

NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION
 BEACH PLAN
 MEMBERS' ACCOUNT FOR UNSETTLED YEARS
 INCEPTION TO PERIOD ENDING SEPTEMBER 30, 2004

	2004				2003			
	BEACH RESIDENTIAL	BEACH COMMERCIAL	COASTAL RESIDENTIAL	COASTAL COMMERCIAL	BEACH RESIDENTIAL	BEACH COMMERCIAL	COASTAL RESIDENTIAL	COASTAL COMMERCIAL
INCOME RECEIVED								
PREMIUMS WRITTEN	62,871,352	12,674,417	18,511,051	6,237,961	43,871,928	13,874,727	10,476,995	6,426,818
INTEREST RECEIVED	1,136,073	229,024	334,440	112,719	1,086,606	342,721	248,892	155,314
MISCELLANEOUS INCOME	2,158	434	634	214	(12,031)	(3,795)	(2,756)	(1,720)
TOTAL INCOME	64,009,583	12,903,875	18,846,125	6,350,894	44,946,503	14,213,653	10,723,131	6,580,412
EXPENSES PAID								
LOSSES	3,959,416	715,215	1,096,001	182,500	26,655,738	24,887,763	3,735,074	4,539,374
LOSS ADJUSTMENT EXPENSES	505,681	74,658	140,726	20,182	2,322,556	784,262	383,654	227,680
COMMISSION	7,851,972	1,578,302	2,622,716	825,139	5,704,804	1,801,946	1,307,146	807,189
PREMIUM TAX	1,312,394	264,569	386,346	130,213	969,857	305,897	222,150	138,626
ADMINISTRATIVE EXPENSES	1,241,643	252,209	329,811	116,404	1,102,136	354,925	261,524	149,442
TOTAL EXPENSES PAID	14,871,106	2,884,953	4,575,600	1,274,438	36,755,091	28,134,793	5,909,548	5,862,311
NET CASH CHANGE	49,138,477	10,018,922	14,270,525	5,076,456	8,191,412	(13,921,140)	4,813,583	718,101
RESERVES:								
DEDUCT: (CURRENT PERIOD)								
LOSSES (INCL. IBNR.)	10,975,613	1,771,296	3,714,729	928,546	1,566,321	1,415,030	322,113	137,219
LOSS ADJUSTMENT EXPENSES	777,873	125,228	260,723	65,647	110,737	100,041	22,773	9,701
UNEARNED PREMIUMS	33,470,491	6,355,655	10,359,731	3,237,699	0	0	0	0
NET RESERVE CHANGE	45,223,977	8,252,179	14,335,183	4,231,892	1,677,058	1,515,071	344,886	146,920
NET OTHER CHANGES								
ASSETS NOT ADMITTED	241,635	48,712	71,133	23,975	(150,489)	(48,462)	(35,709)	(20,405)
MINIMUM PENSION LIABILITY	(11,896)	(2,416)	(3,160)	(1,115)	15,590	5,021	3,699	2,114
PRIOR PERIOD ADJUSTMENT	29,810	6,055	7,919	2,795	0	0	0	0
TOTAL NET OTHER CHANGES	259,549	52,351	75,892	25,655	(134,899)	(43,441)	(32,010)	(18,291)
ASSESSMENTS	0	0	0	0	961,092	303,133	220,142	137,374
DISTRIBUTIONS	0	0	0	0	0	0	0	0
INSOLVENT MEMBERS	0	0	0	0	0	0	0	0
MEMBERS' EQUITY	4,174,049	1,819,094	11,234	870,219	7,340,547	(15,176,519)	4,656,829	690,264

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	2002				2001			
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INCOME RECEIVED								
PREMIUMS WRITTEN	37,077,994	12,819,548	5,366,055	5,546,852	34,706,831	10,613,765	3,966,521	4,058,334
INTEREST RECEIVED	1,196,773	412,074	168,931	175,180	2,071,772	627,809	215,338	224,128
MISCELLANEOUS INCOME	8,305	2,860	1,172	1,216	5,339	1,618	555	577
TOTAL INCOME	38,283,072	13,234,482	5,536,158	5,723,248	36,783,942	11,243,192	4,182,414	4,283,039
EXPENSES PAID								
LOSSES	6,239,697	2,202,848	240,991	103,565	2,703,621	114,715	89,190	109,076
LOSS ADJUSTMENT EXPENSES	414,395	150,189	23,581	3,599	188,777	118,080	8,464	6,317
COMMISSION	4,669,754	1,725,938	690,768	700,379	4,541,074	1,371,869	471,995	489,279
PREMIUM TAX	817,282	281,408	115,364	119,631	769,372	233,143	79,968	83,232
ADMINISTRATIVE EXPENSES	993,627	342,126	140,154	145,622	802,354	243,137	83,396	86,800
TOTAL EXPENSES PAID	13,134,755	4,702,509	1,210,858	1,072,796	9,005,198	2,080,944	733,013	774,704
NET CASH CHANGE	25,148,317	8,531,973	4,325,300	4,650,452	27,778,744	9,162,248	3,449,401	3,508,335
RESERVES:								
DEDUCT: (CURRENT PERIOD)								
LOSSES (INCL. IBNR.)	15,535	0	0	0	10,000	0	0	0
LOSS ADJUSTMENT EXPENSES	1,098	0	0	0	707	0	0	0
UNEARNED PREMIUMS	0	0	0	0	0	0	0	0
NET RESERVE CHANGE	16,633	0	0	0	10,707	0	0	0
NET OTHER CHANGES								
ASSETS NOT ADMITTED	(72,073)	(24,816)	(10,173)	(10,550)	(13,460)	(4,078)	(1,398)	(1,456)
MINIMUM PENSION LIABILITY	(44,532)	(15,331)	(5,840)	(7,300)	0	0	0	0
PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0	0
TOTAL NET OTHER CHANGES	(116,605)	(40,147)	(16,013)	(17,850)	(13,460)	(4,078)	(1,398)	(1,456)
ASSESSMENTS	778,200	267,919	109,807	113,914	795,554	227,840	86,852	86,580
DISTRIBUTIONS	0	0	0	0	0	0	0	0
INSOLVENT MEMBERS	(48,139)	(4,689)	(7,894)	(1,367)	(17,033)	0	(4,038)	0
MEMBERS' EQUITY	25,745,140	8,755,056	4,411,200	4,745,149	28,533,098	9,386,010	3,530,817	3,593,459

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	2000				1999				TOTAL
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INCOME RECEIVED									
PREMIUMS WRITTEN	32,475,301	10,055,887	3,085,970	2,973,903	30,058,158	8,478,325	1,543,950	941,501	378,714,144
INTEREST RECEIVED	1,984,615	538,681	170,110	141,758	840,793	227,241	45,448	22,724	12,709,164
MISCELLANEOUS INCOME	(11,552)	(3,136)	(990)	(825)	(5,701)	(1,541)	(308)	(154)	(19,427)
TOTAL INCOME	34,448,364	10,591,432	3,255,090	3,114,836	30,893,250	8,704,025	1,589,090	964,071	391,403,881
EXPENSES PAID									
LOSSES	2,866,028	436,232	28,245	18,170	30,252,639	50,814,463	2,243,077	3,856,789	168,090,427
LOSS ADJUSTMENT EXPENSES	365,580	43,003	13,310	7,923	2,822,860	1,829,365	258,353	146,782	10,859,977
COMMISSION	3,265,246	993,100	311,623	315,425	2,989,624	868,041	164,439	108,492	46,176,260
PREMIUM TAX	748,493	203,162	64,157	53,464	688,638	186,118	37,224	18,612	8,229,320
ADMINISTRATIVE EXPENSES	830,222	225,346	71,162	59,301	783,364	211,720	42,344	21,172	8,889,941
TOTAL EXPENSES PAID	8,075,569	1,900,843	488,497	454,283	37,537,125	53,909,707	2,745,437	4,151,847	242,245,925
NET CASH CHANGE	26,372,795	8,690,589	2,766,593	2,660,553	(6,643,875)	(45,205,682)	(1,156,347)	(3,187,776)	149,157,956
RESERVES:									
DEDUCT: (CURRENT PERIOD)									
LOSSES (INCL. IBNR.)	5,001	0	0	0	0	0	0	0	20,861,403
LOSS ADJUSTMENT EXPENSES	354	0	0	0	0	0	0	0	1,474,882
UNEARNED PREMIUMS	0	0	0	0	0	0	0	0	53,423,576
NET RESERVE CHANGE	5,355	0	0	0	0	0	0	0	75,759,861
NET OTHER CHANGES									
ASSETS NOT ADMITTED	16,881	4,582	1,447	1,205	(62,006)	(16,759)	(3,352)	(1,676)	(67,292)
MINIMUM PENSION LIABILITY	0	0	0	0	0	0	0	0	(65,166)
PRIOR PERIOD ADJUSTMENT	0	0	0	0	0	0	0	0	46,579
TOTAL NET OTHER CHANGES	16,881	4,582	1,447	1,205	(62,006)	(16,759)	(3,352)	(1,676)	(85,879)
ASSESSMENTS	727,190	242,396	82,129	88,974	40,653,113	45,222,441	1,159,699	3,189,452	95,453,801
DISTRIBUTIONS	0	0	0	0	(33,947,232)	0	0	0	(33,947,232)
INSOLVENT MEMBERS	(148,651)	(71,814)	(40)	(38,946)	0	0	0	0	(342,611)
MEMBERS' EQUITY	26,962,860	8,865,753	2,850,129	2,711,786	0	0	0	0	134,476,173