

CALIFORNIA FAIR PLAN ASSOCIATION
DIV II - BUSINESSOWNERS
STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY
June 30, 2019

EXHIBIT 1

	ASSETS	NON-ADMITTED ASSETS	NET ADMITTED ASSETS
ASSETS:			
SHORT TERM NOTES AND CERTIFICATES OF DEPOSIT	\$ 987,968	\$ -	\$ 987,968
CASH & CASH EQUIVALENTS	1,539,420	-	1,539,420
PREMIUM RECEIVABLE - NET	54,051	-	54,051
ACCRUED INVESTMENT INCOME	12,198	-	12,198
TOTAL ASSETS	<u>\$ 2,593,637</u>	<u>\$ -</u>	<u>\$ 2,593,637</u>
LIABILITIES AND MEMBERS' EQUITY:			
RESERVES FOR:			
UNPAID LOSSES			\$ 42,296
UNPAID LOSS ADJUSTMENT			24,365
UNEARNED PREMIUMS			<u>241,855</u>
			308,516
PAYABLE FOR:			
ADVANCE & UNAPPLIED PREMIUMS			3,794
COMMISSIONS PAYABLE			3,040
OTHER LIABILITIES			<u>658,649</u>
			<u>665,483</u>
TOTAL LIABILITIES			973,999
MEMBERS' EQUITY (DEFICIT):			
2013 COMBINED POOL *			0
2014 COMBINED POOL *			0
2015 COMBINED POOL			203,530
2016 COMBINED POOL			49,094
2017 COMBINED POOL			242,507
2018 COMBINED POOL			668,004
2019 COMBINED POOL			<u>456,504</u>
TOTAL MEMBERS' EQUITY (DEFICIT)			<u>1,619,638</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY			<u>\$ 2,593,637</u>

*The Governing Committee approved transferring 2013 equity and 2014 equity to 2018 and 2019, respectively, as a capital contribution.

CALIFORNIA FAIR PLAN ASSOCIATION
DIV II - BUSINESSOWNERS
STATEMENT OF INCOME AND EQUITY ACCOUNT
FISCAL YEAR 2019
For the Nine Months Ending June 30, 2019

EXHIBIT 2

	QUARTER	YEAR-TO-DATE
UNDERWRITING INCOME:		
PREMIUMS WRITTEN	\$114,122	\$353,057
CHANGE IN UNEARNED PREMIUMS	3,909	567
PREMIUMS EARNED	<u>118,031</u>	<u>353,624</u>
LOSS & LOSS ADJUSTMENT EXPENSES INCURRED:		
LOSSES INCURRED	1,374	(136,899)
LOSS ADJUSTMENT EXP INCURRED	14,429	19,497
TOTAL LOSSES & LOSS ADJ EXP INCURRED	<u>15,803</u>	<u>(117,402)</u>
UNDERWRITING EXPENSES INCURRED:		
COMMISSIONS	12,045	29,198
OTHER UNDERWRITING EXPENSES	32,326	85,472
TOTAL UNDERWRITING EXPENSES	<u>44,371</u>	<u>114,670</u>
TOTAL LOSSES & UNDERWRITING EXPENSES	<u>60,174</u>	<u>(2,732)</u>
NET UNDERWRITING GAIN (LOSS)	57,857	356,356
NET INVESTMENT INCOME (EXPENSE)	(2,664)	8,991
NET INCOME (LOSS)	<u>55,193</u>	<u>365,347</u>
STATEMENT OF MEMBER'S EQUITY (DEFICIT):		
MEMBERS' EQUITY (DEFICIT) - BEG	1,204,284	1,254,291
NET INCOME (LOSS)	55,193	365,347
DISTRIBUTION WITHHELD	0	(360,161)
EQUITY RETAINED AS CAPITAL CONTRIBUTION	<u>360,161</u>	<u>360,161</u>
MEMBERS' EQUITY (DEFICIT) - ENDING	<u><u>1,619,638</u></u>	<u><u>1,619,638</u></u>

CALIFORNIA FAIR PLAN ASSOCIATION
DIV II - BUSINESSOWNERS
MEMBERS' ACCOUNT
FISCAL YEAR 2019
For the Nine Months Ending June 30, 2019

EXHIBIT 3A

	QUARTER							YEAR-TO-DATE								
	POOL YEAR							POOL YEAR								
	2013	2014	2015	2016	2017	2018	2019	TOTAL	2013	2014	2015	2016	2017	2018	2019	TOTAL
INCOME RECEIVED:																
PREMIUMS WRITTEN	\$0	\$0	\$0	\$0	\$0	(\$544)	\$114,666	\$114,122	\$0	\$0	\$0	\$0	\$0	(\$23,756)	\$376,813	\$353,057
NET WRITTEN PREMIUMS	0	0	0	0	0	(544)	114,666	114,122	0	0	0	0	0	(23,756)	376,813	353,057
NET INVESTMENT INCOME (EXPENSE)	0	1,929	(1,150)	(228)	(1,435)	(1,935)	(5,758)	(8,577)	0	9,391	2,152	42	1,951	9,320	(3,956)	18,900
TOTAL INCOME	0	1,929	(1,150)	(228)	(1,435)	(2,479)	108,908	105,545	0	9,391	2,152	42	1,951	(14,436)	372,857	371,957
EXPENSES PAID:																
LOSSES	0	0	0	0	0	0	0	0	0	0	0	0	0	2,921	0	2,921
LOSS ADJUSTMENT EXPENSES	0	0	0	4,421	5,057	6,723	1,652	17,853	0	0	0	5,134	7,198	11,730	2,396	26,459
COMMISSIONS	0	0	0	0	0	(44)	12,089	12,045	0	0	0	0	0	(1,754)	30,952	29,198
OPERATING EXPENSES	0	0	0	0	0	0	32,326	32,326	0	0	0	0	0	0	85,472	85,472
TOTAL EXPENSES PAID:	0	0	0	4,421	5,057	6,679	46,067	62,224	0	0	0	5,134	7,198	12,897	118,820	144,050
NET CASH CHANGE	0	1,929	(1,150)	(4,649)	(6,492)	(9,158)	62,841	43,321	0	9,391	2,152	(5,092)	(5,247)	(27,333)	254,037	227,907
CHANGE IN RESERVES:																
UNPAID LOSSES	0	0	0	4,300	2,234	11,013	(18,921)	(1,374)	0	0	0	53,363	73,965	33,841	(21,349)	139,820
UNPAID LOSS ADJ EXPENSES	0	0	0	0	2,406	10,649	(9,632)	3,423	0	0	993	10,240	7,724	(1,144)	(10,851)	6,962
UNEARNED PREMIUMS	0	0	0	0	0	39,780	(35,871)	3,909	0	0	0	0	0	230,465	(229,897)	568
NET RESERVE CHANGE	0	0	0	4,300	4,640	61,442	(64,424)	5,958	0	0	993	63,603	81,689	263,162	(262,097)	147,350
OTHER CHANGES:																
CHANGE IN ACCRUED INTEREST	0	(1,929)	742	404	1,028	1,090	4,579	5,914	0	(7,931)	(1,394)	(274)	(1,708)	(4,167)	5,564	(9,910)
NET OTHER CHANGES	0	(1,929)	742	404	1,028	1,090	4,579	5,914	0	(7,931)	(1,394)	(274)	(1,708)	(4,167)	5,564	(9,910)
CHANGE IN MEMBERS' EQUITY	0	0	(408)	55	(824)	53,374	2,996	55,193	0	1,460	1,751	58,237	74,734	231,662	(2,496)	365,347
MEMBERS' EQUITY (DEFICIT) - BEG	0	459,001	203,938	49,038	243,331	254,469	(5,494)	1,204,283	360,161	457,541	201,779	(9,143)	167,772	76,181	0	1,254,291
DISTRIBUTION WITHHELD	0	0	0	0	0	0	0	0	(360,161)	0	0	0	0	0	0	(360,161)
EQUITY RETAINED AS CAPITAL CONTRIBUTION	0	(459,001)	0	0	0	360,161	459,001	360,161	0	(459,001)	0	0	0	360,161	459,001	360,161
MEMBERS' EQUITY (DEFICIT) - END	\$0.	\$0.	\$203,530.	\$49,093.	\$242,507.	\$668,004.	\$456,503.	\$1,619,637.	\$0.	\$0.	\$203,530.	\$49,094.	\$242,506.	\$668,004.	\$456,505.	\$1,619,638.

CALIFORNIA FAIR PLAN ASSOCIATION
DIVISION II - BUSINESSOWNERS
STATISTICAL REPORT OF PREMIUMS
FISCAL YEAR 2019
For the Nine Months Ending June 30, 2019

EXHIBIT 4A

	QUARTER			YEAR-TO-DATE		
	POOL YEAR			POOL YEAR		
	2018	2019	TOTAL	2018	2019	TOTAL
PREMIUMS WRITTEN						
PROPERTY	\$ (283)	\$ 60,634	\$ 60,351	\$ (12,353)	\$ 196,306	\$ 183,953
LIABILITY	(261)	54,032	53,771	(11,403)	180,507	169,104
TOTAL PREMIUMS WRITTEN	(544)	114,666	114,122	(23,756)	376,813	353,057
CHANGE IN UNEARNED PREMIUMS						
PROPERTY	20,686	(18,653)	2,033	119,842	(119,547)	295
LIABILITY	19,094	(17,218)	1,876	110,623	(110,351)	272
TOTAL CHANGE IN UNEARNED PREMIUMS	39,780	(35,871)	3,909	230,465	(229,898)	567
EARNED PREMIUMS						
PROPERTY	20,403	41,981	62,384	107,489	76,759	184,248
LIABILITY	18,833	36,814	55,647	99,220	70,156	169,376
NET EARNED PREMIUMS	\$ 39,236	\$ 78,795	\$ 118,031	\$ 206,709	\$ 146,915	\$ 353,624

CALIFORNIA FAIR PLAN ASSOCIATION

EXHIBIT 4B

DIV II - BUSINESSOWNERS

STATISTICAL REPORT OF LOSSES

FISCAL YEAR 2019

For the Nine Months Ending June 30, 2019

	QUARTER POOL YEAR						YEAR-TO-DATE POOL YEAR					
	2015	2016	2017	2018	2019	TOTAL	2015	2016	2017	2018	2019	TOTAL
LOSSES PAID												
PROPERTY	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,921	\$ -	\$ 2,921
LIABILITY	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LOSSES PAID:	-	-	-	-	-	-	-	-	-	2,921	-	2,921
CHANGE IN LOSS RESERVES												
PROPERTY	-	-	(1,285)	(6,716)	10,880	2,879	-	(30,684)	(42,530)	(20,181)	12,276	(81,119)
LIABILITY	-	(4,300)	(949)	(4,297)	8,041	(1,505)	-	(22,679)	(31,435)	(13,660)	9,073	(58,701)
TOTAL CHANGE IN LOSS RESERVES:	-	(4,300)	(2,234)	(11,013)	18,921	1,374	-	(53,363)	(73,965)	(33,841)	21,349	(139,820)
LOSSES INCURRED												
PROPERTY	-	-	(1,285)	(6,716)	10,880	2,879	-	(30,684)	(42,530)	(17,260)	12,276	(78,198)
LIABILITY	0	(4,300)	(949)	(4,297)	8,041	(1,505)	0	(22,679)	(31,435)	(13,660)	9,073	(58,701)
TOTAL LOSSES INCURRED:	0	(4,300)	(2,234)	(11,013)	18,921	1,374	0	(53,363)	(73,965)	(30,920)	21,349	(136,899)

CALIFORNIA FAIR PLAN ASSOCIATION
DIV II - BUSINESSOWNERS
STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES
FISCAL YEAR 2019
For the Nine Months Ending June 30, 2019

EXHIBIT 4C

	QUARTER						YEAR-TO-DATE					
	POOL YEAR						POOL YEAR					
	2015	2016	2017	2018	2019	TOTAL	2015	2016	2017	2018	2019	TOTAL
LOSS ADJUSTMENT PAID												
PROPERTY	0	2,143	2,973	3,381	991	9,488	0	2,571	4,258	5,596	1,419	13,844
LIABILITY	0	2,278	2,084	3,342	661	8,365	0	2,563	2,940	6,135	977	12,616
TOTAL LOSS ADJ EXP PAID	0	4,421	5,057	6,723	1,652	17,853	0	5,134	7,198	11,731	2,396	26,460
CHANGE IN LOSS ADJ. RES												
PROPERTY	0	0	(1,383)	(6,123)	5,538	(1,968)	(571)	(5,888)	(4,441)	658	6,239	(4,003)
LIABILITY	0	0	(1,023)	(4,526)	4,094	(1,455)	(422)	(4,352)	(3,283)	486	4,612	(2,959)
TOTAL CHANGE IN LOSS ADJ. RES.	0	0	(2,406)	(10,649)	9,632	(3,423)	(993)	(10,240)	(7,724)	1,144	10,851	(6,962)
LOSS ADJ EXP INCURRED												
PROPERTY	0	2,143	1,590	(2,742)	6,529	7,520	(571)	(3,317)	(183)	6,254	7,658	9,841
LIABILITY	0	2,278	1,061	(1,184)	4,755	6,910	(422)	(1,789)	(343)	6,621	5,589	9,657
TOTAL LOSS ADJ INCURRED	0	4,421	2,651	(3,926)	11,284	14,430	(993)	(5,106)	(526)	12,875	13,247	19,498

DIV II - BUSINESSOWNERS

QUARTERLY RESERVES EXHIBIT

FISCAL YEAR 2019

For the Nine Months Ending June 30, 2019

	3/31/2019						6/30/2019					
	POOL YEAR						POOL YEAR					
	2015	2016	2017	2018	2019	TOTAL	2015	2016	2017	2018	2019	TOTAL
UNEARNED PREMIUM RESERVES:												
PROPERTY	\$0	\$0	\$0	\$26,904	\$100,894	\$127,798	\$0	\$0	\$0	\$6,218	\$119,547	\$125,765
LIABILITY	0	0	0	24,834	93,133	117,967	0	0	0	5,740	110,351	116,091
TOTAL UNEARNED PREM RESERVES	0	0	0	51,738	194,027	245,765	0	0	0	11,958	229,898	241,856
LOSS RESERVES:												
LOSS RESERVES: CASE												
PROPERTY	0	0	0	5,204	0	5,204	0	0	0	4,300	0	4,300
LIABILITY	0	4,300	5,000	0	0	9,300	0	0	5,000	0	0	5,000
TOTAL CASE RESERVES	0	4,300	5,000	5,204	0	14,504	0	0	5,000	4,300	0	9,300
LOSS RESERVES: IBNR												
PROPERTY	0	0	2,821	10,973	1,396	15,190	0	0	1,536	5,161	12,276	18,973
LIABILITY	0	0	2,085	8,111	1,032	11,228	0	0	1,136	3,814	9,073	14,023
TOTAL IBNR RESERVES	0	0	4,906	19,084	2,428	26,418	0	0	2,672	8,975	21,349	32,996
TOTAL LOSS RESERVES:												
PROPERTY	0	0	2,821	16,177	1,396	20,394	0	0	1,536	9,461	12,276	23,273
LIABILITY	0	4,300	7,085	8,111	1,032	20,528	0	0	6,136	3,814	9,073	19,023
TOTAL LOSS RESERVES	0	4,300	9,906	24,288	2,428	40,922	0	0	7,672	13,275	21,349	42,296
LOSS EXPENSE RESERVES:												
PROPERTY	0	0	3,175	12,102	701	15,978	0	0	1,792	5,979	6,239	14,010
LIABILITY	0	0	2,347	8,945	518	11,810	0	0	1,324	4,419	4,612	10,355
TOTAL LOSS EXPENSE RESERVES	0	0	5,522	21,047	1,219	27,788	0	0	3,116	10,398	10,851	24,365