

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT MARCH 31, 2011

	LEDGER ASSETS	NON-LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
ASSETS				
BONDS	\$522,414	-	-	\$522,414
STOCKS	461,584	-	-	461,584
CASH & SHORT-TERM INVESTMENTS	10,319,142	-	-	10,319,142
PREPAID PENSION COST	968,687	-	968,687	-
ACCRUED INTEREST	-	17,543	-	17,543
FURNITURE & EQUIPMENT	42,242	-	42,242	-
EDP - EQUIPMENT & SOFTWARE	565,849	-	550,455	15,394
PREMIUMS RECEIVABLE	162,994	-	302	162,692
TOTAL ASSETS	\$13,042,912	\$17,543	\$1,561,686	\$11,498,769
LIABILITIES				
POST RETIREMENT BENEFITS (other than pensions)			4,382,614	
AMOUNTS HELD FOR OTHERS			588,440	
ADVANCE PREMIUMS			374,176	
RETURN PREMIUMS			114,170	
OTHER PAYABLES			137,514	
CLAIM CHECKS PAYABLE			51,134	
TOTAL LIABILITIES				5,648,048
RESERVES				
UNEARNED PREMIUMS			5,691,318	
LOSS - CASE BASIS			2,283,864	
LOSS - I.B.N.R			360,054	
LOSS EXPENSE- ALLOCATED			336,516	
LOSS EXPENSE- UNALLOCATED			137,889	
ASSOCIATION EXPENSES			154,759	
TAXES & FEES			36,541	
TOTAL RESERVES				9,000,941
TOTAL LIABILITIES & RESERVES				14,648,989
EQUITY ACCOUNT				
NET EQUITY AT MARCH 31, 2011				(3,150,220)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT				\$11,498,769

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT MARCH 31, 2011

	QUARTER-TO-DATE	
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED		\$2,880,147
<u>DEDUCTIONS</u>		
LOSSES INCURRED	1,888,495	
LOSS EXPENSES INCURRED	354,278	
COMMISSIONS INCURRED	229,494	
OTHER UNDERWRITING EXPENSES	1,045,686	
TAXES & FEES INCURRED	11,937	
TOTAL DEDUCTIONS		3,529,890
UNDERWRITING LOSS		(649,743)
<u>INVESTMENT INCOME</u>		
NET INVESTMENT INCOME EARNED	12,559	
NET REALIZED CAPITAL LOSS	(4,743)	
NET INVESTMENT GAIN		7,816
<u>OTHER INCOME</u>		
INSTALLMENT SERVICE FEE		5,001
TOTAL OTHER INCOME		5,001
NET LOSS		(636,926)
<u>EQUITY ACCOUNT</u>		
NET EQUITY - PRIOR		(2,575,472)
NET LOSS FOR PERIOD	(636,926)	
CHANGE IN NONADMITTED ASSETS	59,032	
NET UNREALIZED GAIN	3,146	
CHANGE IN EQUITY		(574,748)
NET EQUITY AT MARCH 31, 2011		(\$3,150,220)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED MARCH 31, 2011

	POLICY YEAR 2011	POLICY YEAR 2010	POLICY YEAR 2009	POLICY YEAR 2008	POLICY YEAR 2007 & PRIOR	TOTAL
<u>INCOME RECEIVED</u>						
PREMIUMS WRITTEN	\$2,705,782	(\$12,516)	(\$2,400)	(\$51)	-	\$2,690,815
INSTALLMENT SERVICE FEE	5,001	-	-	-	-	5,001
INVESTMENT INCOME RECEIVED	20,063	-	-	-	-	20,063
NET REALIZED CAPITAL LOSS	(4,743)	-	-	-	-	(4,743)
TOTAL	<u>2,726,103</u>	<u>(12,516)</u>	<u>(2,400)</u>	<u>(51)</u>	<u>-</u>	<u>2,711,136</u>
<u>EXPENSES PAID</u>						
LOSSES PAID	4,480	1,100,570	151,183	-	9,826	1,266,059
ALLOCATED LOSS EXPENSE	5,044	107,381	20,127	4,139	6,291	142,982
UNALLOCATED LOSS EXPENSE	578	141,939	19,829	-	1,290	163,636
INSPECTION AND RATING ISO	14,376	-	-	-	-	14,376
SURVEYS & UNDERWRITING RPTS	16,150	-	-	-	-	16,150
BOARDS & BUREAUS	3,713	-	-	-	-	3,713
COMMISSIONS	230,381	(642)	(240)	(5)	-	229,494
ASSOCIATION EXPENSES	1,066,199	-	-	-	-	1,066,199
TAXES & FEES	15,429	1,474	(1,350)	-	-	15,553
TOTAL	<u>1,356,350</u>	<u>1,350,722</u>	<u>189,549</u>	<u>4,134</u>	<u>17,407</u>	<u>2,918,162</u>
INCREASE (DECREASE)	<u>1,369,753</u>	<u>(1,363,238)</u>	<u>(191,949)</u>	<u>(4,185)</u>	<u>(17,407)</u>	<u>(207,026)</u>
<u>DEDUCT</u>						
PRIOR ACCRUED INTEREST	-	25,047	-	-	-	25,047
CURRENT NONADMITTED ASSETS	1,561,686	-	-	-	-	1,561,686
TOTAL	<u>1,561,686</u>	<u>25,047</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,586,733</u>
<u>ADD</u>						
CURRENT ACCRUED INTEREST	17,543	-	-	-	-	17,543
PRIOR NONADMITTED ASSETS	-	1,620,719	-	-	-	1,620,719
NET UNREALIZED GAIN	3,146	-	-	-	-	3,146
TOTAL	<u>20,689</u>	<u>1,620,719</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,641,408</u>
EQUITY IN ASSETS OF ASSOCIATION	<u>(171,244)</u>	<u>232,434</u>	<u>(191,949)</u>	<u>(4,185)</u>	<u>(17,407)</u>	<u>(152,351)</u>
<u>CURRENT RESERVES</u>						
UNEARNED PREMIUMS	2,378,433	3,312,885	-	-	-	5,691,318
UNPAID LOSSES	183,005	2,335,511	69,402	16,000	40,000	2,643,918
UNPAID LOSS EXPENSES	23,564	339,365	75,367	32,660	3,449	474,405
UNPAID ASSOCIATION EXPENSES	154,759	-	-	-	-	154,759
UNPAID TAXES & FEES	36,541	-	-	-	-	36,541
TOTAL	<u>2,776,302</u>	<u>5,987,761</u>	<u>144,769</u>	<u>48,660</u>	<u>43,449</u>	<u>9,000,941</u>
<u>PRIOR RESERVES</u>						
UNEARNED PREMIUMS	-	5,880,650	-	-	-	5,880,650
UNPAID LOSSES	-	1,622,438	330,544	18,500	50,000	2,021,482
UNPAID LOSSES EXPENSES	-	256,312	119,528	28,749	22,156	426,745
UNPAID ASSOCIATION EXPENSES	-	209,510	-	-	-	209,510
UNPAID TAXES & FEES	-	40,157	-	-	-	40,157
TOTAL	<u>-</u>	<u>8,009,067</u>	<u>450,072</u>	<u>47,249</u>	<u>72,156</u>	<u>8,578,544</u>
NET CHANGE IN EQUITY	<u>(\$2,947,546)</u>	<u>\$2,253,740</u>	<u>\$113,354</u>	<u>(\$5,596)</u>	<u>\$11,300</u>	<u>(\$574,748)</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDING MARCH 31, 2011

	3-31-11 QUARTER-TO-DATE	
Premiums Written	\$2,690,815	
Current Unearned Reserve	5,691,318	
Prior Unearned Reserve	5,880,650	
Change in Unearned Premium Reserve	189,332	
Net Premium Earned		\$2,880,147
Losses Paid	1,268,807	
Less Salvage & Subrogation	2,748	
Net Losses Paid	1,266,059	
Current Loss Reserve	2,643,918	
Prior Loss Reserve	2,021,482	
Change in Loss Reserve	622,436	
Net Losses Incurred		1,888,495
Allocated Loss Exp. Paid	142,982	
Unallocated Loss Exp. Paid	163,636	
Total Loss Exp. Paid	306,618	
Current Loss Exp. Reserve	474,405	
Prior Loss Exp. Reserve	426,745	
Change in Loss Exp. Reserve	47,660	
Net Loss Exp. Incurred		354,278
Total Loss & Loss Exp. Incurred		\$2,242,773
Taxes & Fees Paid	15,553	
Current Reserve	36,541	
Prior Reserve	40,157	
Change in Reserve for Taxes & Fees	(3,616)	
Net Taxes & Fees Incurred		11,937
Commissions Expense Paid	229,494	
Board Bureaus & Inspections Paid	34,238	
Other Operating Exp. Paid	1,066,199	
Total Underwriting Exp. Paid	1,329,931	
Current Reserve	154,759	
Prior Reserve	209,510	
Change in Other Underwriting Exp. Reserve	(54,751)	
Other Underwriting Exp. Incurred		1,275,180
Total Other Underwriting Exp. Incurred		1,287,117
Total Loss & Underwriting Exp. Incurred		\$3,529,890
Underwriting Loss		(\$649,743)
Net Investment Income Received	20,063	
Current Accrued Interest	17,543	
Prior Accrued Interest	25,047	
Change in Accrued Interest	(7,504)	
Net Investment Income Earned		12,559
Net Realized Capital Loss		(4,743)
Net Investment Gain		7,816
Installment Service Fee		5,001
Net Loss		(\$636,926)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDING MARCH 31, 2011

	POLICY YEAR 2011	POLICY YEAR 2010	POLICY YEAR 2009	POLICY YEAR 2008	POLICY YEAR 2007 & PRIOR	TOTAL
*SEE NOTE BELOW						
WRITTEN PREMIUMS						
FIRE	\$2,103,589	(\$8,126)	(\$1,923)	(\$51)	-	\$2,093,489
ALLIED	596,241	(4,377)	(477)	-	-	591,387
CRIME	5,952	(13)	-	-	-	5,939
TOTAL	2,705,782	(12,516)	(2,400)	(51)	-	2,690,815
CURRENT UNEARNED PREMIUM RESERVE						
@ 03-31-11						
FIRE	1,849,683	2,545,235	-	-	-	4,394,918
ALLIED	523,513	758,547	-	-	-	1,282,060
CRIME	5,237	9,103	-	-	-	14,340
TOTAL	2,378,433	3,312,885	-	-	-	5,691,318
PRIOR UNEARNED PREMIUM RESERVE						
@ 12-31-10						
FIRE	-	4,515,480	-	-	-	4,515,480
ALLIED	-	1,349,053	-	-	-	1,349,053
CRIME	-	16,117	-	-	-	16,117
TOTAL	-	5,880,650	-	-	-	5,880,650
EARNED PREMIUM						
FIRE	253,906	1,962,119	(1,923)	(51)	-	2,214,051
ALLIED	72,728	586,129	(477)	-	-	658,380
CRIME	715	7,001	-	-	-	7,716
TOTAL	\$327,349	\$2,555,249	(\$2,400)	(\$51)	-	\$2,880,147

*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>
1Q10	\$201,698	\$1,099,395	\$1,301,093	1Q11	\$171,961	\$886,780	\$1,058,741
2Q10	\$195,915	\$970,853	\$1,166,768				
3Q10	\$185,585	\$952,708	\$1,138,293				
4Q10	\$181,972	\$934,145	\$1,116,117				

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, 2011

	POLICY YEAR 2011	POLICY YEAR 2010	POLICY YEAR 2009	POLICY YEAR 2008	POLICY YEAR 2007 & PRIOR	TOTAL
PAID LOSSES						
Net of Salvage & Subrogation Received						
FIRE	-	\$873,181	\$77,890	-	(\$174)	\$950,897
ALLIED	4,480	226,907	73,293	-	10,000	314,680
CRIME	-	482	-	-	-	482
TOTAL	4,480	1,100,570	151,183	-	9,826	1,266,059
CURRENT CASE BASIS RESERVES (03-31-11)						
FIRE	100,000	1,768,839	2,500	-	40,000	1,911,339
ALLIED	34,000	315,775	6,750	16,000	-	372,525
CRIME	-	-	-	-	-	-
TOTAL	134,000	2,084,614	9,250	16,000	40,000	2,283,864
CURRENT I.B.N.R. RESERVES (03-31-11)						
FIRE	36,571	212,891	16,257	-	-	265,719
ALLIED	12,434	38,006	43,895	-	-	94,335
CRIME	-	-	-	-	-	-
TOTAL	49,005	250,897	60,152	-	-	360,054
PRIOR LOSS RESERVES (12-31-10)						
(Including I.B.N.R. Reserves)						
FIRE	-	1,334,990	235,286	-	40,000	1,610,276
ALLIED	-	287,448	95,258	18,500	10,000	411,206
CRIME	-	-	-	-	-	-
TOTAL	-	1,622,438	330,544	18,500	50,000	2,021,482
INCURRED LOSSES						
FIRE	136,571	1,519,921	(138,639)	-	(174)	1,517,679
ALLIED	50,914	293,240	28,680	(2,500)	-	370,334
CRIME	-	482	-	-	-	482
TOTAL	\$187,485	\$1,813,643	(\$109,959)	(\$2,500)	(\$174)	\$1,888,495

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDING MARCH 31, 2011

	POLICY YEAR 2011	POLICY YEAR 2010	POLICY YEAR 2009	POLICY YEAR 2008	POLICY YEAR 2007 & PRIOR	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)						
FIRE	\$1,534	\$157,073	\$20,517	-	\$5,933	\$185,057
ALLIED	4,088	91,797	19,439	4,139	1,648	121,111
CRIME	-	450	-	-	-	450
TOTAL	5,622	249,320	39,956	4,139	7,581	306,618
CURRENT LOSS EXPENSE RESERVES @ 03-31-11						
FIRE	17,585	287,959	20,370	-	3,449	329,363
ALLIED	5,979	51,406	54,997	32,660	-	145,042
CRIME	-	-	-	-	-	-
TOTAL	23,564	339,365	75,367	32,660	3,449	474,405
PRIOR LOSS EXPENSE RESERVES @ 12-31-10						
FIRE	-	210,901	85,082	-	7,347	303,330
ALLIED	-	45,411	34,446	28,749	14,809	123,415
CRIME	-	-	-	-	-	-
TOTAL	-	256,312	119,528	28,749	22,156	426,745
ALAE & ULAE LOSS EXPENSES INCURRED						
FIRE	19,119	234,131	(44,195)	-	2,035	211,090
ALLIED	10,067	97,792	39,990	8,050	(13,161)	142,738
CRIME	-	450	-	-	-	450
TOTAL	\$29,186	\$332,373	(\$4,205)	\$8,050	(\$11,126)	\$354,278