PERIOD FROM TO

Commission File Number:
001-12251

AMERISAFE, INC.
(Exact Name of Registrant as Specified in Its Charter)

Texas	**75-2069407**
(State of Incorporation)	**(I.R.S. Employer Identification Number)**
2301 Highway 190 West, DeRidder, Louisiana	**70634**
(Address of Principal Executive Offices)	**(Zip Code)**

Registrant's telephone number, including area code: (337) 463-9052

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	AMSF	NASDAQ

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

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

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

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

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

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

As of April 19, 2024, there were 19,135,008 shares of the Registrant's common stock, par value $0.01 per share, outstanding.

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FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and 21E of the Securities Exchange Act of 1934. You should not place undue reliance on these statements. These forward-looking statements include statements that reflect the current views of our senior management with respect to our financial performance and future events with respect to our business and the insurance industry in general. Statements that include the words “expect,” “intend,” “plan,” “believe,” “project,” “forecast,” “estimate,” “may,” “should,” “anticipate” and similar statements of a future or forward-looking nature identify forward-looking statements. Forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause our actual results to differ materially from those indicated in these statements. We believe that these factors include, but are not limited to, the following:

- the cyclical nature of the workers’ compensation insurance industry;
- increased competition on the basis of types of insurance offered, premium rates, coverage availability, payment terms, claims management, safety services, policy terms, overall financial strength, financial ratings and reputation;
- changes in relationships with independent agencies (including retail and wholesale brokers and agents);
- general economic conditions, including recession, inflation, performance of financial markets, interest rates, unemployment rates, fluctuating asset values and global health pandemics;
- developments in capital markets that adversely affect the performance of our investments;
- technology breaches or failures, including those resulting from a malicious cyber attack on the Company or its policyholders and service providers;
- decreased level of business activity of our policyholders caused by decreased business activity generally, and in particular in the industries we target;
- greater frequency or severity of claims and loss activity than our underwriting, reserving or investment practices anticipate based on historical experience or industry data;
- adverse developments in economic, competitive, judicial or regulatory conditions within the workers’ compensation insurance industry;
- loss of the services of any of our senior management or other key employees;
- changes in regulations, laws, rates, rating factors, or taxes applicable to the Company, its policyholders or the agencies that sell its insurance;
- changes in current accounting standards or new accounting standards;
- changes in legal theories of liability under our insurance policies;
- changes in rating agency policies, practices or ratings;
- changes in the availability, cost or quality of reinsurance and the failure of our reinsurers to pay claims in a timely manner or at all;
- the effects of U.S. involvement in hostilities with other countries and large-scale acts of terrorism, or the threat of hostilities or terrorist acts; and
- other risks and uncertainties described from time to time in the Company’s filings with the Securities and Exchange Commission (SEC).

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements in this report, and under the caption “Risk Factors” in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate.

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements.

AMERISAFE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	March 31, 2024 (unaudited)	December 31, 2023
Assets		
Investments:		
Fixed maturity securities—held-to-maturity, at amortized cost net of allowance for credit losses of $165 and $182 in 2024 and 2023, respectively, (fair value $461,681 and $473,092 in 2024 and 2023, respectively)	$ 475,322	$ 483,575
Fixed maturity securities—available-for-sale, at fair value (amortized cost $301,691, allowance for credit losses of $0 in 2024 and amortized cost $326,171, allowance for credit losses of $0 in 2023)	290,673	317,064
Equity securities, at fair value (cost $44,045 and $44,046 in 2024 and 2023, respectively)	61,923	57,147
Short-term investments	38,641	—
Total investments	866,559	857,786
Cash and cash equivalents	33,375	38,682
Amounts recoverable from reinsurers (net of allowance for credit losses of $309 and $360 in 2024 and 2023, respectively)	127,503	129,963
Premiums receivable (net of allowance for credit losses of $4,535 and $4,674 in 2024 and 2023, respectively)	143,987	132,861
Deferred income taxes	21,183	20,403
Accrued interest receivable	8,250	8,274
Property and equipment, net	6,767	6,349
Deferred policy acquisition costs	18,994	17,975
Federal income tax recoverable	—	1,781
Other assets	16,525	15,088
Total assets	$ 1,243,143	$ 1,229,162
Liabilities and shareholders' equity		
Liabilities:		
Reserves for loss and loss adjustment expenses	$ 668,059	$ 673,994
Unearned premiums	124,288	116,585
Amounts held for others	55,387	53,694
Policyholder deposits	34,311	34,522
Insurance-related assessments	15,624	16,896
Federal income tax payable	2,360	—
Accounts payable and other liabilities	39,875	41,020
Payable for investments purchased	2,145	—
Total liabilities	942,049	936,711
Shareholders' equity:		
Common stock: voting—$0.01 par value authorized shares—50,000,000 in 2024 and 2023; 20,704,448 shares issued in 2024 and 2023; and 19,135,008 shares outstanding in 2024 and 2023	207	207
Additional paid-in capital	222,443	222,078
Treasury stock, at cost (1,569,440 shares in 2024 and 2023)	(36,929)	(36,929)
Accumulated earnings	124,113	114,289
Accumulated other comprehensive loss, net	(8,740)	(7,194)
Total shareholders' equity	301,094	292,451
Total liabilities and shareholders' equity	$ 1,243,143	$ 1,229,162

See accompanying notes.

AMERISAFE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except share and per share data)
(unaudited)

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenues		
Gross premiums written	$ 80,074	$ 82,487
Ceded premiums written	(3,926)	(4,179)
Net premiums written	$ 76,148	$ 78,308
Net premiums earned	$ 68,446	$ 69,181
Net investment income	7,366	7,433
Net realized gains (losses) on investments	(222)	258
Net unrealized gains on equity securities	4,776	1,369
Fee and other income	123	197
Total revenues	80,489	78,438
Expenses		
Loss and loss adjustment expenses incurred	39,991	39,009
Underwriting and certain other operating costs	5,311	5,156
Commissions	5,882	5,803
Salaries and benefits	7,505	6,023
Policyholder dividends	1,072	931
Provision for investment related credit loss benefit	(17)	(19)
Total expenses	59,744	56,903
Income before income taxes	20,745	21,535
Income tax expense	3,820	4,196
Net income	$ 16,925	$ 17,339
Earnings per share		
Basic	$ 0.89	$ 0.91
Diluted	$ 0.88	$ 0.90
Shares used in computing earnings per share		
Basic	19,122,168	19,131,356
Diluted	19,211,282	19,235,411
Cash dividends declared per common share	$ 0.37	$ 0.34

See accompanying notes.

AMERISAFE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2024	**2023**
Net income	$ 16,925	$ 17,339
Other comprehensive income:		
Unrealized gain (loss) on debt securities, net of tax	(1,546)	4,344
Comprehensive income	$ 15,379	$ 21,683

See accompanying notes.

AMERISAFE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
Three Months Ended March 31, 2024 and 2023
(in thousands, except share data)
(unaudited)

	Common Stock		Additional	Treasury Stock			Accumulated Other	
	Shares	Amounts	Paid-In Capital	Shares	Amounts	Accumulated Earnings	Comprehensive Loss	Total
Balance at December 31, 2023	20,704,448	$ 207	$ 222,078	(1,569,440)	$ (36,929)	$ 114,289	$ (7,194)	$ 292,451
Comprehensive income:								
Net income	—	—	—	—	—	16,925	—	16,925
Other comprehensive income:								
Change in unrealized losses on debt securities, net of tax	—	—	—	—	—	—	(1,546)	(1,546)
Comprehensive income:								15,379
Share-based compensation	—	—	365	—	—	—	—	365
Dividends to shareholders	—	—	—	—	—	(7,101)	—	(7,101)
Balance at March 31, 2024	20,704,448	$ 207	$ 222,443	(1,569,440)	$ (36,929)	$ 124,113	$ (8,740)	$ 301,094

	Common Stock		Additional	Treasury Stock			Accumulated Other	
	Shares	Amounts	Paid-In Capital	Shares	Amounts	Accumulated Earnings	Comprehensive Loss	Total
Balance at December 31, 2022	20,678,572	$ 207	$ 220,299	(1,522,699)	$ (34,758)	$ 145,512	$ (13,828)	$ 317,432
Comprehensive income:								
Net income	—	—	—	—	—	17,339	—	17,339
Other comprehensive income:								
Change in unrealized losses on debt securities, net of tax	—	—	—	—	—	—	4,344	4,344
Comprehensive income:								21,683
Common stock issued	(1,486)	—	—	—	—	—	—	—
Share-based compensation	—	—	257	—	—	—	—	257
Dividends to shareholders	—	—	—	—	—	(6,517)	—	(6,517)
Balance at March 31, 2023	20,677,086	$ 207	$ 220,556	(1,522,699)	$ (34,758)	$ 156,334	$ (9,484)	$ 332,855

See accompanying notes.

AMERISAFE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2024	2023
Operating activities		
Net income	$ 16,925	$ 17,339
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	328	350
Net amortization of investments	519	1,091
Change in investment related allowance for credit losses	(17)	(19)
Deferred income taxes	(369)	(19)
Net realized (gains) losses on investments	222	(258)
Net unrealized gains on equity securities	(4,776)	(1,369)
Share-based compensation	688	216
Changes in operating assets and liabilities:		
Premiums receivable, net	(13,314)	(15,338)
Accrued interest receivable	24	(210)
Deferred policy acquisition costs	(1,019)	(1,228)
Other assets	(724)	320
Reserves for loss and loss adjustment expenses	(5,935)	(9,385)
Unearned premiums	7,703	9,127
Reinsurance balances	2,496	7,249
Amounts held for others and policyholder deposits	1,482	759
Federal income taxes payable/recoverable	4,141	3,987
Accounts payable and other liabilities	(868)	854
Net cash provided by operating activities	7,506	13,466
Investing activities		
Purchases of investments held-to-maturity	(3,320)	(2,638)
Purchases of investments available-for-sale	—	(27,243)
Purchases of short-term investments	(38,559)	(21,358)
Proceeds from maturities of investments held-to-maturity	12,692	10,932
Proceeds from sales and maturities of investments available-for-sale	24,216	8,705
Proceeds from sales of equity securities	—	262
Proceeds from sales and maturities of short-term investments	—	4,175
Purchases of property and equipment	(746)	(32)
Net cash used in investing activities	(5,717)	(27,197)
Financing activities		
Finance lease purchases	(21)	(23)
Dividends to shareholders	(7,075)	(6,505)
Net cash used in financing activities	(7,096)	(6,528)
Change in cash and cash equivalents	(5,307)	(20,259)
Cash and cash equivalents at beginning of period	38,682	61,469
Cash and cash equivalents at end of period	$ 33,375	$ 41,210

See accompanying notes.

AMERISAFE, INC. AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1. Basis of Presentation

AMERISAFE, Inc. (the Company) is an insurance holding company incorporated in the state of Texas. The accompanying unaudited consolidated financial statements include the accounts of AMERISAFE and its subsidiaries: American Interstate Insurance Company (AIIC) and its insurance subsidiaries, Silver Oak Casualty, Inc. (SOCI) and American Interstate Insurance Company of Texas (AIICTX), Amerisafe Risk Services, Inc. (RISK) and Amerisafe General Agency, Inc. (AGAI). AIIC and SOCI are property and casualty insurance companies organized under the laws of the state of Nebraska. AIICTX is a property and casualty insurance company organized under the laws of the state of Texas. RISK, a wholly owned subsidiary of the Company, is a claims and safety service company currently servicing only affiliated insurance companies. AGAI, a wholly owned subsidiary of the Company, is a general agent for the Company. AGAI sells insurance, which is underwritten by AIIC, SOCI and AIICTX, as well as by nonaffiliated insurance carriers.

The terms “AMERISAFE,” the “Company,” “we,” “us” or “our” refer to AMERISAFE, Inc. and its consolidated subsidiaries, as the context requires.

The Company provides workers’ compensation insurance for small to mid-sized employers engaged in hazardous industries, principally construction, trucking, logging and lumber, agriculture, manufacturing, telecommunications, and maritime. Assets and revenues of AIIC and its subsidiaries represent at least 95% of comparable consolidated amounts of the Company for each of the three months ended March 31, 2024 and 2023.

In the opinion of management of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of normal recurring accruals) necessary to present fairly the financial position, the results of operations and cash flows for the periods presented. The unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q under the Securities Exchange Act of 1934 and therefore do not include all information and footnotes to be in conformity with accounting principles generally accepted in the United States (GAAP). The results for the interim periods are not necessarily indicative of the results of operations that may be expected for the year. The unaudited consolidated financial statements contained herein should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2023.

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of our assets, liabilities, revenues and expenses and related disclosures. Some of the estimates result from judgments that can be subjective and complex and, consequently, actual results in future periods might differ from these estimates.

Adopted Accounting Guidance

The Company has not adopted any new accounting guidance in 2024.

Prospective Accounting Guidance

All issued but not yet effective accounting and reporting standards as of March 31, 2024 are either not applicable to the Company or are not expected to have a material impact on the Company.

Note 2. Restricted Stock, Restricted Stock Units, and Stock Options

As of March 31, 2024, the Company has three equity incentive plans: the AMERISAFE Non-Employee Director Restricted Stock Plan (the Restricted Stock Plan), the AMERISAFE 2012 Equity and Incentive Compensation Plan (the 2012 Incentive Plan) and the 2022 Equity and Incentive Compensation Plan (the 2022 Incentive Plan). In connection with the approval of the 2022 Incentive Plan by the Company’s shareholders at the annual meeting of shareholders in June 2022, no further grants will be made under the 2012 Incentive Plan. All grants made under the 2012 Incentive Plan will continue in effect, subject to the terms and conditions of the 2012 Incentive Plan. See Note 12 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023 for additional information regarding the Company’s incentive plans.

During the three months ended March 31, 2024, the Company awarded 10,384 restricted stock units to officers. The market value of these shares totaled $0.5 million. During the three months ended March 31, 2023, the Company awarded 9,064 restricted stock units to officers. The market value of these shares totaled $0.5 million.

The Company had no stock options outstanding as of March 31, 2024.

The Company recognized share-based compensation expense of $0.7 million in the quarter ended March 31, 2024 and $0.2 million in the same period in 2023.

Note 3. Earnings Per Share

The Company computes earnings per share (EPS) in accordance with FASB Accounting Standards Codification (ASC) Topic 260, *Earnings Per Share*. The Company has no participating unvested common shares which contain nonforfeitable rights to dividends and applies the treasury stock method in computing basic and diluted earnings per share.

Basic EPS is calculated by dividing net income by the weighted-average number of common shares outstanding during the period.

The diluted EPS calculation includes potential common shares assumed issued under the treasury stock method, which reflects the potential dilution that would occur if any restricted stock or RSUs become vested.

	Three Months Ended March 31, 2024	2023
	(in thousands, except share and per share amounts)	
Basic EPS:		
Net income	$ 16,925	$ 17,339
Basic weighted average common shares	19,122,168	19,131,356
Basic earnings per common share	$ 0.89	$ 0.91
Diluted EPS:		
Net income	$ 16,925	$ 17,339
Diluted weighted average common shares:		
Weighted average common shares	19,122,168	19,131,356
Restricted stock and RSUs	89,114	104,055
Diluted weighted average common shares	19,211,282	19,235,411
Diluted earnings per common share	$ 0.88	$ 0.90

Note 4. Investments

The amortized cost, allowance for credit losses, carrying amount, gross unrecognized gains and losses, and the fair value of those investments classified as held-to-maturity at March 31, 2024 are summarized as follows:

	Amortized Cost	Allowance for Credit Losses	Carrying Amount	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
	(in thousands)					
States and political subdivisions	$ 412,900	$ (37)	$ 412,863	$ 2,804	$ (13,871)	$ 401,796
Corporate bonds	48,164	(126)	48,038	—	(2,078)	45,960
U.S. agency-based mortgage-backed securities	3,183	—	3,183	19	(150)	3,052
U.S. Treasury securities and obligations of U.S. government agencies	11,209	—	11,209	14	(379)	10,844
Asset-backed securities	31	(2)	29	—	—	29
Totals	$ 475,487	$ (165)	$ 475,322	$ 2,837	$ (16,478)	$ 461,681

The amortized cost, gross unrealized gains and losses, fair value, and the allowance for credit losses of those investments classified as available-for-sale at March 31, 2024 are summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Allowance for Credit Losses
			(in thousands)		
States and political subdivisions	$ 122,545	$ 260	$ (7,013)	$ 115,792	$ —
Corporate bonds	159,284	1,509	(4,042)	156,751	—
U.S. agency-based mortgage-backed securities	5,032	—	(502)	4,530	—
U.S. Treasury securities and obligations of U.S. government agencies	14,830	—	(1,230)	13,600	—
Totals	$ 301,691	$ 1,769	$ (12,787)	$ 290,673	$ —

The cost, gross unrealized gains and losses, and the fair value of equity securities at March 31, 2024 are summarized as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(in thousands)		
Equity securities:				
Domestic common stock	$ 44,045	$ 17,878	$ —	$ 61,923
Total equity securities	$ 44,045	$ 17,878	$ —	$ 61,923

The amortized cost, allowance for credit losses, carrying amount, gross unrecognized gains and losses, and the fair value of those investments classified as held-to-maturity at December 31, 2023 are summarized as follows:

	Amortized Cost	Allowance for Credit Losses	Carrying Amount	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
			(in thousands)			
States and political subdivisions	$ 416,916	$ (38)	$ 416,878	$ 4,166	$ (12,074)	$ 408,970
Corporate bonds	52,321	(142)	52,179	—	(2,231)	49,948
U.S. agency-based mortgage-backed securities	3,297	—	3,297	25	(123)	3,199
U.S. Treasury securities and obligations of U.S. government agencies	11,186	—	11,186	26	(273)	10,939
Asset-backed securities	37	(2)	35	1	—	36
Totals	$ 483,757	$ (182)	$ 483,575	$ 4,218	$ (14,701)	$ 473,092

The amortized cost, gross unrealized gains and losses, fair value, and the allowance for credit losses of those investments classified as available-for-sale at December 31, 2023 are summarized as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Allowance for Credit Losses
			(in thousands)		
States and political subdivisions	$ 138,031	$ 583	$ (6,719)	$ 131,895	$ —
Corporate bonds	168,134	2,105	(3,486)	166,753	—
U.S. agency-based mortgage-backed securities	5,190	—	(445)	4,745	—
U.S. Treasury securities and obligations of U.S. government agencies	14,816	—	(1,145)	13,671	—
Totals	$ 326,171	$ 2,688	$ (11,795)	$ 317,064	$ —

The cost, gross unrealized gains and losses, and the fair value of equity securities at December 31, 2023 are summarized as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(in thousands)		
Equity securities:				
Domestic common stock	$ 44,046	$ 13,101	$ —	$ 57,147
Total equity securities	$ 44,046	$ 13,101	$ —	$ 57,147

A summary of the carrying amounts and fair value of investments in fixed maturity securities classified as held-to-maturity, by contractual maturity, is as follows:

	March 31, 2024		December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		(in thousands)		
Maturity:				
Within one year	$ 64,898	$ 64,232	$ 64,129	$ 63,703
After one year through five years	126,220	120,555	136,854	131,396
After five years through ten years	116,791	111,569	114,990	110,814
After ten years	164,201	162,244	164,270	163,944
U.S. agency-based mortgage-backed securities	3,183	3,052	3,297	3,199
Asset-backed securities	29	29	35	36
Totals	$ 475,322	$ 461,681	$ 483,575	$ 473,092

A summary of the amortized cost and fair value of investments in fixed maturity securities classified as available-for-sale, by contractual maturity, is as follows:

	March 31, 2024		December 31, 2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
		(in thousands)		
Maturity:				
Within one year	$ 19,402	$ 19,297	$ 25,995	$ 25,875
After one year through five years	107,593	103,291	106,178	102,201
After five years through ten years	74,338	71,695	82,664	80,911
After ten years	95,326	91,860	106,144	103,332
U.S. agency-based mortgage-backed securities	5,032	4,530	5,190	4,745
Totals	$ 301,691	$ 290,673	$ 326,171	$ 317,064

The following table summarizes the fair value and gross unrealized losses on securities classified as available-for-sale, aggregated by major investment category and length of time that the individual securities have been in a continuous unrealized loss position as of March 31, 2024:

	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value of Investments with Unrealized Losses	Gross Unrealized Losses	Fair Value of Investments with Unrealized Losses	Gross Unrealized Losses	Fair Value of Investments with Unrealized Losses	Gross Unrealized Losses
			(in thousands)			
March 31, 2024						
Available-for-Sale						
States and political subdivisions	$ 61,604	$ 4,900	$ 25,175	$ 2,113	$ 86,779	$ 7,013
Corporate bonds	79,904	2,613	35,075	1,429	114,979	4,042
U.S. agency-based mortgage-backed securities	4,293	464	237	38	4,530	502
U.S. Treasury securities and obligations of U.S. government agencies	—	—	13,600	1,230	13,600	1,230
Total available-for-sale securities	$ 145,801	$ 7,977	$ 74,087	$ 4,810	$ 219,888	$ 12,787

At March 31, 2024, we held 158 individual fixed maturity securities classified as available-for-sale that were in an unrealized loss position.

The following table summarizes the fair value and gross unrealized losses on securities classified as available-for-sale, aggregated by major investment category and length of time that the individual securities have been in a continuous unrealized loss position as of December 31, 2023:

	Less Than 12 Months		12 Months or Greater		Total	
	Fair Value of Investments with Unrealized Losses	Gross Unrealized Losses	Fair Value of Investments with Unrealized Losses	Gross Unrealized Losses	Fair Value of Investments with Unrealized Losses	Gross Unrealized Losses
	(in thousands)					
December 31, 2023						
Available-for-Sale						
States and political subdivisions	$ 14,115	$ 111	$ 72,358	$ 6,608	$ 86,473	$ 6,719
Corporate bonds	26,178	96	93,538	3,390	119,716	3,486
U.S. agency-based mortgage-backed securities	—	—	4,745	445	4,745	445
U.S. Treasury securities and obligations of U.S. government agencies	—	—	13,672	1,145	13,672	1,145
Total available-for-sale securities	$ 40,293	$ 207	$ 184,313	$ 11,588	$ 224,606	$ 11,795

The following table illustrates the changes in the allowance for credit losses by major security type of the investments classified as held-to-maturity for the quarter ended March 31, 2024.

	States and Political Subdivisions	Corporate Bonds	U.S. Agency -Based Mortgage-Backed Securities	U.S. Treasury Securities and Obligations of U.S. Government Agencies	Asset-Backed Securities	Totals
	(in thousands)					
Balance at December 31, 2023	$ 38	$ 142	$ —	$ —	$ 2	$ 182
Provision for credit loss benefit	(1)	(16)	—	—	—	(17)
Balance at March 31, 2024	$ 37	$ 126	$ —	$ —	$ 2	$ 165

The Company has established an allowance for credit losses on 463 held-to-maturity securities totaling $0.2 million. The majority of those securities were issued by states and political subdivisions (441 securities) and corporate bonds (19 securities).

The Company has no allowance for credit losses on investments classified as available-for-sale for the period ended March 31, 2024.

The credit rating used for held-to-maturity fixed income securities is the rating for each security as published by Moody's, S&P, and Fitch to determine the probability of default. If there are two ratings, the lower rating is used. If there are three ratings, the median rating is used. If there is one rating, that rating is used. For corporate fixed income securities (given a rating), the probability of default comes from Moody's annual study of corporate bond defaults published each February. The maximum maturity using the default rate is 20 years (any maturity greater than 20 years will use the 20-year rate). For municipal fixed income securities (given a rating), the probability of default comes from Moody's annual study of municipal bond defaults published each July/August.

The calculation of the credit loss allowance takes the amortized cost of the fixed income security and assumes default and recovery based on the average recovery rates from the Moody's default studies. The amortized cost of the security, minus the amount recovered, is the estimated full amount the Company could lose in a default scenario. Then this amount is multiplied by the probability of default to determine the allowance for credit loss. The lower the security is rated, the higher likelihood of default, and therefore a higher allowance for credit loss. The longer to the maturity date of a security, the higher the default risk.

The table below presents the amortized cost of held-to-maturity securities aggregated by credit quality indicator as of March 31, 2024.

	States and Political Subdivisions	Corporate Bonds	U.S. Agency -Based Mortgage-Backed Securities	U.S. Treasury Securities and Obligations of U.S. Government Agencies	Asset-Backed Securities	Totals
	Amortized cost (in thousands)					
AAA/AA/A ratings	$ 409,955	$ 18,723	$ 3,183	$ 11,209	$ 18	$ 443,088
Baa/BBB ratings	2,945	29,441	—	—	13	32,399
B ratings	—	—	—	—	—	—
Total	$ 412,900	$ 48,164	$ 3,183	$ 11,209	$ 31	$ 475,487

Net realized losses in the quarter ended March 31, 2024 were $0.2 million resulting from the sale of fixed maturity securities classified as available-for-sale. Net realized gains in the quarter ended March 31, 2023 were $0.3 million resulting from the sale of equity and fixed maturity securities classified as available-for-sale.

During the first quarter of 2024, we recognized through income $4.8 million of net unrealized gains on equity securities. During the first quarter of 2023, we recognized through income $1.4 million of net unrealized gains on equity securities.

Investment income is recognized as it is earned. The discount or premium on fixed maturity securities is amortized using the “constant yield” method. Anticipated prepayments, where applicable, are considered when determining the amortization of premiums or discounts. Realized investment gains and losses are determined using the specific identification method.

Note 5. Income Taxes

In accordance with FASB ASC Topic 740, “Income Taxes,” we provide for the recognition and measurement of deferred income tax benefits based on the likelihood of their realization in future years. As of March 31, 2024 and 2023, the Company had no valuation allowance against its deferred income tax assets and liabilities.

Income tax expense from operations is different from the amount computed by applying the U.S. federal income tax statutory rate of 21% to income before income taxes primarily due to the impact of tax-exempt investment income and state income tax accruals.

The Company recognizes interest and penalties related to uncertain tax positions in income tax expense. There were no uncertain tax positions for the periods ended March 31, 2024 and 2023.

Tax years 2019 through 2024 are subject to examination by the federal and state taxing authorities.

Note 6. Loss Reserves

We record reserves for estimated losses under insurance policies that we write and for loss adjustment expenses related to the investigation and settlement of policy claims. Our reserves for loss and loss adjustment expenses represent the estimated cost of all reported and unreported loss and loss adjustment expenses incurred and unpaid as of a given point in time. The reserves for loss and loss adjustment expenses are estimated using individual case-basis valuations, statistical analyses and estimates based upon experience for unreported claims and their associated loss and loss adjustment expenses. Such estimates may be more or less than the amounts ultimately paid when the claims are settled. The estimates are subject to the effects of trends in loss severity and frequency. Although considerable variability is inherent in these estimates, management believes that the reserves for loss and loss adjustment expenses are adequate. The estimates are continually reviewed internally and periodically evaluated with our independent actuary. Adjustments are made as experience develops and new information becomes known. Any such adjustments are included in income from current operations. See Note 9 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2023 for additional information regarding the Company’s loss and loss adjustment expense development.

The following table provides the Company's liability for unpaid loss and loss adjustment expenses, net of related amounts recoverable from reinsurers, for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(in thousands)	
Balance, beginning of period	$ 673,994	$ 696,037
Less amounts recoverable from reinsurers on unpaid loss and loss adjustment expenses	119,746	112,555
Net balance, beginning of period	554,248	583,482
Add incurred related to:		
Current accident year	48,597	49,119
Prior accident years	(8,606)	(10,110)
Total incurred	39,991	39,009
Less paid related to:		
Current accident year	2,137	2,603
Prior accident years	41,522	44,249
Total paid	43,659	46,852
Net balance, end of period	550,580	575,639
Add amounts recoverable from reinsurers on unpaid loss and loss adjustment expenses	117,479	111,013
Balance, end of period	$ 668,059	$ 686,652

The foregoing reconciliation reflects favorable development of the net reserves at March 31, 2024 and March 31, 2023. The favorable development reduced loss and loss adjustment expenses incurred by $8.6 million and $10.1 million in 2024 and 2023, respectively. The revisions to the Company's reserves reflect new information gained by claims adjusters in the normal course of adjusting claims and is reflected in the financial statements when the information becomes available. It is typical for more serious claims to take several years or longer to settle and the Company continually revises estimates as more information about claimants' medical conditions and potential disability becomes known and the claims get closer to being settled. Multiple factors can cause loss development both unfavorable and favorable. The favorable loss development we experienced across accident years was largely due to favorable case reserve development from closed claims and claims where the worker had reached maximum medical improvement.

The table below presents the change in the allowance for credit losses on amounts recoverable from reinsurers for the three months ended March 31, 2024 and 2023.

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(in thousands)	
Balance, beginning of period	$ 360	$ 372
Provision for credit loss benefit	(51)	(44)
Balance, end of period	$ 309	$ 328

Note 7. Comprehensive Income and Accumulated Other Comprehensive Loss

Comprehensive income includes net income plus unrealized gains and losses on our available-for-sale investment securities, net of tax. In reporting comprehensive income on a net basis in the statements of comprehensive income, we used a 21% tax rate in 2024 and 2023. The difference between net income as reported and comprehensive income was due primarily to changes in unrealized gains and losses, net of tax on available-for-sale debt securities.

The following table illustrates the changes in the balance of each component of accumulated other comprehensive loss for each period presented in the interim financial statements.

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(in thousands)	
Balance, beginning of period	$ (7,194)	$ (13,828)
Other comprehensive income (loss) before reclassification	(1,637)	4,339
Amounts reclassified from accumulated other comprehensive loss	91	5
Net current period other comprehensive income (loss)	(1,546)	4,344
Balance, end of period	$ (8,740)	$ (9,484)

The sale or credit loss allowance adjustment of an available-for-sale security results in amounts being reclassified from accumulated other comprehensive loss to current period net income. The effects of reclassifications out of accumulated other comprehensive loss by the respective line items of net income are presented in the following table.

Component of Accumulated Other Comprehensive Loss	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Affected line item in the statement of income
	(in thousands)		
Unrealized losses on debt securities, net of tax	$ (115)	$ (6)	Net realized gains (losses) on investments
	(115)	(6)	Income before income taxes
Unrealized losses on debt securities, net of tax	24	1	Income tax expense
	$ (91)	$ (5)	Net income

Note 8. Fair Value Measurements

The Company carries available-for-sale securities at fair value in our consolidated financial statements and determines fair value measurements and disclosure in accordance with FASB ASC Topic 820, *Fair Value Measurements and Disclosures.*

The Company determines the fair values of its financial instruments based on the fair value hierarchy established in ASC Topic 820, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard defines fair value, describes three levels of inputs that may be used to measure fair value, and expands disclosures about fair value measurements.

Fair value is defined in ASC Topic 820 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is the price to sell an asset or transfer a liability and, therefore, represents an exit price, not an entry price. Fair value is the exit price in the principal market (or, if lacking a principal market, the most advantageous market) in which the reporting entity would transact. Fair value is a market-based measurement, not an entity-specific measurement, and, as such, is determined based on the assumptions that market participants would use in pricing the asset or liability. The exit price objective of a fair value measurement applies regardless of the reporting entity’s intent and/or ability to sell the asset or transfer the liability at the measurement date.

ASC Topic 820 requires the use of valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets and liabilities. The income approach uses valuation techniques to convert future amounts, such as cash flows or earnings, to a single present value amount on a discounted basis. The cost approach is based on the amount that currently would be required to replace the service capacity of an asset, also known as current replacement cost. Valuation techniques used to measure fair value are to be consistently applied.

In ASC Topic 820, inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value (such as a pricing model) and/or the risk inherent in the inputs to the valuation technique. Inputs may be observable or unobservable:

- Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.
- Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Valuation techniques used to measure fair value are intended to maximize the use of observable inputs and minimize the use of unobservable inputs. ASC Topic 820 establishes a fair value hierarchy that prioritizes the use of inputs used in valuation techniques into the following three levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data.
- Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are to be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters.

The fair values of the Company's investments are based upon prices provided by an independent pricing service. The Company has reviewed these prices for reasonableness and has not adjusted any prices received from the independent provider. Securities reported at fair value utilizing Level 1 inputs represent assets whose fair value is determined based upon observable unadjusted quoted market prices for identical assets in active markets. Level 2 securities represent assets whose fair value is determined using observable market information such as previous day trade prices, quotes from less active markets or quoted prices of securities with similar characteristics. There were no transfers between Level 1 and Level 2 during the three months ended March 31, 2024.

At March 31, 2024, assets measured at fair value on a recurring basis are summarized below:

	March 31, 2024			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
	(in thousands)			
Financial instruments carried at fair value, classified as a part of:				
Securities available-for-sale—fixed maturity:				
States and political subdivisions	$ —	$ 115,792	$ —	$ 115,792
Corporate bonds	—	156,751	—	156,751
U.S. agency-based mortgage-backed securities	—	4,530	—	4,530
U.S. Treasury securities	13,600	—	—	13,600
Total securities available-for-sale—fixed maturity	13,600	277,073	—	290,673
Equity securities:				
Domestic common stock	61,923	—	—	61,923
Total	$ 75,523	$ 277,073	$ —	$ 352,596

At March 31, 2024, assets measured at amortized cost net of allowance for credit losses are summarized below:

	March 31, 2024			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
	(in thousands)			
Securities held-to-maturity—fixed maturity:				
States and political subdivisions	$ —	$ 401,796	$ —	$ 401,796
Corporate bonds	—	45,960	—	45,960
U.S. agency-based mortgage-backed securities	—	3,052	—	3,052
U.S. Treasury securities	10,844	—	—	10,844
Asset-backed securities	—	29	—	29
Total held-to-maturity	$ 10,844	$ 450,837	$ —	$ 461,681

At December 31, 2023, assets measured at fair value on a recurring basis are summarized below:

	December 31, 2023			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
	(in thousands)			
Financial instruments carried at fair value, classified as a part of:				
Securities available-for-sale—fixed maturity:				
States and political subdivisions	$ —	$ 131,895	$ —	$ 131,895
Corporate bonds	—	166,753	—	166,753
U.S. agency-based mortgage-backed securities	—	4,745	—	4,745
U.S. Treasury securities	13,671	—	—	13,671
Total securities available-for-sale—fixed maturity	$ 13,671	$ 303,393	$ —	$ 317,064
Equity securities:				
Domestic common stock	57,147	—	—	57,147
Total	$ 70,818	$ 303,393	$ —	$ 374,211

At December 31, 2023, assets measured at amortized cost net of allowance for credit losses are summarized below:

	December 31, 2023			
	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs	Total Fair Value
	(in thousands)			
Securities held-to-maturity—fixed maturity:				
States and political subdivisions	$ —	$ 408,970	$ —	$ 408,970
Corporate bonds	—	49,948	—	49,948
U.S. agency-based mortgage-backed securities	—	3,199	—	3,199
U.S. Treasury securities	10,939	—	—	10,939
Asset-backed securities	—	36	—	36
Total held-to-maturity	$ 10,939	$ 462,153	$ —	$ 473,092

The Company determines fair value amounts for financial instruments using available third-party market information. When such information is not available, the Company determines the fair value amounts using appropriate valuation methodologies. Nonfinancial instruments such as real estate, property and equipment, deferred policy acquisition costs, deferred income taxes and loss and loss adjustment expense reserves are excluded from the fair value disclosure.

Cash and Cash Equivalents —The carrying amounts reported in the accompanying consolidated balance sheets for these financial instruments approximate their fair values, which are characterized as Level 1 assets.

Investments —The fair values for fixed maturity and equity securities are based on prices obtained from an independent pricing service. Equity and treasury securities are characterized as Level 1 assets, as their fair values are based on quoted prices in active markets. Fixed maturity securities, other than treasury securities, are characterized as Level 2 assets, as their fair values are determined using observable market inputs.

Short Term Investments —The carrying amounts reported in the accompanying consolidated balance sheets for these financial instruments approximate their fair values. These securities are characterized as Level 2 assets in the fair value hierarchy.

The following table summarizes the carrying amounts and corresponding fair values for financial instruments:

	As of March 31, 2024		As of December 31, 2023	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(in thousands)			
Assets:				
Fixed maturity securities—held-to-maturity	$ 475,322	$ 461,681	$ 483,575	$ 473,092
Fixed maturity securities—available-for-sale	290,673	290,673	317,064	317,064
Equity securities	61,923	61,923	57,147	57,147
Short-term investments	38,641	38,641	—	—
Cash and cash equivalents	33,375	33,375	38,682	38,682

Note 9. Treasury Stock

The Company's Board of Directors initiated a share repurchase program in February 2010. In October 2016, the Board reauthorized this program with a limit of $25.0 million with no expiration date. As of March 31, 2024, $10.4 million was available for future purchases. Repurchases of shares may be made pursuant to pre-established trading plans meeting the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934.

During the three months ended March 31, 2024 and 2023, no shares were purchased.

Note 10. Subsequent Events

On April 23, 2024, the Company's Board of Directors declared a quarterly cash dividend of $0.37 per share payable on June 21, 2024 to shareholders of record as of June 14, 2024. The Board considers the payment of a regular cash dividend each calendar quarter.

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

The following discussion should be read in conjunction with the accompanying unaudited consolidated financial statements and the related notes included in Item 1 of Part I of this Quarterly Report on Form 10-Q, together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2023.

We begin our discussion with an overview of our Company to give you an understanding of our business and the markets we serve. We then discuss our critical accounting policies. This is followed with a discussion of our results of operations for the three months ended March 31, 2024 and 2023. This discussion includes an analysis of certain significant period-to-period variances in our consolidated statements of operations. Our cash flows and financial condition are discussed under the caption "Liquidity and Capital Resources."

Business Overview

AMERISAFE is a holding company that markets and underwrites workers' compensation insurance through its insurance subsidiaries. Workers' compensation insurance covers statutorily prescribed benefits that employers are obligated to provide to their employees who are injured in the course and scope of their employment. Our business strategy is focused on providing this coverage to small to mid-sized employers engaged in hazardous industries, principally construction, trucking, logging and lumber, agriculture, manufacturing, telecommunications, and maritime. Employers engaged in hazardous industries pay substantially higher than average rates for workers' compensation insurance compared to employers in other industries, as measured per payroll dollar. The higher premium rates are due to the nature of the work performed and the inherent workplace danger of our target employers. Hazardous industry employers also tend to have less frequent but more severe claims as compared to employers in other industries due to the nature of their businesses. We provide proactive safety reviews of employers' workplaces. These safety reviews are a vital component of our underwriting process and also promote safer workplaces. We utilize intensive claims management practices that we believe permit us to reduce the overall cost of our claims. In addition, our audit services ensure that our policyholders pay the appropriate premiums required under the terms of their policies and enable us to monitor payroll patterns that cause underwriting, safety or fraud concerns. We believe that the higher premiums typically paid by our policyholders, together with our disciplined underwriting and safety, claims and audit services, provide us with the opportunity to earn attractive returns for our shareholders.

We actively market our insurance in 27 states through independent agencies (including retail and wholesale brokers and agents), as well as through our wholly owned insurance agency subsidiary. We are also licensed in an additional 20 states, the District of Columbia and the U.S. Virgin Islands.

Critical Accounting Policies

Understanding our accounting policies is key to understanding our financial statements. Management considers some of these policies to be very important to the presentation of our financial results because they require us to make significant estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. Some of the estimates result from judgments that can be subjective and complex and, consequently, actual results in future periods might differ from these estimates.

Management believes that the most critical accounting policies relate to the reporting of reserves for loss and loss adjustment expenses, including losses that have occurred but have not been reported prior to the reporting date, amounts recoverable from reinsurers, premiums receivable, assessments, deferred policy acquisition costs, deferred income taxes, credit losses on investment securities and share-based compensation. These critical accounting policies are more fully described in Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Annual Report on Form 10-K for the year ended December 31, 2023.

Results of Operations

The following table summarizes our consolidated financial results for the three months ended March 31, 2024 and 2023.

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
	(dollars in thousands, except per share data) (unaudited)	
Gross premiums written	$ 80,074	$ 82,487
Net premiums earned	68,446	69,181
Net investment income	7,366	7,433
Total revenues	80,489	78,438
Total expenses	59,744	56,903
Net income	16,925	17,339
Diluted earnings per common share	$ 0.88	$ 0.90
Other Key Measures		
Net combined ratio (1)	87.3%	82.2%
Return on average equity (2)	22.8%	21.3%
Book value per share (3)	$ 15.74	$ 17.38

(1)The net combined ratio is calculated by dividing the sum of loss and loss adjustment expenses incurred, underwriting and certain other operating costs, commissions, salaries and benefits, and policyholder dividends by net premiums earned in the current period.

(2)Return on average equity is calculated by dividing the annualized net income by the average shareholders' equity for the applicable period.

(3)Book value per share is calculated by dividing shareholders' equity by total outstanding shares, as of the end of the period.

Consolidated Results of Operations for Three Months Ended March 31, 2024 Compared to March 31, 2023

Gross Premiums Written. Gross premiums written for the quarter ended March 31, 2024 were $80.1 million, compared to $82.5 million for the same period in 2023, a decrease of 2.9%. The decrease was attributable to a $2.5 million decrease in payroll audits and related premium adjustments for policies written in previous quarters partially offset by a $0.3 million increase in residual market premium.

Net Premiums Written. Net premiums written for the quarter ended March 31, 2024 were $76.1 million, compared to $78.3 million for the same period in 2023, a decrease of 2.8%. The decrease was primarily attributable to the decrease in gross premiums written. As a percentage of gross premiums earned, ceded premiums were 5.4% for the first quarter of 2024 compared to 5.7% for the first quarter of 2023. The decrease in ceded premiums as a percentage of gross premiums earned is a result of a change in our 2024 reinsurance treaties. For additional information, see Item 1, "Business—Reinsurance" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Net Premiums Earned. Net premiums earned for the first quarter of 2024 were $68.4 million, compared to $69.2 million for the same period in 2023, a decrease of 1.1%. The decrease was primarily attributable to the decrease in net premiums written during the period.

Net Investment Income. Net investment income for the quarters ended March 31, 2024 and 2023 was $7.4 million. Average invested assets, including cash and cash equivalents, were $902.9 million in the quarter ended March 31, 2024 compared to an average of $960.7 million for the same period in 2023, a decrease of 6.0%. The pre-tax investment yield on our investment portfolio was 3.3% per annum during the quarter ended March 31, 2024 compared to 3.1% per annum during the same period in 2023. The tax-equivalent yield on our investment portfolio was 3.7% per annum for the quarter ended March 31, 2024 and 3.5% for the same period in 2023. The tax-equivalent yield is calculated using the effective interest rate and the appropriate marginal tax rate.

Net Realized Gains (Losses) on Investments. Net realized losses on investments for the three months ended March 31, 2024 were $0.2 million compared to net realized gains of $0.3 million for the same period in 2023. Net realized losses in the first quarter of 2024 were mostly attributable to sales of fixed maturity securities classified as available-for-sale. Net realized gains in the first quarter of 2023 were attributable to the sale of equity and fixed maturity securities classified as available-for-sale.

Net Unrealized Gains on Equity Securities. The market value of our equity securities increased by $4.8 million for the three months ended March 31, 2024 compared to an increase of $1.4 million for the same period in 2023.

Loss and Loss Adjustment Expenses Incurred. Loss and loss adjustment expenses (LAE) incurred totaled $40.0 million for the three months ended March 31, 2024, compared to $39.0 million for the same period in 2023, an increase of $1.0 million, or 2.5%. The current accident year loss and LAE incurred were $48.6 million compared to $49.1 million for the same period in 2023. Our initial estimate of the loss and LAE ratio for accident year 2024 remains unchanged at 71.0% of net premiums earned, consistent with the estimate initially set for accident year 2023, and is based on long-term claim frequency and severity trends, as well as medical inflation. We recorded favorable prior accident year development of $8.6 million in the first quarter of 2024, compared to favorable prior accident year development of $10.1 million in the same period of 2023, as further discussed below in "Prior Year Development." Our net loss ratio was 58.4% in the first quarter of 2024, compared to 56.4% for the same period of 2023.

Underwriting and Certain Other Operating Costs, Commissions and Salaries and Benefits. Underwriting and certain other operating costs, commissions and salaries and benefits for the quarter ended March 31, 2024 were $18.7 million, compared to $17.0 million for the same period in 2023. This increase was primarily due to a profit sharing reinsurance commission benefit of $3.3 million in last year's first quarter and a $1.0 million increase in compensation expense. These increases were partially offset by a $2.0 million decrease in insurance related assessments and a $0.4 million decrease in professional fees. Our expense ratio was 27.3% in the first quarter of 2024 compared to 24.5% in the first quarter of 2023.

Income Tax Expense. Income tax expense for the three months ended March 31, 2024 was $3.8 million, compared to $4.2 million for the same period in 2023. The effective tax rate for the Company was 18.4% in the quarter ended March 31, 2024 and 19.5% for the same period in 2023. The decrease in the effective tax rate was due to a higher proportion of income from tax-exempt investments compared to the same period of 2023.

Liquidity and Capital Resources

Our principal sources of operating funds are premiums, investment income and proceeds from sales and maturities of investments. Our primary uses of operating funds include payments of claims and operating expenses. Currently, we pay claims using cash flow from operations and invest the remaining funds.

Net cash provided by operating activities was $7.5 million for the three months ended March 31, 2024, which represented a $6.0 million decrease from $13.5 million in net cash provided by operating activities for the three months ended March 31, 2023. This decrease in operating cash flow was due to a $11.8 million decrease in reinsurance recoveries and a $0.4 million decrease in investment income. Offsetting these amounts were a $5.9 million decrease in losses paid and a $0.5 million increase in premium collections.

Net cash used in investing activities was $5.7 million for the three months ended March 31, 2024, compared to net cash used in investment activities of $27.2 million for the same period in 2023. Cash provided by sales and maturities of investments totaled $36.9 million for the three months ended March 31, 2024, compared to $24.1 million for the same period in 2023. A total of $41.9 million in cash was used to purchase investments in the three months ended March 31, 2024, compared to $51.2 million in purchases for the same period in 2023. A total of $0.7 million in cash was used to purchase property and equipment in the three months ended March 31, 2024 compared to immaterial purchases for the same period in 2023.

Net cash used in financing activities in the three months ended March 31, 2024 was $7.1 million compared to net cash used in financing activities of $6.5 million for the same period in 2023. In the three months ended March 31, 2024, $7.1 million of cash was used for dividends paid to shareholders compared to $6.5 million in the same period of 2023.

Investment Portfolio

Our investment portfolio, including cash and cash equivalents, totaled $899.9 million at March 31, 2024, an increase of 0.4% from December 31, 2023. Purchases of fixed maturity securities are classified as available-for-sale or held-to-maturity at the time of purchase based on the individual security. The Company has the ability and positive intent to hold certain investments until maturity. Therefore, fixed maturity securities classified as held-to-maturity, as defined by FASB ASC Topic 320, *Investments-Debt and Equity Securities*, are recorded at amortized cost net of allowance for credit losses. Our equity securities and fixed maturity securities classified as available-for-sale are reported at fair value.

The composition of our investment portfolio, including cash and cash equivalents, as of March 31, 2024, is shown in the following table:

	Carrying Amount	Percentage of Portfolio
	(in thousands)	
Fixed maturity securities—held-to-maturity:		
States and political subdivisions	$ 412,863	45.9 %
Corporate bonds	48,038	5.3 %
U.S. agency-based mortgage-backed securities	3,183	0.4 %
U.S. Treasury securities and obligations of U.S. government agencies	11,209	1.2 %
Asset-backed securities	29	—
Total fixed maturity securities—held-to-maturity	475,322	52.8 %
Fixed maturity securities—available-for-sale:		
States and political subdivisions	115,792	12.9 %
Corporate bonds	156,751	17.4 %
U.S. agency-based mortgage-backed securities	4,530	0.5 %
U.S. Treasury securities and obligations of U.S. government agencies	13,600	1.5 %
Total fixed maturity securities—available-for-sale	290,673	32.3 %
Equity securities	61,923	6.9 %
Short-term investments	38,641	4.3 %
Cash and cash equivalents	33,375	3.7 %
Total investments, including cash and cash equivalents	$ 899,934	100.0 %

Our debt securities classified as available-for-sale are “marked to market” as of the end of each calendar quarter. As of that date, unrealized gains and losses that are not credit related are recorded to Accumulated Other Comprehensive Loss. Any available-for-sale credit related losses would be recognized as a credit loss allowance on the balance sheet with a corresponding adjustment to earnings, limited by the amount that the fair value is less than the amortized cost basis. Both the credit loss allowance and adjustment to net income can be reversed if conditions change.

For our debt securities classified as held-to-maturity, non-credit related unrecognized gains and losses are not recorded in the financial statements until realized. Effective upon the adoption of ASU 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses, management is required to estimate held-to-maturity expected credit related losses and recognize a credit loss allowance on the balance sheet with a corresponding adjustment to earnings. Any adjustments to the estimated expected credit related losses are recognized through earnings and adjustments to the credit loss allowance.

Prior Year Development

The Company recorded favorable prior accident year development of $8.6 million in the three months ended March 31, 2024. The table below sets forth the favorable development for the three months ended March 31, 2024 and 2023 for accident years 2019 through 2023 and, collectively, for all accident years prior to 2019.

	Three Months Ended March 31,	
	2024	2023
	(in millions)	
Accident Year		
2023	$ —	$ —
2022	—	—
2021	—	—
2020	1.7	1.5
2019	1.4	2.5
Prior to 2019	5.5	6.1
Total net development	$ 8.6	$ 10.1

The table below sets forth the number of open claims as of March 31, 2024 and 2023, and the number of claims reported and closed during the three months then ended.

	Three Months Ended March 31,	
	2024	2023
Open claims at beginning of period	4,003	4,275
Claims reported	900	984
Claims closed	(1,091)	(952)
Open claims at end of period	3,812	4,307

The number of open claims at March 31, 2024 decreased by 495 claims as compared to the number of open claims at March 31, 2023. At March 31, 2024, our incurred amounts for certain accident years, primarily accident years 2017 through 2020, developed more favorably than management previously expected. The revisions to the Company's reserves reflect new information gained by claims adjusters in the normal course of adjusting claims and is reflected in the financial statements when the information becomes available. It is typical for more serious claims to take several years or longer to settle and the Company continually revises estimates as more information about claimants' medical conditions and potential disability becomes known and the claims get closer to being settled. Multiple factors can cause both favorable and unfavorable loss development. The favorable loss development we experienced across accident years was largely due to favorable case reserve development from closed claims and claims where the worker had reached maximum medical improvement.

The assumptions we used in establishing our reserves were based on our historical claims data. However, as of March 31, 2024, actual results for certain accident years have been better than our assumptions would have predicted. We do not presently intend to modify our assumptions for establishing reserves in light of recent results. However, if actual results for current and future accident years are consistent with, or different than, our results in these recent accident years, our historical claims data will reflect this change and, over time, will impact the reserves we establish for future claims.

Our reserves for loss and loss adjustment expenses are inherently uncertain and our focus on providing workers' compensation insurance to employers engaged in hazardous industries results in our receiving relatively fewer but more severe claims than many other workers' compensation insurance companies. As a result of this focus on higher severity, lower frequency business, our reserve for loss and loss adjustment expenses may have greater volatility than other workers' compensation insurance companies. For additional information, see Item 1, "Business—Loss Reserves" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Market risk is the risk of potential economic loss principally arising from adverse changes in the fair value of financial instruments. The major components of market risk affecting us are credit risk, interest rate risk, and equity price risk. We currently have no exposure to foreign currency risk.

Since December 31, 2023, there have been no material changes in the quantitative or qualitative aspect of our market risk profile. For additional information regarding the Company's exposure to certain market risks, see Item 7A, "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 4. Controls and Procedures.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this report. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of the end of the period covered by this report to provide reasonable assurance that information we are required to disclose in reports that are filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms specified by the SEC. We note that the design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving the stated goals under all potential future conditions.

Because of its inherent limitations, management does not expect that our disclosure controls and procedures and our internal controls over financial reporting will prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with policies and procedures may deteriorate. Any control system, no matter how well designed and operated, is based upon certain assumptions and can only provide reasonable, not absolute assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to errors or fraud will not occur or that all control issues and instances of fraud, if any within the Company, have been detected.

There have not been any changes in our internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

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

The Board of Directors initially authorized the Company’s share repurchase program in February 2010. In October 2016, the Board reauthorized this program with no expiration date. As of March 31, 2024, we had repurchased a total of 1,569,440 shares of our outstanding common stock for $36.9 million. There were no shares repurchased during the three months ended March 31, 2024 and 2023. The Company had $10.4 million available for future purchases at March 31, 2024 under this program. The purchases may be effected from time to time depending upon market conditions and subject to applicable regulatory considerations. It is anticipated that future purchases will be funded from available capital.

Item 5. Other Information.

None of the Company's directors or officers adopted, modified or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended March 31, 2024.

Item 6. Exhibits.

Exhibit No.	Description
31.1	Certification of G. Janelle Frost filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Anastasios Omiridis filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of G. Janelle Frost and Anastasios Omiridis filed 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 – The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

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.

AMERISAFE, INC.

April 26, 2024	/s/ G. Janelle Frost **G. Janelle Frost** **President, Chief Executive Officer and Director** **(Principal Executive Officer)**
April 26, 2024	/s/ Anastasios Omiridis **Anastasios Omiridis** **Executive Vice President and Chief Financial Officer** **(Principal Financial and Accounting Officer)**

Exhibit 31.1

CERTIFICATIONS

I, G. Janelle Frost, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AMERISAFE, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

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

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 26, 2024	/s/ G. Janelle Frost G. Janelle Frost President and Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Anastasios Omiridis, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AMERISAFE, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

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

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

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

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: April 26, 2024

/s/ Anastasios Omiridis
Anastasios Omiridis
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO 18 U.S.C. § 1350,
AS ADOPTED PURSUANT TO § 906
OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the filing of the Quarterly Report on Form 10-Q of AMERISAFE, Inc., a Texas corporation (the “Company”), for the quarter ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), each of the undersigned officers of the Company certifies, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to such officer’s 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 as of the dates and for the periods expressed in the Report.

Date: April 26, 2024

/s/ G. Janelle Frost
G. Janelle Frost
President and Chief Executive Officer
(Principal Executive Officer)

/s/ Anastasios Omiridis
Anastasios Omiridis
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of the Report or as a separate disclosure document.