

**BARNSTABLE COUNTY MUTUAL INSURANCE COMPANY**  
**BARNSTABLE COUNTY INSURANCE COMPANY**  
**COMBINED INCOME STATEMENT**  
*For The Twelve Months Ended December 31, 2016 and 2015*

	2016	2015	%
			Change
<b>Net earned premiums</b>	\$ 19,172,703	\$ 18,502,396	4%
<b>Underwriting deductions:</b>			
Losses incurred	5,992,028	8,090,738	-26%
Loss adjustment expenses incurred	2,393,310	2,052,506	17%
Underwriting expenses incurred	9,814,150	8,801,200	12%
<b>Total underwriting deductions</b>	18,199,488	18,944,444	-4%
<b>Net underwriting - gain/(loss)</b>	973,215	(442,048)	-320%
<b>Investment Income:</b>			
Net investment income	1,222,716	1,366,076	-10%
Net realized capital gains/(loss)	3,979,525	1,250,320	218%
<b>Net investment gain/(loss)</b>	5,202,241	2,616,396	99%
<b>Other income:</b>			
Miscellaneous income/(expense)	(28,616)	(31,581)	-9%
Finance & service charges	-	-	
<b>Total other income</b>	(28,616)	(31,581)	-9%
<b>Net income before taxes</b>	6,146,840	2,142,767	187%
Federal income taxes	(1,037,726)	148,624	-798%
<b>Net income</b>	<u>\$ 7,184,566</u>	<u>\$ 1,994,143</u>	<u>260%</u>
<b>Ratios: - see note a</b>			
Loss ratio	31.3%	43.7%	
Loss expense ratio	12.5%	11.1%	
Expense ratio	50.8%	46.9%	
<b>Total combined ratio</b>	<u>94.5%</u>	<u>101.7%</u>	
<b>Surplus - 12/31/15 &amp; 12/31/14</b>	\$ 79,959,709	\$ 81,359,905	
Net income	7,184,566	1,994,143	
Net unrealized capital gains/(loss)	(3,936,744)	(3,442,956)	
Change in net deferred income tax	(169,136)	1,880,389	
Other changes	264,820	(1,831,772)	
<b>Change in surplus</b>	3,343,506	(1,400,196)	
% change	4.2%	-1.7%	
<b>Surplus - 12/31/16 &amp; 12/31/15</b>	<u>\$ 83,303,215</u>	<u>\$ 79,959,709</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;