

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## BALANCE SHEET AT MARCH 31, 2013

	LEDGER ASSETS	NON- LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<b><u>ASSETS</u></b>				
BONDS	\$590,504	-	-	\$590,504
STOCKS	522,774	-	-	522,774
CASH & SHORT-TERM INVESTMENTS	9,166,700	-	-	9,166,700
ACCRUED INTEREST	-	9,760	-	9,760
FURNITURE & EQUIPMENT	5,447	-	5,447	-
EDP - EQUIPMENT & SOFTWARE	311,614	-	270,735	40,879
PREMIUMS RECEIVABLE	162,235	-	233	162,002
<b>TOTAL ASSETS</b>	<b>\$10,759,274</b>	<b>\$9,760</b>	<b>\$276,415</b>	<b>\$10,492,619</b>
<b><u>LIABILITIES</u></b>				
POST RETIREMENT BENEFITS (other than pensions)			5,578,803	
DEFINED BENEFIT PENSION PLAN			1,450,164	
AMOUNTS HELD FOR OTHERS			338,333	
ADVANCE PREMIUMS			391,728	
RETURN PREMIUMS			128,384	
OTHER PAYABLES			7,377	
CLAIM CHECKS PAYABLE			13,800	
<b>TOTAL LIABILITIES</b>				<b>7,908,589</b>
<b><u>RESERVES</u></b>				
UNEARNED PREMIUMS			5,421,696	
LOSS - CASE BASIS			4,459,025	
LOSS - I.B.N.R			179,328	
LOSS EXPENSE- ALLOCATED			265,893	
LOSS EXPENSE- UNALLOCATED			146,538	
ASSOCIATION EXPENSES			124,358	
TAXES & FEES			36,867	
<b>TOTAL RESERVES</b>				<b>10,633,705</b>
<b>TOTAL LIABILITIES &amp; RESERVES</b>				<b>18,542,294</b>
<b><u>EQUITY ACCOUNT</u></b>				
NET EQUITY AT MARCH 31, 2013				<b>(8,049,675)</b>
<b>TOTAL LIABILITIES PLUS EQUITY ACCOUNT</b>				<b>\$10,492,619</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## INCOME STATEMENT MARCH 31, 2013

	QUARTER-TO-DATE	
<b><u>UNDERWRITING INCOME</u></b>		
PREMIUMS EARNED		\$2,716,157
<b><u>DEDUCTIONS</u></b>		
LOSSES INCURRED	2,202,039	
LOSS EXPENSES INCURRED	1,264,638	
COMMISSIONS INCURRED	217,469	
OTHER UNDERWRITING EXPENSES	1,026,347	
TAXES & FEES INCURRED	11,994	
TOTAL DEDUCTIONS		4,722,487
UNDERWRITING LOSS		(2,006,330)
<b><u>INVESTMENT INCOME</u></b>		
NET INVESTMENT INCOME EARNED	7,753	
NET REALIZED CAPITAL GAIN	334	
NET INVESTMENT GAIN		8,087
<b><u>OTHER INCOME</u></b>		
INSTALLMENT SERVICE FEE	5,429	
OTHER INCOME	10,335	
TOTAL OTHER INCOME		15,764
NET LOSS		(1,982,479)
<b><u>EQUITY ACCOUNT</u></b>		
NET EQUITY - PRIOR		(14,511,073)
NET GAIN FOR PERIOD	(1,982,479)	
MEMBER ASSESSMENT	9,469,467	
CHANGE IN PENSION OBLIGATION (SSAP 102)	(487,632)	
CHANGE IN POST RETIREMENT BENEFITS (SSAP 92)	(563,687)	
CHANGE IN NONADMITTED ASSETS	23,560	
NET UNREALIZED GAIN	2,169	
CHANGE IN EQUITY		6,461,398
NET EQUITY AT MARCH 31, 2013		(\$8,049,675)

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## EQUITY ACCOUNT QTD PERIOD ENDED MARCH 31, 2013

	POLICY YEAR 2013	POLICY YEAR 2013	POLICY YEAR 2011	POLICY YEAR 2010	TOTAL
<b><u>INCOME RECEIVED</u></b>					
PREMIUMS WRITTEN	\$2,641,535	(\$57,795)	-	-	\$2,583,740
OTHER INCOME (includes installment service fees)	15,764	-	-	-	15,764
INVESTMENT INCOME RECEIVED	9,908	-	-	-	9,908
NET REALIZED CAPITAL GAIN	334	-	-	-	334
TOTAL	<u>2,667,541</u>	<u>(57,795)</u>	<u>-</u>	<u>-</u>	<u>2,609,746</u>
<b><u>EXPENSES PAID</u></b>					
LOSSES PAID	6,987	5,585,418	1,220,709	(362)	6,812,752
ALLOCATED LOSS EXPENSE	1,258	853,452	168,400	1,833	1,024,943
UNALLOCATED LOSS EXPENSE	212	169,588	37,066	-	206,866
INSPECTION AND RATING ISO	17,176	-	-	-	17,176
SURVEYS & UNDERWRITING RPTS	23,577	-	-	-	23,577
BOARDS & BUREAUS	4,125	-	-	-	4,125
COMMISSIONS	222,383	(4,913)	-	-	217,470
ASSOCIATION EXPENSES	1,007,304	-	-	-	1,007,304
TAXES & FEES	14,500	(2)	-	-	14,498
TOTAL	<u>1,297,522</u>	<u>6,603,543</u>	<u>1,426,175</u>	<u>1,471</u>	<u>9,328,711</u>
<b>INCREASE (DECREASE)</b>	<b><u>1,370,019</u></b>	<b><u>(6,661,338)</u></b>	<b><u>(1,426,175)</u></b>	<b><u>(1,471)</u></b>	<b><u>(6,718,965)</u></b>
<b><u>DEDUCT</u></b>					
PRIOR ACCRUED INTEREST	-	11,915	-	-	11,915
CURRENT NONADMITTED ASSETS	276,415	-	-	-	276,415
PREPAID PENSION ASSET	1,049,818	-	-	-	1,049,818
CHANGE IN PENSION OBLIGATION (SSAP 102)	487,632	-	-	-	487,632
CHANGE IN POST RETIREMENT BENEFITS (SSAP 92)	563,687	-	-	-	563,687
TOTAL	<u>2,377,552</u>	<u>11,915</u>	<u>-</u>	<u>-</u>	<u>2,389,467</u>
<b><u>ADD</u></b>					
CURRENT ACCRUED INTEREST	9,760	-	-	-	9,760
PRIOR NONADMITTED ASSETS	-	1,349,793	-	-	1,349,793
NET UNREALIZED GAIN	2,169	-	-	-	2,169
TOTAL	<u>11,929</u>	<u>1,349,793</u>	<u>-</u>	<u>-</u>	<u>1,361,722</u>
<b><u>OTHER CHARGES/ADDITIONS TO EQUITY</u></b>					
MEMBER ASSESSMENT	9,469,467	-	-	-	9,469,467
TOTAL	<u>9,469,467</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,469,467</u>
<b>EQUITY IN ASSETS OF ASSOCIATION</b>	<b><u>8,473,863</u></b>	<b><u>(5,323,460)</u></b>	<b><u>(1,426,175)</u></b>	<b><u>(1,471)</u></b>	<b><u>1,722,757</u></b>
<b><u>CURRENT RESERVES</u></b>					
UNEARNED PREMIUMS	2,318,011	3,103,685	-	-	5,421,696
UNPAID LOSSES	172,366	4,091,252	322,472	52,263	4,638,353
UNPAID LOSS EXPENSES	28,084	270,746	88,493	25,108	412,431
UNPAID ASSOCIATION EXPENSES	124,358	-	-	-	124,358
UNPAID TAXES & FEES	36,867	-	-	-	36,867
TOTAL	<u>2,679,686</u>	<u>7,465,683</u>	<u>410,965</u>	<u>77,371</u>	<u>10,633,705</u>
<b><u>PRIOR RESERVES</u></b>					
UNEARNED PREMIUMS	-	5,554,113	-	-	5,554,113
UNPAID LOSSES	-	7,694,673	1,502,130	52,263	9,249,066
UNPAID LOSSES EXPENSES	-	205,072	142,893	31,637	379,602
UNPAID ASSOCIATION EXPENSES	-	150,194	-	-	150,194
UNPAID TAXES & FEES	-	39,371	-	-	39,371
TOTAL	<u>-</u>	<u>13,643,423</u>	<u>1,645,023</u>	<u>83,900</u>	<u>15,372,346</u>
<b>NET CHANGE IN EQUITY</b>	<b><u>\$5,794,177</u></b>	<b><u>\$854,280</u></b>	<b><u>(\$192,117)</u></b>	<b><u>\$5,058</u></b>	<b><u>\$6,461,398</u></b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDING MARCH 31, 2013

	03-31-13 QUARTER-TO-DATE	
<b>Premiums Written</b>	<b>\$2,583,740</b>	
Current Unearned Reserve	5,421,696	
Prior Unearned Reserve	5,554,113	
Change in Unearned Premium Reserve	132,417	
<b>Net Premium Earned</b>		<b>\$2,716,157</b>
Losses Paid	6,813,184	
Less Salvage & Subrogation	432	
<b>Net Losses Paid</b>	<b>6,812,752</b>	
Current Loss Reserve	4,638,353	
Prior Loss Reserve	9,249,066	
Change in Loss Reserve	(4,610,713)	
<b>Net Losses Incurred</b>		<b>2,202,039</b>
Allocated Loss Exp. Paid	1,024,943	
Unallocated Loss Exp. Paid	206,866	
<b>Total Loss Exp. Paid</b>	<b>1,231,809</b>	
Current Loss Exp. Reserve	412,431	
Prior Loss Exp. Reserve	379,602	
Change in Loss Exp. Reserve	32,829	
<b>Net Loss Exp. Incurred</b>		<b>1,264,638</b>
<b>Total Loss &amp; Loss Exp. Incurred</b>		<b>\$3,466,677</b>
Taxes & Fees Paid	14,498	
Current Reserve	36,867	
Prior Reserve	39,371	
Change in Reserve for Taxes & Fees	(2,504)	
<b>Net Taxes &amp; Fees Incurred</b>		<b>11,994</b>
Commissions Expense Paid	217,469	
Board Bureaus & Inspections Paid	44,879	
Other Operating Exp. Paid	1,007,304	
<b>Total Underwriting Exp. Paid</b>	<b>1,269,652</b>	
Current Reserve	124,358	
Prior Reserve	150,194	
Change in Other Underwriting Exp. Reserve	(25,836)	
<b>Other Underwriting Exp. Incurred</b>		<b>1,243,816</b>
<b>Total Other Underwriting Exp. Incurred</b>		<b>1,255,810</b>
<b>Total Loss &amp; Underwriting Exp. Incurred</b>		<b>\$4,722,487</b>
<b>Underwriting Loss</b>		<b>(\$2,006,330)</b>
Net Investment Income Received	9,908	
Current Accrued Interest	9,760	
Prior Accrued Interest	11,915	
Change in Accrued Interest	(2,155)	
<b>Net Investment Income Earned</b>		<b>7,753</b>
Net Realized Capital Gain		334
<b>Net Investment Gain</b>		<b>8,087</b>
Othe Income (includes installment service fees)		15,764
<b>Net Loss</b>		<b>(\$1,982,479)</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDING MARCH 31, 2013

	POLICY YEAR 2013	POLICY YEAR 2012	POLICY YEAR 2011	POLICY YEAR 2010	TOTAL
<b>*SEE NOTE BELOW</b>					
<b>WRITTEN PREMIUMS</b>					
FIRE	\$2,006,735	(\$42,462)	-	-	\$1,964,273
ALLIED	627,592	(15,065)	-	-	612,527
CRIME	7,208	(268)	-	-	6,940
<b>TOTAL</b>	<b>2,641,535</b>	<b>(57,795)</b>	<b>-</b>	<b>-</b>	<b>2,583,740</b>
<b>CURRENT UNEARNED PREMIUM RESERVE</b>					
<b>@ 03-31-13</b>					
FIRE	1,760,864	2,320,621	-	-	4,081,485
ALLIED	550,685	774,332	-	-	1,325,017
CRIME	6,462	8,732	-	-	15,194
<b>TOTAL</b>	<b>2,318,011</b>	<b>3,103,685</b>	<b>-</b>	<b>-</b>	<b>5,421,696</b>
<b>PRIOR UNEARNED PREMIUM RESERVE</b>					
<b>@ 12-31-12</b>					
FIRE	-	4,155,835	-	-	4,155,835
ALLIED	-	1,382,422	-	-	1,382,422
CRIME	-	15,856	-	-	15,856
<b>TOTAL</b>	<b>-</b>	<b>5,554,113</b>	<b>-</b>	<b>-</b>	<b>5,554,113</b>
<b>EARNED PREMIUM</b>					
FIRE	245,871	1,792,752	-	-	2,038,623
ALLIED	76,907	593,025	-	-	669,932
CRIME	746	6,856	-	-	7,602
<b>TOTAL</b>	<b>\$323,524</b>	<b>\$2,392,633</b>	<b>-</b>	<b>-</b>	<b>\$2,716,157</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>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>
<b>1Q12</b>	\$147,363	\$848,111	\$995,474	<b>1Q13</b>	\$138,025	\$813,752	\$951,777
<b>2Q12</b>	\$144,440	\$845,292	\$989,732				
<b>3Q12</b>	\$141,933	\$845,366	\$987,299				
<b>4Q12</b>	\$141,618	\$841,685	\$983,303				

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, 2013

	POLICY YEAR 2013	POLICY YEAR 2012	POLICY YEAR 2011	POLICY YEAR 2010	TOTAL
<b>PAID LOSSES</b>					
<b>Net of Salvage &amp; Subrogation Received</b>					
FIRE	-	\$980,247	\$326,318	(\$362)	\$1,306,203
ALLIED	6,987	4,605,171	894,391	-	5,506,549
CRIME	-	-	-	-	-
<b>TOTAL</b>	<b>6,987</b>	<b>5,585,418</b>	<b>1,220,709</b>	<b>(362)</b>	<b>6,812,752</b>
<b>CURRENT CASE BASIS RESERVES (03-31-13)</b>					
FIRE	24,000	2,555,395	183,337	52,263	2,814,995
ALLIED	500	1,535,857	107,673	-	1,644,030
CRIME	-	-	-	-	-
<b>TOTAL</b>	<b>24,500</b>	<b>4,091,252</b>	<b>291,010</b>	<b>52,263</b>	<b>4,459,025</b>
<b>CURRENT I.B.N.R. RESERVES (03-31-13)</b>					
FIRE	144,848	-	19,821	-	164,669
ALLIED	3,018	-	11,641	-	14,659
CRIME	-	-	-	-	-
<b>TOTAL</b>	<b>147,866</b>	<b>-</b>	<b>31,462</b>	<b>-</b>	<b>179,328</b>
<b>PRIOR LOSS RESERVES (12-31-12)</b> <b>(Including I.B.N.R. Reserves)</b>					
FIRE	-	1,539,043	359,985	52,263	1,951,291
ALLIED	-	6,155,630	1,142,145	-	7,297,775
CRIME	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>7,694,673</b>	<b>1,502,130</b>	<b>52,263</b>	<b>9,249,066</b>
<b>INCURRED LOSSES</b>					
FIRE	168,848	1,996,599	169,491	(362)	2,334,576
ALLIED	10,505	(14,602)	(128,440)	-	(132,537)
CRIME	-	-	-	-	-
<b>TOTAL</b>	<b>\$179,353</b>	<b>\$1,981,997</b>	<b>\$41,051</b>	<b>(362)</b>	<b>\$2,202,039</b>

# NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

## STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDING MARCH 31, 2013

	POLICY YEAR 2013	POLICY YEAR 2012	POLICY YEAR 2011	POLICY YEAR 2010	TOTAL
<b>LOSS EXPENSES PAID (ALAE AND ULAE)</b>					
FIRE	-	\$68,760	\$27,597	\$760	\$97,117
ALLIED	1,470	954,280	177,869	1,073	1,134,692
CRIME	-	-	-	-	-
<b>TOTAL</b>	<b>1,470</b>	<b>1,023,040</b>	<b>205,466</b>	<b>1,833</b>	<b>1,231,809</b>
<b>CURRENT LOSS EXPENSE RESERVES @ 03-31-13</b>					
FIRE	27,511	169,108	55,751	25,108	277,478
ALLIED	573	101,638	32,742	-	134,953
CRIME	-	-	-	-	-
<b>TOTAL</b>	<b>28,084</b>	<b>270,746</b>	<b>88,493</b>	<b>25,108</b>	<b>412,431</b>
<b>PRIOR LOSS EXPENSE RESERVES @ 12-31-12</b>					
FIRE	-	41,018	34,244	31,637	106,899
ALLIED	-	164,054	108,649	-	272,703
CRIME	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>205,072</b>	<b>142,893</b>	<b>31,637</b>	<b>379,602</b>
<b>ALAE &amp; ULAE LOSS EXPENSES INCURRED</b>					
FIRE	27,511	196,850	49,104	(5,769)	267,696
ALLIED	2,043	891,864	101,962	1,073	996,942
CRIME	-	-	-	-	-
<b>TOTAL</b>	<b>\$29,554</b>	<b>\$1,088,714</b>	<b>\$151,066</b>	<b>(\$4,696)</b>	<b>\$1,264,638</b>