

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT JUNE 30, 2005

	LEDGER ASSETS	NON-LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<u>ASSETS</u>				
CASH & SHORT-TERM INVESTMENTS	\$14,507,796	-	-	\$14,507,796
ACCRUED INTEREST	-	80,081	-	80,081
FURNITURE & EQUIPMENT	108,836	-	108,836	-
EDP - EQUIPMENT & SOFTWARE	351,849	-	306,498	45,351
LEASEHOLD IMPROVEMENTS	37,476	-	37,476	-
SUNDRY RECEIVABLE	895	-	-	895
TOTAL ASSETS	\$15,006,852	\$80,081	\$452,810	\$14,634,123
 <u>LIABILITIES</u>				
POST RETIREMENT BENEFITS (other than pensions)			1,601,511	
DEFINED BENEFIT PENSION PLAN			339,703	
AMOUNTS HELD FOR OTHERS			591,054	
ADVANCE PREMIUMS			512,225	
RETURN PREMIUMS			292,848	
OTHER PAYABLES			22,026	
CLAIM CHECKS PAYABLE			34,548	
TOTAL LIABILITIES			3,393,915	
 <u>RESERVES</u>				
UNEARNED PREMIUMS			11,796,845	
LOSS - CASE BASIS			4,313,371	
LOSS - I.B.N.R			298,457	
LOSS EXPENSE- ALLOCATED			428,186	
LOSS EXPENSE- UNALLOCATED			106,682	
ASSOCIATION EXPENSES			260,169	
TAXES & FEES			19,518	
TOTAL RESERVES			17,223,228	
TOTAL LIABILITIES & RESERVES			20,617,143	
 <u>EQUITY ACCOUNT</u>				
NET EQUITY AT JUNE 30, 2005				(5,983,020)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT				\$14,634,123

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT JUNE 30, 2005

	QUARTER-TO-DATE	YEAR-TO-DATE
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED	\$5,888,560	\$11,736,304
<u>DEDUCTIONS</u>		
LOSSES INCURRED	2,472,059	4,956,146
LOSS EXPENSES INCURRED	355,430	741,224
COMMISSIONS INCURRED	543,586	1,033,749
OTHER UNDERWRITING EXPENSES	1,101,139	2,179,547
TAXES & FEES INCURRED	31,396	50,792
TOTAL DEDUCTIONS	4,503,610	8,961,458
UNDERWRITING GAIN	1,384,950	2,774,846
<u>OTHER INCOME</u>		
NET INVESTMENT INCOME	114,732	207,482
NET GAIN	1,499,682	2,982,328
<u>EQUITY ACCOUNT</u>		
NET EQUITY - PRIOR	(7,420,003)	(8,838,923)
NET GAIN FOR PERIOD	1,499,682	2,982,328
CHANGE IN NONADMITTED ASSETS	(62,699)	(126,425)
CHANGE IN EQUITY	1,436,983	2,855,903
NET EQUITY AT JUNE 30, 2005	(\$5,983,020)	(\$5,983,020)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED JUNE 30, 2005

	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
<u>INCOME RECEIVED</u>						
PREMIUMS WRITTEN	\$6,272,602	(\$124,625)	(\$1,228)	(\$58)	(\$150)	\$6,146,541
INVESTMENT INCOME RECEIVED	106,881	-	-	-	-	106,881
TOTAL	<u>6,379,483</u>	<u>(124,625)</u>	<u>(1,228)</u>	<u>(58)</u>	<u>(150)</u>	<u>6,253,422</u>
<u>EXPENSES PAID</u>						
LOSSES PAID	593,082	2,594,658	73,039	9,596	(1,973)	3,268,402
ALLOCATED LOSS EXPENSE	36,577	191,588	28,018	10,481	3,745	270,409
UNALLOCATED LOSS EXPENSE	24,677	116,797	6,004	426	(57)	147,847
INSPECTION AND RATING ISO	7,721	-	-	-	-	7,721
SURVEYS & UNDERWRITING RPTS	72,847	-	-	-	-	72,847
BOARDS & BUREAUS	3,094	-	-	-	-	3,094
COMMISSIONS	554,865	(11,193)	(65)	-	(21)	543,586
ASSOCIATION EXPENSES	1,058,895	-	-	-	-	1,058,895
TAXES & FEES	42,320	20,503	-	-	-	62,823
TOTAL	<u>2,394,078</u>	<u>2,912,353</u>	<u>106,996</u>	<u>20,503</u>	<u>1,694</u>	<u>5,435,623</u>
INCREASE (DECREASE)	<u>3,985,405</u>	<u>(3,036,978)</u>	<u>(108,224)</u>	<u>(20,561)</u>	<u>(1,844)</u>	<u>817,798</u>
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	72,230	-	-	-	-	72,230
CURRENT NONADMITTED ASSETS	452,810	-	-	-	-	452,810
TOTAL	<u>525,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>525,040</u>
<u>ADD</u>						
CURRENT ACCRUED INTEREST	80,081	-	-	-	-	80,081
PRIOR NONADMITTED ASSETS	390,110	-	-	-	-	390,110
TOTAL	<u>470,191</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>470,191</u>
EQUITY IN ASSETS OF ASSOCIATION	<u>3,930,556</u>	<u>(3,036,978)</u>	<u>(108,224)</u>	<u>(20,561)</u>	<u>(1,844)</u>	<u>762,949</u>
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	8,877,712	2,919,133	-	-	-	11,796,845
UNPAID LOSSES	1,105,642	2,880,698	357,646	156,454	111,388	4,611,828
UNPAID LOSS EXPENSES	129,261	307,068	63,506	20,422	14,611	534,868
UNPAID ASSOCIATION EXPENSES	260,169	-	-	-	-	260,169
UNPAID TAXES & FEES	19,518	-	-	-	-	19,518
TOTAL	<u>10,392,302</u>	<u>6,106,899</u>	<u>421,152</u>	<u>176,876</u>	<u>125,999</u>	<u>17,223,228</u>
<u>PRIOR RESERVES</u>						
UNEARNED PREMIUMS	4,829,843	6,709,021	-	-	-	11,538,864
UNPAID LOSSES	2,015,175	2,662,600	402,490	185,282	142,623	5,408,171
UNPAID LOSSES EXPENSES	229,524	235,746	88,947	24,534	18,943	597,694
UNPAID ASSOCIATION EXPENSES	301,587	-	-	-	-	301,587
UNPAID TAXES & FEES	50,945	-	-	-	-	50,945
TOTAL	<u>7,427,074</u>	<u>9,607,367</u>	<u>491,437</u>	<u>209,816</u>	<u>161,566</u>	<u>17,897,261</u>
NET CHANGE IN EQUITY	<u>\$965,328</u>	<u>\$463,490</u>	<u>(\$37,938)</u>	<u>\$12,379</u>	<u>\$33,723</u>	<u>\$1,436,983</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT YTD PERIOD ENDED JUNE 30, 2005

	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
<u>INCOME RECEIVED</u>						
PREMIUMS WRITTEN	\$11,786,787	(\$168,150)	(\$4,852)	(\$58)	(\$150)	\$11,613,577
INVESTMENT INCOME RECEIVED	173,251	-	-	-	-	173,251
TOTAL	<u>11,960,038</u>	<u>(168,150)</u>	<u>(4,852)</u>	<u>(58)</u>	<u>(150)</u>	<u>11,786,828</u>
<u>EXPENSES PAID</u>						
LOSSES PAID	595,887	5,458,901	988,587	(84,607)	(101,973)	6,856,795
ALLOCATED LOSS EXPENSE	39,179	397,053	84,530	34,668	9,473	564,903
UNALLOCATED LOSS EXPENSE	24,777	219,228	39,621	463	(57)	284,032
INSPECTION AND RATING ISO	21,285	-	-	-	-	21,285
SURVEYS & UNDERWRITING RPTS	137,239	-	-	-	-	137,239
BOARDS & BUREAUS	6,188	-	-	-	-	6,188
COMMISSIONS	1,047,694	(13,520)	(404)	-	(21)	1,033,749
ASSOCIATION EXPENSES	2,006,634	-	-	-	-	2,006,634
TAXES & FEES	73,766	18,521	-	-	-	92,287
TOTAL	<u>3,952,649</u>	<u>6,080,182</u>	<u>1,112,334</u>	<u>(49,476)</u>	<u>(92,578)</u>	<u>11,003,111</u>
INCREASE (DECREASE)	<u>8,007,389</u>	<u>(6,248,332)</u>	<u>(1,117,186)</u>	<u>49,418</u>	<u>92,428</u>	<u>783,717</u>
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	-	45,850	-	-	-	45,850
CURRENT NONADMITTED ASSETS	452,810	-	-	-	-	452,810
TOTAL	<u>452,810</u>	<u>45,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>498,660</u>
<u>ADD</u>						
CURRENT ACCRUED INTEREST	80,081	-	-	-	-	80,081
PRIOR NONADMITTED ASSETS	-	326,387	-	-	-	326,387
TOTAL	<u>80,081</u>	<u>326,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>406,468</u>
EQUITY IN ASSETS OF ASSOCIATION	<u>7,634,660</u>	<u>(5,967,795)</u>	<u>(1,117,186)</u>	<u>49,418</u>	<u>92,428</u>	<u>691,525</u>
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	8,877,712	2,919,133	-	-	-	11,796,845
UNPAID LOSSES	1,105,642	2,880,698	357,646	156,454	111,388	4,611,828
UNPAID LOSS EXPENSES	129,261	307,068	63,506	20,422	14,611	534,868
UNPAID ASSOCIATION EXPENSES	260,169	-	-	-	-	260,169
UNPAID TAXES & FEES	19,518	-	-	-	-	19,518
TOTAL	<u>10,392,302</u>	<u>6,106,899</u>	<u>421,152</u>	<u>176,876</u>	<u>125,999</u>	<u>17,223,228</u>
<u>PRIOR RESERVES</u>						
UNEARNED PREMIUMS	-	11,919,572	-	-	-	11,919,572
UNPAID LOSSES	-	4,732,722	1,387,505	230,931	161,319	6,512,477
UNPAID LOSSES EXPENSES	-	427,875	173,901	27,137	13,666	642,579
UNPAID ASSOCIATION EXPENSES	-	251,968	-	-	-	251,968
UNPAID TAXES & FEES	-	61,013	-	-	-	61,013
TOTAL	<u>-</u>	<u>17,393,150</u>	<u>1,561,406</u>	<u>258,068</u>	<u>174,985</u>	<u>19,387,609</u>
NET CHANGE IN EQUITY	<u>(\$2,757,642)</u>	<u>\$5,318,455</u>	<u>\$23,068</u>	<u>\$130,609</u>	<u>\$141,413</u>	<u>\$2,855,903</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDING JUNE 30, 2005

	6-30-05 QUARTER-TO-DATE	
Premiums Written	\$6,146,541	
Current Unearned Reserve	11,796,845	
Prior Unearned Reserve	11,538,864	
Change in Unearned Premium Reserve	(257,981)	
Net Premium Earned		\$5,888,560
Losses Paid	3,333,292	
Less Salvage & Subrogation	64,890	
Net Losses Paid	3,268,402	
Current Loss Reserve	4,611,828	
Prior Loss Reserve	5,408,171	
Change in Loss Reserve	(796,343)	
Net Losses Incurred		2,472,059
Allocated Loss Exp. Paid	270,409	
Unallocated Loss Exp. Paid	147,847	
Total Loss Exp. Paid	418,256	
Current Loss Exp. Reserve	534,868	
Prior Loss Exp. Reserve	597,694	
Change in Loss Exp. Reserve	(62,826)	
Net Loss Exp. Incurred		355,430
Total Loss & Loss Exp. Incurred		\$2,827,489
Taxes & Fees Paid	62,823	
Current Reserve	19,518	
Prior Reserve	50,945	
Change in Reserve for Taxes & Fees	(31,427)	
Net Taxes & Fees Incurred		31,396
Commissions Expense Paid	543,586	
Board Bureaus & Inspections Paid	83,662	
Other Operating Exp. Paid	1,058,895	
Total Underwriting Exp. Paid	1,686,143	
Current Reserve	260,169	
Prior Reserve	301,587	
Change in Other Underwriting Exp. Reserve	(41,418)	
Other Underwriting Exp. Incurred		1,644,725
Total Other Underwriting Exp. Incurred		1,676,121
Total Loss & Underwriting Exp. Incurred		\$4,503,610
Underwriting Gain		\$1,384,950
Net Investment Income Received	106,881	
Current Accrued Interest	80,081	
Prior Accrued Interest	72,230	
Change in Accrued Interest	7,851	
Net Investment Income Earned		114,732
Net Gain		\$1,499,682

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS YTD PERIOD ENDING JUNE 30, 2005

	6-30-05 YEAR-TO-DATE	
Premiums Written	\$11,613,577	
Current Unearned Reserve	11,796,845	
Prior Unearned Reserve	11,919,572	
Change in Unearned Premium Reserve	122,727	
Net Premium Earned		\$11,736,304
Losses Paid	7,145,776	
Less Salvage & Subrogation	288,981	
Net Losses Paid	6,856,795	
Current Loss Reserve	4,611,828	
Prior Loss Reserve	6,512,477	
Change in Loss Reserve	(1,900,649)	
Net Losses Incurred		4,956,146
Allocated Loss Exp. Paid	564,903	
Unallocated Loss Exp. Paid	284,032	
Total Loss Exp. Paid	848,935	
Current Loss Exp. Reserve	534,868	
Prior Loss Exp. Reserve	642,579	
Change in Loss Exp. Reserve	(107,711)	
Net Loss Exp. Incurred		741,224
Total Loss & Loss Exp. Incurred		\$5,697,370
Taxes & Fees Paid	92,287	
Current Reserve	19,518	
Prior Reserve	61,013	
Change in Reserve for Taxes & Fees	(41,495)	
Net Taxes & Fees Incurred		50,792
Commissions Expense Paid	1,033,749	
Board Bureaus & Inspections Paid	164,712	
Other Operating Exp. Paid	2,006,634	
Total Underwriting Exp. Paid	3,205,095	
Current Reserve	260,169	
Prior Reserve	251,968	
Change in Other Underwriting Exp. Reserve	8,201	
Other Underwriting Exp. Incurred		3,213,296
Total Other Underwriting Exp. Incurred		3,264,088
Total Loss & Underwriting Exp. Incurred		\$8,961,458
Underwriting Gain		\$2,774,846
Net Investment Income Received	173,251	
Current Accrued Interest	80,081	
Prior Accrued Interest	45,850	
Change in Accrued Interest	34,231	
Net Investment Income Earned		207,482
Net Gain		\$2,982,328

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDING JUNE 30, 2005

*SEE NOTE BELOW	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
WRITTEN PREMIUMS						
FIRE	\$4,865,893	(\$98,902)	(\$828)	(\$58)	(\$150)	\$4,765,955
ALLIED	1,392,200	(25,699)	(400)	-	-	1,366,101
CRIME	14,509	(24)	-	-	-	14,485
TOTAL	6,272,602	(124,625)	(1,228)	(58)	(150)	6,146,541
CURRENT UNEARNED PREMIUM RESERVE @ 6-30-05						
FIRE	6,902,913	2,265,229	-	-	-	9,168,142
ALLIED	1,953,851	646,289	-	-	-	2,600,140
CRIME	20,948	7,615	-	-	-	28,563
TOTAL	8,877,712	2,919,133	-	-	-	11,796,845
PRIOR UNEARNED PREMIUM RESERVE @ 3-31-05						
FIRE	3,772,348	5,200,979	-	-	-	8,973,327
ALLIED	1,045,748	1,490,379	-	-	-	2,536,127
CRIME	11,747	17,663	-	-	-	29,410
TOTAL	4,829,843	6,709,021	-	-	-	11,538,864
EARNED PREMIUM						
FIRE	1,735,328	2,836,848	(828)	(58)	(150)	4,571,140
ALLIED	484,097	818,391	(400)	-	-	1,302,088
CRIME	5,308	10,024	-	-	-	15,332
TOTAL	\$2,224,733	\$3,665,263	(\$1,228)	(\$58)	(\$150)	\$5,888,560

*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, 2005

	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
*SEE NOTE BELOW						
WRITTEN PREMIUMS						
FIRE	\$9,171,849	(\$136,911)	(\$3,777)	(\$58)	(\$150)	\$9,030,953
ALLIED	2,587,041	(30,838)	(1,075)	-	-	2,555,128
CRIME	27,897	(401)	-	-	-	27,496
TOTAL	11,786,787	(168,150)	(4,852)	(58)	(150)	11,613,577
CURRENT UNEARNED PREMIUM RESERVE @ 6-30-05						
FIRE	6,902,913	2,265,229	-	-	-	9,168,142
ALLIED	1,953,851	646,289	-	-	-	2,600,140
CRIME	20,948	7,615	-	-	-	28,563
TOTAL	8,877,712	2,919,133	-	-	-	11,796,845
PRIOR 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
EARNED PREMIUM						
FIRE	2,268,936	6,838,600	(3,777)	(58)	(150)	9,103,551
ALLIED	633,190	1,969,575	(1,075)	-	-	2,601,690
CRIME	6,949	24,114	-	-	-	31,063
TOTAL	\$2,909,075	\$8,832,289	(\$4,852)	(\$58)	(\$150)	\$11,736,304

*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>
1Q04	516,016		1,645,690	2,161,706	1Q05	471,393	1,887,597	2,358,990
2Q04	504,458		1,739,979	2,244,437	2Q05	466,321	1,888,109	2,354,430
3Q04	486,228		1,876,360	2,362,588				
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 JUNE 30, 2005

*SEE NOTE BELOW	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
PAID LOSSES						
Net of Salvage and Subrogation Received						
FIRE	\$556,352	\$2,357,983	\$46,372	\$9,596	(\$621)	\$2,969,682
ALLIED	36,730	236,675	26,667	-	(1,352)	298,720
CRIME	-	-	-	-	-	-
TOTAL	<u>593,082</u>	<u>2,594,658</u>	<u>73,039</u>	<u>9,596</u>	<u>(1,973)</u>	<u>3,268,402</u>
CURRENT CASE BASIS RESERVES (6-30-05)						
FIRE	1,091,310	2,536,918	339,077	71,000	83,000	4,121,305
ALLIED	53,572	105,429	21,565	11,500	-	192,066
CRIME	-	-	-	-	-	-
TOTAL	<u>1,144,882</u>	<u>2,642,347</u>	<u>360,642</u>	<u>82,500</u>	<u>83,000</u>	<u>4,313,371</u>
CURRENT I.B.N.R. RESERVES (6-30-05)						
FIRE	(37,404)	228,841	(2,817)	63,645	28,388	280,653
ALLIED	(1,836)	9,510	(179)	10,309	-	17,804
CRIME	-	-	-	-	-	-
TOTAL	<u>(39,240)</u>	<u>238,351</u>	<u>(2,996)</u>	<u>73,954</u>	<u>28,388</u>	<u>298,457</u>
PRIOR LOSS RESERVES (3-31-05)						
(Including IBNR Reserves)						
FIRE	1,966,406	2,428,546	342,485	167,160	142,623	5,047,220
ALLIED	48,769	234,054	60,005	18,122	-	360,951
CRIME	-	-	-	-	-	-
TOTAL	<u>2,015,175</u>	<u>2,662,600</u>	<u>402,490</u>	<u>185,282</u>	<u>142,623</u>	<u>5,408,171</u>
INCURRED LOSSES						
FIRE	(356,148)	2,695,196	40,147	(22,919)	(31,856)	2,324,420
ALLIED	39,697	117,560	(11,952)	3,687	(1,352)	147,639
CRIME	-	-	-	-	-	-
TOTAL	<u>(\$316,451)</u>	<u>\$2,812,756</u>	<u>\$28,195</u>	<u>(\$19,232)</u>	<u>(\$33,208)</u>	<u>\$2,472,059</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, 2005

*SEE NOTE BELOW	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
PAID LOSSES						
Net of Salvage and Subrogation Received						
FIRE	\$559,157	\$4,952,327	\$922,121	(\$76,692)	(\$100,621)	\$6,256,292
ALLIED	36,730	504,795	66,466	(7,915)	(1,352)	598,724
CRIME	-	1,779	-	-	-	1,779
TOTAL	595,887	5,458,901	988,587	(84,607)	(101,973)	6,856,795
CURRENT CASE BASIS RESERVES (6-30-05)						
FIRE	1,091,310	2,536,918	339,077	71,000	83,000	4,121,305
ALLIED	53,572	105,429	21,565	11,500	-	192,066
CRIME	-	-	-	-	-	-
TOTAL	1,144,882	2,642,347	360,642	82,500	83,000	4,313,371
CURRENT I.B.N.R. RESERVES (6-30-05)						
FIRE	(37,404)	228,841	(2,817)	63,645	28,388	280,653
ALLIED	(1,836)	9,510	(179)	10,309	-	17,804
CRIME	-	-	-	-	-	-
TOTAL	(39,240)	238,351	(2,996)	73,954	28,388	298,457
PRIOR LOSS RESERVES (12-31-04)						
(Including IBNR Reserves)						
FIRE	-	4,273,887	1,249,470	209,983	161,319	5,894,659
ALLIED	-	458,835	138,035	20,948	-	617,818
CRIME	-	-	-	-	-	-
TOTAL	-	4,732,722	1,387,505	230,931	161,319	6,512,477
INCURRED LOSSES						
FIRE	1,613,063	3,444,199	8,911	(152,030)	(150,552)	4,763,591
ALLIED	88,466	160,899	(50,183)	(7,054)	(1,352)	190,776
CRIME	-	1,779	-	-	-	1,779
TOTAL	\$1,701,529	\$3,606,877	(\$41,272)	(\$159,084)	(\$151,904)	\$4,956,146

*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, 2005

	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)						
FIRE	\$45,257	\$215,039	\$22,169	\$9,629	\$2,956	\$295,050
ALLIED	15,997	93,346	11,853	1,278	732	123,206
CRIME	-	-	-	-	-	-
TOTAL	61,254	308,385	34,022	10,907	3,688	418,256
CURRENT LOSS EXPENSE RESERVES @ 6-30-05						
FIRE	123,213	294,816	59,709	17,575	14,611	509,924
ALLIED	6,048	12,252	3,797	2,847	-	24,944
CRIME	-	-	-	-	-	-
TOTAL	129,261	307,068	63,506	20,422	14,611	534,868
PRIOR LOSS EXPENSE RESERVES @ 3-31-05						
FIRE	223,969	215,023	75,686	22,134	18,943	555,755
ALLIED	5,555	20,723	13,261	2,400	-	41,939
CRIME	-	-	-	-	-	-
TOTAL	229,524	235,746	88,947	24,534	18,943	597,694
ALAE & ULAE LOSS EXPENSES INCURRED						
FIRE	(55,499)	294,832	6,192	5,070	(1,376)	249,219
ALLIED	16,490	84,875	2,389	1,725	732	106,211
CRIME	-	-	-	-	-	-
TOTAL	(\$39,009)	\$379,707	\$8,581	\$6,795	(\$644)	\$355,430

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) YTD PERIOD ENDING JUNE 30, 2005

	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
LOSS EXPENSES PAID						
(ALAE AND ULAE)						
FIRE	\$46,390	\$432,780	\$86,200	\$18,282	\$8,684	\$592,336
ALLIED	17,566	183,143	37,951	16,849	732	256,241
CRIME	-	358	-	-	-	358
TOTAL	63,956	616,281	124,151	35,131	9,416	848,935
CURRENT LOSS EXPENSE RESERVES @						
6-30-05						
FIRE	123,213	294,816	59,709	17,575	14,611	509,924
ALLIED	6,048	12,252	3,797	2,847	-	24,944
CRIME	-	-	-	-	-	-
TOTAL	129,261	307,068	63,506	20,422	14,611	534,868
PRIOR LOSS EXPENSE RESERVES @						
12-31-04						
FIRE	-	386,393	156,601	24,675	13,666	581,335
ALLIED	-	41,482	17,300	2,462	-	61,244
CRIME	-	-	-	-	-	-
TOTAL	-	427,875	173,901	27,137	13,666	642,579
ALAE & ULAE LOSS EXPENSES INCURRED						
FIRE	169,603	341,203	(10,692)	11,182	9,629	520,925
ALLIED	23,614	153,913	24,448	17,234	732	219,941
CRIME	-	358	-	-	-	358
TOTAL	\$193,217	\$495,474	\$13,756	\$28,416	\$10,361	\$741,224