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

FORM 10-Q

(Mark One)

☒ Quarterly report pursuant to section 13 or 15 (d) of the Securities Exchange Act of 1934

For the Quarterly Period ended September 30, 2022.

☐ Transition report pursuant to section 13 or 15 (d) of the Securities Exchange Act of 1934.

For the transition period from _____ to _____.

Commission file number 000-28249

AMERINST INSURANCE GROUP, LTD.
(Exact Name of Registrant as Specified in its Charter)

Bermuda
(State or other jurisdiction of
Incorporation or Organization)

c/o Davies Captive Management Limited
25 Church Street, Continental Building
P.O. Box HM 1601, Hamilton, Bermuda
(Address of Principal Executive Offices)

98-0207447
(I.R.S. Employer
Identification No.)

HMGX
(Zip Code)

(441) 295-2185
(Telephone number)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “accelerated filer,” “large accelerated filer,” “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards pursuant to Section 13(a) of The Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒.

Securities registered pursuant to Section 12(b) of the Act: None.

As of November 1, 2022, the Registrant had 995,253 common shares, \$1.00 par value per share, outstanding.

Introductory Note

Caution Concerning Forward-Looking Statements

Certain statements contained in this Form 10-Q, or otherwise made by our officers, including statements related to our future performance, our outlook for our businesses and respective markets, projections, statements of our management's plans or objectives, forecasts of market trends and other matters, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and contain information relating to us that is based on the beliefs of our management as well as assumptions made by, and information currently available to, our management. The words "expect," "believe," "may," "could," "should," "would," "estimate," "anticipate," "intend," "plan," "target," "goal" and similar expressions as they relate to us or our management are intended to identify forward-looking statements. Such statements reflect our management's current views with respect to future events and are subject to certain risks, uncertainties and assumptions that could cause actual results to differ materially from those reflected in any forward-looking statements. Our actual future results may differ materially from those set forth in our forward-looking statements. Factors that might cause such actual results to differ materially from those reflected in any forward-looking statements include, but are not limited to the factors discussed in detail in Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Form 10-Q, as well as:

- a worsening global economic market and changing rates of inflation and other economic conditions;
- our continuing ability to enter into new agency agreements with other carriers;
- changes in the amount of professional liability business accepted by our insurance company partners;
- our reliance on our subsidiary, Protexure Insurance Agency, Inc. ("Protexure"), for business operations and the potential that Protexure may be sold;
- our ability to generate increased revenues and positive earnings in future periods;
- subjection of our non-U.S. companies to regulation and/or taxation in the United States;
- a decrease in the level of demand for professional liability insurance or an increase in the supply of professional liability insurance capacity;
- our ability to meet the performance goals and metrics set forth in our business plan without a significant depletion of our cash resources while maintaining sufficient capital levels and liquidity levels;
- the effects of security breaches, cyber-attacks or computer viruses that may affect our computer systems or those of our customers, third-party managers, and service providers;
- increased competitive pressures, including the consolidation and increased globalization of insurance providers;
- increased or decreased rate pressure on premiums;
- the successful integration of businesses we may acquire or new business ventures we may start;
- the effects of natural disasters, harsh weather conditions, widespread health emergencies (including the ongoing COVID-19 pandemic), military conflict, terrorism, civil unrest or other geopolitical and unpredictable events;
- climate change and related legislative and regulatory initiatives may result in operational changes and expenditures that could significantly impact our business;
- changes in Bermuda and United States law or regulation or the political stability of Bermuda and the United States;

The foregoing review of important factors should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included herein. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect our management's analysis only as of the date they are made. We undertake no obligation to release publicly the results of any future revisions we may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Part I—FINANCIAL INFORMATION

Item 1. Financial Statements.

AMERINST INSURANCE GROUP, LTD.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, expressed in U.S. dollars)

	As of September 30, 2022	As of December 31, 2021
ASSETS		
Cash and cash equivalents	\$ 2,037,046	\$ 3,477,714
Property and equipment (Note 2)	700,980	898,560
Deferred income taxes	653,000	1,059,000
Prepaid expenses and other assets (Note 3)	1,404,978	1,091,815
TOTAL ASSETS	\$ 4,796,004	\$ 6,527,089
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Accrued expenses and other liabilities (Note 4)	\$ 2,182,415	\$ 2,860,876
TOTAL LIABILITIES	\$ 2,182,415	\$ 2,860,876
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Common shares, \$1 par value, 2022 and 2021: 2,000,000 shares authorized, 995,253 issued and outstanding	\$ 995,253	\$ 995,253
Additional paid-in-capital	6,287,293	6,287,293
Retained earnings	4,603,539	5,656,163
Shares held by Subsidiary (375,861 shares) at cost	(9,272,496)	(9,272,496)
TOTAL SHAREHOLDERS' EQUITY	2,613,589	3,666,213
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 4,796,004	\$ 6,527,089

See the accompanying notes to the unaudited condensed consolidated financial statements.

AMERINST INSURANCE GROUP, LTD.

**CONDENSED CONSOLIDATED STATEMENTS OF
OPERATIONS, COMPREHENSIVE (LOSS) INCOME
AND RETAINED EARNINGS
(Unaudited, expressed in U.S. dollars)**

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021
REVENUE				
Net premiums earned	\$ —	\$ 2,581,408	\$ —	\$ (1,737,803)
Commission income	1,743,342	2,656,532	489,998	808,896
Net investment income	1,452	204,624	1,400	57,893
Net realized and unrealized gains on investments	—	426,933	—	344,852
TOTAL REVENUE	1,744,794	5,869,497	491,398	(526,162)
LOSSES AND EXPENSES				
Losses and loss adjustment expenses	—	1,504,764	—	(1,259,530)
Policy acquisition costs	—	1,405,774	—	579,317
Operating and management expenses	2,407,713	3,699,146	463,082	1,135,526
TOTAL LOSSES AND EXPENSES..	2,407,713	6,609,684	463,082	455,313
NET (LOSS) INCOME BEFORE TAX	(662,919)	(740,187)	28,316	(981,475)
Income tax expense (benefit)	389,705	(36,144)	470,025	(26,363)
NET LOSS AFTER TAX	\$ (1,052,624)	\$ (704,043)	\$ (441,709)	\$ (955,112)
OTHER COMPREHENSIVE LOSS				
Net unrealized holding losses arising during the period	—	(239,546)	—	(39,164)
Reclassification adjustment for gains included in net income	—	(343,350)	—	(343,350)
OTHER COMPREHENSIVE LOSS	—	(582,896)	—	(382,514)
COMPREHENSIVE LOSS	\$ (1,052,624)	\$ (1,286,939)	\$ (441,709)	\$ (1,337,626)
RETAINED EARNINGS, BEGINNING OF PERIOD	\$ 5,656,163	\$ 7,250,194	\$ 5,045,248	\$ 7,501,263
Net loss	(1,052,624)	(704,043)	(441,709)	(955,112)
Dividends	—	—	—	—
RETAINED EARNINGS, END OF PERIOD	\$ 4,603,539	\$ 6,546,151	\$ 4,603,539	\$ 6,546,151
Per share amounts				
Net loss per share				
Basic	\$ (1.70)	\$ (1.14)	\$ (0.71)	\$ (1.54)
Diluted	\$ (1.70)	\$ (1.14)	\$ (0.71)	\$ (1.54)
Dividends	\$ —	\$ —	\$ —	\$ —
Weighted average number of shares outstanding for the entire period				
Basic	619,392	620,252	619,392	619,392
Diluted	619,392	620,252	619,392	619,392

See the accompanying notes to the unaudited condensed consolidated financial statements.

AMERINST INSURANCE GROUP, LTD.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited, expressed in U.S. dollars)

As of September 30, 2022

	Common Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Losses)	Shares Held by Subsidiary	Total Shareholders' Equity
BALANCE AT JANUARY 1, 2022	\$ 995,253	\$ 6,287,293	\$ 5,656,163	\$ —	\$ (9,272,496)	\$ 3,666,213
Net loss	—	—	(210,261)	—	—	(210,261)
Other comprehensive loss						
Unrealized gain on securities, net of reclassification adjustment	—	—	—	—	—	—
BALANCE AT MARCH 31, 2022	\$ 995,253	\$ 6,287,293	\$ 5,445,902	\$ —	\$ (9,272,496)	\$ 3,455,952
Net loss	—	—	(400,654)	—	—	(400,654)
Other comprehensive loss						
Unrealized gain on securities, net of reclassification adjustment	—	—	—	—	—	—
Purchase of shares by subsidiary, net	—	—	—	—	—	—
BALANCE AT JUNE 30, 2022	\$ 995,253	\$ 6,287,293	\$ 5,045,248	\$ —	\$ (9,272,496)	\$ 3,055,298
Net loss	—	—	(441,709)	—	—	(441,709)
Other comprehensive loss						
Unrealized gain on securities, net of reclassification adjustment	—	—	—	—	—	—
BALANCE AT SEPTEMBER 30, 2022	\$ 995,253	\$ 6,287,293	\$ 4,603,539	\$ —	\$ (9,272,496)	\$ 2,613,589

As of September 30, 2021

	Common Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Losses)	Shares Held by Subsidiary	Total Shareholders' Equity
BALANCE AT JANUARY 1, 2021	\$ 995,253	\$ 6,287,293	\$ 7,250,194	\$ 582,896	\$ (9,216,579)	\$ 5,899,057
Net income	—	—	344,147	—	—	344,147
Other comprehensive loss						
Unrealized (loss) on securities, net of reclassification adjustment	—	—	—	(186,782)	—	(186,782)
BALANCE AT MARCH 31, 2021	\$ 995,253	\$ 6,287,293	\$ 7,594,341	\$ 396,114	\$ (9,216,579)	\$ 6,056,422
Net loss	—	—	(93,078)	—	—	(93,078)
Other comprehensive loss						
Unrealized (loss) on securities, net of reclassification adjustment	—	—	—	(13,600)	—	(13,600)
Purchase of shares by subsidiary, net	—	—	—	—	(55,917)	(55,917)
BALANCE AT JUNE 30, 2021	\$ 995,253	\$ 6,287,293	\$ 7,501,263	\$ 382,514	\$ (9,272,496)	\$ 5,893,827
Net loss	—	—	(955,112)	—	—	(955,112)
Other comprehensive loss						
Unrealized (loss) on securities, net of reclassification adjustment	—	—	—	(382,514)	—	(382,514)
BALANCE AT SEPTEMBER 30, 2021	\$ 995,253	\$ 6,287,293	\$ 6,546,151	\$ —	\$ (9,272,496)	\$ 4,556,201

See the accompanying notes to the unaudited condensed consolidated financial statements.

AMERINST INSURANCE GROUP, LTD.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, expressed in U.S. dollars)

	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
OPERATING ACTIVITIES		
Net Cash used in Operating Activities	\$ (1,364,524)	\$ (1,123,906)
INVESTING ACTIVITIES		
Purchases of property and equipment	(76,144)	(107,520)
Purchases of available-for-sale securities	—	(5,545,313)
Proceeds from sales of available-for-sale securities	—	1,684,014
Proceeds from redemptions of fixed maturity investments	—	21,650,652
Proceeds from maturities of fixed maturity investments	—	2,336,000
Net Cash (used in) provided by Investing Activities	(76,144)	20,017,833
FINANCING ACTIVITIES		
Purchase of shares by subsidiary, net	—	(55,917)
Net Cash used in Financing Activities	—	(55,917)
NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(1,440,668)	18,838,010
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD	\$ 3,477,714	\$ 10,696,236
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	\$ 2,037,046	\$ 29,534,246

See the accompanying notes to the unaudited condensed consolidated financial statements.

AMERINST INSURANCE GROUP, LTD.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2022

I. BASIS OF PREPARATION AND CONSOLIDATION

The condensed consolidated financial statements included herein have been prepared by AmerInst Insurance Group, Ltd. (“AmerInst”) without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (the “Commission”). These financial statements reflect all adjustments consisting of normal recurring accruals, which are, in the opinion of management, necessary for a fair presentation of our financial position and results of operations as of the end of and for the periods presented in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”). All intercompany transactions and balances have been eliminated on consolidation. These statements are condensed and do not incorporate all the information required under U.S. GAAP to be included in a full set of financial statements. In these notes, the terms “we”, “us”, “our” or the “Company” refer to AmerInst and its subsidiaries. These condensed statements should be read in conjunction with the audited consolidated financial statements at and for the year ended December 31, 2021 and notes thereto, included in AmerInst’s Annual Report on Form 10-K for the year then ended.

New Accounting Pronouncements

New Accounting Standards Adopted in 2022

No new accounting standards adopted in 2022.

Accounting Standards Not Yet Adopted

Financial Instruments Credit Losses-Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13, which amends the guidance on impairment of financial instruments and significantly changes how entities will measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The ASU will replace the existing “incurred loss” approach, with an “expected loss” model for instruments measured at amortized cost and require entities to record allowances for available-for-sale debt securities rather than reduce the carrying amount under the existing other than temporary impairment model. The ASU also simplifies the accounting model for purchased credit-impaired debt securities and loans. The Company’s insurance premium balances receivables are also more significant financial assets within the scope of ASU 2016-13. The guidance requires financial assets to be presented at the net amount expected to be collected. The tentative effective date for the ASU is January 1, 2023. We do not expect the adoption of this ASU to have a material impact on our consolidated financial statements.

2. PROPERTY AND EQUIPMENT

Property and equipment, all associated with Protexure, at September 30, 2022 and December 31, 2021 at cost, less accumulated depreciation and amortization, totaled \$700,980 and \$898,560 respectively as follows:

	Cost	Accumulated Depreciation and Amortization	Total
September 30, 2022			
Furniture and fixtures	\$ 36,705	\$ 35,048	\$ 1,657
Office equipment	107,392	96,270	11,122
Computer equipment	24,129	22,031	2,098
Internal use software	1,833,569	1,147,466	686,103
Total	<u>\$ 2,001,795</u>	<u>\$ 1,300,815</u>	<u>\$ 700,980</u>

	Cost	Accumulated Depreciation and Amortization	Total
December 31, 2021			
Furniture and fixtures	\$ 36,705	\$ 34,337	\$ 2,368
Office equipment	107,392	84,992	22,400
Computer equipment	24,129	20,529	3,600
Internal use software	1,757,425	887,233	870,192
Total	<u>\$ 1,925,651</u>	<u>\$ 1,027,091</u>	<u>\$ 898,560</u>

3. PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets as at September 30, 2022 and December 31, 2021 comprise the following:

	2022	2021
Prepaid expenses and other assets	109,169	171,342
Accounts receivable	582,522	520,117
Employee retention credit receivable	417,559	—
Policy acquisition costs	225,048	258,996
Building right of use asset	70,680	141,360
	<u>\$ 1,404,978</u>	<u>\$ 1,091,815</u>

4. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities as at September 30, 2022 and December 31, 2021 comprise the following:

	2022	2021
Premiums payable	1,608,094	2,143,468
Accounts payable and accrued liabilities	278,689	293,169
Unearned commission income	110,943	176,693
Building lease liability	75,170	136,816
Other liabilities	109,519	110,730
	<u>\$ 2,182,415</u>	<u>\$ 2,860,876</u>

5. INVESTMENTS

In September 2021, the Company liquidated its entire investment in fixed income securities and equity securities to fund its commitment under the C&F Commutation Agreement (as defined below). Information on sales and maturity of investments and net unrealized gains (losses) on equity investments during the nine months ended September 30, 2022 and 2021 are as follows:

	September 30, 2022	September 30, 2021
Total proceeds on sales of available-for-sale securities	\$ —	\$ 1,684,014
Proceeds from redemptions of fixed maturity investments	—	21,650,652
Total proceeds from maturities of fixed maturity investments	—	2,336,000
Gross gains on sales	—	499,859
Gross losses on sales	—	(72,926)
Net unrealized (losses) gains on equity investments	—	—
Total	<u>\$ —</u>	<u>\$ 426,933</u>

Information on sales and maturity of investments and net unrealized gains (losses) on equity investments during the three months ended September 30, 2022 and 2021 are as follows:

	September 30, 2022	September 30, 2021
Total proceeds on sales of available-for-sale securities	\$ —	\$ 1,684,014
Proceeds from redemptions of fixed maturity investments	—	21,047,547
Total proceeds from maturities of fixed maturity investments	—	—
Gross gains on sales	—	499,859
Gross losses on sales	—	(72,926)
Net unrealized (losses) gains on equity investments	—	(82,081)
Total	<u>\$ —</u>	<u>\$ 344,852</u>

Net Investment Income

Major categories of net investment income during the nine months ended September 30, 2022 and 2021 are summarized as follows:

	September 30, 2022	September 30, 2021
Interest earned:		
Fixed maturity investments	\$ —	\$ 234,601
Short term investments and cash and cash equivalents	1,452	7,237
Dividends earned	—	13,170
Investment expenses	—	(50,384)
Net investment income	<u>\$ 1,452</u>	<u>\$ 204,624</u>

Major categories of net investment income during the three months ended September 30, 2022 and 2021 are summarized as follows:

	September 30, 2022	September 30, 2021
Interest earned:		
Fixed maturity investments	\$ —	\$ 66,412
Short term investments and cash and cash equivalents	1,400	2,965
Dividends earned	—	6,381
Investment expenses	—	(17,865)
Net investment income	<u>\$ 1,400</u>	<u>\$ 57,893</u>

6. LIABILITY FOR UNPAID LOSSES AND LOSS ADJUSTMENT EXPENSES

The following table presents a reconciliation of the beginning and ending balances for the liability for unpaid losses and loss adjustment expenses for the nine months ended September 30, 2022 and 2021:

	September 30, 2022	September 30, 2021
Liability—beginning of year	\$ —	\$ 20,936,677
Incurred related to:		
Current year	—	1,652,101
Prior years	—	(147,337)
Total incurred	<u>—</u>	<u>1,504,764</u>
Paid related to:		
Current year	—	(4,267)
Prior years	—	(22,395,890)
Total paid	<u>—</u>	<u>(22,400,157)</u>
Liability—end of period	<u>\$ —</u>	<u>\$ 41,284</u>

During the third quarter of 2021, a commutation agreement, effective as of March 31, 2021 (the “C&F Commutation Agreement”), was entered into by and between C&F and AMIC Ltd. (each as defined in Management’s Discussion and Analysis, below), whereby C&F and AMIC Ltd. agreed to fully and finally settle and commute all their respective past, present and future obligations and liabilities, known and unknown, under the Reinsurance Agreement (as defined in Management’s Discussion and Analysis, below). In accordance with the C&F Commutation Agreement, in full satisfaction of AMIC Ltd.’s past, present and future obligations and liabilities under the Reinsurance Agreement, an aggregate sum of \$26,076,000 was paid by AMIC Ltd. to C&F in October 2021.

During the first quarter of 2022, a commutation agreement, effective December 31, 2021 (the “CAMICO Commutation Agreement”), was entered into between CAMICO Mutual Insurance Company (“CAMICO”) and AMIC Ltd., whereby CAMICO and AMIC Ltd. agreed to fully and finally settle and commute all their respective past, present and future obligations and liabilities, known and unknown, under the reinsurance contract between CAMICO and AMIC Ltd. In accordance with the CAMICO Commutation Agreement, in full satisfaction of AMIC Ltd.’s past present and future obligations and liabilities under the reinsurance contract between CAMICO and AMIC Ltd., an aggregate sum of \$15,000 was paid by CAMICO to AMIC Ltd. in March 2022.

7. SEGMENT INFORMATION

AmerInst has two reportable segments: (1) reinsurance and corporate, previously called the reinsurance segment, through which the company provided reinsurance under the now commuted reinsurance agreements, conducted investment operations and conducts other corporate activities and (2) insurance activity, through which the Company offers professional liability solutions to professional service firms under the Agency Agreements, as defined in the “Overview” section below. The tables below summarize the results of our reportable segments as of and for the nine months ended September 30, 2022 and 2021.

As of and for the Nine Months Ended September 30, 2022			
	Reinsurance and Corporate	Insurance Segment	Total
Revenues	\$ 1,450	\$ 1,743,344	\$ 1,744,794
Total losses and expenses	438,696	2,358,722	2,797,418
Segment income (loss)	(437,246)	(615,378)	(1,052,624)
Identifiable assets	—	700,980	700,980

As of and for the Nine Months Ended September 30, 2021			
	Reinsurance and Corporate	Insurance Segment	Total
Revenues	\$ 3,212,581	\$ 2,656,916	\$ 5,869,497
Total losses and expenses	3,814,799	2,758,741	6,573,540
Segment income (loss)	(602,218)	(101,825)	(704,043)
Identifiable assets	—	950,251	950,251

The tables below summarize the results of our reportable segments as of and for the three months ended September 30, 2022 and 2021.

As of and for the Three Months Ended September 30, 2022			
	Reinsurance and Corporate	Insurance Segment	Total
Revenues	\$ 1,400	\$ 489,998	\$ 491,398
Total losses and expenses	116,547	816,560	803,592
Segment (loss) income	(115,147)	(326,562)	(441,709)
Identifiable assets	—	700,980	700,980

	As of and for the Three Months Ended September 30, 2021		
	Reinsurance and Corporate	Insurance Segment	Total
Revenues	\$ (1,335,096)	\$ 808,934	\$ (526,162)
Total losses and expenses	(443,869)	872,819	428,950
Segment (loss) income	(891,227)	(63,885)	(955,112)
Identifiable assets	—	950,251	950,251

8. STOCK COMPENSATION

Phantom Shares:

Protexure Insurance Agency, Inc. (“Protexure”), a subsidiary of AmerInst, has employment agreements with two key members of senior management, which grant them phantom shares of the Company. Under these agreements, these employees were initially granted an aggregate of 48,762 phantom shares of the Company on the date of their employment, subject to certain vesting requirements. The phantom shares are eligible for phantom dividends payable at the same rate as regular dividends on the Company’s common shares. The phantom dividends may be used only to purchase additional phantom shares with the purchase price of such phantom shares being the net book value of the Company’s actual common shares as of the end of the previous quarter. During the year, no phantom shares were granted.

For these two employees, the phantom shares initially granted, as well as any additional shares granted from dividends declared, vested on January 1, 2015. The liability payable to each of these employees under the phantom share agreements is equal to the value of the phantom shares based on the net book value of the Company’s actual common shares at the end of the previous quarter less the value of phantom shares initially granted and is payable in cash upon (i) the participant’s death, termination of employment due to disability, retirement at or after age 65 or resignation for good reason, (ii) termination of the participant by the Company without cause, (iii) termination by the participant without good reason or (iv) change in control of the Company.

The liability relating to these phantom shares is recalculated quarterly based on the net book value of our common shares at the end of each quarter. As a result of the overall decrease in the net book value of our common shares since the grant dates, we have not recorded any liability relating to these phantom shares at September 30, 2022.

Stock Option Plan:

The Company has a nonqualified stock option plan to advance the development, growth and financial condition of the Company. This plan provides incentives through participation in the appreciation of its common stock in order to secure, retain and motivate directors and employees and align such person’s interests with those of its shareholders. A total of 100,000 shares are authorized under the stock option plan.

A summary of the status of the stock option plan as of September 30, 2022 is as follows:

	Vested Shares	Weighted Average Exercise Price Per Share	Non-vested Shares	Weighted Average Exercise Price Per Share	Total Shares	Weighted Average Exercise Price Per Share
Outstanding—January 1, 2022	34,200	\$ 28.43	10,800	\$ 28.86	45,000	\$ 28.54
Granted	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—
Exercised	—	—	—	—	—	—
Vested	8,400	28.42	(8,400)	28.42	—	—
Outstanding—September 30, 2022	42,600	\$ 28.43	2,400	\$ 30.40	45,000	\$ 28.54
Options exercisable at year end	—	—	—	—	—	—
Weighted average fair value of options per share granted during the year	—	—	\$ —	—	\$ —	—
Remaining contractual life (years)	0.5		1.6		0.5	

A summary of the status of the stock option plan as of December 31, 2021 is as follows:

	Vested Shares	Weighted Average Exercise Price Per Share	Non-vested Shares	Weighted Average Exercise Price Per Share	Total Shares	Weighted Average Exercise Price Per Share
Outstanding—January 1, 2021	25,300	\$ 28.40	19,700	\$ 28.71	45,000	\$ 28.54
Granted	—	—	—	—	—	—
Forfeited	—	—	—	—	—	—
Exercised	—	—	—	—	—	—
Vested	8,900	28.52	(8,900)	28.52	—	—
Outstanding—December 31, 2021	34,200	\$ 28.43	10,800	\$ 28.86	45,000	\$ 28.54
Options exercisable at year end	—	—	—	—	—	—
Weighted average fair value of options per share granted during the year	—	—	\$ —	—	\$ —	—
Remaining contractual life (years)	1.2		1.4		1.3	

The Company accounts for these options in accordance with U.S. GAAP, which requires that the fair value of the equity awards be recognized as compensation expense over the period during which the employee is required to provide service in exchange for such an award. The Company is amortizing compensation expense over the vesting period, or five years. The Company recognized \$0 of compensation expense for stock options for the nine months ended September 30, 2022 and 2021, respectively.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis ("MD&A") provides supplemental information, which sets forth the major factors that have affected our financial condition and results of operation and should be read in conjunction with our condensed consolidated financial statements and notes thereto included in this Form 10-Q.

Certain statements contained in this Form 10-Q, including this MD&A section, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, and contain information relating to us that is based on the beliefs of our management as well as assumptions made by, and information currently available to, our management. The words "expect," "believe," "may," "could," "should," "would," "estimate," "anticipate," "intend," "plan," "target," "goal" and similar expressions as they relate to us or our management are intended to identify forward-looking statements.

All forward-looking statements, by their nature, are subject to risks and uncertainties. Our actual future results may differ materially from those set forth in our forward-looking statements. Please see the Introductory Note and Item 1A "Risk Factors" of our 2021 Annual Report on Form 10-K, as updated in our subsequent quarterly reports filed on Form 10-Q, and in our other filings made from time to time with the Commission after the date of this report for a discussion of factors that could cause our actual results to differ materially from those in the forward-looking statements. However, the risk factors listed in Item 1A "Risk Factors" of our 2021 Annual Report on Form 10-K or discussed in this Quarterly Report on Form 10-Q should not be construed as exhaustive and should be read in conjunction with other cautionary statements that are included herein. Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect our management's analysis only as of the date they are made. We undertake no obligation to release publicly the results of any future revisions we may make to forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

The following discussion addresses our financial condition and results of operations for the periods and as of the dates indicated.

OVERVIEW

Unless otherwise indicated by the context in this quarterly report, we refer to AmerInst Insurance Group, Ltd. and its subsidiaries as the "Company," "AmerInst," "we" or "us." "AMIC Ltd." means AmerInst's wholly owned subsidiary, AmerInst Insurance Company, Ltd. "Protexure" means Protexure Insurance Agency, Inc., a Delaware corporation and wholly owned subsidiary of AmerInst Mezco, Ltd. which is a wholly owned subsidiary of AmerInst. Our principal offices are c/o Davies Captive Management Limited, 25 Church Street, Continental Building, P.O. Box HM 1601, Hamilton, Bermuda, HM GX.

AmerInst Insurance Group, Ltd. is a Bermuda holding company formed in 1998 that provides insurance protection for professional service firms. AmerInst has two reportable segments: (1) reinsurance and corporate, previously called the reinsurance segment, through which the company provided reinsurance under the now commuted reinsurance agreements, conducted investment operations and conducts other corporate activities and (2) insurance activity, through which the Company offers professional liability solutions to professional service firms under the Agency Agreements. The revenues of the reinsurance and corporate activity reportable segment and the insurance activity reportable segment were \$1,450 and \$1,743,344 respectively, for the nine months ended September 30, 2022 compared to \$3,212,581 and \$2,656,916, respectively, for the nine months ended September 30, 2021. The revenues for both reportable segments were derived from business operations in the United States other than interest income on bank accounts maintained in Bermuda.

Agency Agreements with C&F and ISMIE

On September 25, 2009, Protexure entered into an agency agreement (the “C&F Agency Agreement”) with The North River Insurance Company, United States Fire Insurance Company, Crum & Forster Indemnity Company, Crum and Forster Insurance Company, and Crum & Forster Specialty Insurance Company (collectively, “C&F”) pursuant to which C&F appointed Protexure as its exclusive agent for the purposes of soliciting, underwriting, quoting, binding, issuing, cancelling, non-renewing and endorsing accountants’ professional liability and lawyers’ professional liability insurance coverage in all 50 states of the United States and the District of Columbia. The initial term of the C&F Agency Agreement was for four years with automatic one-year renewals thereafter. The C&F Agency Agreement automatically renewed on September 25, 2021.

In 2021, C&F and Protexure signed an addendum to the C&F Agency Agreement which terminated the C&F Agency Agreement effective March 31, 2022. Under the terms of the addendum, Protexure was permitted to issue new and renewal professional liability policies on behalf of C&F with effective dates no later than March 31, 2022.

Effective January 1, 2022, Protexure entered into a Managing General Agency Agreement (the “ISMIE Agency Agreement”) with Amwins Specialty Casualty Solutions, LLC. for policies written by ISMIE Mutual Insurance Company (“ISMIE”). Protexure is transitioning the lawyers and accountants’ professional liability policies previously written with C&F to ISMIE. Certain policies are and will also be written by the Hanover Insurance Company. The C&F Agency Agreement and the ISMIE Agency Agreement are referred to herein as, collectively, the “Agency Agreements.”

Reinsurance Agreement

We previously conducted reinsurance business through AMIC Ltd., our subsidiary, which was a registered insurer in Bermuda. On September 25, 2009, AMIC Ltd. entered into a professional liability quota share agreement with C&F (the “Reinsurance Agreement”) pursuant to which C&F agreed to cede, and AMIC Ltd. agreed to accept as reinsurance, a 50% quota share of C&F’s liability under insurance written by Protexure on behalf of C&F and classified by C&F as accountants’ professional liability and lawyers’ professional liability, subject to AMIC Ltd.’s surplus limitations. Policies written by insurers other than C&F were not subject to the 50% quota share reinsurance to AMIC Ltd. The term of the Reinsurance Agreement was continuous and could be terminated by either party upon at least 120 days’ prior written notice to the other party. Following the commutation of all of AMIC’s reinsurance business and the decision by the Company’s board of directors not to resume reinsurance operations through AMIC, the Company made an application to the BMA to cancel AMIC’s insurance license. Effective May 17, 2022 AMIC Ltd.’s Class 3A insurance license was cancelled by the Bermuda Monetary Authority.

During the third quarter of 2021, C&F and AMIC Ltd. entered into the C&F Commutation Agreement, which became effective as of March 31, 2021, whereby C&F and AMIC Ltd. agreed to fully and finally settle and commute all their respective past, present and future obligations and liabilities, known and unknown, under the Reinsurance Agreement. In accordance with the C&F Commutation Agreement, in full satisfaction of AMIC Ltd.’s past, present and future obligations and liabilities under the Reinsurance Agreement, an aggregate sum of \$26,076,000 was paid by AMIC Ltd. to C&F in October 2021.

Historical Relationship with CAMICO

From June 1, 2005 through May 31, 2009, we were a party to a reinsurance contract with CAMICO Mutual Insurance Company (“CAMICO”), a California-based writer of accountants’ professional liability business.

We decided not to renew the CAMICO contract and permitted the contract to expire pursuant to its terms on May 31, 2009. We remained potentially liable for claims related to coverage through May 31, 2009.

During the first quarter of 2022, CAMICO and AMIC Ltd. entered into the CAMICO Commutation Agreement, which became effective December 31, 2021, whereby CAMICO and AMIC Ltd. agreed to fully and finally settle and commute all their respective past, present and future obligations and liabilities, known and unknown under the reinsurance contract between CAMICO and AMIC Ltd. In accordance with the CAMICO Commutation Agreement, in full satisfaction of AMIC Ltd.'s past present and future obligations and liabilities under the reinsurance contract between CAMICO and AMIC Ltd., an aggregate sum of \$15,000 was paid by CAMICO to AMIC Ltd. in March 2022.

Third-party Managers and Service Providers

Davies Captive Management Limited provides the day-to-day services necessary for the administration of our business. Our agreement with Davies Captive Management Limited renewed for one year beginning January 1, 2022 and ending December 31, 2022. Mr. Thomas R. McMahon, our Treasurer and Chief Financial Officer, is an officer, director, and employee of Davies Captive Management Limited.

RESULTS OF OPERATIONS

Nine months ended September 30, 2022 compared to nine months ended September 30, 2021

We recorded a net loss of \$1,052,624 for the nine months ended September 30, 2022 compared to a net loss of 704,043 for the same period in 2021. The increase in net loss is due primarily to a reduction in earned premium, partially offset by reductions in losses and loss expenses and policy acquisition costs; a reduction in commission income; and reductions in net investment income and net realized and unrealized gains on investments, partially offset by a reduction in operating and management expenses.

Our net premiums earned for the nine months ended September 30, 2022, were \$0 compared to \$2,581,408 for the same period in 2021, a decrease of \$2,581,408 or 100%. The net premiums earned during the quarter ended September 30, 2021, were attributable to cessions from C&F under the Reinsurance Agreement. The Company entered into the C&F Commutation Agreement with C&F effective March 31, 2021, and no premiums subsequent to that date were ceded pursuant to the Reinsurance Agreement.

During the nine-month period ended September 30, 2022 and 2021, we recorded commission income under the Agency Agreements of \$1,743,342 and \$2,656,532, respectively, a decrease of \$913,190 or 34.4%. This decrease resulted from the lower volume of premiums written under the Agency Agreements during the nine-month period ended September 30, 2022 compared to the same period in 2021, which is primarily attributed to the decrease in premiums written under the C&F agency agreement offset by the increase in premiums written under the ISMIE agency agreement.

We recorded net investment income of \$1,452 during the nine-month period ended September 30, 2022 compared to \$204,624, for the nine-months ended September 30, 2021. The decrease in net investment income was primarily the result of the September 2021 liquidation of the Company's entire investment in fixed income securities and equity securities and also a decrease in interest earned on short term investments and cash and cash equivalents. The annualized investment yield, calculated as total interest and dividends divided by the net average amount of total investments and cash and cash equivalents, was 0% for the nine-months ended September 30, 2022, compared to the 0.9% yield earned for the same period in 2021.

We recorded net realized and unrealized gains on investments of \$0 during the nine-month period ended September 30, 2022 compared to net realized and unrealized gains of \$426,933 during the nine-month period ended September 30, 2021, a decrease of \$426,933 or 100%. The decrease is attributed to the September 2021 liquidation of the Company's entire investment in fixed income securities and equity securities.

For the nine months ended September 30, 2022, we recorded loss and loss adjustment expenses of \$0. For the same period in 2021, we recorded loss and loss adjustment expenses of \$1,504,764. The decrease in loss and loss adjustment expense was due to the commutation of business under the reinsurance agreements.

We recorded policy acquisition costs of \$0 for the nine months ended September 30, 2022 compared to \$1,405,774 for the same period in 2021. Policy acquisition costs, which are primarily ceding commissions paid to the ceding insurer, are established as a percentage of premiums earned. The policy acquisition costs recorded during the nine-month period ended September 30, 2022 and 2021 were 0% and 54% of the net premiums earned under the Reinsurance Agreement of \$0 and \$2,581,408, respectively. The policy acquisition costs recorded during the nine months ended September 30, 2021 represented the net of (i) \$955,122, being 37% of the \$2,581,408 in net premiums earned under the Reinsurance Agreement as at March 31, 2021, which is the effective date of the Commutation Agreement and (ii) the reversal of the established premium deficiency reserve at December 31, 2020 of \$985,876 and the reversal of the remaining deferred policy acquisition cost balance of \$1,436,528, with both reversals being attributed to the Commutation Agreement. The decrease in policy acquisition costs was attributable to the decrease in premiums earned, which was due to the commutation of business under the reinsurance agreements.

We incurred operating and management expenses of \$2,407,713 in the nine-month period ended September 30, 2022 compared to \$3,699,146 for the same period in 2021, a decrease of \$1,291,433 or 34.9%. The decrease was primarily attributable to (i) decreased director's expenses due to the elimination of retainers paid to directors as a part of compensation (ii) decreased salaries and related costs associated with Protexure's reduction in personnel during 2022 and 2021 in its effort to reduce overall costs (iii) decreased sub commission expenses resulting from a decrease in sub produced premiums and (iv) reduction in fees to third-party managers and service providers. Additionally, Protexure qualified for payroll retention credits in the amount of \$417,559 which are included as a reduction to the operating and management expenses

As required by Accounting Standards Codification ("ASC") Topic 740, Income Taxes, management has assessed the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit the use of the existing deferred tax asset which is made up primarily by NOL carryforwards. A valuation allowance of \$624,000 was recorded as of December 31, 2021. As of September 30, 2022, the valuation allowance has increased by \$445,000 to \$1,069,000 to recognize only the portion of the deferred tax asset that is more likely than not to be realized. The increase in valuation allowance is the result of cumulative losses incurred in 2021 and through the third quarter of 2022, as well as the difficulty in providing reasonable projections beyond a five-year period due to the change in agency agreements and the uncertainty around certain states Protexure can write business in. The amount of the deferred tax asset considered reasonable could be adjusted if future estimates of taxable income during the carryforward period change, or if objective negative evidence in the form of cumulative losses is no longer present, where we can then apply additional weight to subjective evidence such as our growth projections.

The tables below summarize the results of the following AmerInst reportable segments: (1) reinsurance and corporate, previously called the reinsurance segment, through which the company provided reinsurance under the now commuted reinsurance agreements, conducted investment operations and conducts other corporate activities and (2) insurance activity, through which the Company offers professional liability solutions to professional service firms under the Agency Agreements.

As of and for the Nine Months Ended September 30, 2022			
	Reinsurance and Corporate	Insurance Segment	Total
Revenues	\$ 1,450	\$ 1,743,344	\$ 1,744,794
Total losses and expenses	438,696	2,358,722	2,797,418
Segment income (loss)	(437,246)	(615,378)	(1,052,624)
Identifiable assets	—	700,980	700,980

As of and for the Nine Months Ended September 30, 2021			
	Reinsurance and Corporate	Insurance Segment	Total
Revenues	\$ 3,212,581	\$ 2,656,916	\$ 5,869,497
Total losses and expenses	3,814,799	2,758,741	6,573,540
Segment income (loss)	(602,218)	(101,825)	(704,043)
Identifiable assets	—	950,251	950,251

Three months ended September 30, 2022 compared to three months ended September 30, 2021

We recorded net loss of \$441,709 for the three months ended September 30, 2022 compared to a net loss of \$955,112 for the three-months ended September 30, 2021. The decrease in net loss can be attributed primarily to the increase in premiums earned offset by the increase in loss and loss adjustment expenses in the same period. The decrease in commission income and investment income was offset by the decrease in policy acquisition costs and operating and management expenses for the three-month period.

Our net premiums earned for the three months ended September 30, 2022, were \$0 compared to \$(1,737,803) for the same period in 2021, an increase of \$1,737,803 or 100%. The net premiums earned during the quarter ended September 30, 2021, were attributable to cessions from C&F under the Reinsurance Agreement. The premiums earned for the third quarter of 2021 represents the reversal of the second quarter cession as the result of the Commutation Agreement, which has an effective date of March 31, 2021

During the three-month period ended September 30, 2022 and 2021, we recorded commission income under the Agency Agreements of \$489,998 and \$808,896, respectively, a decrease of \$318,898 or 39.4%. This decrease resulted from the lower volume of premiums written under the Agency Agreements during the three-month period ended September 30, 2022 compared to the same period in 2021, which is primarily attributed to the decrease in premiums as a result of the termination of the C&F agency agreement.

We recorded net investment income of \$1,400 during the three-month period ended September 30, 2022, compared to \$57,893, for the three-months ended September 30, 2021. The decrease in net investment income was primarily the result of the September 2021 liquidation of the Company's entire investment in fixed income securities and equity securities and also a decrease in interest earned on short term investments and cash and cash equivalents. The annualized investment yield, calculated as total interest and dividends divided by the net average amount of total investments and cash and cash equivalents, was 0% for the three-months ended September 30, 2022, compared to the 0.8% yield earned for the same period in 2021.

We recorded net realized and unrealized gains on investments of \$0 during the three-month period ended September 30, 2022 compared to net realized and unrealized gains of \$344,852 during the three-month period ended September 30, 2021, a decrease of \$344,852 or 100%. The decrease is attributed to the September 2021 liquidation of the Company's entire investment in fixed income securities and equity securities.

For the three months ended September 30, 2022, we recorded loss and loss adjustment expenses of \$0. For the same period in 2021, we recorded loss and loss adjustment expenses of \$(1,259,530). The losses and loss adjustment expenses for the third quarter of 2021 represented (i) the reversal of the second quarter cession under the Reinsurance Agreement as the result of the Commutation Agreement which had an effective date of March 31, 2021 and (ii) the recording of a \$147,377 gain under the Commutation Agreement.

We recorded policy acquisition costs of \$0 during the three-months ended September 30, 2022 compared to \$579,317 for the same period in 2021. Policy acquisition costs, which are primarily ceding commissions paid to the ceding insurer, were established as a percentage of premiums earned. The decrease in policy acquisition costs was attributable to the decrease in premiums earned, which was due to the commutation of business under the reinsurance agreements.

We incurred operating and management expenses of \$463,082 in the three-month period ended September 30, 2022 compared to \$1,135,526 for the same period in 2021, a decrease of \$672,444 or 59.2%. The decrease is primarily attributable to recognizing the payroll retention credits Protexure qualified for from 2020-2021. The decrease was also attributable to (i) decreased director's expenses due to the elimination of retainers paid to directors as a part of compensation (ii) decreased salaries and related costs associated with Protexure's reduction in personnel during 2022 and 2021 in its effort to reduce overall costs (iii) decreased sub commission expenses resulting from a decrease in sub produced premiums and (iv) reduction in fees to third-party managers and service providers.

As required by Accounting Standards Codification ("ASC") Topic 740, Income Taxes, management has assessed the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit the use of the existing deferred tax asset which is made up primarily by NOL carryforwards. A valuation allowance of \$624,000 was recorded as of December 31, 2021. As of September 30, 2022, the valuation allowance has increased by \$445,000 to \$1,069,000 to recognize only the portion of the deferred tax asset that is more likely than not to be realized. The increase in valuation allowance is the result of cumulative losses incurred in 2021 and through the third quarter of 2022, as well as the difficulty in providing reasonable projections beyond a five-year period due to the change in agency agreements and the uncertainty around certain states Protexure can write business in. The amount of the deferred tax asset considered reasonable could be adjusted if future estimates of taxable income during the carryforward period change, or if objective negative evidence in the form of cumulative losses is no longer present, where we can then apply additional weight to subjective evidence such as our growth projections.

The tables below summarize the results of the following AmerInst reportable segments: (1) reinsurance and corporate, previously called the reinsurance segment, through which the company provided reinsurance under the now commuted reinsurance agreements, conducted investment operations and conducts other corporate activities and (2) insurance activity, through which the Company offers professional liability solutions to professional service firms under the Agency Agreements.

As of and for the Three Months Ended September 30, 2022			
	Reinsurance and Corporate	Insurance Segment	Total
Revenues	\$ 1,400	\$ 489,998	\$ 491,398
Total losses and expenses	116,547	816,560	803,592
Segment (loss) income	(115,147)	(326,562)	(441,709)
Identifiable assets	—	700,980	700,980

As of and for the Three Months Ended September 30, 2021			
	Reinsurance and Corporate	Insurance Segment	Total
Revenues	\$ (1,335,096)	\$ 808,934	\$ (526,162)
Total losses and expenses	(443,869)	872,819	428,950
Segment (loss) income	(891,227)	(63,885)	(955,112)
Identifiable assets	—	950,251	950,251

FINANCIAL CONDITION

The cash and cash equivalents balance decreased from \$3,477,714 at December 31, 2021 to \$2,037,046 at September 30, 2022, a decrease of \$1,440,668 or 41.4%. The net decrease resulted primarily from cash outflows associated with the funding of our day-to-day operations and settlement of accrued liabilities.

Prepaid expenses and other assets were \$1,404,978 at September 30, 2022 compared to \$1,091,815 at December 31, 2021. The balance primarily relates to (1) prepaid directors' and officers' liability insurance costs, (2) prepaid professional fees and (3) premiums due to Protexure under the Agency Agreements. This balance fluctuates due to the timing of the prepayments and the receipt of premiums by Protexure. Additionally, Protexure qualified for payroll retention credits in the amount of \$417,559 with the receivable from the United States Treasury included in this balance. The payroll retention credits were collected in October 2022.

Accrued expenses and other liabilities primarily represent premiums payable by Protexure cedants under Agency Agreements and expenses accrued relating largely to professional fees. The balance decreased from \$2,860,876 at December 31, 2021 to \$2,182,415 at September 30, 2022, a decrease of \$683,799 or 23.9%. This balance fluctuates due to the timing of the premium payments and payments of professional fees.

LIQUIDITY AND CAPITAL RESOURCES

Our cash needs consist of i) settling expenses and (ii) funding day-to-day operations. Our management expects that our unrestricted cash balance will be sufficient to meet our cash needs and fund our day-to-day operations over the next twelve-month period.

Total cash, investments and other invested assets decreased from \$3,477,714 at December 31, 2021 to \$2,037,046 at September 30, 2022, a decrease of \$1,440,668 or 41.4%. The net decrease resulted primarily from cash outflows associated with the funding of our day-to-day operations and settlement of accrued liabilities.

The Company continues to receive approval from ISMIE to write in additional states for lawyers and accountants and thus the Company is confident it will be able to convert C&F expiring business and business expiring with other companies to ISMIE throughout the remainder of 2022.

The Bermuda Monetary Authority has authorized AMIC Ltd. to purchase our common shares, on a negotiated basis, from shareholders who have died or retired from the practice of public accounting. From its inception through September 30, 2022, AMIC Ltd. had repurchased 232,979 common shares from shareholders who had died or retired at an aggregate purchase price of \$6,653,703. During the nine months ended September 30, 2022, no such transactions occurred. From time to time, AMIC Ltd. has also purchased shares in privately negotiated transactions. From its inception through September 30, 2022, AMIC Ltd. has purchased an additional 75,069 common shares in such privately negotiated transactions at an aggregate purchase price of \$1,109,025. During the nine months ended September 30, 2022, no such transactions occurred.

Cash Dividends

We paid no dividends during the nine-month period ended September 30, 2022. Since we began paying dividends in 1995, our original shareholders have received \$22.87 in cumulative dividends per share. Although we have paid cash dividends on a regular basis in the past, the declaration and payment of cash dividends in the future will be at the discretion of our board of directors, subject to the requirements of applicable law, and will depend on, among other things, our financial condition, results of operations, current and anticipated cash needs and other factors that our board of directors considers relevant.

CRITICAL ACCOUNTING POLICIES

Our critical accounting policies are discussed in Management's Discussion and Analysis of Financial Condition and Results of Operations contained in our Annual Report on Form 10-K for the year ended December 31, 2021 and is incorporated herein by reference. Due to the commutation agreements "Unpaid Losses and Loss Adjustment Expense Reserves" and "Other than Temporary Impairment of Investments" are no longer considered critical accounting policies.

Available Information

We file annual, quarterly, and current reports, proxy statements and other information with the Commission. You may read any public document we file with the Commission at the Commission's public reference room at 100 F Street, NE, Washington, DC 20549. Please call the Commission at 1-800-SEC-0330 for information on the public reference room. The Commission maintains an internet site that contains annual, quarterly, and current reports, proxy and information statements and other information that issuers (including AmerInst) file electronically with the Commission. The Commission's internet site is www.sec.gov.

Our internet site is www.amerinst.bm. We make available free of charge through our internet site our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to those reports filed or furnished pursuant to the Securities Exchange Act of 1934, as soon as reasonably practicable after such material is electronically filed with, or furnished to, the Commission. We also make available, through our internet site, via links to the Commission's internet site, statements of beneficial ownership of our equity securities filed by our directors, officers, 10% or greater shareholders and others under Section 16 of the Securities Exchange Act. In addition, we post on www.amerinst.bm our Memorandum of Association, our Bye-Laws, our Statement of Share Ownership Policy, Charters for our Audit Committee and Governance and Nominations Committee, as well as our Code of Business Conduct and Ethics. You can request a copy of these documents, excluding exhibits, at no cost, by writing or telephoning us c/o Davies Captive Management Limited, 25 Church Street, Continental Building, P.O. Box HM 1601 Hamilton, Bermuda HM GX, Attention: Investor Relations (441) 295-2185. The information on our internet site is not incorporated by reference into this report.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of September 30, 2022, the end of the period covered by this Form 10-Q, our management, including our Principal Executive Officer and Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer each concluded that as of September 30, 2022, the end of the period covered by this Form 10-Q, we maintained effective disclosure controls and procedures.

Changes in Internal Control over Financial Reporting

Our management, including our Principal Executive Officer and Principal Financial Officer, has reviewed our internal control over financial reporting (as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934). There have been no changes in our internal control over financial reporting during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II—OTHER INFORMATION

Item 1. Legal Proceedings

We are party to various legal proceedings generally arising in the normal course of our business. While any proceeding contains an element of uncertainty, we do not believe that the eventual outcome of any litigation or arbitration proceeding to which we are presently a party will have a material adverse effect on our financial condition or business. Pursuant to our insurance and reinsurance agreements, disputes are generally required to be finally settled by arbitration.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A. “Risk Factors” in our 2021 Annual Report on Form 10-K, as updated in our subsequent quarterly reports. Certain material updates to these risk factors are included below. The risks described in our 2021 Annual Report on Form 10-K and our subsequent quarterly reports are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, or operating results.

If we sell Protexure, we would have no further business operations.

In the event that we elect to pursue a sale of Protexure in the future rather than continue to hold and operate it long term, we would have no further business operations. If we are unable to sell Protexure on favorable terms, we may need to explore less advantageous strategic alternatives, which could adversely affect our financial condition.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

(a)Exhibits

<u>Exhibit Number</u>	<u>Description</u>
31.1	<u>Certification of Joseph P. Murphy pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
31.2	<u>Certification of Thomas R. McMahon pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>
32.1	<u>Certification of Joseph P. Murphy pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
32.2	<u>Certification of Thomas R. McMahon pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

SIGNATURES

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

Dated: November 15, 2022

AMERINST INSURANCE GROUP, LTD.
(Registrant)

By: /s/ JOSEPH P. MURPHY
Joseph P. Murphy
President (Principal Executive Officer, duly authorized to sign this
Report in such capacity and on behalf of the Registrant)

By: /s/ THOMAS R. MCMAHON
Thomas R. McMahon
Chief Financial Officer (Principal Financial Officer, duly authorized to
sign this Report in such capacity and on behalf of the Registrant)

**CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Joseph P. Murphy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AmerInst Insurance Group, Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2022

By: /s/ JOSEPH P. MURPHY
Joseph P. Murphy
President (Principal Executive Officer)

**CERTIFICATION PURSUANT TO SECTION 302 OF
THE SARBANES-OXLEY ACT OF 2002**

I, Thomas R. McMahon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of AmerInst Insurance Group, Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the company and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2022

By: /s/ THOMAS R. MCMAHON

Thomas R. McMahon

Chief Financial Officer (Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of AmerInst Insurance Group, Ltd. (the "Company") on Form 10-Q for the period ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph P. Murphy, President and Principal Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ JOSEPH P. MURPHY

Joseph P. Murphy
President (Principal Executive Officer)
November 15, 2022

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of AmerInst Insurance Group, Ltd. (the “Company”) on Form 10-Q for the period ended September 30, 2022 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Thomas R. McMahon, Chief Financial Officer and Principal Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ THOMAS R. McMAHON

Thomas R. McMahon
Chief Financial Officer (Principal Financial Officer)
November 15, 2022