

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT DECEMBER 31, 2004

	LEDGER ASSETS	NON-LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
ASSETS				
CASH & CASH EQUIVALENTS	\$3,949,316	-	-	\$3,949,316
SHORT-TERM INVESTMENTS	9,495,262	-	-	9,495,262
ACCRUED INTEREST	-	45,850	-	45,850
FURNITURE & EQUIPMENT	133,544	-	133,544	-
ELECTRONIC DATA PROCESSING EQUIP.	50,694	-	-	50,694
LEASEHOLD IMPROVEMENTS	41,268	-	41,268	-
DEFERRED CHARGES	151,575	-	151,575	-
TOTAL ASSETS	\$13,821,659	\$45,850	\$326,387	\$13,541,122
LIABILITIES				
POST RETIREMENT BENEFITS (other than pensions)			1,407,926	
DEFINED BENEFIT PENSION PLAN			335,683	
AMOUNTS HELD FOR OTHERS			374,852	
ADVANCE PREMIUMS			440,313	
RETURN PREMIUMS			323,549	
OTHER PAYABLES			43,215	
CLAIM CHECKS PAYABLE			66,898	
TOTAL LIABILITIES				2,992,436
RESERVES				
UNEARNED PREMIUMS			11,919,572	
LOSS - CASE BASIS			4,975,462	
LOSS - I.B.N.R			1,537,015	
LOSS EXPENSE- ALLOCATED			475,034	
LOSS EXPENSE- UNALLOCATED			167,545	
ASSOCIATION EXPENSES			251,968	
TAXES & FEES			61,013	
TOTAL RESERVES				19,387,609
TOTAL LIABILITIES & RESERVES				22,380,045
EQUITY ACCOUNT				
NET EQUITY AT DECEMBER 31, 2004				(8,838,923)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT				\$13,541,122

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT AT DECEMBER 31, 2004

	QUARTER-TO-DATE	YEAR-TO-DATE
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED	\$5,968,947	\$22,788,202
<u>DEDUCTIONS</u>		
LOSSES INCURRED	2,677,822	11,946,740
LOSS EXPENSES INCURRED	334,631	1,543,583
COMMISSIONS INCURRED	509,394	2,141,483
OTHER UNDERWRITING EXPENSES	965,090	4,239,312
TAXES & FEES INCURRED	19,581	86,201
TOTAL DEDUCTIONS	4,506,518	19,957,319
UNDERWRITING GAIN	1,462,429	2,830,883
<u>OTHER INCOME</u>		
NET INVESTMENT INCOME	65,164	178,340
NET GAIN	1,527,593	3,009,223
<u>EQUITY ACCOUNT</u>		
NET EQUITY - PRIOR	(10,398,353)	(11,925,058)
NET GAIN FOR PERIOD	1,527,593	3,009,223
CHANGE IN NONADMITTED ASSETS	(136,550)	(91,475)
CHANGE IN PENSION OBLIGATION	168,387	168,387
CHANGE IN EQUITY	1,559,430	3,086,135
NET EQUITY AT DECEMBER 31, 2004	(\$8,838,923)	(\$8,838,923)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED DECEMBER 31, 2004

	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000 & PRIOR	TOTAL
<u>INCOME RECEIVED</u>						
PREMIUMS WRITTEN	\$5,873,127	(\$22,293)	(\$1,730)	(\$176)	-	\$5,848,928
INVESTMENT INCOME RECEIVED	57,377	-	-	-	-	57,377
TOTAL	5,930,504	(22,293)	(1,730)	(176)	-	5,906,305
<u>EXPENSES PAID</u>						
LOSSES PAID	1,029,448	1,517,042	23,626	(17,742)	(519)	2,551,855
ALLOCATED LOSS EXPENSE	122,268	100,475	18,420	7,305	3,825	252,292
UNALLOCATED LOSS EXPENSE	47,201	71,111	1,509	35	-	119,856
INSPECTION AND RATING ISO	6,387	-	-	-	-	6,387
SURVEYS & UNDERWRITING RPTS	72,478	-	-	-	-	72,478
BOARDS & BUREAUS	3,094	-	-	-	-	3,094
COMMISSIONS	511,607	(2,086)	(109)	(18)	-	509,394
ASSOCIATION EXPENSES	952,373	-	-	-	-	952,373
TAXES & FEES	-	-	-	-	-	-
TOTAL	2,744,856	1,686,542	43,446	(10,420)	3,306	4,467,729
INCREASE (DECREASE)	3,185,648	(1,708,835)	(45,176)	10,244	(3,306)	1,438,576
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	38,063	-	-	-	-	38,063
CURRENT NONADMITTED ASSETS	326,387	-	-	-	-	326,387
CURRENT PENSION OBLIGATION	335,683	-	-	-	-	335,683
TOTAL	700,133	-	-	-	-	700,133
<u>ADD</u>						
CURRENT ACCRUED INTEREST	45,850	-	-	-	-	45,850
PRIOR NONADMITTED ASSETS	189,837	-	-	-	-	189,837
PRIOR PENSION OBLIGATION	-	504,070	-	-	-	504,070
TOTAL	235,687	504,070	-	-	-	739,757
EQUITY IN ASSETS OF ASSOCIATION	2,721,202	(1,204,765)	(45,176)	10,244	(3,306)	1,478,200
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	11,919,572	-	-	-	-	11,919,572
UNPAID LOSSES	4,732,722	1,387,505	230,931	144,281	17,038	6,512,477
UNPAID LOSS EXPENSES	427,875	173,901	27,137	9,793	3,873	642,579
UNPAID ASSOCIATION EXPENSES	251,968	-	-	-	-	251,968
UNPAID TAXES & FEES	61,013	-	-	-	-	61,013
TOTAL	17,393,150	1,561,406	258,068	154,074	20,911	19,387,609
<u>PRIOR 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 LOSSES 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	14,619,035	4,421,294	193,293	162,088	73,129	19,468,839
NET CHANGE IN EQUITY	(\$52,913)	\$1,655,123	(\$109,951)	\$18,258	\$48,912	\$1,559,430

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT YTD PERIOD ENDED DECEMBER 31, 2004

	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000 & PRIOR	TOTAL
<u>INCOME RECEIVED</u>						
PREMIUMS WRITTEN	\$24,042,900	(\$76,282)	(\$7,428)	(\$426)	(\$477)	\$23,958,287
INVESTMENT INCOME RECEIVED	141,238	-	-	-	-	141,238
TOTAL	24,184,138	(76,282)	(7,428)	(426)	(477)	24,099,525
<u>EXPENSES PAID</u>						
LOSSES PAID	1,927,305	8,772,401	1,894,058	(17,664)	98,709	12,674,809
ALLOCATED LOSS EXPENSE	249,006	677,290	136,430	10,304	14,301	1,087,332
UNALLOCATED LOSS EXPENSE	86,217	366,882	73,506	284	3,972	530,860
INSPECTION AND RATING ISO	33,906	-	-	-	-	33,906
SURVEYS & UNDERWRITING RPTS	331,372	-	-	-	-	331,372
BOARDS & BUREAUS	13,200	-	-	-	-	13,200
COMMISSIONS	2,172,197	(29,983)	(641)	(43)	(48)	2,141,483
ASSOCIATION EXPENSES	3,902,314	-	-	-	-	3,902,314
TAXES & FEES	66,012	20,311	-	-	-	86,323
TOTAL	8,781,529	9,806,901	2,103,353	(7,119)	116,934	20,801,599
INCREASE (DECREASE)	15,402,609	(9,883,183)	(2,110,781)	6,693	(117,411)	3,297,926
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	-	8,748	-	-	-	8,748
CURRENT NONADMITTED ASSETS	326,387	-	-	-	-	326,387
CURRENT PENSION OBLIGATION	335,683	-	-	-	-	335,683
TOTAL	662,070	8,748	-	-	-	670,818
<u>ADD</u>						
CURRENT ACCRUED INTEREST	45,850	-	-	-	-	45,850
PRIOR NONADMITTED ASSETS	-	234,912	-	-	-	234,912
PRIOR PENSION OBLIGATION	-	504,070	-	-	-	504,070
TOTAL	45,850	738,982	-	-	-	784,832
EQUITY IN ASSETS OF ASSOCIATION	14,786,389	(9,152,949)	(2,110,781)	6,693	(117,411)	3,411,940
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	11,919,572	-	-	-	-	11,919,572
UNPAID LOSSES	4,732,722	1,387,505	230,931	144,281	17,038	6,512,477
UNPAID LOSS EXPENSES	427,875	173,901	27,137	9,793	3,873	642,579
UNPAID ASSOCIATION EXPENSES	251,968	-	-	-	-	251,968
UNPAID TAXES & FEES	61,013	-	-	-	-	61,013
TOTAL	17,393,150	1,561,406	258,068	154,074	20,911	19,387,609
<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	(\$2,606,761)	\$5,832,915	(\$139,663)	(\$40,873)	\$40,518	\$3,086,135

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDING DECEMBER 31, 2004

	12-31-04 QUARTER-TO-DATE	
Premiums Written	\$5,848,928	
Current Unearned Reserve	11,919,572	
Prior Unearned Reserve	12,039,591	
Change in Unearned Premium Reserve	120,019	
Net Premium Earned		\$5,968,947
Losses Paid	2,614,046	
Less Salvage & Subrogation	62,191	
Net Losses Paid	2,551,855	
Current Loss Reserve	6,512,477	
Prior Loss Reserve	6,386,510	
Change in Loss Reserve	125,967	
Net Losses Incurred		2,677,822
Allocated Loss Exp. Paid	252,292	
Unallocated Loss Exp. Paid	119,856	
Total Loss Exp. Paid	372,148	
Current Loss Exp. Reserve	642,579	
Prior Loss Exp. Reserve	680,096	
Change in Loss Exp. Reserve	(37,517)	
Net Loss Exp. Incurred		334,631
Total Loss & Loss Exp. Incurred		\$3,012,453
Taxes & Fees Paid	-	
Current Reserve	61,013	
Prior Reserve	41,432	
Change in Reserve for Taxes & Fees	19,581	
Net Taxes & Fees Incurred		19,581
Commissions Expense Paid	509,394	
Board Bureaus & Inspections Paid	81,959	
Other Operating Exp. Paid	952,373	
Total Underwriting Exp. Paid	1,543,726	
Current Reserve	251,968	
Prior Reserve	321,210	
Change in Other Underwriting Exp. Reserve	(69,242)	
Other Underwriting Exp. Incurred		1,474,484
Total Other Underwriting Exp. Incurred		1,494,065
Total Loss & Underwriting Exp. Incurred		\$4,506,518
Underwriting Gain		\$1,462,429
Net Investment Income Received	57,377	
Current Accrued Interest	45,850	
Prior Accrued Interest	38,063	
Change in Accrued Interest	7,787	
Net Investment Income Earned		65,164
Net Gain		\$1,527,593

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS YTD PERIOD ENDING DECEMBER 31, 2004

	12-31-04 YEAR-TO-DATE	
Premiums Written	\$23,958,287	
Current Unearned Reserve	11,919,572	
Prior Unearned Reserve	10,749,487	
Change in Unearned Premium Reserve	(1,170,085)	
Net Premium Earned		\$22,788,202
Losses Paid	12,771,485	
Less Salvage & Subrogation	96,676	
Net Losses Paid	12,674,809	
Current Loss Reserve	6,512,477	
Prior Loss Reserve	7,240,546	
Change in Loss Reserve	(728,069)	
Net Losses Incurred		11,946,740
Allocated Loss Exp. Paid	1,087,332	
Unallocated Loss Exp. Paid	530,860	
Total Loss Exp. Paid	1,618,192	
Current Loss Exp. Reserve	642,579	
Prior Loss Exp. Reserve	717,188	
Change in Loss Exp. Reserve	(74,609)	
Net Loss Exp. Incurred		1,543,583
Total Loss & Loss Exp. Incurred		\$13,490,323
Taxes & Fees Paid	86,323	
Current Reserve	61,013	
Prior Reserve	61,135	
Change in Reserve for Taxes & Fees	(122)	
Net Taxes & Fees Incurred		86,201
Commissions Expense Paid	2,141,483	
Board Bureaus & Inspections Paid	378,478	
Other Operating Exp. Paid	3,902,314	
Total Underwriting Exp. Paid	6,422,275	
Current Reserve	251,968	
Prior Reserve	293,448	
Change in Other Underwriting Exp. Reserve	(41,480)	
Other Underwriting Exp. Incurred		6,380,795
Total Other Underwriting Exp. Incurred		6,466,996
Total Loss & Underwriting Exp. Incurred		\$19,957,319
Underwriting Gain		\$2,830,883
Net Investment Income Received	141,238	
Current Accrued Interest	45,850	
Prior Accrued Interest	8,748	
Change in Accrued Interest	37,102	
Net Investment Income Earned		178,340
Net Gain		\$3,009,223

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDING DECEMBER 31, 2004

*SEE NOTE BELOW	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000 & PRIOR	TOTAL
WRITTEN PREMIUMS						
FIRE	\$4,566,777	(\$16,742)	(\$1,011)	(\$115)	-	\$4,548,909
ALLIED	1,291,269	(5,542)	(719)	(61)	-	1,284,947
CRIME	15,081	(9)	-	-	-	15,072
TOTAL	5,873,127	(22,293)	(1,730)	(176)	-	5,848,928
CURRENT UNEARNED PREMIUM RESERVE						
@ 12-31-04						
FIRE	9,240,740	-	-	-	-	9,240,740
ALLIED	2,646,702	-	-	-	-	2,646,702
CRIME	32,130	-	-	-	-	32,130
TOTAL	11,919,572	-	-	-	-	11,919,572
PRIOR 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
EARNED PREMIUM						
FIRE	4,141,113	478,515	(1,011)	(115)	-	4,618,502
ALLIED	1,189,076	145,466	(719)	(61)	-	1,333,762
CRIME	14,906	1,777	-	-	-	16,683
TOTAL	\$5,345,095	\$625,758	(\$1,730)	(\$176)	-	\$5,968,947

*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 DECEMBER 31, 2004

	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001	POLICY YEAR 2000 & PRIOR	TOTAL
*SEE NOTE BELOW						
WRITTEN PREMIUMS						
FIRE	\$18,638,532	(\$55,792)	(\$5,540)	(\$297)	(\$350)	\$18,576,553
ALLIED	5,338,093	(20,009)	(1,868)	(129)	(127)	5,315,960
CRIME	66,275	(481)	(20)	-	-	65,774
TOTAL	24,042,900	(76,282)	(7,428)	(426)	(477)	23,958,287
CURRENT UNEARNED PREMIUM RESERVE						
@ 12-31-04						
FIRE	9,240,740	-	-	-	-	9,240,740
ALLIED	2,646,702	-	-	-	-	2,646,702
CRIME	32,130	-	-	-	-	32,130
TOTAL	11,919,572	-	-	-	-	11,919,572
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	9,397,792	8,050,208	(5,540)	(297)	(350)	17,441,813
ALLIED	2,691,391	2,587,618	(1,868)	(129)	(127)	5,276,885
CRIME	34,145	35,379	(20)	-	-	69,504
TOTAL	\$12,123,328	\$10,673,205	(\$7,428)	(\$426)	(\$477)	\$22,788,202

*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 eight 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	4Q04	480,810	1,957,527	2,438,337

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 DECEMBER 31, 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	\$874,364	\$1,375,564	\$30,716	-	(\$500)	\$2,280,144
ALLIED	155,084	141,478	(7,090)	(17,742)	(19)	271,711
CRIME	-	-	-	-	-	-
TOTAL	1,029,448	1,517,042	23,626	(17,742)	(519)	2,551,855
CURRENT CASE BASIS RESERVES (12-31-04)						
FIRE	3,142,158	1,159,352	96,839	85,000	17,038	4,500,387
ALLIED	337,335	128,079	9,661	-	-	475,075
CRIME	-	-	-	-	-	-
TOTAL	3,479,493	1,287,431	106,500	85,000	17,038	4,975,462
CURRENT I.B.N.R. RESERVES (12-31-04)						
FIRE	1,131,729	90,118	113,144	59,281	-	1,394,272
ALLIED	121,500	9,956	11,287	-	-	142,743
CRIME	-	-	-	-	-	-
TOTAL	1,253,229	100,074	124,431	59,281	-	1,537,015
PRIOR LOSS RESERVES (9-30-04)						
(Including IBNR Reserves)						
FIRE	2,062,944	3,420,626	138,499	150,400	67,037	5,839,506
ALLIED	297,233	232,364	13,117	715	-	543,429
CRIME	3,575	-	-	-	-	3,575
TOTAL	2,363,752	3,652,990	151,616	151,115	67,037	6,386,510
INCURRED LOSSES						
FIRE	3,085,307	(795,592)	102,200	(6,119)	(50,499)	2,335,297
ALLIED	316,686	47,149	741	(18,457)	(19)	346,100
CRIME	(3,575)	-	-	-	-	(3,575)
TOTAL	\$3,398,418	(\$748,443)	\$102,941	(\$24,576)	(\$50,518)	\$2,677,822

*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 DECEMBER 31, 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	\$1,570,145	\$7,346,518	\$1,724,132	(\$5,675)	\$98,785	\$10,733,905
ALLIED	357,160	1,424,654	169,926	(11,989)	(76)	1,939,675
CRIME	-	1,229	-	-	-	1,229
TOTAL	1,927,305	8,772,401	1,894,058	(17,664)	98,709	12,674,809
CURRENT CASE BASIS RESERVES (12-31-04)						
FIRE	3,142,158	1,159,352	96,839	85,000	17,038	4,500,387
ALLIED	337,335	128,079	9,661	-	-	475,075
CRIME	-	-	-	-	-	-
TOTAL	3,479,493	1,287,431	106,500	85,000	17,038	4,975,462
CURRENT I.B.N.R. RESERVES (12-31-04)						
FIRE	1,131,729	90,118	113,144	59,281	-	1,394,272
ALLIED	121,500	9,956	11,287	-	-	142,743
CRIME	-	-	-	-	-	-
TOTAL	1,253,229	100,074	124,431	59,281	-	1,537,015
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	5,844,032	4,740,829	108,528	52,589	(42,906)	10,703,072
ALLIED	815,995	437,038	37,952	(20,503)	(76)	1,270,406
CRIME	-	(26,738)	-	-	-	(26,738)
TOTAL	\$6,660,027	\$5,151,129	\$146,480	\$32,086	(\$42,982)	\$11,946,740

*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 DECEMBER 31, 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	\$97,676	\$120,955	\$6,068	\$550	\$3,107	\$228,356
ALLIED	71,305	50,631	13,861	6,790	717	143,304
CRIME	488	-	-	-	-	488
TOTAL	169,469	171,586	19,929	7,340	3,824	372,148
CURRENT LOSS EXPENSE RESERVES @ 12-31-04						
FIRE	386,393	156,601	24,675	9,793	3,873	581,335
ALLIED	41,482	17,300	2,462	-	-	61,244
CRIME	-	-	-	-	-	-
TOTAL	427,875	173,901	27,137	9,793	3,873	642,579
PRIOR 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
ALAE & ULAE LOSS EXPENSES INCURRED						
FIRE	46,738	164,952	(7,328)	(566)	888	204,684
ALLIED	49,775	60,282	12,717	6,726	717	130,217
CRIME	(270)	-	-	-	-	(270)
TOTAL	\$96,243	\$225,234	\$5,389	\$6,160	\$1,605	\$334,631

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) YTD PERIOD ENDING DECEMBER 31, 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	\$166,077	\$645,059	\$140,073	\$2,385	\$17,556	\$971,150
ALLIED	168,658	392,811	69,863	8,203	717	640,252
CRIME	488	6,302	-	-	-	6,790
TOTAL	335,223	1,044,172	209,936	10,588	18,273	1,618,192
CURRENT LOSS EXPENSE RESERVES @ 12-31-04						
FIRE	386,393	156,601	24,675	9,793	3,873	581,335
ALLIED	41,482	17,300	2,462	-	-	61,244
CRIME	-	-	-	-	-	-
TOTAL	427,875	173,901	27,137	9,793	3,873	642,579
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	552,470	463,793	(66,554)	1,280	1,318	952,307
ALLIED	210,140	316,406	52,950	7,124	717	587,337
CRIME	488	3,451	-	-	-	3,939
TOTAL	\$763,098	\$783,650	(\$13,604)	\$8,404	\$2,035	\$1,543,583