

NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 BALANCE SHEET  
 AS OF DECEMBER 31, 2006

|  | LEDGER<br>ASSETS   | NON-LEDGER<br>ASSETS | ASSETS NOT<br>ADMITTED | ADMITTED<br>ASSETS |
|--|--------------------|----------------------|------------------------|--------------------|
| <b>ASSETS</b>                                  |                    |                      |                        |                    |
| CASH   | 197,856            |                      |                        | 197,856 (Note1)    |
| INVESTMENTS                                    | 399,096,947        |                      |                        | 399,096,947        |
| FIXED ASSETS                                   | 29,917             |                      | (29,917)               | 0                  |
| DATA PROCESSING EQUIPMENT                      | 157,724            |                      |                        | 157,724            |
| ACCOUNTS RECEIVABLE-OTHER                      | 355,167            |                      |                        | 355,167            |
| PREPAID EXPENSE                                | 25,570             |                      | (25,570)               | 0                  |
| <b>TOTAL ASSETS</b>                            | <b>399,863,181</b> | <b>0</b>             | <b>(55,487)</b>        | <b>399,807,694</b> |
| <b>LIABILITIES &amp; EQUITY</b>                |                    |                      |                        |                    |
| <b>LIABILITIES</b>                             |                    |                      |                        |                    |
| ACCOUNT PAYABLE-FAIR                           |                    |                      |                        | 875,273            |
| PREMIUM REFUND                                 |                    |                      |                        | 3,087              |
| COMMISSION PAYABLE                             |                    |                      |                        | 1,766,092          |
| PREMIUMS SUSPENSE                              |                    |                      |                        | 722,444            |
| ACCRUAL-PREMIUM TAX                            |                    |                      |                        | 791,737            |
| ACCRUAL-POST RETIREMENT                        |                    |                      |                        | 542,615            |
| ACCRUAL-PENSION                                |                    |                      |                        | 69,981             |
| ACCRUAL-RENT                                   |                    |                      |                        | 19,491             |
| CLAIMS PAYABLE                                 |                    |                      |                        | 40,344             |
| PREPAID PREMIUMS                               |                    |                      |                        | 3,986,947          |
| UNCLAIMED CHECKS                               |                    |                      |                        | 703,418            |
| DISTRIBUTION PAYABLE                           |                    |                      |                        | 877,848            |
| <b>TOTAL LIABILITIES</b>                       |                    |                      |                        | <b>10,399,277</b>  |
| <b>RESERVES FOR:</b>                           |                    |                      |                        |                    |
| UNPAID LOSSES (INCL. IBNR)                     |                    |                      |                        | 11,299,519         |
| UNPAID LAE RESERVES                            |                    |                      |                        | 824,780            |
| UNEARNED PREMIUMS                              |                    |                      |                        | 91,524,013         |
| <b>TOTAL RESERVES</b>                          |                    |                      |                        | <b>103,648,312</b> |
| <b>MEMBERS' EQUITY</b>                         |                    |                      |                        | <b>285,760,105</b> |
| <b>TOTAL LIABILITIES &amp; MEMBERS' EQUITY</b> |                    |                      |                        | <b>399,807,694</b> |

Note 1- Each night, all funds remaining in the Associations' checking account are invested overnight in Repurchase Agreements and returned to the account the next morning, with interest. This transaction along with the reclassification (\$1,129,211) of the claim checks payable account may create a credit balance in the cash account. The overnight investments are included in the Investment account.

NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 INCOME STATEMENT AND EQUITY ACCOUNT  
 AS OF DECEMBER 31, 2006

|   | YEAR<br>TO DATE    |
|---|--------------------|
| <hr/>                                   |                    |
| UNDERWRITING INCOME                     |                    |
| <u>PREMIUM EARNED</u>                   | <u>43,679,997</u>  |
| DEDUCTIONS                              |                    |
| <u>LOSSES INCURRED</u>                  | <u>5,300,370</u>   |
| LOSSES EXPENSE INCURRED                 | 502,847            |
| OPERATING EXPENSE INCURRED              | 5,667,125          |
| PREMIUM TAXES                           | 848,732            |
| <u>TOTAL DEDUCTIONS</u>                 | <u>12,319,074</u>  |
| <u>NET UNDERWRITING GAIN OR (LOSS)</u>  | <u>31,360,923</u>  |
| OTHER INCOME OR (OUTGO)                 |                    |
| <u>INVESTMENT INCOME</u>                | <u>4,397,633</u>   |
| MISCELLANEOUS INCOME                    | (9,890)            |
| <u>NET OTHER INCOME</u>                 | <u>4,387,743</u>   |
| <u>NET INCOME OR (LOSS)</u>             | <u>35,748,666</u>  |
| EQUITY ACCOUNT                          |                    |
| <u>MEMBERS' EQUITY (PRIOR PERIOD)</u>   | <u>249,982,407</u> |
| NET INCOME OR (LOSS)                    | 35,748,666         |
| CHANGE IN ASSETS NOT ADMITTED           | 29,032             |
| ASSESSMENTS OR (DISTRIBUTIONS)          | 0                  |
| PRIOR PERIOD ADJUSTMENT                 | 0                  |
| <u>NET CHANGE IN EQUITY</u>             | <u>35,777,698</u>  |
| <u>MEMBERS' EQUITY (CURRENT PERIOD)</u> | <u>285,760,105</u> |

The Aggregate Liability for the Association as of December 31, 2006 is \$54,518,537,865.

NORTHCAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 MEMBERS' ACCOUNT  
 AS OF DECEMBER 31, 2006

|                                  | YEAR TO DATE        |                    |                    |                 |                 |                |          | TOTAL             |
|----------------------------------|---------------------|--------------------|--------------------|-----------------|-----------------|----------------|----------|-------------------|
|                                  | 2007                | 2006               | 2005               | 2004            | 2003            | 2002           | 2001     |                   |
| <b>INCOME RECEIVED</b>           |                     |                    |                    |                 |                 |                |          |                   |
| PREMIUMS WRITTEN                 | 40,382,675          | 9,757              | 0                  | 0               | 0               | 0              | 0        | 40,392,432        |
| INTEREST RECEIVED                | 4,397,633           | 0                  | 0                  | 0               | 0               | 0              | 0        | 4,397,633         |
| MISCELLANEOUS INCOME             | (9,890)             | 0                  | 0                  | 0               | 0               | 0              | 0        | (9,890)           |
| <b>TOTAL INCOME</b>              | <b>44,770,418</b>   | <b>9,757</b>       | <b>0</b>           | <b>0</b>        | <b>0</b>        | <b>0</b>       | <b>0</b> | <b>44,780,175</b> |
| <b>EXPENSES PAID</b>             |                     |                    |                    |                 |                 |                |          |                   |
| LOSSES                           | 105,655             | 3,943,853          | 1,672,431          | 65,655          | 39,181          | 0              | 0        | 5,826,775         |
| LOSS ADJUSTMENT EXPENSES         | 76,887              | 280,488            | 112,138            | 17,233          | 7,866           | 9,805          | 0        | 504,417           |
| COMMISSION                       | 5,196,093           | 1,268              | 0                  | 0               | 0               | 0              | 0        | 5,197,361         |
| PREMIUM TAX                      | 848,732             | 0                  | 0                  | 0               | 0               | 0              | 0        | 848,732           |
| ADMINISTRATIVE EXPENSES          | 469,764             | 0                  | 0                  | 0               | 0               | 0              | 0        | 469,764           |
| <b>TOTAL EXPENSES PAID</b>       | <b>6,697,131</b>    | <b>4,225,609</b>   | <b>1,784,569</b>   | <b>82,888</b>   | <b>47,047</b>   | <b>9,805</b>   | <b>0</b> | <b>12,847,049</b> |
| <b>NET CASH CHANGE</b>           | <b>38,073,287</b>   | <b>(4,215,852)</b> | <b>(1,784,569)</b> | <b>(82,888)</b> | <b>(47,047)</b> | <b>(9,805)</b> | <b>0</b> | <b>31,933,126</b> |
| <b>RESERVES:</b>                 |                     |                    |                    |                 |                 |                |          |                   |
| <b>DEDUCT: (CURRENT PERIOD)</b>  |                     |                    |                    |                 |                 |                |          |                   |
| LOSSES (INCL. IBNR.)             | 5,521,885           | 5,402,551          | 179,280            | 134,602         | 56,201          | 5,000          | 0        | 11,299,519        |
| LOSS ADJUSTMENT EXPENSES         | 403,052             | 394,349            | 13,087             | 9,825           | 4,102           | 365            | 0        | 824,780           |
| UNEARNED PREMIUMS                | 35,534,170          | 55,989,843         | 0                  | 0               | 0               | 0              | 0        | 91,524,013        |
| <b>ADD: (PRIOR PERIOD)</b>       |                     |                    |                    |                 |                 |                |          |                   |
| LOSSES (INCL. IBNR)              | 0                   | 10,374,216         | 1,086,410          | 201,425         | 158,873         | 5,000          | 0        | 11,825,924        |
| LOSS ADJUSTMENT EXPENSES         | 0                   | 731,488            | 70,992             | 13,162          | 10,381          | 327            | 0        | 826,350           |
| UNEARNED PREMIUMS                | 0                   | 94,811,578         | 0                  | 0               | 0               | 0              | 0        | 94,811,578        |
| <b>NET RESERVE CHANGE</b>        | <b>(41,459,107)</b> | <b>44,130,539</b>  | <b>965,035</b>     | <b>70,160</b>   | <b>108,951</b>  | <b>(38)</b>    | <b>0</b> | <b>3,815,540</b>  |
| <b>NET OTHER CHANGES</b>         |                     |                    |                    |                 |                 |                |          |                   |
| PRIOR PERIOD ADJUSTMENT          | 0                   | 0                  | 0                  | 0               | 0               | 0              | 0        | 0                 |
| ASSETS NOT ADMITTED              | 29,032              | 0                  | 0                  | 0               | 0               | 0              | 0        | 29,032            |
| <b>TOTAL NET OTHER CHANGES</b>   | <b>29,032</b>       | <b>0</b>           | <b>0</b>           | <b>0</b>        | <b>0</b>        | <b>0</b>       | <b>0</b> | <b>29,032</b>     |
| ASSESSMENTS                      | 0                   | 0                  | 0                  | 0               | 0               | 0              | 0        | 0                 |
| DISTRIBUTIONS                    | 0                   | 0                  | 0                  | 0               | 0               | 0              | 0        | 0                 |
| INSOLVENT MEMBER                 | 0                   | 0                  | 0                  | 0               | 0               | 0              | 0        | 0                 |
| <b>CHANGE IN MEMBERS' EQUITY</b> | <b>(3,356,788)</b>  | <b>39,914,687</b>  | <b>(819,534)</b>   | <b>(12,728)</b> | <b>61,904</b>   | <b>(9,843)</b> | <b>0</b> | <b>35,777,698</b> |

NORTHCAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 STATISTICAL REPORT OF PREMIUMS  
 AS OF DECEMBER 31, 2006

|   | YEAR<br>TODATE<br>2007 | YEAR<br>TODATE<br>2006 | YEAR<br>TODATE<br>TOTAL |
|---|------------------------|------------------------|-------------------------|
| <b>PREMIUMS WRITTEN</b>                   |                        |                        |                         |
| RESIDENTIAL-FIRE                          | 1,297,610              | (42,811)               | 1,254,799               |
| RESIDENTIAL-EC                            | 8,328,206              | (31,763)               | 8,296,443               |
| COMMERCIAL-FIRE                           | 195,370                | 7,930                  | 203,300                 |
| COMMERCIAL-EC                             | 719,967                | 7,885                  | 727,852                 |
| CRIME-RESIDENTIAL                         | 66,081                 | 738                    | 66,819                  |
| CRIME-COMMERCIAL                          | 0                      | 0                      | 0                       |
| HOMEOWNER-BEACH                           | 852,794                | (13,910)               | 838,884                 |
| HOMEOWNER-COASTAL                         | 1,680,819              | (1,209)                | 1,679,610               |
| HO-BEACHWIND                              | 8,159,407              | (36,826)               | 8,122,581               |
| HO-COASTALWIND                            | 12,004,182             | 99,361                 | 12,103,543              |
| WIND-RESIDENTIAL                          | 708,327                | 3,728                  | 712,055                 |
| WIND-COMMERCIAL                           | 2,481,647              | 77,726                 | 2,559,373               |
| COASTAL-RESIDENTIAL                       | 2,771,720              | (47,648)               | 2,724,072               |
| COASTAL-COMMERCIAL                        | 1,116,545              | (13,444)               | 1,103,101               |
| <b>TOTAL</b>                              | <b>40,382,675</b>      | <b>9,757</b>           | <b>40,392,432</b>       |
| <b>UNEARNED PREMIUMS (PRIOR PERIOD)</b>   |                        |                        |                         |
| RESIDENTIAL-FIRE                          | 0                      | 3,636,001              | 3,636,001               |
| RESIDENTIAL-EC                            | 0                      | 18,447,422             | 18,447,422              |
| COMMERCIAL-FIRE                           | 0                      | 621,784                | 621,784                 |
| COMMERCIAL-EC                             | 0                      | 1,890,781              | 1,890,781               |
| CRIME-RESIDENTIAL                         | 0                      | 171,783                | 171,783                 |
| CRIME-COMMERCIAL                          | 0                      | 0                      | 0                       |
| HOMEOWNER-BEACH                           | 0                      | 1,925,126              | 1,925,126               |
| HOMEOWNER-COASTAL                         | 0                      | 3,564,216              | 3,564,216               |
| HO-BEACHWIND                              | 0                      | 20,908,134             | 20,908,134              |
| HO-COASTALWIND                            | 0                      | 24,820,781             | 24,820,781              |
| WIND-RESIDENTIAL                          | 0                      | 1,628,471              | 1,628,471               |
| WIND-COMMERCIAL                           | 0                      | 8,506,960              | 8,506,960               |
| COASTAL-RESIDENTIAL                       | 0                      | 1,894,330              | 1,894,330               |
| COASTAL-COMMERCIAL                        | 0                      | 6,795,789              | 6,795,789               |
| <b>TOTAL</b>                              | <b>0</b>               | <b>94,811,578</b>      | <b>94,811,578</b>       |
| <b>UNEARNED PREMIUMS (CURRENT PERIOD)</b> |                        |                        |                         |
| RESIDENTIAL-FIRE                          | 1,144,675              | 2,110,471              | 3,255,146               |
| RESIDENTIAL-EC                            | 7,346,384              | 10,873,957             | 18,220,341              |
| COMMERCIAL-FIRE                           | 169,173                | 374,793                | 543,966                 |
| COMMERCIAL-EC                             | 617,135                | 1,160,537              | 1,777,672               |
| CRIME-RESIDENTIAL                         | 58,095                 | 99,887                 | 157,982                 |
| CRIME-COMMERCIAL                          | 0                      | 0                      | 0                       |
| HOMEOWNER-BEACH                           | 746,219                | 1,127,882              | 1,874,101               |
| HOMEOWNER-COASTAL                         | 1,477,804              | 2,090,507              | 3,568,311               |
| HO-BEACHWIND                              | 7,209,079              | 12,354,963             | 19,564,042              |
| HO-COASTALWIND                            | 10,565,253             | 14,744,157             | 25,309,410              |
| WIND-RESIDENTIAL                          | 621,971                | 977,907                | 1,599,878               |
| WIND-COMMERCIAL                           | 2,206,855              | 5,015,524              | 7,222,379               |
| COASTAL-RESIDENTIAL                       | 971,818                | 1,137,568              | 2,109,386               |
| COASTAL-COMMERCIAL                        | 2,399,709              | 3,921,690              | 6,321,399               |
| <b>TOTAL</b>                              | <b>35,534,170</b>      | <b>55,989,843</b>      | <b>91,524,013</b>       |
| <b>EARNED PREMIUMS</b>                    |                        |                        |                         |
| RESIDENTIAL-FIRE                          | 152,935                | 1,482,719              | 1,635,654               |
| RESIDENTIAL-EC                            | 981,822                | 7,541,702              | 8,523,524               |
| COMMERCIAL-FIRE                           | 26,197                 | 254,921                | 281,118                 |
| COMMERCIAL-EC                             | 102,832                | 738,129                | 840,961                 |
| CRIME-RESIDENTIAL                         | 7,986                  | 72,634                 | 80,620                  |
| CRIME-COMMERCIAL                          | 0                      | 0                      | 0                       |
| HOMEOWNER-BEACH                           | 106,575                | 783,334                | 889,909                 |
| HOMEOWNER-COASTAL                         | 203,015                | 1,472,500              | 1,675,515               |
| HO-BEACHWIND                              | 950,328                | 8,516,345              | 9,466,673               |
| HO-COASTALWIND                            | 1,438,929              | 10,175,985             | 11,614,914              |
| WIND-RESIDENTIAL                          | 86,356                 | 654,292                | 740,648                 |
| WIND-COMMERCIAL                           | 274,792                | 3,569,162              | 3,843,954               |
| COASTAL-RESIDENTIAL                       | 1,799,902              | 709,114                | 2,509,016               |
| COASTAL-COMMERCIAL                        | (1,283,164)            | 2,860,655              | 1,577,491               |
| <b>TOTAL</b>                              | <b>4,848,505</b>       | <b>38,831,492</b>      | <b>43,679,997</b>       |

NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION  
BEACH PLAN  
STATISTICAL REPORT OF LOSSES  
AS OF DECEMBER 31, 2006

|   | YEAR TO DATE     |                    |                  |                |                 |              | YEAR<br>TODATE<br>TOTAL |
|---|------------------|--------------------|------------------|----------------|-----------------|--------------|-------------------------|
|   | 2007             | 2006               | 2005             | 2004           | 2003            | 2002         |                         |
| <b>PAID LOSSES</b>                                    |                  |                    |                  |                |                 |              |                         |
| RESIDENTIAL-FIRE                                      | 2,823            | 151,984            | 29,443           | 0              | 0               | 0            | 184,250                 |
| RESIDENTIAL-EC  | 24,951           | 828,089            | 237,306          | 0              | (18,058)        | 0            | 1,072,288               |
| COMMERCIAL-FIRE                                       | 0                | 0                  | 62,865           | 0              | 0               | 0            | 62,865                  |
| COMMERCIAL-EC   | 0                | 42,233             | 20,795           | 36,983         | 0               | 0            | 100,011                 |
| CRIME-RESIDENTIAL                                     | 613              | 4,816              | 0                | 0              | 0               | 0            | 5,429                   |
| CRIME-COMMERCIAL                                      | 0                | 0                  | 2,897            | 0              | 0               | 0            | 2,897                   |
| HOMEOWNER-BEACH                                       | 3,041            | 150,331            | 8,754            | 0              | 0               | 0            | 162,126                 |
| HOMEOWNER-COASTAL                                     | 4,940            | 244,203            | 14,220           | 0              | 0               | 0            | 263,363                 |
| HO-BEACHWIND  | 13,728           | 779,058            | 155,735          | 0              | 46,843          | 0            | 995,364                 |
| HO-COASTALWIND  | 42,897           | 399,033            | 81,182           | 0              | 0               | 0            | 523,112                 |
| WIND-RESIDENTIAL                                      | 2,191            | 38,687             | 2,777            | 0              | 0               | 0            | 43,655                  |
| WIND-COMMERCIAL                                       | 0                | 832,390            | 392,151          | 0              | 0               | 0            | 1,224,541               |
| COASTAL-RESIDENTIAL                                   | 10,471           | 68,245             | 37,696           | 0              | 380             | 0            | 116,792                 |
| COASTAL-COMMERCIAL                                    | 0                | 404,784            | 626,610          | 28,672         | 10,016          | 0            | 1,070,082               |
| <b>TOTAL</b>  | <b>105,655</b>   | <b>3,943,853</b>   | <b>1,672,431</b> | <b>65,655</b>  | <b>39,181</b>   | <b>0</b>     | <b>5,826,775</b>        |
| <b>OUTSTANDING LOSSES (CURRENT PERIOD INCL. IBNR)</b> |                  |                    |                  |                |                 |              |                         |
| RESIDENTIAL-FIRE                                      | 154,644          | 120,952            | 5,000            | 1              | 0               | 0            | 280,597                 |
| RESIDENTIAL-EC  | 646,729          | 610,784            | 15,599           | 10,001         | 20,101          | 5,000        | 1,308,214               |
| COMMERCIAL-FIRE                                       | 1,823,868        | 2,096,400          | 0                | 0              | 0               | 0            | 3,920,268               |
| COMMERCIAL-EC   | 75,521           | 21,000             | 65,593           | 0              | 0               | 0            | 162,114                 |
| CRIME-RESIDENTIAL                                     | 21,506           | 8,599              | 0                | 0              | 0               | 0            | 30,105                  |
| CRIME-COMMERCIAL                                      | 0                | 0                  | 0                | 0              | 0               | 0            | 0                       |
| HOMEOWNER-BEACH                                       | 222,743          | 159,052            | 24,001           | 38,903         | 0               | 0            | 444,699                 |
| HOMEOWNER-COASTAL                                     | 361,831          | 258,370            | 38,988           | 63,196         | 0               | 0            | 722,385                 |
| HO-BEACHWIND  | 445,606          | 425,741            | 10,000           | 22,501         | 0               | 0            | 903,848                 |
| HO-COASTALWIND  | 490,742          | 457,248            | 10,099           | 0              | 0               | 0            | 958,089                 |
| WIND-RESIDENTIAL                                      | 79,593           | 81,486             | 10,000           | 0              | 0               | 0            | 171,079                 |
| WIND-COMMERCIAL                                       | 754,661          | 806,722            | 0                | 0              | 26,100          | 0            | 1,587,483               |
| COASTAL-RESIDENTIAL                                   | 138,379          | 35,896             | 0                | 0              | 0               | 0            | 174,275                 |
| COASTAL-COMMERCIAL                                    | 306,062          | 320,301            | 0                | 0              | 10,000          | 0            | 636,363                 |
| <b>TOTAL</b>  | <b>5,521,885</b> | <b>5,402,551</b>   | <b>179,280</b>   | <b>134,602</b> | <b>56,201</b>   | <b>5,000</b> | <b>11,299,519</b>       |
| <b>OUTSTANDING LOSSES (PRIOR PERIOD INCL. IBNR)</b>   |                  |                    |                  |                |                 |              |                         |
| RESIDENTIAL-FIRE                                      | 0                | 376,594            | 80,572           | 1              | 0               | 0            | 457,167                 |
| RESIDENTIAL-EC  | 0                | 1,874,828          | 165,809          | 55,001         | 20,100          | 5,000        | 2,120,738               |
| COMMERCIAL-FIRE                                       | 0                | 17,251             | 20,000           | 0              | 0               | 0            | 37,251                  |
| COMMERCIAL-EC   | 0                | 260,261            | 73,534           | 0              | 0               | 0            | 333,795                 |
| CRIME-RESIDENTIAL                                     | 0                | 15,641             | 0                | 0              | 0               | 0            | 15,641                  |
| CRIME-COMMERCIAL                                      | 0                | 0                  | 0                | 0              | 0               | 0            | 0                       |
| HOMEOWNER-BEACH                                       | 0                | 770,468            | 43,479           | 57,939         | 0               | 0            | 871,886                 |
| HOMEOWNER-COASTAL                                     | 0                | 711,200            | 40,135           | 53,483         | 0               | 0            | 804,818                 |
| HO-BEACHWIND  | 0                | 1,880,599          | 172,500          | 22,501         | 0               | 0            | 2,075,600               |
| HO-COASTALWIND  | 0                | 2,081,764          | 278,381          | 0              | 0               | 0            | 2,360,145               |
| WIND-RESIDENTIAL                                      | 0                | 208,952            | 35,000           | 12,500         | 0               | 0            | 256,452                 |
| WIND-COMMERCIAL                                       | 0                | 1,389,955          | 114,500          | 0              | 128,773         | 0            | 1,633,228               |
| COASTAL-RESIDENTIAL                                   | 0                | 330,700            | 42,500           | 0              | 0               | 0            | 373,200                 |
| COASTAL-COMMERCIAL                                    | 0                | 456,003            | 20,000           | 0              | 10,000          | 0            | 486,003                 |
| <b>TOTAL</b>  | <b>0</b>         | <b>10,374,216</b>  | <b>1,086,410</b> | <b>201,425</b> | <b>158,873</b>  | <b>5,000</b> | <b>11,825,924</b>       |
| <b>INCURRED LOSSES</b>                                |                  |                    |                  |                |                 |              |                         |
| RESIDENTIAL-FIRE                                      | 157,467          | (103,658)          | (46,129)         | 0              | 0               | 0            | 7,680                   |
| RESIDENTIAL-EC  | 671,680          | (435,955)          | 87,096           | (45,000)       | (18,057)        | 0            | 259,764                 |
| COMMERCIAL-FIRE                                       | 1,823,868        | 2,079,149          | 42,865           | 0              | 0               | 0            | 3,945,882               |
| COMMERCIAL-EC   | 75,521           | (197,028)          | 12,854           | 36,983         | 0               | 0            | (71,670)                |
| CRIME-RESIDENTIAL                                     | 22,119           | (2,226)            | 0                | 0              | 0               | 0            | 19,893                  |
| CRIME-COMMERCIAL                                      | 0                | 0                  | 2,897            | 0              | 0               | 0            | 2,897                   |
| HOMEOWNER-BEACH                                       | 225,784          | (461,085)          | (10,724)         | (19,036)       | 0               | 0            | (265,061)               |
| HOMEOWNER-COASTAL                                     | 366,771          | (208,627)          | 13,073           | 9,713          | 0               | 0            | 180,930                 |
| HO-BEACHWIND  | 459,334          | (675,800)          | (6,765)          | 0              | 46,843          | 0            | (176,388)               |
| HO-COASTALWIND  | 533,639          | (1,225,483)        | (187,100)        | 0              | 0               | 0            | (878,944)               |
| WIND-RESIDENTIAL                                      | 81,784           | (88,779)           | (22,223)         | (12,500)       | 0               | 0            | (41,718)                |
| WIND-COMMERCIAL                                       | 754,661          | 249,157            | 277,651          | 0              | (102,673)       | 0            | 1,178,796               |
| COASTAL-RESIDENTIAL                                   | 148,850          | (226,559)          | (4,804)          | 0              | 380             | 0            | (82,133)                |
| COASTAL-COMMERCIAL                                    | 306,062          | 269,082            | 606,610          | 28,672         | 10,016          | 0            | 1,220,442               |
| <b>TOTAL</b>  | <b>5,627,540</b> | <b>(1,027,812)</b> | <b>765,301</b>   | <b>(1,168)</b> | <b>(63,491)</b> | <b>0</b>     | <b>5,300,370</b>        |

NORTHCAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 STATISTICAL REPORT OF LOSSES  
 AS OF DECEMBER 31, 2006

| IBNR TOTALS                |                  |                  |          |          |          |          |                  |
|----------------------------|------------------|------------------|----------|----------|----------|----------|------------------|
| IBNR (CURRENT PERIOD)      | 2007             | 2006             | 2005     | 2004     | 2003     | 2002     | TOTAL            |
| RESIDENTIAL-FIRE           | 130,545          | 0                | 0        | 0        | 0        | 0        | 130,545          |
| RESIDENTIAL-EC             | 608,634          | 0                | 0        | 0        | 0        | 0        | 608,634          |
| COMMERCIAL-FIRE            | 1,823,868        | 0                | 0        | 0        | 0        | 0        | 1,823,868        |
| COMMERCIAL-EC              | 75,422           | 0                | 0        | 0        | 0        | 0        | 75,422           |
| CRIME-RESIDENTIAL          | 14,006           | 0                | 0        | 0        | 0        | 0        | 14,006           |
| CRIME-COMMERCIAL           | 0                | 0                | 0        | 0        | 0        | 0        | 0                |
| HOMEOWNER-BEACH            | 206,892          | 0                | 0        | 0        | 0        | 0        | 206,892          |
| HOMEOWNER-COASTAL          | 336,083          | 0                | 0        | 0        | 0        | 0        | 336,083          |
| HO-BEACHWIND               | 420,507          | 0                | 0        | 0        | 0        | 0        | 420,507          |
| HO-COASTALWIND             | 445,742          | 0                | 0        | 0        | 0        | 0        | 445,742          |
| WIND-RESIDENTIAL           | 79,593           | 0                | 0        | 0        | 0        | 0        | 79,593           |
| WIND-COMMERCIAL            | 738,562          | 0                | 0        | 0        | 0        | 0        | 738,562          |
| COASTAL-RESIDENTIAL        | 81,080           | 0                | 0        | 0        | 0        | 0        | 81,080           |
| COASTAL-COMMERCIAL         | 296,062          | 0                | 0        | 0        | 0        | 0        | 296,062          |
| <b>TOTAL</b>               | <b>5,256,996</b> | <b>0</b>         | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>5,256,996</b> |
| <b>IBNR (PRIOR PERIOD)</b> |                  |                  |          |          |          |          |                  |
| RESIDENTIAL-FIRE           | 0                | 215,586          | 0        | 0        | 0        | 0        | 215,586          |
| RESIDENTIAL-EC             | 0                | 982,112          | 0        | 0        | 0        | 0        | 982,112          |
| COMMERCIAL-FIRE            | 0                | 17,251           | 0        | 0        | 0        | 0        | 17,251           |
| COMMERCIAL-EC              | 0                | 155,261          | 0        | 0        | 0        | 0        | 155,261          |
| CRIME-RESIDENTIAL          | 0                | 7,141            | 0        | 0        | 0        | 0        | 7,141            |
| CRIME-COMMERCIAL           | 0                | 0                | 0        | 0        | 0        | 0        | 0                |
| HOMEOWNER-BEACH            | 0                | 405,108          | 0        | 0        | 0        | 0        | 405,108          |
| HOMEOWNER-COASTAL          | 0                | 373,945          | 0        | 0        | 0        | 0        | 373,945          |
| HO-BEACHWIND               | 0                | 964,202          | 0        | 0        | 0        | 0        | 964,202          |
| HO-COASTALWIND             | 0                | 1,090,565        | 0        | 0        | 0        | 0        | 1,090,565        |
| WIND-RESIDENTIAL           | 0                | 119,220          | 0        | 0        | 0        | 0        | 119,220          |
| WIND-COMMERCIAL            | 0                | 758,725          | 0        | 0        | 0        | 0        | 758,725          |
| COASTAL-RESIDENTIAL        | 0                | 179,105          | 0        | 0        | 0        | 0        | 179,105          |
| COASTAL-COMMERCIAL         | 0                | 225,804          | 0        | 0        | 0        | 0        | 225,804          |
| <b>TOTAL</b>               | <b>0</b>         | <b>5,494,025</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>5,494,025</b> |

NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES  
 AS OF DECEMBER 31, 2006

|  | YEAR TO DATE   |                 |                |               |               |              | YEAR<br>TODATE<br>TOTAL |
|--|----------------|-----------------|----------------|---------------|---------------|--------------|-------------------------|
|  | 2007           | 2006            | 2005           | 2004          | 2003          | 2002         |                         |
| <b>LOSSEXPENSESPAID</b>                                  |                |                 |                |               |               |              |                         |
| RESIDENTIAL-FIRE   | 1,830          | 9,943           | 1,388          | 0             | 0             | 0            | 13,161                  |
| RESIDENTIAL-EC   | 18,994         | 75,251          | 11,492         | 9,448         | 0             | 9,805        | 124,990                 |
| COMMERCIAL-FIRE  | 134            | 0               | 992            | 0             | 0             | 0            | 1,126                   |
| COMMERCIAL-EC  | 603            | 4,467           | 0              | 0             | 0             | 0            | 5,070                   |
| CRIME-RESIDENTIAL  | 115            | 848             | 0              | 0             | 0             | 0            | 963                     |
| CRIME-COMMERCIAL   | 52             | 384             | 0              | 0             | 0             | 0            | 436                     |
| HOMEOWNER-BEACH  | 966            | 3,834           | 235            | 1,231         | 0             | 0            | 6,266                   |
| HOMEOWNER-COASTAL  | 4,026          | 15,992          | 982            | 5,136         | 0             | 0            | 26,136                  |
| HO-BEACHWIND   | 12,322         | 67,675          | 8,572          | 114           | 720           | 0            | 89,403                  |
| HO-COASTALWIND   | 12,562         | 52,735          | 4,284          | 0             | 0             | 0            | 69,581                  |
| WIND-RESIDENTIAL   | 2,024          | 7,346           | 0              | 0             | 4,564         | 0            | 13,934                  |
| WIND-COMMERCIAL  | 15,255         | 6,673           | 76,464         | 0             | 1,322         | 0            | 99,714                  |
| COASTAL-RESIDENTIAL                                      | 3,356          | 10,432          | 2,572          | 0             | 0             | 0            | 16,360                  |
| COASTAL-COMMERCIAL                                       | 4,648          | 24,908          | 5,157          | 1,304         | 1,260         | 0            | 37,277                  |
| <b>TOTAL</b>   | <b>76,887</b>  | <b>280,488</b>  | <b>112,138</b> | <b>17,233</b> | <b>7,866</b>  | <b>9,805</b> | <b>504,417</b>          |
| <b>UNPAIDLOSSEXPENSE<br/>(CURRENT PERIOD INCL. IBNR)</b> |                |                 |                |               |               |              |                         |
| RESIDENTIAL-FIRE   | 11,286         | 8,829           | 365            | 0             | 0             | 0            | 20,480                  |
| RESIDENTIAL-EC   | 47,207         | 44,583          | 1,139          | 730           | 1,467         | 365          | 95,491                  |
| COMMERCIAL-FIRE  | 133,128        | 153,022         | 0              | 0             | 0             | 0            | 286,150                 |
| COMMERCIAL-EC  | 5,512          | 1,533           | 4,788          | 0             | 0             | 0            | 11,833                  |
| CRIME-RESIDENTIAL  | 1,569          | 628             | 0              | 0             | 0             | 0            | 2,197                   |
| CRIME-COMMERCIAL   | 0              | 0               | 0              | 0             | 0             | 0            | 0                       |
| HOMEOWNER-BEACH  | 16,259         | 11,610          | 1,752          | 2,840         | 0             | 0            | 32,461                  |
| HOMEOWNER-COASTAL  | 26,410         | 18,859          | 2,846          | 4,613         | 0             | 0            | 52,728                  |
| HO-BEACHWIND   | 32,526         | 31,076          | 730            | 1,642         | 0             | 0            | 65,974                  |
| HO-COASTALWIND   | 35,821         | 33,376          | 737            | 0             | 0             | 0            | 69,934                  |
| WIND-RESIDENTIAL   | 5,810          | 5,948           | 730            | 0             | 0             | 0            | 12,488                  |
| WIND-COMMERCIAL  | 55,084         | 58,885          | 0              | 0             | 1,905         | 0            | 115,874                 |
| COASTAL-RESIDENTIAL                                      | 10,100         | 2,620           | 0              | 0             | 0             | 0            | 12,720                  |
| COASTAL-COMMERCIAL                                       | 22,340         | 23,380          | 0              | 0             | 730           | 0            | 46,450                  |
| <b>TOTAL</b>   | <b>403,052</b> | <b>394,349</b>  | <b>13,087</b>  | <b>9,825</b>  | <b>4,102</b>  | <b>365</b>   | <b>824,780</b>          |
| <b>UNPAIDLOSSEXPENSE<br/>(PRIOR PERIOD INCL. IBNR)</b>   |                |                 |                |               |               |              |                         |
| RESIDENTIAL-FIRE   | 0              | 26,712          | 5,265          | 0             | 0             | 0            | 31,977                  |
| RESIDENTIAL-EC   | 0              | 132,090         | 10,835         | 3,594         | 1,313         | 327          | 148,159                 |
| COMMERCIAL-FIRE  | 0              | 1,296           | 1,307          | 0             | 0             | 0            | 2,603                   |
| COMMERCIAL-EC  | 0              | 18,521          | 4,805          | 0             | 0             | 0            | 23,326                  |
| CRIME-RESIDENTIAL  | 0              | 1,091           | 0              | 0             | 0             | 0            | 1,091                   |
| CRIME-COMMERCIAL   | 0              | 0               | 0              | 0             | 0             | 0            | 0                       |
| HOMEOWNER-BEACH  | 0              | 54,298          | 2,841          | 3,786         | 0             | 0            | 60,925                  |
| HOMEOWNER-COASTAL  | 0              | 50,120          | 2,623          | 3,495         | 0             | 0            | 56,238                  |
| HO-BEACHWIND   | 0              | 132,292         | 11,272         | 1,470         | 0             | 0            | 145,034                 |
| HO-COASTALWIND   | 0              | 146,669         | 18,191         | 0             | 0             | 0            | 164,860                 |
| WIND-RESIDENTIAL   | 0              | 14,817          | 2,287          | 817           | 0             | 0            | 17,921                  |
| WIND-COMMERCIAL  | 0              | 98,227          | 7,482          | 0             | 8,415         | 0            | 114,124                 |
| COASTAL-RESIDENTIAL                                      | 0              | 26,863          | 2,777          | 0             | 0             | 0            | 29,640                  |
| COASTAL-COMMERCIAL                                       | 0              | 28,492          | 1,307          | 0             | 653           | 0            | 30,452                  |
| <b>TOTAL</b>   | <b>0</b>       | <b>731,488</b>  | <b>70,992</b>  | <b>13,162</b> | <b>10,381</b> | <b>327</b>   | <b>826,350</b>          |
| <b>INCURREDLOSSEXPENSES</b>                              |                |                 |                |               |               |              |                         |
| RESIDENTIAL-FIRE   | 13,116         | (7,940)         | (3,512)        | 0             | 0             | 0            | 1,664                   |
| RESIDENTIAL-EC   | 66,201         | (12,256)        | 1,796          | 6,584         | 154           | 9,843        | 72,322                  |
| COMMERCIAL-FIRE  | 133,262        | 151,726         | (315)          | 0             | 0             | 0            | 284,673                 |
| COMMERCIAL-EC  | 6,115          | (12,521)        | (17)           | 0             | 0             | 0            | (6,423)                 |
| CRIME-RESIDENTIAL  | 1,684          | 385             | 0              | 0             | 0             | 0            | 2,069                   |
| CRIME-COMMERCIAL   | 52             | 384             | 0              | 0             | 0             | 0            | 436                     |
| HOMEOWNER-BEACH  | 17,225         | (38,854)        | (854)          | 285           | 0             | 0            | (22,198)                |
| HOMEOWNER-COASTAL  | 30,436         | (15,269)        | 1,205          | 6,254         | 0             | 0            | 22,626                  |
| HO-BEACHWIND   | 44,848         | (33,541)        | (1,970)        | 286           | 720           | 0            | 10,343                  |
| HO-COASTALWIND   | 48,383         | (60,558)        | (13,170)       | 0             | 0             | 0            | (25,345)                |
| WIND-RESIDENTIAL   | 7,834          | (1,523)         | (1,557)        | (817)         | 4,564         | 0            | 8,501                   |
| WIND-COMMERCIAL  | 70,339         | (32,669)        | 68,982         | 0             | (5,188)       | 0            | 101,464                 |
| COASTAL-RESIDENTIAL                                      | 13,456         | (13,811)        | (205)          | 0             | 0             | 0            | (560)                   |
| COASTAL-COMMERCIAL                                       | 26,988         | 19,796          | 3,850          | 1,304         | 1,337         | 0            | 53,275                  |
| <b>TOTAL</b>   | <b>479,939</b> | <b>(56,651)</b> | <b>54,233</b>  | <b>13,896</b> | <b>1,587</b>  | <b>9,843</b> | <b>502,847</b>          |

NORTHCAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
 AS OF DECEMBER 31, 2006

| CAT NUMBER | POLICY YEAR          | CAT DATE             | BUSINESS     | LOSSES      |            | ALLOCATED CLAIMS EXPENSE |           |
|------------|----------------------|----------------------|--------------|-------------|------------|--------------------------|-----------|
|            |                      |                      |              | OUTSTANDING | PAID       | OUTSTANDING              | PAID      |
| 97         | 10/01/97<br>09/30/98 | 09/14/99<br>09/16/99 | HABITATIONAL | 0           | 459,850    | 0                        | 46,224    |
| 97         | 10/01/97<br>09/30/98 | 09/14/99<br>09/16/99 | COMMERCIAL   | 0           | 22,462     | 0                        | 2,520     |
|            |                      |                      | TOTAL        | 0           | 482,312    | 0                        | 48,744    |
| 97         | 10/01/98<br>09/30/99 | 09/14/99<br>09/16/99 | HABITATIONAL | 5,000       | 11,673,626 | 500                      | 1,169,936 |
| 97         | 10/01/98<br>09/30/99 | 09/14/99<br>09/16/99 | COMMERCIAL   | 0           | 1,146,594  | 0                        | 70,288    |
|            |                      |                      | TOTAL        | 5,000       | 12,820,220 | 500                      | 1,240,224 |
| 95         | 10/01/01<br>09/30/02 | 09/18/03             | HABITATIONAL | 0           | 591,665    | 0                        | 46,166    |
| 95         | 10/01/01<br>09/30/02 | 09/18/03             | COMMERCIAL   | 0           | 0          | 0                        | 0         |
|            |                      |                      | TOTAL        | 0           | 591,665    | 0                        | 46,166    |
| 95         | 10/01/02<br>09/30/03 | 09/18/03             | HABITATIONAL | 20,151      | 14,663,636 | 2,015                    | 1,226,931 |
| 95         | 10/01/02<br>09/30/03 | 09/18/03             | COMMERCIAL   | 0           | 1,763,631  | 0                        | 82,531    |
|            |                      |                      | TOTAL        | 20,151      | 16,427,267 | 2,015                    | 1,309,462 |
| 1          | 10/01/02<br>09/30/03 | 08/03/04             | HABITATIONAL | 0           | 194,429    | 0                        | 22,595    |
| 1          | 10/01/02<br>09/30/03 | 08/03/04             | COMMERCIAL   | 0           | 9,599      | 0                        | 891       |
|            |                      |                      | TOTAL        | 0           | 204,028    | 0                        | 23,486    |
| 1          | 10/01/03<br>09/30/04 | 08/03/04             | HABITATIONAL | 0           | 1,165,092  | 0                        | 122,646   |
| 1          | 10/01/03<br>09/30/04 | 08/03/04             | COMMERCIAL   | 0           | 368,141    | 0                        | 16,415    |
|            |                      |                      | TOTAL        | 0           | 1,533,233  | 0                        | 139,061   |
| 26         | 10/01/02<br>09/30/03 | 08/14/04<br>08/15/04 | HABITATIONAL | 12,500      | 819,722    | 1,250                    | 57,085    |
| 26         | 10/01/02<br>09/30/03 | 08/14/04<br>08/15/04 | COMMERCIAL   | 0           | 22,799     | 0                        | 924       |
|            |                      |                      | TOTAL        | 12,500      | 842,521    | 1,250                    | 58,009    |

NORTHCAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
 AS OF DECEMBER 31, 2006

| CAT<br>NUMBER | POLICY<br>YEAR         | CAT<br>DATE          | BUSINESS     | LOSSES        |                  | ALLOCATED CLAIMS EXPENSE |                |
|---------------|------------------------|----------------------|--------------|---------------|------------------|--------------------------|----------------|
|               |                        |                      |              | OUTSTANDING   | PAID             | OUTSTANDING              | PAID           |
| 26            | 10/01/03<br>09/30/04   | 08/14/04<br>08/15/04 | HABITATIONAL | 10,001        | 3,018,975        | 1,000                    | 282,961        |
| 26            | 10/01/03<br>09/30/04   | 08/14/04<br>08/15/04 | COMMERCIAL   | 0             | 188,361          | 0                        | 8,963          |
|               |                        |                      | TOTAL        | <u>10,001</u> | <u>3,207,336</u> | <u>1,000</u>             | <u>291,924</u> |
| 39            | 10/01/03<br>09/30/04   | 03/07/05<br>03/09/05 | HABITATIONAL | 0             | 49,965           | 0                        | 7,174          |
| 39            | 10/01/03<br>09/30/04   | 03/07/05<br>03/09/05 | COMMERCIAL   | 0             | 0                | 0                        | 0              |
|               |                        |                      | TOTAL        | <u>0</u>      | <u>49,965</u>    | <u>0</u>                 | <u>7,174</u>   |
| 39            | 10/1/2004.<br>09/30/05 | 03/07/05<br>03/09/05 | HABITATIONAL | 0             | 26,991           | 0                        | 3,444          |
| 39            | 10/01/04<br>09/30/05   | 03/07/05<br>03/09/05 | COMMERCIAL   | 0             | 0                | 0                        | 166            |
|               |                        |                      | TOTAL        | <u>0</u>      | <u>26,991</u>    | <u>0</u>                 | <u>3,610</u>   |
| 50            | 10/01/03<br>09/30/04   | 09/13/05<br>09/16/05 | HABITATIONAL | 0             | 195,644          | 0                        | 19,960         |
| 50            | 10/01/03<br>09/30/04   | 09/13/05<br>09/16/05 | COMMERCIAL   | 0             | 14,015           | 0                        | 764            |
|               |                        |                      | TOTAL        | <u>0</u>      | <u>209,659</u>   | <u>0</u>                 | <u>20,724</u>  |
| 50            | 10/01/04<br>09/30/05   | 09/13/05<br>09/16/05 | HABITATIONAL | 0             | 5,812,225        | 0                        | 484,558        |
| 50            | 10/01/04<br>09/30/05   | 09/13/05<br>09/16/05 | COMMERCIAL   | 65,593        | 1,454,984        | 6,559                    | 48,157         |
|               |                        |                      | TOTAL        | <u>65,593</u> | <u>7,267,209</u> | <u>6,559</u>             | <u>532,715</u> |
| 53            | 10/01/04<br>09/30/05   | 10/07/05<br>10/14/05 | HABITATIONAL | 0             | 129,090          | 0                        | 16,978         |
| 53            | 10/01/04<br>09/30/05   | 10/07/05<br>10/14/05 | COMMERCIAL   | 0             | 1,074            | 0                        | 296            |
|               |                        |                      | TOTAL        | <u>0</u>      | <u>130,164</u>   | <u>0</u>                 | <u>17,274</u>  |

NORTHCAROLINAINSURANCEUNDERWRITINGASSOCIATION  
 BEACHPLAN  
 REPORTOFCATASTROPHELOSSESTOMEMBERCOMPANIES  
 ASOFDECEMBER31,2006

| CAT<br>NUMBER | POLICY<br>YEAR       | CAT<br>DATE          | BUSINESS     | LOSSES      |         | ALLOCATEDCLAIMSEXPENSE |        |
|---------------|----------------------|----------------------|--------------|-------------|---------|------------------------|--------|
|               |                      |                      |              | OUTSTANDING | PAID    | OUTSTANDING            | PAID   |
| 53            | 10/01/05<br>09/30/06 | 10/07/05<br>10/14/05 | HABITATIONAL | 0           | 0       | 0                      | 123    |
| 53            | 10/01/05<br>09/30/06 | 10/07/05<br>10/14/05 | COMMERCIAL   | 0           | 0       | 0                      | 0      |
|               |                      |                      |              | 0           | 0       | 0                      | 123    |
| 82            | 10/01/04<br>09/30/05 | 08/31/06<br>09/01/06 | HABITATIONAL | 10,099      | 119,621 | 1,010                  | 8,937  |
| 82            | 10/01/04<br>09/30/05 | 08/31/06<br>09/01/06 | COMMERCIAL   | 0           | 0       | 0                      | 0      |
|               |                      |                      |              | 10,099      | 119,621 | 1,010                  | 8,937  |
| 82            | 10/01/05<br>09/30/06 | 08/31/06<br>09/01/06 | HABITATIONAL | 55,198      | 581,074 | 5,520                  | 66,121 |
| 82            | 10/01/05<br>09/30/06 | 08/31/06<br>09/01/06 | COMMERCIAL   | 10,000      | 42,233  | 1,000                  | 6,161  |
|               |                      |                      |              | 65,198      | 623,307 | 6,520                  | 72,282 |
| 7             | 10/01/05<br>09/30/06 | 11/21/06<br>11/22/06 | HABITATIONAL | 328,994     | 205,091 | 32,899                 | 27,377 |
| 7             | 10/01/05<br>09/30/06 | 11/21/06<br>11/22/06 | COMMERCIAL   | 11,000      | 0       | 1,100                  | 384    |
|               |                      |                      |              | 339,994     | 205,091 | 33,999                 | 27,761 |
| 7             | 10/01/06<br>09/30/07 | 11/21/06<br>11/22/06 | HABITATIONAL | 5,099       | 13,020  | 510                    | 3,501  |
| 7             | 10/01/06<br>09/30/07 | 08/31/06<br>09/01/06 | COMMERCIAL   | 99          | 0       | 10                     | 0      |
|               |                      |                      |              | 5,198       | 13,020  | 520                    | 3,501  |
| 88            | 10/01/05<br>09/30/06 | 11/14/06<br>11/16/06 | HABITATIONAL | 17,100      | 1,689   | 1,710                  | 330    |
| 88            | 10/01/05<br>09/30/06 | 11/14/06<br>11/16/06 | COMMERCIAL   | 0           | 0       | 0                      | 0      |
|               |                      |                      |              | 17,100      | 1,689   | 1,710                  | 330    |

NORTHCAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
 AS OF DECEMBER 31, 2006

| CAT<br>NUMBER  | POLICY<br>YEAR       | CAT<br>DATE          | BUSINESS     | LOSSES      |            | ALLOCATED CLAIMS EXPENSE |           |
|--|----------------------|----------------------|--------------|-------------|------------|--------------------------|-----------|
|  |                      |                      |              | OUTSTANDING | PAID       | OUTSTANDING              | PAID      |
| <b>BEACH WIND &amp; HAIL ONLY REPORT OF CATASTROPHE LOSSES</b> |                      |                      |              |             |            |                          |           |
| 97   | 10/01/97<br>09/30/98 | 09/14/99<br>09/16/99 | HABITATIONAL | 0           | 169,707    | 0                        | 16,898    |
| 97   | 10/01/97<br>09/30/98 | 09/14/99<br>09/16/99 | COMMERCIAL   | 0           | 82,741     | 0                        | 6,233     |
|  |                      |                      | TOTAL        | 0           | 252,448    | 0                        | 23,131    |
| 97   | 10/01/98<br>09/30/99 | 09/14/99<br>09/16/99 | HABITATIONAL | 0           | 7,297,313  | 0                        | 654,284   |
| 97   | 10/01/98<br>09/30/99 | 09/14/99<br>09/16/99 | COMMERCIAL   | 0           | 37,785,920 | 0                        | 1,269,761 |
|  |                      |                      | TOTAL        | 0           | 45,083,233 | 0                        | 1,924,045 |
| 95   | 10/01/01<br>09/30/02 | 09/18/03             | HABITATIONAL | 0           | 247,573    | 0                        | 20,698    |
| 95   | 10/01/01<br>09/30/02 | 09/18/03             | COMMERCIAL   | 0           | 1,575,586  | 0                        | 78,054    |
|  |                      |                      | TOTAL        | 0           | 1,823,159  | 0                        | 98,752    |
| 95   | 10/01/02<br>09/30/03 | 09/18/03             | HABITATIONAL | 0           | 7,684,923  | 0                        | 666,546   |
| 95   | 10/01/02<br>09/30/03 | 09/18/03             | COMMERCIAL   | 26,100      | 24,034,059 | 2,610                    | 853,960   |
|  |                      |                      | TOTAL        | 26,100      | 31,718,982 | 2,610                    | 1,520,506 |
| 1  | 10/01/02<br>09/30/03 | 08/03/04             | HABITATIONAL | 0           | 31,680     | 0                        | 3,765     |
| 1  | 10/01/02<br>09/30/03 | 08/03/04             | COMMERCIAL   | 0           | 27,742     | 0                        | 3,201     |
|  |                      |                      | TOTAL        | 0           | 59,422     | 0                        | 6,966     |
| 1  | 10/01/03<br>09/30/04 | 08/03/04             | HABITATIONAL | 0           | 154,354    | 0                        | 12,211    |
| 1  | 10/01/03<br>09/30/04 | 08/03/04             | COMMERCIAL   | 0           | 394,371    | 0                        | 19,110    |
|  |                      |                      | TOTAL        | 0           | 548,725    | 0                        | 31,321    |

NORTHCAROLINAINSURANCEUNDERWRITINGASSOCIATION  
 BEACHPLAN  
 REPORTOFCATASTROPHELOSSESTOMEMBERCOMPANIES  
 ASOFDECEMBER31,2006

| CAT NUMBER | POLICY YEAR          | CAT DATE             | BUSINESS     | LOSSES      |            | ALLOCATEDCLAIMSEXPENSE |         |
|------------|----------------------|----------------------|--------------|-------------|------------|------------------------|---------|
|            |                      |                      |              | OUTSTANDING | PAID       | OUTSTANDING            | PAID    |
| 26         | 10/01/02<br>09/30/03 | 08/14/04<br>08/15/04 | HABITATIONAL | 0           | 139,427    | 0                      | 13,024  |
| 26         | 10/01/02<br>09/30/03 | 08/14/04<br>08/15/04 | COMMERCIAL   | 0           | 800,158    | 0                      | 47,138  |
|            |                      |                      | TOTAL        | 0           | 939,585    | 0                      | 60,162  |
| 26         | 10/01/03<br>09/30/04 | 08/14/04<br>08/15/04 | HABITATIONAL | 0           | 151,060    | 0                      | 8,780   |
| 26         | 10/01/03<br>09/30/04 | 08/14/04<br>08/15/04 | COMMERCIAL   | 0           | 599,848    | 0                      | 41,645  |
|            |                      |                      | TOTAL        | 0           | 750,908    | 0                      | 50,425  |
| 39         | 10/01/03<br>09/30/04 | 03/07/05<br>03/09/05 | HABITATIONAL | 0           | 0          | 0                      | 341     |
| 39         | 10/01/03<br>09/30/04 | 03/07/05<br>03/09/05 | COMMERCIAL   | 0           | 16,701     | 0                      | 2,852   |
|            |                      |                      | TOTAL        | 0           | 16,701     | 0                      | 3,193   |
| 39         | 10/01/04<br>09/30/05 | 03/07/05<br>03/09/05 | HABITATIONAL | 0           | 0          | 0                      | 0       |
| 39         | 10/01/04<br>09/30/05 | 03/07/05<br>03/09/05 | COMMERCIAL   | 0           | 49,012     | 0                      | 4,742   |
|            |                      |                      | TOTAL        | 0           | 49,012     | 0                      | 4,742   |
| 50         | 10/01/03<br>09/30/04 | 09/13/05<br>09/16/05 | HABITATIONAL | 0           | 5,870      | 0                      | 1,016   |
| 50         | 10/01/03<br>09/30/04 | 09/13/05<br>09/16/05 | COMMERCIAL   | 0           | 380,928    | 0                      | 11,001  |
|            |                      |                      | TOTAL        | 0           | 386,798    | 0                      | 12,017  |
| 50         | 10/01/04<br>09/30/05 | 09/13/05<br>09/16/05 | HABITATIONAL | 0           | 429,056    | 0                      | 37,938  |
| 50         | 10/01/04<br>09/30/05 | 09/13/05<br>09/16/05 | COMMERCIAL   | 0           | 22,437,564 | 0                      | 661,816 |
|            |                      |                      | TOTAL        | 0           | 22,866,620 | 0                      | 699,754 |
| 53         | 10/01/04<br>09/30/05 | 10/07/05<br>10/14/05 | HABITATIONAL | 0           | 15,708     | 0                      | 1,011   |
| 53         | 10/01/04<br>09/30/05 | 10/07/05<br>10/14/05 | COMMERCIAL   | 0           | 66,923     | 0                      | 5,539   |
|            |                      |                      | TOTAL        | 0           | 82,631     | 0                      | 6,550   |

NORTHCAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
 AS OF DECEMBER 31, 2006

| CAT<br>NUMBER  | POLICY<br>YEAR       | CAT<br>DATE          | BUSINESS     | LOSSES         |                  | ALLOCATED CLAIMS EXPENSE |                |
|--|----------------------|----------------------|--------------|----------------|------------------|--------------------------|----------------|
|  |                      |                      |              | OUTSTANDING    | PAID             | OUTSTANDING              | PAID           |
| 82   | 10/01/04<br>09/30/05 | 08/31/06<br>09/01/06 | HABITATIONAL | 10,000         | 0                | 1,000                    | 126            |
| 82   | 10/01/04<br>09/30/05 | 08/31/06<br>09/01/06 | COMMERCIAL   | 0              | 0                | 0                        | 349            |
|  |                      |                      |              | <u>10,000</u>  | <u>0</u>         | <u>1,000</u>             | <u>475</u>     |
| 82   | 10/01/05<br>09/30/06 | 08/31/06<br>09/01/06 | HABITATIONAL | 0              | 57,179           | 0                        | 7,753          |
| 82   | 10/01/05<br>09/30/06 | 08/31/06<br>09/01/06 | COMMERCIAL   | 115,131        | 852,295          | 11,513                   | 31,424         |
|  |                      |                      |              | <u>115,131</u> | <u>909,474</u>   | <u>11,513</u>            | <u>39,177</u>  |
| 7  | 10/01/05<br>09/30/06 | 11/21/06<br>11/22/06 | HABITATIONAL | 71,188         | 7,488            | 7,119                    | 3,137          |
| 7  | 10/01/05<br>09/30/06 | 11/21/06<br>11/22/06 | COMMERCIAL   | 671,195        | 19,789           | 67,120                   | 2,869          |
|  |                      |                      |              | <u>742,383</u> | <u>27,277</u>    | <u>74,238</u>            | <u>6,006</u>   |
| 7  | 10/01/06<br>09/30/07 | 11/21/06<br>11/22/06 | HABITATIONAL | 0              | 2,191            | 0                        | 366            |
| 7  | 10/01/06<br>09/30/07 | 08/31/06<br>09/01/06 | COMMERCIAL   | 16,099         | 0                | 1,610                    | 360            |
|  |                      |                      |              | <u>16,099</u>  | <u>2,191</u>     | <u>1,610</u>             | <u>726</u>     |
| <b>COASTAL WIND &amp; HAIL ONLY REPORT OF CATASTROPHE LOSS</b> |                      |                      |              | <b>ES</b>      |                  |                          |                |
| 97   | 10/01/97<br>09/30/98 | 09/14/99<br>09/16/99 | HABITATIONAL | 0              | 54,862           | 0                        | 4,430          |
| 97   | 10/01/97<br>09/30/98 | 09/14/99<br>09/16/99 | COMMERCIAL   | 0              | 33,718           | 0                        | 1,426          |
|  |                      |                      | TOTAL        | <u>0</u>       | <u>88,580</u>    | <u>0</u>                 | <u>5,856</u>   |
| 97   | 10/01/98<br>09/30/99 | 09/14/99<br>09/16/99 | HABITATIONAL | 0              | 1,902,730        | 0                        | 203,454        |
| 97   | 10/01/98<br>09/30/99 | 09/14/99<br>09/16/99 | COMMERCIAL   | 0              | 2,976,572        | 0                        | 119,056        |
|  |                      |                      | TOTAL        | <u>0</u>       | <u>4,879,302</u> | <u>0</u>                 | <u>322,510</u> |

NORTHCAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACHPLAN  
 REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
 AS OF DECEMBER 31, 2006

| CAT<br>NUMBER | POLICY<br>YEAR       | CAT<br>DATE          | BUSINESS     | LOSSES      |           | ALLOCATED CLAIMS EXPENSE |         |
|---------------|----------------------|----------------------|--------------|-------------|-----------|--------------------------|---------|
|               |                      |                      |              | OUTSTANDING | PAID      | OUTSTANDING              | PAID    |
| 95            | 10/01/01<br>09/30/02 | 09/18/03             | HABITATIONAL | 0           | 73,903    | 0                        | 9,732   |
| 95            | 10/01/01<br>09/30/02 | 09/18/03             | COMMERCIAL   | 0           | 5,360     | 0                        | 947     |
|               |                      |                      | TOTAL        | 0           | 79,263    | 0                        | 10,679  |
| 95            | 10/01/02<br>09/30/03 | 09/18/03             | HABITATIONAL | 0           | 3,022,599 | 0                        | 320,119 |
| 95            | 10/01/02<br>09/30/03 | 09/18/03             | COMMERCIAL   | 10,000      | 4,969,911 | 1,000                    | 266,129 |
|               |                      |                      | TOTAL        | 10,000      | 7,992,510 | 1,000                    | 586,248 |
| 1             | 10/01/02<br>09/30/03 | 08/03/04             | HABITATIONAL | 0           | 5,565     | 0                        | 722     |
|               |                      |                      | TOTAL        | 0           | 5,565     | 0                        | 722     |
| 1             | 10/01/03<br>09/30/04 | 08/03/04             | HABITATIONAL | 0           | 0         | 0                        | 204     |
| 1             | 10/01/03<br>09/30/04 | 08/03/04             | COMMERCIAL   | 0           | 13,348    | 0                        | 1,278   |
|               |                      |                      | TOTAL        | 0           | 13,348    | 0                        | 1,482   |
| 26            | 10/01/02<br>09/30/03 | 08/14/04<br>08/15/04 | HABITATIONAL | 0           | 104,665   | 0                        | 8,523   |
| 26            | 10/01/02<br>09/30/03 | 08/14/04<br>08/15/04 | COMMERCIAL   | 0           | 18,076    | 0                        | 4,859   |
|               |                      |                      | TOTAL        | 0           | 122,741   | 0                        | 13,382  |
| 26            | 10/01/03<br>09/30/04 | 08/14/04<br>08/15/04 | HABITATIONAL | 0           | 196,459   | 0                        | 13,913  |
| 26            | 10/01/03<br>09/30/04 | 08/14/04<br>08/15/04 | COMMERCIAL   | 0           | 994,920   | 0                        | 49,652  |
|               |                      |                      | TOTAL        | 0           | 1,191,379 | 0                        | 63,565  |
| 39            | 10/01/03<br>09/30/04 | 03/07/05<br>03/09/05 | HABITATIONAL | 0           | 48,626    | 0                        | 5,230   |
| 39            | 10/01/03<br>09/30/04 | 03/07/05<br>03/09/05 | COMMERCIAL   | 0           | 101,790   | 0                        | 6,531   |
|               |                      |                      | TOTAL        | 0           | 150,416   | 0                        | 11,761  |

NORTHCAROLINAINSURANCEUNDERWRITINGASSOCIATION  
 BEACHPLAN  
 REPORTOF CATASTROPHELOSSESTOMEMBERCOMPANIES  
 ASOFDECEMBER31,2006

| CAT<br>NUMBER | POLICY<br>YEAR       | CAT<br>DATE          | BUSINESS     | LOSSES      |           | ALLOCATEDCLAIMSEXPENSE |         |
|---------------|----------------------|----------------------|--------------|-------------|-----------|------------------------|---------|
|               |                      |                      |              | OUTSTANDING | PAID      | OUTSTANDING            | PAID    |
| 39            | 10/01/04<br>09/30/05 | 03/07/05<br>03/09/05 | HABITATIONAL | 0           | 19,718    | 0                      | 3,051   |
| 39            | 10/01/04<br>09/30/05 | 03/07/05<br>03/09/05 | COMMERCIAL   | 0           | 61,815    | 0                      | 2,628   |
|               |                      |                      |              | 0           | 81,533    | 0                      | 5,679   |
| 50            | 10/01/03<br>09/30/04 | 09/13/05<br>09/16/05 | HABITATIONAL | 0           | 23,192    | 0                      | 3,744   |
| 50            | 10/01/03<br>09/30/04 | 09/13/05<br>09/16/05 | COMMERCIAL   | 0           | 220,458   | 0                      | 7,773   |
|               |                      |                      |              | 0           | 243,650   | 0                      | 11,517  |
| 50            | 10/01/04<br>09/30/05 | 09/13/05<br>09/16/05 | HABITATIONAL | 0           | 716,669   | 0                      | 77,170  |
| 50            | 10/01/04<br>09/30/05 | 09/13/05<br>09/16/05 | COMMERCIAL   | 0           | 6,390,023 | 0                      | 214,400 |
|               |                      |                      |              | 0           | 7,106,692 | 0                      | 291,570 |
| 53            | 10/01/04<br>09/30/05 | 10/07/05<br>10/14/05 | HABITATIONAL | 0           | 4,320     | 0                      | 723     |
| 53            | 10/01/04<br>09/30/05 | 10/07/05<br>10/14/05 | COMMERCIAL   | 0           | 293,509   | 0                      | 10,963  |
|               |                      |                      |              | 0           | 297,829   | 0                      | 11,686  |
| 82            | 10/01/04<br>09/30/05 | 08/31/06<br>09/01/06 | HABITATIONAL | 0           | 3,532     | 0                      | 487     |
| 82            | 10/01/04<br>09/30/05 | 08/31/06<br>09/01/06 | COMMERCIAL   | 0           | 19,531    | 0                      | 1,005   |
|               |                      |                      |              | 0           | 23,063    | 0                      | 1,492   |
| 82            | 10/01/05<br>09/30/06 | 08/31/06<br>09/01/06 | HABITATIONAL | 0           | 59,063    | 0                      | 9,371   |
| 82            | 10/01/05<br>09/30/06 | 08/31/06<br>09/01/06 | COMMERCIAL   | 177,101     | 428,580   | 17,710                 | 25,363  |
|               |                      |                      |              | 177,101     | 487,643   | 17,710                 | 34,734  |

NORTHCAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
 AS OF DECEMBER 31, 2006

| CAT NUMBER  | POLICY YEAR          | CAT DATE             | BUSINESS        | LOSSES                     |                  | ALLOCATED CLAIMS EXPENSE |               |
|---|----------------------|----------------------|-----------------|----------------------------|------------------|--------------------------|---------------|
|   |                      |                      |                 | OUTSTANDING                | PAID             | OUTSTANDING              | PAID          |
| 7   | 10/01/05<br>09/30/06 | 11/21/06<br>11/22/06 | HABITATIONAL    | 33,297                     | 37,901           | 3,330                    | 4,842         |
| 7   | 10/01/05<br>09/30/06 | 11/21/06<br>11/22/06 | COMMERCIAL      | 143,100                    | 14,079           | 14,310                   | 2,911         |
|   |                      |                      |                 | <u>176,397</u>             | <u>51,980</u>    | <u>17,640</u>            | <u>7,753</u>  |
| 7   | 10/01/06<br>09/30/07 | 11/21/06<br>11/22/06 | HABITATIONAL    | 43,599                     | 10,471           | 4,360                    | 1,735         |
| 7   | 10/01/06<br>09/30/07 | 08/31/06<br>09/01/06 | COMMERCIAL      | 10,000                     | 0                | 1,000                    | 213           |
|   |                      |                      |                 | <u>53,599</u>              | <u>10,471</u>    | <u>5,360</u>             | <u>1,948</u>  |
| 88  | 10/01/05<br>09/30/06 | 11/14/06<br>11/16/06 | HABITATIONAL    | 0                          | 200              | 0                        | 222           |
| 88  | 10/01/05<br>09/30/06 | 11/14/06<br>11/16/06 | COMMERCIAL      | 0                          | 0                | 0                        | 0             |
|   |                      |                      |                 | <u>0</u>                   | <u>200</u>       | <u>0</u>                 | <u>222</u>    |
| 88  | 10/01/06<br>09/30/07 | 11/14/06<br>11/16/06 | HABITATIONAL    | 5,001                      | 0                | 500                      | 0             |
| 88  | 10/01/06<br>09/30/07 | 11/14/06<br>11/16/06 | COMMERCIAL      | 0                          | 0                | 0                        | 0             |
|   |                      |                      |                 | <u>5,001</u>               | <u>0</u>         | <u>500</u>               | <u>0</u>      |
| <b>HOMEOWNERS AND HOMEOWNERS WIND &amp; HAIL ONLY REPORT TO</b> |                      |                      |                 | <b>FCATASTROPHE LOSSES</b> |                  |                          |               |
| 95  | 10/01/02<br>09/30/03 | 09/18/03             | HO-BEACH        | 0                          | 92,968           | 0                        | 8,089         |
| 95  | 10/01/02<br>09/30/03 | 09/18/03             | HO WIND BEACH   | 0                          | 523,710          | 0                        | 37,140        |
| 95  | 10/01/02<br>09/30/03 | 09/18/03             | HO COASTAL      | 0                          | 419,065          | 0                        | 31,876        |
| 95  | 10/01/02<br>09/30/03 | 09/18/03             | HO WIND COASTAL | 0                          | 23               | 0                        | 188           |
|   |                      |                      | TOTAL           | <u>0</u>                   | <u>1,035,766</u> | <u>0</u>                 | <u>77,293</u> |

NORTHCAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
 AS OF DECEMBER 31, 2006

| CAT<br>NUMBER | POLICY<br>YEAR       | CAT<br>DATE          | BUSINESS       | LOSSES        |                  | ALLOCATED CLAIMS EXPENSE |                |
|---------------|----------------------|----------------------|----------------|---------------|------------------|--------------------------|----------------|
|               |                      |                      |                | OUTSTANDING   | PAID             | OUTSTANDING              | PAID           |
| 1             | 10/01/02<br>09/30/03 | 08/03/04             | HOMEOWNERS     | 0             | 289              | 0                        | 306            |
| 1             | 10/01/02<br>09/30/03 | 08/03/04             | BEACH HOWIND   | 0             | 26,502           | 0                        | 1,823          |
|               |                      |                      |                | <u>0</u>      | <u>26,791</u>    | <u>0</u>                 | <u>2,129</u>   |
| 1             | 10/01/03<br>09/30/04 | 08/03/04             | HO BEACH       | 0             | 43,882           | 0                        | 3,785          |
| 1             | 10/01/03<br>09/30/04 | 08/03/04             | HO COASTAL     | 0             | 0                | 0                        | 162            |
| 1             | 10/01/03<br>09/30/04 | 08/03/04             | HOWIND BEACH   | 22,500        | 620,378          | 2,250                    | 40,840         |
| 1             | 10/01/03<br>09/30/04 | 08/03/04             | HOWIND COASTAL | 0             | 30,997           | 0                        | 2,486          |
|               |                      |                      |                | <u>22,500</u> | <u>695,257</u>   | <u>2,250</u>             | <u>47,273</u>  |
| 26            | 10/01/02<br>09/30/03 | 08/14/04<br>08/15/04 | HOMEOWNERS     | 0             | 38,371           | 0                        | 3,508          |
| 26            | 10/01/02<br>09/30/03 | 08/14/04<br>08/15/04 | HOWIND BEACH   | 0             | 19,308           | 0                        | 1,661          |
| 26            | 10/01/02<br>09/30/03 | 08/14/04<br>08/15/04 | HOWIND COASTAL | 0             | 28,327           | 0                        | 3,871          |
|               |                      |                      |                | <u>0</u>      | <u>86,006</u>    | <u>0</u>                 | <u>9,040</u>   |
| 26            | 10/01/03<br>09/30/04 | 08/14/04<br>08/15/04 | HO-BEACH       | 0             | 99,573           | 0                        | 9,401          |
| 26            | 10/01/03<br>09/30/04 | 08/14/04<br>08/15/04 | HO-COASTAL     | 0             | 245,892          | 0                        | 18,760         |
| 26            | 10/01/03<br>09/30/04 | 08/14/04<br>08/15/04 | HOWIND BEACH   | 0             | 1,097,825        | 0                        | 94,056         |
| 26            | 10/01/03<br>09/30/04 | 08/14/04<br>08/15/04 | HOWIND COASTAL | 0             | 1,184,197        | 0                        | 129,229        |
|               |                      |                      |                | <u>0</u>      | <u>2,627,487</u> | <u>0</u>                 | <u>251,446</u> |

NORTHCAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
 AS OF DECEMBER 31, 2006

| CAT<br>NUMBER | POLICY<br>YEAR       | CAT<br>DATE          | BUSINESS      | LOSSES      |         | ALLOCATED CLAIMS EXPENSE |        |
|---------------|----------------------|----------------------|---------------|-------------|---------|--------------------------|--------|
|               |                      |                      |               | OUTSTANDING | PAID    | OUTSTANDING              | PAID   |
| 39            | 10/01/03<br>09/30/04 | 03/07/05<br>03/09/05 | HO-BEACH      | 0           | 0       | 0                        | 0      |
| 39            | 10/01/03<br>09/30/04 | 03/07/05<br>03/09/05 | HO-COASTAL    | 0           | 22,041  | 0                        | 1,851  |
| 39            | 10/01/03<br>09/30/04 | 03/07/05<br>03/09/05 | HOWINDBEACH   | 0           | 35,292  | 0                        | 5,189  |
| 39            | 10/01/03<br>09/30/04 | 03/07/05<br>03/09/05 | HOWINDCOASTAL | 0           | 145,397 | 0                        | 13,444 |
|               |                      |                      |               | 0           | 202,730 | 0                        | 20,484 |
| 39            | 10/01/04<br>09/30/05 | 03/07/05<br>03/09/05 | HO-BEACH      | 0           | 2,719   | 0                        | 346    |
| 39            | 10/01/04<br>09/30/05 | 03/07/05<br>03/09/05 | HO-COASTAL    | 0           | 12,124  | 0                        | 1,761  |
| 39            | 10/01/04<br>09/30/05 | 03/07/05<br>03/09/05 | HOWINDBEACH   | 0           | 19,085  | 0                        | 4,029  |
| 39            | 10/01/04<br>09/30/05 | 03/07/05<br>03/09/05 | HOWINDCOASTAL | 0           | 102,389 | 0                        | 14,007 |
|               |                      |                      |               | 0           | 136,317 | 0                        | 20,143 |
| 50            | 10/01/03<br>09/30/04 | 09/13/05<br>09/16/05 | HO-BEACH      | 0           | 5,075   | 0                        | 573    |
| 50            | 10/01/03<br>09/30/04 | 09/13/05<br>09/16/05 | HO-COASTAL    | 0           | 50,671  | 0                        | 4,127  |
| 50            | 10/01/03<br>09/30/04 | 09/13/05<br>09/16/05 | HOWINDBEACH   | 0           | 234,409 | 0                        | 18,473 |
| 50            | 10/01/03<br>09/30/04 | 09/13/05<br>09/16/05 | HOWINDCOASTAL | 0           | 262,236 | 0                        | 29,686 |
|               |                      |                      |               | 0           | 552,391 | 0                        | 52,859 |
| 50            | 10/01/04<br>09/30/05 | 09/13/05<br>09/16/05 | HO-BEACH      | 0           | 450,998 | 0                        | 36,833 |
| 50            | 10/01/04<br>09/30/05 | 09/13/05<br>09/16/05 | HO-COASTAL    | 0           | 667,887 | 0                        | 60,648 |

NORTHCAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
 AS OF DECEMBER 31, 2006

| CAT<br>NUMBER | POLICY<br>YEAR       | CAT<br>DATE          | BUSINESS      | LOSSES      |            | ALLOCATED CLAIMS EXPENSE |           |
|---------------|----------------------|----------------------|---------------|-------------|------------|--------------------------|-----------|
|               |                      |                      |               | OUTSTANDING | PAID       | OUTSTANDING              | PAID      |
| 50            | 10/01/04<br>09/30/05 | 09/13/05<br>09/16/05 | HOWINDBEACH   | 0           | 8,747,386  | 0                        | 499,852   |
| 50            | 10/01/04<br>09/30/05 | 09/13/05<br>09/16/05 | HOWINDCOASTAL | 0           | 7,313,447  | 0                        | 660,698   |
|               |                      |                      |               | 0           | 17,179,718 | 0                        | 1,258,031 |
| 53            | 10/01/04<br>09/30/05 | 10/07/05<br>10/14/05 | HO-BEACH      | 0           | 4,532      | 0                        | 786       |
| 53            | 10/01/04<br>09/30/05 | 10/07/05<br>10/14/05 | HO-COASTAL    | 0           | 41,966     | 0                        | 5,544     |
| 53            | 10/01/04<br>09/30/05 | 10/07/05<br>10/14/05 | HOWINDBEACH   | 0           | 122,966    | 0                        | 10,912    |
| 53            | 10/01/04<br>09/30/05 | 10/07/05<br>10/14/05 | HOWINDCOASTAL | 0           | 161,117    | 0                        | 22,837    |
|               |                      |                      |               | 0           | 330,581    | 0                        | 40,079    |
| 53            | 10/01/05<br>09/30/06 | 10/07/05<br>10/14/05 | HO-BEACH      | 0           | 0          | 0                        | 0         |
| 53            | 10/01/05<br>09/30/06 | 10/07/05<br>10/14/05 | HO-COASTAL    | 0           | 0          | 0                        | 0         |
| 53            | 10/01/05<br>09/30/06 | 10/07/05<br>10/14/05 | HOWINDBEACH   | 0           | 0          | 0                        | 0         |
| 53            | 10/01/05<br>09/30/06 | 10/07/05<br>10/14/05 | HOWINDCOASTAL | 0           | 416        | 0                        | 338       |
|               |                      |                      |               | 0           | 416        | 0                        | 338       |
| 82            | 10/01/04<br>09/30/05 | 08/31/06<br>09/01/06 | HO-BEACH      | 0           | 5,818      | 0                        | 945       |
| 82            | 10/01/04<br>09/30/05 | 08/31/06<br>09/01/06 | HO-COASTAL    | 0           | 7,522      | 0                        | 793       |
| 82            | 10/01/04<br>09/30/05 | 08/31/06<br>09/01/06 | HOWINDBEACH   | 10,000      | 96,885     | 1,000                    | 7,367     |
| 82            | 10/01/04<br>09/30/05 | 08/31/06<br>09/01/06 | HOWINDCOASTAL | 10,000      | 57,588     | 1,000                    | 6,549     |
|               |                      |                      |               | 20,000      | 167,813    | 2,000                    | 15,654    |

NORTHCAROLINA INSURANCE UNDERWRITING ASSOCIATION  
 BEACH PLAN  
 REPORT OF CATASTROPHE LOSSES TO MEMBER COMPANIES  
 AS OF DECEMBER 31, 2006

| CAT<br>NUMBER | POLICY<br>YEAR       | CAT<br>DATE          | BUSINESS      | LOSSES         |                  | ALLOCATED CLAIMS EXPENSE |                |
|---------------|----------------------|----------------------|---------------|----------------|------------------|--------------------------|----------------|
|               |                      |                      |               | OUTSTANDING    | PAID             | OUTSTANDING              | PAID           |
| 82            | 10/01/05<br>09/30/06 | 08/31/06<br>09/01/06 | HO-BEACH      | 9,168          | 33,015           | 917                      | 3,159          |
| 82            | 10/01/05<br>09/30/06 | 08/31/06<br>09/01/06 | HO-COASTAL    | 0              | 78,745           | 0                        | 11,645         |
| 82            | 10/01/05<br>09/30/06 | 08/31/06<br>09/01/06 | HOWINDBEACH   | 76,646         | 887,313          | 7,665                    | 7 1,619        |
| 82            | 10/01/05<br>09/30/06 | 08/31/06<br>09/01/06 | HOWINDCOASTAL | 297,402        | 422,146          | 29, 740                  | 72,964         |
|               |                      |                      |               | <u>383,216</u> | <u>1,421,219</u> | <u>38,322</u>            | <u>159,387</u> |
| 7             | 10/01/05<br>09/30/06 | 11/21/06<br>11/22/06 | HO-BEACH      | 15,000         | 0                | 1,500                    | 305            |
| 7             | 10/01/05<br>09/30/06 | 11/21/06<br>11/22/06 | HO-COASTAL    | 51,122         | 27,314           | 5,112                    | 4,095          |
| 7             | 10/01/05<br>09/30/06 | 11/21/06<br>11/22/06 | HOWINDBEACH   | 244,297        | 112,680          | 24,430                   | 15,470         |
| 7             | 10/01/05<br>09/30/06 | 11/21/06<br>11/22/06 | HOWINDCOASTAL | 118,500        | 149,638          | 11,8 50                  | 17,457         |
|               |                      |                      |               | <u>428,919</u> | <u>289,632</u>   | <u>42,892</u>            | <u>37,327</u>  |
| 7             | 10/01/06<br>09/30/07 | 11/21/06<br>11/22/06 | HO-BEACH      | 0              | 0                | 0                        | 171            |
| 7             | 10/01/06<br>09/30/07 | 11/21/06<br>11/22/06 | HO-COASTAL    | 10,000         | 6,482            | 1,000                    | 966            |
| 7             | 10/01/06<br>09/30/07 | 11/21/06<br>11/22/06 | HOWINDBEACH   | 25,000         | 13,728           | 2,500                    | 1,6 86         |
| 7             | 10/01/06<br>09/30/07 | 11/21/06<br>11/22/06 | HOWINDCOASTAL | 35,000         | 42,290           | 3,500                    | 3 ,937         |
|               |                      |                      |               | <u>70,000</u>  | <u>62,500</u>    | <u>7,000</u>             | <u>6,760</u>   |

NORTHCAROLINAINSURANCEUNDERWRITINGASSOCIATION  
 BEACHPLAN  
 REPORTOFCATASTROPHELOSSESTOMEMBERCOMPANIES  
 ASOFDECEMBER31,2006

| CAT<br>NUMBER | POLICY<br>YEAR       | CAT<br>DATE          | BUSINESS      | LOSSES      |       | ALLOCATEDCLAIMSEXPENSE |      |
|---------------|----------------------|----------------------|---------------|-------------|-------|------------------------|------|
|               |                      |                      |               | OUTSTANDING | PAID  | OUTSTANDING            | PAID |
| 88            | 10/01/05<br>09/30/06 | 11/14/06<br>11/16/06 | HO-BEACH      | 0           | 0     | 0                      | 0    |
| 88            | 10/01/05<br>09/30/06 | 11/14/06<br>11/16/06 | HO-COASTAL    | 0           | 612   | 0                      | 0    |
| 88            | 10/01/05<br>09/30/06 | 11/14/06<br>11/16/06 | HOWINDBEACH   | 26,801      | 0     | 2,680                  | 0    |
| 88            | 10/01/05<br>09/30/06 | 11/14/06<br>11/16/06 | HOWINDCOASTAL | 20,350      | 8,789 | 2,035                  | 6 52 |
|               |                      |                      |               | 47,151      | 9,401 | 4,715                  | 652  |

NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION  
BEACH PLAN  
AS OF DECEMBER 31, 2006

AGGREGATE LIABILITY BY COUNTIES

RESIDENTIAL AGGREGATE LIABILITY

| COUNTY       | DWELLING BEACH LIABILITY* | DWELLING BEACH COUNT | HOMEOWNER BEACH LIABILITY* | HOMEOWNER BEACH COUNT | HOMEOWNER COASTAL LIABILITY* | HOMEOWNER COASTAL COUNT | HOWIND BEACH LIABILITY* | HOWIND BEACH COUNT | HOWIND COASTAL LIABILITY* | HOWIND COASTAL COUNT | DWELLING BEACHWIND LIABILITY* | DWELLING BEACHWIND COUNT | DWELLING COASTALWIND LIABILITY* | DWELLING COASTALWIND COUNT | TOTAL RESIDENTIAL BEACH LIABILITY* | TOTAL RESIDENTIAL COUNT |
|--------------|---------------------------|----------------------|----------------------------|-----------------------|------------------------------|-------------------------|-------------------------|--------------------|---------------------------|----------------------|-------------------------------|--------------------------|---------------------------------|----------------------------|------------------------------------|-------------------------|
| BEAUFORT     | 0                         | 0                    | 0                          | 0                     | 81,072,770                   | 191                     | 0                       | 0                  | 407,546,013               | 1,231                | 0                             | 0                        | 43,520,587                      | 529                        | 532,139,370                        | 1,951                   |
| BRUNSWICK    | 1,386,191,195             | 7,128                | 255,688,328                | 347                   | 687,479,598                  | 1,242                   | 1,678,859,185           | 3,311              | 3,821,291,367             | 9,086                | 71,071,817                    | 292                      | 174,212,998                     | 1,623                      | 8,074,794,488                      | 23,029                  |
| CAMDEN       | 0                         | 0                    | 0                          | 0                     | 14,539,700                   | 33                      | 0                       | 0                  | 176,570,520               | 488                  | 0                             | 0                        | 18,259,740                      | 128                        | 209,369,960                        | 649                     |
| CARTERET     | 519,523,510               | 4,340                | 155,861,048                | 223                   | 304,265,735                  | 571                     | 1,700,257,870           | 3,320              | 3,227,586,869             | 8,519                | 103,252,125                   | 473                      | 152,328,501                     | 1,271                      | 6,163,075,658                      | 18,717                  |
| CHOWAN       | 0                         | 0                    | 0                          | 0                     | 21,598,600                   | 51                      | 0                       | 0                  | 213,705,960               | 645                  | 0                             | 0                        | 27,316,841                      | 289                        | 262,621,401                        | 985                     |
| CRAVEN       | 0                         | 0                    | 0                          | 0                     | 375,952,213                  | 809                     | 0                       | 0                  | 844,165,633               | 2,463                | 0                             | 0                        | 74,426,024                      | 676                        | 1,294,543,870                      | 3,948                   |
| CURRITUCK    | 862,755,988               | 2,337                | 11,805,400                 | 14                    | 84,215,000                   | 158                     | 1,316,779,780           | 1,490              | 650,562,804               | 1,650                | 62,998,940                    | 179                      | 36,458,982                      | 299                        | 3,025,576,894                      | 6,127                   |
| DARE         | 2,300,071,823             | 10,521               | 453,200,382                | 637                   | 55,428,200                   | 84                      | 3,666,629,926           | 6,628              | 459,892,975               | 839                  | 290,424,874                   | 1,240                    | 15,873,183                      | 80                         | 7,241,521,363                      | 20,029                  |
| HYDE         | 60,740,117                | 368                  | 2,670,200                  | 4                     | 13,408,940                   | 38                      | 37,562,803              | 84                 | 24,267,837                | 91                   | 7,268,817                     | 42                       | 8,346,098                       | 117                        | 154,264,812                        | 744                     |
| JONES        | 0                         | 0                    | 0                          | 0                     | 17,836,356                   | 50                      | 0                       | 0                  | 56,449,900                | 210                  | 0                             | 0                        | 7,215,727                       | 100                        | 81,501,983                         | 360                     |
| NEWHANOVER   | 549,771,418               | 2,434                | 219,294,357                | 340                   | 808,601,171                  | 1,540                   | 1,260,656,375           | 2,107              | 8,536,427,020             | 19,556               | 78,252,604                    | 283                      | 285,919,348                     | 1,902                      | 11,738,922,293                     | 28,162                  |
| ONSLow       | 134,997,956               | 903                  | 49,264,400                 | 72                    | 514,761,379                  | 1,103                   | 348,836,360             | 705                | 2,205,188,993             | 7,646                | 16,376,250                    | 56                       | 170,657,087                     | 1,736                      | 3,440,082,425                      | 12,221                  |
| PAMLICO      | 0                         | 0                    | 0                          | 0                     | 17,731,860                   | 44                      | 0                       | 0                  | 325,024,520               | 812                  | 0                             | 0                        | 34,201,261                      | 268                        | 376,957,641                        | 1,124                   |
| PASQUOTANK   | 0                         | 0                    | 0                          | 0                     | 90,875,207                   | 207                     | 0                       | 0                  | 388,269,617               | 1,293                | 0                             | 0                        | 55,519,727                      | 559                        | 534,664,551                        | 2,059                   |
| PENDER       | 230,885,487               | 1,357                | 43,140,700                 | 59                    | 158,456,290                  | 313                     | 424,887,122             | 934                | 1,274,935,619             | 3,494                | 19,014,367                    | 94                       | 103,838,565                     | 1,094                      | 2,255,158,150                      | 7,345                   |
| PERQUIMANS   | 0                         | 0                    | 0                          | 0                     | 23,271,860                   | 56                      | 0                       | 0                  | 191,862,885               | 519                  | 0                             | 0                        | 24,422,523                      | 270                        | 239,557,268                        | 845                     |
| TYRRELL      | 0                         | 0                    | 0                          | 0                     | 7,004,900                    | 17                      | 0                       | 0                  | 25,999,780                | 87                   | 0                             | 0                        | 6,958,895                       | 103                        | 39,963,575                         | 207                     |
| WASHINGTON   | 0                         | 0                    | 0                          | 0                     | 10,203,460                   | 29                      | 0                       | 0                  | 81,396,686                | 263                  | 0                             | 0                        | 11,944,990                      | 182                        | 103,545,136                        | 474                     |
| <b>TOTAL</b> | <b>6,044,937,494</b>      | <b>29,388</b>        | <b>1,190,924,815</b>       | <b>1,696</b>          | <b>3,286,703,239</b>         | <b>6,536</b>            | <b>10,434,469,421</b>   | <b>18,579</b>      | <b>22,911,144,998</b>     | <b>58,892</b>        | <b>648,659,794</b>            | <b>2,659</b>             | <b>1,251,421,077</b>            | <b>11,226</b>              | <b>45,768,260,838</b>              | <b>128,976</b>          |

COMMERCIAL AGGREGATE LIABILITY

TOTAL BEACH

| COUNTY       | COMMERCIAL BEACH LIABILITY* | COMMERCIAL BEACH COUNT | COMMERCIAL BEACHWIND LIABILITY* | COMMERCIAL BEACHWIND COUNT | COMMERCIAL COASTALWIND LIABILITY* | COMMERCIAL COASTALWIND COUNT | TOTAL COMMERCIAL BEACH LIABILITY* | TOTAL COMMERCIAL COUNT | COUNTY       | TOTAL BEACH LIABILITY* | TOTAL BEACH COUNT |
|--------------|-----------------------------|------------------------|---------------------------------|----------------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------|--------------|------------------------|-------------------|
| BEAUFORT     | 0                           | 0                      | 0                               | 0                          | 114,381,776                       | 143                          | 114,381,776                       | 143                    | BEAUFORT     | 646,521,146            | 2,094             |
| BRUNSWICK    | 129,707,852                 | 96                     | 399,214,838                     | 191                        | 869,570,618                       | 712                          | 1,398,493,308                     | 999                    | BRUNSWICK    | 9,473,287,796          | 24,028            |
| CAMDEN       | 0                           | 0                      | 0                               | 0                          | 27,335,785                        | 39                           | 27,335,785                        | 39                     | CAMDEN       | 236,705,745            | 688               |
| CARTERET     | 72,668,039                  | 124                    | 670,768,838                     | 395                        | 738,731,848                       | 856                          | 1,482,168,725                     | 1,375                  | CARTERET     | 7,645,244,383          | 20,092            |
| CHOWAN       | 0                           | 0                      | 0                               | 0                          | 88,295,674                        | 76                           | 88,295,674                        | 76                     | CHOWAN       | 350,917,075            | 1,061             |
| CRAVEN       | 0                           | 0                      | 0                               | 0                          | 327,584,297                       | 426                          | 327,584,297                       | 426                    | CRAVEN       | 1,622,128,167          | 4,374             |
| CURRITUCK    | 6,830,300                   | 20                     | 87,535,146                      | 106                        | 127,676,173                       | 215                          | 222,041,619                       | 341                    | CURRITUCK    | 3,247,618,513          | 6,468             |
| DARE         | 127,212,622                 | 258                    | 1,101,509,849                   | 978                        | 179,703,279                       | 161                          | 1,408,425,750                     | 1,397                  | DARE         | 8,649,947,113          | 21,426            |
| HYDE         | 8,570,900                   | 27                     | 40,642,288                      | 47                         | 19,203,780                        | 24                           | 68,416,968                        | 98                     | HYDE         | 222,681,780            | 842               |
| JONES        | 0                           | 0                      | 0                               | 0                          | 10,801,519                        | 22                           | 10,801,519                        | 22                     | JONES        | 92,303,502             | 382               |
| NEWHANOVER   | 230,598,146                 | 233                    | 622,987,554                     | 339                        | 1,512,068,379                     | 1,267                        | 2,365,654,079                     | 1,839                  | NEWHANOVER   | 14,104,576,372         | 30,001            |
| ONSLow       | 24,081,450                  | 20                     | 85,523,439                      | 24                         | 547,910,698                       | 599                          | 657,515,587                       | 643                    | ONSLow       | 4,097,598,012          | 12,864            |
| PAMLICO      | 0                           | 0                      | 0                               | 0                          | 73,522,398                        | 94                           | 73,522,398                        | 94                     | PAMLICO      | 450,480,039            | 1,218             |
| PASQUOTANK   | 0                           | 0                      | 0                               | 0                          | 137,352,952                       | 159                          | 137,352,952                       | 159                    | PASQUOTANK   | 672,017,503            | 2,218             |
| PENDER       | 16,954,760                  | 30                     | 122,866,985                     | 82                         | 128,901,612                       | 197                          | 268,723,357                       | 309                    | PENDER       | 2,523,881,507          | 7,654             |
| PERQUIMANS   | 0                           | 0                      | 0                               | 0                          | 29,068,544                        | 51                           | 29,068,544                        | 51                     | PERQUIMANS   | 268,625,812            | 896               |
| TYRRELL      | 0                           | 0                      | 0                               | 0                          | 23,371,119                        | 30                           | 23,371,119                        | 30                     | TYRRELL      | 63,334,694             | 237               |
| WASHINGTON   | 0                           | 0                      | 0                               | 0                          | 47,123,570                        | 55                           | 47,123,570                        | 55                     | WASHINGTON   | 150,668,706            | 529               |
| <b>TOTAL</b> | <b>616,624,069</b>          | <b>808</b>             | <b>3,131,048,937</b>            | <b>2,162</b>               | <b>5,002,604,021</b>              | <b>5,126</b>                 | <b>8,750,277,027</b>              | <b>8,096</b>           | <b>TOTAL</b> | <b>54,518,537,865</b>  | <b>137,072</b>    |

\*Based upon the total Building and Personal Property amounts. Dwelling other coverages, which are additional amounts of insurance based upon Coverage A and Commercial policy extensions, are not factored into this amount.