

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT MARCH 31, 2009

	LEDGER ASSETS	NON-LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
ASSETS				
CASH & SHORT-TERM INVESTMENTS	\$14,354,979	-	-	\$14,354,979
ACCRUED INTEREST	-	92,031	-	92,031
FURNITURE & EQUIPMENT	71,277	-	71,277	-
EDP - EQUIPMENT & SOFTWARE	639,104	-	562,279	76,825
LEASEHOLD IMPROVEMENTS	9,409	-	9,409	-
PREMIUMS RECEIVABLE	41,045	-	7,542	33,503
TOTAL ASSETS	\$15,115,814	\$92,031	\$650,507	\$14,557,338
LIABILITIES				
POST RETIREMENT BENEFITS (other than pensions)			2,277,942	
DEFINED BENEFIT PENSION PLAN			1,748,970	
AMOUNTS HELD FOR OTHERS			270,771	
ADVANCE PREMIUMS			339,683	
RETURN PREMIUMS			219,764	
OTHER PAYABLES			38,198	
CLAIM CHECKS PAYABLE			109,107	
TOTAL LIABILITIES			5,004,435	
RESERVES				
UNEARNED PREMIUMS			6,662,808	
LOSS - CASE BASIS			2,948,954	
LOSS - I.B.N.R			920,029	
LOSS EXPENSE- ALLOCATED			303,217	
LOSS EXPENSE- UNALLOCATED			134,888	
ASSOCIATION EXPENSES			225,966	
TAXES & FEES			34,185	
TOTAL RESERVES			11,230,047	
TOTAL LIABILITIES & RESERVES			16,234,482	
EQUITY ACCOUNT				
NET EQUITY AT MARCH 31, 2009				(1,677,144)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT				\$14,557,338

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT MARCH 31, 2009

	QUARTER-TO-DATE	
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED		\$3,523,725
<u>DEDUCTIONS</u>		
LOSSES INCURRED	1,929,473	
LOSS EXPENSES INCURRED	306,423	
COMMISSIONS INCURRED	265,638	
OTHER UNDERWRITING EXPENSES	1,041,382	
TAXES & FEES INCURRED	17,877	
TOTAL DEDUCTIONS		3,560,793
UNDERWRITING LOSS		(37,068)
<u>OTHER INCOME</u>		
NET INVESTMENT INCOME		88,288
NET GAIN		51,220
<u>EQUITY ACCOUNT</u>		
NET EQUITY - PRIOR		(1,793,165)
NET GAIN FOR PERIOD	51,220	
CHANGE IN NONADMITTED ASSETS	64,801	
CHANGE IN EQUITY		116,021
NET EQUITY AT MARCH 31, 2009		(\$1,677,144)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED MARCH 31, 2009

	POLICY YEAR 2009	POLICY YEAR 2008	POLICY YEAR 2007	POLICY YEAR 2006	POLICY YEAR 2005 & PRIOR	TOTAL
<u>INCOME RECEIVED</u>						
PREMIUMS WRITTEN	\$3,060,937	(\$26,110)	(\$295)	-	-	\$3,034,532
INVESTMENT INCOME RECEIVED	68,618	-	-	-	-	68,618
TOTAL	<u>3,129,555</u>	<u>(26,110)</u>	<u>(295)</u>	<u>-</u>	<u>-</u>	<u>3,103,150</u>
<u>EXPENSES PAID</u>						
LOSSES PAID	22,050	1,167,660	271,645	(91,120)	(63,957)	1,306,278
ALLOCATED LOSS EXPENSE	1,130	88,942	22,157	14,189	15,349	141,767
UNALLOCATED LOSS EXPENSE	2,578	136,691	31,760	(10,491)	-	160,538
INSPECTION AND RATING ISO	15,544	-	-	-	-	15,544
SURVEYS & UNDERWRITING RPTS	22,975	-	-	-	-	22,975
BOARDS & BUREAUS	3,300	-	-	-	-	3,300
COMMISSIONS	268,040	(2,372)	(30)	-	-	265,638
ASSOCIATION EXPENSES	948,642	-	-	-	-	948,642
TAXES & FEES	19,252	4,475	-	-	-	23,727
TOTAL	<u>1,303,511</u>	<u>1,395,396</u>	<u>325,532</u>	<u>(87,422)</u>	<u>(48,608)</u>	<u>2,888,409</u>
INCREASE (DECREASE)	<u>1,826,044</u>	<u>(1,421,506)</u>	<u>(325,827)</u>	<u>87,422</u>	<u>48,608</u>	<u>214,741</u>
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	-	72,361	-	-	-	72,361
CURRENT NONADMITTED ASSETS	650,507	-	-	-	-	650,507
TOTAL	<u>650,507</u>	<u>72,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>722,868</u>
<u>ADD</u>						
CURRENT ACCRUED INTEREST	92,031	-	-	-	-	92,031
PRIOR NONADMITTED ASSETS	-	715,308	-	-	-	715,308
TOTAL	<u>92,031</u>	<u>715,308</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>807,339</u>
EQUITY IN ASSETS OF ASSOCIATION	<u>1,267,568</u>	<u>(778,559)</u>	<u>(325,827)</u>	<u>87,422</u>	<u>48,608</u>	<u>299,212</u>
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	2,678,337	3,984,471	-	-	-	6,662,808
UNPAID LOSSES	719,140	2,669,180	186,355	174,327	119,981	3,868,983
UNPAID LOSS EXPENSES	41,692	288,326	68,159	26,831	13,097	438,105
UNPAID ASSOCIATION EXPENSES	225,966	-	-	-	-	225,966
UNPAID TAXES & FEES	34,185	-	-	-	-	34,185
TOTAL	<u>3,699,320</u>	<u>6,941,977</u>	<u>254,514</u>	<u>201,158</u>	<u>133,078</u>	<u>11,230,047</u>
<u>PRIOR RESERVES</u>						
UNEARNED PREMIUMS	-	7,152,001	-	-	-	7,152,001
UNPAID LOSSES	-	2,357,246	670,061	98,500	119,981	3,245,788
UNPAID LOSSES EXPENSES	-	261,646	126,156	30,075	16,110	433,987
UNPAID ASSOCIATION EXPENSES	-	175,045	-	-	-	175,045
UNPAID TAXES & FEES	-	40,035	-	-	-	40,035
TOTAL	<u>-</u>	<u>9,985,973</u>	<u>796,217</u>	<u>128,575</u>	<u>136,091</u>	<u>11,046,856</u>
NET CHANGE IN EQUITY	<u>(\$2,431,752)</u>	<u>\$2,265,437</u>	<u>\$215,876</u>	<u>\$14,839</u>	<u>\$51,621</u>	<u>\$116,021</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDING MARCH 31, 2009

	03-31-09 QUARTER-TO-DATE	
Premiums Written	\$3,034,532	
Current Unearned Reserve	6,662,808	
Prior Unearned Reserve	7,152,001	
Change in Unearned Premium Reserve	489,193	
Net Premium Earned		\$3,523,725
Losses Paid	1,373,105	
Less Salvage & Subrogation	66,827	
Net Losses Paid	1,306,278	
Current Loss Reserve	3,868,983	
Prior Loss Reserve	3,245,788	
Change in Loss Reserve	623,195	
Net Losses Incurred		1,929,473
Allocated Loss Exp. Paid	141,767	
Unallocated Loss Exp. Paid	160,538	
Total Loss Exp. Paid	302,305	
Current Loss Exp. Reserve	438,105	
Prior Loss Exp. Reserve	433,987	
Change in Loss Exp. Reserve	4,118	
Net Loss Exp. Incurred		306,423
Total Loss & Loss Exp. Incurred		\$2,235,896
Taxes & Fees Paid	23,727	
Current Reserve	34,185	
Prior Reserve	40,035	
Change in Reserve for Taxes & Fees	(5,850)	
Net Taxes & Fees Incurred		17,877
Commissions Expense Paid	265,638	
Board Bureaus & Inspections Paid	41,819	
Other Operating Exp. Paid	948,642	
Total Underwriting Exp. Paid	1,256,099	
Current Reserve	225,966	
Prior Reserve	175,045	
Change in Other Underwriting Exp. Reserve	50,921	
Other Underwriting Exp. Incurred		1,307,020
Total Other Underwriting Exp. Incurred		1,324,897
Total Loss & Underwriting Exp. Incurred		\$3,560,793
Underwriting Loss		(\$37,068)
Net Investment Income Received	68,618	
Current Accrued Interest	92,031	
Prior Accrued Interest	72,361	
Change in Accrued Interest	19,670	
Net Investment Income Earned		88,288
Net Gain		\$51,220

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDING MARCH 31, 2009

	POLICY YEAR 2009	POLICY YEAR 2008	POLICY YEAR 2007	POLICY YEAR 2006	POLICY YEAR 2005 & PRIOR	TOTAL
*SEE NOTE BELOW						
WRITTEN PREMIUMS						
FIRE	\$2,366,978	(\$18,037)	(\$245)	-	-	\$2,348,696
ALLIED	687,103	(7,948)	(50)	-	-	679,105
CRIME	6,856	(125)	-	-	-	6,731
TOTAL	3,060,937	(26,110)	(295)	-	-	3,034,532
CURRENT UNEARNED PREMIUM RESERVE						
@ 03-31-09						
FIRE	2,072,124	3,034,862	-	-	-	5,106,986
ALLIED	600,227	937,341	-	-	-	1,537,568
CRIME	5,986	12,268	-	-	-	18,254
TOTAL	2,678,337	3,984,471	-	-	-	6,662,808
PRIOR UNEARNED PREMIUM RESERVE						
@ 12-31-08						
FIRE	-	5,449,093	-	-	-	5,449,093
ALLIED	-	1,681,154	-	-	-	1,681,154
CRIME	-	21,754	-	-	-	21,754
TOTAL	-	7,152,001	-	-	-	7,152,001
EARNED PREMIUM						
FIRE	294,854	2,396,194	(245)	-	-	2,690,803
ALLIED	86,876	735,865	(50)	-	-	822,691
CRIME	870	9,361	-	-	-	10,231
TOTAL	\$382,600	\$3,141,420	(\$295)	-	-	\$3,523,725

*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:

1Q08	\$308,798	\$1,352,322	\$1,661,121	1Q09	\$240,955	\$1,128,477	\$1,369,432
2Q08	290,257	1,298,046	1,588,303				
3Q08	275,833	1,251,408	1,527,241				
4Q08	\$257,213	\$1,202,886	\$1,460,099				

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, 2009

	POLICY YEAR 2009	POLICY YEAR 2008	POLICY YEAR 2007	POLICY YEAR 2006	POLICY YEAR 2005 & PRIOR	TOTAL
PAID LOSSES						
Net of Salvage & Subrogation Received						
FIRE	\$20,000	\$1,039,872	\$244,252	(\$89,727)	(\$63,957)	\$1,150,440
ALLIED	2,050	127,788	27,393	(1,393)	-	155,838
CRIME	-	-	-	-	-	-
TOTAL	22,050	1,167,660	271,645	(91,120)	(63,957)	1,306,278
CURRENT CASE BASIS RESERVES (03-31-09)						
FIRE	707,000	1,646,050	84,255	174,327	118,981	2,730,613
ALLIED	12,140	188,300	16,901	-	1,000	218,341
CRIME	-	-	-	-	-	-
TOTAL	719,140	1,834,350	101,156	174,327	119,981	2,948,954
CURRENT I.B.N.R. RESERVES (03-31-09)						
FIRE	-	749,133	70,964	-	-	820,097
ALLIED	-	85,697	14,235	-	-	99,932
CRIME	-	-	-	-	-	-
TOTAL	-	834,830	85,199	-	-	920,029
PRIOR LOSS RESERVES (12-31-08)						
(Including I.B.N.R. Reserves)						
FIRE	-	2,291,722	612,564	98,500	118,981	3,121,767
ALLIED	-	65,524	57,497	-	1,000	124,021
CRIME	-	-	-	-	-	-
TOTAL	-	2,357,246	670,061	98,500	119,981	3,245,788
INCURRED LOSSES						
FIRE	727,000	1,143,333	(213,093)	(13,900)	(63,957)	1,579,383
ALLIED	14,190	336,261	1,032	(1,393)	-	350,090
CRIME	-	-	-	-	-	-
TOTAL	\$741,190	\$1,479,594	(\$212,061)	(\$15,293)	(\$63,957)	\$1,929,473

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDING MARCH 31, 2009

	POLICY YEAR 2009	POLICY YEAR 2008	POLICY YEAR 2007	POLICY YEAR 2006	POLICY YEAR 2005 & PRIOR	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)						
FIRE	\$2,738	\$176,832	\$47,274	\$3,698	\$15,349	\$245,891
ALLIED	970	48,801	6,643	-	-	56,414
CRIME	-	-	-	-	-	-
TOTAL	3,708	225,633	53,917	3,698	15,349	302,305
CURRENT LOSS EXPENSE RESERVES @ 03-31-09						
FIRE	40,988	258,728	56,771	26,831	11,064	394,382
ALLIED	704	29,598	11,388	-	2,033	43,723
CRIME	-	-	-	-	-	-
TOTAL	41,692	288,326	68,159	26,831	13,097	438,105
PRIOR LOSS EXPENSE RESERVES @ 12-31-08						
FIRE	-	254,373	115,331	30,075	13,067	412,846
ALLIED	-	7,273	10,825	-	3,043	21,141
CRIME	-	-	-	-	-	-
TOTAL	-	261,646	126,156	30,075	16,110	433,987
ALAE & ULAE LOSS EXPENSES INCURRED						
FIRE	43,726	181,187	(11,286)	454	13,346	227,427
ALLIED	1,674	71,126	7,206	-	(1,010)	78,996
CRIME	-	-	-	-	-	-
TOTAL	\$45,400	\$252,313	(\$4,080)	\$454	\$12,336	\$306,423