

PENNSYLVANIA FAIR PLAN

EXHIBIT 1

Statement of Assets, Liabilities and Members' Equity At March 31, 2003

	<u>LEDGER ASSETS</u>	<u>ASSETS NOT ADMITTED</u>	<u>NET ADMITTED ASSETS</u>
<u>ASSETS</u>			
Cash	2,797,925.82	0.00	2,797,925.82
Investments	4,309,915.69	0.00	4,309,915.69
Due from Participating Members	0.00	0.00	0.00
Accrued Investment Income	0.00	0.00	0.00
Premiums Receivable	45,123.00	22,725.50	22,397.50
Other Receivables	22,247.94	0.00	22,247.94
Pre-paid Premium Tax	165,165.10	0.00	165,165.10
Pre-paid Expenses	82,594.06	82,594.06	0.00
Furniture & Equipment	242,584.56	242,584.56	0.00
Data Processing Equipment	46,847.73	46,847.73	0.00
Other Assets	6,729.70	6,729.70	0.00
TOTAL ASSETS	<u>7,719,133.60</u>	<u>401,481.55</u>	<u>7,317,652.05</u>
<u>LIABILITIES</u>			
Unpaid Losses (Incl. I.B.N.R.)			2,467,133.00
Unpaid Loss Adjustment Expenses			515,718.00
Unpaid Underwriting Expenses			113,436.00
Unpaid Post Retirement Benefits			1,155,047.00
Unearned Premiums			6,236,043.00
Unearned Advance Premiums			321,674.00
Claims Checks Payable			443,732.75
Amounts Withheld for Accounts of Others			150,400.99
Unpaid Premium Tax			0.00
TOTAL LIABILITIES			<u>11,403,184.74</u>
<u>MEMBERS' EQUITY</u>			
Members' Equity (Deficit)			<u>(4,085,532.69)</u>
TOTAL LIABILITIES & MEMBERS' EQUITY			<u>7,317,652.05</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 2

Income Statement for the Quarter and Year to Date Ending March 31, 2003

Quarter & Year

01/01/ - 03/31/2003

UNDERWRITING INCOME

Premiums Written	3,071,195.00
Change in Unearned Premiums	(25,473.00)
Premiums Earned	<u>3,045,722.00</u>

DEDUCTIONS

Losses Incurred	1,610,970.55
Loss Adjustment Expenses Incurred	397,928.53
Other Underwriting Expenses Incurred	1,095,542.07
Post Retirement Benefits Incurred	78,337.01
Premium Tax Incurred	61,423.90
Total Underwriting Deductions	<u>3,244,202.06</u>
Net Underwriting Profit or Loss	<u>(198,480.06)</u>

OTHER INCOME OR OUTGO

Net Investment Income	2,834.18
Other Income	16,116.04
Premiums/Assessments Charged-Off	(1,951.40)
Total Other Income or Outgo	<u>16,998.82</u>
Net Result of Operations	<u>(181,481.24)</u>

EQUITY ACCOUNT

Beginning Members' Equity	(3,850,799.18)
Net Result of Operations	(181,481.24)
Change in Assets Not Admitted	(53,252.27)

MEMBERS' EQUITY (DEFICIT)

(4,085,532.69)

PENNSYLVANIA FAIR PLAN

EXHIBIT 3

Reconciliation of Ledger Assets As of March 31, 2003

INCREASE IN LEDGER ASSETS

Premiums Written	3,071,195.00
Other Income	16,116.04
Investment Income	2,834.18
Unearned Advance Premiums	88,726.00
Amounts Withheld for Accounts of Others	0.00
Claims Checks Payable	0.00
Premiums/Assessments Charged-Off	0.00
TOTAL	<hr/> 3,178,871.22

DECREASE IN LEDGER ASSETS

Other Income	0.00
Losses Paid	1,063,921.55
Loss Adjustment Expenses Paid	288,960.53
Other Expenses Paid	1,121,715.12
Unearned Advance Premiums	0.00
Amounts Withheld for Accounts of Others	71,646.86
Claims Checks Payable	16,217.21
Premiums/Assessments Charged-Off	1,951.40
TOTAL	<hr/> 2,564,412.67

Increase(Decrease) in Ledger Assets	614,458.55
Ledger Assets at 12-31-2002	<hr/> 7,104,675.05
Ledger Assets at 03-31-2003	<hr/> 7,719,133.60

PENNSYLVANIA FAIR PLAN

Members' Account by Policy Year For the Quarter and Year to Date Ending March 31, 2003

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>TOTAL</u>
Premiums Written	3,003,338.00	67,857.00	0.00	0.00	0.00	0.00	0.00	3,071,195.00
Other Income	16,116.04	0.00	0.00	0.00	0.00	0.00	0.00	16,116.04
Investment Income Received	2,834.18	0.00	0.00	0.00	0.00	0.00	0.00	2,834.18
Subtotal	<u>3,022,288.22</u>	<u>67,857.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,090,145.22</u>
<u>EXPENSES PAID:-</u>								
Losses	3,209.70	879,640.95	218,570.53	(10,483.34)	(2,250.00)	(312.50)	(24,453.79)	1,063,921.55
Loss Adjustment Expenses	1,100.31	146,272.84	69,585.64	30,664.83	337.59	9,898.84	31,100.48	288,960.53
Other Underwriting Expenses	763,420.28	93,221.00	0.00	0.00	0.00	0.00	0.00	856,641.28
Premium Tax	60,066.76	1,530.28	0.00	0.00	0.00	0.00	0.00	61,597.04
Commissions	198,980.00	4,496.80	0.00	0.00	0.00	0.00	0.00	203,476.80
Premiums/Assessments Charged-off	0.00	1,951.40	0.00	0.00	0.00	0.00	0.00	1,951.40
Subtotal	<u>1,026,777.05</u>	<u>1,127,113.27</u>	<u>288,156.17</u>	<u>20,181.49</u>	<u>(1,912.41)</u>	<u>9,586.34</u>	<u>6,646.69</u>	<u>2,476,548.60</u>
BALANCE DUE COMPANIES	1,995,511.17	(1,059,256.27)	(288,156.17)	(20,181.49)	1,912.41	(9,586.34)	(6,646.69)	613,596.62
<u>DEDUCT:-</u>								
Prior Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prior Non-Admitted Assets	0.00	(348,229.28)	0.00	0.00	0.00	0.00	0.00	(348,229.28)
Subtotal	<u>0.00</u>	<u>(348,229.28)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(348,229.28)</u>
<u>ADD:-</u>								
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(401,481.55)	0.00	0.00	0.00	0.00	0.00	0.00	(401,481.55)
Subtotal	<u>(401,481.55)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(401,481.55)</u>
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	1,594,029.62	(711,026.99)	(288,156.17)	(20,181.49)	1,912.41	(9,586.34)	(6,646.69)	560,344.35
<u>DEDUCT:-</u>								
Current Unearned Premiums	2,777,781.00	3,458,262.00	0.00	0.00	0.00	0.00	0.00	6,236,043.00
Current Unpaid Losses (Incl. I.B.N.R.)	211,300.00	1,742,220.00	230,713.00	1,500.00	28,900.00	2,000.00	250,500.00	2,467,133.00
Current Unpaid Underwriting Expenses	113,436.00	0.00	0.00	0.00	0.00	0.00	0.00	113,436.00
Current Unpaid Post Retirement Benefits	1,155,047.00	0.00	0.00	0.00	0.00	0.00	0.00	1,155,047.00
Current Unpaid Loss Adjustment Expenses	44,169.00	364,186.00	48,227.00	314.00	6,041.00	418.00	52,363.00	515,718.00
Current Unpaid Premium Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	<u>4,301,733.00</u>	<u>5,564,668.00</u>	<u>278,940.00</u>	<u>1,814.00</u>	<u>34,941.00</u>	<u>2,418.00</u>	<u>302,863.00</u>	<u>10,487,377.00</u>
<u>ADD:-</u>								
Prior Unearned Premiums	0.00	6,210,570.00	0.00	0.00	0.00	0.00	0.00	6,210,570.00
Prior Unpaid Losses (Incl. I.B.N.R.)	0.00	1,113,031.00	492,153.00	34,500.00	27,900.00	2,000.00	250,500.00	1,920,084.00
Prior Unpaid Underwriting Expenses	0.00	71,955.00	0.00	0.00	0.00	0.00	0.00	71,955.00
Prior Unpaid Post Retirement Benefits	0.00	1,082,767.00	0.00	0.00	0.00	0.00	0.00	1,082,767.00
Prior Unpaid Loss Adjustment Expenses	0.00	235,784.00	104,258.00	7,308.00	5,910.00	424.00	53,066.00	406,750.00
Prior Unpaid Premium Tax	0.00	173.14	0.00	0.00	0.00	0.00	0.00	173.14
Subtotal	<u>0.00</u>	<u>8,714,280.14</u>	<u>596,411.00</u>	<u>41,808.00</u>	<u>33,810.00</u>	<u>2,424.00</u>	<u>303,566.00</u>	<u>9,692,299.14</u>
NET CHANGE IN MEMBERS' EQUITY	<u>(2,707,703.38)</u>	<u>2,438,585.15</u>	<u>29,314.83</u>	<u>19,812.51</u>	<u>781.41</u>	<u>(9,580.34)</u>	<u>(5,943.69)</u>	<u>(234,733.51)</u>

PENNSYLVANIA FAIR PLAN

Members' Account by Policy Year For Active Policy Years at March 31, 2003

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>TOTAL</u>
Premiums Written	3,003,338.00	12,124,154.00	11,309,536.00	11,331,498.00	11,868,602.00	13,311,037.00	14,026,980.00	76,975,145.00
Other Income	16,116.04	27,087.72	4,820.47	7,349.23	10,987.04	(25,672.65)	(15,025.26)	25,662.59
Investment Income Received	2,834.18	39,911.04	158,416.49	206,911.06	162,129.39	83,075.22	132,168.25	785,445.63
Subtotal	<u>3,022,288.22</u>	<u>12,191,152.76</u>	<u>11,472,772.96</u>	<u>11,545,758.29</u>	<u>12,041,718.43</u>	<u>13,368,439.57</u>	<u>14,144,122.99</u>	<u>77,786,253.22</u>
<u>EXPENSES PAID:</u>								
Losses	3,209.70	2,360,723.36	4,846,688.50	5,975,881.08	5,673,555.74	7,493,596.03	8,534,599.45	34,888,253.86
Loss Adjustment Expenses	1,100.31	390,125.68	900,037.23	1,429,876.93	1,491,514.33	1,731,359.74	1,820,323.93	7,764,338.15
Other Underwriting Expenses	763,420.28	3,303,371.86	3,414,976.31	3,215,473.28	3,656,060.86	3,605,030.06	3,567,343.81	21,525,676.46
Premium Tax	60,066.76	242,483.08	225,773.62	221,934.62	242,484.46	266,220.76	280,539.60	1,539,502.90
Commissions	198,980.00	799,211.10	721,782.60	760,228.80	799,745.80	915,298.90	987,253.30	5,182,500.50
Premiums/Assessments Charged-off	0.00	14,198.01	6,225.20	7,140.90	8,431.98	10,920.42	35,738.98	82,655.49
Subtotal	<u>1,026,777.05</u>	<u>7,110,113.09</u>	<u>10,115,483.46</u>	<u>11,610,535.61</u>	<u>11,871,793.17</u>	<u>14,022,425.91</u>	<u>15,225,799.07</u>	<u>70,982,927.36</u>
BALANCE DUE COMPANIES	1,995,511.17	5,081,039.67	1,357,289.50	(64,777.32)	169,925.26	(653,986.34)	(1,081,676.08)	6,803,325.86
<u>ADD:</u>								
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(401,481.55)	0.00	0.00	0.00	0.00	0.00	0.00	(401,481.55)
Subtotal	<u>(401,481.55)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(401,481.55)</u>
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	1,594,029.62	5,081,039.67	1,357,289.50	(64,777.32)	169,925.26	(653,986.34)	(1,081,676.08)	6,401,844.31
<u>DEDUCT:</u>								
Current Unearned Premiums	2,777,781.00	3,458,262.00	0.00	0.00	0.00	0.00	0.00	6,236,043.00
Current Unpaid Losses (Incl. I.B.N.R.)	211,300.00	1,742,220.00	230,713.00	1,500.00	28,900.00	2,000.00	250,500.00	2,467,133.00
Current Unpaid Underwriting Expenses	113,436.00	0.00	0.00	0.00	0.00	0.00	0.00	113,436.00
Current Unpaid Post Retirement Benefits	1,155,047.00	0.00	0.00	0.00	0.00	0.00	0.00	1,155,047.00
Current Unpaid Loss Adjustment Expenses	44,169.00	364,186.00	48,227.00	314.00	6,041.00	418.00	52,363.00	515,718.00
Current Unpaid Premium Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	<u>4,301,733.00</u>	<u>5,564,668.00</u>	<u>278,940.00</u>	<u>1,814.00</u>	<u>34,941.00</u>	<u>2,418.00</u>	<u>302,863.00</u>	<u>10,487,377.00</u>
NET CHANGE IN MEMBERS' EQUITY	<u>(2,707,703.38)</u>	<u>(483,628.33)</u>	<u>1,078,349.50</u>	<u>(66,591.32)</u>	<u>134,984.26</u>	<u>(656,404.34)</u>	<u>(1,384,539.08)</u>	<u>(4,085,532.69)</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 6A

Premium Statistics by Line of Business and Policy Year For the Quarter and Year to Date Ending March 31, 2003

QUARTER AND YEAR

01/01/2003 - 03/31/2003

PREMIUMS WRITTEN

	<u>2003</u>	<u>2002</u>	<u>TOTAL</u>
Fire	2,226,232.00	54,882.00	2,281,114.00
Other Allied Lines	770,876.00	12,975.00	783,851.00
Crime	6,230.00	0.00	6,230.00
Total	<u>3,003,338.00</u>	<u>67,857.00</u>	<u>3,071,195.00</u>

UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD

Fire	0.00	4,588,489.00	4,588,489.00
Other Allied Lines	0.00	1,604,034.00	1,604,034.00
Crime	0.00	18,047.00	18,047.00
Total	<u>0.00</u>	<u>6,210,570.00</u>	<u>6,210,570.00</u>

UNEARNED PREMIUMS AT THE END OF THE PERIOD

Fire	2,063,381.00	2,553,823.00	4,617,204.00
Other Allied Lines	708,903.00	894,454.00	1,603,357.00
Crime	5,497.00	9,985.00	15,482.00
Total	<u>2,777,781.00</u>	<u>3,458,262.00</u>	<u>6,236,043.00</u>

PREMIUMS EARNED

Fire	162,851.00	2,089,548.00	2,252,399.00
Other Allied Lines	61,973.00	722,555.00	784,528.00
Crime	733.00	8,062.00	8,795.00
Total	<u>225,557.00</u>	<u>2,820,165.00</u>	<u>3,045,722.00</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 7B

Loss Adjustment Statistics by Line of Business and Policy Year For the Quarter and Year to Date Ending March 31, 2003

QUARTER AND YEAR TO DATE

01/01/2003 - 03/31/2003

LOSS ADJUSTMENT EXPENSES PAID

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>TOTAL</u>
Fire	38.36	85,676.56	51,954.93	21,107.38	337.59	10,050.95	29,616.92	198,782.69
Other Allied Lines	1,061.95	60,596.28	16,080.54	9,557.45	0.00	(152.11)	1,483.56	88,627.67
Crime	0.00	0.00	1,550.17	0.00	0.00	0.00	0.00	1,550.17
Total	<u>1,100.31</u>	<u>146,272.84</u>	<u>69,585.64</u>	<u>30,664.83</u>	<u>337.59</u>	<u>9,898.84</u>	<u>31,100.48</u>	<u>288,960.53</u>

UNPAID PREVIOUS PERIOD

Fire	0.00	202,356.00	91,622.00	6,567.00	5,910.00	424.00	53,066.00	359,945.00
Other Allied Lines	0.00	33,344.00	12,001.00	741.00	0.00	0.00	0.00	46,086.00
Crime	0.00	84.00	635.00	0.00	0.00	0.00	0.00	719.00
Total	<u>0.00</u>	<u>235,784.00</u>	<u>104,258.00</u>	<u>7,308.00</u>	<u>5,910.00</u>	<u>424.00</u>	<u>53,066.00</u>	<u>406,750.00</u>

UNPAID CURRENT PERIOD

Fire	35,347.00	329,507.00	41,297.00	209.00	6,041.00	418.00	52,363.00	465,182.00
Other Allied Lines	8,801.00	33,362.00	6,303.00	105.00	0.00	0.00	0.00	48,571.00
Crime	21.00	1,317.00	627.00	0.00	0.00	0.00	0.00	1,965.00
Total	<u>44,169.00</u>	<u>364,186.00</u>	<u>48,227.00</u>	<u>314.00</u>	<u>6,041.00</u>	<u>418.00</u>	<u>52,363.00</u>	<u>515,718.00</u>

LOSS ADJUSTMENT EXPENSES INCURRED

Fire	35,385.36	212,827.56	1,629.93	14,749.38	468.59	10,044.95	28,913.92	304,019.69
Other Allied Lines	9,862.95	60,614.28	10,382.54	8,921.45	0.00	(152.11)	1,483.56	91,112.67
Crime	21.00	1,233.00	1,542.17	0.00	0.00	0.00	0.00	2,796.17
Total	<u>45,269.31</u>	<u>274,674.84</u>	<u>13,554.64</u>	<u>23,670.83</u>	<u>468.59</u>	<u>9,892.84</u>	<u>30,397.48</u>	<u>397,928.53</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 8

Report of Catastrophe Losses For the Quarter Ending March 31, 2003

Catastrophe Number	Policy Year	Date of Loss	Line of Business	Unpaid Losses	Losses Paid	Allocated Unpaid Loss Adjustment Expense	Loss Adjustment Expenses Paid
01	2002	03/09/2002	Other	1,000.00	0.00	50.00	0.00
75	2001	11/10/2002	Other	0.00	1,481.46	0.00	419.50
75	2002	11/10/2002	Other	0.00	1,332.94	0.00	821.78
81	2002	01/19/2003	Other	6,000.00	0.00	300.00	3,643.09
82	2002	02/17/2003	Other	6,000.00	0.00	300.00	624.00
83	2002	02/23/2003	Other	5,100.00	638.32	255.00	337.70
TOTAL				18,100.00	3,452.72	905.00	5,846.07