

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT MARCH 31, 2007

	LEDGER ASSETS	NON-LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
ASSETS				
CASH & SHORT-TERM INVESTMENTS	\$18,270,510	-	-	\$18,270,510
ACCRUED INTEREST	-	120,014	-	120,014
FURNITURE & EQUIPMENT	116,290	-	116,290	-
EDP - EQUIPMENT & SOFTWARE	1,026,696	-	918,696	108,000
LEASEHOLD IMPROVEMENTS	25,580	-	25,580	-
PREMIUMS RECEIVABLE	67,834	-	-	67,834
TOTAL ASSETS	\$19,506,910	\$120,014	\$1,060,566	\$18,566,358
LIABILITIES				
POST RETIREMENT BENEFITS (other than pensions)			1,993,932	
DEFINED BENEFIT PENSION PLAN			271,962	
AMOUNTS HELD FOR OTHERS			189,564	
ADVANCE PREMIUMS			444,602	
RETURN PREMIUMS			325,921	
OTHER PAYABLES			337,222	
CLAIM CHECKS PAYABLE			330	
TOTAL LIABILITIES				3,563,533
RESERVES				
UNEARNED PREMIUMS			9,917,868	
LOSS - CASE BASIS			6,119,238	
LOSS - I.B.N.R			(622,846)	
LOSS EXPENSE- ALLOCATED			394,870	
LOSS EXPENSE- UNALLOCATED			113,265	
ASSOCIATION EXPENSES			248,155	
TAXES & FEES			42,846	
TOTAL RESERVES				16,213,396
TOTAL LIABILITIES & RESERVES				19,776,929
EQUITY ACCOUNT				
NET EQUITY AT MARCH 31, 2007				(1,210,571)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT				\$18,566,358

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT AT MARCH 31, 2007

		QUARTER-TO-DATE
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED		\$5,248,025
<u>DEDUCTIONS</u>		
LOSSES INCURRED	3,051,143	
LOSS EXPENSES INCURRED	346,416	
COMMISSIONS INCURRED	393,870	
OTHER UNDERWRITING EXPENSES	1,226,316	
TAXES & FEES INCURRED	12,914	
TOTAL DEDUCTIONS		5,030,659
UNDERWRITING GAIN		217,366
<u>OTHER INCOME</u>		
NET INVESTMENT INCOME		260,385
NET GAIN		477,751
<u>EQUITY ACCOUNT</u>		
NET EQUITY - PRIOR		(1,581,190)
NET GAIN FOR PERIOD	477,751	
CHANGE IN NONADMITTED ASSETS	(107,132)	
		370,619
CHANGE IN EQUITY		370,619
NET EQUITY AT MARCH 31, 2007		(\$1,210,571)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED MARCH 31, 2007

	POLICY YEAR 2007	POLICY YEAR 2006	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003 & PRIOR	TOTAL
<u>INCOME RECEIVED</u>						
PREMIUMS WRITTEN	\$4,478,761	\$17,681	(\$4,923)	-	-	\$4,491,519
INVESTMENT INCOME RECEIVED	292,911	-	-	-	-	292,911
TOTAL	4,771,672	17,681	(4,923)	-	-	4,784,430
<u>EXPENSES PAID</u>						
LOSSES PAID	-	2,673,773	610,649	(21,244)	-	3,263,178
ALLOCATED LOSS EXPENSE	253	168,880	77,456	5,910	1,889	254,388
UNALLOCATED LOSS EXPENSE	-	136,593	32,177	201	-	168,971
INSPECTION AND RATING ISO	17,929	-	-	-	-	17,929
SURVEYS & UNDERWRITING RPTS	48,627	-	-	-	-	48,627
BOARDS & BUREAUS	3,300	-	-	-	-	3,300
COMMISSIONS	388,635	5,727	(492)	-	-	393,870
ASSOCIATION EXPENSES	1,108,847	-	-	-	-	1,108,847
TAXES & FEES	28,343	(4,312)	-	-	-	24,031
TOTAL	1,595,934	2,980,661	719,790	(15,133)	1,889	5,283,141
INCREASE (DECREASE)	3,175,738	(2,962,980)	(724,713)	15,133	(1,889)	(498,711)
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	-	152,540	-	-	-	152,540
CURRENT NONADMITTED ASSETS	1,060,566	-	-	-	-	1,060,566
TOTAL	1,060,566	152,540	-	-	-	1,213,106
<u>ADD</u>						
CURRENT ACCRUED INTEREST	120,014	-	-	-	-	120,014
PRIOR NONADMITTED ASSETS	-	953,434	-	-	-	953,434
TOTAL	120,014	953,434	-	-	-	1,073,448
EQUITY IN ASSETS OF ASSOCIATION	2,235,186	(2,162,086)	(724,713)	15,133	(1,889)	(638,369)
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	3,912,065	6,005,803	-	-	-	9,917,868
UNPAID LOSSES	440,521	4,615,114	348,686	52,071	40,000	5,496,392
UNPAID LOSS EXPENSES	43,843	365,173	74,461	17,250	7,408	508,135
UNPAID ASSOCIATION EXPENSES	248,155	-	-	-	-	248,155
UNPAID TAXES & FEES	42,846	-	-	-	-	42,846
TOTAL	4,687,430	10,986,090	423,147	69,321	47,408	16,213,396
<u>PRIOR RESERVES</u>						
UNEARNED PREMIUMS	-	10,674,374	-	-	-	10,674,374
UNPAID LOSSES	-	4,172,808	1,349,356	110,893	75,370	5,708,427
UNPAID LOSSES EXPENSES	-	367,013	162,375	31,530	24,160	585,078
UNPAID ASSOCIATION EXPENSES	-	200,542	-	-	-	200,542
UNPAID TAXES & FEES	-	53,963	-	-	-	53,963
TOTAL	-	15,468,700	1,511,731	142,423	99,530	17,222,384
NET CHANGE IN EQUITY	(\$2,452,244)	\$2,320,524	\$363,871	\$88,235	\$50,233	\$370,619

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDED MARCH 31, 2007

	3-31-07 QUARTER-TO-DATE	
Premiums Written	\$4,491,519	
Current Unearned Reserve	9,917,868	
Prior Unearned Reserve	10,674,374	
Change in Unearned Premium Reserve	756,506	
Net Premium Earned		\$5,248,025
Losses Paid	3,359,367	
Less Salvage & Subrogation	96,189	
Net Losses Paid	3,263,178	
Current Loss Reserve	5,496,392	
Prior Loss Reserve	5,708,427	
Change in Loss Reserve	(212,035)	
Net Losses Incurred		3,051,143
Allocated Loss Exp. Paid	254,388	
Unallocated Loss Exp. Paid	168,971	
Total Loss Exp. Paid	423,359	
Current Loss Exp. Reserve	508,135	
Prior Loss Exp. Reserve	585,078	
Change in Loss Exp. Reserve	(76,943)	
Net Loss Exp. Incurred		346,416
Total Loss & Loss Exp. Incurred		\$3,397,559
Taxes & Fees Paid	24,031	
Current Reserve	42,846	
Prior Reserve	53,963	
Change in Reserve for Taxes & Fees	(11,117)	
Net Taxes & Fees Incurred		12,914
Commissions Expense Paid	393,870	
Board Bureaus & Inspections Paid	69,856	
Other Operating Exp. Paid	1,108,847	
Total Underwriting Exp. Paid	1,572,573	
Current Reserve	248,155	
Prior Reserve	200,542	
Change in Other Underwriting Exp. Reserve	47,613	
Other Underwriting Exp. Incurred		1,620,186
Total Other Underwriting Exp. Incurred		1,633,100
Total Loss & Underwriting Exp. Incurred		\$5,030,659
Underwriting Gain		\$217,366
Net Investment Income Received	292,911	
Current Accrued Interest	120,014	
Prior Accrued Interest	152,540	
Change in Accrued Interest	(32,526)	
Net Investment Income Earned		260,385
Net Gain		\$477,751

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDED MARCH 31, 2007

	POLICY YEAR 2007	POLICY YEAR 2006	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003 & PRIOR	TOTAL
WRITTEN PREMIUMS						
FIRE	\$3,497,368	\$25,030	(\$4,141)	-	-	\$3,518,257
ALLIED	971,694	(7,234)	(782)	-	-	963,678
CRIME	9,699	(115)	-	-	-	9,584
TOTAL	4,478,761	17,681	(4,923)	-	-	4,491,519
CURRENT UNEARNED PREMIUM RESERVE @ 3-31-07						
FIRE	3,056,244	4,677,635	-	-	-	7,733,879
ALLIED	847,286	1,316,357	-	-	-	2,163,643
CRIME	8,535	11,811	-	-	-	20,346
TOTAL	3,912,065	6,005,803	-	-	-	9,917,868
PRIOR UNEARNED PREMIUM RESERVE @ 12-31-06						
FIRE	-	8,308,331	-	-	-	8,308,331
ALLIED	-	2,344,617	-	-	-	2,344,617
CRIME	-	21,426	-	-	-	21,426
TOTAL	-	10,674,374	-	-	-	10,674,374
EARNED PREMIUM						
FIRE	441,124	3,655,726	(4,141)	-	-	4,092,709
ALLIED	124,408	1,021,026	(782)	-	-	1,144,652
CRIME	1,164	9,500	-	-	-	10,664
TOTAL	\$566,696	\$4,686,252	(4,923)	-	-	\$5,248,025

*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>1-4 Family Tenant-Occupied</u>	<u>Total TRIA</u>		<u>1-4 Family Tenant-Occupied</u>	<u>Total TRIA</u>
	<u>Commercial</u>				<u>Commercial</u>	
1Q06	440,212	1,708,249	2,148,461	1Q07	373,063	1,685,854
2Q06	517,214	1,790,008	2,307,222			
3Q06	498,272	1,859,865	2,358,137			
4Q06	502,822	1,778,363	2,281,185			

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, 2007

	POLICY YEAR 2007	POLICY YEAR 2006	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003 & PRIOR	TOTAL
PAID LOSSES						
Net of Salvage & Subrogation Received						
FIRE	-	\$2,575,097	\$581,656	(\$21,244)	-	\$3,135,509
ALLIED	-	98,676	28,017	-	-	126,693
CRIME	-	-	976	-	-	976
TOTAL	-	2,673,773	610,649	(21,244)	-	3,263,178
CURRENT CASE BASIS RESERVES (3-31-07)						
FIRE	378,005	5,085,831	246,150	-	40,000	5,749,986
ALLIED	11,050	232,205	85,997	40,000	-	369,252
CRIME	-	-	-	-	-	-
TOTAL	389,055	5,318,036	332,147	40,000	40,000	6,119,238
CURRENT I.B.N.R. RESERVES (3-31-07)						
FIRE	50,004	(672,230)	12,257	-	-	(609,969)
ALLIED	1,462	(30,692)	4,282	12,071	-	(12,877)
CRIME	-	-	-	-	-	-
TOTAL	51,466	(702,922)	16,539	12,071	-	(622,846)
PRIOR LOSS RESERVES (12-31-06)						
(Including I.B.N.R. Reserves)						
FIRE	-	4,017,025	1,185,991	45,391	72,070	5,320,477
ALLIED	-	155,783	162,156	65,502	3,300	386,741
CRIME	-	-	1,209	-	-	1,209
TOTAL	-	4,172,808	1,349,356	110,893	75,370	5,708,427
INCURRED LOSSES						
FIRE	428,009	2,971,673	(345,928)	(66,635)	(32,070)	2,955,049
ALLIED	12,512	144,406	(43,860)	(13,431)	(3,300)	96,327
CRIME	-	-	(233)	-	-	(233)
TOTAL	\$440,521	\$3,116,079	(\$390,021)	(\$80,066)	(\$35,370)	\$3,051,143

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDED MARCH 31, 2007

	POLICY YEAR 2007	POLICY YEAR 2006	POLICY YEAR 2005	POLICY YEAR 2004	POLICY YEAR 2003 & PRIOR	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)						
FIRE	-	\$256,646	\$89,211	\$5,644	\$355	\$351,856
ALLIED	253	48,827	19,805	467	1,534	70,886
CRIME	-	-	617	-	-	617
TOTAL	253	305,473	109,633	6,111	1,889	423,359
CURRENT LOSS EXPENSE RESERVES @ 3-31-07						
FIRE	42,597	349,228	55,182	-	7,408	454,415
ALLIED	1,246	15,945	19,279	17,250	-	53,720
CRIME	-	-	-	-	-	-
TOTAL	43,843	365,173	74,461	17,250	7,408	508,135
PRIOR LOSS EXPENSE RESERVES @ 12-31-06						
FIRE	-	353,312	142,716	12,906	22,292	531,226
ALLIED	-	13,701	19,513	18,624	1,868	53,706
CRIME	-	-	146	-	-	146
TOTAL	-	367,013	162,375	31,530	24,160	585,078
ALAE & ULAE LOSS EXPENSES INCURRED						
FIRE	42,597	252,562	1,677	(7,262)	(14,529)	275,045
ALLIED	1,499	51,071	19,571	(907)	(334)	70,900
CRIME	-	-	471	-	-	471
TOTAL	\$44,096	\$303,633	\$21,719	(\$8,169)	(\$14,863)	\$346,416