

MARKET PERFORMANCE OF FINANCIAL SERVICES STOCKS FOR THE QUARTER ENDED SEPTEMBER 30, 2024

In the third quarter of 2024, the U.S. stock market, as measured by the Standard & Poor's 500 index, increased 5.9%. Financial services stocks, as measured by the XLF Financial ETF, increased 10.6%. Insurance stocks, as measured by the Nasdaq Insurance Index, increased 16.5%. The average total return for the

133 companies included in this study was 11.3%. Eight sectors outperformed the S&P 500 and two underperformed. In this report, seven sectors posted double digit gains and only one sector had a negative return, as shown in Table 1. The top performing sectors in this study were Title Insurers and Insurance Brokers.

Table 1

	Total Return Q3 2024
Title Insurers	25.0
Nasdaq Insurance Index	16.5
Insurance Brokers	16.0
Financial Guarantors	13.6
Property and Casualty	13.2
Asset Managers	12.1
Life & Annuities	11.5
Specialty	10.9
XLF (Financial Sector ETF)	10.6
Reinsurance	6.6
Standard & Poor's 500	5.9
Securities Brokers and Banks	0.4
Insurance Technology	-3.5

The top performing sector for the third quarter was Title Insurers. The real estate market has slowed down over the past couple of years because of high interest rates and rapidly increasing home prices. However, the Federal Reserve was indicating its first rate cut in four years and on September 18, 2024, the Fed cut the federal funds rate by 50 basis points. Title Insurers have responded favorably to this development with mortgage rates dropping since its peak last fall. According to the Federal Reserve

Bank of St. Louis, the 30-year fixed rate mortgage average in the United States was 6.1% at September 26, 2024 compared to its recent peak of 7.8% on October 26, 2023.

RenaissanceRe ("RenRe") had a total return of 22.1% in the third quarter taking advantage of the dramatic improvement in property cat reinsurance pricing. The company's business products are property catastrophe reinsurance, other property reinsurance, and casualty and specialty which consists of general

casualty, professional liability, credit and other specialty reinsurance. Based on net premiums written, the property segment makes up 46% of its book and the casualty and specialty segment makes up 54% of its book through the first half of 2024. RenRe has posted a strong combined ratio of 79.5% through the first half of 2024, following 2023's combined ratio of 77.9%. The company continues its ability to structure advantageous terms and conditions to generate above average returns. With favorable reinsurance market conditions, investors believe they will continue to produce strong underwriting results. Furthermore, the Validus acquisition last year has gone well, as the company has largely retained the legacy portfolio.

Aflac had a total return of 25.8% in the third quarter as investors see strong earnings potential and growth in both the United States and Japan. The company offers supplemental health insurance products and other voluntary health and life insurance products. Aflac Japan is the principal contributor to Aflac's consolidated earnings and is a third sector (accident and sickness) insurance leader providing medical, cancer, nursing care, and work leave products. Aflac Japan also has a new first sector (life insurance) savings product to provide younger customers an introduction to the company with the expectation those customers eventually purchase third sector cancer and medical insurance in the future. Aflac ramped up its 50th anniversary marketing campaign in the second half of the year with a push on cancer sales. Growth in the U.S. has been in line with expectations, but Aflac expects higher growth from its newer products. The company is continuing to focus on optimizing its dental and vision platform in the United States.

The fifth best performing company was Erie Indemnity Company, up 49.5%. The company is an attorney-in-fact performing all insurance operations for the policyholders of Erie Insurance Exchange, which is the insurer that writes property and casualty insurance. The company reached a new milestone in the second quarter, with 7 million policies in force. Erie added 1 million policies to its book of business in just 3 years. The company has not only experienced significant growth but also has a solid customer

retention of just over 91% for personal and commercial lines combined. Management fee revenue from policy issuance and renewal services increased nearly 20% in the first half of 2024 compared to the first half of 2023 to now \$1.4 billion. The management fee revenue growth is derived from significant premium growth. The company's underwriting has struggled though, posting a combined ratio of 111.1% in the first half of 2024 but has improved from 120.8% in the first half of 2023. Erie was added to the S&P 500 index before the market opened on September 23rd, but the share price growth can be most attributed to the potential growth and earnings for Erie.

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>Q3 2024</u>
Kingstone Companies, Inc.	83.0
Heritage Insurance Holdings	72.9
TWFG, Inc.	59.5
Goosehead Insurance, Inc.	55.5
Erie Indemnity Company	49.5
Trupanion, Inc.	42.8
The Baldwin Insurance Group	40.4
Citizens, Inc.	33.1
Just Group plc	32.7
Globe Life, Inc.	29.1

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

	Total Return <u>Q3 2024</u>
MBIA Inc.	-35.0
Root, Inc.	-26.8
SelectQuote, Inc.	-21.4
James River Group Holdings	-18.3
LPL Financial	-16.6
First Acceptance Corporation	-15.6
Maiden Holdings	-14.1
AMBAC Financial Group, Inc.	-12.6
Charles Schwab Corporation	-11.7
eHealth, Inc.	-9.9

**Nasdaq Insurance Index total return is from Bloomberg*

Table 4

		Market Price 6/30/2024	Market Price 9/30/2024	Percent Increase / - Decrease	Total Return
Title Insurers					
Investors Title Co	ITIC	\$180.13	\$229.80	27.6%	27.8%
Fidelity National Financial	FNF	\$49.42	\$62.06	25.6%	26.6%
First American Financial	FAF	\$53.95	\$66.01	22.4%	23.4%
Stewart Info Services	STC	\$62.08	\$74.74	20.4%	21.2%
Median				24.0%	25.0%
Insurance Brokers					
TWFG, Inc.	TWFG	\$17.00	\$27.12	59.5%	59.5%
Goosehead Insurance, Inc.	GSHD	\$57.44	\$89.30	55.5%	55.5%
The Baldwin Insurance Group	BWIN	\$35.47	\$49.80	40.4%	40.4%
Aon plc	AON	\$293.58	\$345.99	17.9%	18.1%
Brown & Brown Inc.	BRO	\$89.41	\$103.60	15.9%	16.0%
Ryan Specialty Holdings, Inc.	RYAN	\$57.91	\$66.39	14.6%	14.8%
Willis Towers Watson	WTW	\$262.14	\$294.53	12.4%	12.7%
Arthur J. Gallagher	AJG	\$259.31	\$281.37	8.5%	8.7%
Marsh & McLennan	MMC	\$210.72	\$223.09	5.9%	6.3%
Median				15.9%	16.0%
Financial Guarantors					
NMI Holdings	NMIH	\$34.04	\$41.19	21.0%	21.0%
MGIC Investment Corporation	MTG	\$21.55	\$25.60	18.8%	19.5%
Essent Group Ltd.	ESNT	\$56.19	\$64.29	14.4%	14.9%
Radian Group Inc.	RDN	\$31.10	\$34.69	11.5%	12.3%
Assured Guaranty Ltd.	AGO	\$77.15	\$79.52	3.1%	3.5%
MBIA Inc.	MBI	\$5.49	\$3.57	-35.0%	-35.0%
Median				13.0%	13.6%
Property and Casualty					
Kingstone Companies, Inc.	KINS	\$5.00	\$9.15	83.0%	83.0%
Heritage Insurance Holdings	HRTG	\$7.08	\$12.24	72.9%	72.9%
Erie Indemnity Company	ERIE	\$362.40	\$539.82	49.0%	49.5%

		Market Price 6/30/2024	Market Price 9/30/2024	Percent Increase / - Decrease	Total Return
Property and Casualty Cont.					
Progressive Corporation	PGR	\$207.71	\$253.76	22.2%	22.2%
The Allstate Corporation	ALL	\$159.66	\$189.65	18.8%	19.4%
Mercury General Corporation	MCY	\$53.14	\$62.98	18.5%	19.2%
Universal Insurance Holdings	UVE	\$18.76	\$22.16	18.1%	19.1%
Hanover Insurance Group, Inc.	THG	\$125.44	\$148.11	18.1%	18.8%
Hartford Financial Services Group	HIG	\$100.54	\$117.61	17.0%	17.5%
HCI Group, Inc.	HCI	\$92.17	\$107.06	16.2%	16.6%
Cincinnati Financial Corporation	CINF	\$118.10	\$136.12	15.3%	15.9%
Donegal Group Inc.	DGIC.A	\$12.88	\$14.74	14.4%	15.9%
Travelers Companies Inc.	TRV	\$203.34	\$234.12	15.1%	15.6%
Chubb Limited	CB	\$255.08	\$288.39	13.1%	13.4%
Berkshire Hathaway Inc.	BRK.A	\$612,241.00	\$691,180.00	12.9%	12.9%
Safety Insurance Group Inc.	SAFT	\$75.03	\$81.78	9.0%	10.1%
Admiral Group plc	ADM - LSE	£2,615.00	£2,784.00	6.5%	8.4%
Horace Mann Educators Corporation	HMN	\$32.62	\$34.95	7.1%	8.2%
CNA Financial Corporation	CNA	\$46.07	\$48.94	6.2%	7.2%
American Coastal Insurance Corp.	ACIC	\$10.55	\$11.27	6.8%	6.8%
Kemper Corporation	KMPR	\$59.33	\$61.25	3.2%	3.7%
NI Holdings, Inc.	NODK	\$15.30	\$15.68	2.5%	2.5%
Selective Insurance Group	SIGI	\$93.83	\$93.30	-0.6%	-0.2%
American International Group, Inc.	AIG	\$74.24	\$73.23	-1.4%	-0.8%
United Fire Group Inc.	UFCS	\$21.49	\$20.93	-2.6%	-1.8%
Hagerty, Inc.	HGTY	\$10.40	\$10.17	-2.2%	-2.2%
Sabre Insurance Group plc	SBRE - LSE	£150.40	£141.60	-5.9%	-4.8%
First Acceptance Corporation	FACO	\$3.84	\$3.24	-15.6%	-15.6%
Median				13.0%	13.2%

Asset Managers

Just Group plc	JUST - LSE	£105.40	£139.20	32.1%	32.7%
BlackRock	BLK	\$787.32	\$949.51	20.6%	21.3%
Bank of New York Mellon	BK	\$59.89	\$71.86	20.0%	20.9%
Invesco Ltd.	IVZ	\$14.96	\$17.56	17.4%	18.8%
Affiliated Managers Group, Inc.	AMG	\$156.23	\$177.80	13.8%	13.8%
Ameriprise Financial	AMP	\$427.19	\$469.81	10.0%	10.4%
Phoenix Group Holdings plc	PHNX - LSE	£521.50	£559.50	7.3%	7.3%
T. Rowe Price Group, Inc.	TROW	\$115.31	\$108.93	-5.5%	-4.4%

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Asset Managers Cont.					
Franklin Resources	BEN	\$22.35	\$20.15	-9.8%	-8.5%
LPL Financial	LPLA	\$279.30	\$232.63	-16.7%	-16.6%
Median				11.9%	12.1%
Life & Annuities					
Citizens, Inc.	CIA	\$2.72	\$3.62	33.1%	33.1%
Globe Life, Inc.	GL	\$82.28	\$105.91	28.7%	29.1%
CNO Financial Group	CNO	\$27.72	\$35.10	26.6%	27.2%
Aflac Incorporated	AFL	\$89.31	\$111.80	25.2%	25.8%
Jackson Financial Inc.	JXN	\$74.26	\$91.23	22.9%	23.9%
MetLife, Inc.	MET	\$70.19	\$82.48	17.5%	18.4%
F&G Annuities & Life	FG	\$38.05	\$44.72	17.5%	18.1%
Unum Group	UNM	\$51.11	\$59.44	16.3%	17.2%
Genworth Financial, Inc.	GNW	\$6.04	\$6.85	13.4%	13.4%
Primerica, Inc.	PRI	\$236.58	\$265.15	12.1%	12.5%
Voya Financial	VOYA	\$71.15	\$79.22	11.3%	12.1%
Manulife Financial Corporation	MFC - TSX	\$36.43	\$39.97	9.7%	11.0%
Principal Financial Group, Inc.	PFG	\$78.45	\$85.90	9.5%	10.5%
Prudential Financial, Inc.	PRU	\$117.19	\$121.10	3.3%	4.5%
Kansas City Life Insurance	KCLI	\$35.05	\$36.50	4.1%	4.5%
Aviva plc	AV - LSE	£476.60	£483.60	1.5%	3.9%
BrightHouse Financial, Inc.	BHF	\$43.34	\$45.03	3.9%	3.9%
Equitable Holdings, Inc.	EQH	\$40.86	\$42.03	2.9%	3.5%
Lincoln National Corporation	LNC	\$31.10	\$31.51	1.3%	2.8%
Legal & General Group Plc	LGEN - LSE	£227.00	£226.30	-0.3%	2.4%
Corebridge Financial, Inc.	CRBG	\$29.12	\$29.16	0.1%	1.0%
UTG, Inc.	UTGN	\$29.00	\$26.25	-9.5%	-9.5%
Median				10.5%	11.5%
Specialty					
Trupanion, Inc.	TRUP	\$29.40	\$41.98	42.8%	42.8%
Conifer Holdings, Inc.	CNFR	\$0.77	\$1.09	41.6%	41.6%
ProAssurance Corporation	PRA	\$12.22	\$15.04	23.1%	23.1%

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Specialty Cont.					
Kinsale Capital Group	KNSL	\$385.28	\$465.57	20.8%	20.9%
Assurant, Inc.	AIZ	\$166.25	\$198.86	19.6%	20.1%
Tiptree, Inc.	TIPT	\$16.49	\$19.57	18.7%	19.1%
Palomar Holdings	PLMR	\$81.15	\$94.67	16.7%	16.7%
Old Republic International Corp.	ORI	\$30.90	\$35.42	14.6%	15.5%
Intact Financial Corporation	IFC - TSX	\$228.01	\$259.70	13.9%	14.4%
Employers Holdings, Inc.	EIG	\$42.63	\$47.97	12.5%	13.3%
Lancashire Holdings Limited	LRE - LSE	£614.00	£687.00	11.9%	12.9%
Skyward Specialty Insurance Group	SKWD	\$36.18	\$40.73	12.6%	12.6%
Fidelis Insurance Holdings Limited	FIHL	\$16.31	\$18.06	10.7%	11.4%
AMERISAFE	AMSF	\$43.89	\$48.33	10.1%	11.0%
Arch Capital Group , Ltd.	ACGL	\$100.89	\$111.88	10.9%	10.9%
Bowhead Specialty Holdings Inc.	BOW	\$25.34	\$28.01	10.5%	10.5%
RLI Corp.	RLI	\$140.69	\$154.98	10.2%	10.4%
American Financial Group Inc	AFG	\$123.02	\$134.60	9.4%	10.0%
Fairfax Financial Holdings	FFH - TSX	\$1,556.33	\$1,707.67	9.7%	9.7%
W.R. Berkley Corporation	WRB	\$52.39	\$56.73	8.3%	8.9%
Global Indemnity Group	GBLI	\$31.09	\$33.23	6.9%	8.0%
Beazley plc	BEZ - LSE	£708.00	£761.00	7.5%	7.5%
ICC Holdings	ICCH	\$22.63	\$22.93	1.3%	1.3%
Hiscox Ltd	HSX - LSE	£1,150.00	£1,146.00	-0.3%	0.8%
Kingsway Financial Services	KFS	\$8.24	\$8.28	0.5%	0.5%
Markel Group Inc.	MKL	\$1,575.66	\$1,568.58	-0.4%	-0.4%
Direct Line Insurance Group plc	DLG - LSE	£200.80	£187.30	-6.7%	-5.7%
AMBAC Financial Group, Inc.	AMBC	\$12.82	\$11.21	-12.6%	-12.6%
James River Group Holdings	JRVR	\$7.73	\$6.27	-18.9%	-18.3%

Median				10.5%	10.9%
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Reinsurance

RenaissanceRe Holdings	RNR	\$223.51	\$272.40	21.9%	22.1%
SiriusPoint Ltd.	SPNT	\$12.20	\$14.34	17.5%	17.5%
Oxbridge Re Holdings Limited	OXBR	\$2.38	\$2.78	16.8%	16.8%
AXIS Capital Holdings	AXS	\$70.65	\$79.61	12.7%	13.3%
Conduit Holdings Limited	CRE - LSE	£494.00	£520.00	5.3%	8.2%
Reinsurance Group of America	RGA	\$205.27	\$217.87	6.1%	6.6%
Enstar Group Limited	ESGR	\$305.70	\$321.59	5.2%	5.2%

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Reinsurance Cont.					
Greenlight Capital Re	GLRE	\$13.10	\$13.65	4.2%	4.2%
Everest Group, Ltd.	EG	\$381.02	\$391.83	2.8%	3.4%
White Mountains Insurance	WTM	\$1,817.45	\$1,696.20	-6.7%	-6.7%
Maiden Holdings	MHLD	\$2.06	\$1.77	-14.1%	-14.1%
Median				5.3%	6.6%
Securities Brokers and Banks					
Goldman Sachs	GS	\$452.32	\$495.11	9.5%	10.1%
Morgan Stanley	MS	\$97.19	\$104.24	7.3%	8.2%
JPMorgan Chase & Co.	JPM	\$202.26	\$210.86	4.3%	4.8%
Bank of America	BAC	\$39.77	\$39.68	-0.2%	0.4%
Citigroup	C	\$63.46	\$62.60	-1.4%	-0.4%
Raymond James Financial	RJF	\$123.61	\$122.46	-0.9%	-0.6%
Charles Schwab Corporation	SCHW	\$73.69	\$64.81	-12.1%	-11.7%
Median				-0.2%	0.4%
Insurance Technology					
EverQuote, Inc.	EVER	\$20.86	\$21.09	1.1%	1.1%
Lemonade, Inc.	LMND	\$16.50	\$16.49	-0.1%	-0.1%
Hippo Holdings Inc.	HIPO	\$17.19	\$16.88	-1.8%	-1.8%
GoHealth, Inc.	GOCO	\$9.72	\$9.38	-3.5%	-3.5%
eHealth, Inc.	EHTH	\$4.53	\$4.08	-9.9%	-9.9%
SelectQuote, Inc.	SLQT	\$2.76	\$2.17	-21.4%	-21.4%
Root, Inc.	ROOT	\$51.61	\$37.78	-26.8%	-26.8%
Median				-3.5%	-3.5%