

CALIFORNIA FAIR PLAN ASSOCIATION  
DIV II - BUSINESSOWNERS  
STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY  
September 30, 2018

EXHIBIT 1

		NON-ADMITTED	NET ADMITTED
	ASSETS	ASSETS	ASSETS
<hr/>			
ASSETS:			
SHORT TERM NOTES AND CERTIFICATES OF DEPOSIT	\$3,465,521		\$3,465,521
CASH & CASH EQUIVALENTS	1,390,404		1,390,404
PREMIUM RECEIVABLE - NET	52,818		52,818
ACCRUED INVESTMENT INCOME	22,107		22,107
TOTAL ASSETS	<u>4,930,850</u>		<u>4,930,850</u>
LIABILITIES AND MEMBERS' EQUITY:			
RESERVES FOR:			
UNPAID LOSSES			182,116
UNPAID LOSS ADJUSTMENT			31,327
UNEARNED PREMIUMS			<u>242,422</u>
			455,865
PAYABLE FOR:			
ADVANCE & UNAPPLIED PREMIUMS			30,252
COMMISSIONS PAYABLE			(2,279)
OTHER LIABILITIES			<u>3,192,723</u>
			<u>3,220,696</u>
TOTAL LIABILITIES			3,676,561
MEMBERS' EQUITY (DEFICIT):			
2013 COMBINED POOL			360,161
2014 COMBINED POOL			457,541
2015 COMBINED POOL			201,778
2016 COMBINED POOL			(9,142)
2017 COMBINED POOL			167,773
2018 COMBINED POOL			<u>76,180</u>
TOTAL MEMBERS' EQUITY (DEFICIT)			<u>1,254,291</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY			<u><u>4,930,852</u></u>

CALIFORNIA FAIR PLAN ASSOCIATION  
DIV II - BUSINESSOWNERS  
STATEMENT OF INCOME AND EQUITY ACCOUNT  
FISCAL YEAR 2018  
For the Twelve Months Ending September 30, 2018

Exhibit 2

	QUARTER	YEAR-TO-DATE
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UNDERWRITING INCOME:		
PREMIUMS WRITTEN	\$123,724	\$496,102
CHANGE IN UNEARNED PREMIUMS	4,434	24,120
PREMIUMS EARNED	<u>128,158</u>	<u>520,222</u>
LOSS & LOSS ADJUSTMENT EXPENSES INCURRED:		
LOSSES INCURRED	(10,672)	(16,529)
LOSS ADJUSTMENT EXP INCURRED	(41,607)	(15,472)
TOTAL LOSSES & LOSS ADJ EXP INCURRED	<u>(52,279)</u>	<u>(32,001)</u>
UNDERWRITING EXPENSES INCURRED:		
COMMISSIONS	8,977	35,564
OTHER UNDERWRITING EXPENSES	23,143	98,569
TOTAL UNDERWRITING EXPENSES	<u>32,120</u>	<u>134,133</u>
TOTAL LOSSES & UNDERWRITING EXPENSES	<u>(20,159)</u>	<u>102,132</u>
NET UNDERWRITING GAIN (LOSS)	148,317	418,090
NET INVESTMENT INCOME (EXPENSE)	14,169	9,575
NET INCOME (LOSS)	<u>162,486</u>	<u>427,665</u>
STATEMENT OF MEMBER'S EQUITY (DEFICIT):		
MEMBERS' EQUITY (DEFICIT) - BEG	1,091,805	826,625
NET INCOME (LOSS)	<u>162,486</u>	<u>427,665</u>
MEMBERS' EQUITY (DEFICIT) - ENDING	<u><u>1,254,291</u></u>	<u><u>1,254,290</u></u>

CALIFORNIA FAIR PLAN ASSOCIATION  
DIV II - BUSINESSOWNERS  
MEMBERS' ACCOUNT  
FISCAL YEAR 2018  
For the Twelve Months Ending September 30, 2018

EXHIBIT 3A

	QUARTER						YEAR-TO-DATE							
	POOL YEAR						POOL YEAR							
	2013	2014	2015	2016	2017	2018	TOTAL	2013	2014	2015	2016	2017	2018	TOTAL
INCOME RECEIVED:														
PREMIUMS WRITTEN	\$0	\$0	\$0	\$0	\$205	\$123,519	\$123,724	\$0	\$0	\$0	\$0	(\$6,235)	\$502,337	\$496,102
NET WRITTEN PREMIUMS	0	0	0	0	205	123,519	123,724	0	0	0	0	(6,235)	502,337	496,102
NET INVESTMENT INCOME (EXPENSE)	(1,610)	258	145	21	259	965	38	(3,639)	(2,211)	(957)	(527)	(742)	298	(7,778)
TOTAL INCOME	(1,610)	258	145	21	464	124,484	123,762	(3,639)	(2,211)	(957)	(527)	(6,977)	502,635	488,324
EXPENSES PAID:														
LOSSES	(7,500)	0	0	36,529	0	0	29,029	(7,500)	0	0	41,786	1,643	0	35,929
LOSS ADJUSTMENT EXPENSES	0	0	276	1,870	828	491	3,466	13,642	0	1,304	5,525	7,611	1,519	29,601
COMMISSIONS	0	0	0	0	0	8,977	8,977	0	0	0	0	(1,477)	37,041	35,564
OPERATING EXPENSES	0	0	0	0	0	23,143	23,143	0	0	0	0	0	98,569	98,569
TOTAL EXPENSES PAID:	(7,500)	0	276	38,399	828	32,611	64,615	6,142	0	1,304	47,311	7,777	137,129	199,663
NET CASH CHANGE	5,890	258	(131)	(38,378)	(364)	91,873	59,147	(9,781)	(2,211)	(2,261)	(47,838)	(14,754)	365,506	288,661
CHANGE IN RESERVES:														
UNPAID LOSSES	(7,500)	9,465	31,865	32,810	18,926	(45,865)	39,701	0	9,465	31,865	43,067	13,926	(45,865)	52,458
UNPAID LOSS ADJ EXPENSES	0	3,590	10,019	25,403	13,906	(7,845)	45,073	0	3,590	10,019	25,403	13,906	(7,845)	45,073
UNEARNED PREMIUMS	0	0	0	0	14,604	(10,170)	4,434	0	0	0	0	266,542	(242,422)	24,120
NET RESERVE CHANGE	(7,500)	13,055	41,884	58,213	47,436	(63,880)	89,208	0	13,055	41,884	68,470	294,374	(296,132)	121,651
OTHER CHANGES:														
CHANGE IN ACCRUED INTEREST	(580)	5,221	1,781	65	2,252	5,391	14,130	0	5,991	2,266	166	2,124	6,806	17,353
NET OTHER CHANGES	(580)	5,221	1,781	65	2,252	5,391	14,130	0	5,991	2,266	166	2,124	6,806	17,353
CHANGE IN MEMBERS' EQUITY	(2,190)	18,534	43,534	19,900	49,324	33,384	162,485	(9,781)	16,835	41,889	20,798	281,744	76,180	427,665
MEMBERS' EQUITY (DEFICIT) - BEG	362,351	439,006	158,246	(29,044)	118,449	42,797	1,091,805	369,942	440,706	159,890	(29,941)	(113,972)	0	826,625
MEMBERS' EQUITY (DEFICIT) - END	360,161	457,540	201,780	(9,144)	167,773	76,181	1,254,290	360,161	457,541	201,779	(9,143)	167,772	76,180	1,254,290

CALIFORNIA FAIR PLAN ASSOCIATION  
DIVISION II - BUSINESSOWNERS' POLICY  
MEMBERS' ACCOUNT FOR UNSETTLED YEARS  
AS OF SEPTEMBER 30, 2018

	2013	2014	2015	2016	2017	2018	TOTAL
INCOME RECEIVED:							
PREMIUMS WRITTEN	1,035,532	859,793	754,136	696,378	606,143	502,337	4,454,319
REINSURANCE CEDED	(30,119)	(22,938)	(19,100)	-	-	-	(72,157)
NET WRITTEN PREMIUMS	1,005,413	836,855	735,036	696,378	606,143	502,337	4,382,162
NET INVESTMENT INCOME EXPENSE	(35,442)	(39,113)	(16,896)	(10,324)	(8,482)	298	(109,959)
TOTAL INCOME	969,971	797,742	718,140	686,054	597,661	502,635	4,272,203
EXPENSES PAID:							
LOSSES	96,811	78,038	150,863	266,675	1,956	(2,660)	591,683
LOSS ADJUSTMENT EXPENSES	138,855	35,511	39,995	31,488	13,688	1,519	261,056
COMMISSIONS	82,446	69,099	58,107	52,270	42,892	37,041	341,855
OPERATING EXPENSES	293,277	272,921	268,690	281,818	282,100	98,569	1,497,375
TOTAL EXPENSES PAID	611,389	455,569	517,655	632,251	340,636	134,469	2,691,969
NET CASH CHANGE	358,582	342,173	200,485	53,803	257,025	368,166	1,580,234
DEDUCT:							
RESERVES FOR:							
UNPAID LOSSES	-	-	-	53,363	81,637	47,116	182,116
UNPAID LOSS ADJ EXPENSES	-	-	993	10,240	10,840	9,254	31,327
UNEARNED PREMIUMS	-	-	-	-	-	242,422	242,422
TOTAL RESERVES	0	0	993	63,603	92,477	298,792	455,865
ADD:							
OTHER CHANGES:							
INTEREST ACCRUED	1,579	7,961	2,988	658	3,724	6,806	23,716
ASSETS NOT ADMITTED	-	500	(703)	-	(500)	-	(703)
TOTAL OTHER CHANGES	1,579	8,461	2,285	658	3,224	6,806	23,013
DISTRIBUTION RETAINED - INSOLVENTS	-	106,908	-	-	-	-	106,908
DISTRIBUTION OF EQUITY	-	-	-	-	-	-	-
DISTR TO COMPANIES NO LONGER MEMBERS	-	-	-	-	-	-	-
MEMBERS' EQUITY	360,161	457,542	201,777	(9,142)	167,772	76,180	1,254,290

CALIFORNIA FAIR PLAN ASSOCIATION  
DIVISION II - BUSINESSOWNERS  
STATISTICAL REPORT OF PREMIUMS  
FISCAL YEAR 2018  
For the Twelve Months Ending September 30, 2018

	QUARTER			YEAR-TO-DATE		
	POOL YEAR			POOL YEAR		
	2017	2018	TOTAL	2017	2018	TOTAL
PREMIUMS WRITTEN						
PROPERTY	\$205	\$64,885	\$65,090	(\$3,768)	\$261,875	\$258,107
LIABILITY	0	58,634	58,634	(2,467)	240,462	237,995
TOTAL PREMIUMS WRITTEN	205	123,519	123,724	(6,235)	502,337	496,102
CHANGE IN UNEARNED PREMIUMS						
PROPERTY	7,594	(5,289)	2,305	138,602	(126,059)	12,543
LIABILITY	7,010	(4,882)	2,128	127,940	(116,363)	11,577
TOTAL CHANGE IN UNEARNED PREMIUMS	14,604	(10,171)	4,433	266,542	(242,422)	24,120
EARNED PREMIUMS						
PROPERTY	7,799	59,596	67,395	134,834	135,816	270,650
LIABILITY	7,010	53,752	60,762	125,473	124,099	249,572
NET EARNED PREMIUMS	14,809	113,348	128,157	260,307	259,915	520,222

## CALIFORNIA FAIR PLAN ASSOCIATION

Exhibit 4B

## DIV II - BUSINESSOWNERS

## STATISTICAL REPORT OF LOSSES

FISCAL YEAR 2018

For the Twelve Months Ending September 30, 2018

	QUARTER							YEAR-TO-DATE						
	POOL YEAR							POOL YEAR						
	2013	2014	2015	2016	2017	2018	TOTAL	2013	2014	2015	2016	2017	2018	TOTAL
LOSSES PAID														
PROPERTY	\$0	\$0	\$0	\$36,529	\$0	\$0	\$36,529	\$0	\$0	\$0	\$41,786	\$1,643	\$0	\$43,429
LIABILITY	(7,500)	0	0	0	0	0	(7,500)	(7,500)	0	0	0	0	0	(7,500)
TOTAL LOSSES PAID:	(7,500)	0	0	36,529	0	0	29,029	(7,500)	0	0	41,786	1,643	0	35,929
CHANGE IN LOSS RESERVES														
PROPERTY	0	(5,442)	(18,322)	(41,525)	(10,883)	28,923	(47,249)	0	(5,442)	(18,322)	(51,782)	(10,883)	28,923	(57,506)
LIABILITY	7,500	(4,023)	(13,543)	8,715	(8,043)	16,942	7,548	0	(4,023)	(13,543)	8,715	(3,043)	16,942	5,048
TOTAL CHANGE IN LOSS RESERVES:	7,500	(9,465)	(31,865)	(32,810)	(18,926)	45,865	(39,701)	0	(9,465)	(31,865)	(43,067)	(13,926)	45,865	(52,458)
LOSSES INCURRED														
PROPERTY	0	(5,442)	(18,322)	(4,996)	(10,883)	28,923	(10,720)	0	(5,442)	(18,322)	(9,996)	(9,240)	28,923	(14,077)
LIABILITY	0	(4,023)	(13,543)	8,715	(8,043)	16,942	48	(7,500)	(4,023)	(13,543)	8,715	(3,043)	16,942	(2,452)
TOTAL LOSSES INCURRED:	0	(9,465)	(31,865)	3,719	(18,926)	45,865	(10,672)	(7,500)	(9,465)	(31,865)	(1,281)	(12,283)	45,865	(16,529)

CALIFORNIA FAIR PLAN ASSOCIATION  
 DIV II - BUSINESSOWNERS  
 STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES  
 FISCAL YEAR 2018  
 For the Twelve Months Ending September 30, 2018

	QUARTER							YEAR-TO-DATE						
	POOL YEAR							POOL YEAR						
	2013	2014	2015	2016	2017	2018	TOTAL	2013	2014	2015	2016	2017	2018	TOTAL
LOSS ADJUSTMENT PAID														
PROPERTY	0	0	166	1,539	497	166	2,367	0	0	782	3,961	5,004	782	10,529
LIABILITY	0	0	110	331	331	325	1,099	13,642	0	522	1,565	2,608	737	19,072
TOTAL LOSS ADJ EXP PAID	0	0	276	1,870	828	491	3,466	13,642	0	1,304	5,525	7,611	1,519	29,601
CHANGE IN LOSS ADJ. RES														
PROPERTY	0	(2,064)	(5,761)	(14,607)	(7,996)	4,511	(25,917)	0	(2,064)	(5,761)	(14,607)	(7,996)	4,511	(25,917)
LIABILITY	0	(1,526)	(4,258)	(10,796)	(5,910)	3,334	(19,156)	0	(1,526)	(4,258)	(10,796)	(5,910)	3,334	(19,156)
TOTAL CHANGE IN LOSS ADJ. RES.	0	(3,590)	(10,019)	(25,403)	(13,906)	7,845	(45,073)	0	(3,590)	(10,019)	(25,403)	(13,906)	7,845	(45,073)
LOSS ADJ EXP INCURRED														
PROPERTY	0	(2,064)	(5,595)	(13,068)	(7,499)	4,677	(23,550)	0	(2,064)	(4,979)	(10,646)	(2,992)	5,293	(15,388)
LIABILITY	0	(1,526)	(4,148)	(10,465)	(5,579)	3,659	(18,057)	13,642	(1,526)	(3,737)	(9,232)	(3,303)	4,071	(84)
TOTAL LOSS ADJ INCURRED	0	(3,590)	(9,743)	(23,533)	(13,078)	8,336	(41,607)	13,642	(3,590)	(8,715)	(19,878)	(6,295)	9,364	(15,472)

## DIV II - BUSINESSOWNERS

## QUARTERLY RESERVES EXHIBIT

FISCAL YEAR 2018

For the Twelve Months Ending September 30, 2018

	6/30/2018							9/30/2018						
	POOL YEAR							POOL YEAR						
	2013	2014	2015	2016	2017	2018	TOTAL	2013	2014	2015	2016	2017	2018	TOTAL
UNEARNED PREMIUM RESERVES:														
PROPERTY	\$0	\$0	\$0	\$0	\$7,594	\$120,771	\$128,365	\$0	\$0	\$0	\$0	\$0	\$126,059	\$126,059
LIABILITY	0	0	0	0	7,010	111,481	118,491	0	0	0	0	0	116,363	116,363
TOTAL UNEARNED PREM RESERVES	0	0	0	0	14,604	232,252	246,856	0	0	0	0	0	242,422	242,422
LOSS RESERVES:														
LOSS RESERVES: CASE														
PROPERTY	0	0	0	53,316	0	0	53,316	0	0	0	0	0	6,000	6,000
LIABILITY	0	0	0	0	5,000	0	5,000	0	0	0	0	5,000	0	5,000
TOTAL CASE RESERVES	0	0	0	53,316	5,000	0	58,316	0	0	0	0	5,000	6,000	11,000
LOSS RESERVES: IBNR														
PROPERTY	719	5,442	18,322	18,893	54,949	0	98,325	0	0	0	30,684	44,066	23,642	98,392
LIABILITY	532	4,023	13,543	13,964	40,614	0	72,676	0	0	0	22,679	32,571	17,474	72,724
TOTAL IBNR RESERVES	1,251	9,465	31,865	32,857	95,563	0	171,001	0	0	0	53,363	76,637	41,116	171,116
TOTAL LOSS RESERVES:														
PROPERTY	719	5,442	18,322	72,209	54,949	0	151,641	0	0	0	30,684	44,066	29,642	104,392
LIABILITY	532	4,023	13,543	13,964	45,614	0	77,676	0	0	0	22,679	37,571	17,474	77,724
TOTAL LOSS RESERVES	1,251	9,465	31,865	86,173	100,563	0	229,317	0	0	0	53,363	81,637	47,116	182,116
LOSS EXPENSE RESERVES:														
PROPERTY	810	2,064	6,332	20,495	14,229	0	43,930	0	0	571	5,888	6,233	5,321	18,013
LIABILITY	599	1,526	4,680	15,148	10,517	0	32,470	0	0	422	4,352	4,607	3,933	13,314
TOTAL LOSS EXPENSE RESERVES	1,409	3,590	11,012	35,643	24,746	0	76,400	0	0	993	10,240	10,840	9,254	31,327



**CALIFORNIA FAIR PLAN ASSOCIATION**  
DIVISION II - BUSINESSOWNERS POLICY  
REPORTING SCHEDULE P NUMBER OF CLAIMS OUTSTANDING  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2018

LINE OF BUSINESS	2018	2017	2016	2015	2014	TOTAL
PROPERTY	1	0	0	0	0	1
LIABILITY	0	1	0	0	0	1
TOTAL	1	1	0	0	0	2

## NOTES:

- 1) MEMBERS SHOULD APPLY THEIR RESPECTIVE PERCENTAGE OF PARTICIPATION TO THE REPORTED CLAIMS OUTSTANDING BY LINE AND BY YEAR.
- 2) CLAIM COUNTS ARE SHOWN ON A "PER CLAIM BASIS."

CALIFORNIA FAIR PLAN ASSOCIATION  
DIVISION II - BUSINESSOWNERS POLICY  
SUPPLEMENTAL UNDERWRITING RATIOS

	TWELVE MONTHS ENDED SEPTEMBER 30, 2018			DATE OF INCEPTION THROUGH SEPTEMBER 30, 2018		
	PROPERTY	LIABILITY	TOTAL	PROPERTY	LIABILITY	TOTAL
PREMIUMS WRITTEN	258,107	237,995	496,102	25,827,637	23,396,420	49,224,057
PREMIUMS EARNED	270,650	249,572	520,222	25,567,857	23,291,634	48,859,491
LOSSES INCURRED	(14,077)	(2,452)	(16,529)	10,554,541	7,659,706	18,214,247
LOSS ADJUSTMENT EXP INCURRED	(15,388)	(84)	(15,472)	1,354,164	4,356,082	5,710,246
COMMISSIONS	18,524	17,040	35,564	2,448,421	2,209,918	4,658,339
OTHER UNDERWRITING EXPENSES	51,256	47,313	98,569	4,507,676	4,093,420	8,601,096
UNDERWRITING GAIN (LOSS)	230,335	187,755	418,090	6,703,055	4,972,508	11,675,563
RATIOS:	%	%	%	%	%	%
LOSSES INCURRED TO PREMIUMS EARNED	-5.20	-0.98	-3.18	41.28	32.89	37.28
LOSS ADJUSTMENT EXPENSES INCURRED TO PREMIUMS EARNED	-5.69	-0.03	-2.97	5.30	18.70	11.69
COMMISSIONS TO PREMIUMS WRITTEN	7.18	7.16	7.17	9.48	9.45	9.46
OTHER UNDERWRITING EXPENSES TO PREMIUMS WRITTEN	19.86	19.88	19.87	17.45	17.50	17.47
COMBINED RATIO	16.15	26.02	20.89	73.51	78.53	75.90