

MARYLAND JOINT INSURANCE ASSOCIATION
COMPARATIVE INCOME STATEMENT AND EQUITY ACCOUNT

<u>DESCRIPTION</u>	<u>9 MONTHS ENDING 6/30/2018</u>	<u>PERCENT OF PREMIUMS EARNED</u>	<u>9 MONTHS ENDING 6/30/2017</u>	<u>PERCENT OF PREMIUMS EARNED</u>
<u>UNDERWRITING INCOME:</u>				
PREMIUMS WRITTEN	663,127		757,531	
PREMIUMS EARNED	<u>732,170</u>		<u>814,015</u>	
<u>DEDUCTIONS:</u>				
LOSSES INCURRED	266,683	36.42	142,439	17.50
LOSS EXPENSE INCURRED	124,162	16.96	145,250	17.84
COMMISSIONS	37,443	5.11	42,258	5.19
OPERATING EXPENSES INCURRED	702,799	95.99	995,159	122.25
PREMIUM TAXES INCURRED	<u>13,263</u>	<u>1.81</u>	<u>15,150</u>	<u>1.86</u>
TOTAL DEDUCTIONS	<u>1,144,350</u>	<u>156.30</u>	<u>1,340,256</u>	<u>164.65</u>
NET UNDERWRITING GAIN OR (LOSS)	<u>(412,180)</u>		<u>(526,241)</u>	
<u>OTHER INCOME OR (OUTGO)</u>				
NET INVESTMENT INCOME	-		-	
MISCELLANEOUS INCOME	<u>8,105</u>		<u>9,375</u>	
TOTAL OTHER INCOME OR (OUTGO)	<u>8,105</u>		<u>9,375</u>	
<u>EQUITY ACCOUNT:</u>				
BEGINNING MEMBERS EQUITY (DEFICIT)	(209,889)		(66,272)	
NET INCOME OR (LOSS)	(404,075)		(516,866)	
CHANGE IN MINIMUM PENSION LIABILITY	-		-	
UNASSIGNED FUNDS (PENSION)	-		-	
UNASSIGNED FUNDS (ACCUM POST RET BEN)	-		-	
CHANGE IN ASSETS NOT ADMITTED	12,346		(307)	
CHANGES TO PENSION & APRB REPORTING	-		-	
PRIOR PERIOD CHANGES POST AUDIT	(7,618)		-	
ASSESSMENTS OR (DISTRIBUTIONS)	<u>-</u>		<u>-</u>	
ENDING MEMBERS' EQUITY (DEFICIT)	<u>(609,236)</u>		<u>(583,445)</u>	

MARYLAND JOINT INSURANCE ASSOCIATION
COMPARATIVE BALANCE SHEETS FOR THE
PERIODS ENDED

<u>DESCRIPTION</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>CHANGE</u>
<u>ASSETS:</u>			
CASH	1,690,100	2,490,458	(800,358)
DCPIF MANAGEMENT FEES RECEIVABLE	27,593	60,043	(32,450)
ASSESSMENTS RECEIVABLE	-	-	-
INSTALLMENT PREMIUM RECEIVABLE	59,238	68,311	(9,073)
PRODUCER COMMISSION RECEIVABLE	117	-	117
MISCELLANEOUS RECEIVABLES	414	1,048	(634)
FIXED ASSETS	16,936	8,163	8,773
TOTAL ASSETS	<u>1,794,398</u>	<u>2,628,023</u>	<u>(833,625)</u>
<u>LIABILITIES AND EQUITY:</u>			
<u>RESERVE FOR</u>			
UNEARNED PREMIUM	491,002	556,025	(65,023)
ADVANCE PREMIUM	-	-	-
UNPAID LOSSES	128,649	176,291	(47,642)
UNPAID LOSS ADJUSTMENT EXPENSE	45,178	66,202	(21,024)
UNPAID PREMIUM TAXES	334	174	160
COMMISSIONS PAYABLE	8,392	8,658	(266)
<u>OPERATING EXPENSES:</u>			
ACCRUED EXPENSES / ACCOUNTS PAYABLE	59,331	119,422	(60,091)
POST RETIREMENT BENEFITS	1,141,377	1,256,653	(115,276)
PENSION LIABILITY	524,196	1,024,797	(500,601)
OTHER	-	-	-
AMOUNTS WITHHELD FOR OTHERS	<u>5,175</u>	<u>3,246</u>	<u>1,929</u>
TOTAL LIABILITIES	<u>2,403,634</u>	<u>3,211,468</u>	<u>(807,834)</u>
MEMBERS' EQUITY (DEFICIT)	<u>(609,236)</u>	<u>(583,445)</u>	<u>(25,791)</u>
TOTAL LIABILITIES AND EQUITY	<u>1,794,398</u>	<u>2,628,023</u>	<u>(833,625)</u>

MARYLAND JOINT INSURANCE ASSOCIATION
BALANCE SHEET
June 30, 2018

<u>DESCRIPTION</u>	<u>LEDGER ASSETS</u>	<u>NON-LEDGER ASSETS</u>	<u>ASSETS NOT ADMITTED</u>	<u>ADMITTED ASSETS</u>
<u>ASSETS:</u>				
CASH	1,690,100			1,690,100
DCPIF MANAGEMENT FEES RECEIVABLE	27,593			27,593
ASSESSMENTS RECEIVABLE	-			-
INSTALLMENT PREMIUM RECEIVABLE	60,415		1,177	59,238
PREPAID EXPENSES	14,268		14,268	-
PRODUCER COMMISSION RECEIVABLE	117			117
MISCELLANEOUS RECEIVABLES	414			414
FIXED ASSETS	16,936			16,936
TOTAL ASSETS	<u>1,809,843</u>	<u>-</u>	<u>15,445</u>	<u>1,794,398</u>
 <u>LIABILITIES AND EQUITY:</u>				
<u>RESERVE FOR</u>				
UNEARNED PREMIUM				491,002
ADVANCE PREMIUM				-
UNPAID LOSSES				128,649
UNPAID LOSS ADJUSTMENT EXPENSE				45,178
UNPAID PREMIUM TAXES				334
COMMISSION PAYABLE				8,392
OPERATING EXPENSES:				
ACCRUED EXPENSES				59,331
POST RETIREMENT BENEFITS				1,141,377
PENSION LIABILITY				524,196
OTHER				-
AMOUNTS WITHHELD FOR OTHERS				<u>5,175</u>
TOTAL LIABILITIES				<u>2,403,634</u>
MEMBERS' EQUITY (DEFICIT)				<u>(609,236)</u>
TOTAL LIABILITIES AND EQUITY				<u>1,794,398</u>

MARYLAND JOINT INSURANCE ASSOCIATION
 INCOME STATEMENT AND EQUITY ACCOUNT
 June 30, 2018

	<u>QUARTER</u>	<u>YEAR-TO-DATE</u>
<u>UNDERWRITING INCOME:</u>		
PREMIUMS EARNED	<u>232,054</u>	<u>732,170</u>
<u>DEDUCTIONS:</u>		
LOSSES INCURRED	(18,224)	266,683
LOSS EXPENSES INCURRED	15,046	124,162
COMMISSIONS	12,248	37,443
OPERATING EXPENSES INCURRED	233,692	702,799
PREMIUM TAXES INCURRED	<u>4,768</u>	<u>13,263</u>
TOTAL DEDUCTIONS	<u>247,530</u>	<u>1,144,350</u>
NET UNDERWRITING GAIN OR (LOSS)	<u>(15,476)</u>	<u>(412,180)</u>
<u>OTHER INCOME OR (OUTGO):</u>		
NET INVESTMENT INCOME	-	-
MISCELLANEOUS INCOME	<u>3,586</u>	<u>8,105</u>
	<u>3,586</u>	<u>8,105</u>
<u>EQUITY ACCOUNT:</u>		
BEGINNING MEMBERS' EQUITY (DEFICIT)	(599,841)	(209,889)
NET INCOME OR (LOSS)	(11,890)	(404,075)
CHANGE IN MINIMUM PENSION LIABILITY	-	-
UNASSIGNED FUNDS (PENSION)	-	-
UNASSIGNED FUNDS (ACCUM POST RET BEN)	-	-
CHANGE IN ASSETS NOT ADMITTED	2,495	12,346
CHANGES TO PENSION & APRB REPORTING	-	-
PRIOR PERIOD CHANGES POST AUDIT	-	(7,618)
ASSESSMENTS OR (DISTRIBUTIONS)	<u>-</u>	<u>-</u>
NET CHANGE IN EQUITY	<u>(9,395)</u>	<u>(399,347)</u>
ENDING MEMBERS' EQUITY (DEFICIT)	<u><u>(609,236)</u></u>	<u><u>(609,236)</u></u>

Maryland Joint Insurance Association
Members' Account
The Quarter and Year Ending June 30, 2018

Exhibit 3A

Item	Description	Quarter-To-Date						Total	Year-To-Date						Total
		Policy Year					ADVANCE		Policy Year					ADVANCE	
		2014	2015	2016	2017	2018	2019		2014	2015	2016	2017	2018	2019	
<u>Income Received:</u>															
1	Premiums Written				(4,912)	243,294		238,382				(28,773)	691,900		663,127
2	Interest							-							-
3	Miscellaneous				(1,322)	4,908		3,586				(776)	8,881		8,105
4	Total Income Received				(6,234)	248,202		241,968				(29,549)	700,781		671,232
<u>Expenses Paid:</u>															
5	Losses			31,312	81,551	40,834		153,697			32,967	222,256	41,326		296,549
6	Loss Adjustment Expenses			1,601	19,185	32,535		53,321			10,526	55,648	59,732		125,906
7	Commissions				(439)	12,687		12,248				(1,384)	38,827		37,443
8	Operating Expenses					251,539		251,539			1,153	76,204	637,907		715,264
9	Premium Taxes					8,691		8,691		1,596	(1,318)	(818)	13,551		13,011
10	Total Expenses Paid			32,913	100,297	346,286		479,496		1,596	43,328	351,906	791,343		1,188,173
11	Net Cash Income			(32,913)	(106,531)	(98,084)		(237,528)		(1,596)	(43,328)	(381,455)	(90,562)		(516,941)
<u>Deduct Ending Reserves For:</u>															
12	Losses				46,179	82,470		128,649				46,179	82,470		128,649
13	Loss Adjustment Expense				14,513	30,665		45,178				14,513	30,665		45,178
14	Operating Expenses				10,618	48,713		59,331				10,618	48,713		59,331
15	Premium Taxes				622	(288)		334				622	(288)		334
16	Unearned Premiums				28,869	462,133		491,002				28,869	462,133		491,002
<u>Add Beginning Reserves For:</u>															
17	Losses			63,549	123,736	113,285		300,570			61,940	96,575			158,515
18	Loss Adjustment Expense			9,064	38,595	35,794		83,453			8,760	38,162			46,922
19	Operating Expenses				10,618	66,560		77,178			1,153	70,643			71,796
20	Premium Taxes				622	3,635		4,257		1,596	(1,318)	(196)			82
21	Unearned Premiums				120,501	364,173		484,674				530,976	29,069		560,045
22	Change In Underwriting Reserves			72,613	193,271	(40,246)		225,638		1,596	70,535	635,359	(594,624)		112,866
<u>Other Reserve Changes</u>															
<u>Deduct Beginning Reserves For:</u>															
23	Accrued Investment Interest														
24	Minimum Pension Liability					(851,617)		(851,617)				(851,617)			(851,617)
25	Accum Post Ret Benefits					20,339		20,339				20,339			20,339
26	Non-Admitted Assets					(35,419)		(35,419)				(45,270)			(45,270)
<u>Add Ending Reserves For:</u>															
27	Accrued Investment Interest														
28	Minimum Pension Liability (new method)					(851,617)		(851,617)					(851,617)		(851,617)
29	Accum Post Ret Ben: Unassigned Funds (new method)					20,339		20,339					20,339		20,339
30	Non-Admitted Assets					(32,924)		(32,924)					(32,924)		(32,924)
31	Change In Pension Liability	-	-	-	-	-	-	-	-	-	-	851,617	(851,617)	-	-
32	Change in Accum Post Ret Ben							-				(20,339)	20,339		-
33	Change in Non-Admitted Assets					2,495		2,495				45,270	(32,924)		12,346
34	Assessments or (Distributions)														
35	PRIOR PERIOD ENTRY: Post Audit											(7,618)			(7,618)
	Total One-time Changes to Equity											(7,618)			(7,618)
36	Change In Members' Equity			39,700	86,740	(135,835)	-	(9,395)			27,207	1,122,834	(1,549,388)	-	(399,347)
37	Beginning Members' Equity (Deficit)	2,648,011	(404,134)	(423,707)	(1,006,458)	(1,413,553)		(599,841)	2,648,011	(404,134)	(411,214)	(2,042,552)			(209,889)
38	Policy Year Rollover														
39	Ending Members' Equity (Deficit)	2,648,011	(404,134)	(384,007)	(919,718)	(1,549,388)	-	(609,236)	2,648,011	(404,134)	(384,007)	(919,718)	(1,549,388)	-	(609,236)

Maryland Joint Insurance Association
Statistical Report Of Premiums
The Quarter and Year Ending June 30, 2018

Exhibit 4A

		Quarter-To-Date					
Item	Description	Policy Year				ADVANCE	Total
		2014	2015	2016	2017	2018	
<u>Premiums Written</u>							
1	Fire				(1,845)	76,015	74,170
2	Allied Lines				(206)	16,665	16,459
3	Homeowners				(2,861)	150,614	147,753
4	Total	-	-	-	(4,912)	243,294	- 238,382
<u>Beginning Unearned Premiums</u>							
5	Fire				30,455	100,838	131,293
6	Allied Lines				6,054	22,747	28,801
7	Homeowners				83,992	240,588	324,580
8	Total	-	-	-	120,501	364,173	- 484,674
<u>Ending Unearned Premiums</u>							
9	Fire				6,085	135,474	141,559
10	Allied Lines				1,263	30,074	31,337
11	Homeowners				21,521	296,585	318,106
12	Total	-	-	-	28,869	462,133	- 491,002
<u>Earned Premiums</u>							
13	Fire				22,525	41,379	63,904
14	Allied Lines				4,585	9,338	13,923
15	Homeowners				59,610	94,617	154,227
16	Total	-	-	-	86,720	145,334	- 232,054

Year-To-Date							
Policy Year						ADVANCE	Total
2014	2015	2016	2017	2018	2019		
			(13,360)	200,173		186,813	
			(1,349)	44,100		42,751	
			(14,064)	447,627		433,563	
-	-	-	(28,773)	691,900	-	663,127	
			149,170	7,169		156,339	
			29,345	1,829		31,174	
			352,461	20,071		372,532	
-	-	-	530,976	29,069	-	560,045	
			6,085	135,474		141,559	
			1,263	30,074		31,337	
			21,521	296,585		318,106	
-	-	-	28,869	462,133	-	491,002	
			129,725	71,868		201,593	
			26,733	15,855		42,588	
			316,876	171,113		487,989	
-	-	-	473,334	258,836	-	732,170	

Maryland Joint Insurance Association
Statistical Report Of Losses
The Quarter and Year Ending June 30, 2018

Exhibit 4B

		Quarter-To-Date					
Item	Description	Policy Year					Total
		2014	2015	2016	2017	2018	
<u>Paid Losses</u>							
1	Fire			31,312	1,439	2,416	35,167
2	Allied Lines				4,462	620	5,082
3	Homeowners				75,650	37,798	113,448
4	Total	-	-	31,312	81,551	40,834	153,697
<u>Ending Loss Reserves</u>							
5	Fire				6,740	14,199	20,939
6	Allied Lines				2,639	4,506	7,145
7	Homeowners				36,800	63,765	100,565
8	Total	-	-	-	46,179	82,470	128,649
<u>Beginning Loss Reserves</u>							
9	Fire			59,279	12,953	9,145	81,377
10	Allied Lines				14,744	10,923	25,667
11	Homeowners			4,270	96,039	93,217	193,526
12	Total	-	-	63,549	123,736	113,285	300,570
<u>Incurred Losses</u>							
13	Fire			(27,967)	(4,774)	7,470	(25,271)
14	Allied Lines				(7,643)	(5,797)	(13,440)
15	Homeowners			(4,270)	16,411	8,346	20,487
16	Total	-	-	(32,237)	3,994	10,019	(18,224)
<u>Ending IBNR Loss Reserves</u>							
17	Fire				3,339	14,199	17,538
18	Allied Lines				1,006	4,506	5,512
19	Homeowners				11,518	32,402	43,920
20	Total (Included In Item 8)	-	-	-	15,863	51,107	66,970
<u>Beginning IBNR Loss Reserves</u>							
21	Fire				9,552	9,145	18,697
22	Allied Lines				2,744	2,923	5,667
23	Homeowners				23,022	22,217	45,239
24	Total (Included In Item 12)	-	-	-	35,318	34,285	69,603

Year-To-Date					Total
Policy Year					
2014	2015	2016	2017	2018	
		31,312	125,199	2,416	158,927
			4,462	620	5,082
		1,655	92,595	38,290	132,540
-	-	32,967	222,256	41,326	296,549
			6,740	14,199	20,939
			2,639	4,506	7,145
			36,800	63,765	100,565
-	-	-	46,179	82,470	128,649
		58,465	20,048		78,513
			5,805		5,805
		3,475	70,722		74,197
-	-	61,940	96,575	-	158,515
		(27,153)	111,891	16,615	101,353
			1,296	5,126	6,422
		(1,820)	58,673	102,055	158,908
-	-	(28,973)	171,860	123,796	266,683
			3,339	14,199	17,538
			1,006	4,506	5,512
			11,518	32,402	43,920
-	-	-	15,863	51,107	66,970
			20,048		20,048
			5,805		5,805
			45,722		45,722
-	-	-	71,575	-	71,575

Maryland Joint Insurance Association
Statistical Report Of Loss Adjustment Expenses
The Quarter and Year Ending June 30, 2018

Exhibit 4C

		Quarter-To-Date					
Item	Description	Policy Year					Total
		2014	2015	2016	2017	2018	
<u>Paid Loss Expenses</u>							
1	Fire			1,379	664	2,754	4,797
2	Allied Lines				3,217	2,922	6,139
3	Homeowners			222	15,304	26,859	42,385
4	Total	-	-	1,601	19,185	32,535	53,321
<u>Ending Loss Expense Reserves</u>							
5	Fire				1,363	3,841	5,204
6	Allied Lines				1,347	3,330	4,677
7	Homeowners				11,803	23,494	35,297
8	Total	-	-	-	14,513	30,665	45,178
<u>Beginning Loss Expense Reserves</u>							
9	Fire			8,021	3,044	2,474	13,539
10	Allied Lines				6,464	5,119	11,583
11	Homeowners			1,043	29,087	28,201	58,331
12	Total	-	-	9,064	38,595	35,794	83,453
<u>Incurred Loss Expenses</u>							
13	Fire			(6,642)	(1,017)	4,121	(3,538)
14	Allied Lines				(1,900)	1,133	(767)
15	Homeowners			(821)	(1,980)	22,152	19,351
16	Total	-	-	(7,463)	(4,897)	27,406	15,046

Year-To-Date					Total
Policy Year					
2014	2015	2016	2017	2018	
		8,288	13,508	9,278	31,074
			5,960	4,883	10,843
		2,238	36,180	45,571	83,989
-	-	10,526	55,648	59,732	125,906
			1,363	3,841	5,204
			1,347	3,330	4,677
			11,803	23,494	35,297
-	-	-	14,513	30,665	45,178
		7,911	5,423		13,334
			4,291		4,291
		849	28,448		29,297
-	-	8,760	38,162	-	46,922
		377	9,448	13,119	22,944
			3,016	8,213	11,229
		1,389	19,535	69,065	89,989
-	-	1,766	31,999	90,397	124,162

Maryland Joint Insurance Association
Computation Of Case & IBNR Loss Reserves As Of
June 30, 2018
Policy Year

<u>Loss Case Reserves</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Total</u>
Fire		-	-		3,401		3,401
Allied Lines		-	-		1,633		1,633
Homeowners		-	-		25,282	31,363	56,645
Total	-	-	-	-	30,316	31,363	61,679

<u>Loss IBNR Reserves</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Total</u>
Fire					3,339	14,199	17,538
Allied Lines					1,005	4,506	5,511
Homeowners					11,517	32,402	43,919
Total	-	-	-	-	15,861	51,107	66,968

<u>Total Loss Reserves</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Total</u>
Fire	-	-	-	-	6,740	14,199	20,939
Allied Lines	-	-	-	-	2,638	4,506	7,144
Homeowners	-	-	-	-	36,799	63,765	100,564
Total	-	-	-	-	46,177	82,470	128,647

Maryland Joint Insurance Association
Computation Of Allocated And Unallocated Loss Adjustment Expense Reserves
June 30, 2018
Policy Year

Loss Adjustment Expense Reserves		<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	Allocated <u>Total</u>	Unallocated <u>Total</u>	LOB <u>Total</u>
<u>Allocated:</u>										
Fire - Case	3.80%	-	-	-	-	129	-	129		
Fire - IBNR	7.60%	-	-	-	-	254	1,079	1,333		1,462
Allied - Case	19.96%	-	-	-	-	326	-	326		
Allied - IBNR	39.91%	-	-	-	-	401	1,798	2,199		2,525
Homeowners - Case	9.01%	-	-	-	-	2,278	2,826	5,104		
Homeowners - IBNR	18.02%	-	-	-	-	2,075	5,839	7,914		13,018
Subtotal		-	-	-	-	5,463	11,542	17,005		17,005

Unallocated:

Fire - Case	9.73%	-	-	-	-	331	-		331	
Fire - IBNR	19.45%	-	-	-	-	649	2,762		3,411	3,742
Allied - Case	17.01%	-	-	-	-	278	-		278	
Allied - IBNR	34.01%	-	-	-	-	342	1,532		1,874	2,152
Homeowners - Case	15.42%	-	-	-	-	3,898	4,836		8,734	
Homeowners - IBNR	30.84%	-	-	-	-	3,552	9,993		13,545	22,279
Subtotal		-	-	-	-	9,050	19,123		28,173	28,173
Total		-	-	-	-	14,513	30,665			45,178

Summary By Line

Expense Reserves	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>Total</u>
Fire	-	-	-	-	1,363	3,841	5,204
Allied Lines	-	-	-	-	1,347	3,330	4,677
Homeowners	-	-	-	-	11,803	23,494	35,297
Total	-	-	-	-	14,513	30,665	45,178