

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT SEPTEMBER 30, 2005

	LEDGER ASSETS	NON-LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<u>ASSETS</u>				
CASH & SHORT-TERM INVESTMENTS	\$15,726,874	-	-	\$15,726,874
ACCRUED INTEREST	-	109,140	-	109,140
FURNITURE & EQUIPMENT	95,648	-	95,648	-
EDP - EQUIPMENT & SOFTWARE	400,167	-	360,255	39,912
LEASEHOLD IMPROVEMENTS	35,573	-	35,573	-
TOTAL ASSETS	\$16,258,262	\$109,140	\$491,476	\$15,875,926
<u>LIABILITIES</u>				
POST RETIREMENT BENEFITS (other than pensions)			1,698,303	
DEFINED BENEFIT PENSION PLAN			337,856	
AMOUNTS HELD FOR OTHERS			548,019	
ADVANCE PREMIUMS			491,367	
RETURN PREMIUMS			228,102	
OTHER PAYABLES			35,433	
CLAIM CHECKS PAYABLE			7,891	
TOTAL LIABILITIES			3,346,971	
<u>RESERVES</u>				
UNEARNED PREMIUMS			11,886,584	
LOSS - CASE BASIS			4,279,699	
LOSS - I.B.N.R			592,411	
LOSS EXPENSE- ALLOCATED			499,035	
LOSS EXPENSE- UNALLOCATED			119,557	
ASSOCIATION EXPENSES			274,298	
TAXES & FEES			40,975	
TOTAL RESERVES			17,692,559	
TOTAL LIABILITIES & RESERVES			21,039,530	
<u>EQUITY ACCOUNT</u>				
NET EQUITY AT SEPTEMBER 30, 2005				(5,163,604)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT				\$15,875,926

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT SEPTEMBER 30, 2005

	QUARTER-TO-DATE	YEAR-TO-DATE
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED	\$5,965,433	\$17,701,737
<u>DEDUCTIONS</u>		
LOSSES INCURRED	3,152,280	8,108,427
LOSS EXPENSES INCURRED	503,378	1,244,603
COMMISSIONS INCURRED	531,512	1,565,261
OTHER UNDERWRITING EXPENSES	1,046,928	3,226,477
TAXES & FEES INCURRED	21,457	72,249
TOTAL DEDUCTIONS	5,255,555	14,217,017
UNDERWRITING GAIN	709,878	3,484,720
<u>OTHER INCOME</u>		
NET INVESTMENT INCOME	148,204	355,687
NET GAIN	858,082	3,840,407
<u>EQUITY ACCOUNT</u>		
NET EQUITY - PRIOR	(5,983,020)	(8,838,923)
NET GAIN FOR PERIOD	858,082	3,840,407
CHANGE IN NONADMITTED ASSETS	(38,666)	(165,088)
CHANGE IN EQUITY	819,416	3,675,319
NET EQUITY AT SEPTEMBER 30, 2005	(\$5,163,604)	(\$5,163,604)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED SEPTEMBER 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	\$6,121,771	(\$64,410)	(\$1,121)	(\$753)	(\$315)	\$6,055,172
INVESTMENT INCOME RECEIVED	119,145	-	-	-	-	119,145
TOTAL	<u>6,240,916</u>	<u>(64,410)</u>	<u>(1,121)</u>	<u>(753)</u>	<u>(315)</u>	<u>6,174,317</u>
<u>EXPENSES PAID</u>						
LOSSES PAID	923,934	1,843,751	244,232	(137,355)	17,437	2,891,999
ALLOCATED LOSS EXPENSE	73,905	139,553	10,222	56,454	6,236	286,370
UNALLOCATED LOSS EXPENSE	39,787	81,593	11,099	29	776	133,284
INSPECTION AND RATING ISO	7,711	-	-	-	-	7,711
SURVEYS & UNDERWRITING RPTS	65,581	615	-	-	-	66,196
BOARDS & BUREAUS	3,300	-	-	-	-	3,300
COMMISSIONS	537,667	(5,967)	(112)	(76)	-	531,512
ASSOCIATION EXPENSES	955,592	-	-	-	-	955,592
TAXES & FEES	-	-	-	-	-	-
TOTAL	<u>2,607,477</u>	<u>2,059,545</u>	<u>265,441</u>	<u>(80,948)</u>	<u>24,449</u>	<u>4,875,964</u>
INCREASE (DECREASE)	<u>3,633,439</u>	<u>(2,123,955)</u>	<u>(266,562)</u>	<u>80,195</u>	<u>(24,764)</u>	<u>1,298,353</u>
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	80,081	-	-	-	-	80,081
CURRENT NONADMITTED ASSETS	491,476	-	-	-	-	491,476
TOTAL	<u>571,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>571,557</u>
<u>ADD</u>						
CURRENT ACCRUED INTEREST	109,140	-	-	-	-	109,140
PRIOR NONADMITTED ASSETS	452,810	-	-	-	-	452,810
TOTAL	<u>561,950</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>561,950</u>
EQUITY IN ASSETS OF ASSOCIATION	<u>3,623,832</u>	<u>(2,123,955)</u>	<u>(266,562)</u>	<u>80,195</u>	<u>(24,764)</u>	<u>1,288,746</u>
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	11,203,335	683,249	-	-	-	11,886,584
UNPAID LOSSES	2,347,649	2,120,917	167,941	148,297	87,306	4,872,110
UNPAID LOSS EXPENSES	267,955	261,369	60,067	20,895	8,306	618,592
UNPAID ASSOCIATION EXPENSES	274,298	-	-	-	-	274,298
UNPAID TAXES & FEES	40,975	-	-	-	-	40,975
TOTAL	<u>14,134,212</u>	<u>3,065,535</u>	<u>228,008</u>	<u>169,192</u>	<u>95,612</u>	<u>17,692,559</u>
<u>PRIOR RESERVES</u>						
UNEARNED PREMIUMS	8,877,712	2,919,133	-	-	-	11,796,845
UNPAID LOSSES	1,105,643	2,880,698	357,646	156,454	111,388	4,611,829
UNPAID LOSSES 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>10,392,303</u>	<u>6,106,899</u>	<u>421,152</u>	<u>176,876</u>	<u>125,999</u>	<u>17,223,229</u>
NET CHANGE IN EQUITY	<u>(\$118,077)</u>	<u>\$917,409</u>	<u>(\$73,418)</u>	<u>\$87,879</u>	<u>\$5,623</u>	<u>\$819,416</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT YTD PERIOD ENDED SEPTEMBER 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	\$17,908,558	(\$232,560)	(\$5,973)	(\$811)	(\$465)	\$17,668,749
INVESTMENT INCOME RECEIVED	292,397	-	-	-	-	292,397
TOTAL	<u>18,200,955</u>	<u>(232,560)</u>	<u>(5,973)</u>	<u>(811)</u>	<u>(465)</u>	<u>17,961,146</u>
<u>EXPENSES PAID</u>						
LOSSES PAID	1,519,822	7,302,652	1,232,819	(221,963)	(84,536)	9,748,794
ALLOCATED LOSS EXPENSE	113,084	536,605	94,752	91,121	15,711	851,273
UNALLOCATED LOSS EXPENSE	64,564	300,822	50,720	493	718	417,317
INSPECTION AND RATING ISO	28,996	-	-	-	-	28,996
SURVEYS & UNDERWRITING RPTS	202,820	615	-	-	-	203,435
BOARDS & BUREAUS	9,488	-	-	-	-	9,488
COMMISSIONS	1,585,361	(19,487)	(517)	(81)	(15)	1,565,261
ASSOCIATION EXPENSES	2,962,228	-	-	-	-	2,962,228
TAXES & FEES	73,766	18,521	-	-	-	92,287
TOTAL	<u>6,560,129</u>	<u>8,139,728</u>	<u>1,377,774</u>	<u>(130,430)</u>	<u>(68,122)</u>	<u>15,879,079</u>
INCREASE (DECREASE)	<u>11,640,826</u>	<u>(8,372,288)</u>	<u>(1,383,747)</u>	<u>129,619</u>	<u>67,657</u>	<u>2,082,067</u>
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	-	45,850	-	-	-	45,850
CURRENT NONADMITTED ASSETS	491,476	-	-	-	-	491,476
TOTAL	<u>491,476</u>	<u>45,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>537,326</u>
<u>ADD</u>						
CURRENT ACCRUED INTEREST	109,140	-	-	-	-	109,140
PRIOR NONADMITTED ASSETS	-	326,387	-	-	-	326,387
TOTAL	<u>109,140</u>	<u>326,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>435,527</u>
EQUITY IN ASSETS OF ASSOCIATION	<u>11,258,490</u>	<u>(8,091,751)</u>	<u>(1,383,747)</u>	<u>129,619</u>	<u>67,657</u>	<u>1,980,268</u>
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	11,203,335	683,249	-	-	-	11,886,584
UNPAID LOSSES	2,347,649	2,120,917	167,941	148,297	87,306	4,872,110
UNPAID LOSS EXPENSES	267,955	261,369	60,067	20,895	8,306	618,592
UNPAID ASSOCIATION EXPENSES	274,298	-	-	-	-	274,298
UNPAID TAXES & FEES	40,975	-	-	-	-	40,975
TOTAL	<u>14,134,212</u>	<u>3,065,535</u>	<u>228,008</u>	<u>169,192</u>	<u>95,612</u>	<u>17,692,559</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>(\$2,875,722)</u>	<u>\$6,235,864</u>	<u>(\$50,349)</u>	<u>\$218,495</u>	<u>\$147,030</u>	<u>\$3,675,319</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDED SEPTEMBER 30, 2005

	9-30-05 QUARTER-TO-DATE	
Premiums Written	\$6,055,172	
Current Unearned Reserve	11,886,584	
Prior Unearned Reserve	11,796,845	
Change in Unearned Premium Reserve	(89,739)	
Net Premium Earned		\$5,965,433
Losses Paid	3,095,133	
Less Salvage & Subrogation	203,134	
Net Losses Paid	2,891,999	
Current Loss Reserve	4,872,110	
Prior Loss Reserve	4,611,829	
Change in Loss Reserve	260,281	
Net Losses Incurred		3,152,280
Allocated Loss Exp. Paid	286,370	
Unallocated Loss Exp. Paid	133,284	
Total Loss Exp. Paid	419,654	
Current Loss Exp. Reserve	618,592	
Prior Loss Exp. Reserve	534,868	
Change in Loss Exp. Reserve	83,724	
Net Loss Exp. Incurred		503,378
Total Loss & Loss Exp. Incurred		\$3,655,658
Taxes & Fees Paid	-	
Current Reserve	40,975	
Prior Reserve	19,518	
Change in Reserve for Taxes & Fees	21,457	
Net Taxes & Fees Incurred		21,457
Commissions Expense Paid	531,512	
Board Bureaus & Inspections Paid	77,207	
Other Operating Exp. Paid	955,592	
Total Underwriting Exp. Paid	1,564,311	
Current Reserve	274,298	
Prior Reserve	260,169	
Change in Other Underwriting Exp. Reserve	14,129	
Other Underwriting Exp. Incurred		1,578,440
Total Other Underwriting Exp. Incurred		1,599,897
Total Loss & Underwriting Exp. Incurred		\$5,255,555
Underwriting Gain		\$709,878
Net Investment Income Received		119,145
Current Accrued Interest	109,140	
Prior Accrued Interest	80,081	
Change in Accrued Interest	29,059	
Net Investment Income Earned		148,204
Net Gain		\$858,082

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS YTD PERIOD ENDED SEPTEMBER 30, 2005

	9-30-05 YEAR-TO-DATE	
Premiums Written	\$17,668,749	
Current Unearned Reserve	11,886,584	
Prior Unearned Reserve	11,919,572	
Change in Unearned Premium Reserve	32,988	
Net Premium Earned		\$17,701,737
Losses Paid	10,240,909	
Less Salvage & Subrogation	492,115	
Net Losses Paid	9,748,794	
Current Loss Reserve	4,872,110	
Prior Loss Reserve	6,512,477	
Change in Loss Reserve	(1,640,367)	
Net Losses Incurred		8,108,427
Allocated Loss Exp. Paid	851,273	
Unallocated Loss Exp. Paid	417,317	
Total Loss Exp. Paid	1,268,590	
Current Loss Exp. Reserve	618,592	
Prior Loss Exp. Reserve	642,579	
Change in Loss Exp. Reserve	(23,987)	
Net Loss Exp. Incurred		1,244,603
Total Loss & Loss Exp. Incurred		\$9,353,030
Taxes & Fees Paid	92,287	
Current Reserve	40,975	
Prior Reserve	61,013	
Change in Reserve for Taxes & Fees	(20,038)	
Net Taxes & Fees Incurred		72,249
Commissions Expense Paid	1,565,261	
Board Bureaus & Inspections Paid	241,919	
Other Operating Exp. Paid	2,962,228	
Total Underwriting Exp. Paid	4,769,408	
Current Reserve	274,298	
Prior Reserve	251,968	
Change in Other Underwriting Exp. Reserve	22,330	
Other Underwriting Exp. Incurred		4,791,738
Total Other Underwriting Exp. Incurred		4,863,987
Total Loss & Underwriting Exp. Incurred		\$14,217,017
Underwriting Gain		\$3,484,720
Net Investment Income Received	292,397	
Current Accrued Interest	109,140	
Prior Accrued Interest	45,850	
Change in Accrued Interest	63,290	
Net Investment Income Earned		355,687
Net Gain		\$3,840,407

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDED SEPTEMBER 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	\$4,782,288	(\$53,811)	(\$865)	(\$551)	(\$315)	\$4,726,746
ALLIED	1,325,491	(10,492)	(256)	(202)	-	1,314,541
CRIME	13,992	(107)	-	-	-	13,885
TOTAL	6,121,771	(64,410)	(1,121)	(753)	(315)	6,055,172
CURRENT UNEARNED PREMIUM RESERVE @ 9-30-05						
FIRE	8,728,117	530,514	-	-	-	9,258,631
ALLIED	2,449,055	151,101	-	-	-	2,600,156
CRIME	26,163	1,634	-	-	-	27,797
TOTAL	11,203,335	683,249	-	-	-	11,886,584
PRIOR 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
EARNED PREMIUM						
FIRE	2,957,084	1,680,904	(865)	(551)	(315)	4,636,257
ALLIED	830,287	484,696	(256)	(202)	-	1,314,525
CRIME	8,777	5,874	-	-	-	14,651
TOTAL	\$3,796,148	\$2,171,474	(\$1,121)	(\$753)	(\$315)	\$5,965,433

*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 ENDED SEPTEMBER 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	\$13,954,137	(\$190,722)	(\$4,642)	(\$609)	(\$465)	\$13,757,699
ALLIED	3,912,532	(41,330)	(1,331)	(202)	-	3,869,669
CRIME	41,889	(508)	-	-	-	41,381
TOTAL	17,908,558	(232,560)	(5,973)	(811)	(465)	17,668,749
CURRENT UNEARNED PREMIUM RESERVE @ 9-30-05						
FIRE	8,728,117	530,514	-	-	-	9,258,631
ALLIED	2,449,055	151,101	-	-	-	2,600,156
CRIME	26,163	1,634	-	-	-	27,797
TOTAL	11,203,335	683,249	-	-	-	11,886,584
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	5,226,020	8,519,504	(4,642)	(609)	(465)	13,739,808
ALLIED	1,463,477	2,454,271	(1,331)	(202)	-	3,916,215
CRIME	15,726	29,988	-	-	-	45,714
TOTAL	\$6,705,223	\$11,003,763	(\$5,973)	(\$811)	(\$465)	\$17,701,737

*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>
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	3Q05	462,884	1,926,953	2,389,837
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 ENDED SEPTEMBER 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	\$868,923	\$1,737,117	\$234,441	(\$137,355)	\$17,467	\$2,720,593
ALLIED	55,011	106,634	9,791	-	(30)	171,406
CRIME	-	-	-	-	-	-
TOTAL	923,934	1,843,751	244,232	(137,355)	17,437	2,891,999
CURRENT CASE BASIS RESERVES (9-30-05)						
FIRE	2,112,604	1,488,575	51,746	71,000	65,000	3,788,925
ALLIED	81,552	373,721	24,001	11,500	-	490,774
CRIME	-	-	-	-	-	-
TOTAL	2,194,156	1,862,296	75,747	82,500	65,000	4,279,699
CURRENT I.B.N.R. RESERVES (9-30-05)						
FIRE	147,788	206,722	62,981	56,625	22,306	496,422
ALLIED	5,705	51,899	29,213	9,172	-	95,989
CRIME	-	-	-	-	-	-
TOTAL	153,493	258,621	92,194	65,797	22,306	592,411
PRIOR LOSS RESERVES (6-30-05)						
(Including IBNR Reserves)						
FIRE	1,053,907	2,765,759	336,260	134,645	111,388	4,401,959
ALLIED	51,736	114,939	21,386	21,809	-	209,870
CRIME	-	-	-	-	-	-
TOTAL	1,105,643	2,880,698	357,646	156,454	111,388	4,611,829
INCURRED LOSSES						
FIRE	2,075,408	666,655	12,908	(144,375)	(6,615)	2,603,981
ALLIED	90,532	417,315	41,619	(1,137)	(30)	548,299
CRIME	-	-	-	-	-	-
TOTAL	\$2,165,940	\$1,083,970	\$54,527	(\$145,512)	(\$6,645)	\$3,152,280

*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 ENDED SEPTEMBER 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	\$1,428,080	\$6,689,444	\$1,156,562	(\$214,048)	(\$83,154)	\$8,976,884
ALLIED	91,742	611,429	76,257	(7,915)	(1,382)	770,131
CRIME	-	1,779	-	-	-	1,779
TOTAL	1,519,822	7,302,652	1,232,819	(221,963)	(84,536)	9,748,794
CURRENT CASE BASIS RESERVES (9-30-05)						
FIRE	2,112,604	1,488,575	51,746	71,000	65,000	3,788,925
ALLIED	81,552	373,721	24,001	11,500	-	490,774
CRIME	-	-	-	-	-	-
TOTAL	2,194,156	1,862,296	75,747	82,500	65,000	4,279,699
CURRENT I.B.N.R. RESERVES (9-30-05)						
FIRE	147,788	206,722	62,981	56,625	22,306	496,422
ALLIED	5,705	51,899	29,213	9,172	-	95,989
CRIME	-	-	-	-	-	-
TOTAL	153,493	258,621	92,194	65,797	22,306	592,411
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	3,688,472	4,110,854	21,819	(296,406)	(157,167)	7,367,572
ALLIED	178,999	578,214	(8,564)	(8,191)	(1,382)	739,076
CRIME	-	1,779	-	-	-	1,779
TOTAL	\$3,867,471	\$4,690,847	\$13,255	(\$304,597)	(\$158,549)	\$8,108,427

*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 ENDED SEPTEMBER 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	\$87,374	\$170,815	\$19,417	\$51,939	\$7,013	\$336,558
ALLIED	26,317	50,331	1,904	4,544	-	83,096
CRIME	-	-	-	-	-	-
TOTAL	113,691	221,146	21,321	56,483	7,013	419,654
CURRENT LOSS EXPENSE RESERVES						
9-30-05						
FIRE	257,996	208,918	41,034	17,982	8,306	534,236
ALLIED	9,959	52,451	19,033	2,913	-	84,356
CRIME	-	-	-	-	-	-
TOTAL	267,955	261,369	60,067	20,895	8,306	618,592
PRIOR 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
ALAE & ULAE LOSS EXPENSES INCURRED						
FIRE	222,157	84,917	742	52,346	708	360,870
ALLIED	30,228	90,530	17,140	4,610	-	142,508
CRIME	-	-	-	-	-	-
TOTAL	\$252,385	\$175,447	\$17,882	\$56,956	\$708	\$503,378

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) YTD PERIOD ENDED SEPTEMBER 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	\$133,764	\$603,596	\$105,617	\$70,222	\$15,696	\$928,895
ALLIED	43,883	233,474	39,855	21,393	732	339,337
CRIME	-	358	-	-	-	358
TOTAL	177,647	837,428	145,472	91,615	16,428	1,268,590
CURRENT LOSS EXPENSE RESERVES @						
9-30-05						
FIRE	257,996	208,918	41,034	17,982	8,306	534,236
ALLIED	9,959	52,451	19,033	2,913	-	84,356
CRIME	-	-	-	-	-	-
TOTAL	267,955	261,369	60,067	20,895	8,306	618,592
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	391,760	426,121	(9,950)	63,529	10,336	881,796
ALLIED	53,842	244,443	41,588	21,844	732	362,449
CRIME	-	358	-	-	-	358
TOTAL	\$445,602	\$670,922	\$31,638	\$85,373	\$11,068	\$1,244,603