Palomar Holdings, Inc. Announces Successful Placement of Additional Earthquake Reinsurance Limit

April 4, 2023

LA JOLLA, Calif., April 04, 2023 (GLOBE NEWSWIRE) -- Palomar Holdings, Inc. (NASDAQ: PLMR) ("Palomar" or the "Company") today announced the successful placement of certain excess of loss ("XOL") reinsurance treaties that support and provide incremental limit for its earthquake line of business.

In total, Palomar has secured approximately $187.5 million of incremental XOL limit from a syndicated panel of long-term trading partners which will incept between April 1, 2023 and June 1, 2023 and provide coverage through June 1, 2024. The Company's expanded XOL coverage further enables the sustained growth of Palomar's profitable earthquake business.

"We are pleased with the continued and incremental support from our long-time reinsurance partners as we successfully secured approximately $187.5 million of additional XOL limit to support our growth in what remains a very attractive market for earthquake insurance," commented Mac Armstrong, Chairman and Chief Executive Officer of Palomar. "Importantly, the market for our reinsurance was orderly and the pricing was in-line with the expectations that we outlined on our fourth quarter earnings call. This limit affords us the ability to both grow and optimize our earthquake book of business and execute on our Palomar 2X strategic plan."

Mr. Armstrong continued, "Delivering predictable earnings remains a strategic priority for our team. To achieve this, we have been executing a multi-year strategic plan designed to reduce volatility in our book of business and most notably contract our exposure to continental U.S. hurricane risk. The reduction in our continental hurricane exposure not only makes a positive impact on our risk profile but also diminishes the utility of our current aggregate XOL reinsurance treaty. As such, we opted to non-renew our aggregate cover. While there were compelling coverage offers from existing reinsurers, we will pursue alternative forms of risk transfer that provide protection from multiple severe events. I would like to personally thank all our reinsurance partners for their support as we continue to build Palomar into a premier specialty insurance company."

About Palomar Holdings, Inc.
Palomar Holdings, Inc. is the holding company of subsidiaries Palomar Specialty Insurance Company ("PSIC"), Palomar Specialty Reinsurance Company Bermuda Ltd., Palomar Insurance Agency, Inc. and Palomar Excess and Surplus Insurance Company ("PESIC"). Palomar is an innovative insurer serving residential and commercial clients in specialty markets including the market for earthquake insurance. Palomar's insurance subsidiaries, Palomar Specialty Insurance Company, Palomar Specialty Reinsurance Company Bermuda Ltd., and Palomar Excess and Surplus Insurance Company, have a financial strength rating of "A-" (Excellent) from A.M. Best.

To learn more, visit PLMR.com.

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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 unexpected expenditures and costs, unexpected results or delays in development and regulatory review, regulatory approval requirements, the frequency and severity of adverse events and competitive conditions. 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.

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