3 Year Plan - Total Operations
Balance Sheet

	TOTAL 2020	TOTAL 2021	TOTAL 2022
ASSETS:			
Cash & Short Term Investments	9,866,696	10,674,916	12,021,948
Bonds	431,594,371	455,045,306	495,088,437
Common Stocks	68,298,440	71,713,362	75,299,030
Cash & Invested Assets	509,759,506	537,433,583	582,409,415
Accrued Investment Income	3,061,138	3,228,399	3,479,798
Premiums Receivable	3,094,135	3,851,146	5,071,353
Other Assets	8,240,015	8,989,912	10,143,535
Total Admitted Assets	**524,154,795**	**553,503,040**	**601,104,100**
LIABILITIES & SURPLUS:			
Loss & LAE Reserves	157,286,202	165,551,993	183,580,244
Deferred Tax Liability	3,032,197	3,749,331	4,502,321
Unearned Premium	16,368,351	18,702,125	22,591,747
Dividends Declared & Unpaid	772,404	772,404	772,404
Advance Premium & Amounts Withheld	5,810,445	5,816,523	5,826,653
All Other including Ceded Premium Payable	8,591,976	12,420,177	15,092,383
Total Liabilities	**191,861,576**	**207,012,552**	**232,365,752**
Surplus	**332,293,219**	**346,490,488**	**368,738,348**
Total Liabilities & Surplus	**524,154,795**	**553,503,040**	**601,104,100**

3 Year Plan - Total Operations
Income Statement

	Total 2020	Total 2021	Total 2022
Gross Written Premium	35,022,381	48,375,798	69,505,711
Ceded Written Premium	(10,723,165)	(14,677,412)	(22,236,291)
Net Written Premium	24,299,216	33,698,385	47,269,420
Net Earned Premium	24,153,275	31,943,614	45,752,096
Loss & LAE	19,697,406	23,896,761	32,092,100
Other Underwriting Expenses	15,558,355	17,142,924	20,875,676
Total Underwriting Expenses	35,255,762	41,039,684	52,967,776
Underwriting Income (Loss)	**(11,102,487)**	**(9,096,071)**	**(7,215,680)**
Net Investment Income	14,266,618	14,793,376	15,782,442
Capital Gains - Net of Tax	5,949,175	3,992,306	4,022,525
Net Investment Gain	**20,215,793**	**18,785,682**	**19,804,967**
Net Income (Loss) Before Div & Taxes	9,113,306	9,689,611	12,589,287
Dividends & Other (Inc) Exp	700,000	763,883	831,655
Net Income Before Taxes	**8,413,306**	**8,925,728**	**11,757,632**
Taxes	797,541	1,374,480	1,969,180
Net Income	**7,615,766**	**7,551,248**	**9,788,452**

3 Year Plan Assumptions

For 2020 through 2022 the following assumptions were made to prepare the related 3 Year Financial Statements (Balance Sheet & Income Statement).

High Level Overview of 3 Year Plan

The overall 3 Year Plan as it relates to the Holding Company Structure *("Consolidated Entity"* herein) includes Connecticut Medical Insurance Company ("CMIC") and anticipated acquisitions / mergers / affiliations of entities over the next three years. For purposes of this Plan, Target Company A would be included in 2020 and forward, with Target Company B included in 2021 and forward, and lastly Target Company C being included in the 2022 year. These target companies are representative of the size of the entities identified in the M&A work that has been ongoing over the past 18 months. Potential opportunities arise from entities that; (i) are in need of capital support which CMIC can provide with its strong capital levels, (ii) current ownership is seeking an exit strategy, (iii) may need assistance based upon recent performance, or (iv) have other needs. These opportunities would present the Consolidated Entity the ability to grow, as well as diversify its operations (geographically, specialty coverage or insurance offerings, etc.) and improve the overall results of the Consolidated Entity in the short and long term.

CMIC Plan Assumptions:

Premium levels within CMIC anticipate organic growth at the 10% level in the next three years. CMIC will take advantage of the medical malpractice market to generate additional new business caused by the disruption from the general hardening of the market. We anticipate low to mid-single digit rate increases, while continuing the use of crediting on specific risks. This coupled with a rebranding campaign will serve to open the market further for CMIC and allow for top line growth of CMIC.

Reinsurance coverage and terms had been adjusted in 2019 and again with the 2020 renewal to improve protection and surplus over time. The 2019 and 2020 changes to Reinsurance are components of the improved loss ratios in this Plan as noted within the next paragraph. This will allow for prudent growth and continued protection of the surplus of CMIC.

Loss & LAE (and related Loss & LAE Ratio). The Plan includes loss improvement over the course of the next few years. This is partially reflective of the Reinsurance coverage and term changes previously noted. It is also the result of active underwriting initially begun in 2018, in reaction to the medical malpractice market results which had deteriorated and placed pressure on carriers. This underwriting process has resulted in reduced CMIC premium volumes and insureds through 2019, however these efforts are expected to improve the overall profitability of the business in the longer term. This renewal underwriting process is also utilized on the new business opportunities. This is expected to further improve the overall health of the book of business.

Expenses will continue to be managed and the Plan includes increased investments, along with improving efficiencies and improving automation through technology. The Company is not expected to engage in cost cutting to achieve improved results, but rather continue supporting doctors as it always

has and to provide support at levels above our competitors. The CMIC organic business growth can be absorbed within the current organization and there will be improvements in the expense ratio largely through premium growth.

Target Company A

The Target Company A Plan is derived from the financials of an entity that is representative of the M&A opportunities presented as noted in the High Level Overview above. This entity has favorable operational results that would complement the Consolidated Entity results. The 2020 Plan basis are the most recently published financial statements. These results are expected to continue in succeeding years but anticipate that the volume of ceded premium would be reduced over the ensuing years as a result of the capital support from the Consolidated Entity. The impact of this on the financial statements is reduced ceded premium which increases both net premiums (top line) and loss dollars, with no material impacts to the overall Loss ratio over the 3 years. There is also a loss of ceding commission income related to the ceded premium changes.

Target Company B

Similar to Target Company A, the Target Company B Plan is derived from the financials of the same entity noted above. The one factor that is changed is that the entity would be slightly smaller than Target Company A, but the general financial results would mirror this entity in all other respects. These results are also expected to continue in succeeding years but anticipate that the volume of ceded premium would be reduced over the ensuing years as a result of the capital support from the Consolidated Entity. The impact of this on the financial statements is reduced ceded premium which increases both net premiums (top line) and loss dollars, with no material impacts to the overall Loss ratio over the 2 years. There is also a loss of ceding commission income related to the ceded premium reduction.

Target Company C

Similar to Target Company A, Target Company C Plan is derived from the financials of the same entity noted above. The one factor that is changed is that the entity would be slightly larger than Target Company A, but the general financial results would mirror this entity in all other respects. These results are also expected to continue in succeeding years but anticipate that the volume of ceded premium would be reduced over the ensuing years as a result of the capital support from the Consolidated Entity. The impact of this on the financial statements is reduced ceded premium which increases both net premiums (top line) and loss dollars, with no material impacts to the overall Loss ratio over the 3 years. There is also a loss of ceding commission income related to the ceded premium changes.