

**WESTERN GENERAL INSURANCE COMPANY**

**UNAUDITED**

**STATEMENT OF INCOME**

**SEPTEMBER 30, 2021**

12/31/20

**UNDERWRITING INCOME**

Net Premiums Earned	20,092,662	38,182,752
Net Losses Incurred	13,556,963 **	20,894,909
Loss Expenses Incurred	2,361,761 **	5,152,926
Other Underwriting Expenses Incurred	10,199,792 *	18,042,021
Total Underwriting Deductions	26,118,515	44,089,856
Net Underwriting Gain	(6,025,853)	(5,907,104)

**INVESTMENT INCOME**

Net Investment Income Earned	361,301	528,430
Net Realized Capital Gains	93,290	647,961
Net Investment Gain	454,591	1,176,392

**OTHER INCOME**

Finance and Service Charges not included in Premiums	2,005,902	6,574,926
Finance and Service Charges Retained by General Agents	(2,005,902)	(6,574,926)
Forgiveness of PPP Loan	82,200	0
Miscellaneous Income	4,605	3,685
Total Other Income	86,805	3,685
Net Income Before Federal Income Tax	(5,484,457)	(4,727,027)
Income Tax Incurred	0	(57,471)
Net Income	(5,484,457)	(4,669,556)

**CAPITAL AND SURPLUS ACCOUNT**

Beginning Surplus as Regards Policyholders	7,741,089	3,592,922
Net Income	(5,484,457)	(4,669,556)
Change in Net Unrealized Capital Gains or Losses	(844)	(403,515)
Change in Net Deferred Income Tax	0	1,034,276
Change in Nonadmitted Assets	0	10,447,086
Change in Provision for Reinsurance	(33,000)	(3,000)
Dividend Declared	0	0
Additional Paid in Capital	111,510	0
Correction of an Error	0	(2,257,123)
Change in treasury stock	0	0
Ending Surplus as Regards Policyholders	2,334,298	7,741,089

\*Note: This includes \$335,847 for interest due to Partner Re calculated using simple interest @ 10%

\*\*Note: The Guaranty Associations typically report paid losses 60 days, or more, after the end of a quarter. The footnoted balances are subject to change pending the receipt of the third quarter ending September 30, 2021 reports of losses paid and outstanding, handled by the Guaranty Associations.