

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## BALANCE SHEET AT DECEMBER 31, 2005

	LEDGER ASSETS	NON-LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<b><u>ASSETS</u></b>				
CASH & SHORT-TERM INVESTMENTS	\$16,708,459	-	-	\$16,708,459
ACCRUED INTEREST	-	114,017	-	114,017
FURNITURE & EQUIPMENT	82,459	-	82,459	-
EDP - EQUIPMENT & SOFTWARE	691,832	-	660,070	31,762
LEASEHOLD IMPROVEMENTS	33,670	-	33,670	-
<b>TOTAL ASSETS</b>	<b>\$17,516,420</b>	<b>\$114,017</b>	<b>\$776,199</b>	<b>\$16,854,238</b>
 <b><u>LIABILITIES</u></b>				
POST RETIREMENT BENEFITS (other than pensions)			1,763,232	
DEFINED BENEFIT PENSION PLAN			589,226	
AMOUNTS HELD FOR OTHERS			381,349	
ADVANCE PREMIUMS			370,269	
RETURN PREMIUMS			324,310	
OTHER PAYABLES			215,846	
CLAIM CHECKS PAYABLE			6,546	
<b>TOTAL LIABILITIES</b>			<b>3,650,778</b>	
 <b><u>RESERVES</u></b>				
UNEARNED PREMIUMS			11,538,996	
LOSS - CASE BASIS			3,972,783	
LOSS - I.B.N.R			1,345,262	
LOSS EXPENSE- ALLOCATED			500,657	
LOSS EXPENSE- UNALLOCATED			149,460	
ASSOCIATION EXPENSES			246,950	
TAXES & FEES			56,781	
<b>TOTAL RESERVES</b>			<b>17,810,889</b>	
<b>TOTAL LIABILITIES &amp; RESERVES</b>			<b>21,461,667</b>	
 <b><u>EQUITY ACCOUNT</u></b>				
NET EQUITY AT DECEMBER 31, 2005				<b>(4,607,429)</b>
<b>TOTAL LIABILITIES PLUS EQUITY ACCOUNT</b>				<b>\$16,854,238</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## INCOME STATEMENT DECEMBER 31, 2005

	QUARTER-TO-DATE	YEAR-TO-DATE
<b><u>UNDERWRITING INCOME</u></b>		
PREMIUMS EARNED	\$5,916,479	\$23,618,216
<b><u>DEDUCTIONS</u></b>		
LOSSES INCURRED	3,015,905	11,124,330
LOSS EXPENSES INCURRED	407,467	1,652,070
COMMISSIONS INCURRED	480,249	2,045,510
OTHER UNDERWRITING EXPENSES	1,086,104	4,312,581
TAXES & FEES INCURRED	15,806	88,055
TOTAL DEDUCTIONS	5,005,531	19,222,546
UNDERWRITING GAIN	910,948	4,395,670
<b><u>OTHER INCOME</u></b>		
NET INVESTMENT INCOME	183,494	539,181
NET GAIN	1,094,442	4,934,851
<b><u>EQUITY ACCOUNT</u></b>		
NET EQUITY - PRIOR	(5,163,604)	(8,838,923)
NET GAIN FOR PERIOD	1,094,442	4,934,851
CHANGE IN NONADMITTED ASSETS	(284,724)	(449,814)
CHANGE IN PENSION OBLIGATION	(253,543)	(253,543)
CHANGE IN EQUITY	556,175	4,231,494
NET EQUITY AT DECEMBER 31, 2005	(\$4,607,429)	(\$4,607,429)

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## EQUITY ACCOUNT QTD PERIOD ENDED DECEMBER 31, 2005

	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
<b><u>INCOME RECEIVED</u></b>						
PREMIUMS WRITTEN	\$5,593,599	(\$24,663)	(\$323)	\$278	-	\$5,568,891
INVESTMENT INCOME RECEIVED	178,617	-	-	-	-	178,617
TOTAL	<u>5,772,216</u>	<u>(24,663)</u>	<u>(323)</u>	<u>278</u>	<u>-</u>	<u>5,747,508</u>
<b><u>EXPENSES PAID</u></b>						
LOSSES PAID	1,371,740	1,162,681	(12,488)	10,000	38,037	2,569,970
ALLOCATED LOSS EXPENSE	132,770	103,554	3,356	4,103	3,398	247,181
UNALLOCATED LOSS EXPENSE	67,269	59,068	36	484	1,905	128,762
INSPECTION AND RATING ISO	8,061	-	-	-	-	8,061
SURVEYS & UNDERWRITING RPTS	74,257	(615)	-	-	-	73,642
BOARDS & BUREAUS	3,300	-	-	-	-	3,300
COMMISSIONS	482,345	(2,087)	(9)	-	-	480,249
ASSOCIATION EXPENSES	1,028,450	-	-	-	-	1,028,450
TAXES & FEES	-	-	-	-	-	-
TOTAL	<u>3,168,192</u>	<u>1,322,601</u>	<u>(9,105)</u>	<u>14,587</u>	<u>43,340</u>	<u>4,539,615</u>
<b>INCREASE (DECREASE)</b>	<b><u>2,604,024</u></b>	<b><u>(1,347,264)</u></b>	<b><u>8,782</u></b>	<b><u>(14,309)</u></b>	<b><u>(43,340)</u></b>	<b><u>1,207,893</u></b>
<b><u>DEDUCT</u></b>						
PRIOR ACCRUED INTEREST	109,140	-	-	-	-	109,140
CURRENT NONADMITTED ASSETS	776,199	-	-	-	-	776,199
CHANGE IN PENSION OBLIGATION	253,543	-	-	-	-	253,543
TOTAL	<u>1,138,882</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,138,882</u>
<b><u>ADD</u></b>						
CURRENT ACCRUED INTEREST	114,017	-	-	-	-	114,017
PRIOR NONADMITTED ASSETS	491,476	-	-	-	-	491,476
TOTAL	<u>605,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>605,493</u>
<b>EQUITY IN ASSETS OF ASSOCIATION</b>	<b><u>2,070,635</u></b>	<b><u>(1,347,264)</u></b>	<b><u>8,782</u></b>	<b><u>(14,309)</u></b>	<b><u>(43,340)</u></b>	<b><u>674,504</u></b>
<b><u>CURRENT RESERVES</u></b>						
UNEARNED PREMIUMS	11,538,996	-	-	-	-	11,538,996
UNPAID LOSSES	3,726,860	1,281,665	132,835	112,691	63,994	5,318,045
UNPAID LOSS EXPENSES	401,092	181,934	42,780	15,024	9,286	650,116
UNPAID ASSOCIATION EXPENSES	246,950	-	-	-	-	246,950
UNPAID TAXES & FEES	56,781	-	-	-	-	56,781
TOTAL	<u>15,970,679</u>	<u>1,463,599</u>	<u>175,615</u>	<u>127,715</u>	<u>73,280</u>	<u>17,810,888</u>
<b><u>PRIOR RESERVES</u></b>						
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 LOSSES 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>
<b>NET CHANGE IN EQUITY</b>	<b><u>\$234,168</u></b>	<b><u>\$254,672</u></b>	<b><u>\$61,175</u></b>	<b><u>\$27,168</u></b>	<b><u>(\$21,008)</u></b>	<b><u>\$556,175</u></b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## EQUITY ACCOUNT YTD PERIOD ENDED DECEMBER 31, 2005

	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
<b><u>INCOME RECEIVED</u></b>						
PREMIUMS WRITTEN	\$23,502,157	(\$257,223)	(\$6,296)	(\$533)	(\$465)	\$23,237,640
INVESTMENT INCOME RECEIVED	471,014	-	-	-	-	471,014
TOTAL	<u>23,973,171</u>	<u>(257,223)</u>	<u>(6,296)</u>	<u>(533)</u>	<u>(465)</u>	<u>23,708,654</u>
<b><u>EXPENSES PAID</u></b>						
LOSSES PAID	2,891,561	8,465,332	1,220,331	(211,963)	(46,499)	12,318,762
ALLOCATED LOSS EXPENSE	245,854	640,159	98,108	95,224	19,110	1,098,455
UNALLOCATED LOSS EXPENSE	131,832	359,890	50,756	976	2,624	546,078
INSPECTION AND RATING ISO	37,057	-	-	-	-	37,057
SURVEYS & UNDERWRITING RPTS	277,078	-	-	-	-	277,078
BOARDS & BUREAUS	12,788	-	-	-	-	12,788
COMMISSIONS	2,067,706	(21,574)	(527)	(81)	(14)	2,045,510
ASSOCIATION EXPENSES	3,990,678	-	-	-	-	3,990,678
TAXES & FEES	73,766	18,521	-	-	-	92,287
TOTAL	<u>9,728,320</u>	<u>9,462,328</u>	<u>1,368,668</u>	<u>(115,844)</u>	<u>(24,779)</u>	<u>20,418,693</u>
<b>INCREASE (DECREASE)</b>	<b><u>14,244,851</u></b>	<b><u>(9,719,551)</u></b>	<b><u>(1,374,964)</u></b>	<b><u>115,311</u></b>	<b><u>24,314</u></b>	<b><u>3,289,961</u></b>
<b><u>DEDUCT</u></b>						
PRIOR ACCRUED INTEREST	-	45,850	-	-	-	45,850
CURRENT NONADMITTED ASSETS	776,199	-	-	-	-	776,199
CHANGE IN PENSION OBLIGATION	253,543	-	-	-	-	253,543
TOTAL	<u>1,029,742</u>	<u>45,850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,075,592</u>
<b><u>ADD</u></b>						
CURRENT ACCRUED INTEREST	114,017	-	-	-	-	114,017
PRIOR NONADMITTED ASSETS	-	326,387	-	-	-	326,387
TOTAL	<u>114,017</u>	<u>326,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>440,404</u>
<b>EQUITY IN ASSETS OF ASSOCIATION</b>	<b><u>13,329,126</u></b>	<b><u>(9,439,014)</u></b>	<b><u>(1,374,964)</u></b>	<b><u>115,311</u></b>	<b><u>24,314</u></b>	<b><u>2,654,773</u></b>
<b><u>CURRENT RESERVES</u></b>						
UNEARNED PREMIUMS	11,538,996	-	-	-	-	11,538,996
UNPAID LOSSES	3,726,860	1,281,665	132,835	112,691	63,994	5,318,045
UNPAID LOSS EXPENSES	401,092	181,934	42,780	15,024	9,286	650,116
UNPAID ASSOCIATION EXPENSES	246,950	-	-	-	-	246,950
UNPAID TAXES & FEES	56,781	-	-	-	-	56,781
TOTAL	<u>15,970,679</u>	<u>1,463,599</u>	<u>175,615</u>	<u>127,715</u>	<u>73,280</u>	<u>17,810,888</u>
<b><u>PRIOR RESERVES</u></b>						
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>
<b>NET CHANGE IN EQUITY</b>	<b><u>(\$2,641,553)</u></b>	<b><u>\$6,490,537</u></b>	<b><u>\$10,827</u></b>	<b><u>\$245,664</u></b>	<b><u>\$126,019</u></b>	<b><u>\$4,231,494</u></b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDED DECEMBER 31, 2005

	12-31-05 QUARTER-TO-DATE	
<b>Premiums Written</b>	<b>\$5,568,891</b>	
Current Unearned Reserve	11,538,996	
Prior Unearned Reserve	11,886,584	
Change in Unearned Premium Reserve	347,588	
<b>Net Premium Earned</b>		<b>\$5,916,479</b>
Losses Paid	2,662,599	
Less Salvage & Subrogation	92,629	
<b>Net Losses Paid</b>	<b>2,569,970</b>	
Current Loss Reserve	5,318,045	
Prior Loss Reserve	4,872,110	
Change in Loss Reserve	445,935	
<b>Net Losses Incurred</b>		<b>3,015,905</b>
Allocated Loss Exp. Paid	247,181	
Unallocated Loss Exp. Paid	128,762	
<b>Total Loss Exp. Paid</b>	<b>375,943</b>	
Current Loss Exp. Reserve	650,116	
Prior Loss Exp. Reserve	618,592	
Change in Loss Exp. Reserve	31,524	
<b>Net Loss Exp. Incurred</b>		<b>407,467</b>
<b>Total Loss &amp; Loss Exp. Incurred</b>		<b>\$3,423,372</b>
Taxes & Fees Paid	-	
Current Reserve	56,781	
Prior Reserve	40,975	
Change in Reserve for Taxes & Fees	15,806	
<b>Net Taxes &amp; Fees Incurred</b>		<b>15,806</b>
Commissions Expense Paid	480,249	
Board Bureaus & Inspections Paid	85,002	
Other Operating Exp. Paid	1,028,450	
<b>Total Underwriting Exp. Paid</b>	<b>1,593,701</b>	
Current Reserve	246,950	
Prior Reserve	274,298	
Change in Other Underwriting Exp. Reserve	(27,348)	
<b>Other Underwriting Exp. Incurred</b>		<b>1,566,353</b>
<b>Total Other Underwriting Exp. Incurred</b>		<b>1,582,159</b>
<b>Total Loss &amp; Underwriting Exp. Incurred</b>		<b>\$5,005,531</b>
<b>Underwriting Gain</b>		<b>\$910,948</b>
Net Investment Income Received	178,617	
Current Accrued Interest	114,017	
Prior Accrued Interest	109,140	
Change in Accrued Interest	4,877	
<b>Net Investment Income Earned</b>		<b>183,494</b>
<b>Net Gain</b>		<b>\$1,094,442</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## UNDERWRITING STATEMENT EARNED/INCURRED BASIS YTD PERIOD ENDED DECEMBER 31, 2005

	12-31-05 YEAR-TO-DATE	
<b>Premiums Written</b>	<b>\$23,237,640</b>	
Current Unearned Reserve	11,538,996	
Prior Unearned Reserve	11,919,572	
Change in Unearned Premium Reserve	380,576	
<b>Net Premium Earned</b>		<b>\$23,618,216</b>
Losses Paid	12,903,508	
Less Salvage & Subrogation	584,746	
<b>Net Losses Paid</b>	12,318,762	
Current Loss Reserve	5,318,045	
Prior Loss Reserve	6,512,477	
Change in Loss Reserve	(1,194,432)	
<b>Net Losses Incurred</b>		11,124,330
Allocated Loss Exp. Paid	1,098,455	
Unallocated Loss Exp. Paid	546,078	
<b>Total Loss Exp. Paid</b>	1,644,533	
Current Loss Exp. Reserve	650,116	
Prior Loss Exp. Reserve	642,579	
Change in Loss Exp. Reserve	7,537	
<b>Net Loss Exp. Incurred</b>		1,652,070
<b>Total Loss &amp; Loss Exp. Incurred</b>		<b>\$12,776,400</b>
Taxes & Fees Paid	92,287	
Current Reserve	56,781	
Prior Reserve	61,013	
Change in Reserve for Taxes & Fees	(4,232)	
<b>Net Taxes &amp; Fees Incurred</b>		88,055
Commissions Expense Paid	2,045,510	
Board Bureaus & Inspections Paid	326,921	
Other Operating Exp. Paid	3,990,678	
<b>Total Underwriting Exp. Paid</b>	6,363,109	
Current Reserve	246,950	
Prior Reserve	251,968	
Change in Other Underwriting Exp. Reserve	(5,018)	
<b>Other Underwriting Exp. Incurred</b>		6,358,091
<b>Total Other Underwriting Exp. Incurred</b>		<b>6,446,146</b>
<b>Total Loss &amp; Underwriting Exp. Incurred</b>		<b>\$19,222,546</b>
<b>Underwriting Gain</b>		<b>\$4,395,670</b>
Net Investment Income Received	471,014	
Current Accrued Interest	114,017	
Prior Accrued Interest	45,850	
Change in Accrued Interest	68,167	
<b>Net Investment Income Earned</b>		539,181
<b>Net Gain</b>		<b>\$4,934,851</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDED DECEMBER 31, 2005

*SEE NOTE BELOW	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
<b>WRITTEN PREMIUMS</b>						
FIRE	\$4,373,924	(\$19,331)	(\$251)	\$278	-	\$4,354,620
ALLIED	1,207,984	(5,233)	(72)	-	-	1,202,679
CRIME	11,691	(99)	-	-	-	11,592
<b>TOTAL</b>	<b>5,593,599</b>	<b>(24,663)</b>	<b>(323)</b>	<b>278</b>	<b>-</b>	<b>5,568,891</b>
<b>CURRENT UNEARNED PREMIUM RESERVE @ 12-31-05</b>						
FIRE	9,003,139	-	-	-	-	9,003,139
ALLIED	2,510,163	-	-	-	-	2,510,163
CRIME	25,694	-	-	-	-	25,694
<b>TOTAL</b>	<b>11,538,996</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,538,996</b>
<b>PRIOR UNEARNED PREMIUM RESERVE @ 9-30-05</b>						
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
<b>TOTAL</b>	<b>11,203,335</b>	<b>683,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,886,584</b>
<b>EARNED PREMIUM</b>						
FIRE	4,098,902	511,183	(251)	278	-	4,610,112
ALLIED	1,146,876	145,868	(72)	-	-	1,292,672
CRIME	12,160	1,535	-	-	-	13,695
<b>TOTAL</b>	<b>\$5,257,938</b>	<b>\$658,586</b>	<b>(\$323)</b>	<b>\$278</b>	<b>-</b>	<b>\$5,916,479</b>

\*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 DECEMBER 31, 2005

	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
<b>*SEE NOTE BELOW</b>						
<b>WRITTEN PREMIUMS</b>						
FIRE	\$18,328,061	(\$210,053)	(\$4,893)	(\$331)	(\$465)	\$18,112,319
ALLIED	5,120,516	(46,563)	(1,403)	(202)		5,072,348
CRIME	53,580	(607)	-	-	-	52,973
<b>TOTAL</b>	<b>23,502,157</b>	<b>(257,223)</b>	<b>(6,296)</b>	<b>(533)</b>	<b>(465)</b>	<b>23,237,640</b>
<b>CURRENT UNEARNED PREMIUM RESERVE @ 12-31-05</b>						
FIRE	9,003,139	-	-	-	-	9,003,139
ALLIED	2,510,163	-	-	-	-	2,510,163
CRIME	25,694	-	-	-	-	25,694
<b>TOTAL</b>	<b>11,538,996</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,538,996</b>
<b>PRIOR UNEARNED PREMIUM RESERVE @ 12-31-04</b>						
FIRE	-	9,240,740	-	-	-	9,240,740
ALLIED	-	2,646,702	-	-	-	2,646,702
CRIME	-	32,130	-	-	-	32,130
<b>TOTAL</b>	<b>-</b>	<b>11,919,572</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,919,572</b>
<b>EARNED PREMIUM</b>						
FIRE	9,324,922	9,030,687	(4,893)	(331)	(465)	18,349,920
ALLIED	2,610,353	2,600,139	(1,403)	(202)	-	5,208,887
CRIME	27,886	31,523	-	-	-	59,409
<b>TOTAL</b>	<b>\$11,963,161</b>	<b>\$11,662,349</b>	<b>(\$6,296)</b>	<b>(\$533)</b>	<b>(\$465)</b>	<b>\$23,618,216</b>

\*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>
<b>1Q04</b>	516,016		1,645,690	2,161,706	<b>1Q05</b>	471,393	1,887,597	2,358,990
<b>2Q04</b>	504,458		1,739,979	2,244,437	<b>2Q05</b>	466,321	1,888,109	2,354,430
<b>3Q04</b>	486,228		1,876,360	2,362,588	<b>3Q05</b>	462,884	1,926,953	2,389,837
<b>4Q04</b>	480,810		1,957,527	2,438,337	<b>4Q05</b>	458,201	1,752,828	2,211,029

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 DECEMBER 31, 2005

*SEE NOTE BELOW	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
<b>PAID LOSSES</b>						
<b>Net of Salvage and Subrogation Received</b>						
FIRE	\$1,225,322	\$761,942	-	-	\$38,037	\$2,025,301
ALLIED	146,418	400,739	(12,488)	10,000	-	544,669
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,371,740</b>	<b>1,162,681</b>	<b>(12,488)</b>	<b>10,000</b>	<b>38,037</b>	<b>2,569,970</b>
<b>CURRENT CASE BASIS RESERVES (12-31-05)</b>						
FIRE	2,382,263	999,792	51,744	71,000	55,000	3,559,799
ALLIED	291,075	88,403	32,006	1,500	-	412,984
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>2,673,338</b>	<b>1,088,195</b>	<b>83,750</b>	<b>72,500</b>	<b>55,000</b>	<b>3,972,783</b>
<b>CURRENT I.B.N.R. RESERVES (12-31-05)</b>						
FIRE	938,814	177,753	30,327	39,359	8,994	1,195,247
ALLIED	114,708	15,717	18,758	832	-	150,015
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,053,522</b>	<b>193,470</b>	<b>49,085</b>	<b>40,191</b>	<b>8,994</b>	<b>1,345,262</b>
<b>PRIOR LOSS RESERVES (9-30-05)</b>						
<b>(Including IBNR Reserves)</b>						
FIRE	2,260,392	1,695,297	114,727	127,625	87,306	4,285,347
ALLIED	87,257	425,620	53,214	20,672	-	586,763
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>2,347,649</b>	<b>2,120,917</b>	<b>167,941</b>	<b>148,297</b>	<b>87,306</b>	<b>4,872,110</b>
<b>INCURRED LOSSES</b>						
FIRE	2,286,007	244,190	(32,656)	(17,266)	14,725	2,495,000
ALLIED	464,944	79,239	(14,938)	(8,340)	-	520,905
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$2,750,951</b>	<b>\$323,429</b>	<b>(\$47,594)</b>	<b>(\$25,606)</b>	<b>\$14,725</b>	<b>\$3,015,905</b>

\*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 DECEMBER 31, 2005

*SEE NOTE BELOW	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
<b>PAID LOSSES</b>						
<b>Net of Salvage and Subrogation Received</b>						
FIRE	\$2,653,402	\$7,451,386	\$1,156,562	(\$214,048)	(\$45,117)	\$11,002,185
ALLIED	238,159	1,012,167	63,769	2,085	(1,382)	1,314,798
CRIME	-	1,779	-	-	-	1,779
<b>TOTAL</b>	<b>2,891,561</b>	<b>8,465,332</b>	<b>1,220,331</b>	<b>(211,963)</b>	<b>(46,499)</b>	<b>12,318,762</b>
<b>CURRENT CASE BASIS RESERVES (12-31-05)</b>						
FIRE	2,382,263	999,792	51,744	71,000	55,000	3,559,799
ALLIED	291,075	88,403	32,006	1,500	-	412,984
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>2,673,338</b>	<b>1,088,195</b>	<b>83,750</b>	<b>72,500</b>	<b>55,000</b>	<b>3,972,783</b>
<b>CURRENT I.B.N.R. RESERVES (12-31-05)</b>						
FIRE	938,814	177,753	30,327	39,359	8,994	1,195,247
ALLIED	114,708	15,717	18,758	832	-	150,015
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>1,053,522</b>	<b>193,470</b>	<b>49,085</b>	<b>40,191</b>	<b>8,994</b>	<b>1,345,262</b>
<b>PRIOR LOSS RESERVES (12-31-04)</b>						
<b>(Including IBNR Reserves)</b>						
FIRE	-	4,273,887	1,249,470	209,983	161,319	5,894,659
ALLIED	-	458,835	138,035	20,948	-	617,818
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>4,732,722</b>	<b>1,387,505</b>	<b>230,931</b>	<b>161,319</b>	<b>6,512,477</b>
<b>INCURRED LOSSES</b>						
FIRE	5,974,479	4,355,044	(10,837)	(313,672)	(142,442)	9,862,572
ALLIED	643,942	657,452	(23,502)	(16,531)	(1,382)	1,259,979
CRIME	-	1,779	-	-	-	1,779
<b>TOTAL</b>	<b>\$6,618,421</b>	<b>\$5,014,275</b>	<b>(\$34,339)</b>	<b>(\$330,203)</b>	<b>(\$143,824)</b>	<b>\$11,124,330</b>

\*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 DECEMBER 31, 2005

	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
<b>LOSS EXPENSES PAID</b>						
<b>(ALAE AND ULAE)</b>						
FIRE	\$123,696	\$115,730	\$3,211	\$3,200	\$5,304	\$251,141
ALLIED	76,343	46,892	181	1,386	-	124,802
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>200,039</b>	<b>162,622</b>	<b>3,392</b>	<b>4,586</b>	<b>5,304</b>	<b>375,943</b>
<b>CURRENT LOSS EXPENSE RESERVES</b>						
<b>12-31-05</b>						
FIRE	357,421	167,154	26,431	14,713	9,286	575,005
ALLIED	43,671	14,780	16,349	311	-	75,111
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>401,092</b>	<b>181,934</b>	<b>42,780</b>	<b>15,024</b>	<b>9,286</b>	<b>650,116</b>
<b>PRIOR LOSS EXPENSE RESERVES</b>						
<b>9-30-05</b>						
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	-	-	-	-	-	-
<b>TOTAL</b>	<b>267,955</b>	<b>261,369</b>	<b>60,067</b>	<b>20,895</b>	<b>8,306</b>	<b>618,592</b>
<b>ALAE &amp; ULAE LOSS EXPENSES INCURRED</b>						
FIRE	223,121	73,966	(11,392)	(69)	6,284	291,910
ALLIED	110,055	9,221	(2,503)	(1,216)	-	115,557
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$333,176</b>	<b>\$83,187</b>	<b>(\$13,895)</b>	<b>(\$1,285)</b>	<b>\$6,284</b>	<b>\$407,467</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) YTD PERIOD ENDED DECEMBER 31, 2005

	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002	POLICY YEAR 2001 & PRIOR	TOTAL
<b>LOSS EXPENSES PAID</b>						
<b>(ALAE AND ULAE)</b>						
FIRE	\$257,460	\$719,325	\$108,828	\$73,422	\$21,001	\$1,180,036
ALLIED	120,226	280,366	40,036	22,779	732	464,139
CRIME	-	358	-	-	-	358
<b>TOTAL</b>	<b>377,686</b>	<b>1,000,049</b>	<b>148,864</b>	<b>96,201</b>	<b>21,733</b>	<b>1,644,533</b>
<b>CURRENT LOSS EXPENSE RESERVES @</b>						
<b>12-31-05</b>						
FIRE	357,421	167,154	26,431	14,713	9,286	575,005
ALLIED	43,671	14,780	16,349	311	-	75,111
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>401,092</b>	<b>181,934</b>	<b>42,780</b>	<b>15,024</b>	<b>9,286</b>	<b>650,116</b>
<b>PRIOR LOSS EXPENSE RESERVES @</b>						
<b>12-31-04</b>						
FIRE	-	386,393	156,601	24,675	13,666	581,335
ALLIED	-	41,482	17,300	2,462	-	61,244
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>427,875</b>	<b>173,901</b>	<b>27,137</b>	<b>13,666</b>	<b>642,579</b>
<b>ALAE &amp; ULAE LOSS EXPENSES INCURRED</b>						
FIRE	614,881	500,086	(21,342)	63,460	16,621	1,173,706
ALLIED	163,897	253,664	39,085	20,628	732	478,006
CRIME	-	358	-	-	-	358
<b>TOTAL</b>	<b>\$778,778</b>	<b>\$754,108</b>	<b>\$17,743</b>	<b>\$84,088</b>	<b>\$17,353</b>	<b>\$1,652,070</b>