

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT JUNE 30, 2004

	LEDGER ASSETS	NON-LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
ASSETS				
CASH & SHORT TERM				
INVESTMENTS	\$10,854,284	-	-	\$10,854,284
ACCRUED INTEREST	-	13,121	-	13,121
FURNITURE & EQUIPMENT	159,802	-	159,802	-
ELECTRONIC DATA PROCESSING EQUIP.	54,426	-	-	54,426
LEASEHOLD IMPROVEMENTS	45,060	-	45,060	-
SUNDRY RECEIVABLE	686	-	-	686
TOTAL ASSETS	\$11,114,258	\$13,121	\$204,862	\$10,922,517
LIABILITIES				
POST RETIREMENT BENEFITS (other than pensions)			1,362,861	
DEFINED BENEFIT PENSION PLAN			506,779	
AMOUNTS HELD FOR OTHERS			431,980	
ADVANCE PREMIUMS			382,380	
RETURN PREMIUMS			273,598	
OTHER PAYABLES			15,029	
CLAIM CHECKS PAYABLE			22,957	
TOTAL LIABILITIES				2,995,584
RESERVES				
UNEARNED PREMIUMS			11,701,177	
LOSS - CASE BASIS			5,557,664	
LOSS - I.B.N.R			1,181,783	
LOSS EXPENSE- ALLOCATED			447,398	
LOSS EXPENSE- UNALLOCATED			188,060	
ASSOCIATION EXPENSES			347,861	
TAXES & FEES			19,329	
TOTAL RESERVES				19,443,270
TOTAL LIABILITIES & RESERVES				22,438,854
EQUITY ACCOUNT				
NET EQUITY AT JUNE 30, 2004				(11,516,337)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT				\$10,922,517

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT AT JUNE 30, 2004

	QUARTER-TO-DATE	YEAR-TO-DATE
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED	\$5,607,361	\$10,983,477
<u>DEDUCTIONS</u>		
LOSSES INCURRED	2,509,513	6,615,313
LOSS EXPENSES INCURRED	295,941	770,094
COMMISSIONS INCURRED	552,690	1,073,938
OTHER UNDERWRITING EXPENSES	1,087,128	2,164,888
TAXES & FEES INCURRED	21,303	43,617
TOTAL DEDUCTIONS	4,466,575	10,667,850
UNDERWRITING GAIN	1,140,786	315,627
<u>OTHER INCOME</u>		
NET INVESTMENT INCOME	33,542	63,044
NET GAIN	1,174,328	378,671
<u>EQUITY ACCOUNT</u>		
NET EQUITY - PRIOR	(12,705,692)	(11,925,058)
NET GAIN FOR PERIOD	1,174,328	378,671
CHANGE IN NONADMITTED ASSETS	15,027	30,050
CHANGE IN EQUITY	1,189,355	408,721
NET EQUITY AT JUNE 30, 2004	(\$11,516,337)	(\$11,516,337)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED JUNE 30, 2004

	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000 & PRIOR	TOTAL
<u>INCOME RECEIVED</u>						
PREMIUMS WRITTEN	\$6,367,499	(\$107,662)	(\$912)	-	-	\$6,258,925
INVESTMENT INCOME RECEIVED	30,459	-	-	-	-	30,459
TOTAL	<u>6,397,958</u>	<u>(107,662)</u>	<u>(912)</u>	<u>-</u>	<u>-</u>	<u>6,289,384</u>
<u>EXPENSES PAID</u>						
LOSSES PAID	126,101	2,989,492	203,518	(1,500)	15,040	3,332,650
ALLOCATED LOSS EXPENSE	27,687	215,894	27,159	1,894	2,866	275,499
UNALLOCATED LOSS EXPENSE	5,137	121,969	8,351	(62)	657	136,053
INSPECTION AND RATING ISO	8,796	-	-	-	-	8,796
SURVEYS & UNDERWRITING RPTS	98,250	-	-	-	-	98,250
BOARDS & BUREAUS	3,506	-	-	-	-	3,506
COMMISSIONS	562,828	(10,047)	(91)	-	-	552,690
ASSOCIATION EXPENSES	959,037	-	-	-	-	959,037
TAXES & FEES	38,256	13,832	-	-	-	52,088
TOTAL	<u>1,829,598</u>	<u>3,331,140</u>	<u>238,936</u>	<u>332</u>	<u>18,563</u>	<u>5,418,570</u>
INCREASE (DECREASE)	<u>4,568,360</u>	<u>(3,438,802)</u>	<u>(239,848)</u>	<u>(332)</u>	<u>(18,563)</u>	<u>870,815</u>
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	10,038	-	-	-	-	10,038
CURRENT NONADMITTED ASSETS	204,862	-	-	-	-	204,862
TOTAL	<u>214,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>214,900</u>
<u>ADD</u>						
CURRENT ACCRUED INTEREST	13,121	-	-	-	-	13,121
PRIOR NONADMITTED ASSETS	219,886	-	-	-	-	219,886
TOTAL	<u>233,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,007</u>
EQUITY IN ASSETS OF ASSOCIATION	<u>4,586,467</u>	<u>(3,438,802)</u>	<u>(239,848)</u>	<u>(332)</u>	<u>(18,563)</u>	<u>888,922</u>
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	8,975,394	2,725,783	-	-	-	11,701,177
UNPAID LOSSES	1,559,451	4,538,853	411,120	110,358	119,665	6,739,447
UNPAID LOSS EXPENSES	421,874	124,104	62,967	15,635	10,878	635,458
UNPAID ASSOCIATION EXPENSES	347,861	-	-	-	-	347,861
UNPAID TAXES & FEES	19,329	-	-	-	-	19,329
TOTAL	<u>11,323,908</u>	<u>7,388,740</u>	<u>474,087</u>	<u>125,993</u>	<u>130,543</u>	<u>19,443,271</u>
<u>PRIOR RESERVES</u>						
UNEARNED PREMIUMS	4,864,930	6,184,683	-	-	-	11,049,613
UNPAID LOSSES	235,344	6,459,079	641,510	112,289	114,362	7,562,583
UNPAID LOSSES EXPENSES	315,873	280,591	112,832	26,691	15,082	751,069
UNPAID ASSOCIATION EXPENSES	330,322	-	-	-	-	330,322
UNPAID TAXES & FEES	50,114	-	-	-	-	50,114
TOTAL	<u>5,796,583</u>	<u>12,924,353</u>	<u>754,342</u>	<u>138,980</u>	<u>129,444</u>	<u>19,743,703</u>
NET CHANGE IN EQUITY	<u>(\$940,857)</u>	<u>\$2,096,811</u>	<u>\$40,407</u>	<u>\$12,655</u>	<u>(\$19,661)</u>	<u>\$1,189,355</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT YTD PERIOD ENDED JUNE 30, 2004

	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000 & PRIOR	TOTAL
<u>INCOME RECEIVED</u>						
PREMIUMS WRITTEN	\$11,929,179	\$10,979	(\$4,991)	-	-	\$11,935,167
INVESTMENT INCOME RECEIVED	58,671	-	-	-	-	58,671
TOTAL	11,987,850	10,979	(4,991)	-	-	11,993,838
<u>EXPENSES PAID</u>						
LOSSES PAID	159,731	5,243,073	1,645,108	(5,675)	74,174	7,116,412
ALLOCATED LOSS EXPENSE	32,120	431,040	104,682	2,876	3,846	574,564
UNALLOCATED LOSS EXPENSE	6,389	205,978	62,036	(6)	2,864	277,260
INSPECTION AND RATING ISO	20,813	-	-	-	-	20,813
SURVEYS & UNDERWRITING RPTS	191,218	-	-	-	-	191,218
BOARDS & BUREAUS	7,013	-	-	-	-	7,013
COMMISSIONS	1,096,438	(22,040)	(460)	-	-	1,073,938
ASSOCIATION EXPENSES	1,891,431	-	-	-	-	1,891,431
TAXES & FEES	66,012	19,411	-	-	-	85,423
TOTAL	3,471,164	5,877,462	1,811,366	(2,805)	80,884	11,238,072
INCREASE (DECREASE)	8,516,686	(5,866,483)	(1,816,357)	2,805	(80,884)	755,767
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	-	8,748	-	-	-	8,748
CURRENT NONADMITTED ASSETS	204,862	-	-	-	-	204,862
TOTAL	204,862	8,748	-	-	-	213,610
<u>ADD</u>						
CURRENT ACCRUED INTEREST	13,121	-	-	-	-	13,121
PRIOR NONADMITTED ASSETS	-	234,911	-	-	-	234,911
TOTAL	13,121	234,911	-	-	-	248,032
EQUITY IN ASSETS OF ASSOCIATION	8,324,944	(5,640,320)	(1,816,357)	2,805	(80,884)	790,189
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	8,975,394	2,725,783	-	-	-	11,701,177
UNPAID LOSSES	1,559,451	4,538,853	411,120	110,358	119,665	6,739,447
UNPAID LOSS EXPENSES	421,874	124,104	62,967	15,635	10,878	635,458
UNPAID ASSOCIATION EXPENSES	347,861	-	-	-	-	347,861
UNPAID TAXES & FEES	19,329	-	-	-	-	19,329
TOTAL	11,323,908	7,388,740	474,087	125,993	130,543	19,443,271
<u>PRIOR RESERVES</u>						
UNEARNED PREMIUMS	-	10,749,487	-	-	-	10,749,487
UNPAID LOSSES	-	5,008,777	1,978,509	94,531	158,729	7,240,546
UNPAID LOSSES EXPENSES	-	434,423	250,677	11,977	20,111	717,188
UNPAID ASSOCIATION EXPENSES	-	293,448	-	-	-	293,448
UNPAID TAXES & FEES	-	61,135	-	-	-	61,135
TOTAL	-	16,547,270	2,229,186	106,508	178,840	19,061,804
NET CHANGE IN EQUITY	(\$2,998,963)	\$3,518,210	(\$61,258)	(\$16,680)	(\$32,587)	\$408,721

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDING JUNE 30, 2004

	6-30-04 QUARTER-TO-DATE	
Premiums Written	\$6,258,925	
Current Unearned Reserve	11,701,177	
Prior Unearned Reserve	11,049,613	
Change in Unearned Premium Reserve	(651,564)	
Net Premium Earned		\$5,607,361
Losses Paid	3,339,956	
Less Salvage & Subrogation	7,306	
Net Losses Paid	3,332,650	
Current Loss Reserve	6,739,447	
Prior Loss Reserve	7,562,584	
Change in Loss Reserve	(823,137)	
Net Losses Incurred		2,509,513
Allocated Loss Exp. Paid	275,499	
Unallocated Loss Exp. Paid	136,053	
Total Loss Exp. Paid	411,552	
Current Loss Exp. Reserve	635,458	
Prior Loss Exp. Reserve	751,069	
Change in Loss Exp. Reserve	(115,611)	
Net Loss Exp. Incurred		295,941
Total Loss & Loss Exp. Incurred		\$2,805,454
Taxes & Fees Paid	52,088	
Current Reserve	19,329	
Prior Reserve	50,114	
Change in Reserve for Taxes & Fees	(30,785)	
Net Taxes & Fees Incurred		21,303
Commissions Expense Paid	552,690	
Board Bureaus & Inspections Paid	110,552	
Other Operating Exp. Paid	959,037	
Total Underwriting Exp. Paid	1,622,279	
Current Reserve	347,861	
Prior Reserve	330,322	
Change in Other Underwriting Exp. Reserve	17,539	
Other Underwriting Exp. Incurred		1,639,818
Total Other Underwriting Exp. Incurred		1,661,121
Total Loss & Underwriting Exp. Incurred		\$4,466,576
Underwriting Gain		\$1,140,786
Net Investment Income Received		30,459
Current Accrued Interest	13,121	
Prior Accrued Interest	10,038	
Change in Accrued Interest	3,083	
Net Investment Income Earned		33,542
Net Gain		\$1,174,328

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS YTD PERIOD ENDING JUNE 30, 2004

	6-30-04 YEAR-TO-DATE	
Premiums Written	\$11,935,167	
Current Unearned Reserve	11,701,177	
Prior Unearned Reserve	10,749,487	
Change in Unearned Premium Reserve	(951,690)	
Net Premium Earned		\$10,983,477
Losses Paid	7,131,719	
Less Salvage & Subrogation	15,307	
Net Losses Paid	7,116,412	
Current Loss Reserve	6,739,447	
Prior Loss Reserve	7,240,546	
Change in Loss Reserve	(501,099)	
Net Losses Incurred		6,615,313
Allocated Loss Exp. Paid	574,563	
Unallocated Loss Exp. Paid	277,261	
Total Loss Exp. Paid	851,824	
Current Loss Exp. Reserve	635,458	
Prior Loss Exp. Reserve	717,188	
Change in Loss Exp. Reserve	(81,730)	
Net Loss Exp. Incurred		770,094
Total Loss & Loss Exp. Incurred		\$7,385,407
Taxes & Fees Paid	85,423	
Current Reserve	19,329	
Prior Reserve	61,135	
Change in Reserve for Taxes & Fees	(41,806)	
Net Taxes & Fees Incurred		43,617
Commissions Expense Paid	1,073,938	
Board Bureaus & Inspections Paid	219,044	
Other Operating Exp. Paid	1,891,431	
Total Underwriting Exp. Paid	3,184,413	
Current Reserve	347,861	
Prior Reserve	293,448	
Change in Other Underwriting Exp. Reserve	54,413	
Other Underwriting Exp. Incurred		3,238,826
Total Other Underwriting Exp. Incurred		3,282,443
Total Loss & Underwriting Exp. Incurred		\$10,667,850
Underwriting Gain		\$315,627
Net Investment Income Received	58,671	
Current Accrued Interest	13,121	
Prior Accrued Interest	8,748	
Change in Accrued Interest	4,373	
Net Investment Income Earned		63,044
Net Gain		\$378,671

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDING JUNE 30, 2004

*SEE NOTE BELOW	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000 & PRIOR	TOTAL
WRITTEN PREMIUMS						
FIRE	\$4,921,025	(\$80,584)	(\$705)			\$4,839,736
ALLIED	1,430,005	(26,737)	(207)			1,403,061
CRIME	16,469	(341)	-			16,128
TOTAL	6,367,499	(107,662)	(912)	-	-	6,258,925
CURRENT UNEARNED PREMIUM RESERVE						
@ 6-30-04						
FIRE	6,951,773	2,068,980	-	-	-	9,020,753
ALLIED	1,998,689	648,649	-	-	-	2,647,338
CRIME	24,932	8,154	-	-	-	33,086
TOTAL	8,975,394	2,725,783	-	-	-	11,701,177
PRIOR UNEARNED PREMIUM RESERVE						
@ 3-31-04						
FIRE	3,783,158	4,674,519	-	-	-	8,457,677
ALLIED	1,066,928	1,490,507	-	-	-	2,557,435
CRIME	14,844	19,657	-	-	-	34,501
TOTAL	4,864,930	6,184,683	-	-	-	11,049,613
EARNED PREMIUM						
FIRE	1,752,410	2,524,955	(705)	-	-	4,276,660
ALLIED	498,244	815,121	(207)	-	-	1,313,158
CRIME	6,381	11,162	-	-	-	17,543
TOTAL	\$2,257,035	\$3,351,238	(\$912)	-	-	\$5,607,361

*Note: The Terrorism Risk Insurance Act of 2002 requires insurers to report direct earned premium for commercial business written. This amount is shown on page 8.

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS YTD PERIOD ENDING JUNE 30, 2004

	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000 & PRIOR	TOTAL
*SEE NOTE BELOW						
WRITTEN PREMIUMS						
FIRE	\$9,246,182	\$10,891	(\$3,993)	-	-	\$9,253,080
ALLIED	2,649,588	447	(998)	-	-	2,649,037
CRIME	33,409	(359)	-	-	-	33,050
TOTAL	11,929,179	10,979	(4,991)	-	-	11,935,167
 CURRENT UNEARNED PREMIUM RESERVE						
@ 6-30-04						
FIRE	6,951,773	2,068,980	-	-	-	9,020,753
ALLIED	1,998,689	648,649	-	-	-	2,647,338
CRIME	24,932	8,154	-	-	-	33,086
TOTAL	8,975,394	2,725,783	-	-	-	11,701,177
 PRIOR UNEARNED PREMIUM RESERVE						
@ 12-31-03						
FIRE	-	8,106,000	-	-	-	8,106,000
ALLIED	-	2,607,627	-	-	-	2,607,627
CRIME	-	35,860	-	-	-	35,860
TOTAL	-	10,749,487	-	-	-	10,749,487
 EARNED PREMIUM						
FIRE	2,294,409	6,047,911	(3,993)	-	-	8,338,327
ALLIED	650,899	1,959,425	(998)	-	-	2,609,326
CRIME	8,477	27,347	-	-	-	35,824
TOTAL	\$2,953,785	\$8,034,683	(\$4,991)	-	-	\$10,983,477

*Note: The Terrorism Risk Insurance Act of 2002 requires residual market insurance entities that share profits and losses with private sector insurers, to report its share of direct earned premium and losses for commercial property insurance coverage to each private sector insurance participant. In July 2003, the Treasury broadened the definition of "commercial risk" to include 1-4 family tenant-occupied dwellings. The schedule shown below summarizes both commercial and 1-4 family-tenant occupied dwelling direct earned premium for the last six quarters:

	<u>Commercial</u>	<u>1-4 Family Tenant-Occupied</u>	<u>Total TRIA</u>		<u>Commercial</u>	<u>1-4 Family Tenant-Occupied</u>	<u>Total TRIA</u>
1Q03	478,783	1,343,200	1,821,983	1Q04	516,016	1,645,690	2,161,706
2Q03	487,924	1,418,672	1,906,596	2Q04	504,458	1,739,979	2,244,437
3Q03	509,815	1,518,349	2,028,164				
4Q03	508,338	1,585,267	2,093,605				

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 ENDING JUNE 30, 2004

*SEE NOTE BELOW	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000 & PRIOR	TOTAL
PAID LOSSES						
Net of Salvage and Subrogation Received						
FIRE	\$99,425	\$2,595,263	\$96,484	(\$1,500)	\$15,064	\$2,804,735
ALLIED	26,676	394,229	107,034	-	(24)	527,915
CRIME	-	-	-	-	-	-
TOTAL	<u>126,101</u>	<u>2,989,492</u>	<u>203,518</u>	<u>(1,500)</u>	<u>15,040</u>	<u>3,332,650</u>
CURRENT CASE BASIS RESERVES (6-30-04)						
FIRE	1,097,005	3,461,180	327,360	85,001	98,681	5,069,227
ALLIED	188,992	281,771	11,669	6,005	-	488,437
CRIME	-	-	-	-	-	-
TOTAL	<u>1,285,997</u>	<u>3,742,951</u>	<u>339,029</u>	<u>91,006</u>	<u>98,681</u>	<u>5,557,664</u>
CURRENT I.B.N.R. RESERVES (6-30-04)						
FIRE	233,267	735,986	69,610	18,075	20,984	1,077,922
ALLIED	40,187	59,916	2,481	1,277	-	103,861
CRIME	-	-	-	-	-	-
TOTAL	<u>273,454</u>	<u>795,902</u>	<u>72,091</u>	<u>19,352</u>	<u>20,984</u>	<u>1,181,783</u>
PRIOR LOSS RESERVES (3-31-04)						
(Including IBNR Reserves)						
FIRE	197,044	5,782,127	473,658	104,946	114,362	6,672,137
ALLIED	38,300	665,971	167,852	7,343	-	879,466
CRIME	-	10,981	-	-	-	10,981
TOTAL	<u>235,344</u>	<u>6,459,079</u>	<u>641,510</u>	<u>112,289</u>	<u>114,362</u>	<u>7,562,584</u>
INCURRED LOSSES						
FIRE	1,232,653	1,010,302	19,796	(3,370)	20,366	2,279,747
ALLIED	217,555	69,945	(46,668)	(61)	(24)	240,747
CRIME	-	(10,981)	-	-	-	(10,981)
TOTAL	<u>\$1,450,208</u>	<u>\$1,069,266</u>	<u>(\$26,872)</u>	<u>(\$3,431)</u>	<u>\$20,342</u>	<u>\$2,509,513</u>

*Note: Beginning January 1, 2004, the Association engaged the services of a consulting actuary to provide IBNR and loss adjustment expense reserves.

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSSES YTD PERIOD ENDING JUNE 30, 2004

	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000 & PRIOR	TOTAL
*SEE NOTE BELOW						
PAID LOSSES						
Net of Salvage and Subrogation Received						
FIRE	\$108,412	\$4,221,673	\$1,468,092	(\$5,675)	\$74,213	\$5,866,716
ALLIED	51,319	1,020,170	177,016	-	(39)	1,248,466
CRIME	-	1,230	-	-	-	1,230
TOTAL	159,731	5,243,073	1,645,108	(5,675)	74,174	7,116,412
CURRENT CASE BASIS RESERVES (6-30-04)						
FIRE	1,097,005	3,461,180	327,360	85,001	98,681	5,069,227
ALLIED	188,992	281,771	11,669	6,005	-	488,437
CRIME	-	-	-	-	-	-
TOTAL	1,285,997	3,742,951	339,029	91,006	98,681	5,557,664
CURRENT I.B.N.R. RESERVES (6-30-04)						
FIRE	233,267	735,986	69,610	18,075	20,984	1,077,922
ALLIED	40,187	59,916	2,481	1,277	-	103,861
CRIME	-	-	-	-	-	-
TOTAL	273,454	795,902	72,091	19,352	20,984	1,181,783
PRIOR LOSS RESERVES (12-31-03)						
(Including IBNR Reserves)						
FIRE	-	3,855,159	1,825,587	86,017	158,729	5,925,492
ALLIED	-	1,125,651	152,922	8,514	-	1,287,087
CRIME	-	27,967	-	-	-	27,967
TOTAL	-	5,008,777	1,978,509	94,531	158,729	7,240,546
INCURRED LOSSES						
FIRE	1,438,684	4,563,680	39,475	11,384	35,149	6,088,372
ALLIED	280,499	236,205	38,245	(1,232)	(39)	553,678
CRIME	-	(26,737)	-	-	-	(26,737)
TOTAL	\$1,719,183	\$4,773,148	\$77,720	\$10,152	\$35,110	\$6,615,313

*Note: Beginning January 1, 2004, the Association engaged the services of a consulting actuary to provide IBNR and loss adjustment expense reserves.

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDING JUNE 30, 2004

	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000 & PRIOR	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)						
FIRE	\$12,676	\$224,537	\$21,043	\$1,051	\$3,523	\$262,831
ALLIED	20,148	112,087	14,467	781	-	147,482
CRIME	-	1,239	-	-	-	1,239
TOTAL	32,824	337,863	35,510	1,832	3,523	411,552
CURRENT LOSS EXPENSE RESERVES @ 6-30-04						
FIRE	359,875	114,761	60,800	14,603	10,878	560,917
ALLIED	61,999	9,343	2,167	1,032	-	74,541
CRIME	-	-	-	-	-	-
TOTAL	421,874	124,104	62,967	15,635	10,878	635,458
PRIOR LOSS EXPENSE RESERVES @ 3-31-04						
FIRE	264,468	251,183	83,309	24,947	15,036	638,943
ALLIED	51,405	28,931	29,523	1,744	46	111,649
CRIME	-	477	-	-	-	477
TOTAL	315,873	280,591	112,832	26,691	15,082	751,069
ALAE & ULAE LOSS EXPENSES INCURRED						
FIRE	108,083	88,116	(1,466)	(9,293)	(634)	184,805
ALLIED	30,741	92,499	(12,889)	69	(46)	110,374
CRIME	-	762	-	-	-	762
TOTAL	\$138,824	\$181,377	(\$14,355)	(\$9,224)	(\$680)	\$295,941

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) YTD PERIOD ENDING JUNE 30, 2004

	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000 & PRIOR	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)						
FIRE	\$13,994	\$372,965	\$112,994	\$1,835	\$6,710	\$508,498
ALLIED	24,515	257,750	53,724	1,035	-	337,023
CRIME	-	6,303	-	-	-	6,303
TOTAL	38,509	637,018	166,718	2,870	6,710	851,824
CURRENT LOSS EXPENSE RESERVES @ 6-30-04						
FIRE	359,875	114,761	60,800	14,603	10,878	560,917
ALLIED	61,999	9,343	2,167	1,032	-	74,541
CRIME	-	-	-	-	-	-
TOTAL	421,874	124,104	62,967	15,635	10,878	635,458
PRIOR LOSS EXPENSE RESERVES @ 12-31-03						
FIRE	-	337,867	231,302	10,898	20,111	600,178
ALLIED	-	93,705	19,375	1,079	-	114,159
CRIME	-	2,851	-	-	-	2,851
TOTAL	-	434,423	250,677	11,977	20,111	717,188
ALAE & ULAE LOSS EXPENSES INCURRED						
FIRE	373,868	149,859	(57,507)	5,540	(2,523)	469,237
ALLIED	86,514	173,387	36,516	988	-	297,405
CRIME	-	3,452	-	-	-	3,452
TOTAL	\$460,382	\$326,698	(\$20,991)	\$6,528	(\$2,523)	\$770,094