

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT MARCH 31, 2016

	LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<u>ASSETS</u>			
BONDS	\$1,123,083	-	\$1,123,083
STOCKS	1,046,003	-	1,046,003
CASH & SHORT-TERM INVESTMENTS	10,206,950	-	10,206,950
PREPAID EXPENSES	76,976	76,976	-
ACCRUED INTEREST	27,112	-	27,112
FURNITURE & EQUIPMENT	12,128	12,128	-
EDP - EQUIPMENT & SOFTWARE	53,527	-	53,527
PREMIUMS RECEIVABLE	153,187	-	153,187
TOTAL ASSETS	\$12,698,966	\$89,104	\$12,609,862
 <u>LIABILITIES</u>			
POST RETIREMENT BENEFITS (other than pensions)		2,636,739	
DEFINED BENEFIT PENSION PLAN		1,727,605	
AMOUNTS HELD FOR OTHERS		191,872	
PAYABLE FOR SECURITIES		744,000	
ADVANCE PREMIUMS		386,556	
RETURN PREMIUMS		67,237	
OTHER PAYABLES		8,504	
CLAIM CHECKS PAYABLE		160,928	
TOTAL LIABILITIES			5,923,441
 <u>RESERVES</u>			
UNEARNED PREMIUMS		4,958,993	
LOSS - CASE BASIS		1,327,034	
LOSS - I.B.N.R		496,363	
LOSS EXPENSE- ALLOCATED		232,238	
LOSS EXPENSE- UNALLOCATED		153,133	
ASSOCIATION EXPENSES		209,875	
TAXES & FEES		19,487	
TOTAL RESERVES			7,397,123
TOTAL LIABILITIES & RESERVES			13,320,564
 <u>EQUITY ACCOUNT</u>			
NET EQUITY AT MARCH 31, 2016			(710,702)
TOTAL LIABILITIES PLUS EQUITY ACCOUNT			\$12,609,862

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT MARCH 31, 2016

	QUARTER-TO-DATE	
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED		\$2,528,472
<u>DEDUCTIONS</u>		
LOSSES INCURRED	2,346,840	
LOSS EXPENSES INCURRED	283,468	
COMMISSIONS INCURRED	189,647	
OTHER UNDERWRITING EXPENSES	1,138,743	
TAXES & FEES INCURRED	15,173	
TOTAL DEDUCTIONS		3,973,871
UNDERWRITING LOSS		(1,445,399)
<u>INVESTMENT INCOME</u>		
NET INVESTMENT INCOME EARNED	27,880	
NET REALIZED CAPITAL LOSS	(733)	
NET INVESTMENT GAIN		27,147
<u>OTHER INCOME</u>		
OTHER INCOME	-	
INSTALLMENT SERVICE FEE	4,812	
TOTAL OTHER INCOME		4,812
NET LOSS		(1,413,440)
<u>EQUITY ACCOUNT</u>		
NET EQUITY - PRIOR		561,455
NET LOSS FOR PERIOD	(1,413,440)	
CHANGE IN NONADMITTED ASSETS	127,272	
CHANGE IN NET UNREALIZED CAPITAL GAIN	14,011	
CHANGE IN EQUITY		(1,272,157)
NET EQUITY AT MARCH 31, 2016		(\$710,702)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED MARCH 31, 2016

	POLICY YEAR 2016	POLICY YEAR 2015	POLICY YEAR 2014	POLICY YEAR 2013	TOTAL
<u>INCOME RECEIVED</u>					
PREMIUMS WRITTEN	\$2,379,428	(\$75,391)	(\$1,186)	-	\$2,302,851
OTHER INCOME (includes installment service fees)	4,812	-	-	-	4,812
INVESTMENT INCOME RECEIVED	26,898	-	-	-	26,898
NET REALIZED CAPITAL LOSS	(733)	-	-	-	(733)
TOTAL	2,410,405	(75,391)	(1,186)	-	2,333,828
<u>EXPENSES PAID</u>					
LOSSES PAID	88,497	2,155,675	70,755	23,931	2,338,858
ALLOCATED LOSS EXPENSE	4,091	82,395	22,044	13,329	121,859
UNALLOCATED LOSS EXPENSE	6,905	168,205	5,521	1,888	182,519
INSPECTION AND RATING ISO	17,659	-	-	-	17,659
SURVEYS & UNDERWRITING RPTS	13,458	-	-	-	13,458
BOARDS & BUREAUS	4,500	-	-	-	4,500
COMMISSIONS	196,494	(6,728)	(119)	-	189,647
ASSOCIATION EXPENSES	1,117,711	-	-	-	1,117,711
TAXES & FEES	23,917	9,278	-	-	33,195
TOTAL	1,473,232	2,408,825	98,201	39,148	4,019,406
INCREASE (DECREASE)	937,173	(2,484,216)	(99,387)	(39,148)	(1,685,578)
<u>DEDUCT</u>					
PRIOR ACCRUED INTEREST	-	26,130	-	-	26,130
CURRENT NONADMITTED ASSETS	89,104	-	-	-	89,104
TOTAL	89,104	26,130	-	-	115,234
<u>ADD</u>					
CURRENT ACCRUED INTEREST	27,112	-	-	-	27,112
PRIOR NONADMITTED ASSETS	-	216,375	-	-	216,375
CHANGE IN NET UNREALIZED CAPITAL GAIN	14,011	-	-	-	14,011
TOTAL	41,123	216,375	-	-	257,498
EQUITY IN ASSETS OF ASSOCIATION	889,192	(2,293,971)	(99,387)	(39,148)	(1,543,314)
<u>CURRENT RESERVES</u>					
UNEARNED PREMIUMS	2,089,726	2,869,267	-	-	4,958,993
UNPAID LOSSES	96,500	1,629,116	66,519	31,262	1,823,397
UNPAID LOSS EXPENSES	14,093	331,149	38,410	1,719	385,371
UNPAID ASSOCIATION EXPENSES	209,875	-	-	-	209,875
UNPAID TAXES & FEES	19,487	-	-	-	19,487
TOTAL	2,429,681	4,829,532	104,929	32,981	7,397,123
<u>PRIOR RESERVES</u>					
UNEARNED PREMIUMS	-	5,184,614	-	-	5,184,614
UNPAID LOSSES	-	1,518,246	245,907	51,262	1,815,415
UNPAID LOSSES EXPENSES	-	299,999	77,486	28,796	406,281
UNPAID ASSOCIATION EXPENSES	-	224,460	-	-	224,460
UNPAID TAXES & FEES	-	37,509	-	-	37,509
TOTAL	-	7,264,828	323,393	80,058	7,668,279
NET CHANGE IN EQUITY	(\$1,540,489)	\$141,325	\$119,077	\$7,929	(\$1,272,157)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDING MARCH 31, 2016

	03-31-16 QUARTER-TO-DATE	
Premiums Written	\$2,302,851	
Current Unearned Reserve	4,958,993	
Prior Unearned Reserve	5,184,614	
Change in Unearned Premium Reserve	225,621	
Net Premium Earned		\$2,528,472
Losses Paid	2,339,127	
Less Salvage & Subrogation	269	
Net Losses Paid	2,338,858	
Current Loss Reserve	1,823,397	
Prior Loss Reserve	1,815,415	
Change in Loss Reserve	7,982	
Net Losses Incurred		2,346,840
Allocated Loss Exp. Paid	121,859	
Unallocated Loss Exp. Paid	182,519	
Total Loss Exp. Paid	304,378	
Current Loss Exp. Reserve	385,371	
Prior Loss Exp. Reserve	406,281	
Change in Loss Exp. Reserve	(20,910)	
Net Loss Exp. Incurred		283,468
Total Loss & Loss Exp. Incurred		\$2,630,308
Taxes & Fees Paid	33,195	
Current Reserve	19,487	
Prior Reserve	37,509	
Change in Reserve for Taxes & Fees	(18,022)	
Net Taxes & Fees Incurred		15,173
Commissions Expense Paid	189,647	
Board Bureaus & Inspections Paid	35,617	
Other Operating Exp. Paid	1,117,711	
Total Underwriting Exp. Paid	1,342,975	
Current Reserve	209,875	
Prior Reserve	224,460	
Change in Other Underwriting Exp. Reserve	(14,585)	
Other Underwriting Exp. Incurred		1,328,390
Total Other Underwriting Exp. Incurred		1,343,563
Total Loss & Underwriting Exp. Incurred		\$3,973,871
Underwriting Loss		(\$1,445,399)
Net Investment Income Received	26,898	
Current Accrued Interest	27,112	
Prior Accrued Interest	26,130	
Change in Accrued Interest	982	
Net Investment Income Earned		27,880
Net Realized Capital Loss		(733)
Net Investment Gain		27,147
Othe Income (includes installment service fees)		4,812
Net Loss		(\$1,413,440)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDING MARCH 31, 2016

	POLICY YEAR 2016	POLICY YEAR 2015	POLICY YEAR 2014	POLICY YEAR 2013	TOTAL
*SEE NOTE BELOW					
WRITTEN PREMIUMS					
FIRE	\$1,758,943	(\$56,662)	(\$920)	-	\$1,701,361
ALLIED	616,130	(18,729)	(266)	-	597,135
CRIME	4,355	-	-	-	4,355
TOTAL	2,379,428	(75,391)	(1,186)	-	2,302,851
CURRENT UNEARNED PREMIUM RESERVE					
@ 03-31-16					
FIRE	1,545,491	2,091,427	-	-	3,636,918
ALLIED	540,442	769,897	-	-	1,310,339
CRIME	3,793	7,943	-	-	11,736
TOTAL	2,089,726	2,869,267	-	-	4,958,993
PRIOR UNEARNED PREMIUM RESERVE					
@ 12-31-15					
FIRE	-	3,785,796	-	-	3,785,796
ALLIED	-	1,385,137	-	-	1,385,137
CRIME	-	13,681	-	-	13,681
TOTAL	-	5,184,614	-	-	5,184,614
EARNED PREMIUM					
FIRE	213,452	1,637,707	(920)	-	1,850,239
ALLIED	75,688	596,511	(266)	-	671,933
CRIME	562	5,738	-	-	6,300
TOTAL	\$289,702	\$2,239,956	(\$1,186)	-	\$2,528,472

*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>
1Q15	\$103,113	\$822,286	\$925,399	1Q16	\$99,036	\$784,672	\$883,708
2Q15	\$102,393	\$822,621	\$925,014				
3Q15	\$104,201	\$832,221	\$936,422				
4Q15	\$101,431	\$813,664	\$915,095				

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, 2016

	POLICY YEAR 2016	POLICY YEAR 2015	POLICY YEAR 2014	POLICY YEAR 2013	TOTAL
PAID LOSSES					
Net of Salvage & Subrogation Received					
FIRE	\$80,000	\$1,916,524	\$64,311	\$24,044	\$2,084,879
ALLIED	8,497	239,151	6,444	(113)	253,979
CRIME	-	-	-	-	-
TOTAL	88,497	2,155,675	70,755	23,931	2,338,858
CURRENT CASE BASIS RESERVES (03-31-16)					
FIRE	44,000	924,483	61,526	31,262	1,061,271
ALLIED	42,500	220,763	2,500	-	265,763
CRIME	-	-	-	-	-
TOTAL	86,500	1,145,246	64,026	31,262	1,327,034
CURRENT I.B.N.R. RESERVES (03-31-16)					
FIRE	5,087	390,597	2,396	-	398,080
ALLIED	4,913	93,273	97	-	98,283
CRIME	-	-	-	-	-
TOTAL	10,000	483,870	2,493	-	496,363
PRIOR LOSS RESERVES (12-31-15)					
(Including I.B.N.R. Reserves)					
FIRE	-	1,414,380	226,776	51,262	1,692,418
ALLIED	-	103,866	19,131	-	122,997
CRIME	-	-	-	-	-
TOTAL	-	1,518,246	245,907	51,262	1,815,415
INCURRED LOSSES					
FIRE	129,087	1,817,224	(98,543)	4,044	1,851,812
ALLIED	55,910	449,321	(10,090)	(113)	495,028
CRIME	-	-	-	-	-
TOTAL	\$184,997	\$2,266,545	(\$108,633)	\$3,931	\$2,346,840

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDING MARCH 31, 2016

	POLICY YEAR 2016	POLICY YEAR 2015	POLICY YEAR 2014	POLICY YEAR 2013	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)					
FIRE	\$8,812	\$187,327	\$22,997	\$10,992	\$230,128
ALLIED	2,184	63,273	4,568	4,225	74,250
CRIME	-	-	-	-	-
TOTAL	10,996	250,600	27,565	15,217	304,378
CURRENT LOSS EXPENSE RESERVES @ 03-31-16					
FIRE	7,169	267,315	36,910	1,719	313,113
ALLIED	6,924	63,834	1,500	-	72,258
CRIME	-	-	-	-	-
TOTAL	14,093	331,149	38,410	1,719	385,371
PRIOR LOSS EXPENSE RESERVES @ 12-31-15					
FIRE	-	279,475	71,458	28,796	379,729
ALLIED	-	20,524	6,028	-	26,552
CRIME	-	-	-	-	-
TOTAL	-	299,999	77,486	28,796	406,281
ALAE & ULAE LOSS EXPENSES INCURRED					
FIRE	15,981	175,167	(11,551)	(16,085)	163,512
ALLIED	9,108	106,583	40	4,225	119,956
CRIME	-	-	-	-	-
TOTAL	\$25,089	\$281,750	(\$11,511)	(\$11,860)	\$283,468