

**BARNSTABLE COUNTY MUTUAL INSURANCE COMPANY**  
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**COMBINED INCOME STATEMENT**  
*For The Twelve Months Ended December 31, 2018 and 2017*

	2018	2017	%
			Change
<b>Net earned premiums</b>	\$ 19,974,824	\$ 19,981,370	0%
<b>Underwriting deductions:</b>			
Losses incurred	9,288,076	4,307,985	116%
Loss adjustment expenses incurred	2,884,554	2,628,500	10%
Underwriting expenses incurred	9,576,492	10,247,551	-7%
<b>Total underwriting deductions</b>	<u>21,749,122</u>	<u>17,184,036</u>	<u>27%</u>
<b>Net underwriting - gain/(loss)</b>	(1,774,298)	2,797,334	-163%
<b>Investment Income:</b>			
Net investment income	1,452,332	1,197,936	21%
Net realized capital gains/(loss)	1,850,444	1,588,057	17%
<b>Net investment gain/(loss)</b>	<u>3,302,776</u>	<u>2,785,993</u>	<u>19%</u>
<b>Other income:</b>			
Miscellaneous income/(expense)	(14,813)	(23,140)	-36%
Finance & service charges	-	-	
<b>Total other income</b>	<u>(14,813)</u>	<u>(23,140)</u>	<u>-36%</u>
<b>Net income before taxes</b>	1,513,665	5,560,187	-73%
Federal income taxes	(457,313)	1,009,209	-145%
<b>Net income</b>	<u>\$ 1,970,978</u>	<u>\$ 4,550,978</u>	<u>-57%</u>
<b>Ratios: - see note a</b>			
Loss ratio	46.5%	21.6%	
Loss expense ratio	14.4%	13.2%	
Expense ratio	48.5%	50.8%	
<b>Total combined ratio</b>	<u>109.5%</u>	<u>85.5%</u>	
<b>Surplus - 12/31/17 &amp; 12/31/16</b>	\$ 90,820,678	\$ 83,303,215	
Net income	1,970,978	4,550,978	
Net unrealized capital gains/(loss)	(4,527,183)	3,274,069	
Change in net deferred income tax	739,918	(552,222)	
Other changes	81,967	244,638	
<b>Change in surplus</b>	<u>(1,734,320)</u>	<u>7,517,463</u>	
% change	-1.9%	9.0%	
<b>Surplus - 12/31/18 &amp; 12/31/17</b>	<u>\$ 89,086,358</u>	<u>\$ 90,820,678</u>	

**Notes:**

**a -Ratio definitions:**

Loss Ratio = losses incurred / premiums earned

Loss Expense Ratio = loss adjustment expenses incurred / premiums earned

Expense Ratio = underwriting expenses incurred / net written premiums

Combined Ratio = loss ratio + loss expenses ratio + expense ratio;

a ratio <100% indicates an underwriting profit