# Palomar Holdings, Inc. Reports Third Quarter 2026 Results

November 4, 2026

LA JOLLA, Calif., Nov. 04, 2026 (GLOBE NEWSWIRE) -- Palomar Holdings, Inc. (Nasdaq:PLMR) ("Palomar" or "Company") reported net income of $65.3 million, or $2.42 per diluted share, for the third quarter of 2026 compared to net income of $51.5 million, or $1.87 per diluted share, for the third quarter of 2025. Adjusted net income(1) was $81.3 million, or $3.01 per diluted share, for the third quarter of 2026 as compared to $55.2 million, or $2.01 per diluted share, for the third quarter of 2025.

**Third Quarter 2026 Highlights**

- Gross written premiums increased by 28.4% to $767.0 million compared to $597.2 million in the third quarter of 2025
- Net income increased 27.0% to $65.3 million compared to $51.5 million in the third quarter of 2025
- Adjusted net income(1) increased 47.4% to $81.3 million compared to $55.2 million in the third quarter of 2025
- Diluted earnings per share increased by 29.4% to $2.42 compared to $1.87 in the third quarter of 2025
- Diluted adjusted earnings per share(1) increased by 49.8% to $3.01 compared to $2.01 in the third quarter of 2025
- Total loss ratio of 41.5% compared to 32.3% in the third quarter of 2025
- Combined ratio of 80.8% compared to 78.1% in the third quarter of 2025
- Adjusted combined ratio(1) of 76.3% compared to 74.8% in the third quarter of 2025
- Annualized return on equity of 26.6% compared to 23.9% in the third quarter of 2025
- Annualized adjusted return on equity(1) of 33.1% compared to 25.6% in the third quarter of 2025

*(1) See discussion of "Non-GAAP and Key Performance Indicators" below.*

Mac Armstrong, Chairman and Chief Executive Officer, commented, "Palomar's third quarter of 2026 was exceptional; highlighted by record gross written premium and adjusted net income, our 16th consecutive earnings beat and the fourth increase to our 2026 adjusted net income guidance range. Profitable growth anchors Palomar 2X. This quarter's 47% growth in adjusted net income and 33% adjusted return on equity demonstrate our ability to deliver on that strategy in a dynamic insurance market."

Mr. Armstrong continued, "We were especially pleased with written premium growth across all five product categories this quarter: Earthquake, Inland Marine and Property, Casualty, Crop and Surety & Credit. Our "one-of-one" specialty product portfolio is well positioned across market cycles, and this quarter reflected the ballast, diversity and overall strength in the book. It continues to position Palomar for long-term success and shareholder value creation."

**Underwriting Results**

Gross written premiums increased 28.4% to $767.0 million compared to $597.2 million in the third quarter of 2025, while net earned premiums increased 62.3% compared to the prior year's third quarter.

Losses and loss adjustment expenses for the third quarter were $151.6 million, comprised of $147.2 million of attritional losses and $4.5 million of catastrophe losses from hurricane and flood events in Hawaii and flood events in the Midwest. The loss ratio for the quarter was 41.5%, comprised of an attritional loss ratio of 40.3% and a catastrophe loss ratio(1) of 1.2% compared to a loss ratio of 32.3% during the same period last year comprised of an attritional loss ratio of 31.5% and a catastrophe loss ratio(1) of 0.8%. Additionally, our third quarter results include $4.0 million of attritional unfavorable prior year development primarily related to Crop losses reallocated between calendar years.

Underwriting income(1) for the third quarter was $70.2 million resulting in a combined ratio of 80.8% compared to underwriting income of $49.2 million resulting in a combined ratio of 78.1% during the same period last year. The Company's adjusted underwriting income (1) was $86.5 million, an increase of 52.6%, resulting in an adjusted combined ratio(1) of 76.3% in the third quarter compared to adjusted underwriting income(1) of $56.7 million and an adjusted combined ratio(1) of 74.8% during the same period last year. The Company's adjusted combined ratio excluding catastrophe losses (1) was 75.1% compared to 74.0% during the same period last year.

**Investment Results**

Net investment income increased by 53.8% to $22.4 million compared to $14.6 million in the prior year's third quarter. The increase was primarily due to higher yields on invested assets and a higher average balance of investments held during the three months ended September 30, 2026 due to cash generated from operations. The weighted average duration of the fixed-maturity investment portfolio, including cash equivalents, was 4.61 years at September 30, 2026. Cash and invested assets totaled $1.8 billion at September 30, 2026. During the third quarter, the Company recorded $2.7 million net realized and unrealized losses related to its investment portfolio as compared to net realized and unrealized gains of $3.5 million during the same period last year.

**Tax Rate**

The effective tax rate for the three months ended September 30, 2026 was 22.9% compared to 23.4% for the three months ended September 30, 2025. For the current quarter, the Company's income tax rate differed from the statutory rate of 21% due primarily to non-deductible executive compensation expense.

**Stockholders' Equity and Capital Matters**

Stockholders' equity was $985.0 million at September 30, 2026, compared to $878.1 million at September 30, 2025. For the three months ended September 30, 2026, the Company's annualized return on equity was 26.6% compared to 23.9% for the same period in the prior year while annualized

adjusted return on equity[(1)] was 33.1% compared to 25.6% for the same period in the prior year.

During the current quarter, the Company repurchased 70,000 shares of its common stock for $8.9 million.

On October 29, 2026, the Company's Board of Directors declared a quarterly cash dividend of $0.45 per share of common stock, payable on December 2, 2026, to stockholders of record as of November 17, 2026.

**Full Year 2026 Outlook**

For the full year 2026, the Company expects to achieve adjusted net income of $280 million to $285 million. This includes an estimate of $8 million to $12 million of catastrophe losses for the year.

**Conference Call**

As previously announced, Palomar will host a conference call on Thursday, November 5, 2026, to discuss its third quarter 2026 results at 12:00 p.m. (Eastern Time). The conference call can be accessed live by dialing 1-877-423-9813 or for international callers, 1-201-689-8573, and requesting to be joined to the Palomar Third Quarter 2026 Earnings Conference Call. A replay will be available starting at 4:00 p.m. (Eastern Time) on November 5, 2026, and can be accessed by dialing 1-844-512-2921, or for international callers, 1-412-317-6671. The passcode for the replay is 13762752. The replay will be available until 11:59 p.m. (Eastern Time) on November 19, 2026.

Interested investors and other parties may also listen to a simultaneous webcast of the conference call by logging onto the investor relations section of the Company's website at http://ir.palomarspecialty.com/. The online replay will remain available for a limited time beginning immediately following the call.

**About Palomar Holdings, Inc.**

Palomar Holdings, Inc. is the holding company of subsidiaries Palomar Specialty Insurance Company ("PSIC"), Palomar Specialty Reinsurance Company Bermuda Ltd. ("PSRE"), Palomar Insurance Agency, Inc., Palomar Excess and Surplus Insurance Company ("PESIC"), Palomar Underwriters Exchange Organization, Inc. ("PUEO"), First Indemnity of America Insurance Co. ("FIA"), Palomar Crop Insurance Services, Inc. ("PCIS"), and Palomar Casualty and Surety Company ("PCSC"). Palomar's consolidated results also include Laulima Exchange ("Laulima"), a variable interest entity for which the Company is the primary beneficiary. Palomar is an innovative specialty insurer serving residential and commercial clients in five product categories: Earthquake, Inland Marine and Property, Casualty, Surety & Credit, and Crop. Palomar's insurance subsidiaries, PSIC, PSRE, PESIC, and FIA have a financial strength rating of "A" (Excellent) from A.M. Best and PCSC has a financial strength rating of "A-" (Excellent) from A.M. Best.

To learn more, visit PLMR.com.

**Non-GAAP and Key Performance Indicators**

Palomar discusses certain key performance indicators, described below, which provide useful information about the Company's business and the operational factors underlying the Company's financial performance. Management uses these non-GAAP measures internally to evaluate the Company's underlying business performance and operating results, and to make resource allocation and strategic decisions. Management believes that disclosure of these measures provides investors with the same insight used internally to assess the Company's operating performance.

*Underwriting revenue* is a non-GAAP financial measure defined as total revenue, excluding net investment income and net realized and unrealized gains and losses on investments. See "Reconciliation of Non-GAAP Financial Measures" for a reconciliation of total revenue calculated in accordance with GAAP to underwriting revenue.

*Underwriting income* is a non-GAAP financial measure defined as income before income taxes excluding net investment income, net realized and unrealized gains and losses on investments, and interest expense. See "Reconciliation of Non-GAAP Financial Measures" for a reconciliation of income before income taxes calculated in accordance with GAAP to underwriting income.

*Adjusted net income* is a non-GAAP financial measure defined as net income excluding the impact of certain items that may not be indicative of underlying business trends, operating results, or future outlook, net of tax impact. Palomar calculates the tax impact only on adjustments which would be included in calculating the Company's income tax expense using the estimated tax rate at which the Company received a deduction for these adjustments. See "Reconciliation of Non-GAAP Financial Measures" for a reconciliation of net income calculated in accordance with GAAP to adjusted net income.

*Annualized return on equity* is net income expressed on an annualized basis as a percentage of average beginning and ending stockholders' equity during the period.

*Annualized adjusted return on equity* is a non-GAAP financial measure defined as adjusted net income expressed on an annualized basis as a percentage of average beginning and ending stockholders' equity during the period. See "Reconciliation of Non-GAAP Financial Measures" for a reconciliation of return on equity calculated using unadjusted GAAP numbers to adjusted return on equity.

*Loss ratio*, expressed as a percentage, is the ratio of losses and loss adjustment expenses, to net earned premiums.

*Expense ratio,* expressed as a percentage, is the ratio of acquisition and other underwriting expenses, net of commission and other income to net earned premiums.

*Combined ratio* is defined as the sum of the loss ratio and the expense ratio. A combined ratio under 100% generally indicates an underwriting profit. A combined ratio over 100% generally indicates an underwriting loss.

*Adjusted combined ratio* is a non-GAAP financial measure defined as the sum of the loss ratio and the expense ratio calculated excluding the impact of certain items that may not be indicative of underlying business trends, operating results, or future outlook. See "Reconciliation of Non-GAAP Financial Measures" for a reconciliation of combined ratio calculated using unadjusted GAAP numbers to adjusted combined ratio.

*Diluted adjusted earnings per share* is a non-GAAP financial measure defined as adjusted net income divided by the weighted-average common shares outstanding for the period, reflecting the dilution which could occur if equity-based awards are converted into common share equivalents as

calculated using the treasury stock method. See “Reconciliation of Non-GAAP Financial Measures” for a reconciliation of diluted earnings per share calculated in accordance with GAAP to diluted adjusted earnings per share.

*Catastrophe loss ratio* is a non-GAAP financial measure defined as the ratio of catastrophe losses to net earned premiums. See “Reconciliation of Non-GAAP Financial Measures” for a reconciliation of loss ratio calculated using unadjusted GAAP numbers to catastrophe loss ratio.

*Adjusted combined ratio excluding catastrophe losses* is a non-GAAP financial measure defined as adjusted combined ratio excluding the impact of catastrophe losses. See “Reconciliation of Non-GAAP Financial Measures” for a reconciliation of combined ratio calculated using unadjusted GAAP numbers to adjusted combined ratio excluding catastrophe losses.

*Adjusted underwriting income* is a non-GAAP financial measure defined as underwriting income excluding the impact of certain items that may not be indicative of underlying business trends, operating results, or future outlook. See “Reconciliation of Non-GAAP Financial Measures” for a reconciliation of income before income taxes calculated in accordance with GAAP to adjusted underwriting income.

*Tangible stockholders' equity* is a non-GAAP financial measure defined as stockholders’ equity less goodwill and intangible assets. See “Reconciliation of Non-GAAP Financial Measures” for a reconciliation of stockholders’ equity calculated in accordance with GAAP to tangible stockholders’ equity.

The Company has not provided a reconciliation of its full year 2026 adjusted net income outlook to net income, the most directly comparable GAAP financial measure, because it is unable to predict, without unreasonable efforts, certain reconciling items which could be material to net income. This is due to the inherent difficulty of forecasting the timing or amount of various items that would impact net income that have not yet occurred, are out of the Company’s control and/or cannot reasonable by predicted. Such forward-looking non-GAAP financial measures provided without the most directly comparable GAAP financial measure may vary materially from the corresponding GAAP financial measure.

**Safe Harbor Statement**

Palomar cautions you that statements contained in this press release may regard matters that are not historical facts but are forward-looking statements. These statements are based on the Company’s current beliefs and expectations. The inclusion of forward-looking statements should not be regarded as a representation by Palomar that any of its plans will be achieved. Actual results may differ from those set forth in this press release due to the risks and uncertainties inherent in the Company’s business. The forward-looking statements are typically, but not always, identified through use of the words “believe,” “expect,” “enable,” “may,” “will,” “could,” “intends,” “estimate,” “anticipate,” “plan,” “predict,” “probable,” “potential,” “possible,” “should,” “continue,” and other words of similar meaning. Actual results could differ materially from the expectations contained in forward-looking statements as a result of several factors, including the frequency and severity of catastrophe events; the adequacy of our loss reserves; the availability, cost and collectability of reinsurance; investment performance and interest rate fluctuations; weather conditions and crop price volatility affecting our Crop business; our ability to integrate PCSC and realize the anticipated benefits of acquisitions; competitive conditions; and regulatory developments. These and other factors that may result in differences are discussed in greater detail in the Company’s filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and the Company undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement, which is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

**Contact**

Media Inquiries
Lindsay Conner
1-551-206-6217
lconner@plmr.com

Investor Relations
Jamie Lillis
1-203-428-3223
investors@plmr.com
Source: Palomar Holdings, Inc.

*Summary of Operating Results*:

The following tables summarize the Company’s results for the three and nine months ended September 30, 2026 and 2025:

| | Three Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2026 | 2025 | Change | % Change |
| | (in thousands, except per share data) | | | |
| Gross written premiums | $ 767,046 | $ 597,171 | $ 169,875 | 28.4 % |
| Ceded written premiums | (378,477) | (321,927) | (56,550) | 17.6 % |
| Net written premiums | 388,569 | 275,244 | 113,325 | 41.2 % |
| Net earned premiums | 365,391 | 225,147 | 140,244 | 62.3 % |
| Commission and other income | 1,485 | 1,448 | 37 | 2.6 % |
| Total underwriting revenue (1) | 366,876 | 226,595 | 140,281 | 61.9 % |
| Losses and loss adjustment expenses | 151,646 | 72,812 | 78,834 | 108.3 % |
| Acquisition expenses, net of ceding commissions and fronting fees | 72,352 | 56,270 | 16,082 | 28.6 % |
| Other underwriting expenses | 72,722 | 48,306 | 24,416 | 50.5 % |
| Underwriting income (1) | 70,156 | 49,207 | 20,949 | 42.6 % |

| | | | | |
|---|---|---|---|---|
| Interest expense | (5,138) | (133) | (5,005) | NM |
| Net investment income | 22,406 | 14,572 | 7,834 | 53.8% |
| Net realized and unrealized (losses) gains on investments | (2,692) | 3,493 | (6,185) | (177.1)% |
| Income before income taxes | 84,732 | 67,139 | 17,593 | 26.2% |
| Income tax expense | 19,397 | 15,684 | 3,713 | 23.7% |
| **Net income** | $ 65,335 | $ 51,455 | $ 13,880 | 27.0% |
| Adjustments: | | | | |
| Net realized and unrealized losses (gains) on investments | 2,692 | (3,493) | 6,185 | (177.1)% |
| Expenses associated with transactions | 3,133 | 728 | 2,405 | NM |
| Stock-based compensation expense | 7,022 | 5,379 | 1,643 | 30.5% |
| Amortization of intangibles | 6,161 | 1,346 | 4,815 | NM |
| Tax impact | (3,032) | (251) | (2,781) | NM |
| **Adjusted net income (1)** | $ 81,311 | $ 55,164 | $ 26,147 | 47.4% |
| Key Financial and Operating Metrics | | | | |
| Annualized return on equity | 26.6% | 23.9% | | |
| Annualized adjusted return on equity (1) | 33.1% | 25.6% | | |
| Loss ratio | 41.5% | 32.3% | | |
| Expense ratio | 39.3% | 45.8% | | |
| Combined ratio | 80.8% | 78.1% | | |
| Adjusted combined ratio (1) | 76.3% | 74.8% | | |
| Diluted earnings per share | $ 2.42 | $ 1.87 | | |
| Diluted adjusted earnings per share (1) | $ 3.01 | $ 2.01 | | |
| Catastrophe losses | $ 4,452 | $ 1,900 | | |
| Catastrophe loss ratio (1) | 1.2% | 0.8% | | |
| Adjusted combined ratio excluding catastrophe losses (1) | 75.1% | 74.0% | | |
| Adjusted underwriting income (1) | $ 86,472 | $ 56,660 | $ 29,812 | 52.6% |

NM - not meaningful

(1) Indicates Non-GAAP financial measure - see above for definition of Non-GAAP financial measures and see below for reconciliation of Non-GAAP financial measures to their most directly comparable measures prepared in accordance with GAAP.

| | Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2026 | 2025 | Change | % Change |
| | (in thousands, except per share data) | | | |
| Gross written premiums | $ 2,027,330 | $ 1,535,623 | $ 491,707 | 32.0% |
| Ceded written premiums | (975,669) | (819,171) | (156,498) | 19.1% |
| Net written premiums | 1,051,661 | 716,452 | 335,209 | 46.8% |
| Net earned premiums | 913,781 | 569,175 | 344,606 | 60.5% |
| Commission and other income | 3,664 | 3,954 | (290) | (7.3)% |
| Total underwriting revenue (1) | 917,445 | 573,129 | 344,316 | 60.1% |
| Losses and loss adjustment expenses | 337,732 | 157,739 | 179,993 | 114.1% |
| Acquisition expenses, net of ceding commissions and fronting fees | 213,923 | 154,266 | 59,657 | 38.7% |
| Other underwriting expenses | 207,057 | 129,563 | 77,494 | 59.8% |
| Underwriting income (1) | 158,733 | 131,561 | 27,172 | 20.7% |
| Interest expense | (13,243) | (304) | (12,939) | NM |
| Net investment income | 60,340 | 40,014 | 20,326 | 50.8% |
| Net realized and unrealized gains on investments | 2,167 | 9,461 | (7,294) | (77.1)% |
| Income before income taxes | 207,997 | 180,732 | 27,265 | 15.1% |
| Income tax expense | 47,123 | 39,827 | 7,296 | 18.3% |
| **Net income** | $ 160,874 | $ 140,905 | $ 19,969 | 14.2% |
| Adjustments: | | | | |
| Net realized and unrealized gains on investments | (2,167) | (9,461) | 7,294 | (77.1)% |
| Expenses associated with transactions | 10,545 | 3,570 | 6,975 | 195.4% |

| | | | | |
|---|---|---|---|---|
| Stock-based compensation expense | 23,246 | 15,471 | 7,775 | 50.3 % |
| Amortization of intangibles | 21,396 | 3,400 | 17,996 | NM |
| Expenses associated with catastrophe bond | 2,330 | 2,661 | (331) | (12.4)% |
| Tax impact | (8,008) | (1,543) | (6,465) | NM |
| **Adjusted net income (1)** | $ 208,216 | $ 155,003 | $ 53,213 | 34.3 % |
| Key Financial and Operating Metrics | | | | |
| Annualized return on equity | 22.3 % | 23.4 % | | |
| Annualized adjusted return on equity (1) | 28.8 % | 25.7 % | | |
| Loss ratio | 37.0 % | 27.7 % | | |
| Expense ratio | 45.7 % | 49.2 % | | |
| Combined ratio | 82.7 % | 76.9 % | | |
| Adjusted combined ratio (1) | 76.3 % | 72.5 % | | |
| Diluted earnings per share | $ 5.93 | $ 5.12 | | |
| Diluted adjusted earnings per share (1) | $ 7.67 | $ 5.63 | | |
| Catastrophe losses | $ 4,302 | $ 1,335 | | |
| Catastrophe loss ratio (1) | 0.5 % | 0.2 % | | |
| Adjusted combined ratio excluding catastrophe losses (1) | 75.9 % | 72.2 % | | |
| Adjusted underwriting income (1) | $ 216,250 | $ 156,663 | $ 59,587 | 38.0 % |

NM - not meaningful

(1) Indicates Non-GAAP financial measure - see above for definition of Non-GAAP financial measures and see below for reconciliation of Non-GAAP financial measures to their most directly comparable measures prepared in accordance with GAAP.

*Condensed Consolidated Balance Sheets*

**Palomar Holdings, Inc. and Subsidiaries**
**Condensed Consolidated Balance Sheets (unaudited)**
**(in thousands, except shares and par value data)**

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| | (Unaudited) | |
| **Assets** | | |
| Investments: | | |
| Fixed maturity securities available for sale, at fair value (amortized cost: $1,650,443 in 2026; $1,227,605 in 2025) | $ 1,565,619 | $ 1,224,187 |
| Fixed maturity securities held to maturity, at amortized cost | 14,701 | — |
| Equity securities, at fair value (cost: $108,026 in 2026; $81,772 in 2025) | 123,745 | 99,333 |
| Other investments | 53,966 | 28,503 |
| Total investments | 1,758,031 | 1,352,023 |
| Cash and cash equivalents | 55,627 | 106,875 |
| Restricted cash | — | 17 |
| Accrued investment income | 15,358 | 11,545 |
| Premiums receivable | 667,166 | 452,908 |
| Deferred policy acquisition costs, net of ceding commissions and fronting fees | 162,888 | 127,718 |
| Reinsurance recoverable on paid losses and loss adjustment expenses | 48,220 | 56,428 |
| Reinsurance recoverable on unpaid losses and loss adjustment expenses | 604,411 | 412,273 |
| Ceded unearned premiums | 453,173 | 355,918 |
| Prepaid expenses and other assets | 168,777 | 110,896 |
| Deferred tax assets, net | 4,518 | 761 |
| Property and equipment, net | 2,649 | 2,551 |
| Goodwill and intangible assets, net | 228,426 | 61,054 |
| Total assets | $ 4,169,244 | $ 3,050,967 |
| **Liabilities and stockholders' equity** | | |
| Liabilities: | | |
| Accounts payable and other accrued liabilities | $ 183,128 | $ 115,663 |
| Reserve for losses and loss adjustment expenses | 1,104,974 | 688,231 |
| Unearned premiums | 1,257,218 | 988,143 |

| | | |
|---|---|---|
| Ceded premium payable | 270,547 | 271,413 |
| Funds held under reinsurance treaty | 53,367 | 44,850 |
| Borrowings from credit agreements | 21,000 | — |
| Term loan | 294,038 | — |
| Total liabilities | 3,184,272 | 2,108,300 |
| Stockholders' equity: | | |
| Preferred stock, $0.0001 par value, 5,000,000 shares authorized, 0 shares issued and outstanding as of September 30, 2026 and December 31, 2025 | — | — |
| Common stock, $0.0001 par value, 500,000,000 shares authorized, 26,290,067 and 26,520,417 shares issued and outstanding as of September 30, 2026 and December 31, 2025, respectively | 3 | 3 |
| Additional paid-in capital | 553,574 | 523,168 |
| Accumulated other comprehensive loss | (66,266) | (2,506) |
| Retained earnings | 497,661 | 422,002 |
| Total stockholders' equity | 984,972 | 942,667 |
| Total liabilities and stockholders' equity | $ 4,169,244 | $ 3,050,967 |

*Condensed Consolidated Income Statement*

**Palomar Holdings, Inc. and Subsidiaries**
**Condensed Consolidated Statements of Income and Comprehensive Income (Unaudited)**
**(in thousands, except shares and per share data)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | **2026** | **2025** | **2026** | **2025** |
| **Revenues:** | | | | |
| Gross written premiums | $ 767,046 | $ 597,171 | $ 2,027,330 | $ 1,535,623 |
| Ceded written premiums | (378,477) | (321,927) | (975,669) | (819,171) |
| Net written premiums | 388,569 | 275,244 | 1,051,661 | 716,452 |
| Change in unearned premiums | (23,178) | (50,097) | (137,880) | (147,277) |
| Net earned premiums | 365,391 | 225,147 | 913,781 | 569,175 |
| Net investment income | 22,406 | 14,572 | 60,340 | 40,014 |
| Net realized and unrealized (losses) gains on investments | (2,692) | 3,493 | 2,167 | 9,461 |
| Commission and other income | 1,485 | 1,448 | 3,664 | 3,954 |
| Total revenues | 386,590 | 244,660 | 979,952 | 622,604 |
| **Expenses:** | | | | |
| Losses and loss adjustment expenses | 151,646 | 72,812 | 337,732 | 157,739 |
| Acquisition expenses, net of ceding commissions and fronting fees | 72,352 | 56,270 | 213,923 | 154,266 |
| Other underwriting expenses | 72,722 | 48,306 | 207,057 | 129,563 |
| Interest expense | 5,138 | 133 | 13,243 | 304 |
| Total expenses | 301,858 | 177,521 | 771,955 | 441,872 |
| Income before income taxes | 84,732 | 67,139 | 207,997 | 180,732 |
| Income tax expense | 19,397 | 15,684 | 47,123 | 39,827 |
| Net income | $ 65,335 | $ 51,455 | $ 160,874 | $ 140,905 |
| **Other comprehensive income, net:** | | | | |
| Net unrealized (losses) gains on securities available for sale | (51,107) | 9,541 | (63,760) | 22,753 |
| Net comprehensive (loss) income | $ 14,228 | $ 60,996 | $ 97,114 | $ 163,658 |
| **Per Share Data:** | | | | |
| Basic earnings per share | $ 2.48 | $ 1.93 | $ 6.09 | $ 5.28 |
| Diluted earnings per share | $ 2.42 | $ 1.87 | $ 5.93 | $ 5.12 |
| Weighted-average common shares outstanding: | | | | |
| Basic | 26,308,497 | 26,637,592 | 26,408,217 | 26,683,856 |
| Diluted | 26,995,574 | 27,446,519 | 27,143,378 | 27,533,533 |

*Underwriting Segment Data*

The Company has a single reportable segment and offers specialty insurance products. Gross written premiums ("GWP") by product, location and company are presented below:

| | Three Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2026 | | 2025 | | | |
| | ($ in thousands) | | | | | |
| | Amount | % of GWP | Amount | % of GWP | Change | % Change |
| **Product(1)** | | | | | | |
| Crop | $ 226,668 | 29.6 % | $ 119,757 | 20.1 % | $ 106,911 | 89.3 % |
| Casualty | 176,784 | 23.0 % | 170,994 | 28.6 % | 5,790 | 3.4 % |
| Inland Marine and Property | 160,706 | 21.0 % | 141,739 | 23.7 % | 18,967 | 13.4 % |
| Earthquake | 154,478 | 20.1 % | 149,940 | 25.1 % | 4,538 | 3.0 % |
| Surety & Credit | 48,410 | 6.3 % | 14,741 | 2.5 % | 33,669 | 228.4 % |
| Total gross written premiums | $ 767,046 | 100.0 % | $ 597,171 | 100.0 % | $ 169,875 | 28.4 % |

(1) Beginning in 2026, the Company has updated the categorization of its products to align with management's current strategy and view of the business. Prior year amounts have been reclassified for comparability purposes. The recategorization is for presentation purposes only and does not impact overall gross written premiums.

| | Nine Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2026 | | 2025 | | | |
| | ($ in thousands) | | | | | |
| | Amount | % of GWP | Amount | % of GWP | Change | % Change |
| **Product(1)** | | | | | | |
| Casualty | $ 580,576 | 28.7 % | $ 448,484 | 29.2 % | $ 132,092 | 29.5 % |
| Inland Marine and Property | 496,998 | 24.5 % | 408,105 | 26.6 % | 88,893 | 21.8 % |
| Earthquake | 438,442 | 21.6 % | 431,345 | 28.1 % | 7,097 | 1.6 % |
| Crop | 391,810 | 19.3 % | 207,440 | 13.5 % | 184,370 | 88.9 % |
| Surety & Credit | 119,504 | 5.9 % | 40,249 | 2.6 % | 79,255 | 196.9 % |
| Total gross written premiums | $ 2,027,330 | 100.0 % | $ 1,535,623 | 100.0 % | $ 491,707 | 32.0 % |

(1) Beginning in 2026, the Company has updated the categorization of its products to align with management's current strategy and view of the business. Prior year amounts have been reclassified for comparability purposes. The recategorization is for presentation purposes only and does not impact overall gross written premiums.

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2026 | | 2025 | | 2026 | | 2025 | |
| | ($ in thousands) | | | | ($ in thousands) | | | |
| | Amount | % of GWP | Amount | % of GWP | Amount | % of GWP | Amount | % of GWP |
| **State** | | | | | | | | |
| California | $ 175,503 | 22.9 % | $ 168,739 | 28.3 % | $ 498,429 | 24.6 % | $ 472,276 | 30.8 % |
| Texas | 45,159 | 5.9 % | 38,609 | 6.5 % | 170,240 | 8.4 % | 119,308 | 7.8 % |
| Missouri | 38,019 | 5.0 % | 13,420 | 2.2 % | 57,038 | 2.8 % | 25,219 | 1.6 % |
| Hawaii | 31,610 | 4.1 % | 26,405 | 4.4 % | 81,714 | 4.0 % | 71,307 | 4.6 % |
| Illinois | 30,454 | 4.0 % | 20,911 | 3.5 % | 55,725 | 2.7 % | 39,548 | 2.6 % |
| Florida | 28,648 | 3.7 % | 23,770 | 4.0 % | 92,999 | 4.6 % | 66,391 | 4.3 % |
| Kansas | 24,476 | 3.2 % | 11,206 | 1.9 % | 45,698 | 2.3 % | 16,847 | 1.1 % |
| Oklahoma | 23,795 | 3.1 % | 10,587 | 1.8 % | 49,107 | 2.4 % | 16,535 | 1.1 % |
| Other | 369,382 | 48.1 % | 283,524 | 47.4 % | 976,380 | 48.2 % | 708,192 | 46.1 % |
| Total gross written premiums | $ 767,046 | 100.0 % | $ 597,171 | 100.0 % | $ 2,027,330 | 100.0 % | $ 1,535,623 | 100.0 % |

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2026 | | 2025 | | 2026 | | 2025 | |
| | ($ in thousands) | | | | ($ in thousands) | | | |
| | Amount | % of GWP | Amount | % of GWP | Amount | % of GWP | Amount | % of GWP |
| **Subsidiary** | | | | | | | | |
| PSIC | $ 437,645 | 57.1 % | $ 317,177 | 53.1 % | $ 1,039,575 | 51.3 % | $ 781,078 | 50.9 % |
| PESIC | 271,797 | 35.4 % | 252,318 | 42.3 % | 846,143 | 41.7 % | 681,048 | 44.4 % |
| Laulima | 28,003 | 3.6 % | 22,804 | 3.8 % | 70,080 | 3.5 % | 58,974 | 3.8 % |
| PCSC | 26,706 | 3.5 % | — | —% | 60,685 | 3.0 % | — | —% |
| FIA | 2,895 | 0.4 % | 4,872 | 0.8 % | 10,847 | 0.5 % | 14,523 | 0.9 % |
| Total gross written premiums | $ 767,046 | 100.0 % | $ 597,171 | 100.0 % | $ 2,027,330 | 100.0 % | $ 1,535,623 | 100.0 % |

*Gross and net earned premiums*

The table below shows the amount of premiums the Company earned on a gross and net basis and the Company's net earned premiums as a percentage of gross earned premiums for each period presented:

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | Change | % Change | 2026 | 2025 | Change | % Change |
| | ($ in thousands) | | | | ($ in thousands) | | | |
| Gross earned premiums | $ 736,144 | $ 518,783 | $ 217,361 | 41.9 % | $ 1,792,875 | $ 1,303,323 | $ 489,552 | 37.6 % |
| Ceded earned premiums | (370,753) | (293,636) | (77,117) | 26.3 % | (879,094) | (734,148) | (144,946) | 19.7 % |
| Net earned premiums | $ 365,391 | $ 225,147 | $ 140,244 | 62.3 % | $ 913,781 | $ 569,175 | $ 344,606 | 60.5 % |
| Net earned premium ratio | 49.6 % | 43.4 % | | | 51.0 % | 43.7 % | | |

*Loss detail*

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2026 | 2025 | Change | % Change | 2026 | 2025 | Change | % Change |
| | ($ in thousands) | | | | ($ in thousands) | | | |
| Catastrophe losses | $ 4,452 | $ 1,900 | $ 2,552 | 134.3 % | $ 4,302 | $ 1,335 | $ 2,967 | 222.2 % |
| Non-catastrophe losses | 147,194 | 70,912 | 76,282 | 107.6 % | 333,430 | 156,404 | 177,026 | 113.2 % |
| Total losses and loss adjustment expenses | $ 151,646 | $ 72,812 | $ 78,834 | 108.3 % | $ 337,732 | $ 157,739 | $ 179,993 | 114.1 % |
| Catastrophe loss ratio | 1.2 % | 0.8 % | | | 0.5 % | 0.2 % | | |
| Non-catastrophe loss ratio | 40.3 % | 31.5 % | | | 36.5 % | 27.5 % | | |
| Total loss ratio | 41.5 % | 32.3 % | | | 37.0 % | 27.7 % | | |

The following table represents a reconciliation of changes in the ending reserve balances for losses and loss adjustment expenses:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | ($ in thousands) | | ($ in thousands) | |
| Reserve for losses and LAE net of reinsurance recoverables at beginning of period | $ 420,947 | $ 199,185 | $ 275,959 | $ 155,299 |
| Add: Balances acquired[1] | — | — | 22,178 | 6,788 |
| Add: Incurred losses and LAE, net of reinsurance, related to:[2] | | | | |
| Current year | 147,607 | 78,946 | 358,347 | 174,703 |
| Prior years | 4,039 | (6,134) | (20,615) | (16,964) |
| Total incurred | 151,646 | 72,812 | 337,732 | 157,739 |
| Deduct: Loss and LAE payments, net of reinsurance, related to: | | | | |
| Current year | 48,058 | 15,655 | 76,039 | 38,312 |
| Prior years | 23,972 | 12,629 | 59,267 | 37,801 |

| | | | | |
|---|---|---|---|---|
| Total payments | 72,030 | 28,284 | 135,306 | 76,113 |
| Reserve for losses and LAE net of reinsurance recoverables at end of period | 500,563 | 243,713 | 500,563 | 243,713 |
| Add: Reinsurance recoverables on unpaid losses and LAE at end of period | 604,411 | 440,559 | 604,411 | 440,559 |
| Reserve for losses and LAE gross of reinsurance recoverables on unpaid losses and LAE at end of period | $ 1,104,974 | $ 684,272 | $ 1,104,974 | $ 684,272 |

(1) Represents amounts recognized in Reserve for losses and LAE net of reinsurance recoverables upon acquisition of The Gray Casualty and Surety Company ("Gray Surety") and FIA on 1/31/2026 and 1/1/2025, respectively, in accordance with ASC 805, Business Combinations. See Note 23 of the Notes to the Consolidated Financial Statements in our 2025 Annual Report on Form 10-K and Note 14 of our September 30, 2026 Quarterly Report on Form 10-Q for additional information regarding the acquisitions.

(2) Losses for the three months ended September 30, 2026 and 2025 include $0.3 million and an insignificant amount, respectively, of gains on derivative instruments. Losses for the nine months ended September 30, 2026 and 2025 include $18.2 million and an insignificant amount, respectively, of losses on derivative instruments.

*Reconciliation of Non-GAAP Financial Measures*

For the three and nine months ended September 30, 2026 and 2025, the Non-GAAP financial measures discussed above reconcile to their most comparable GAAP measures as follows:

*Underwriting revenue*

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | ($ in thousands) | | ($ in thousands) | |
| Total revenue | $ 386,590 | $ 244,660 | $ 979,952 | $ 622,604 |
| Net investment income | (22,406) | (14,572) | (60,340) | (40,014) |
| Net realized and unrealized losses (gains) on investments | 2,692 | (3,493) | (2,167) | (9,461) |
| Underwriting revenue | $ 366,876 | $ 226,595 | $ 917,445 | $ 573,129 |

*Underwriting income and adjusted underwriting income*

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | ($ in thousands) | | ($ in thousands) | |
| Income before income taxes | $ 84,732 | $ 67,139 | $ 207,997 | $ 180,732 |
| Net investment income | (22,406) | (14,572) | (60,340) | (40,014) |
| Net realized and unrealized losses (gains) on investments | 2,692 | (3,493) | (2,167) | (9,461) |
| Interest expense | 5,138 | 133 | 13,243 | 304 |
| Underwriting income | $ 70,156 | $ 49,207 | $ 158,733 | $ 131,561 |
| Expenses associated with transactions | 3,133 | 728 | 10,545 | 3,570 |
| Stock-based compensation expense | 7,022 | 5,379 | 23,246 | 15,471 |
| Amortization of intangibles | 6,161 | 1,346 | 21,396 | 3,400 |
| Expenses associated with catastrophe bond | — | — | 2,330 | 2,661 |
| Adjusted underwriting income | $ 86,472 | $ 56,660 | $ 216,250 | $ 156,663 |

*Adjusted net income*

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | ($ in thousands) | | ($ in thousands) | |
| Net income | $ 65,335 | $ 51,455 | $ 160,874 | $ 140,905 |
| Adjustments: | | | | |
| Net realized and unrealized losses (gains) on investments | 2,692 | (3,493) | (2,167) | (9,461) |
| Expenses associated with transactions | 3,133 | 728 | 10,545 | 3,570 |
| Stock-based compensation expense | 7,022 | 5,379 | 23,246 | 15,471 |
| Amortization of intangibles | 6,161 | 1,346 | 21,396 | 3,400 |

| | | | | |
|---|---|---|---|---|
| Expenses associated with catastrophe bond | — | — | 2,330 | 2,661 |
| Tax impact | (3,032) | (251) | (8,008) | (1,543) |
| Adjusted net income | $ 81,311 | $ 55,164 | $ 208,216 | $ 155,003 |

*Annualized adjusted return on equity*

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | ($ in thousands) | | ($ in thousands) | |
| Annualized adjusted net income | $ 325,244 | $ 220,656 | $ 277,621 | $ 206,671 |
| Average stockholders' equity | $ 982,957 | $ 862,654 | $ 963,820 | $ 803,570 |
| Annualized adjusted return on equity | 33.1% | 25.6% | 28.8% | 25.7% |

*Adjusted combined ratio*

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | ($ in thousands) | | ($ in thousands) | |
| Numerator: Sum of losses and loss adjustment expenses, acquisition expenses, and other underwriting expenses, net of commission and other income | $ 295,235 | $ 175,940 | $ 755,048 | $ 437,614 |
| Denominator: Net earned premiums | $ 365,391 | $ 225,147 | $ 913,781 | $ 569,175 |
| Combined ratio | 80.8% | 78.1% | 82.7% | 76.9% |
| Adjustments to numerator: | | | | |
| Expenses associated with transactions | $ (3,133) | $ (728) | $ (10,545) | $ (3,570) |
| Stock-based compensation expense | (7,022) | (5,379) | (23,246) | (15,471) |
| Amortization of intangibles | (6,161) | (1,346) | (21,396) | (3,400) |
| Expenses associated with catastrophe bond | — | — | (2,330) | (2,661) |
| Adjusted combined ratio | 76.3% | 74.8% | 76.3% | 72.5% |

*Diluted adjusted earnings per share*

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | (in thousands, except per share data) | | (in thousands, except per share data) | |
| Adjusted net income | $ 81,311 | $ 55,164 | $ 208,216 | $ 155,003 |
| Weighted-average common shares outstanding, diluted | 26,995,574 | 27,446,519 | 27,143,378 | 27,533,533 |
| Diluted adjusted earnings per share | $ 3.01 | $ 2.01 | $ 7.67 | $ 5.63 |

*Catastrophe loss ratio*

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2026 | 2025 | 2026 | 2025 |
| | ($ in thousands) | | ($ in thousands) | |
| Numerator: Losses and loss adjustment expenses | $ 151,646 | $ 72,812 | $ 337,732 | $ 157,739 |
| Denominator: Net earned premiums | $ 365,391 | $ 225,147 | $ 913,781 | $ 569,175 |
| Loss ratio | 41.5% | 32.3% | 37.0% | 27.7% |
| | | | | |
| Numerator: Catastrophe losses | $ 4,452 | $ 1,900 | $ 4,302 | $ 1,335 |
| Denominator: Net earned premiums | $ 365,391 | $ 225,147 | $ 913,781 | $ 569,175 |
| Catastrophe loss ratio | 1.2% | 0.8% | 0.5% | 0.2% |

*Adjusted combined ratio excluding catastrophe losses*

| | Three Months Ended September 30, | Nine Months Ended September 30, |
|---|---|---|

| | 2026 | 2025 | 2026 | 2025 |
|---|---|---|---|---|
| | ($ in thousands) | | ($ in thousands) | |
| Numerator: Sum of losses and loss adjustment expenses, acquisition expenses, and other underwriting expenses, net of commission and other income | $ 295,235 | $ 175,940 | $ 755,048 | $ 437,614 |
| Denominator: Net earned premiums | $ 365,391 | $ 225,147 | $ 913,781 | $ 569,175 |
| Combined ratio | 80.8 % | 78.1 % | 82.7 % | 76.9 % |
| Adjustments to numerator: | | | | |
| Expenses associated with transactions | $ (3,133) | $ (728) | $ (10,545) | $ (3,570) |
| Stock-based compensation expense | (7,022) | (5,379) | (23,246) | (15,471) |
| Amortization of intangibles | (6,161) | (1,346) | (21,396) | (3,400) |
| Expenses associated with catastrophe bond | — | — | (2,330) | (2,661) |
| Catastrophe losses | (4,452) | (1,900) | (4,302) | (1,335) |
| Adjusted combined ratio excluding catastrophe losses | 75.1 % | 74.0 % | 75.9 % | 72.2 % |

*Tangible Stockholders' equity*

| | September 30, 2026 | December 31, 2025 |
|---|---|---|
| | ($ in thousands) | |
| Stockholders' equity | $ 984,972 | $ 942,667 |
| Goodwill and intangible assets | (228,426) | (61,054) |
| Tangible stockholders' equity | $ 756,546 | $ 881,613 |

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Source: Palomar Holdings, Inc