
**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 March 31, 2023.

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 May 1, 2023, 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:

- our reliance on our subsidiary, Protexure Insurance Agency, Inc. ("Protexure"), for business operations and the potential that Protexure may be sold;
- 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 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 effects of natural disasters, harsh weather conditions, widespread health emergencies (including pandemics such as the 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;
- compliance with and changes in the legal or regulatory environments in which we operate; and
- other risks, including those risks identified in any of our other filings with the Securities and Exchange Commission.

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 March 31, 2023	As of December 31, 2022
ASSETS		
Cash and cash equivalents	\$ 1,973,811	\$ 2,414,077
Property and equipment (Note 2)	568,996	644,133
Deferred income taxes	151,000	232,000
Prepaid expenses and other assets (Note 3)	992,582	792,245
TOTAL ASSETS	<u>\$ 3,686,389</u>	<u>\$ 4,082,455</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES		
Accrued expenses and other liabilities (Note 4)	\$ 2,338,582	\$ 2,346,805
TOTAL LIABILITIES	<u>\$ 2,338,582</u>	<u>\$ 2,346,805</u>
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' EQUITY		
Common shares, \$1 par value, 2023 and 2022: 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	3,337,757	3,725,600
Shares held by Subsidiary (375,861 shares) at cost	(9,272,496)	(9,272,496)
TOTAL SHAREHOLDERS' EQUITY	<u>1,347,807</u>	<u>1,735,650</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 3,686,389</u>	<u>\$ 4,082,455</u>

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

AMERINST INSURANCE GROUP, LTD.

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

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
REVENUE		
Commission income	\$ 629,367	\$ 777,506
Net investment income	224	31
TOTAL REVENUE	629,591	777,537
LOSSES AND EXPENSES		
Operating and management expenses	936,434	1,005,798
TOTAL LOSSES AND EXPENSES	936,434	1,005,798
NET LOSS BEFORE TAX	\$ (306,843)	\$ (228,261)
Income tax expense	81,000	(18,000)
NET LOSS AFTER TAX	\$ (387,843)	\$ (210,261)
OTHER COMPREHENSIVE LOSS		
Net unrealized holding losses arising during the period	—	—
OTHER COMPREHENSIVE LOSS	—	—
COMPREHENSIVE LOSS	\$ (387,843)	\$ (210,261)
RETAINED EARNINGS, BEGINNING OF PERIOD	\$ 3,725,600	\$ 5,656,163
Net loss	(387,843)	(210,261)
Dividends	—	—
RETAINED EARNINGS, END OF PERIOD	3,337,757	5,445,902
Per share amounts		
Net loss per share		
Basic	\$ (0.63)	\$ (0.34)
Diluted	\$ (0.63)	\$ (0.34)
Dividends	\$ —	\$ —
Weighted average number of shares outstanding for the entire period		
Basic	619,392	619,392
Diluted	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 March 31, 2023

	Common Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Losses)	Shares Held by Subsidiary	Total Shareholders' Equity
BALANCE AT JANUARY 1, 2023	\$ 995,253	\$ 6,287,293	\$ 3,725,600	\$ —	\$ (9,272,496)	\$ 1,735,650
Net loss	—	—	(387,843)	—	—	(387,843)
Other comprehensive loss						
Unrealized (loss) on securities, net of reclassification adjustment	—	—	—	—	—	—
BALANCE AT MARCH 31, 2023	\$ 995,253	\$ 6,287,293	\$ 3,337,757	\$ —	\$ (9,272,496)	\$ 1,347,807

As of March 31, 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 (loss) 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

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)

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
OPERATING ACTIVITIES		
Net Cash used in Operating Activities	\$ (436,778)	\$ (801,516)
INVESTING ACTIVITIES		
Purchases of property and equipment	(3,488)	(39,431)
Net Cash used in by Investing Activities	(3,488)	(39,431)
FINANCING ACTIVITIES		
Net Cash provided by Financing Activities	—	—
NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(440,266)	(840,947)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF PERIOD	\$ 2,414,077	\$ 3,477,714
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF PERIOD	\$ 1,973,811	\$ 2,636,767

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

AMERINST INSURANCE GROUP, LTD.

NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2023

1. 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, 2022 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 2023

No new accounting standards adopted in 2023.

Accounting Standards Not Yet Adopted

No accounting standards not yet adopted.

2. PROPERTY AND EQUIPMENT

Property and equipment, all associated with Protexure, at March 31, 2023 and December 31, 2022 at cost, less accumulated depreciation and amortization, totaled \$568,996 and \$644,133 respectively as follows:

	Cost	Accumulated Depreciation and Amortization	Total
March 31, 2023			
Furniture and fixtures	\$ 36,705	\$ 35,520	\$ 1,185
Office equipment	107,392	101,869	5,523
Computer equipment	24,129	22,760	1,369
Internal use software	1,872,952	1,312,033	560,919
Total	<u>\$ 2,041,178</u>	<u>\$ 1,472,182</u>	<u>\$ 568,996</u>

	Cost	Accumulated Depreciation and Amortization	Total
December 31, 2022			
Furniture and fixtures	\$ 36,705	\$ 35,284	\$ 1,421
Office equipment	107,392	100,027	7,365
Computer equipment	24,129	22,532	1,597
Internal use software	1,869,464	1,235,714	633,750
Total	<u>\$ 2,037,690</u>	<u>\$ 1,393,558</u>	<u>\$ 644,133</u>

3. PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets as at March 31, 2023 and December 31, 2022 comprise the following:

	2023	2022
Prepaid expenses and other assets	107,885	68,823
Accounts receivable	553,426	462,567
Policy acquisition costs	203,325	213,735
Building right of use asset	127,946	47,120
	<u>\$ 992,582</u>	<u>\$ 792,245</u>

4. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities as at March 31, 2023 and December 31, 2022 comprise the following:

	2023	2022
Premiums payable	\$ 1,628,573	\$ 1,686,066
Accounts payable and accrued liabilities	376,843	361,497
Unearned commission income	95,793	138,222
Building lease liability	128,004	51,651
Other liabilities	109,369	109,369
	<u>\$ 2,338,582</u>	<u>\$ 2,346,805</u>

5. INVESTMENTS

Major categories of net investment income during the three months ended March 31, 2023 and 2022 are summarized as follows:

	March 31, 2023	March 31, 2022
Interest earned:		
Short term investments and cash and cash equivalents	\$ 224	\$ 31
Net investment income	<u>\$ 224</u>	<u>\$ 31</u>

6. SEGMENT INFORMATION

AmerInst has two reportable segments: (1) reinsurance and corporate, 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 three months ended March 31, 2023 and 2022.

	As of and for the Three Months Ended March 31, 2023		
	Corporate Segment	Insurance Segment	Total
Revenues	\$ 224	\$ 629,367	\$ 629,591
Total expenses	126,989	890,445	1,017,434
Segment loss	(126,765)	(261,078)	(387,843)
Identifiable assets	—	568,996	568,996

	As of and for the Three Months Ended March 31, 2022		
	Corporate Segment	Insurance Segment	Total
Revenues	\$ 29	\$ 777,505	\$ 777,537
Total expenses	171,402	816,396	987,798
Segment loss	(171,373)	(38,888)	(210,261)
Identifiable assets	—	848,547	848,547

7. STOCK COMPENSATION

Phantom Shares:

Protexure 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 March 31, 2023.

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 March 31, 2023 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, 2023	43,100	\$ 28.45	1,900	\$ 30.46	45,000	\$ 28.54
Granted	—	—	—	—	—	—
Forfeited	(35,000)	27.99	—	—	(35,000)	27.99
Exercised	—	—	—	—	—	—
Vested	1,400	30.58	(1,400)	30.58	—	—
Outstanding—March 31, 2023	9,500	\$ 30.46	500	\$ 30.14	10,000	\$ 30.45
Options exercisable at year end	—	—	—	—	—	—
Weighted average fair value of options per share granted during the year	—	—	—	—	—	—
Remaining contractual life (years)	1.0		1.5		1.0	

A summary of the status of the stock option plan as of December 31, 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	8,900	28.52	(8,900)	28.52	—	—
Outstanding—December 31, 2022	43,100	\$ 28.45	1,900	\$ 30.46	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)	0.2		1.2		0.3	

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 three months ended March 31, 2023 and 2022, 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 2022 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 2022 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) corporate activity previously called reinsurance and corporate segment through which the company conducts corporate and administrative 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 corporate activity reportable segment and the insurance activity reportable segment were \$224 and \$629,367, respectively, for the three months ended March 31, 2023 compared to \$29 and \$777,508 respectively, for the three months ended March 31, 2022. 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. 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 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. 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 Effective May 17, 2022, AMIC Ltd.’s Class 3A insurance license was cancelled by the Bermuda Monetary Authority (BMA) at AMIC Ltd.’s request.

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 was renewed for one year beginning January 1, 2023 and ending December 31, 2023. Mr. Thomas R. McMahon, our Treasurer and Chief Financial Officer, is an officer and employee of Davies Captive Management Limited.

Three months ended March 31, 2023 compared to three months ended March 31, 2022

We recorded net loss of \$387,843 for the three months ended March 31, 2023 compared to a net loss of \$210,261 for the same period in 2022. The increase in net loss is due primarily to a reduction in commission income, partially offset by a reduction in operating and management expenses, and an increased valuation allowance for the period.

For the quarters ended March 31, 2023 and 2022, we recorded commission income under the Agency Agreements of \$629,367 and \$777,506, respectively, a decrease of \$148,139 or 19.1%. This decrease was primarily due to a reduction in renewal premiums with Hanover during the first quarter of 2023 compared to the same period in 2022.

We recorded net investment income of \$224 for the quarter ended March 31, 2023 compared to \$31, for the quarter ended March 31, 2022. The increase in net investment income was attributable to an increase in interest earned on short-term investments and cash and cash equivalents from higher interest rates.

We incurred operating and management expenses of \$936,434 in the first quarter of 2023 compared to \$1,005,798 for the same period in 2022, a decrease of \$69,364 or 6.9%. The decrease was primarily attributable to decreased management fees partially offset by an increase in legal expenses in the first quarter of 2023 compared to the same period in 2022.

The tables below summarize the results of the following AmerInst reportable segments: (1) reinsurance and corporate, 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 March 31, 2023		
	Corporate Segment	Insurance Segment	Total
Revenues	\$ 224	\$ 629,367	\$ 629,591
Total expenses	126,989	890,445	1,017,434
Segment loss	(126,765)	(261,078)	(387,843)
Identifiable assets	—	568,996	568,996

	As of and for the Three Months Ended March 31, 2022		
	Corporate Segment	Insurance Segment	Total
Revenues	\$ 29	\$ 777,505	\$ 777,537
Total expenses	171,402	816,396	987,798
Segment loss	(171,373)	(38,888)	(210,261)
Identifiable assets	—	848,547	848,547

FINANCIAL CONDITION

The cash and cash equivalents balance decreased from \$2,414,077 at December 31, 2022 to \$1,973,811 at March 31, 2023, a decrease of \$440,266 or 18.2%. This decrease resulted primarily from cash outflows associated with the funding of our day-to-day operations and payment of accrued liabilities.

Prepaid expenses and other assets were \$992,582 at March 31, 2023 compared to \$792,245 at December 31, 2022. The balance primarily relates to (1) premiums due to Protexure under the Agency Agreements, (2) policy acquisition costs and (3) other prepaid expenses. This balance fluctuates due to the timing of the prepayments and the receipt of premiums by Protexure.

Accrued expenses and other liabilities primarily represent premiums payable by Protexure to ISME under the Agency Agreement and expenses accrued relating largely to professional and director fees. The balance decreased from \$2,346,805 at December 31, 2022 to \$2,338,582 at March 31, 2023, a decrease of \$8,223 or 0.4%. This balance fluctuates due to the timing of the premium payments to ISME 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. The Company is currently in discussions for the potential sale of the assets of Protexure. The proceeds of the sale would flow to the Company. In the event of the successful completion of such discussions and subject to shareholder approval, Protexure would cease business operations and it and the Company would be placed into liquidation with a potential cash distribution being made to shareholders. Should these discussions fail, the Company may need to explore less advantageous strategic alternatives.

Total cash, investments and other invested assets decreased from \$2,414,077 at December 31, 2022 to \$1,973,811 at March 31, 2023, a decrease of \$440,266 or 18.2%. The net decrease resulted primarily from cash outflows associated with the funding of our day-to-day operations and payment of accrued liabilities.

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 March 31, 2023, 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 three months ended March 31, 2023, no such transactions occurred. From time to time, AMIC Ltd. has also purchased shares in privately negotiated transactions. From its inception through March 31, 2023, 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 three months ended March 31, 2023, no such transactions occurred.

Cash Dividends

We paid no dividends during the first quarter of 2023. 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, 2022 and is incorporated herein by reference.

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 March 31, 2023, 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 March 31, 2023, 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 2022 Annual Report on Form 10-K, as updated in our subsequent quarterly reports. The risks described in our 2022 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 may materially adversely affect our business, financial condition or operating results.

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	Certification of Joseph P. Murphy pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Thomas R. McMahon pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	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.
32.2	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.
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: May 15, 2023

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: May 15, 2023

/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: May 15, 2023

/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 March 31, 2023 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)
May 15, 2023

**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 March 31, 2023 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)

May 15, 2023