

# FIRST QUARTER 2025 RESULTS

May 7, 2025



# SAFE HARBOR STATEMENT AND NON-GAAP MEASURES

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

## Non-GAAP financial measures

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

# CONSOLIDATED FINANCIAL RESULTS

(In Millions, Except Per Share Data)	First Quarter		
	2025	2024	Change
Net written premium	\$335	\$321	4%
Net earned premium	\$308	\$281	10%
<b>GAAP Ratios:</b>			
Net loss ratio	61.5%	64.0%	(2.5) pts
Underwriting expense ratio	37.9%	34.9%	3.0 pts
Combined ratio	99.4%	98.9%	0.5 pts
<b>Loss Ratios:</b>			
Net loss ratio	61.5%	64.0%	(2.5) pts
Catastrophe loss ratio <sup>(1)</sup>	5.0%	4.6%	0.4 pts
Reserve development (excl. catastrophe) <sup>(1)</sup>	0.0%	0.0%	0.0 pts
Underlying loss ratio <sup>(1)</sup>	56.5%	59.4%	(2.9) pts
Underlying combined ratio <sup>(2)</sup>	94.4%	94.3%	0.1 pts
Net investment income	\$23	\$16	
Net investment gains (losses)	(\$1)	(\$1)	
Net income (loss)	\$18	\$14	
Adjusted operating income (loss) <sup>(3)</sup>	\$18	\$14	
Net income (loss) per diluted share	\$0.67	\$0.52	
Adjusted operating income (loss) per diluted share <sup>(3)</sup>	\$0.70	\$0.56	
Return on equity <sup>(4)</sup>	8.9%	7.3%	
Book Value per Share	\$32.13		
Adjusted Book Value per Share <sup>(5)</sup>	\$34.16		

- Net income increased 31% with operating income up 27% compared to prior year
- Net written premium growth continued, first quarter growth rate of 4% muted by timing of ceded reinsurance premium
- Third consecutive quarter of underwriting profit
- Underlying loss ratio of 56.5% improved 2.9 points from prior year
- Net investment income increased 44% to \$23 million with strong improvement in fixed maturity income
- Book value per common share increased to \$32.13
- Adjusted book value per share increased to \$34.16

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

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

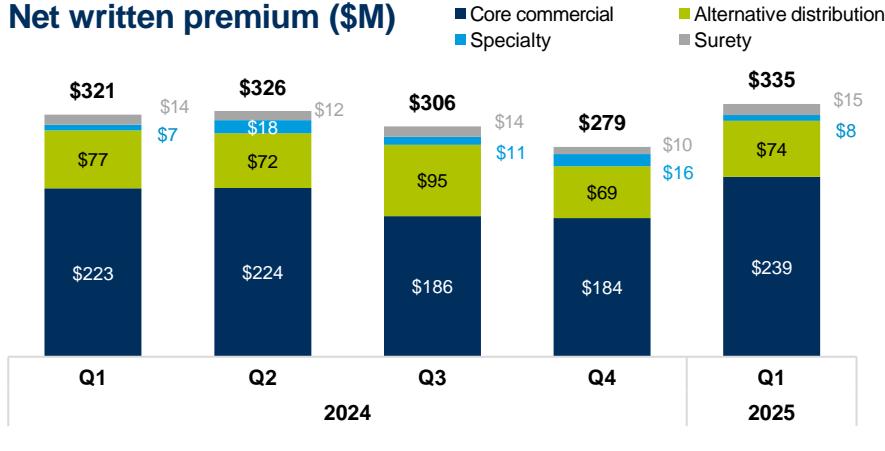
(3) Adjusted operating income (loss) is a non-GAAP financial measure of net income excluding net investment gains and losses, after applicable taxes.

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

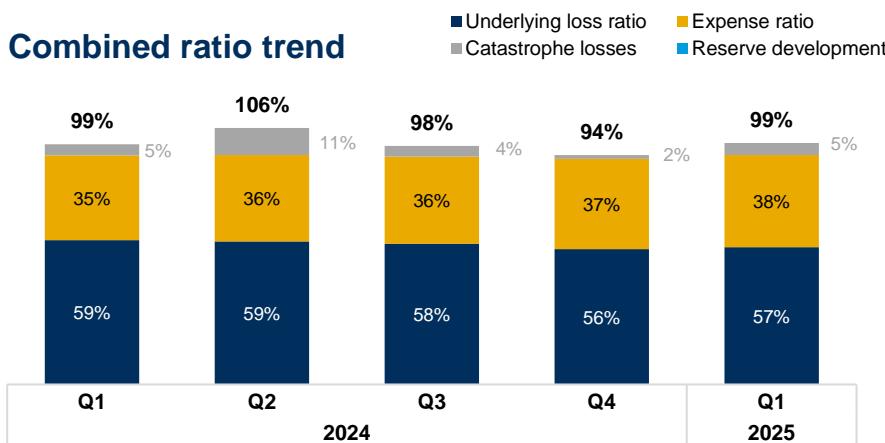
(5) Adjusted book value per share is a non-GAAP financial measure calculated by dividing shareholders' equity, excluding net unrealized investment gains and losses, after applicable federal and state income taxes, by the number of common shares outstanding.

# P&C TRENDS

## Net written premium (\$M)



## Combined ratio trend

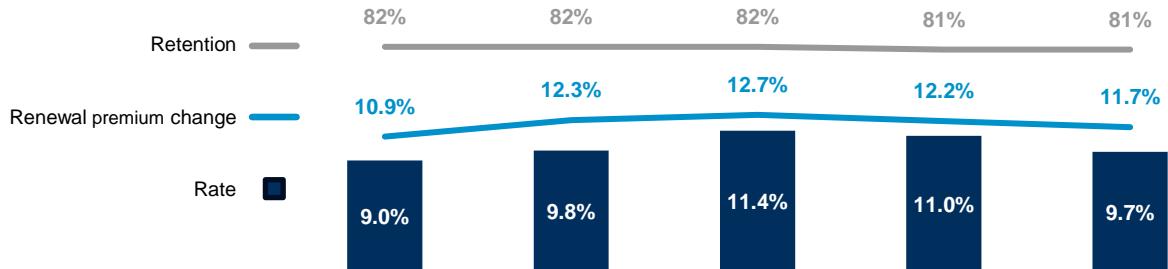


(1) Underlying loss ratio is a non-GAAP financial measure that is defined as the net loss ratio less impacts of catastrophes and non-catastrophe prior period reserve development.

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

- Core commercial grew net written premium 6% in Q1
- Specialty, surety, and alternative distribution growing as expected
- Third consecutive quarter of underwriting profit, Q1 2025 results included elevated industry catastrophe losses and increased expense ratio
- Underlying loss ratio of 56.5% improved nearly 3 points over prior year as a result of ongoing earned rate achievement, favorable frequency trends and disciplined portfolio management
- Catastrophe loss ratio of 5.0% included 2.6 points for California wildfires, remained below five-year historical average
- Prior year reserve development remained neutral in the quarter
- Underwriting expense ratio increased 3 points to 37.9% vs. prior year and included additional costs associated with the final stages of development of a new policy administration system

# P&C PRODUCTION RESULTS



		Q1	Q2	2024	Q4	Q1	2025
BUSINESS UNIT DETAIL		2024			2025		
SMALL BUSINESS	Retention	81%	80%	78%	77%	80%	
	Rate	4%	1%	5%	6%	5%	
	New business \$	8	11	11	13	14	
CONSTRUCTION	Retention	85%	83%	84%	82%	83%	
	Rate	8%	9%	12%	12%	11%	
	New business \$	17	22	18	14	26	
MIDDLE MARKET	Retention	79%	84%	83%	83%	80%	
	Rate	12%	13%	12%	11%	9%	
	New business \$	13	15	10	15	16	
CORE COMMERCIAL	GWP \$	239	240	202	199	256	
	New business \$	41	50	40	42	57	

SURETY	NWP \$	14	12	14	10	15
SPECIALTY	NWP \$	7	18	11	16	8
ALT DIST	NWP \$	77	72	95	69	74

Notes:

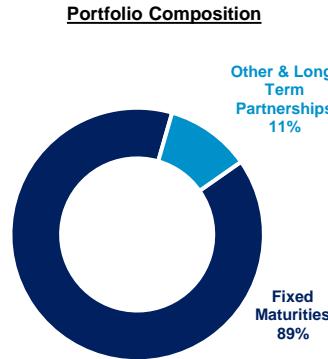
Monoline IM included in total core commercial results

Surety NWP excludes proportional reinsurance

- Strong core commercial production with increasing new business, elevated rates, steady retention
- New business increased over prior year in small business, middle market, and construction within core commercial
- Core commercial renewal premium change of 11.7% with rates up 9.7% and exceeding loss trends
- Compared to prior quarter, rates moderated somewhat in property and automobile while momentum continues to build in general liability and umbrella lines
- Surety and specialty building momentum after repositioning these businesses for profitable growth
- Some variability in alternative distribution premium trends due to mix of business written and actions on individual accounts

# INVESTMENT PORTFOLIO

## Investment portfolio composition & quality



Fixed Maturity Credit Rating

Rating	% of Portfolio
AAA	55.6%
AA	13.4%
A	19.6%
Baa / BBB	10.9%
<b>Investment Grade</b>	<b>99.5%</b>
Other / Not Rated	0.5%
<b>Total Fixed Maturity</b>	<b>100.0%</b>

*Note: Totals impacted by rounding*

- Q1 invested assets of \$2.2B, with 89% of invested assets in fixed income securities
- Fixed income portfolio is well positioned against the heightened uncertainty in the current market
- High-quality portfolio with average credit rating on fixed maturity assets improved to AA from AA- in prior year
- Portfolio strategically positioned to reinvest at higher rates with duration maintained at approximately four years
- Unrealized loss improved in Q1 as interest rates rose

## Unrealized gain / loss impact on stockholders' equity

Fixed Maturity Asset Balance (\$M)	Q1 2025	Year End 2024	YTD Change
Book Value	\$1,997	\$1,962	
Unrealized Gain (Loss)	(\$66)	(\$93)	\$27
<b>Carried Assets on Balance Sheet</b>	<b>\$1,931</b>	<b>\$1,868</b>	

*Change in Equity (After-Tax)* \$21

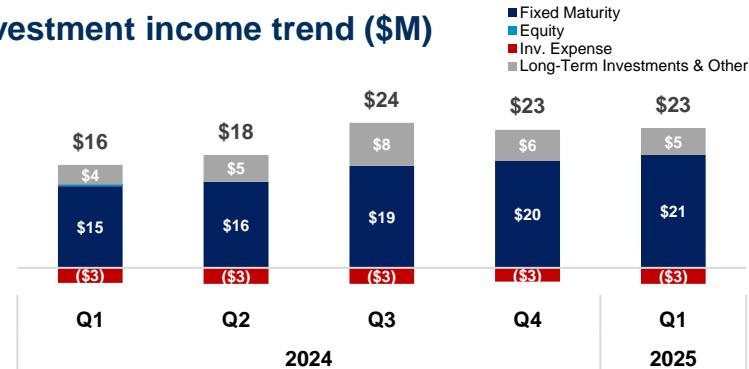
*Note: Totals impacted by rounding*

# INVESTMENT INCOME

## Results

(In Millions)	First Quarter		
	2025	2024	Change
<b>Investment income:</b>			
Interest on fixed maturities	\$21	\$15	39%
Dividends on equity securities	\$0	\$0	NM
Income on other long-term investments	\$2	(\$0)	NM
Other	\$4	\$4	(7%)
<b>Total investment income</b>	<b>\$27</b>	<b>\$19</b>	<b>39%</b>
Less investment expenses	\$3	\$3	9%
<b>Net investment income</b>	<b>\$23</b>	<b>\$16</b>	<b>44%</b>
<b>Net investment gains (losses)</b>	<b>(\$1)</b>	<b>(\$1)</b>	

## Net investment income trend (\$M)



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

	2024	2025
Total	3.6%	3.6%
New Money	5.5%	5.6%

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

- Fixed maturity income grew 39% above prior year as a result of portfolio management actions and reinvestment of portfolio proceeds at yields above portfolio average
- New purchase yield remained strong at 5.3%, outpacing total portfolio yield and supporting future shareholder returns
- Other long-term investments including limited partnerships generated \$1.8 million of pre-tax income in the first quarter along with elevated cash yields