

PENNSYLVANIA FAIR PLAN

EXHIBIT 1

Statement of Assets, Liabilities and Members' Equity At March 31, 2004

	<u>LEDGER ASSETS</u>	<u>ASSETS NOT ADMITTED</u>	<u>NET ADMITTED ASSETS</u>
<u>ASSETS</u>			
Cash	4,539,837.37	0.00	4,539,837.37
Investments	4,332,267.33	0.00	4,332,267.33
Due from Participating Members	0.00	0.00	0.00
Accrued Investment Income	0.00	0.00	0.00
Premiums Receivable	42,816.37	18,196.72	24,619.65
Other Receivables	84,915.13	0.00	84,915.13
Pre-paid Premium Tax	161,317.14	0.00	161,317.14
Pre-paid Expenses	41,806.67	41,806.67	0.00
Furniture & Equipment	229,890.62	229,890.62	0.00
Data Processing Equipment	54,949.48	54,949.48	0.00
Other Assets	10,080.86	10,080.86	0.00
TOTAL ASSETS	<u>9,497,880.97</u>	<u>354,924.35</u>	<u>9,142,956.62</u>
<u>LIABILITIES</u>			
Unpaid Losses (Incl. I.B.N.R.)			2,476,978.00
Unpaid Loss Adjustment Expenses			322,056.00
Unpaid Underwriting Expenses			162,025.00
Unpaid Post Retirement Benefits			2,222,365.00
Unearned Premiums			6,525,493.00
Unearned Advance Premiums			321,516.00
Claims Checks Payable			536,001.23
Amounts Withheld for Accounts of Others			143,919.15
Unpaid Premium Tax			0.00
TOTAL LIABILITIES			<u>12,710,353.38</u>
<u>MEMBERS' EQUITY</u>			
Members' Equity (Deficit)			<u>(3,567,396.76)</u>
			<u>9,142,956.62</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 2

Income Statement for the Quarter and Year to Date Ending March 31, 2004

	<u>Quarter & Year</u> 01/01/ - 03/31/2004
<u>UNDERWRITING INCOME</u>	
Premiums Written	3,190,643.00
Change in Unearned Premiums	18,494.00
Premiums Earned	<u>3,209,137.00</u>
<u>DEDUCTIONS</u>	
Losses Incurred	1,591,502.46
Loss Adjustment Expenses Incurred	325,534.87
Other Underwriting Expenses Incurred	1,112,964.37
Post Retirement Benefits Incurred	(32,729.20)
Premium Tax Incurred	63,812.86
Total Underwriting Deductions	<u>3,061,085.36</u>
Net Underwriting Profit or Loss	148,051.64
<u>OTHER INCOME OR OUTGO</u>	
Net Investment Income	5,828.99
Other Income	19,439.67
Premiums/Assessments Charged-Off	(18,352.92)
Total Other Income or Outgo	<u>6,915.74</u>
Net Result of Operations	154,967.38
<u>EQUITY ACCOUNT</u>	
Beginning Members' Equity	(3,764,621.93)
Net Result of Operations	154,967.38
Change in Assets Not Admitted	<u>42,257.79</u>
MEMBERS' EQUITY (DEFICIT)	<u><u>(3,567,396.76)</u></u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 3

Reconciliation of Ledger Assets As of March 31, 2004

INCREASE IN LEDGER ASSETS

Premiums Written	3,190,643.00
Other Income	19,439.67
Investment Income	5,828.99
Unearned Advance Premiums	76,149.00
Amounts Withheld for Accounts of Others	0.00
Claims Checks Payable	0.00
Premiums/Assessments Charged-Off	0.00
TOTAL	<u>3,292,060.66</u>

DECREASE IN LEDGER ASSETS

Other Income	0.00
Losses Paid	1,299,399.46
Loss Adjustment Expenses Paid	297,716.87
Other Expenses Paid	1,215,592.71
Unearned Advance Premiums	0.00
Amounts Withheld for Accounts of Others	25,379.93
Claims Checks Payable	8,965.06
Premiums/Assessments Charged-Off	18,352.92
TOTAL	<u>2,865,406.95</u>

Increase(Decrease) in Ledger Assets	426,653.71
Ledger Assets at 12-31-2003	<u>9,071,227.26</u>
Ledger Assets at 03-31-2004	<u>9,497,880.97</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 5A

Members' Account by Policy Year For the Quarter and Year to Date Ending March 31, 2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>	<u>TOTAL</u>
Premiums Written	3,070,567.00	120,076.00	0.00	0.00	3,190,643.00	0.00
Other Income	17,853.67	1,586.00	0.00	0.00	19,439.67	0.00
Investment Income Received	5,828.99	0.00	0.00	0.00	5,828.99	0.00
Subtotal	<u>3,094,249.66</u>	<u>121,662.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,215,911.66</u>	<u>0.00</u>
<u>EXPENSES PAID:</u>						
Losses	78,907.82	944,235.05	295,050.45	(18,793.86)	1,299,399.46	0.00
Loss Adjustment Expenses	8,010.12	218,851.66	48,434.57	22,420.52	297,716.87	0.00
Other Underwriting Expenses	792,766.87	115,033.00	0.00	0.00	907,799.87	0.00
Premium Tax	61,411.34	32,090.20	0.00	0.00	93,501.54	0.00
Commissions	206,212.50	8,078.80	0.00	0.00	214,291.30	0.00
Premiums/Assessments Charged-off	0.00	2,299.00	0.00	16,053.92	18,352.92	0.00
Subtotal	<u>1,147,308.65</u>	<u>1,320,587.71</u>	<u>343,485.02</u>	<u>19,680.58</u>	<u>2,831,061.96</u>	<u>0.00</u>
BALANCE DUE COMPANIES	1,946,941.01	(1,198,925.71)	(343,485.02)	(19,680.58)	384,849.70	0.00
<u>DEDUCT:</u>						
Prior Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00
Prior Non-Admitted Assets	0.00	(397,182.14)	0.00	0.00	(397,182.14)	0.00
Subtotal	<u>0.00</u>	<u>(397,182.14)</u>	<u>0.00</u>	<u>0.00</u>	<u>(397,182.14)</u>	<u>0.00</u>
<u>ADD:</u>						
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(354,924.35)	0.00	0.00	0.00	(354,924.35)	0.00
Subtotal	<u>(354,924.35)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(354,924.35)</u>	<u>0.00</u>
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	1,592,016.66	(801,743.57)	(343,485.02)	(19,680.58)	427,107.49	0.00
<u>DEDUCT:</u>						
Current Unearned Premiums	2,870,603.00	3,654,890.00	0.00	0.00	6,525,493.00	0.00
Current Unpaid Losses (Incl. I.B.N.R.)	146,600.00	2,219,578.00	95,300.00	15,500.00	2,476,978.00	0.00
Current Unpaid Underwriting Expenses	162,025.00	0.00	0.00	0.00	162,025.00	0.00
Current Unpaid Post Retirement Benefits	2,222,365.00	0.00	0.00	0.00	2,222,365.00	0.00
Current Unpaid Loss Adjustment Expenses	19,061.00	288,589.00	12,391.00	2,015.00	322,056.00	0.00
Current Unpaid Premium Tax	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	<u>5,420,654.00</u>	<u>6,163,057.00</u>	<u>107,691.00</u>	<u>17,515.00</u>	<u>11,708,917.00</u>	<u>0.00</u>
<u>ADD:</u>						
Prior Unearned Premiums	0.00	6,543,987.00	0.00	0.00	6,543,987.00	0.00
Prior Unpaid Losses (Incl. I.B.N.R.)	0.00	1,742,435.00	426,940.00	15,500.00	2,184,875.00	0.00
Prior Unpaid Underwriting Expenses	0.00	115,033.00	0.00	0.00	115,033.00	0.00
Prior Unpaid Post Retirement Benefits	0.00	2,311,213.00	0.00	0.00	2,311,213.00	0.00
Prior Unpaid Loss Adjustment Expenses	0.00	234,655.00	57,496.00	2,087.00	294,238.00	0.00
Prior Unpaid Premium Tax	0.00	29,688.68	0.00	0.00	29,688.68	0.00
Subtotal	<u>0.00</u>	<u>10,977,011.68</u>	<u>484,436.00</u>	<u>17,587.00</u>	<u>11,479,034.68</u>	<u>0.00</u>
Distribution of Policy Year 2001	0.00	0.00	0.00	0.00	0.00	0.00
Distribution of Policy Year 2002	0.00	0.00	0.00	0.00	0.00	0.00
Distribution of Policy Year 2003	0.00	0.00	0.00	0.00	0.00	0.00
NET CHANGE IN MEMBERS' EQUITY	<u>(3,828,637.34)</u>	<u>4,012,211.11</u>	<u>33,259.98</u>	<u>(19,608.58)</u>	<u>197,225.17</u>	<u>0.00</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 5C

Members' Account by Policy Year For Active Policy Years at March 31, 2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>	<u>TOTAL</u>
Premiums Written	3,070,567.00	12,880,933.00	12,109,324.00	11,309,536.00	39,370,360.00	0.00
Other Income	17,853.67	80,667.71	27,087.72	5,615.60	131,224.70	0.00
Investment Income Received	5,828.99	19,356.83	39,911.04	158,416.49	223,513.35	0.00
Subtotal	3,094,249.66	12,980,957.54	12,176,322.76	11,473,568.09	39,725,098.05	0.00
EXPENSES PAID:						
Losses	78,907.82	2,304,020.07	5,450,575.44	4,695,912.52	12,529,415.85	0.00
Loss Adjustment Expenses	8,010.12	459,702.28	871,934.23	784,076.43	2,123,723.06	0.00
Other Underwriting Expenses	792,766.87	3,540,611.81	3,303,371.86	3,414,976.31	11,051,726.85	0.00
Premium Tax	61,411.34	257,618.66	242,186.48	225,773.62	786,990.10	0.00
Commissions	206,212.50	849,213.80	798,235.90	721,782.60	2,575,444.80	0.00
Premiums/Assessments Charged-off	0.00	7,048.00	17,527.61	36,777.19	61,352.80	0.00
Subtotal	1,147,308.65	7,418,214.62	10,683,831.52	9,879,298.67	29,128,653.46	0.00
BALANCE DUE COMPANIES	1,946,941.01	5,562,742.92	1,492,491.24	1,594,269.42	10,596,444.59	0.00
ADD:						
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(354,924.35)	0.00	0.00	0.00	(354,924.35)	0.00
Subtotal	(354,924.35)	0.00	0.00	0.00	(354,924.35)	0.00
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	1,592,016.66	5,562,742.92	1,492,491.24	1,594,269.42	10,241,520.24	0.00
DEDUCT:						
Current Unearned Premiums	2,870,603.00	3,654,890.00	0.00	0.00	6,525,493.00	0.00
Current Unpaid Losses (Incl. I.B.N.R.)	146,600.00	2,219,578.00	95,300.00	15,500.00	2,476,978.00	0.00
Current Unpaid Underwriting Expenses	162,025.00	0.00	0.00	0.00	162,025.00	0.00
Current Unpaid Post Retirement Benefits	2,222,365.00	0.00	0.00	0.00	2,222,365.00	0.00
Current Unpaid Loss Adjustment Expenses	19,061.00	288,589.00	12,391.00	2,015.00	322,056.00	0.00
Current Unpaid Premium Tax	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	5,420,654.00	6,163,057.00	107,691.00	17,515.00	11,708,917.00	0.00
Distribution of Policy Year 2001	0.00	0.00	0.00	(1,000,000.00)	(1,000,000.00)	0.00
Distribution of Policy Year 2002	0.00	0.00	(250,000.00)	0.00	(250,000.00)	0.00
Distribution of Policy Year 2003	0.00	(850,000.00)	0.00	0.00	(850,000.00)	0.00
NET CHANGE IN MEMBERS' EQUITY	(3,828,637.34)	(1,450,314.08)	1,134,800.24	576,754.42	(3,567,396.76)	0.00

PENNSYLVANIA FAIR PLAN

EXHIBIT 6A

Premium Statistics by Line of Business and Policy Year For the Quarter and Year to Date Ending March 31, 2004

QUARTER AND YEAR

01/01/2004 - 03/31/2004

	<u>PREMIUMS WRITTEN</u>		
	<u>2004</u>	<u>2003</u>	<u>TOTAL</u>
Fire	2,274,783.00	92,024.00	2,366,807.00
Other Allied Lines	789,144.00	27,922.00	817,066.00
Crime	6,640.00	130.00	6,770.00
Total	<u>3,070,567.00</u>	<u>120,076.00</u>	<u>3,190,643.00</u>

UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD

Fire	0.00	4,827,945.00	4,827,945.00
Other Allied Lines	0.00	1,700,147.00	1,700,147.00
Crime	0.00	15,895.00	15,895.00
Total	<u>0.00</u>	<u>6,543,987.00</u>	<u>6,543,987.00</u>

UNEARNED PREMIUMS AT THE END OF THE PERIOD

Fire	2,131,980.00	2,693,820.00	4,825,800.00
Other Allied Lines	732,705.00	952,354.00	1,685,059.00
Crime	5,918.00	8,716.00	14,634.00
Total	<u>2,870,603.00</u>	<u>3,654,890.00</u>	<u>6,525,493.00</u>

PREMIUMS EARNED

Fire	142,803.00	2,226,149.00	2,368,952.00
Other Allied Lines	56,439.00	775,715.00	832,154.00
Crime	722.00	7,309.00	8,031.00
Total	<u>199,964.00</u>	<u>3,009,173.00</u>	<u>3,209,137.00</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 6B

Premium Statistics by Class of Business and Policy Year For Terrorism Reporting Requirements Only For the Quarter and Year to Date Ending March 31, 2004

QUARTER

01/01/2004 - 03/31/2004

PREMIUMS WRITTEN

	<u>2004</u>	<u>2003</u>	<u>TOTAL</u>
Habitational (Owner Occupied)	1,821,013.00	73,907.00	1,894,920.00
Habitational (Non-Owner Occupied)	807,303.00	32,886.00	840,189.00
Commercial	442,251.00	13,283.00	455,534.00
Total	3,070,567.00	120,076.00	3,190,643.00

UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD

Habitational (Owner Occupied)	0.00	4,173,351.00	4,173,351.00
Habitational (Non-Owner Occupied)	0.00	1,744,250.00	1,744,250.00
Commercial	0.00	626,386.00	626,386.00
Total	0.00	6,543,987.00	6,543,987.00

UNEARNED PREMIUMS AT THE END OF THE PERIOD

Habitational (Owner Occupied)	1,620,361.00	2,065,745.00	3,686,106.00
Habitational (Non-Owner Occupied)	717,805.00	914,185.00	1,631,990.00
Commercial	532,437.00	674,960.00	1,207,397.00
Total	2,870,603.00	3,654,890.00	6,525,493.00

PREMIUMS EARNED

Habitational (Owner Occupied)	200,652.00	2,181,513.00	2,382,165.00
Habitational (Non-Owner Occupied)	89,498.00	862,951.00	952,449.00
Commercial	(90,186.00)	(35,291.00)	(125,477.00)
Total	199,964.00	3,009,173.00	3,209,137.00

Premiums Earned for
Terrorism Reporting

Requirements	(688.00)	827,660.00	826,972.00
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NOTE: Terrorism Reporting Requirements include: Habitational (Non-Owner Occupied) & Commercial lines for Premiums Earned only!

PENNSYLVANIA FAIR PLAN

EXHIBIT 7A

Loss Statistics by Line of Business and Policy Year For the Quarter and Year to Date Ending March 31, 2004

QUARTER AND YEAR TO DATE

01/01/2004 - 03/31/2004

	<u>LOSSES PAID</u>				<u>TOTAL</u>
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	
Fire	78,122.70	769,721.50	260,165.33	(17,139.73)	1,090,869.80
Other Allied Lines	785.12	164,045.05	32,331.19	(1,654.13)	195,507.23
Crime	0.00	10,468.50	2,553.93	0.00	13,022.43
Total	<u>78,907.82</u>	<u>944,235.05</u>	<u>295,050.45</u>	<u>(18,793.86)</u>	<u>1,299,399.46</u>
	<u>UNPAID PREVIOUS PERIOD (INCL. I.B.N.R.)</u>				
Fire	0.00	1,412,301.00	323,000.00	15,500.00	1,750,801.00
Other Allied Lines	0.00	323,834.00	100,940.00	0.00	424,774.00
Crime	0.00	6,300.00	3,000.00	0.00	9,300.00
Total	<u>0.00</u>	<u>1,742,435.00</u>	<u>426,940.00</u>	<u>15,500.00</u>	<u>2,184,875.00</u>
	<u>UNPAID CURRENT PERIOD (INCL. I.B.N.R.)</u>				
Fire	126,700.00	1,934,203.00	77,100.00	15,500.00	2,153,503.00
Other Allied Lines	19,800.00	282,175.00	18,200.00	0.00	320,175.00
Crime	100.00	3,200.00	0.00	0.00	3,300.00
Total	<u>146,600.00</u>	<u>2,219,578.00</u>	<u>95,300.00</u>	<u>15,500.00</u>	<u>2,476,978.00</u>
	<u>LOSSES INCURRED</u>				
Fire	204,822.70	1,291,623.50	14,265.33	(17,139.73)	1,493,571.80
Other Allied Lines	20,585.12	122,386.05	(50,408.81)	(1,654.13)	90,908.23
Crime	100.00	7,368.50	(446.07)	0.00	7,022.43
Total	<u>225,507.82</u>	<u>1,421,378.05</u>	<u>(36,589.55)</u>	<u>(18,793.86)</u>	<u>1,591,502.46</u>
	<u>I.B.N.R. (CURRENT PERIOD)</u>				
Fire	22,700.00	66,400.00	0.00	0.00	89,100.00
Other Allied Lines	7,800.00	23,400.00	0.00	0.00	31,200.00
Crime	100.00	200.00	0.00	0.00	300.00
Total	<u>30,600.00</u>	<u>90,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>120,600.00</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, 2004

QUARTER AND YEAR TO DATE

01/01/2004 - 03/31/2004

LOSS ADJUSTMENT EXPENSES PAID

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Fire	6,393.97	117,135.66	36,046.61	22,019.11	181,595.35
Other Allied Lines	1,616.15	100,092.62	12,103.18	401.41	114,213.36
Crime	0.00	1,623.38	284.78	0.00	1,908.16
Total	<u>8,010.12</u>	<u>218,851.66</u>	<u>48,434.57</u>	<u>22,420.52</u>	<u>297,716.87</u>

UNPAID PREVIOUS PERIOD

Fire	0.00	190,195.00	43,499.00	2,087.00	235,781.00
Other Allied Lines	0.00	43,611.00	13,593.00	0.00	57,204.00
Crime	0.00	849.00	404.00	0.00	1,253.00
Total	<u>0.00</u>	<u>234,655.00</u>	<u>57,496.00</u>	<u>2,087.00</u>	<u>294,238.00</u>

UNPAID CURRENT PERIOD

Fire	16,474.00	251,484.00	10,024.00	2,015.00	279,997.00
Other Allied Lines	2,574.00	36,689.00	2,367.00	0.00	41,630.00
Crime	13.00	416.00	0.00	0.00	429.00
Total	<u>19,061.00</u>	<u>288,589.00</u>	<u>12,391.00</u>	<u>2,015.00</u>	<u>322,056.00</u>

LOSS ADJUSTMENT EXPENSES INCURRED

Fire	22,867.97	178,424.66	2,571.61	21,947.11	225,811.35
Other Allied Lines	4,190.15	93,170.62	877.18	401.41	98,639.36
Crime	13.00	1,190.38	(119.22)	0.00	1,084.16
Total	<u>27,071.12</u>	<u>272,785.66</u>	<u>3,329.57</u>	<u>22,348.52</u>	<u>325,534.87</u>

PENNSYLVANIA FAIR PLAN

Report of Catastrophe Losses For the Quarter Ending March 31, 2004

Catastrophe Number	Policy Year	Date of Loss	Line of Business	Unpaid Losses	Losses Paid	Allocated Unpaid Loss Adjustment Expense	Loss Adjustment Expenses Paid
13	2003	01/12/2004	Other	0.00	7,720.82	0.00	1,903.40
82	2002	02/17/2003	Other	0.00	3,019.95	0.00	0.00
82	2003	02/17/2003	Other	0.00	0.00	0.00	0.00
89	2002	07/07/2003	Other	0.00	0.00	0.00	333.00
89	2003	07/07/2003	Other	2,000.00	0.00	100.00	0.00
95	2002	09/18/2003	Other	0.00	9,847.04	0.00	1,385.23
95	2003	09/18/2003	Other	10,000.00	4,378.24	500.00	4,710.31
96	2002	10/15/2003	Other	0.00	2,723.77	0.00	891.00
96	2003	10/15/2003	Other	1,500.00	3,150.69	75.00	2,814.40
99	2002	11/12/2003	Other	1,200.00	807.09	60.00	396.00
99	2003	11/12/2003	Other	5,000.00	30,788.30	250.00	9,537.20
TOTAL				19,700.00	62,435.90	985.00	21,970.54