

## 2024 Policyholder Report

The insurance industry faced numerous challenges in 2024, and Chautauqua Patrons experienced many of these challenges as well. At a high level, the economy, legal and legislative pressures, and weather severity, continue to highlight the challenges faced in the industry.

In 2024, these high-level factors directly influenced CPIC's lower level results. Adverse claim activity was a major issue. The company incurred a record number of severe fire claims that were further influenced by increases in repair and reconstruction costs. These fire claims negatively impacted the year-end results.

Increased reserves on new and existing liability claims also impacted the 2024 financial results. Factors like social inflation, litigation funding, and nuclear verdicts, have changed the legal environment. These factors have resulted in inflated costs in the claim settlement process.

Changing weather patterns continue to challenge the industry. CPIC incurred two separate tornados in 2024. Extreme storm activity like this is becoming much more common. And as the frequency and severity of these storms increase, the costs to settle these claims will also increase.

While CPIC's 2024 financial results were negatively impacted by poor claim experience, our positives include—excellent written premium growth, a lower underwriting expense ratio, and favorable investment results. With stable operations in place, we look forward to successfully overcoming future challenges.

Mark T. Prechtl President & CEO

## Chautauqua Patrons Insurance Company Statements of Admitted Assets, Liabilities & Surplus

	2024	2023
ASSETS		
CASH AND INVESTED ASSETS		
Bonds	\$ 10,942,597	\$ 10,428,918
Stocks	9,342,467	8,779,303
Real Estate: Company Office	251,039	266,409
Cash and Cash equivalents	3,949,077	4,271,974
Receivable for Securities	 8,771	 -
Total Cash and Invested Assets	 24,493,951	 23,746,604
OTHER ASSETS		
Uncollected Premiums and Installments		
not yet due	2,721,225	2,182,810
Uncollected Premiums in course of collection	70,074	74,856
Accrued Interest Receivable	112,301	98,975
Reinsurance recoverable	19,642	6,838
Deferred tax asset	83,224	-
Current Federal Income Tax Recoverable	5,562	6,444
Other Assets	 29,541	 21,684
TOTAL OTHER ASSETS	 3,041,569	 2,391,607
TOTAL ADMITTED ASSETS	\$ 27,535,520	\$ 26,138,211
LIABILITIES AND POLICYHOLDERS' SURPLUS		
LIABILITIES		
Net Unpaid Losses	\$ 5,341,956	\$ 3,949,738
Loss Adjustment Expense Payable	891,645	858,178
Commissions Payable	976,595	805,683
Unearned Premiums	7,050,257	6,457,678
Advance Premium	238,091	270,587
Reinsurance Payable	251,418	184,477
Deferred Tax Liability	-	114,762
Other Liabilities	217,861	323,109
TOTAL LIABILITIES	14,967,823	 12,964,212
SURPLUS	 12,567,697	 13,173,999
TOTAL LIABILITIES AND SURPLUS	\$ 27,535,520	\$ 26,138,211



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## Chautauqua Patrons Insurance Company Statements of Income and Changes in Policyholders' Surplus

UNDERWRITING INCOME	2024	2023
Premiums Earned	\$ 10,080,321	\$ 9,624,466
Losses Incurred	7,222,858	4,689,582
Loss Adjustment Expense Incurred	1,046,595	994,133
Other Underwriting Expense Incurred	 3,907,977	 3,711,279
Total Underwriting Deductions	 12,177,430	 9,394,994
Net Underwriting Gain or (Loss)	(2,097,109)	229,472
INVESTMENT INCOME		
Net Investment Income Earned	407,190	346,083
Net Realized Capital Gains	(8,088)	66,474
Net Investment Gain	 399,102	 412,557
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OTHER INCOME	7,962	70,483
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NET INCOME BEFORE FEDERAL INCOME TAXES	(1,690,045)	712,512
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FEDERAL INCOME TAXES INCURRED	2,150	(101,030)
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NET INCOME	\$ (1,692,195)	\$ 813,542
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SURPLUS, BEGINNING	\$ 13,173,999	\$ 11,850,964
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NET INCOME	(1,692,195)	813,542
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OTHER CHANGES TO SURPLUS		
Net unrealized Capital Gains	704,229	719,992
Change in Net Deferred Income Tax	383,333	(219,027)
Change in Nonadmitted Assets	(1,669)	8,528
	 (1,000)	 0,520
Change in Surplus	(606,302)	1,323,035
	 (000,502)	 1,323,033
SURPLUS, ENDING	\$ 12,567,697	\$ 13,173,999



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A.M. BEST Rating: B++

Reinsurance is placed with Guy Carpenter & Company Inc. with ceding reinsurers having A.M. Best ratings of "A-" or better

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