

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

BALANCE SHEET AT MARCH 31, 2018

	LEDGER ASSETS	NON- ADMITTED ASSETS	NET ADMITTED ASSETS
<u>ASSETS</u>			
BONDS	\$1,203,999	-	\$1,203,999
STOCKS	1,101,974	-	1,101,974
CASH & SHORT-TERM INVESTMENTS	9,774,249	-	9,774,249
PREPAID EXPENSES	70,708	70,708	-
ACCRUED INTEREST	44,684	-	44,684
FURNITURE & EQUIPMENT	31,349	31,349	-
EDP - EQUIPMENT & SOFTWARE	31,396	11,328	20,068
LEASEHOLD IMPROVEMENTS	17,949	17,949	-
PREMIUMS RECEIVABLE	112,327	10	112,317
SUNDRY RECEIVABLE	24,739	24,739	-
TOTAL ASSETS	\$12,413,374	\$156,083	\$12,257,291
 <u>LIABILITIES</u>			
POST RETIREMENT BENEFITS (other than pensions)		1,102,547	
DEFINED BENEFIT PENSION PLAN		991,695	
AMOUNTS HELD FOR OTHERS		117,292	
ADVANCE PREMIUMS		290,443	
RETURN PREMIUMS		72,660	
OTHER PAYABLES		238	
TOTAL LIABILITIES			2,574,875
 <u>RESERVES</u>			
UNEARNED PREMIUMS		4,125,778	
LOSS - CASE BASIS		1,794,740	
LOSS - I.B.N.R		266,434	
LOSS EXPENSE- ALLOCATED		215,848	
LOSS EXPENSE- UNALLOCATED		165,559	
ASSOCIATION EXPENSES		93,700	
TAXES & FEES		109,683	
TOTAL RESERVES			6,771,742
TOTAL LIABILITIES & RESERVES			9,346,617
 <u>EQUITY ACCOUNT</u>			
NET EQUITY AT MARCH 31, 2018			2,910,674
TOTAL LIABILITIES PLUS EQUITY ACCOUNT			\$12,257,291

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

INCOME STATEMENT MARCH 31, 2018

		QUARTER-TO-DATE
<u>UNDERWRITING INCOME</u>		
PREMIUMS EARNED		\$2,106,483
<u>DEDUCTIONS</u>		
LOSSES INCURRED	1,716,135	
LOSS EXPENSES INCURRED	284,251	
COMMISSIONS INCURRED	152,840	
OTHER UNDERWRITING EXPENSES	890,227	
TAXES & FEES INCURRED	12,943	
TOTAL DEDUCTIONS		3,056,396
UNDERWRITING LOSS		(949,913)
<u>INVESTMENT INCOME</u>		
NET INVESTMENT INCOME EARNED	44,526	
NET REALIZED CAPITAL LOSS	(1,427)	
NET INVESTMENT GAIN		43,099
<u>OTHER INCOME</u>		
INSTALLMENT SERVICE FEE	3,855	
TOTAL OTHER INCOME		3,855
NET LOSS		(902,959)
<u>EQUITY ACCOUNT</u>		
NET EQUITY - PRIOR		3,819,743
NET LOSS FOR PERIOD	(902,959)	
CHANGE IN NONADMITTED ASSETS	10,888	
CHANGE IN NET UNREALIZED CAPITAL LOSS	(16,998)	
CHANGE IN EQUITY		(909,069)
NET EQUITY AT MARCH 31, 2018		\$2,910,674

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

EQUITY ACCOUNT QTD PERIOD ENDED MARCH 31, 2018

	POLICY YEAR 2018	POLICY YEAR 2017	POLICY YEAR 2016	POLICY YEAR 2015	TOTAL
<u>INCOME RECEIVED</u>					
PREMIUMS WRITTEN	\$1,966,578	(\$57,263)	(\$4,754)	-	\$1,904,561
OTHER INCOME (includes installment service fees)	3,855	-	-	-	3,855
INVESTMENT INCOME RECEIVED	37,974	-	-	-	37,974
NET REALIZED CAPITAL LOSS	(1,427)	-	-	-	(1,427)
TOTAL	<u>2,006,980</u>	<u>(57,263)</u>	<u>(4,754)</u>	<u>-</u>	<u>1,944,963</u>
<u>EXPENSES PAID</u>					
LOSSES PAID	5,710	901,584	244,189	(205)	1,151,278
ALLOCATED LOSS EXPENSE	3,523	54,457	14,718	2,102	74,800
UNALLOCATED LOSS EXPENSE	687	108,633	29,378	-	138,698
INSPECTION AND RATING ISO	18,363	-	-	-	18,363
SURVEYS & UNDERWRITING RPTS	11,230	-	-	-	11,230
BOARDS & BUREAUS	3,825	-	-	-	3,825
COMMISSIONS	158,382	(5,070)	(472)	-	152,840
ASSOCIATION EXPENSES	823,919	-	-	-	823,919
TAXES & FEES	21,870	7,944	-	-	29,814
TOTAL	<u>1,047,509</u>	<u>1,067,548</u>	<u>287,813</u>	<u>1,897</u>	<u>2,404,767</u>
INCREASE (DECREASE)	959,471	(1,124,811)	(292,567)	(1,897)	(459,804)
<u>DEDUCT</u>					
PRIOR ACCRUED INTEREST	-	38,132	-	-	38,132
CURRENT NONADMITTED ASSETS	156,083	-	-	-	156,083
CHANGE IN NET UNREALIZED CAPITAL LOSS	16,998	-	-	-	16,998
TOTAL	<u>173,081</u>	<u>38,132</u>	<u>-</u>	<u>-</u>	<u>211,213</u>
<u>ADD</u>					
CURRENT ACCRUED INTEREST	44,684	-	-	-	44,684
PRIOR NONADMITTED ASSETS	-	166,970	-	-	166,970
TOTAL	<u>44,684</u>	<u>166,970</u>	<u>-</u>	<u>-</u>	<u>211,654</u>
EQUITY IN ASSETS OF ASSOCIATION	831,074	(995,973)	(292,567)	(1,897)	(459,363)
<u>CURRENT RESERVES</u>					
UNEARNED PREMIUMS	1,728,386	2,397,392	-	-	4,125,778
UNPAID LOSSES	103,720	1,706,827	212,000	38,627	2,061,174
UNPAID LOSS EXPENSES	28,059	281,565	47,747	24,036	381,407
UNPAID ASSOCIATION EXPENSES	93,700	-	-	-	93,700
UNPAID TAXES & FEES	109,683	-	-	-	109,683
TOTAL	<u>2,063,548</u>	<u>4,385,784</u>	<u>259,747</u>	<u>62,663</u>	<u>6,771,742</u>
<u>PRIOR RESERVES</u>					
UNEARNED PREMIUMS	-	4,327,700	-	-	4,327,700
UNPAID LOSSES	-	961,335	496,355	38,627	1,496,317
UNPAID LOSSES EXPENSES	-	195,929	84,596	30,129	310,654
UNPAID ASSOCIATION EXPENSES	-	60,810	-	-	60,810
UNPAID TAXES & FEES	-	126,554	-	-	126,554
TOTAL	<u>-</u>	<u>5,672,328</u>	<u>580,951</u>	<u>68,756</u>	<u>6,322,035</u>
NET CHANGE IN EQUITY	(\$1,232,474)	\$290,571	\$28,637	\$4,196	(\$909,069)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

UNDERWRITING STATEMENT EARNED/INCURRED BASIS QTD PERIOD ENDING MARCH 31, 2018

	03-31-18 QUARTER-TO-DATE	
Premiums Written	\$1,904,561	
Current Unearned Reserve	4,125,778	
Prior Unearned Reserve	4,327,700	
Change in Unearned Premium Reserve	201,922	
Net Premium Earned		\$2,106,483
Losses Paid	1,152,878	
Less Salvage & Subrogation	1,600	
Net Losses Paid	1,151,278	
Current Loss Reserve	2,061,174	
Prior Loss Reserve	1,496,317	
Change in Loss Reserve	564,857	
Net Losses Incurred		1,716,135
Allocated Loss Exp. Paid	74,800	
Unallocated Loss Exp. Paid	138,698	
Total Loss Exp. Paid	213,498	
Current Loss Exp. Reserve	381,407	
Prior Loss Exp. Reserve	310,654	
Change in Loss Exp. Reserve	70,753	
Net Loss Exp. Incurred		284,251
Total Loss & Loss Exp. Incurred		\$2,000,386
Taxes & Fees Paid	29,814	
Current Reserve	109,683	
Prior Reserve	126,554	
Change in Reserve for Taxes & Fees	(16,871)	
Net Taxes & Fees Incurred		12,943
Commissions Expense Paid	152,840	
Board Bureaus & Inspections Paid	33,418	
Other Operating Exp. Paid	823,919	
Total Underwriting Exp. Paid	1,010,177	
Current Reserve	93,700	
Prior Reserve	60,810	
Change in Other Underwriting Exp. Reserve	32,890	
Other Underwriting Exp. Incurred		1,043,067
Total Other Underwriting Exp. Incurred		1,056,010
Total Loss & Underwriting Exp. Incurred		\$3,056,396
Underwriting Loss		(\$949,913)
Net Investment Income Received	37,974	
Current Accrued Interest	44,684	
Prior Accrued Interest	38,132	
Change in Accrued Interest	6,552	
Net Investment Income Earned		44,526
Net Realized Capital Loss		(1,427)
Net Investment Gain		43,099
Othe Income (includes installment service fees)		3,855
Net Loss		(\$902,959)

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON PREMIUMS QTD PERIOD ENDING MARCH 31, 2018

	POLICY YEAR 2018	POLICY YEAR 2017	POLICY YEAR 2016	POLICY YEAR 2015	TOTAL
*SEE NOTE BELOW					
WRITTEN PREMIUMS					
FIRE	\$1,438,107	(\$41,827)	(\$1,158)	-	\$1,395,122
ALLIED	523,795	(14,818)	(3,596)	-	505,381
CRIME	4,676	(618)	-	-	4,058
TOTAL	1,966,578	(57,263)	(4,754)	-	1,904,561
CURRENT UNEARNED PREMIUM RESERVE					
@ 03-31-18					
FIRE	1,264,214	1,729,409	-	-	2,993,623
ALLIED	460,080	660,969	-	-	1,121,049
CRIME	4,092	7,014	-	-	11,106
TOTAL	1,728,386	2,397,392	-	-	4,125,778
PRIOR UNEARNED PREMIUM RESERVE					
@ 12-31-17					
FIRE	-	3,122,368	-	-	3,122,368
ALLIED	-	1,192,692	-	-	1,192,692
CRIME	-	12,640	-	-	12,640
TOTAL	-	4,327,700	-	-	4,327,700
EARNED PREMIUM					
FIRE	173,893	1,351,132	(1,158)	-	1,523,867
ALLIED	63,715	516,905	(3,596)	-	577,024
CRIME	584	5,008	-	-	5,592
TOTAL	\$238,192	\$1,873,045	(\$4,754)	-	\$2,106,483

*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>
1Q17	\$86,398	\$735,901	\$822,299	1Q18	\$74,693	\$653,820	\$728,513
2Q17	\$83,826	\$722,303	\$806,129				
3Q17	\$81,319	\$709,450	\$790,769				
4Q17	\$77,910	\$704,626	\$782,536				

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, 2018

	POLICY YEAR 2018	POLICY YEAR 2017	POLICY YEAR 2016	POLICY YEAR 2015	TOTAL
PAID LOSSES					
Net of Salvage & Subrogation Received					
FIRE	-	\$817,847	\$230,061	(\$205)	\$1,047,703
ALLIED	5,710	83,737	14,128	-	103,575
CRIME	-	-	-	-	-
TOTAL	5,710	901,584	244,189	(205)	1,151,278
CURRENT CASE BASIS RESERVES (03-31-18)					
FIRE	-	1,178,778	212,000	38,627	1,429,405
ALLIED	31,200	334,135	-	-	365,335
CRIME	-	-	-	-	-
TOTAL	31,200	1,512,913	212,000	38,627	1,794,740
CURRENT I.B.N.R. RESERVES (03-31-18)					
FIRE	-	151,087	-	-	151,087
ALLIED	72,520	42,827	-	-	115,347
CRIME	-	-	-	-	-
TOTAL	72,520	193,914	-	-	266,434
PRIOR LOSS RESERVES (12-31-17)					
(Including I.B.N.R. Reserves)					
FIRE	-	789,139	462,250	38,627	1,290,016
ALLIED	-	172,196	34,105	-	206,301
CRIME	-	-	-	-	-
TOTAL	-	961,335	496,355	38,627	1,496,317
INCURRED LOSSES					
FIRE	-	1,358,573	(20,189)	(205)	1,338,179
ALLIED	109,430	288,503	(19,977)	-	377,956
CRIME	-	-	-	-	-
TOTAL	\$109,430	\$1,647,076	(\$40,166)	(\$205)	\$1,716,135

NEW JERSEY INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT ON LOSS EXPENSES (INCLUDES ALLOCATED AND UNALLOCATED LOSS EXPENSES) QTD PERIOD ENDING MARCH 31, 2018

	POLICY YEAR 2018	POLICY YEAR 2017	POLICY YEAR 2016	POLICY YEAR 2015	TOTAL
LOSS EXPENSES PAID (ALAE AND ULAE)					
FIRE	-	\$125,141	\$38,805	\$2,102	\$166,048
ALLIED	4,210	37,949	5,291	-	47,450
CRIME	-	-	-	-	-
TOTAL	4,210	163,090	44,096	2,102	213,498
CURRENT LOSS EXPENSE RESERVES @ 03-31-18					
FIRE	-	219,380	47,747	24,036	291,163
ALLIED	28,059	62,185	-	-	90,244
CRIME	-	-	-	-	-
TOTAL	28,059	281,565	47,747	24,036	381,407
PRIOR LOSS EXPENSE RESERVES @ 12-31-17					
FIRE	-	160,834	78,783	30,129	269,746
ALLIED	-	35,095	5,813	-	40,908
CRIME	-	-	-	-	-
TOTAL	-	195,929	84,596	30,129	310,654
ALAE & ULAE LOSS EXPENSES INCURRED					
FIRE	-	183,687	7,769	(3,991)	187,465
ALLIED	32,269	65,039	(522)	-	96,786
CRIME	-	-	-	-	-
TOTAL	\$32,269	\$248,726	\$7,247	(\$3,991)	\$284,251