

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT JUNE 30, 2003

	LEDGER ASSETS	NON- LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<u>ASSETS</u>				
CASH & SHORT TERM				
INVESTMENTS	\$7,815,718	-	-	\$7,815,718
ACCRUED INTEREST	-	11,316	-	11,316
FURNITURE & EQUIPMENT	212,318	-	212,318	-
ELECTRONIC DATA PROCESSING EQUIP.	59,251	-	-	59,251
LEASEHOLD IMPROVEMENTS	52,643	-	52,643	-
SUNDRY RECEIVABLE	2,971	-	-	2,971
TOTAL ASSETS	\$8,142,901	\$11,316	\$264,961	\$7,889,256
 <u>LIABILITIES</u>				
POST RETIREMENT BENEFITS (other than pensions)			969,620	
DEFINED BENEFIT PENSION PLAN			679,897	
AMOUNTS HELD FOR OTHERS			459,000	
ADVANCE PREMIUMS			356,948	
RETURN PREMIUMS			155,868	
OTHER PAYABLE			24,603	
CLAIM CHECKS PAYABLE			<u>33,276</u>	
TOTAL LIABILITIES				2,679,213
 <u>RESERVES</u>				
UNEARNED PREMIUMS			10,043,687	
LOSS - CASE BASIS			4,263,164	
LOSS - I.B.N.R			1,434,559	
LOSS EXPENSE- ALLOCATED			312,916	
LOSS EXPENSE- UNALLOCATED			161,148	
ASSOCIATION EXPENSES			309,881	
TAXES & FEES			<u>22,966</u>	
TOTAL RESERVES				16,548,320
TOTAL LIABILITIES & RESERVES				<u>19,227,533</u>
 <u>EQUITY ACCOUNT</u>				
NET EQUITY AT JUNE 30, 2003				(11,338,276)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT				<u><u>\$7,889,256</u></u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT AT JUNE 30, 2003

	QUARTER TO DATE	YEAR TO DATE
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED	\$4,659,146	\$9,075,299
<u>DEDUCTIONS</u>		
LOSSES INCURRED	2,160,529	7,074,226
LOSS EXPENSES INCURRED	216,154	811,833
COMMISSIONS INCURRED	486,666	918,358
OTHER UNDERWRITING EXPENSES	1,071,387	2,078,319
TAXES & FEES INCURRED	39,165	57,630
TOTAL DEDUCTIONS	3,973,900	10,940,366
UNDERWRITING GAIN (LOSS)	685,246	(1,865,067)
<u>OTHER INCOME</u>		
NET INVESTMENT INCOME	29,842	61,537
NET GAIN (LOSS)	715,088	(1,803,530)
<u>EQUITY ACCOUNT</u>		
NET EQUITY-PRIOR	(12,066,904)	(9,552,179)
NET GAIN (LOSS) FOR PERIOD	715,088	(1,803,530)
CHANGE IN NONADMITTED ASSETS	13,540	17,433
CHANGE IN EQUITY	728,628	(1,786,097)
NET EQUITY AT JUNE 30, 2003	(\$11,338,276)	(\$11,338,276)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED JUNE 30, 2003

	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999 & PRIOR	TOTAL
<u>INCOME RECEIVED</u>						
PREMIUMS WRITTEN	\$5,562,252	(\$69,500)	(\$2,034)	\$530	-	\$5,491,248
INVESTMENT INCOME RECEIVED	29,186	-	-	-	-	29,186
TOTAL	5,591,438	(69,500)	(2,034)	530	-	5,520,434
<u>EXPENSES PAID</u>						
LOSSES PAID	251,374	3,443,193	92,362	44,464	(15,701)	3,815,691
ALLOCATED LOSS EXPENSE	31,941	226,317	20,809	1,691	4,910	285,668
UNALLOCATED LOSS EXPENSE	7,987	109,437	3,218	1,413	-	122,054
INSPECTION AND RATING ISO	12,287	-	-	-	-	12,287
SURVEYS & UNDERWRITING RPTS	82,400	-	-	-	-	82,400
COMMISSIONS	493,584	(6,767)	(203)	53	-	486,666
BOARDS & BUREAUS	4,125	-	-	-	-	4,125
ASSOCIATION EXPENSES	936,584	-	-	-	-	936,584
TAXES & FEES PAID	30,697	20,700	-	-	-	51,397
TOTAL	1,850,979	3,792,879	116,185	47,620	(10,791)	5,796,873
INCREASE (DECREASE)	3,740,459	(3,862,379)	(118,219)	(47,090)	10,791	(276,439)
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	10,660	-	-	-	-	10,660
CURRENT NONADMITTED ASSETS	264,961	-	-	-	-	264,961
TOTAL	275,621	-	-	-	-	275,621
<u>ADD</u>						
CURRENT ACCRUED INTEREST	11,316	-	-	-	-	11,316
PRIOR NONADMITTED ASSETS	278,502	-	-	-	-	278,502
TOTAL	289,818	-	-	-	-	289,818
EQUITY IN ASSETS OF ASSOCIATION	3,754,656	(3,862,379)	(118,219)	(47,090)	10,791	(262,242)
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	7,791,058	2,252,629	-	-	-	10,043,687
UNPAID LOSSES	1,695,419	3,706,023	125,553	82,029	88,698	5,697,722
UNPAID LOSS EXPENSES	103,546	337,571	13,962	9,122	9,863	474,064
UNPAID ASSOCIATION EXPENSES	309,881	-	-	-	-	309,881
UNPAID TAXES & FEES	22,966	-	-	-	-	22,966
TOTAL	9,922,870	6,296,223	139,515	91,151	98,561	16,548,320
<u>PRIOR RESERVES</u>						
UNEARNED PREMIUMS	4,152,660	5,058,925	-	-	-	9,211,585
UNPAID LOSSES	904,923	5,822,247	397,959	151,041	76,714	7,352,885
UNPAID LOSSES EXPENSES	61,490	534,563	44,254	16,796	8,530	665,632
UNPAID ASSOCIATION EXPENSES	273,891	-	-	-	-	273,891
UNPAID TAXES & FEES	35,198	-	-	-	-	35,198
TOTAL	5,428,162	11,415,735	442,213	167,837	85,244	17,539,191
NET CHANGE IN EQUITY	(\$740,052)	\$1,257,133	\$184,479	\$29,595	(\$2,527)	\$728,628

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT YTD PERIOD ENDED JUNE 30, 2003

	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999 & PRIOR	TOTAL
INCOME RECEIVED						
PREMIUMS WRITTEN	\$10,303,484	(\$78,272)	(\$3,882)	\$530	-	\$10,221,860
INVESTMENT INCOME RECEIVED	67,305	-	-	-	-	67,305
TOTAL	10,370,789	(78,272)	(3,882)	530	-	10,289,165
EXPENSES PAID						
LOSSES PAID	271,098	6,129,844	537,702	59,334	(33,997)	6,963,981
ALLOCATED LOSS EXPENSE	35,346	437,629	70,844	7,596	20,132	571,548
UNALLOCATED LOSS EXPENSE	8,726	210,230	20,411	1,970	(278)	241,058
INSPECTION AND RATING ISO	23,248	-	-	-	-	23,248
SURVEYS & UNDERWRITING RPTS	156,879	-	-	-	-	156,879
COMMISSIONS	925,583	(6,888)	(388)	53	-	918,359
BOARDS & BUREAUS	8,250	-	-	-	-	8,250
ASSOCIATION EXPENSES	1,936,366	-	-	-	-	1,936,366
TAXES & FEES	53,806	27,178	-	-	-	80,984
TOTAL	3,419,301	6,797,993	628,569	68,953	(14,143)	10,900,673
INCREASE (DECREASE)	6,951,488	(6,876,265)	(632,451)	(68,423)	14,143	(611,508)
DEDUCT						
PRIOR ACCRUED INTEREST	-	17,084	-	-	-	17,084
CURRENT NONADMITTED ASSETS	264,961	-	-	-	-	264,961
TOTAL	264,961	17,084	-	-	-	282,045
ADD						
CURRENT ACCRUED INTEREST	11,316	-	-	-	-	11,316
PRIOR NONADMITTED ASSETS	-	282,394	-	-	-	282,394
TOTAL	11,316	282,394	-	-	-	293,710
EQUITY IN ASSETS OF ASSOCIATION	6,697,843	(6,610,955)	(632,451)	(68,423)	14,143	(599,843)
CURRENT RESERVES						
UNEARNED PREMIUMS	7,791,058	2,252,629	-	-	-	10,043,687
UNPAID LOSSES	1,695,419	3,706,023	125,553	82,029	88,698	5,697,721
UNPAID LOSS EXPENSES	103,546	337,571	13,962	9,122	9,863	474,063
UNPAID ASSOCIATION EXPENSES	309,881	-	-	-	-	309,881
UNPAID TAXES & FEES	22,966	-	-	-	-	22,966
TOTAL	9,922,869	6,296,223	139,515	91,151	98,561	16,548,318
PRIOR RESERVES						
UNEARNED PREMIUMS	-	8,897,126	-	-	-	8,897,126
UNPAID LOSSES	-	4,404,123	932,658	172,030	78,667	5,587,479
UNPAID LOSSES EXPENSES	-	343,249	103,712	19,130	8,747	474,837
UNPAID ASSOCIATION EXPENSES	-	356,304	-	-	-	356,304
UNPAID TAXES & FEES	-	46,320	-	-	-	46,320
TOTAL	-	14,047,123	1,036,370	191,160	87,414	15,362,066
NET CHANGE IN EQUITY	(\$3,225,026)	\$1,139,945	\$264,404	\$31,586	\$2,994	(\$1,786,097)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDED JUNE 30, 2003

	6-30-03 QUARTER-TO-DATE	
Premiums Written	\$5,491,248	
Current Unearned Reserve	10,043,687	
Prior Unearned Reserve	9,211,585	
Change in Unearned Premium Reserve	(832,102)	
Net Premium Earned		\$4,659,146
Losses Paid	3,841,606	
Less Salvage & Subrogation	25,914	
Net Losses Paid	3,815,692	
Current Loss Reserve	5,697,722	
Prior Loss Reserve	7,352,885	
Change in Loss Reserve	(1,655,163)	
Net Losses Incurred		2,160,529
Allocated Loss Exp. Paid	285,668	
Unallocated Loss Exp. Paid	122,054	
Total Loss Exp. Paid	407,722	
Current Loss Exp. Reserve	474,064	
Prior Loss Exp. Reserve	665,632	
Change in Loss Exp. Reserve	(191,568)	
Net Loss Exp. Incurred		216,154
Total Loss & Loss Exp. Incurred		2,376,683
Taxes & Fees Paid	51,397	
Current Reserve	22,966	
Prior Reserve	35,198	
Change in Reserve for Taxes & Fees	(12,232)	
Net Taxes & Fees Incurred		39,165
Commissions Expense		486,666
Boards, Bureaus, & Underwriting Inspections Paid	98,812	
Other Operating Exp. Paid	936,584	
Total Underwriting Exp. Paid	1,035,396	
Current Reserve	309,881	
Prior Reserve	273,891	
Change in Other Underwriting Exp. Reserve	35,990	
Other Underwriting Exp. Incurred		1,071,386
Total Other Underwriting Exp. Incurred		1,597,217
Total Loss & Underwriting Exp. Incurred		\$3,973,900
Underwriting Gain (Loss)		685,246
Net Investment Income Received	29,186	
Current Accrued Interest	11,316	
Prior Accrued Interest	10,660	
Change in Accrued Interest	656	
Net Investment Income Earned		29,842
Net Gain (Loss)		\$715,088

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS YTD PERIOD ENDED JUNE 30, 2003

	6-30-03 YEAR-TO-DATE	
Premiums Written	\$10,221,860	
Current Unearned Reserve	10,043,687	
Prior Unearned Reserve	8,897,126	
Change in Unearned Premium Reserve	<u>(1,146,561)</u>	
Net Premium Earned		\$9,075,299
Losses Paid	7,017,649	
Less Salvage	<u>53,669</u>	
Net Losses Paid		6,963,980
Current Loss Reserve	5,697,722	
Prior Loss Reserve	5,587,477	
Change in Loss Reserve	<u>110,246</u>	
Net Losses Incurred		7,074,226
Allocated Loss Exp. Paid	571,548	
Unallocated Loss Exp. Paid	<u>241,058</u>	
Total Loss Exp. Paid		812,606
Current Loss Exp. Reserve	474,064	
Prior Loss Exp. Reserve	474,837	
Change in Loss Exp. Reserve	<u>(773)</u>	
Net Loss Exp. Incurred		811,833
Total Loss & Loss Exp. Incurred		7,886,059
Taxes & Fees Paid	80,984	
Current Reserve	22,966	
Prior Reserve	46,320	
Change in Reserve for Taxes	<u>(23,354)</u>	
Net Taxes Incurred		57,630
Commissions Expense		918,358
Boards, Bureaus, & Underwriting Inspections Paid	188,377	
Other Operating Exp. Paid	<u>1,936,366</u>	
Total Underwriting Exp. Paid		2,124,742
Current Reserve	309,881	
Prior Reserve	356,304	
Change in Other Underwriting Exp. Reserve	<u>(46,423)</u>	
Other Underwriting Exp. Incurred		2,078,319
Total Other Underwriting Exp. Incurred		3,054,307
Total Loss & Underwriting Exp. Incurred		10,940,366
Underwriting Gain (Loss)		(1,865,067)
Net Investment Income Received		67,305
Current Accrued Interest	11,316	
Prior Accrued Interest	17,084	
Change in Accrued Interest	<u>(5,768)</u>	
Net Investment Income Earned		61,537
Net Gain (Loss)		(\$1,803,530)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDED JUNE 30, 2003

SEE NOTE BELOW

	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999 & PRIOR	TOTAL
WRITTEN PREMIUMS						
FIRE	\$4,146,918	(\$51,484)	(\$1,245)	\$380	-	\$4,094,569
ALLIED	1,395,050	(17,639)	(789)	150	-	1,376,772
CRIME	20,284	(377)	-	-	-	19,907
TOTAL	5,562,252	(69,500)	(2,034)	530	-	\$5,491,248
CURRENT UNEARNED PREMIUM RESERVE @ 6-30-03						
FIRE	5,831,024	1,657,700	-	-	-	7,488,724
ALLIED	1,931,161	585,706	-	-	-	2,516,867
CRIME	28,873	9,223	-	-	-	38,096
TOTAL	7,791,058	2,252,629	-	-	-	\$10,043,687
PRIOR UNEARNED PREMIUM RESERVE @ 3-31-03						
FIRE	3,126,592	3,701,628	-	-	-	6,828,220
ALLIED	1,010,327	1,334,994	-	-	-	2,345,321
CRIME	15,741	22,303	-	-	-	38,044
TOTAL	4,152,660	5,058,925	-	-	-	\$9,211,585
EARNED PREMIUM						
FIRE	1,442,486	1,992,444	(1,245)	380	-	3,434,065
ALLIED	474,216	731,649	(789)	150	-	1,205,226
CRIME	7,152	12,703	-	-	-	19,855
TOTAL	\$1,923,854	\$2,736,796	(\$2,034)	\$530	-	\$4,659,146

Note: As required under the Terrorism Risk Insurance Act of 2002, Direct Earned Premium for Commercial business written in the 2nd quarter is shown on page 8.

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS YTD PERIOD ENDED JUNE 30, 2003

SEE NOTE BELOW

	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999 & PRIOR	TOTAL
WRITTEN PREMIUMS						
FIRE	\$7,717,058	(\$61,337)	(\$2,602)	\$380	-	\$7,653,499
ALLIED	2,548,407	(16,400)	(1,280)	150	-	2,530,877
CRIME	38,019	(535)	-	-	-	37,484
TOTAL	10,303,484	(78,272)	(3,882)	530	-	\$10,221,860
CURRENT UNEARNED PREMIUM RESERVE @ 6-30-03						
FIRE	5,831,024	1,657,700	-	-	-	7,488,724
ALLIED	1,931,161	585,706	-	-	-	2,516,867
CRIME	28,873	9,223	-	-	-	38,096
TOTAL	7,791,058	2,252,629	-	-	-	\$10,043,687
PRIOR 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
EARNED PREMIUM						
FIRE	1,886,034	4,775,143	(2,602)	380	-	6,658,955
ALLIED	617,246	1,760,036	(1,280)	150	-	2,376,152
CRIME	9,146	31,046	-	-	-	40,192
TOTAL	\$2,512,426	\$6,566,225	(\$3,882)	\$530	-	\$9,075,299

*Note: On November 26, 2002, President Bush signed into law the Terrorism Risk Insurance Act of 2002. The Act was effective immediately. It includes State residual market insurance entities such as FAIR Plans that write commercial property insurance coverage. The Act provides residual market insurance entities that share profits and losses with private sector insurers, to report its share of direct earned premium and losses to each private sector insurance participant. For the quarter ending June 30, 2003, the direct earned premium for commercial business written by the FAIR Plan was \$487,924. The year-to-date amount was \$966,707. There were no terrorism losses reported. Please use your latest NJ member participation listing to calculate your share of commercial premium. The result of this calculation should be treated as assumed earned premium for the purpose of calculating an Insurer deductible under the Act.

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSSES QTD PERIOD ENDED JUNE 30, 2003

	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999 & PRIOR	TOTAL
PAID LOSSES						
Net of Salvage and Subrogation Received						
FIRE	\$205,487	\$3,217,001	\$66,334	\$38,344	(\$8,428)	\$3,518,738
ALLIED	45,887	218,437	26,028	6,120	(7,273)	289,199
CRIME	-	7,755	-	-	-	7,755
TOTAL	251,374	3,443,193	92,362	44,464	(15,701)	3,815,692
CURRENT LOSS RESERVE (6-30-03)						
FIRE	1,430,801	3,297,460	106,032	82,022	88,329	5,004,644
ALLIED	261,800	405,480	19,521	7	369	687,177
CRIME	2,818	3,083	-	-	-	5,901
TOTAL	1,695,419	3,706,023	125,553	82,029	88,698	5,697,722
PRIOR LOSS RESERVES (3-31-03)						
FIRE	793,677	4,992,597	368,215	158,020	76,342	6,388,852
ALLIED	109,930	814,893	29,744	(6,979)	372	947,960
CRIME	1,316	14,757	-	-	-	16,073
TOTAL	904,923	5,822,247	397,959	151,041	76,714	7,352,885
INCURRED LOSSES						
FIRE	842,611	1,521,864	(195,849)	(37,654)	3,559	2,134,530
ALLIED	197,757	(190,975)	15,805	13,106	(7,276)	28,417
CRIME	1,502	(3,920)	-	-	-	(2,418)
TOTAL	\$1,041,870	\$1,326,969	(\$180,044)	(\$24,548)	(\$3,717)	\$2,160,529

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSSES YTD PERIOD ENDED JUNE 30, 2003

	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999 & PRIOR	TOTAL
PAID LOSSES						
Net of Salvage and Subrogation Received						
FIRE	\$221,805	\$5,658,950	\$475,802	\$51,024	(\$28,611)	\$6,378,970
ALLIED	49,293	462,504	61,900	8,310	(5,386)	576,620
CRIME	-	8,390	-	-	-	8,390
TOTAL	<u>271,098</u>	<u>6,129,844</u>	<u>537,702</u>	<u>59,334</u>	<u>(33,997)</u>	<u>6,963,980</u>
CURRENT LOSS RESERVE (6-30-03)						
FIRE	1,430,801	3,297,460	106,032	82,022	88,329	5,004,644
ALLIED	261,800	405,480	19,521	7	369	687,177
CRIME	2,818	3,083	-	-	-	5,901
TOTAL	<u>1,695,419</u>	<u>3,706,023</u>	<u>125,553</u>	<u>82,029</u>	<u>88,698</u>	<u>5,697,722</u>
PRIOR LOSS RESERVES (12-31-02)						
FIRE	-	3,812,746	796,384	173,012	76,334	4,858,476
ALLIED	-	582,573	136,274	(982)	2,333	720,197
CRIME	-	8,804	-	-	-	8,804
TOTAL	<u>-</u>	<u>4,404,123</u>	<u>932,658</u>	<u>172,030</u>	<u>78,667</u>	<u>5,587,477</u>
INCURRED LOSSES						
FIRE	1,652,606	5,143,664	(214,550)	(39,966)	(16,616)	6,525,138
ALLIED	311,093	285,411	(54,852)	9,299	(7,350)	543,600
CRIME	2,818	2,670	-	-	-	5,488
TOTAL	<u>\$1,966,517</u>	<u>\$5,431,745</u>	<u>(\$269,402)</u>	<u>(\$30,667)</u>	<u>(\$23,966)</u>	<u>\$7,074,226</u>
I.B.N.R. (INCL. IN CURRENT RESERVES)						
	POLICY YEAR 2003	POLICY YEAR 2002	TOTAL I.B.N.R.			
FIRE	572,417	489,698	1,062,115			
ALLIED	189,010	177,533	366,543			
CRIME	2,818	3,083	5,901			
TOTAL	<u>\$764,245</u>	<u>\$670,314</u>	<u>\$1,434,559</u>			

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDED JUNE 30, 2003

	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999 & PRIOR	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)						
FIRE	\$22,094	\$222,639	\$16,612	\$1,927	\$4,120	\$267,391
ALLIED	17,834	112,210	7,415	1,177	791	139,426
CRIME	-	905	-	-	-	905
TOTAL	39,928	335,754	24,027	3,104	4,911	407,722
CURRENT LOSS EXPENSE RESERVE @ 6-30-03						
FIRE	95,452	312,223	11,791	9,121	9,822	438,409
ALLIED	8,094	25,348	2,171	1	41	35,655
CRIME	-	-	-	-	-	-
TOTAL	103,546	337,571	13,962	9,122	9,863	474,064
PRIOR LOSS EXPENSE RESERVE @ 3-31-03						
FIRE	58,786	473,139	40,946	17,572	8,489	598,931
ALLIED	2,704	60,312	3,308	(776)	41	65,589
CRIME	-	1,112	-	-	-	1,112
TOTAL	61,490	534,563	44,254	16,796	8,530	665,632
ALAE & ULAE LOSS EXPENSES INCURRED						
FIRE	58,760	61,723	(12,543)	(6,524)	5,453	106,869
ALLIED	23,224	77,246	6,278	1,953	790	109,492
CRIME	-	(207)	-	-	-	(207)
TOTAL	\$81,984	\$138,762	(\$6,265)	(\$4,571)	\$6,243	\$216,154

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) YTD PERIOD ENDED JUNE 30, 2003

	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000	POLICY YEAR 1999 & PRIOR	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)						
FIRE	\$23,093	\$448,009	\$61,399	\$6,102	\$18,006	\$556,609
ALLIED	20,979	198,000	29,856	3,464	1,847	254,146
CRIME	-	1,851	-	-	-	1,851
TOTAL	44,072	647,860	91,255	9,566	19,853	812,606
CURRENT LOSS EXPENSE RESERVE @ 6-30-03						
FIRE	95,452	312,223	11,791	9,121	9,822	438,409
ALLIED	8,094	25,348	2,171	1	41	35,655
CRIME	-	-	-	-	-	-
TOTAL	103,546	337,571	13,962	9,122	9,863	474,064
PRIOR LOSS EXPENSE RESERVE @ 12-31-02						
FIRE	-	317,463	88,558	19,239	8,488	433,748
ALLIED	-	25,508	15,154	(109)	259	40,811
CRIME	-	278	-	-	-	278
TOTAL	-	343,249	103,712	19,130	8,747	474,837
ALAE & ULAE LOSS EXPENSES INCURRED						
FIRE	118,545	442,769	(15,368)	(4,016)	19,340	561,271
ALLIED	29,073	197,840	16,873	3,574	1,629	248,989
CRIME	-	1,573	-	-	-	1,573
TOTAL	\$147,618	\$642,182	\$1,505	(\$442)	\$20,969	\$811,833