

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
Date of report (Date of earliest event reported): May 8, 2025

American Coastal Insurance Corporation
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-35761 (Commission File Number)	75-3241967 (IRS Employer Identification No.)
570 Carillon Parkway, Suite 100 Saint Petersburg, FL (Address of principal executive offices)		33716 (Zip Code)

(727) 633-0851
(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 144a-12 under the Exchange Act (17 CFR 240.144-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, \$0.0001 par value per share	ACIC	Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02. Results of Operations and Financial Condition

On May 8, 2025, American Coastal Insurance Corporation (the Company, we, our) issued a press release relating to our earnings for the first quarter ended March 31, 2025 (the Earnings Release). We have attached a copy of the Earnings Release as Exhibit 99.1.

Item 7.01: Regulation FD Disclosure.

The executive officers of the Company intend to use the materials filed herewith, in whole or in part, in one or more meetings with investors and analysts, beginning on May 8, 2025. A copy of the Earnings presentation is attached hereto as Exhibit 99.2.

The information furnished under this Item 2.02 and 7.01, including Exhibit 99.1 and Exhibit 99.2 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference to such filing.

Item 9.01. Financial Statements and Exhibits

Exhibit No.	Description
99.1	Earnings release issued by the Company on May 8, 2025
99.2	Earnings presentation issued by the Company on May 8, 2025
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

Signature

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunder duly authorized.

AMERICAN COASTAL INSURANCE CORPORATION

May 8, 2025 By: /s/ B. Bradford Martz
B. Bradford Martz, President & Chief Executive Officer



FOR IMMEDIATE RELEASE
AMERICAN COASTAL INSURANCE CORPORATION REPORTS FINANCIAL RESULTS
FOR ITS FIRST QUARTER ENDED MARCH 31, 2025

Company to Host Quarterly Conference Call at 5:00 P.M. ET on May 8, 2025

The information in this press release should be read in conjunction with an earnings presentation that is available on the Company's website at investors.amcoastal.com/Presentations.

St. Petersburg, FL - May 8, 2025: American Coastal Insurance Corporation (Nasdaq: ACIC) ("ACIC" or the "Company"), a property and casualty insurance holding company, today reported its financial results for the first quarter ended March 31, 2025.

	Three Months Ended		
	March 31,		
	2025	2024	Change
Gross premiums written	\$ 197,852	\$ 184,601	7.2 %
Gross premiums earned	162,101	160,270	1.1
Net premiums earned	68,272	62,631	9.0
Total revenue	72,202	66,598	8.4
Income from continuing operations, net of tax	19,711	23,709	(16.9)
Income (loss) from discontinued operations, net of tax	1,637	(110)	NM
Consolidated net income	\$ 21,348	\$ 23,599	(9.5)
Net income available to ACIC stockholders per diluted share			
Continuing Operations	\$ 0.40	\$ 0.48	(16.7)%
Discontinued Operations	0.03	—	100.0 %
Total	\$ 0.43	\$ 0.48	(10.4)%
Reconciliation of net income to core income:			
Plus: Non-cash amortization of intangible assets	\$ 609	\$ 812	(25.0)%
Less: Income (loss) from discontinued operations, net of tax	1,637	(110)	NM
Less: Net realized gains on investment portfolio	1,382	—	100.0 %
Less: Unrealized losses on equity securities	(1,963)	(50)	NM
Less: Net tax impact ⁽¹⁾	250	181	38.1
Core income ⁽²⁾	20,651	24,390	(15.3)
Core income per diluted share ⁽²⁾	\$ 0.42	\$ 0.50	(16.0)%
Book value per share	\$ 5.40	\$ 4.27	26.5 %

NM = Not Meaningful

⁽¹⁾ In order to reconcile net income to the core income measures, the Company included the tax impact of all adjustments using the 21% federal corporate tax rate.

⁽²⁾ Core income and core income per diluted share, both of which are measures that are not based on generally accepted accounting principles ("GAAP"), are reconciled above to net income and net income per diluted share, respectively, the most directly comparable GAAP measures. Additional information regarding non-GAAP financial measures presented in this press release can be found in the "Definitions of Non-GAAP Measures" section below.

Comments from Chief Executive Officer, B. Bradford Martz:

"We achieved our target combined ratio of 65% and delivered a return on equity over 30% in the first quarter of 2025. Strong account retention and selective new business production combined with our strategy to retain more of our business resulted in net premiums earned increasing 9% and net loss and loss adjustment expenses decreasing slightly compared to the same period last year. The Company remains focused on disciplined underwriting to support sustainable profitability and value creation for our shareholders throughout the cycle."

Return on Equity and Core Return on Equity

The calculations of the Company's return on equity and core return on equity are shown below.

(\$ in thousands)	Three Months Ended	
	March 31,	
	2025	2024
Income from continuing operations, net of tax	\$ 19,711	\$ 23,709
Return on equity based on GAAP income from continuing operations, net of tax ⁽¹⁾	32.7 %	68.0 %
Income (loss) from discontinued operations, net of tax	\$ 1,637	\$ (110)
Return on equity based on GAAP income (loss) from discontinued operations, net of tax ⁽¹⁾	2.7 %	(0.3)%
Consolidated net income	\$ 21,348	\$ 23,599
Return on equity based on GAAP net income ⁽¹⁾	35.4 %	67.7 %
Core income	\$ 20,651	\$ 24,390
Core return on equity ⁽¹⁾⁽²⁾	34.2 %	70.0 %

⁽¹⁾ Return on equity for the three months ended March 31, 2025 and 2024 is calculated on an annualized basis by dividing the net income or core income for the period by the average stockholders' equity for the trailing twelve months.

⁽²⁾ Core return on equity, a measure that is not based on GAAP, is calculated based on core income, which is reconciled on the first page of this press release to net income, the most directly comparable GAAP measure. Additional information regarding non-GAAP financial measures presented in this press release can be found in the **"Definitions of Non-GAAP Measures"** section below.

Combined Ratio and Underlying Ratio

The calculations of the Company's combined ratio and underlying combined ratio are shown below.

	Three Months Ended		
	March 31,		
	2025	2024	Change
Consolidated			
Loss ratio, net ⁽¹⁾	16.7 %	19.9 %	(3.2) pts
Expense ratio, net ⁽²⁾	48.3 %	33.3 %	15.0 pts
Combined ratio (CR) ⁽³⁾	65.0 %	53.2 %	11.8 pts
Effect of current year catastrophe losses on CR	— %	0.3 %	(0.3) pts
Effect of prior year (favorable) unfavorable development on CR	(3.2)%	— %	(3.2) pts
Underlying combined ratio⁽⁴⁾	68.2 %	52.9 %	15.3 pts

⁽¹⁾ Loss ratio, net is calculated as losses and loss adjustment expenses ("LAE"), net of losses ceded to reinsurers, relative to net premiums earned.

⁽²⁾ Expense ratio, net is calculated as the sum of all operating expenses, less interest expense relative to net premiums earned.

⁽³⁾ Combined ratio is the sum of the loss ratio, net and expense ratio, net.

⁽⁴⁾ Underlying combined ratio, a measure that is not based on GAAP, is reconciled above to the combined ratio, the most directly comparable GAAP measure. Additional information regarding non-GAAP financial measures presented in this press release can be found in the "Definitions of Non-GAAP Measures" section below.

Combined Ratio Analysis

The calculations of the Company's loss ratios and underlying loss ratios are shown below.

	Three Months Ended		
	March 31,		
	2025	2024	Change
Loss and LAE	\$ 11,389	\$ 12,474	\$ (1,085)
% of Gross earned premiums	7.0 %	7.8 %	(0.8) pts
% of Net earned premiums	16.7 %	19.9 %	(3.2) pts
Less:			
Current year catastrophe losses	\$ —	\$ 211	\$ (211)
Prior year reserve (favorable) unfavorable development	(2,194)	24	(2,218)
Underlying loss and LAE ⁽¹⁾	\$ 13,583	\$ 12,239	\$ 1,344
% of Gross earned premiums	8.4 %	7.6 %	0.8 pts
% of Net earned premiums	19.9 %	19.6 %	0.3 pts

⁽¹⁾ Underlying loss and LAE is a non-GAAP financial measure and is reconciled above to loss and LAE, the most directly comparable GAAP measure. Additional information regarding non-GAAP financial measures presented in this press release can be found in the "Definitions of Non-GAAP Measures" section, below.

The calculations of the Company's expense ratios are shown below.

	Three Months Ended		
	March 31,		
	2025	2024	Change
Policy acquisition costs	\$ 23,466	\$ 9,595	\$ 13,871
General and administrative	9,506	11,252	(1,746)
Total Operating Expenses	\$ 32,972	\$ 20,847	\$ 12,125
% of Gross earned premiums	20.3 %	13.0 %	7.3 pts
% of Net earned premiums	48.3 %	33.3 %	15.0 pts

Quarter to Date Financial Results

Net income attributable to the Company for the quarter ended March 31, 2025 was \$21.3 million, or \$0.43 per diluted share, compared to net income of \$23.6 million, or \$0.48 per diluted share, for the quarter ended March 31, 2024. Drivers of net income during the first quarter of 2025 included increased gross premiums earned and decreased ceded premiums earned, driving an overall increase in revenues. This increase in revenue was offset by increased policy acquisition costs quarter-over-quarter, partially offset by decreased losses and LAE incurred and general and administrative expenses. During the first quarter of 2025, the Company's net income attributable to discontinued operations was \$1.6 million, compared to a net loss of \$110 thousand attributable to discontinued operations during the first quarter of 2024.

The Company's total gross written premium increased by \$13.3 million, or 7.2%, to \$197.9 million for the quarter ended March 31, 2025, from \$184.6 million for the quarter ended March 31, 2024. The breakdown of the quarter-over-quarter changes in both direct written and assumed premiums are shown in the table below.

	Three Months Ended March 31,		Change \$	Change %
	2025	2024		
Direct Written and Assumed Premium				
Direct premium	\$ 197,902	\$ 184,601	\$ 13,301	7.2 %
Assumed premium ⁽¹⁾	(50)	—	(50)	100.0
Total commercial property gross written premium	<u>\$ 197,852</u>	<u>\$ 184,601</u>	<u>\$ 13,251</u>	<u>7.2 %</u>

⁽¹⁾ Assumed premium written for 2025 primarily included commercial property business assumed from unaffiliated insurers subsequently cancelled.

Loss and LAE decreased by \$1.1 million, or 8.8%, to \$11.4 million for the quarter ended March 31, 2025, from \$12.5 million for the quarter ended March 31, 2024. Loss and LAE expense as a percentage of net earned premiums decreased 3.2 points to 16.7% for the quarter ended March 31, 2025, compared to 19.9% for the quarter ended March 31, 2024. Excluding catastrophe losses and reserve development, the Company's gross underlying loss and LAE ratio for the quarter ended March 31, 2025, would have been 8.4%, an increase of 0.8 points from 7.6% for the quarter ended March 31, 2024.

Policy acquisition costs increased by \$13.9 million, or 144.8%, to \$23.5 million for the quarter ended March 31, 2025, from \$9.6 million for the quarter ended March 31, 2024, primarily due to a decrease in ceding commission income as the result of the Company's decrease in quota share reinsurance coverage from 40% to 20%, effective June 1, 2024. External management fees also increased as a result of a one percent increase in the management fee agreed to in our contract renewal with AmRisc in 2024 and the increase in direct written premiums shown above.

General and administrative expenses decreased by \$1.8 million, or 15.9%, to \$9.5 million for the quarter ended March 31, 2025, from \$11.3 million for the quarter ended March 31, 2024, driven by a non-recurring employee retention tax credit refund submitted to the Internal Revenue Service in 2022 and received during the first quarter of 2025. This non-recurring refund was previously disclosed in our Annual Report on Form 10-K, filed on March 10, 2025 as a gain contingency. In addition, external spending for audit, actuarial and legal services decreased quarter-over-quarter.

Reinsurance Costs as a Percentage of Gross Earned Premium

Reinsurance costs as a percentage of gross earned premium in the first quarter of 2025 and 2024 were as follows:

	2025	2024
Non-at-Risk	(0.3)%	(0.2)%
Quota Share	(16.2)%	(31.5)%
All Other	(41.4)%	(29.3)%
Total Ceding Ratio	<u>(57.9)%</u>	<u>(61.0)%</u>

Ceded premiums earned related to the Company's catastrophe excess of loss contracts increased year-over-year, driven by a decrease in quota share reinsurance coverage from 40% to 20% effective June 1, 2024, which then required additional excess-of-loss coverage to be purchased by the Company. This decrease in quota share reinsurance coverage lowered the Company's overall ceding ratio, as replacement excess of loss coverage was more cost effective than the 20% quota share contract that was not renewed.

Investment Portfolio Highlights

The Company's cash, restricted cash and investment holdings increased from \$540.8 million at December 31, 2024, to \$568.8 million at March 31, 2025. This increase was driven by positive cash flows from operations. The Company's cash and investment holdings consist of investments in U.S. government and agency securities, corporate debt and investment grade money market instruments. Fixed maturities represented approximately 84.3% of total investments at March 31, 2025, compared to 82.3% of total investments at December 31, 2024. The Company's fixed maturity investments had a modified duration of 2.0 years at March 31, 2025, compared to 2.2 years at December 31, 2024.

Book Value Analysis

Book value per common share increased 10.4% from \$4.89 at December 31, 2024, to \$5.40 at March 31, 2025. Underlying book value per common share increased 8.8% from \$5.21 at December 31, 2024, to \$5.67 at March 31, 2025. An increase in the Company's retained earnings as a result of net income for the quarter ended March 31, 2025, drove the increase in the Company's book value per share. As shown in the table below, removing the effect of Accumulated Other Comprehensive Income ("AOCI"), caused by capital market conditions, increases the Company's book value per common share at March 31, 2025.

(\$ in thousands, except for share and per share data)

	March 31, 2025	December 31, 2024
Book Value per Share		
Numerator:		
Common stockholders' equity	\$ 260,880	\$ 235,660
Denominator:		
Total Shares Outstanding	48,308,466	48,204,962
Book Value Per Common Share	\$ 5.40	\$ 4.89
Book Value per Share, Excluding the Impact of AOCI		
Numerator:		
Common stockholders' equity	\$ 260,880	\$ 235,660
Less: Accumulated other comprehensive loss	(12,836)	(15,666)
Stockholders' Equity, excluding AOCI	\$ 273,716	\$ 251,326
Denominator:		
Total Shares Outstanding	48,308,466	48,204,962
Underlying Book Value Per Common Share ⁽¹⁾	\$ 5.67	\$ 5.21

⁽¹⁾ Underlying book value per common share is a non-GAAP financial measure and is reconciled above to book value per common share, the most directly comparable GAAP measure. Additional information regarding non-GAAP financial measures presented in this press release can be found in the "Definitions of Non-GAAP Measures" section below.

Conference Call Details

Date and Time: May 8, 2025 - 5:00 P.M. ET

Participant Dial-In: (United States): 877-445-9755
(International): 201-493-6744

Webcast: To listen to the live webcast, please go to <https://investors.amcoastal.com> and click on the conference call link at the top of the page or go to: https://event.webcasts.com/starthere.jsp?ei=1714251&tp_key=72a100c363

An archive of the webcast will be available for a limited period of time thereafter.

Presentation: The information in this press release should be read in conjunction with an earnings presentation that is available on the Company's website at investors.amcoastal.com/Presentations.

About American Coastal Insurance Corporation

American Coastal Insurance Corporation (amcoastal.com) is the holding company of the insurance carrier, American Coastal Insurance Company, which was founded in 2007 for the purpose of insuring Condominium and Homeowner Association properties, and Apartments in the state of Florida. American Coastal Insurance Company has an exclusive partnership for distribution of Condominium Association properties in the state of Florida with AmRisc Group (amrisigroup.com), one of the largest Managing General Agents in the country specializing in hurricane-exposed properties. American Coastal Insurance Company has earned a Financial Stability Rating of "A", "Exceptional" from Demotech, and maintains an "A-" insurance financial strength rating with a Stable outlook by Kroll. ACIC maintains a "BB+" issuer rating with a Stable outlook by Kroll.

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Definitions of Non-GAAP Measures

The Company believes that investors' understanding of ACIC's performance is enhanced by the Company's disclosure of the following non-GAAP measures. The Company's methods for calculating these measures may differ from those used by other companies and therefore comparability may be limited.

Net income (loss) excluding the effects of amortization of intangible assets, income (loss) from discontinued operations, realized gains (losses) and unrealized gains (losses) on equity securities, net of tax (core income (loss)) is a non-GAAP measure that is computed by adding amortization, net of tax, to net income (loss) and subtracting income (loss) from discontinued operations, net of tax, realized gains (losses) on the Company's investment portfolio, net of tax, and unrealized gains (losses) on the Company's equity securities, net of tax, from net income (loss). Amortization expense is related to the amortization of intangible assets acquired, including goodwill, through mergers and, therefore, the expense does not arise through normal operations. Investment portfolio gains (losses) and unrealized equity security gains (losses) vary independent of the Company's operations. The Company believes it is useful for investors to evaluate these components both separately and in the aggregate when reviewing the Company's performance. The most directly comparable GAAP measure is net income (loss). The core income (loss) measure should not be considered a substitute for net income (loss) and does not reflect the overall profitability of the Company's business.

Core return on equity is a non-GAAP ratio calculated using non-GAAP measures. It is calculated by dividing the core income (loss) for the period by the average stockholders' equity for the trailing twelve months (or one quarter of such average, in the case of quarterly periods). Core income (loss) is an after-tax non-GAAP measure that is calculated by excluding from net income (loss) the effect of income (loss) from discontinued operations, net of tax, non-cash amortization of intangible assets, including goodwill, unrealized gains or losses on the Company's equity security investments and net realized gains or losses on the Company's investment portfolio. In the opinion of the Company's management, core income (loss), core income (loss) per share and core return on equity are meaningful indicators to investors of the Company's underwriting and operating results, since the excluded items are not necessarily indicative of operating trends. Internally, the Company's management uses core income (loss), core income (loss) per share and core return on equity to evaluate performance against historical results and establish financial targets on a consolidated basis. The most directly comparable GAAP measure is return on equity. The core return on equity measure should not be considered a substitute for return on equity and does not reflect the overall profitability of the Company's business.

Combined ratio excluding the effects of current year catastrophe losses and prior year reserve development (underlying combined ratio) is a non-GAAP measure, that is computed by subtracting the effect of current year catastrophe losses and prior year development from the combined ratio. The Company believes that this ratio is useful to investors, and it is used by management to highlight the trends in the Company's business that may be obscured by current year catastrophe losses and prior year development. Current year catastrophe losses cause the Company's loss trends to vary significantly between periods as a result of their frequency of occurrence and severity and can have a significant impact on the combined ratio. Prior year development is caused by unexpected loss development on historical reserves. The Company believes it is useful for investors to evaluate these components both separately and in the aggregate when reviewing the Company's performance. The most directly comparable GAAP measure is the combined ratio. The underlying combined ratio should not be considered a substitute for the combined ratio and does not reflect the overall profitability of the Company's business.

Net loss and LAE excluding the effects of current year catastrophe losses and prior year reserve development (underlying loss and LAE) is a non-GAAP measure that is computed by subtracting the effect of current year catastrophe losses and prior year reserve development from net loss and LAE. The Company uses underlying loss and LAE figures to analyze the Company's loss trends that may be impacted by current year catastrophe losses and prior year development on the Company's reserves. As discussed previously, these two items can have a significant impact on the Company's loss trends in a given period. The Company believes it is useful for investors to evaluate these components both separately and in the aggregate when reviewing the Company's performance. The most directly comparable GAAP measure is net loss and LAE. The underlying loss and LAE measure should not be considered a substitute for net loss and LAE and does not reflect the overall profitability of the Company's business.

Book value per common share, excluding the impact of accumulated other comprehensive loss (underlying book value per common share), is a non-GAAP measure that is computed by dividing common stockholders' equity after excluding accumulated other comprehensive income (loss), by total common shares outstanding plus

dilutive potential common shares outstanding. The Company uses the trend in book value per common share, excluding the impact of accumulated other comprehensive income (loss), in conjunction with book value per common share to identify and analyze the change in net worth attributable to management efforts between periods. The Company believes this non-GAAP measure is useful to investors because it eliminates the effect of interest rates that can fluctuate significantly from period to period and are generally driven by economic and financial factors that are not influenced by management. Book value per common share is the most directly comparable GAAP measure. Book value per common share, excluding the impact of accumulated other comprehensive income (loss), should not be considered a substitute for book value per common share and does not reflect the recorded net worth of the Company's business.

Discontinued Operations

On May 9, 2024, the Company entered into the Sale Agreement with Forza Insurance Holdings, LLC ("Forza") in which ACIC agreed to sell and Forza agreed to acquire 100% of the issued and outstanding stock of the Company's subsidiary, Interboro Insurance Company ("IIC"). Forza's application to acquire IIC was approved by the New York Department of Financial Services on February 13, 2025 and closed on April 1, 2025. The Company received cash proceeds totaling approximately \$26,500,000 from the sale. We do not anticipate that the gain or loss from the deconsolidation of IIC will be material to the financial statements.

Forward-Looking Statements

Statements made in this press release, or on the conference call identified above, and otherwise, that are not historical facts are "forward-looking statements". The Company believes these statements are based on reasonable estimates, assumptions and plans. However, if the estimates, assumptions, or plans underlying the forward-looking statements prove inaccurate or if other risks or uncertainties arise, actual results could differ materially from those expressed in, or implied by, the forward-looking statements. These statements are made subject to the safe-harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements do not relate strictly to historical or current facts and may be identified by their use of words such as "may," "will," "expect," "endeavor," "project," "believe," "plan," "anticipate," "intend," "could," "would," "estimate" or "continue" or the negative variations thereof or comparable terminology. Factors that could cause actual results to differ materially may be found in the Company's filings with the U.S. Securities and Exchange Commission, in the "Risk Factors" section in the Company's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q. Forward-looking statements speak only as of the date on which they are made, and, except as required by applicable law, the Company undertakes no obligation to update or revise any forward-looking statements.

Consolidated Statements of Comprehensive Income
In thousands, except share and per share amounts

	Three Months Ended	
	March 31,	
	2025	2024
REVENUE:		
Gross premiums written	\$ 197,852	\$ 184,601
Change in gross unearned premiums	(35,751)	(24,331)
Gross premiums earned	162,101	160,270
Ceded premiums earned	(93,829)	(97,639)
Net premiums earned	68,272	62,631
Net investment income	4,511	4,017
Net realized investment gains	1,382	—
Net unrealized losses on equity securities	(1,963)	(50)
Total revenues	\$ 72,202	\$ 66,598
EXPENSES:		
Losses and loss adjustment expenses	11,389	12,474
Policy acquisition costs	23,466	9,595
General and administrative expenses	9,506	11,252
Interest expense	2,717	2,719
Total expenses	47,078	36,040
Income before other income	25,124	30,558
Other income	1,070	810
Income before income taxes	26,194	31,368
Provision for income taxes	6,483	7,659
Income from continuing operations, net of tax	\$ 19,711	\$ 23,709
Income (loss) from discontinued operations, net of tax	1,637	(110)
Net income	\$ 21,348	\$ 23,599
OTHER COMPREHENSIVE INCOME:		
Change in net unrealized gains (losses) on investments	4,212	(198)
Reclassification adjustment for net realized investment gains	(1,382)	—
Total comprehensive income	\$ 24,178	\$ 23,401
Weighted average shares outstanding		
Basic	48,135,231	47,323,356
Diluted	49,564,721	48,969,550
Earnings available to ACIC common stockholders per share		
Basic		
Continuing operations	\$ 0.41	\$ 0.50
Discontinued operations	0.03	—
Total	\$ 0.44	\$ 0.50
Diluted		
Continuing operations	\$ 0.40	\$ 0.48
Discontinued operations	0.03	—
Total	\$ 0.43	\$ 0.48
Dividends declared per share	\$ —	\$ —

Consolidated Balance Sheets
In thousands, except share amounts

	March 31, 2025	December 31, 2024
ASSETS		
Investments, at fair value:		
Fixed maturities, available-for-sale	\$ 282,960	\$ 281,001
Equity securities	29,210	36,794
Other investments	23,617	23,623
Total investments	\$ 335,787	\$ 341,418
Cash and cash equivalents	167,155	137,036
Restricted cash	65,885	62,357
Accrued investment income	2,990	2,964
Property and equipment, net	4,803	5,736
Premiums receivable, net	61,749	46,564
Reinsurance recoverable on paid and unpaid losses	202,391	263,419
Ceded unearned premiums	121,138	160,893
Goodwill	59,476	59,476
Deferred policy acquisition costs	46,342	40,282
Intangible assets, net	5,299	5,908
Other assets	12,147	16,816
Assets held for sale	74,484	73,243
Total Assets	\$ 1,159,646	\$ 1,216,112
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Unpaid losses and loss adjustment expenses	\$ 256,289	\$ 322,087
Unearned premiums	321,105	285,354
Reinsurance payable on premiums	53,761	83,130
Accounts payable and accrued expenses	65,883	86,140
Operating lease liability	3,302	3,323
Notes payable, net	149,104	149,020
Other liabilities	986	1,456
Liabilities held for sale	48,336	49,942
Total Liabilities	\$ 898,766	\$ 980,452
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, \$0.0001 par value; 1,000,000 authorized; none issued or outstanding	—	—
Common stock, \$0.0001 par value; 100,000,000 shares authorized; 48,520,549 and 48,417,045 issued, respectively; 48,308,466 and 48,204,962 outstanding, respectively	5	5
Additional paid-in capital	437,566	436,524
Treasury shares, at cost; 212,083 shares	(431)	(431)
Accumulated other comprehensive loss	(12,836)	(15,666)
Retained earnings (deficit)	(163,424)	(184,772)
Total Stockholders' Equity	\$ 260,880	\$ 235,660
Total Liabilities and Stockholders' Equity	\$ 1,159,646	\$ 1,216,112

Earnings Presentation

1st Quarter 2025

May 8th, 2025



Company Overview

ACIC is a specialty underwriter of catastrophe exposed commercial property insurance.

American Coastal Insurance Corp. (Nasdaq: ACIC) is the insurance holding company for **American Coastal Insurance Company** (AmCoastal), a Florida domiciled P&C carrier, and **Skyway Underwriters** (SKU), a managing general agency, along with other operating affiliates.

AmCoastal is a balance sheet underwriter and has the **#1 market share of commercial residential property insurance in Florida** with roughly 4,239 policies and \$660.5 million of premium in-force. AmCoastal has earned an underwriting profit every year since its inception in 2007.

SKU is a fee-based MGA focused on producing and underwriting commercial property insurance without taking any underwriting risk.

ACIC as of March 31, 2025

Total Assets:	\$1.16 billion
Total Equity:	\$260.9 million
Annualized Revenue:	\$288.8 million
Employees:	63
Headquarters:	St. Petersburg, FL
Credit Rating:	BB+ (Kroll)

Specialty Commercial Property



Managing General Agency



ACIC AMERICAN COASTAL
INSURANCE CORPORATION

Executive Summary

- **1Q-25 Results**

- **Non-GAAP Core Income of \$20.7m (\$0.42)** decreased \$3.7m (-15.3%) from \$m (\$0.50) y/y on higher policy acquisition costs (PAC) due to lower ceding commission income, offset by lower ceded earned premiums resulting from the step down of the 40% gross CAT quota share effective 6.1.2023 to 20% effective 6.1.2024.
- **Net premiums earned grew \$5.7m (+9.0%)** to \$68.3m y/y.
- Our **combined ratio of 65.0%** increased from 53.2% last year due to higher PAC and our **Non-GAAP underlying combined** ratio (which excludes current catastrophe losses and PY development) **was 68.2%** which increased from 52.9% in the prior year also due to a higher expense ratio but was in-line with our target of 65.0%.
- We experienced **no catastrophe losses in the quarter and had \$2.2m of favorable prior year reserve development.**
- **Stockholders' equity attributable to ACIC**, increased \$25.2 million from December 31, 2024, to **\$260.9m or \$5.40 per share and \$5.67 per share excluding unrealized losses** in accumulated other comprehensive income. Tangible book value per share increased to **\$4.06 per share.**

- **Other Highlights**

- The company completed the sale of Interboro Insurance Company on April 1, 2025, generating over \$26 million of cash to the holding company.
- The commercial property insurance market in Florida continued to soften during the first quarter of 2025 with average premium in-force decreasing -3.1%, but account retention remained strong at 88.4% leading to growth in policies, premiums, and total insured values compared to December 31, 2024.
- Significant progress was made on the Company's Core Catastrophe reinsurance program renewal. We are seeing strong demand to support our risk transfer needs and expect to announce more details on or about June 1, 2025.

1 Q-25 Financial Scorecard

Results remain in line with Raymond James' estimates for the quarter.

Core Earnings per Share (CEPS)

1 Q-25 = \$0.42
vs.
Analyst's Est. = \$0.45

Combined Ratio (CR)

1 Q-25 = 65.0%
vs.
Analyst's Est. = 64.1%

Book Value per Share (BVPS)

1 Q-25 = \$5.40
vs.
Analyst's Est. = \$5.34

Core Return on Equity (CROE)

1 Q-25 = 35.1%
vs.
Analyst's Est. = 37.3%

1Q-25 Summary of Key Results

Net & Core Income declined y/y due to higher policy acquisition costs. Combined ratio was at target of 65%.

\$ in thousands, except per share amounts		Q1-25	Q1-24	Change
Net income (loss)		\$ 21,348	\$ 23,599	-9.5%
per diluted share (EPS)		\$ 0.43	\$ 0.48	
<u>Reconciliation to core income (loss), net of tax:</u>				
Investment gains (losses)		\$ (459)	\$ (40)	
Amortization of intangible assets		\$ (481)	\$ (641)	
Gain (loss) from discontinued operations		\$ 1,637	\$ (110)	
Total adjustments		\$ 697	\$ (791)	
Core income (loss)		\$ 20,651	\$ 24,390	-15.3%
per diluted share (CEPS)		\$ 0.42	\$ 0.50	
Net loss & LAE ratio		16.7%	19.9%	
Net expense ratio		48.3%	33.3%	
Combined ratio		65.0%	53.2%	11.8 pts
Less: Net current year catastrophe loss & LAE		0.0%	0.3%	
Less: Net (favorable) unfavorable reserve development		-3.2%	0.0%	
Underlying combined ratio		68.2%	52.9%	15.3 pts

1 Q-25 Operating Overview

While Net Income decreased y/y our results remain strong and combined ratio remains at target.

<i>\$ in millions</i>	Q1-25	Q1-24	Change	% Chg
Gross Premiums Earned	\$ 162.1	\$ 160.3	1.8	1.1%
Ceded Premiums Earned	(93.8)	(97.6)	3.8	-3.9%
Net Premiums Earned	68.3	62.7	5.6	9.0%
Investment & Other Income	5.9	4.0	1.9	47.5%
Unrealized G(L) on Equities	(2.0)	(0.1)	(1.9)	n/m
Total Revenue	72.2	66.6	5.6	8.4%
Underlying Loss & LAE	13.6	12.3	1.3	10.6%
Current year CAT Loss & LAE	0.0	0.2	(0.2)	-100.0%
Prior year development (F)/U	(2.2)	-	(2.2)	n/m
Net Loss & LAE	11.4	12.5	(1.1)	-8.8%
Operating Expense	33.0	20.8	12.2	58.7%
Interest Expense	2.7	2.7	(0.0)	0.0%
Total Expenses	47.1	36.0	11.1	30.8%
Other income (expense)	1.1	0.8	0.3	37.5%
Earnings from continuing operations before tax	\$ 26.2	\$ 31.4	\$ (5.2)	-16.6%
Provision (benefit) for income tax	6.5	7.7	(1.2)	-15.6%
Net income from continuing operations	\$ 19.7	\$ 23.7	\$ (4.0)	-16.9%

The impact of the quota share step down from 40% to 20% effective June 1, 2024, had a significant impact on ceded premiums earned and operating expense (policy acquisition costs) y/y.

Balance Sheet Highlights

	Mar 31, 2025	Dec 31, 2024	YTD % Change
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Selected Balance Sheet Data

Cash & investments	\$ 568,827	\$ 540,811	5.2%
Accumulated other comprehensive income (loss)	\$ (12,836)	\$ (15,666)	-18.1%
Unpaid loss & LAE reserves	\$ 256,289	\$ 322,087	-20.4%
Reinsurance recoverable	\$ 202,391	\$ 263,419	-23.2%
Net Loss & LAE reserves	\$ 53,898	\$ 58,668	-8.1%
Financial debt	\$ 149,104	\$ 149,020	0.1%
Stockholders' equity attributable to ACIC	\$ 260,880	\$ 235,660	10.7%
Total capital	\$ 409,984	\$ 384,680	6.6%

Liquidity and equity continued to improve along with operating and financial leverage.

Leverage Ratios

Debt-to-total capital	36.4%	38.7%	-6.0%
Net premiums earned-to-stockholders' equity (annualized)	104.7%	116.3%	-10.0%

Our long-term target for debt/capital is 20% or less.

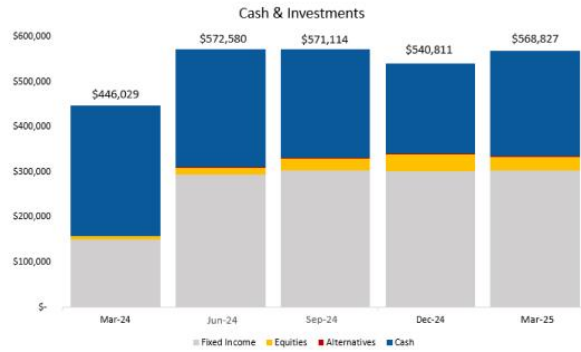
Per Share Data

Common shares outstanding	48,308,466	48,204,962	0.2%
Book value per common share	\$ 5.40	\$ 4.89	10.4%
Underlying book value per common share	\$ 5.67	\$ 5.21	8.8%
Tangible book value per common share	\$ 4.06	\$ 3.53	15.0%
Underlying tangible book value per common share	\$ 4.33	\$ 3.86	12.2%

Investment Portfolio Overview

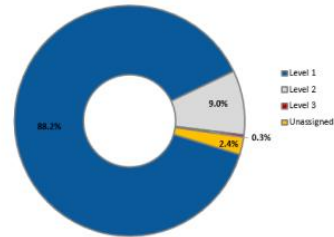
- The Company's cash position increased, partially offset by a decrease in equities driven by first quarter sales.

(\$ in thousands)	Mar. 31, 2025	Dec. 31, 2024	Q/Q % Change
Investments, at fair value:			
Fixed Income	\$303,367	\$301,495	0.6%
Equity Securities	\$29,210	\$36,794	-20.6%
Alternatives	\$3,210	\$3,129	2.6%
Total Investments	\$335,787	\$341,418	-1.6%
Total Cash	\$233,040	\$199,393	16.9%
Total Cash & Investments	\$568,827	\$540,811	5.2%



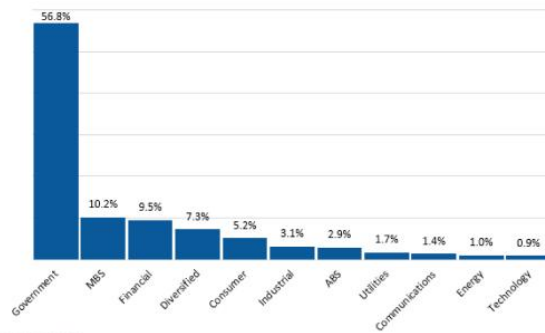
- The Company's high quality fixed income investments have mitigated the impacts of Q1 market volatility.

Portfolio Composition by NAIC Level



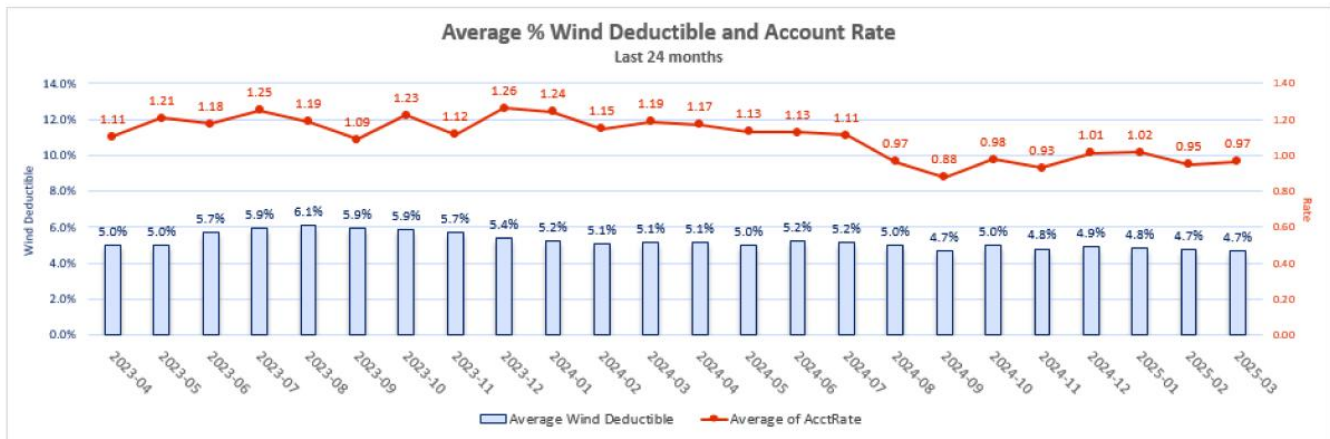
Fixed Income Metrics: Q1-25	
Portfolio duration	2.0 years
Weighted Avg Coupon	4.03%
Book Yield	3.67%
% A-or Higher	88.6%
Composite Rating	AA-

Portfolio Composition by Industry Sector



Average Account Rate Trends & Wind Deductible

The FL admitted market is generally much more stable than the E&S commercial property market over time.



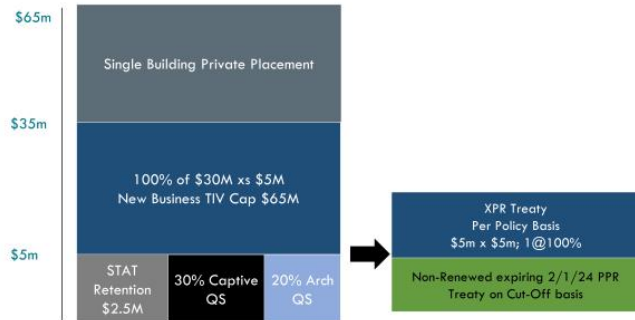
Commercial Property Valuation Trends

Replacement costs are being watched carefully and are holding firm.



2/1/25 Auto Fac: Structure & Highlights (Revised)

Structure Illustration

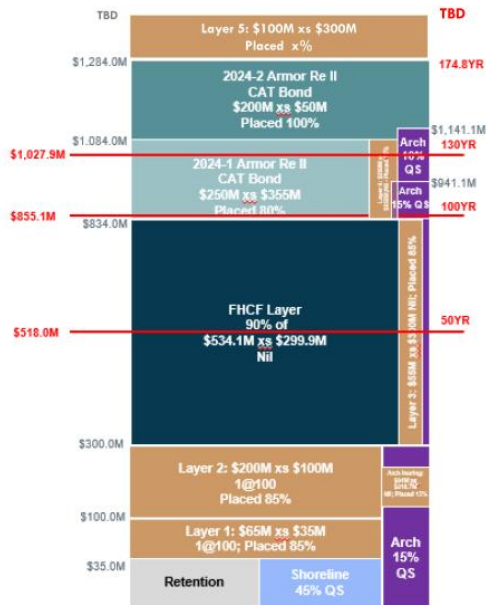


Excess Per Risk Program Highlights

- Excess of loss per risk (XPR) protection placed on a per building basis.
- Decreased consolidated group retention to \$4 million.
- Increased limit resulting in single building coverage up to \$65m.
- Received all incumbent quotes and added two new reinsurers.
- Estimated ceded premium \$4.7 million (exposure rated).
- All risk, excluding: earthquake with exception of fire following, named windstorm, NBCR, and Flood.
- 2x Occurrence Cap All Perils (\$60m) with exception of Terrorism 1x (\$30m).
- Free & Unlimited Reinstatements.

6/1/25 Projected Core CAT Program

Structure Illustration



Note: return periods calculated by blending AIRv10, AIRv11.5, RMSv22, & RMSv23 LT+DS equally.

Core Catastrophe Program Highlights

- Occurrence and aggregate limit expected to increase y/y, but exhaustion point return time may decrease slightly due to model changes in both AIR & RMS that increased probable maximum loss (PML) estimates incorporated into our view of risk.
- Consolidated group retention (excluding potential reinstatements):
 - 1st event - **\$29.75m** (12.6% of equity at 12/31/24) vs. expiring \$20.5m (12.2% of equity at 12/31/23)
 - 2nd event - **\$18.5m** (7.9% of equity at 12/31/24) vs. expiring \$13.0m (7.7% of equity at 12/31/23)
 - 3rd Event - **\$3.75m** (1.6% of equity at 12/31/24) vs. expiring \$13.0m (7.7% of equity at 12/31/23)
 - Total for 3 events - **\$52.0m** (22.1% of equity at 12/31/24) vs. expiring \$46.5m (27.6% of equity at 12/31/23).
- Estimating flat pricing on Layer 1 (impacted by Hurricane Milton) with all other non-loss impacted layers down -10% to -22%, resulting in an **overall risk-adjusted cost decrease of approximately -12% y/y**.
- The FHCF attached at ~\$300m (similar to expiring), but the total limit decreased \$46.8 as did the rate due to favorable risk characteristics of our risk portfolio resulting in significant savings y/y.



AMERICAN COASTAL
INSURANCE CORPORATION

Cautionary Statements

This presentation and the accompanying remarks contain "forward-looking statements" within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These forward looking statements include expectations regarding our diversification, growth opportunities, retention rates, liquidity, investment returns and ability to meet our investment objectives and to manage and mitigate market risk with respect to our investments. These statements are based on current expectations, estimates and projections about the industry and market in which we operate, and management's current beliefs and assumptions. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "endeavor," "project," "believe," "anticipate," "intend," "could," "would," "estimate" or "continue" or the negative variations thereof, or comparable terminology, are intended to identify forward-looking statements. Forward-looking statements are not guarantees of future performance and involve certain known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. The risks and uncertainties include, without limitation: the regulatory, economic and weather conditions in the states in which we operate; the impact of new federal or state regulations that affect the property and casualty insurance market; the cost, variability and availability of reinsurance; assessments charged by various governmental agencies; pricing competition and other initiatives by competitors; our ability to attract and retain the services of senior management; the outcome of litigation pending against us, including the terms of any settlements; dependence on investment income and the composition of our investment portfolio and related market risks; our exposure to catastrophic events and severe weather conditions; downgrades in our financial strength ratings; risks and uncertainties relating to our acquisitions, including our ability to successfully integrate the acquired companies; and other risks and uncertainties described in the section entitled "Risk Factors" and elsewhere in our filings with the Securities and Exchange Commission (the "SEC"), including our Annual Report in Form 10-K for the year ended December 31, 2024 and 2023. We caution you not to place undue reliance on these forward looking statements, which are valid only as of the date they were made. Except as may be required by applicable law, we undertake no obligation to update or revise any forward-looking statements to reflect new information, the occurrence of unanticipated events, or otherwise.

This presentation contains certain non-GAAP financial measures. These measures should be considered supplementary to our results of operations and financial condition that are presented in accordance with GAAP and should not be viewed as a substitute for GAAP measures. See our earnings release, Form 10-K, Form 10-Q and Form 10-Q/A for further information regarding these non-GAAP financial measures.

