

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT MARCH 31, 2012

	LEDGER ASSETS	NON-LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
ASSETS				
BONDS	\$530,807	-	-	\$530,807
STOCKS	500,208	-	-	500,208
CASH & SHORT-TERM INVESTMENTS	8,594,673	-	-	8,594,673
PREPAID PENSION COST	1,079,667	-	1,079,667	-
ACCRUED INTEREST	-	12,065	-	12,065
FURNITURE & EQUIPMENT	13,599	-	13,599	-
EDP - EQUIPMENT & SOFTWARE	380,730	-	366,861	13,869
PREMIUMS RECEIVABLE	156,131	-	239	155,892
TOTAL ASSETS	\$11,255,815	\$12,065	\$1,460,366	\$9,807,514
LIABILITIES				
POST RETIREMENT BENEFITS (other than pensions)			4,561,089	
DEFINED BENEFIT PENSION PLAN			676,614	
AMOUNTS HELD FOR OTHERS			348,104	
ADVANCE PREMIUMS			331,121	
RETURN PREMIUMS			117,829	
OTHER PAYABLES			24,525	
CLAIM CHECKS PAYABLE			492	
TOTAL LIABILITIES			6,059,774	
RESERVES				
UNEARNED PREMIUMS			5,512,523	
LOSS - CASE BASIS			1,624,411	
LOSS - I.B.N.R			464,924	
LOSS EXPENSE- ALLOCATED			419,427	
LOSS EXPENSE- UNALLOCATED			127,242	
ASSOCIATION EXPENSES			150,500	
TAXES & FEES			38,779	
TOTAL RESERVES			8,337,806	
TOTAL LIABILITIES & RESERVES			14,397,580	
EQUITY ACCOUNT				
NET EQUITY AT MARCH 31, 2012				(4,590,066)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT				\$9,807,514

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT MARCH 31, 2012

	QUARTER-TO-DATE	
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED		\$2,805,968
<u>DEDUCTIONS</u>		
LOSSES INCURRED	1,024,848	
LOSS EXPENSES INCURRED	394,620	
COMMISSIONS INCURRED	219,697	
OTHER UNDERWRITING EXPENSES	911,886	
TAXES & FEES INCURRED	14,573	
TOTAL DEDUCTIONS		<u>2,565,624</u>
UNDERWRITING GAIN		240,344
<u>INVESTMENT INCOME</u>		
NET INVESTMENT INCOME EARNED	13,961	
NET REALIZED CAPITAL GAIN	7,478	
NET INVESTMENT GAIN		<u>21,439</u>
<u>OTHER INCOME</u>		
INSTALLMENT SERVICE FEE		<u>5,557</u>
TOTAL OTHER INCOME		5,557
NET GAIN		<u>267,340</u>
<u>EQUITY ACCOUNT</u>		
NET EQUITY - PRIOR		(4,908,696)
NET GAIN FOR PERIOD	267,340	
CHANGE IN NONADMITTED ASSETS	38,073	
NET UNREALIZED GAIN	13,217	
CHANGE IN EQUITY		<u>318,630</u>
NET EQUITY AT MARCH 31, 2012		<u>(\$4,590,066)</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED MARCH 31, 2012

	POLICY YEAR 2012	POLICY YEAR 2011	POLICY YEAR 2010	POLICY YEAR 2009 & PRIOR	TOTAL
<u>INCOME RECEIVED</u>					
PREMIUMS WRITTEN	\$2,663,766	(\$62,843)	(\$671)	-	\$2,600,252
INSTALLMENT SERVICE FEE	5,557	-	-	-	5,557
INVESTMENT INCOME RECEIVED	17,718	-	-	-	17,718
NET REALIZED CAPITAL GAIN	7,478	-	-	-	7,478
TOTAL	<u>2,694,519</u>	<u>(62,843)</u>	<u>(671)</u>	<u>-</u>	<u>2,631,005</u>
<u>EXPENSES PAID</u>					
LOSSES PAID	40,210	1,492,522	315,190	(27,861)	1,820,061
ALLOCATED LOSS EXPENSE	2,734	142,007	47,161	9,441	201,343
UNALLOCATED LOSS EXPENSE	3,018	112,049	24,207	(158)	139,116
INSPECTION AND RATING ISO	15,755	-	-	-	15,755
SURVEYS & UNDERWRITING RPTS	20,961	-	-	-	20,961
BOARDS & BUREAUS	4,125	-	-	-	4,125
COMMISSIONS	224,963	(5,199)	(67)	-	219,697
ASSOCIATION EXPENSES	931,610	-	-	-	931,610
TAXES & FEES	14,910	2,048	-	-	16,958
TOTAL	<u>1,258,286</u>	<u>1,743,427</u>	<u>386,491</u>	<u>(18,578)</u>	<u>3,369,626</u>
INCREASE (DECREASE)	<u>1,436,233</u>	<u>(1,806,270)</u>	<u>(387,162)</u>	<u>18,578</u>	<u>(738,621)</u>
<u>DEDUCT</u>					
PRIOR ACCRUED INTEREST	-	15,822	-	-	15,822
CURRENT NONADMITTED ASSETS	1,460,366	-	-	-	1,460,366
TOTAL	<u>1,460,366</u>	<u>15,822</u>	<u>-</u>	<u>-</u>	<u>1,476,188</u>
<u>ADD</u>					
CURRENT ACCRUED INTEREST	12,065	-	-	-	12,065
PRIOR NONADMITTED ASSETS	-	1,498,439	-	-	1,498,439
NET UNREALIZED GAIN	13,217	-	-	-	13,217
TOTAL	<u>25,282</u>	<u>1,498,439</u>	<u>-</u>	<u>-</u>	<u>1,523,721</u>
EQUITY IN ASSETS OF ASSOCIATION	<u>1,149</u>	<u>(323,653)</u>	<u>(387,162)</u>	<u>18,578</u>	<u>(691,088)</u>
<u>CURRENT RESERVES</u>					
UNEARNED PREMIUMS	2,334,182	3,178,341	-	-	5,512,523
UNPAID LOSSES	147,654	1,600,769	315,912	25,000	2,089,335
UNPAID LOSS EXPENSES	18,095	424,725	79,051	24,798	546,669
UNPAID ASSOCIATION EXPENSES	150,500	-	-	-	150,500
UNPAID TAXES & FEES	38,779	-	-	-	38,779
TOTAL	<u>2,689,210</u>	<u>5,203,835</u>	<u>394,963</u>	<u>49,798</u>	<u>8,337,806</u>
<u>PRIOR RESERVES</u>					
UNEARNED PREMIUMS	-	5,718,239	-	-	5,718,239
UNPAID LOSSES	-	1,890,907	785,641	208,000	2,884,548
UNPAID LOSSES EXPENSES	-	323,366	130,388	38,754	492,508
UNPAID ASSOCIATION EXPENSES	-	211,065	-	-	211,065
UNPAID TAXES & FEES	-	41,164	-	-	41,164
TOTAL	<u>-</u>	<u>8,184,741</u>	<u>916,029</u>	<u>246,754</u>	<u>9,347,524</u>
NET CHANGE IN EQUITY	<u>(\$2,688,061)</u>	<u>\$2,657,253</u>	<u>\$133,904</u>	<u>\$215,534</u>	<u>\$318,630</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDING MARCH 31, 2012

	03-31-12 QUARTER-TO-DATE	
Premiums Written	\$2,600,252	
Current Unearned Reserve	5,512,523	
Prior Unearned Reserve	5,718,239	
Change in Unearned Premium Reserve	205,716	
Net Premium Earned		\$2,805,968
Losses Paid	1,853,067	
Less Salvage & Subrogation	33,006	
Net Losses Paid	1,820,061	
Current Loss Reserve	2,089,335	
Prior Loss Reserve	2,884,548	
Change in Loss Reserve	(795,213)	
Net Losses Incurred		1,024,848
Allocated Loss Exp. Paid	201,343	
Unallocated Loss Exp. Paid	139,116	
Total Loss Exp. Paid	340,459	
Current Loss Exp. Reserve	546,669	
Prior Loss Exp. Reserve	492,508	
Change in Loss Exp. Reserve	54,161	
Net Loss Exp. Incurred		394,620
Total Loss & Loss Exp. Incurred		\$1,419,468
Taxes & Fees Paid	16,958	
Current Reserve	38,779	
Prior Reserve	41,164	
Change in Reserve for Taxes & Fees	(2,385)	
Net Taxes & Fees Incurred		14,573
Commissions Expense Paid	219,697	
Board Bureaus & Inspections Paid	40,841	
Other Operating Exp. Paid	931,610	
Total Underwriting Exp. Paid	1,192,148	
Current Reserve	150,500	
Prior Reserve	211,065	
Change in Other Underwriting Exp. Reserve	(60,565)	
Other Underwriting Exp. Incurred		1,131,583
Total Other Underwriting Exp. Incurred		1,146,156
Total Loss & Underwriting Exp. Incurred		\$2,565,624
Underwriting Gain		\$240,344
Net Investment Income Received	17,718	
Current Accrued Interest	12,065	
Prior Accrued Interest	15,822	
Change in Accrued Interest	(3,757)	
Net Investment Income Earned		13,961
Net Realized Capital Gain		7,478
Net Investment Gain		21,439
Installment Service Fee		5,557
Net Gain		\$267,340

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDING MARCH 31, 2012

	POLICY YEAR 2012	POLICY YEAR 2011	POLICY YEAR 2010	POLICY YEAR 2009 & PRIOR	TOTAL
*SEE NOTE BELOW					
WRITTEN PREMIUMS					
FIRE	\$2,069,713	(\$47,905)	(\$537)	-	\$2,021,271
ALLIED	588,101	(13,859)	(134)	-	574,108
CRIME	5,952	(1,079)	-	-	4,873
TOTAL	2,663,766	(62,843)	(671)	-	2,600,252
CURRENT UNEARNED PREMIUM RESERVE					
@ 03-31-12					
FIRE	1,812,871	2,452,011	-	-	4,264,882
ALLIED	516,093	717,723	-	-	1,233,816
CRIME	5,218	8,607	-	-	13,825
TOTAL	2,334,182	3,178,341	-	-	5,512,523
PRIOR UNEARNED PREMIUM RESERVE					
@ 12-31-11					
FIRE	-	4,409,603	-	-	4,409,603
ALLIED	-	1,292,283	-	-	1,292,283
CRIME	-	16,353	-	-	16,353
TOTAL	-	5,718,239	-	-	5,718,239
EARNED PREMIUM					
FIRE	256,842	1,909,687	(537)	-	2,165,992
ALLIED	72,008	560,701	(134)	-	632,575
CRIME	734	6,667	-	-	7,401
TOTAL	\$329,584	\$2,477,055	(\$671)	-	\$2,805,968

*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-</u>				<u>1-4 Family Tenant-</u>		
	<u>Commercial</u>	<u>Occupied</u>	<u>Total TRIA</u>		<u>Commercial</u>	<u>Occupied</u>	<u>Total TRIA</u>
1Q11	\$171,961	\$886,780	\$1,058,741	1Q12	\$147,363	\$848,111	\$995,474
2Q11	\$164,318	\$874,116	\$1,038,434				
3Q11	\$162,257	\$880,517	\$1,042,774				
4Q11	\$155,412	\$890,056	\$1,045,468				

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, 2012

	POLICY YEAR 2012	POLICY YEAR 2011	POLICY YEAR 2010	POLICY YEAR 2009 & PRIOR	TOTAL
PAID LOSSES					
Net of Salvage & Subrogation Received					
FIRE	\$39,061	\$1,224,614	\$248,801	(\$217)	\$1,512,259
ALLIED	1,149	267,908	66,389	(27,644)	307,802
CRIME	-	-	-	-	-
TOTAL	<u>40,210</u>	<u>1,492,522</u>	<u>315,190</u>	<u>(27,861)</u>	<u>1,820,061</u>
CURRENT CASE BASIS RESERVES (03-31-12)					
FIRE	124,000	913,033	202,742	5,000	1,244,775
ALLIED	15,960	258,685	79,991	20,000	374,636
CRIME	-	5,000	-	-	5,000
TOTAL	<u>139,960</u>	<u>1,176,718</u>	<u>282,733</u>	<u>25,000</u>	<u>1,624,411</u>
CURRENT I.B.N.R. RESERVES (03-31-12)					
FIRE	6,817	329,027	23,792	-	359,636
ALLIED	877	93,222	9,387	-	103,486
CRIME	-	1,802	-	-	1,802
TOTAL	<u>7,694</u>	<u>424,051</u>	<u>33,179</u>	<u>-</u>	<u>464,924</u>
PRIOR LOSS RESERVES (12-31-11)					
(Including I.B.N.R. Reserves)					
FIRE	-	1,416,428	511,251	185,000	2,112,679
ALLIED	-	474,479	274,390	23,000	771,869
CRIME	-	-	-	-	-
TOTAL	<u>-</u>	<u>1,890,907</u>	<u>785,641</u>	<u>208,000</u>	<u>2,884,548</u>
INCURRED LOSSES					
FIRE	169,878	1,050,246	(35,916)	(180,217)	1,003,991
ALLIED	17,986	145,336	(118,623)	(30,644)	14,055
CRIME	-	6,802	-	-	6,802
TOTAL	<u>\$187,864</u>	<u>\$1,202,384</u>	<u>(\$154,539)</u>	<u>(\$210,861)</u>	<u>\$1,024,848</u>

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDING MARCH 31, 2012

	POLICY YEAR 2012	POLICY YEAR 2011	POLICY YEAR 2010	POLICY YEAR 2009 & PRIOR	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)					
FIRE	\$4,159	\$150,974	\$41,911	\$6,248	\$203,292
ALLIED	1,593	103,082	29,457	3,035	137,167
CRIME	-	-	-	-	-
TOTAL	5,752	254,056	71,368	9,283	340,459
CURRENT LOSS EXPENSE RESERVES @ 03-31-12					
FIRE	16,032	329,550	56,686	4,959	407,227
ALLIED	2,063	93,370	22,365	19,839	137,637
CRIME	-	1,805	-	-	1,805
TOTAL	18,095	424,725	79,051	24,798	546,669
PRIOR LOSS EXPENSE RESERVES @ 12-31-11					
FIRE	-	242,225	84,849	34,469	361,543
ALLIED	-	81,141	45,539	4,285	130,965
CRIME	-	-	-	-	-
TOTAL	-	323,366	130,388	38,754	492,508
ALAE & ULAE LOSS EXPENSES INCURRED					
FIRE	20,191	238,299	13,748	(23,262)	248,976
ALLIED	3,656	115,311	6,283	18,589	143,839
CRIME	-	1,805	-	-	1,805
TOTAL	\$23,847	\$355,415	\$20,031	(\$4,673)	\$394,620