

PENNSYLVANIA FAIR PLAN

EXHIBIT 1

Statement of Assets, Liabilities and Members' Equity At December 31, 2003

	<u>LEDGER ASSETS</u>	<u>ASSETS NOT ADMITTED</u>	<u>NET ADMITTED ASSETS</u>
<u>ASSETS</u>			
Cash	4,019,295.74	0.00	4,019,295.74
Investments	4,326,438.34	0.00	4,326,438.34
Due from Participating Members	141,169.97	0.00	141,169.97
Accrued Investment Income	0.00	0.00	0.00
Premiums Receivable	37,034.40	20,712.20	16,322.20
Other Receivables	170,818.87	0.00	170,818.87
Pre-paid Premium Tax	0.00	0.00	0.00
Pre-paid Expenses	118,834.52	118,834.52	0.00
Furniture & Equipment	218,846.93	218,846.93	0.00
Data Processing Equipment	36,296.63	36,296.63	0.00
Other Assets	2,491.86	2,491.86	0.00
TOTAL ASSETS	<u>9,071,227.26</u>	<u>397,182.14</u>	<u>8,674,045.12</u>
<u>LIABILITIES</u>			
Unpaid Losses (Incl. I.B.N.R.)			2,184,875.00
Unpaid Loss Adjustment Expenses			294,238.00
Unpaid Underwriting Expenses			115,033.00
Unpaid Post Retirement Benefits			2,311,213.00
Unearned Premiums			6,543,987.00
Unearned Advance Premiums			245,367.00
Claims Checks Payable			544,966.29
Amounts Withheld for Accounts of Others			169,299.08
Unpaid Premium Tax			29,688.68
TOTAL LIABILITIES			<u>12,438,667.05</u>
<u>MEMBERS' EQUITY</u>			
Members' Equity (Deficit)			<u>(3,764,621.93)</u>
			<u>8,674,045.12</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 2

Income Statement for the Quarter and Year to Date Ending December 31, 2003

	<u>Quarter</u>	<u>Year</u>
	<u>10/01/ - 12/31/2003</u>	<u>01/01/ - 12/31/2003</u>
<u>UNDERWRITING INCOME</u>		
Premiums Written	3,239,174.00	12,813,884.00
Change in Unearned Premiums	(43,734.00)	(333,417.00)
Premiums Earned	<u>3,195,440.00</u>	<u>12,480,467.00</u>
<u>DEDUCTIONS</u>		
Losses Incurred	1,353,283.15	5,675,785.27
Loss Adjustment Expenses Incurred	45,721.40	859,660.89
Other Underwriting Expenses Incurred	1,154,900.57	4,372,291.04
Post Retirement Benefits Incurred	240,601.94	1,262,689.37
Premium Tax Incurred	64,783.48	256,277.68
Total Underwriting Deductions	<u>2,859,290.54</u>	<u>12,426,704.25</u>
Net Underwriting Profit or Loss	336,149.46	53,762.75
<u>OTHER INCOME OR OUTGO</u>		
Net Investment Income	5,951.95	19,356.83
Other Income	27,967.21	79,876.84
Premiums/Assessments Charged-Off	(16,220.27)	(24,528.07)
Total Other Income or Outgo	<u>17,698.89</u>	<u>74,705.60</u>
Net Result of Operations	<u>353,848.35</u>	<u>128,468.35</u>
<u>EQUITY ACCOUNT</u>		
Beginning Members' Equity	(4,074,249.33)	(3,850,799.18)
Net Result of Operations	353,848.35	128,468.35
Change in Assets Not Admitted	(50,882.71)	(48,952.86)
Distribution of Policy Year 2001	(1,000,000.00)	(1,000,000.00)
Distribution of Policy Year 2002	(250,000.00)	(250,000.00)
Distribution of Policy Year 2003	(850,000.00)	(850,000.00)
1997 Policy Year Closeout	1,395,566.63	1,395,566.63
1998 Policy Year Closeout	684,572.77	684,572.77
1999 Policy Year Closeout	(125,817.81)	(125,817.81)
2000 Policy Year Closeout	<u>152,340.17</u>	<u>152,340.17</u>
MEMBERS' EQUITY (DEFICIT)	<u>(3,764,621.93)</u>	<u>(3,764,621.93)</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 3

Reconciliation of Ledger Assets As of December 31, 2003

INCREASE IN LEDGER ASSETS

Premiums Written	12,813,884.00
Other Income	79,876.84
Investment Income	19,356.83
Unearned Advance Premiums	12,419.00
Amounts Withheld for Accounts of Others	0.00
Claims Checks Payable	85,016.33
Premiums/Assessments Charged-Off	0.00
1997 Policy Year Closeout	1,395,566.63
1998 Policy Year Closeout	684,572.77
1999 Policy Year Closeout	0.00
2000 Policy Year Closeout	152,340.17
TOTAL	<hr/> 15,243,032.57

DECREASE IN LEDGER ASSETS

Other Income	0.00
Losses Paid	5,410,994.27
Loss Adjustment Expenses Paid	972,172.89
Other Expenses Paid	4,590,218.55
Unearned Advance Premiums	0.00
Amounts Withheld for Accounts of Others	52,748.77
Claims Checks Payable	0.00
Premiums/Assessments Charged-Off	24,528.07
Distribution of Policy Year 2001	1,000,000.00
Distribution of Policy Year 2002	250,000.00
Distribution of Policy Year 2003	850,000.00
1997 Policy Year Closeout	0.00
1998 Policy Year Closeout	0.00
1999 Policy Year Closeout	125,817.81
2000 Policy Year Closeout	0.00
TOTAL	<hr/> 13,276,480.36

Increase(Decrease) in Ledger Assets	1,966,552.21
Ledger Assets at 12-31-2002	7,104,675.05
Ledger Assets at 12-31-2003	<hr/> 9,071,227.26

PENNSYLVANIA FAIR PLAN

EXHIBIT 4

Statement of Expenses Incurred For the Year Ending December 31, 2003

	<u>Loss Adj. Expenses</u>	<u>Acquisition Expenses</u>	<u>Inspection Expenses</u>	<u>General Expenses</u>	<u>TOTAL</u>
Claim Adjustment Services	456,781.06	0.00	0.00	0.00	456,781.06
Commissions	0.00	844,656.60	0.00	0.00	844,656.60
Boards, Bureaus & Associations	3,234.69	930.60	0.00	45,599.24	49,764.53
Salaries	327,945.00	767,866.44	0.00	938,503.43	2,034,314.87
Employee Relations & Welfare	90,186.23	210,589.63	0.00	257,387.33	558,163.19
Insurance	10,071.57	10,864.25	0.00	16,228.64	37,164.46
Travel & Travel Items	10,717.44	184.61	0.00	16,597.74	27,499.79
Rent & Rent Items	21,116.99	113,698.48	0.00	154,458.31	289,273.78
Equipment	2,564.20	36,501.36	0.00	63,502.37	102,567.93
Printing & Stationery	1,527.93	20,677.48	0.00	38,911.81	61,117.22
Postage, Telephone, & Telegraph	16,806.11	70,484.83	0.00	80,770.18	168,061.12
Legal & Auditing	584.85	1,551.02	0.00	21,258.08	23,393.95
Payroll Taxes	27,643.96	63,853.86	0.00	78,043.61	169,541.43
Premium Taxes	0.00	0.00	0.00	226,762.14	226,762.14
State & Local Insurance Taxes	0.00	0.00	0.00	476.00	476.00
Miscellaneous	2,992.86	17,508.21	0.00	99,213.18	119,714.25
Advertising	0.00	0.00	0.00	0.00	0.00
Inspections, Surveys & Reports	0.00	0.00	393,139.12	0.00	393,139.12
TOTAL Expenses Paid	<u>972,172.89</u>	<u>2,159,367.37</u>	<u>393,139.12</u>	<u>2,037,712.06</u>	<u>5,562,391.44</u>
ADD: Unpaid Expenses Current Year	294,238.00	893,169.00	29,038.00	1,533,727.68	2,750,172.68
Deduct: Unpaid Expenses Prior Year	406,750.00	424,942.00	21,266.00	708,687.14	1,561,645.14
Expenses Incurred	<u>859,660.89</u>	<u>2,627,594.37</u>	<u>400,911.12</u>	<u>2,862,752.60</u>	<u>6,750,918.98</u>

PENNSYLVANIA FAIR PLAN

Members' Account by Policy Year For the Quarter Ending December 31, 2003

EXHIBIT 5A

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>TOTAL</u>
Premiums Written	3,239,748.00	(574.00)	0.00	0.00	0.00	0.00	0.00	3,239,174.00
Other Income	27,172.08	0.00	795.13	0.00	0.00	0.00	0.00	27,967.21
Investment Income Received	5,951.95	0.00	0.00	0.00	0.00	0.00	0.00	5,951.95
Subtotal	<u>3,272,872.03</u>	<u>(574.00)</u>	<u>795.13</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,273,093.16</u>
EXPENSES PAID:								
Losses	569,024.82	544,589.62	(241,057.29)	0.00	0.00	1,000.00	250,500.00	1,124,057.15
Loss Adjustment Expenses	122,059.90	120,457.51	(190,526.01)	0.00	0.00	176.00	44,173.00	96,340.40
Other Underwriting Expenses	939,448.61	0.00	0.00	0.00	0.00	0.00	0.00	939,448.61
Premium Tax	35,106.28	(11.48)	0.00	0.00	0.00	0.00	0.00	35,094.80
Commissions	212,690.40	(42.50)	0.00	0.00	0.00	0.00	0.00	212,647.90
Premiums/Assessments Charged-off	1,727.00	(4.80)	14,498.07	0.00	0.00	0.00	0.00	16,220.27
Subtotal	<u>1,880,057.01</u>	<u>664,988.35</u>	<u>(417,085.23)</u>	<u>0.00</u>	<u>0.00</u>	<u>1,176.00</u>	<u>294,673.00</u>	<u>2,423,809.13</u>
BALANCE DUE COMPANIES	1,392,815.02	(665,562.35)	417,880.36	0.00	0.00	(1,176.00)	(294,673.00)	849,284.03
DEDUCT:								
Prior Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prior Non-Admitted Assets	(346,299.43)	0.00	0.00	0.00	0.00	0.00	0.00	(346,299.43)
Subtotal	<u>(346,299.43)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(346,299.43)</u>
ADD:								
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(397,182.14)	0.00	0.00	0.00	0.00	0.00	0.00	(397,182.14)
Subtotal	<u>(397,182.14)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(397,182.14)</u>
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	1,341,932.31	(665,562.35)	417,880.36	0.00	0.00	(1,176.00)	(294,673.00)	798,401.32
DEDUCT:								
Current Unearned Premiums	6,543,987.00	0.00	0.00	0.00	0.00	0.00	0.00	6,543,987.00
Current Unpaid Losses (Incl. I.B.N.R.)	1,742,435.00	426,940.00	15,500.00	0.00	0.00	0.00	0.00	2,184,875.00
Current Unpaid Underwriting Expenses	115,033.00	0.00	0.00	0.00	0.00	0.00	0.00	115,033.00
Current Unpaid Post Retirement Benefits	2,311,213.00	0.00	0.00	0.00	0.00	0.00	0.00	2,311,213.00
Current Unpaid Loss Adjustment Expenses	234,655.00	57,496.00	2,087.00	0.00	0.00	0.00	0.00	294,238.00
Current Unpaid Premium Tax	29,688.68	0.00	0.00	0.00	0.00	0.00	0.00	29,688.68
Subtotal	<u>10,977,011.68</u>	<u>484,436.00</u>	<u>17,587.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>11,479,034.68</u>
ADD:								
Prior Unearned Premiums	6,123,800.00	376,453.00	0.00	0.00	0.00	0.00	0.00	6,500,253.00
Prior Unpaid Losses (Incl. I.B.N.R.)	819,092.00	776,557.00	108,500.00	0.00	0.00	1,000.00	250,500.00	1,955,649.00
Prior Unpaid Underwriting Expenses	100,892.00	0.00	0.00	0.00	0.00	0.00	0.00	100,892.00
Prior Unpaid Post Retirement Benefits	2,081,948.00	0.00	0.00	0.00	0.00	0.00	0.00	2,081,948.00
Prior Unpaid Loss Adjustment Expenses	144,437.00	136,939.00	19,132.00	0.00	0.00	176.00	44,173.00	344,857.00
Prior Unpaid Premium Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	<u>9,270,169.00</u>	<u>1,289,949.00</u>	<u>127,632.00</u>	<u>0.00</u>	<u>0.00</u>	<u>1,176.00</u>	<u>294,673.00</u>	<u>10,983,599.00</u>
Distribution of Policy Year 2001	0.00	0.00	(1,000,000.00)	0.00	0.00	0.00	0.00	(1,000,000.00)
Distribution of Policy Year 2002	0.00	(250,000.00)	0.00	0.00	0.00	0.00	0.00	(250,000.00)
Distribution of Policy Year 2003	(850,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	(850,000.00)
1997 Policy Year Closeout	0.00	0.00	0.00	0.00	0.00	0.00	1,395,566.63	1,395,566.63
1998 Policy Year Closeout	0.00	0.00	0.00	0.00	0.00	684,572.77	0.00	684,572.77
1999 Policy Year Closeout	0.00	0.00	0.00	0.00	(125,817.81)	0.00	0.00	(125,817.81)
2000 Policy Year Closeout	0.00	0.00	0.00	152,340.17	0.00	0.00	0.00	152,340.17
NET CHANGE IN MEMBERS' EQUITY	<u>(1,214,910.37)</u>	<u>(110,049.35)</u>	<u>(472,074.64)</u>	<u>152,340.17</u>	<u>(125,817.81)</u>	<u>684,572.77</u>	<u>1,395,566.63</u>	<u>309,627.40</u>

PENNSYLVANIA FAIR PLAN

Members' Account by Policy Year Year to Date Ending December 31, 2003

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>TOTAL</u>
Premiums Written	12,760,857.00	53,027.00	0.00	0.00	0.00	0.00	0.00	12,813,884.00
Other Income	79,081.71	0.00	795.13	0.00	0.00	0.00	0.00	79,876.84
Investment Income Received	19,356.83	0.00	0.00	0.00	0.00	0.00	0.00	19,356.83
Subtotal	<u>12,859,295.54</u>	<u>53,027.00</u>	<u>795.13</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>12,913,117.67</u>
EXPENSES PAID:								
Losses	1,359,785.02	3,674,442.58	86,588.41	36,690.58	10,103.22	17,438.25	225,946.21	5,410,994.27
Loss Adjustment Expenses	240,850.62	579,646.82	(68,795.68)	71,053.76	32,091.82	22,734.52	94,591.03	972,172.89
Other Underwriting Expenses	3,425,578.81	93,221.00	0.00	0.00	0.00	0.00	0.00	3,518,799.81
Premium Tax	225,528.46	1,233.68	0.00	0.00	0.00	0.00	0.00	226,762.14
Commissions	841,135.00	3,521.60	0.00	0.00	0.00	0.00	0.00	844,656.60
Premiums/Assessments Charged-off	4,749.00	5,281.00	14,498.07	0.00	0.00	0.00	0.00	24,528.07
Subtotal	<u>6,097,626.91</u>	<u>4,357,346.68</u>	<u>32,290.80</u>	<u>107,744.34</u>	<u>42,195.04</u>	<u>40,172.77</u>	<u>320,537.24</u>	<u>10,997,913.78</u>
BALANCE DUE COMPANIES	6,761,668.63	(4,304,319.68)	(31,495.67)	(107,744.34)	(42,195.04)	(40,172.77)	(320,537.24)	1,915,203.89
DEDUCT:								
Prior Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prior Non-Admitted Assets	0.00	(348,229.28)	0.00	0.00	0.00	0.00	0.00	(348,229.28)
Subtotal	<u>0.00</u>	<u>(348,229.28)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(348,229.28)</u>
ADD:								
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(397,182.14)	0.00	0.00	0.00	0.00	0.00	0.00	(397,182.14)
Subtotal	<u>(397,182.14)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(397,182.14)</u>
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	6,364,486.49	(3,956,090.40)	(31,495.67)	(107,744.34)	(42,195.04)	(40,172.77)	(320,537.24)	1,866,251.03
DEDUCT:								
Current Unearned Premiums	6,543,987.00	0.00	0.00	0.00	0.00	0.00	0.00	6,543,987.00
Current Unpaid Losses (Incl. I.B.N.R.)	1,742,435.00	426,940.00	15,500.00	0.00	0.00	0.00	0.00	2,184,875.00
Current Unpaid Underwriting Expenses	115,033.00	0.00	0.00	0.00	0.00	0.00	0.00	115,033.00
Current Unpaid Post Retirement Benefits	2,311,213.00	0.00	0.00	0.00	0.00	0.00	0.00	2,311,213.00
Current Unpaid Loss Adjustment Expenses	234,655.00	57,496.00	2,087.00	0.00	0.00	0.00	0.00	294,238.00
Current Unpaid Premium Tax	29,688.68	0.00	0.00	0.00	0.00	0.00	0.00	29,688.68
Subtotal	<u>10,977,011.68</u>	<u>484,436.00</u>	<u>17,587.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>11,479,034.68</u>
ADD:								
Prior Unearned Premiums	0.00	6,210,570.00	0.00	0.00	0.00	0.00	0.00	6,210,570.00
Prior Unpaid Losses (Incl. I.B.N.R.)	0.00	1,113,031.00	492,153.00	34,500.00	27,900.00	2,000.00	250,500.00	1,920,084.00
Prior Unpaid Underwriting Expenses	0.00	71,955.00	0.00	0.00	0.00	0.00	0.00	71,955.00
Prior Unpaid Post Retirement Benefits	0.00	1,082,767.00	0.00	0.00	0.00	0.00	0.00	1,082,767.00
Prior Unpaid Loss Adjustment Expenses	0.00	235,784.00	104,258.00	7,308.00	5,910.00	424.00	53,066.00	406,750.00
Prior Unpaid Premium Tax	0.00	173.14	0.00	0.00	0.00	0.00	0.00	173.14
Subtotal	<u>0.00</u>	<u>8,714,280.14</u>	<u>596,411.00</u>	<u>41,808.00</u>	<u>33,810.00</u>	<u>2,424.00</u>	<u>303,566.00</u>	<u>9,692,299.14</u>
Distribution of Policy Year 2001	0.00	0.00	(1,000,000.00)	0.00	0.00	0.00	0.00	(1,000,000.00)
Distribution of Policy Year 2002	0.00	(250,000.00)	0.00	0.00	0.00	0.00	0.00	(250,000.00)
Distribution of Policy Year 2003	(850,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	(850,000.00)
1997 Policy Year Closeout	0.00	0.00	0.00	0.00	0.00	0.00	1,395,566.63	1,395,566.63
1998 Policy Year Closeout	0.00	0.00	0.00	0.00	0.00	684,572.77	0.00	684,572.77
1999 Policy Year Closeout	0.00	0.00	0.00	0.00	(125,817.81)	0.00	0.00	(125,817.81)
2000 Policy Year Closeout	0.00	0.00	0.00	152,340.17	0.00	0.00	0.00	152,340.17
NET CHANGE IN MEMBERS' EQUITY	<u>(5,462,525.19)</u>	<u>4,023,753.74</u>	<u>(452,671.67)</u>	<u>86,403.83</u>	<u>(134,202.85)</u>	<u>646,824.00</u>	<u>1,378,595.39</u>	<u>86,177.25</u>

PENNSYLVANIA FAIR PLAN

Members' Account by Policy Year For Active Policy Years at December 31, 2003

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>TOTAL</u>
Premiums Written	12,760,857.00	12,109,324.00	11,309,536.00	11,331,498.00	11,868,602.00	13,311,037.00	14,026,980.00	86,717,834.00
Other Income	79,081.71	27,087.72	5,615.60	7,349.23	10,987.04	(25,672.65)	(15,025.26)	89,423.39
Investment Income Received	19,356.83	39,911.04	158,416.49	206,911.06	162,129.39	83,075.22	132,168.25	801,968.28
Subtotal	<u>12,859,295.54</u>	<u>12,176,322.76</u>	<u>11,473,568.09</u>	<u>11,545,758.29</u>	<u>12,041,718.43</u>	<u>13,368,439.57</u>	<u>14,144,122.99</u>	<u>87,609,225.67</u>
<u>EXPENSES PAID:</u>								
Losses	1,359,785.02	5,155,524.99	4,714,706.38	6,023,055.00	5,685,908.96	7,511,346.78	8,784,999.45	39,235,326.58
Loss Adjustment Expenses	240,850.62	823,499.66	761,655.91	1,470,265.86	1,523,268.56	1,744,195.42	1,883,814.48	8,447,550.51
Other Underwriting Expenses	3,425,578.81	3,303,371.86	3,414,976.31	3,215,473.28	3,656,060.86	3,605,030.06	3,567,343.81	24,187,834.99
Premium Tax	225,528.46	242,186.48	225,773.62	221,934.62	242,484.46	266,220.76	280,539.60	1,704,668.00
Commissions	841,135.00	798,235.90	721,782.60	760,228.80	799,745.80	915,298.90	987,253.30	5,823,680.30
Premiums/Assessments Charged-off	4,749.00	17,527.61	20,723.27	7,140.90	8,431.98	10,920.42	35,738.98	105,232.16
Subtotal	<u>6,097,626.91</u>	<u>10,340,346.50</u>	<u>9,859,618.09</u>	<u>11,698,098.46</u>	<u>11,915,900.62</u>	<u>14,053,012.34</u>	<u>15,539,689.62</u>	<u>79,504,292.54</u>
BALANCE DUE COMPANIES	6,761,668.63	1,835,976.26	1,613,950.00	(152,340.17)	125,817.81	(684,572.77)	(1,395,566.63)	8,104,933.13
<u>ADD:</u>								
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(397,182.14)	0.00	0.00	0.00	0.00	0.00	0.00	(397,182.14)
Subtotal	<u>(397,182.14)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(397,182.14)</u>
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	6,364,486.49	1,835,976.26	1,613,950.00	(152,340.17)	125,817.81	(684,572.77)	(1,395,566.63)	7,707,750.99
<u>DEDUCT:</u>								
Current Unearned Premiums	6,543,987.00	0.00	0.00	0.00	0.00	0.00	0.00	6,543,987.00
Current Unpaid Losses (Incl. I.B.N.R.)	1,742,435.00	426,940.00	15,500.00	0.00	0.00	0.00	0.00	2,184,875.00
Current Unpaid Underwriting Expenses	115,033.00	0.00	0.00	0.00	0.00	0.00	0.00	115,033.00
Current Unpaid Post Retirement Benefits	2,311,213.00	0.00	0.00	0.00	0.00	0.00	0.00	2,311,213.00
Current Unpaid Loss Adjustment Expenses	234,655.00	57,496.00	2,087.00	0.00	0.00	0.00	0.00	294,238.00
Current Unpaid Premium Tax	29,688.68	0.00	0.00	0.00	0.00	0.00	0.00	29,688.68
Subtotal	<u>10,977,011.68</u>	<u>484,436.00</u>	<u>17,587.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>11,479,034.68</u>
Distribution of Policy Year 2001	0.00	0.00	(1,000,000.00)	0.00	0.00	0.00	0.00	(1,000,000.00)
Distribution of Policy Year 2002	0.00	(250,000.00)	0.00	0.00	0.00	0.00	0.00	(250,000.00)
Distribution of Policy Year 2003	(850,000.00)	0.00	0.00	0.00	0.00	0.00	0.00	(850,000.00)
1997 Policy Year Closeout	0.00	0.00	0.00	0.00	0.00	0.00	1,395,566.63	1,395,566.63
1998 Policy Year Closeout	0.00	0.00	0.00	0.00	0.00	684,572.77	0.00	684,572.77
1999 Policy Year Closeout	0.00	0.00	0.00	0.00	(125,817.81)	0.00	0.00	(125,817.81)
2000 Policy Year Closeout	0.00	0.00	0.00	152,340.17	0.00	0.00	0.00	152,340.17
NET CHANGE IN MEMBERS' EQUITY	<u>(5,462,525.19)</u>	<u>1,101,540.26</u>	<u>596,363.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(3,764,621.93)</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, 2003

	<u>QUARTER</u> 10/01/2003 - 12/31/2003			<u>YEAR</u> 01/01/2003 - 12/31/2003		
	<u>PREMIUMS WRITTEN</u>					
	<u>2003</u>	<u>2002</u>	<u>TOTAL</u>	<u>2003</u>	<u>2002</u>	<u>TOTAL</u>
Fire	2,387,840.00	(445.00)	2,387,395.00	9,424,203.00	42,783.00	9,466,986.00
Other Allied Lines	845,661.00	(129.00)	845,532.00	3,304,586.00	10,244.00	3,314,830.00
Crime	6,247.00	0.00	6,247.00	32,068.00	0.00	32,068.00
Total	<u>3,239,748.00</u>	<u>(574.00)</u>	<u>3,239,174.00</u>	<u>12,760,857.00</u>	<u>53,027.00</u>	<u>12,813,884.00</u>
	<u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u>					
Fire	4,524,958.00	277,994.00	4,802,952.00	0.00	4,588,489.00	4,588,489.00
Other Allied Lines	1,581,766.00	97,876.00	1,679,642.00	0.00	1,604,034.00	1,604,034.00
Crime	17,076.00	583.00	17,659.00	0.00	18,047.00	18,047.00
Total	<u>6,123,800.00</u>	<u>376,453.00</u>	<u>6,500,253.00</u>	<u>0.00</u>	<u>6,210,570.00</u>	<u>6,210,570.00</u>
	<u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u>					
Fire	4,827,945.00	0.00	4,827,945.00	4,827,945.00	0.00	4,827,945.00
Other Allied Lines	1,700,147.00	0.00	1,700,147.00	1,700,147.00	0.00	1,700,147.00
Crime	15,895.00	0.00	15,895.00	15,895.00	0.00	15,895.00
Total	<u>6,543,987.00</u>	<u>0.00</u>	<u>6,543,987.00</u>	<u>6,543,987.00</u>	<u>0.00</u>	<u>6,543,987.00</u>
	<u>PREMIUMS EARNED</u>					
Fire	2,084,853.00	277,549.00	2,362,402.00	4,596,258.00	4,631,272.00	9,227,530.00
Other Allied Lines	727,280.00	97,747.00	825,027.00	1,604,439.00	1,614,278.00	3,218,717.00
Crime	7,428.00	583.00	8,011.00	16,173.00	18,047.00	34,220.00
Total	<u>2,819,561.00</u>	<u>375,879.00</u>	<u>3,195,440.00</u>	<u>6,216,870.00</u>	<u>6,263,597.00</u>	<u>12,480,467.00</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, 2003

	<u>QUARTER</u>			<u>YEAR</u>		
	10/01/2003 - 12/31/2003			01/01/2003 - 12/31/2003		
	<u>PREMIUMS WRITTEN</u>					
	<u>2003</u>	<u>2002</u>	<u>TOTAL</u>	<u>2003</u>	<u>2002</u>	<u>TOTAL</u>
Habitational (Owner Occupied)	1,973,194.00	(365.00)	1,972,829.00	7,705,997.00	31,779.00	7,737,776.00
Habitational (Non-Owner Occupied)	823,431.00	(154.00)	823,277.00	3,216,858.00	13,355.00	3,230,213.00
Commercial	443,123.00	(55.00)	443,068.00	1,838,002.00	7,893.00	1,845,895.00
Total	<u>3,239,748.00</u>	<u>(574.00)</u>	<u>3,239,174.00</u>	<u>12,760,857.00</u>	<u>53,027.00</u>	<u>12,813,884.00</u>
	<u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u>					
Habitational (Owner Occupied)	3,776,147.00	232,117.00	4,008,264.00	0.00	3,833,355.00	3,833,355.00
Habitational (Non-Owner Occupied)	1,577,751.00	96,920.00	1,674,671.00	0.00	1,601,832.00	1,601,832.00
Commercial	769,902.00	47,416.00	817,318.00	0.00	775,383.00	775,383.00
Total	<u>6,123,800.00</u>	<u>376,453.00</u>	<u>6,500,253.00</u>	<u>0.00</u>	<u>6,210,570.00</u>	<u>6,210,570.00</u>
	<u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u>					
Habitational (Owner Occupied)	4,173,351.00	0.00	4,173,351.00	4,173,351.00	0.00	4,173,351.00
Habitational (Non-Owner Occupied)	1,744,250.00	0.00	1,744,250.00	1,744,250.00	0.00	1,744,250.00
Commercial	626,386.00	0.00	626,386.00	626,386.00	0.00	626,386.00
Total	<u>6,543,987.00</u>	<u>0.00</u>	<u>6,543,987.00</u>	<u>6,543,987.00</u>	<u>0.00</u>	<u>6,543,987.00</u>
	<u>PREMIUMS EARNED</u>					
Habitational (Owner Occupied)	1,575,990.00	231,752.00	1,807,742.00	3,532,646.00	3,865,134.00	7,397,780.00
Habitational (Non-Owner Occupied)	656,932.00	96,766.00	753,698.00	1,472,608.00	1,615,187.00	3,087,795.00
Commercial	586,639.00	47,361.00	634,000.00	1,211,616.00	783,276.00	1,994,892.00
Total	<u>2,819,561.00</u>	<u>375,879.00</u>	<u>3,195,440.00</u>	<u>6,216,870.00</u>	<u>6,263,597.00</u>	<u>12,480,467.00</u>
Premiums Earned for Terrorism Reporting Requirements	1,243,571.00	144,127.00	1,387,698.00	2,684,224.00	2,398,463.00	5,082,687.00

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

PENNSYLVANIA FAIR PLAN
Reporting Schedule P Number of Claims Outstanding
FOR THE TEN YEAR PERIOD ENDING DECEMBER 31, 2003

<u>Coverage</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>1994</u>	<u>Total</u>
Fire	84	3	0	0	0	0	1	0	0	0	88
Other Allied	142	0	0	0	0	0	0	0	0	0	142
Crime	3	0	0	0	0	0	0	0	0	0	3
Homeowners	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	229	3	0	0	0	0	1	0	0	0	233

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.

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, 2003

QUARTER

10/01/2003 - 12/31/2003

LOSS ADJUSTMENT EXPENSES PAID

	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>TOTAL</u>
Fire	32,348.44	75,405.28	(191,822.29)	0.00	0.00	176.00	44,173.00	(39,719.57)
Other Allied Lines	89,711.46	44,525.83	1,296.28	0.00	0.00	0.00	0.00	135,533.57
Crime	0.00	526.40	0.00	0.00	0.00	0.00	0.00	526.40
Total	122,059.90	120,457.51	(190,526.01)	0.00	0.00	176.00	44,173.00	96,340.40

UNPAID PREVIOUS PERIOD

Fire	102,224.00	107,296.00	18,779.00	0.00	0.00	176.00	44,173.00	272,648.00
Other Allied Lines	42,160.00	28,567.00	353.00	0.00	0.00	0.00	0.00	71,080.00
Crime	53.00	1,076.00	0.00	0.00	0.00	0.00	0.00	1,129.00
Total	144,437.00	136,939.00	19,132.00	0.00	0.00	176.00	44,173.00	344,857.00

UNPAID CURRENT PERIOD

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

LOSS ADJUSTMENT EXPENSES INCURRED

Fire	120,319.44	11,608.28	(208,514.29)	0.00	0.00	0.00	0.00	(76,586.57)
Other Allied Lines	91,162.46	29,551.83	943.28	0.00	0.00	0.00	0.00	121,657.57
Crime	796.00	(145.60)	0.00	0.00	0.00	0.00	0.00	650.40
Total	212,277.90	41,014.51	(207,571.01)	0.00	0.00	0.00	0.00	45,721.40

YEAR TO DATE

01/01/2003 - 12/31/2003

LOSS ADJUSTMENT EXPENSES PAID

Fire	96,565.43	350,759.58	(96,198.59)	37,259.43	31,963.94	22,886.63	92,458.03	535,694.45
Other Allied Lines	144,285.19	227,296.28	25,852.74	33,794.33	127.88	(152.11)	2,133.00	433,337.31
Crime	0.00	1,590.96	1,550.17	0.00	0.00	0.00	0.00	3,141.13
Total	240,850.62	579,646.82	(68,795.68)	71,053.76	32,091.82	22,734.52	94,591.03	972,172.89

UNPAID PREVIOUS PERIOD

Fire	0.00	202,356.00	91,622.00	6,567.00	5,910.00	424.00	53,066.00	359,945.00
Other Allied Lines	0.00	33,344.00	12,001.00	741.00	0.00	0.00	0.00	46,086.00
Crime	0.00	84.00	635.00	0.00	0.00	0.00	0.00	719.00
Total	0.00	235,784.00	104,258.00	7,308.00	5,910.00	424.00	53,066.00	406,750.00

UNPAID CURRENT PERIOD

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

LOSS ADJUSTMENT EXPENSES INCURRED

Fire	286,760.43	191,902.58	(185,733.59)	30,692.43	26,053.94	22,462.63	39,392.03	411,530.45
Other Allied Lines	187,896.19	207,545.28	13,851.74	33,053.33	127.88	(152.11)	2,133.00	444,455.31
Crime	849.00	1,910.96	915.17	0.00	0.00	0.00	0.00	3,675.13
Total	475,505.62	401,358.82	(170,966.68)	63,745.76	26,181.82	22,310.52	41,525.03	859,660.89

PENNSYLVANIA FAIR PLAN**EXHIBIT 8****Report of Catastrophe Losses
For the Quarter Ending December 31, 2003**

<u>Catastrophe Number</u>	<u>Policy Year</u>	<u>Date of Loss</u>	<u>Line of Business</u>	<u>Unpaid Losses</u>	<u>Losses Paid</u>	<u>Allocated Unpaid Loss Adjustment Expense</u>	<u>Loss Adjustment Expenses Paid</u>
82	2002	02/17/2003	Other	3,400.00	0.00	170.00	862.45
91	2002	07/21/2003	Other	0.00	581.45	0.00	2,162.00
91	2003	07/21/2003	Other	0.00	1,247.55	0.00	2,520.65
95	2002	09/18/2003	Other	13,040.00	25,092.02	652.00	9,255.29
95	2003	09/18/2003	Other	19,500.00	65,713.65	975.00	17,171.17
96	2002	10/15/2003	Other	7,500.00	821.36	375.00	1,019.88
96	2003	10/15/2003	Other	9,500.00	15,823.89	475.00	4,248.95
99	2002	11/13/2003	Other	8,000.00	1,170.09	400.00	797.70
99	2003	11/13/2003	Other	55,184.00	49,261.69	2,759.00	12,692.76
TOTAL				116,124.00	159,711.70	5,806.00	50,730.85