

MARYLAND JOINT INSURANCE ASSOCIATION
INCEPTION TO September 30, 2018
MEMBERS' ACCOUNT

<u>DESCRIPTION</u>	<u>Inception to 2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>TOTAL</u>	
Premiums Written	87,933,175	1,251,815	1,130,936	994,189	917,684	25,454	92,253,253	Note 1
Unearned Premiums	-	-	-	-	447,333	25,454	472,787	
Earned Premiums	87,933,175	1,251,815	1,130,936	994,189	470,351	-	91,780,466	
Losses Paid	41,694,870	300,996	216,281	283,728	74,658		42,570,533	
Unpaid Losses	-	-	-	11,050	187,380		198,430	
Incurred Losses	41,694,870	300,996	216,281	294,778	262,038	-	42,768,963	
Loss Adjustment Expenses Paid	8,752,458	262,536	231,345	168,915	83,157		9,498,411	
Unpaid Loss Adjustment Expenses	-	-	-	2,700	59,881		62,581	
Incurred Loss Adjustment Expense	8,752,458	262,536	231,345	171,615	143,038	-	9,560,992	
Operating Expenses Incurred	37,507,480	993,982	987,620	1,324,455	823,348		41,636,885	
Commissions Incurred	6,871,698	77,408	67,390	55,136	48,434		7,120,066	
Premium Taxes Incurred	400,060	25,209	22,025	19,918	17,701		484,913	Note 2
Unpaid Expenses	1,166,663	3,957	2,724	2,618	62,040		1,238,002	
Underwriting Expenses Incurred	45,945,901	1,100,556	1,079,759	1,402,127	951,523	-	50,479,866	
Underwriting Gain (Loss)	(8,460,054)	(412,273)	(396,449)	(874,331)	(886,248)	-	(11,029,355)	
Investment Income Received	2,805,344	-	-	-	-		2,805,344	
Miscellaneous Income Received	394,038	4,182	9,681	10,995	13,189		432,085	
Accrued Investment Income	-	-	-	-	-		-	
Investment Income Earned	3,199,382	4,182	9,681	10,995	13,189	-	3,237,429	
<u>Members Equity (Deficit)</u>								
Net Increase (Decrease)	(5,260,672)	(408,091)	(386,768)	(863,336)	(873,059)		(7,791,926)	
Assessments	10,291,597	-	-	-	-		10,291,597	
Distributions	(2,493,325)	-	-	-	-		(2,493,325)	
Prior Policy Year Rollover	-	-	-	-	-		-	
Prior Period Entry	59,732	-	-	(7,618)	-		52,114	
Adjustment to Bring Advance Premium Current. One time.	43,791	-	-	-	-		43,791	
Additional Minimum Pension Liability	-	-	-	-	(638,405)		(638,405)	
Change in Accum. Post Retirement Benefit	-	-	-	-	87,483		87,483	
Changes to Pension per SSAP 102	-	-	-	-	-		-	
Change to Accum. Post Retirement Benefit per SSAP 92	-	-	-	-	-		-	
Non-admitted Assets	-	-	-	-	(44,521)		(44,521)	
Ending Members' Equity (Deficit)	2,641,123	(408,091)	(386,768)	(870,954)	(1,468,502)	-	(493,192)	

Note 1 Issue: Premiums do not report as expected based on Exhibit 3A. The advanced premiums are included in the 2019 column for ITD reporting. These amounts have not been audited yet but will be.

A Premiums above for 2017 include the following: premiums for 2017 written in FY 2017, premiums for 2017 written in FY 2018, and advanced premiums from FY 2016 (2017 beginning unearned premiums).

993,817	2017 premiums written in FY 2017
(28,991)	2017 premiums written in FY 2018
<u>29,363</u>	Advanced premiums from FY 2016 (2017 beginning unearned premiums)
<u><u>994,189</u></u>	

B Written premiums for 2018 above include the following: premiums for 2018 written in FY 2018 and advanced premiums from FY 2017 (2018 beginning unearned premiums).

888,615	2018 premiums written in FY 2018
<u>29,069</u>	Advanced premiums from FY 2017 (2018 beginning unearned premiums)
<u><u>917,684</u></u>	

Note 2 Issue: Premium Tax

Explanation: The difference in Premium Tax from the Inception to Date versus the Exhibit 3a Members Equity is due to cash/accrual differences. The figure on Exhibit 3a line 9 of \$17,896 is the cash basis premium tax payments, whereas the figure of \$17,701 on the Inception to Date report is the Premium Tax Incurred on the accrual basis. There is no place on Exhibit 3a that displays Premium Tax Incurred and there is no place on the Inception to Date to reflect cash to accrual differences. See the rollforward below, which can be calculated from the figures provided on Exhibit 3a.

<u>Premium Tax</u>	
Cash paid	17,896
Less: PY balance	-
Plus: CY balance	<u>(195)</u>
<u>Incurred</u>	<u><u>17,701</u></u>