

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
BALANCE SHEET  
AS OF JUNE 30, 2004

	LEDGER ASSETS	NON-LEDGER ASSETS	ASSETS NOT ADMITTED	ADMITTED ASSETS
<b>ASSETS</b>				
CASH	(691,847)			(691,847) (Note 1)
INVESTMENTS	20,649,450			20,649,450
FIXED ASSETS	84,992		(84,992)	0
DATA PROCESSING EQUIPMENT	85,658			85,658
ACCOUNTS RECEIVABLE - OTHER	69,511			69,511
ASSESSMENT RECEIVABLE	141,499			141,499
PREPAID EXPENSES	87,006		(87,006)	0
<b>TOTAL ASSETS</b>	<b>20,426,269</b>	<b>0</b>	<b>(171,998)</b>	<b>20,254,271</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE - BEACH PLAN				3,638,219
PREMIUM REFUND				25,590
PREMIUM SUSPENSE				511,911
PAYROLL TAXES				(383)
ACCURAL-PREMIUM TAX				37,889
ACCURAL-POST RETIREMENT				293,899
ACCURAL-PENSION				224,421
ACCURAL-RENT				17,752
CLAIMS PAYABLE				33,535
PREPAID PREMIUMS				565,766
UNCLAIMED CHECKS				393,893
DISTRIBUTION PAYABLE				12,671
<b>TOTAL LIABILITIES</b>				<b>5,755,163</b>
<b>RESERVES FOR:</b>				
UNPAID LOSSES (INCL. IBNR)				3,410,003
UNPAID LAE RESERVES				283,505
UNEARNED PREMIUMS				10,696,441
<b>TOTAL RESERVES</b>				<b>14,389,949</b>
MEMBERS' EQUITY				109,159
<b>TOTAL LIABILITIES &amp; MEMBERS' EQUITY</b>				<b>20,254,271</b>

Note 1- Each night, all funds remaining in the Associations' checking account are invested overnight in Repurchase Agreements and returned to the account the next morning, with interest. This transaction along with the reclassification (\$462,087.30) of the claim checks payable account may create a credit balance in the cash account. The overnight investments are included in the Investment account.

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
INCOME STATEMENT AND EQUITY ACCOUNT  
QUARTER ENDING JUNE 30, 2004

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	THIRD QUARTER	YEAR - TO - DATE
<b>UNDERWRITING INCOME</b>		
PREMIUMS EARNED	5,227,970	17,137,259
<b>DEDUCTIONS</b>		
LOSSES INCURRED	4,473,300	6,304,604
LOSS EXPENSE INCURRED	421,870	440,182
OPERATING EXPENSE INCURRED	1,640,547	4,780,631
PREMIUM TAXES	126,283	472,356
TOTAL DEDUCTIONS	6,662,000	11,997,773
NET UNDERWRITING GAIN OR (LOSS)	<b>(1,434,030)</b>	<b>5,139,486</b>
<b>OTHER INCOME OR (OUTGO)</b>		
INVESTMENT INCOME	38,255	116,238
MISCELLANEOUS INCOME	3,445	(27,296)
NET OTHER INCOME	41,700	88,942
NET INCOME OR (LOSS)	<b>(1,392,330)</b>	<b>5,228,428</b>
<b>EQUITY ACCOUNT</b>		
MEMBERS' EQUITY (PRIOR PERIOD)	1,495,612	(3,262,223)
NET INCOME OR (LOSS)	(1,392,330)	5,228,428
CHANGE IN ASSETS NOT ADMITTED	5,877	115,187
ASSESSMENTS OR (DISTRIBUTIONS)	0	(1,981,556)
PRIOR PERIOD ADJUSTMENTS	0	9,323
NET CHANGE IN EQUITY	<b>(1,386,453)</b>	<b>3,371,382</b>
MEMBERS' EQUITY (CURRENT PERIOD)	<b>109,159</b>	<b>109,159</b>

The Aggregate Liability for the Association as of June 30, 2004 is \$4,303,874,109.

**NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
MEMBERS' ACCOUNT  
QUARTER ENDING JUNE 30, 2004**

	THIRD QUARTER						
	2004	2003	2002	2001	2000	1999	TOTAL
<b>INCOME RECEIVED</b>							
PREMIUMS WRITTEN	6,125,396	(60,301)	0	0	0	0	6,065,095
INTEREST RECEIVED	38,255	0	0	0	0	0	38,255
MISCELLANEOUS INCOME	3,445	0	0	0	0	0	3,445
<b>TOTAL INCOME</b>	<b>6,167,096</b>	<b>(60,301)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,106,795</b>
<b>EXPENSES PAID</b>							
LOSSES	1,284,309	1,624,163	10,520	779	0	0	2,919,771
LOSS ADJUSTMENT EXPENSES	181,945	135,913	4,094	522	352	0	322,826
COMMISSION	889,055	(9,045)	0	0	0	0	880,010
PREMIUM TAX	126,283	0	0	0	0	0	126,283
ADMINISTRATIVE EXPENSES	760,537	0	0	0	0	0	760,537
<b>TOTAL EXPENSES PAID</b>	<b>3,242,129</b>	<b>1,751,031</b>	<b>14,614</b>	<b>1,301</b>	<b>352</b>	<b>0</b>	<b>5,009,427</b>
<b>NET CASH CHANGE</b>	<b>2,924,967</b>	<b>(1,811,332)</b>	<b>(14,614)</b>	<b>(1,301)</b>	<b>(352)</b>	<b>0</b>	<b>1,097,368</b>
<b>RESERVES:</b>							
<b>DEDUCT: (CURRENT PERIOD)</b>							
LOSSES (INCL. IBNR.)	2,671,516	727,986	3,001	0	7,500	0	3,410,003
LOSS ADJUSTMENT EXPENSES	222,523	60,115	248	0	619	0	283,505
UNEARNED PREMIUMS	9,966,268	730,173	0	0	0	0	10,696,441
<b>ADD:(PRIOR PERIOD)</b>							
LOSSES (INCL. IBNR.)	420,879	1,374,800	22,399	3,198	35,198	0	1,856,474
LOSS ADJUSTMENT EXPENSES	44,144	134,375	2,189	313	3,440	0	184,461
UNEARNED PREMIUMS	7,004,629	2,854,687	0	0	0	0	9,859,316
<b>NET RESERVE CHANGE</b>	<b>(5,390,655)</b>	<b>2,845,588</b>	<b>21,339</b>	<b>3,511</b>	<b>30,519</b>	<b>0</b>	<b>(2,489,698)</b>
<b>NET OTHER CHANGES</b>							
PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0
ASSETS NOT ADMITTED	5,877	0	0	0	0	0	5,877
<b>TOTAL NET OTHER CHANGES</b>	<b>5,877</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,877</b>
ASSESSMENTS	0	0	0	0	0	0	0
DISTRIBUTIONS	0	0	0	0	0	0	0
<b>CHANGE IN MEMBERS' EQUITY</b>	<b>(2,459,811)</b>	<b>1,034,256</b>	<b>6,725</b>	<b>2,210</b>	<b>30,167</b>	<b>0</b>	<b>(1,386,453)</b>

**NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
MEMBERS' ACCOUNT  
QUARTER ENDING JUNE 30, 2004**

					YEAR TO DATE		
	2003	2002	2001	2000	1999	1998	TOTAL
<b>INCOME RECEIVED</b>							
PREMIUMS WRITTEN	17,207,242	(163,671)	0	0	0	0	17,043,571
INTEREST RECEIVED	116,238	0	0	0	0	0	116,238
MISCELLANEOUS INCOME	(27,296)	0	0	0	0	0	(27,296)
<b>TOTAL INCOME</b>	<b>17,296,184</b>	<b>(163,671)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>17,132,513</b>
<b>EXPENSES PAID</b>							
LOSSES	1,944,384	12,501,428	419,196	25,779	997	0	14,891,784
LOSS ADJUSTMENT EXPENSES	388,144	1,258,095	56,251	1,322	352	0	1,704,164
COMMISSION	2,484,897	(24,551)	0	0	0	0	2,460,346
PREMIUM TAX	472,356	0	0	0	0	0	472,356
ADMINISTRATIVE EXPENSES	2,320,285	0	0	0	0	0	2,320,285
<b>TOTAL EXPENSES PAID</b>	<b>7,610,066</b>	<b>13,734,972</b>	<b>475,447</b>	<b>27,101</b>	<b>1,349</b>	<b>0</b>	<b>21,848,935</b>
<b>NET CASH CHANGE</b>	<b>9,686,118</b>	<b>(13,898,643)</b>	<b>(475,447)</b>	<b>(27,101)</b>	<b>(1,349)</b>	<b>0</b>	<b>(4,716,422)</b>
<b>RESERVES:</b>							
<b>DEDUCT: (CURRENT PERIOD)</b>							
LOSSES (INCL. IBNR.)	2,671,516	727,986	3,001	0	7,500	0	3,410,003
LOSS ADJUSTMENT EXPENSES	222,523	60,115	248	0	619	0	283,505
UNEARNED PREMIUMS	9,966,268	730,173	0	0	0	0	10,696,441
<b>ADD:(PRIOR PERIOD)</b>							
LOSSES (INCL. IBNR.)	0	11,481,457	480,528	0	35,198	0	11,997,183
LOSS ADJUSTMENT EXPENSES	0	1,480,964	61,983	0	4,540	0	1,547,487
UNEARNED PREMIUMS	0	10,790,129	0	0	0	0	10,790,129
<b>NET RESERVE CHANGE</b>	<b>(12,860,307)</b>	<b>22,234,276</b>	<b>539,262</b>	<b>0</b>	<b>31,619</b>	<b>0</b>	<b>9,944,850</b>
<b>NET OTHER CHANGES</b>							
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>9,323</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>9,323</b>
<b>ASSETS NOT ADMITTED</b>	<b>115,187</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>115,187</b>
<b>TOTAL NET OTHER CHANGES</b>	<b>124,510</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>124,510</b>
ASSESSMENTS	0	601,446	0	0	0	0	601,446
DISTRIBUTIONS	0	0	0	0	0	(2,583,002)	(2,583,002)
<b>CHANGE IN MEMBERS' EQUITY</b>	<b>(3,049,679)</b>	<b>8,937,079</b>	<b>63,815</b>	<b>(27,101)</b>	<b>30,270</b>	<b>(2,583,002)</b>	<b>3,371,382</b>

**NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
MEMBERS' ACCOUNT FOR UNSETTLED YEARS  
AS OF JUNE 30, 2004**

	2004	2003	2002	2001	2000	1999	TOTAL
<b>INCOME RECEIVED</b>							
PREMIUMS WRITTEN	17,207,242	20,380,519	17,509,012	15,494,428	14,629,409	13,713,203	98,933,813
INTEREST RECEIVED	116,238	218,827	259,922	795,169	1,250,277	1,051,335	3,691,768
MISCELLANEOUS INCOME	(27,296)	2,946	7,389	258	(1,271)	(1,938)	(19,912)
<b>TOTAL INCOME</b>	<b>17,296,184</b>	<b>20,602,292</b>	<b>17,776,323</b>	<b>16,289,855</b>	<b>15,878,415</b>	<b>14,762,600</b>	<b>102,605,669</b>
<b>EXPENSES PAID</b>							
LOSSES	1,944,384	15,995,265	9,657,495	7,592,159	9,150,829	17,463,653	61,803,785
LOSS ADJUSTMENT EXPENSES	388,144	1,779,400	690,073	579,965	755,667	2,197,752	6,391,001
COMMISSION	2,484,897	2,959,830	2,592,873	2,269,582	1,471,361	1,345,858	13,124,401
PREMIUM TAX	472,356	583,115	503,873	443,154	424,956	401,793	2,829,247
ADMINISTRATIVE EXPENSES	2,320,285	3,018,670	2,779,410	2,188,612	2,059,471	1,790,972	14,157,420
<b>TOTAL EXPENSES PAID</b>	<b>7,610,066</b>	<b>24,336,280</b>	<b>16,223,724</b>	<b>13,073,472</b>	<b>13,862,284</b>	<b>23,200,028</b>	<b>98,305,854</b>
<b>NET CASH CHANGE</b>	<b>9,686,118</b>	<b>(3,733,988)</b>	<b>1,552,599</b>	<b>3,216,383</b>	<b>2,016,131</b>	<b>(8,437,428)</b>	<b>4,299,815</b>
<b>RESERVES:</b>							
DEDUCT: (CURRENT PERIOD)							
LOSSES (INCL. IBNR.)	2,671,516	727,986	3,001	0	7,500	0	3,410,003
LOSS ADJUSTMENT EXPENSES	222,523	60,115	248	0	619	0	283,505
UNEARNED PREMIUMS	9,966,268	730,173	0	0	0	0	10,696,441
<b>RESERVES</b>	<b>12,860,307</b>	<b>1,518,274</b>	<b>3,249</b>	<b>0</b>	<b>8,119</b>	<b>0</b>	<b>14,389,949</b>
<b>NET OTHER CHANGES</b>							
ASSETS NOT ADMITTED	115,187	(164,952)	(96,449)	107,469	(66,943)	599,076	493,388
PRIOR PERIOD ADJUSTMENT	9,323	0	0	0	0	0	9,323
MINIMUM PENSION LIABILITY	0	39,635	(109,504)	0	0	0	(69,869)
<b>TOTAL NET OTHER CHANGES</b>	<b>124,510</b>	<b>(125,317)</b>	<b>(205,953)</b>	<b>107,469</b>	<b>(66,943)</b>	<b>599,076</b>	<b>432,842</b>
ASSESSMENTS	0	601,446	462,435	451,213	413,005	20,421,354	22,349,453
DISTRIBUTIONS	0	0	0	0	0	(12,583,002)	(12,583,002)
<b>MEMBERS' EQUITY</b>	<b>(3,049,679)</b>	<b>(4,776,133)</b>	<b>1,805,832</b>	<b>3,775,065</b>	<b>2,354,074</b>	<b>0</b>	<b>109,159</b>

**NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION**  
**FAIR PLAN**  
**STATISTICAL REPORT OF PREMIUMS**  
**QUARTER ENDING JUNE 30, 2004**

	THIRD QUARTER 2004	THIRD QUARTER 2003	THIRD QUARTER TOTAL	YEAR TO DATE 2004	YEAR TO DATE 2003	YEAR TO DATE TOTAL
<b>PREMIUMS WRITTEN</b>						
RESIDENTIAL - FIRE	3,036,054	(24,333)	3,011,721	8,524,475	(55,410)	8,469,065
RESIDENTIAL - EC	2,596,290	(25,660)	2,570,630	7,067,200	(78,144)	6,989,056
COMMERCIAL - FIRE	308,363	(4,911)	303,452	1,020,799	(13,546)	1,007,253
COMMERCIAL - EC	117,785	(4,450)	113,335	388,438	(12,026)	376,412
CRIME - RESIDENTIAL	64,490	(947)	63,543	202,806	(4,545)	198,261
CRIME - COMMERCIAL	2,414	0	2,414	3,524	0	3,524
<b>TOTAL</b>	<b>6,125,396</b>	<b>(60,301)</b>	<b>6,065,095</b>	<b>17,207,242</b>	<b>(163,671)</b>	<b>17,043,571</b>
<b>UNEARNED PREMIUMS (PRIOR PERIOD)</b>						
RESIDENTIAL - FIRE	3,490,470	1,374,068	4,864,538	0	5,200,037	5,200,037
RESIDENTIAL - EC	2,842,306	1,136,921	3,979,227	0	4,240,220	4,240,220
COMMERCIAL - FIRE	420,085	231,790	651,875	0	895,654	895,654
COMMERCIAL - EC	163,741	74,625	238,366	0	307,737	307,737
CRIME - RESIDENTIAL	88,027	37,224	125,251	0	145,230	145,230
CRIME - COMMERCIAL	0	59	59	0	1,251	1,251
<b>TOTAL</b>	<b>7,004,629</b>	<b>2,854,687</b>	<b>9,859,316</b>	<b>0</b>	<b>10,790,129</b>	<b>10,790,129</b>
<b>UNEARNED PREMIUMS (CURRENT PERIOD)</b>						
RESIDENTIAL - FIRE	4,949,339	349,778	5,299,117	4,949,339	349,778	5,299,117
RESIDENTIAL - EC	4,148,938	290,072	4,439,010	4,148,938	290,072	4,439,010
COMMERCIAL - FIRE	544,142	61,390	605,532	544,142	61,390	605,532
COMMERCIAL - EC	207,838	19,482	227,320	207,838	19,482	227,320
CRIME - RESIDENTIAL	114,117	9,451	123,568	114,117	9,451	123,568
CRIME - COMMERCIAL	1,894	0	1,894	1,894	0	1,894
<b>TOTAL</b>	<b>9,966,268</b>	<b>730,173</b>	<b>10,696,441</b>	<b>9,966,268</b>	<b>730,173</b>	<b>10,696,441</b>
<b>EARNED PREMIUMS</b>						
RESIDENTIAL - FIRE	1,577,185	999,957	2,577,142	3,575,136	4,794,849	8,369,985
RESIDENTIAL - EC	1,289,658	821,189	2,110,847	2,918,262	3,872,004	6,790,266
COMMERCIAL - FIRE	184,306	165,489	349,795	476,657	820,718	1,297,375
COMMERCIAL - EC	73,688	50,693	124,381	180,600	276,229	456,829
CRIME - RESIDENTIAL	38,400	26,826	65,226	88,689	131,234	219,923
CRIME - COMMERCIAL	520	59	579	1,630	1,251	2,881
<b>TOTAL</b>	<b>3,163,757</b>	<b>2,064,213</b>	<b>5,227,970</b>	<b>7,240,974</b>	<b>9,896,285</b>	<b>17,137,259</b>

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
STATISTICAL REPORT OF LOSSES  
QUARTER ENDING JUNE 30, 2004

THIRD QUARTER						TOTAL THIRD QUARTER
	2004	2003	2002	2001	2000	
<b>PAID LOSSES</b>						
RESIDENTIAL - FIRE	1,041,518	980,842	6,711	0	0	2,029,071
RESIDENTIAL - EC	158,719	461,022	1,612	779	0	622,132
COMMERCIAL - FIRE	79,740	112,402	0	0	0	192,142
COMMERCIAL - EC	3,390	56,394	2,197	0	0	61,981
CRIME - RESIDENTIAL	942	13,503	0	0	0	14,445
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,284,309</b>	<b>1,624,163</b>	<b>10,520</b>	<b>779</b>	<b>0</b>	<b>2,919,771</b>
<b>OUTSTANDING LOSSES</b>						
(CURRENT PERIOD INCL. IBNR)						
RESIDENTIAL - FIRE	694,318	230,557	3,001	0	2,500	930,376
RESIDENTIAL - EC	60,318	408,133	0	0	5,000	473,451
COMMERCIAL - FIRE	1,891,650	80,499	0	0	0	1,972,149
COMMERCIAL - EC	18,823	7,599	0	0	0	26,422
CRIME - RESIDENTIAL	6,407	1,198	0	0	0	7,605
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>2,671,516</b>	<b>727,986</b>	<b>3,001</b>	<b>0</b>	<b>7,500</b>	<b>3,410,003</b>
<b>OUTSTANDING LOSSES</b>						
(PRIOR PERIOD INCL. IBNR)						
RESIDENTIAL - FIRE	299,588	450,066	198	0	8,599	758,451
RESIDENTIAL - EC	99,258	677,748	22,102	3,198	23,099	825,405
COMMERCIAL - FIRE	18,862	151,495	0	0	0	170,357
COMMERCIAL - EC	3,072	92,600	0	0	3,500	99,172
CRIME - RESIDENTIAL	99	2,891	99	0	0	3,089
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>420,879</b>	<b>1,374,800</b>	<b>22,399</b>	<b>3,198</b>	<b>35,198</b>	<b>1,856,474</b>
<b>INCURRED LOSSES</b>						
RESIDENTIAL - FIRE	1,436,248	761,333	9,514	0	(6,099)	2,200,996
RESIDENTIAL - EC	119,779	191,407	(20,490)	(2,419)	(18,099)	270,178
COMMERCIAL - FIRE	1,952,528	41,406	0	0	0	1,993,934
COMMERCIAL - EC	19,141	(28,607)	2,197	0	(3,500)	(10,769)
CRIME - RESIDENTIAL	7,250	11,810	(99)	0	0	18,961
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>3,534,946</b>	<b>977,349</b>	<b>(8,878)</b>	<b>(2,419)</b>	<b>(27,698)</b>	<b>4,473,300</b>

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
STATISTICAL REPORT OF LOSSES  
QUARTER ENDING JUNE 30, 2004

	YEAR TO DATE					TOTAL YEAR TO DATE
	2004	2003	2002	2001	2000	
<b>PAID LOSSES</b>						
RESIDENTIAL - FIRE	1,551,181	3,739,093	187,038	25,000	0	5,502,312
RESIDENTIAL - EC	278,670	7,657,206	215,423	779	2,752	8,154,830
COMMERCIAL - FIRE	98,990	277,786	823	0	0	377,599
COMMERCIAL - EC	13,681	784,489	15,912	0	(1,755)	812,327
CRIME - RESIDENTIAL	1,862	42,854	0	0	0	44,716
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,944,384</b>	<b>12,501,428</b>	<b>419,196</b>	<b>25,779</b>	<b>997</b>	<b>14,891,784</b>
<b>OUTSTANDING LOSSES (CURRENT PERIOD INCL. IBNR)</b>						
RESIDENTIAL - FIRE	694,318	230,557	3,001	0	2,500	930,376
RESIDENTIAL - EC	60,318	408,133	0	0	5,000	473,451
COMMERCIAL - FIRE	1,891,650	80,499	0	0	0	1,972,149
COMMERCIAL - EC	18,823	7,599	0	0	0	26,422
CRIME - RESIDENTIAL	6,407	1,198	0	0	0	7,605
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>2,671,516</b>	<b>727,986</b>	<b>3,001</b>	<b>0</b>	<b>7,500</b>	<b>3,410,003</b>
<b>OUTSTANDING LOSSES (PRIOR PERIOD INCL. IBNR)</b>						
RESIDENTIAL - FIRE	0	561,196	139,700	0	10,099	710,995
RESIDENTIAL - EC	0	10,503,032	329,828	0	21,599	10,854,459
COMMERCIAL - FIRE	0	38,520	1,000	0	0	39,520
COMMERCIAL - EC	0	369,245	10,000	0	3,500	382,745
CRIME - RESIDENTIAL	0	9,464	0	0	0	9,464
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>11,481,457</b>	<b>480,528</b>	<b>0</b>	<b>35,198</b>	<b>11,997,183</b>
<b>INCURRED LOSSES</b>						
RESIDENTIAL - FIRE	2,245,499	3,408,454	50,339	25,000	(7,599)	5,721,693
RESIDENTIAL - EC	338,988	(2,437,693)	(114,405)	779	(13,847)	(2,226,178)
COMMERCIAL - FIRE	1,990,640	319,765	(177)	0	0	2,310,228
COMMERCIAL - EC	32,504	422,843	5,912	0	(5,255)	456,004
CRIME - RESIDENTIAL	8,269	34,588	0	0	0	42,857
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>4,615,900</b>	<b>1,747,957</b>	<b>(58,331)</b>	<b>25,779</b>	<b>(26,701)</b>	<b>6,304,604</b>

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
STATISTICAL REPORT OF LOSSES  
QUARTER ENDING JUNE 30, 2004

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IBNR TOTALS

	2004	2003	2002	2001	2000	TOTAL
<u>IBNR (CURRENT PERIOD)</u>						
RESIDENTIAL - FIRE	79,572	0	0	0	0	79,572
RESIDENTIAL - EC	6,919	0	0	0	0	6,919
COMMERCIAL - FIRE	121,129	0	0	0	0	121,129
COMMERCIAL - EC	1,224	0	0	0	0	1,224
CRIME - RESIDENTIAL	2,110	0	0	0	0	2,110
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>210,954</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>210,954</b>
<u>IBNR (PRIOR PERIOD)</u>						
RESIDENTIAL - FIRE	90,278	27,346	0	0	0	117,624
RESIDENTIAL - EC	30,093	417,479	0	0	0	447,572
COMMERCIAL - FIRE	18,268	1,520	0	0	0	19,788
COMMERCIAL - EC	2,973	14,721	0	0	0	17,694
CRIME - RESIDENTIAL	0	364	0	0	0	364
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>141,612</b>	<b>461,430</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>603,042</b>

**NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES  
QUARTER ENDING JUNE 30, 2004**

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	THIRD QUARTER					TOTAL THIRD QUARTER
	2004	2003	2002	2001	2000	
<b>LOSS EXPENSES PAID</b>						
RESIDENTIAL - FIRE	119,954	73,420	2,490	0	0	195,864
RESIDENTIAL - EC	45,654	53,846	1,267	522	0	101,289
COMMERCIAL - FIRE	14,614	3,292	0	0	0	17,906
COMMERCIAL - EC	1,470	4,270	152	0	352	6,244
CRIME - RESIDENTIAL	253	1,085	185	0	0	1,523
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>181,945</b>	<b>135,913</b>	<b>4,094</b>	<b>522</b>	<b>352</b>	<b>322,826</b>
<b>UNPAID LOSS EXPENSE (CURRENT PERIOD INCL. IBNR)</b>						
RESIDENTIAL - FIRE	58,058	19,039	248	0	206	77,551
RESIDENTIAL - EC	5,044	33,702	0	0	413	39,159
COMMERCIAL - FIRE	157,308	6,647	0	0	0	163,955
COMMERCIAL - EC	1,565	628	0	0	0	2,193
CRIME - RESIDENTIAL	548	99	0	0	0	647
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>222,523</b>	<b>60,115</b>	<b>248</b>	<b>0</b>	<b>619</b>	<b>283,505</b>
<b>UNPAID LOSS EXPENSE (PRIOR PERIOD INCL. IBNR)</b>						
RESIDENTIAL - FIRE	31,198	43,990	19	0	840	76,047
RESIDENTIAL - EC	10,340	66,244	2,160	313	2,258	81,315
COMMERCIAL - FIRE	2,231	14,807	0	0	0	17,038
COMMERCIAL - EC	364	9,051	0	0	342	9,757
CRIME - RESIDENTIAL	11	283	10	0	0	304
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>44,144</b>	<b>134,375</b>	<b>2,189</b>	<b>313</b>	<b>3,440</b>	<b>184,461</b>
<b>INCURRED LOSS EXPENSES</b>						
RESIDENTIAL - FIRE	146,814	48,469	2,719	0	(634)	197,368
RESIDENTIAL - EC	40,358	21,304	(893)	209	(1,845)	59,133
COMMERCIAL - FIRE	169,691	(4,868)	0	0	0	164,823
COMMERCIAL - EC	2,671	(4,153)	152	0	10	(1,320)
CRIME - RESIDENTIAL	790	901	175	0	0	1,866
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>360,324</b>	<b>61,653</b>	<b>2,153</b>	<b>209</b>	<b>(2,469)</b>	<b>421,870</b>

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES  
QUARTER ENDING JUNE 30, 2004

	YEAR-TO-DATE					YEAR TO DATE TOTAL
	2004	2003	2002	2001	2000	
<b>LOSS EXPENSES PAID</b>						
RESIDENTIAL - FIRE	271,646	208,585	12,714	800	0	493,745
RESIDENTIAL - EC	91,368	985,985	40,159	522	0	1,118,034
COMMERCIAL - FIRE	14,614	10,593	211	0	0	25,418
COMMERCIAL - EC	8,804	50,595	2,982	0	352	62,733
CRIME - RESIDENTIAL	1,712	2,337	185	0	0	4,234
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>388,144</b>	<b>1,258,095</b>	<b>56,251</b>	<b>1,322</b>	<b>352</b>	<b>1,704,164</b>
<b>UNPAID LOSS EXPENSE (CURRENT PERIOD INCL. IBNR)</b>						
RESIDENTIAL - FIRE	58,058	19,039	248	0	206	77,551
RESIDENTIAL - EC	5,044	33,702	0	0	413	39,159
COMMERCIAL - FIRE	157,308	6,647	0	0	0	163,955
COMMERCIAL - EC	1,565	628	0	0	0	2,193
CRIME - RESIDENTIAL	548	99	0	0	0	647
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>222,523</b>	<b>60,115</b>	<b>248</b>	<b>0</b>	<b>619</b>	<b>283,505</b>
<b>UNPAID LOSS EXPENSE (PRIOR PERIOD INCL. IBNR)</b>						
RESIDENTIAL - FIRE	0	72,386	18,020	0	1,303	91,709
RESIDENTIAL - EC	0	1,354,760	42,544	0	2,786	1,400,090
COMMERCIAL - FIRE	0	4,969	129	0	0	5,098
COMMERCIAL - EC	0	47,628	1,290	0	451	49,369
CRIME - RESIDENTIAL	0	1,221	0	0	0	1,221
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>1,480,964</b>	<b>61,983</b>	<b>0</b>	<b>4,540</b>	<b>1,547,487</b>
<b>INCURRED LOSS EXPENSES</b>						
RESIDENTIAL - FIRE	329,704	155,238	(5,058)	800	(1,097)	479,587
RESIDENTIAL - EC	96,412	(335,073)	(2,385)	522	(2,373)	(242,897)
COMMERCIAL - FIRE	171,922	12,271	82	0	0	184,275
COMMERCIAL - EC	10,369	3,595	1,692	0	(99)	15,557
CRIME - RESIDENTIAL	2,260	1,215	185	0	0	3,660
CRIME - COMMERCIAL	0	0	0	0	0	0
<b>TOTAL</b>	<b>610,667</b>	<b>(162,754)</b>	<b>(5,484)</b>	<b>1,322</b>	<b>(3,569)</b>	<b>440,182</b>

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
AS OF JUNE 30, 2004

CAT NUMBER	POLICY YEAR	CAT DATE	BUSINESS	LOSSES		ALLOCATED CLAIMS EXPENSE	
				OUTSTANDING	PAID	OUTSTANDING	PAID
82	10/01/94 09/30/95	07/12/96	HABITATIONAL	0	494,853	0	62,452
82	10/01/94 09/30/95	07/12/96	COMMERCIAL	0	50,197	0	5,805
			TOTAL	0	545,050	0	68,257
82	10/01/95 09/30/96	07/12/96	HABITATIONAL	0	1,511,336	0	211,709
82	10/01/95 09/30/96	07/12/96	COMMERCIAL	0	260,719	0	21,083
			TOTAL	0	1,772,055	0	232,792
88	10/01/94 09/30/95	09/05/96	HABITATIONAL	0	1,062,341	0	142,807
88	10/01/94 09/30/95	09/05/96	COMMERCIAL	0	144,103	0	11,551
			TOTAL	0	1,206,444	0	154,358
88	10/01/95 09/30/96	09/05/96	HABITATIONAL	0	13,968,567	0	1,774,079
88	10/01/95 09/30/96	09/05/96	COMMERCIAL	0	2,940,414	0	189,641
			TOTAL	0	16,908,981	0	1,963,720
43	10/01/96 09/30/97	03/05/98	HABITATIONAL	0	26,027	0	1,689
			TOTAL	0	26,027	0	1,689
49	10/01/96 09/30/97	05/07/98	HABITATIONAL	0	12,367	0	1,330
49	10/01/96 09/30/97	05/07/98	COMMERCIAL	0	5,371	0	314
			TOTAL	0	17,738	0	1,644

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
AS OF JUNE 30, 2004

CAT NUMBER	POLICY YEAR	CAT DATE	BUSINESS	LOSSES		ALLOCATED CLAIMS EXPENSE	
				OUTSTANDING	PAID	OUTSTANDING	PAID
49	10/01/97	05/07/98	HABITATIONAL	0	33,296	0	1,156
	09/30/98	05/08/98					
49	10/01/97	05/07/98	COMMERCIAL	0	1,204	0	500
	09/30/98	05/08/98					
TOTAL				0	34,500	0	1,656
52	10/01/96	05/22/98	HABITATIONAL	0	12,551	0	186
	09/30/97	05/26/98					
52	10/01/96	05/22/98	COMMERCIAL	0	19,956	0	408
	09/30/97	05/26/98					
TOTAL				0	32,507	0	594
52	10/01/97	05/22/98	HABITATIONAL	0	23,810	0	1,206
	09/30/98	05/26/98					
52	10/01/97	05/22/98	COMMERCIAL	0	278	0	0
	09/30/98	05/26/98					
TOTAL				0	24,088	0	1,206
96	10/01/97	08/29/99	HABITATIONAL	0	47,472	0	4,884
	09/30/98	09/07/99					
96	10/01/97	08/29/99	COMMERCIAL	0	3,874	0	390
	09/30/98	09/07/99					
TOTAL				0	51,346	0	5,274
96	10/01/98	08/29/99	HABITATIONAL	5,000	662,121	500	75,860
	09/30/99	09/07/99					
96	10/01/98	08/29/99	COMMERCIAL	0	127,787	0	6,718
	09/30/99	09/07/99					
TOTAL				5,000	789,908	500	82,578
97	10/01/97	09/14/99	HABITATIONAL	0	340,132	0	53,186
	09/30/98	09/16/99					
97	10/01/97	09/14/99	COMMERCIAL	0	27,029	0	2,625
	09/30/98	09/16/99					
TOTAL				0	367,161	0	55,811

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
AS OF JUNE 30, 2004

CAT NUMBER	POLICY YEAR	CAT DATE	BUSINESS	LOSSES		ALLOCATED CLAIMS EXPENSE	
				OUTSTANDING	PAID	OUTSTANDING	PAID
97	10/01/98	09/14/99	HABITATIONAL	0	9,291,194	0	1,352,216
	09/30/99	09/16/99					
97	10/01/98	09/14/99	COMMERCIAL	0	924,773	0	86,687
	09/30/99	09/16/99					
TOTAL				0	10,215,967	0	1,438,903
77	10/01/01	12/04/02	HABITATIONAL	0	405,146	0	8,647
	09/30/02	12/05/02					
77	10/01/01	12/04/02	COMMERCIAL	0	17,576	0	14,355
	09/30/02	12/05/02					
TOTAL				0	422,722	0	23,002
77	10/01/02	12/04/02	HABITATIONAL	0	79,187	0	4,032
	09/30/03	12/05/02					
77	10/01/02	12/04/02	COMMERCIAL	0	4,979	0	0
	09/30/03	12/05/02					
TOTAL				0	84,166	0	4,032
81	10/01/01	01/13/03	HABITATIONAL	0	11,932	0	1,609
	09/30/02	01/26/03					
81	10/01/01	01/13/03	COMMERCIAL	0	0	0	0
	09/30/02	01/26/03					
TOTAL				0	11,932	0	1,609
81	10/01/02	01/13/03	HABITATIONAL	0	99,372	0	3,656
	09/30/03	01/26/03					
81	10/01/02	01/13/03	COMMERCIAL	0	0	0	0
	09/30/03	01/26/03					
TOTAL				0	99,372	0	3,656
82	10/01/01	02/14/03	HABITATIONAL	0	1,493	0	185
	09/30/02	02/18/03					
82	10/01/01	02/14/03	COMMERCIAL	0	33,243	0	1,798
	09/30/02	02/18/03					
TOTAL				0	34,736	0	1,983

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
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REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
AS OF JUNE 30, 2004

CAT NUMBER	POLICY YEAR	CAT DATE	BUSINESS	LOSSES		ALLOCATED CLAIMS EXPENSE	
				OUTSTANDING	PAID	OUTSTANDING	PAID
82	10/01/02 09/30/03	02/14/03 02/18/03	HABITATIONAL	0	0	0	242
82	10/01/02 09/30/03	02/14/03 02/18/03	COMMERCIAL	0	4,868	0	0
			TOTAL	0	4,868	0	242
83	10/01/01 09/30/02	02/21/03 02/23/03	HABITATIONAL	0	25,083	0	173
83	10/01/01 09/30/02	02/21/03 02/23/03	COMMERCIAL	0	0	0	1,054
			TOTAL	0	25,083	0	1,227
83	10/01/02 09/30/03	02/21/03 02/23/03	HABITATIONAL	0	16,032	0	1,173
83	10/01/02 09/30/03	02/21/03 02/23/03	COMMERCIAL	0	0	0	0
			TOTAL	0	16,032	0	1,173
88	10/01/01 09/30/02	05/02/03 05/11/03	HABITATIONAL	0	337,468	0	37,739
88	10/01/01 09/30/02	05/02/03 05/11/03	COMMERCIAL	0	3,348	0	704
			TOTAL	0	340,816	0	38,443
88	10/01/02 09/30/03	05/02/03 05/11/03	HABITATIONAL	2,099	465,810	210	49,569
88	10/01/02 09/30/03	05/02/03 05/11/03	COMMERCIAL	0	33,292	0	3,634
			TOTAL	2,099	499,102	210	53,203
95	10/01/01 09/30/02	09/18/03	HABITATIONAL	0	219,780	0	27,164
95	10/01/01 09/30/02	09/18/03	COMMERCIAL	0	12,913	0	1,197
			TOTAL	0	232,693	0	28,361

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
AS OF JUNE 30, 2004

CAT NUMBER	POLICY YEAR	CAT DATE	BUSINESS	LOSSES		ALLOCATED CLAIMS EXPENSE	
				OUTSTANDING	PAID	OUTSTANDING	PAID
95	10/01/02 09/30/03	09/18/03	HABITATIONAL	64,506	7,079,536	6,451	893,396
95	10/01/02 09/30/03	09/18/03	COMMERCIAL	5,000	731,404	500	45,727
			TOTAL	69,506	7,810,940	6,951	939,123
16	10/01/02 09/30/03	03/03/04	HABITATIONAL	4,245	246,428	425	42,440
16	10/01/02 09/30/03	03/03/04	COMMERCIAL	0	12,093	0	1,542
			TOTAL	4,245	258,521	425	43,982
16	10/01/03 09/30/04	03/03/04	HABITATIONAL	9,988	152,222	999	26,857
16	10/01/03 09/30/04	03/03/04	COMMERCIAL	0	52,214	0	2,707
			TOTAL	9,988	204,436	999	29,564

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
AS OF JUNE 30, 2004

**AGGREGATE LIABILITY BY COUNTIES**

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COUNTY	FAIR LIABILITY *	FAIR COUNT
ALAMANCE	26,910,138	423
ALEXANDER	6,398,474	108
ALLEGHANY	3,486,048	39
ANSON	11,878,074	306
ASHE	7,067,352	158
AVERY	3,158,900	59
BEAUFORT	51,873,046	1,038
BERTIE	18,407,088	414
BLADEN	54,621,068	1,186
BRUNSWICK	401,598,933	7,085
BUMCOMBE	29,205,925	571
BURKE	8,146,001	188
CABARRUS	22,365,243	400
CALDWELL	17,950,229	392
CAMDEN	16,170,266	258
CARTERET	164,268,058	3,168
CASWELL	8,760,372	201
CATAWBA	22,111,856	430
CHATHAM	13,228,125	264
CHEROKEE	2,468,000	50
CHOWAN	16,884,453	275
CLAY	1,558,000	31
CLEVELAND	22,605,740	393
COLUMBUS	146,750,509	3,276
CRAVEN	72,136,137	1,269
CUMBERLAND	184,160,361	2,830
CURRITUCK	60,548,316	898
DARE	64,111,999	681
DAVIDSON	49,502,661	802
DAVIE	3,711,516	61
DUPLIN	48,979,888	1,102
DURHAM	78,323,349	1,010
EDGECOMBE	31,247,498	639
FORSYTH	70,418,883	942
FRANKLIN	21,388,245	404
GASTON	60,072,391	1,057
GATES	7,387,431	166
GRAHAM	994,900	19
GRANVILLE	6,299,541	114
GREENE	9,673,701	198
GUILFORD	108,687,620	1,567
HALIFAX	35,734,730	817
HARNETT	55,582,411	1,053
HAYWOOD	8,906,993	163
HENDERSON	11,954,860	172
HERTFORD	12,023,858	277

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
AS OF JUNE 30, 2004

**AGGREGATE LIABILITY BY COUNTIES**

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COUNTY	FAIR LIABILITY *	FAIR COUNT
HOKE	32,518,593	722
HYDE	7,384,226	168
IREDELL	23,209,411	402
JACKSON	8,294,737	129
JOHNSTON	66,452,149	1,188
JONES	9,919,112	221
LEE	19,151,619	312
LENOIR	53,137,009	1,099
LINCOLN	14,208,052	257
MCDOWELL	8,868,900	218
MACON	4,732,325	82
MADISON	4,548,850	95
MARTIN	17,451,299	424
MECKLENBURG	111,341,477	1,303
MITCHELL	2,136,350	52
MONTGOMERY	12,324,661	255
MOORE	19,797,620	362
NASH	32,308,876	580
NEW HANOVER	383,364,594	4,610
NORTHAMPTON	12,400,160	299
ONSLOW	202,754,628	3,628
ORANGE	15,297,887	188
PAMLICO	16,455,193	394
PASQUOTANK	42,641,811	755
PENDER	88,724,476	1,686
PERQUIMANS	11,544,590	240
PERSON	12,071,178	228
PITT	66,384,428	1,133
POLK	2,245,509	61
RANDOLPH	20,817,851	382
RICHMOND	48,155,836	1,207
ROBESON	236,026,252	6,024
ROCKINGHAM	29,752,546	744
ROWAN	26,893,750	452
RUTHERFORD	15,543,435	295
SAMPSON	55,167,063	1,147
SCOTLAND	29,590,920	639
STANLEY	10,101,552	189
STOKES	5,748,424	91
SURRY	23,045,777	479
SWAIN	1,036,300	21
TRANSYLVANIA	2,839,600	28
TYRRELL	7,559,746	162
UNION	20,636,144	323
VANCE	25,680,236	544
WAKE	159,167,240	1,549

NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION  
FAIR PLAN  
AS OF JUNE 30, 2004

AGGREGATE LIABILITY BY COUNTIES

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COUNTY	FAIR LIABILITY *	FAIR COUNT
WARREN	12,512,952	272
WASHINGTON	10,577,070	166
WATAUGA	7,537,235	93
WAYNE	97,827,394	1,817
WILKES	18,534,791	344
WILSON	45,880,005	875
YADKIN	6,471,593	130
YANCY	5,381,490	113
	<hr/> 4,303,874,109	<hr/> 76,131

\* Based upon the total Building and Personal Property amounts. Dwelling "other coverages," which are additional amounts of insurance based upon Coverage A and Commercial policy extensions of coverage, are not factored into this amount.