



ALIRT
INSURANCE RESEARCH

ALIRT Research

U.S. P&C Market – What Does 2023 Hold?

Tuesday, January 26, 2023

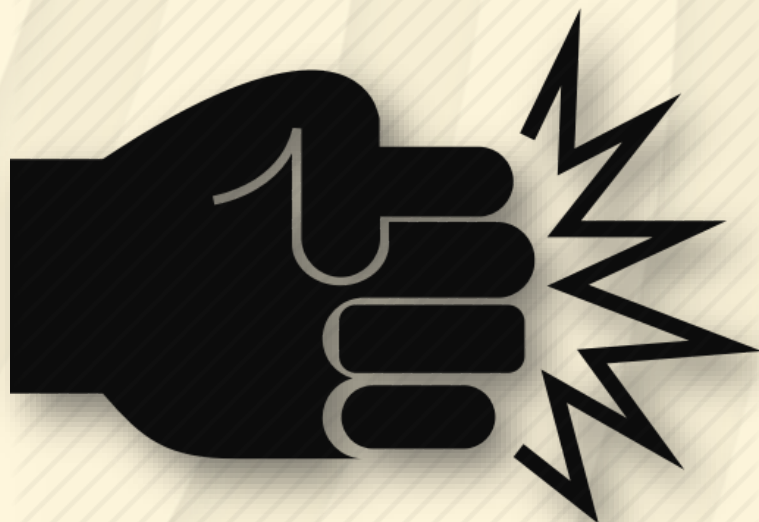
*Presented by:
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Principal, ALIRT Insurance Research*

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ALIRT INSURANCE RESEARCH, LLC

- Provides private credit analytics on the life, property & casualty, and health industries
- Located in Windsor, CT
- Years in Business: 24
- Principals have worked together providing credit oversight on insurers for the past 30 years
- Produces quarterly financial analyses on approximately 500 Life, 1,700 P&C, and 450 managed care insurers (U.S.); foreign analyses includes Bermuda, Lloyds, and London Market insurers.
- Analysis generated by running statutory and GAAP financials through a proprietary model that screens for relative financial strength
- Clients: distributors of insurance products, end users of insurance products, asset managers, boards of directors, insurers
- Purpose 1: to “get below” the public ratings in order to more accurately determine the *relative* financial strength and weakness of insurers
- Purpose 2: Act as the outsourced due diligence staff for our agency/broker clients.

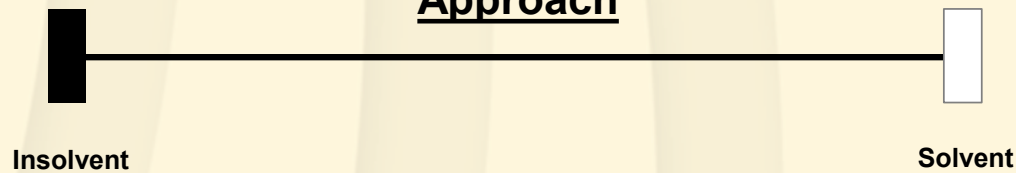
Credit Analysis: Special Considerations



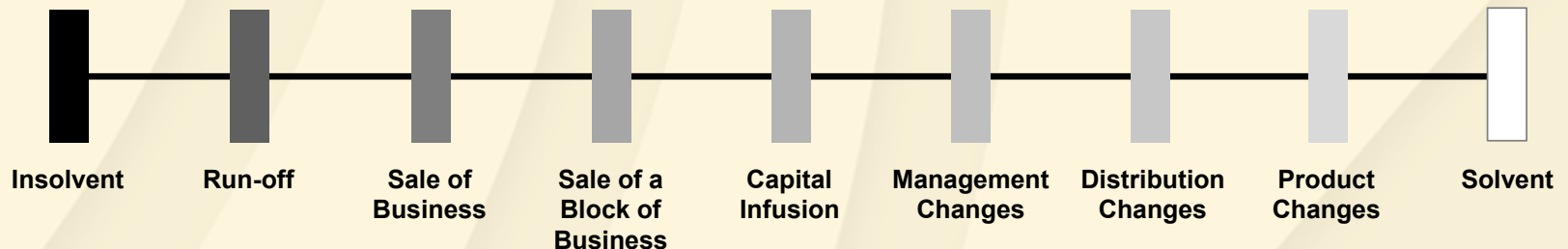
- *Because the future is to a large extent unknowable, credit analysts focus on the relative financial strength of an individual or entity.*
- *In the context of insurance analysis, ALIRT concentrates on the ability of an insurer to “take a punch” and remain standing.*
- *“Punches” can include losses arising from a cyclical deterioration in the industry’s pricing/profitability, shock losses, investment losses, or the adverse impact of economic downturns.”*

Credit Analysis: Special Considerations

From A Binary Approach



To A Spectrum Approach



Per the National Conference of Insurance Guaranty Funds:
600 U.S. P&C insolvencies since 1969 = on average 0.5% each year

Industry Considerations - 2023

Economic Uncertainty

- An inverted yield curve has predicted the last 8 recessions
- While the industry is to a degree recession-proof, an economic downturn does impact demand for insurance, both for individuals and businesses
- Recessions traditionally come with capital market downturns which impact surplus capacity
 - Bonds = 53% of invested assets; 113% of surplus
 - Unaffiliated stocks = 21% of invested assets; 52% of surplus

Inflation

- Stagflation is a real worry = recession + high inflation (higher interest rates)
- Economic inflation
 - Higher loss ratios = Higher cost of materials and labor for auto and home repairs
 - Higher expense ratios = employee costs
- Social inflation
 - Larger jury awards: lack of corporate trust, 3rd party litigation funding, lottery mentality, reptile theory.

Weather-Related Losses – Climate Change

- Ever larger loss events tied to catastrophes and secondary wind events
- Hard reinsurance market for cat-exposed property risks

Industry Considerations - 2023

Technology & Innovation

- Impacts all areas of insurance
 - Marketing
 - U/W & Pricing
 - Pre-loss Mitigation
 - Claims Paying

- Types
 - Advanced Automation
 - Intelligent Process Management
 - Digitization
 - Underwriting Algorithms
 - Data Collection and Mining
 - Artificial Intelligence

Distribution

- Impacts all areas of insurance
 - Independent Agency (healthy)
 - Captive Agency (dying)
 - Direct to Consumer (struggling to grow)
 - Association
 - Embedded Insurance Offerings

Industry Considerations - 2023

Staffing/Talent

- Impacts all areas of insurance
 - Marketing
 - U/W & Pricing
 - Pre-loss Mitigation
 - Claims Paying

Balance Sheet of the U.S. P&C Industry - 2021

Assets

Invested Assets	85%
Premiums Receivable	9%
Reinsurance Recoverable	2%
Other Assets	4%
<hr/>	
Total Assets	100%

Liabilities and Surplus

Loss Reserves	25%
Loss Adj. Expense Reserves	5%
Unearned Premiums	12%
Other Liabilities	18%
<hr style="border-top: 1px dashed black;"/>	
Policyholders' Surplus	40%
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Total Liabilities & Surplus	100%

U.S. P&C Industry figures per S&P Global Market Intelligence (as of 12/31/2021)

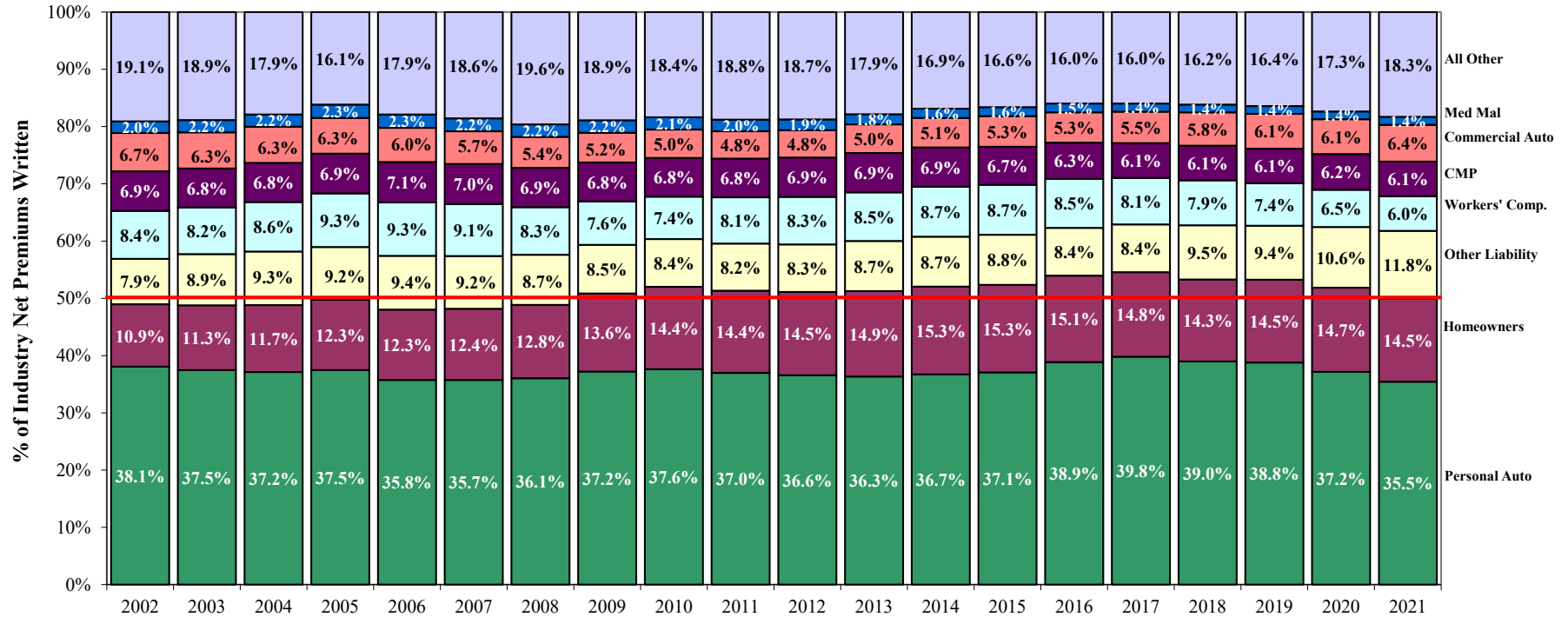
Assets = \$2.60 Trillion

Loss & LAE = \$782 billion

Total Surplus = \$1.05 Trillion

Income Statement – Net Written Premiums

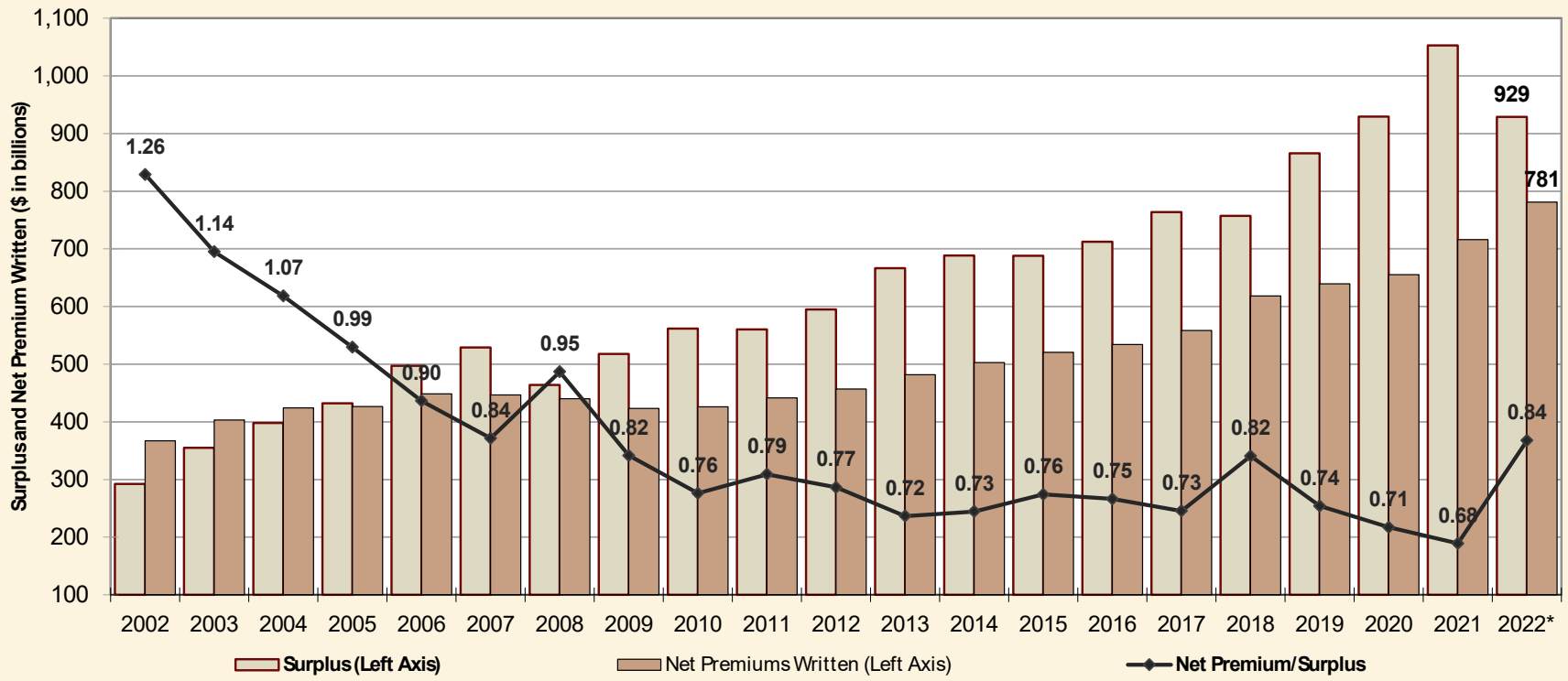
P&C Industry Line of Business Breakdown (2002 - 2021)



Per S&P Global, U.S. P&C industry net written premiums were \$712 billion for 2021, up 9% from 2020. 20 Year Avg. Mix is 51% PL / 49% CL

The Balance Sheet: Surplus

P&C Industry Surplus and Net Premium Leverage



* 9/30/2022 net premiums written are annualized

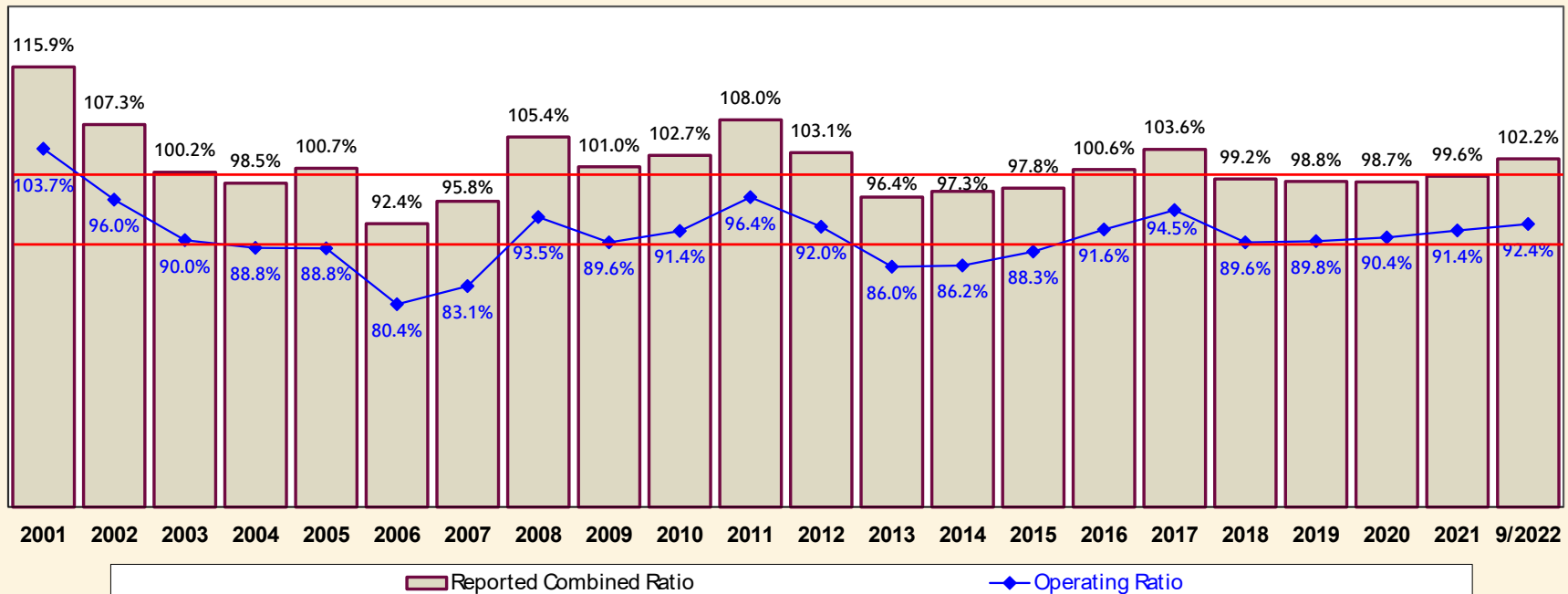
CHANGE IN SURPLUS



- Net Income
- Unrealized Capital Gains/Losses
- Surplus Paid In/Paid Out

Income Statement – U/W & Operating Profitability

P&C Industry Reported Combined Ratio vs. Operating Ratio

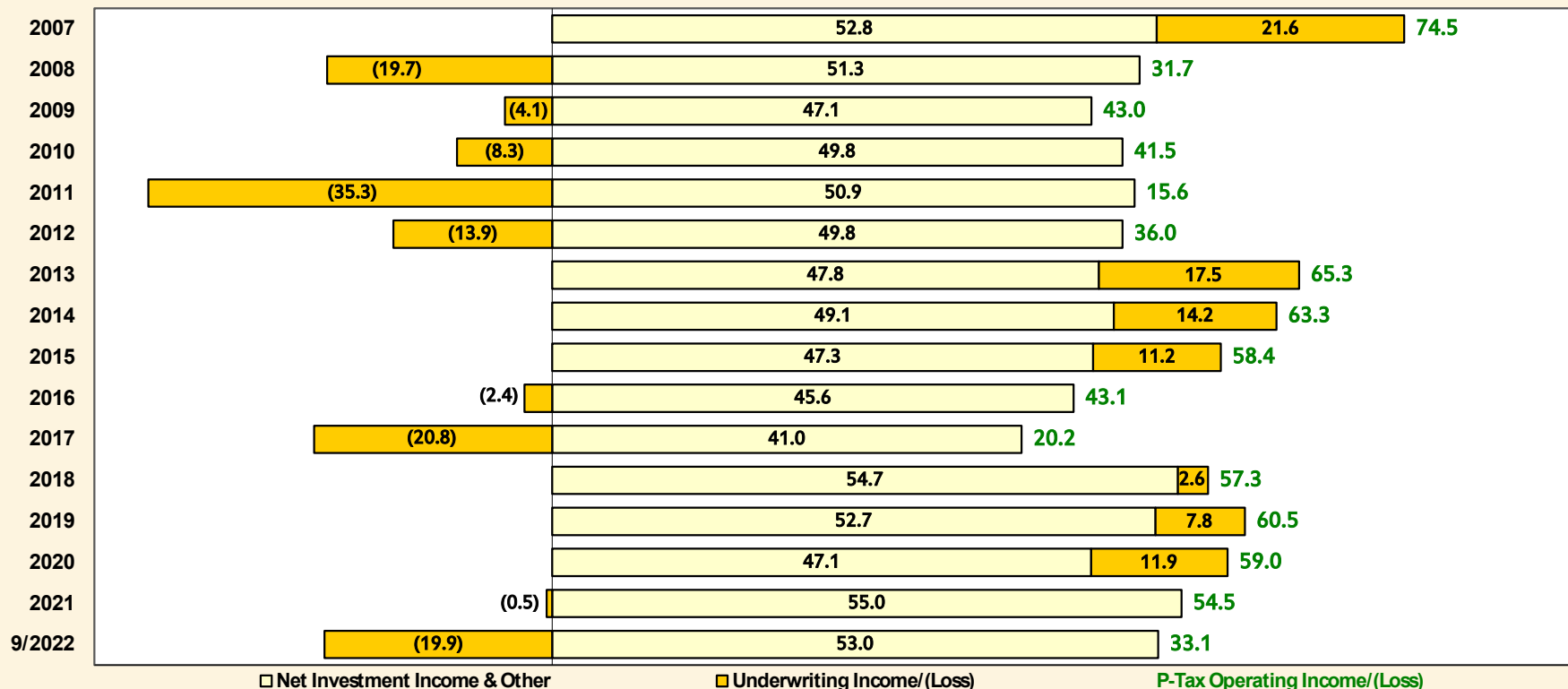


20 Year Average Reported Combined Ratio = 100.1%; 20 Year Average Operating Ratio = 89.7%

20 Year Average Benefit of Net Investment Income = 10.4 points; range = 8.1 – 12.7 points. (2021 = 8.1 points = a cyclical low)

Income Statement – Operating Profitability

P&C Industry Components of Income (\$, Bln)

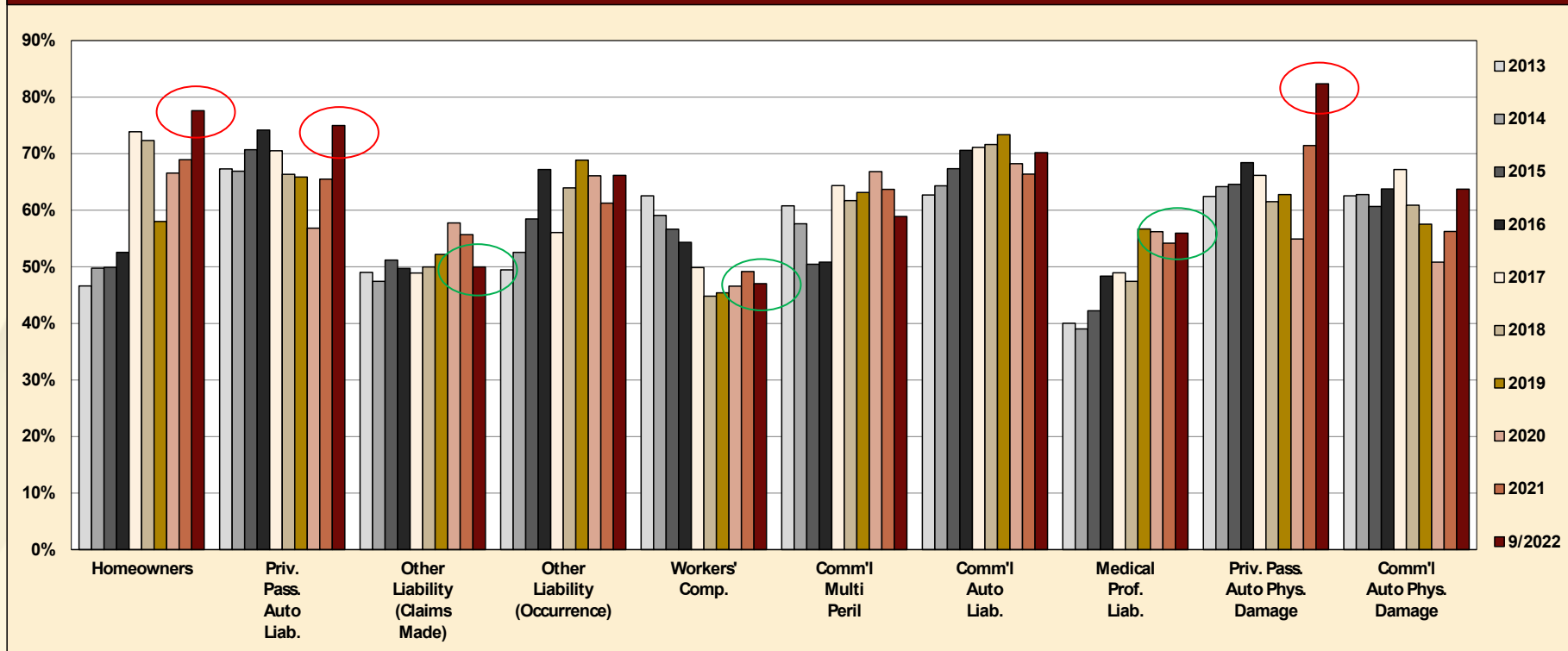


Key Takeaways:

Underwriting profits in 7 of the past 16 years. 2004 was the first year of underwriting gain since the mid-1970s. Investment income still represents the vast majority – if not all – of industry operating profits.

Underwriting Profitability Over Time – By Line

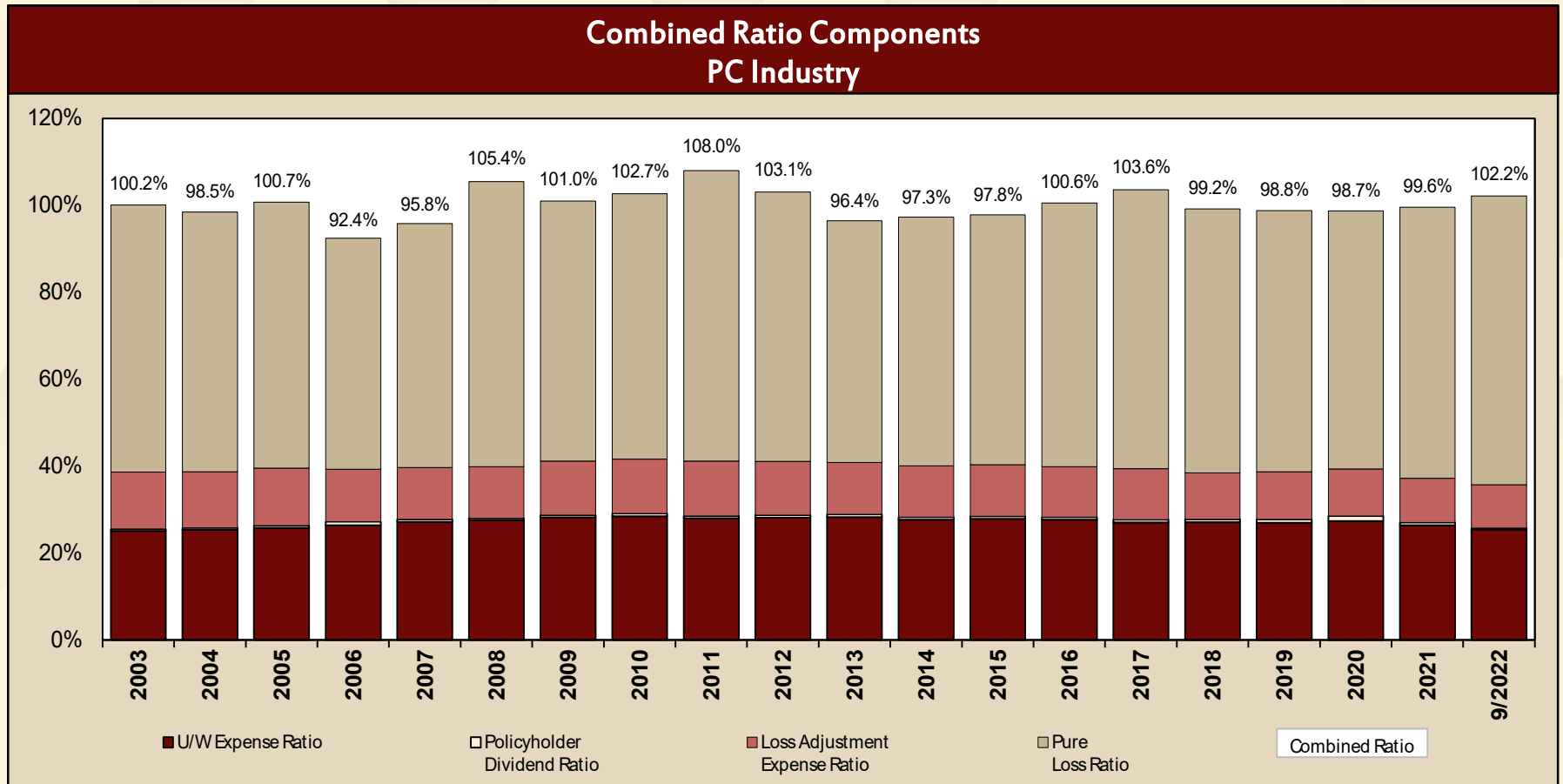
PC Industry Direct Pure Loss Ratio - 2013 to 9/2022



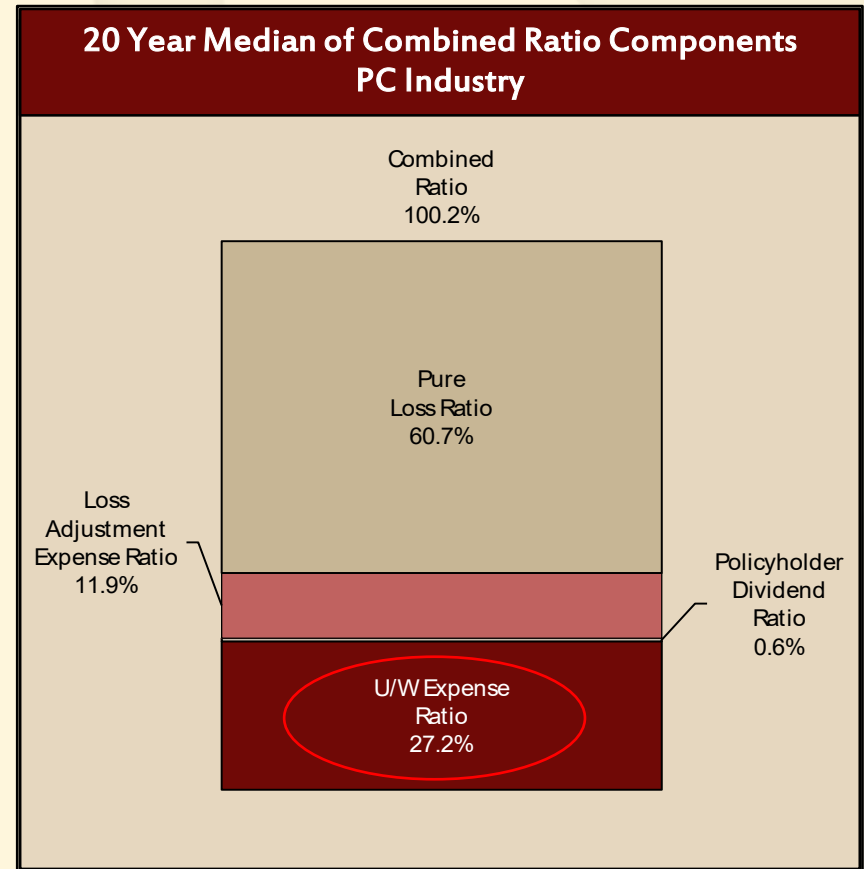
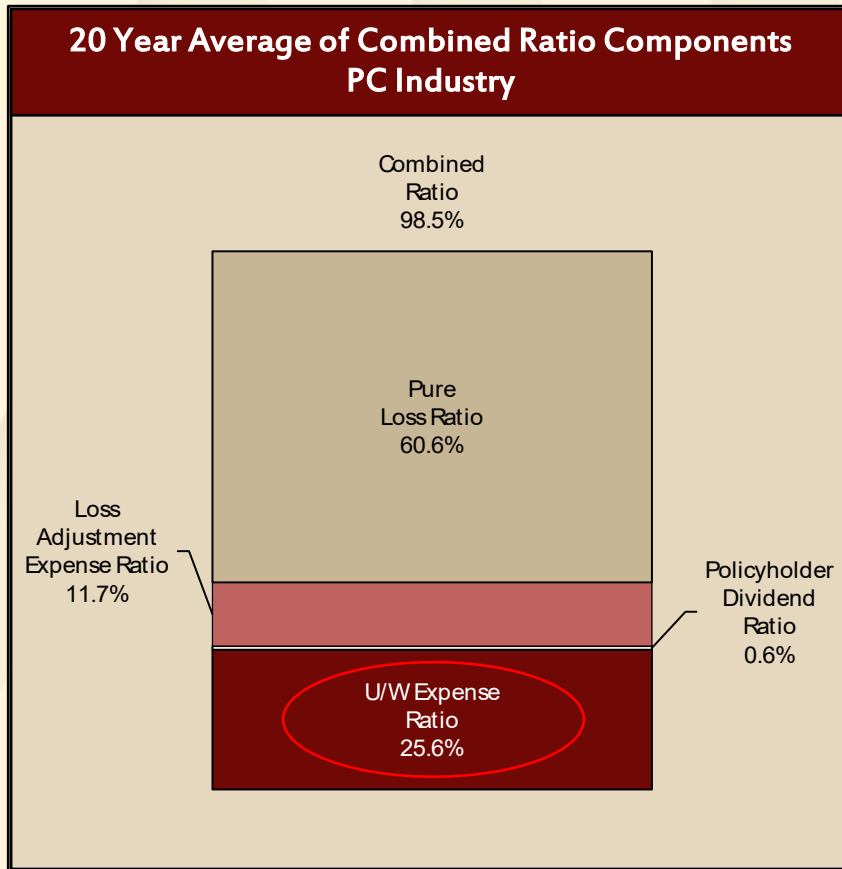
Key Takeaways:

Rates movements will not be monolithic but rather will depend, to a degree, upon the underwriting performance of key sectors. There are always pricing sub-cycles within the larger rate environment. As can be clearly seen, underwriting results for the personal auto and homeowners lines deteriorated sharply in 2022.

Income Statement – U/W Profitability Breakdown

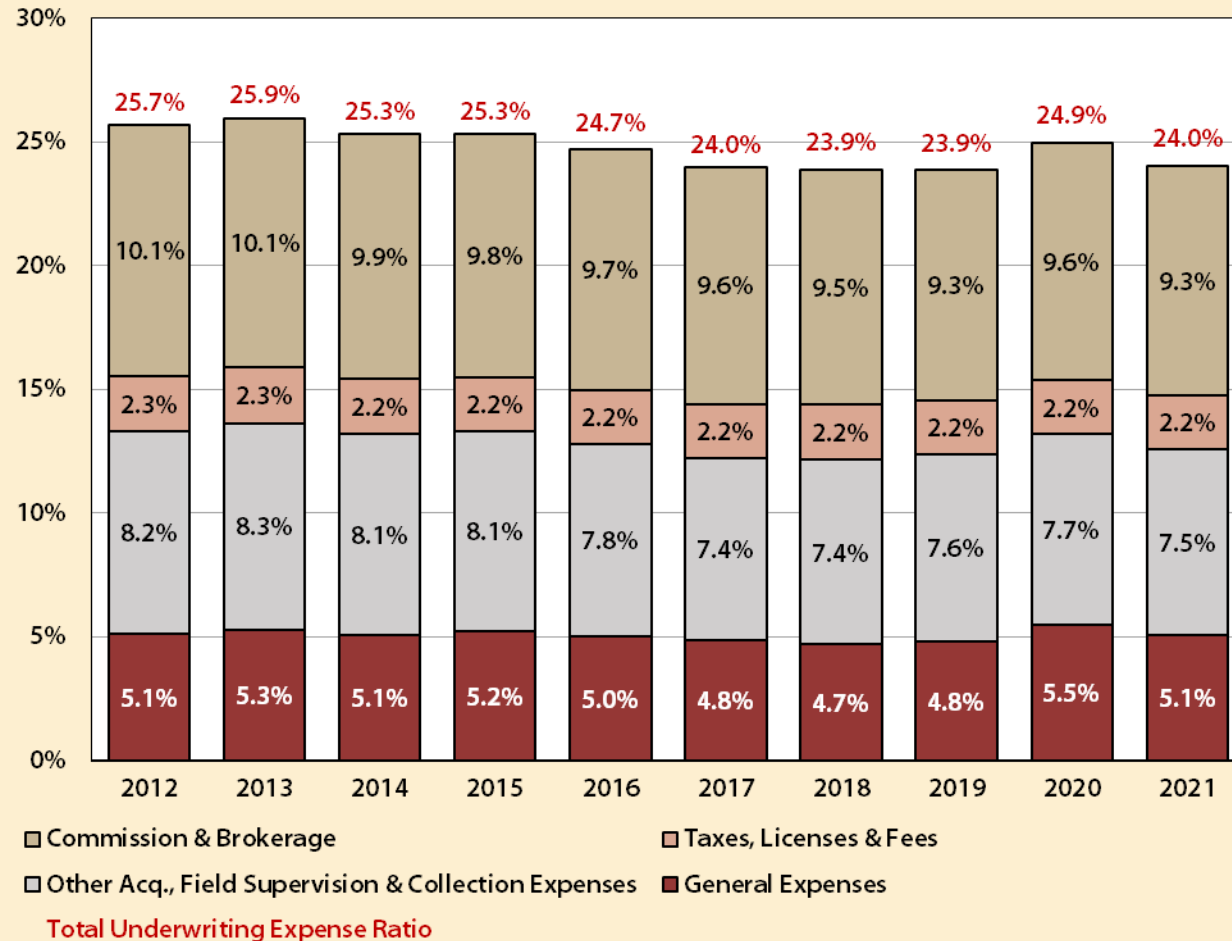


Income Statement – U/W Profitability Breakdown

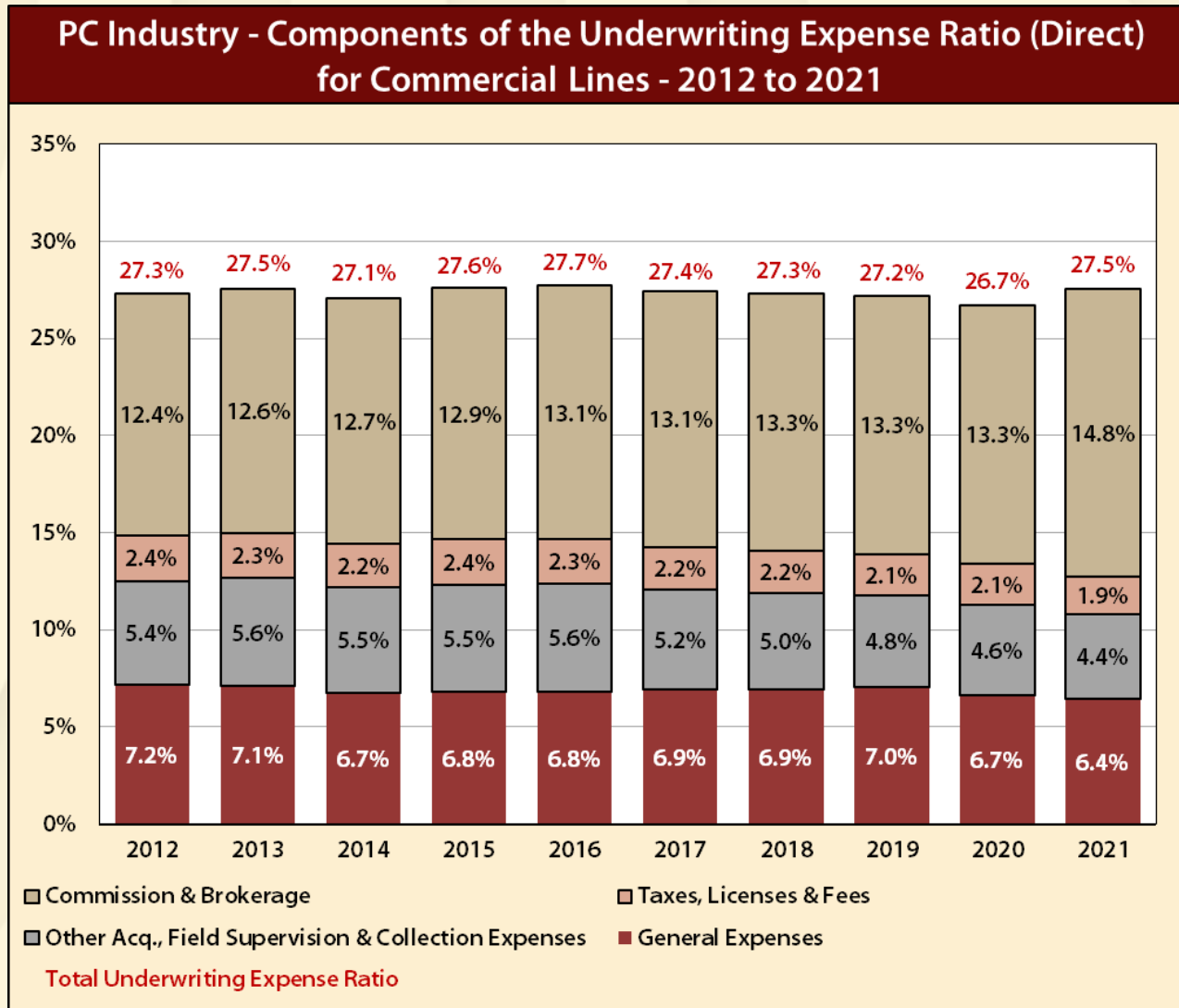


Income Statement – U/W Expense Breakdown

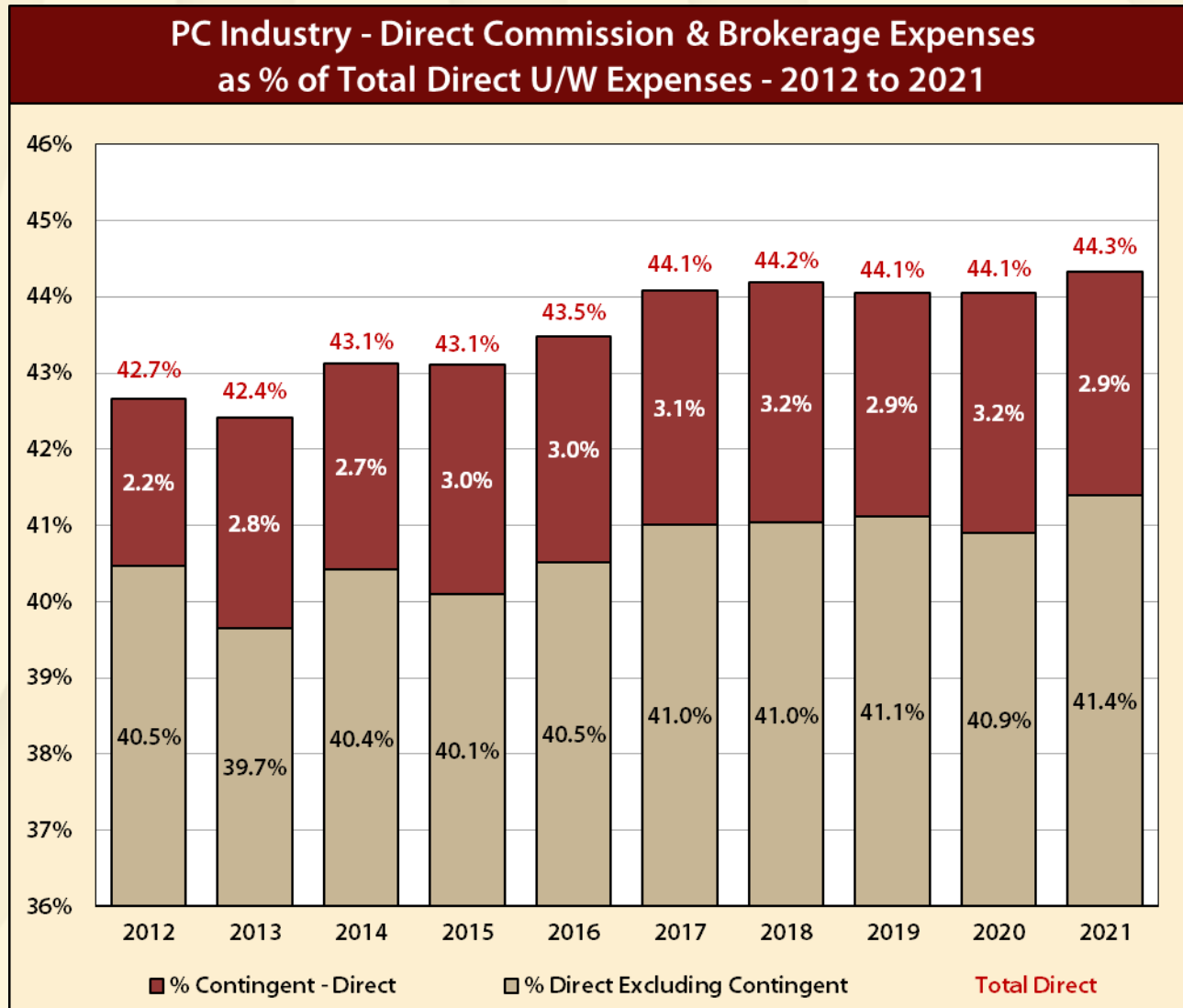
PC Industry - Components of the Underwriting Expense Ratio (Direct) for Personal Lines - 2012 to 2021



Income Statement – U/W Expense Breakdown



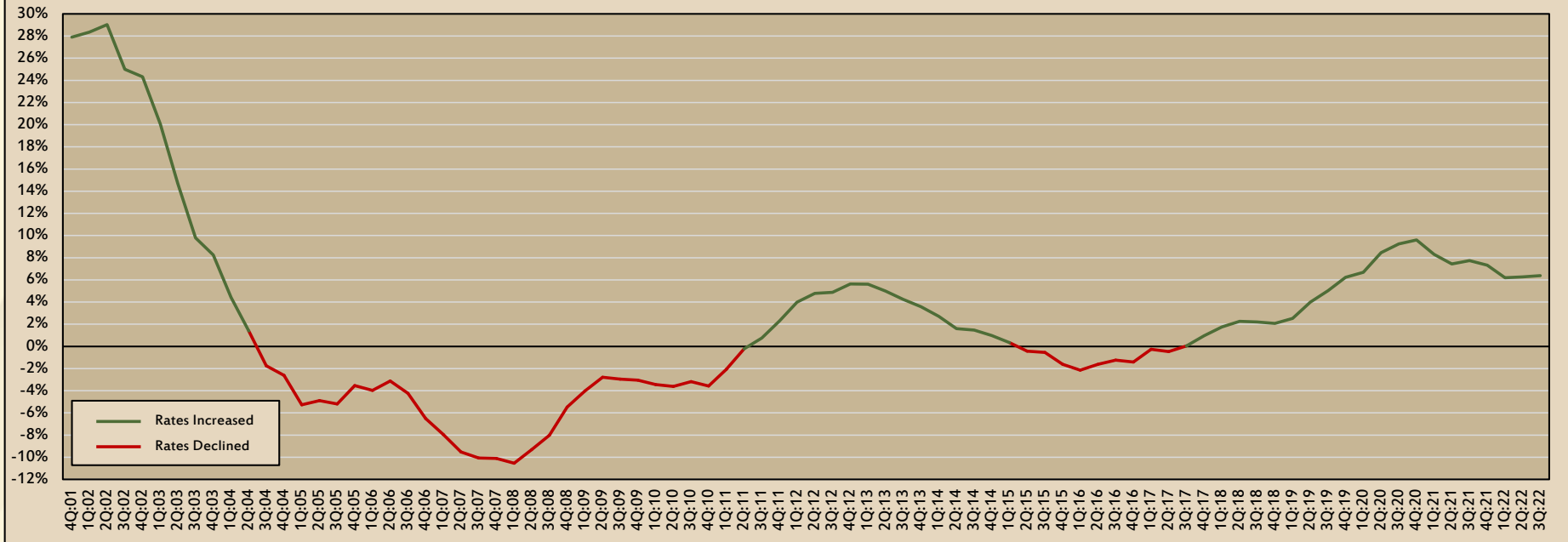
Income Statement – U/W Expense Breakdown



Historical CL Rate Movements

P&C Industry Commercial Lines Rate Changes (per Market Surveys*)

* Weighted Average of CIAB, CLIPS and MarketScout from 2Q:05 to present, CLIPS not available prior to 2Q:05



Key Takeaways:

Rates have been firming/hardening for the past four years, but the cycle was nothing like what occurred after the soft market of 1997-2001. The pace of year over year rate increases has now started to ease. Most lines of business are showing underwriting improvements, with some exceptions (e.g. cat exposed property, cyber insurance). This may be as good as it gets for the current rate cycle.

Sample ALIRT Analysis

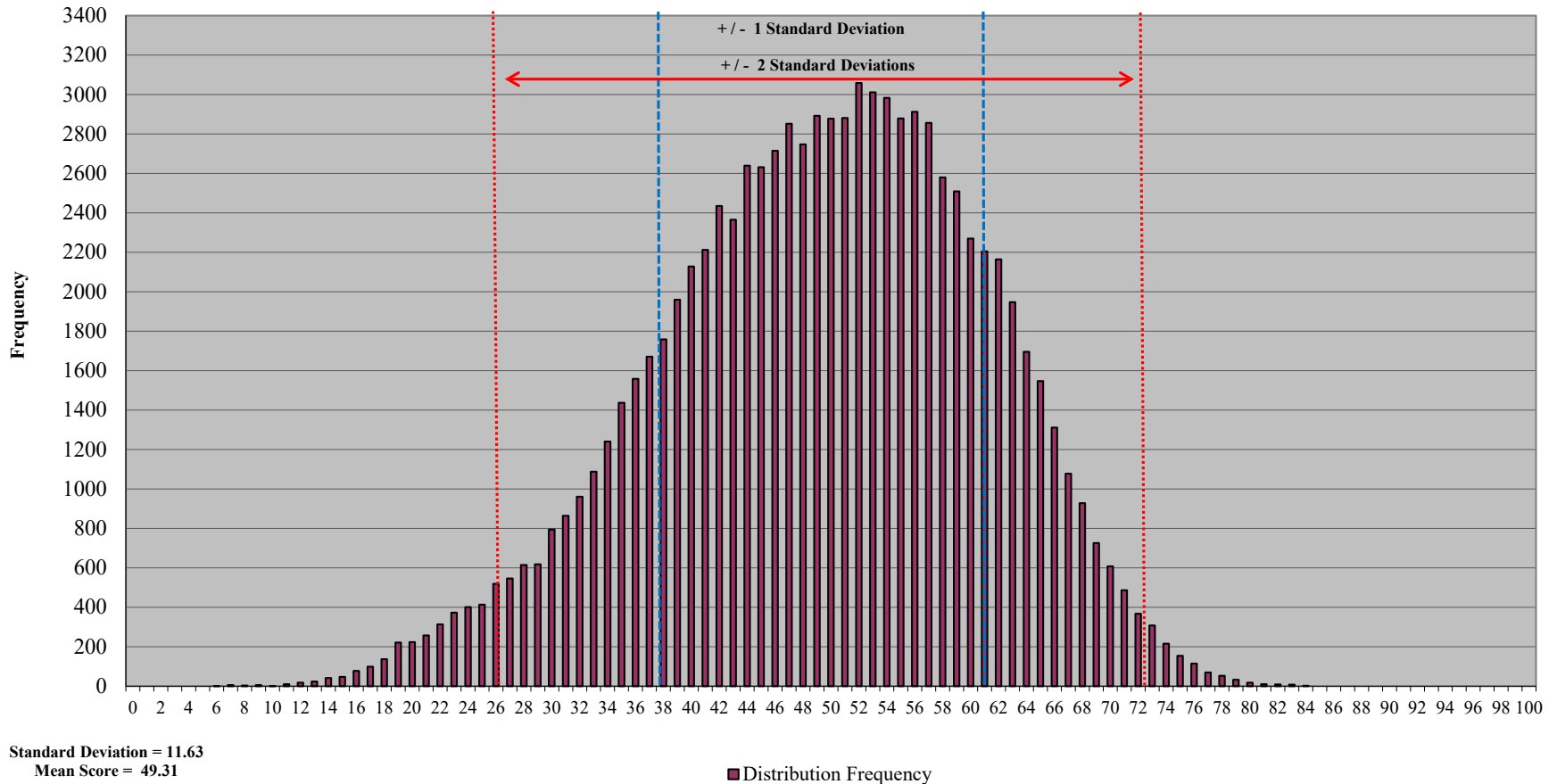
ABC Property Casualty Insurance Company						Time Series = Five Years and Current Year Period						ALIRT																																			
2002						2003						2004						2005						2006						9 Mos. 2007																	
TIER 1 - OPERATIONAL PERFORMANCE																								TIER 3 - GROUP PERFORMANCE																							
Max Score: 16 CAPITALIZATION AND LEVERAGE COMPANY: 6 6 7 7 9 COMML LINES COMP: 7 7 8 12 13												Max Score: 2 COMPANY AS % OF GROUP COMPANY: 2 2 2 2 2 COMML LINES COMP: 1 1 1 1 1												Max Score: 5 REVENUES & LIQUIDITY COMPANY: 1 2 2 2 4 COMML LINES COMP: 3 3 4 4 4												Max Score: 8 FINANCIAL LEVERAGE, COVERAGE AND PROFITABILITY COMPANY: 1 1 2 1 4 COMML LINES COMP: 3 3 4 3 4											
Max Score: 17 UNDERWRITING PROFITABILITY AND EARNINGS COMPANY: 6 2 6 5 7 COMML LINES COMP: 7 7 7 4 12												TIER 3 ALIRT SCORE (Maximum Score = 11) COMPANY: 4 5 6 5 10 COMML LINES COMP: 7 7 9 8 8												Max Score: 6 RESERVES COMPANY: 3 0 0 0 0 COMML LINES COMP: 0 0 0 0 2												TIER 4 - SIZE & RATINGS MOODY'S: A3 A3 A3 A3 A3 S&P: A- A- A- A- A- FITCH: A A A A A WEIGHTED COMPOSITE: A+ A+ A+ A+ A+ TIER 4 ALIRT SCORE (Maximum Score = 14) COMPANY: 8 8 8 8 8 COMML LINES COMP: 9 9 9 9 9											
Max Score: 8 REINSURANCE COMPANY: 2 2 2 2 3 COMML LINES COMP: 3 3 3 3 6												TIER 1 ALIRT SCORE (Maximum Score = 55) COMPANY: 21 18 20 18 23 COMML LINES COMP: 23 23 24 18 37												TOTAL ALIRT SCORE (Maximum Score = 100) COMPANY: 41 35 39 39 47 COMML LINES COMP: 46 46 49 42 63												Max Score: 9 RESERVE VITALITY AND LIQUIDITY COMPANY: 4 4 5 4 4 COMML LINES COMP: 6 6 6 4 6											
Max Score: 12 INVESTMENT RISKS COMPANY: 4 3 3 4 3 COMML LINES COMP: 5 5 6 6 7												Max Score: 4 INVESTMENT RESULTS COMPANY: 4 5 2 4 3 COMML LINES COMP: 2 2 1 1 2												TIER 2 ALIRT SCORE (Maximum Score = 20) COMPANY: 6 5 5 8 6 COMML LINES COMP: 7 7 7 7 9												Max Score: 6 REVENUE VITALITY AND LIQUIDITY COMPANY: 4 4 5 4 4 COMML LINES COMP: 6 6 6 4 6											

Notes: Every score is compared against an industry composite average.

ALIRT INSURANCE RESEARCH P&C FINANCIAL STRENGTH RATIOS																								
ABC Property Casualty Insurance Company																								
TIER 1 - OPERATIONAL RISK																								
CAPITALIZATION AND LEVERAGE												UNDERWRITING PROFITABILITY AND EARNINGS						REINSURANCE						
YEAR	TOTAL SURPLUS (\$ MIL)	5 YR SURPLUS GROWTH	RISK BASED CAPITAL RATIO	SURPLUS STABILITY TEST	GROSS PREMIUM LEVERAGE	NET PREMIUM LEVERAGE	LOSS RATIO	EXPENSE RATIO	COMBINED RATIO	ACC YEAR COMBINED RATIO	OPERATING RATIO	PRETAX RETURN ON EARNED PREMIUM	BUSINESS DIVERSIFICATION	UNAFFILIATED COS. ONLY RECOVER / OF GROSS SURPLUS	NET INC. SEC'D AS % OF GROSS PREMIUMS									
2002	5,116	-5%	169%	52.3%	1.73	1.38	76%	28%	105%	109%	59%	33.2%	2.5	156%	16%									
2003	6,046	2%	146%	58.1%	1.77	1.22	117%	31%	149%	109%	123%	-37.7%	3.0	169%	30%									
2004	6,815	2%	170%	53.0%	1.35	1.03	78%	27%	106%	102%	89%	5.2%	3.0	143%	15%									
2005	6,743	6%	165%	60.6%	1.31	1.00	94%	29%	124%	107%	92%	5.2%	3.5	113%	13%									
2006	7,939	69%	166%	54.7%	1.11	0.80	81%	28%	109%	106%	83%	13.3%	3.0	75%	11%									
9/2007	8,246	63%	N/A	53.1%	1.06	0.79	82%	29%	111%	104%	78%	19.3%	N/A	N/A	N/A									
COMML LINES COMP	1,235	113%	241%	19.2%	1.21	0.61	64%	27%	82%	92%	75%	22.8%	2.0	37%	9%									
TIER 1 - OPERATIONAL RISK (continued)												TIER 2 - INVESTMENT RISK												
RESERVES						REVENUE VITALITY AND LIQUIDITY						INVESTMENT RISKS						INVESTMENT PERFORMANCE						
YEAR	COMML LINES	# OF YRS OF RESERVES/ LAST 5 WITH TOTAL RESERVE	ONE YEAR RESERVE DEVELOP	OPERATING CASH FLOW RATIO	UNDERWRIT. CASH FLOW RATIO	ANNUAL % CHANGE EARNED PREMIUMS	TOTAL LIQUIDITY	UNAFFIL STOCKS/ SURPLUS	AFFIL INVEST/ SURPLUS	NON-RV GRADE BONDS/ SURPLUS	CMO'S & OTHER ABS/ SURPLUS	WEIGHTED TRAD. BONDS	GROSS YIELD ON INVEST. ON BONDS	NET YIELD ON INVEST. ON ASSETS	TOTAL RETURN ON INVEST. ON ASSETS									
2002	79.4%	1	-4.1%	235.1%	159.2%	98.4%	91%	11%	49%	38%	81%	11.61	5.8%	14.41%	3.14%									
2003	83.4%	1	38.6%	120.3%	101.4%	2.5%	95%	7%	52%	21%	94%	12.58	5.3%	6.26%	6.50%									
2004	81.6%	1	3.7%	118.4%	105.9%	12.1%	96%	6%	58%	24%	86%	11.55	5.24%	4.02%	8.24%									
2005	81.4%	1	15.3%	171.2%	133.5%	-6.5%	79%	10%	49%	29%	167%	15.20	4.89%	6.71%	5.64%									
2006	82.6%	1	2.4%	152.0%	121.7%	-2.1%	82%	25%	50%	31%	149%	12.95	5.58%	5.06%	7.01%									
9/2007	N/A	0	5.0%	133.8%	100.4%	-3.2%	N/A	30%	46%	36%	N/A	N/A	N/A	5.68%	4.62%									
COMML LINES COMP	81.2%	0	-0.4%	141.2%	114.5%	1.8%	144%	30%	51%	4%	34%	7.64	4.31%	4.40%	7.02%									
TIER 3 - FINANCIAL RISK - HOLDING COMPANY ANALYSIS																								
STRATEGIC VALUE						FINANCIAL FLEXIBILITY & LIQUIDITY						LEVERAGE, COVERAGE, AND PROFITABILITY						TIER 4 - SIZE & RATINGS						
STATUTORY INS CO. AS A % OF TOTAL ORGANIZATION						ANNUAL % CHANGE IN REVENUE						ANNUAL % CHANGE IN DEBT EQUITY RATIO						IN 9 MNS.						
YEAR	ASSETS	SURPLUS	TOTAL REVENUE (\$ MNS)	ANNUAL % CHANGE IN REVENUE	OPERATING CASH FLOW REVENUE	STOCK MARKET VAL/ BOOK VAL	LIQUID ASSETS AS % OF TOTAL ASSETS	DEBT EQUITY RATIO	PRETAX OPERATING EARNINGS	INTEREST COVERAGE	PRETAX OPERATING ROE	NET PREM'S WRITTEN	NET PREM'S EARNED	TOTAL ASSETS	WEIGHTED COMPOSITE RATINGS									
2002	41.0%	54.4%	12,298	-6.9%	8.5%	60.0%	57.0%	24.4%	N/A	1.9	3.8%	7,073	5,783	25,312	A+									
2003	50.5%	67.6%	11,716	-4.6%	15.0%	60.2%	56.1%	21.3%	N/A	-17.3	-25.6%	7,403	5,929	34,569	A+									
2004	54.7%	74.0%	9,930	-15.2%	16.2%	74.4%	60.2%	24.5%	N/A	3.3	5.5%	7,028	6,645	34,212	A+									
2005	61.1%	75.3%	9,862	-0.7%	22.0%	93.6%	64.5%	18.9%	-67%	1.1	1.8%	6,753	6,212	35,913	A+									
2006	63.4%	81.3%	10,376	5.2%	21.7%	112.0%	69.7%	22.1%	88%	9.1	17.1%	6,869	6,079	38,166	A+									
9/2007	67.2%	81.5%	9,960	-4.0%	9.5%	106.6%	69.2%	21.3%	-16%	7.2	13.6%	6,537	5,997	40,375	A+									
COMML LINES COMP	5.3%	24.2%	4,439	1.9%	20.0%	123.4%	59.0%	23.0%	7%	10.2	22.3%	896	845	3,625	AA-									

Program Insurers – Historical Distribution of Scores

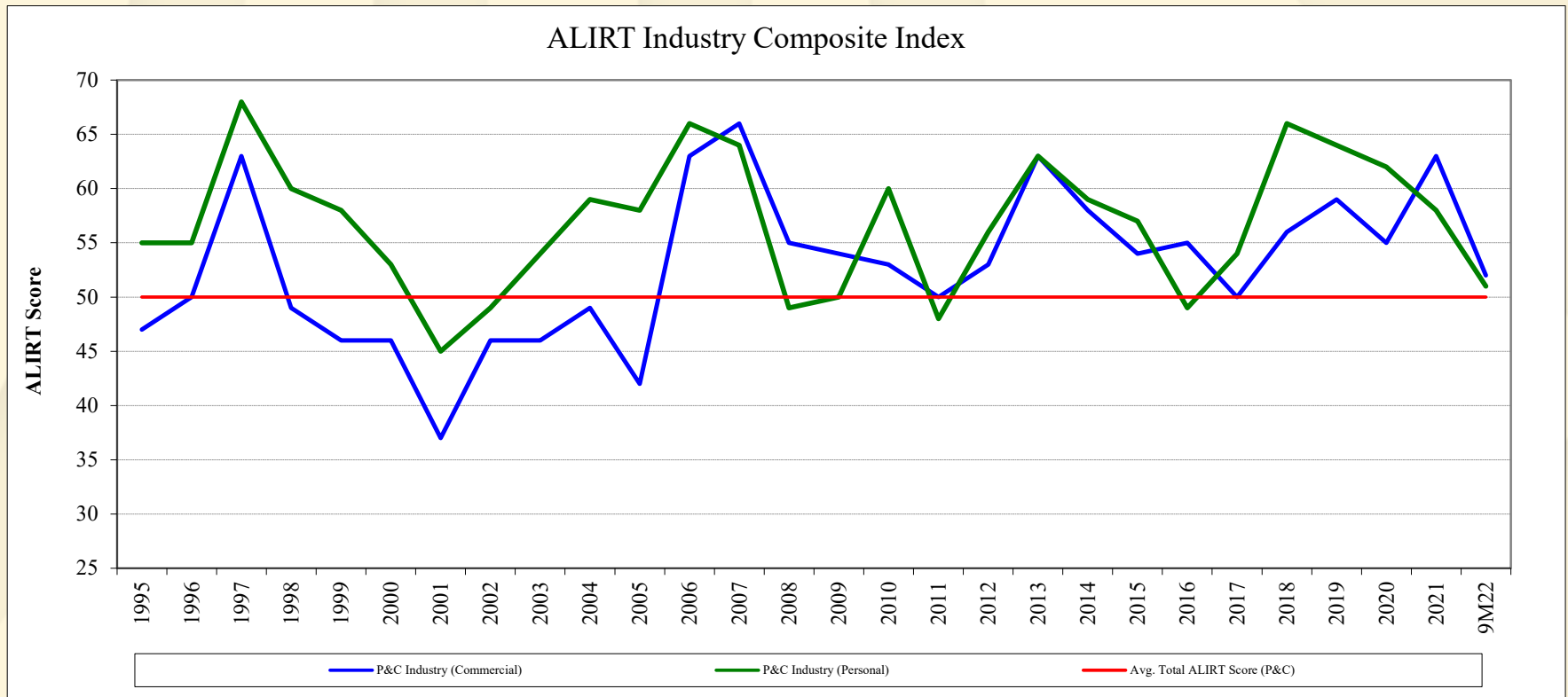
P&C ALIRT Score Distribution (2002-9M22)



Key Takeaways:

The normal range of ALIRT Scores is very steady over time and serves as a statistically valid benchmark for individual company performance. Insurance companies whose scores fall into the low 30's (or below) traditionally face some remedial action, which can include insolvency.

Industry Results: ALIRT Composite



Key Takeaways:

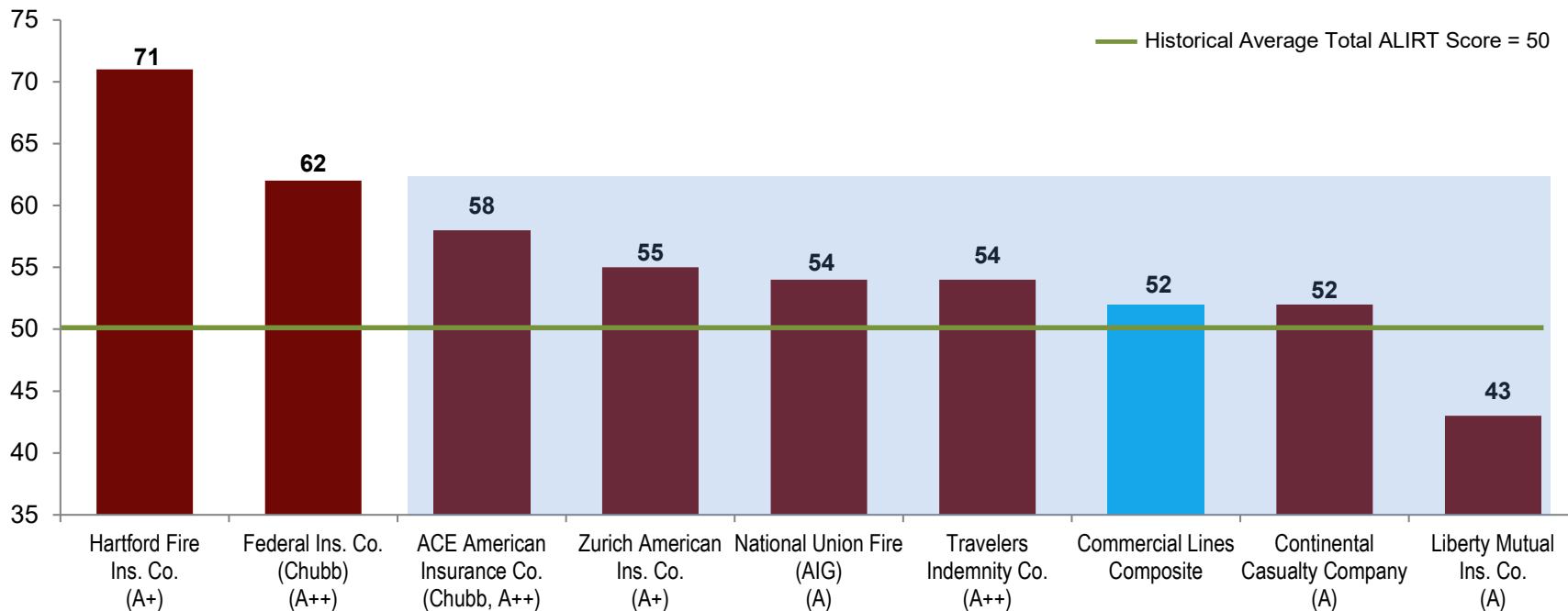
The U.S. P&C Industry came into the current crisis with a relatively strong financial profile.

The recession of 2000-2001 coincided with the end of a deep and protracted soft market.

Neither the 2008-2009 Great Recession nor the 2020-2021 Pandemic severely impact the P&C Industry as they did not coincide with the fall-out from a soft market cycle.

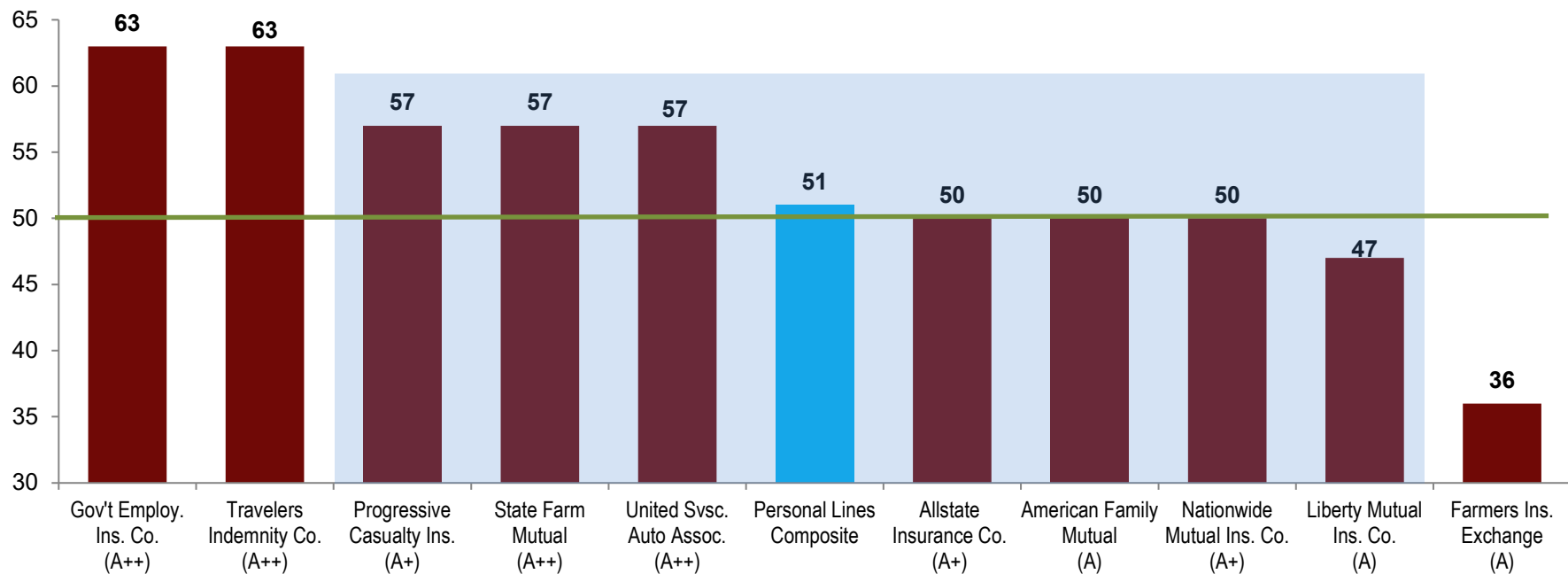
2021 ALIRT Scores – National Insurers

National Commercial Lines Writers - Total ALIRT Scores (9 Months 2022)



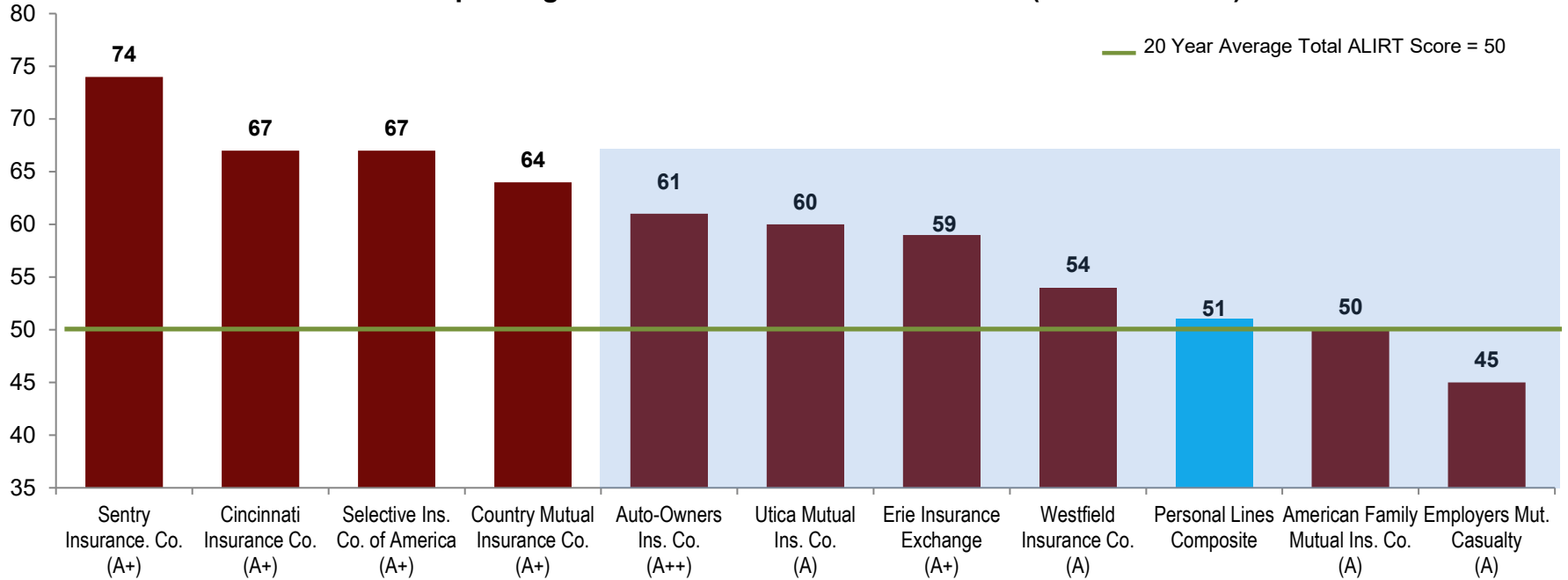
2021 ALIRT Scores – Personal Lines Insurers

National Personal Lines Writers - Total ALIRT Scores (9 Months 2022)



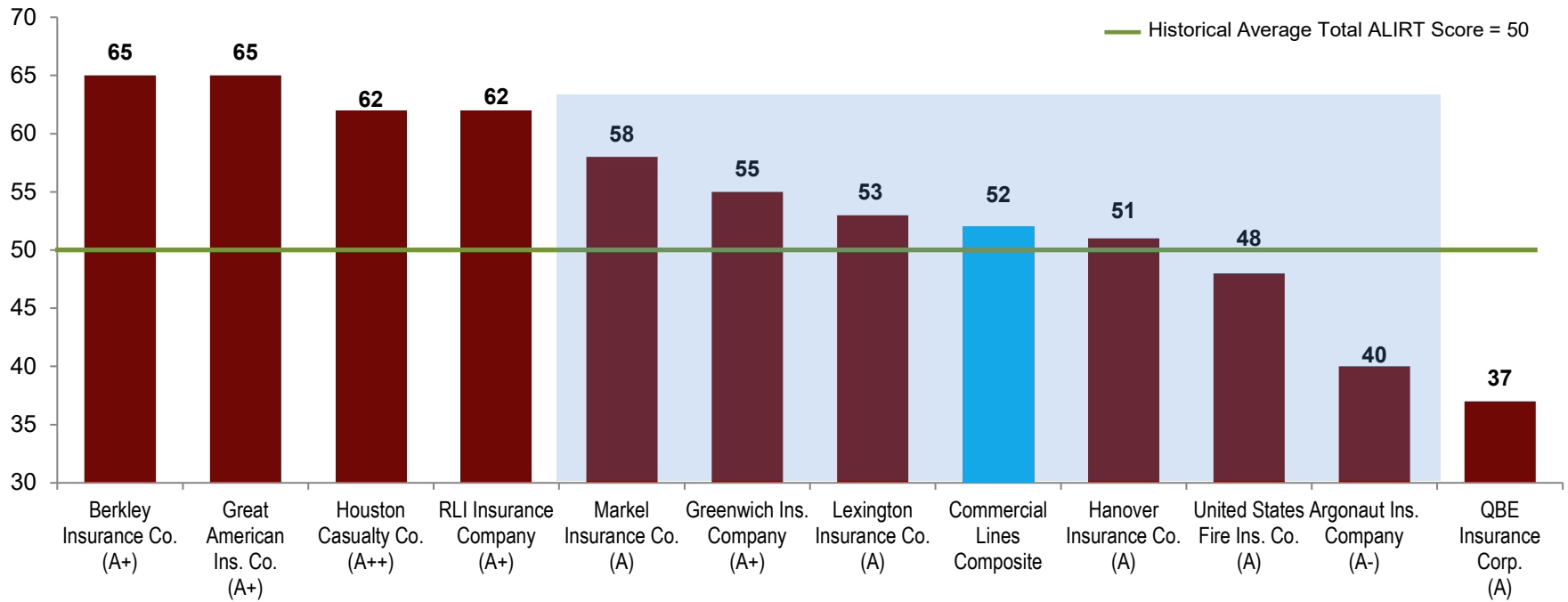
2021 ALIRT Scores – Super Regional Insurers

Super Regional Insurers - Total ALIRT Scores (9 Months 2022)



2021 ALIRT Scores – Specialty Insurers

Specialty Insurers - Total ALIRT Scores (9 Months 2022)

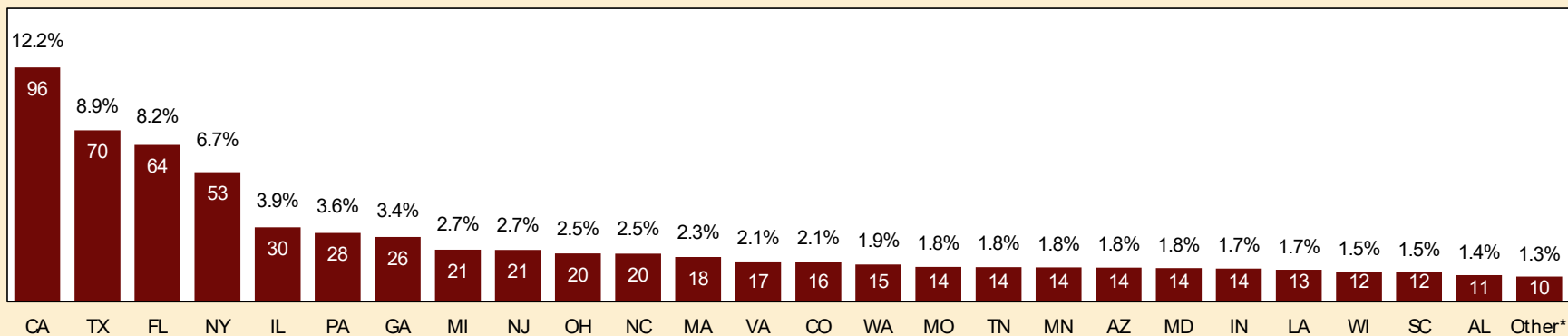


Regional U.S. P&C Market – Talking Points

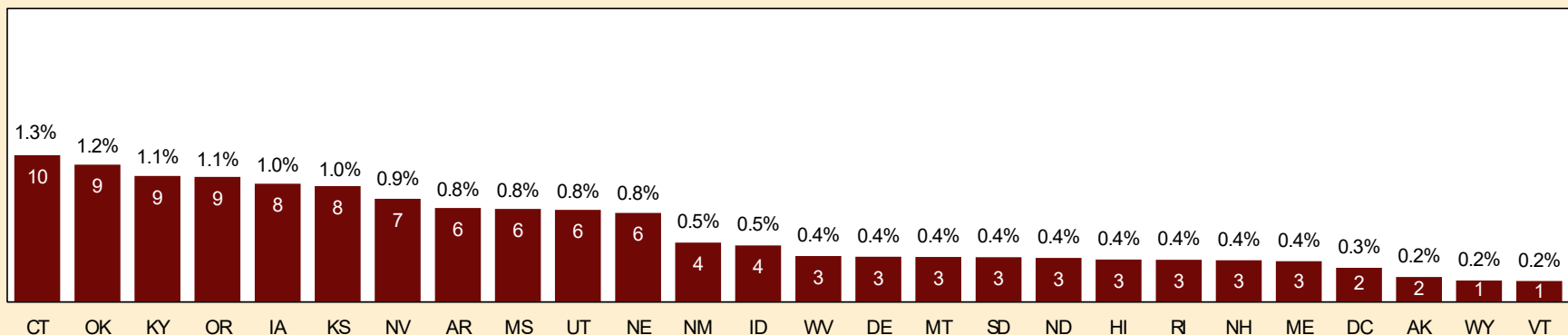
- We have divided the country up into 6 regions: Northeast, MidAtlantic, Southeast, Midwest, Southwest, and Northwest.
- The leading regions, as regards DPW, are the Southwest, which includes both California and Texas, and the Southeast (FL, GA) and Midwest (IL, MI).
- The following companies are the leading (super) regional insurers, as regards direct writing premium. We exclude the national carriers (both commercial and personal lines), as well as specialty insurers (including workers comp funds).
- These insurers largely underwrite personal lines insurance (including in places farmowners), with the larger (super) regionals also providing commercial auto, CMP, and workers compensation, as well as smaller amounts of liability and other coverages.
- As regards financial strength, until recently a number of the (super) regionals have ALIRT Scores approaching a second standard deviation from the historical average of 50, representing underwriting and operating excellence and strong capitalization.
Difficulties in personal lines business in 2022 have pushed scores down somewhat.
- Many of these insurers have scored in such a way for many years, reflecting in part the “plain vanilla” lines of business written as well as strong relationships with independent agency networks.

U.S. P&C Market – By State Breakout (2021 DWP)

Percentage of U.S. Industry Direct Premiums Written in each State (\$ in Billions)



Percentage of U.S. Industry Direct Premiums Written in each State (\$ in Billions)

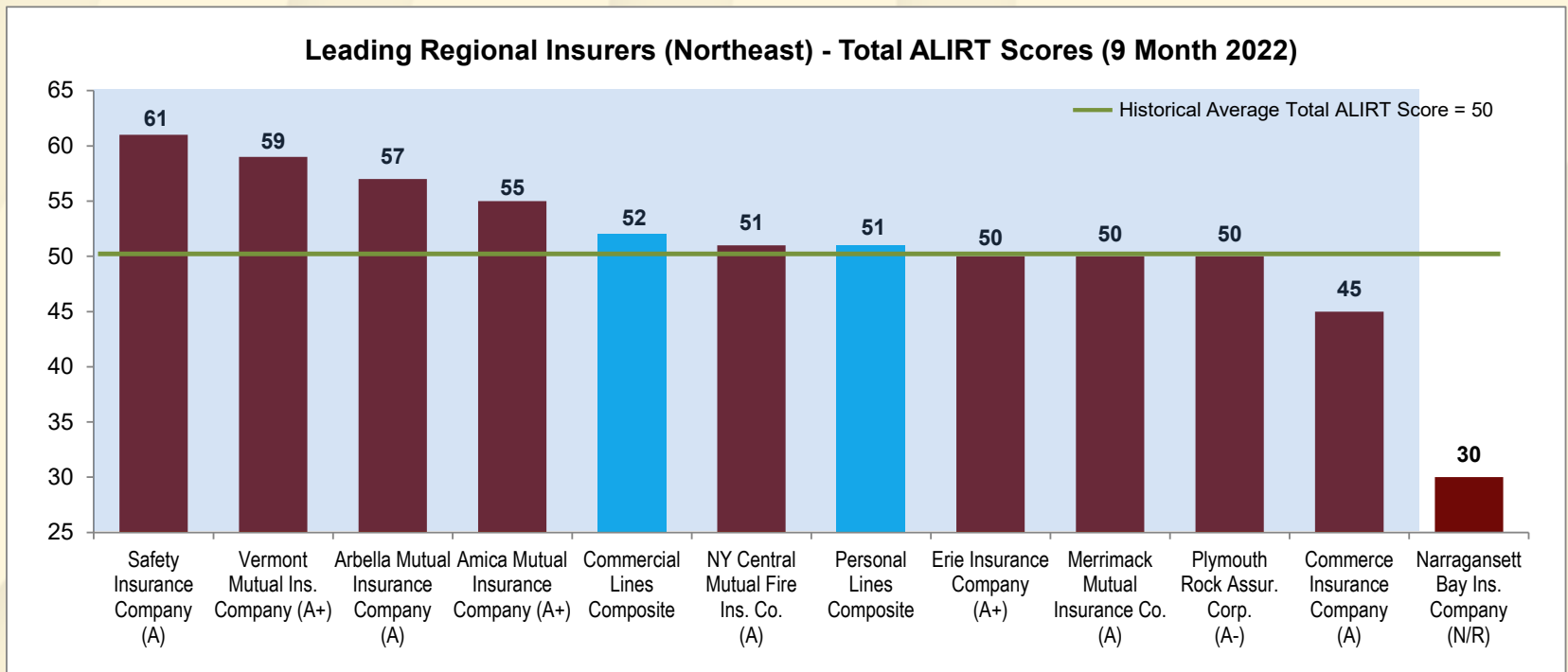
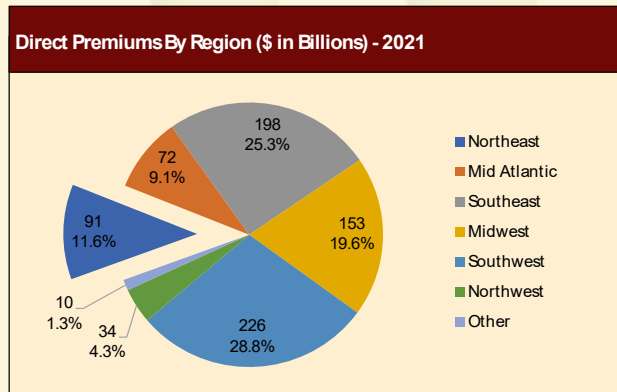


Key Takeaways:

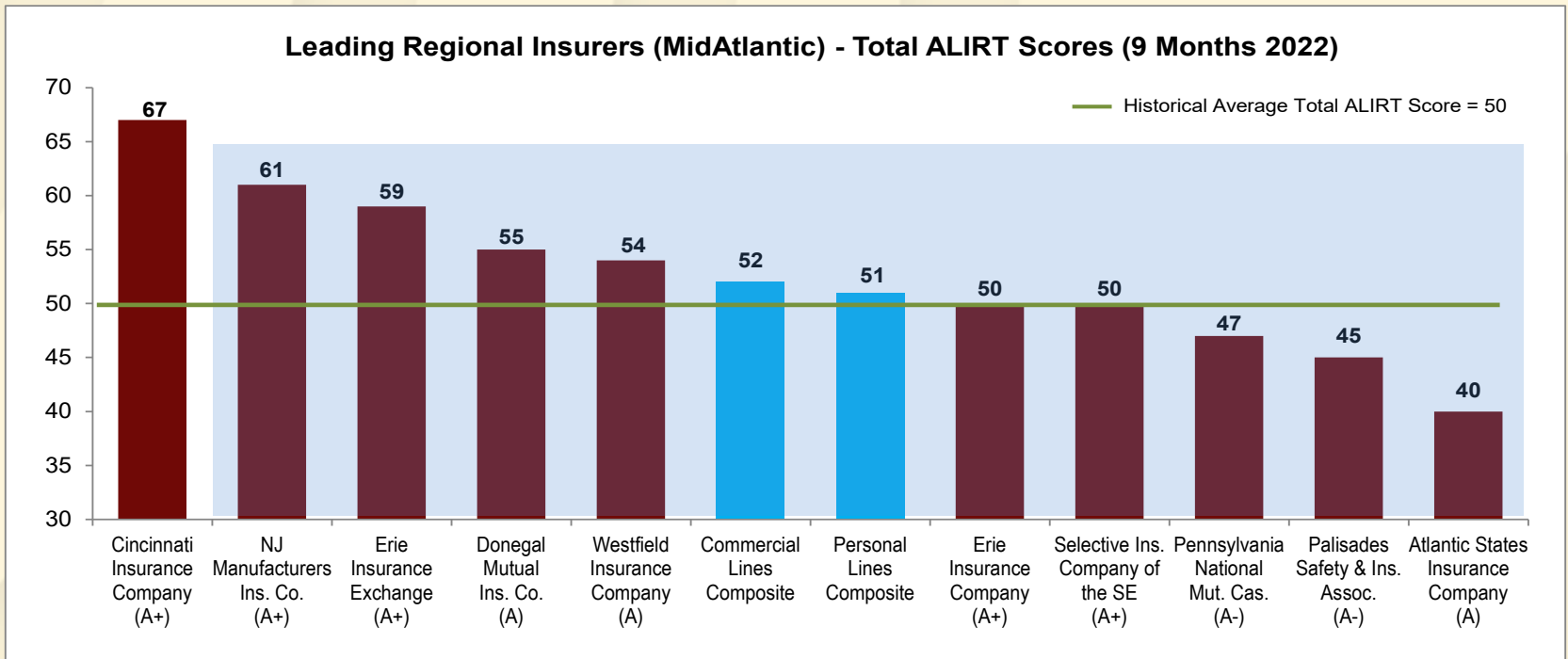
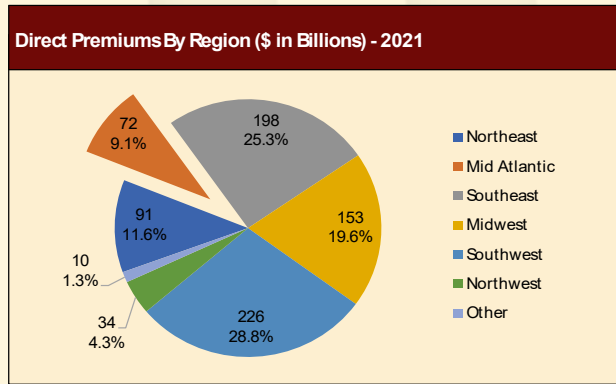
40% of the nation's direct written premium is in five large states, CA, TX, FL, NY and IL; 50% is in the top eight states.

Of these, CA and FL are two of the most problematic states from a property insurance perspective, with TX also cat-exposed.

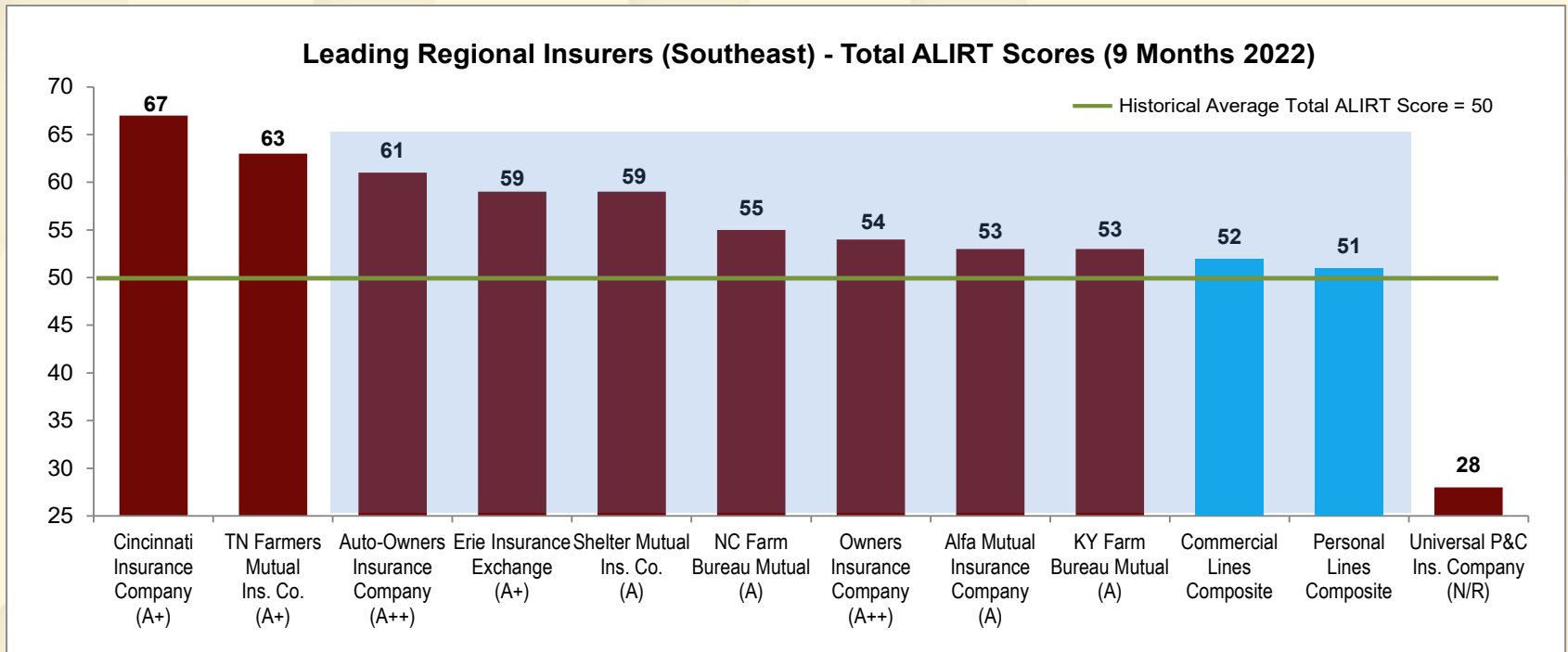
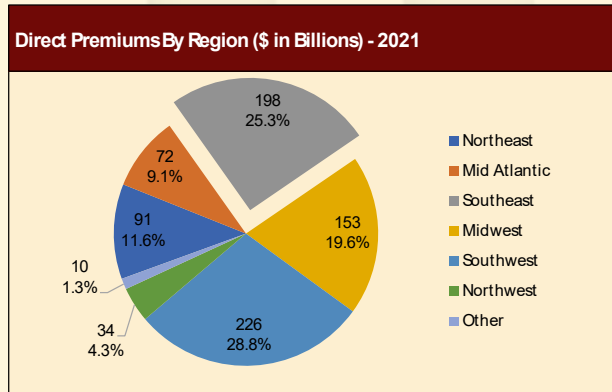
U.S. P&C Market – Northeast Region



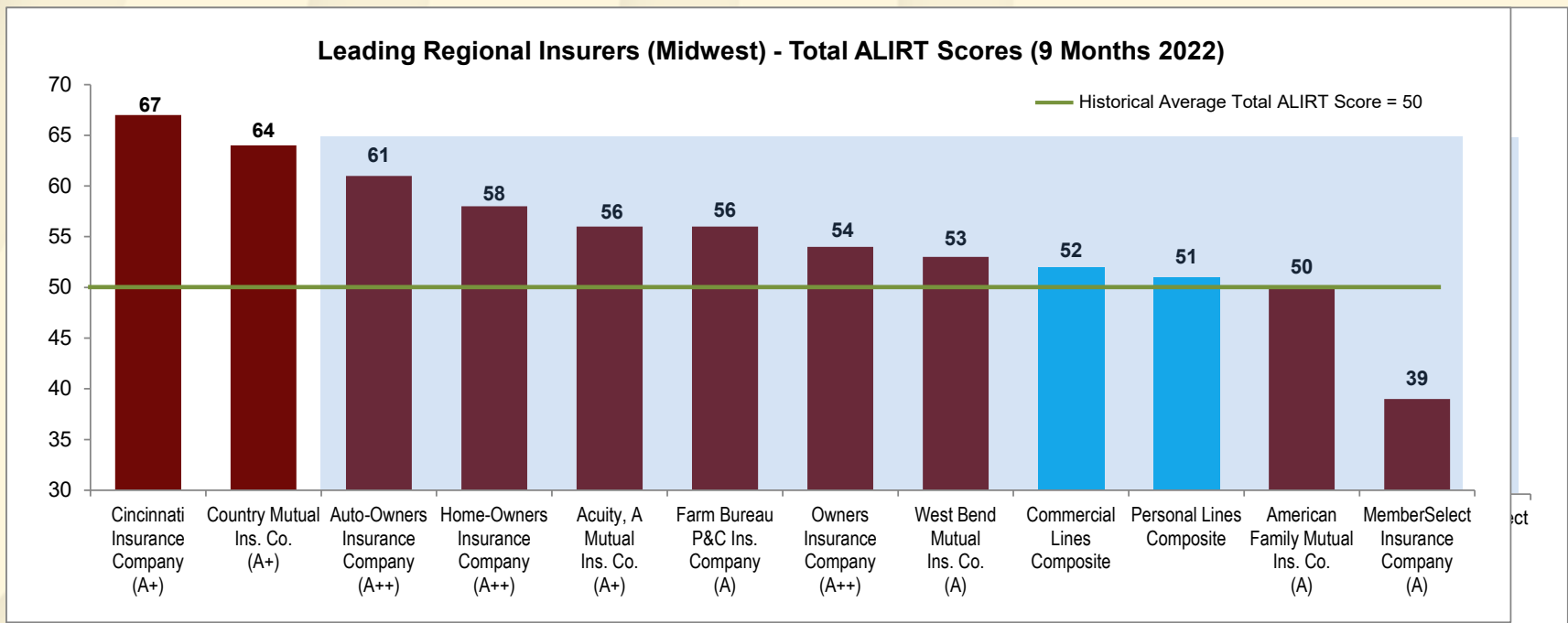
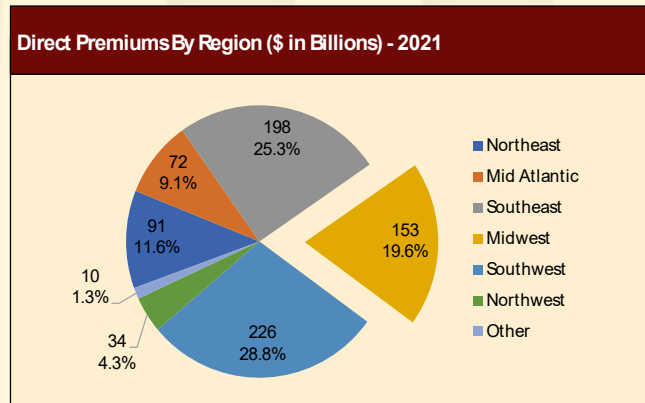
U.S. P&C Market – MidAtlantic Region



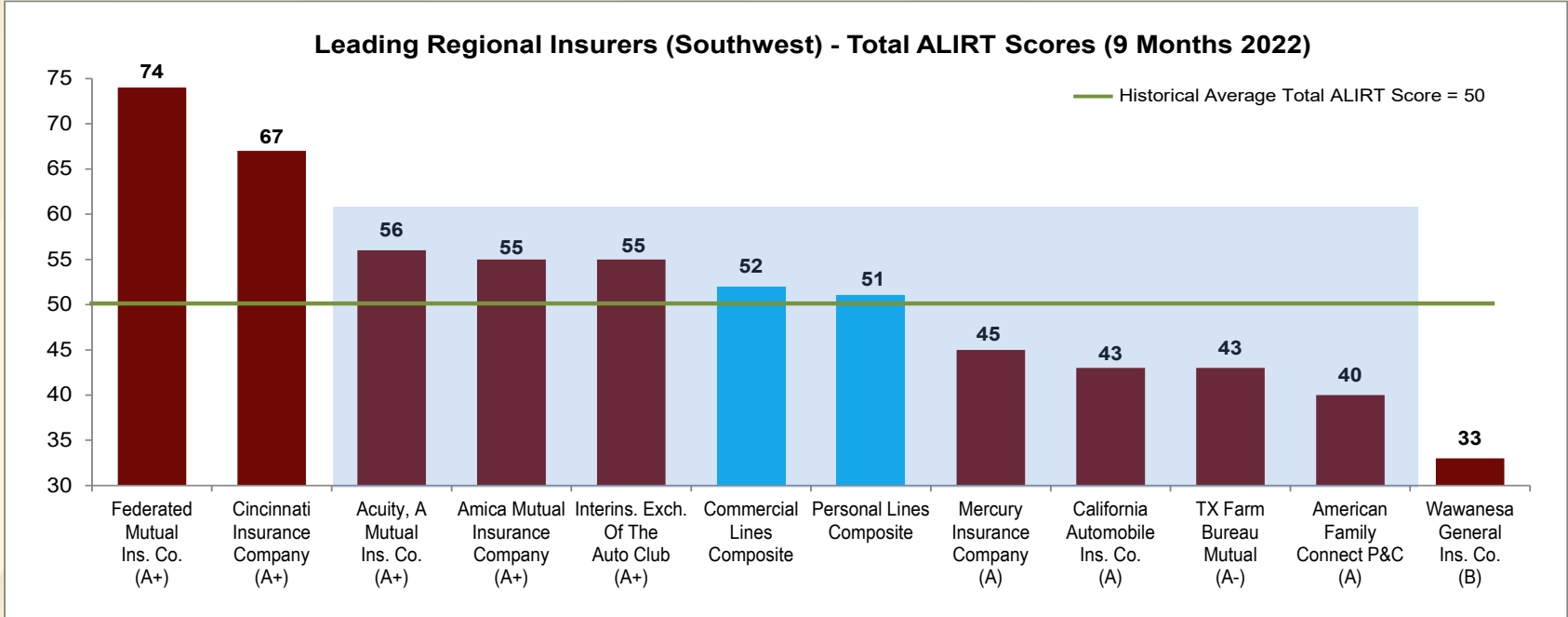
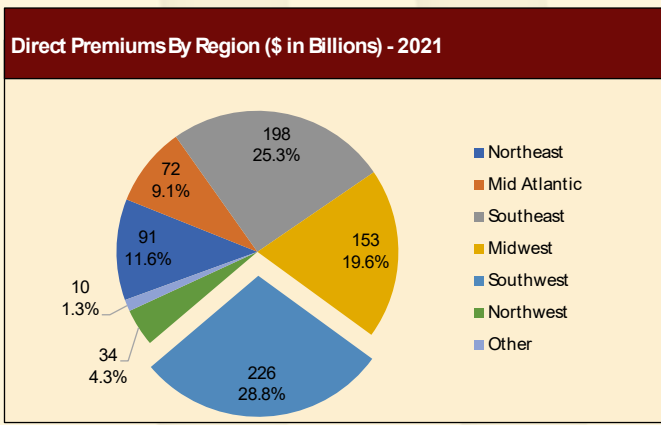
U.S. P&C Market – Southeast Region



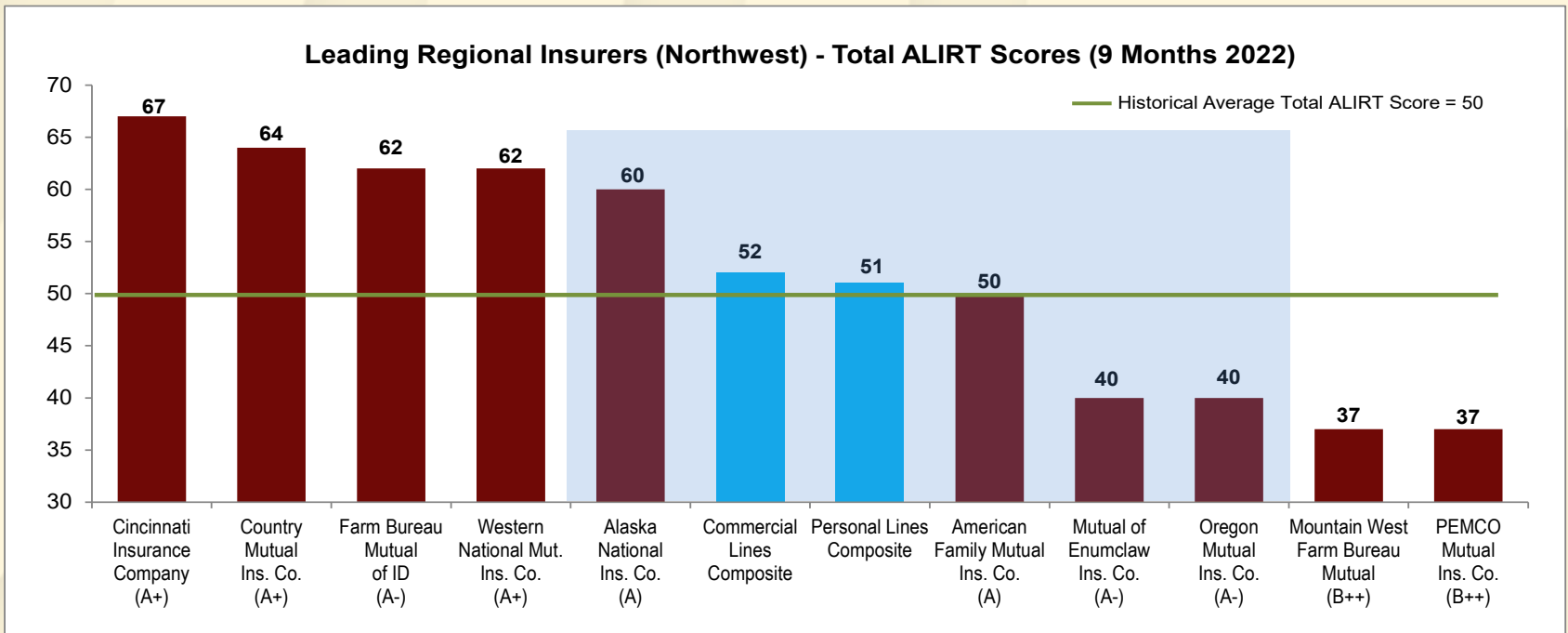
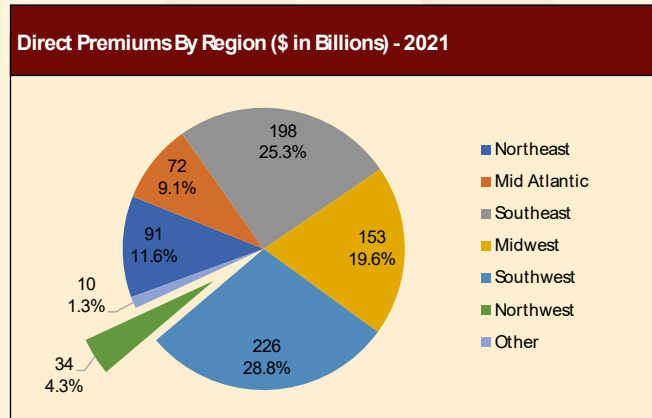
U.S. P&C Market – Midwest Region



U.S. P&C Market – Southwest Region



U.S. P&C Market – Northwest Region

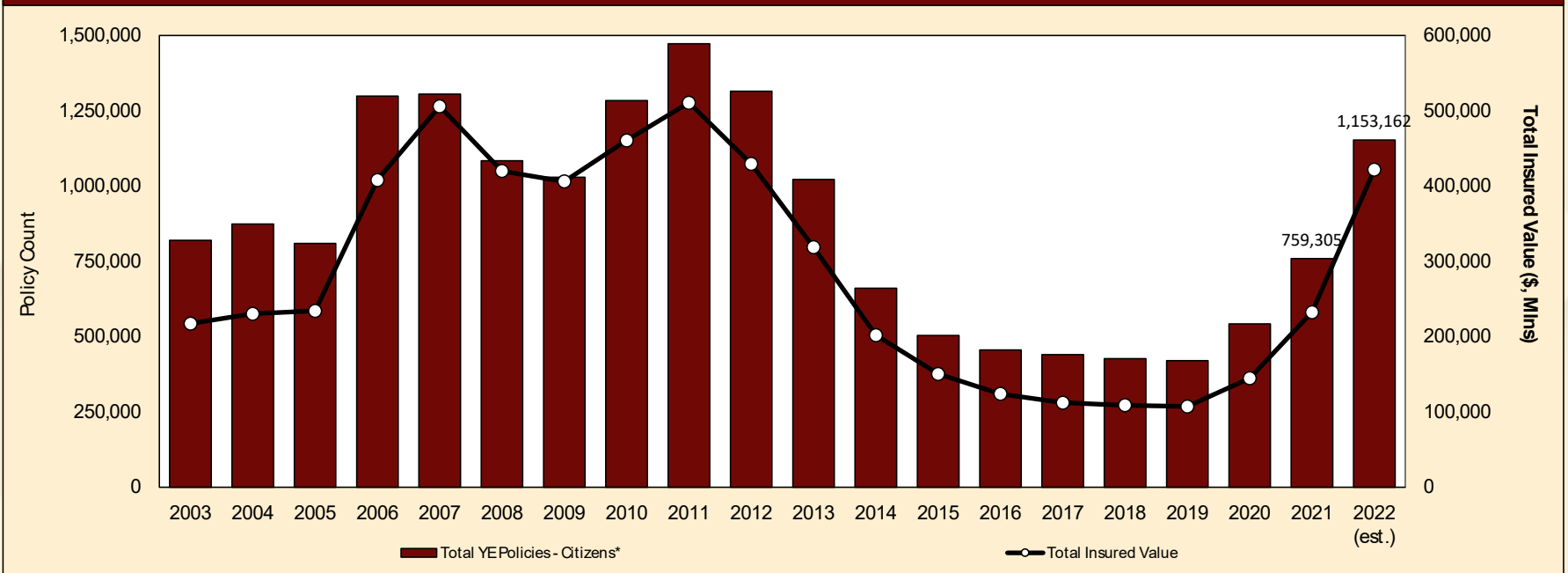


Florida Homeowners Market – Talking Points

- The Florida residential homeowners market is arguably the most troubled one in the U.S. This is due to the following:
 - State government controlled rates = no actuarially justified pricing
 - Large residual market offering competitive rates
 - Sizeable windstorm exposure (catastrophic and secondary)
 - Assignment of Benefit (AOB) issues – powerful plaintiff bar
- In the past 15 years, 25 out of 79 Florida Domestic Insurers (FDIs) have become insolvent (including 7 over the past year). ***This is almost 1/3 of the total.*** In addition, 16 FDIs have merged into peer companies.
- Nearly a dozen FDIs have suspended business or non-renewed large blocks of policies in the past year. Even surplus lines carriers are starting to exit market.
- 25 of current 36 Florida Domestic Insurers have scores in ALIRT's "red" zone.
- The can has been kicked down the road for the past 30 years (since Andrew in 2002); There were two special sessions held in 2022 to address the market's dysfunction.
- Hurricane Ian will result in very large losses (estimated from \$50-\$60 billion), though most of that will be absorbed by reinsurers
- In December, legislation forbid AOB as well as one way attorney fees. ***It is possible this new legislation will finally address the market's largest cost drivers, but exposure to large wind-related losses and a hard reinsurance market remain headwinds.***

Florida Homeowners Market – Growth of Citizens

Combined Accounts - Inforce Policy Counts vs. Total Insured Value (\$, Mlns)

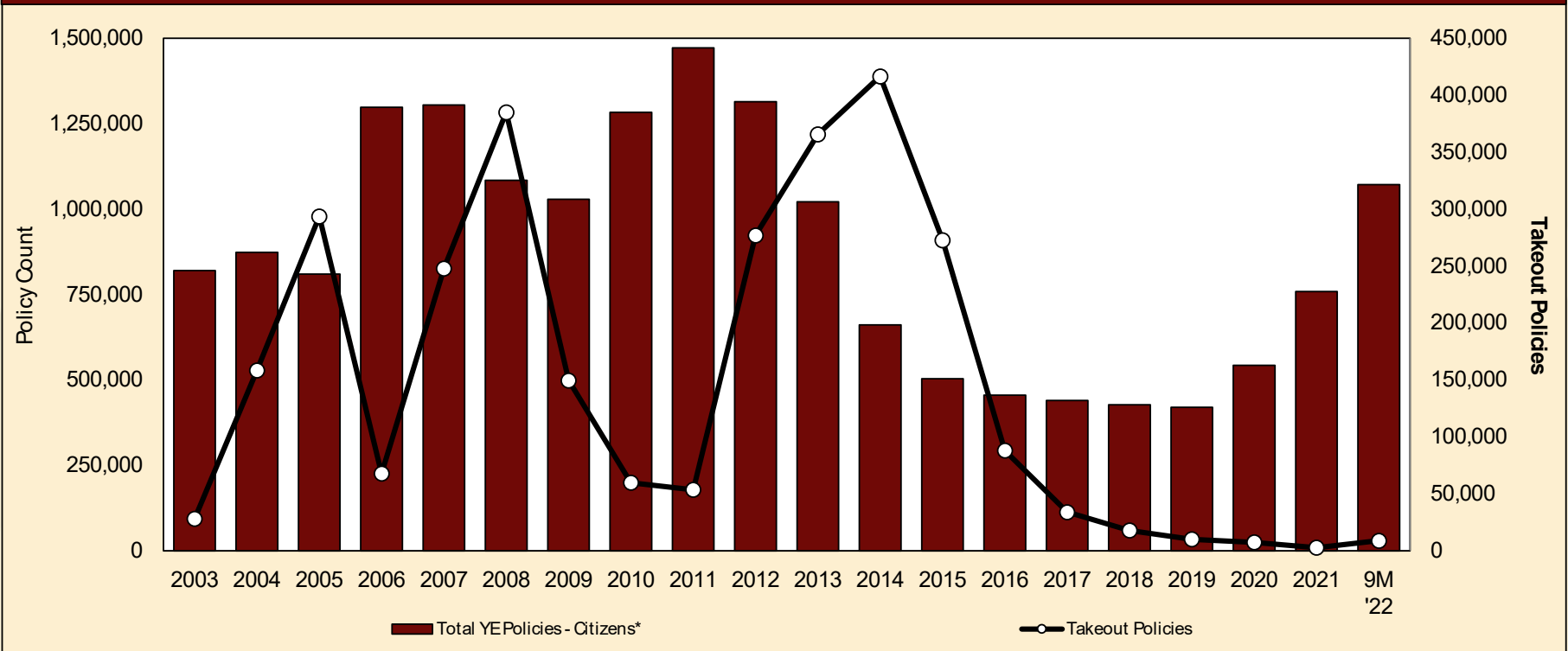


Key Takeaways:

Policy count is estimated to be up by over 50% in 2022. Citizens also estimates that this number could reach nearly 1.7 million by year end 2023, exceeding its historical high point in 2011.

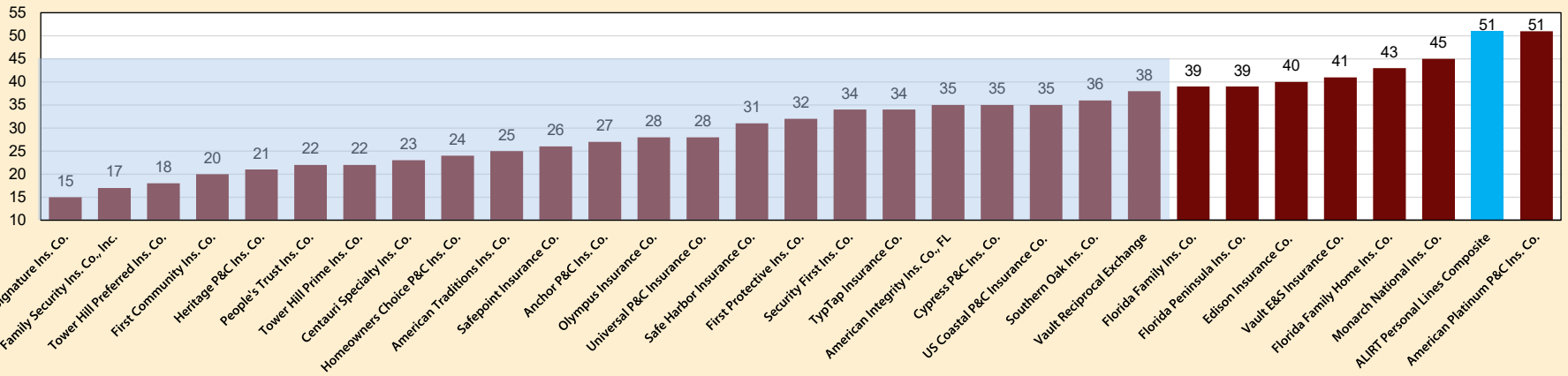
Florida Homeowners Market – New Domestic Insurers

Combined Accounts - Take Out Policies vs. Inforce Policy Counts



Florida Domestic Insurers – 9M2022 ALIRT Scores

Small Florida Domestic Insurers - 9 Month 2022 ALIRT Score



U.S. InsurTech Carriers (P&C) – Talking Points

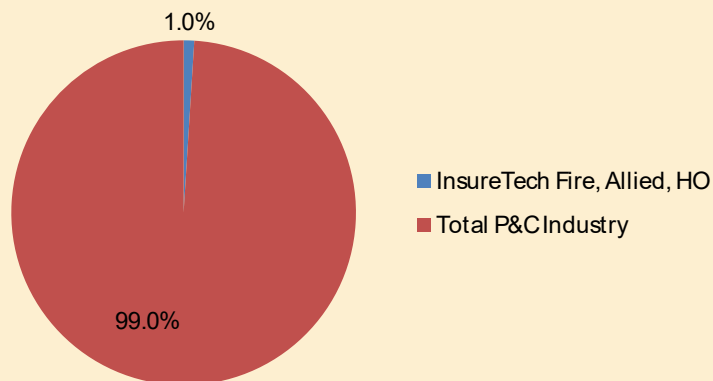
- The growth of U.S. InsurTech (P&C) “full stack” insurance groups is a relatively recent phenomenon. There have been 13 such groups established since 2015, though most have only owned insurers for the past several years.
- Almost all the insurers remain unrated by A.M. Best. Only Spinnaker (now owned by Hippo) and Next Insurance currently carry Best ratings, both at A-.
- Most of the older U.S. InsurTech (P&C) groups (“Class of 2015-2016”) became publicly traded companies over the last two years. These include Hippo, Lemonade, Metromile, and Root. We note that Lemonade acquired Metromile in the summer of 2022.
- The insurer subsidiaries of these InsurTech companies represent only a fraction of U.S. direct premium written = approximately .04% in 2021, with approximately 50% written in the homeowners line and 42% written in personal auto.
- Profitability has been problematic for these insurers thus far, with start-up and acquisition costs (including advertising) together with underwriting miscalculations contributing. We note that of the group, only Spinnaker has been able to consistently post underwriting profits.
- The future viability of these U.S. InsurTech groups remains in question. Additional surplus support will likely be needed and acquisition of some by established insurance groups is possible.

U.S. InsurTech Carriers (P&C)

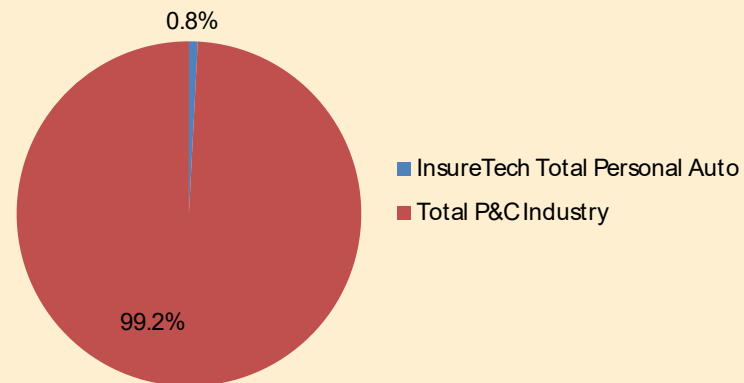
PC Insurtech Insurers (ALIRT Research Peer Group)						
NAIC Code	Company	Year Business Incepted	Year Acquired	Parent	Year Parent Founded	Ownership Type
16825	Branch Insurance Exchange	2020		Branch Financial, Inc.	2017	Reciprocal
38237	American Country Insurance Co.	1978	5/2021	Buckle Corporation	2019	Private
42897	American Service Insurance Co.	1983	5/2021	Buckle Corporation	2019	Private
28339	Gateway Insurance Co.	1986	4/2020	Buckle Corporation	2019	Private
16524	Clearcover Insurance Company	2019		Clearcover, Inc.	2018	Private
24376	Spinnaker Insurance Co.	1986	9/2020	Hippo Holdings Inc.	2015	Public - 8/'21
17045	Spinnaker Specialty Insurance Co.	2021		Hippo Holdings Inc.	2015	Public - 8/'21
16603	Kin Interinsurance Network	2019		Kin Insurance, Inc.	2019	Reciprocal
33987	Kin Interinsurance Nexus	1986	12/2021	Kin Insurance, Inc.	2019	Reciprocal
16023	Lemonade Insurance Company	2015		Lemonade, Inc.	2015	Public - 7/'20
16187	Metromile Insurance Company	1971	8/16; 7/22	Lemonade, Inc.	2016	Public - 2/'21
16285	Next Insurance U.S. Company	2017		Next Insurance, Inc.	2016	Private
10997	Pie Casualty Insurance Company	1998	9/2021	Pie Group Holdings, Inc	2017	Private
12536	Homeowners of America Insurance Co.	2006	4/2021	Porch Group, Inc.	2011	Public - 12/'20
10974	Root Insurance Company	1998	10/2016	Root Inc.	2015	Public - 10/'20
24503	Root Property & Casualty Ins. Co.	1928	11/2020	Root Inc.	2015	Public - 10/'20
17227	Slide Insurance Company	2022		Slide Ins. Holdings, Inc.	2022	Private
15885	TypTap Insurance Company	2015		HCI Group, Inc.	2006	Public
17048	Vouch Insurance Company	2021		Vouch, Inc.	2019	Private - PE

U.S. InsurTech Carriers (P&C)

U.S. InsurTech Carriers (P&C)
Direct Premium as % of Industry PL Premium - 2021

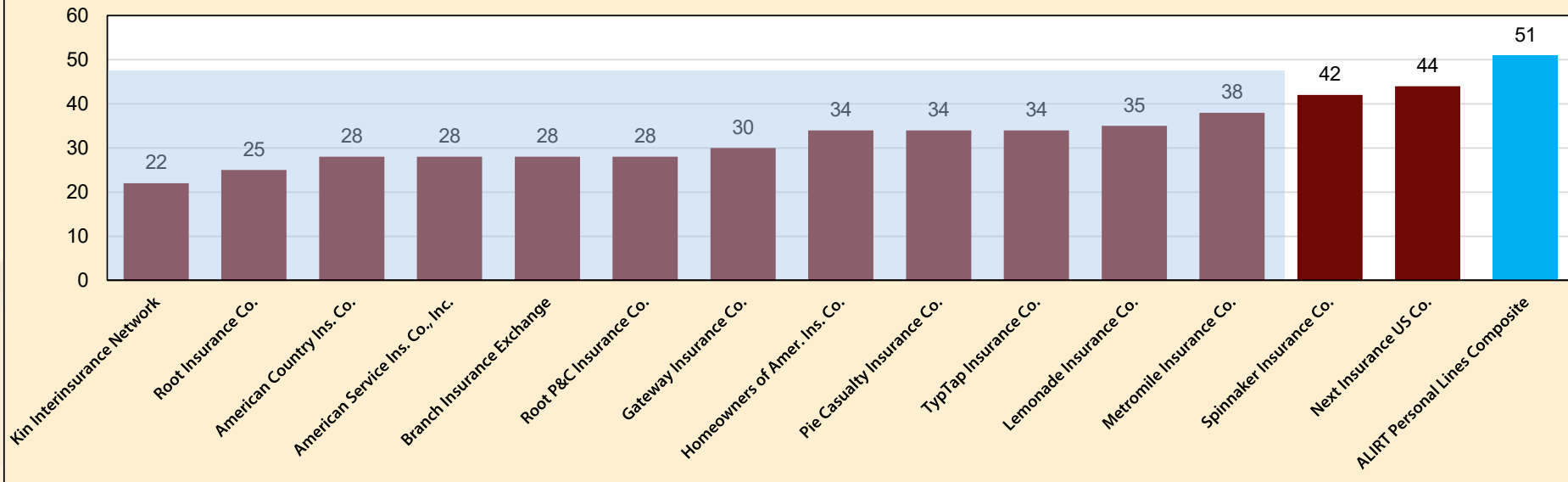


U.S. InsurTech Carriers (P&C)
Direct Premium as % of Industry PL Premium - 2021



U.S. InsurTech Carriers (P&C)

U.S. InsurTech Carriers (P&C) - 9 Month 2022 ALIRT Score



U.S. InsurTech Carriers (P&C)

Price History of Publicly-Traded Insurtech Groups					
	Hippo(b) (HIPO)	Lemonade (LMND)	Metromile(a) (MLE)	Porch (PRCH)	Root(c) (ROOT)
IPO/SPAC Merger	247.75	29.00	14.00	15.00	486.00
High	247.75	183.26	15.55	25.66	486.00
1/6/2023	16.43	13.69	1.05	1.95	4.49
from IPO	-93%	-53%	-93%	-87%	-99%
from High	-93%	-93%	-93%	-92%	-99%

(a) As of last day of trading = July 27, 2022

(b) Accounting for 1-25 reverse stock split in September 2022.

(c) Accounting for 1-18 reverse stock split in August 2022



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INSURANCE RESEARCH

ALIRT Research

U.S. P&C Market – What Does 2023 Hold?

Tuesday, January 26, 2023

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