

PENNSYLVANIA FAIR PLAN

EXHIBIT 1

Statement of Assets, Liabilities and Members' Equity At March 31, 2006

	<u>LEDGER ASSETS</u>	<u>ASSETS NOT ADMITTED</u>	<u>NET ADMITTED ASSETS</u>
<u>ASSETS</u>			
Cash	2,255,651.59	0.00	2,255,651.59
Investments	11,429,130.22	0.00	11,429,130.22
Due from Participating Members	0.00	0.00	0.00
Accrued Investment Income	0.00	0.00	0.00
Premiums Receivable	33,261.30	13,692.80	19,568.50
Other Receivables	174,392.84	0.00	174,392.84
Pre-paid Premium Tax	188,837.66	0.00	188,837.66
Pre-paid Expenses	58,461.80	58,461.80	0.00
Furniture & Equipment	159,872.48	159,872.48	0.00
Data Processing Equipment	33,569.83	33,569.83	0.00
Other Assets	794.72	794.72	0.00
TOTAL ASSETS	<u>14,333,972.44</u>	<u>266,391.63</u>	<u>14,067,580.81</u>
<u>LIABILITIES</u>			
Unpaid Losses (Incl. I.B.N.R.)			2,718,542.00
Unpaid Loss Adjustment Expenses			531,983.00
Unpaid Underwriting Expenses			132,960.00
Unpaid Post Retirement Benefits			1,077,685.00
Unpaid Pension			1,366,226.00
Unearned Premiums			7,006,592.00
Unearned Advance Premiums			424,779.00
Claims Checks Payable			639,920.11
Amounts Withheld for Accounts of Others			175,105.97
Unpaid Premium Tax			0.00
TOTAL LIABILITIES			<u>14,073,793.08</u>
<u>MEMBERS' EQUITY</u>			
Members' Equity (Deficit)			(6,212.27)
TOTAL LIABILITIES & MEMBERS' EQUITY			<u>14,067,580.81</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 2

Income Statement for the Quarter and Year to Date Ending March 31, 2006

Quarter & Year

01/01/ - 03/31/2006

UNDERWRITING INCOME

Premiums Written	3,372,017.00
Change in Unearned Premiums	62,187.00
Premiums Earned	<u>3,434,204.00</u>

DEDUCTIONS

Losses Incurred	1,847,817.29
Loss Adjustment Expenses Incurred	206,236.39
Other Underwriting Expenses Incurred	1,070,916.34
Post Retirement Benefits Incurred	56,258.29
Premium Tax Incurred	67,440.34
Total Underwriting Deductions	<u>3,248,668.65</u>
Net Underwriting Profit or Loss	185,535.35

OTHER INCOME OR OUTGO

Net Investment Income	110,806.87
Other Income	(4,712.53)
Premiums/Assessments Charged-Off	(5,484.65)
Total Other Income or Outgo	<u>100,609.69</u>
Net Result of Operations	286,145.04

EQUITY ACCOUNT

Beginning Members' Equity	(205,068.17)
Net Result of Operations	286,145.04
Change in Assets Not Admitted	21,529.86
Change in Pension	(108,819.00)
Assessment of Policy Years	0.00
Distribution of Policy Years	0.00
Closeout of Policy Years	0.00
Distributions (Assessments) to Members Charged-Off	<u>0.00</u>

MEMBERS' EQUITY (DEFICIT)

(6,212.27)

PENNSYLVANIA FAIR PLAN

EXHIBIT 3

Reconciliation of Ledger Assets As of March 31, 2006

INCREASE IN LEDGER ASSETS

Premiums Written	3,372,017.00
Other Income	0.00
Investment Income	110,806.87
Unearned Advance Premiums	97,576.00
Amounts Withheld for Accounts of Others	25,901.55
Claims Checks Payable	0.00
Premiums Charged-Off	0.00
Distributions to Members Charged-Off	0.00
Assessment of Policy Years	0.00
Closeout of Policy Years	0.00
TOTAL	<hr/> 3,606,301.42

DECREASE IN LEDGER ASSETS

Other Income	4,712.53
Losses Paid	1,513,019.29
Loss Adjustment Expenses Paid	316,564.39
Other Expenses Paid	1,224,122.43
Unearned Advance Premiums	0.00
Amounts Withheld for Accounts of Others	0.00
Claims Checks Payable	33,559.60
Premiums Charged-Off	5,484.65
Distributions to Members Charged-Off	0.00
Distribution of Policy Years	0.00
Closeout of Policy Years	0.00
TOTAL	<hr/> 3,097,462.89

Increase(Decrease) in Ledger Assets	508,838.53
Ledger Assets at 12/31/2005	13,825,133.91
Ledger Assets at 03/31/2006	<hr/> 14,333,972.44

PENNSYLVANIA FAIR PLAN

EXHIBIT 5A

Members' Account by Policy Year For the Quarter and Year to Date Ending March 31, 2006

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Premiums Written	3,342,764.00	29,253.00	0.00	0.00	0.00	0.00	3,372,017.00
Other Income	(4,712.53)	0.00	0.00	0.00	0.00	0.00	(4,712.53)
Investment Income Received	59,203.87	51,603.00	0.00	0.00	0.00	0.00	110,806.87
Subtotal	<u>3,397,255.34</u>	<u>80,856.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>3,478,111.34</u>
EXPENSES PAID:							
Losses	25,381.22	1,342,088.26	139,050.65	7,053.33	0.00	(554.17)	1,513,019.29
Loss Adjustment Expenses	2,384.40	238,612.80	53,103.18	22,155.51	142.96	165.54	316,564.39
Other Underwriting Expenses	810,280.33	89,129.00	0.00	0.00	0.00	0.00	899,409.33
Premium Tax	66,855.28	37,060.52	0.00	0.00	0.00	0.00	103,915.80
Commissions	218,898.50	1,898.80	0.00	0.00	0.00	0.00	220,797.30
Premiums/Assessments Charged-off	0.00	5,484.65	0.00	0.00	0.00	0.00	5,484.65
Subtotal	<u>1,123,799.73</u>	<u>1,714,274.03</u>	<u>192,153.83</u>	<u>29,208.84</u>	<u>142.96</u>	<u>(388.63)</u>	<u>3,059,190.76</u>
BALANCE DUE COMPANIES	2,273,455.61	(1,633,418.03)	(192,153.83)	(29,208.84)	(142.96)	388.63	418,920.58
DEDUCT:							
Prior Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prior Non-Admitted Assets	0.00	(287,921.49)	0.00	0.00	0.00	0.00	(287,921.49)
Prior Pension	0.00	(1,257,407.00)	0.00	0.00	0.00	0.00	(1,257,407.00)
Subtotal	<u>0.00</u>	<u>(1,545,328.49)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(1,545,328.49)</u>
ADD:							
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(266,391.63)	0.00	0.00	0.00	0.00	0.00	(266,391.63)
Current Pension	(1,366,226.00)	0.00	0.00	0.00	0.00	0.00	(1,366,226.00)
Subtotal	<u>(1,632,617.63)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(1,632,617.63)</u>
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	640,837.98	(88,089.54)	(192,153.83)	(29,208.84)	(142.96)	388.63	331,631.44
DEDUCT:							
Current Unearned Premiums	3,095,031.00	3,911,561.00	0.00	0.00	0.00	0.00	7,006,592.00
Current Unpaid Losses (Incl. I.B.N.R.)	241,800.00	1,836,341.00	546,901.00	92,500.00	1,000.00	0.00	2,718,542.00
Current Unpaid Underwriting Expenses	132,960.00	0.00	0.00	0.00	0.00	0.00	132,960.00
Current Unpaid Post Retirement Benefits	1,077,685.00	0.00	0.00	0.00	0.00	0.00	1,077,685.00
Current Unpaid Loss Adjustment Expenses	47,318.00	359,347.00	107,022.00	18,101.00	195.00	0.00	531,983.00
Current Unpaid Premium Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	<u>4,594,794.00</u>	<u>6,107,249.00</u>	<u>653,923.00</u>	<u>110,601.00</u>	<u>1,195.00</u>	<u>0.00</u>	<u>11,467,762.00</u>
ADD:							
Prior Unearned Premiums	0.00	7,068,779.00	0.00	0.00	0.00	0.00	7,068,779.00
Prior Unpaid Losses (Incl. I.B.N.R.)	0.00	1,496,388.00	738,856.00	147,500.00	1,000.00	0.00	2,383,744.00
Prior Unpaid Underwriting Expenses	0.00	89,129.00	0.00	0.00	0.00	0.00	89,129.00
Prior Unpaid Post Retirement Benefits	0.00	1,114,548.00	0.00	0.00	0.00	0.00	1,114,548.00
Prior Unpaid Loss Adjustment Expenses	0.00	403,208.00	199,089.00	39,744.00	270.00	0.00	642,311.00
Prior Unpaid Premium Tax	0.00	36,475.46	0.00	0.00	0.00	0.00	36,475.46
Subtotal	<u>0.00</u>	<u>10,208,527.46</u>	<u>937,945.00</u>	<u>187,244.00</u>	<u>1,270.00</u>	<u>0.00</u>	<u>11,334,986.46</u>
Distributions Charged-Off	0.00	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	0.00
Assessment of Policy Years	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Distribution of Policy Years	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Closeout of Policy Years	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET CHANGE IN MEMBERS' EQUITY	<u>(3,953,956.02)</u>	<u>4,013,188.92</u>	<u>91,868.17</u>	<u>47,434.16</u>	<u>(67.96)</u>	<u>388.63</u>	<u>198,855.90</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 5C

Members' Account by Policy Year For Active Policy Years at March 31, 2006

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Premiums Written	3,342,764.00	13,703,573.00	13,583,775.00	12,861,458.00	12,109,324.00	11,309,536.00	66,910,430.00
Other Income	(4,712.53)	33,514.85	55,015.35	80,667.71	27,087.72	6,188.13	197,761.23
Investment Income Received	59,203.87	270,882.82	72,562.64	19,356.83	39,911.04	158,416.49	620,333.69
Subtotal	<u>3,397,255.34</u>	<u>14,007,970.67</u>	<u>13,711,352.99</u>	<u>12,961,482.54</u>	<u>12,176,322.76</u>	<u>11,474,140.62</u>	<u>67,728,524.92</u>
EXPENSES PAID:							
Losses	25,381.22	2,568,051.45	4,974,941.20	5,765,785.49	5,484,786.85	4,691,564.30	23,510,510.51
Loss Adjustment Expenses	2,384.40	514,200.75	1,174,983.76	1,255,386.92	934,221.70	864,727.61	4,745,905.14
Other Underwriting Expenses	810,280.33	3,780,208.57	3,644,615.91	3,540,611.81	3,303,371.86	3,414,976.31	18,494,064.79
Premium Tax	66,855.28	274,071.46	271,675.50	257,229.16	242,186.48	225,773.62	1,337,791.50
Commissions	218,898.50	889,445.30	899,008.60	847,942.00	798,235.90	721,782.60	4,375,312.90
Premiums/Assessments Charged-off	0.00	11,420.62	9,549.48	8,941.82	17,527.61	23,333.19	70,772.72
Subtotal	<u>1,123,799.73</u>	<u>8,037,398.15</u>	<u>10,974,774.45</u>	<u>11,675,897.20</u>	<u>10,780,330.40</u>	<u>9,942,157.63</u>	<u>52,534,357.56</u>
BALANCE DUE COMPANIES	2,273,455.61	5,970,572.52	2,736,578.54	1,285,585.34	1,395,992.36	1,531,982.99	15,194,167.36
ADD:							
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(266,391.63)	0.00	0.00	0.00	0.00	0.00	(266,391.63)
Current Pension	(1,366,226.00)	0.00	0.00	0.00	0.00	0.00	(1,366,226.00)
Subtotal	<u>(1,632,617.63)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(1,632,617.63)</u>
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	640,837.98	5,970,572.52	2,736,578.54	1,285,585.34	1,395,992.36	1,531,982.99	13,561,549.73
DEDUCT:							
Current Unearned Premiums	3,095,031.00	3,911,561.00	0.00	0.00	0.00	0.00	7,006,592.00
Current Unpaid Losses (Incl. I.B.N.R.)	241,800.00	1,836,341.00	546,901.00	92,500.00	1,000.00	0.00	2,718,542.00
Current Unpaid Underwriting Expenses	132,960.00	0.00	0.00	0.00	0.00	0.00	132,960.00
Current Unpaid Post Retirement Benefits	1,077,685.00	0.00	0.00	0.00	0.00	0.00	1,077,685.00
Current Unpaid Loss Adjustment Expenses	47,318.00	359,347.00	107,022.00	18,101.00	195.00	0.00	531,983.00
Current Unpaid Premium Tax	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Subtotal	<u>4,594,794.00</u>	<u>6,107,249.00</u>	<u>653,923.00</u>	<u>110,601.00</u>	<u>1,195.00</u>	<u>0.00</u>	<u>11,467,762.00</u>
Distributions Charged-Off	0.00	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	0.00
Assessment of Policy Years	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Distribution of Policy Years	0.00	0.00	0.00	(850,000.00)	(250,000.00)	(1,000,000.00)	(2,100,000.00)
Closeout of Policy Years	0.00	0.00	0.00	0.00	0.00	0.00	0.00
NET CHANGE IN MEMBERS' EQUITY	<u>(3,953,956.02)</u>	<u>(136,676.48)</u>	<u>2,082,655.54</u>	<u>324,984.34</u>	<u>1,144,797.36</u>	<u>531,982.99</u>	<u>(6,212.27)</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, 2006

QUARTER & YEAR TO DATE

01/01/2006 - 03/31/2006

PREMIUMS WRITTEN

	<u>2006</u>	<u>2005</u>	<u>TOTAL</u>
Fire	2,436,309.00	21,257.00	2,457,566.00
Other Allied Lines	901,281.00	7,996.00	909,277.00
Crime	5,174.00	0.00	5,174.00
Total	<u>3,342,764.00</u>	<u>29,253.00</u>	<u>3,372,017.00</u>

UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD

Fire	0.00	5,192,844.00	5,192,844.00
Other Allied Lines	0.00	1,863,703.00	1,863,703.00
Crime	0.00	12,232.00	12,232.00
Total	<u>0.00</u>	<u>7,068,779.00</u>	<u>7,068,779.00</u>

UNEARNED PREMIUMS AT THE END OF THE PERIOD

Fire	2,263,451.00	2,860,396.00	5,123,847.00
Other Allied Lines	826,879.00	1,044,559.00	1,871,438.00
Crime	4,701.00	6,606.00	11,307.00
Total	<u>3,095,031.00</u>	<u>3,911,561.00</u>	<u>7,006,592.00</u>

PREMIUMS EARNED

Fire	172,858.00	2,353,705.00	2,526,563.00
Other Allied Lines	74,402.00	827,140.00	901,542.00
Crime	473.00	5,626.00	6,099.00
Total	<u>247,733.00</u>	<u>3,186,471.00</u>	<u>3,434,204.00</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, 2006

QUARTER & YEAR TO DATE

01/01/2006 - 03/31/2006

	<u>PREMIUMS WRITTEN</u>		
	<u>2006</u>	<u>2005</u>	<u>TOTAL</u>
Habitational (Owner Occupied)	2,048,960.00	18,298.00	2,067,258.00
Habitational (Non-Owner Occupied)	911,203.00	8,129.00	919,332.00
Commercial	382,601.00	2,826.00	385,427.00
Total	3,342,764.00	29,253.00	3,372,017.00

UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD

Habitational (Owner Occupied)	0.00	4,339,380.00	4,339,380.00
Habitational (Non-Owner Occupied)	0.00	1,830,206.00	1,830,206.00
Commercial	0.00	899,193.00	899,193.00
Total	0.00	7,068,779.00	7,068,779.00

UNEARNED PREMIUMS AT THE END OF THE PERIOD

Habitational (Owner Occupied)	1,802,151.00	2,278,547.00	4,080,698.00
Habitational (Non-Owner Occupied)	800,092.00	1,011,205.00	1,811,297.00
Commercial	492,788.00	621,809.00	1,114,597.00
Total	3,095,031.00	3,911,561.00	7,006,592.00

PREMIUMS EARNED

Habitational (Owner Occupied)	246,809.00	2,079,131.00	2,325,940.00
Habitational (Non-Owner Occupied)	111,111.00	827,130.00	938,241.00
Commercial	(110,187.00)	280,210.00	170,023.00
Total	247,733.00	3,186,471.00	3,434,204.00

Premiums Earned for
Terrorism Reporting
Requirements

924.00 1,107,340.00 1,108,264.00

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

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, 2006

QUARTER & YEAR TO DATE

01/01/2006 - 03/31/2006

	<u>LOSS ADJUSTMENT EXPENSES PAID</u>						
	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Fire	0.00	129,797.56	40,888.03	15,924.19	142.96	165.54	186,918.28
Other Allied Lines	2,384.40	108,815.24	12,215.15	6,231.32	0.00	0.00	129,646.11
Crime	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	<u>2,384.40</u>	<u>238,612.80</u>	<u>53,103.18</u>	<u>22,155.51</u>	<u>142.96</u>	<u>165.54</u>	<u>316,564.39</u>
	<u>UNPAID PREVIOUS PERIOD</u>						
Fire	0.00	347,434.00	182,922.00	35,433.00	270.00	0.00	566,059.00
Other Allied Lines	0.00	55,720.00	16,167.00	4,311.00	0.00	0.00	76,198.00
Crime	0.00	54.00	0.00	0.00	0.00	0.00	54.00
Total	<u>0.00</u>	<u>403,208.00</u>	<u>199,089.00</u>	<u>39,744.00</u>	<u>270.00</u>	<u>0.00</u>	<u>642,311.00</u>
	<u>UNPAID CURRENT PERIOD</u>						
Fire	42,073.00	327,177.00	104,596.00	14,970.00	195.00	0.00	489,011.00
Other Allied Lines	5,245.00	32,131.00	2,426.00	3,131.00	0.00	0.00	42,933.00
Crime	0.00	39.00	0.00	0.00	0.00	0.00	39.00
Total	<u>47,318.00</u>	<u>359,347.00</u>	<u>107,022.00</u>	<u>18,101.00</u>	<u>195.00</u>	<u>0.00</u>	<u>531,983.00</u>
	<u>LOSS ADJUSTMENT EXPENSES INCURRED</u>						
Fire	42,073.00	109,540.56	(37,437.97)	(4,538.81)	67.96	165.54	109,870.28
Other Allied Lines	7,629.40	85,226.24	(1,525.85)	5,051.32	0.00	0.00	96,381.11
Crime	0.00	(15.00)	0.00	0.00	0.00	0.00	(15.00)
Total	<u>49,702.40</u>	<u>194,751.80</u>	<u>(38,963.82)</u>	<u>512.51</u>	<u>67.96</u>	<u>165.54</u>	<u>206,236.39</u>

PENNSYLVANIA FAIR PLAN

EXHIBIT 8

Report of Catastrophe Losses For the Quarter Ending March 31, 2006

<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>
01	2003	08/01/2004	Other	15,000.00	0.00	750.00	213.15
53	2004	10/07/2005	Other	4,000.00	2,680.62	200.00	697.75
41	2005	04/02/2005	Other	0.00	0.00	0.00	250.00
53	2005	10/07/2005	Other	9,000.00	5,972.48	450.00	2,598.32
58	2005	01/14/2006	Other	12,600.00	36,844.02	630.00	6,253.51
59	2005	01/18/2006	Other	8,900.00	29,640.58	445.00	6,109.77
59	2006	01/18/2006	Other	0.00	250.00	0.00	329.00
TOTAL				49,500.00	75,387.70	2,475.00	16,451.50