

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## BALANCE SHEET AT MARCH 31, 2010

	LEDGER ASSETS	NON-LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<b>ASSETS</b>				
CASH & SHORT-TERM INVESTMENTS	\$12,983,231	-	-	\$12,983,231
ACCRUED INTEREST	-	45,992	-	45,992
FURNITURE & EQUIPMENT	55,160	-	55,160	-
EDP - EQUIPMENT & SOFTWARE	372,953	-	332,518	40,435
LEASEHOLD IMPROVEMENTS	1,392	-	1,392	-
PREMIUMS RECEIVABLE	148,133	-	118	148,015
<b>TOTAL ASSETS</b>	<b>\$13,560,869</b>	<b>\$45,992</b>	<b>\$389,188</b>	<b>\$13,217,673</b>
<b>LIABILITIES</b>				
POST RETIREMENT BENEFITS (other than pensions)			2,601,023	
DEFINED BENEFIT PENSION PLAN			929,703	
AMOUNTS HELD FOR OTHERS			368,858	
ADVANCE PREMIUMS			343,177	
RETURN PREMIUMS			85,139	
OTHER PAYABLES			9,361	
CLAIM CHECKS PAYABLE			23,359	
<b>TOTAL LIABILITIES</b>			<b>4,360,620</b>	
<b>RESERVES</b>				
UNEARNED PREMIUMS			6,079,324	
LOSS - CASE BASIS			1,959,420	
LOSS - I.B.N.R			742,782	
LOSS EXPENSE- ALLOCATED			273,937	
LOSS EXPENSE- UNALLOCATED			119,786	
ASSOCIATION EXPENSES			238,999	
TAXES & FEES			39,718	
<b>TOTAL RESERVES</b>			<b>9,453,966</b>	
<b>TOTAL LIABILITIES &amp; RESERVES</b>			<b>13,814,586</b>	
<b>EQUITY ACCOUNT</b>				
NET EQUITY AT MARCH 31, 2010				<b>(596,913)</b>
<b>TOTAL LIABILITIES PLUS EQUITY ACCOUNT</b>				<b>\$13,217,673</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## INCOME STATEMENT MARCH 31, 2010

	<b>QUARTER-TO-DATE</b>	
<b><u>UNDERWRITING INCOME</u></b>		
PREMIUMS EARNED		<b>\$3,149,841</b>
<b><u>DEDUCTIONS</u></b>		
LOSSES INCURRED	2,000,394	
LOSS EXPENSES INCURRED	371,252	
COMMISSIONS INCURRED	239,293	
OTHER UNDERWRITING EXPENSES	1,187,214	
TAXES & FEES INCURRED	14,916	
TOTAL DEDUCTIONS		<b>3,813,069</b>
UNDERWRITING LOSS		<b>(663,228)</b>
<b><u>OTHER INCOME</u></b>		
NET INVESTMENT INCOME	31,149	
OTHER INCOME	3,110	
TOTAL INCOME		<b>34,259</b>
NET LOSS		<b>(628,969)</b>
<b><u>EQUITY ACCOUNT</u></b>		
NET EQUITY - PRIOR		<b>(30,281)</b>
NET LOSS FOR PERIOD	<b>(628,969)</b>	
CHANGE IN NONADMITTED ASSETS	62,337	
CHANGE IN EQUITY		<b>(566,632)</b>
NET EQUITY AT MARCH 31, 2010		<b>(\$596,913)</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## EQUITY ACCOUNT QTD PERIOD ENDED MARCH 31, 2010

	POLICY YEAR 2010	POLICY YEAR 2009	POLICY YEAR 2008	POLICY YEAR 2007	POLICY YEAR 2006 & PRIOR	TOTAL
<b><u>INCOME RECEIVED</u></b>						
PREMIUMS WRITTEN	\$2,786,841	(\$22,540)	(\$2,966)	-	-	\$2,761,335
INVESTMENT INCOME RECEIVED	22,592	-	-	-	-	22,592
TOTAL	2,809,433	(22,540)	(2,966)	-	-	2,783,927
<b><u>EXPENSES PAID</u></b>						
LOSSES PAID	31,200	1,874,083	412,085	15,000	(1,176)	2,331,192
ALLOCATED LOSS EXPENSE	7,656	139,206	24,276	3,429	4,697	179,264
UNALLOCATED LOSS EXPENSE	2,439	146,500	32,271	1,173	-	182,383
INSPECTION AND RATING ISO	15,160	-	-	-	-	15,160
SURVEYS & UNDERWRITING RPTS	15,661	-	-	-	-	15,661
BOARDS & BUREAUS	4,125	-	-	-	-	4,125
COMMISSIONS	241,345	(1,755)	(297)	-	-	239,293
ASSOCIATION EXPENSES	1,110,550	-	-	-	-	1,110,550
TAXES & FEES	16,972	2,294	-	-	-	19,266
TOTAL	1,445,108	2,160,328	468,335	19,602	3,521	4,096,894
<b>INCREASE (DECREASE)</b>	<b>1,364,325</b>	<b>(2,182,868)</b>	<b>(471,301)</b>	<b>(19,602)</b>	<b>(3,521)</b>	<b>(1,312,967)</b>
<b><u>DEDUCT</u></b>						
PRIOR ACCRUED INTEREST	-	34,325	-	-	-	34,325
CURRENT NONADMITTED ASSETS	389,188	-	-	-	-	389,188
TOTAL	389,188	34,325	-	-	-	423,513
<b><u>ADD</u></b>						
CURRENT ACCRUED INTEREST	45,992	-	-	-	-	45,992
PRIOR NONADMITTED ASSETS	-	451,525	-	-	-	451,525
TOTAL	45,992	451,525	-	-	-	497,517
<b>EQUITY IN ASSETS OF ASSOCIATION</b>	<b>1,021,129</b>	<b>(1,765,668)</b>	<b>(471,301)</b>	<b>(19,602)</b>	<b>(3,521)</b>	<b>(1,238,963)</b>
<b><u>CURRENT RESERVES</u></b>						
UNEARNED PREMIUMS	2,441,268	3,638,056	-	-	-	6,079,324
UNPAID LOSSES	165,675	2,133,308	309,719	12,500	81,000	2,702,202
UNPAID LOSS EXPENSES	15,786	278,231	62,154	21,796	15,756	393,723
UNPAID ASSOCIATION EXPENSES	238,999	-	-	-	-	238,999
UNPAID TAXES & FEES	39,718	-	-	-	-	39,718
TOTAL	2,901,446	6,049,595	371,873	34,296	96,756	9,453,966
<b><u>PRIOR RESERVES</u></b>						
UNEARNED PREMIUMS	-	6,467,830	-	-	-	6,467,830
UNPAID LOSSES	-	1,977,195	765,930	75,875	214,000	3,033,000
UNPAID LOSSES EXPENSES	-	222,728	105,998	30,480	24,912	384,118
UNPAID ASSOCIATION EXPENSES	-	197,281	-	-	-	197,281
UNPAID TAXES & FEES	-	44,068	-	-	-	44,068
TOTAL	-	8,909,102	871,928	106,355	238,912	10,126,297
<b>NET CHANGE IN EQUITY</b>	<b>(\$1,880,317)</b>	<b>\$1,093,839</b>	<b>\$28,754</b>	<b>\$52,457</b>	<b>\$138,635</b>	<b>(\$566,632)</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDING MARCH 31, 2010

	03-31-10 QUARTER-TO-DATE	
<b>Premiums Written</b>	<b>\$2,761,335</b>	
Current Unearned Reserve	6,079,324	
Prior Unearned Reserve	6,467,830	
Change in Unearned Premium Reserve	388,506	
<b>Net Premium Earned</b>		<b>\$3,149,841</b>
Losses Paid	2,333,105	
Less Salvage & Subrogation	1,913	
<b>Net Losses Paid</b>	<b>2,331,192</b>	
Current Loss Reserve	2,702,202	
Prior Loss Reserve	3,033,000	
Change in Loss Reserve	(330,798)	
<b>Net Losses Incurred</b>		<b>2,000,394</b>
Allocated Loss Exp. Paid	179,264	
Unallocated Loss Exp. Paid	182,383	
<b>Total Loss Exp. Paid</b>	<b>361,647</b>	
Current Loss Exp. Reserve	393,723	
Prior Loss Exp. Reserve	384,118	
Change in Loss Exp. Reserve	9,605	
<b>Net Loss Exp. Incurred</b>		<b>371,252</b>
<b>Total Loss &amp; Loss Exp. Incurred</b>		<b>\$2,371,646</b>
Taxes & Fees Paid	19,266	
Current Reserve	39,718	
Prior Reserve	44,068	
Change in Reserve for Taxes & Fees	(4,350)	
<b>Net Taxes &amp; Fees Incurred</b>		<b>14,916</b>
Commissions Expense Paid	239,293	
Board Bureaus & Inspections Paid	34,946	
Other Operating Exp. Paid	1,110,550	
<b>Total Underwriting Exp. Paid</b>	<b>1,384,789</b>	
Current Reserve	238,999	
Prior Reserve	197,281	
Change in Other Underwriting Exp. Reserve	41,718	
<b>Other Underwriting Exp. Incurred</b>		<b>1,426,507</b>
<b>Total Other Underwriting Exp. Incurred</b>		<b>1,441,423</b>
<b>Total Loss &amp; Underwriting Exp. Incurred</b>		<b>\$3,813,069</b>
<b>Underwriting Loss</b>		<b>(\$663,228)</b>
Net Investment Income Received	22,592	
Current Accrued Interest	45,992	
Prior Accrued Interest	34,325	
Change in Accrued Interest	11,667	
<b>Net Investment Income Earned</b>		<b>34,259</b>
<b>Net Loss</b>		<b>(\$628,969)</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDING MARCH 31, 2010

	POLICY YEAR 2010	POLICY YEAR 2009	POLICY YEAR 2008	POLICY YEAR 2007	POLICY YEAR 2006 & PRIOR	TOTAL
<b>*SEE NOTE BELOW</b>						
<b>WRITTEN PREMIUMS</b>						
FIRE	\$2,163,888	(\$12,674)	(\$2,017)	-	-	\$2,149,197
ALLIED	616,828	(9,918)	(949)	-	-	605,961
CRIME	6,125	52	-	-	-	6,177
<b>TOTAL</b>	<b>2,786,841</b>	<b>(22,540)</b>	<b>(2,966)</b>	-	-	<b>2,761,335</b>
<b>CURRENT UNEARNED PREMIUM RESERVE</b>						
<b>@ 03-31-10</b>						
FIRE	1,895,697	2,799,931	-	-	-	4,695,628
ALLIED	540,155	827,892	-	-	-	1,368,047
CRIME	5,416	10,233	-	-	-	15,649
<b>TOTAL</b>	<b>2,441,268</b>	<b>3,638,056</b>	-	-	-	<b>6,079,324</b>
<b>PRIOR UNEARNED PREMIUM RESERVE</b>						
<b>@ 12-31-09</b>						
FIRE	-	4,972,289	-	-	-	4,972,289
ALLIED	-	1,477,551	-	-	-	1,477,551
CRIME	-	17,990	-	-	-	17,990
<b>TOTAL</b>	-	<b>6,467,830</b>	-	-	-	<b>6,467,830</b>
<b>EARNED PREMIUM</b>						
FIRE	268,191	2,159,684	(2,017)	-	-	2,425,858
ALLIED	76,673	639,741	(949)	-	-	715,465
CRIME	709	7,809	-	-	-	8,518
<b>TOTAL</b>	<b>\$345,573</b>	<b>\$2,807,234</b>	<b>(\$2,966)</b>	-	-	<b>\$3,149,841</b>

\*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>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>1Q09</b>	\$240,955	\$1,128,477	\$1,369,432	<b>1Q10</b>	\$201,698	\$1,099,395	\$1,301,093
<b>2Q09</b>	\$232,321	\$1,099,803	\$1,332,124				
<b>3Q09</b>	\$222,824	\$1,065,251	\$1,288,075				
<b>4Q09</b>	\$213,283	\$1,029,253	\$1,242,536				

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, 2010

	POLICY YEAR 2010	POLICY YEAR 2009	POLICY YEAR 2008	POLICY YEAR 2007	POLICY YEAR 2006 & PRIOR	TOTAL
<b>PAID LOSSES</b>						
<b>Net of Salvage &amp; Subrogation Received</b>						
FIRE	\$672	\$1,504,501	\$391,443	\$15,000	(\$1,176)	\$1,910,440
ALLIED	30,528	369,582	20,642	-	-	420,752
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>31,200</b>	<b>1,874,083</b>	<b>412,085</b>	<b>15,000</b>	<b>(1,176)</b>	<b>2,331,192</b>
<b>CURRENT CASE BASIS RESERVES (03-31-10)</b>						
FIRE	70,500	902,944	283,974	2,500	81,000	1,340,918
ALLIED	28,000	554,757	25,745	10,000	-	618,502
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>98,500</b>	<b>1,457,701</b>	<b>309,719</b>	<b>12,500</b>	<b>81,000</b>	<b>1,959,420</b>
<b>CURRENT I.B.N.R. RESERVES (03-31-10)</b>						
FIRE	48,080	418,491	-	-	-	466,571
ALLIED	19,095	257,116	-	-	-	276,211
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>67,175</b>	<b>675,607</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>742,782</b>
<b>PRIOR LOSS RESERVES (12-31-09)</b>						
<b>(Including I.B.N.R. Reserves)</b>						
FIRE	-	1,530,569	726,456	65,875	214,000	2,536,900
ALLIED	-	446,626	39,474	10,000	-	496,100
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>1,977,195</b>	<b>765,930</b>	<b>75,875</b>	<b>214,000</b>	<b>3,033,000</b>
<b>INCURRED LOSSES</b>						
FIRE	119,252	1,295,367	(51,039)	(48,375)	(134,176)	1,181,029
ALLIED	77,623	734,829	6,913	-	-	819,365
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$196,875</b>	<b>\$2,030,196</b>	<b>(\$44,126)</b>	<b>(\$48,375)</b>	<b>(\$134,176)</b>	<b>\$2,000,394</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDING MARCH 31, 2010

	POLICY YEAR 2010	POLICY YEAR 2009	POLICY YEAR 2008	POLICY YEAR 2007	POLICY YEAR 2006 & PRIOR	TOTAL
<b>LOSS EXPENSES PAID (ALAE AND ULAE)</b>						
FIRE	\$2,920	\$183,257	\$45,597	\$4,532	\$4,637	\$240,943
ALLIED	7,175	102,449	10,950	70	60	120,704
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>10,095</b>	<b>285,706</b>	<b>56,547</b>	<b>4,602</b>	<b>4,697</b>	<b>361,647</b>
<b>CURRENT LOSS EXPENSE RESERVES @ 03-31-10</b>						
FIRE	11,299	172,345	56,988	4,360	15,756	260,748
ALLIED	4,487	105,886	5,166	17,436	-	132,975
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>15,786</b>	<b>278,231</b>	<b>62,154</b>	<b>21,796</b>	<b>15,756</b>	<b>393,723</b>
<b>PRIOR LOSS EXPENSE RESERVES @ 12-31-09</b>						
FIRE	-	172,416	100,536	26,463	24,912	324,327
ALLIED	-	50,312	5,462	4,017	-	59,791
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>222,728</b>	<b>105,998</b>	<b>30,480</b>	<b>24,912</b>	<b>384,118</b>
<b>ALAE &amp; ULAE LOSS EXPENSES INCURRED</b>						
FIRE	14,219	183,186	2,049	(17,571)	(4,519)	177,364
ALLIED	11,662	158,023	10,654	13,489	60	193,888
CRIME	-	-	-	-	-	-
<b>TOTAL</b>	<b>\$25,881</b>	<b>\$341,209</b>	<b>\$12,703</b>	<b>(\$4,082)</b>	<b>(\$4,459)</b>	<b>\$371,252</b>