

MARYLAND JOINT INSURANCE ASSOCIATION
INCEPTION TO September 30, 2019
MEMBERS' ACCOUNT

<u>DESCRIPTION</u>	<u>Inception to 2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>TOTAL</u>	
Premiums Written	87,933,175	1,251,815	1,130,936	994,189	894,133 A	824,475 B	20,839	93,049,562	Note 1
Unearned Premiums	-	-	-	-	-	406,582	20,839	427,421	
Earned Premiums	87,933,175	1,251,815	1,130,936	994,189	894,133	417,893	-	92,622,141	
Losses Paid	41,694,870	300,996	216,281	299,072	353,184	66,117		42,930,520	
Unpaid Losses	-	-	-	-	53,901	81,774		135,675	
Incurred Losses	41,694,870	300,996	216,281	299,072	407,085	147,891	-	43,066,195	
Loss Adjustment Expenses Paid	8,752,458	262,536	231,696	175,393	159,064	82,658		9,663,805	
Unpaid Loss Adjustment Expenses	-	-	-	-	13,169	31,899		45,068	
Incurred Loss Adjustment Expense	8,752,458	262,536	231,696	175,393	172,233	114,557.00	-	9,708,873	
Operating Expenses Incurred	37,507,480	1,004,827	990,344	1,327,073	859,272	816,242		42,505,238	
Commissions Incurred	6,871,698	77,408	67,390	55,136	47,423	44,356		7,163,411	
Premium Taxes Incurred	400,060	25,209	22,025	19,918	17,701	15,926		500,839	Note 2
Unpaid Expenses	1,159,775	-	-	-	600	66,057		1,226,432	
Underwriting Expenses Incurred	45,939,013	1,107,444	1,079,759	1,402,127	924,996	942,581	-	51,395,920	
Underwriting Gain (Loss)	(8,453,166)	(419,161)	(396,800)	(882,403)	(610,181)	(787,136)	-	(11,548,847)	
Investment Income Received	2,805,344	-	-	-	-	-		2,805,344	
Miscellaneous Income Received	394,038	4,182	9,681	10,995	13,189	10,386		442,471	
Accrued Investment Income	-	-	-	-	-	-		-	
Investment Income Earned	3,199,382	4,182	9,681	10,995	13,189	10,386.00	-	3,247,815	
<u>Members Equity (Deficit)</u>									
Net Increase (Decrease)	(5,253,784)	(414,979)	(387,119)	(871,408)	(596,992)	(776,750)		(8,301,032)	
Assessments	10,291,597	-	-	-	2,000,000	-		12,291,597	
Distributions	(2,493,325)	-	-	-	-	-		(2,493,325)	
Prior Policy Year Rollover	-	-	-	-	-	-		-	
Prior Period Entry	59,732	-	-	(7,618)	-	-		52,114	
Adjustment to Bring Advance Premium Current. One time.	43,791	-	-	-	-	-		43,791	
Additional Minimum Pension Liability	-	-	-	-	-	(982,017)		(982,017)	
Change in Accum. Post Retirement Benefit	-	-	-	-	-	(351,386)		(351,386)	
Changes to Pension per SSAP 102	-	-	-	-	-	-		-	
Change to Accum. Post Retirement Benefit per SSAP 92	-	-	-	-	-	-		-	
Non-admitted Assets	-	-	-	-	-	(42,103)		(42,103)	
Ending Members' Equity (Deficit)	2,648,011	(414,979)	(387,119)	(879,026)	1,403,008	(2,152,256)	-	217,639	

Note 1 Issue: Premiums do not report as expected based on Exhibit 3A. The advanced premiums are included in the 2020 column for ITD reporting. These amounts have not been audited yet but will be.

A Premiums above for 2018 include the following: premiums for 2018 written in FY 2018, premiums for 2018 written in FY 2019, and advanced premiums from FY 2017 (2018 beginning unearned premiums).

888,615	2018 premiums written in FY 2018
(23,551)	2018 premiums written in FY 2019
29,069	Advanced premiums from FY 2017 (2018 beginning unearned premiums)
<u>894,133</u>	

B Written premiums for 2019 above include the following: premiums for 2019 written in FY 2019 and advanced premiums from FY 2018 (2019 beginning unearned premiums).

799,021	2019 premiums written in FY 2019
25,454	Advanced premiums from FY 2018 (2019 beginning unearned premiums)
<u>824,475</u>	

Note 2 Issue: Premium Tax

Explanation: The difference in Premium Tax from the Inception to Date versus the Exhibit 3a Members Equity is due to cash/accrual differences. The figure on Exhibit 3a line 9 of \$12,020 is the cash basis premium tax payments, whereas the figure of \$15,926 on the Inception to Date report is the Premium Tax Incurred on the accrual basis. There is no place on Exhibit 3a that displays Premium Tax Incurred and there is no place on the Inception to Date to reflect cash to accrual differences. See the rollforward below, which can be calculated from the figures provided on Exhibit 3a.

<u>Premium Tax</u>	
Cash paid	12,020
Less: PY balance	-
Plus: CY balance	<u>3,906</u>
<u>Incurred</u>	<u>15,926</u>