

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT MARCH 31, 2008

	LEDGER ASSETS	NON-LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<u>ASSETS</u>				
CASH & SHORT-TERM INVESTMENTS	\$14,965,393	-	-	\$14,965,393
ACCRUED INTEREST	-	82,621	-	82,621
FURNITURE & EQUIPMENT	89,294	-	89,294	-
EDP - EQUIPMENT & SOFTWARE	895,270	-	793,950	101,320
LEASEHOLD IMPROVEMENTS	17,427	-	17,427	-
PREMIUMS RECEIVABLE	32,109	-	5,956	26,153
TOTAL ASSETS	\$15,999,493	\$82,621	\$906,627	\$15,175,487
 <u>LIABILITIES</u>				
POST RETIREMENT BENEFITS (other than pensions)			2,133,642	
AMOUNTS HELD FOR OTHERS			123,540	
ADVANCE PREMIUMS			283,159	
RETURN PREMIUMS			217,407	
OTHER PAYABLES			108,845	
CLAIM CHECKS PAYABLE			133,514	
TOTAL LIABILITIES				3,000,107
 <u>RESERVES</u>				
UNEARNED PREMIUMS			7,855,325	
LOSS - CASE BASIS			3,375,515	
LOSS - I.B.N.R			879,500	
LOSS EXPENSE- ALLOCATED			337,030	
LOSS EXPENSE- UNALLOCATED			124,885	
ASSOCIATION EXPENSES			223,062	
TAXES & FEES			34,955	
TOTAL RESERVES				12,830,272
TOTAL LIABILITIES & RESERVES				15,830,379
 <u>EQUITY ACCOUNT</u>				
NET EQUITY AT MARCH 31, 2008				(654,892)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT				\$15,175,487

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT MARCH 31, 2008

QUARTER-TO-DATE

UNDERWRITING INCOME

PREMIUMS EARNED		\$4,216,655
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DEDUCTIONS

LOSSES INCURRED	3,069,257	
LOSS EXPENSES INCURRED	348,253	
COMMISSIONS INCURRED	319,719	
OTHER UNDERWRITING EXPENSES	1,213,039	
TAXES & FEES INCURRED	8,040	
TOTAL DEDUCTIONS		4,958,308

UNDERWRITING LOSS		(741,653)
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OTHER INCOME

NET INVESTMENT INCOME		160,147
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NET LOSS		(581,506)
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EQUITY ACCOUNT

NET EQUITY - PRIOR		(137,490)
NET LOSS FOR PERIOD	(581,506)	
CHANGE IN NONADMITTED ASSETS	64,104	

CHANGE IN EQUITY		(517,402)
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NET EQUITY AT MARCH 31, 2008		(\$654,892)
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NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED MARCH 31, 2008

	POLICY YEAR 2008	POLICY YEAR 2007	POLICY YEAR 2006	POLICY YEAR 2005	POLICY YEAR 2004 & PRIOR	TOTAL
<u>INCOME RECEIVED</u>						
PREMIUMS WRITTEN	\$3,628,523	\$43,573	(\$7,249)	-	-	\$3,664,847
INVESTMENT INCOME RECEIVED	171,855	-	-	-	-	171,855
TOTAL	<u>3,800,378</u>	<u>43,573</u>	<u>(7,249)</u>	<u>-</u>	<u>-</u>	<u>3,836,702</u>
<u>EXPENSES PAID</u>						
LOSSES PAID	32,805	2,458,530	250,210	2,383	35,737	2,779,665
ALLOCATED LOSS EXPENSE	2,771	139,276	21,843	8,263	4,368	176,521
UNALLOCATED LOSS EXPENSE	2,031	152,245	15,494	148	2,540	172,458
INSPECTION AND RATING ISO	16,578	-	-	-	-	16,578
SURVEYS & UNDERWRITING RPTS	29,428	-	-	-	-	29,428
BOARDS & BUREAUS	3,713	-	-	-	-	3,713
COMMISSIONS	316,370	4,023	(674)	-	-	319,719
ASSOCIATION EXPENSES	1,128,574	-	-	-	-	1,128,574
TAXES & FEES	22,679	(7,017)	-	-	-	15,662
TOTAL	<u>1,554,949</u>	<u>2,747,057</u>	<u>286,873</u>	<u>10,794</u>	<u>42,645</u>	<u>4,642,318</u>
INCREASE (DECREASE)	<u>2,245,429</u>	<u>(2,703,484)</u>	<u>(294,122)</u>	<u>(10,794)</u>	<u>(42,645)</u>	<u>(805,616)</u>
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	-	94,329	-	-	-	94,329
CURRENT NONADMITTED ASSETS	906,627	-	-	-	-	906,627
TOTAL	<u>906,627</u>	<u>94,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000,956</u>
<u>ADD</u>						
CURRENT ACCRUED INTEREST	82,621	-	-	-	-	82,621
PRIOR NONADMITTED ASSETS	-	970,731	-	-	-	970,731
TOTAL	<u>82,621</u>	<u>970,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,053,352</u>
<u>EQUITY IN ASSETS OF ASSOCIATION</u>	<u>1,421,423</u>	<u>(1,827,082)</u>	<u>(294,122)</u>	<u>(10,794)</u>	<u>(42,645)</u>	<u>(753,220)</u>
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	3,159,056	4,696,269	-	-	-	7,855,325
UNPAID LOSSES	261,475	3,531,244	302,310	51,005	108,981	4,255,015
UNPAID LOSS EXPENSES	21,243	327,405	82,573	18,977	11,717	461,915
UNPAID ASSOCIATION EXPENSES	223,062	-	-	-	-	223,062
UNPAID TAXES & FEES	34,955	-	-	-	-	34,955
TOTAL	<u>3,699,791</u>	<u>8,554,918</u>	<u>384,883</u>	<u>69,982</u>	<u>120,698</u>	<u>12,830,272</u>
<u>PRIOR RESERVES</u>						
UNEARNED PREMIUMS	-	8,407,133	-	-	-	8,407,133
UNPAID LOSSES	-	2,856,832	883,223	69,896	155,472	3,965,423
UNPAID LOSSES EXPENSES	-	271,825	147,948	25,967	16,901	462,641
UNPAID ASSOCIATION EXPENSES	-	188,316	-	-	-	188,316
UNPAID TAXES & FEES	-	42,577	-	-	-	42,577
TOTAL	<u>-</u>	<u>11,766,683</u>	<u>1,031,171</u>	<u>95,863</u>	<u>172,373</u>	<u>13,066,090</u>
NET CHANGE IN EQUITY	<u>(\$2,278,368)</u>	<u>\$1,384,683</u>	<u>\$352,166</u>	<u>\$15,087</u>	<u>\$9,030</u>	<u>(\$517,402)</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDING MARCH 31, 2008

	03-31-08 QUARTER-TO-DATE	
Premiums Written	\$3,664,847	
Current Unearned Reserve	7,855,325	
Prior Unearned Reserve	8,407,133	
Change in Unearned Premium Reserve	551,808	
Net Premium Earned		\$4,216,655
Losses Paid	2,784,947	
Less Salvage & Subrogation	5,282	
Net Losses Paid	2,779,665	
Current Loss Reserve	4,255,015	
Prior Loss Reserve	3,965,423	
Change in Loss Reserve	289,592	
Net Losses Incurred		3,069,257
Allocated Loss Exp. Paid	176,521	
Unallocated Loss Exp. Paid	172,458	
Total Loss Exp. Paid	348,979	
Current Loss Exp. Reserve	461,915	
Prior Loss Exp. Reserve	462,641	
Change in Loss Exp. Reserve	(726)	
Net Loss Exp. Incurred		348,253
Total Loss & Loss Exp. Incurred		\$3,417,510
Taxes & Fees Paid	15,662	
Current Reserve	34,955	
Prior Reserve	42,577	
Change in Reserve for Taxes & Fees	(7,622)	
Net Taxes & Fees Incurred		8,040
Commissions Expense Paid	319,719	
Board Bureaus & Inspections Paid	49,719	
Other Operating Exp. Paid	1,128,574	
Total Underwriting Exp. Paid	1,498,012	
Current Reserve	223,062	
Prior Reserve	188,316	
Change in Other Underwriting Exp. Reserve	34,746	
Other Underwriting Exp. Incurred		1,532,758
Total Other Underwriting Exp. Incurred		1,540,798
Total Loss & Underwriting Exp. Incurred		\$4,958,308
Underwriting Loss		(\$741,653)
Net Investment Income Received	171,855	
Current Accrued Interest	82,621	
Prior Accrued Interest	94,329	
Change in Accrued Interest	(11,708)	
Net Investment Income Earned		160,147
Net Loss		(\$581,506)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDING MARCH 31, 2008

	POLICY YEAR 2008	POLICY YEAR 2007	POLICY YEAR 2006	POLICY YEAR 2005	POLICY YEAR 2004 & PRIOR	TOTAL
*SEE NOTE BELOW						
WRITTEN PREMIUMS						
FIRE	\$2,801,527	\$36,730	(\$4,285)	-	-	\$2,833,972
ALLIED	818,715	7,163	(2,964)	-	-	822,914
CRIME	8,281	(320)	-	-	-	7,961
TOTAL	3,628,523	43,573	(7,249)	-	-	3,664,847
CURRENT UNEARNED PREMIUM RESERVE						
@ 03-31-08						
FIRE	2,438,247	3,614,901	-	-	-	6,053,148
ALLIED	713,548	1,070,955	-	-	-	1,784,503
CRIME	7,261	10,413	-	-	-	17,674
TOTAL	3,159,056	4,696,269	-	-	-	7,855,325
PRIOR UNEARNED PREMIUM RESERVE						
@ 12-31-07						
FIRE	-	6,477,918	-	-	-	6,477,918
ALLIED	-	1,910,020	-	-	-	1,910,020
CRIME	-	19,195	-	-	-	19,195
TOTAL	-	8,407,133	-	-	-	8,407,133
EARNED PREMIUM						
FIRE	363,280	2,899,747	(4,285)	-	-	3,258,742
ALLIED	105,167	846,228	(2,964)	-	-	948,431
CRIME	1,020	8,462	-	-	-	9,482
TOTAL	\$469,467	\$3,754,437	(\$7,249)	-	-	\$4,216,655

*Note: The Terrorism Risk Insurance Program Reauthorization Act of 2007 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>Commercial</u>	<u>1-4 Family Tenant- Occupied</u>	<u>Total TRIA</u>
1Q07	373,063	1,685,854	2,058,917	1Q08	308,798	1,352,322	1,661,121
2Q07	353,077	1,607,900	1,960,977				
3Q07	336,591	1,538,294	1,874,885				
4Q07	321,577	1,441,430	1,763,007				

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, 2008

	POLICY YEAR 2008	POLICY YEAR 2007	POLICY YEAR 2006	POLICY YEAR 2005	POLICY YEAR 2004 & PRIOR	TOTAL
PAID LOSSES						
Net of Salvage & Subrogation Received						
FIRE	\$22,415	\$2,320,119	\$229,388	(\$1,960)	\$35,737	\$2,605,699
ALLIED	10,390	138,109	20,822	4,343	-	173,664
CRIME	-	302	-	-	-	302
TOTAL	32,805	2,458,530	250,210	2,383	35,737	2,779,665
CURRENT CASE BASIS RESERVES (03-31-08)						
FIRE	224,648	2,467,574	253,535	51,005	68,981	3,065,743
ALLIED	34,000	229,015	6,757	-	40,000	309,772
CRIME	-	-	-	-	-	-
TOTAL	258,648	2,696,589	260,292	51,005	108,981	3,375,515
CURRENT I.B.N.R. RESERVES (03-31-08)						
FIRE	2,455	763,770	40,927	-	-	807,152
ALLIED	372	70,885	1,091	-	-	72,348
CRIME	-	-	-	-	-	-
TOTAL	2,827	834,655	42,018	-	-	879,500
PRIOR LOSS RESERVES (12-31-07)						
(Including I.B.N.R. Reserves)						
FIRE	-	2,741,413	833,575	51,052	110,000	3,736,040
ALLIED	-	114,234	49,648	18,844	45,472	228,198
CRIME	-	1,185	-	-	-	1,185
TOTAL	-	2,856,832	883,223	69,896	155,472	3,965,423
INCURRED LOSSES						
FIRE	249,518	2,810,050	(309,725)	(2,007)	(5,282)	2,742,554
ALLIED	44,762	323,775	(20,978)	(14,501)	(5,472)	327,586
CRIME	-	(883)	-	-	-	(883)
TOTAL	\$294,280	\$3,132,942	(\$330,703)	(\$16,508)	(\$10,754)	\$3,069,257

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDING MARCH 31, 2008

	POLICY YEAR 2008	POLICY YEAR 2007	POLICY YEAR 2006	POLICY YEAR 2005	POLICY YEAR 2004 & PRIOR	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)						
FIRE	\$1,956	\$245,428	\$29,930	\$6,705	\$2,540	\$286,559
ALLIED	2,846	45,454	7,407	1,706	4,368	61,781
CRIME	-	639	-	-	-	639
TOTAL	4,802	291,521	37,337	8,411	6,908	348,979
CURRENT LOSS EXPENSE RESERVES @ 03-31-08						
FIRE	18,451	299,599	80,429	18,977	4,871	422,327
ALLIED	2,792	27,806	2,144	-	6,846	39,588
CRIME	-	-	-	-	-	-
TOTAL	21,243	327,405	82,573	18,977	11,717	461,915
PRIOR LOSS EXPENSE RESERVES @ 12-31-07						
FIRE	-	260,843	136,365	207	6,842	404,257
ALLIED	-	10,869	11,583	25,760	10,059	58,271
CRIME	-	113	-	-	-	113
TOTAL	-	271,825	147,948	25,967	16,901	462,641
ALAE & ULAE LOSS EXPENSES INCURRED						
FIRE	20,407	284,184	(26,006)	25,475	569	304,629
ALLIED	5,638	62,391	(2,032)	(24,054)	1,155	43,098
CRIME	-	526	-	-	-	526
TOTAL	\$26,045	\$347,101	(\$28,038)	\$1,421	\$1,724	\$348,253