

# FCCI Mutual Insurance Holding Company and Subsidiaries

Consolidated Financial Statements  
Years Ended December 31, 2025 and 2024

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.



# **FCCI Mutual Insurance Holding Company and Subsidiaries**

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Consolidated Financial Statements  
Years Ended December 31, 2025 and 2024

# FCCI Mutual Insurance Holding Company and Subsidiaries

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## **Independent Auditor's Report**

Board of Directors and Shareholders  
FCCI Mutual Insurance Holding Company  
Sarasota, Florida

### ***Opinion***

We have audited the consolidated financial statements of FCCI Mutual Insurance Holding Company and its subsidiaries (the Company), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations and comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.



### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the incurred and paid claims development information for the years ended December 31, 2025 and prior, and the historical claims duration information included in Note 7 Liability for Loss and LAE be presented to supplement the basic consolidated financial statements. Such information is the responsibility of management and, although not a part of the basic consolidated financial statements, is required by the Financial Accounting Standards Board (FASB), which considers it to be an essential part of financial reporting for placing the basic consolidated financial statements in an appropriate operational, economic, or historical context. We have applied certain limited



procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic consolidated financial statements, and other knowledge we obtained during our audits of the basic consolidated financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

BDO USA, P.C.

March 31, 2026

## **Consolidated Financial Statements**

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# FCCI Mutual Insurance Holding Company and Subsidiaries

## Consolidated Balance Sheets (in thousands)

December 31,	2025	2024
<b>Assets</b>		
Investments:		
Securities available-for-sale, at fair value:		
Fixed maturity securities (amortized cost of \$2,197,108 at 2025 and \$1,999,964 at 2024, respectively)	\$ 2,137,715	\$ 1,892,547
Common and preferred stocks (cost of \$325,719 at 2025 and \$309,952 at 2024, respectively)	398,629	365,879
Other invested assets, at amortized cost	4,995	4,899
<b>Total Investments</b>	<b>2,541,339</b>	<b>2,263,325</b>
Cash and cash equivalents	143,815	105,239
Accrued investment income	16,979	16,325
Amounts due from policyholders, net	501,490	494,919
Reinsurance recoverable and prepaid reinsurance premium	141,678	138,432
Deferred policy acquisition costs	94,977	92,214
Land, building, and equipment, net	87,979	82,685
Deferred tax asset	33,558	47,266
Income tax recoverable	1,183	-
Goodwill	24,151	24,151
Other assets	24,757	28,467
<b>Total Assets</b>	<b>\$ 3,611,906</b>	<b>\$ 3,293,023</b>
<b>Liabilities and Members' Equity</b>		
<b>Liabilities</b>		
Loss and loss adjustment expenses	\$ 1,465,371	\$ 1,350,702
Unearned premiums	571,987	555,379
Accrued expenses and other liabilities	206,079	182,011
Accrued policyholder dividends	9,636	6,776
Premiums refundable and loss fund deposits	5,039	2,503
Income tax payable	-	1,291
Debt	111,750	111,750
<b>Total Liabilities</b>	<b>2,369,862</b>	<b>2,210,412</b>
<b>Commitments and Contingencies (Note 13)</b>		
<b>Members' Equity</b>		
Accumulated earnings	1,286,149	1,163,798
Accumulated other comprehensive loss	(44,105)	(81,187)
<b>Total Members' Equity</b>	<b>1,242,044</b>	<b>1,082,611</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 3,611,906</b>	<b>\$ 3,293,023</b>

*See accompanying notes to consolidated financial statements.*

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Consolidated Statements of Operations (in thousands)

<i>Year ended December 31,</i>	<b>2025</b>	<b>2024</b>
<b>Revenues</b>		
Net premiums earned	\$ 1,180,066	\$ 1,106,732
Net investment income	117,572	109,926
Change in unrealized gain on common stocks	16,982	13,220
Net realized loss	(11,371)	(15,964)
Service fees and other income	3,823	2,756
<b>Total Revenues</b>	<b>1,307,072</b>	<b>1,216,670</b>
<b>Expenses</b>		
Losses and loss adjustment expenses incurred	743,720	714,123
Policy acquisition expenses	243,688	224,572
General, administrative, and other expenses	170,264	159,401
Policyholder dividends	6,831	5,279
<b>Total Expenses</b>	<b>1,164,503</b>	<b>1,103,375</b>
Income, before income taxes	142,569	113,295
<b>Income Tax Expense</b>	<b>20,218</b>	<b>7,711</b>
<b>Net Income Attributable to Members</b>	<b>\$ 122,351</b>	<b>\$ 105,584</b>

*See accompanying notes to consolidated financial statements.*

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Consolidated Statements of Comprehensive Income (in thousands)

<i>Year ended December 31,</i>	2025	2024
<b>Net Income Attributable to Members</b>	\$ 122,351	\$ 105,584
<b>Other Comprehensive Income (Loss)</b>		
Change in unrealized losses on investments, net of taxes of \$10,705 and \$(351), respectively	33,836	(1,109)
Reclassification adjustments for realized losses in net income, net of taxes of \$1,027 and \$489, respectively	3,246	1,544
	<b>37,082</b>	<b>435</b>
<b>Total Comprehensive Income</b>	\$ <b>159,433</b>	\$ <b>106,019</b>

*See accompanying notes to consolidated financial statements.*

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Consolidated Statements of Members' Equity (in thousands)

	Accumulated Earnings	Accumulated Other Comprehensive Loss	Total Members' Equity
<b>Balance, January 1, 2024</b>	\$ 1,058,214	\$ (81,622)	\$ 976,592
Comprehensive income:			
Net income	105,584	-	105,584
Change in unrealized loss on available- for-sale securities, net of taxes	-	435	435
<b>Balance, December 31, 2024</b>	1,163,798	(81,187)	1,082,611
Comprehensive income:			
Net income	122,351	-	122,351
Change in unrealized loss on available- for-sale securities, net of taxes	-	37,082	37,082
<b>Balance, December 31, 2025</b>	\$ 1,286,149	\$ (44,105)	\$ 1,242,044

*See accompanying notes to consolidated financial statements.*

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Consolidated Statements of Cash Flows (in thousands)

<i>Year ended December 31,</i>	<b>2025</b>	<b>2024</b>
<b>Cash Flows from Operating Activities</b>		
Net income	\$ 122,351	\$ 105,584
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization expense	13,691	11,868
Deferred tax expense (benefit)	1,978	(2,948)
Net realized (gains) losses on equipment sold and retired	(9)	140
Net realized (gains) losses on investments	(5,829)	2,662
Net amortization of investments	(2,723)	(1,637)
Changes in assets and liabilities:		
Decrease (increase) in:		
Accrued investment income	(654)	(2,848)
Amounts due from policyholders, net	(6,571)	(47,822)
Reinsurance recoverables and prepaid reinsurance premium	(3,246)	(15,201)
Deferred policy acquisition costs	(2,763)	(8,940)
Income tax recoverable	(2,474)	(7,037)
Other assets	(513)	(112)
Increase (decrease) in:		
Loss and loss adjustment expenses	114,669	101,657
Unearned premiums	16,608	51,700
Accrued expenses and other liabilities	10,347	20,450
Accrued policyholder dividends	2,860	418
Premiums refundable and loss fund deposits	2,536	216
<b>Net Cash Provided by Operating Activities</b>	<b>260,258</b>	<b>208,150</b>
<b>Cash Flows from Investing Activities</b>		
Sales and maturities of investments	444,651	414,823
Purchases of investments	(648,213)	(634,674)
Proceeds from sales of property and equipment	252	123
Purchases of property and equipment	(18,372)	(20,274)
<b>Net Cash Used in Investing Activities</b>	<b>(221,682)</b>	<b>(240,002)</b>
<b>Net Cash Provided by Financing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>38,576</b>	<b>(31,852)</b>
<b>Cash and Cash Equivalents, beginning of year</b>	<b>105,239</b>	<b>137,091</b>
<b>Cash and Cash Equivalents, end of year</b>	<b>\$ 143,815</b>	<b>\$ 105,239</b>
Cash paid during the year for:		
Interest	\$ 2,708	\$ 2,711
Income taxes	20,607	17,299

*See accompanying notes to consolidated financial statements.*

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

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### 1. Nature of Operations

FCCI Mutual Insurance Holding Company and Subsidiaries (the Company) was created on August 27, 1998, when the policyholders of FCCI Mutual Insurance Company voted to reorganize into a mutual holding company. The Company is engaged in the commercial property and casualty insurance business. In connection with the reorganization, FCCI Group, Inc. was formed as an intermediate holding company for the purpose of holding investments in insurance operations. FCCI Mutual Insurance Company became FCCI Insurance Company, a stock insurance company, by issuing 5 million shares of common stock to FCCI Group, Inc. No cash or other consideration was paid in connection with the reorganization.

### 2. Summary of Significant Accounting Policies

#### *Basis of Presentation*

The accompanying consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The significant accounting policies followed by the Company are summarized below.

#### *Principles of Consolidation*

The consolidated financial statements include the accounts, after intercompany eliminations, of the Company, as summarized below:

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#### **FCCI Mutual Insurance Holding Company**

- FCCI Group, Inc. (FGI)
- FCCI Services, Inc. (FSI)
- FCCI Agency, Inc. (FAI)
- FCCI Insurance Company (FCCI)
- FCCI Insurance Group, Inc. (FIG)
- Monroe Guaranty Insurance Company (MGI)
- National Trust Insurance Company (NTI)
- Brierfield Insurance Company (BIC)
- FCCI Specialty Insurance Company (FSIC)

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All of the above are wholly owned subsidiaries.

#### *Cash and Cash Equivalents*

Cash and cash equivalents consist of short-term, highly liquid investments that are readily convertible to known amounts of cash. Only investments with original maturities of three months or less qualify as cash equivalents. The majority of these cash and cash equivalents are not insured. As of December 31, 2025 and 2024, the Company's balances exceeded federally insured limits by approximately \$61,010 and \$58,907, respectively.

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

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### *Investments*

The Company purchases equity and fixed maturity securities with the intent, expectation, and capability to hold them indefinitely or until maturity. However, since securities may be sold prior to maturity, they are classified as available-for-sale (AFS) and are reported at fair value. Net unrealized gains and losses, net of deferred income tax, are reported as accumulated other comprehensive loss for fixed maturities, and as accumulated earnings through net income for equity securities. Fair values are based on quoted market prices from independent pricing services when available or broker pricing if the security class lacks liquidity.

An AFS fixed maturity is impaired if the fair value of the security is below amortized cost. The impaired loss is charged to net income when the Company has the intent to sell the security or it is more likely than not the Company will be required to sell the security before recovery of the amortized cost. For impaired securities the Company intends to hold, an allowance for credit-related losses is recorded in investment losses when the Company determines a credit loss has been incurred based on certain factors, such as adverse conditions, credit rating downgrades, or failure of the issuer to make scheduled principal or interest payments. The Company relies on its external investment managers when making this determination. The credit loss recorded is the difference between the security's fair value and amortized cost, unless it is determined that a portion of the decline in value is not related to credit issues. Noncredit losses are recognized in other comprehensive income (loss) as a change in unrealized gains and losses on investments.

Realized gains and losses on the sales of securities are recognized based on the specific-identification method, except for mutual fund equities, which are based on the weighted-average cost method. Premiums and discounts on securities are amortized using the effective-interest rate method over their contractual lives or expected average lives for loan-backed securities. Interest rate adjustments associated with changes in projected cash flows on mortgage and asset-backed securities are accounted for using the retrospective method.

### *Deferred Policy Acquisition Costs*

Costs that are directly associated with the acquisition of insurance policies, such as commissions and premium taxes, are deferred and amortized as the related premiums are earned. Indirect costs to acquire insurance policies are recorded as an expense as incurred. The Company considers anticipated investment income in determining whether a premium deficiency exists.

### *Land, Building, and Equipment*

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, generally three to 39 years. Improvements, which increase the life of an asset, are capitalized and depreciated over the remaining estimated useful life of the asset. Property and equipment held under operating lease with terms greater than one year, are accounted for as a right-of-use (ROU) asset and are also classified as land, building, and equipment, with the related lease obligations recorded in accrued expenses and other liabilities. Capitalized software costs are recorded at cost less accumulated amortization. Upon successful testing of the system, amortization is charged to expense over the estimated useful life of the software, generally ten years.

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

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### *Goodwill*

Goodwill represents the excess of costs over fair value of assets of acquired businesses and is determined to have an indefinite useful life and is not amortized, but instead tested for impairment at least annually.

### *Impairment of Long-Lived Assets*

Long-lived assets, such as property and equipment, and purchased intangibles subject to amortization, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Company first compares undiscounted future cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash-flow basis, an impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash-flow models, quoted market values, and third-party independent appraisals, as considered necessary.

### *Recognition of Revenue*

Premiums are earned on a pro-rata basis over the policy term, generally one year. The policy period for contract surety business is determined based on the estimated completion date of the contract. Premiums applicable to the unexpired terms of effective policies are recorded as unearned premiums. Premiums for certain lines of business, such as workers' compensation, are subject to revision based upon final determination of the exposure base, which occurs after the policy period. Retrospectively rated policy premiums are increased or decreased, subject to certain policy limitations, based upon the estimated loss experience of the insured during the policy period and subsequent calendar years. Service fees and commission income are earned pro rata over the term of the contract period or when the services are performed, if applicable. Reinsurance commission income is recognized pro rata over the term of the related insurance contract.

### *Loss and Loss Adjustment Expenses*

The liability for loss and loss adjustment expenses (LAE) represents the ultimate estimated liability for reported claim costs (including LAE) that have not settled, and an estimate, based on experience, for claims that have been incurred but not yet reported. The liability for loss and LAE is estimated by management based upon actuarial reviews of the Company's historical loss development experience and industry data. The Company does not discount the liability for loss and LAE.

### *Policyholder Dividends*

At the sole discretion of the Boards of Directors of the insurance companies, and within regulatory guidelines, insureds with participating insurance contracts may be eligible to share in the profitability of the policy in the form of a dividend, based on the insured's individual loss experience. An estimated provision for policyholder dividends is accrued as the related premiums are earned based on historical profitability and published dividend tables. Changes in estimates are recognized in the period determined.

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

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### ***Reinsurance***

Premiums and loss and LAE ceded under reinsurance contracts are reported as a reduction to premiums earned and loss and LAE incurred, respectively. Loss and LAE reserve amounts recoverable from reinsurers are estimated in a manner consistent with the claim liability associated with the reinsurance contract.

### ***Income Taxes***

The Company files a consolidated federal income tax return. Deferred income taxes are recognized for assets and liabilities that have different values for financial statement and tax reporting purposes using enacted federal and state tax rates. A valuation allowance is recorded, as deemed necessary, to reduce a net deferred tax asset to the amount expected to be realized.

The Company's federal income tax return is consolidated with all of the entities noted on page 12.

### ***Concentrations of Business Risks***

The Company is inherently subject to various business risks. Following is a description of the most significant risks facing property and casualty insurers:

***Catastrophic Loss Risk*** - This is the risk of losses due to geographic concentrations of property policies within storm-prone regions and accumulation of lives within a single location. The Company maintains reinsurance coverage to mitigate the risk of catastrophic losses.

***Legal/Regulatory Risk*** - This is the risk that the legal or regulatory environment in which an insurer operates will change and create additional loss costs or expenses not anticipated by the insurer in pricing its products. Regulatory initiatives designed to reduce insurer profits or new legal theories may create costs for the insurer beyond those currently recorded in the consolidated financial statements. As the Company writes a significant amount of insurance business in the state of Florida, these risks might have a more significant effect on the Company than on a more geographically diversified insurance company.

***Credit Risk*** - This is the risk that issuers of securities owned by the Company will default, or other parties, including policyholders, reinsurers, and the Special Disability Trust Fund (SDTF) that owe the Company money, will not pay. The Company minimizes this risk by adhering to a conservative investment strategy, closely monitoring premiums receivable, and contracting with reinsurance companies that meet certain rating criteria and other qualifications.

***Interest Rate Risk*** - This is the risk that interest rates will change and cause a decrease in the value of an insurer's investments. To the extent that liabilities come due more quickly than assets mature, an insurer would have to sell assets prior to maturity and potentially recognize a loss in a rising interest rate environment. The Company mitigates this risk by attempting to match the duration of its assets with the duration of its liabilities and by maintaining working lines of credit.

### ***Use of Estimates***

The preparation of consolidated financial statements requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

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reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates. Significant estimates include the liability for loss and LAE, amounts recoverable from reinsurers, deferred income tax assets and liabilities, the deferral of policy acquisition costs, amounts due from the Florida SDTF, accrued policyholder dividends, guaranty fund assessments, final premium audits, allowance for credit losses, and retrospectively rated premiums.

### ***Going Concern***

Based upon its evaluation of relevant conditions and events, management does not have substantial doubt about the Company's ability to continue as a going concern.

### ***Recently Adopted Accounting Standards***

In July 2025, the FASB issued Accounting Standards Update (ASU) 2025-05, *Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The updated guidance introduces a practical expedient to assume that current conditions as of the balance sheet date do not change for the remaining life of the current accounts receivable and contract assets. An accounting policy election is available to non-public entities to consider collection activity after the balance sheet date when estimating current expected credit losses. The updated guidance becomes effective for reporting periods after December 15, 2025 and is not expected to have a material impact on the consolidated financial statements or related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Improvements to Income Tax Disclosures*. The updated guidance introduces new requirements clarifying and expanding specific income tax disclosures. The guidance is effective for fiscal years beginning after December 31, 2025 for non-public entities. The updated guidance is not anticipated to have a significant impact on the consolidated financial statements or related disclosures.

### ***Subsequent Events***

The Company has evaluated events subsequent to December 31, 2025, and through the financial statements' issuance date of March 31, 2026. The following events occurring subsequent to the consolidated balance sheets' date merited recognition or disclosure in these consolidated financial statements:

On January 28, 2026, the Company repaid one FHLB advance with a principal amount of \$32,000.

Effective March 31, 2026, FCCI Insurance Group, Inc. merged with its parent, FCCI Insurance Company.

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

### 3. Investments

The amortized cost and fair value of AFS securities are as follows:

*December 31, 2025*

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury and U.S. government agencies and corporations	\$ 29,165	\$ 196	\$ (410)	\$ 28,951
States and political subdivisions	383,221	3,382	(33,902)	352,701
Asset-backed securities	1,053,268	12,120	(32,202)	1,033,186
Corporate bonds	637,334	8,492	(17,523)	628,303
Foreign government and foreign corporate bonds	94,120	1,549	(1,095)	94,574
<b>Total Fixed Maturity Securities</b>	<b>2,197,108</b>	<b>25,739</b>	<b>(85,132)</b>	<b>2,137,715</b>
Common stock	325,719	89,148	(16,238)	398,629
<b>Total AFS Securities</b>	<b>\$ 2,522,827</b>	<b>\$ 114,887</b>	<b>\$ (101,370)</b>	<b>\$ 2,536,344</b>

*December 31, 2024*

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasury and U.S. government agencies and corporations	\$ 30,242	\$ 7	\$ (1,129)	\$ 29,120
States and political subdivisions	329,905	1,386	(37,367)	293,924
Asset-backed securities	968,262	3,706	(50,068)	921,900
Corporate bonds	590,086	3,307	(25,835)	567,558
Foreign government and foreign corporate bonds	81,469	569	(1,993)	80,045
<b>Total Fixed Maturity Securities</b>	<b>1,999,964</b>	<b>8,975</b>	<b>(116,392)</b>	<b>1,892,547</b>
Common stock	309,952	65,891	(9,964)	365,879
<b>Total AFS Securities</b>	<b>\$ 2,309,916</b>	<b>\$ 74,866</b>	<b>\$ (126,356)</b>	<b>\$ 2,258,426</b>

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# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

The amortized cost and fair value of fixed maturity securities by contractual maturities are as follows:

*December 31, 2025*

	Amortized Cost <sup>(1)</sup>	Fair Value <sup>(1)</sup>
Due in one year or less	\$ 141,777	\$ 141,025
Due after one year through five years	737,996	737,173
Due after five years through ten years	912,218	896,949
Due after ten years	405,117	362,568
<b>Total Fixed Maturities</b>	<b>\$ 2,197,108</b>	<b>\$ 2,137,715</b>

<sup>(1)</sup> Includes principal paydowns on asset-backed securities using estimated maturities.

Asset-backed securities are classified in the maturity distribution based upon their projected cash flows. Projected cash flows for asset-backed securities and commercial mortgage-backed securities are generated using sector level or CUSIP level prepayment, default, and loss severity assumptions. For residential mortgage-backed securities, cash flows are generated using a probabilistic behavioral prepayment and credit model. Actual maturities and projected cash flows may differ from contractual maturities because borrowers may have the right to call or prepay obligations without call or prepayment penalties.

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# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, are as follows:

*December 31, 2025*

	Less than 12 Months			12 Months or More			Total		
	Unrealized Losses	Fair Value	Total Number of Securities in an Unrealized Loss Position	Unrealized Losses	Fair Value	Total Number of Securities in an Unrealized Loss Position	Unrealized Losses	Fair Value	Total Number of Securities in an Unrealized Loss Position
Available-for-sale:									
Bonds	\$ 2,615	\$ 109,631	118	\$ 50,315	\$ 363,522	330	\$ 52,930	\$ 473,153	448
Asset-backed securities	733	126,665	42	31,469	323,639	178	32,202	450,304	220
Common stocks	485	10,945	1	15,753	113,947	3	16,238	124,892	4
	\$ 3,833	\$ 247,241	161	\$ 97,537	\$ 801,108	511	\$ 101,370	\$ 1,048,349	672

*December 31, 2024*

	Less than 12 Months			12 Months or More			Total		
	Unrealized Losses	Fair Value	Total Number of Securities in an Unrealized Loss Position	Unrealized Losses	Fair Value	Total Number of Securities in an Unrealized Loss Position	Unrealized Losses	Fair Value	Total Number of Securities in an Unrealized Loss Position
Available-for-sale:									
Bonds	\$ 3,650	\$ 227,856	230	\$ 62,674	\$ 379,901	370	\$ 66,324	\$ 607,757	600
Asset-backed securities	2,807	208,794	96	47,261	381,619	193	50,068	590,413	289
Common stocks	1,396	53,866	3	8,568	75,422	2	9,964	129,288	5
	\$ 7,853	\$ 490,516	329	\$ 118,503	\$ 836,942	565	\$ 126,356	\$ 1,327,458	894

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

The Company's credit-related impairment assessment includes reviewing the extent and declining trend in fair values of investments, the seniority and duration for the securities, historical and projected Company financial performance, Company-specific news and other developments, the outlook for industry sectors, credit ratings, and macro-economic changes, including government policy initiatives. The largest single unrealized loss at December 31, 2025 and 2024 was \$9,542 and \$7,276, representing a 12.87% and 10.32% decline, respectively, on a common stock security.

The allowance for credit losses on fixed maturity securities was \$1,324 and \$535 as of December 31, 2025 and 2024, respectively. Changes in the allowance during 2025 and 2024 were \$789 and \$(1,082), respectively. The Company still holds three of the impaired securities at December 31, 2025, however one of the three was partially sold in 2025.

The Company sold five securities in 2025 that were previously impaired, recognizing a net gain on disposal of \$1,380. During 2025, the Company recognized \$2,861 of current expected credit loss impairments on four securities due to issuer-specific credit and quality events, consistent with management's criteria for recognizing credit-related declines in fair value.

For fixed maturity securities, the Company currently does not believe it is probable that it will be unable to collect all amounts due according to the contractual terms of the investments. Because management has the ability and intent to hold these investments until a recovery of fair value, which may be maturity, management will not establish an allowance for credit loss or write down a security to fair value unless it is determined that the impairment is credit-related. Management bases this conclusion on its current understanding, which includes the opinions of its outside investment consultant and outside investment manager, of the issuers of these securities, as described above.

It is possible that the Company could recognize impairment losses on some securities owned at December 31, 2025 by establishing an allowance for credit loss or writing down securities to fair value due to an intent to sell, if future events and information cause the Company to determine that a decline in value is credit-related.

Net investment income is summarized as follows:

<i>Year ended December 31,</i>	<b>2025</b>	<b>2024</b>
Bonds	\$ 102,824	\$ 89,484
Equity securities	13,878	19,454
Other invested assets	896	389
Cash, cash equivalents, and short-term investments	6,193	5,892
<b>Gross Investment Income</b>	<b>123,791</b>	<b>115,219</b>
<b>Investment Expenses</b>	<b>(6,219)</b>	<b>(5,293)</b>
<b>Net Investment Income</b>	<b>\$ 117,572</b>	<b>\$ 109,926</b>

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

Net realized losses on investments sold or impaired were comprised of the following:

<i>Year ended December 31,</i>	<b>2025</b>	<b>2024</b>
Fixed maturity securities:		
Gross gains	\$ 1,326	\$ 1,530
Gross losses	(4,808)	(4,341)
Credit loss expense	(789)	1,082
Equity securities:		
Gross gains	5,886	11,656
Gross losses	(1,193)	(8,398)
Other invested assets:		
Gross losses	(11,793)	(17,189)
Write-downs on fixed maturity securities	-	(304)
<b>Net Realized Loss</b>	<b>\$ (11,371)</b>	<b>\$ (15,964)</b>

At December 31, 2025 and 2024, bonds, cash, and cash equivalents with fair values of \$20,726 and \$20,815, respectively, were pledged to various state and federal regulatory authorities.

The Company maintains a diversified portfolio and there were no concentrations in any one investment in excess of 7% of members' equity for both December 31, 2025 and 2024.

The Company does not engage in direct subprime residential mortgage lending. The Company's exposure to subprime mortgage-related risk is limited to investments within the fixed maturity income investment portfolio, which contains securities collateralized by mortgages that have characteristics of subprime lending. Such characteristics include an interest rate above prime to borrowers who do not qualify for prime rate loans, borrowers with low credit ratings (FICO scores), unconventionally high initial loan-to-value ratios, and borrowers with less than conventional documentation of their income and/or net assets.

The Company minimizes subprime mortgage-related risk exposure by holding securities that carry an aggregate credit rating of B and by monitoring the underlying collateral performance on an ongoing basis. The Company currently carries one subprime holding at a National Association of Insurance Commissioners (NAIC) designation of 5.A.

### ***Other Invested Assets***

During 2015, FGI, a company within the FCCI Insurance Group, entered into an operating agreement with a third party for the purpose of investing in low-income housing property that will provide the Company with federal low-income housing tax credits and other tax benefits from operations.

The Company's carrying value of the investment is \$26 and \$134 as of December 31, 2025 and 2024, respectively, including its adjusted costs of \$4,665. Amortization was \$108 and \$397 for the years ended December 31, 2025 and 2024, respectively. During 2025 and 2024, the Company recognized \$87 and \$523, respectively, of federal tax credits. The investment is being amortized over 12 years from the initial date of acquisition using the proportional amortization method. The Company has no remaining unexpired federal tax credits. Each low-income property is subject to an annual regulatory review and the properties maintain their qualified status as of December 31, 2025.

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

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During 2020, FGI entered into an operating agreement with a third party for the purpose of investing in solar renewable energy projects that will provide the Company with federal renewable energy or solar tax credits and other tax benefits from operations.

The Company's carrying value of the investment is \$0 and \$604 as of December 31, 2025 and 2024, respectively, including its costs of \$9,323. Impairment of \$604 and \$138 was recognized during 2025 and 2024, respectively. During 2020, the Company received \$8,398 of federal solar tax credits. All federal renewable energy tax credits were received during 2020 and there are no remaining future federal tax credits pending as of December 31, 2025. The investment was analyzed for impairment on an annual basis. The project was subject to review and the facilities were developed, constructed, and leased in a manner that qualified for the energy credit under the applicable section of the tax code. The project has maintained its qualified status as of December 31, 2025. The Company received a cash distribution of \$137 and \$135 during 2025 and 2024, respectively, and no future put payment is expected to be received in 2026. The Company received an exit payment of \$498 during 2025 upon the sponsor's exercise of its purchase option related to the investment.

During 2021, FCCI entered into an operating agreement with a third party for the purpose of investing in solar renewable energy projects that will provide the Company with federal renewable energy or solar tax credits and other tax benefits from operations.

The Company's carrying value of the investment is \$1,477 and \$1,567 as of December 31, 2025 and 2024, respectively, including its costs of \$16,722. Impairment of \$89 and \$255 was recognized during 2025 and 2024, respectively. The investment will be analyzed for impairment on an annual basis. The project is subject to review and the facilities were developed, constructed, and leased in a manner that qualified for the energy credit under the applicable section for the tax code. The project has maintained its qualified status as of December 31, 2025. The Company received a cash distribution of \$90 and \$252 during 2025 and 2024, respectively, and future cash distributions totaling \$1,477 are expected to be received during the next two years.

The Company's future cash distributions are as follows:

*Year ending December 31,*

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2026	\$	293
2027		1,184

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During 2024, FGI entered into an operating agreement with a third party for the purpose of investing in solar renewable energy projects that will provide the Company with federal renewable energy or solar tax credits and other tax benefits from operations.

The Company's carrying value of the investment is \$2,206 and \$2,594 as of December 31, 2025 and 2024, respectively, including its costs of \$19,484. Impairment of \$482 and \$16,796 was recognized during 2025 and 2024. During 2024, the Company received \$17,818 of federal solar tax credits. All federal renewable energy tax credits were received during 2024 and there are no remaining future federal tax credits pending as of December 31, 2025. The investment will be analyzed for impairment on an annual basis. The project is subject to review and the facilities were developed, constructed, and leased in a manner that qualified for the energy credit under the applicable section of the tax code. The project has maintained its qualified status as of December 31, 2025. The Company received a cash distribution of \$170 during 2025. The Company will receive future cash distributions totaling \$2,206 which are expected to be received during the next five years.

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

The Company's future cash distributions are as follows:

*Year ending December 31,*

2026	\$	355
2027		349
2028		350
2029		347
2030		805

During 2025, FGI entered into an operating agreement with a third party for the purpose of investing in solar renewable energy projects that will provide the Company with federal renewable energy or solar tax credits and other tax benefits from operations.

The Company's carrying value of the investment is \$1,286 as of December 31, 2025, including its costs of \$11,902. Impairment of \$10,617 was recognized during 2025. During 2025, the Company generated \$11,157 of federal solar tax credits. All federal renewable energy tax credits were received during 2025 and there are no remaining future federal tax credits pending as of December 31, 2025. The investment will be analyzed for impairment on an annual basis. The project is subject to review and the facilities were developed, constructed, and leased in a manner that qualified for the energy credit under the applicable section of the tax code. The project has maintained its qualified status as of December 31, 2025. The Company will receive future cash distributions totaling \$1,286 which are expected to be received during the next six years.

The Company's future cash distributions are as follows:

*Year ending December 31,*

2026	\$	183
2027		156
2028		146
2029		144
2030		142
2031		515

### ***Fair Value Measurements***

Fair value is defined as the exit price or the amount that would be (1) received to sell an asset or (2) paid to transfer a liability in an orderly transaction between marketplace participants at the measurement date. When determining an exit price, the Company must, whenever possible, rely upon observable market data.

The exit price notion requires the Company's valuation to also consider what a marketplace participant would pay to buy an asset or receive to assume a liability. Therefore, while the Company can consider pricing data from these outside services, the Company ultimately determines whether the data or inputs used by these outside services are observable or unobservable.

The Company has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level that is significant to the fair value measurement of the instrument.

### *Level 1 and Level 2 Valuation Techniques*

All invested assets of the Company measured at fair value are classified as Level 1 or Level 2. Financial assets that fall within Level 1 and Level 2 are priced according to observable data from identical or similar securities that have traded in the marketplace. Also within Level 2 are securities that are valued by outside pricing services because the inputs used in pricing the securities are market observable. The Company has evaluated the pricing methodology and has determined that the inputs are observable. The Company holds membership stock in the Federal Home Loan Bank of Atlanta (FHLB), which it classifies as Level 2 due to lack of an active market. However, the carrying value of the stock is contractually specified by the FHLB. The contractual carrying value of the membership stock is \$7,409 and \$7,222 as of December 31, 2025 and 2024, respectively.

### *Level 3 Valuation Techniques*

Management is required to use its own assumptions regarding unobservable inputs because there is little, if any, market activity in the assets or liabilities and management may be unable to corroborate the related observable inputs. Unobservable inputs require management to make certain projections and assumptions about the information that would be used by market participants in pricing assets or liabilities. Fair value measurements of non-exchange-traded financial instruments are based primarily on valuation models, discounted cash flow models, or other valuation techniques that are believed to be used by market participants. The Company's Level 3 investment consists of common stock in an investment company measured based upon net asset value per share to determine the fair value.

### *Roll Forward of Level 3 Items*

	Beginning Balance, January 1, 2025	Transfers Into Level 3	Transfers out of Level 3	Total Gains (Losses) Included in Income	Purchases	Sales	Ending Balance, December 31, 2025
<b>Assets</b>							
Common stocks	\$ 92,613	\$ -	\$ -	\$ (4,421)	\$ -	\$ -	\$ 88,192
<b>Total Assets</b>	<b>\$ 92,613</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (4,421)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,192</b>
<b>Liabilities</b>							
<b>Total Liabilities</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

	Beginning Balance, January 1, 2024	Transfers Into Level 3	Transfers out of Level 3	Total Gains (Losses) Included in Income	Purchases	Sales	Ending Balance, December 31, 2024
<b>Assets</b>							
Common stocks	\$ 43,408	\$ -	\$ -	\$ (795)	\$ 50,000	\$ -	\$ 92,613
<b>Total Assets</b>	\$ 43,408	\$ -	\$ -	\$ (795)	\$ 50,000	\$ -	\$ 92,613
<b>Liabilities</b>							
<b>Total Liabilities</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

### Policy on Transfers Into and Out of Levels 1, 2, and 3

At the end of each reporting period, the Company evaluates whether or not an event has occurred or circumstances have changed that would cause an instrument to be transferred into or out of Levels 1, 2, and 3. The Company had no transfers into or out of Levels 1, 2, or 3 in the current year.

The following tables represent the fair value of fixed maturity and equity securities by hierarchy level:

#### December 31, 2025

	Total	Level 1	Level 2	Level 3
U.S. Treasury and U.S. government agencies and corporations	\$ 28,951	\$ 28,951	\$ -	\$ -
State and political subdivisions	352,701	-	352,701	-
Asset-backed securities	1,033,186	-	1,033,186	-
Corporate bonds	628,303	-	628,303	-
Foreign government and foreign corporate bonds	94,574	-	94,574	-
<b>Total Fixed Maturity Securities</b>	2,137,715	28,951	2,108,764	-
<b>Common Stock</b>	398,629	303,028	7,409	88,192
<b>Total Investment Securities</b>	\$ 2,536,344	\$ 331,979	\$ 2,116,173	\$ 88,192

#### December 31, 2024

	Total	Level 1	Level 2	Level 3
U.S. Treasury and U.S. government agencies and corporations	\$ 29,120	\$ 29,120	\$ -	\$ -
State and political subdivisions	293,924	-	293,924	-
Asset-backed securities	921,900	-	921,900	-
Corporate bonds	567,558	-	567,558	-
Foreign government and foreign corporate bonds	80,045	-	80,045	-
<b>Total Fixed Maturity Securities</b>	1,892,547	29,120	1,863,427	-
<b>Common Stock</b>	365,879	266,044	7,222	92,613
<b>Total Investment Securities</b>	\$ 2,258,426	\$ 295,164	\$ 1,870,649	\$ 92,613

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

### 4. Amounts Due from Policyholders

Amounts due from policyholders are composed of the following:

<i>December 31,</i>	<b>2025</b>	<b>2024</b>
Premiums in course of collection	\$ 76,096	\$ 63,729
Premiums deferred not yet due	423,065	429,822
Premiums due on retrospectively rated policies	6,673	6,425
Amounts due on deductible policies	607	792
<b>Amounts Due from Policyholders, Gross</b>	<b>506,441</b>	<b>500,768</b>
Premiums receivable current expected credit loss allowance	(4,951)	(5,849)
<b>Amounts Due from Policyholders, Net</b>	<b>\$ 501,490</b>	<b>\$ 494,919</b>

The allowance for expected credit losses reflects the Company's best estimate of expected losses inherent in its amounts due from policyholders balance determined on the basis of historical experience, specific allowances for known troubled accounts, and other currently available evidence and reasonable and supportable forecasts about future conditions.

### 5. Deferred Policy Acquisition Costs

Deferred policy acquisition costs are summarized as follows:

<i>December 31,</i>	<b>2025</b>	<b>2024</b>
<b>Balance, January 1</b>	<b>\$ 92,214</b>	<b>\$ 83,274</b>
Capitalized costs	211,142	204,167
Amortized costs	(208,379)	(195,227)
<b>Balance, December 31</b>	<b>\$ 94,977</b>	<b>\$ 92,214</b>

### 6. Land, Building, and Equipment

The major components of land, building, and equipment are as follows:

<i>December 31,</i>	<b>2025</b>	<b>2024</b>
Land	\$ 4,269	\$ 4,269
Building and improvements	51,235	51,087
Furniture and equipment	19,350	18,592
Property, equipment and vehicles under operating leases	16,938	15,388
Software in use	114,468	104,529
Software under development	12,153	6,781
<b>Land, Building, and Equipment, at cost</b>	<b>218,413</b>	<b>200,646</b>
Accumulated depreciation and amortization	(130,434)	(117,961)
<b>Land, Building, and Equipment, Net</b>	<b>\$ 87,979</b>	<b>\$ 82,685</b>

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

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Depreciation and amortization expense for land, building, and equipment, including property, equipment and vehicle under operating leases, for the years ended December 31, 2025 and 2024 amounted to \$13,691 and \$11,868, respectively.

### **7. Liability for Loss and LAE**

The Company establishes a liability for loss and LAE that estimates the future payments of reported and unreported claims for losses and the related loss expenses with respect to insured events that have occurred. Liability for loss and LAE are estimates of the unpaid portion of losses that have occurred, including incurred but not reported (IBNR) losses. As a result, the process of establishing this liability is subject to uncertainties that are normal, recurring, and inherent in the property and casualty business. The process requires reliance upon estimates based on available data that reflects past experience, current trends, and other information and the exercise of informed judgment. Changes in the Company's estimate of this liability may be required as information develops that varies from experience, provides additional data, or, in some cases, augments data previously not considered sufficient for use in determining reserves. The effect of these changes, net of reinsurance, is charged (unfavorable development) or credited (favorable development) to income for the periods in which they are determined.

In management's judgment, information currently available has been appropriately considered in estimating the Company's liability for losses and LAE. However, future changes in estimates of the Company's liability for insured events may materially affect results positively or adversely in future periods although such effects cannot be reasonably estimated.

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# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

Activity in the liability for loss and LAE is summarized in the table below:

	2025	2024
<b>Gross, January 1</b>	<b>\$ 1,350,702</b>	<b>\$ 1,249,045</b>
Less:		
Reinsurance recoverable, unpaid losses	115,566	105,875
Florida Special Disability Trust Fund recoverable	1,040	1,321
Salvage and subrogation recoverables	9,865	11,089
Retroactive reinsurance reserves assumed	1,111	1,336
Liability for loss and LAE on deductible policies	790	1,053
<b>Net, January 1</b>	<b>1,222,330</b>	<b>1,128,371</b>
Incurred related to:		
Current year	726,739	709,843
Prior years	16,981	4,280
	<b>743,720</b>	<b>714,123</b>
Paid related to:		
Current year	227,478	221,805
Prior years	415,382	398,359
	<b>642,860</b>	<b>620,164</b>
<b>Net, December 31</b>	<b>1,323,190</b>	<b>1,222,330</b>
Plus:		
Reinsurance recoverable, unpaid losses	129,075	115,566
Florida Special Disability Trust Fund recoverable	1,269	1,040
Salvage and subrogation recoverables	10,617	9,865
Retroactive reinsurance reserves assumed	614	1,111
Liability for loss and LAE on deductible policies	606	790
<b>Gross, December 31</b>	<b>\$ 1,465,371</b>	<b>\$ 1,350,702</b>

The liability for loss and LAE developed unfavorably in 2025 and 2024.

The liability for loss and LAE is calculated by line of business and accident year and is established net of salvage, subrogation, and second injury funds.

Many factors affect the ultimate cost of claims, such factors include, but are not limited to, inflation, changes in laws and regulations, litigation and jury awards, changes in claimants' medical conditions, and changes in medical technologies and procedures. There is inherent uncertainty in the estimate since many claims will not be settled for several years.

The Company regularly updates its loss and LAE liability estimates as new information becomes available and as events unfold that may affect the resolution of unsettled claims. Changes to the liability for losses and LAE are reflected in the results of operations in the period the estimates are changed. The Company uses generally accepted actuarial models to determine estimates of ultimate liabilities.

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

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The tables that follow present, by accident year, cumulative incurred losses and allocated LAE on a historical basis. The information is presented, net of reinsurance, and excludes unallocated LAE. Also provided are the historical average annual percentage payout of incurred losses by age, net of reinsurance, as supplementary information. Although the claim for which liabilities are established may not be paid for several years, the Company does not discount loss and LAE liabilities in its consolidated financial statements for the time value of money in accordance with GAAP. The information contained in the years preceding the current calendar year is unaudited. The IBNR amounts include the estimate for IBNR liabilities and for expected development on reported cases. The cumulative number of reported losses includes the number of direct reported occurrence count, both open and closed, by major line of business and accident year.

The information about incurred and paid claims development for the years ended December 31, 2016 to 2024 is presented as unaudited supplementary information.

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# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

### Liability Lines

Year ended December 31,

Accident Year	Incurred Loss and Allocated LAE, Net of Reinsurance										IBNR	Cumulative Number of Reported Claims
	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*	2024*	2025		
2016	\$ 251,559	\$ 247,710	\$ 248,361	\$ 248,838	\$ 251,804	\$ 252,932	\$ 254,186	\$ 254,797	\$ 253,502	\$ 258,106	\$ 4,458	9,384
2017		244,503	236,417	244,911	252,308	253,043	252,626	254,448	256,293	259,714	5,304	9,201
2018			239,605	243,107	253,091	260,782	259,767	258,891	252,451	262,739	7,017	9,364
2019				263,016	270,589	272,696	272,939	272,343	274,514	282,868	9,898	9,697
2020					260,888	234,036	232,816	238,180	240,809	252,897	13,672	7,144
2021						333,243	302,413	309,345	328,234	337,096	22,669	8,091
2022							357,893	333,542	358,954	358,255	36,418	8,006
2023								392,190	366,132	366,028	52,475	7,074
2024									444,668	411,544	87,489	6,517
2025										455,639	174,867	5,459
<b>Total</b>										<b>\$3,244,886</b>		

\* Unaudited

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# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

Year ended December 31,

Accident Year	Cumulative Paid and Allocated LAE, Net of Reinsurance									
	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*	2024*	2025
2016	\$ 43,040	\$ 102,008	\$ 153,656	\$ 182,875	\$ 203,273	\$ 216,733	\$ 236,223	\$ 241,948	\$ 244,985	\$ 248,650
2017		38,727	113,066	152,359	186,125	213,302	225,553	233,788	242,095	247,711
2018			44,052	105,722	155,125	195,812	219,039	232,960	239,775	247,720
2019				43,675	116,778	174,436	205,027	233,001	246,662	254,908
2020					34,775	86,400	133,623	172,831	201,716	215,973
2021						54,521	141,706	208,384	260,823	285,864
2022							58,156	143,649	219,881	266,026
2023								55,448	147,636	232,311
2024									55,303	162,903
2025										54,945
<b>Total</b>										<b>\$ 2,217,011</b>
<b>All Outstanding Liabilities, before 2016, net of reinsurance</b>										<b>\$ 34,702</b>
<b>Liabilities for Loss and LAE, net of reinsurance</b>										<b>\$ 1,062,577</b>

\* Unaudited

### Average Annual Percentage Payout of Incurred Loss by Age, Net of Reinsurance\*\*

Year:	1	2	3	4	5	6	7	8	9	10
(%)	15.06	24.69	19.65	13.51	9.32	5.14	4.06	2.81	1.67	1.42

\*\* Supplemental and unaudited

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# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

### Workers' Compensation

Year ended December 31,

Accident Year	Incurred Loss and Allocated LAE, Net of Reinsurance											IBNR	Cumulative Number of Reported Claims
	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*	2024*	2025			
2016	\$ 221,211	\$ 189,891	\$ 183,741	\$ 177,178	\$ 175,007	\$ 172,973	\$ 172,770	\$ 172,643	\$ 172,282	\$ 171,915	\$ 2,728	10,345	
2017		184,367	152,670	144,583	139,150	136,632	135,322	134,492	134,225	133,755	2,760	9,499	
2018			171,987	153,533	144,932	142,164	141,181	142,942	141,170	141,077	3,221	8,660	
2019				176,050	170,016	163,097	161,468	159,960	159,538	161,109	3,269	8,212	
2020					144,215	128,788	125,579	122,405	122,326	122,797	3,720	6,449	
2021						131,943	129,560	123,318	125,983	126,709	3,630	6,166	
2022							108,966	101,690	102,953	103,247	3,702	5,478	
2023								120,174	101,114	98,836	4,408	5,085	
2024									97,362	85,688	5,896	4,902	
2025										98,843	10,565	4,178	
<b>Total</b>										<b>\$1,243,976</b>			

\* Unaudited

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# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

Year ended December 31,

Accident Year	Cumulative Paid and Allocated LAE, Net of Reinsurance									
	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*	2024*	2025
2016	\$ 61,748	\$ 122,199	\$ 149,637	\$ 157,844	\$ 161,853	\$ 163,193	\$ 164,541	\$ 166,105	\$ 167,807	\$ 168,051
2017		49,434	102,364	120,403	125,523	127,410	127,900	128,676	129,101	129,472
2018			49,198	99,766	120,062	125,293	126,916	129,843	130,937	132,360
2019				58,440	114,870	137,075	144,538	146,922	148,670	149,968
2020					43,532	90,846	106,101	111,805	114,353	116,091
2021						43,781	90,609	105,247	110,542	112,632
2022							35,699	73,227	84,616	91,598
2023								35,721	68,743	80,987
2024									29,830	59,203
2025										32,745
<b>Total</b>										<b>\$ 1,073,107</b>
<b>All Outstanding Liabilities, before 2016, net of reinsurance</b>										<b>\$ 46,917</b>
<b>Liabilities for Loss and LAE, net of reinsurance</b>										<b>\$ 217,786</b>

\* Unaudited

### Average Annual Percentage Payout of Incurred Loss by Age, Net of Reinsurance\*\*

Year:	1	2	3	4	5	6	7	8	9	10
(%)	35.27	36.13	13.13	4.65	1.68	1.14	0.74	0.75	0.64	0.14

\*\* Supplemental and unaudited

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# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

### Other Lines

Year ended December 31,

Accident Year	Incurred Loss and Allocated LAE, Net of Reinsurance											IBNR	Cumulative Number of Reported Claims
	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*	2024*	2025			
2016	\$ 80,793	\$ 75,777	\$ 74,834	\$ 74,257	\$ 74,293	\$ 74,210	\$ 74,270	\$ 74,167	\$ 73,989	\$ 73,211	\$ -	10,204	
2017		101,953	103,141	104,699	104,818	104,967	105,125	105,450	104,494	104,493	-	10,621	
2018			107,659	102,807	102,395	103,294	105,721	105,369	105,136	104,508	-	10,811	
2019				90,626	88,482	85,582	85,503	85,307	85,297	85,947	3	10,275	
2020					101,995	97,870	95,421	95,860	97,463	98,469	66	9,590	
2021						123,946	125,697	126,234	126,449	125,339	44	9,831	
2022							171,624	170,140	170,271	171,266	61	10,444	
2023								163,186	153,505	151,332	932	9,257	
2024									135,532	124,648	2,852	8,194	
2025										138,739	22,687	6,842	
<b>Total</b>										<b>\$1,177,952</b>			

\* Unaudited

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# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

Year ended December 31,

Accident Year	Cumulative Paid and Allocated LAE, Net of Reinsurance									
	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*	2024*	2025
2016	\$ 58,527	\$ 73,066	\$ 74,167	\$ 74,141	\$ 74,177	\$ 74,153	\$ 74,188	\$ 74,126	\$ 73,972	\$ 73,221
2017		76,439	98,454	103,761	104,396	104,605	105,009	105,331	104,494	104,493
2018			80,324	99,688	101,021	102,937	105,600	105,251	105,003	104,508
2019				71,528	83,865	84,665	85,112	85,147	85,110	85,862
2020					80,469	94,622	94,118	94,641	95,923	96,081
2021						99,824	122,957	125,743	125,560	125,195
2022							126,655	162,810	165,842	170,914
2023								129,874	148,468	149,911
2024									104,391	119,618
2025										106,270
<b>Total</b>										<b>\$ 1,136,073</b>
<b>All Outstanding Liabilities, before 2016, net of reinsurance</b>										<b>\$ 948</b>
<b>Liabilities for Loss and LAE, net of reinsurance</b>										<b>\$ 42,827</b>

\* Unaudited

### Average Annual Percentage Payout of Incurred Loss by Age, Net of Reinsurance\*\*

Year:	1	2	3	4	5	6	7	8	9	10
(%)	79.47	16.92	1.65	0.89	0.64	0.03	0.25	(0.45)	(0.11)	(1.03)

\*\* Supplemental and unaudited

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# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

Reconciliation of the net incurred loss and paid loss tables above to the liability for loss and LAE is as follows:

*December 31, 2025*

Net liability for unpaid loss and LAE:	
Liability lines	\$ 1,062,577
Workers' compensation	217,786
Other lines	42,827
<b>Net</b>	<b>\$ 1,323,190</b>

### 8. Reinsurance

The Company has a reinsurance program that is intended to reduce overall risks, including exposure to large losses and catastrophic events. The Company limits the maximum net loss that can arise from claims by reinsuring certain levels of risks with reinsurers. In the ordinary course of business, the Company assumes premiums, losses, and LAE from involuntary assigned risk pools.

The Company expects those companies with whom reinsurance has been placed to honor their obligations. However, in the event that all or any of the reinsuring companies are unable to meet their obligations for existing paid and unpaid loss recoverables, the Company would be liable for such defaulted amounts.

The following table summarizes reinsurance recoverables and prepaid reinsurance premium:

<i>December 31,</i>	2025		2024	
Recoverable for ceded loss and LAE reserves	\$	129,075	\$	115,566
Recoverable for paid ceded loss and LAE		4,730		15,844
Prepaid reinsurance premium		7,873		7,022
	\$	141,678	\$	138,432

The allowance for expected credit losses on reinsurance recoverables is \$148 and \$141 as of December 31, 2025 and 2024, respectively. The allowance takes into consideration past events, current conditions, and reasonable and supportable forecasts.

The following tables summarize the effect of reinsurance on premiums:

*Year ended December 31, 2025*

	Direct		Assumed		Ceded		Net	
Written premiums	\$	1,271,577	\$	3,749	\$	79,663	\$	1,195,663
Earned premiums		1,254,942		3,777		78,653		1,180,066

*Year ended December 31, 2024*

	Direct		Assumed		Ceded		Net	
Written premiums	\$	1,229,647	\$	3,361	\$	74,419	\$	1,158,589
Earned premiums		1,177,686		3,415		74,369		1,106,732

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

The following table summarizes the effect of reinsurance on loss and LAE incurred:

		Direct		Assumed		Ceded		Net
2025	\$	775,438	\$	4,114	\$	35,832	\$	743,720
2024		772,910		2,291		61,078		714,123

### 9. Income Tax

The components of income tax expense are as follows:

<i>Year ended December 31,</i>		2025		2024
Current income tax expense:				
Federal	\$	14,263	\$	7,780
State		3,977		2,879
<b>Total Current Income Tax Expense</b>		<b>18,240</b>		<b>10,659</b>
Deferred income tax expense (benefit):				
Federal		2,971		(2,570)
State		(993)		(378)
<b>Total Deferred Income Tax Expense (Benefit)</b>		<b>1,978</b>		<b>(2,948)</b>
<b>Total Income Tax Expense</b>	<b>\$</b>	<b>20,218</b>	<b>\$</b>	<b>7,711</b>

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# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

The significant components of the net deferred income tax assets are as follows:

<i>December 31,</i>	2025	2024
Deferred income tax assets:		
Discount of unearned and advance premiums	\$ 27,289	\$ 26,448
Discount of liability for loss and LAE	24,611	21,509
Unrealized loss on investment securities <sup>(1)</sup>	13,965	25,695
Research and experimental costs	8,942	14,245
Deferred compensation	8,514	6,720
Solar investment	2,497	1,176
Accrued policyholder dividends	1,757	1,259
Accrued vacation	1,674	1,660
Premiums receivable current expected credit loss allowance	965	1,152
Net state operating loss carryforwards	66	68
Other	3,073	1,490
<b>Total Gross Deferred Income Tax Assets</b>	<b>93,353</b>	<b>101,422</b>
Less: valuation allowance	(66)	(66)
<b>Total Net Deferred Income Tax Assets</b>	<b>93,287</b>	<b>101,356</b>
Deferred income tax liabilities:		
Deferred policy acquisition costs	22,834	22,170
Change in market value of equity portfolio	17,529	13,446
Depreciation and amortization	15,127	13,471
Prepaid assets	1,852	1,827
Loss reserve discount eight-year transition	-	1,320
Other	2,387	1,856
<b>Total Deferred Income Tax Liabilities</b>	<b>59,729</b>	<b>54,090</b>
<b>Net Deferred Income Tax Assets</b>	<b>\$ 33,558</b>	<b>\$ 47,266</b>

<sup>(1)</sup> Includes fixed maturity securities only.

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax-planning strategies in making this assessment. As of December 31, 2025, the Company has recorded a deferred tax asset of \$66 related to net operating loss (NOL) carryforwards in the State of Indiana, which expired at the end of the 2025 tax year. Indiana taxable income for the years ended December 31, 2025 and 2024 was \$44 and \$49, respectively, and management does not expect sufficient Indiana-apportioned taxable income to be generated prior to the expiration to utilize the NOL. Accordingly, management believes it is not more likely than not that this deferred tax asset will be realized and has recorded a full valuation allowance of \$66. The deferred tax asset and related valuation allowance will remain on the balance sheet at December 31, 2025, pending the filing of the Company's 2025 Indiana income tax return, after which the NOL will expire if not utilized.

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

Based upon the level of historical taxable income and projections for future taxable income over the periods in which the remaining deferred tax assets are deductible, management believes it is more likely than not that the Company will realize the benefits of these deductible differences, net of the existing valuation allowances at December 31, 2025.

Following is a reconciliation of the provision for federal income tax at the U.S. corporate rate of 21% to the expense recorded:

*Year ended December 31,*

	2025		2024	
	Amount	Effective Tax Rate (%)	Amount	Effective Tax Rate (%)
Expected tax	\$ 29,940	21.00	\$ 23,792	21.00
Tax credits	(11,905)	(8.35)	(19,094)	(16.85)
State income taxes, net of federal benefit	2,358	1.65	1,976	1.74
Tax-exempt interest	(796)	(0.56)	(783)	(0.69)
Other, net	621	0.44	1,820	1.61
<b>Actual Income Tax Expense</b>	<b>\$ 20,218</b>	<b>14.18</b>	<b>\$ 7,711</b>	<b>6.81</b>

The Company has adopted Accounting Standards Codification (ASC) 740-10-05, *Accounting for Uncertainty in Income Taxes*, which clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements. This guidance prescribes a threshold for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. Management has evaluated its tax positions and has identified a situation where it is more likely than not that the position taken will not be upheld. Therefore, the Company has recorded a reserve for uncertain tax positions (UTP). The total amount of unrecognized tax benefits that, if recognized, would impact the effective tax rate is \$1,204. During 2025 and 2024, the Company accrued \$72 and \$92, respectively, in UTP interest and penalties as a component of income tax expense. During 2025, the Company reduced the UTP reserve by \$485 which was attributable to lapse of applicable statute of limitations. During the next 12 months, it is reasonably possible that there will be a decrease of \$463 to uncertain tax positions.

The Company and its subsidiaries are subject to examinations for U.S. federal income tax as well as income tax in various state, and city jurisdictions. The Company's federal income tax returns for 2021 through the current period remain open to examination. The Company was under IRS audit for periods 2022-2021, which was finalized in 2025 with no changes to the Company's tax liability for either period. The Company's relevant state and city filings that remain open vary. The Company does not expect the assessment of any significant additional tax in excess of amounts reserved.

### *Impact of Recent Tax Legislation*

On July 4, 2025, the One Big Beautiful Bill Act (the Act) was enacted. The Act permanently extends certain provisions of the Tax Cuts and Jobs Act of 2017, including 100% bonus depreciation and the immediate expensing of domestic research and experimental (R&E) expenditures.

As a result of the enactment of the Act, the Company remeasured its income tax balances to reflect the changes in tax law. The impact of the Act resulted in an estimated federal income tax benefit of approximately \$10,400, primarily related to the recognition of current-year and previously

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

deferred R&E expenditures. The benefit was recorded in the period of enactment and is reflected in income tax expense for the year ended December 31, 2025.

### 10. Debt

#### *Lines of Credit/Credit Facility*

##### *Bank of America Line of Credit*

The Company has a line of credit (LOC) from Bank of America, in the amount of \$25,000 maturing April 1, 2027. Bonds with a fair value of \$36,518 have been pledged as collateral as of December 31, 2025. There was no balance outstanding on the LOC as of December 31, 2025 and 2024.

##### *Federal Home Loan Bank Credit Facility*

The Company is a member of the FHLB. As a requirement of membership, the Company owns FHLB stock in an amount that is adjusted annually based on the asset size of the Company. In addition to membership stock requirements, the FHLB also requires members to purchase additional FHLB stock in amounts equal to 4.75% of each advance. FHLB shares that are purchased at the time of an advance are automatically redeemed when the advance is repaid (proportionately if the advance is partially repaid). As of December 31, 2025 and 2024, the Company owned FHLB stock in the amount of \$7,409 and \$7,222, respectively. As of December 31, 2025, the Company's borrowing limit is \$646,474. The Company's overall FHLB credit limit can fluctuate based on the Company's financial condition, and all balances must be adequately collateralized.

The Company's FHLB borrowings are summarized in the following table:

#### *December 31, 2025*

Description	Amount Outstanding	Date Issued	Maturity Date	Interest Rate (%)
7-Year Fixed Rate Note	\$ 32,000	9/10/2019	9/10/2026	2.078
9-Year Fixed Rate Note	24,000	9/10/2019	9/11/2028	2.444
10-Year Fixed Rate Note	23,750	9/10/2019	9/10/2029	2.606
10-Year Fixed Rate Note	32,000	9/10/2019	9/10/2029	2.495
	\$ 111,750			

### 11. Retirement and Deferred Compensation Plans

#### *Retirement and Savings Plan*

The Company has a retirement and profit-sharing plan (defined 401(k) contribution plan) for which all employees are eligible to participate. Employees may contribute to the 401k Plan subject to Internal Revenue Service Limits and the Companies match equals 50% of the employees' contributions, up to the first 4% eligible earnings. Based on the Company's financial results, an additional discretionary profit-sharing contribution may be made to all eligible employees' accounts. All contributions by the Company are restricted to amounts authorized annually by the Board of Directors. Retirement benefits are based on the balance in each employee's account,

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

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including the amount vested in employer 401(k) matching contributions and profit-sharing contributions. The plan may be cancelled at any time at the option of the Company. The Company's net contributions to the plan for 2025 and 2024 were \$9,100 and \$8,605, respectively.

### *Long-Term Incentive Plan*

Directors and officers are eligible participants under the Company's Long-Term Incentive Plan (Incentive Plan), which offers two types of performance-based incentive awards, a Full Value Performance Unit Award (Performance Units) and a Performance Unit Appreciation Rights Award (Appreciation Rights).

After satisfaction or lapse of the restrictions, terms, and conditions established by the Incentive Plan with respect to a grant of Performance Unit awards, the Incentive Plan participant will receive a cash payment equal to the number of Performance Units multiplied by a Company Value as of the exercise date, as defined in the Incentive Plan. During 2025 and 2024, the Company recognized expense related to these units of \$2,697 and \$2,477, respectively. As of December 31, 2025 and 2024, the Company has a liability for the Performance Units outstanding of \$10,740 and \$10,243, respectively.

Appreciation Rights may be exercised subject to the terms of the Incentive Plan, and upon exercise, the Incentive Plan participant will receive the number of Appreciation Rights exercised multiplied by the increase in Company Value as of the exercise date compared to the Company Value on the grant date. During 2025 and 2024, the Company recognized expense related to Appreciation Rights of \$11,507 and \$7,425, respectively. As of December 31, 2025 and 2024, the Company has a liability for the Appreciation Rights outstanding of \$24,675 and \$17,707, respectively.

Costs for retirement and long-term incentive plans are allocated to each subsidiary based on the direct written premiums and the level of claims transactions to the totals for the consolidated Company.

## **12. Regulation**

FCCI Mutual Insurance Holding Company and its insurance company subsidiaries are regulated by state insurance departments and are subject to insurance statutes of their domiciliary states. The insurance companies are required to file financial statements with the state insurance departments prepared on an accounting basis prescribed or permitted by such regulators (statutory basis). Included among the applicable insurance laws and regulations with which the insurance companies must comply is the requirement that they maintain sufficient surplus, as defined by the states.

### *Risk-Based Capital*

The NAIC and the domiciliary states utilize risk-based capital (RBC) standards. RBC is a method of measuring the amount of capital and surplus appropriate for an insurer to support its overall business operations in light of its size and risk profile. Under RBC standards, risks specific to insurance companies in such areas as asset risk and underwriting risk are evaluated and compared to the insurance companies' capital and surplus to determine solvency margins. Regulators use RBC standards to initiate actions relating to insurers that show signs of weak or deteriorating financial condition. At December 31, 2025 and 2024, the insurance companies were adequately capitalized under the RBC requirements.

# FCCI Mutual Insurance Holding Company and Subsidiaries

## Notes to Consolidated Financial Statements (in thousands)

Combined net income and policyholders' surplus of the Company's insurance subsidiaries, as determined in accordance with statutory accounting practices, are as follows:

<i>December 31,</i>	<b>2025</b>	<b>2024</b>
Net income	\$ 100,793	\$ 76,850
Policyholders' surplus	1,131,338	1,007,908

### 13. Commitments and Contingencies

#### *Legal Proceedings*

The Company's insurance subsidiaries are party to litigation and workers' compensation administrative proceedings involving claims arising in the normal course of business, none of which, in the opinion of management, will have a material adverse effect on the consolidated financial position, results of operations, or cash flows of the Company.

### 14. Operating Leases

The Company leases certain office facilities, office equipment and vehicles under operating leases, some of which contain renewal options under various terms at prevailing market rates. Renewal options that have not been exercised as of December 31, 2025 are excluded until management attains a reasonable level of certainty. The Company has recorded lease ROU assets and lease obligation liabilities for office facilities, office equipment and vehicles based on the net present value of future lease payments. The lease ROU assets and lease obligation liabilities recorded under building and equipment, net, and accrued expenses and other liabilities were \$6,753 and \$7,483, respectively at December 31, 2025 and \$7,351 and \$8,193, respectively, at December 31, 2024.

The weighted-average term of these leases was approximately three years at December 31, 2025. The weighted-average discount rate used to measure lease ROU assets and lease obligation liabilities was approximately 2.32% at December 31, 2025. The Company does not generally have access to the rate implicit in the lease and, therefore, uses its incremental borrowing rate as the discount rate.

Amortization expense related to the operating leases was \$2,338 and \$2,298 at December 31, 2025 and 2024, respectively. This is recorded under general, administrative, and other expenses.

A summary of remaining lease payments and obligation as of December 31, 2025 is as follows:

<i>Year ending December 31,</i>		
2026	\$	2,527
2027		1,414
2028		1,209
2029		1,157
2030		652
Thereafter		939
Amount representing interest		(415)
<b>Lease Obligation Liabilities</b>	<b>\$</b>	<b>7,483</b>