

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT MARCH 31, 2017

	LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<u>ASSETS</u>			
BONDS	\$1,162,464	-	\$1,162,464
STOCKS	1,075,993	-	1,075,993
CASH & SHORT-TERM INVESTMENTS	9,427,162	-	9,427,162
PREPAID EXPENSES	73,660	73,660	-
ACCRUED INTEREST	28,323	-	28,323
FURNITURE & EQUIPMENT	9,728	9,728	-
EDP - EQUIPMENT & SOFTWARE	43,909	12,243	31,666
PREMIUMS RECEIVABLE	135,131	-	135,131
RECEIVABLE FOR SECURITIES	250	-	250
TOTAL ASSETS	\$11,956,620	\$95,631	\$11,860,989
<u>LIABILITIES</u>			
POST RETIREMENT BENEFITS (other than pensions)		1,254,692	
DEFINED BENEFIT PENSION PLAN		1,253,912	
AMOUNTS HELD FOR OTHERS		202,751	
ADVANCE PREMIUMS		318,530	
RETURN PREMIUMS		70,186	
OTHER PAYABLES		3,843	
CLAIM CHECKS PAYABLE		350	
TOTAL LIABILITIES		3,104,264	
<u>RESERVES</u>			
UNEARNED PREMIUMS		4,631,167	
LOSS - CASE BASIS		1,123,106	
LOSS - I.B.N.R		372,798	
LOSS EXPENSE- ALLOCATED		180,533	
LOSS EXPENSE- UNALLOCATED		122,638	
ASSOCIATION EXPENSES		95,715	
TAXES & FEES		126,855	
TOTAL RESERVES		6,652,812	
TOTAL LIABILITIES & RESERVES		9,757,076	
<u>EQUITY ACCOUNT</u>			
NET EQUITY AT MARCH 31, 2017			2,103,913
TOTAL LIABILITIES PLUS EQUITY ACCOUNT			\$11,860,989

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT MARCH 31, 2017

	QUARTER-TO-DATE	
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED		\$2,356,087
<u>DEDUCTIONS</u>		
LOSSES INCURRED	637,915	
LOSS EXPENSES INCURRED	155,063	
COMMISSIONS INCURRED	172,323	
OTHER UNDERWRITING EXPENSES	576,729	
TAXES & FEES INCURRED	21,097	
TOTAL DEDUCTIONS		1,563,127
UNDERWRITING GAIN		792,960
<u>INVESTMENT INCOME</u>		
NET INVESTMENT INCOME EARNED	28,807	
NET REALIZED CAPITAL LOSS	(1,359)	
NET INVESTMENT GAIN		27,448
<u>OTHER INCOME</u>		
INSTALLMENT SERVICE FEE	4,399	
TOTAL OTHER INCOME		4,399
NET GAIN		824,807
<u>EQUITY ACCOUNT</u>		
NET EQUITY - PRIOR		1,209,564
NET GAIN FOR PERIOD	824,807	
CHANGE IN NONADMITTED ASSETS	56,970	
CHANGE IN NET UNREALIZED CAPITAL GAIN	12,572	
CHANGE IN EQUITY		894,349
NET EQUITY AT MARCH 31, 2017		\$2,103,913

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED MARCH 31, 2017

	POLICY YEAR 2017	POLICY YEAR 2016	POLICY YEAR 2015	POLICY YEAR 2014	TOTAL
<u>INCOME RECEIVED</u>					
PREMIUMS WRITTEN	\$2,202,347	(\$75,296)	(\$109)	-	\$2,126,942
OTHER INCOME (includes installment service fees)	4,399	-	-	-	4,399
INVESTMENT INCOME RECEIVED	28,075	-	-	-	28,075
NET REALIZED CAPITAL LOSS	(1,359)	-	-	-	(1,359)
TOTAL	<u>2,233,462</u>	<u>(75,296)</u>	<u>(109)</u>	<u>-</u>	<u>2,158,057</u>
<u>EXPENSES PAID</u>					
LOSSES PAID	1,927	560,878	123,601	(36,987)	649,419
ALLOCATED LOSS EXPENSE	1,938	62,087	11,154	16,172	91,351
UNALLOCATED LOSS EXPENSE	235	68,475	15,090	22	83,822
INSPECTION AND RATING ISO	18,134	-	-	-	18,134
SURVEYS & UNDERWRITING RPTS	13,794	-	-	-	13,794
BOARDS & BUREAUS	5,250	-	-	-	5,250
COMMISSIONS	178,393	(6,059)	(11)	-	172,323
ASSOCIATION EXPENSES	518,788	-	-	-	518,788
TAXES & FEES	39,441	10,027	-	-	49,468
TOTAL	<u>777,900</u>	<u>695,408</u>	<u>149,834</u>	<u>(20,793)</u>	<u>1,602,349</u>
INCREASE (DECREASE)	<u>1,455,562</u>	<u>(770,704)</u>	<u>(149,943)</u>	<u>20,793</u>	<u>555,708</u>
<u>DEDUCT</u>					
PRIOR ACCRUED INTEREST	-	27,591	-	-	27,591
CURRENT NONADMITTED ASSETS	95,631	-	-	-	95,631
TOTAL	<u>95,631</u>	<u>27,591</u>	<u>-</u>	<u>-</u>	<u>123,222</u>
<u>ADD</u>					
CURRENT ACCRUED INTEREST	28,323	-	-	-	28,323
PRIOR NONADMITTED ASSETS	-	152,600	-	-	152,600
CHANGE IN NET UNREALIZED CAPITAL GAIN	12,572	-	-	-	12,572
TOTAL	<u>40,895</u>	<u>152,600</u>	<u>-</u>	<u>-</u>	<u>193,495</u>
EQUITY IN ASSETS OF ASSOCIATION	<u>1,400,826</u>	<u>(645,695)</u>	<u>(149,943)</u>	<u>20,793</u>	<u>625,981</u>
<u>CURRENT RESERVES</u>					
UNEARNED PREMIUMS	1,934,801	2,696,366	-	-	4,631,167
UNPAID LOSSES	123,469	1,306,880	55,555	10,000	1,495,904
UNPAID LOSS EXPENSES	22,639	221,071	43,049	16,412	303,171
UNPAID ASSOCIATION EXPENSES	95,715	-	-	-	95,715
UNPAID TAXES & FEES	126,855	-	-	-	126,855
TOTAL	<u>2,303,479</u>	<u>4,224,317</u>	<u>98,604</u>	<u>26,412</u>	<u>6,652,812</u>
<u>PRIOR RESERVES</u>					
UNEARNED PREMIUMS	-	4,860,312	-	-	4,860,312
UNPAID LOSSES	-	1,336,294	171,114	-	1,507,408
UNPAID LOSSES EXPENSES	-	230,281	93,000	-	323,281
UNPAID ASSOCIATION EXPENSES*	-	74,952	-	-	74,952
UNPAID TAXES & FEES*	-	155,226	-	-	155,226
TOTAL	<u>-</u>	<u>6,657,065</u>	<u>264,114</u>	<u>-</u>	<u>6,921,179</u>
NET CHANGE IN EQUITY	<u>(\$902,653)</u>	<u>\$1,787,053</u>	<u>\$15,567</u>	<u>(\$5,619)</u>	<u>\$894,349</u>

* Certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 financial statement presentation.

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDING MARCH 31, 2017

	03-31-17 QUARTER-TO-DATE	
Premiums Written	\$2,126,942	
Current Unearned Reserve	4,631,167	
Prior Unearned Reserve	4,860,312	
Change in Unearned Premium Reserve	229,145	
Net Premium Earned		\$2,356,087
Losses Paid	686,584	
Less Salvage & Subrogation	37,165	
Net Losses Paid	649,419	
Current Loss Reserve	1,495,904	
Prior Loss Reserve	1,507,408	
Change in Loss Reserve	(11,504)	
Net Losses Incurred		637,915
Allocated Loss Exp. Paid	91,351	
Unallocated Loss Exp. Paid	83,822	
Total Loss Exp. Paid	175,173	
Current Loss Exp. Reserve	303,171	
Prior Loss Exp. Reserve	323,281	
Change in Loss Exp. Reserve	(20,110)	
Net Loss Exp. Incurred		155,063
Total Loss & Loss Exp. Incurred		\$792,978
Taxes & Fees Paid	49,468	
Current Reserve	126,855	
Prior Reserve*	155,226	
Change in Reserve for Taxes & Fees	(28,371)	
Net Taxes & Fees Incurred		21,097
Commissions Expense Paid	172,323	
Board Bureaus & Inspections Paid	37,178	
Other Operating Exp. Paid	518,788	
Total Underwriting Exp. Paid	728,289	
Current Reserve	95,715	
Prior Reserve*	74,952	
Change in Other Underwriting Exp. Reserve	20,763	
Other Underwriting Exp. Incurred		749,052
Total Other Underwriting Exp. Incurred		770,149
Total Loss & Underwriting Exp. Incurred		\$1,563,127
Underwriting Gain		\$792,960
Net Investment Income Received	28,075	
Current Accrued Interest	28,323	
Prior Accrued Interest	27,591	
Change in Accrued Interest	732	
Net Investment Income Earned		28,807
Net Realized Capital Loss		(1,359)
Net Investment Gain		27,448
Othe Income (includes installment service fees)		4,399
Net Gain		\$824,807

* Certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 financial statement presentation.

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDING MARCH 31, 2017

	POLICY YEAR 2017	POLICY YEAR 2016	POLICY YEAR 2015	POLICY YEAR 2014	TOTAL
*SEE NOTE BELOW					
WRITTEN PREMIUMS					
FIRE	\$1,612,950	(\$56,683)	(\$84)	-	\$1,556,183
ALLIED	585,469	(18,227)	(25)	-	567,217
CRIME	3,928	(386)	-	-	3,542
TOTAL	2,202,347	(75,296)	(109)	-	2,126,942
CURRENT UNEARNED PREMIUM RESERVE					
@ 03-31-17					
FIRE	1,417,769	1,938,756	-	-	3,356,525
ALLIED	513,588	749,971	-	-	1,263,559
CRIME	3,444	7,639	-	-	11,083
TOTAL	1,934,801	2,696,366	-	-	4,631,167
PRIOR UNEARNED PREMIUM RESERVE					
@ 12-31-16					
FIRE	-	3,500,757	-	-	3,500,757
ALLIED	-	1,346,195	-	-	1,346,195
CRIME	-	13,360	-	-	13,360
TOTAL	-	4,860,312	-	-	4,860,312
EARNED PREMIUM					
FIRE	195,181	1,505,318	(84)	-	1,700,415
ALLIED	71,881	577,997	(25)	-	649,853
CRIME	484	5,335	-	-	5,819
TOTAL	\$267,546	\$2,088,650	(\$109)	-	\$2,356,087

*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>
1Q16	\$99,036	\$784,672	\$883,708	1Q17	\$86,398	\$735,901	\$822,299
2Q16	\$96,862	\$768,516	\$865,378				
3Q16	\$94,643	\$769,640	\$864,283				
4Q16	\$91,374	\$758,739	\$850,113				

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, 2017

	POLICY YEAR 2017	POLICY YEAR 2016	POLICY YEAR 2015	POLICY YEAR 2014	TOTAL
PAID LOSSES					
Net of Salvage & Subrogation Received					
FIRE	-	\$479,156	\$30,853	(\$35,011)	\$474,998
ALLIED	1,927	81,722	92,748	(1,976)	174,421
CRIME	-	-	-	-	-
TOTAL	1,927	560,878	123,601	(36,987)	649,419
CURRENT CASE BASIS RESERVES (03-31-17)					
FIRE	25,000	943,490	14,464	10,000	992,954
ALLIED	24,250	78,718	27,184	-	130,152
CRIME	-	-	-	-	-
TOTAL	49,250	1,022,208	41,648	10,000	1,123,106
CURRENT I.B.N.R. RESERVES (03-31-17)					
FIRE	37,675	262,750	4,830	-	305,255
ALLIED	36,544	21,922	9,077	-	67,543
CRIME	-	-	-	-	-
TOTAL	74,219	284,672	13,907	-	372,798
PRIOR LOSS RESERVES (12-31-16)					
(Including I.B.N.R. Reserves)					
FIRE	-	1,255,147	78,261	-	1,333,408
ALLIED	-	81,147	92,853	-	174,000
CRIME	-	-	-	-	-
TOTAL	-	1,336,294	171,114	-	1,507,408
INCURRED LOSSES					
FIRE	62,675	430,249	(28,114)	(25,011)	439,799
ALLIED	62,721	101,215	36,156	(1,976)	198,116
CRIME	-	-	-	-	-
TOTAL	\$125,396	\$531,464	\$8,042	(\$26,987)	\$637,915

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDING MARCH 31, 2017

	POLICY YEAR 2017	POLICY YEAR 2016	POLICY YEAR 2015	POLICY YEAR 2014	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)					
FIRE	\$440	\$92,216	\$9,734	\$16,034	\$118,424
ALLIED	1,733	38,346	16,510	160	56,749
CRIME	-	-	-	-	-
TOTAL	2,173	130,562	26,244	16,194	175,173
CURRENT LOSS EXPENSE RESERVES @ 03-31-17					
FIRE	11,492	204,047	14,951	16,412	246,902
ALLIED	11,147	17,024	28,098	-	56,269
CRIME	-	-	-	-	-
TOTAL	22,639	221,071	43,049	16,412	303,171
PRIOR LOSS EXPENSE RESERVES @ 12-31-16					
FIRE	-	216,297	42,535	-	258,832
ALLIED	-	13,984	50,465	-	64,449
CRIME	-	-	-	-	-
TOTAL	-	230,281	93,000	-	323,281
ALAE & ULAE LOSS EXPENSES INCURRED					
FIRE	11,932	79,966	(17,850)	32,446	106,494
ALLIED	12,880	41,386	(5,857)	160	48,569
CRIME	-	-	-	-	-
TOTAL	\$24,812	\$121,352	(\$23,707)	32,606	\$155,063