

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT SEPTEMBER 30, 2004

	LEDGER ASSETS	NON-LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<u>ASSETS</u>				
CASH & CASH EQUIVALENTS	\$2,105,350	-	-	\$2,105,350
SHORT-TERM INVESTMENTS	10,034,979	-	-	10,034,979
ACCRUED INTEREST	-	38,063	-	38,063
FURNITURE & EQUIPMENT	146,673	-	146,673	-
ELECTRONIC DATA PROCESSING EQUIP.	55,959	-	-	55,959
LEASEHOLD IMPROVEMENTS	43,164	-	43,164	-
SUNDRY RECEIVABLE	60	-	-	60
TOTAL ASSETS	\$12,386,185	\$38,063	\$189,837	\$12,234,411
 <u>LIABILITIES</u>				
POST RETIREMENT BENEFITS (other than pensions)			1,434,816	
DEFINED BENEFIT PENSION PLAN			505,354	
AMOUNTS HELD FOR OTHERS			464,898	
ADVANCE PREMIUMS			487,942	
RETURN PREMIUMS			245,024	
OTHER PAYABLES			20,329	
CLAIM CHECKS PAYABLE			5,562	
TOTAL LIABILITIES				3,163,925
 <u>RESERVES</u>				
UNEARNED PREMIUMS			12,039,591	
LOSS - CASE BASIS			4,465,611	
LOSS - I.B.N.R			1,920,899	
LOSS EXPENSE- ALLOCATED			493,043	
LOSS EXPENSE- UNALLOCATED			187,053	
ASSOCIATION EXPENSES			321,210	
TAXES & FEES			41,432	
TOTAL RESERVES				19,468,839
TOTAL LIABILITIES & RESERVES				22,632,764
 <u>EQUITY ACCOUNT</u>				
NET EQUITY AT SEPTEMBER 30, 2004				(10,398,353)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT				\$12,234,411

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT AT SEPTEMBER 30, 2004

	QUARTER-TO-DATE	YEAR-TO-DATE
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED	\$5,835,778	\$16,819,255
<u>DEDUCTIONS</u>		
LOSSES INCURRED	2,653,606	9,268,919
LOSS EXPENSES INCURRED	438,857	1,208,952
COMMISSIONS INCURRED	558,151	1,632,089
OTHER UNDERWRITING EXPENSES	1,109,334	3,274,222
TAXES & FEES INCURRED	23,003	66,620
TOTAL DEDUCTIONS	4,782,951	15,450,802
UNDERWRITING GAIN	1,052,827	1,368,453
<u>OTHER INCOME</u>		
NET INVESTMENT INCOME	50,133	113,177
NET GAIN	1,102,960	1,481,630
<u>EQUITY ACCOUNT</u>		
NET EQUITY - PRIOR	(11,516,338)	(11,925,058)
NET GAIN FOR PERIOD	1,102,960	1,481,630
CHANGE IN NONADMITTED ASSETS	15,025	45,075
CHANGE IN EQUITY	1,117,985	1,526,705
NET EQUITY AT SEPTEMBER 30, 2004	(\$10,398,353)	(\$10,398,353)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED SEPTEMBER 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	\$6,240,594	(\$64,967)	(\$708)	(\$250)	(\$477)	\$6,174,192
INVESTMENT INCOME RECEIVED	25,191	-	-	-	-	25,191
TOTAL	<u>6,265,785</u>	<u>(64,967)</u>	<u>(708)</u>	<u>(250)</u>	<u>(477)</u>	<u>6,199,383</u>
<u>EXPENSES PAID</u>						
LOSSES PAID	738,127	2,012,287	225,323	5,753	25,053	3,006,543
ALLOCATED LOSS EXPENSE	94,618	145,776	13,329	124	6,630	260,476
UNALLOCATED LOSS EXPENSE	32,627	89,794	9,960	254	1,108	133,744
INSPECTION AND RATING ISO	6,705	-	-	-	-	6,705
SURVEYS & UNDERWRITING RPTS	67,675	-	-	-	-	67,675
BOARDS & BUREAUS	3,094	-	-	-	-	3,094
COMMISSIONS	564,152	(5,858)	(71)	(25)	(48)	558,151
ASSOCIATION EXPENSES	1,058,511	-	-	-	-	1,058,511
TAXES & FEES	-	900	-	-	-	900
TOTAL	<u>2,565,509</u>	<u>2,242,899</u>	<u>248,541</u>	<u>6,106</u>	<u>32,743</u>	<u>5,095,799</u>
INCREASE (DECREASE)	<u>3,700,276</u>	<u>(2,307,866)</u>	<u>(249,249)</u>	<u>(6,356)</u>	<u>(33,220)</u>	<u>1,103,584</u>
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	13,121	-	-	-	-	13,121
CURRENT NONADMITTED ASSETS	189,837	-	-	-	-	189,837
TOTAL	<u>202,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,958</u>
<u>ADD</u>						
CURRENT ACCRUED INTEREST	38,063	-	-	-	-	38,063
PRIOR NONADMITTED ASSETS	204,862	-	-	-	-	204,862
TOTAL	<u>242,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,925</u>
EQUITY IN ASSETS OF ASSOCIATION	<u>3,740,243</u>	<u>(2,307,866)</u>	<u>(249,249)</u>	<u>(6,356)</u>	<u>(33,220)</u>	<u>1,143,551</u>
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	11,391,540	648,051	-	-	-	12,039,591
UNPAID LOSSES	2,363,752	3,652,990	151,616	151,115	67,037	6,386,510
UNPAID LOSS EXPENSES	501,101	120,253	41,677	10,973	6,092	680,096
UNPAID ASSOCIATION EXPENSES	321,210	-	-	-	-	321,210
UNPAID TAXES & FEES	41,432	-	-	-	-	41,432
TOTAL	<u>14,619,035</u>	<u>4,421,294</u>	<u>193,293</u>	<u>162,088</u>	<u>73,129</u>	<u>19,468,838</u>
<u>PRIOR 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 LOSSES 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>11,323,909</u>	<u>7,388,740</u>	<u>474,087</u>	<u>125,993</u>	<u>130,543</u>	<u>19,443,271</u>
NET CHANGE IN EQUITY	<u>\$445,117</u>	<u>\$659,580</u>	<u>\$31,545</u>	<u>(\$42,451)</u>	<u>\$24,194</u>	<u>\$1,117,984</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT YTD PERIOD ENDED SEPTEMBER 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	\$18,169,773	(\$53,989)	(\$5,698)	(\$250)	(\$477)	\$18,109,359
INVESTMENT INCOME RECEIVED	83,862	-	-	-	-	83,862
TOTAL	<u>18,253,635</u>	<u>(53,989)</u>	<u>(5,698)</u>	<u>(250)</u>	<u>(477)</u>	<u>18,193,221</u>
<u>EXPENSES PAID</u>						
LOSSES PAID	897,858	7,255,359	1,870,432	78	99,228	10,122,955
ALLOCATED LOSS EXPENSE	126,738	576,815	118,010	2,999	10,476	835,039
UNALLOCATED LOSS EXPENSE	39,016	295,771	71,996	249	3,973	411,005
INSPECTION AND RATING ISO	27,519	-	-	-	-	27,519
SURVEYS & UNDERWRITING RPTS	258,894	-	-	-	-	258,894
BOARDS & BUREAUS	10,106	-	-	-	-	10,106
COMMISSIONS	1,660,590	(27,897)	(531)	(25)	(48)	1,632,089
ASSOCIATION EXPENSES	2,949,941	-	-	-	-	2,949,941
TAXES & FEES	66,012	20,311	-	-	-	86,323
TOTAL	<u>6,036,674</u>	<u>8,120,359</u>	<u>2,059,907</u>	<u>3,301</u>	<u>113,629</u>	<u>16,333,872</u>
INCREASE (DECREASE)	<u>12,216,961</u>	<u>(8,174,348)</u>	<u>(2,065,605)</u>	<u>(3,551)</u>	<u>(114,106)</u>	<u>1,859,349</u>
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	-	8,748	-	-	-	8,748
CURRENT NONADMITTED ASSETS	189,837	-	-	-	-	189,837
TOTAL	<u>189,837</u>	<u>8,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,585</u>
<u>ADD</u>						
CURRENT ACCRUED INTEREST	38,063	-	-	-	-	38,063
PRIOR NONADMITTED ASSETS	-	234,912	-	-	-	234,912
TOTAL	<u>38,063</u>	<u>234,912</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>272,975</u>
<u>EQUITY IN ASSETS OF ASSOCIATION</u>	<u>12,065,187</u>	<u>(7,948,184)</u>	<u>(2,065,605)</u>	<u>(3,551)</u>	<u>(114,106)</u>	<u>1,933,739</u>
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	11,391,540	648,051	-	-	-	12,039,591
UNPAID LOSSES	2,363,752	3,652,990	151,616	151,115	67,037	6,386,510
UNPAID LOSS EXPENSES	501,101	120,253	41,677	10,973	6,092	680,096
UNPAID ASSOCIATION EXPENSES	321,210	-	-	-	-	321,210
UNPAID TAXES & FEES	41,432	-	-	-	-	41,432
TOTAL	<u>14,619,035</u>	<u>4,421,294</u>	<u>193,293</u>	<u>162,088</u>	<u>73,129</u>	<u>19,468,839</u>
<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	<u>-</u>	<u>16,547,270</u>	<u>2,229,186</u>	<u>106,508</u>	<u>178,840</u>	<u>19,061,804</u>
NET CHANGE IN EQUITY	<u>(\$2,553,848)</u>	<u>\$4,177,792</u>	<u>(\$29,712)</u>	<u>(\$59,131)</u>	<u>(\$8,395)</u>	<u>\$1,526,704</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

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

	9-30-04 QUARTER-TO-DATE	
Premiums Written	\$6,174,192	
Current Unearned Reserve	12,039,591	
Prior Unearned Reserve	11,701,177	
Change in Unearned Premium Reserve	(338,414)	
Net Premium Earned		\$5,835,778
Losses Paid	3,025,722	
Less Salvage & Subrogation	19,179	
Net Losses Paid	3,006,543	
Current Loss Reserve	6,386,510	
Prior Loss Reserve	6,739,447	
Change in Loss Reserve	(352,937)	
Net Losses Incurred		2,653,606
Allocated Loss Exp. Paid	260,476	
Unallocated Loss Exp. Paid	133,744	
Total Loss Exp. Paid	394,220	
Current Loss Exp. Reserve	680,096	
Prior Loss Exp. Reserve	635,458	
Change in Loss Exp. Reserve	44,637	
Net Loss Exp. Incurred		438,857
Total Loss & Loss Exp. Incurred		\$3,092,463
Taxes & Fees Paid	900	
Current Reserve	41,432	
Prior Reserve	19,329	
Change in Reserve for Taxes & Fees	22,103	
Net Taxes & Fees Incurred		23,003
Commissions Expense Paid	558,151	
Board Bureaus & Inspections Paid	77,474	
Other Operating Exp. Paid	1,058,511	
Total Underwriting Exp. Paid	1,694,136	
Current Reserve	321,210	
Prior Reserve	347,861	
Change in Other Underwriting Exp. Reserve	(26,651)	
Other Underwriting Exp. Incurred		1,667,485
Total Other Underwriting Exp. Incurred		1,690,488
Total Loss & Underwriting Exp. Incurred		\$4,782,951
Underwriting Gain		\$1,052,827
Net Investment Income Received	25,191	
Current Accrued Interest	38,063	
Prior Accrued Interest	13,121	
Change in Accrued Interest	24,942	
Net Investment Income Earned		50,133
Net Gain		\$1,102,960

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

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

	9-30-04 YEAR-TO-DATE	
Premiums Written	\$18,109,359	
Current Unearned Reserve	12,039,591	
Prior Unearned Reserve	10,749,487	
Change in Unearned Premium Reserve	(1,290,104)	
Net Premium Earned		\$16,819,255
Losses Paid	10,157,440	
Less Salvage & Subrogation	34,485	
Net Losses Paid	10,122,955	
Current Loss Reserve	6,386,510	
Prior Loss Reserve	7,240,546	
Change in Loss Reserve	(854,036)	
Net Losses Incurred		9,268,919
Allocated Loss Exp. Paid	835,039	
Unallocated Loss Exp. Paid	411,005	
Total Loss Exp. Paid	1,246,044	
Current Loss Exp. Reserve	680,096	
Prior Loss Exp. Reserve	717,188	
Change in Loss Exp. Reserve	(37,092)	
Net Loss Exp. Incurred		1,208,952
Total Loss & Loss Exp. Incurred		\$10,477,871
Taxes & Fees Paid	86,323	
Current Reserve	41,432	
Prior Reserve	61,135	
Change in Reserve for Taxes & Fees	(19,703)	
Net Taxes & Fees Incurred		66,620
Commissions Expense Paid	1,632,089	
Board Bureaus & Inspections Paid	296,519	
Other Operating Exp. Paid	2,949,941	
Total Underwriting Exp. Paid	4,878,549	
Current Reserve	321,210	
Prior Reserve	293,448	
Change in Other Underwriting Exp. Reserve	27,762	
Other Underwriting Exp. Incurred		4,906,311
Total Other Underwriting Exp. Incurred		4,972,931
Total Loss & Underwriting Exp. Incurred		\$15,450,802
Underwriting Gain		\$1,368,453
Net Investment Income Received	83,862	
Current Accrued Interest	38,063	
Prior Accrued Interest	8,748	
Change in Accrued Interest	29,315	
Net Investment Income Earned		113,177
Net Gain		\$1,481,630

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDING SEPTEMBER 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	\$4,825,573	(\$49,941)	(\$536)	(\$182)	(\$350)	\$4,774,564
ALLIED	1,397,236	(14,914)	(151)	(68)	(127)	1,381,976
CRIME	17,785	(112)	(21)	-	-	17,652
TOTAL	6,240,594	(64,967)	(708)	(250)	(477)	6,174,192
CURRENT UNEARNED PREMIUM RESERVE						
@ 9-30-04						
FIRE	8,815,076	495,257	-	-	-	9,310,333
ALLIED	2,544,509	151,008	-	-	-	2,695,517
CRIME	31,955	1,786	-	-	-	33,741
TOTAL	11,391,540	648,051	-	-	-	12,039,591
PRIOR 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
EARNED PREMIUM						
FIRE	2,962,270	1,523,782	(536)	(182)	(350)	4,484,984
ALLIED	851,416	482,727	(151)	(68)	(127)	1,333,797
CRIME	10,762	6,256	(21)	-	-	16,997
TOTAL	\$3,824,448	\$2,012,765	(\$708)	(\$250)	(\$477)	\$5,835,778

*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 SEPTEMBER 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	\$14,071,755	(\$39,050)	(\$4,529)	(\$182)	(\$350)	\$14,027,644
ALLIED	4,046,824	(14,467)	(1,149)	(68)	(127)	4,031,013
CRIME	51,194	(472)	(20)	-	-	50,702
TOTAL	18,169,773	(53,989)	(5,698)	(250)	(477)	18,109,359
CURRENT UNEARNED PREMIUM RESERVE						
@ 9-30-04						
FIRE	8,815,076	495,257	-	-	-	9,310,333
ALLIED	2,544,509	151,008	-	-	-	2,695,517
CRIME	31,955	1,786	-	-	-	33,741
TOTAL	11,391,540	648,051	-	-	-	12,039,591
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	5,256,679	7,571,693	(4,529)	(182)	(350)	12,823,311
ALLIED	1,502,315	2,442,152	(1,149)	(68)	(127)	3,943,123
CRIME	19,239	33,602	(20)	-	-	52,821
TOTAL	\$6,778,233	\$10,047,447	(\$5,698)	(\$250)	(\$477)	\$16,819,255

*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 seven 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	3Q04	486,228	1,876,360	2,362,588
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 SEPTEMBER 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	\$587,370	\$1,749,281	\$225,323	-	\$25,071	\$2,587,045
ALLIED	150,757	263,006	-	5,753	(18)	419,498
CRIME	-	-	-	-	-	-
TOTAL	738,127	2,012,287	225,323	5,753	25,053	3,006,543
CURRENT CASE BASIS RESERVES (9-30-04)						
FIRE	1,442,463	2,391,789	96,842	85,000	67,037	4,083,131
ALLIED	207,833	162,475	9,172	500	-	379,980
CRIME	2,500	-	-	-	-	2,500
TOTAL	1,652,796	2,554,264	106,014	85,500	67,037	4,465,611
CURRENT I.B.N.R. RESERVES (9-30-04)						
FIRE	620,481	1,028,837	41,657	65,400	-	1,756,375
ALLIED	89,400	69,889	3,945	215	-	163,449
CRIME	1,075	-	-	-	-	1,075
TOTAL	710,956	1,098,726	45,602	65,615	-	1,920,899
PRIOR LOSS RESERVES (6-30-04)						
(Including IBNR Reserves)						
FIRE	1,330,272	4,197,166	396,970	103,076	119,665	6,147,149
ALLIED	229,179	341,687	14,150	7,282	-	592,298
CRIME	-	-	-	-	-	-
TOTAL	1,559,451	4,538,853	411,120	110,358	119,665	6,739,447
INCURRED LOSSES						
FIRE	1,320,041	972,741	(33,148)	47,324	(27,557)	2,279,401
ALLIED	218,811	153,683	(1,033)	(814)	(18)	370,629
CRIME	3,575	-	-	-	-	3,575
TOTAL	\$1,542,427	\$1,126,424	(\$34,181)	\$46,510	(\$27,575)	\$2,653,605

*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 SEPTEMBER 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	\$695,782	\$5,970,954	\$1,693,416	(\$5,675)	\$99,285	\$8,453,762
ALLIED	202,076	1,283,176	177,016	5,753	(57)	1,667,964
CRIME	-	1,229	-	-	-	1,229
TOTAL	897,858	7,255,359	1,870,432	78	99,228	10,122,955
CURRENT CASE BASIS RESERVES (9-30-04)						
FIRE	1,442,463	2,391,789	96,842	85,000	67,037	4,083,131
ALLIED	207,833	162,475	9,172	500	-	379,980
CRIME	2,500	-	-	-	-	2,500
TOTAL	1,652,796	2,554,264	106,014	85,500	67,037	4,465,611
CURRENT I.B.N.R. RESERVES (9-30-04)						
FIRE	620,481	1,028,837	41,657	65,400	-	1,756,375
ALLIED	89,400	69,889	3,945	215	-	163,449
CRIME	1,075	-	-	-	-	1,075
TOTAL	710,956	1,098,726	45,602	65,615	-	1,920,899
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	2,758,726	5,536,421	6,328	58,708	7,593	8,367,776
ALLIED	499,309	389,889	37,211	(2,046)	(57)	924,306
CRIME	3,575	(26,738)	-	-	-	(23,163)
TOTAL	\$3,261,610	\$5,899,572	\$43,539	\$56,662	\$7,536	\$9,268,919

*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 SEPTEMBER 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	\$54,407	\$151,140	\$21,011	-	\$7,738	\$234,296
ALLIED	72,838	84,430	2,278	378	-	159,924
CRIME	-	-	-	-	-	-
TOTAL	127,245	235,570	23,289	378	7,738	394,220
CURRENT LOSS EXPENSE RESERVES @ 9-30-04						
FIRE	437,331	112,604	38,071	10,909	6,092	605,007
ALLIED	63,012	7,649	3,606	64	-	74,331
CRIME	758	-	-	-	-	758
TOTAL	501,101	120,253	41,677	10,973	6,092	680,096
PRIOR 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
ALAE & ULAE LOSS EXPENSES INCURRED						
FIRE	131,863	148,983	(1,718)	(3,694)	2,952	278,386
ALLIED	73,851	82,736	3,717	(590)	-	159,714
CRIME	758	-	-	-	-	758
TOTAL	\$206,472	\$231,719	\$1,999	(\$4,284)	\$2,952	\$438,858

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) YTD PERIOD ENDING SEPTEMBER 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	\$68,400	\$524,105	\$134,005	\$1,835	\$14,449	\$742,794
ALLIED	97,353	342,180	56,002	1,413	-	496,948
CRIME	-	6,302	-	-	-	6,302
TOTAL	165,753	872,587	190,007	3,248	14,449	1,246,044
CURRENT LOSS EXPENSE RESERVES @ 9-30-04						
FIRE	437,331	112,604	38,071	10,909	6,092	605,007
ALLIED	63,012	7,649	3,606	64	-	74,331
CRIME	758	-	-	-	-	758
TOTAL	501,101	120,253	41,677	10,973	6,092	680,096
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	505,731	298,842	(59,226)	1,846	430	747,623
ALLIED	160,365	256,124	40,233	398	-	457,120
CRIME	758	3,451	-	-	-	4,209
TOTAL	\$666,854	\$558,417	(\$18,993)	\$2,244	\$430	\$1,208,952