

MARYLAND JOINT INSURANCE ASSOCIATION
COMPARATIVE INCOME STATEMENT AND EQUITY ACCOUNT

<u>DESCRIPTION</u>	<u>12 MONTHS ENDING 9/30/2018</u>	<u>PERCENT OF PREMIUMS EARNED</u>	<u>12 MONTHS ENDING 9/30/2017</u>	<u>PERCENT OF PREMIUMS EARNED</u>
<u>UNDERWRITING INCOME:</u>				
PREMIUMS WRITTEN	885,078		995,906	
PREMIUMS EARNED	<u>972,336</u>		<u>1,048,370</u>	
<u>DEDUCTIONS:</u>				
LOSSES INCURRED	382,496	39.34	173,210	16.52
LOSS EXPENSE INCURRED	177,679	18.27	175,014	16.69
COMMISSIONS	47,027	4.84	54,495	5.20
OPERATING EXPENSES INCURRED	916,636	94.27	1,306,177	124.59
PREMIUM TAXES INCURRED	<u>17,701</u>	<u>1.82</u>	<u>19,918</u>	<u>1.90</u>
TOTAL DEDUCTIONS	<u>1,541,539</u>	<u>158.54</u>	<u>1,728,814</u>	<u>164.90</u>
NET UNDERWRITING GAIN OR (LOSS)	<u>(569,203)</u>		<u>(680,444)</u>	
<u>OTHER INCOME OR (OUTGO)</u>				
NET INVESTMENT INCOME	-		-	
MISCELLANEOUS INCOME	<u>12,413</u>		<u>11,801</u>	
TOTAL OTHER INCOME OR (OUTGO)	<u>12,413</u>		<u>11,801</u>	
<u>EQUITY ACCOUNT:</u>				
BEGINNING MEMBERS EQUITY (DEFICIT)	(209,889)		(66,272)	
NET INCOME OR (LOSS)	(556,790)		(668,643)	
CHANGE IN MINIMUM PENSION LIABILITY	-		-	
UNASSIGNED FUNDS (PENSION)	213,212		484,228	
UNASSIGNED FUNDS (ACCUM POST RET BEN)	67,144		32,724	
CHANGE IN ASSETS NOT ADMITTED	749		8,074	
CHANGES TO PENSION & APRB REPORTING	-		-	
PRIOR PERIOD CHANGES POST AUDIT	(7,618)		-	
ASSESSMENTS OR (DISTRIBUTIONS)	<u>-</u>		<u>-</u>	
ENDING MEMBERS' EQUITY (DEFICIT)	<u>(493,192)</u>		<u>(209,889)</u>	

MARYLAND JOINT INSURANCE ASSOCIATION
COMPARATIVE BALANCE SHEETS FOR THE
PERIODS ENDED

<u>DESCRIPTION</u>	<u>9/30/2018</u>	<u>9/30/2017</u>	<u>CHANGE</u>
<u>ASSETS:</u>			
CASH	1,632,242	2,321,467	(689,225)
DCPIF MANAGEMENT FEES RECEIVABLE	9,362	38,256	(28,894)
ASSESSMENTS RECEIVABLE	-	-	-
INSTALLMENT PREMIUM RECEIVABLE	40,340	60,254	(19,914)
PRODUCER COMMISSION RECEIVABLE	-	117	(117)
MISCELLANEOUS RECEIVABLES	-	948	(948)
FIXED ASSETS	-	-	-
TOTAL ASSETS	<u>1,681,944</u>	<u>2,421,042</u>	<u>(739,098)</u>
<u>LIABILITIES AND EQUITY:</u>			
<u>RESERVE FOR</u>			
UNEARNED PREMIUM	447,333	530,976	(83,643)
ADVANCE PREMIUM	25,454	29,069	(3,615)
UNPAID LOSSES	198,430	158,515	39,915
UNPAID LOSS ADJUSTMENT EXPENSE	62,581	46,922	15,659
UNPAID PREMIUM TAXES	427	82	345
COMMISSIONS PAYABLE	6,420	18,081	(11,661)
OPERATING EXPENSES:			
ACCRUED EXPENSES / ACCOUNTS PAYABLE	64,658	71,796	(7,138)
POST RETIREMENT BENEFITS	1,057,353	1,206,689	(149,336)
PENSION LIABILITY	307,304	565,557	(258,253)
OTHER	-	-	-
AMOUNTS WITHHELD FOR OTHERS	<u>5,176</u>	<u>3,244</u>	<u>1,932</u>
TOTAL LIABILITIES	<u>2,175,136</u>	<u>2,630,931</u>	<u>(455,795)</u>
MEMBERS' EQUITY (DEFICIT)	<u>(493,192)</u>	<u>(209,889)</u>	<u>(283,303)</u>
TOTAL LIABILITIES AND EQUITY	<u>1,681,944</u>	<u>2,421,042</u>	<u>(739,098)</u>

MARYLAND JOINT INSURANCE ASSOCIATION
BALANCE SHEET
September 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	1,632,242			1,632,242
DCPIF MANAGEMENT FEES RECEIVABLE	9,362			9,362
ASSESSMENTS RECEIVABLE	-			-
INSTALLMENT PREMIUM RECEIVABLE	41,857		1,517	40,340
PREPAID EXPENSES	30,708		30,708	-
PRODUCER COMMISSION RECEIVABLE	-			-
MISCELLANEOUS RECEIVABLES	-			-
FIXED ASSETS	12,295		12,295	-
TOTAL ASSETS	<u>1,726,464</u>	<u>-</u>	<u>44,520</u>	<u>1,681,944</u>
<u>LIABILITIES AND EQUITY:</u>				
<u>RESERVE FOR</u>				
UNEARNED PREMIUM				447,333
ADVANCE PREMIUM				25,454
UNPAID LOSSES				198,430
UNPAID LOSS ADJUSTMENT EXPENSE				62,581
UNPAID PREMIUM TAXES				427
COMMISSION PAYABLE				6,420
<u>OPERATING EXPENSES:</u>				
ACCRUED EXPENSES				64,658
POST RETIREMENT BENEFITS				1,057,353
PENSION LIABILITY				307,304
OTHER				-
AMOUNTS WITHHELD FOR OTHERS				<u>5,176</u>
TOTAL LIABILITIES				<u>2,175,136</u>
MEMBERS' EQUITY (DEFICIT)				<u>(493,192)</u>
TOTAL LIABILITIES AND EQUITY				<u>1,681,944</u>

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

	<u>QUARTER</u>	<u>YEAR-TO-DATE</u>
<u>UNDERWRITING INCOME:</u>		
PREMIUMS EARNED	<u>240,166</u>	<u>972,336</u>
<u>DEDUCTIONS:</u>		
LOSSES INCURRED	115,813	382,496
LOSS EXPENSES INCURRED	53,518	177,679
COMMISSIONS	9,584	47,027
OPERATING EXPENSES INCURRED	213,837	916,636
PREMIUM TAXES INCURRED	<u>4,438</u>	<u>17,701</u>
TOTAL DEDUCTIONS	<u>397,190</u>	<u>1,541,539</u>
NET UNDERWRITING GAIN OR (LOSS)	<u>(157,024)</u>	<u>(569,203)</u>
<u>OTHER INCOME OR (OUTGO):</u>		
NET INVESTMENT INCOME	-	-
MISCELLANEOUS INCOME	<u>4,309</u>	<u>12,413</u>
	<u>4,309</u>	<u>12,413</u>
<u>EQUITY ACCOUNT:</u>		
BEGINNING MEMBERS' EQUITY (DEFICIT)	(609,236)	(209,889)
NET INCOME OR (LOSS)	(152,715)	(556,790)
CHANGE IN MINIMUM PENSION LIABILITY	213,212	213,212
UNASSIGNED FUNDS (PENSION)	67,144	67,144
UNASSIGNED FUNDS (ACCUM POST RET BEN)	-	-
CHANGE IN ASSETS NOT ADMITTED	(11,597)	749
CHANGES TO PENSION & APRB REPORTING	-	-
PRIOR PERIOD CHANGES POST AUDIT	-	(7,618)
ASSESSMENTS OR (DISTRIBUTIONS)	<u>-</u>	<u>-</u>
NET CHANGE IN EQUITY	<u>116,044</u>	<u>(283,303)</u>
ENDING MEMBERS' EQUITY (DEFICIT)	<u><u>(493,192)</u></u>	<u><u>(493,192)</u></u>

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

Exhibit 3A

		Quarter-To-Date					Year-To-Date								
Item	Description	Policy Year				ADVANCE	Total	Policy Year				ADVANCE	Total		
		2014	2015	2016	2017	2018		2019	2014	2015	2016	2017		2018	2019
<u>Income Received:</u>															
1	Premiums Written				(218)	196,715	25,454	221,951			(28,991)	888,615	25,454	885,078	
2	Interest							-						-	
3	Miscellaneous					4,309		4,309			(776)	13,189		12,413	
4	Total Income Received				(218)	201,024	25,454	226,260			(29,767)	901,804	25,454	897,491	
<u>Expenses Paid:</u>															
5	Losses				12,700	33,332		46,032		32,967	234,956	74,658		342,581	
6	Loss Adjustment Expenses			37	12,652	23,426		36,115		10,563	68,300	83,157		162,020	
7	Commissions				(23)	9,607		9,584			(1,407)	48,434		47,027	
8	Operating Expenses				9,500	185,441		194,941		1,153	85,704	823,348		910,205	
9	Premium Taxes					4,345		4,345		1,596	(1,318)	(818)	17,896	17,356	
10	Total Expenses Paid			37	34,829	256,151	-	291,017		1,596	43,365	386,735	1,047,493	-	1,479,189
11	Net Cash Income			(37)	(35,047)	(55,127)	25,454	(64,757)		(1,596)	(43,365)	(416,502)	(145,689)	25,454	(581,698)
<u>Deduct Ending Reserves For:</u>															
12	Losses				11,050	187,380		198,430			11,050	187,380		198,430	
13	Loss Adjustment Expense				2,700	59,881		62,581			2,700	59,881		62,581	
14	Operating Expenses	6,888	3,957	2,724	2,618	62,040		78,227	6,888	3,957	2,724	2,618	62,040	78,227	
15	Premium Taxes				622	(195)		427				622	(195)	427	
16	Unearned Premiums					447,333	25,454	472,787				447,333	25,454	472,787	
<u>Add Beginning Reserves For:</u>															
17	Losses				46,179	82,470		128,649		61,940	96,575			158,515	
18	Loss Adjustment Expense				14,513	30,665		45,178			8,760	38,162		46,922	
19	Operating Expenses				10,618	48,713		59,331			1,153	70,643		71,796	
20	Premium Taxes				622	(288)		334		1,596	(1,318)	(196)		82	
21	Unearned Premiums				28,869	462,133		491,002				530,976	29,069	560,045	
22	Change In Underwriting Reserves	(6,888)	(3,957)	(2,724)	83,811	(132,746)	(25,454)	(87,958)	(6,888)	(2,361)	67,811	719,170	(727,370)	(25,454)	24,908
<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					(32,924)		(32,924)				(45,270)			(45,270)
<u>Add Ending Reserves For:</u>															
27	Accrued Investment Interest														
28	Minimum Pension Liability (new method)					(638,405)		(638,405)					(638,405)		(638,405)
29	Accum Post Ret Ben: Unassigned Funds (new method)					87,483		87,483					87,483		87,483
30	Non-Admitted Assets					(44,521)		(44,521)					(44,521)		(44,521)
31	Change In Pension Liability	-	-	-	-	213,212	-	213,212	-	-	-	851,617	(638,405)	-	213,212
32	Change in Accum Post Ret Ben					67,144		67,144				(20,339)	87,483		67,144
33	Change in Non-Admitted Assets					(11,597)		(11,597)				45,270	(44,521)		749
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	(6,888)	(3,957)	(2,761)	48,764	80,886	-	116,044	(6,888)	(3,957)	24,446	1,171,598	(1,468,502)	-	(283,303)
37	Beginning Members' Equity (Deficit)	2,648,011	(404,134)	(384,007)	(919,718)	(1,549,388)		(609,236)	2,648,011	(404,134)	(411,214)	(2,042,552)			(209,889)
38	Policy Year Rollover														
39	Ending Members' Equity (Deficit)	2,641,123	(408,091)	(386,768)	(870,954)	(1,468,502)	-	(493,192)	2,641,123	(408,091)	(386,768)	(870,954)	(1,468,502)	-	(493,192)

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

Exhibit 4A

Item	Description	Quarter-To-Date						Year-To-Date							
		Policy Year					ADVANCE	Total	Policy Year					ADVANCE	Total
		2014	2015	2016	2017	2018			2019	2014	2015	2016	2017		
<u>Premiums Written</u>															
1	Fire				(146)	50,763	4,653	55,270				(13,506)	250,936	4,653	242,083
2	Allied Lines				(31)	9,901	1,152	11,022				(1,380)	54,001	1,152	53,773
3	Homeowners				(41)	136,051	19,649	155,659				(14,105)	583,678	19,649	589,222
4	Total	-	-	-	(218)	196,715	25,454	221,951	-	-	-	(28,991)	888,615	25,454	885,078
<u>Beginning Unearned Premiums</u>															
5	Fire				6,085	135,474		141,559				149,170	7,169		156,339
6	Allied Lines				1,263	30,074		31,337				29,345	1,829		31,174
7	Homeowners				21,521	296,585		318,106				352,461	20,071		372,532
8	Total	-	-	-	28,869	462,133	-	491,002	-	-	-	530,976	29,069	-	560,045
<u>Ending Unearned Premiums</u>															
9	Fire					125,839	4,653	130,492					125,839	4,653	130,492
10	Allied Lines					27,146	1,152	28,298					27,146	1,152	28,298
11	Homeowners					294,348	19,649	313,997					294,348	19,649	313,997
12	Total	-	-	-	-	447,333	25,454	472,787	-	-	-	-	447,333	25,454	472,787
<u>Earned Premiums</u>															
13	Fire				5,939	60,398	-	66,337				135,664	132,266	-	267,930
14	Allied Lines				1,232	12,829	-	14,061				27,965	28,684	-	56,649
15	Homeowners				21,480	138,288	-	159,768				338,356	309,401	-	647,757
16	Total	-	-	-	28,651	211,515	-	240,166	-	-	-	501,985	470,351	-	972,336

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

Exhibit 4B

Item	Description	Quarter-To-Date					Total	Year-To-Date					Total
		2014	2015	2016	2017	2018		2014	2015	2016	2017	2018	
<u>Paid Losses</u>													
1	Fire				-	-	-			31,312	125,199	2,416	158,927
2	Allied Lines				-	-	-			-	4,462	620	5,082
3	Homeowners				12,700	33,332	46,032			1,655	105,295	71,622	178,572
4	Total	-	-	-	12,700	33,332	46,032	-	-	32,967	234,956	74,658	342,581
<u>Ending Loss Reserves</u>													
5	Fire				-	17,056	17,056				-	17,056	17,056
6	Allied Lines				-	13,337	13,337				-	13,337	13,337
7	Homeowners				11,050	156,987	168,037				11,050	156,987	168,037
8	Total	-	-	-	11,050	187,380	198,430	-	-	-	11,050	187,380	198,430
<u>Beginning Loss Reserves</u>													
9	Fire				6,740	14,199	20,939			58,465	20,048		78,513
10	Allied Lines				2,639	4,506	7,145			-	5,805		5,805
11	Homeowners				36,800	63,765	100,565			3,475	70,722		74,197
12	Total	-	-	-	46,179	82,470	128,649	-	-	61,940	96,575	-	158,515
<u>Incurred Losses</u>													
13	Fire				(6,740)	2,857	(3,883)			(27,153)	105,151	19,472	97,470
14	Allied Lines				(2,639)	8,831	6,192			-	(1,343)	13,957	12,614
15	Homeowners				(13,050)	126,554	113,504			(1,820)	45,623	228,609	272,412
16	Total	-	-	-	(22,429)	138,242	115,813	-	-	(28,973)	149,431	262,038	382,496
<u>Ending IBNR Loss Reserves</u>													
17	Fire					17,056	17,056					17,056	17,056
18	Allied Lines					5,337	5,337					5,337	5,337
19	Homeowners					40,987	40,987					40,987	40,987
20	Total (Included In Item 8)	-	-	-	-	63,380	63,380	-	-	-	-	63,380	63,380
<u>Beginning IBNR Loss Reserves</u>													
21	Fire				3,339	14,199	17,538				20,048		20,048
22	Allied Lines				1,006	4,506	5,512				5,805		5,805
23	Homeowners				11,518	32,402	43,920				45,722		45,722
24	Total (Included In Item 12)	-	-	-	15,863	51,107	66,970	-	-	-	71,575	-	71,575

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

Exhibit 4C

		Quarter-To-Date					
Item	Description	Policy Year					Total
		2014	2015	2016	2017	2018	
<u>Paid Loss Expenses</u>							
1	Fire			-	1,302	2,000	3,302
2	Allied Lines			-	64	2,407	2,471
3	Homeowners			37	11,286	19,019	30,342
4	Total	-	-	37	12,652	23,426	36,115
<u>Ending Loss Expense Reserves</u>							
5	Fire				-	4,613	4,613
6	Allied Lines				-	6,903	6,903
7	Homeowners				2,700	48,365	51,065
8	Total	-	-	-	2,700	59,881	62,581
<u>Beginning Loss Expense Reserves</u>							
9	Fire				1,363	3,841	5,204
10	Allied Lines				1,347	3,330	4,677
11	Homeowners				11,803	23,494	35,297
12	Total	-	-	-	14,513	30,665	45,178
<u>Incurred Loss Expenses</u>							
13	Fire			-	(61)	2,772	2,711
14	Allied Lines			-	(1,283)	5,980	4,697
15	Homeowners			37	2,183	43,890	46,110
16	Total	-	-	37	839	52,642	53,518

Year-To-Date					Total
Policy Year					
2014	2015	2016	2017	2018	
		8,288	14,810	11,277	34,375
			6,024	7,290	13,314
		2,275	47,466	64,590	114,331
-	-	10,563	68,300	83,157	162,020
			-	4,613	4,613
			-	6,903	6,903
			2,700	48,365	51,065
-	-	-	2,700	59,881	62,581
		7,911	5,423		13,334
		-	4,291		4,291
		849	28,448		29,297
-	-	8,760	38,162	-	46,922
		377	9,387	15,890	25,654
		-	1,733	14,193	15,926
		1,426	21,718	112,955	136,099
-	-	1,803	32,838	143,038	177,679

Maryland Joint Insurance Association
Computation Of Case & IBNR Loss Reserves As Of
September 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	-	-	-	-	-	-	-
Allied Lines	-	-	-	-	-	8,000	8,000
Homeowners	-	-	-	-	11,050	116,000	127,050
Total	-	-	-	-	11,050	124,000	135,050

<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	-	-	-	-	-	17,056	17,056
Allied Lines	-	-	-	-	-	5,337	5,337
Homeowners	-	-	-	-	-	40,987	40,987
Total	-	-	-	-	-	63,380	63,380

<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	-	-	-	-	-	17,056	17,056
Allied Lines	-	-	-	-	-	13,337	13,337
Homeowners	-	-	-	-	11,050	156,987	168,037
Total	-	-	-	-	11,050	187,380	198,430

Maryland Joint Insurance Association
Computation Of Allocated And Unallocated Loss Adjustment Expense Reserves
September 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%	-	-	-	-	-	-	-		
Fire - IBNR	7.60%	-	-	-	-	-	1,296	1,296		1,296
Allied - Case	19.96%	-	-	-	-	-	1,597	1,597		
Allied - IBNR	39.91%	-	-	-	-	-	2,130	2,130		3,727
Homeowners - Case	9.01%	-	-	-	-	996	10,452	11,448		
Homeowners - IBNR	18.02%	-	-	-	-	-	7,386	7,386		18,834
Subtotal		-	-	-	-	996	22,861	23,857		23,857

Unallocated:

Fire - Case	9.73%	-	-	-	-	-	-		-	
Fire - IBNR	19.45%	-	-	-	-	-	3,317		3,317	3,317
Allied - Case	17.01%	-	-	-	-	-	1,361		1,361	
Allied - IBNR	34.01%	-	-	-	-	-	1,815		1,815	3,176
Homeowners - Case	15.42%	-	-	-	-	1,704	17,887		19,591	
Homeowners - IBNR	30.84%	-	-	-	-	-	12,640		12,640	32,231
Subtotal		-	-	-	-	1,704	37,020		38,724	38,724
Total		-	-	-	-	2,700	59,881			62,581

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	-	-	-	-	-	4,613	4,613
Allied Lines	-	-	-	-	-	6,903	6,903
Homeowners	-	-	-	-	2,700	48,365	51,065
Total	-	-	-	-	2,700	59,881	62,581