

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT DECEMBER 31, 2002

	LEDGER ASSETS	NON- LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<u>ASSETS</u>				
CASH & SHORT TERM INVESTMENTS	\$8,329,220	-	-	\$8,329,220
ACCRUED INTEREST	-	17,084	-	17,084
FURNITURE & EQUIPMENT	225,959	-	225,959	-
ELECTRONIC DATA PROCESSING EQUIP.	17,290	-	-	17,290
LEASEHOLD IMPROVEMENTS	56,435	-	56,435	-
SUNDRY RECEIVABLE	4,164	-	-	4,164
TOTAL ASSETS	\$8,633,069	\$17,084	\$282,394	\$8,367,758
 <u>LIABILITIES</u>				
POST RETIREMENT BENEFITS (other than pensions)			798,812	
DEFINED BENEFIT PENSION PLAN LIABILITY			679,897	
AMOUNTS HELD FOR OTHERS			561,814	
ADVANCE PREMIUMS			323,702	
OTHER LIABILITES			139,466	
CLAIM CHECKS PAYABLE			54,182	
TOTAL LIABILITIES			2,557,873	
 <u>RESERVES</u>				
UNEARNED PREMIUMS			8,897,126	
LOSS - CASE BASIS			4,270,119	
LOSS - I.B.N.R			1,317,358	
LOSS EXPENSE- ALLOCATED			313,427	
LOSS EXPENSE- UNALLOCATED			161,411	
OPERATING EXPENSE			356,304	
TAXES & FEES			46,320	
TOTAL RESERVES			15,362,064	
TOTAL LIABILITIES & RESERVES			17,919,937	
 <u>EQUITY ACCOUNT</u>				
NET EQUITY AT DECEMBER 31, 2002				(9,552,179)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT				\$8,367,758

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT AT DECEMBER 31, 2002

	QUARTER TO DATE	YEAR TO DATE
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED	\$4,419,163	\$17,025,009
<u>DEDUCTIONS</u>		
LOSSES INCURRED	3,132,112	14,087,031
LOSS EXPENSES INCURRED	439,633	1,574,483
COMMISSIONS INCURRED	404,429	1,600,118
OTHER UNDERWRITING EXPENSES	1,668,425	4,332,384
PREMIUM TAXES INCURRED	11,580	44,421
TOTAL DEDUCTIONS	5,656,178	21,638,437
UNDERWRITING GAIN (LOSS)	(1,237,015)	(4,613,428)
<u>OTHER INCOME</u>		
NET INVESTMENT INCOME	43,572	214,052
NET GAIN (LOSS)	(1,193,444)	(4,399,375)
<u>EQUITY ACCOUNT</u>		
NET EQUITY-PRIOR	(8,375,390)	(5,217,179)
NET GAIN (LOSS) FOR PERIOD	(1,193,444)	(4,399,375)
CHANGE IN NONADMITTED ASSETS	399,291	111,882
PENSION OBLIGATIONS--SSAP #8	(335,155)	-
OTHER CHARGES	(47,481)	(47,506)
CHANGE IN EQUITY	(1,176,789)	(4,334,999)
NET EQUITY AT DECEMBER 31, 2002	(\$9,552,179)	(\$9,552,179)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED DECEMBER 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	\$4,552,973	(\$13,670)	(\$6)	-	-	\$4,539,297
INVESTMENT INCOME RECEIVED	35,524	-	-	-	-	35,524
TOTAL	<u>4,588,497</u>	<u>(13,670)</u>	<u>(6)</u>	<u>-</u>	<u>-</u>	<u>4,574,821</u>
<u>EXPENSES PAID</u>						
LOSSES PAID	2,526,469	1,116,247	115,517	121,289	36,513	3,916,035
ALLOCATED LOSS EXPENSE	142,178	95,335	9,314	659	3,535	251,021
UNALLOCATED LOSS EXPENSE	151,903	67,114	6,945	7,297	2,607	235,867
INSPECTION AND RATING ISO	(22,852)	-	-	-	-	(22,852)
SURVEYS & UNDERWRITING RPTS	72,602	-	-	-	-	72,602
COMMISSIONS	405,790	(1,360)	(1)	-	-	404,429
BOARDS & BUREAUS	(1,125)	-	-	-	-	(1,125)
ASSOCIATION EXPENSES	1,588,353	-	-	-	-	1,588,353
TAXES & FEES	-	-	-	-	-	-
TOTAL	<u>4,863,317</u>	<u>1,277,335</u>	<u>131,777</u>	<u>129,245</u>	<u>42,655</u>	<u>6,444,329</u>
INCREASE (DECREASE)	<u>(274,821)</u>	<u>(1,291,005)</u>	<u>(131,783)</u>	<u>(129,245)</u>	<u>(42,655)</u>	<u>(1,869,509)</u>
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	9,036	-	-	-	-	9,036
CURRENT NONADMITTED ASSETS	282,394	-	-	-	-	282,394
EMPLOYER'S PENSION OBLIGATION	335,155	-	-	-	-	335,155
OTHER CHARGES	48,532	(1,052)	-	-	-	47,481
TOTAL	<u>675,117</u>	<u>(1,052)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>674,065</u>
<u>ADD</u>						
CURRENT ACCRUED INTEREST	17,084	-	-	-	-	17,084
PRIOR NONADMITTED ASSETS	681,685	-	-	-	-	681,685
TOTAL	<u>698,769</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>698,769</u>
EQUITY IN ASSETS OF ASSOCIATION	<u>(251,169)</u>	<u>(1,289,954)</u>	<u>(131,783)</u>	<u>(129,245)</u>	<u>(42,655)</u>	<u>(1,844,805)</u>
<u>DEDUCT CURRENT RESERVES</u>						
UNEARNED PREMIUMS	8,897,126	-	-	-	-	8,897,126
UNPAID LOSSES	4,404,122	932,657	172,030	370	78,297	5,587,477
UNPAID LOSS EXPENSES	343,248	103,712	19,130	41	8,707	474,837
UNPAID ASSOCIATION EXPENSES	356,304	-	-	-	-	356,304
UNPAID TAXES & FEES	46,320	-	-	-	-	46,320
TOTAL	<u>14,047,121</u>	<u>1,036,369</u>	<u>191,160</u>	<u>411</u>	<u>87,004</u>	<u>15,362,064</u>
<u>ADD PRIOR RESERVES</u>						
UNEARNED PREMIUMS	8,257,094	519,898	-	-	-	8,776,992
UNPAID LOSSES	3,816,134	2,028,972	301,940	112,997	111,357	6,371,400
UNPAID LOSSES EXPENSES	292,485	175,400	31,099	11,639	11,470	522,093
UNPAID ASSOCIATION EXPENSES	324,857	-	-	-	-	324,857
UNPAID TAXES & FEES	34,740	-	-	-	-	34,740
TOTAL	<u>12,725,310</u>	<u>2,724,270</u>	<u>333,039</u>	<u>124,636</u>	<u>122,827</u>	<u>16,030,081</u>
NET CHANGE IN EQUITY	<u>(\$1,572,980)</u>	<u>\$397,947</u>	<u>\$10,097</u>	<u>(\$5,021)</u>	<u>(\$6,832)</u>	<u>(\$1,176,789)</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT YTD PERIOD ENDED DECEMBER 31, 2002

	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999	POLICY YEAR 1998 & PRIOR	TOTAL
INCOME RECEIVED						
PREMIUMS WRITTEN	\$17,699,227	(\$88,938)	(\$3,642)	-	(\$71)	\$17,606,576
INVESTMENT INCOME RECEIVED	206,695	-	-	-	-	206,695
TOTAL	17,905,922	(88,938)	(3,642)	-	(71)	17,813,271
EXPENSES PAID						
LOSSES PAID	3,974,859	9,116,300	1,273,325	181,582	99,907	14,645,973
ALLOCATED LOSS EXPENSE	265,738	635,191	128,009	25,554	38,956	1,093,447
UNALLOCATED LOSS EXPENSE	194,548	303,056	49,804	11,299	4,181	562,888
INSPECTION AND RATING ISO	20,743	-	-	-	-	20,743
SURVEYS & UNDERWRITING RPTS	270,431	-	-	-	-	270,431
COMMISSIONS	1,607,878	(7,416)	(338)	-	(7)	1,600,118
BOARDS & BUREAUS	10,875	-	-	-	-	10,875
ASSOCIATION EXPENSES	4,160,338	-	-	-	-	4,160,338
TAXES & FEES	43,552	(1,052)	-	-	-	42,501
TOTAL	10,548,963	10,046,080	1,450,800	218,435	143,037	22,407,315
INCREASE (DECREASE)	7,356,959	(10,135,018)	(1,454,442)	(218,435)	(143,108)	(4,594,043)
DEDUCT						
PRIOR ACCRUED INTEREST	-	9,727	-	-	-	9,727
CURRENT NONADMITTED ASSETS	282,394	-	-	-	-	282,394
OTHER CHARGES	48,558	(1,052)	-	-	-	47,506
TOTAL	330,952	8,675	-	-	-	339,627
ADD						
CURRENT ACCRUED INTEREST	17,084	-	-	-	-	17,084
PRIOR NONADMITTED ASSETS	-	394,276	-	-	-	394,276
TOTAL	17,084	394,276	-	-	-	411,360
EQUITY IN ASSETS OF ASSOCIATION	7,043,091	(9,749,416)	(1,454,442)	(218,435)	(143,108)	(4,522,310)
DEDUCT CURRENT RESERVES						
UNEARNED PREMIUMS	8,897,126	-	-	-	-	8,897,126
UNPAID LOSSES	4,404,122	932,657	172,030	370	78,297	5,587,477
UNPAID LOSS EXPENSES	343,248	103,712	19,130	41	8,707	474,837
UNPAID ASSOCIATION EXPENSES	356,304	-	-	-	-	356,304
UNPAID TAXES & FEES	46,320	-	-	-	-	46,320
TOTAL	14,047,121	1,036,369	191,160	411	87,004	15,362,064
ADD PRIOR RESERVES						
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	(\$7,004,030)	\$2,290,422	\$277,760	\$61,638	\$39,210	(\$4,334,999)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

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

	12-31-02 QUARTER-TO-DATE	
Premiums Written	\$4,539,297	
Current Unearned Reserve	8,897,126	
Prior Unearned Reserve	8,776,992	
Change in Unearned Premium Reserve	(120,134)	
Net Premium Earned		\$4,419,163
Losses Paid	3,922,962	
Less Salvage & Subrogation	6,927	
Net Losses Paid	3,916,035	
Current Loss Reserve	5,587,477	
Prior Loss Reserve	6,371,400	
Change in Loss Reserve	(783,923)	
Net Losses Incurred		3,132,112
Allocated Loss Exp. Paid	251,021	
Unallocated Loss Exp. Paid	235,867	
Total Loss Exp. Paid	486,888	
Current Loss Exp. Reserve	474,837	
Prior Loss Exp. Reserve	522,093	
Change in Loss Exp. Reserve	(47,255)	
Net Loss Exp. Incurred		439,633
Total Loss & Loss Exp. Incurred		\$3,571,745
Taxes & Fees Paid	-	
Current Reserve	46,320	
Prior Reserve	34,740	
Change in Reserve for Taxes	11,580	
Net Taxes Incurred		11,580
Commissions Paid	404,429	
Boards, Bureaus, & Underwriting Inspections	48,625	
Other Association Exp. Incurred	1,588,353	
Net Underwriting Exp Incurred	2,041,406	
Current Operating Exp. Reserve	356,304	
Prior Operating Exp. Reserve	324,857	
Change in Underwriting Exp. Reserve	31,447	
Net Assoc. Exp. Incurred		2,072,854
Total Loss & Exp. Incurred		5,656,178
Underwriting Gain (Loss)		(\$1,237,015)
Net Investment Income Received	35,524	
Current Accrued Interest	17,084	
Prior Accrued Interest	9,036	
Change in Accrued Interest	8,048	
Net Investment Income Earned		43,572
Net Gain (Loss)		(\$1,193,444)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS YTD PERIOD ENDED DECEMBER 31, 2002

	12-31-02 YEAR-TO-DATE	
Premiums Written	\$17,606,576	
Current Unearned Reserve	8,897,126	
Prior Unearned Reserve	8,315,559	
Change in Unearned Premium Reserve	(581,567)	
Net Premium Earned		\$17,025,009
Losses Paid	14,888,878	
Less Salvage	242,905	
Net Losses Paid	14,645,973	
Current Loss Reserve	5,587,477	
Prior Loss Reserve	6,146,419	
Change in Loss Reserve	(558,942)	
Net Losses Incurred		14,087,031
Allocated Loss Exp. Paid	1,093,447	
Unallocated Loss Exp. Paid	562,888	
Total Loss Exp. Paid	1,656,335	
Current Loss Exp. Reserve	474,837	
Prior Loss Exp. Reserve	556,689	
Change in Loss Exp. Reserve	(81,852)	
Net Loss Exp. Incurred		1,574,483
Total Loss & Loss Exp. Incurred		\$15,661,514
Taxes & Fees Paid	42,501	
Current Reserve	46,320	
Prior Reserve	44,400	
Change in Reserve for Taxes	1,920	
Net Taxes Incurred		44,421
Commissions Paid	1,600,118	
Boards, Bureaus, & Underwriting Inspections	302,050	
Other Association Exp. Incurred	4,160,338	
Net Underwriting Exp Incurred	6,062,506	
Current Operating Exp. Reserve	356,304	
Prior Operating Exp. Reserve	486,308	
Change in Operating Exp. Reserve	(130,004)	
Net Assoc. Exp. Incurred		5,932,502
Total Loss & Exp. Incurred		21,638,437
Underwriting Gain (Loss)		(\$4,613,428)
Net Investment Income Received	206,695	
Current Accrued Interest	17,084	
Prior Accrued Interest	9,727	
Change in Accrued Interest	7,357	
Net Investment Income Earned		214,052
Net Gain (Loss)		(\$4,399,375)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDED DECEMBER 31, 2002

	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999	POLICY YEAR 1998 & PRIOR	TOTAL
WRITTEN PREMIUMS						
FIRE	\$3,369,859	(\$9,806)	(\$5)	-	-	\$3,360,048
ALLIED	1,166,069	(3,738)	(1)	-	-	1,162,330
CRIME	17,045	(126)	-	-	-	16,919
TOTAL	4,552,973	(13,670)	(6)	-	-	4,539,297
CURRENT UNEARNED PREMIUM RESERVE @ 12-31-02						
FIRE	6,494,180	-	-	-	-	6,494,180
ALLIED	2,362,142	-	-	-	-	2,362,142
CRIME	40,804	-	-	-	-	40,804
TOTAL	8,897,126	-	-	-	-	8,897,126
PRIOR UNEARNED PREMIUM RESERVE @ 9-30-02						
FIRE	5,961,432	377,253	-	-	-	6,338,685
ALLIED	2,252,606	140,255	-	-	-	2,392,861
CRIME	43,056	2,390	-	-	-	45,446
TOTAL	8,257,094	519,898	-	-	-	8,776,992
EARNED PREMIUM						
FIRE	2,837,111	367,447	(5)	-	-	3,204,553
ALLIED	1,056,533	136,517	(1)	-	-	1,193,049
CRIME	19,297	2,264	-	-	-	21,561
TOTAL	\$3,912,941	\$506,228	(\$6)	-	-	\$4,419,163

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS YTD PERIOD ENDED DECEMBER 31, 2002

	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999	POLICY YEAR 1998 & PRIOR	TOTAL
WRITTEN PREMIUMS						
FIRE	\$12,870,338	(\$62,440)	(\$2,353)	-	(\$49)	\$12,805,496
ALLIED	4,744,150	(25,752)	(1,289)	-	(22)	4,717,087
CRIME	84,739	(746)	-	-	-	83,993
TOTAL	17,699,227	(88,938)	(3,642)	-	(71)	17,606,576
CURRENT UNEARNED PREMIUM RESERVE @ 12-31-02						
FIRE	6,494,180	-	-	-	-	6,494,180
ALLIED	2,362,142	-	-	-	-	2,362,142
CRIME	40,804	-	-	-	-	40,804
TOTAL	8,897,126	-	-	-	-	8,897,126
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	6,376,158	5,814,959	(2,353)	-	(49)	12,188,715
ALLIED	2,382,008	2,366,027	(1,289)	-	(22)	4,746,724
CRIME	43,935	45,635	-	-	-	89,570
TOTAL	\$8,802,101	\$8,226,621	(\$3,642)	-	(\$71)	\$17,025,009

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSSES QTD PERIOD ENDED DECEMBER 31, 2002

	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999	POLICY YEAR 1998 & PRIOR	TOTAL
PAID LOSSES						
Net of Salvage and Subrogation Received						
FIRE	\$2,328,543	\$975,727	\$105,314	\$105,988	\$36,513	\$3,552,085
ALLIED	194,852	140,520	9,789	15,300	-	360,461
CRIME	3,074	-	415	-	-	3,488
TOTAL	2,526,469	1,116,247	115,517	121,289	36,513	3,916,035
CURRENT LOSS RESERVE (12-31-02)						
FIRE	3,812,746	796,384	173,012	4	76,330	4,858,476
ALLIED	582,573	136,274	(982)	366	1,967	720,197
CRIME	8,804	-	-	-	-	8,804
TOTAL	4,404,122	932,657	172,030	370	78,297	5,587,477
PRIOR LOSS RESERVES (9-30-02)						
FIRE	3,391,423	1,684,496	288,423	97,253	111,342	5,572,937
ALLIED	416,691	342,951	13,517	15,744	15	788,917
CRIME	8,021	1,525	-	-	-	9,546
TOTAL	3,816,134	2,028,972	301,940	112,997	111,357	6,371,400
INCURRED LOSSES (Including IBNR)						
FIRE	2,749,867	87,614	(10,097)	8,739	1,501	2,837,625
ALLIED	360,734	(66,157)	(4,711)	(78)	1,952	291,741
CRIME	3,857	(1,525)	415	-	-	2,746
TOTAL	\$3,114,457	\$19,933	(\$14,393)	\$8,662	\$3,453	\$3,132,112

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSSES YTD PERIOD ENDED DECEMBER 31, 2002

	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999	POLICY YEAR 1998 & PRIOR	TOTAL
PAID LOSSES						
Net of Salvage and Subrogation Received						
FIRE	\$3,531,377	\$8,036,087	\$1,139,811	\$179,805	\$99,907	\$12,986,987
ALLIED	440,408	1,076,609	133,100	1,777	-	1,651,894
CRIME	3,074	3,604	415	-	-	7,092
TOTAL	3,974,859	9,116,300	1,273,325	181,582	99,907	14,645,973
CURRENT LOSS RESERVE (12-31-02)						
FIRE	3,812,746	796,384	173,012	4	76,330	4,858,476
ALLIED	582,573	136,274	(982)	366	1,967	720,197
CRIME	8,804	-	-	-	-	8,804
TOTAL	4,404,122	932,657	172,030	370	78,297	5,587,477
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	-	3,925,343	1,727,311	251,894	241,870	6,146,419
INCURRED LOSSES (Including IBNR)						
FIRE	7,344,123	5,685,488	(246,665)	(46,211)	(65,123)	12,671,612
ALLIED	1,022,981	441,777	(35,705)	(23,732)	1,457	1,406,777
CRIME	11,877	(3,650)	415	-	-	8,641
TOTAL	\$8,378,981	\$6,123,614	(\$281,956)	(\$69,943)	(\$63,666)	\$14,087,031
I.B.N.R. (INCL. IN CURRENT RESERVES)						
	POLICY YEAR 2002	TOTAL I.B.N.R.				
FIRE	\$957,866	\$957,866				
ALLIED	353,189	353,189				
CRIME	6,304	6,304				
TOTAL	\$1,317,358	\$1,317,358				

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDED DECEMBER 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	\$229,983	\$112,463	\$11,025	\$6,709	\$6,142	\$366,322
ALLIED	62,812	49,985	5,210	1,248	-	119,256
CRIME	1,285	-	25	-	-	1,310
TOTAL	294,081	162,449	16,260	7,957	6,142	486,888
<u>CURRENT LOSS EXPENSE RESERVE</u> @ 12-31-02						
FIRE	317,463	88,558	19,239	0	8,488	433,748
ALLIED	25,508	15,154	(109)	41	219	40,811
CRIME	278	-	-	-	-	278
TOTAL	343,248	103,712	19,130	41	8,707	474,837
<u>PRIOR LOSS EXPENSE RESERVE</u> @ 9-30-02						
FIRE	276,630	149,175	29,707	10,017	11,468	476,996
ALLIED	15,546	26,226	1,392	1,622	2	44,787
CRIME	309	-	-	-	-	309
TOTAL	292,485	175,400	31,099	11,639	11,470	522,093
<u>ALAE & ULAE LOSS EXPENSES INCURRED</u>						
FIRE	270,816	51,846	557	(3,308)	3,162	323,073
ALLIED	72,774	38,913	3,709	(333)	217	115,280
CRIME	1,254	-	25	-	-	1,279
TOTAL	\$344,845	\$90,760	\$4,290	(\$3,641)	\$3,379	\$439,633

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) YTD PERIOD ENDED DECEMBER 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	\$333,256	\$652,476	\$128,103	\$21,500	\$39,961	\$1,175,295
ALLIED	125,745	284,719	49,685	15,353	3,176	478,678
CRIME	1,285	1,052	25	-	-	2,362
TOTAL	460,286	938,246	177,812	36,853	43,137	1,656,335
 <u>CURRENT LOSS EXPENSE RESERVE</u> @ 12-31-02						
FIRE	317,463	88,558	19,239	0	8,488	433,748
ALLIED	25,508	15,154	(109)	41	219	40,811
CRIME	278	-	-	-	-	278
TOTAL	343,248	103,712	19,130	41	8,707	474,837
 <u>PRIOR LOSS EXPENSE RESERVE</u> @ 12-31-01						
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	650,718	482,544	(29,660)	(4,153)	21,054	1,120,504
ALLIED	151,253	253,765	30,527	12,457	3,337	451,340
CRIME	1,563	1,052	25	-	-	2,640
TOTAL	\$803,535	\$737,361	\$892	\$8,304	\$24,391	\$1,574,483