INDIANA BASIC PROPERTY INSURANCE UNDERWRITING ASSOCIATION

Financial Statements

Years Ended December 31, 2018 and 2017

INDIANA BASIC PROPERTY INSURANCE UNDERWRITING ASSOCIATION

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Independent Auditors' Report

To the Governing Committee and Members
INDIANA BASIC PROPERTY INSURANCE
UNDERWRITING ASSOCIATION
Indianapolis, Indiana

We have audited the accompanying statements of admitted assets, liabilities and members' equity of INDIANA BASIC PROPERTY INSURANCE UNDERWRITING ASSOCIATION (the Fair Plan) as of December 31, 2018 and 2017, and the related statements of income and accumulated earnings, and cash flows for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with a comprehensive basis of accounting other than U.S. generally accepted accounting principles described in Note A; this includes determining that the basis of accounting permitted by the Indiana Department of Insurance is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Fair Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fair Plan's internal control. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the admitted assets, liabilities and members' equity of INDIANA BASIC PROPERTY INSURANCE UNDERWRITING ASSOCIATION as of December 31, 2018 and 2017, and the results of its income and accumulated earnings and its cash flows for the years then ended, on the basis of accounting described in Note A.

Basis of Accounting

We draw attention to Note A to the financial statements, which describes the basis of accounting. The financial statements are prepared on a basis of accounting permitted by the Indiana Department of Insurance, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles. The accounting practices used by the Fair Plan vary from accounting principles generally accepted in the United States of America, and the Fair Plan has not determined the effect of those variances. The variances include; assets are reported under statutory accounting practices at "admitted-asset" value and "non-admitted" assets are excluded through a charge against the members' equity and loss and loss adjustment expense reserves are based on case-basis estimates for losses reported, adjusted in the aggregate for ultimate loss expectations. Accordingly, we were not engaged to audit, and we did not audit, the effects of those variances. Since the accompanying financial statements do not purport to be a presentation in conformity with accounting principles generally accepted in the United States of America, we are not in a position to express, and we do not express, an opinion on the financial statements referred to above as to fair presentation of admitted assets, liabilities and members' equity, and the related statements of income and accumulated earnings, and cash flows in conformity with accounting principles generally accepted in the United States of America.

Restrictions on Use

This report is intended solely for the use of the Governing Committee, Members and management of the INDIANA BASIC PROPERTY INSURANCE UNDERWRITING ASSOCIATION, and for filing with the Indiana Department of Insurance and is not intended to be and should not be used by anyone other than these specified parties.

Somerset CPAs, PC

Indianapolis, Indiana
June 6, 2019

INDIANA BASIC PROPERTY INSURANCE UNDERWRITING ASSOCIATION
Statements of Admitted Assets, Liabilities and Members' Equity
December 31, 2018 and 2017

	2018	2017
Admitted Assets		
Cash and cash equivalents	$ 1,919,898	$ 1,967,455
Premiums receivable	16,824	14,172
Prepaid insurance and commissions	29,426	28,299
Advances to Quad Assoc, LLC	150,764	0
Total Admitted Assets	$ 2,116,912	$ 2,009,926
Liabilities and Members' Equity		
Accounts payable and accrued expenses	$ 20,378	$ 174,993
Advances from Quad Assoc, LLC	0	89,638
Reserve for unpaid losses	22,000	5,383
Reserve for unpaid loss adjustment expenses	5,500	1,000
Reserve for unearned premiums	635,223	747,378
Advance premiums and remittances not allocated	33,086	24,139
Total Liabilities	716,187	1,042,531
Member contributions on open years	1,270,016	923,756
Reserve for non-admitted assets	(15,000)	(15,000)
Accumulated earnings	145,709	58,639
Total Members' Equity	1,400,725	967,395
Total Liabilities & Members' Equity	$ 2,116,912	$ 2,009,926

See accompanying notes.

INDIANA BASIC PROPERTY INSURANCE UNDERWRITING ASSOCIATION
Statements of Income and Accumulated Earnings
For the Years Ended December 31, 2018 and 2017

	2018	2017
Premiums Earned	$ 1,458,105	$ 1,696,969
Underwriting Expenses		
Losses incurred	56,502	180,558
Loss adjustment expenses incurred	40,916	57,812
Commissions	131,555	154,961
Inspections	22,051	28,666
Total Underwriting Expenses	251,024	421,997
Underwriting Gain	1,207,081	1,274,972
Operating Expenses	(803,195)	(1,258,829)
Investment Income	29,444	11,767
Net Income	433,330	27,910
Accumulated Earnings, Beginning of Year	58,639	565,320
Net Effect for Closing Out Accident Year	(346,260)	(534,591)
Accumulated Earnings, End of Year	$ 145,709	$ 58,639

See accompanying notes.

INDIANA BASIC PROPERTY INSURANCE UNDERWRITING ASSOCIATION
Statements of Cash Flows
For the Years Ended December 31, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities:		
Premiums received	$ 1,352,245	$ 1,543,472
Losses and loss expenses paid	(76,301)	(475,004)
Cash paid for services and employees	(1,112,543)	(1,294,478)
Investment income	29,444	11,767
Net cash provided by (used in) operating activities	192,845	(214,243)
Cash Flows from Financing Activities:		
Advances (to) from Quad Assoc, LLC	(240,402)	125,763
Net cash provided by (used in) financing activities	(240,402)	125,763
Net Decrease in Cash and Cash Equivalents	(47,557)	(88,480)
Beginning Cash and Cash Equivalents	1,967,455	2,055,935
Ending Cash and Cash Equivalents	$ 1,919,898	$ 1,967,455
Reconciliation of Net Income to Net Cash Provided by (Used in) Operating Activities		
Net income	$ 433,330	$ 27,910
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Increase in premium receivables	(2,652)	(6,042)
(Increase) decrease in prepaid insurance and commissions	(1,127)	2,707
Increase (decrease) in loss reserves	21,117	(236,634)
Decrease in reserve for unearned premiums	(103,208)	(147,455)
Increase (decrease) in other liabilities	(154,615)	145,271
Net cash provided by (used in) operating activities	$ 192,845	$ (214,243)

See accompanying notes.

Note A - Nature of Operations and Summary of Significant Accounting Policies:

Principal Activity

The Indiana Basic Property Insurance Underwriting Association (Fair Plan) is a voluntary association of insurance companies writing habitational and commercial property insurance policies in Indiana. The purpose of the Fair Plan is to make property insurance coverage available for qualifying property located in Indiana. Applicants must show they have been denied coverage by three different insurance companies in the sixty-day period preceding the submission of their application to the Fair Plan. The business of the Fair Plan is managed by a Governing Committee representing various segments of property insurers.

Costs to provide the property insurance, including underwriting gains/losses and operating expenses, are funded by premiums paid by policyholders and assessments made against member insurance companies.

General

The Fair Plan's financial statements have been prepared in accordance with accounting practices prescribed or permitted by the Indiana Department of Insurance. Prescribed statutory accounting practices include a variety of publications of the National Association of Insurance Commissioners (NAIC), as well as state laws, regulations and general administrative rules. Permitted statutory accounting practices encompass all accounting practices not so prescribed.

Statutory accounting practices compromise a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The effects of the differences between GAAP and statutory basis accounting have not been quantified and are presumed to be material to the accompanying financial statements. The more significant differences are as follows:

- Assets are reported under statutory accounting practices at "admitted-asset" value and "non-admitted" assets are excluded through a charge against the members' equity, while, under GAAP, "non-admitted" assets are reinstated to the balance sheet, net of any valuation allowance.

- Loss and loss adjustment expense reserves are based on case-basis estimates for losses reported, adjusted in the aggregate for ultimate loss expectations, while, under GAAP, additional consideration is given to losses that have been incurred but not reported.

Cash and Invested Cash

The Fair Plan considers cash and cash equivalents to be deposits with financial institutions and deposits in highly liquid money market funds. The money market funds are not insured by the Federal Deposit Insurance Corporation (FDIC), but they contain only securities that are direct obligations of the United States Government, and are backed by the full faith and credit of the United States Government. The Association will from time to time invest excess funds in NAIC approved brokerage certificates of deposit that are fully insured by the FDIC.

Note A - Nature of Operations and Summary of Significant Accounting Policies (Continued):

Premium and Other Receivables

Premiums are recorded as earned on a pro rata basis over the policy period. The portion of premiums not earned as of the end of the period are recorded as unearned premiums.

The Fair Plan carries its premium receivable at invoiced amounts. On an annual basis, the Fair Plan evaluates its premiums receivable and based on history of past write-offs and collections, the Fair Plan deems unpaid premiums over one year old as uncollectible. Management has established an allowance for doubtful accounts of $0 as of December 31, 2018 and 2017.

The Fair Plan’s policy is to not accrue interest on past due premium receivables. Gross premium receivables amounted to $16,824 and $14,172 at December 31, 2018 and 2017, respectively.

Loss Reserves and Loss Adjustment Expense Reserves

The liabilities for losses and loss adjustment expenses include an amount determined from loss reports and individual cases for losses incurred and reported to the Fair Plan. Such liabilities are necessarily based on estimates and, while management believes that the amount is adequate, the ultimate liability may be in excess of or less than the amounts provided. The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in current earnings.

Non-admitted Assets

Statement of Statutory Accounting Principles requires that assets having economic value other than those which can be used to fulfill policyholder obligations, or those assets which are unavailable due to encumbrances or other third party interest should not be recognized on the Statements of Admitted Assets, Liabilities and Members’ Equity, and are, therefore, considered non-admitted. The Fair Plan’s membership interest in Quad Assoc, LLC (QUAD), is designated as a non-admitted asset. The change in these assets is reflected directly in members’ equity. The aggregate net book value of the non-admitted assets was $15,000 as of December 31, 2018 and 2017.

Income Taxes

The Fair Plan is organized as a syndicate and has elected to report income tax information as a partnership. In lieu of corporation income taxes, the members of the syndicate are taxed on their proportionate share of the Fair Plan’s taxable income. Therefore, no provision for income taxes has been included in the financial statements.

Accounting principles generally accepted in the United States of America require the Fair Plan to examine its tax positions for uncertain positions. Management is not aware of any tax positions that are more likely than not to change in the next 12 months or that would not sustain an examination by applicable taxing authorities.

Note A - Nature of Operations and Summary of Significant Accounting Policies (Continued):

Income Taxes (Continued)

The Fair Plan's policy is to recognize penalties and interest as incurred in its Statements of Income and Accumulated Earnings.

The Company's federal and state income tax returns for 2016 through 2018 are subject to examination by the applicable tax authorities, generally for three years after the later of the original or extended due date.

Cash Flows

For purposes of the Statements of Cash Flows, the Fair Plan considers all highly liquid instruments that are purchased within three months or less of the instruments' maturity date to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with another comprehensive basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note B - Long-term Investments:

The Fair Plan entered into a Subscription Agreement as well as an Operating Agreement with QUAD effective January 1, 2015. Per the terms of the Subscription Agreement, the Fair Plan purchased 25 units of membership interest of QUAD, which represents a 25% interest in QUAD at a purchase price of $600 per unit, for an aggregate purchase price of $15,000 funded from cash and transfer of the Fair Plan's furniture and equipment. The Fair Plan entered into a Management and Administrative Services Agreement with QUAD effective January 1, 2015. These activities include, but are not limited to, location and equipment leases, employee benefits and retirement plans, health insurance plans and employee management functions.

The investment in QUAD is accounted for under the equity method, whereby the Fair Plan recognizes its proportionate share of QUAD's income or loss.

As of December 31, 2018 and 2017, the cost basis of the investment in Quad remained at $15,000, as the Fair Plan's equity interest in the net income of QUAD was $0 for the years ended December 31, 2018 and 2017.

Note C - Related Party Transactions:

The Fair Plan shares certain expenses with the Indiana Insurance Guaranty Association (IIGA), Indiana Life and Health Guaranty Association (ILHIGA), Indiana Automobile Insurance Plan (Auto Plan) and QUAD. The sole employer is QUAD, who provides employees to the Association. The Fair Plan pays QUAD costs of salaries, benefits and all shared expenses as set forth in the in the Management and Administrative Services Agreement.

Retirement Plans

As indicated above, the Association pays costs for employees (including contributions to the QUAD 401(k) Retirement Plan ("401(k) Plan") based upon the time QUAD employees spend working for the Association as set forth in the Management and Administrative Services Agreement. The 401(k) Plan is sponsored by QUAD, which is the employer of record for shared employees. The 401(k) Plan covers full-time employees who have attained age 21 and who have completed one year of service. The 401(k) Plan allows for employee elective deferrals of compensation and also provides for both a safe harbor contribution and a discretionary contribution by QUAD. During 2018 and 2017, QUAD's discretionary contribution was an amount equal to 8% of compensation for each eligible participant. The Safe Harbor matching contribution for 2018 and 2017 was equal to the sum of 100% of the amount of the participant's elective deferrals that do not exceed 3% of the participant's compensation, plus 50% of the amount of the participant's elective deferrals that exceed 3% of the participant's compensation but do not exceed 5% of the participant's compensation.

The amounts allocated to the Fair Plan reflecting contributions to the QUAD 401(k) Plan for 2018 and 2017 were $39,675 and $57,507, respectively. The portion of pension administrative expenses allocated to the Fair Plan for the QUAD 401(k) Plan for 2018 and 2017 were $873 and $1,243, respectively.

Lease Commitments

The Fair Plan, IIGA, ILHIGA and Quad have agreed to share office space and the rental of equipment. QUAD entered into a new lease agreement for a building with a commencement date of March 1, 2016, that shall expire March 1, 2021. The Fair Plan's allocated share of the rent expense was $31,469 for 2018 and $43,532 for 2017.

Note D - Concentration of Credit Risk:

Financial instruments which potentially subject the Fair Plan to concentrations of credit risk consist primarily of cash and invested cash and premiums receivable. The Fair Plan maintains its cash balances at several financial institutions. At times, amounts at the financial institutions may be in excess of the FDIC insured limit. The Fair Plan has never experienced any losses related to these balances. Invested cash is invested consistent with the Investment Policy, see Note A - Cash and Invested Cash.

Note E - Member Assessments:

The Fair Plan closed the 2014 accident year during the year ended December 31, 2017.

Note F - Liability for Unpaid Claims:

Activity in the liability for unpaid claims is summarized as follows for 2018 and 2017:

	2018	2017
Balance at Beginning of Year	$ 5,383	$ 224,433
Incurred Related to:		
Current year	61,362	205,851
Prior years	(4,860)	(25,293)
Total Incurred	56,502	180,558
Paid Related to:		
Current year	39,362	203,351
Prior years	523	196,257
Total Paid	39,885	399,608
Balance at End of Year	$ 22,000	$ 5,383

Note G - Purchase Commitment:

In 2015, the Fair Plan signed agreements to obtain a license for a policy and claims administration system which included software customization, data conversion and implementation costs, and separate agreements for hosting of the system and consultants to assist with the project. The costs incurred associated with this project during the years ended December 31, 2018 and 2017, were $43,173 and $366,033, respectively. The total costs incurred associated with the project from the inception of the commitment are approximately $848,000. Based on the contractual arrangements, the remaining future commitments associated with the system license along with a four-year annual maintenance and hosting agreements is estimated at approximately $120,000 or $40,000 annually as of December 31, 2018.

Note H - Management Evaluation of Subsequent Events:

The Fair Plan has evaluated subsequent events through June 6, 2019, the date on which the financial statements were available to be issued.

SOMERSET
CPAs AND ADVISORS

Independent Auditors' Report on the Supplementary Information

To the Governing Committee and Members
INDIANA BASIC PROPERTY INSURANCE
UNDERWRITING ASSOCIATION
Indianapolis, Indiana

The data included in the following schedules, although not considered necessary for fair presentation of financial position, results of operations and changes in financial position in accordance with accounting principles permitted by the Indiana Department of Insurance, are presented for supplementary analysis purposes.

Our report on our audits of the basic financial statements of INDIANA BASIC PROPERTY INSURANCE UNDERWRITING ASSOCIATION for December 31, 2018 and 2017, appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and was not subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we express no opinion on it.

Somerset CPAs, PC

Indianapolis, Indiana
June 6, 2019

INDIANA BASIC PROPERTY INSURANCE UNDERWRITING ASSOCIATION
Accident Period
For the Years Ended December 31, 2016, 2017 and 2018

	Fire	Extended Coverage	General Liability	Theft	Total
Habitational:					
Premiums written	$ 3,660,299	$ 956,729	$ (19,708)	$ (3,397)	$ 4,593,923
Unearned premium - beginning	1,690,672	900,139	452	4,663	2,595,926
Unearned premium - ending	(1,132,872)	(1,070,662)	0	(1,664)	(2,205,198)
Premiums Earned	4,218,099	786,206	(19,256)	(398)	4,984,651
Losses paid	651,323	230,497	98,696	28,947	1,009,463
Reserve for unpaid losses December 31, 2018	22,000	0	0	0	22,000
Losses Incurred	673,323	230,497	98,696	28,947	1,031,463
Loss adjustment expense	38,375	118,297	11,903	10,366	178,941
Other Underwriting Expenses:					
Commissions	294,123	63,162	(789)	198	356,694
Inspections and credit	209,087	25,775	(1,835)	(387)	232,640
	503,210	88,937	(2,624)	(189)	589,334
Total Underwriting Expenses	1,214,908	437,731	107,975	39,124	1,799,738
Underwriting gain (loss)	3,003,191	348,475	(127,231)	(39,522)	3,184,913
Operating expenses	(2,624,262)	(504,520)	11,183	362	(3,117,237)
Investment income	36,494	8,335	(49)	76	44,856
Income (Loss) Habitational	415,423	(147,710)	(116,097)	(39,084)	112,532
Commercial:					
Premiums written	74,749	36,733	0	0	111,482
Unearned premium - beginning	58,778	26,417	0	0	85,195
Unearned premium - ending	(32,493)	(35,818)	0	0	(68,311)
Premiums Earned	101,034	27,332	0	0	128,366
Losses paid	0	0	0	0	0
Reserve for unpaid losses December 31, 2018	0	0	0	0	0
Losses Incurred	0	0	0	0	0
Loss adjustment expense	0	0	0	0	0
Other Underwriting Expenses:					
Commissions	7,446	2,590	0	0	10,036
Inspections and credit	4,355	291	0	0	4,646
	11,801	2,881	0	0	14,682
Total Underwriting Expenses	11,801	2,881	0	0	14,682
Underwriting gain	89,233	24,451	0	0	113,684
Operating expenses	(62,601)	(19,219)	0	0	(81,820)
Investment income	1,020	293	0	0	1,313
Income Commercial	27,652	5,525	0	0	33,177
Net Income (Loss)	$ 443,075	$ (142,185)	$ (116,097)	$ (39,084)	$ 145,709

INDIANA BASIC PROPERTY INSURANCE UNDERWRITING ASSOCIATION
Accident Period
Year Ended December 31, 2018

	Fire	Extended Coverage	General Liability	Theft	Total
Habitational:					
Premiums written	$ 1,101,403	$ 188,801	$ 0	$ 6,025	$ 1,296,229
Unearned premium - beginning	236,112	487,367	0	0	723,479
Unearned premium - ending	(198,888)	(403,690)	0	(1,664)	(604,242)
Premiums Earned	1,138,627	272,478	0	4,361	1,415,466
Losses paid	0	10,415	0	28,947	39,362
Reserve for unpaid losses December 31, 2018	22,000	0	0	0	22,000
Losses Incurred	22,000	10,415	0	28,947	61,362
Loss adjustment expense	0	35,187	0	5,729	40,916
Other Underwriting Expenses:					
Commissions	102,731	24,584	0	393	127,708
Inspections and credit	17,220	4,120	0	66	21,406
	119,951	28,704	0	459	149,114
Total Underwriting Expenses	141,951	74,306	0	35,135	251,392
Underwriting gain (loss)	996,676	198,172	0	(30,774)	1,164,074
Operating expenses	(627,211)	(150,094)	0	(2,402)	(779,707)
Investment income	22,993	5,502	0	88	28,583
Income (Loss) Habitational	392,458	53,580	0	(33,088)	412,950
Commercial:					
Premiums written	38,932	10,790	0	0	49,722
Unearned premium - beginning	8,819	15,080	0	0	23,899
Unearned premium - ending	(12,256)	(18,726)	0	0	(30,982)
Premiums Earned	35,495	7,144	0	0	42,639
Losses paid	0	0	0	0	0
Reserve for unpaid losses December 31, 2018	0	0	0	0	0
Losses Incurred	0	0	0	0	0
Loss adjustment expense	0	0	0	0	0
Other Underwriting Expenses:					
Commissions	3,202	645	0	0	3,847
Inspections and credit	537	108	0	0	645
	3,739	753	0	0	4,492
Total Underwriting Expenses	3,739	753	0	0	4,492
Underwriting gain	31,756	6,391	0	0	38,147
Operating expenses	(19,553)	(3,935)	0	0	(23,488)
Investment income	717	144	0	0	861
Income Commercial	12,920	2,600	0	0	15,520
Net Income (Loss)	$ 405,378	$ 56,180	$ 0	$ (33,088)	$ 428,470

INDIANA BASIC PROPERTY INSURANCE UNDERWRITING ASSOCIATION
Accident Period
Year Ended December 31, 2017

	Fire	Extended Coverage	General Liability	Theft	Total
Habitational:					
Premiums written	$ 833,853	$ 655,960	$ 0	$ 0	$ 1,489,813
Unearned premium - beginning	697,872	179,605	0	0	877,477
Unearned premium - ending	(236,112)	(487,367)	0	0	(723,479)
Premiums Earned	1,295,613	348,198	0	0	1,643,811
Losses paid	186,139	17,735	0	0	203,874
Reserve for unpaid losses December 31, 2017	0	0	0	0	0
Losses Incurred	186,139	17,735	0	0	203,874
Loss adjustment expense	25,736	20,536	6,903	4,637	57,812
Other Underwriting Expenses:					
Commissions	118,311	31,797	0	0	150,108
Inspections and credit	21,886	5,882	0	0	27,768
	140,197	37,679	0	0	177,876
Total Underwriting Expenses	352,072	75,950	6,903	4,637	439,562
Underwriting gain (loss)	943,541	272,248	(6,903)	(4,637)	1,204,249
Operating expenses	(961,098)	(258,297)	0	0	(1,219,395)
Investment income	8,984	2,414	0	0	11,398
Income (loss) Habitational	(8,573)	16,365	(6,903)	(4,637)	(3,748)
Commercial:					
Premiums written	28,360	35,268	0	0	63,628
Unearned premium - beginning	11,418	2,012	0	0	13,430
Unearned premium - ending	(8,819)	(15,080)	0	0	(23,899)
Premiums Earned	30,959	22,200	0	0	53,159
Losses paid	0	0	0	0	0
Reserve for unpaid losses December 31, 2017	0	0	0	0	0
Losses Incurred	0	0	0	0	0
Loss adjustment expense	0	0	0	0	0
Other Underwriting Expenses:					
Commissions	2,827	2,027	0	0	4,854
Inspections and credit	523	375	0	0	898
	3,350	2,402	0	0	5,752
Total Underwriting Expenses	3,350	2,402	0	0	5,752
Underwriting gain (loss)	27,609	19,798	0	0	47,407
Operating expenses	(22,966)	(16,468)	0	0	(39,434)
Investment income	215	154	0	0	369
Income (Loss) Commercial	4,858	3,484	0	0	8,342
Net Income (Loss)	$ (3,715)	$ 19,849	$ (6,903)	$ (4,637)	$ 4,594

INDIANA BASIC PROPERTY INSURANCE UNDERWRITING ASSOCIATION
Accident Period
Year Ended December 31, 2016

	Fire	Extended Coverage	General Liability	Theft	Total
Habitational:					
Premiums written	$ 1,725,043	$ 111,968	$ (19,708)	$ (9,422)	$ 1,807,881
Unearned premium - beginning	756,688	233,167	452	4,663	994,970
Unearned premium - ending	(697,872)	(179,605)	0	0	(877,477)
Premiums Earned	1,783,859	165,530	(19,256)	(4,759)	1,925,374
Losses paid	465,184	202,347	98,696	0	766,227
Reserve for unpaid losses December 31, 2016	0	0	0	0	0
Losses Incurred	465,184	202,347	98,696	0	766,227
Loss adjustment expense	12,639	62,574	5,000	0	80,213
Other Underwriting Expenses:					
Commissions	73,081	6,781	(789)	(195)	78,878
Inspections and credit	169,981	15,773	(1,835)	(453)	183,466
	243,062	22,554	(2,624)	(648)	262,344
Total Underwriting Expenses	720,885	287,475	101,072	(648)	1,108,784
Underwriting gain	1,062,974	(121,945)	(120,328)	(4,111)	816,590
Operating expenses	(1,035,953)	(96,129)	11,183	2,764	(1,118,135)
Investment income	4,517	419	(49)	(12)	4,875
Income Habitational	31,538	(217,655)	(109,194)	(1,359)	(296,670)
Commercial:					
Premiums written	7,457	(9,325)	0	0	(1,868)
Unearned premium - beginning	38,541	9,325	0	0	47,866
Unearned premium - ending	(11,418)	(2,012)	0	0	(13,430)
Premiums Earned	34,580	(2,012)	0	0	32,568
Losses paid	0	0	0	0	0
Reserve for unpaid losses December 31, 2016	0	0	0	0	0
Losses Incurred	0	0	0	0	0
Loss adjustment expense	0	0	0	0	0
Other Underwriting Expenses:					
Commissions	1,417	(82)	0	0	1,335
Inspections and credit	3,295	(192)	0	0	3,103
	4,712	(274)	0	0	4,438
Total Underwriting Expenses	4,712	(274)	0	0	4,438
Underwriting gain (loss)	29,868	(1,738)	0	0	28,130
Operating expenses	(20,082)	1,184	0	0	(18,898)
Investment income	88	(5)	0	0	83
Income Commercial	9,874	(559)	0	0	9,315
Net Income (Loss)	$ 41,412	$ (218,214)	$ (109,194)	$ (1,359)	$ (287,355)