

MARKET PERFORMANCE OF FINANCIAL SERVICES STOCKS FOR THE QUARTER ENDED MARCH 31, 2024

In the first quarter of 2024, the U.S. stock market, as measured by the Standard & Poor's 500 index, increased 10.6%. Financial services stocks, as measured by the XLF Financial ETF, increased 12.4%. Insurance stocks, as measured by the Nasdaq Insurance Index, increased 15.4%. The average total return for the 136 companies

included in this study was 17.1%. Seven sectors outperformed the S&P 500 and three underperformed. All sectors posted positive returns and seven sectors posted double digit gains, as shown in Table 1. The top performing sectors were Insurance Technology, Property and Casualty, and Financial Guarantors.

Table 1

	Total Return Q1 2024
Insurance Technology	46.0
Property and Casualty	17.3
Nasdaq Insurance Index	15.4
Financial Guarantors	15.0
Insurance Brokers	14.6
Securities Brokers and Banks	13.4
Reinsurance	12.9
XLF (Financial Sector ETF)	12.4
Asset Managers	11.1
Standard & Poor's 500	10.6
Specialty	8.3
Life & Annuities	6.3
Title Insurers	0.9

While quite strong overall, individual financial services stock performance was mixed with many noteworthy stock increases and a smaller number of decreases. Four of the top ten best performing financial services companies in this report were Insurance Technology companies. Root led the sector posting a gain of 482.8%, reporting modest growth while controlling customer acquisition costs and improving loss ratio trends.

Kinsale was the fourth best overall performer in the first quarter of 2024, with a total return of 56.7%, following a 28.3% total return in the full year 2023. Kinsale is a specialty insurance company that focuses exclusively on the small account E&S market. The company has continued to produce strong results, posting an operating ROAE of 31.8% and a combined ratio of 75.4% for the full year 2023 compared to 25.0% and 78.5% in 2022. Kinsale will continue to focus on smaller

accounts where the company maintains a diversified book of well-defined coverages, strong pricing, and ultimately, better competitive positioning. The company also continues to execute on its strategy of disciplined underwriting across a broad range of risks and utilizes its technology to drive a strong expense ratio. Kinsale does not extend underwriting authority to brokers, agents, and third parties, unlike many of its peers. The company is expected to benefit from the growing and dislocated E&S market.

W.R. Berkley was the fifth best performer in the specialty sector, with a total return of 25.2%. Berkley is one of the largest commercial lines property and casualty insurers in the U.S., focusing predominantly on mid-sized specialty risks. The company has a substantial E&S presence and operates in two segments: i) Insurance and ii) Reinsurance & Monoline Excess. The company's top line growth accelerated in 2023 as net premiums written reached a record of nearly \$11 billion on a combined ratio of 89.7%, reflecting continued underwriting strength. The growth in premiums was driven by rate increases rather than higher exposure. Berkley's independently managed niche businesses allow them to take advantage of certain market situations. The company still sees the E&S market as the greatest opportunity for growth while taking a more defensive posture on the D&O market.

Palomar was the seventh best overall performer in the first quarter of 2024, up 51.0% following a 22.9% increase in the full year 2023. Palomar is a specialty insurance company that provides coverage for earthquakes, floods, hurricanes, and other perils to individuals and businesses. The sharp rise in the company's share price can be attributable to outperforming 2023's projected results and improving earnings guidance into 2024. The company's net income increased to \$79.2 million in 2023 from \$52.2 million in 2022 driven by growth in net premiums earned and lower losses. For 2024, Palomar expects the growth driver to be casualty lines, which has already been experiencing favorable rate increases. The company also has a pipeline of potential future fronting partnerships, a strategy the company will ramp up carefully.

Personal auto carriers have been plagued with claims inflation since the pandemic, but are beginning to see critical rate increases earn in coupled with moderating severity trends. Personal auto carriers have seen improvements in their core loss ratios and underwriting margins; investors can expect these companies to begin returning to growth mode. Allstate indicated the company will be increasing advertising spend in order to grow in more states. Substantial rate increases in California, New York, and New Jersey were approved for Allstate in December. Other personal auto carriers, such as Progressive, Mercury, and Kemper, are also benefiting from pricing and more favorable loss trends.

The ten best performing and worst performing financial services stocks are exhibited in Tables 2 and 3, respectively. The performance of other individual stocks and sectors is illustrated in Table 4.

Table 2:
Ten Best Performing Financial Services Stocks (\$100M + Market Cap.)

	Total Return <u>Q1 2024</u>
Root, Inc.	482.8
Hippo Holdings Inc.	100.3
Heritage Insurance Holdings	63.3
Kinsale Capital Group	56.7
Fidelis Insurance Holdings Limited	54.6
EverQuote, Inc.	51.6
Palomar Holdings	51.0
SelectQuote, Inc.	46.0
Mercury General Corporation	39.2
Corebridge Financial, Inc.	33.8

Table 3:
Ten Worst Performing Financial Services Stocks (\$100M + Market Cap.)

	Total Return <u>Q1 2024</u>
eHealth, Inc.	-30.8
GoHealth, Inc.	-21.2
Citizens, Inc.	-20.4
Goosehead Insurance, Inc.	-12.1
F&G Annuities & Life	-11.3
Trupanion, Inc.	-9.5
Tiptree, Inc.	-8.5
ProAssurance Corporation	-6.7
Invesco Ltd.	-5.8
AMBAC Financial Group, Inc.	-5.2

*Nasdaq Insurance Index total return is from Bloomberg.

Table 4

		Market Price <u>12/31/2023</u>	Market Price <u>3/31/2024</u>	Percent Increase / - Decrease	Total Return
Insurance Technology					
Root, Inc.	ROOT	\$10.48	\$61.08	482.8%	482.8%
Hippo Holdings Inc.	HIPO	\$9.12	\$18.27	100.3%	100.3%
EverQuote, Inc.	EVER	\$12.24	\$18.56	51.6%	51.6%
SelectQuote, Inc.	SLQT	\$1.37	\$2.00	46.0%	46.0%
Lemonade, Inc.	LMND	\$16.13	\$16.41	1.7%	1.7%
GoHealth, Inc.	GOCO	\$13.34	\$10.51	-21.2%	-21.2%
eHealth, Inc.	EHTH	\$8.72	\$6.03	-30.8%	-30.8%
Median				46.0%	46.0%
Property and Casualty					
Kingstone Companies, Inc.	KINS	\$2.13	\$4.45	108.9%	108.9%
Heritage Insurance Holdings	HRTG	\$6.52	\$10.65	63.3%	63.3%
Mercury General Corporation	MCY	\$37.31	\$51.60	38.3%	39.2%
HCI Group, Inc.	HCI	\$87.40	\$116.08	32.8%	33.4%
Progressive Corporation	PGR	\$159.28	\$206.82	29.8%	30.5%
Hartford Financial Services Group	HIG	\$80.38	\$103.05	28.2%	28.8%
Universal Insurance Holdings	UVE	\$15.98	\$20.32	27.2%	28.2%
Kemper Corporation	KMPR	\$48.67	\$61.92	27.2%	27.9%
The Allstate Corporation	ALL	\$139.98	\$173.01	23.6%	24.3%
First Acceptance Corporation	FACO	\$2.12	\$2.60	22.6%	22.6%
Travelers Companies Inc.	TRV	\$190.49	\$230.14	20.8%	21.4%
Cincinnati Financial Corporation	CINF	\$103.46	\$124.17	20.0%	20.8%
Erie Indemnity Company	ERIE	\$334.92	\$401.57	19.9%	20.4%
Sabre Insurance Group plc	SBRE - LSE	£151.40	£179.40	18.5%	18.5%
Hagerty, Inc.	HGTY	\$7.80	\$9.15	17.3%	17.3%
Berkshire Hathaway Inc.	BRK.A	\$542,625.00	\$634,440.00	16.9%	16.9%
NI Holdings, Inc.	NODK	\$12.99	\$15.15	16.6%	16.6%
American International Group, Inc.	AIG	\$67.75	\$78.17	15.4%	15.9%
Chubb Limited	CB	\$226.00	\$259.13	14.7%	15.0%
Horace Mann Educators Corporation	HMN	\$32.70	\$36.99	13.1%	14.2%
CNA Financial Corporation	CNA	\$42.31	\$45.42	7.4%	13.2%
American Coastal Insurance Corp.	ACIC	\$9.46	\$10.69	13.0%	13.0%
Hanover Insurance Group, Inc.	THG	\$121.42	\$136.17	12.1%	12.9%
Selective Insurance Group	SIGI	\$99.48	\$109.17	9.7%	10.1%

		Market Price <u>12/31/2023</u>	Market Price <u>3/31/2024</u>	Percent Increase / - Decrease	Total Return
Property and Casualty Cont.					
Safety Insurance Group Inc.	SAFT	\$75.99	\$82.19	8.2%	9.3%
United Fire Group Inc.	UFCS	\$20.12	\$21.77	8.2%	9.0%
Admiral Group plc	ADM - LSE	£2,684.00	£2,837.00	5.7%	5.7%
Donegal Group Inc.	DGIC.A	\$13.99	\$14.14	1.1%	2.2%
Hallmark Financial Services	HALL	\$1.01	\$0.72	-28.8%	-28.8%
Median				17.3%	17.3%

Financial Guarantors					
Radian Group Inc.	RDN	\$28.55	\$33.47	17.2%	18.3%
Assured Guaranty Ltd.	AGO	\$74.83	\$87.25	16.6%	17.0%
MGIC Investment Corporation	MTG	\$19.29	\$22.36	15.9%	16.6%
Essent Group Ltd.	ESNT	\$52.74	\$59.51	12.8%	13.4%
MBIA Inc.	MBI	\$6.12	\$6.76	10.5%	10.5%
NMI Holdings	NMIH	\$29.68	\$32.34	9.0%	9.0%
Median				14.4%	15.0%

Insurance Brokers					
Ryan Specialty Holdings, Inc.	RYAN	\$43.02	\$55.50	29.0%	29.8%
Brown & Brown Inc.	BRO	\$71.11	\$87.54	23.1%	23.3%
BRP Group Inc.	BRP	\$24.02	\$28.94	20.5%	20.5%
Aon plc	AON	\$291.02	\$333.72	14.7%	14.9%
Willis Towers Watson	WTW	\$241.20	\$275.00	14.0%	14.4%
Arthur J. Gallagher	AJG	\$224.88	\$250.04	11.2%	11.5%
Marsh & McLennan	MMC	\$189.47	\$205.98	8.7%	9.1%
Goosehead Insurance, Inc.	GSHD	\$75.80	\$66.62	-12.1%	-12.1%
Median				14.3%	14.6%

Securities Brokers and Banks					
Citigroup	C	\$51.44	\$63.24	22.9%	24.1%
JPMorgan Chase & Co.	JPM	\$170.10	\$200.30	17.8%	18.5%

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Securities Brokers and Banks Cont.					
Raymond James Financial	RJF	\$111.50	\$128.42	15.2%	15.6%
Bank of America	BAC	\$33.67	\$37.92	12.6%	13.4%
Goldman Sachs	GS	\$385.77	\$417.69	8.3%	9.0%
Charles Schwab Corporation	SCHW	\$68.80	\$72.34	5.1%	5.6%
Morgan Stanley	MS	\$93.25	\$94.16	1.0%	2.0%
Median				12.6%	13.4%
Reinsurance					
RenaissanceRe Holdings	RNR	\$196.00	\$235.03	19.9%	20.1%
Reinsurance Group of America	RGA	\$161.78	\$192.88	19.2%	19.8%
White Mountains Insurance	WTM	\$1,505.01	\$1,794.30	19.2%	19.3%
AXIS Capital Holdings	AXS	\$55.37	\$65.02	17.4%	18.3%
Conduit Holdings Limited	CRE - LSE	£469.00	£518.00	10.4%	14.4%
Everest Group, Ltd.	EG	\$353.58	\$397.50	12.4%	12.9%
SiriusPoint Ltd.	SPNT	\$11.60	\$12.71	9.6%	9.6%
Greenlight Capital Re	GLRE	\$11.42	\$12.47	9.2%	9.2%
Enstar Group Limited	ESGR	\$294.35	\$310.76	5.6%	5.6%
Maiden Holdings	MHLD	\$2.29	\$2.25	-1.7%	-1.7%
Oxbridge Re Holdings Limited	OXBR	\$1.10	\$1.06	-3.6%	-3.6%
Median				10.4%	12.9%
Asset Managers					
Just Group plc	JUST - LSE	£85.90	£105.20	22.5%	22.5%
LPL Financial	LPLA	\$227.62	\$264.20	16.1%	16.2%
Ameriprise Financial	AMP	\$379.83	\$438.44	15.4%	15.8%
T. Rowe Price Group, Inc.	TROW	\$107.69	\$121.92	13.2%	14.4%
Bank of New York Mellon	BK	\$52.05	\$57.62	10.7%	11.5%
Affiliated Managers Group, Inc.	AMG	\$151.42	\$167.47	10.6%	10.6%
BlackRock	BLK	\$811.80	\$833.70	2.7%	3.3%
Phoenix Group Holdings plc	PHNX - LSE	£535.20	£552.60	3.3%	3.3%
Franklin Resources	BEN	\$29.79	\$28.11	-5.6%	-3.6%

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Asset Managers Cont.					
Invesco Ltd.	IVZ	\$17.84	\$16.59	-7.0%	-5.8%
Median				10.7%	11.1%

Specialty					
Kinsale Capital Group	KNSL	\$334.91	\$524.74	56.7%	56.7%
Fidelis Insurance Holdings Limited	FIHL	\$12.67	\$19.48	53.7%	54.6%
Palomar Holdings	PLMR	\$55.50	\$83.83	51.0%	51.0%
Beazley plc	BEZ - LSE	£522.00	£665.50	27.5%	30.2%
W.R. Berkley Corporation	WRB	\$70.72	\$88.44	25.1%	25.2%
Arch Capital Group , Ltd.	ACGL	\$74.27	\$92.44	24.5%	24.5%
Fairfax Financial Holdings	FFH - TSX	\$1,222.51	\$1,460.10	19.4%	21.4%
American Financial Group Inc	AFG	\$118.89	\$136.48	14.8%	17.8%
Hiscox Ltd	HSX - LSE	£1,054.00	£1,240.00	17.6%	17.6%
Employers Holdings, Inc.	EIG	\$39.40	\$45.39	15.2%	15.9%
Assurant, Inc.	AIZ	\$168.49	\$188.24	11.7%	12.2%
RLI Corp.	RLI	\$133.12	\$148.47	11.5%	11.7%
Skyward Specialty Insurance Group	SKWD	\$33.88	\$37.41	10.4%	10.4%
Intact Financial Corporation	IFC - TSX	\$203.86	\$220.04	7.9%	8.5%
AMERISAFE	AMSF	\$46.78	\$50.17	7.2%	8.0%
Direct Line Insurance Group plc	DLG - LSE	£181.95	£195.05	7.2%	7.2%
Markel Group Inc.	MKL	\$1,419.90	\$1,521.48	7.2%	7.2%
Lancashire Holdings Limited	LRE - LSE	£624.00	£619.00	-0.8%	5.6%
Old Republic International Corp.	ORI	\$29.40	\$30.72	4.5%	5.4%
ICC Holdings	ICCH	\$15.30	\$16.00	4.6%	4.6%
Conifer Holdings, Inc.	CNFR	\$1.10	\$1.13	2.7%	2.7%
James River Group Holdings	JRVR	\$9.24	\$9.30	0.6%	1.2%
Kingsway Financial Services	KFS	\$8.40	\$8.34	-0.7%	-0.7%
Global Indemnity Group	GBLI	\$32.24	\$30.53	-5.3%	-4.2%
AMBAC Financial Group, Inc.	AMBC	\$16.48	\$15.63	-5.2%	-5.2%
ProAssurance Corporation	PRA	\$13.79	\$12.86	-6.7%	-6.7%
Tiptree, Inc.	TIPT	\$18.96	\$17.28	-8.9%	-8.5%
Trupanion, Inc.	TRUP	\$30.51	\$27.61	-9.5%	-9.5%
Median				7.6%	8.3%

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Life & Annuities					
Corebridge Financial, Inc.	CRBG	\$21.66	\$28.73	32.6%	33.8%
Jackson Financial Inc.	JXN	\$51.20	\$66.14	29.2%	30.7%
Primerica, Inc.	PRI	\$205.76	\$252.96	22.9%	23.3%
Lincoln National Corporation	LNC	\$26.97	\$31.93	18.4%	20.3%
Unum Group	UNM	\$45.22	\$53.66	18.7%	19.6%
Manulife Financial Corporation	MFC - TSX	\$29.28	\$33.83	15.5%	17.0%
Equitable Holdings, Inc.	EQH	\$33.30	\$38.01	14.1%	14.9%
Prudential Financial, Inc.	PRU	\$103.71	\$117.40	13.2%	14.6%
Aviva plc	AV - LSE	£434.70	£496.60	14.2%	14.2%
MetLife, Inc.	MET	\$66.13	\$74.11	12.1%	13.0%
Principal Financial Group, Inc.	PFG	\$78.67	\$86.31	9.7%	10.7%
Kansas City Life Insurance	KCLI	\$35.00	\$37.25	6.4%	6.8%
UTG, Inc.	UTGN	\$30.11	\$32.00	6.3%	6.3%
Aflac Incorporated	AFL	\$82.50	\$85.86	4.1%	4.7%
Voya Financial	VOYA	\$72.96	\$73.92	1.3%	1.9%
National Western Life Group	NWLI	\$483.02	\$491.96	1.9%	1.9%
Vericity, Inc.	VERY	\$11.19	\$11.35	1.4%	1.4%
Legal & General Group Plc	LGEN - LSE	£251.10	£254.40	1.3%	1.3%
American Equity Investment Life	AEL	\$55.80	\$56.22	0.8%	0.8%
CNO Financial Group	CNO	\$27.90	\$27.48	-1.5%	-1.0%
Brighthouse Financial, Inc.	BHF	\$52.92	\$51.54	-2.6%	-2.6%
Genworth Financial, Inc.	GNW	\$6.68	\$6.43	-3.7%	-3.7%
Globe Life, Inc.	GL	\$121.72	\$116.37	-4.4%	-4.2%
F&G Annuities & Life	FG	\$46.00	\$40.55	-11.8%	-11.3%
Citizens, Inc.	CIA	\$2.69	\$2.14	-20.4%	-20.4%
Median				6.3%	6.3%

Title Insurers					
Stewart Info Services	STC	\$58.75	\$65.06	10.7%	11.6%
Fidelity National Financial	FNF	\$51.02	\$53.10	4.1%	5.1%
Investors Title Co	ITIC	\$162.14	\$163.19	0.6%	0.9%
Doma Holdings Inc.	DOMA	\$4.63	\$4.54	-1.9%	-1.9%
First American Financial	FAF	\$64.44	\$61.05	-5.3%	-4.4%
Median				0.6%	0.9%