

# PENNSYLVANIA FAIR PLAN

## EXHIBIT 1

### Statement of Assets, Liabilities and Members' Equity At March 31, 2005

	<u>LEDGER ASSETS</u>	<u>ASSETS NOT ADMITTED</u>	<u>NET ADMITTED ASSETS</u>
<b><u>ASSETS</u></b>			
Cash	2,203,981.58	0.00	2,203,981.58
Investments	8,625,193.72	0.00	8,625,193.72
Due from Participating Members	0.00	0.00	0.00
Accrued Investment Income	0.00	0.00	0.00
Premiums Receivable	38,716.80	20,536.00	18,180.80
Other Receivables	323,108.12	0.00	323,108.12
Pre-paid Premium Tax	123,610.30	0.00	123,610.30
Pre-paid Expenses	71,525.71	71,525.71	0.00
Furniture & Equipment	188,464.21	188,464.21	0.00
Data Processing Equipment	46,730.23	46,730.23	0.00
Other Assets	4,147.12	4,147.12	0.00
TOTAL ASSETS	<u>11,625,477.79</u>	<u>331,403.27</u>	<u>11,294,074.52</u>
<b><u>LIABILITIES</u></b>			
Unpaid Losses (Incl. I.B.N.R.)			2,730,373.00
Unpaid Loss Adjustment Expenses			525,958.00
Unpaid Underwriting Expenses			175,936.00
Unpaid Post Retirement Benefits			1,289,551.00
Unpaid Pension			774,888.00
Unearned Premiums			6,963,477.00
Unearned Advance Premiums			407,462.00
Claims Checks Payable			602,573.99
Amounts Withheld for Accounts of Others			127,191.91
Unpaid Premium Tax			0.00
TOTAL LIABILITIES			<u>13,597,410.90</u>
<b><u>MEMBERS' EQUITY</u></b>			
Members' Equity (Deficit)			<u>(2,303,336.38)</u>
			<u>11,294,074.52</u>

# PENNSYLVANIA FAIR PLAN

## EXHIBIT 2

### Income Statement for the Quarter and Year to Date Ending March 31, 2005

	<u>Quarter &amp; Year</u>
	<u>01/01/ - 03/31/2005</u>
<b><u>UNDERWRITING INCOME</u></b>	
Premiums Written	3,309,862.00
Change in Unearned Premiums	102,783.00
Premiums Earned	<u>3,412,645.00</u>
<b><u>DEDUCTIONS</u></b>	
Losses Incurred	1,598,101.44
Loss Adjustment Expenses Incurred	393,658.28
Other Underwriting Expenses Incurred	1,144,333.91
Post Retirement Benefits Incurred	124,059.31
Premium Tax Incurred	66,197.24
Total Underwriting Deductions	<u>3,326,350.18</u>
Net Underwriting Profit or Loss	<u>86,294.82</u>
<b><u>OTHER INCOME OR OUTGO</u></b>	
Net Investment Income	39,727.61
Other Income	8,843.03
Premiums/Assessments Charged-Off	<u>(2,382.00)</u>
Total Other Income or Outgo	<u>46,188.64</u>
Net Result of Operations	<u>132,483.46</u>
<b><u>EQUITY ACCOUNT</u></b>	
Beginning Members' Equity	(2,451,727.51)
Net Result of Operations	132,483.46
Change in Assets Not Admitted	(9,173.33)
Change in Pension	25,081.00
Distribution of Policy Year 2001	0.00
Distribution of Policy Year 2002	0.00
Distribution of Policy Year 2003	0.00
Distributions (Assessments) to Members Charged-Off	<u>0.00</u>
<b>MEMBERS' EQUITY (DEFICIT)</b>	<u><u>(2,303,336.38)</u></u>

# PENNSYLVANIA FAIR PLAN

## EXHIBIT 3

### Reconciliation of Ledger Assets As of March 31, 2005

#### INCREASE IN LEDGER ASSETS

Premiums Written	3,309,862.00
Other Income	8,843.03
Investment Income	39,727.61
Unearned Advance Premiums	124,779.00
Amounts Withheld for Accounts of Others	0.00
Claims Checks Payable	51,389.73
Premiums Charged-Off	0.00
Distributions to Members Charged-Off	0.00
TOTAL	<hr/> 3,534,601.37

#### DECREASE IN LEDGER ASSETS

Other Income	0.00
Losses Paid	1,243,580.44
Loss Adjustment Expenses Paid	312,916.28
Other Expenses Paid	1,261,692.92
Unearned Advance Premiums	0.00
Amounts Withheld for Accounts of Others	35,033.06
Claims Checks Payable	0.00
Premiums Charged-Off	2,382.00
Assessments to Members Charged-Off	0.00
Distribution of Policy Year 2001	0.00
Distribution of Policy Year 2002	0.00
Distribution of Policy Year 2003	0.00
TOTAL	<hr/> 2,855,604.70

Increase(Decrease) in Ledger Assets	678,996.67
Ledger Assets at 12/31/2004	10,946,481.12
Ledger Assets at 03/31/2005	<hr/> 11,625,477.79

## PENNSYLVANIA FAIR PLAN

### EXHIBIT 5A

#### Members' Account by Policy Year For the Quarter and Year to Date Ending March 31, 2005

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Premiums Written	3,260,562.00	49,300.00	0.00	0.00	0.00	3,309,862.00
Other Income	5,183.03	3,660.00	0.00	0.00	0.00	8,843.03
Investment Income Received	26,192.74	13,534.87	0.00	0.00	0.00	39,727.61
Subtotal	<u>3,291,937.77</u>	<u>66,494.87</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,358,432.64</u>
<b>EXPENSES PAID:</b>						
Losses	2,317.25	1,094,796.08	153,804.94	(2,356.34)	(4,981.49)	1,243,580.44
Loss Adjustment Expenses	1,361.27	245,046.76	59,297.02	2,442.05	4,769.18	312,916.28
Other Underwriting Expenses	901,968.17	23,859.35	0.00	0.00	0.00	925,827.52
Premium Tax	65,211.24	48,866.46	0.00	0.00	0.00	114,077.70
Commissions	218,483.10	3,304.60	0.00	0.00	0.00	221,787.70
Premiums/Assessments Charged-off	0.00	2,382.00	0.00	0.00	0.00	2,382.00
Subtotal	<u>1,189,341.03</u>	<u>1,418,255.25</u>	<u>213,101.96</u>	<u>85.71</u>	<u>(212.31)</u>	<u>2,820,571.64</u>
<b>BALANCE DUE COMPANIES</b>	2,102,596.74	(1,351,760.38)	(213,101.96)	(85.71)	212.31	537,861.00
<b>DEDUCT:</b>						
Prior Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00
Prior Non-Admitted Assets	0.00	(322,229.94)	0.00	0.00	0.00	(322,229.94)
Prior Pension	0.00	(799,969.00)	0.00	0.00	0.00	(799,969.00)
Subtotal	<u>0.00</u>	<u>(1,122,198.94)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(1,122,198.94)</u>
<b>ADD:</b>						
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(331,403.27)	0.00	0.00	0.00	0.00	(331,403.27)
Current Pension	(774,888.00)	0.00	0.00	0.00	0.00	(774,888.00)
Subtotal	<u>(1,106,291.27)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(1,106,291.27)</u>
<b>EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION</b>	996,305.47	(229,561.44)	(213,101.96)	(85.71)	212.31	553,768.67
<b>DEDUCT:</b>						
Current Unearned Premiums	3,046,145.00	3,917,332.00	0.00	0.00	0.00	6,963,477.00
Current Unpaid Losses (Incl. I.B.N.R.)	166,700.00	2,191,046.00	370,127.00	2,000.00	500.00	2,730,373.00
Current Unpaid Underwriting Expenses	175,936.00	0.00	0.00	0.00	0.00	175,936.00
Current Unpaid Post Retirement Benefits	1,289,551.00	0.00	0.00	0.00	0.00	1,289,551.00
Current Unpaid Loss Adjustment Expenses	32,112.00	422,066.00	71,298.00	386.00	96.00	525,958.00
Current Unpaid Premium Tax	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	<u>4,710,444.00</u>	<u>6,530,444.00</u>	<u>441,425.00</u>	<u>2,386.00</u>	<u>596.00</u>	<u>11,685,295.00</u>
<b>ADD:</b>						
Prior Unearned Premiums	0.00	7,066,260.00	0.00	0.00	0.00	7,066,260.00
Prior Unpaid Losses (Incl. I.B.N.R.)	0.00	1,863,125.00	510,227.00	2,000.00	500.00	2,375,852.00
Prior Unpaid Underwriting Expenses	0.00	116,730.00	0.00	0.00	0.00	116,730.00
Prior Unpaid Post Retirement Benefits	0.00	1,227,979.00	0.00	0.00	0.00	1,227,979.00
Prior Unpaid Loss Adjustment Expenses	0.00	349,135.00	95,612.00	375.00	94.00	445,216.00
Prior Unpaid Premium Tax	0.00	47,880.46	0.00	0.00	0.00	47,880.46
Subtotal	<u>0.00</u>	<u>10,671,109.46</u>	<u>605,839.00</u>	<u>2,375.00</u>	<u>594.00</u>	<u>11,279,917.46</u>
Distributions Charged-Off	0.00	0.00	0.00	0.00	0.00	0.00
Assessments Charged-Off	0.00	0.00	0.00	0.00	0.00	0.00
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
<b>NET CHANGE IN MEMBERS' EQUITY</b>	<u>(3,714,138.53)</u>	<u>3,911,104.02</u>	<u>(48,687.96)</u>	<u>(96.71)</u>	<u>210.31</u>	<u>148,391.13</u>

## PENNSYLVANIA FAIR PLAN

### EXHIBIT 5C

#### Members' Account by Policy Year For Active Policy Years at March 31, 2005

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Premiums Written	3,260,562.00	13,599,222.00	12,861,458.00	12,109,324.00	11,309,536.00	53,140,102.00
Other Income	5,183.03	55,015.35	80,667.71	27,087.72	6,188.13	174,141.94
Investment Income Received	26,192.74	72,562.64	19,356.83	39,911.04	158,416.49	316,439.74
Subtotal	<u>3,291,937.77</u>	<u>13,726,799.99</u>	<u>12,961,482.54</u>	<u>12,176,322.76</u>	<u>11,474,140.62</u>	<u>53,630,683.68</u>
<b>EXPENSES PAID:</b>						
Losses	2,317.25	2,292,844.02	5,700,934.75	5,484,786.85	4,694,350.16	18,175,233.03
Loss Adjustment Expenses	1,361.27	585,273.86	1,099,755.93	911,443.96	858,666.72	3,456,501.74
Other Underwriting Expenses	901,968.17	3,644,615.91	3,540,611.81	3,303,371.86	3,414,976.31	14,805,544.06
Premium Tax	65,211.24	271,984.44	257,229.16	242,186.48	225,773.62	1,062,384.94
Commissions	218,483.10	899,999.70	847,942.00	798,235.90	721,782.60	3,486,443.30
Premiums/Assessments Charged-off	0.00	6,523.50	8,942.42	17,527.61	23,333.19	56,326.72
Subtotal	<u>1,189,341.03</u>	<u>7,701,241.43</u>	<u>11,455,416.07</u>	<u>10,757,552.66</u>	<u>9,938,882.60</u>	<u>41,042,433.79</u>
<b>BALANCE DUE COMPANIES</b>	2,102,596.74	6,025,558.56	1,506,066.47	1,418,770.10	1,535,258.02	12,588,249.89
<b>ADD:</b>						
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(331,403.27)	0.00	0.00	0.00	0.00	(331,403.27)
Current Pension	(774,888.00)	0.00	0.00	0.00	0.00	(774,888.00)
Subtotal	<u>(1,106,291.27)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(1,106,291.27)</u>
<b>EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION</b>	996,305.47	6,025,558.56	1,506,066.47	1,418,770.10	1,535,258.02	11,481,958.62
<b>DEDUCT:</b>						
Current Unearned Premiums	3,046,145.00	3,917,332.00	0.00	0.00	0.00	6,963,477.00
Current Unpaid Losses (Incl. I.B.N.R.)	166,700.00	2,191,046.00	370,127.00	2,000.00	500.00	2,730,373.00
Current Unpaid Underwriting Expenses	175,936.00	0.00	0.00	0.00	0.00	175,936.00
Current Unpaid Post Retirement Benefits	1,289,551.00	0.00	0.00	0.00	0.00	1,289,551.00
Current Unpaid Loss Adjustment Expenses	32,112.00	422,066.00	71,298.00	386.00	96.00	525,958.00
Current Unpaid Premium Tax	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	<u>4,710,444.00</u>	<u>6,530,444.00</u>	<u>441,425.00</u>	<u>2,386.00</u>	<u>596.00</u>	<u>11,685,295.00</u>
Distributions Charged-Off	0.00	0.00	0.00	0.00	0.00	0.00
Assessments Charged-Off	0.00	0.00	0.00	0.00	0.00	0.00
Distribution of Policy Year 2001	0.00	0.00	0.00	0.00	(1,000,000.00)	(1,000,000.00)
Distribution of Policy Year 2002	0.00	0.00	0.00	(250,000.00)	0.00	(250,000.00)
Distribution of Policy Year 2003	0.00	0.00	(850,000.00)	0.00	0.00	(850,000.00)
<b>NET CHANGE IN MEMBERS' EQUITY</b>	<u>(3,714,138.53)</u>	<u>(504,885.44)</u>	<u>214,641.47</u>	<u>1,166,384.10</u>	<u>534,662.02</u>	<u>(2,303,336.38)</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, 2005

### QUARTER AND YEAR

01/01/2005 - 03/31/2005

#### PREMIUMS WRITTEN

	<u>2005</u>	<u>2004</u>	<u>TOTAL</u>
Fire	2,427,160.00	38,548.00	2,465,708.00
Other Allied Lines	827,008.00	10,884.00	837,892.00
Crime	6,394.00	(132.00)	6,262.00
Total	<u>3,260,562.00</u>	<u>49,300.00</u>	<u>3,309,862.00</u>

#### UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD

Fire	0.00	5,260,621.00	5,260,621.00
Other Allied Lines	0.00	1,789,898.00	1,789,898.00
Crime	0.00	15,741.00	15,741.00
Total	<u>0.00</u>	<u>7,066,260.00</u>	<u>7,066,260.00</u>

#### UNEARNED PREMIUMS AT THE END OF THE PERIOD

Fire	2,274,563.00	2,913,971.00	5,188,534.00
Other Allied Lines	765,741.00	994,851.00	1,760,592.00
Crime	5,841.00	8,510.00	14,351.00
Total	<u>3,046,145.00</u>	<u>3,917,332.00</u>	<u>6,963,477.00</u>

#### PREMIUMS EARNED

Fire	152,597.00	2,385,198.00	2,537,795.00
Other Allied Lines	61,267.00	805,931.00	867,198.00
Crime	553.00	7,099.00	7,652.00
Total	<u>214,417.00</u>	<u>3,198,228.00</u>	<u>3,412,645.00</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, 2005

#### QUARTER

01/01/2005 - 03/31/2005

#### PREMIUMS WRITTEN

	<u>2005</u>	<u>2004</u>	<u>TOTAL</u>
Habitational (Owner Occupied)	1,981,701.00	30,367.00	2,012,068.00
Habitational (Non-Owner Occupied)	888,600.00	13,777.00	902,377.00
Commercial	390,261.00	5,156.00	395,417.00
Total	3,260,562.00	49,300.00	3,309,862.00

#### UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD

Habitational (Owner Occupied)	0.00	4,319,727.00	4,319,727.00
Habitational (Non-Owner Occupied)	0.00	1,884,402.00	1,884,402.00
Commercial	0.00	862,131.00	862,131.00
Total	0.00	7,066,260.00	7,066,260.00

#### UNEARNED PREMIUMS AT THE END OF THE PERIOD

Habitational (Owner Occupied)	1,801,791.00	2,318,781.00	4,120,572.00
Habitational (Non-Owner Occupied)	807,832.00	1,038,909.00	1,846,741.00
Commercial	436,522.00	559,642.00	996,164.00
Total	3,046,145.00	3,917,332.00	6,963,477.00

#### PREMIUMS EARNED

Habitational (Owner Occupied)	179,910.00	2,031,313.00	2,211,223.00
Habitational (Non-Owner Occupied)	80,768.00	859,270.00	940,038.00
Commercial	(46,261.00)	307,645.00	261,384.00
Total	214,417.00	3,198,228.00	3,412,645.00

Premiums Earned for Terrorism Reporting Requirements	34,507.00	1,166,915.00	1,201,422.00
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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, 2005

#### QUARTER AND YEAR TO DATE

01/01/2005 - 03/31/2005

		<u>LOSSES PAID</u>					
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>	
Fire	0.00	924,685.38	125,514.04	(2,356.34)	(4,908.54)	1,042,934.54	
Other Allied Lines	2,317.25	170,110.70	28,290.90	0.00	(72.95)	200,645.90	
Crime	0.00	0.00	0.00	0.00	0.00	0.00	
Total	2,317.25	1,094,796.08	153,804.94	(2,356.34)	(4,981.49)	1,243,580.44	
<u>UNPAID PREVIOUS PERIOD (INCL. I.B.N.R.)</u>							
Fire	0.00	1,548,215.00	402,127.00	2,000.00	500.00	1,952,842.00	
Other Allied Lines	0.00	314,710.00	108,100.00	0.00	0.00	422,810.00	
Crime	0.00	200.00	0.00	0.00	0.00	200.00	
Total	0.00	1,863,125.00	510,227.00	2,000.00	500.00	2,375,852.00	
<u>UNPAID CURRENT PERIOD (INCL. I.B.N.R.)</u>							
Fire	156,300.00	1,906,246.00	316,627.00	2,000.00	500.00	2,381,673.00	
Other Allied Lines	10,400.00	284,600.00	53,500.00	0.00	0.00	348,500.00	
Crime	0.00	200.00	0.00	0.00	0.00	200.00	
Total	166,700.00	2,191,046.00	370,127.00	2,000.00	500.00	2,730,373.00	
<u>LOSSES INCURRED</u>							
Fire	156,300.00	1,282,716.38	40,014.04	(2,356.34)	(4,908.54)	1,471,765.54	
Other Allied Lines	12,717.25	140,000.70	(26,309.10)	0.00	(72.95)	126,335.90	
Crime	0.00	0.00	0.00	0.00	0.00	0.00	
Total	169,017.25	1,422,717.08	13,704.94	(2,356.34)	(4,981.49)	1,598,101.44	
<u>I.B.N.R. (CURRENT PERIOD)</u>							
Fire	19,300.00	56,700.00	0.00	0.00	0.00	76,000.00	
Other Allied Lines	6,400.00	19,500.00	0.00	0.00	0.00	25,900.00	
Crime	0.00	200.00	0.00	0.00	0.00	200.00	
Total	25,700.00	76,400.00	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 March 31, 2005

#### QUARTER AND YEAR TO DATE

01/01/2005 - 03/31/2005

	<u>LOSS ADJUSTMENT EXPENSES PAID</u>						
	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>	
Fire	0.00	114,127.19	28,475.60	2,442.05	4,471.15	149,515.99	
Other Allied Lines	1,361.27	130,919.57	30,821.42	0.00	298.03	163,400.29	
Crime	0.00	0.00	0.00	0.00	0.00	0.00	
Total	1,361.27	245,046.76	59,297.02	2,442.05	4,769.18	312,916.28	
		<u>UNPAID PREVIOUS PERIOD</u>					
Fire	0.00	290,124.00	75,355.00	375.00	94.00	365,948.00	
Other Allied Lines	0.00	58,973.00	20,257.00	0.00	0.00	79,230.00	
Crime	0.00	38.00	0.00	0.00	0.00	38.00	
Total	0.00	349,135.00	95,612.00	375.00	94.00	445,216.00	
		<u>UNPAID CURRENT PERIOD</u>					
Fire	30,109.00	367,205.00	60,992.00	386.00	96.00	458,788.00	
Other Allied Lines	2,003.00	54,823.00	10,306.00	0.00	0.00	67,132.00	
Crime	0.00	38.00	0.00	0.00	0.00	38.00	
Total	32,112.00	422,066.00	71,298.00	386.00	96.00	525,958.00	
		<u>LOSS ADJUSTMENT EXPENSES INCURRED</u>					
Fire	30,109.00	191,208.19	14,112.60	2,453.05	4,473.15	242,355.99	
Other Allied Lines	3,364.27	126,769.57	20,870.42	0.00	298.03	151,302.29	
Crime	0.00	0.00	0.00	0.00	0.00	0.00	
Total	33,473.27	317,977.76	34,983.02	2,453.05	4,771.18	393,658.28	

# PENNSYLVANIA FAIR PLAN

## EXHIBIT 8

### Report of Catastrophe Losses For the Quarter Ending March 31, 2005

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	19,000.00	0.00	950.00	1,704.18
29	2003	09/20/2004	Other	5,000.00	2,062.58	250.00	3,368.28
30	2003	09/17/2004	Other	10,000.00	4,624.72	500.00	3,195.60
96	2003	10/15/2003	Other	0.00	0.00	0.00	493.40
01	2004	08/01/2004	Other	13,000.00	4,347.10	650.00	878.00
24	2004	07/13/2004	Other	600.00	0.00	30.00	200.00
29	2004	09/20/2004	Other	4,000.00	3,938.04	200.00	6,307.85
30	2004	09/17/2004	Other	9,000.00	10,085.64	450.00	7,923.35
34	2004	01/06/2005	Other	2,000.00	6,673.62	100.00	2,312.75
36	2004	01/23/2005	Other	12,000.00	5,231.06	600.00	2,198.40
34	2005	01/06/2005	Other	0.00	419.31	0.00	313.00
TOTAL				74,600.00	37,382.07	3,730.00	28,894.81