

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## BALANCE SHEET AT MARCH 31, 2006

	LEDGER ASSETS	NON-LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<b><u>ASSETS</u></b>				
CASH & SHORT-TERM INVESTMENTS	\$16,924,425	-	-	\$16,924,425
ACCRUED INTEREST	-	139,437	-	139,437
FURNITURE & EQUIPMENT	109,133	-	109,133	-
EDP - EQUIPMENT & SOFTWARE	867,841	-	829,554	38,287
LEASEHOLD IMPROVEMENTS	31,768	-	31,768	-
<b>TOTAL ASSETS</b>	<b>\$17,933,167</b>	<b>\$139,437</b>	<b>\$970,455</b>	<b>\$17,102,149</b>
<b><u>LIABILITIES</u></b>				
POST RETIREMENT BENEFITS (other than pensions)			1,813,677	
DEFINED BENEFIT PENSION PLAN			592,464	
AMOUNTS HELD FOR OTHERS			404,573	
ADVANCE PREMIUMS			577,114	
RETURN PREMIUMS			250,751	
OTHER PAYABLES			94,767	
CLAIM CHECKS PAYABLE			69,371	
<b>TOTAL LIABILITIES</b>			<b>3,802,717</b>	
<b><u>RESERVES</u></b>				
UNEARNED PREMIUMS			11,072,834	
LOSS - CASE BASIS			4,538,375	
LOSS - I.B.N.R			608,498	
LOSS EXPENSE- ALLOCATED			467,298	
LOSS EXPENSE- UNALLOCATED			135,249	
ASSOCIATION EXPENSES			314,400	
TAXES & FEES			47,030	
<b>TOTAL RESERVES</b>			<b>17,183,684</b>	
<b>TOTAL LIABILITIES &amp; RESERVES</b>			<b>20,986,401</b>	
<b><u>EQUITY ACCOUNT</u></b>				
NET EQUITY AT MARCH 31, 2006				(3,884,252)
<b>TOTAL LIABILITIES PLUS EQUITY ACCOUNT</b>				<b>\$17,102,149</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## INCOME STATEMENT AT MARCH 31, 2006

	QUARTER-TO-DATE
<b><u>UNDERWRITING INCOME</u></b>	
PREMIUMS EARNED	<b>\$5,718,896</b>
<b><u>DEDUCTIONS</u></b>	
LOSSES INCURRED	3,072,422
LOSS EXPENSES INCURRED	336,372
COMMISSIONS INCURRED	476,170
OTHER UNDERWRITING EXPENSES	1,105,257
TAXES & FEES INCURRED	18,857
TOTAL DEDUCTIONS	5,009,078
UNDERWRITING GAIN	709,818
<b><u>OTHER INCOME</u></b>	
NET INVESTMENT INCOME	207,615
NET GAIN	917,433
<b><u>EQUITY ACCOUNT</u></b>	
NET EQUITY - PRIOR	(4,607,429)
NET GAIN FOR PERIOD	917,433
CHANGE IN NONADMITTED ASSETS	(194,256)
CHANGE IN EQUITY	723,177
NET EQUITY AT MARCH 31, 2006	<b>(\$3,884,252)</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## EQUITY ACCOUNT QTD PERIOD ENDED MARCH 31, 2006

	POLICY YEAR 2006	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002 & PRIOR	TOTAL
<b><u>INCOME RECEIVED</u></b>						
PREMIUMS WRITTEN	\$5,197,064	\$61,885	(\$6,215)	-	-	\$5,252,734
INVESTMENT INCOME RECEIVED	182,195	-	-	-	-	182,195
<b>TOTAL</b>	<b>5,379,259</b>	<b>61,885</b>	<b>(6,215)</b>	<b>-</b>	<b>-</b>	<b>5,434,929</b>
<b><u>EXPENSES PAID</u></b>						
LOSSES PAID	11,836	2,341,920	776,594	22,485	90,759	3,243,594
ALLOCATED LOSS EXPENSE	4,244	190,332	39,581	2,964	9,686	246,807
UNALLOCATED LOSS EXPENSE	492	97,663	32,352	1,321	5,306	137,134
INSPECTION AND RATING ISO	15,922	-	-	-	-	15,922
SURVEYS & UNDERWRITING RPTS	63,787	-	-	-	-	63,787
BOARDS & BUREAUS	3,300	-	-	-	-	3,300
COMMISSIONS	468,425	8,324	(579)	-	-	476,170
ASSOCIATION EXPENSES	954,798	-	-	-	-	954,798
TAXES & FEES	30,500	(1,892)	-	-	-	28,608
<b>TOTAL</b>	<b>1,553,304</b>	<b>2,636,347</b>	<b>847,948</b>	<b>26,770</b>	<b>105,751</b>	<b>5,170,120</b>
<b>INCREASE (DECREASE)</b>	<b>3,825,955</b>	<b>(2,574,462)</b>	<b>(854,163)</b>	<b>(26,770)</b>	<b>(105,751)</b>	<b>264,809</b>
<b><u>DEDUCT</u></b>						
PRIOR ACCRUED INTEREST	-	114,017	-	-	-	114,017
CURRENT NONADMITTED ASSETS	970,455	-	-	-	-	970,455
<b>TOTAL</b>	<b>970,455</b>	<b>114,017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,084,472</b>
<b><u>ADD</u></b>						
CURRENT ACCRUED INTEREST	139,437	-	-	-	-	139,437
PRIOR NONADMITTED ASSETS	-	776,199	-	-	-	776,199
<b>TOTAL</b>	<b>139,437</b>	<b>776,199</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>915,636</b>
<b>EQUITY IN ASSETS OF ASSOCIATION</b>	<b>2,994,937</b>	<b>(1,912,280)</b>	<b>(854,163)</b>	<b>(26,770)</b>	<b>(105,751)</b>	<b>95,973</b>
<b><u>CURRENT RESERVES</u></b>						
UNEARNED PREMIUMS	4,545,630	6,527,204	-	-	-	11,072,834
UNPAID LOSSES	474,681	4,160,460	413,547	98,185	-	5,146,873
UNPAID LOSS EXPENSES	57,834	407,837	95,345	41,531	-	602,547
UNPAID ASSOCIATION EXPENSES	314,400	-	-	-	-	314,400
UNPAID TAXES & FEES	47,030	-	-	-	-	47,030
<b>TOTAL</b>	<b>5,439,575</b>	<b>11,095,501</b>	<b>508,892</b>	<b>139,715</b>	<b>-</b>	<b>17,183,684</b>
<b><u>PRIOR RESERVES</u></b>						
UNEARNED PREMIUMS	-	11,538,996	-	-	-	11,538,996
UNPAID LOSSES	-	3,726,860	1,281,665	132,835	176,685	5,318,045
UNPAID LOSSES EXPENSES	-	401,092	181,934	42,780	24,310	650,116
UNPAID ASSOCIATION EXPENSES	-	246,950	-	-	-	246,950
UNPAID TAXES & FEES	-	56,781	-	-	-	56,781
<b>TOTAL</b>	<b>-</b>	<b>15,970,679</b>	<b>1,463,599</b>	<b>175,615</b>	<b>200,995</b>	<b>17,810,888</b>
<b>NET CHANGE IN EQUITY</b>	<b>(\$2,444,638)</b>	<b>\$2,962,898</b>	<b>\$100,544</b>	<b>\$9,130</b>	<b>\$95,244</b>	<b>\$723,177</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDED MARCH 31, 2006

	3-31-06 QUARTER-TO-DATE	
<b>Premiums Written</b>	<b>\$5,252,734</b>	
Current Unearned Reserve	11,072,834	
Prior Unearned Reserve	11,538,996	
Change in Unearned Premium Reserve	466,162	
<b>Net Premium Earned</b>		<b>\$5,718,896</b>
Losses Paid	3,291,919	
Less Salvage & Subrogation	48,325	
<b>Net Losses Paid</b>	3,243,594	
Current Loss Reserve	5,146,873	
Prior Loss Reserve	5,318,045	
Change in Loss Reserve	(171,172)	
<b>Net Losses Incurred</b>		3,072,422
Allocated Loss Exp. Paid	246,807	
Unallocated Loss Exp. Paid	137,134	
<b>Total Loss Exp. Paid</b>	383,941	
Current Loss Exp. Reserve	602,547	
Prior Loss Exp. Reserve	650,116	
Change in Loss Exp. Reserve	(47,569)	
<b>Net Loss Exp. Incurred</b>		336,372
<b>Total Loss &amp; Loss Exp. Incurred</b>		<b>\$3,408,794</b>
Taxes & Fees Paid	28,608	
Current Reserve	47,030	
Prior Reserve	56,781	
Change in Reserve for Taxes & Fees	(9,751)	
<b>Net Taxes &amp; Fees Incurred</b>		18,857
Commissions Expense Paid	476,170	
Board Bureaus & Inspections Paid	83,009	
Other Operating Exp. Paid	954,798	
<b>Total Underwriting Exp. Paid</b>	1,513,977	
Current Reserve	314,400	
Prior Reserve	246,950	
Change in Other Underwriting Exp. Reserve	67,450	
<b>Other Underwriting Exp. Incurred</b>		1,581,427
<b>Total Other Underwriting Exp. Incurred</b>		<b>1,600,284</b>
<b>Total Loss &amp; Underwriting Exp. Incurred</b>		<b>\$5,009,078</b>
<b>Underwriting Gain</b>		<b>\$709,818</b>
Net Investment Income Received	182,195	
Current Accrued Interest	139,437	
Prior Accrued Interest	114,017	
Change in Accrued Interest	25,420	
<b>Net Investment Income Earned</b>		207,615
<b>Net Gain</b>		<b>\$917,433</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDED MARCH 31, 2006

*SEE NOTE BELOW	POLICY YEAR 2006	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002 & PRIOR	TOTAL
<b>WRITTEN PREMIUMS</b>						
FIRE	\$4,085,771	\$39,934	(\$4,599)	-	-	\$4,121,106
ALLIED	1,100,692	21,994	(1,616)	-	-	1,121,070
CRIME	10,601	(43)	-	-	-	10,558
<b>TOTAL</b>	5,197,064	61,885	(6,215)	-	-	<b>5,252,734</b>
<b>CURRENT UNEARNED PREMIUM RESERVE @ 3-31-06</b>						
FIRE	3,574,237	5,090,945	-	-	-	8,665,182
ALLIED	962,058	1,422,089	-	-	-	2,384,147
CRIME	9,335	14,170	-	-	-	23,505
<b>TOTAL</b>	4,545,630	6,527,204	-	-	-	<b>11,072,834</b>
<b>PRIOR 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>	-	11,538,996	-	-	-	<b>11,538,996</b>
<b>EARNED PREMIUM</b>						
FIRE	511,534	3,952,128	(4,599)	-	-	4,459,063
ALLIED	138,634	1,110,068	(1,616)	-	-	1,247,086
CRIME	1,266	11,481	-	-	-	12,747
<b>TOTAL</b>	<b>\$651,434</b>	<b>\$5,073,677</b>	<b>(\$6,215)</b>	-	-	<b>\$5,718,896</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 five 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>1Q05</b>	471,393	1,887,597	2,358,990	<b>1Q06</b>	440,212	1,708,249	2,148,461
<b>2Q05</b>	466,321	1,888,109	2,354,430				
<b>3Q05</b>	462,884	1,926,953	2,389,837				
<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 MARCH 31, 2006

\*SEE NOTE BELOW

### PAID LOSSES

#### Net of Salvage & Subrogation Received

	POLICY YEAR 2006	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002 & PRIOR	TOTAL
FIRE	-	\$2,026,387	\$741,587	\$4,230	\$89,759	\$2,861,963
ALLIED	11,836	315,533	35,007	18,255	1,000	381,631
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>11,836</b>	<b>2,341,920</b>	<b>776,594</b>	<b>22,485</b>	<b>90,759</b>	<b>3,243,594</b>

### CURRENT CASE BASIS RESERVES (3-31-06)

FIRE	126,010	3,716,002	299,018	40,000	-	4,181,030
ALLIED	21,000	309,364	24,181	-	-	354,545
CRIME	-	2,800	-	-	-	2,800
<b>TOTAL</b>	<b>147,010</b>	<b>4,028,166</b>	<b>323,199</b>	<b>40,000</b>	<b>-</b>	<b>4,538,375</b>

### CURRENT I.B.N.R. RESERVES (3-31-06)

FIRE	280,864	122,042	83,588	58,185	-	544,679
ALLIED	46,807	10,160	6,760	-	-	63,727
CRIME	-	92	-	-	-	92
<b>TOTAL</b>	<b>327,671</b>	<b>132,294</b>	<b>90,348</b>	<b>58,185</b>	<b>-</b>	<b>608,498</b>

### PRIOR LOSS RESERVES (12-31-05)

(Including I.B.N.R. Reserves)

FIRE	-	3,321,077	1,177,545	82,071	174,353	4,755,046
ALLIED	-	405,783	104,120	50,764	2,332	562,999
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>3,726,860</b>	<b>1,281,665</b>	<b>132,835</b>	<b>176,685</b>	<b>5,318,045</b>

### INCURRED LOSSES

FIRE	406,874	2,543,354	(53,352)	20,344	(84,594)	2,832,626
ALLIED	79,643	229,274	(38,172)	(32,510)	(1,332)	236,904
CRIME	-	2,892	-	-	-	2,892
<b>TOTAL</b>	<b>\$486,517</b>	<b>\$2,775,520</b>	<b>(\$91,524)</b>	<b>(\$12,166)</b>	<b>(\$85,926)</b>	<b>\$3,072,422</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDED MARCH 31, 2006

	POLICY YEAR 2006	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003	POLICY YEAR 2002 & PRIOR	TOTAL
<b>LOSS EXPENSES PAID (ALAE AND ULAE)</b>						
FIRE	\$1,371	\$189,695	\$59,701	\$498	\$14,134	\$265,399
ALLIED	3,365	97,523	12,232	3,787	858	117,765
CRIME	-	777	-	-	-	777
<b>TOTAL</b>	<b>4,736</b>	<b>287,995</b>	<b>71,933</b>	<b>4,285</b>	<b>14,992</b>	<b>383,941</b>
<b>CURRENT LOSS EXPENSE RESERVES @ 3-31-06</b>						
FIRE	49,573	376,232	88,211	41,531	-	555,547
ALLIED	8,261	31,322	7,134	-	-	46,717
CRIME	-	283	-	-	-	283
<b>TOTAL</b>	<b>57,834</b>	<b>407,837</b>	<b>95,345</b>	<b>41,531</b>	<b>-</b>	<b>602,547</b>
<b>PRIOR LOSS EXPENSE RESERVES @ 12-31-05</b>						
FIRE	-	357,421	167,154	26,431	23,999	575,005
ALLIED	-	43,671	14,780	16,349	311	75,111
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>401,092</b>	<b>181,934</b>	<b>42,780</b>	<b>24,310</b>	<b>650,116</b>
<b>ALAE &amp; ULAE LOSS EXPENSES INCURRED</b>						
FIRE	50,944	208,506	(19,242)	15,598	(9,865)	245,941
ALLIED	11,626	85,174	4,586	(12,562)	547	89,371
CRIME	-	1,060	-	-	-	1,060
<b>TOTAL</b>	<b>\$62,570</b>	<b>\$294,740</b>	<b>(\$14,656)</b>	<b>\$3,036</b>	<b>(\$9,318)</b>	<b>\$336,372</b>