

**BUILDERS INSURANCE (A MUTUAL CAPTIVE COMPANY) AND SUBSIDIARIES**

## Condensed Consolidated Balance Sheets

December 31, 2015 and 2014

(in thousands)

	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and invested assets	\$ 567,737	\$ 536,753
Reinsurance recoverables	46,805	41,587
Receivables	72,325	68,282
Tax assets	4,657	1,067
Other assets	18,533	16,865
Total assets	<u>\$ 710,057</u>	<u>\$ 664,554</u>
<b>Liabilities</b>		
Loss and loss adjustment expenses	\$ 329,459	\$ 309,664
Unearned premiums	77,385	69,790
Policyholder dividends payable	1,507	1,391
Other payables	36,094	38,196
Notes payable	40,878	40,447
Other liabilities	1,419	4,679
Total liabilities	<u>486,742</u>	<u>464,167</u>
<b>Members' Equity</b>		
Paid-in capital	200	200
Retained earnings	203,100	175,006
Accumulated other comprehensive income	20,015	25,181
Total members' equity	<u>223,315</u>	<u>200,387</u>
Total liabilities and members' equity	<u>\$ 710,057</u>	<u>\$ 664,554</u>

**BUILDERS INSURANCE (A MUTUAL CAPTIVE COMPANY) AND SUBSIDIARIES**

## Condensed Consolidated Statements of Income

Years ended December 31, 2015 and 2014

(in thousands)

	<u>2015</u>	<u>2014</u>
Revenue:		
Premiums earned, net	\$ 177,157	\$ 174,938
Net investment income	15,614	14,718
Realized gains on investments, net	979	4,587
Impairment of investments	(255)	—
Other revenue	852	557
Total revenue	<u>194,347</u>	<u>194,800</u>
Expenses:		
Loss and loss adjustment expenses	96,670	110,038
Selling, general and administrative expenses	53,330	55,464
Interest expense	1,900	1,898
Policyholder dividends	1,481	1,371
Total expenses	<u>153,381</u>	<u>168,771</u>
Income before income taxes	40,966	26,029
Income tax expense	12,872	7,536
Net income	<u>\$ 28,094</u>	<u>\$ 18,493</u>

*The information above is a condensed version of the audited financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). Expanded audited GAAP financial statements, including accompanying notes, are available upon request.*