

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT MARCH 31, 2002

	LEDGER ASSETS	NON- LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<u>ASSETS</u>				
CASH & SHORT TERM INVESTMENTS	\$12,025,222	-	-	\$12,025,222
ACCRUED INTEREST	-	16,799	-	16,799
FURNITURE & EQUIPMENT	270,236	-	270,236	-
ELECTRONIC DATA PROCESSING EQUIP.	38,548	-	-	38,548
LEASEHOLD IMPROVEMENTS	62,123	-	62,123	-
PREPAID EXPENSES	21,250	-	21,250	-
PREPAID/(ACCRUED) PENSION COST	335,155	-	335,155	-
ASSESSMENTS RECEIVABLE	4,980	-	4,980	-
TOTAL ASSETS	\$12,757,514	\$16,799	\$693,745	\$12,080,569
 <u>LIABILITIES</u>				
UNFUNDED LIAB FOR RET. BENEFITS			619,538	
AMOUNTS HELD FOR OTHERS			1,071,124	
ADVANCE PREMIUMS			401,374	
OTHER LIABILITES			112,677	
CLAIM CHECKS PAYABLE			32,893	
TOTAL LIABILITIES				2,237,606
 <u>RESERVES</u>				
UNEARNED PREMIUMS			8,324,715	
LOSS - CASE BASIS			5,652,385	
LOSS - I.B.N.R			1,260,523	
LOSS EXPENSE- ALLOCATED			440,321	
LOSS EXPENSE- UNALLOCATED			141,875	
OPERATING EXPENSE			453,634	
TAXES & FEES			11,580	
TOTAL RESERVES				16,285,033
TOTAL LIABILITIES & RESERVES				18,522,639
 <u>EQUITY ACCOUNT</u>				
NET EQUITY AT MARCH 31, 2002				(6,442,070)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT				\$12,080,569

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT AT MARCH 31, 2002

		QUARTER TO DATE
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED		\$4,083,425
<u>DEDUCTIONS</u>		
LOSSES INCURRED	3,695,974	
LOSS EXPENSES INCURRED	411,576	
COMMISSIONS INCURRED	386,982	
OTHER UNDERWRITING EXPENSES	898,750	
PREMIUM TAXES INCURRED	9,681	
TOTAL DEDUCTIONS	5,402,962	
UNDERWRITING GAIN (LOSS)		(1,319,537)
<u>OTHER INCOME</u>		
NET INVESTMENT INCOME		60,695
NET GAIN (LOSS)		(1,258,842)
<u>EQUITY ACCOUNT</u>		
NET EQUITY-PRIOR		(5,217,179)
NET GAIN (LOSS) FOR PERIOD	(1,258,842)	
CHANGE IN NONADMITTED ASSETS	(299,468)	
EMPLOYER'S PENSION OBLIGATION	335,155	
OTHER CHARGES	(1,735)	
CHANGE IN EQUITY	(1,224,891)	
NET EQUITY AT MARCH 31, 2002		(\$6,442,070)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED MARCH 31, 2002

	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999	POLICY YEAR 1998 & PRIOR	TOTAL
<u>INCOME RECEIVED</u>						
PREMIUMS WRITTEN	\$4,055,889	\$39,513	(\$2,750)	-	(\$71)	\$4,092,581
INVESTMENT INCOME RECEIVED	54,815	-	-	-	-	54,815
TOTAL	4,110,704	39,513	(2,750)	-	(71)	4,147,396
<u>EXPENSES PAID</u>						
LOSSES PAID	20,354	2,077,765	839,287	(6,877)	(1,045)	2,929,484
ALLOCATED LOSS EXPENSE	2,306	173,608	70,200	9,839	16,964	272,917
UNALLOCATED LOSS EXPENSE	753	77,420	32,925	2,055	-	113,152
INSPECTION AND RATING ISO	15,096	-	-	-	-	15,096
SURVEYS & UNDERWRITING RPTS	62,166	-	-	-	-	62,166
COMMISSIONS	382,692	4,546	(248)	-	(7)	386,982
BOARDS & BUREAUS	3,750	-	-	-	-	3,750
ASSOCIATION EXPENSES	850,412	-	-	-	-	850,412
TAXES & FEES	43,552	(1,052)	-	-	-	42,501
TOTAL	1,381,082	2,332,286	942,164	5,017	15,912	4,676,461
INCREASE (DECREASE)	2,729,623	(2,292,773)	(944,914)	(5,017)	(15,983)	(529,064)
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	-	10,920	-	-	-	10,920
CURRENT NONADMITTED ASSETS	693,745	-	-	-	-	693,745
OTHER CHARGES	1,735	-	-	-	-	1,735
TOTAL	695,480	10,920	-	-	-	706,400
<u>ADD</u>						
CURRENT ACCRUED INTEREST	16,799	-	-	-	-	16,799
PRIOR NONADMITTED ASSETS	-	394,276	-	-	-	394,276
EMPLOYER'S PENSION OBLIGATION	335,155	-	-	-	-	335,155
TOTAL	351,954	394,276	-	-	-	746,231
EQUITY IN ASSETS OF ASSOCIATION	2,386,097	(1,909,417)	(944,914)	(5,017)	(15,983)	(489,233)
<u>DEDUCT CURRENT RESERVES</u>						
UNEARNED PREMIUMS	3,553,985	4,770,730	-	-	-	8,324,715
UNPAID LOSSES	544,859	5,252,343	793,326	161,018	161,362	6,912,908
UNPAID LOSS EXPENSES	24,643	442,635	81,713	16,585	16,620	582,196
UNPAID ASSOCIATION EXPENSES	453,634	-	-	-	-	453,634
UNPAID TAXES & FEES	11,580	-	-	-	-	11,580
TOTAL	4,588,701	10,465,708	875,038	177,603	177,982	16,285,033
<u>ADD PRIOR RESERVES</u>						
UNEARNED PREMIUMS	-	8,315,559	-	-	-	8,315,559
UNPAID LOSSES	-	3,925,343	1,727,311	251,894	241,870	6,146,419
UNPAID LOSSES EXPENSES	-	304,597	196,050	28,590	27,452	556,689
UNPAID ASSOCIATION EXPENSES	-	486,308	-	-	-	486,308
UNPAID TAXES & FEES	-	44,400	-	-	-	44,400
TOTAL	-	13,076,208	1,923,361	280,484	269,322	15,549,375
NET CHANGE IN EQUITY	(\$2,202,604)	\$701,083	\$103,409	\$97,864	\$75,357	(\$1,224,891)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDED MARCH 31, 2002

	3-31-02 QUARTER-TO-DATE	
Premiums Written	\$4,092,581	
Current Unearned Reserve	8,324,715	
Prior Unearned Reserve	8,315,559	
Change in Unearned Premium Reserve	<u>(9,156)</u>	
Net Premium Earned		\$4,083,425
Losses Paid	3,058,872	
Less Salvage & Subrogation	<u>129,388</u>	
Net Losses Paid	2,929,484	
Current Loss Reserve	6,912,908	
Prior Loss Reserve	6,146,419	
Change in Loss Reserve	<u>766,489</u>	
Net Losses Incurred		3,695,974
Allocated Loss Exp. Paid	272,917	
Unallocated Loss Exp. Paid	<u>113,152</u>	
Total Loss Exp. Paid	386,069	
Current Loss Exp. Reserve	582,196	
Prior Loss Exp. Reserve	556,689	
Change in Loss Exp. Reserve	<u>25,507</u>	
Net Loss Exp. Incurred		411,576
Total Loss & Loss Exp. Incurred		\$4,107,550
Taxes & Fees Paid	42,501	
Current Reserve	11,580	
Prior Reserve	44,400	
Change in Reserve for Taxes	<u>(32,820)</u>	
Net Taxes Incurred		9,681
Commissions Paid	386,982	
Boards, Bureaus, & Underwriting Inspections	81,012	
Other Association Exp. Incurred	<u>850,412</u>	
Net Underwriting Exp Incurred	1,318,406	
Current Operating Exp. Reserve	453,634	
Prior Operating Exp. Reserve	486,308	
Change in Underwriting Exp. Reserve	<u>(32,674)</u>	
Net Assoc. Exp. Incurred		1,285,732
Total Loss & Exp. Incurred		5,402,962
Underwriting Gain (Loss)		(\$1,319,537)
Net Investment Income Received	54,815	
Current Accrued Interest	16,799	
Prior Accrued Interest	10,920	
Change in Accrued Interest	<u>5,880</u>	
Net Investment Income Earned		60,695
Net Gain (Loss)		(\$1,258,842)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDED MARCH 31, 2002

	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999	POLICY YEAR 1998 & PRIOR	TOTAL
WRITTEN PREMIUMS						
FIRE	\$2,946,103	\$31,022	(\$1,745)	-	(\$49)	\$2,975,331
ALLIED	1,089,427	8,962	(1,005)	-	(22)	1,097,362
CRIME	20,359	(471)	-	-	-	19,888
TOTAL	4,055,889	39,513	(2,750)	-	(71)	4,092,581
CURRENT UNEARNED PREMIUM RESERVE @ 3-31-02						
FIRE	2,582,432	3,393,359	-	-	-	5,975,791
ALLIED	953,565	1,352,139	-	-	-	2,305,704
CRIME	17,988	25,232	-	-	-	43,220
TOTAL	3,553,985	4,770,730	-	-	-	8,324,715
PRIOR UNEARNED PREMIUM RESERVE @ 12-31-01						
FIRE	-	5,877,399	-	-	-	5,877,399
ALLIED	-	2,391,779	-	-	-	2,391,779
CRIME	-	46,381	-	-	-	46,381
TOTAL	-	8,315,559	-	-	-	8,315,559
EARNED PREMIUM						
FIRE	363,671	2,515,062	(1,745)	-	(49)	2,876,939
ALLIED	135,862	1,048,602	(1,005)	-	(22)	1,183,437
CRIME	2,371	20,678	-	-	-	23,049
TOTAL	\$501,904	\$3,584,342	(\$2,750)	-	(\$71)	\$4,083,425

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSSES QTD PERIOD ENDED MARCH 31, 2002

	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999	POLICY YEAR 1998 &	TOTAL
PAID LOSSES						
Net of Salvage and Subrogation Received						
FIRE	\$20,000	\$1,709,258	\$771,748	(\$6,790)	(\$1,045)	\$2,493,172
ALLIED	354	365,927	67,539	(87)	-	433,732
CRIME	-	2,580	-	-	-	2,580
TOTAL	<u>20,354</u>	<u>2,077,765</u>	<u>839,287</u>	<u>(6,877)</u>	<u>(1,045)</u>	<u>2,929,484</u>
CURRENT LOSS RESERVE (3-31-02)						
FIRE	426,142	4,666,725	688,929	160,010	161,351	6,103,157
ALLIED	117,190	579,184	104,397	1,008	11	801,790
CRIME	1,527	6,434	-	-	-	7,961
TOTAL	<u>544,859</u>	<u>5,252,343</u>	<u>793,326</u>	<u>161,018</u>	<u>161,362</u>	<u>6,912,908</u>
PRIOR LOSS RESERVES (12-31-01)						
FIRE	-	3,146,983	1,559,488	226,019	241,360	5,173,850
ALLIED	-	771,106	167,823	25,875	510	965,314
CRIME	-	7,255	-	-	-	7,255
TOTAL	<u>-</u>	<u>3,925,343</u>	<u>1,727,311</u>	<u>251,894</u>	<u>241,870</u>	<u>6,146,419</u>
INCURRED LOSSES						
FIRE	446,142	3,229,000	(98,811)	(72,799)	(81,054)	3,422,479
ALLIED	117,544	174,005	4,113	(24,954)	(499)	270,209
CRIME	1,527	1,759	-	-	-	3,286
TOTAL	<u>\$565,213</u>	<u>\$3,404,764</u>	<u>(\$94,699)</u>	<u>(\$97,753)</u>	<u>(\$81,553)</u>	<u>\$3,695,974</u>
I.B.N.R.						
(INCLUDED IN CURRENT LOSS RESERVES)						
FIRE	\$222,137	\$670,918	\$893,055			
ALLIED	81,940	278,566	360,506			
CRIME	1,527	5,435	6,962			
TOTAL	<u>\$305,604</u>	<u>\$954,919</u>	<u>\$1,260,523</u>			

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

**STATISTICAL REPORT ON LOSS EXPENSES
(INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES)
QTD PERIOD ENDED MARCH 31, 2002**

	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999	POLICY YEAR 1998 & PRIOR	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)						
FIRE	\$1,429	\$159,753	\$78,811	\$6,268	\$15,248	\$261,509
ALLIED	1,630	90,545	24,314	5,626	1,716	123,831
CRIME	-	730	-	-	-	730
TOTAL	3,059	251,028	103,125	11,894	16,964	386,069
<u>CURRENT LOSS EXPENSE RESERVE @ 3-31-02</u>						
FIRE	21,013	411,568	70,960	16,481	16,619	536,640
ALLIED	3,631	30,964	10,753	104	1	45,452
CRIME	-	103	-	-	-	103
TOTAL	24,643	442,635	81,713	16,585	16,620	582,196
<u>PRIOR LOSS EXPENSE RESERVE @ 12-31-01</u>						
FIRE	-	258,490	177,002	25,653	27,394	488,539
ALLIED	-	46,107	19,048	2,937	58	68,150
CRIME	-	-	-	-	-	-
TOTAL	-	304,597	196,050	28,590	27,452	556,689
<u>ALAE & ULAE LOSS EXPENSES INCURRED</u>						
FIRE	22,442	312,831	(27,231)	(2,904)	4,473	309,610
ALLIED	5,261	75,402	16,019	2,793	1,659	101,133
CRIME	-	833	-	-	-	833
TOTAL	\$27,702	\$389,065	(\$11,212)	(\$111)	\$6,132	\$411,576