

PENNSYLVANIA FAIR PLAN

EXHIBIT 1

Statement of Assets, Liabilities and Members' Equity At June 30, 2004

	<u>LEDGER ASSETS</u>	<u>ASSETS NOT ADMITTED</u>	<u>NET ADMITTED ASSETS</u>
<u>ASSETS</u>			
Cash	4,876,972.29	0.00	4,876,972.29
Investments	4,340,138.69	0.00	4,340,138.69
Due from Participating Members	0.00	0.00	0.00
Accrued Investment Income	0.00	0.00	0.00
Premiums Receivable	52,448.70	27,901.10	24,547.60
Other Receivables	56,167.66	0.00	56,167.66
Pre-paid Premium Tax	92,329.98	0.00	92,329.98
Pre-paid Expenses	28,293.83	28,293.83	0.00
Furniture & Equipment	219,481.97	219,481.97	0.00
Data Processing Equipment	50,776.08	50,776.08	0.00
Other Assets	6,519.86	6,519.86	0.00
TOTAL ASSETS	9,723,129.06	332,972.84	9,390,156.22
<u>LIABILITIES</u>			
Unpaid Losses (Incl. I.B.N.R.)			2,183,205.00
Unpaid Loss Adjustment Expenses			280,688.00
Unpaid Underwriting Expenses			64,532.00
Unpaid Post Retirement Benefits			2,285,980.00
Unearned Premiums			6,722,138.00
Unearned Advance Premiums			376,260.00
Claims Checks Payable			445,637.69
Amounts Withheld for Accounts of Others			156,592.15
Unpaid Premium Tax			0.00
TOTAL LIABILITIES			12,515,032.84
<u>MEMBERS' EQUITY</u>			
Members' Equity (Deficit)			(3,124,876.62)
TOTAL LIABILITIES & MEMBERS' EQUITY			9,390,156.22

PENNSYLVANIA FAIR PLAN

EXHIBIT 2

Income Statement for the Quarter and Year to Date Ending June 30, 2004

	<u>Quarter</u>	<u>Year</u>
	04/01/ - 06/30/2004	01/01/ - 06/30/2004
<u>UNDERWRITING INCOME</u>		
Premiums Written	3,449,358.00	6,640,001.00
Change in Unearned Premiums	(196,645.00)	(178,151.00)
Premiums Earned	<u>3,252,713.00</u>	<u>6,461,850.00</u>
<u>DEDUCTIONS</u>		
Losses Incurred	1,283,505.00	2,875,007.46
Loss Adjustment Expenses Incurred	296,064.29	621,599.16
Other Underwriting Expenses Incurred	1,077,662.24	2,190,626.61
Post Retirement Benefits Incurred	124,104.20	91,375.00
Premium Tax Incurred	68,987.16	132,800.02
Total Underwriting Deductions	<u>2,850,322.89</u>	<u>5,911,408.25</u>
Net Underwriting Profit or Loss	402,390.11	550,441.75
<u>OTHER INCOME OR OUTGO</u>		
Net Investment Income	7,871.36	13,700.35
Other Income	11,331.59	30,771.26
Premiums/Assessments Charged-Off	(1,024.43)	(19,377.35)
Total Other Income or Outgo	<u>18,178.52</u>	<u>25,094.26</u>
Net Result of Operations	420,568.63	575,536.01
<u>EQUITY ACCOUNT</u>		
Beginning Members' Equity	(3,567,396.76)	(3,764,621.93)
Net Result of Operations	420,568.63	575,536.01
Change in Assets Not Admitted	<u>21,951.51</u>	<u>64,209.30</u>
MEMBERS' EQUITY (DEFICIT)	<u><u>(3,124,876.62)</u></u>	<u><u>(3,124,876.62)</u></u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 3

Reconciliation of Ledger Assets As of June 30, 2004

INCREASE IN LEDGER ASSETS

Premiums Written	6,640,001.00
Other Income	30,771.26
Investment Income	13,700.35
Unearned Advance Premiums	130,893.00
Amounts Withheld for Accounts of Others	0.00
Claims Checks Payable	0.00
Premiums/Assessments Charged-Off	0.00
TOTAL	<u>6,815,365.61</u>

DECREASE IN LEDGER ASSETS

Other Income	0.00
Losses Paid	2,876,677.46
Loss Adjustment Expenses Paid	635,149.16
Other Expenses Paid	2,520,224.31
Unearned Advance Premiums	0.00
Amounts Withheld for Accounts of Others	12,706.93
Claims Checks Payable	99,328.60
Premiums/Assessments Charged-Off	19,377.35
TOTAL	<u>6,163,463.81</u>

Increase(Decrease) in Ledger Assets	651,901.80
Ledger Assets at 12/31/2003	<u>9,071,227.26</u>
Ledger Assets at 06/30/2004	<u>9,723,129.06</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 5A

Members' Account by Policy Year For the Quarter Ending June 30, 2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Premiums Written	3,460,181.00	(10,823.00)	0.00	0.00	3,449,358.00
Other Income	11,331.59	0.00	0.00	0.00	11,331.59
Investment Income Received	7,871.36	0.00	0.00	0.00	7,871.36
Subtotal	3,479,383.95	(10,823.00)	0.00	0.00	3,468,560.95
<u>EXPENSES PAID:</u>					
Losses	169,497.00	1,379,054.11	17,463.96	11,262.93	1,577,278.00
Loss Adjustment Expenses	30,586.27	216,999.81	26,877.13	62,969.08	337,432.29
Other Underwriting Expenses	999,789.84	0.00	0.00	0.00	999,789.84
Premium Tax	69,203.62	(216.46)	0.00	0.00	68,987.16
Commissions	236,585.70	(731.10)	0.00	0.00	235,854.60
Premiums/Assessments Charged-off	0.00	1,790.52	0.00	(766.09)	1,024.43
Subtotal	1,505,662.43	1,596,896.88	44,341.09	73,465.92	3,220,366.32
BALANCE DUE COMPANIES	1,973,721.52	(1,607,719.88)	(44,341.09)	(73,465.92)	248,194.63
<u>DEDUCT:</u>					
Prior Investment Income Accrued	0.00	0.00	0.00	0.00	0.00
Prior Non-Admitted Assets	(354,924.35)	0.00	0.00	0.00	(354,924.35)
Subtotal	(354,924.35)	0.00	0.00	0.00	(354,924.35)
<u>ADD:</u>					
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(332,972.84)	0.00	0.00	0.00	(332,972.84)
Subtotal	(332,972.84)	0.00	0.00	0.00	(332,972.84)
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	1,995,673.03	(1,607,719.88)	(44,341.09)	(73,465.92)	270,146.14
<u>DEDUCT:</u>					
Current Unearned Premiums	5,126,061.00	1,596,077.00	0.00	0.00	6,722,138.00
Current Unpaid Losses (Incl. I.B.N.R.)	359,165.00	1,795,040.00	28,500.00	500.00	2,183,205.00
Current Unpaid Underwriting Expenses	64,532.00	0.00	0.00	0.00	64,532.00
Current Unpaid Post Retirement Benefits	2,285,980.00	0.00	0.00	0.00	2,285,980.00
Current Unpaid Loss Adjustment Expenses	46,176.00	230,783.00	3,665.00	64.00	280,688.00
Current Unpaid Premium Tax	0.00	0.00	0.00	0.00	0.00
Subtotal	7,881,914.00	3,621,900.00	32,165.00	564.00	11,536,543.00
<u>ADD:</u>					
Prior Unearned Premiums	2,870,603.00	3,654,890.00	0.00	0.00	6,525,493.00
Prior Unpaid Losses (Incl. I.B.N.R.)	146,600.00	2,219,578.00	95,300.00	15,500.00	2,476,978.00
Prior Unpaid Underwriting Expenses	162,025.00	0.00	0.00	0.00	162,025.00
Prior Unpaid Post Retirement Benefits	2,222,365.00	0.00	0.00	0.00	2,222,365.00
Prior Unpaid Loss Adjustment Expenses	19,061.00	288,589.00	12,391.00	2,015.00	322,056.00
Prior Unpaid Premium Tax	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
Distribution of Policy Year 2001	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
Distribution of Policy Year 2003	0.00	0.00	0.00	0.00	0.00
NET CHANGE IN MEMBERS' EQUITY	(465,586.97)	933,437.12	31,184.91	(56,514.92)	442,520.14

PENNSYLVANIA FAIR PLAN

EXHIBIT 5B

Members' Account by Policy Year Year to Date Ending June 30, 2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Premiums Written	6,530,748.00	109,253.00	0.00	0.00	6,640,001.00
Other Income	29,185.26	1,586.00	0.00	0.00	30,771.26
Investment Income Received	13,700.35	0.00	0.00	0.00	13,700.35
Subtotal	6,573,633.61	110,839.00	0.00	0.00	6,684,472.61
<u>EXPENSES PAID:</u>					
Losses	248,404.82	2,323,289.16	312,514.41	(7,530.93)	2,876,677.46
Loss Adjustment Expenses	38,596.39	435,851.47	75,311.70	85,389.60	635,149.16
Other Underwriting Expenses	1,792,556.71	115,033.00	0.00	0.00	1,907,589.71
Premium Tax	130,614.96	31,873.74	0.00	0.00	162,488.70
Commissions	442,798.20	7,347.70	0.00	0.00	450,145.90
Premiums/Assessments Charged-off	0.00	4,089.52	0.00	15,287.83	19,377.35
Subtotal	2,652,971.08	2,917,484.59	387,826.11	93,146.50	6,051,428.28
BALANCE DUE COMPANIES	3,920,662.53	(2,806,645.59)	(387,826.11)	(93,146.50)	633,044.33
<u>DEDUCT:</u>					
Prior Investment Income Accrued	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)
Subtotal	0.00	(397,182.14)	0.00	0.00	(397,182.14)
<u>ADD:</u>					
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(332,972.84)	0.00	0.00	0.00	(332,972.84)
Subtotal	(332,972.84)	0.00	0.00	0.00	(332,972.84)
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	3,587,689.69	(2,409,463.45)	(387,826.11)	(93,146.50)	697,253.63
<u>DEDUCT:</u>					
Current Unearned Premiums	5,126,061.00	1,596,077.00	0.00	0.00	6,722,138.00
Current Unpaid Losses (Incl. I.B.N.R.)	359,165.00	1,795,040.00	28,500.00	500.00	2,183,205.00
Current Unpaid Underwriting Expenses	64,532.00	0.00	0.00	0.00	64,532.00
Current Unpaid Post Retirement Benefits	2,285,980.00	0.00	0.00	0.00	2,285,980.00
Current Unpaid Loss Adjustment Expenses	46,176.00	230,783.00	3,665.00	64.00	280,688.00
Current Unpaid Premium Tax	0.00	0.00	0.00	0.00	0.00
Subtotal	7,881,914.00	3,621,900.00	32,165.00	564.00	11,536,543.00
<u>ADD:</u>					
Prior Unearned Premiums	0.00	6,543,987.00	0.00	0.00	6,543,987.00
Prior Unpaid Losses (Incl. I.B.N.R.)	0.00	1,742,435.00	426,940.00	15,500.00	2,184,875.00
Prior Unpaid Underwriting Expenses	0.00	115,033.00	0.00	0.00	115,033.00
Prior Unpaid Post Retirement Benefits	0.00	2,311,213.00	0.00	0.00	2,311,213.00
Prior Unpaid Loss Adjustment Expenses	0.00	234,655.00	57,496.00	2,087.00	294,238.00
Prior Unpaid Premium Tax	0.00	29,688.68	0.00	0.00	29,688.68
Subtotal	0.00	10,977,011.68	484,436.00	17,587.00	11,479,034.68
Distribution of Policy Year 2001	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
Distribution of Policy Year 2003	0.00	0.00	0.00	0.00	0.00
NET CHANGE IN MEMBERS' EQUITY	(4,294,224.31)	4,945,648.23	64,444.89	(76,123.50)	639,745.31

PENNSYLVANIA FAIR PLAN

Members' Account by Policy Year For Active Policy Years at June 30, 2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Premiums Written	6,530,748.00	12,870,110.00	12,109,324.00	11,309,536.00	42,819,718.00
Other Income	29,185.26	80,667.71	27,087.72	5,615.60	142,556.29
Investment Income Received	13,700.35	19,356.83	39,911.04	158,416.49	231,384.71
Subtotal	<u>6,573,633.61</u>	<u>12,970,134.54</u>	<u>12,176,322.76</u>	<u>11,473,568.09</u>	<u>43,193,659.00</u>
<u>EXPENSES PAID:</u>					
Losses	248,404.82	3,683,074.18	5,468,039.40	4,707,175.45	14,106,693.85
Loss Adjustment Expenses	38,596.39	676,702.09	898,811.36	847,045.51	2,461,155.35
Other Underwriting Expenses	1,792,556.71	3,540,611.81	3,303,371.86	3,414,976.31	12,051,516.69
Premium Tax	130,614.96	257,402.20	242,186.48	225,773.62	855,977.26
Commissions	442,798.20	848,482.70	798,235.90	721,782.60	2,811,299.40
Premiums/Assessments Charged-off	0.00	8,838.52	17,527.61	36,011.10	62,377.23
Subtotal	<u>2,652,971.08</u>	<u>9,015,111.50</u>	<u>10,728,172.61</u>	<u>9,952,764.59</u>	<u>32,349,019.78</u>
BALANCE DUE COMPANIES	3,920,662.53	3,955,023.04	1,448,150.15	1,520,803.50	10,844,639.22
<u>ADD:</u>					
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(332,972.84)	0.00	0.00	0.00	(332,972.84)
Subtotal	<u>(332,972.84)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(332,972.84)</u>
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	3,587,689.69	3,955,023.04	1,448,150.15	1,520,803.50	10,511,666.38
<u>DEDUCT:</u>					
Current Unearned Premiums	5,126,061.00	1,596,077.00	0.00	0.00	6,722,138.00
Current Unpaid Losses (Incl. I.B.N.R.)	359,165.00	1,795,040.00	28,500.00	500.00	2,183,205.00
Current Unpaid Underwriting Expenses	64,532.00	0.00	0.00	0.00	64,532.00
Current Unpaid Post Retirement Benefits	2,285,980.00	0.00	0.00	0.00	2,285,980.00
Current Unpaid Loss Adjustment Expenses	46,176.00	230,783.00	3,665.00	64.00	280,688.00
Current Unpaid Premium Tax	0.00	0.00	0.00	0.00	0.00
Subtotal	<u>7,881,914.00</u>	<u>3,621,900.00</u>	<u>32,165.00</u>	<u>564.00</u>	<u>11,536,543.00</u>
Distribution of Policy Year 2001	0.00	0.00	0.00	(1,000,000.00)	(1,000,000.00)
Distribution of Policy Year 2002	0.00	0.00	(250,000.00)	0.00	(250,000.00)
Distribution of Policy Year 2003	0.00	(850,000.00)	0.00	0.00	(850,000.00)
NET CHANGE IN MEMBERS' EQUITY	<u>(4,294,224.31)</u>	<u>(516,876.96)</u>	<u>1,165,985.15</u>	<u>520,239.50</u>	<u>(3,124,876.62)</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 6A

Premium Statistics by Line of Business and Policy Year For the Quarter and Year to Date Ending June 30, 2004

	<u>QUARTER</u>			<u>YEAR</u>		
	04/01/2004 - 06/30/2004			01/01/2004 - 06/30/2004		
	<u>PREMIUMS WRITTEN</u>					
	<u>2004</u>	<u>2003</u>	<u>TOTAL</u>	<u>2004</u>	<u>2003</u>	<u>TOTAL</u>
Fire	2,574,954.00	(10,288.00)	2,564,666.00	4,849,737.00	81,736.00	4,931,473.00
Other Allied Lines	878,139.00	(535.00)	877,604.00	1,667,283.00	27,387.00	1,694,670.00
Crime	7,088.00	0.00	7,088.00	13,728.00	130.00	13,858.00
Total	3,460,181.00	(10,823.00)	3,449,358.00	6,530,748.00	109,253.00	6,640,001.00
	<u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u>					
Fire	2,131,980.00	2,693,820.00	4,825,800.00	0.00	4,827,945.00	4,827,945.00
Other Allied Lines	732,705.00	952,354.00	1,685,059.00	0.00	1,700,147.00	1,700,147.00
Crime	5,918.00	8,716.00	14,634.00	0.00	15,895.00	15,895.00
Total	2,870,603.00	3,654,890.00	6,525,493.00	0.00	6,543,987.00	6,543,987.00
	<u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u>					
Fire	3,812,936.00	1,175,066.00	4,988,002.00	3,812,936.00	1,175,066.00	4,988,002.00
Other Allied Lines	1,302,806.00	417,622.00	1,720,428.00	1,302,806.00	417,622.00	1,720,428.00
Crime	10,319.00	3,389.00	13,708.00	10,319.00	3,389.00	13,708.00
Total	5,126,061.00	1,596,077.00	6,722,138.00	5,126,061.00	1,596,077.00	6,722,138.00
	<u>PREMIUMS EARNED</u>					
Fire	893,998.00	1,508,466.00	2,402,464.00	1,036,801.00	3,734,615.00	4,771,416.00
Other Allied Lines	308,038.00	534,197.00	842,235.00	364,477.00	1,309,912.00	1,674,389.00
Crime	2,687.00	5,327.00	8,014.00	3,409.00	12,636.00	16,045.00
Total	1,204,723.00	2,047,990.00	3,252,713.00	1,404,687.00	5,057,163.00	6,461,850.00

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 June 30, 2004**

	<u>QUARTER</u>			<u>Year</u>		
	04/01/2004 - 06/30/2004			01/01/2004 - 06/30/2004		
	<u>PREMIUMS WRITTEN</u>					
	<u>2004</u>	<u>2003</u>	<u>TOTAL</u>	<u>2004</u>	<u>2003</u>	<u>TOTAL</u>
Habitational (Owner Occupied)	2,031,808.00	(5,831.00)	2,025,977.00	3,852,821.00	68,076.00	3,920,897.00
Habitational (Non-Owner Occupied)	930,149.00	(2,741.00)	927,408.00	1,737,452.00	30,145.00	1,767,597.00
Commercial	498,224.00	(2,251.00)	495,973.00	940,475.00	11,032.00	951,507.00
Total	3,460,181.00	(10,823.00)	3,449,358.00	6,530,748.00	109,253.00	6,640,001.00
	<u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u>					
Habitational (Owner Occupied)	1,620,361.00	2,065,745.00	3,686,106.00	0.00	4,173,351.00	4,173,351.00
Habitational (Non-Owner Occupied)	717,805.00	914,185.00	1,631,990.00	0.00	1,744,250.00	1,744,250.00
Commercial	532,437.00	674,960.00	1,207,397.00	0.00	626,386.00	626,386.00
Total	2,870,603.00	3,654,890.00	6,525,493.00	0.00	6,543,987.00	6,543,987.00
	<u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u>					
Habitational (Owner Occupied)	3,060,498.00	953,981.00	4,014,479.00	3,060,498.00	953,981.00	4,014,479.00
Habitational (Non-Owner Occupied)	1,401,111.00	436,167.00	1,837,278.00	1,401,111.00	436,167.00	1,837,278.00
Commercial	664,452.00	205,929.00	870,381.00	664,452.00	205,929.00	870,381.00
Total	5,126,061.00	1,596,077.00	6,722,138.00	5,126,061.00	1,596,077.00	6,722,138.00
	<u>PREMIUMS EARNED</u>					
Habitational (Owner Occupied)	591,671.00	1,105,933.00	1,697,604.00	792,323.00	3,287,446.00	4,079,769.00
Habitational (Non-Owner Occupied)	246,843.00	475,277.00	722,120.00	336,341.00	1,338,228.00	1,674,569.00
Commercial	366,209.00	466,780.00	832,989.00	276,023.00	431,489.00	707,512.00
Total	1,204,723.00	2,047,990.00	3,252,713.00	1,404,687.00	5,057,163.00	6,461,850.00
Premiums Earned for Terrorism Reporting Requirements	613,052.00	942,057.00	1,555,109.00	612,364.00	1,769,717.00	2,382,081.00

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 June 30, 2004

QUARTER

04/01/2004 - 06/30/2004

	<u>LOSSES PAID</u>				<u>TOTAL</u>
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	
Fire	150,804.37	1,226,434.50	26,876.13	12,180.77	1,416,295.77
Other Allied Lines	18,692.63	151,401.79	(9,412.17)	(917.84)	159,764.41
Crime	0.00	1,217.82	0.00	0.00	1,217.82
Total	<u>169,497.00</u>	<u>1,379,054.11</u>	<u>17,463.96</u>	<u>11,262.93</u>	<u>1,577,278.00</u>
<u>UNPAID PREVIOUS 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>UNPAID CURRENT PERIOD (INCL. I.B.N.R.)</u>					
Fire	278,965.00	1,634,233.00	2,000.00	500.00	1,915,698.00
Other Allied Lines	80,100.00	160,607.00	26,500.00	0.00	267,207.00
Crime	100.00	200.00	0.00	0.00	300.00
Total	<u>359,165.00</u>	<u>1,795,040.00</u>	<u>28,500.00</u>	<u>500.00</u>	<u>2,183,205.00</u>
<u>LOSSES INCURRED</u>					
Fire	303,069.37	926,464.50	(48,223.87)	(2,819.23)	1,178,490.77
Other Allied Lines	78,992.63	29,833.79	(1,112.17)	(917.84)	106,796.41
Crime	0.00	(1,782.18)	0.00	0.00	(1,782.18)
Total	<u>382,062.00</u>	<u>954,516.11</u>	<u>(49,336.04)</u>	<u>(3,737.07)</u>	<u>1,283,505.00</u>
<u>YEAR TO DATE</u>					
01/01/2004 - 06/30/2004					
<u>LOSSES PAID</u>					
Fire	228,927.07	1,996,156.00	287,041.46	(4,958.96)	2,507,165.57
Other Allied Lines	19,477.75	315,446.84	22,919.02	(2,571.97)	355,271.64
Crime	0.00	11,686.32	2,553.93	0.00	14,240.25
Total	<u>248,404.82</u>	<u>2,323,289.16</u>	<u>312,514.41</u>	<u>(7,530.93)</u>	<u>2,876,677.46</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	278,965.00	1,634,233.00	2,000.00	500.00	1,915,698.00
Other Allied Lines	80,100.00	160,607.00	26,500.00	0.00	267,207.00
Crime	100.00	200.00	0.00	0.00	300.00
Total	<u>359,165.00</u>	<u>1,795,040.00</u>	<u>28,500.00</u>	<u>500.00</u>	<u>2,183,205.00</u>
<u>LOSSES INCURRED</u>					
Fire	507,892.07	2,218,088.00	(33,958.54)	(19,958.96)	2,672,062.57
Other Allied Lines	99,577.75	152,219.84	(51,520.98)	(2,571.97)	197,704.64
Crime	100.00	5,586.32	(446.07)	0.00	5,240.25
Total	<u>607,569.82</u>	<u>2,375,894.16</u>	<u>(85,925.59)</u>	<u>(22,530.93)</u>	<u>2,875,007.46</u>
<u>I.B.N.R. (CURRENT PERIOD)</u>					
Fire	46,200.00	42,900.00	0.00	0.00	89,100.00
Other Allied Lines	15,900.00	15,300.00	0.00	0.00	31,200.00
Crime	100.00	200.00	0.00	0.00	300.00
Total	<u>62,200.00</u>	<u>58,400.00</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 June 30, 2004

QUARTER

04/01/2004 - 06/30/2004

LOSS ADJUSTMENT EXPENSES PAID

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Fire	17,858.40	138,605.72	21,199.28	62,522.30	240,185.70
Other Allied Lines	12,727.87	76,585.15	5,677.85	446.78	95,437.65
Crime	0.00	1,808.94	0.00	0.00	1,808.94
Total	<u>30,586.27</u>	<u>216,999.81</u>	<u>26,877.13</u>	<u>62,969.08</u>	<u>337,432.29</u>

UNPAID PREVIOUS 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>

UNPAID CURRENT PERIOD

Fire	35,865.00	210,110.00	257.00	64.00	246,296.00
Other Allied Lines	10,298.00	20,648.00	3,408.00	0.00	34,354.00
Crime	13.00	25.00	0.00	0.00	38.00
Total	<u>46,176.00</u>	<u>230,783.00</u>	<u>3,665.00</u>	<u>64.00</u>	<u>280,688.00</u>

LOSS ADJUSTMENT EXPENSES INCURRED

Fire	37,249.40	97,231.72	11,432.28	60,571.30	206,484.70
Other Allied Lines	20,451.87	60,544.15	6,718.85	446.78	88,161.65
Crime	0.00	1,417.94	0.00	0.00	1,417.94
Total	<u>57,701.27</u>	<u>159,193.81</u>	<u>18,151.13</u>	<u>61,018.08</u>	<u>296,064.29</u>

YEAR TO DATE

01/01/2004 - 06/30/2004

LOSS ADJUSTMENT EXPENSES PAID

Fire	24,252.37	255,741.38	57,245.89	84,541.41	421,781.05
Other Allied Lines	14,344.02	176,677.77	17,781.03	848.19	209,651.01
Crime	0.00	3,432.32	284.78	0.00	3,717.10
Total	<u>38,596.39</u>	<u>435,851.47</u>	<u>75,311.70</u>	<u>85,389.60</u>	<u>635,149.16</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	35,865.00	210,110.00	257.00	64.00	246,296.00
Other Allied Lines	10,298.00	20,648.00	3,408.00	0.00	34,354.00
Crime	13.00	25.00	0.00	0.00	38.00
Total	<u>46,176.00</u>	<u>230,783.00</u>	<u>3,665.00</u>	<u>64.00</u>	<u>280,688.00</u>

LOSS ADJUSTMENT EXPENSES INCURRED

Fire	60,117.37	275,656.38	14,003.89	82,518.41	432,296.05
Other Allied Lines	24,642.02	153,714.77	7,596.03	848.19	186,801.01
Crime	13.00	2,608.32	(119.22)	0.00	2,502.10
Total	<u>84,772.39</u>	<u>431,979.47</u>	<u>21,480.70</u>	<u>83,366.60</u>	<u>621,599.16</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 8

Report of Catastrophe Losses For the Quarter Ending June 30, 2004

Catastrophe Number	Policy Year	Date of Loss	Line of Business	Unpaid Losses	Losses Paid	Allocated Unpaid Loss Adjustment Expense	Loss Adjustment Expenses Paid
82	2002	02/17/2003	Other	0.00	0.00	0.00	423.50
89	2003	07/07/2003	Other	0.00	0.00	0.00	530.75
95	2003	09/18/2003	Other	24,000.00	0.00	1,200.00	859.00
96	2003	10/15/2003	Other	2,000.00	0.00	100.00	0.00
99	2002	11/12/2003	Other	0.00	0.00	0.00	385.05
99	2003	11/12/2003	Other	2,000.00	4,710.90	100.00	1,192.05
TOTAL				28,000.00	4,710.90	1,400.00	3,390.35