

PENNSYLVANIA FAIR PLAN

EXHIBIT 1

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

	<u>LEDGER ASSETS</u>	<u>ASSETS NOT ADMITTED</u>	<u>NET ADMITTED ASSETS</u>
<u>ASSETS</u>			
Cash	1,809,379.82	0.00	1,809,379.82
Investments	8,585,466.11	0.00	8,585,466.11
Due from Participating Members	0.00	0.00	0.00
Accrued Investment Income	0.00	0.00	0.00
Premiums Receivable	49,461.61	30,174.30	19,287.31
Other Receivables	210,117.94	0.00	210,117.94
Pre-paid Premium Tax	0.00	0.00	0.00
Pre-paid Expenses	44,815.83	44,815.83	0.00
Furniture & Equipment	204,023.61	204,023.61	0.00
Data Processing Equipment	38,824.48	38,824.48	0.00
Other Assets	4,391.72	4,391.72	0.00
TOTAL ASSETS	10,946,481.12	322,229.94	10,624,251.18
<u>LIABILITIES</u>			
Unpaid Losses (Incl. I.B.N.R.)			2,375,852.00
Unpaid Loss Adjustment Expenses			445,216.00
Unpaid Underwriting Expenses			116,730.00
Unpaid Post Retirement Benefits			2,027,948.00
Unearned Premiums			7,066,260.00
Unearned Advance Premiums			282,683.00
Claims Checks Payable			551,184.26
Amounts Withheld for Accounts of Others			162,224.97
Unpaid Premium Tax			47,880.46
TOTAL LIABILITIES			13,075,978.69
<u>MEMBERS' EQUITY</u>			
Members' Equity (Deficit)			(2,451,727.51)
TOTAL LIABILITIES & MEMBERS' EQUITY			10,624,251.18

PENNSYLVANIA FAIR PLAN

EXHIBIT 2

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

	<u>Quarter</u>	<u>Year</u>
	<u>10/01/ - 12/31/2004</u>	<u>01/01/ - 12/31/2004</u>
<u>UNDERWRITING INCOME</u>		
Premiums Written	3,539,220.00	13,650,523.00
Change in Unearned Premiums	(172,201.00)	(522,273.00)
Premiums Earned	3,367,019.00	13,128,250.00
<u>DEDUCTIONS</u>		
Losses Incurred	1,076,685.79	5,892,613.20
Loss Adjustment Expenses Incurred	418,991.99	1,468,557.27
Other Underwriting Expenses Incurred	1,163,245.43	4,416,559.37
Post Retirement Benefits Incurred	(261,360.65)	(58,835.71)
Premium Tax Incurred	70,784.40	273,010.46
Total Underwriting Deductions	2,468,346.96	11,991,904.59
Net Underwriting Profit or Loss	898,672.04	1,136,345.41
<u>OTHER INCOME OR OUTGO</u>		
Net Investment Income	34,681.21	59,027.77
Other Income	7,455.94	53,513.88
Premiums/Assessments Charged-Off	11,303.31	(10,944.84)
Total Other Income or Outgo	53,440.46	101,596.81
Net Result of Operations	952,112.50	1,237,942.22
<u>EQUITY ACCOUNT</u>		
Beginning Members' Equity	(3,458,884.06)	(3,764,621.93)
Net Result of Operations	952,112.50	1,237,942.22
Change in Assets Not Admitted	55,044.05	74,952.20
Distribution of Policy Year 2001	0.00	0.00
Distribution of Policy Year 2002	0.00	0.00
Distribution of Policy Year 2003	0.00	0.00
MEMBERS' EQUITY (DEFICIT)	(2,451,727.51)	(2,451,727.51)

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EXHIBIT 3

Reconciliation of Ledger Assets As of December 31, 2004

INCREASE IN LEDGER ASSETS

Premiums Written	13,650,523.00
Other Income	53,513.88
Investment Income	59,027.77
Unearned Advance Premiums	37,316.00
Amounts Withheld for Accounts of Others	0.00
Claims Checks Payable	6,217.97
Premiums/Assessments Charged-Off	0.00
TOTAL	<hr/> 13,806,598.62

DECREASE IN LEDGER ASSETS

Other Income	0.00
Losses Paid	5,701,636.20
Loss Adjustment Expenses Paid	1,317,579.27
Other Expenses Paid	4,894,110.34
Unearned Advance Premiums	0.00
Amounts Withheld for Accounts of Others	7,074.11
Claims Checks Payable	0.00
Premiums/Assessments Charged-Off	10,944.84
Distribution of Policy Year 2001	0.00
Distribution of Policy Year 2002	0.00
Distribution of Policy Year 2003	0.00
TOTAL	<hr/> 11,931,344.76

Increase(Decrease) in Ledger Assets	1,875,253.86
Ledger Assets at 12/31/2003	9,071,227.26
Ledger Assets at 12/31/2004	<hr/> 10,946,481.12

PENNSYLVANIA FAIR PLAN

EXHIBIT 4

Statement of Expenses Incurred For the Year Ending December 31, 2004

	<u>Loss Adj. Expenses</u>	<u>Acquisition Expenses</u>	<u>Inspection Expenses</u>	<u>General Expenses</u>	<u>TOTAL</u>
Claim Adjustment Services	796,928.92	0.00	0.00	0.00	796,928.92
Commissions	0.00	903,502.10	0.00	0.00	903,502.10
Boards, Bureaus & Associations	3,247.31	934.23	0.00	45,777.07	49,958.61
Salaries	309,380.00	778,145.11	0.00	951,066.24	2,038,591.35
Employee Relations & Welfare	118,961.00	298,793.51	0.00	365,192.06	782,946.57
Insurance	10,023.79	10,812.72	0.00	16,151.66	36,988.17
Travel & Travel Items	9,427.64	162.38	0.00	14,599.82	24,189.84
Rent & Rent Items	21,336.72	114,881.59	0.00	156,065.55	292,283.86
Equipment	2,655.67	37,803.51	0.00	65,767.75	106,226.93
Printing & Stationery	1,390.94	18,823.60	0.00	35,423.10	55,637.64
Postage, Telephone, & Telegraph	14,476.13	60,712.90	0.00	69,572.30	144,761.33
Legal & Auditing	556.20	1,475.03	0.00	20,216.58	22,247.81
Payroll Taxes	25,804.21	61,614.00	0.00	75,306.02	162,724.23
Premium Taxes	0.00	0.00	0.00	254,818.68	254,818.68
State & Local Insurance Taxes	0.00	0.00	0.00	1,065.00	1,065.00
Miscellaneous	3,390.74	19,835.85	0.00	112,403.13	135,629.72
Advertising	0.00	0.00	0.00	0.00	0.00
Inspections, Surveys & Reports	0.00	0.00	403,188.85	0.00	403,188.85
TOTAL Expenses Paid	<u>1,317,579.27</u>	<u>2,307,496.53</u>	<u>403,188.85</u>	<u>2,183,424.96</u>	<u>6,211,689.61</u>
ADD: Unpaid Expenses Current Year	445,216.00	792,851.00	23,829.00	1,375,878.46	2,637,774.46
Deduct: Unpaid Expenses Prior Year	294,238.00	893,169.00	29,038.00	1,533,727.68	2,750,172.68
Expenses Incurred	<u>1,468,557.27</u>	<u>2,207,178.53</u>	<u>397,979.85</u>	<u>2,025,575.74</u>	<u>6,099,291.39</u>

PENNSYLVANIA FAIR PLAN

Members' Account by Policy Year For the Quarter Ending December 31, 2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Premiums Written	3,540,097.00	(877.00)	0.00	0.00	3,539,220.00
Other Income	6,883.41	0.00	0.00	572.53	7,455.94
Investment Income Received	34,681.21	0.00	0.00	0.00	34,681.21
Subtotal	3,581,661.62	(877.00)	0.00	572.53	3,581,357.15
<u>EXPENSES PAID:</u>					
Losses	737,847.03	800,135.43	0.00	(2,882.67)	1,535,099.79
Loss Adjustment Expenses	211,172.49	169,154.21	6,100.33	2,815.96	389,242.99
Other Underwriting Expenses	961,092.68	0.00	0.00	0.00	961,092.68
Premium Tax	22,921.48	(17.54)	0.00	0.00	22,903.94
Commissions	228,381.80	(45.70)	0.00	0.00	228,336.10
Premiums/Assessments Charged-off	1,378.90	(4.30)	0.00	(12,677.91)	(11,303.31)
Subtotal	2,162,794.38	969,222.10	6,100.33	(12,744.62)	3,125,372.19
BALANCE DUE COMPANIES	1,418,867.24	(970,099.10)	(6,100.33)	13,317.15	455,984.96
<u>DEDUCT:</u>					
Prior Investment Income Accrued	0.00	0.00	0.00	0.00	0.00
Prior Non-Admitted Assets	(377,273.99)	0.00	0.00	0.00	(377,273.99)
Subtotal	(377,273.99)	0.00	0.00	0.00	(377,273.99)
<u>ADD:</u>					
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(322,229.94)	0.00	0.00	0.00	(322,229.94)
Subtotal	(322,229.94)	0.00	0.00	0.00	(322,229.94)
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	1,473,911.29	(970,099.10)	(6,100.33)	13,317.15	511,029.01
<u>DEDUCT:</u>					
Current Unearned Premiums	7,066,260.00	0.00	0.00	0.00	7,066,260.00
Current Unpaid Losses (Incl. I.B.N.R.)	1,863,125.00	510,227.00	2,000.00	500.00	2,375,852.00
Current Unpaid Underwriting Expenses	116,730.00	0.00	0.00	0.00	116,730.00
Current Unpaid Post Retirement Benefits	2,027,948.00	0.00	0.00	0.00	2,027,948.00
Current Unpaid Loss Adjustment Expenses	349,135.00	95,612.00	375.00	94.00	445,216.00
Current Unpaid Premium Tax	47,880.46	0.00	0.00	0.00	47,880.46
Subtotal	11,471,078.46	605,839.00	2,375.00	594.00	12,079,886.46
<u>ADD:</u>					
Prior Unearned Premiums	6,500,544.00	393,515.00	0.00	0.00	6,894,059.00
Prior Unpaid Losses (Incl. I.B.N.R.)	1,557,198.00	1,274,568.00	2,000.00	500.00	2,834,266.00
Prior Unpaid Underwriting Expenses	90,915.00	0.00	0.00	0.00	90,915.00
Prior Unpaid Post Retirement Benefits	2,341,307.00	0.00	0.00	0.00	2,341,307.00
Prior Unpaid Loss Adjustment Expenses	228,265.00	186,835.00	294.00	73.00	415,467.00
Prior Unpaid Premium Tax	0.00	0.00	0.00	0.00	0.00
Subtotal	10,718,229.00	1,854,918.00	2,294.00	573.00	12,576,014.00
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	721,061.83	278,979.90	(6,181.33)	13,296.15	1,007,156.55

PENNSYLVANIA FAIR PLAN

Members' Account by Policy Year Year to Date Ending December 31, 2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Premiums Written	13,549,922.00	100,601.00	0.00	0.00	13,650,523.00
Other Income	51,355.35	1,586.00	0.00	572.53	53,513.88
Investment Income Received	59,027.77	0.00	0.00	0.00	59,027.77
Subtotal	13,660,305.12	102,187.00	0.00	572.53	13,763,064.65
<u>EXPENSES PAID:</u>					
Losses	1,198,047.94	4,187,344.79	331,618.20	(15,374.73)	5,701,636.20
Loss Adjustment Expenses	340,227.10	799,608.29	85,502.25	92,241.63	1,317,579.27
Other Underwriting Expenses	3,620,756.56	115,033.00	0.00	0.00	3,735,789.56
Premium Tax	223,117.98	31,700.70	0.00	0.00	254,818.68
Commissions	896,695.10	6,807.00	0.00	0.00	903,502.10
Premiums/Assessments Charged-off	4,141.50	4,193.42	0.00	2,609.92	10,944.84
Subtotal	6,282,986.18	5,144,687.20	417,120.45	79,476.82	11,924,270.65
BALANCE DUE COMPANIES	7,377,318.94	(5,042,500.20)	(417,120.45)	(78,904.29)	1,838,794.00
<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	(322,229.94)	0.00	0.00	0.00	(322,229.94)
Subtotal	(322,229.94)	0.00	0.00	0.00	(322,229.94)
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	7,055,089.00	(4,645,318.06)	(417,120.45)	(78,904.29)	1,913,746.20
<u>DEDUCT:</u>					
Current Unearned Premiums	7,066,260.00	0.00	0.00	0.00	7,066,260.00
Current Unpaid Losses (Incl. I.B.N.R.)	1,863,125.00	510,227.00	2,000.00	500.00	2,375,852.00
Current Unpaid Underwriting Expenses	116,730.00	0.00	0.00	0.00	116,730.00
Current Unpaid Post Retirement Benefits	2,027,948.00	0.00	0.00	0.00	2,027,948.00
Current Unpaid Loss Adjustment Expenses	349,135.00	95,612.00	375.00	94.00	445,216.00
Current Unpaid Premium Tax	47,880.46	0.00	0.00	0.00	47,880.46
Subtotal	11,471,078.46	605,839.00	2,375.00	594.00	12,079,886.46
<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	(4,415,989.46)	5,725,854.62	64,940.55	(61,911.29)	1,312,894.42

PENNSYLVANIA FAIR PLAN

EXHIBIT 5C

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

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Premiums Written	13,549,922.00	12,861,458.00	12,109,324.00	11,309,536.00	49,830,240.00
Other Income	51,355.35	80,667.71	27,087.72	6,188.13	165,298.91
Investment Income Received	59,027.77	19,356.83	39,911.04	158,416.49	276,712.13
Subtotal	<u>13,660,305.12</u>	<u>12,961,482.54</u>	<u>12,176,322.76</u>	<u>11,474,140.62</u>	<u>50,272,251.04</u>
<u>EXPENSES PAID:</u>					
Losses	1,198,047.94	5,547,129.81	5,487,143.19	4,699,331.65	16,931,652.59
Loss Adjustment Expenses	340,227.10	1,040,458.91	909,001.91	853,897.54	3,143,585.46
Other Underwriting Expenses	3,620,756.56	3,540,611.81	3,303,371.86	3,414,976.31	13,879,716.54
Premium Tax	223,117.98	257,229.16	242,186.48	225,773.62	948,307.24
Commissions	896,695.10	847,942.00	798,235.90	721,782.60	3,264,655.60
Premiums/Assessments Charged-off	4,141.50	8,942.42	17,527.61	23,333.19	53,944.72
Subtotal	<u>6,282,986.18</u>	<u>11,242,314.11</u>	<u>10,757,466.95</u>	<u>9,939,094.91</u>	<u>38,221,862.15</u>
BALANCE DUE COMPANIES	7,377,318.94	1,719,168.43	1,418,855.81	1,535,045.71	12,050,388.89
<u>ADD:</u>					
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(322,229.94)	0.00	0.00	0.00	(322,229.94)
Subtotal	<u>(322,229.94)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(322,229.94)</u>
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	7,055,089.00	1,719,168.43	1,418,855.81	1,535,045.71	11,728,158.95
<u>DEDUCT:</u>					
Current Unearned Premiums	7,066,260.00	0.00	0.00	0.00	7,066,260.00
Current Unpaid Losses (Incl. I.B.N.R.)	1,863,125.00	510,227.00	2,000.00	500.00	2,375,852.00
Current Unpaid Underwriting Expenses	116,730.00	0.00	0.00	0.00	116,730.00
Current Unpaid Post Retirement Benefits	2,027,948.00	0.00	0.00	0.00	2,027,948.00
Current Unpaid Loss Adjustment Expenses	349,135.00	95,612.00	375.00	94.00	445,216.00
Current Unpaid Premium Tax	47,880.46	0.00	0.00	0.00	47,880.46
Subtotal	<u>11,471,078.46</u>	<u>605,839.00</u>	<u>2,375.00</u>	<u>594.00</u>	<u>12,079,886.46</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>(4,415,989.46)</u>	<u>263,329.43</u>	<u>1,166,480.81</u>	<u>534,451.71</u>	<u>(2,451,727.51)</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 6A

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

	<u>QUARTER</u>			<u>YEAR</u>		
	10/01/2004 - 12/31/2004			01/01/2004 - 12/31/2004		
	<u>PREMIUMS WRITTEN</u>					
	<u>2004</u>	<u>2003</u>	<u>TOTAL</u>	<u>2004</u>	<u>2003</u>	<u>TOTAL</u>
Fire	2,637,978.00	(586.00)	2,637,392.00	10,072,530.00	74,406.00	10,146,936.00
Other Allied Lines	895,538.00	(291.00)	895,247.00	3,445,932.00	26,065.00	3,471,997.00
Crime	6,581.00	0.00	6,581.00	31,460.00	130.00	31,590.00
Total	<u>3,540,097.00</u>	<u>(877.00)</u>	<u>3,539,220.00</u>	<u>13,549,922.00</u>	<u>100,601.00</u>	<u>13,650,523.00</u>
	<u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u>					
Fire	4,833,893.00	289,603.00	5,123,496.00	0.00	4,827,945.00	4,827,945.00
Other Allied Lines	1,650,297.00	103,306.00	1,753,603.00	0.00	1,700,147.00	1,700,147.00
Crime	16,354.00	606.00	16,960.00	0.00	15,895.00	15,895.00
Total	<u>6,500,544.00</u>	<u>393,515.00</u>	<u>6,894,059.00</u>	<u>0.00</u>	<u>6,543,987.00</u>	<u>6,543,987.00</u>
	<u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u>					
Fire	5,260,621.00	0.00	5,260,621.00	5,260,621.00	0.00	5,260,621.00
Other Allied Lines	1,789,898.00	0.00	1,789,898.00	1,789,898.00	0.00	1,789,898.00
Crime	15,741.00	0.00	15,741.00	15,741.00	0.00	15,741.00
Total	<u>7,066,260.00</u>	<u>0.00</u>	<u>7,066,260.00</u>	<u>7,066,260.00</u>	<u>0.00</u>	<u>7,066,260.00</u>
	<u>PREMIUMS EARNED</u>					
Fire	2,211,250.00	289,017.00	2,500,267.00	4,811,909.00	4,902,351.00	9,714,260.00
Other Allied Lines	755,937.00	103,015.00	858,952.00	1,656,034.00	1,726,212.00	3,382,246.00
Crime	7,194.00	606.00	7,800.00	15,719.00	16,025.00	31,744.00
Total	<u>2,974,381.00</u>	<u>392,638.00</u>	<u>3,367,019.00</u>	<u>6,483,662.00</u>	<u>6,644,588.00</u>	<u>13,128,250.00</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 December 31, 2004**

	<u>QUARTER</u>			<u>YEAR</u>		
	10/01/2004 - 12/31/2004			01/01/2004 - 12/31/2004		
	<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)	2,166,121.00	(543.00)	2,165,578.00	8,211,047.00	62,762.00	8,273,809.00
Habitational (Non-Owner Occupied)	945,968.00	(236.00)	945,732.00	3,582,305.00	27,921.00	3,610,226.00
Commercial	428,008.00	(98.00)	427,910.00	1,756,570.00	9,918.00	1,766,488.00
Total	3,540,097.00	(877.00)	3,539,220.00	13,549,922.00	100,601.00	13,650,523.00
	<u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u>					
Habitational (Owner Occupied)	4,097,521.00	248,158.00	4,345,679.00	0.00	4,173,351.00	4,173,351.00
Habitational (Non-Owner Occupied)	1,679,725.00	101,699.00	1,781,424.00	0.00	1,744,250.00	1,744,250.00
Commercial	723,298.00	43,658.00	766,956.00	0.00	626,386.00	626,386.00
Total	6,500,544.00	393,515.00	6,894,059.00	0.00	6,543,987.00	6,543,987.00
	<u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u>					
Habitational (Owner Occupied)	4,319,727.00	0.00	4,319,727.00	4,319,727.00	0.00	4,319,727.00
Habitational (Non-Owner Occupied)	1,884,402.00	0.00	1,884,402.00	1,884,402.00	0.00	1,884,402.00
Commercial	862,131.00	0.00	862,131.00	862,131.00	0.00	862,131.00
Total	7,066,260.00	0.00	7,066,260.00	7,066,260.00	0.00	7,066,260.00
	<u>PREMIUMS EARNED</u>					
Habitational (Owner Occupied)	1,943,915.00	247,615.00	2,191,530.00	3,891,320.00	4,236,113.00	8,127,433.00
Habitational (Non-Owner Occupied)	741,291.00	101,463.00	842,754.00	1,697,903.00	1,772,171.00	3,470,074.00
Commercial	289,175.00	43,560.00	332,735.00	894,439.00	636,304.00	1,530,743.00
Total	2,974,381.00	392,638.00	3,367,019.00	6,483,662.00	6,644,588.00	13,128,250.00
Premiums Earned for Terrorism Reporting Requirements	1,030,466.00	145,023.00	1,175,489.00	2,592,342.00	2,408,475.00	5,000,817.00

NOTE: Terrorism Reporting Requirements include: Habitational (Non-Owner Occupied) & Commercial lines for Premiums Earned only!

EXHIBIT 7

PENNSYLVANIA FAIR PLAN
Reporting Schedule P Number of Claims Outstanding
FOR THE TEN YEAR PERIOD ENDING DECEMBER 31, 2004

<u>Coverage</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>Total</u>
Fire	76	5	1	0	0	0	0	1	0	0	83
Other Allied	150	2	0	0	0	0	0	0	0	0	152
Crime	0	0	0	0	0	0	0	0	0	0	0
Homeowners	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	226	7	1	0	0	0	0	1	0	0	235

NOTES:

- 1) Members should apply their respective percentages of participations to the reported Claims Outstanding by line by year.
- 2) Claims counts should be reported in whole numbers. Members should utilize the method employed in their respective filings. i.e., either the "round up" or "truncated" method.
- 3) Members are advised the Pennsylvania FAIR Plan claim counts are accumulated per claim.

EXHIBIT 7A

PENNSYLVANIA FAIR PLAN

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

QUARTER

10/01/2004 - 12/31/2004

	<u>LOSSES PAID</u>				
	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Fire	566,415.20	681,113.85	0.00	(1,827.09)	1,245,701.96
Other Allied Lines	171,431.83	119,021.58	0.00	(1,055.58)	289,397.83
Crime	0.00	0.00	0.00	0.00	0.00
Total	737,847.03	800,135.43	0.00	(2,882.67)	1,535,099.79

UNPAID PREVIOUS PERIOD (INCL. I.B.N.R.)

Fire	1,226,548.00	1,048,678.00	2,000.00	500.00	2,277,726.00
Other Allied Lines	330,450.00	225,790.00	0.00	0.00	556,240.00
Crime	200.00	100.00	0.00	0.00	300.00
Total	1,557,198.00	1,274,568.00	2,000.00	500.00	2,834,266.00

UNPAID CURRENT PERIOD (INCL. I.B.N.R.)

Fire	1,548,215.00	402,127.00	2,000.00	500.00	1,952,842.00
Other Allied Lines	314,710.00	108,100.00	0.00	0.00	422,810.00
Crime	200.00	0.00	0.00	0.00	200.00
Total	1,863,125.00	510,227.00	2,000.00	500.00	2,375,852.00

LOSSES INCURRED

Fire	888,082.20	34,562.85	0.00	(1,827.09)	920,817.96
Other Allied Lines	155,691.83	1,331.58	0.00	(1,055.58)	155,967.83
Crime	0.00	(100.00)	0.00	0.00	(100.00)
Total	1,043,774.03	35,794.43	0.00	(2,882.67)	1,076,685.79

YEAR TO DATE

01/01/2004 - 12/31/2004

LOSSES PAID

Fire	919,206.07	3,625,423.04	282,785.81	(11,275.64)	4,816,139.28
Other Allied Lines	278,841.87	550,235.43	46,278.46	(4,099.09)	871,256.67
Crime	0.00	11,686.32	2,553.93	0.00	14,240.25
Total	1,198,047.94	4,187,344.79	331,618.20	(15,374.73)	5,701,636.20

UNPAID PREVIOUS PERIOD (INCL. I.B.N.R.)

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	0.00	1,742,435.00	426,940.00	15,500.00	2,184,875.00

UNPAID CURRENT PERIOD (INCL. I.B.N.R.)

Fire	1,548,215.00	402,127.00	2,000.00	500.00	1,952,842.00
Other Allied Lines	314,710.00	108,100.00	0.00	0.00	422,810.00
Crime	200.00	0.00	0.00	0.00	200.00
Total	1,863,125.00	510,227.00	2,000.00	500.00	2,375,852.00

LOSSES INCURRED

Fire	2,467,421.07	2,615,249.04	(38,214.19)	(26,275.64)	5,018,180.28
Other Allied Lines	593,551.87	334,501.43	(54,661.54)	(4,099.09)	869,292.67
Crime	200.00	5,386.32	(446.07)	0.00	5,140.25
Total	3,061,172.94	2,955,136.79	(93,321.80)	(30,374.73)	5,892,613.20

I.B.N.R. (CURRENT PERIOD)

Fire	76,000.00	0.00	0.00	0.00	76,000.00
Other Allied Lines	25,900.00	0.00	0.00	0.00	25,900.00
Crime	200.00	0.00	0.00	0.00	200.00
Total	102,100.00	0.00	0.00	0.00	102,100.00

PENNSYLVANIA FAIR PLAN

EXHIBIT 7B

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

QUARTER

10/01/2004 - 12/31/2004

LOSS ADJUSTMENT EXPENSES PAID

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Fire	79,427.02	99,452.59	4,572.31	2,270.27	185,722.19
Other Allied Lines	131,745.47	69,701.62	1,528.02	545.69	203,520.80
Crime	0.00	0.00	0.00	0.00	0.00
Total	211,172.49	169,154.21	6,100.33	2,815.96	389,242.99

UNPAID PREVIOUS PERIOD

Fire	179,796.00	153,722.00	294.00	73.00	333,885.00
Other Allied Lines	48,439.00	33,098.00	0.00	0.00	81,537.00
Crime	30.00	15.00	0.00	0.00	45.00
Total	228,265.00	186,835.00	294.00	73.00	415,467.00

UNPAID CURRENT PERIOD

Fire	290,124.00	75,355.00	375.00	94.00	365,948.00
Other Allied Lines	58,973.00	20,257.00	0.00	0.00	79,230.00
Crime	38.00	0.00	0.00	0.00	38.00
Total	349,135.00	95,612.00	375.00	94.00	445,216.00

LOSS ADJUSTMENT EXPENSES INCURRED

Fire	189,755.02	21,085.59	4,653.31	2,291.27	217,785.19
Other Allied Lines	142,279.47	56,860.62	1,528.02	545.69	201,213.80
Crime	8.00	(15.00)	0.00	0.00	(7.00)
Total	332,042.49	77,931.21	6,181.33	2,836.96	418,991.99

YEAR TO DATE

01/01/2004 - 12/31/2004

LOSS ADJUSTMENT EXPENSES PAID

Fire	131,012.39	482,996.46	63,263.47	90,847.75	768,120.07
Other Allied Lines	209,214.71	313,179.51	21,954.00	1,393.88	545,742.10
Crime	0.00	3,432.32	284.78	0.00	3,717.10
Total	340,227.10	799,608.29	85,502.25	92,241.63	1,317,579.27

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	0.00	234,655.00	57,496.00	2,087.00	294,238.00

UNPAID CURRENT PERIOD

Fire	290,124.00	75,355.00	375.00	94.00	365,948.00
Other Allied Lines	58,973.00	20,257.00	0.00	0.00	79,230.00
Crime	38.00	0.00	0.00	0.00	38.00
Total	349,135.00	95,612.00	375.00	94.00	445,216.00

LOSS ADJUSTMENT EXPENSES INCURRED

Fire	421,136.39	368,156.46	20,139.47	88,854.75	898,287.07
Other Allied Lines	268,187.71	289,825.51	8,361.00	1,393.88	567,768.10
Crime	38.00	2,583.32	(119.22)	0.00	2,502.10
Total	689,362.10	660,565.29	28,381.25	90,248.63	1,468,557.27

PENNSYLVANIA FAIR PLAN

EXHIBIT 8

Report of Catastrophe Losses For the Quarter Ending December 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
01	2003	08/01/2004	Other	22,000.00	8,883.68	1,100.00	4,774.04
18	2003	05/17/2004	Other	0.00	0.00	0.00	336.75
24	2003	07/13/2004	Other	0.00	4,288.06	0.00	983.15
25	2003	08/09/2004	Other	0.00	922.38	0.00	258.00
29	2003	09/28/2004	Other	17,500.00	3,929.81	875.00	8,543.10
30	2003	09/16/2004	Other	11,000.00	20,734.30	550.00	5,428.65
99	2003	11/13/2003	Other	0.00	0.00	0.00	150.00
01	2004	08/01/2004	Other	7,000.00	8,127.67	350.00	6,413.39
18	2004	05/17/2004	Other	0.00	0.00	0.00	470.50
19	2004	05/23/2004	Other	0.00	0.00	0.00	214.00
24	2004	07/13/2004	Other	2,600.00	11,424.99	130.00	2,777.20
25	2004	08/09/2004	Other	0.00	923.14	0.00	436.25
29	2004	09/28/2004	Other	12,500.00	8,035.36	625.00	21,555.08
30	2004	09/16/2004	Other	36,510.00	20,932.25	1,826.00	14,468.97
TOTAL				109,110.00	88,201.64	5,456.00	66,809.08