

DELAWARE FAIR PLAN

EXHIBIT 1

Statement of Assets, Liabilities and Members' Equity At December 31, 2004

	<u>LEDGER ASSETS</u>	<u>ASSETS NOT ADMITTED</u>	<u>NET ADMITTED ASSETS</u>
<u>ASSETS</u>			
Cash	342,043.19	0.00	342,043.19
Investments	152,381.47	0.00	152,381.47
Due from Participating Members	0.00	0.00	0.00
Accrued Investment Income	0.00	0.00	0.00
Premiums Receivable	12,116.50	4,731.60	7,384.90
Other Receivables	0.00	0.00	0.00
Pre-paid Premium Tax	0.00	0.00	0.00
Pre-paid Expenses	0.00	0.00	0.00
Furniture & Equipment	0.00	0.00	0.00
Data Processing Equipment	0.00	0.00	0.00
Other Assets	0.00	0.00	0.00
TOTAL ASSETS	<u>506,541.16</u>	<u>4,731.60</u>	<u>501,809.56</u>
<u>LIABILITIES</u>			
Unpaid Losses (Incl. I.B.N.R.)			275,800.00
Unpaid Loss Adjustment Expenses			7,338.00
Unpaid Underwriting Expenses			9,453.00
Unpaid Post Retirement Benefits			143,031.00
Unearned Premiums			418,451.00
Unearned Advance Premiums			16,228.00
Claims Checks Payable			30,076.77
Amounts Withheld for Accounts of Others			5,874.17
Unpaid Premium Tax			4,152.40
TOTAL LIABILITIES			<u>910,404.34</u>
<u>MEMBERS' EQUITY</u>			
Members' Equity (Deficit)			<u>(408,594.78)</u>
TOTAL LIABILITIES & MEMBERS' EQUITY			<u>501,809.56</u>

DELAWARE FAIR PLAN

EXHIBIT 2

Income Statement for the Quarter and Year to Date Ending December 31, 2004

	<u>Quarter</u>	<u>Year</u>
	<u>10/01/ - 12/31/2004</u>	<u>01/01/ - 12/31/2004</u>
<u>UNDERWRITING INCOME</u>		
Premiums Written	225,201.00	813,220.00
Change in Unearned Premiums	(29,356.00)	(82,331.00)
Premiums Earned	<u>195,845.00</u>	<u>730,889.00</u>
<u>DEDUCTIONS</u>		
Losses Incurred	224,555.63	562,173.10
Loss Adjustment Expenses Incurred	21,507.40	73,140.53
Other Underwriting Expenses Incurred	76,826.09	306,810.20
Post Retirement Benefits Incurred	23,968.68	67,158.36
Premium Tax Incurred	4,504.02	16,264.40
Total Underwriting Deductions	<u>351,361.82</u>	<u>1,025,546.59</u>
Net Underwriting Profit or Loss	(155,516.82)	(294,657.59)
<u>OTHER INCOME OR OUTGO</u>		
Net Investment Income	535.25	1,457.93
Other Income	775.85	803.01
Premiums/Assessments Charged-Off	476.24	(33,437.19)
Total Other Income or Outgo	<u>1,787.34</u>	<u>(31,176.25)</u>
Net Result of Operations	(153,729.48)	(325,833.84)
<u>EQUITY ACCOUNT</u>		
Beginning Members' Equity	(253,648.70)	(82,920.64)
Net Result of Operations	(153,729.48)	(325,833.84)
Change in Assets Not Admitted	(1,216.60)	159.70
Assessment of Policy Year 2001	0.00	0.00
Assessment of Policy Year 2002	0.00	0.00
Assessment of Policy Year 2003	<u>0.00</u>	<u>0.00</u>
MEMBERS' EQUITY (DEFICIT)	<u>(408,594.78)</u>	<u>(408,594.78)</u>

DELAWARE FAIR PLAN

EXHIBIT 3

Reconciliation of Ledger Assets As of December 31, 2004

INCREASE IN LEDGER ASSETS

Premiums Written	813,220.00
Other Income	803.01
Investment Income	1,457.93
Unearned Advance Premiums	10,791.00
Amounts Withheld for Accounts of Others	0.00
Claims Checks Payable	15,303.88
Premiums/Assessments Charged-Off	0.00
Assessment of Policy Year 2001	0.00
Assessment of Policy Year 2002	0.00
Assessment of Policy Year 2003	0.00
TOTAL	<hr/> 841,575.82

DECREASE IN LEDGER ASSETS

Other Income	0.00
Losses Paid	411,623.10
Loss Adjustment Expenses Paid	78,002.53
Other Expenses Paid	340,237.80
Unearned Advance Premiums	0.00
Amounts Withheld for Accounts of Others	5,433.44
Claims Checks Payable	0.00
Premiums/Assessments Charged-Off	33,437.19
TOTAL	<hr/> 868,734.06

Increase(Decrease) in Ledger Assets	(27,158.24)
Ledger Assets at 12/31/2003	533,699.40
Ledger Assets at 12/31/2004	<hr/> 506,541.16

DELAWARE FAIR PLAN

EXHIBIT 4

Statement of Expenses Incurred For the Year Ending December 31, 2004

	<u>Loss Adj. Expenses</u>	<u>Acquisition Expenses</u>	<u>Inspection Expenses</u>	<u>General Expenses</u>	<u>TOTAL</u>
Claim Adjustment Services	45,110.91	0.00	0.00	0.00	45,110.91
Commissions	0.00	70,332.30	0.00	0.00	70,332.30
Boards, Bureaus & Associations	527.84	902.29	0.00	4,500.64	5,930.77
Salaries	20,204.00	54,507.96	0.00	26,006.01	100,717.97
Employee Relations & Welfare	7,349.59	14,221.89	0.00	15,101.60	36,673.08
Insurance	37.56	580.01	0.00	884.65	1,502.22
Travel & Travel Items	846.48	3,081.63	0.00	4,452.91	8,381.02
Rent & Rent Items	1,134.14	9,001.30	0.00	5,400.78	15,536.22
Equipment	163.99	1,950.64	0.00	4,444.89	6,559.52
Printing & Stationery	182.93	3,317.45	0.00	3,816.85	7,317.23
Postage, Telephone, & Telegraph	206.89	5,264.41	0.00	1,917.60	7,388.90
Legal & Auditing	384.29	8,138.09	0.00	6,849.19	15,371.57
Payroll Taxes	1,669.64	4,288.99	0.00	2,046.30	8,004.93
Premium Taxes	0.00	0.00	0.00	16,015.24	16,015.24
State & Local Insurance Taxes	0.00	0.00	0.00	1,693.75	1,693.75
Miscellaneous	184.27	1,077.97	0.00	6,108.51	7,370.75
Advertising	0.00	0.00	0.00	0.00	0.00
Inspections, Surveys & Reports	0.00	0.00	64,333.95	0.00	64,333.95
TOTAL Expenses Paid	78,002.53	176,664.93	64,333.95	99,238.92	418,240.33
ADD: Unpaid Expenses Current Year	7,338.00	113,159.00	2,470.00	41,007.40	163,974.40
Deduct: Unpaid Expenses Prior Year	12,200.00	73,693.00	5,068.00	27,880.24	118,841.24
Expenses Incurred	73,140.53	216,130.93	61,735.95	112,366.08	463,373.49

DELAWARE FAIR PLAN

EXHIBIT 5A

Members' Account by Policy Year For the Quarter Ending December 31, 2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Premiums Written	225,358.00	(157.00)	0.00	0.00	225,201.00
Other Income	22.62	0.00	0.00	753.23	775.85
Investment Income Received	535.25	0.00	0.00	0.00	535.25
Subtotal	225,915.87	(157.00)	0.00	753.23	226,512.10
<u>EXPENSES PAID:</u>					
Losses	28,605.63	(50.00)	0.00	0.00	28,555.63
Loss Adjustment Expenses	13,819.75	5,726.65	0.00	0.00	19,546.40
Other Underwriting Expenses	60,690.87	0.00	0.00	0.00	60,690.87
Premium Tax	3,033.55	(5.55)	0.00	0.00	3,028.00
Commissions	19,128.30	(13.40)	0.00	0.00	19,114.90
Premiums/Assessments Charged-off	234.30	(2.40)	0.00	(708.14)	(476.24)
Subtotal	125,512.40	5,655.30	0.00	(708.14)	130,459.56
BALANCE DUE COMPANIES	100,403.47	(5,812.30)	0.00	1,461.37	96,052.54
<u>DEDUCT:</u>					
Prior Investment Income Accrued	0.00	0.00	0.00	0.00	0.00
Prior Non-Admitted Assets	(3,515.00)	0.00	0.00	0.00	(3,515.00)
Subtotal	(3,515.00)	0.00	0.00	0.00	(3,515.00)
<u>ADD:</u>					
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(4,731.60)	0.00	0.00	0.00	(4,731.60)
Subtotal	(4,731.60)	0.00	0.00	0.00	(4,731.60)
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	99,186.87	(5,812.30)	0.00	1,461.37	94,835.94
<u>DEDUCT:</u>					
Current Unearned Premiums	418,451.00	0.00	0.00	0.00	418,451.00
Current Unpaid Losses (Incl. I.B.N.R.)	233,900.00	41,900.00	0.00	0.00	275,800.00
Current Unpaid Underwriting Expenses	9,453.00	0.00	0.00	0.00	9,453.00
Current Unpaid Post Retirement Benefits	143,031.00	0.00	0.00	0.00	143,031.00
Current Unpaid Loss Adjustment Expenses	6,223.00	1,115.00	0.00	0.00	7,338.00
Current Unpaid Premium Tax	4,152.40	0.00	0.00	0.00	4,152.40
Subtotal	815,210.40	43,015.00	0.00	0.00	858,225.40
<u>ADD:</u>					
Prior Unearned Premiums	367,058.00	22,037.00	0.00	0.00	389,095.00
Prior Unpaid Losses (Incl. I.B.N.R.)	48,800.00	31,000.00	0.00	0.00	79,800.00
Prior Unpaid Underwriting Expenses	10,194.00	0.00	0.00	0.00	10,194.00
Prior Unpaid Post Retirement Benefits	121,301.00	0.00	0.00	0.00	121,301.00
Prior Unpaid Loss Adjustment Expenses	3,288.00	2,089.00	0.00	0.00	5,377.00
Prior Unpaid Premium Tax	2,678.79	(2.41)	0.00	0.00	2,676.38
Subtotal	553,319.79	55,123.59	0.00	0.00	608,443.38
Assessment of Policy Year 2001	0.00	0.00	0.00	0.00	0.00
Assessment of Policy Year 2002	0.00	0.00	0.00	0.00	0.00
Assessment of Policy Year 2003	0.00	0.00	0.00	0.00	0.00
NET CHANGE IN MEMBERS' EQUITY	(162,703.74)	6,296.29	0.00	1,461.37	(154,946.08)

DELAWARE FAIR PLAN

EXHIBIT 5B

Members' Account by Policy Year Year to Date Ending December 31, 2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Premiums Written	790,777.00	22,443.00	0.00	0.00	813,220.00
Other Income	49.78	0.00	0.00	753.23	803.01
Investment Income Received	1,457.93	0.00	0.00	0.00	1,457.93
Subtotal	792,284.71	22,443.00	0.00	753.23	815,480.94
<u>EXPENSES PAID:</u>					
Losses	289,376.71	157,711.42	(35,465.03)	0.00	411,623.10
Loss Adjustment Expenses	30,579.13	45,452.99	1,970.41	0.00	78,002.53
Other Underwriting Expenses	236,798.26	17,092.00	0.00	0.00	253,890.26
Premium Tax	11,663.14	4,352.10	0.00	0.00	16,015.24
Commissions	68,347.20	1,985.10	0.00	0.00	70,332.30
Premiums/Assessments Charged-off	1,214.45	1,050.43	0.00	31,172.31	33,437.19
Subtotal	637,978.89	227,644.04	(33,494.62)	31,172.31	863,300.62
BALANCE DUE COMPANIES	154,305.82	(205,201.04)	33,494.62	(30,419.08)	(47,819.68)
<u>DEDUCT:</u>					
Prior Investment Income Accrued	0.00	0.00	0.00	0.00	0.00
Prior Non-Admitted Assets	0.00	(4,891.30)	0.00	0.00	(4,891.30)
Subtotal	0.00	(4,891.30)	0.00	0.00	(4,891.30)
<u>ADD:</u>					
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(4,731.60)	0.00	0.00	0.00	(4,731.60)
Subtotal	(4,731.60)	0.00	0.00	0.00	(4,731.60)
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	149,574.22	(200,309.74)	33,494.62	(30,419.08)	(47,659.98)
<u>DEDUCT:</u>					
Current Unearned Premiums	418,451.00	0.00	0.00	0.00	418,451.00
Current Unpaid Losses (Incl. I.B.N.R.)	233,900.00	41,900.00	0.00	0.00	275,800.00
Current Unpaid Underwriting Expenses	9,453.00	0.00	0.00	0.00	9,453.00
Current Unpaid Post Retirement Benefits	143,031.00	0.00	0.00	0.00	143,031.00
Current Unpaid Loss Adjustment Expenses	6,223.00	1,115.00	0.00	0.00	7,338.00
Current Unpaid Premium Tax	4,152.40	0.00	0.00	0.00	4,152.40
Subtotal	815,210.40	43,015.00	0.00	0.00	858,225.40
<u>ADD:</u>					
Prior Unearned Premiums	0.00	336,120.00	0.00	0.00	336,120.00
Prior Unpaid Losses (Incl. I.B.N.R.)	0.00	118,300.00	6,950.00	0.00	125,250.00
Prior Unpaid Underwriting Expenses	0.00	17,092.00	0.00	0.00	17,092.00
Prior Unpaid Post Retirement Benefits	0.00	85,646.00	0.00	0.00	85,646.00
Prior Unpaid Loss Adjustment Expenses	0.00	11,523.00	677.00	0.00	12,200.00
Prior Unpaid Premium Tax	0.00	3,903.24	0.00	0.00	3,903.24
Subtotal	0.00	572,584.24	7,627.00	0.00	580,211.24
Assessment of Policy Year 2001	0.00	0.00	0.00	0.00	0.00
Assessment of Policy Year 2002	0.00	0.00	0.00	0.00	0.00
Assessment of Policy Year 2003	0.00	0.00	0.00	0.00	0.00
NET CHANGE IN MEMBERS' EQUITY	(665,636.18)	329,259.50	41,121.62	(30,419.08)	(325,674.14)

DELAWARE FAIR PLAN

EXHIBIT 5C

Members' Account by Policy Year For Active Policy Years at December 31, 2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Premiums Written	790,777.00	625,397.00	414,178.00	384,639.00	2,214,991.00
Other Income	49.78	(52.31)	(15.37)	3,203.90	3,186.00
Investment Income Received	1,457.93	551.44	3,899.07	15,263.31	21,171.75
Subtotal	<u>792,284.71</u>	<u>625,896.13</u>	<u>418,061.70</u>	<u>403,106.21</u>	<u>2,239,348.75</u>
<u>EXPENSES PAID:</u>					
Losses	289,376.71	173,601.50	277,704.40	356,667.71	1,097,350.32
Loss Adjustment Expenses	30,579.13	57,729.53	40,906.36	38,878.82	168,093.84
Other Underwriting Expenses	236,798.26	203,870.26	166,323.39	148,272.47	755,264.38
Premium Tax	11,663.14	12,507.94	8,283.68	7,548.56	40,003.32
Commissions	68,347.20	51,929.50	34,842.00	33,179.10	188,297.80
Premiums/Assessments Charged-off	1,214.45	1,291.43	723.00	32,747.99	35,976.87
Subtotal	<u>637,978.89</u>	<u>500,930.16</u>	<u>528,782.83</u>	<u>617,294.65</u>	<u>2,284,986.53</u>
BALANCE DUE COMPANIES	154,305.82	124,965.97	(110,721.13)	(214,188.44)	(45,637.78)
<u>ADD:</u>					
Current Investment Income Accrued	0.00	0.00	0.00	0.00	0.00
Current Non-Admitted Assets	(4,731.60)	0.00	0.00	0.00	(4,731.60)
Subtotal	<u>(4,731.60)</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>(4,731.60)</u>
EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION	149,574.22	124,965.97	(110,721.13)	(214,188.44)	(50,369.38)
<u>DEDUCT:</u>					
Current Unearned Premiums	418,451.00	0.00	0.00	0.00	418,451.00
Current Unpaid Losses (Incl. I.B.N.R.)	233,900.00	41,900.00	0.00	0.00	275,800.00
Current Unpaid Underwriting Expenses	9,453.00	0.00	0.00	0.00	9,453.00
Current Unpaid Post Retirement Benefits	143,031.00	0.00	0.00	0.00	143,031.00
Current Unpaid Loss Adjustment Expenses	6,223.00	1,115.00	0.00	0.00	7,338.00
Current Unpaid Premium Tax	4,152.40	0.00	0.00	0.00	4,152.40
Subtotal	<u>815,210.40</u>	<u>43,015.00</u>	<u>0.00</u>	<u>0.00</u>	<u>858,225.40</u>
Assessment of Policy Year 2001	0.00	0.00	0.00	200,000.00	200,000.00
Assessment of Policy Year 2002	0.00	0.00	200,000.00	0.00	200,000.00
Assessment of Policy Year 2003	0.00	100,000.00	0.00	0.00	100,000.00
NET CHANGE IN MEMBERS' EQUITY	<u>(665,636.18)</u>	<u>181,950.97</u>	<u>89,278.87</u>	<u>(14,188.44)</u>	<u>(408,594.78)</u>

DELAWARE FAIR PLAN

EXHIBIT 6A

Premium Statistics by Line of Business and Policy Year For the Quarter and Year to Date Ending December 31, 2004

	<u>QUARTER</u>			<u>YEAR</u>		
	10/01/2004 - 12/31/2004			01/01/2004 - 12/31/2004		
	<u>PREMIUMS WRITTEN</u>					
	<u>2004</u>	<u>2003</u>	<u>TOTAL</u>	<u>2004</u>	<u>2003</u>	<u>TOTAL</u>
Fire	151,249.00	(102.00)	151,147.00	525,896.00	15,721.00	541,617.00
Other Allied Lines	74,109.00	(55.00)	74,054.00	264,881.00	6,722.00	271,603.00
Total	225,358.00	(157.00)	225,201.00	790,777.00	22,443.00	813,220.00
	<u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u>					
Fire	243,288.00	14,581.00	257,869.00	0.00	225,350.00	225,350.00
Other Allied Lines	123,770.00	7,456.00	131,226.00	0.00	110,770.00	110,770.00
Total	367,058.00	22,037.00	389,095.00	0.00	336,120.00	336,120.00
	<u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u>					
Fire	278,866.00	0.00	278,866.00	278,866.00	0.00	278,866.00
Other Allied Lines	139,585.00	0.00	139,585.00	139,585.00	0.00	139,585.00
Total	418,451.00	0.00	418,451.00	418,451.00	0.00	418,451.00
	<u>PREMIUMS EARNED</u>					
Fire	115,671.00	14,479.00	130,150.00	247,030.00	241,071.00	488,101.00
Other Allied Lines	58,294.00	7,401.00	65,695.00	125,296.00	117,492.00	242,788.00
Total	173,965.00	21,880.00	195,845.00	372,326.00	358,563.00	730,889.00

DELAWARE FAIR PLAN

EXHIBIT 6B

**Premium Statistics by Class of Business and Policy Year
For Terrorism Reporting Requirements Only
For the Quarter and Year to Date Ending December 31, 2004**

	<u>QUARTER</u>			<u>YEAR</u>		
	10/01/2004 - 12/31/2004			01/01/2004 - 12/31/2004		
	<u>PREMIUMS WRITTEN</u>					
	<u>2004</u>	<u>2003</u>	<u>TOTAL</u>	<u>2004</u>	<u>2003</u>	<u>TOTAL</u>
Habitational (Owner Occupied)	118,392.00	(84.00)	118,308.00	439,667.00	10,986.00	450,653.00
Habitational (Non-Owner Occupied)	86,734.00	(62.00)	86,672.00	296,908.00	8,639.00	305,547.00
Commercial	20,232.00	(11.00)	20,221.00	54,202.00	2,818.00	57,020.00
Total	225,358.00	(157.00)	225,201.00	790,777.00	22,443.00	813,220.00
	<u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u>					
Habitational (Owner Occupied)	206,730.00	12,417.00	219,147.00	0.00	168,153.00	168,153.00
Habitational (Non-Owner Occupied)	129,020.00	7,746.00	136,766.00	0.00	97,484.00	97,484.00
Commercial	31,308.00	1,874.00	33,182.00	0.00	70,483.00	70,483.00
Total	367,058.00	22,037.00	389,095.00	0.00	336,120.00	336,120.00
	<u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u>					
Habitational (Owner Occupied)	216,257.00	0.00	216,257.00	0.00	0.00	216,257.00
Habitational (Non-Owner Occupied)	158,285.00	0.00	158,285.00	158,285.00	0.00	158,285.00
Commercial	43,909.00	0.00	43,909.00	43,909.00	0.00	43,909.00
Total	418,451.00	0.00	418,451.00	418,451.00	0.00	418,451.00
	<u>PREMIUMS EARNED</u>					
Habitational (Owner Occupied)	108,865.00	12,333.00	121,198.00	223,410.00	179,139.00	402,549.00
Habitational (Non-Owner Occupied)	57,469.00	7,684.00	65,153.00	138,623.00	106,123.00	244,746.00
Commercial	7,631.00	1,863.00	9,494.00	10,293.00	73,301.00	83,594.00
Total	173,965.00	21,880.00	195,845.00	372,326.00	358,563.00	730,889.00
Premiums Earned for Terrorism Reporting Requirements	65,100.00	9,547.00	74,647.00	148,916.00	179,424.00	328,340.00

NOTE: Terrorism Reporting Requirements include: Habitational (Non-Owner Occupied) & Commercial lines for Premiums Earned only!

EXHIBIT 7

DELAWARE FAIR PLAN
Reporting Schedule P Number of Claims Outstanding
FOR THE TEN YEAR PERIOD ENDING DECEMBER 31, 2004

<u>Coverage</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>	<u>1995</u>	<u>Total</u>
Fire	7	0	0	0	0	0	0	0	0	0	7
Other Allied	5	0	0	0	0	0	0	0	0	0	5
Crime	0	0	0	0	0	0	0	0	0	0	0
Homeowners	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	12	0	0	0	0	0	0	0	0	0	12

NOTES:

- 1) Members should apply their respective percentages of participations to the reported Claims Outstanding by line by year.
- 2) Claims counts should be reported in whole numbers. Members should utilize the method employed in their respective filings. i.e., either the "round up" or "truncated" method.
- 3) Members are advised the Delaware FAIR Plan claim counts are accumulated per claim.

DELAWARE FAIR PLAN

EXHIBIT 7A

Loss Statistics by Line of Business and Policy Year For the Quarter and Year to Date Ending December 31, 2004

QUARTER

10/01/2004 - 12/31/2004

	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>TOTAL</u>
Fire	22,474.91	(50.00)	0.00	0.00	22,424.91
Other Allied Lines	6,130.72	0.00	0.00	0.00	6,130.72
Total	28,605.63	(50.00)	0.00	0.00	28,555.63

UNPAID PREVIOUS PERIOD (INCL. I.B.N.R.)

Fire	36,100.00	20,400.00	0.00	0.00	56,500.00
Other Allied Lines	12,700.00	10,600.00	0.00	0.00	23,300.00
Total	48,800.00	31,000.00	0.00	0.00	79,800.00

UNPAID CURRENT PERIOD (INCL. I.B.N.R.)

Fire	215,800.00	41,400.00	0.00	0.00	257,200.00
Other Allied Lines	18,100.00	500.00	0.00	0.00	18,600.00
Total	233,900.00	41,900.00	0.00	0.00	275,800.00

LOSSES INCURRED

Fire	202,174.91	20,950.00	0.00	0.00	223,124.91
Other Allied Lines	11,530.72	(10,100.00)	0.00	0.00	1,430.72
Total	213,705.63	10,850.00	0.00	0.00	224,555.63

YEAR TO DATE

01/01/2004 - 12/31/2004

	<u>LOSSES PAID</u>				
Fire	279,190.17	127,267.67	0.00	0.00	406,457.84
Other Allied Lines	10,186.54	30,443.75	(35,465.03)	0.00	5,165.26
Total	289,376.71	157,711.42	(35,465.03)	0.00	411,623.10

UNPAID PREVIOUS PERIOD (INCL. I.B.N.R.)

Fire	0.00	51,500.00	0.00	0.00	51,500.00
Other Allied Lines	0.00	66,800.00	6,950.00	0.00	73,750.00
Total	0.00	118,300.00	6,950.00	0.00	125,250.00

UNPAID CURRENT PERIOD (INCL. I.B.N.R.)

Fire	215,800.00	41,400.00	0.00	0.00	257,200.00
Other Allied Lines	18,100.00	500.00	0.00	0.00	18,600.00
Total	233,900.00	41,900.00	0.00	0.00	275,800.00

LOSSES INCURRED

Fire	494,990.17	117,167.67	0.00	0.00	612,157.84
Other Allied Lines	28,286.54	(35,856.25)	(42,415.03)	0.00	(49,984.74)
Total	523,276.71	81,311.42	(42,415.03)	0.00	562,173.10

I.B.N.R. (CURRENT PERIOD)

Fire	1,100.00	0.00	0.00	0.00	1,100.00
Other Allied Lines	600.00	0.00	0.00	0.00	600.00
Total	1,700.00	0.00	0.00	0.00	1,700.00

DELAWARE FAIR PLAN

EXHIBIT 7B

Loss Adjustment Statistics by Line of Business and Policy Year For the Quarter and Year to Date Ending December 31, 2004

QUARTER

10/01/2004 - 12/31/2004

	<u>LOSS ADJUSTMENT EXPENSES PAID</u>			<u>2001</u>	<u>TOTAL</u>
	<u>2004</u>	<u>2003</u>	<u>2002</u>		
Fire	9,494.20	3,262.37	0.00	0.00	12,756.57
Other Allied Lines	4,325.55	2,464.28	0.00	0.00	6,789.83
Total	<u>13,819.75</u>	<u>5,726.65</u>	<u>0.00</u>	<u>0.00</u>	<u>19,546.40</u>
	<u>UNPAID PREVIOUS PERIOD</u>				
Fire	2,432.00	1,375.00	0.00	0.00	3,807.00
Other Allied Lines	856.00	714.00	0.00	0.00	1,570.00
Total	<u>3,288.00</u>	<u>2,089.00</u>	<u>0.00</u>	<u>0.00</u>	<u>5,377.00</u>
	<u>UNPAID CURRENT PERIOD</u>				
Fire	5,742.00	1,102.00	0.00	0.00	6,844.00
Other Allied Lines	481.00	13.00	0.00	0.00	494.00
Total	<u>6,223.00</u>	<u>1,115.00</u>	<u>0.00</u>	<u>0.00</u>	<u>7,338.00</u>
	<u>LOSS ADJUSTMENT EXPENSES INCURRED</u>				
Fire	12,804.20	2,989.37	0.00	0.00	15,793.57
Other Allied Lines	3,950.55	1,763.28	0.00	0.00	5,713.83
Total	<u>16,754.75</u>	<u>4,752.65</u>	<u>0.00</u>	<u>0.00</u>	<u>21,507.40</u>

YEAR TO DATE

01/01/2004 - 12/31/2004

	<u>LOSS ADJUSTMENT EXPENSES PAID</u>				
Fire	20,278.70	18,912.08	0.00	0.00	39,190.78
Other Allied Lines	10,300.43	26,540.91	1,970.41	0.00	38,811.75
Total	<u>30,579.13</u>	<u>45,452.99</u>	<u>1,970.41</u>	<u>0.00</u>	<u>78,002.53</u>
	<u>UNPAID PREVIOUS PERIOD</u>				
Fire	0.00	5,016.00	0.00	0.00	5,016.00
Other Allied Lines	0.00	6,507.00	677.00	0.00	7,184.00
Total	<u>0.00</u>	<u>11,523.00</u>	<u>677.00</u>	<u>0.00</u>	<u>12,200.00</u>
	<u>UNPAID CURRENT PERIOD</u>				
Fire	5,742.00	1,102.00	0.00	0.00	6,844.00
Other Allied Lines	481.00	13.00	0.00	0.00	494.00
Total	<u>6,223.00</u>	<u>1,115.00</u>	<u>0.00</u>	<u>0.00</u>	<u>7,338.00</u>
	<u>LOSS ADJUSTMENT EXPENSES INCURRED</u>				
Fire	26,020.70	14,998.08	0.00	0.00	41,018.78
Other Allied Lines	10,781.43	20,046.91	1,293.41	0.00	32,121.75
Total	<u>36,802.13</u>	<u>35,044.99</u>	<u>1,293.41</u>	<u>0.00</u>	<u>73,140.53</u>

DELAWARE FAIR PLAN

Report of Catastrophe Losses For the Quarter Ending December 31, 2004

Catastrophe Number	Policy Year	Date of Loss	Line of Business	Unpaid Losses	Losses Paid	Allocated Unpaid Loss Adjustment Expense	Loss Adjustment Expenses Paid
95	2003	09/01/2003	Other	0.00	0.00	0.00	1,086.68
29	2004	09/28/2004	Other	0.00	4,153.96	0.00	965.54
 				<hr/>			
TOTAL				0.00	4,153.96	0.00	2,052.22