

EXHIBIT 1**PENNSYLVANIA FAIR PLAN**

Statement of Assets, Liabilities and Members' Equity at
December 31, 2012

| | LEDGER ASSETS | ASSETS NOT ADMITTED | NET ADMITTED ASSETS |
|--|--------------------------|--------------------------------|--------------------------------|
| <u>ASSETS</u> | | | |
| Cash | 6,407,822.65 | 0.00 | 6,407,822.65 |
| Investments | 5,414,490.46 | 0.00 | 5,414,490.46 |
| Due from Participating Members | 0.00 | 0.00 | 0.00 |
| Accrued Investment Income | 0.00 | 0.00 | 0.00 |
| Premiums Receivable | 22,661.90 | 12,609.80 | 10,052.10 |
| Other Receivables | 94,136.09 | 0.00 | 94,136.09 |
| Pre-paid Premium Tax | 25,161.62 | 25,161.62 | 0.00 |
| Pre-paid Expenses | 96,397.23 | 96,397.23 | 0.00 |
| Pre-paid Pension | 940,777.00 | 940,777.00 | 0.00 |
| Furniture & Equipment | 59,174.57 | 59,174.57 | 0.00 |
| Data Processing Equipment | 57,146.48 | 5,133.01 | 52,013.47 |
| Other Assets | 0.00 | 0.00 | 0.00 |
| TOTAL ASSETS | 13,117,768.00 | 1,139,253.23 | 11,978,514.77 |
| <u>LIABILITIES</u> | | | |
| Unpaid Losses (Incl. I.B.N.R.) | | | 1,140,615.00 |
| Unpaid Loss Adjustment Expenses | | | 267,292.00 |
| Unpaid Underwriting Expenses | | | 99,898.00 |
| Unpaid Post Retirement Benefits (Medical) | | | 1,074,237.00 |
| Unpaid Post Retirement Benefits (Pension) | | | 3,335,989.00 |
| Unearned Premiums | | | 4,189,241.00 |
| Unearned Advance Premiums | | | 210,490.00 |
| Claims Checks Payable | | | 275,860.50 |
| Amounts Withheld for Accounts of Others | | | 125,221.88 |
| Unpaid Premium Tax | | | 0.00 |
| TOTAL LIABILITIES | | | 10,718,844.38 |
| <u>MEMBERS' EQUITY</u> | | | |
| Members' Equity (Deficit) | | | 1,259,670.39 |
| TOTAL LIABILITIES & MEMBERS' EQUITY | | | 11,978,514.77 |

EXHIBIT 2**PENNSYLVANIA FAIR PLAN**

Income Statement for the Quarter and Year to Date Ending
December 31, 2012

| | Quarter | Year |
|--|-----------------------------------|-----------------------------------|
| | <u>10/01/ - 12/31/2012</u> | <u>01/01/ - 12/31/2012</u> |
| <u>UNDERWRITING INCOME</u> | | |
| Premiums Written | 2,107,191.00 | 8,221,982.00 |
| Change in Unearned Premiums | (44,109.00) | 102,018.00 |
| Premiums Earned | <u>2,063,082.00</u> | <u>8,324,000.00</u> |
| <u>DEDUCTIONS</u> | | |
| Losses Incurred | 1,031,477.34 | 3,183,176.94 |
| Loss Adjustment Expenses Incurred | 326,329.58 | 972,538.17 |
| Other Underwriting Expenses Incurred | 867,708.81 | 3,339,624.12 |
| Post Retirement Benefits Incurred | (216,175.41) | 547,486.38 |
| Premium Tax Incurred | 42,143.82 | 164,439.64 |
| Total Underwriting Deductions | <u>2,051,484.14</u> | <u>8,207,265.25</u> |
| Net Underwriting Profit or Loss | 11,597.86 | 116,734.75 |
| <u>OTHER INCOME OR OUTGO</u> | | |
| Net Investment Income | 284.27 | 5,252.03 |
| Other Income | 167.05 | (468.50) |
| Premiums/Assessments Charged-Off | (1,941.95) | (6,447.45) |
| Total Other Income or Outgo | <u>(1,490.63)</u> | <u>(1,663.92)</u> |
| Net Result of Operations | 10,107.23 | 115,070.83 |
| <u>EQUITY ACCOUNT</u> | | |
| Beginning Members' Equity | 1,698,921.78 | 1,467,842.90 |
| Net Result of Operations | 10,107.23 | 115,070.83 |
| Change in Assets Not Admitted | (211,393.62) | (173,771.37) |
| Change in Post Retirement Benefits (Pension) | (237,965.00) | (149,375.00) |
| 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 | 0.00 |
| Distributions Charged-Off | 0.00 | (96.97) |
| MEMBERS' EQUITY (DEFICIT) | <u><u>1,259,670.39</u></u> | <u><u>1,259,670.39</u></u> |

EXHIBIT 3**PENNSYLVANIA FAIR PLAN****Reconciliation of Ledger Assets As of
December 31, 2012****INCREASE IN LEDGER ASSETS**

| | |
|--|---------------------|
| Premiums Written | 8,221,982.00 |
| Other Income | 0.00 |
| Investment Income | 5,252.03 |
| Unearned Advance Premiums | 0.00 |
| Amounts Withheld for Accounts of Others | 866.02 |
| Claims Checks Payable | 0.00 |
| Premiums Charged-Off | 0.00 |
| Assessments/Distributions to Members Charged-Off | 0.00 |
| Assessment of Policy Year | 0.00 |
| Policy Year Closeout | 0.00 |
| TOTAL | 8,228,100.05 |

DECREASE IN LEDGER ASSETS

| | |
|--|---------------------|
| Other Income | 468.50 |
| Losses Paid | 3,863,583.94 |
| Loss Adjustment Expenses Paid | 1,166,012.17 |
| Other Expenses Paid | 3,965,921.14 |
| Unearned Advance Premiums | 16,048.00 |
| Amounts Withheld for Accounts of Others | 0.00 |
| Claims Checks Payable | 88,171.32 |
| Premiums Charged-Off | 6,447.45 |
| Assessments/Distributions to Members Charged-Off | 96.97 |
| Distribution of Policy Year | 0.00 |
| Policy Year Closeout | 0.00 |
| TOTAL | 9,106,749.49 |

| | |
|-------------------------------------|---------------|
| Increase(Decrease) in Ledger Assets | (878,649.44) |
| Ledger Assets at 12/31/2011 | 13,996,417.44 |
| Ledger Assets at 12/31/2012 | 13,117,768.00 |

EXHIBIT 4**PENNSYLVANIA FAIR PLAN****Statement of Expenses Incurred for the Year Ending****December 31, 2012**

| | <u>Loss Adjustment Expenses</u> | <u>Acquisition Expenses</u> | <u>Inspection Expenses</u> | <u>General Expenses</u> | <u>TOTAL</u> |
|------------------------------------|-------------------------------------|---------------------------------|--------------------------------|-------------------------|---------------------|
| Claim Adjustment Services | 591,756.72 | 0.00 | 0.00 | 0.00 | 591,756.72 |
| Commissions | 0.00 | 467,223.90 | 0.00 | 0.00 | 467,223.90 |
| Boards, Bureaus & Associations | 3,108.48 | 894.28 | 0.00 | 43,819.95 | 47,822.71 |
| Salaries | 308,434.45 | 711,673.48 | 0.00 | 869,823.15 | 1,889,931.08 |
| Employee Relations & Welfare | 184,522.38 | 426,334.97 | 0.00 | 521,076.08 | 1,131,933.43 |
| Insurance | 4,793.03 | 5,170.27 | 0.00 | 7,723.16 | 17,686.46 |
| Travel & Travel Items | 2,860.33 | 151.46 | 0.00 | 13,618.02 | 16,629.81 |
| Rent & Rent Items | 25,622.05 | 137,954.73 | 0.00 | 187,410.20 | 350,986.98 |
| Equipment | 2,127.84 | 30,289.84 | 0.00 | 52,696.02 | 85,113.70 |
| Printing & Stationery | 656.45 | 8,883.73 | 0.00 | 16,717.80 | 26,257.98 |
| Postage, Telephone, & Telegraph | 8,196.12 | 34,374.52 | 0.00 | 39,390.54 | 81,961.18 |
| Legal & Auditing | 1,005.27 | 2,665.96 | 0.00 | 36,539.40 | 40,210.63 |
| Payroll Taxes | 23,529.26 | 55,192.33 | 0.00 | 67,457.29 | 146,178.88 |
| Premium Taxes | 0.00 | 0.00 | 0.00 | 164,439.64 | 164,439.64 |
| State & Local Insurance Taxes | 0.00 | 0.00 | 0.00 | 1,565.75 | 1,565.75 |
| Miscellaneous | 9,399.79 | 10,034.18 | 0.00 | 56,860.35 | 76,294.32 |
| Advertising | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Inspections, Surveys, & Reports | 0.00 | 0.00 | 229,751.14 | 0.00 | 229,751.14 |
| TOTAL Expenses Paid | 1,166,012.17 | 1,890,843.65 | 229,751.14 | 2,079,137.35 | 5,365,744.31 |
| Add: Unpaid Expenses Current Year | 267,292.00 | 81,719.00 | 15,345.00 | 136,294.00 | 500,650.00 |
| Deduct: Unpaid Expenses Prior Year | 460,766.00 | 136,391.00 | 18,047.00 | 227,102.00 | 842,306.00 |
| Expenses Incurred | 972,538.17 | 1,836,171.65 | 227,049.14 | 1,988,329.35 | 5,024,088.31 |

EXHIBIT 5A

PENNSYLVANIA FAIR PLAN
Members' Account by Policy Year for the Quarter Ending
December 31, 2012

| | 2012 | 2011 | 2010 | 2009 | 2008 | TOTAL |
|---|-----------------------|-------------------|--------------------|--------------------|-------------------|-----------------------|
| Premiums Written | 2,107,443.00 | (252.00) | 0.00 | 0.00 | 0.00 | 2,107,191.00 |
| Other Income | 167.05 | 0.00 | 0.00 | 0.00 | 0.00 | 167.05 |
| Investment Income Received | 284.27 | 0.00 | 0.00 | 0.00 | 0.00 | 284.27 |
| Subtotal | <u>2,107,894.32</u> | <u>(252.00)</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>2,107,642.32</u> |
| EXPENSES PAID: | | | | | | |
| Losses | 602,427.86 | 170,788.34 | 9,549.80 | (300.00) | (177.66) | 782,288.34 |
| Loss Adjustment Expenses | 168,013.68 | 103,710.23 | 23,921.75 | 13,344.30 | 2,913.62 | 311,903.58 |
| Other Underwriting Expenses | 879,245.80 | 0.00 | 0.00 | 0.00 | 0.00 | 879,245.80 |
| Premium Tax | 42,148.86 | (5.04) | 0.00 | 0.00 | 0.00 | 42,143.82 |
| Commissions | 120,479.60 | (12.00) | 0.00 | 0.00 | 0.00 | 120,467.60 |
| Premiums/Assessments Charged-off | 1,938.07 | 3.88 | 0.00 | 0.00 | 0.00 | 1,941.95 |
| Subtotal | <u>1,814,253.87</u> | <u>274,485.41</u> | <u>33,471.55</u> | <u>13,044.30</u> | <u>2,735.96</u> | <u>2,137,991.09</u> |
| BALANCE DUE COMPANIES | 293,640.45 | (274,737.41) | (33,471.55) | (13,044.30) | (2,735.96) | (30,348.77) |
| DEDUCT: | | | | | | |
| Prior Investment Income Accrued | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Prior Non-Admitted Assets | (927,859.61) | 0.00 | 0.00 | 0.00 | 0.00 | (927,859.61) |
| Prior Pension | (3,098,024.00) | 0.00 | 0.00 | 0.00 | 0.00 | (3,098,024.00) |
| Subtotal | <u>(4,025,883.61)</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>(4,025,883.61)</u> |
| ADD: | | | | | | |
| Current Investment Income Accrued | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Current Non-Admitted Assets | (1,139,253.23) | 0.00 | 0.00 | 0.00 | 0.00 | (1,139,253.23) |
| Current Pension | (3,335,989.00) | 0.00 | 0.00 | 0.00 | 0.00 | (3,335,989.00) |
| Subtotal | <u>(4,475,242.23)</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>(4,475,242.23)</u> |
| EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION | (155,718.17) | (274,737.41) | (33,471.55) | (13,044.30) | (2,735.96) | (479,707.39) |
| DEDUCT: | | | | | | |
| Current Unearned Premiums | 4,189,241.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,189,241.00 |
| Current Unpaid Losses (Incl. I.B.N.R.) | 701,487.00 | 400,128.00 | 37,000.00 | 1,000.00 | 1,000.00 | 1,140,615.00 |
| Current Unpaid Underwriting Expenses | 99,898.00 | 0.00 | 0.00 | 0.00 | 0.00 | 99,898.00 |
| Current Unpaid Post Retirement Benefits | 133,460.00 | 0.00 | 0.00 | 0.00 | 0.00 | 133,460.00 |
| Current Unpaid Loss Adjustment Expenses | 164,386.00 | 93,767.00 | 8,671.00 | 234.00 | 234.00 | 267,292.00 |
| Current Unpaid Premium Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | <u>5,288,472.00</u> | <u>493,895.00</u> | <u>45,671.00</u> | <u>1,234.00</u> | <u>1,234.00</u> | <u>5,830,506.00</u> |
| ADD: | | | | | | |
| Prior Unearned Premiums | 3,886,986.00 | 258,146.00 | 0.00 | 0.00 | 0.00 | 4,145,132.00 |
| Prior Unpaid Losses (Incl. I.B.N.R.) | 405,366.00 | 479,060.00 | 5,000.00 | 1,000.00 | 1,000.00 | 891,426.00 |
| Prior Unpaid Underwriting Expenses | 57,844.00 | 0.00 | 0.00 | 0.00 | 0.00 | 57,844.00 |
| Prior Unpaid Post Retirement Benefits | 523,694.00 | 0.00 | 0.00 | 0.00 | 0.00 | 523,694.00 |
| Prior Unpaid Loss Adjustment Expenses | 114,989.00 | 135,892.00 | 1,418.00 | 283.00 | 284.00 | 252,866.00 |
| Prior Unpaid Premium Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | <u>4,988,879.00</u> | <u>873,098.00</u> | <u>6,418.00</u> | <u>1,283.00</u> | <u>1,284.00</u> | <u>5,870,962.00</u> |
| 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 | 0.00 | 0.00 |
| NET CHANGE IN MEMBERS' EQUITY | <u>(455,311.17)</u> | <u>104,465.59</u> | <u>(72,724.55)</u> | <u>(12,995.30)</u> | <u>(2,685.96)</u> | <u>(439,251.39)</u> |

EXHIBIT 5B

PENNSYLVANIA FAIR PLAN

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

December 31, 2012

| | 2012 | 2011 | 2010 | 2009 | 2008 | TOTAL |
|---|-----------------------|---------------------|--------------------|--------------------|---------------------|---------------------|
| Premiums Written | 8,156,461.00 | 65,521.00 | 0.00 | 0.00 | 0.00 | 8,221,982.00 |
| Other Income | (468.50) | 0.00 | 0.00 | 0.00 | 0.00 | (468.50) |
| Investment Income Received | 5,252.03 | 0.00 | 0.00 | 0.00 | 0.00 | 5,252.03 |
| Subtotal | 8,161,244.53 | 65,521.00 | 0.00 | 0.00 | 0.00 | 8,226,765.53 |
| EXPENSES PAID: | | | | | | |
| Losses | 953,963.99 | 2,539,220.32 | 250,040.59 | 9,700.00 | 110,659.04 | 3,863,583.94 |
| Loss Adjustment Expenses | 283,214.69 | 588,204.08 | 200,135.86 | 50,954.16 | 43,503.38 | 1,166,012.17 |
| Other Underwriting Expenses | 3,568,068.60 | 0.00 | 0.00 | 0.00 | 0.00 | 3,568,068.60 |
| Premium Tax | 163,129.22 | 1,310.42 | 0.00 | 0.00 | 0.00 | 164,439.64 |
| Commissions | 463,446.10 | 3,777.80 | 0.00 | 0.00 | 0.00 | 467,223.90 |
| Premiums/Assessments Charged-off | 5,388.97 | 1,058.68 | (0.20) | 0.00 | 0.00 | 6,447.45 |
| Subtotal | 5,437,211.57 | 3,133,571.30 | 450,176.25 | 60,654.16 | 154,162.42 | 9,235,775.70 |
| BALANCE DUE COMPANIES | 2,724,032.96 | (3,068,050.30) | (450,176.25) | (60,654.16) | (154,162.42) | (1,009,010.17) |
| DEDUCT: | | | | | | |
| Prior Investment Income Accrued | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Prior Non-Admitted Assets | 0.00 | (965,481.86) | 0.00 | 0.00 | 0.00 | (965,481.86) |
| Prior Pension | | (3,186,463.00) | 0.00 | 0.00 | 0.00 | (3,186,463.00) |
| Subtotal | 0.00 | (4,151,944.86) | 0.00 | 0.00 | 0.00 | (4,151,944.86) |
| ADD: | | | | | | |
| Current Investment Income Accrued | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Current Non-Admitted Assets | (1,139,253.23) | 0.00 | 0.00 | 0.00 | 0.00 | (1,139,253.23) |
| Current Pension | (3,335,989.00) | 0.00 | 0.00 | 0.00 | 0.00 | (3,335,989.00) |
| Subtotal | (4,475,242.23) | 0.00 | 0.00 | 0.00 | 0.00 | (4,475,242.23) |
| EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION | (1,751,209.27) | 1,083,894.56 | (450,176.25) | (60,654.16) | (154,162.42) | (1,332,307.54) |
| DEDUCT: | | | | | | |
| Current Unearned Premiums | 4,189,241.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,189,241.00 |
| Current Unpaid Losses (Incl. I.B.N.R.) | 701,487.00 | 400,128.00 | 37,000.00 | 1,000.00 | 1,000.00 | 1,140,615.00 |
| Current Unpaid Underwriting Expenses | 99,898.00 | 0.00 | 0.00 | 0.00 | 0.00 | 99,898.00 |
| Current Unpaid Post Retirement Benefits | 133,460.00 | 0.00 | 0.00 | 0.00 | 0.00 | 133,460.00 |
| Current Unpaid Loss Adjustment Expenses | 164,386.00 | 93,767.00 | 8,671.00 | 234.00 | 234.00 | 267,292.00 |
| Current Unpaid Premium Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | 5,288,472.00 | 493,895.00 | 45,671.00 | 1,234.00 | 1,234.00 | 5,830,506.00 |
| ADD: | | | | | | |
| Prior Unearned Premiums | 0.00 | 4,291,259.00 | 0.00 | 0.00 | 0.00 | 4,291,259.00 |
| Prior Unpaid Losses (Incl. I.B.N.R.) | 0.00 | 1,462,797.00 | 355,725.00 | 1,000.00 | 1,500.00 | 1,821,022.00 |
| Prior Unpaid Underwriting Expenses | 0.00 | 97,915.00 | 0.00 | 0.00 | 0.00 | 97,915.00 |
| Prior Unpaid Post Retirement Benefits | 0.00 | 283,776.00 | 0.00 | 0.00 | 0.00 | 283,776.00 |
| Prior Unpaid Loss Adjustment Expenses | 0.00 | 370,126.00 | 90,008.00 | 253.00 | 379.00 | 460,766.00 |
| Prior Unpaid Premium Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | 0.00 | 6,505,873.00 | 445,733.00 | 1,253.00 | 1,879.00 | 6,954,738.00 |
| 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 | (96.97) | (96.97) |
| NET CHANGE IN MEMBERS' EQUITY | (7,039,681.27) | 7,095,872.56 | (50,114.25) | (60,635.16) | (153,614.39) | (208,172.51) |

EXHIBIT 5C

PENNSYLVANIA FAIR PLAN

**Members' Account for Active Policy Years @
December 31, 2012**

| | 2012 | 2011 | 2010 | 2009 | 2008 | TOTAL |
|---|-----------------------|-----------------------|---------------------|-------------------|---------------------|---------------------|
| Premiums Written | 8,156,461.00 | 8,416,898.00 | 8,876,491.00 | 9,479,548.00 | 10,172,611.00 | 45,102,009.00 |
| Other Income | (468.50) | 316.42 | 1,183.70 | (253.85) | 7,054.29 | 7,832.06 |
| Investment Income Received | 5,252.03 | 12,306.77 | 26,641.52 | 29,868.68 | 369,637.19 | 443,706.19 |
| Subtotal | 8,161,244.53 | 8,429,521.19 | 8,904,316.22 | 9,509,162.83 | 10,549,302.48 | 45,553,547.25 |
| EXPENSES PAID: | | | | | | |
| Losses | 953,963.99 | 3,947,106.51 | 3,837,881.18 | 3,917,224.29 | 4,180,756.53 | 16,836,932.50 |
| Loss Adjustment Expenses | 283,214.69 | 1,026,834.42 | 1,152,047.69 | 1,037,494.80 | 1,062,569.23 | 4,562,160.83 |
| Other Underwriting Expenses | 3,568,068.60 | 3,709,753.42 | 3,537,445.03 | 3,582,002.72 | 3,680,344.60 | 18,077,614.37 |
| Premium Tax | 163,129.22 | 168,337.96 | 177,529.82 | 189,590.96 | 203,452.22 | 902,040.18 |
| Commissions | 463,446.10 | 485,539.50 | 517,979.40 | 568,920.10 | 613,519.70 | 2,649,404.80 |
| Premiums/Assessments Charged-off | 5,388.97 | 2,062.08 | 628.90 | 2,312.50 | 1,704.14 | 12,096.59 |
| Subtotal | 5,437,211.57 | 9,339,633.89 | 9,223,512.02 | 9,297,545.37 | 9,742,346.42 | 43,040,249.27 |
| BALANCE DUE COMPANIES | 2,724,032.96 | (910,112.70) | (319,195.80) | 211,617.46 | 806,956.06 | 2,513,297.98 |
| ADD: | | | | | | |
| Current Investment Income Accrued | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Current Non-Admitted Assets | (1,139,253.23) | 0.00 | 0.00 | 0.00 | 0.00 | (1,139,253.23) |
| Current Pension | (3,335,989.00) | 0.00 | 0.00 | 0.00 | 0.00 | (3,335,989.00) |
| Subtotal | (4,475,242.23) | 0.00 | 0.00 | 0.00 | 0.00 | (4,475,242.23) |
| EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION | (1,751,209.27) | (910,112.70) | (319,195.80) | 211,617.46 | 806,956.06 | (1,961,944.25) |
| DEDUCT: | | | | | | |
| Current Unearned Premiums | 4,189,241.00 | 0.00 | 0.00 | 0.00 | 0.00 | 4,189,241.00 |
| Current Unpaid Losses (Incl. I.B.N.R.) | 701,487.00 | 400,128.00 | 37,000.00 | 1,000.00 | 1,000.00 | 1,140,615.00 |
| Current Unpaid Underwriting Expenses | 99,898.00 | 0.00 | 0.00 | 0.00 | 0.00 | 99,898.00 |
| Current Unpaid Post Retirement Benefits | 133,460.00 | 0.00 | 0.00 | 0.00 | 0.00 | 133,460.00 |
| Current Unpaid Loss Adjustment Expenses | 164,386.00 | 93,767.00 | 8,671.00 | 234.00 | 234.00 | 267,292.00 |
| Current Unpaid Premium Tax | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | 5,288,472.00 | 493,895.00 | 45,671.00 | 1,234.00 | 1,234.00 | 5,830,506.00 |
| 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 | 5,769,959.58 | 500,000.00 | 2,718,528.98 | 8,988,488.56 |
| 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 | (2,395.23) | (2,395.23) |
| Distributions Charged-Off | 0.00 | 0.00 | 0.00 | 0.00 | 66,027.31 | 66,027.31 |
| NET CHANGE IN MEMBERS' EQUITY | (7,039,681.27) | (1,404,007.70) | 5,405,092.78 | 710,383.46 | 3,587,883.12 | 1,259,670.39 |

EXHIBIT 6A

PENNSYLVANIA FAIR PLAN

**Premium Statistics by Line of Business and Policy Year for the Quarter & Year to Date Ending
December 31, 2012**

| | <u>QUARTER</u> 10/01/2012 - 12/31/2012 | | | <u>YEAR</u> 01/01/2012 - 12/31/2012 | | |
|--------------------|--|--------------------|---------------------|--|---------------------|---------------------|
| | <u>2012</u> | <u>2011</u> | <u>TOTAL</u> | <u>2012</u> | <u>2011</u> | <u>TOTAL</u> |
| | <u>PREMIUMS WRITTEN</u> | | | | | |
| Fire | 1,639,414.00 | (239.00) | 1,639,175.00 | 6,284,750.00 | 54,161.00 | 6,338,911.00 |
| Other Allied Lines | 463,613.00 | (13.00) | 463,600.00 | 1,857,059.00 | 11,062.00 | 1,868,121.00 |
| Crime | 4,416.00 | 0.00 | 4,416.00 | 14,652.00 | 298.00 | 14,950.00 |
| Total | <u>2,107,443.00</u> | <u>(252.00)</u> | <u>2,107,191.00</u> | <u>8,156,461.00</u> | <u>65,521.00</u> | <u>8,221,982.00</u> |
| | <u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u> | | | | | |
| Fire | 2,988,212.00 | 199,166.00 | 3,187,378.00 | 0.00 | 3,283,535.00 | 3,283,535.00 |
| Other Allied Lines | 892,188.00 | 58,570.00 | 950,758.00 | 0.00 | 1,000,116.00 | 1,000,116.00 |
| Crime | 6,586.00 | 410.00 | 6,996.00 | 0.00 | 7,608.00 | 7,608.00 |
| Total | <u>3,886,986.00</u> | <u>258,146.00</u> | <u>4,145,132.00</u> | <u>0.00</u> | <u>4,291,259.00</u> | <u>4,291,259.00</u> |
| | <u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u> | | | | | |
| Fire | 3,238,514.00 | 0.00 | 3,238,514.00 | 3,238,514.00 | 0.00 | 3,238,514.00 |
| Other Allied Lines | 942,942.00 | 0.00 | 942,942.00 | 942,942.00 | 0.00 | 942,942.00 |
| Crime | 7,785.00 | 0.00 | 7,785.00 | 7,785.00 | 0.00 | 7,785.00 |
| Total | <u>4,189,241.00</u> | <u>0.00</u> | <u>4,189,241.00</u> | <u>4,189,241.00</u> | <u>0.00</u> | <u>4,189,241.00</u> |
| | <u>PREMIUMS EARNED</u> | | | | | |
| Fire | 1,389,112.00 | 198,927.00 | 1,588,039.00 | 3,046,236.00 | 3,337,696.00 | 6,383,932.00 |
| Other Allied Lines | 412,859.00 | 58,557.00 | 471,416.00 | 914,117.00 | 1,011,178.00 | 1,925,295.00 |
| Crime | 3,217.00 | 410.00 | 3,627.00 | 6,867.00 | 7,906.00 | 14,773.00 |
| Total | <u>1,805,188.00</u> | <u>257,894.00</u> | <u>2,063,082.00</u> | <u>3,967,220.00</u> | <u>4,356,780.00</u> | <u>8,324,000.00</u> |

EXHIBIT 6B

PENNSYLVANIA FAIR PLAN

Premium Statistics by Class of Business and Policy Year for the Quarter & Year to Date Ending

December 31, 2012

For Terrorism Reporting Requirements Only

| | <u>QUARTER</u> 10/01/2012 - 12/31/2012 | | | <u>YEAR</u> 01/01/2012 - 12/31/2012 | | |
|--|--|-------------------|---------------------|--|---------------------|---------------------|
| | <u>2012</u> | <u>2011</u> | <u>TOTAL</u> | <u>2012</u> | <u>2011</u> | <u>TOTAL</u> |
| | <u>PREMIUMS WRITTEN</u> | | | | | |
| Habitational (Owner Occupied) | 1,327,606.00 | (161.00) | 1,327,445.00 | 5,312,654.00 | 42,696.00 | 5,355,350.00 |
| Habitational (Non-Owner Occupied) | 560,368.00 | (70.00) | 560,298.00 | 2,067,908.00 | 16,387.00 | 2,084,295.00 |
| Commercial | 219,469.00 | (21.00) | 219,448.00 | 775,899.00 | 6,438.00 | 782,337.00 |
| Total | <u>2,107,443.00</u> | <u>(252.00)</u> | <u>2,107,191.00</u> | <u>8,156,461.00</u> | <u>65,521.00</u> | <u>8,221,982.00</u> |
| | <u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u> | | | | | |
| Habitational (Owner Occupied) | 2,556,985.00 | 169,744.00 | 2,726,729.00 | 0.00 | 2,668,948.00 | 2,668,948.00 |
| Habitational (Non-Owner Occupied) | 920,274.00 | 61,141.00 | 981,415.00 | 0.00 | 1,087,118.00 | 1,087,118.00 |
| Commercial | 409,727.00 | 27,261.00 | 436,988.00 | 0.00 | 535,193.00 | 535,193.00 |
| Total | <u>3,886,986.00</u> | <u>258,146.00</u> | <u>4,145,132.00</u> | <u>0.00</u> | <u>4,291,259.00</u> | <u>4,291,259.00</u> |
| | <u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u> | | | | | |
| Habitational (Owner Occupied) | 2,584,785.00 | 0.00 | 2,584,785.00 | 2,584,785.00 | 0.00 | 2,584,785.00 |
| Habitational (Non-Owner Occupied) | 1,088,314.00 | 0.00 | 1,088,314.00 | 1,088,314.00 | 0.00 | 1,088,314.00 |
| Commercial | 516,142.00 | 0.00 | 516,142.00 | 516,142.00 | 0.00 | 516,142.00 |
| Total | <u>4,189,241.00</u> | <u>0.00</u> | <u>4,189,241.00</u> | <u>4,189,241.00</u> | <u>0.00</u> | <u>4,189,241.00</u> |
| | <u>PREMIUMS EARNED</u> | | | | | |
| Habitational (Owner Occupied) | 1,299,806.00 | 169,583.00 | 1,469,389.00 | 2,727,869.00 | 2,711,644.00 | 5,439,513.00 |
| Habitational (Non-Owner Occupied) | 392,328.00 | 61,071.00 | 453,399.00 | 979,594.00 | 1,103,505.00 | 2,083,099.00 |
| Commercial | 113,054.00 | 27,240.00 | 140,294.00 | 259,757.00 | 541,631.00 | 801,388.00 |
| Total | <u>1,805,188.00</u> | <u>257,894.00</u> | <u>2,063,082.00</u> | <u>3,967,220.00</u> | <u>4,356,780.00</u> | <u>8,324,000.00</u> |
| Premiums Earned for Terrorism Reporting Requirements | 505,382.00 | 88,311.00 | 593,693.00 | 1,239,351.00 | 1,645,136.00 | 2,884,487.00 |

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, 2012

| <u>Coverage</u> | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> | <u>2005</u> | <u>2004</u> | <u>2003</u> | <u>TOTAL</u> |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Fire | 24 | 2 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 28 |
| Other Allied Lines | 92 | 4 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 99 |
| Crime | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Homeowners | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| TOTAL | 117 | 6 | 2 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 128 |

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, 2012**

QUARTER

10/01/2012 - 12/31/2012

| | 2012 | 2011 | 2010 | 2009 | 2008 | TOTAL |
|--|------------|-------------|-----------|----------|----------|--------------|
| LOSSES PAID | | | | | | |
| Fire | 223,423.76 | 44,646.16 | 0.00 | 0.00 | (36.00) | 268,033.92 |
| Other Allied Lines | 378,331.89 | 126,142.18 | 9,549.80 | (300.00) | (141.66) | 513,582.21 |
| Crime | 672.21 | 0.00 | 0.00 | 0.00 | 0.00 | 672.21 |
| Total | 602,427.86 | 170,788.34 | 9,549.80 | (300.00) | (177.66) | 782,288.34 |
| UNPAID PREVIOUS PERIOD (INCL. I.B.N.R.) | | | | | | |
| Fire | 237,100.00 | 368,460.00 | 1,500.00 | 0.00 | 500.00 | 607,560.00 |
| Other Allied Lines | 168,166.00 | 110,500.00 | 3,500.00 | 1,000.00 | 500.00 | 283,666.00 |
| Crime | 100.00 | 100.00 | 0.00 | 0.00 | 0.00 | 200.00 |
| Total | 405,366.00 | 479,060.00 | 5,000.00 | 1,000.00 | 1,000.00 | 891,426.00 |
| UNPAID CURRENT PERIOD (INCL. I.B.N.R.) | | | | | | |
| Fire | 391,987.00 | 286,928.00 | 36,000.00 | 0.00 | 500.00 | 715,415.00 |
| Other Allied Lines | 304,500.00 | 113,200.00 | 1,000.00 | 1,000.00 | 500.00 | 420,200.00 |
| Crime | 5,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,000.00 |
| Total | 701,487.00 | 400,128.00 | 37,000.00 | 1,000.00 | 1,000.00 | 1,140,615.00 |
| LOSSES INCURRED | | | | | | |
| Fire | 378,310.76 | (36,885.84) | 34,500.00 | 0.00 | (36.00) | 375,888.92 |
| Other Allied Lines | 514,665.89 | 128,842.18 | 7,049.80 | (300.00) | (141.66) | 650,116.21 |
| Crime | 5,572.21 | (100.00) | 0.00 | 0.00 | 0.00 | 5,472.21 |
| Total | 898,548.86 | 91,856.34 | 41,549.80 | (300.00) | (177.66) | 1,031,477.34 |

YEAR TO DATE

01/01/2012 - 12/31/2012

| | 2012 | 2011 | 2010 | 2009 | 2008 | TOTAL |
|--|--------------|--------------|-------------|-----------|------------|--------------|
| LOSSES PAID | | | | | | |
| Fire | 477,092.26 | 1,954,827.00 | 146,799.84 | 10,000.00 | 111,807.34 | 2,700,526.44 |
| Other Allied Lines | 476,199.52 | 584,393.32 | 103,240.75 | (300.00) | (1,148.30) | 1,162,385.29 |
| Crime | 672.21 | 0.00 | 0.00 | 0.00 | 0.00 | 672.21 |
| Total | 953,963.99 | 2,539,220.32 | 250,040.59 | 9,700.00 | 110,659.04 | 3,863,583.94 |
| UNPAID PREVIOUS PERIOD (INCL. I.B.N.R.) | | | | | | |
| Fire | 0.00 | 1,090,897.00 | 226,525.00 | 0.00 | 1,000.00 | 1,318,422.00 |
| Other Allied Lines | 0.00 | 371,600.00 | 129,200.00 | 1,000.00 | 500.00 | 502,300.00 |
| Crime | 0.00 | 300.00 | 0.00 | 0.00 | 0.00 | 300.00 |
| Total | 0.00 | 1,462,797.00 | 355,725.00 | 1,000.00 | 1,500.00 | 1,821,022.00 |
| UNPAID CURRENT PERIOD (INCL. I.B.N.R.) | | | | | | |
| Fire | 391,987.00 | 286,928.00 | 36,000.00 | 0.00 | 500.00 | 715,415.00 |
| Other Allied Lines | 304,500.00 | 113,200.00 | 1,000.00 | 1,000.00 | 500.00 | 420,200.00 |
| Crime | 5,000.00 | 0.00 | 0.00 | 0.00 | 0.00 | 5,000.00 |
| Total | 701,487.00 | 400,128.00 | 37,000.00 | 1,000.00 | 1,000.00 | 1,140,615.00 |
| LOSSES INCURRED | | | | | | |
| Fire | 869,079.26 | 1,150,858.00 | (43,725.16) | 10,000.00 | 111,307.34 | 2,097,519.44 |
| Other Allied Lines | 780,699.52 | 325,993.32 | (24,959.25) | (300.00) | (1,148.30) | 1,080,285.29 |
| Crime | 5,672.21 | (300.00) | 0.00 | 0.00 | 0.00 | 5,372.21 |
| Total | 1,655,450.99 | 1,476,551.32 | (68,684.41) | 9,700.00 | 110,159.04 | 3,183,176.94 |
| I.B.N.R. (CURRENT PERIOD) | | | | | | |
| Fire | 81,200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 81,200.00 |
| Other Allied Lines | 23,900.00 | 0.00 | 0.00 | 0.00 | 0.00 | 23,900.00 |
| Crime | 200.00 | 0.00 | 0.00 | 0.00 | 0.00 | 200.00 |
| Total | 105,300.00 | 0.00 | 0.00 | 0.00 | 0.00 | 105,300.00 |

EXHIBIT 7B

PENNSYLVANIA FAIR PLAN**Loss Adjustment Statistics by Line of Business and Policy Year for the Quarter & Year to Date Ending
December 31, 2012****QUARTER****10/01/2012 - 12/31/2012**

| | 2012 | 2011 | 2010 | 2009 | 2008 | TOTAL |
|--------------------|--|-------------|-------------|-------------|-------------|--------------|
| | LOSS ADJUSTMENT EXPENSES PAID | | | | | |
| Fire | 27,829.41 | 25,484.36 | 14,073.42 | 0.00 | 2,913.62 | 70,300.81 |
| Other Allied Lines | 138,267.07 | 78,225.87 | 9,848.33 | 13,344.30 | 0.00 | 239,685.57 |
| Crime | 1,917.20 | 0.00 | 0.00 | 0.00 | 0.00 | 1,917.20 |
| Total | 168,013.68 | 103,710.23 | 23,921.75 | 13,344.30 | 2,913.62 | 311,903.58 |
| | UNPAID PREVIOUS PERIOD | | | | | |
| Fire | 67,257.00 | 104,519.00 | 425.00 | 0.00 | 142.00 | 172,343.00 |
| Other Allied Lines | 47,703.00 | 31,345.00 | 993.00 | 283.00 | 142.00 | 80,466.00 |
| Crime | 29.00 | 28.00 | 0.00 | 0.00 | 0.00 | 57.00 |
| Total | 114,989.00 | 135,892.00 | 1,418.00 | 283.00 | 284.00 | 252,866.00 |
| | UNPAID CURRENT PERIOD | | | | | |
| Fire | 91,858.00 | 67,239.00 | 8,437.00 | 0.00 | 117.00 | 167,651.00 |
| Other Allied Lines | 71,357.00 | 26,528.00 | 234.00 | 234.00 | 117.00 | 98,470.00 |
| Crime | 1,171.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,171.00 |
| Total | 164,386.00 | 93,767.00 | 8,671.00 | 234.00 | 234.00 | 267,292.00 |
| | LOSS ADJUSTMENT EXPENSES INCURRED | | | | | |
| Fire | 52,430.41 | (11,795.64) | 22,085.42 | 0.00 | 2,888.62 | 65,608.81 |
| Other Allied Lines | 161,921.07 | 73,408.87 | 9,089.33 | 13,295.30 | (25.00) | 257,689.57 |
| Crime | 3,059.20 | (28.00) | 0.00 | 0.00 | 0.00 | 3,031.20 |
| Total | 217,410.68 | 61,585.23 | 31,174.75 | 13,295.30 | 2,863.62 | 326,329.58 |

YEAR TO DATE**01/01/2012 - 12/31/2012**

| | 2012 | 2011 | 2010 | 2009 | 2008 | TOTAL |
|--------------------|--|-------------|-------------|-------------|-------------|--------------|
| | LOSS ADJUSTMENT EXPENSES PAID | | | | | |
| Fire | 79,920.31 | 228,343.07 | 99,739.48 | 2,851.81 | 43,503.38 | 454,358.05 |
| Other Allied Lines | 201,377.18 | 359,861.01 | 100,396.38 | 48,102.35 | 0.00 | 709,736.92 |
| Crime | 1,917.20 | 0.00 | 0.00 | 0.00 | 0.00 | 1,917.20 |
| Total | 283,214.69 | 588,204.08 | 200,135.86 | 50,954.16 | 43,503.38 | 1,166,012.17 |
| | UNPAID PREVIOUS PERIOD | | | | | |
| Fire | 0.00 | 276,025.00 | 57,317.00 | 0.00 | 252.00 | 333,594.00 |
| Other Allied Lines | 0.00 | 94,025.00 | 32,691.00 | 253.00 | 127.00 | 127,096.00 |
| Crime | 0.00 | 76.00 | 0.00 | 0.00 | 0.00 | 76.00 |
| Total | 0.00 | 370,126.00 | 90,008.00 | 253.00 | 379.00 | 460,766.00 |
| | UNPAID CURRENT PERIOD | | | | | |
| Fire | 91,858.00 | 67,239.00 | 8,437.00 | 0.00 | 117.00 | 167,651.00 |
| Other Allied Lines | 71,357.00 | 26,528.00 | 234.00 | 234.00 | 117.00 | 98,470.00 |
| Crime | 1,171.00 | 0.00 | 0.00 | 0.00 | 0.00 | 1,171.00 |
| Total | 164,386.00 | 93,767.00 | 8,671.00 | 234.00 | 234.00 | 267,292.00 |
| | LOSS ADJUSTMENT EXPENSES INCURRED | | | | | |
| Fire | 171,778.31 | 19,557.07 | 50,859.48 | 2,851.81 | 43,368.38 | 288,415.05 |
| Other Allied Lines | 272,734.18 | 292,364.01 | 67,939.38 | 48,083.35 | (10.00) | 681,110.92 |
| Crime | 3,088.20 | (76.00) | 0.00 | 0.00 | 0.00 | 3,012.20 |
| Total | 447,600.69 | 311,845.08 | 118,798.86 | 50,935.16 | 43,358.38 | 972,538.17 |

