

# DELAWARE FAIR PLAN

## EXHIBIT 1

### Statement of Assets, Liabilities and Members' Equity At December 31, 2006

|   | <u>LEDGER<br/>ASSETS</u> | <u>ASSETS NOT<br/>ADMITTED</u> | <u>NET ADMITTED<br/>ASSETS</u> |
|---|--------------------------|--------------------------------|--------------------------------|
| <b><u>ASSETS</u></b>                    |                          |                                |                                |
| Cash                                    | 321,281.75               | 0.00                           | 321,281.75                     |
| Investments                             | 424,797.33               | 0.00                           | 424,797.33                     |
| Due from Participating Members          | 0.00                     | 0.00                           | 0.00                           |
| Accrued Investment Income               | 0.00                     | 0.00                           | 0.00                           |
| Premiums Receivable                     | 8,642.80                 | 6,318.00                       | 2,324.80                       |
| Other Receivables                       | 0.00                     | 0.00                           | 0.00                           |
| Pre-paid Premium Tax                    | 905.94                   | 905.94                         | 0.00                           |
| Pre-paid Expenses                       | (2,269.16)               | (2,269.16)                     | 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>753,358.66</u>        | <u>4,954.78</u>                | <u>748,403.88</u>              |
| <b><u>LIABILITIES</u></b>               |                          |                                |                                |
| Unpaid Losses (Incl. I.B.N.R.)          |                          |                                | 41,700.00                      |
| Unpaid Loss Adjustment Expenses         |                          |                                | 4,228.00                       |
| Unpaid Underwriting Expenses            |                          |                                | 21,889.00                      |
| Unpaid Post Retirement Benefits         |                          |                                | 79,560.00                      |
| Unpaid Pension                          |                          |                                | 49,766.00                      |
| Unearned Premiums                       |                          |                                | 410,719.00                     |
| Unearned Advance Premiums               |                          |                                | 22,346.00                      |
| Claims Checks Payable                   |                          |                                | 173,852.39                     |
| Amounts Withheld for Accounts of Others |                          |                                | 8,138.44                       |
| Unpaid Premium Tax                      |                          |                                | <u>0.00</u>                    |
| TOTAL LIABILITIES                       |                          |                                | 812,198.83                     |
| <b><u>MEMBERS' EQUITY</u></b>           |                          |                                |                                |
| Members' Equity (Deficit)               |                          |                                | <u>(63,794.95)</u>             |
| TOTAL LIABILITIES & MEMBERS' EQUITY     |                          |                                | <u>748,403.88</u>              |

# DELAWARE FAIR PLAN

## EXHIBIT 2

### Income Statement for the Quarter and Year to Date Ending December 31, 2006

|  | <u>Quarter</u>             | <u>Year</u>                |
|--|----------------------------|----------------------------|
|  | <u>10/01/ - 12/31/2006</u> | <u>01/01/ - 12/31/2006</u> |
| <b><u>UNDERWRITING INCOME</u></b>                  |                            |                            |
| Premiums Written                                   | 217,376.00                 | 792,103.00                 |
| Change in Unearned Premiums                        | (17,108.00)                | 20,676.00                  |
| Premiums Earned                                    | <u>200,268.00</u>          | <u>812,779.00</u>          |
| <b><u>DEDUCTIONS</u></b>                           |                            |                            |
| Losses Incurred                                    | 23,523.82                  | 259,479.67                 |
| Loss Adjustment Expenses Incurred                  | 22,136.01                  | 75,772.41                  |
| Other Underwriting Expenses Incurred               | 119,441.15                 | 390,435.40                 |
| Post Retirement Benefits Incurred                  | (6,379.40)                 | 33,111.08                  |
| Premium Tax Incurred                               | 4,347.52                   | 15,842.06                  |
| Total Underwriting Deductions                      | <u>163,069.10</u>          | <u>774,640.62</u>          |
| Net Underwriting Profit or Loss                    | <u>37,198.90</u>           | <u>38,138.38</u>           |
| <b><u>OTHER INCOME OR OUTGO</u></b>                |                            |                            |
| Net Investment Income                              | 5,197.18                   | 18,327.02                  |
| Other Income                                       | 5.15                       | 3.57                       |
| Premiums Charged-Off                               | (31.30)                    | (496.80)                   |
| Total Other Income or Outgo                        | <u>5,171.03</u>            | <u>17,833.79</u>           |
| Net Result of Operations                           | <u>42,369.93</u>           | <u>55,972.17</u>           |
| <b><u>EQUITY ACCOUNT</u></b>                       |                            |                            |
| Beginning Members' Equity                          | (187,601.73)               | (183,896.12)               |
| Net Result of Operations                           | 42,369.93                  | 55,972.17                  |
| Change in Assets Not Admitted                      | (1,306.62)                 | (3,434.81)                 |
| Change in Pension                                  | 76,956.00                  | 39,279.00                  |
| Assessment of Policy Years                         | 0.00                       | 259,759.42                 |
| Distribution of Policy Years                       | 0.00                       | 0.00                       |
| Closeout of Policy Years                           | 0.00                       | (259,759.42)               |
| Distributions (Assessments) to Members Charged-Off | <u>5,787.47</u>            | <u>28,284.18</u>           |
| <b>MEMBERS' EQUITY (DEFICIT)</b>                   | <u>(63,794.95)</u>         | <u>(63,794.95)</u>         |

# DELAWARE FAIR PLAN

## EXHIBIT 3

### Reconciliation of Ledger Assets As of December 31, 2006

#### INCREASE IN LEDGER ASSETS

|   |                    |
|---|--------------------|
| Premiums Written                        | 792,103.00         |
| Other Income                            | 3.57               |
| Investment Income                       | 18,327.02          |
| Unearned Advance Premiums               | 6,090.00           |
| Amounts Withheld for Accounts of Others | 663.84             |
| Claims Checks Payable                   | 123,166.28         |
| Premiums Charged-Off                    | 0.00               |
| Distributions to Members Charged-Off    | 32,848.85          |
| Assessment of Policy Years              | 259,759.42         |
| Closeout of Policy Years                | 0.00               |
| TOTAL                                   | <hr/> 1,232,961.98 |

#### DECREASE IN LEDGER ASSETS

|   |                    |
|---|--------------------|
| Other Income                            | 0.00               |
| Losses Paid                             | 413,479.67         |
| Loss Adjustment Expenses Paid           | 75,571.41          |
| Other Expenses Paid                     | 430,497.32         |
| Unearned Advance Premiums               | 0.00               |
| Amounts Withheld for Accounts of Others | 0.00               |
| Claims Checks Payable                   | 0.00               |
| Premiums Charged-Off                    | 496.80             |
| Assessments to Members Charged-Off      | 4,564.67           |
| Distribution of Policy Years            | 0.00               |
| Closeout of Policy Years                | 259,759.42         |
| TOTAL                                   | <hr/> 1,184,369.29 |

|                                     |                  |
|-------------------------------------|------------------|
| Increase(Decrease) in Ledger Assets | 48,592.69        |
| Ledger Assets at 12/31/2005         | 704,765.97       |
| Ledger Assets at 12/31/2006         | <hr/> 753,358.66 |

**EXHIBIT 4****DELAWARE FAIR PLAN****Statement of Expenses Incurred  
For the Year Ending December 31, 2006**

|                                    | <u>Loss Adj.</u><br><u>Expenses</u> | <u>Acquisition</u><br><u>Expenses</u> | <u>Inspection</u><br><u>Expenses</u> | <u>General</u><br><u>Expenses</u> | <u>TOTAL</u>      |
|------------------------------------|-------------------------------------|---------------------------------------|--------------------------------------|-----------------------------------|-------------------|
| Claim Adjustment Services          | 49,242.37                           | 0.00                                  | 0.00                                 | 0.00                              | 49,242.37         |
| Commissions                        | 0.00                                | 64,833.60                             | 0.00                                 | 0.00                              | 64,833.60         |
| Boards, Bureaus & Associations     | 816.87                              | 1,396.37                              | 0.00                                 | 6,965.11                          | 9,178.35          |
| Salaries                           | 13,720.00                           | 96,957.62                             | 0.00                                 | 46,258.96                         | 156,936.58        |
| Employee Relations & Welfare       | 6,449.61                            | 32,658.47                             | 0.00                                 | 34,678.59                         | 73,786.67         |
| Insurance                          | 41.63                               | 642.95                                | 0.00                                 | 980.66                            | 1,665.24          |
| Travel & Travel Items              | 1,274.93                            | 4,641.41                              | 0.00                                 | 6,706.77                          | 12,623.11         |
| Rent & Rent Items                  | 1,754.40                            | 13,924.01                             | 0.00                                 | 8,354.41                          | 24,032.82         |
| Equipment                          | 174.53                              | 2,076.01                              | 0.00                                 | 4,730.57                          | 6,981.11          |
| Printing & Stationery              | 124.44                              | 2,256.65                              | 0.00                                 | 2,596.37                          | 4,977.46          |
| Postage, Telephone, & Telegraph    | 310.53                              | 7,901.54                              | 0.00                                 | 2,878.19                          | 11,090.26         |
| Legal & Auditing                   | 334.57                              | 7,085.16                              | 0.00                                 | 5,963.02                          | 13,382.75         |
| Payroll Taxes                      | 1,079.98                            | 7,224.88                              | 0.00                                 | 3,447.03                          | 11,751.89         |
| Premium Taxes                      | 0.00                                | 0.00                                  | 0.00                                 | 16,326.84                         | 16,326.84         |
| State & Local Insurance Taxes      | 0.00                                | 0.00                                  | 0.00                                 | 6,084.07                          | 6,084.07          |
| Miscellaneous                      | 247.55                              | 1,448.18                              | 0.00                                 | 8,206.38                          | 9,902.11          |
| Advertising                        | 0.00                                | 0.00                                  | 0.00                                 | 0.00                              | 0.00              |
| Inspections, Surveys & Reports     | 0.00                                | 0.00                                  | 33,273.50                            | 0.00                              | 33,273.50         |
| <b>TOTAL Expenses Paid</b>         | <b>75,571.41</b>                    | <b>243,046.85</b>                     | <b>33,273.50</b>                     | <b>154,176.97</b>                 | <b>506,068.73</b> |
| ADD: Unpaid Expenses Current Year  | 4,228.00                            | 71,009.00                             | 3,201.00                             | 27,239.00                         | 105,677.00        |
| Deduct: Unpaid Expenses Prior Year | 4,027.00                            | 67,292.00                             | 2,820.00                             | 22,445.78                         | 96,584.78         |
| <b>Expenses Incurred</b>           | <b>75,772.41</b>                    | <b>246,763.85</b>                     | <b>33,654.50</b>                     | <b>158,970.19</b>                 | <b>515,160.95</b> |

## DELAWARE FAIR PLAN

### EXHIBIT 5A

#### Members' Account by Policy Year For the Quarter Ending December 31, 2006

|   | <u>2006</u>         | <u>2005</u>      | <u>2004</u>       | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>TOTAL</u>        |
|---|---------------------|------------------|-------------------|-------------|-------------|-------------|---------------------|
| Premiums Written                                    | 217,830.00          | (454.00)         | 0.00              | 0.00        | 0.00        | 0.00        | 217,376.00          |
| Other Income  | 5.15                | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 5.15                |
| Investment Income Received                          | 5,197.18            | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 5,197.18            |
| Subtotal  | <u>223,032.33</u>   | <u>(454.00)</u>  | <u>0.00</u>       | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>222,578.33</u>   |
| <b>EXPENSES PAID:</b>                               |                     |                  |                   |             |             |             |                     |
| Losses  | 78,323.58           | 29,260.24        | 0.00              | 0.00        | 0.00        | 0.00        | 107,583.82          |
| Loss Adjustment Expenses                            | 11,685.44           | 7,634.30         | 11,423.27         | 0.00        | 0.00        | 0.00        | 30,743.01           |
| Other Underwriting Expenses                         | 92,282.65           | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 92,282.65           |
| Premium Tax   | 4,356.60            | (9.08)           | 0.00              | 0.00        | 0.00        | 0.00        | 4,347.52            |
| Commissions   | 17,834.50           | (37.40)          | 0.00              | 0.00        | 0.00        | 0.00        | 17,797.10           |
| Premiums/Assessments Charged-off                    | 31.58               | (0.28)           | 0.00              | 0.00        | 0.00        | 0.00        | 31.30               |
| Subtotal  | <u>204,514.35</u>   | <u>36,847.78</u> | <u>11,423.27</u>  | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>252,785.40</u>   |
| <b>BALANCE DUE COMPANIES</b>                        | 18,517.98           | (37,301.78)      | (11,423.27)       | 0.00        | 0.00        | 0.00        | (30,207.07)         |
| <b>DEDUCT:</b>                                      |                     |                  |                   |             |             |             |                     |
| Prior Investment Income Accrued                     | 0.00                | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 0.00                |
| Prior Non-Admitted Assets                           | (3,648.16)          | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | (3,648.16)          |
| Prior Pension                                       | (126,722.00)        | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | (126,722.00)        |
| Subtotal  | <u>(130,370.16)</u> | <u>0.00</u>      | <u>0.00</u>       | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>(130,370.16)</u> |
| <b>ADD:</b>   |                     |                  |                   |             |             |             |                     |
| Current Investment Income Accrued                   | 0.00                | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 0.00                |
| Current Non-Admitted Assets                         | (4,954.78)          | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | (4,954.78)          |
| Current Pension                                     | (49,766.00)         | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | (49,766.00)         |
| Subtotal  | <u>(54,720.78)</u>  | <u>0.00</u>      | <u>0.00</u>       | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>(54,720.78)</u>  |
| <b>EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION</b> | 94,167.36           | (37,301.78)      | (11,423.27)       | 0.00        | 0.00        | 0.00        | 45,442.31           |
| <b>DEDUCT:</b>                                      |                     |                  |                   |             |             |             |                     |
| Current Unearned Premiums                           | 410,719.00          | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 410,719.00          |
| Current Unpaid Losses (Incl. I.B.N.R.)              | 41,700.00           | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 41,700.00           |
| Current Unpaid Underwriting Expenses                | 21,889.00           | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 21,889.00           |
| Current Unpaid Post Retirement Benefits             | 79,560.00           | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 79,560.00           |
| Current Unpaid Loss Adjustment Expenses             | 4,228.00            | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 4,228.00            |
| Current Unpaid Premium Tax                          | 0.00                | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 0.00                |
| Subtotal  | <u>558,096.00</u>   | <u>0.00</u>      | <u>0.00</u>       | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>558,096.00</u>   |
| <b>ADD:</b>   |                     |                  |                   |             |             |             |                     |
| Prior Unearned Premiums                             | 367,768.00          | 25,843.00        | 0.00              | 0.00        | 0.00        | 0.00        | 393,611.00          |
| Prior Unpaid Losses (Incl. I.B.N.R.)                | 66,700.00           | 59,060.00        | 0.00              | 0.00        | 0.00        | 0.00        | 125,760.00          |
| Prior Unpaid Underwriting Expenses                  | 4,612.00            | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 4,612.00            |
| Prior Unpaid Post Retirement Benefits               | 93,855.00           | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 93,855.00           |
| Prior Unpaid Loss Adjustment Expenses               | 6,807.00            | 6,028.00         | 0.00              | 0.00        | 0.00        | 0.00        | 12,835.00           |
| Prior Unpaid Premium Tax                            | 0.00                | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 0.00                |
| Subtotal  | <u>539,742.00</u>   | <u>90,931.00</u> | <u>0.00</u>       | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>630,673.00</u>   |
| Distributions Charged-Off                           | 0.00                | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 0.00                |
| Assessments Charged-Off                             | 0.00                | 0.00             | 5,787.47          | 0.00        | 0.00        | 0.00        | 5,787.47            |
| Assessment of Policy Years                          | 0.00                | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 0.00                |
| Distribution of Policy Years                        | 0.00                | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 0.00                |
| Closeout of Policy Years                            | 0.00                | 0.00             | 0.00              | 0.00        | 0.00        | 0.00        | 0.00                |
| <b>NET CHANGE IN MEMBERS' EQUITY</b>                | <u>75,813.36</u>    | <u>53,629.22</u> | <u>(5,635.80)</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>123,806.78</u>   |

## DELAWARE FAIR PLAN

### EXHIBIT 5B

#### Members' Account by Policy Year Year to Date Ending December 31, 2006

|   | <u>2006</u>         | <u>2005</u>        | <u>2004</u>       | <u>2003</u>         | <u>2002</u>        | <u>2001</u>      | <u>TOTAL</u>       |
|---|---------------------|--------------------|-------------------|---------------------|--------------------|------------------|--------------------|
| Premiums Written                                    | 787,438.00          | 4,665.00           | 0.00              | 0.00                | 0.00               | 0.00             | 792,103.00         |
| Other Income  | 3.57                | 0.00               | 0.00              | 0.00                | 0.00               | 0.00             | 3.57               |
| Investment Income Received                          | 18,327.02           | 0.00               | 0.00              | 0.00                | 0.00               | 0.00             | 18,327.02          |
| Subtotal  | <u>805,768.59</u>   | <u>4,665.00</u>    | <u>0.00</u>       | <u>0.00</u>         | <u>0.00</u>        | <u>0.00</u>      | <u>810,433.59</u>  |
| <b><u>EXPENSES PAID:</u></b>                        |                     |                    |                   |                     |                    |                  |                    |
| Losses  | 140,090.84          | 152,722.01         | 120,666.82        | 0.00                | 0.00               | 0.00             | 413,479.67         |
| Loss Adjustment Expenses                            | 19,979.19           | 36,860.89          | 18,731.33         | 0.00                | 0.00               | 0.00             | 75,571.41          |
| Other Underwriting Expenses                         | 335,872.88          | 13,464.00          | 0.00              | 0.00                | 0.00               | 0.00             | 349,336.88         |
| Premium Tax   | 15,748.76           | 578.08             | 0.00              | 0.00                | 0.00               | 0.00             | 16,326.84          |
| Commissions   | 64,408.60           | 425.00             | 0.00              | 0.00                | 0.00               | 0.00             | 64,833.60          |
| Premiums/Assessments Charged-off                    | 53.91               | 442.89             | 0.00              | 0.00                | 0.00               | 0.00             | 496.80             |
| Subtotal  | <u>576,154.18</u>   | <u>204,492.87</u>  | <u>139,398.15</u> | <u>0.00</u>         | <u>0.00</u>        | <u>0.00</u>      | <u>920,045.20</u>  |
| <b>BALANCE DUE COMPANIES</b>                        | 229,614.41          | (199,827.87)       | (139,398.15)      | 0.00                | 0.00               | 0.00             | (109,611.61)       |
| <b><u>DEDUCT:</u></b>                               |                     |                    |                   |                     |                    |                  |                    |
| Prior Investment Income Accrued                     | 0.00                | 0.00               | 0.00              | 0.00                | 0.00               | 0.00             | 0.00               |
| Prior Non-Admitted Assets                           | 0.00                | (1,520.60)         | 0.00              | 0.00                | 0.00               | 0.00             | (1,520.60)         |
| Prior Pension                                       | 0.00                | (89,045.00)        | 0.00              | 0.00                | 0.00               | 0.00             | (89,045.00)        |
| Subtotal  | <u>0.00</u>         | <u>(90,565.60)</u> | <u>0.00</u>       | <u>0.00</u>         | <u>0.00</u>        | <u>0.00</u>      | <u>(90,565.60)</u> |
| <b><u>ADD:</u></b>                                  |                     |                    |                   |                     |                    |                  |                    |
| Current Investment Income Accrued                   | 0.00                | 0.00               | 0.00              | 0.00                | 0.00               | 0.00             | 0.00               |
| Current Non-Admitted Assets                         | (4,954.78)          | 0.00               | 0.00              | 0.00                | 0.00               | 0.00             | (4,954.78)         |
| Current Pension                                     | (49,766.00)         | 0.00               | 0.00              | 0.00                | 0.00               | 0.00             | (49,766.00)        |
| Subtotal  | <u>(54,720.78)</u>  | <u>0.00</u>        | <u>0.00</u>       | <u>0.00</u>         | <u>0.00</u>        | <u>0.00</u>      | <u>(54,720.78)</u> |
| <b>EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION</b> | 174,893.63          | (109,262.27)       | (139,398.15)      | 0.00                | 0.00               | 0.00             | (73,766.79)        |
| <b><u>DEDUCT:</u></b>                               |                     |                    |                   |                     |                    |                  |                    |
| Current Unearned Premiums                           | 410,719.00          | 0.00               | 0.00              | 0.00                | 0.00               | 0.00             | 410,719.00         |
| Current Unpaid Losses (Incl. I.B.N.R.)              | 41,700.00           | 0.00               | 0.00              | 0.00                | 0.00               | 0.00             | 41,700.00          |
| Current Unpaid Underwriting Expenses                | 21,889.00           | 0.00               | 0.00              | 0.00                | 0.00               | 0.00             | 21,889.00          |
| Current Unpaid Post Retirement Benefits             | 79,560.00           | 0.00               | 0.00              | 0.00                | 0.00               | 0.00             | 79,560.00          |
| Current Unpaid Loss Adjustment Expenses             | 4,228.00            | 0.00               | 0.00              | 0.00                | 0.00               | 0.00             | 4,228.00           |
| Current Unpaid Premium Tax                          | 0.00                | 0.00               | 0.00              | 0.00                | 0.00               | 0.00             | 0.00               |
| Subtotal  | <u>558,096.00</u>   | <u>0.00</u>        | <u>0.00</u>       | <u>0.00</u>         | <u>0.00</u>        | <u>0.00</u>      | <u>558,096.00</u>  |
| <b><u>ADD:</u></b>                                  |                     |                    |                   |                     |                    |                  |                    |
| Prior Unearned Premiums                             | 0.00                | 431,395.00         | 0.00              | 0.00                | 0.00               | 0.00             | 431,395.00         |
| Prior Unpaid Losses (Incl. I.B.N.R.)                | 0.00                | 41,700.00          | 154,000.00        | 0.00                | 0.00               | 0.00             | 195,700.00         |
| Prior Unpaid Underwriting Expenses                  | 0.00                | 13,464.00          | 0.00              | 0.00                | 0.00               | 0.00             | 13,464.00          |
| Prior Unpaid Post Retirement Benefits               | 0.00                | 78,609.00          | 0.00              | 0.00                | 0.00               | 0.00             | 78,609.00          |
| Prior Unpaid Loss Adjustment Expenses               | 0.00                | 858.00             | 3,169.00          | 0.00                | 0.00               | 0.00             | 4,027.00           |
| Prior Unpaid Premium Tax                            | 0.00                | 484.78             | 0.00              | 0.00                | 0.00               | 0.00             | 484.78             |
| Subtotal  | <u>0.00</u>         | <u>566,510.78</u>  | <u>157,169.00</u> | <u>0.00</u>         | <u>0.00</u>        | <u>0.00</u>      | <u>723,679.78</u>  |
| Distributions Charged-Off                           | 0.00                | 0.00               | 32,848.85         | 0.00                | 0.00               | 0.00             | 32,848.85          |
| Assessments Charged-Off                             | 0.00                | 0.00               | (4,564.67)        | 0.00                | 0.00               | 0.00             | (4,564.67)         |
| Assessment of Policy Years                          | 200,000.00          | 0.00               | 59,759.42         | 0.00                | 0.00               | 0.00             | 259,759.42         |
| Distribution of Policy Years                        | 0.00                | 0.00               | 0.00              | 0.00                | 0.00               | 0.00             | 0.00               |
| Closeout of Policy Years                            | 0.00                | 0.00               | 0.00              | (185,068.14)        | (88,879.72)        | 14,188.44        | (259,759.42)       |
| <b>NET CHANGE IN MEMBERS' EQUITY</b>                | <u>(183,202.37)</u> | <u>457,248.51</u>  | <u>105,814.45</u> | <u>(185,068.14)</u> | <u>(88,879.72)</u> | <u>14,188.44</u> | <u>120,101.17</u>  |

## DELAWARE FAIR PLAN

### EXHIBIT 5C

#### Members' Account by Policy Year For Active Policy Years at December 31, 2006

|   | <u>2006</u>         | <u>2005</u>       | <u>2004</u>        | <u>2003</u>       | <u>2002</u>       | <u>2001</u>       | <u>TOTAL</u>        |
|---|---------------------|-------------------|--------------------|-------------------|-------------------|-------------------|---------------------|
| Premiums Written                                    | 787,438.00          | 823,283.00        | 809,598.00         | 625,397.00        | 414,178.00        | 384,639.00        | 3,844,533.00        |
| Other Income  | 3.57                | (406.70)          | 49.78              | (52.31)           | (15.37)           | 3,203.90          | 2,782.87            |
| Investment Income Received                          | 18,327.02           | 4,091.71          | 1,457.93           | 551.44            | 3,899.07          | 15,263.31         | 43,590.48           |
| Subtotal  | <u>805,768.59</u>   | <u>826,968.01</u> | <u>811,105.71</u>  | <u>625,896.13</u> | <u>418,061.70</u> | <u>403,106.21</u> | <u>3,890,906.35</u> |
| <b><u>EXPENSES PAID:</u></b>                        |                     |                   |                    |                   |                   |                   |                     |
| Losses  | 140,090.84          | 168,290.68        | 573,534.57         | 208,953.09        | 277,704.40        | 356,667.71        | 1,725,241.29        |
| Loss Adjustment Expenses                            | 19,979.19           | 46,764.50         | 97,730.43          | 62,276.43         | 41,305.51         | 38,878.82         | 306,934.88          |
| Other Underwriting Expenses                         | 335,872.88          | 308,127.02        | 239,267.61         | 203,870.26        | 166,323.39        | 148,272.47        | 1,401,733.63        |
| Premium Tax   | 15,748.76           | 16,465.66         | 16,191.96          | 12,507.94         | 8,283.68          | 7,548.56          | 76,746.56           |
| Commissions   | 64,408.60           | 66,850.50         | 69,916.10          | 51,929.50         | 34,842.00         | 33,179.10         | 321,125.80          |
| Premiums/Assessments Charged-off                    | 53.91               | 1,218.46          | 2,352.41           | 1,290.77          | 723.00            | 32,747.99         | 38,386.54           |
| Subtotal  | <u>576,154.18</u>   | <u>607,716.82</u> | <u>998,993.08</u>  | <u>540,827.99</u> | <u>529,181.98</u> | <u>617,294.65</u> | <u>3,870,168.70</u> |
| <b>BALANCE DUE COMPANIES</b>                        | 229,614.41          | 219,251.19        | (187,887.37)       | 85,068.14         | (111,120.28)      | (214,188.44)      | 20,737.65           |
| <b><u>ADD:</u></b>                                  |                     |                   |                    |                   |                   |                   |                     |
| Current Investment Income Accrued                   | 0.00                | 0.00              | 0.00               | 0.00              | 0.00              | 0.00              | 0.00                |
| Current Non-Admitted Assets                         | (4,954.78)          | 0.00              | 0.00               | 0.00              | 0.00              | 0.00              | (4,954.78)          |
| Current Pension                                     | (49,766.00)         | 0.00              | 0.00               | 0.00              | 0.00              | 0.00              | (49,766.00)         |
| Subtotal  | <u>(54,720.78)</u>  | <u>0.00</u>       | <u>0.00</u>        | <u>0.00</u>       | <u>0.00</u>       | <u>0.00</u>       | <u>(54,720.78)</u>  |
| <b>EQUITY IN ASSETS OF UNDERWRITING ASSOCIATION</b> | 174,893.63          | 219,251.19        | (187,887.37)       | 85,068.14         | (111,120.28)      | (214,188.44)      | (33,983.13)         |
| <b><u>DEDUCT:</u></b>                               |                     |                   |                    |                   |                   |                   |                     |
| Current Unearned Premiums                           | 410,719.00          | 0.00              | 0.00               | 0.00              | 0.00              | 0.00              | 410,719.00          |
| Current Unpaid Losses (Incl. I.B.N.R.)              | 41,700.00           | 0.00              | 0.00               | 0.00              | 0.00              | 0.00              | 41,700.00           |
| Current Unpaid Underwriting Expenses                | 21,889.00           | 0.00              | 0.00               | 0.00              | 0.00              | 0.00              | 21,889.00           |
| Current Unpaid Post Retirement Benefits             | 79,560.00           | 0.00              | 0.00               | 0.00              | 0.00              | 0.00              | 79,560.00           |
| Current Unpaid Loss Adjustment Expenses             | 4,228.00            | 0.00              | 0.00               | 0.00              | 0.00              | 0.00              | 4,228.00            |
| Current Unpaid Premium Tax                          | 0.00                | 0.00              | 0.00               | 0.00              | 0.00              | 0.00              | 0.00                |
| Subtotal  | <u>558,096.00</u>   | <u>0.00</u>       | <u>0.00</u>        | <u>0.00</u>       | <u>0.00</u>       | <u>0.00</u>       | <u>558,096.00</u>   |
| Distributions Charged-Off                           | 0.00                | 0.00              | 32,848.85          | 0.00              | 0.00              | 0.00              | 32,848.85           |
| Assessments Charged-Off                             | 0.00                | 0.00              | (4,564.67)         | 0.00              | 0.00              | 0.00              | (4,564.67)          |
| Assessment of Policy Years                          | 200,000.00          | 0.00              | 59,759.42          | 100,000.00        | 200,000.00        | 200,000.00        | 759,759.42          |
| Distribution of Policy Years                        | 0.00                | 0.00              | 0.00               | 0.00              | 0.00              | 0.00              | 0.00                |
| Closeout of Policy Years                            | 0.00                | 0.00              | 0.00               | (185,068.14)      | (88,879.72)       | 14,188.44         | (259,759.42)        |
| <b>NET CHANGE IN MEMBERS' EQUITY</b>                | <u>(183,202.37)</u> | <u>219,251.19</u> | <u>(99,843.77)</u> | <u>0.00</u>       | <u>0.00</u>       | <u>0.00</u>       | <u>(63,794.95)</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, 2006

#### QUARTER

10/01/2006 - 12/31/2006

#### YEAR TO DATE

01/01/2006 - 12/31/2006

|   | <u>PREMIUMS WRITTEN</u> |             |              | <u>YEAR TO DATE</u> |             |              |
|---|-------------------------|-------------|--------------|---------------------|-------------|--------------|
|   | <u>2006</u>             | <u>2005</u> | <u>TOTAL</u> | <u>2006</u>         | <u>2005</u> | <u>TOTAL</u> |
| Fire  | 135,638.00              | (316.00)    | 135,322.00   | 506,622.00          | 2,880.00    | 509,502.00   |
| Other Allied Lines                                      | 82,192.00               | (138.00)    | 82,054.00    | 280,816.00          | 1,785.00    | 282,601.00   |
| Total   | 217,830.00              | (454.00)    | 217,376.00   | 787,438.00          | 4,665.00    | 792,103.00   |
| <u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u> |                         |             |              |                     |             |              |
| Fire  | 239,501.00              | 16,924.00   | 256,425.00   | 0.00                | 287,603.00  | 287,603.00   |
| Other Allied Lines                                      | 128,267.00              | 8,919.00    | 137,186.00   | 0.00                | 143,792.00  | 143,792.00   |
| Total   | 367,768.00              | 25,843.00   | 393,611.00   | 0.00                | 431,395.00  | 431,395.00   |
| <u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u>       |                         |             |              |                     |             |              |
| Fire  | 261,365.00              | 0.00        | 261,365.00   | 261,365.00          | 0.00        | 261,365.00   |
| Other Allied Lines                                      | 149,354.00              | 0.00        | 149,354.00   | 149,354.00          | 0.00        | 149,354.00   |
| Total   | 410,719.00              | 0.00        | 410,719.00   | 410,719.00          | 0.00        | 410,719.00   |
| <u>PREMIUMS EARNED</u>                                  |                         |             |              |                     |             |              |
| Fire  | 113,774.00              | 16,608.00   | 130,382.00   | 245,257.00          | 290,483.00  | 535,740.00   |
| Other Allied Lines                                      | 61,105.00               | 8,781.00    | 69,886.00    | 131,462.00          | 145,577.00  | 277,039.00   |
| Total   | 174,879.00              | 25,389.00   | 200,268.00   | 376,719.00          | 436,060.00  | 812,779.00   |



## 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, 2006

|  | <u>QUARTER</u>  |             |              | <u>YEAR TO DATE</u>     |             |              |
|--|---|-------------|--------------|-------------------------|-------------|--------------|
|  | 10/01/2006 - 12/31/2006                                 |             |              | 01/01/2006 - 12/31/2006 |             |              |
|  | <u>PREMIUMS WRITTEN</u>                                 |             |              |                         |             |              |
|  | <u>2006</u>   | <u>2005</u> | <u>TOTAL</u> | <u>2006</u>             | <u>2005</u> | <u>TOTAL</u> |
| Habitational (Owner Occupied)                        | 111,932.00  | (233.00)    | 111,699.00   | 408,334.00              | 2,240.00    | 410,574.00   |
| Habitational (Non-Owner Occupied)                    | 92,285.00   | (196.00)    | 92,089.00    | 336,019.00              | 1,896.00    | 337,915.00   |
| Commercial   | 13,613.00   | (25.00)     | 13,588.00    | 43,085.00               | 529.00      | 43,614.00    |
| Total  | 217,830.00  | (454.00)    | 217,376.00   | 787,438.00              | 4,665.00    | 792,103.00   |
|  | <u>UNEARNED PREMIUMS AT THE BEGINNING OF THE PERIOD</u> |             |              |                         |             |              |
| Habitational (Owner Occupied)                        | 189,621.00  | 13,322.00   | 202,943.00   | 0.00                    | 236,979.00  | 236,979.00   |
| Habitational (Non-Owner Occupied)                    | 150,932.00  | 10,612.00   | 161,544.00   | 0.00                    | 168,003.00  | 168,003.00   |
| Commercial   | 27,215.00   | 1,909.00    | 29,124.00    | 0.00                    | 26,413.00   | 26,413.00    |
| Total  | 367,768.00  | 25,843.00   | 393,611.00   | 0.00                    | 431,395.00  | 431,395.00   |
|  | <u>UNEARNED PREMIUMS AT THE END OF THE PERIOD</u>       |             |              |                         |             |              |
| Habitational (Owner Occupied)                        | 208,809.00  | 0.00        | 208,809.00   | 208,809.00              | 0.00        | 208,809.00   |
| Habitational (Non-Owner Occupied)                    | 172,620.00  | 0.00        | 172,620.00   | 172,620.00              | 0.00        | 172,620.00   |
| Commercial   | 29,290.00   | 0.00        | 29,290.00    | 29,290.00               | 0.00        | 29,290.00    |
| Total  | 410,719.00  | 0.00        | 410,719.00   | 410,719.00              | 0.00        | 410,719.00   |
|  | <u>PREMIUMS EARNED</u>                                  |             |              |                         |             |              |
| Habitational (Owner Occupied)                        | 92,744.00   | 13,089.00   | 105,833.00   | 199,525.00              | 239,219.00  | 438,744.00   |
| Habitational (Non-Owner Occupied)                    | 70,597.00   | 10,416.00   | 81,013.00    | 163,399.00              | 169,899.00  | 333,298.00   |
| Commercial   | 11,538.00   | 1,884.00    | 13,422.00    | 13,795.00               | 26,942.00   | 40,737.00    |
| Total  | 174,879.00  | 25,389.00   | 200,268.00   | 376,719.00              | 436,060.00  | 812,779.00   |
| Premiums Earned for Terrorism Reporting Requirements | 82,135.00   | 12,300.00   | 94,435.00    | 177,194.00              | 196,841.00  | 374,035.00   |

**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, 2006**

| <u>Coverage</u> | <u>2006</u> | <u>2005</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>Total</u> |
|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Fire            | 1           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 1            |
| 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           | 6           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 0           | 6            |

**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 7B

#### Loss Adjustment Statistics by Line of Business and Policy Year For the Quarter and Year to Date Ending December 31, 2006

##### QUARTER

10/01/2006 - 12/31/2006

|                    | <u>LOSS ADJUSTMENT EXPENSES PAID</u> |             |  |             |             |             |              |
|--------------------|--------------------------------------|-------------|--|-------------|-------------|-------------|--------------|
|                    | <u>2006</u>                          | <u>2005</u> | <u>2004</u>                              | <u>2003</u> | <u>2002</u> | <u>2001</u> | <u>TOTAL</u> |
| Fire               | 2,392.04                             | 2,861.44    | 9,095.09                                 | 0.00        | 0.00        | 0.00        | 14,348.57    |
| Other Allied Lines | 9,293.40                             | 4,772.86    | 2,328.18                                 | 0.00        | 0.00        | 0.00        | 16,394.44    |
| Total              | 11,685.44                            | 7,634.30    | 11,423.27                                | 0.00        | 0.00        | 0.00        | 30,743.01    |
|                    |                                      |             | <u>UNPAID PREVIOUS PERIOD</u>            |             |             |             |              |
| Fire               | 3,490.00                             | 3,946.00    | 0.00                                     | 0.00        | 0.00        | 0.00        | 7,436.00     |
| Other Allied Lines | 3,317.00                             | 2,082.00    | 0.00                                     | 0.00        | 0.00        | 0.00        | 5,399.00     |
| Total              | 6,807.00                             | 6,028.00    | 0.00                                     | 0.00        | 0.00        | 0.00        | 12,835.00    |
|                    |                                      |             | <u>UNPAID CURRENT PERIOD</u>             |             |             |             |              |
| Fire               | 2,839.00                             | 0.00        | 0.00                                     | 0.00        | 0.00        | 0.00        | 2,839.00     |
| Other Allied Lines | 1,389.00                             | 0.00        | 0.00                                     | 0.00        | 0.00        | 0.00        | 1,389.00     |
| Total              | 4,228.00                             | 0.00        | 0.00                                     | 0.00        | 0.00        | 0.00        | 4,228.00     |
|                    |                                      |             | <u>LOSS ADJUSTMENT EXPENSES INCURRED</u> |             |             |             |              |
| Fire               | 1,741.04                             | (1,084.56)  | 9,095.09                                 | 0.00        | 0.00        | 0.00        | 9,751.57     |
| Other Allied Lines | 7,365.40                             | 2,690.86    | 2,328.18                                 | 0.00        | 0.00        | 0.00        | 12,384.44    |
| Total              | 9,106.44                             | 1,606.30    | 11,423.27                                | 0.00        | 0.00        | 0.00        | 22,136.01    |

##### YEAR TO DATE

01/01/2006 - 12/31/2006

|                    | <u>LOSS ADJUSTMENT EXPENSES PAID</u> |           |  |      |      |      |           |
|--------------------|--------------------------------------|-----------|--|------|------|------|-----------|
| Fire               | 6,767.59                             | 15,318.54 | 13,268.33                                | 0.00 | 0.00 | 0.00 | 35,354.46 |
| Other Allied Lines | 13,211.60                            | 21,542.35 | 5,463.00                                 | 0.00 | 0.00 | 0.00 | 40,216.95 |
| Total              | 19,979.19                            | 36,860.89 | 18,731.33                                | 0.00 | 0.00 | 0.00 | 75,571.41 |
|                    |                                      |           | <u>UNPAID PREVIOUS PERIOD</u>            |      |      |      |           |
| Fire               | 0.00                                 | 638.00    | 3,087.00                                 | 0.00 | 0.00 | 0.00 | 3,725.00  |
| Other Allied Lines | 0.00                                 | 220.00    | 82.00                                    | 0.00 | 0.00 | 0.00 | 302.00    |
| Total              | 0.00                                 | 858.00    | 3,169.00                                 | 0.00 | 0.00 | 0.00 | 4,027.00  |
|                    |                                      |           | <u>UNPAID CURRENT PERIOD</u>             |      |      |      |           |
| Fire               | 2,839.00                             | 0.00      | 0.00                                     | 0.00 | 0.00 | 0.00 | 2,839.00  |
| Other Allied Lines | 1,389.00                             | 0.00      | 0.00                                     | 0.00 | 0.00 | 0.00 | 1,389.00  |
| Total              | 4,228.00                             | 0.00      | 0.00                                     | 0.00 | 0.00 | 0.00 | 4,228.00  |
|                    |                                      |           | <u>LOSS ADJUSTMENT EXPENSES INCURRED</u> |      |      |      |           |
| Fire               | 9,606.59                             | 14,680.54 | 10,181.33                                | 0.00 | 0.00 | 0.00 | 34,468.46 |
| Other Allied Lines | 14,600.60                            | 21,322.35 | 5,381.00                                 | 0.00 | 0.00 | 0.00 | 41,303.95 |
| Total              | 24,207.19                            | 36,002.89 | 15,562.33                                | 0.00 | 0.00 | 0.00 | 75,772.41 |

**EXHIBIT 8**

**DELAWARE FAIR PLAN**

**Report of Catastrophe Losses  
For the Quarter Ending December 31, 2006**

| <u>Catastrophe<br/>Number</u> | <u>Policy Year</u> | <u>Date of Loss</u> | <u>Line of Business</u> | <u>Unpaid Losses</u> | <u>Losses Paid</u> | <u>Allocated Unpaid<br/>Loss Adjustment Expense</u> | <u>Loss Adjustment<br/>Expenses Paid</u> |
|-------------------------------|--------------------|---------------------|-------------------------|----------------------|--------------------|---|--|
|                               |                    |                     |                         | NONE                 |                    |   |  |
| TOTAL                         |                    |                     |                         | 0.00                 | 0.00               | 0.00  | 0.00                                     |