

NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 MEMBERS' ACCOUNT FOR UNSETTLED YEARS  
 AS OF SEPTEMBER 30, 2006

	2006				2005			
	BEACH RESIDENTIAL	BEACH COMMERCIAL	COASTAL RESIDENTIAL	COASTAL COMMERCIAL	BEACH RESIDENTIAL	BEACH COMMERCIAL	COASTAL RESIDENTIAL	COASTAL COMMERCIAL
<b>INCOME RECEIVED</b>								
PREMIUMS WRITTEN	85,695,110	19,979,662	55,806,455	12,371,436	71,220,575	14,481,706	36,499,282	8,625,042
INTEREST RECEIVED	7,009,092	1,634,158	4,564,469	1,011,873	3,459,812	697,805	1,761,489	409,716
MISCELLANEOUS INCOME	(12,561)	(2,928)	(8,180)	(1,813)	2,267	457	1,154	269
<b>TOTAL INCOME</b>	<b>92,691,641</b>	<b>21,610,892</b>	<b>60,362,744</b>	<b>13,381,496</b>	<b>74,682,654</b>	<b>15,179,968</b>	<b>38,261,925</b>	<b>9,035,027</b>
<b>EXPENSES PAID</b>								
LOSSES	1,835,220	218,663	669,003	292,763	19,934,260	24,163,391	10,215,830	6,401,605
LOSS ADJUSTMENT EXPENSES	232,198	93,722	138,576	40,960	1,431,796	693,252	1,002,490	255,549
COMMISSION	11,036,031	2,537,132	7,216,502	1,588,083	9,053,325	1,892,612	4,755,602	1,128,616
PREMIUM TAX	1,762,019	410,812	1,147,464	254,375	1,483,193	299,143	755,136	175,643
ADMINISTRATIVE EXPENSES	1,000,212	233,198	651,359	144,396	1,068,771	215,559	544,142	126,565
<b>TOTAL EXPENSES PAID</b>	<b>15,865,680</b>	<b>3,493,527</b>	<b>9,822,904</b>	<b>2,320,577</b>	<b>32,971,344</b>	<b>27,263,957</b>	<b>17,273,200</b>	<b>8,087,978</b>
<b>NET CASH CHANGE</b>	<b>76,825,961</b>	<b>18,117,365</b>	<b>50,539,840</b>	<b>11,060,919</b>	<b>41,711,310</b>	<b>(12,083,989)</b>	<b>20,988,725</b>	<b>947,049</b>
<b>RESERVES:</b>								
<b>DEDUCT: (CURRENT PERIOD)</b>								
LOSSES (INCL. IBNR.)	5,127,082	1,667,467	3,123,664	456,003	497,360	208,034	361,016	20,000
LOSS ADJUSTMENT EXPENSES	361,300	118,044	223,652	28,492	32,500	13,594	23,591	1,307
UNEARNED PREMIUMS	46,716,937	11,019,525	30,279,327	6,795,789	0	0	0	0
<b>NET RESERVE CHANGE</b>	<b>52,205,319</b>	<b>12,805,036</b>	<b>33,626,643</b>	<b>7,280,284</b>	<b>529,860</b>	<b>221,628</b>	<b>384,607</b>	<b>21,307</b>
<b>NET OTHER CHANGES</b>								
ASSETS NOT ADMITTED	3,905	911	2,545	564	6,209	1,252	3,161	736
MINIMUM PENSION LIABILITY	0	0	0	0	0	0	0	0
PRIOR PERIOD ADJUSTMENT	0	0	0	0	(125,302)	(25,272)	(63,795)	(14,839)
<b>TOTAL NET OTHER CHANGES</b>	<b>3,905</b>	<b>911</b>	<b>2,545</b>	<b>564</b>	<b>(119,093)</b>	<b>(24,020)</b>	<b>(60,634)</b>	<b>(14,103)</b>
ASSESSMENTS	0	0	0	0	159,060	0	0	0
DISTRIBUTIONS	0	0	0	0	(159,060)	0	0	0
INSOLVENT MEMBERS	0	0	0	0	0	0	0	0
<b>MEMBERS' EQUITY</b>	<b>24,624,547</b>	<b>5,313,240</b>	<b>16,915,742</b>	<b>3,781,199</b>	<b>41,062,357</b>	<b>(12,329,637)</b>	<b>20,543,484</b>	<b>911,639</b>

NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 MEMBERS' ACCOUNT FOR UNSETTLED YEARS  
 AS OF SEPTEMBER 30, 2006

	2004				2003			
	BEACH RESIDENTIAL	BEACH COMMERCIAL	COASTAL RESIDENTIAL	COASTAL COMMERCIAL	BEACH RESIDENTIAL	BEACH COMMERCIAL	COASTAL RESIDENTIAL	COASTAL COMMERCIAL
<b>INCOME RECEIVED</b>								
PREMIUMS WRITTEN	61,517,124	12,728,880	18,370,202	6,322,807	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)
<b>TOTAL INCOME</b>	<b>62,655,355</b>	<b>12,958,338</b>	<b>18,705,276</b>	<b>6,435,740</b>	<b>44,946,503</b>	<b>14,213,653</b>	<b>10,723,131</b>	<b>6,580,412</b>
<b>EXPENSES PAID</b>								
LOSSES	11,320,143	2,424,179	3,524,646	1,197,377	28,248,140	27,084,660	3,848,487	5,046,797
LOSS ADJUSTMENT EXPENSES	986,674	160,999	320,641	75,446	2,415,282	885,556	407,617	278,839
COMMISSION	7,680,722	1,584,913	2,601,362	834,881	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
<b>TOTAL EXPENSES PAID</b>	<b>22,541,575</b>	<b>4,686,869</b>	<b>7,162,806</b>	<b>2,354,321</b>	<b>38,440,219</b>	<b>30,432,984</b>	<b>6,046,924</b>	<b>6,420,893</b>
<b>NET CASH CHANGE</b>	<b>40,113,780</b>	<b>8,271,469</b>	<b>11,542,470</b>	<b>4,081,419</b>	<b>6,506,284</b>	<b>(16,219,331)</b>	<b>4,676,207</b>	<b>159,519</b>
<b>RESERVES:</b>								
<b>DEDUCT: (CURRENT PERIOD)</b>								
LOSSES (INCL. IBNR.)	147,942	0	53,483	0	20,100	128,773	0	10,000
LOSS ADJUSTMENT EXPENSES	9,667	0	3,495	0	1,313	8,415	0	653
UNEARNED PREMIUMS	0	0	0	0	0	0	0	0
<b>NET RESERVE CHANGE</b>	<b>157,609</b>	<b>0</b>	<b>56,978</b>	<b>0</b>	<b>21,413</b>	<b>137,188</b>	<b>0</b>	<b>10,653</b>
<b>NET OTHER CHANGES</b>								
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
<b>TOTAL NET OTHER CHANGES</b>	<b>259,549</b>	<b>52,351</b>	<b>75,892</b>	<b>25,655</b>	<b>(134,899)</b>	<b>(43,441)</b>	<b>(32,010)</b>	<b>(18,291)</b>
<b>ASSESSMENTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>961,092</b>	<b>303,133</b>	<b>220,142</b>	<b>137,374</b>
<b>DISTRIBUTIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INSOLVENT MEMBERS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>MEMBERS' EQUITY</b>	<b>40,215,720</b>	<b>8,323,820</b>	<b>11,561,384</b>	<b>4,107,074</b>	<b>7,311,064</b>	<b>(16,096,827)</b>	<b>4,864,339</b>	<b>267,949</b>

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	2002				2001			
	BEACH RESIDENTIAL	BEACH COMMERCIAL	COASTAL RESIDENTIAL	COASTAL COMMERCIAL	BEACH RESIDENTIAL	BEACH COMMERCIAL	COASTAL RESIDENTIAL	COASTAL COMMERCIAL
<b>INCOME RECEIVED</b>								
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
<b>TOTAL INCOME</b>	<b>38,283,072</b>	<b>13,234,482</b>	<b>5,536,158</b>	<b>5,723,248</b>	<b>36,783,942</b>	<b>11,243,192</b>	<b>4,182,414</b>	<b>4,283,039</b>
<b>EXPENSES PAID</b>								
LOSSES	6,293,773	2,228,427	240,991	105,050	2,706,230	114,715	89,190	109,076
LOSS ADJUSTMENT EXPENSES	491,354	150,930	23,840	4,015	191,545	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
<b>TOTAL EXPENSES PAID</b>	<b>13,265,790</b>	<b>4,728,829</b>	<b>1,211,117</b>	<b>1,074,697</b>	<b>9,010,575</b>	<b>2,080,944</b>	<b>733,013</b>	<b>774,704</b>
<b>NET CASH CHANGE</b>	<b>25,017,282</b>	<b>8,505,653</b>	<b>4,325,041</b>	<b>4,648,551</b>	<b>27,773,367</b>	<b>9,162,248</b>	<b>3,449,401</b>	<b>3,508,335</b>
<b>RESERVES:</b>								
<b>DEDUCT: (CURRENT PERIOD)</b>								
LOSSES (INCL. IBNR.)	0	0	0	0	0	5,000	0	0
LOSS ADJUSTMENT EXPENSES	0	0	0	0	327	0	0	0
UNEARNED PREMIUMS	0	0	0	0	0	0	0	0
<b>NET RESERVE CHANGE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>327</b>	<b>5,000</b>	<b>0</b>	<b>0</b>
<b>NET OTHER CHANGES</b>								
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
<b>TOTAL NET OTHER CHANGES</b>	<b>(116,605)</b>	<b>(40,147)</b>	<b>(16,013)</b>	<b>(17,850)</b>	<b>(13,460)</b>	<b>(4,078)</b>	<b>(1,398)</b>	<b>(1,456)</b>
<b>ASSESSMENTS</b>	<b>778,200</b>	<b>267,919</b>	<b>109,807</b>	<b>113,914</b>	<b>795,554</b>	<b>227,840</b>	<b>86,852</b>	<b>86,580</b>
<b>DISTRIBUTIONS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>INSOLVENT MEMBERS</b>	<b>(11,322)</b>	<b>(925)</b>	<b>(1,330)</b>	<b>(248)</b>	<b>(17,033)</b>	<b>0</b>	<b>(4,038)</b>	<b>0</b>
<b>MEMBERS' EQUITY</b>	<b>25,667,555</b>	<b>8,732,500</b>	<b>4,417,505</b>	<b>4,744,367</b>	<b>28,538,101</b>	<b>9,381,010</b>	<b>3,530,817</b>	<b>3,593,459</b>

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 BEACH PLAN  
 MEMBERS' ACCOUNT FOR UNSETTLED YEARS  
 AS OF SEPTEMBER 30, 2006

	2000				TOTAL
	BEACH RESIDENTIAL	BEACH COMMERCIAL	COASTAL RESIDENTIAL	COASTAL COMMERCIAL	
<b>INCOME RECEIVED</b>					
PREMIUMS WRITTEN	32,475,301	10,055,887	3,085,970	2,973,903	641,015,710
INTEREST RECEIVED	1,984,615	538,681	170,110	141,758	32,121,372
MISCELLANEOUS INCOME	(11,552)	(3,136)	(990)	(825)	(33,058)
<b>TOTAL INCOME</b>	<b>34,448,364</b>	<b>10,591,432</b>	<b>3,255,090</b>	<b>3,114,836</b>	<b>673,104,024</b>
<b>EXPENSES PAID</b>					
LOSSES	2,874,564	436,232	28,245	18,170	161,669,826
LOSS ADJUSTMENT EXPENSES	365,580	46,638	13,310	7,923	10,847,593
COMMISSION	3,265,246	993,100	311,623	315,425	81,077,316
PREMIUM TAX	748,493	203,162	64,157	53,464	13,586,513
ADMINISTRATIVE EXPENSES	830,222	225,346	71,162	59,301	11,815,543
<b>TOTAL EXPENSES PAID</b>	<b>8,084,105</b>	<b>1,904,478</b>	<b>488,497</b>	<b>454,283</b>	<b>278,996,791</b>
					0
<b>NET CASH CHANGE</b>	<b>26,364,259</b>	<b>8,686,954</b>	<b>2,766,593</b>	<b>2,660,553</b>	<b>394,107,233</b>
<b>RESERVES:</b>					
<b>DEDUCT: (CURRENT PERIOD)</b>					
LOSSES (INCL. IBNR.)	0	0	0	0	11,825,924
LOSS ADJUSTMENT EXPENSES	0	0	0	0	826,350
UNEARNED PREMIUMS	0	0	0	0	94,811,578
<b>NET RESERVE CHANGE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>107,463,852</b>
<b>NET OTHER CHANGES</b>					0
ASSETS NOT ADMITTED	16,881	4,582	1,447	1,205	35,784
MINIMUM PENSION LIABILITY	0	0	0	0	(65,166)
PRIOR PERIOD ADJUSTMENT	0	0	0	0	(182,629)
<b>TOTAL NET OTHER CHANGES</b>	<b>16,881</b>	<b>4,582</b>	<b>1,447</b>	<b>1,205</b>	<b>(212,011)</b>
ASSESSMENTS	727,190	242,396	82,129	88,974	5,388,156
DISTRIBUTIONS	(26,973,492)	(8,875,495)	(2,850,129)	(2,727,887)	(41,586,063)
INSOLVENT MEMBERS	(134,838)	(58,437)	(40)	(22,845)	(251,056)
<b>MEMBERS' EQUITY</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>249,982,407</b>