

EXHIBIT 1 (Revised)**PENNSYLVANIA FAIR PLAN****Statement of Assets, Liabilities and Members' Equity at
December 31, 2007**

| | LEDGER ASSETS | ASSETS NOT ADMITTED | NET ADMITTED ASSETS |
|--|--------------------------|--------------------------------|--------------------------------|
| | <hr/> | <hr/> | <hr/> |
| <u>ASSETS</u> | | | |
| Cash | 2,055,002.02 | 0.00 | 2,055,002.02 |
| Investments | 12,400,720.17 | 0.00 | 12,400,720.17 |
| Due from Participating Members | 0.00 | 0.00 | 0.00 |
| Accrued Investment Income | 0.00 | 0.00 | 0.00 |
| Premiums Receivable | 43,323.10 | 10,504.50 | 32,818.60 |
| Other Receivables | 122,597.96 | 0.00 | 122,597.96 |
| Pre-paid Premium Tax | 43,199.44 | 43,199.44 | 0.00 |
| Pre-paid Expenses | 98,685.35 | 98,685.35 | 0.00 |
| Furniture & Equipment | 146,798.36 | 146,798.36 | 0.00 |
| Data Processing Equipment | 35,780.70 | 35,780.70 | 0.00 |
| Other Assets | 13,271.12 | 13,271.12 | 0.00 |
| | <hr/> | <hr/> | <hr/> |
| TOTAL ASSETS | 14,959,378.22 | 348,239.47 | 14,611,138.75 |
| <u>LIABILITIES</u> | | | |
| Unpaid Losses (Incl. I.B.N.R.) | | | 1,794,070.00 |
| Unpaid Loss Adjustment Expenses | | | 342,230.00 |
| Unpaid Underwriting Expenses | | | 100,694.00 |
| Unpaid Post Retirement Benefits (Medical) | | | 942,115.00 |
| Unpaid Post Retirement Benefits (Pension) | | | 43,109.00 |
| Unearned Premiums | | | 5,788,619.00 |
| Unearned Advance Premiums | | | 291,083.00 |
| Claims Checks Payable | | | 505,240.61 |
| Amounts Withheld for Accounts of Others | | | 152,109.07 |
| Unpaid Premium Tax | | | 0.00 |
| | | | <hr/> |
| TOTAL LIABILITIES | | | 9,959,269.68 |
| <u>MEMBERS' EQUITY</u> | | | |
| Members' Equity (Deficit) | | | 4,651,869.07 |
| | | | <hr/> |
| TOTAL LIABILITIES & MEMBERS' EQUITY | | | 14,611,138.75 |
| | | | <hr/> |

EXHIBIT 2 (Revised)

PENNSYLVANIA FAIR PLAN
Income Statement for the Quarter and Year to Date Ending
December 31, 2007

| | Quarter | Year |
|--|-----------------------------------|-----------------------------------|
| | <u>10/01/ - 12/31/2007</u> | <u>01/01/ - 12/31/2007</u> |
| <u>UNDERWRITING INCOME</u> | | |
| Premiums Written | 2,861,678.00 | 11,490,528.00 |
| Change in Unearned Premiums | 51,086.00 | 725,972.00 |
| Premiums Earned | <u>2,912,764.00</u> | <u>12,216,500.00</u> |
| <u>DEDUCTIONS</u> | | |
| Losses Incurred | 1,324,278.24 | 5,265,186.66 |
| Loss Adjustment Expenses Incurred | 341,071.77 | 1,304,791.35 |
| Other Underwriting Expenses Incurred | 1,015,502.28 | 4,140,248.70 |
| Post Retirement Benefits Incurred | (75,070.89) | 53,808.93 |
| Premium Tax Incurred | 57,233.56 | 229,810.56 |
| Total Underwriting Deductions | <u>2,663,014.96</u> | <u>10,993,846.20</u> |
| Net Underwriting Profit or Loss | 249,749.04 | 1,222,653.80 |
| <u>OTHER INCOME OR OUTGO</u> | | |
| Net Investment Income | 141,454.20 | 571,916.77 |
| Other Income | (193.35) | (2,815.26) |
| Premiums/Assessments Charged-Off | (570.80) | (2,702.30) |
| Total Other Income or Outgo | <u>140,690.05</u> | <u>566,399.21</u> |
| Net Result of Operations | 390,439.09 | 1,789,053.01 |
| <u>EQUITY ACCOUNT</u> | | |
| Beginning Members' Equity | 4,320,329.74 | 2,518,126.28 |
| Net Result of Operations | 390,439.09 | 1,789,053.01 |
| Change in Assets Not Admitted | (44,927.18) | (10,281.50) |
| Change in Post Retirement Benefits (Pension) | (44,180.00) | 318,154.00 |
| Assessment of Policy Year | 0.00 | 0.00 |
| Distribution of Policy Year | 0.00 | 0.00 |
| Policy Year Closeout | 0.00 | 0.00 |
| Assessments Charged-Off | 0.00 | 5,498.70 |
| Distributions Charged-Off | 30,207.42 | 31,318.58 |
| MEMBERS' EQUITY (DEFICIT) | <u><u>4,651,869.07</u></u> | <u><u>4,651,869.07</u></u> |

EXHIBIT 3**PENNSYLVANIA FAIR PLAN****Reconciliation of Ledger Assets As of
December 31, 2007****INCREASE IN LEDGER ASSETS**

| | |
|--|----------------------|
| Premiums Written | 11,490,528.00 |
| Other Income | 0.00 |
| Investment Income | 571,916.77 |
| Unearned Advance Premiums | 0.00 |
| Amounts Withheld for Accounts of Others | 0.00 |
| Claims Checks Payable | 0.00 |
| Premiums Charged-Off | 0.00 |
| Assessments/Distributions to Members Charged-Off | 36,817.28 |
| Assessment of Policy Year | 0.00 |
| Policy Year Closeout | 0.00 |
| TOTAL | 12,099,262.05 |

DECREASE IN LEDGER ASSETS

| | |
|--|----------------------|
| Other Income | 2,815.26 |
| Losses Paid | 5,250,339.66 |
| Loss Adjustment Expenses Paid | 1,254,661.35 |
| Other Expenses Paid | 4,803,951.05 |
| Unearned Advance Premiums | 30,479.00 |
| Amounts Withheld for Accounts of Others | 25,469.18 |
| Claims Checks Payable | 398,263.49 |
| Premiums Charged-Off | 2,702.30 |
| Assessments/Distributions to Members Charged-Off | 0.00 |
| Distribution of Policy Year | 0.00 |
| Policy Year Closeout | 0.00 |
| TOTAL | 11,768,681.29 |

| | |
|-------------------------------------|---------------|
| Increase(Decrease) in Ledger Assets | 330,580.76 |
| Ledger Assets at 12/31/2006 | 14,628,797.46 |
| Ledger Assets at 12/31/2007 | 14,959,378.22 |

EXHIBIT 4 (Revised)

PENNSYLVANIA FAIR PLAN
Statement of Expenses Incurred for the Year Ending
December 31, 2007

| | <u>Loss Adjustment Expenses</u> | <u>Acquisition Expenses</u> | <u>Inspection Expenses</u> | <u>General Expenses</u> | <u>TOTAL</u> |
|------------------------------------|-------------------------------------|---------------------------------|--------------------------------|-------------------------|---------------------|
| Claim Adjustment Services | 698,262.38 | 0.00 | 0.00 | 0.00 | 698,262.38 |
| Commissions | 0.00 | 706,612.33 | 0.00 | 0.00 | 706,612.33 |
| Boards, Bureaus & Associations | 3,776.03 | 1,086.34 | 0.00 | 53,230.45 | 58,092.82 |
| Salaries | 319,795.00 | 787,199.89 | 0.00 | 962,133.19 | 2,069,128.08 |
| Employee Relations & Welfare | 154,504.44 | 381,010.43 | 0.00 | 465,679.41 | 1,001,194.28 |
| Insurance | 6,394.90 | 6,898.21 | 0.00 | 10,304.31 | 23,597.42 |
| Travel & Travel Items | 4,230.57 | 224.02 | 0.00 | 20,141.74 | 24,596.33 |
| Rent & Rent Items | 22,985.31 | 123,757.97 | 0.00 | 168,124.04 | 314,867.32 |
| Equipment | 2,356.59 | 33,546.01 | 0.00 | 58,360.86 | 94,263.46 |
| Printing & Stationery | 1,131.20 | 15,308.48 | 0.00 | 28,808.19 | 45,247.87 |
| Postage, Telephone, & Telegraph | 12,109.01 | 50,785.17 | 0.00 | 58,195.88 | 121,090.06 |
| Legal & Auditing | 973.83 | 2,582.60 | 0.00 | 35,396.76 | 38,953.19 |
| Payroll Taxes | 24,948.43 | 57,850.20 | 0.00 | 70,705.79 | 153,504.42 |
| Premium Taxes | 0.00 | 0.00 | 0.00 | 234,560.42 | 234,560.42 |
| State & Local Insurance Taxes | 0.00 | 0.00 | 0.00 | 10,869.25 | 10,869.25 |
| Miscellaneous | 3,193.66 | 18,682.92 | 0.00 | 105,869.89 | 127,746.47 |
| Advertising | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Inspections, Surveys, & Reports | 0.00 | 0.00 | 336,026.30 | 0.00 | 336,026.30 |
| TOTAL Expenses Paid | 1,254,661.35 | 2,185,544.57 | 336,026.30 | 2,282,380.18 | 6,058,612.40 |
| Add: Unpaid Expenses Current Year | 342,230.00 | 219,144.00 | 22,965.00 | 365,680.00 | 950,019.00 |
| Deduct: Unpaid Expenses Prior Year | 292,100.00 | 359,228.00 | 24,829.00 | 603,814.86 | 1,279,971.86 |
| Expenses Incurred | 1,304,791.35 | 2,045,460.57 | 334,162.30 | 2,044,245.32 | 5,728,659.54 |

EXHIBIT 5A (Revised)

PENNSYLVANIA FAIR PLAN
Members' Account by Policy Year for the Quarter Ending
December 31, 2007

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>TOTAL</u> |
|---|--------------|--------------|--------------|-------------|-------------|--------------|
| Premiums Written | 2,863,283.00 | (1,605.00) | 0.00 | 0.00 | 0.00 | 2,861,678.00 |
| Other Income | (193.35) | 0.00 | 0.00 | 0.00 | 0.00 | (193.35) |
| Investment Income Received | 141,454.20 | 0.00 | 0.00 | 0.00 | 0.00 | 141,454.20 |
| Subtotal | 3,004,543.85 | (1,605.00) | 0.00 | 0.00 | 0.00 | 3,002,938.85 |
| EXPENSES PAID: | | | | | | |
| Losses | 597,406.43 | 689,777.71 | 42,449.63 | 0.00 | (33.53) | 1,329,600.24 |
| Loss Adjustment Expenses | 109,227.09 | 133,030.87 | 70,940.63 | 0.00 | 5,405.18 | 318,603.77 |
| Other Underwriting Expenses | 919,144.69 | 0.00 | 0.00 | 0.00 | 0.00 | 919,144.69 |
| Premium Tax | 57,265.66 | (32.10) | 0.00 | 0.00 | 0.00 | 57,233.56 |
| Commissions | 176,554.60 | (105.90) | 0.00 | 0.00 | 0.00 | 176,448.70 |
| Premiums/Assessments Charged-off | 572.80 | (2.00) | 0.00 | 0.00 | 0.00 | 570.80 |
| Subtotal | 1,860,171.27 | 822,668.58 | 113,390.26 | 0.00 | 5,371.65 | 2,801,601.76 |
| BALANCE DUE COMPANIES | 1,144,372.58 | (824,273.58) | (113,390.26) | 0.00 | (5,371.65) | 201,337.09 |
| DEDUCT: | | | | | | |
| Prior Investment Income Accrued | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Prior Non-Admitted Assets | (303,312.29) | 0.00 | 0.00 | 0.00 | 0.00 | (303,312.29) |
| Prior Pension | (433,949.00) | 0.00 | 0.00 | 0.00 | 0.00 | (433,949.00) |
| Subtotal | (737,261.29) | 0.00 | 0.00 | 0.00 | 0.00 | (737,261.29) |
| ADD: | | | | | | |
| Current Investment Income Accrued | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Current Non-Admitted Assets | (348,239.47) | 0.00 | 0.00 | 0.00 | 0.00 | (348,239.47) |
| Current Pension | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | (348,239.47) | 0.00 | 0.00 | 0.00 | 0.00 | (348,239.47) |
| EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION | 1,533,394.40 | (824,273.58) | (113,390.26) | 0.00 | (5,371.65) | 590,358.91 |
| DEDUCT: | | | | | | |
| Current Unearned Premiums | 5,788,619.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,788,619.00 |
| Current Unpaid Losses (Incl. I.B.N.R.) | 1,344,570.00 | 418,500.00 | 28,500.00 | 0.00 | 2,500.00 | 1,794,070.00 |
| Current Unpaid Underwriting Expenses | 100,694.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100,694.00 |
| Current Unpaid Post Retirement Benefits | 985,224.00 | 0.00 | 0.00 | 0.00 | 0.00 | 985,224.00 |
| Current Unpaid Loss Adjustment Expenses | 256,485.00 | 79,831.00 | 5,437.00 | 0.00 | 477.00 | 342,230.00 |
| Current Unpaid Premium Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | 8,475,592.00 | 498,331.00 | 33,937.00 | 0.00 | 2,977.00 | 9,010,837.00 |
| ADD: | | | | | | |
| Prior Unearned Premiums | 5,467,366.00 | 372,339.00 | 0.00 | 0.00 | 0.00 | 5,839,705.00 |
| Prior Unpaid Losses (Incl. I.B.N.R.) | 679,882.00 | 1,022,960.00 | 94,050.00 | 0.00 | 2,500.00 | 1,799,392.00 |
| Prior Unpaid Underwriting Expenses | 41,545.00 | 0.00 | 0.00 | 0.00 | 0.00 | 41,545.00 |
| Prior Unpaid Post Retirement Benefits | 721,406.00 | 0.00 | 0.00 | 0.00 | 0.00 | 721,406.00 |
| Prior Unpaid Loss Adjustment Expenses | 120,819.00 | 181,785.00 | 16,714.00 | 0.00 | 444.00 | 319,762.00 |
| Prior Unpaid Premium Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | 7,031,018.00 | 1,577,084.00 | 110,764.00 | 0.00 | 2,944.00 | 8,721,810.00 |
| Change in Post Retirement Benefits (Pension) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessment of Policy Year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Distribution of Policy Year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Policy Year Closeout | 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 |
| Distributions Charged-Off | 0.00 | 0.00 | 0.00 | 0.00 | 30,207.42 | 30,207.42 |
| NET CHANGE IN MEMBERS' EQUITY | 88,820.40 | 254,479.42 | (36,563.26) | 0.00 | 24,802.77 | 331,539.37 |

EXHIBIT 5B (Revised)

PENNSYLVANIA FAIR PLAN

Members' Account by Policy Year for the Year to Date Ending

December 31, 2007

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>TOTAL</u> |
|---|-----------------------|---------------------|-----------------|------------------|------------------|---------------------|
| Premiums Written | 11,471,691.00 | 18,837.00 | 0.00 | 0.00 | 0.00 | 11,490,528.00 |
| Other Income | (2,815.26) | 0.00 | 0.00 | 0.00 | 0.00 | (2,815.26) |
| Investment Income Received | 571,916.77 | 0.00 | 0.00 | 0.00 | 0.00 | 571,916.77 |
| Subtotal | 12,040,792.51 | 18,837.00 | 0.00 | 0.00 | 0.00 | 12,059,629.51 |
| EXPENSES PAID: | | | | | | |
| Losses | 1,476,579.10 | 3,578,268.07 | 220,709.14 | 10,304.69 | (35,521.34) | 5,250,339.66 |
| Loss Adjustment Expenses | 289,100.16 | 718,964.31 | 217,787.87 | 8,768.71 | 20,040.30 | 1,254,661.35 |
| Other Underwriting Expenses | 3,760,128.30 | 102,650.00 | 0.00 | 0.00 | 0.00 | 3,862,778.30 |
| Premium Tax | 229,433.82 | 5,126.60 | 0.00 | 0.00 | 0.00 | 234,560.42 |
| Commissions | 705,434.73 | 1,177.60 | 0.00 | 0.00 | 0.00 | 706,612.33 |
| Premiums/Assessments Charged-off | 1,579.30 | 1,123.70 | (0.70) | 0.00 | 0.00 | 2,702.30 |
| Subtotal | 6,462,255.41 | 4,407,310.28 | 438,496.31 | 19,073.40 | (15,481.04) | 11,311,654.36 |
| BALANCE DUE COMPANIES | 5,578,537.10 | (4,388,473.28) | (438,496.31) | (19,073.40) | 15,481.04 | 747,975.15 |
| DEDUCT: | | | | | | |
| Prior Investment Income Accrued | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Prior Non-Admitted Assets | 0.00 | (337,957.97) | 0.00 | 0.00 | 0.00 | (337,957.97) |
| Prior Pension | | (796,283.00) | 0.00 | 0.00 | 0.00 | (796,283.00) |
| Subtotal | 0.00 | (1,134,240.97) | 0.00 | 0.00 | 0.00 | (1,134,240.97) |
| ADD: | | | | | | |
| Current Investment Income Accrued | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Current Non-Admitted Assets | (348,239.47) | 0.00 | 0.00 | 0.00 | 0.00 | (348,239.47) |
| Current Pension | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | (348,239.47) | 0.00 | 0.00 | 0.00 | 0.00 | (348,239.47) |
| EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION | 5,230,297.63 | (3,254,232.31) | (438,496.31) | (19,073.40) | 15,481.04 | 1,533,976.65 |
| DEDUCT: | | | | | | |
| Current Unearned Premiums | 5,788,619.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,788,619.00 |
| Current Unpaid Losses (Incl. I.B.N.R.) | 1,344,570.00 | 418,500.00 | 28,500.00 | 0.00 | 2,500.00 | 1,794,070.00 |
| Current Unpaid Underwriting Expenses | 100,694.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100,694.00 |
| Current Unpaid Post Retirement Benefits | 985,224.00 | 0.00 | 0.00 | 0.00 | 0.00 | 985,224.00 |
| Current Unpaid Loss Adjustment Expenses | 256,485.00 | 79,831.00 | 5,437.00 | 0.00 | 477.00 | 342,230.00 |
| Current Unpaid Premium Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | 8,475,592.00 | 498,331.00 | 33,937.00 | 0.00 | 2,977.00 | 9,010,837.00 |
| ADD: | | | | | | |
| Prior Unearned Premiums | 0.00 | 6,514,591.00 | 0.00 | 0.00 | 0.00 | 6,514,591.00 |
| Prior Unpaid Losses (Incl. I.B.N.R.) | 0.00 | 1,330,117.00 | 409,800.00 | 36,806.00 | 2,500.00 | 1,779,223.00 |
| Prior Unpaid Underwriting Expenses | 0.00 | 102,650.00 | 0.00 | 0.00 | 0.00 | 102,650.00 |
| Prior Unpaid Post Retirement Benefits | 0.00 | 880,472.00 | 0.00 | 0.00 | 0.00 | 880,472.00 |
| Prior Unpaid Loss Adjustment Expenses | 0.00 | 218,369.00 | 67,278.00 | 6,043.00 | 410.00 | 292,100.00 |
| Prior Unpaid Premium Tax | 0.00 | 4,749.86 | 0.00 | 0.00 | 0.00 | 4,749.86 |
| Subtotal | 0.00 | 9,050,948.86 | 477,078.00 | 42,849.00 | 2,910.00 | 9,573,785.86 |
| Change in Post Retirement Benefits (Pension) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessment of Policy Year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Distribution of Policy Year | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Policy Year Closeout | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments Charged-Off | 0.00 | 0.00 | 0.00 | 0.00 | 5,498.70 | 5,498.70 |
| Distributions Charged-Off | 0.00 | 0.00 | 0.00 | 0.00 | 31,318.58 | 31,318.58 |
| NET CHANGE IN MEMBERS' EQUITY | (3,245,294.37) | 5,298,385.55 | 4,644.69 | 23,775.60 | 52,231.32 | 2,133,742.79 |

EXHIBIT 5C (Revised)

PENNSYLVANIA FAIR PLAN

**Members' Account for Active Policy Years @
December 31, 2007**

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>TOTAL</u> |
|---|-----------------------|---------------------|---------------------|---------------------|-------------------|---------------------|
| Premiums Written | 11,471,691.00 | 13,048,925.00 | 13,695,625.00 | 13,583,775.00 | 12,861,458.00 | 64,661,474.00 |
| Other Income | (2,815.26) | 4,661.56 | 33,514.85 | 55,015.35 | 80,667.71 | 171,044.21 |
| Investment Income Received | 571,916.77 | 458,992.55 | 270,882.82 | 72,562.64 | 19,356.83 | 1,393,711.61 |
| Subtotal | 12,040,792.51 | 13,512,579.11 | 14,000,022.67 | 13,711,352.99 | 12,961,482.54 | 66,226,229.82 |
| EXPENSES PAID: | | | | | | |
| Losses | 1,476,579.10 | 5,584,718.67 | 5,823,265.93 | 5,162,057.87 | 5,777,244.61 | 23,823,866.18 |
| Loss Adjustment Expenses | 289,100.16 | 1,009,518.12 | 1,264,079.66 | 1,305,129.05 | 1,385,521.78 | 5,253,348.77 |
| Other Underwriting Expenses | 3,760,128.30 | 3,782,128.87 | 3,780,208.57 | 3,644,615.91 | 3,540,611.81 | 18,507,693.46 |
| Premium Tax | 229,433.82 | 260,978.50 | 273,912.50 | 271,675.50 | 257,229.16 | 1,293,229.48 |
| Commissions | 705,434.73 | 826,129.60 | 888,933.30 | 899,008.60 | 847,942.00 | 4,167,448.23 |
| Premiums/Assessments Charged-off | 1,579.30 | 4,761.36 | 12,259.36 | 9,549.08 | 8,941.82 | 37,090.92 |
| Subtotal | 6,462,255.41 | 11,468,235.12 | 12,042,659.32 | 11,292,036.01 | 11,817,491.18 | 53,082,677.04 |
| BALANCE DUE COMPANIES | 5,578,537.10 | 2,044,343.99 | 1,957,363.35 | 2,419,316.98 | 1,143,991.36 | 13,143,552.78 |
| ADD: | | | | | | |
| Current Investment Income Accrued | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Current Non-Admitted Assets | (348,239.47) | 0.00 | 0.00 | 0.00 | 0.00 | (348,239.47) |
| Current Pension | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | (348,239.47) | 0.00 | 0.00 | 0.00 | 0.00 | (348,239.47) |
| EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION | 5,230,297.63 | 2,044,343.99 | 1,957,363.35 | 2,419,316.98 | 1,143,991.36 | 12,795,313.31 |
| DEDUCT: | | | | | | |
| Current Unearned Premiums | 5,788,619.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,788,619.00 |
| Current Unpaid Losses (Incl. I.B.N.R.) | 1,344,570.00 | 418,500.00 | 28,500.00 | 0.00 | 2,500.00 | 1,794,070.00 |
| Current Unpaid Underwriting Expenses | 100,694.00 | 0.00 | 0.00 | 0.00 | 0.00 | 100,694.00 |
| Current Unpaid Post Retirement Benefits | 985,224.00 | 0.00 | 0.00 | 0.00 | 0.00 | 985,224.00 |
| Current Unpaid Loss Adjustment Expenses | 256,485.00 | 79,831.00 | 5,437.00 | 0.00 | 477.00 | 342,230.00 |
| Current Unpaid Premium Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | 8,475,592.00 | 498,331.00 | 33,937.00 | 0.00 | 2,977.00 | 9,010,837.00 |
| Change in Post Retirement Benefits (Pension) | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessment of Policy Year | 0.00 | 1,676,780.35 | 0.00 | 0.00 | 0.00 | 1,676,780.35 |
| Distribution of Policy Year | 0.00 | 0.00 | 0.00 | 0.00 | (850,000.00) | (850,000.00) |
| Policy Year Closeout | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Assessments Charged-Off | 0.00 | 0.00 | 0.00 | 0.00 | (7,080.78) | (7,080.78) |
| Distributions Charged-Off | 0.00 | 0.00 | 0.00 | 0.00 | 47,693.19 | 47,693.19 |
| NET CHANGE IN MEMBERS' EQUITY | <u>(3,245,294.37)</u> | <u>3,222,793.34</u> | <u>1,923,426.35</u> | <u>2,419,316.98</u> | <u>331,626.77</u> | <u>4,651,869.07</u> |

EXHIBIT 6A

PENNSYLVANIA FAIR PLAN

**Premium Statistics by Line of Business and Policy Year for the Quarter & Year to Date Ending
December 31, 2007**

| | <u>QUARTER</u> | | | <u>YEAR</u> | | |
|--------------------|--|-------------------|---------------------|--------------------------------|---------------------|----------------------|
| | <u>10/01/2007 - 12/31/2007</u> | | | <u>01/01/2007 - 12/31/2007</u> | | |
| | <u>2007</u> | <u>2006</u> | <u>TOTAL</u> | <u>2007</u> | <u>2006</u> | <u>TOTAL</u> |
| | <u>PREMIUMS WRITTEN</u> | | | | | |
| Fire | 2,106,130.00 | (1,325.00) | 2,104,805.00 | 8,334,217.00 | 14,282.00 | 8,348,499.00 |
| Other Allied Lines | 753,154.00 | (280.00) | 752,874.00 | 3,117,816.00 | 4,602.00 | 3,122,418.00 |
| Crime | 3,999.00 | 0.00 | 3,999.00 | 19,658.00 | (47.00) | 19,611.00 |
| Total | <u>2,863,283.00</u> | <u>(1,605.00)</u> | <u>2,861,678.00</u> | <u>11,471,691.00</u> | <u>18,837.00</u> | <u>11,490,528.00</u> |
| | <u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u> | | | | | |
| Fire | 3,962,965.00 | 267,834.00 | 4,230,799.00 | 0.00 | 4,709,670.00 | 4,709,670.00 |
| Other Allied Lines | 1,494,367.00 | 103,998.00 | 1,598,365.00 | 0.00 | 1,794,780.00 | 1,794,780.00 |
| Crime | 10,034.00 | 507.00 | 10,541.00 | 0.00 | 10,141.00 | 10,141.00 |
| Total | <u>5,467,366.00</u> | <u>372,339.00</u> | <u>5,839,705.00</u> | <u>0.00</u> | <u>6,514,591.00</u> | <u>6,514,591.00</u> |
| | <u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u> | | | | | |
| Fire | 4,223,862.00 | 0.00 | 4,223,862.00 | 4,223,862.00 | 0.00 | 4,223,862.00 |
| Other Allied Lines | 1,555,162.00 | 0.00 | 1,555,162.00 | 1,555,162.00 | 0.00 | 1,555,162.00 |
| Crime | 9,595.00 | 0.00 | 9,595.00 | 9,595.00 | 0.00 | 9,595.00 |
| Total | <u>5,788,619.00</u> | <u>0.00</u> | <u>5,788,619.00</u> | <u>5,788,619.00</u> | <u>0.00</u> | <u>5,788,619.00</u> |
| | <u>PREMIUMS EARNED</u> | | | | | |
| Fire | 1,845,233.00 | 266,509.00 | 2,111,742.00 | 4,110,355.00 | 4,723,952.00 | 8,834,307.00 |
| Other Allied Lines | 692,359.00 | 103,718.00 | 796,077.00 | 1,562,654.00 | 1,799,382.00 | 3,362,036.00 |
| Crime | 4,438.00 | 507.00 | 4,945.00 | 10,063.00 | 10,094.00 | 20,157.00 |
| Total | <u>2,542,030.00</u> | <u>370,734.00</u> | <u>2,912,764.00</u> | <u>5,683,072.00</u> | <u>6,533,428.00</u> | <u>12,216,500.00</u> |

EXHIBIT 6B

PENNSYLVANIA FAIR PLAN

Premium Statistics by Class of Business and Policy Year for the Quarter & Year to Date Ending
December 31, 2007
For Terrorism Reporting Requirements Only

| | <u>QUARTER</u> | | | <u>YEAR</u> | | |
|--|---------------------------------------|--------------------|---------------------|---------------------------------------|---------------------|----------------------|
| | <u>10/01/2007 - 12/31/2007</u> | | | <u>01/01/2007 - 12/31/2007</u> | | |
| | <u>2007</u> | <u>2006</u> | <u>TOTAL</u> | <u>2007</u> | <u>2006</u> | <u>TOTAL</u> |
| <u>PREMIUMS WRITTEN</u> | | | | | | |
| Habitational (Owner Occupied) | 1,736,638.00 | (966.00) | 1,735,672.00 | 7,181,570.00 | 12,492.00 | 7,194,062.00 |
| Habitational (Non-Owner Occupied) | 756,004.00 | (425.00) | 755,579.00 | 3,001,946.00 | 5,886.00 | 3,007,832.00 |
| Commercial | 370,641.00 | (214.00) | 370,427.00 | 1,288,175.00 | 459.00 | 1,288,634.00 |
| Total | <u>2,863,283.00</u> | <u>(1,605.00)</u> | <u>2,861,678.00</u> | <u>11,471,691.00</u> | <u>18,837.00</u> | <u>11,490,528.00</u> |
| <u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u> | | | | | | |
| Habitational (Owner Occupied) | 3,525,120.00 | 240,200.00 | 3,765,320.00 | 0.00 | 4,056,241.00 | 4,056,241.00 |
| Habitational (Non-Owner Occupied) | 1,354,809.00 | 92,295.00 | 1,447,104.00 | 0.00 | 1,780,527.00 | 1,780,527.00 |
| Commercial | 587,437.00 | 39,844.00 | 627,281.00 | 0.00 | 677,823.00 | 677,823.00 |
| Total | <u>5,467,366.00</u> | <u>372,339.00</u> | <u>5,839,705.00</u> | <u>0.00</u> | <u>6,514,591.00</u> | <u>6,514,591.00</u> |
| <u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u> | | | | | | |
| Habitational (Owner Occupied) | 3,592,928.00 | 0.00 | 3,592,928.00 | 3,592,928.00 | 0.00 | 3,592,928.00 |
| Habitational (Non-Owner Occupied) | 1,563,464.00 | 0.00 | 1,563,464.00 | 1,563,464.00 | 0.00 | 1,563,464.00 |
| Commercial | 632,227.00 | 0.00 | 632,227.00 | 632,227.00 | 0.00 | 632,227.00 |
| Total | <u>5,788,619.00</u> | <u>0.00</u> | <u>5,788,619.00</u> | <u>5,788,619.00</u> | <u>0.00</u> | <u>5,788,619.00</u> |
| <u>PREMIUMS EARNED</u> | | | | | | |
| Habitational (Owner Occupied) | 1,668,830.00 | 239,234.00 | 1,908,064.00 | 3,588,642.00 | 4,068,733.00 | 7,657,375.00 |
| Habitational (Non-Owner Occupied) | 547,349.00 | 91,870.00 | 639,219.00 | 1,438,482.00 | 1,786,413.00 | 3,224,895.00 |
| Commercial | 325,851.00 | 39,630.00 | 365,481.00 | 655,948.00 | 678,282.00 | 1,334,230.00 |
| Total | <u>2,542,030.00</u> | <u>370,734.00</u> | <u>2,912,764.00</u> | <u>5,683,072.00</u> | <u>6,533,428.00</u> | <u>12,216,500.00</u> |
| Premiums Earned for Terrorism Reporting | 873,200.00 | 131,500.00 | 1,004,700.00 | 2,094,430.00 | 2,464,695.00 | 4,559,125.00 |

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, 2007

| <u>Coverage</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>2000</u> | <u>1999</u> | <u>1998</u> | <u>TOTAL</u> |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Fire | 51 | 6 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 59 |
| Other Allied Lines | 59 | 2 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 62 |
| 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 | 110 | 8 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 121 |

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 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 & Year to Date Ending
December 31, 2007**

QUARTER
10/01/2007 - 12/31/2007

| | 2007 | 2006 | 2005 | 2004 | 2003 | TOTAL |
|--------------------|--|--------------|-------------|-------------|-------------|--------------|
| | LOSSES PAID | | | | | |
| Fire | 491,227.35 | 631,686.78 | 30,000.00 | 0.00 | (12.50) | 1,152,901.63 |
| Other Allied Lines | 106,179.08 | 58,090.93 | 12,449.63 | 0.00 | (21.03) | 176,698.61 |
| Crime | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 597,406.43 | 689,777.71 | 42,449.63 | 0.00 | (33.53) | 1,329,600.24 |
| | UNPAID PREVIOUS PERIOD (INCL. I.B.N.R.) | | | | | |
| Fire | 556,882.00 | 896,760.00 | 86,000.00 | 0.00 | 1,500.00 | 1,541,142.00 |
| Other Allied Lines | 122,800.00 | 124,200.00 | 8,050.00 | 0.00 | 1,000.00 | 256,050.00 |
| Crime | 200.00 | 2,000.00 | 0.00 | 0.00 | 0.00 | 2,200.00 |
| Total | 679,882.00 | 1,022,960.00 | 94,050.00 | 0.00 | 2,500.00 | 1,799,392.00 |
| | UNPAID CURRENT PERIOD (INCL. I.B.N.R.) | | | | | |
| Fire | 1,174,873.00 | 351,200.00 | 28,000.00 | 0.00 | 1,500.00 | 1,555,573.00 |
| Other Allied Lines | 169,397.00 | 67,300.00 | 500.00 | 0.00 | 1,000.00 | 238,197.00 |
| Crime | 300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 300.00 |
| Total | 1,344,570.00 | 418,500.00 | 28,500.00 | 0.00 | 2,500.00 | 1,794,070.00 |
| | LOSSES INCURRED | | | | | |
| Fire | 1,109,218.35 | 86,126.78 | (28,000.00) | 0.00 | (12.50) | 1,167,332.63 |
| Other Allied Lines | 152,776.08 | 1,190.93 | 4,899.63 | 0.00 | (21.03) | 158,845.61 |
| Crime | 100.00 | (2,000.00) | 0.00 | 0.00 | 0.00 | (1,900.00) |
| Total | 1,262,094.43 | 85,317.71 | (23,100.37) | 0.00 | (33.53) | 1,324,278.24 |

YEAR TO DATE
01/01/2007 - 12/31/2007

| | 2007 | 2006 | 2005 | 2004 | 2003 | TOTAL |
|--------------------|--|--------------|--------------|-------------|-------------|--------------|
| | LOSSES PAID | | | | | |
| Fire | 1,176,529.64 | 3,133,128.06 | 180,257.88 | 10,304.69 | (35,426.80) | 4,464,793.47 |
| Other Allied Lines | 300,049.46 | 445,140.01 | 40,451.26 | 0.00 | (94.54) | 785,546.19 |
| Crime | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 1,476,579.10 | 3,578,268.07 | 220,709.14 | 10,304.69 | (35,521.34) | 5,250,339.66 |
| | UNPAID PREVIOUS PERIOD (INCL. I.B.N.R.) | | | | | |
| Fire | 0.00 | 1,180,117.00 | 363,900.00 | 36,706.00 | 1,500.00 | 1,582,223.00 |
| Other Allied Lines | 0.00 | 149,800.00 | 45,900.00 | 100.00 | 1,000.00 | 196,800.00 |
| Crime | 0.00 | 200.00 | 0.00 | 0.00 | 0.00 | 200.00 |
| Total | 0.00 | 1,330,117.00 | 409,800.00 | 36,806.00 | 2,500.00 | 1,779,223.00 |
| | UNPAID CURRENT PERIOD (INCL. I.B.N.R.) | | | | | |
| Fire | 1,174,873.00 | 351,200.00 | 28,000.00 | 0.00 | 1,500.00 | 1,555,573.00 |
| Other Allied Lines | 169,397.00 | 67,300.00 | 500.00 | 0.00 | 1,000.00 | 238,197.00 |
| Crime | 300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 300.00 |
| Total | 1,344,570.00 | 418,500.00 | 28,500.00 | 0.00 | 2,500.00 | 1,794,070.00 |
| | LOSSES INCURRED | | | | | |
| Fire | 2,351,402.64 | 2,304,211.06 | (155,642.12) | (26,401.31) | (35,426.80) | 4,438,143.47 |
| Other Allied Lines | 469,446.46 | 362,640.01 | (4,948.74) | (100.00) | (94.54) | 826,943.19 |
| Crime | 300.00 | (200.00) | 0.00 | 0.00 | 0.00 | 100.00 |
| Total | 2,821,149.10 | 2,666,651.07 | (160,590.86) | (26,501.31) | (35,521.34) | 5,265,186.66 |
| | I.B.N.R. (CURRENT PERIOD) | | | | | |
| Fire | 117,600.00 | 0.00 | 0.00 | 0.00 | 0.00 | 117,600.00 |
| Other Allied Lines | 43,800.00 | 0.00 | 0.00 | 0.00 | 0.00 | 43,800.00 |
| Crime | 300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 300.00 |
| Total | 161,700.00 | 0.00 | 0.00 | 0.00 | 0.00 | 161,700.00 |

EXHIBIT 7B

PENNSYLVANIA FAIR PLAN**Loss Adjustment Statistics by Line of Business and Policy Year for the Quarter & Year to Date Ending
December 31, 2007****QUARTER
10/01/2007 - 12/31/2007**

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>TOTAL</u> |
|--|-------------|-------------|-------------|-------------|-------------|--------------|
| LOSS ADJUSTMENT EXPENSES PAID | | | | | | |
| Fire | 49,396.77 | 93,203.12 | 37,021.28 | 0.00 | 5,405.18 | 185,026.35 |
| Other Allied Lines | 59,830.32 | 38,155.64 | 33,919.35 | 0.00 | 0.00 | 131,905.31 |
| Crime | 0.00 | 1,672.11 | 0.00 | 0.00 | 0.00 | 1,672.11 |
| Total | 109,227.09 | 133,030.87 | 70,940.63 | 0.00 | 5,405.18 | 318,603.77 |
| UNPAID PREVIOUS PERIOD | | | | | | |
| Fire | 98,960.00 | 159,359.00 | 15,283.00 | 0.00 | 266.00 | 273,868.00 |
| Other Allied Lines | 21,823.00 | 22,071.00 | 1,431.00 | 0.00 | 178.00 | 45,503.00 |
| Crime | 36.00 | 355.00 | 0.00 | 0.00 | 0.00 | 391.00 |
| Total | 120,819.00 | 181,785.00 | 16,714.00 | 0.00 | 444.00 | 319,762.00 |
| UNPAID CURRENT PERIOD | | | | | | |
| Fire | 224,113.00 | 66,993.00 | 5,341.00 | 0.00 | 286.00 | 296,733.00 |
| Other Allied Lines | 32,314.00 | 12,838.00 | 96.00 | 0.00 | 191.00 | 45,439.00 |
| Crime | 58.00 | 0.00 | 0.00 | 0.00 | 0.00 | 58.00 |
| Total | 256,485.00 | 79,831.00 | 5,437.00 | 0.00 | 477.00 | 342,230.00 |
| LOSS ADJUSTMENT EXPENSES INCURRED | | | | | | |
| Fire | 174,549.77 | 837.12 | 27,079.28 | 0.00 | 5,425.18 | 207,891.35 |
| Other Allied Lines | 70,321.32 | 28,922.64 | 32,584.35 | 0.00 | 13.00 | 131,841.31 |
| Crime | 22.00 | 1,317.11 | 0.00 | 0.00 | 0.00 | 1,339.11 |
| Total | 244,893.09 | 31,076.87 | 59,663.63 | 0.00 | 5,438.18 | 341,071.77 |

**YEAR TO DATE
01/01/2007 - 12/31/2007**

| | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>TOTAL</u> |
|--|-------------|-------------|-------------|-------------|-------------|--------------|
| LOSS ADJUSTMENT EXPENSES PAID | | | | | | |
| Fire | 162,761.97 | 425,156.78 | 119,175.05 | 3,619.74 | 19,974.01 | 730,687.55 |
| Other Allied Lines | 126,133.58 | 291,758.44 | 98,612.82 | 5,148.97 | 66.29 | 521,720.10 |
| Crime | 204.61 | 2,049.09 | 0.00 | 0.00 | 0.00 | 2,253.70 |
| Total | 289,100.16 | 718,964.31 | 217,787.87 | 8,768.71 | 20,040.30 | 1,254,661.35 |
| UNPAID PREVIOUS PERIOD | | | | | | |
| Fire | 0.00 | 193,743.00 | 59,742.00 | 6,027.00 | 246.00 | 259,758.00 |
| Other Allied Lines | 0.00 | 24,593.00 | 7,536.00 | 16.00 | 164.00 | 32,309.00 |
| Crime | 0.00 | 33.00 | 0.00 | 0.00 | 0.00 | 33.00 |
| Total | 0.00 | 218,369.00 | 67,278.00 | 6,043.00 | 410.00 | 292,100.00 |
| UNPAID CURRENT PERIOD | | | | | | |
| Fire | 224,113.00 | 66,993.00 | 5,341.00 | 0.00 | 286.00 | 296,733.00 |
| Other Allied Lines | 32,314.00 | 12,838.00 | 96.00 | 0.00 | 191.00 | 45,439.00 |
| Crime | 58.00 | 0.00 | 0.00 | 0.00 | 0.00 | 58.00 |
| Total | 256,485.00 | 79,831.00 | 5,437.00 | 0.00 | 477.00 | 342,230.00 |
| LOSS ADJUSTMENT EXPENSES INCURRED | | | | | | |
| Fire | 386,874.97 | 298,406.78 | 64,774.05 | (2,407.26) | 20,014.01 | 767,662.55 |
| Other Allied Lines | 158,447.58 | 280,003.44 | 91,172.82 | 5,132.97 | 93.29 | 534,850.10 |
| Crime | 262.61 | 2,016.09 | 0.00 | 0.00 | 0.00 | 2,278.70 |
| Total | 545,585.16 | 580,426.31 | 155,946.87 | 2,725.71 | 20,107.30 | 1,304,791.35 |

EXHIBIT 8

PENNSYLVANIA
Report of Catastrophe Losses for the Quarter Ending
December 31, 2007

| Cat # | Policy Year | Date of Loss | Line of Business | Unpaid Losses | Paid Losses | Alloc. Unpaid LAE | Paid Loss Adjustment Expenses |
|--------------|--------------------|---------------------|-------------------------|----------------------|--------------------|--------------------------|--------------------------------------|
| 59 | 2005 | 01/18/2006 | Other | 0 | 0.00 | 0 | 30.00 |
| 89 | 2005 | 01/18/2006 | Other | 500 | 0.00 | 25 | 0.00 |
| 16 | 2006 | 08/08/2007 | Other | 0 | 3,513.62 | 0 | 500.25 |
| 89 | 2006 | 12/01/2006 | Other | 0 | 0.00 | 0 | 450.00 |
| 94 | 2006 | 02/17/2007 | Other | 500 | 0.00 | 25 | 0.00 |
| 98 | 2006 | 04/13/2007 | Other | 0 | 9,350.64 | 0 | 1,295.00 |
| 16 | 2007 | 08/08/2007 | Other | 0 | 7,253.03 | 0 | 1,885.75 |
| 98 | 2007 | 04/13/2007 | Other | 1,000 | 0.00 | 50 | 3,209.17 |
| TOTAL | | | | 2,000 | 20,117.29 | 100 | 7,370.17 |