

September 9, 2008

Eugenia Tyus Florida AJUA 1425 Piedmont Dr E, Suite 201A Tallahassee, FL 32308

RE: Cash Flow Projection – June 2008

Dear Eugenia,

Attached you will find the cash flow projection for the period ending June 2008. For this projection, we have reflected actual results through June 2008 and projected amounts for July 2008 – September 2009. As per the Finance Committee's request, we have projected the cash flow using a quarterly cycle, a 6-month review and an annual review to see the differences in frequency and effect on the projection and assessments. In January 2007, the FAJUA elected to use an annual assessment option for future assessments

After reviewing the quarterly, 6 month, and annual calculations and taking into account the \$10.6 million cash balance as of August 31, 2008, we are not projecting the need for an assessment during the next year. Since there are no differences between the quarterly, 6-month, and annual reviews we have only included one page with this cash flow projection. We also wanted to bring to your attention that future policy year close outs for 1997 and 1998 will be settled in first quarter 2009 and 2010 totaling \$3.7 and \$5.8 million, respectively.

Included in the annual projection is a six month cash cushion to cover unexpected large fluctuations in cash. We are currently estimating that the negative monthly cash flow will be between approximately \$250,000 and \$300,000. We have not considered the policy year close out distribution requirement or the membership fee assessment in estimating the negative monthly cash flow.

We have also attached the actuarial projections for premiums written, loss adjustment expenses and losses paid and have provided a summary of the assumptions used in the projection for your reference. As in the past, we have attached a review of April 2008 – June 2008 actual results as compared to the projected results for the same time frame to determine how close the projections are coming to the actual results.

The servicing provider fees used in the projection reflect the Trumbull/York servicing provider contracts. The fee structure for Trumbull is 6% of written premium for operating with a minimum monthly fee of \$33,500 and for York is 14% of earned premiums for claim fees, with a minimum monthly fee of \$45,000. This fee structure was based on the latest contract information provided to AIPSO.

The formula to predict interest collected was slightly modified this quarter. We used the ending balance from the previous month and reduced it by the estimated funds held in Wachovia which are used to

302 Central Avenue, Johnston, Rhode Island 02919 (401) 946-2310 FAX (401) 528-1350 www.aipso.com partially offset bank charges. We then multiplied this adjusted ending balance by the factor to determine the next month's interest collected amount. In previous projections, we strictly used the ending balance in our calculation of interest collections and did not take into consideration uninvested funds.

Finally, we adjusted the cash flow projection to include as a miscellaneous disbursement a new entry for escheat owed to the state of Florida. In May 2008, a servicing carrier completed an escheat filing and required payment of \$281,105. Since this payment is fairly large, we also projected a payment for May 2009 totaling \$196,630 which is based on the latest available data from the servicing carrier. In addition, we included a new misc. disbursement for estimated monthly bank charges of \$2,100.

Please do not hesitate to contact me with any questions. We will update you again in December as we prepare the results and determine whether our cash position is still sufficient for operations.

Sincerely,

Linda Paquin, AIAF, PMP Accounting Supervisor

CC: T. Assad

J. Gale

W. Ferguson

D. Gill

K. Leeman

T. Messier

M. Puchades

L. Stoutamire

J. Watson

L. Neri

Florida AJUA Cash Flow Actual As of June 30, 2008

ENDING BALANCE	NET CASH FLOW	TOTAL EXPENSES	8 Timing Difference on Cash Analysis Transfers 9 Misc Disbursements 10 Assessment Disbursements	5 LAE Paid 6 Operational Expenses 7 Servicing Carrier Fees	2 Producer Commissions 3 Losses Paid 4 Fortune/Run Off Company Claims	1 Policyholders Refunds	EXPENSES:	TOTAL RECEIPTS	7 Gain/Loss on Investments and Amortization 8 Misc. Receipts	5 Timing Difference on Cash Analysis Transfers	3 Assessment and Membership Fees 4 Salvage and Subrogation	1 Premium Collections 2 Commissions Returned	RECEIPTS:	
6,102,785														BALANCE AS OF 3/ 31/07
5,533,677	(569,108)	862,694	(43,634)	54,701 84,040 61,398	13,175 632,965	60,049		293,586	7,269	(945)	2,514	254,442 2,453		Actual Apr-07
4,720,567	(813,110)	1,288,925	160,174	98,222 101,292 74,792	0 774,872 672	78,901		475,815	2,050	5,663	265,000 989	173,712 7,630		Actual May-07
5,616,749	896,182	726,766	(314,641)	110,691 108,943 66,099	5,896 618,698	131,080		1,622,948	156,110	(9,340)	1,180,000 1,210	272,768 4,544		Actual Jun-07
4,872,402	(744,347)	989,964	356,382	63,807 78,755 78,523	19,074 154,434	238,956		245,617	2,799	1,158	82,500 1,521	138,374 2,528		Actual Jul-07
4,237,014	(635,388)	843,241	(19,990)	126,987 114,563 65,522	14,070 458,548	83,541		207,853	53,847	3,433	0 1,437	129,922 1,427		Actual Aug-07
3,977,793	(259,221)	596,340	(59,908)	81,255 100,378 66,647	53 369,281	38,634		337,119	31,935	1,580	0 237	285,081 2,498		Actual Sep-07
3,141,778	(836,015)	1,117,355	41,571	123,643 197,831 61 371	22,968 570,563	99,408		281,340	52,266	(15)	6,127	205,905 4,490		Actual Oct-07
2,942,050	(199,728)	406,259	27,548	69,747 55,525 60 013	3,110 100,456	89,860		206,531	8,245	1,917	450	183,650 1,926		Actual Nov-07
2,574,033	(368,017)	518,498	(87,205)	109,405 137,293 78,258	97 257,167	23,483		150,481	0,794 17,888	(2,944)	2,218	123,025 1,500		Actual Dec-07
10,719,243	8,145,210	2,640,029	120,133	150,940 67,371 79,221	22,280 199,154	76,588		10,785,239	26,629	(255)	10,611,485 417	136,418 3,425		Actual Jan-08
10,817,871	98,628	410,220	(109,999) 2,933	39,543 103,209 77 779	6,168 251,788	38,799		508,848	9,933	(117)	344,938 517	131,595 3,547		Actual Feb-08
10,400,309	(417,562)	1,440,522	(53,400) 225 996,349	95,994 68,083 78,500	7,336 232,431	15,004		1,022,960	20,556	(277)	830,067 487	147,176 3,717		Actual Mar-08
10,036,144	(364,165)	629,602	(358)	46,921 76,354 78,500	2,569 391,864	33,712		265,437	2,992	7,750	66,242 0	170,227 438		Actual Apr-08
9,261,375	(774,769)	913,080	274,989 280,565 0	15,645 155,241 78 500	11,659 50,992	45,489		138,311	3,581	(41)	330 1,412	121,949 809		Actual May-08
9,134,933	(126,442)	389,262	20,627 1,144 0	84,304 81,823 78 500	4,738 83,745 0	34,381		262,820	24,370 824	3,143	0 1,998	229,646 2,839		Actual Jun-08
	3,032,148	13,772,757	312,289 312,289 284,940 2,920,691	1,271,805 1,530,701	133,193 5,146,958 672	1,087,885		16,804,905	247,514 0 396,924	10,710	13,380,562 21,534	2,703,890 43,771		Actual Total

Florida AJUA Cash Flow Projection As of June 30, 2008

Premium Written projected by month	PROJECTED ENDING BALANCE (AFTER ASSESSMENT AND PY CLOSE OUT)	POLICY YEAR CLOSE OUT ASSESSMENT (DISTRIBUTION)	PROJECTED ASSESSMENT	ADJUSTED PROJECTED BALANCE (BEFORE ASSESSMENT AND PY CLOSE OUT)	ADJUSTMENT FOR DIFFERENCE ACTUAL VERSUS PROJECTED	ENDING BALANCE (ACTUAL/PROJECTED)	NET CASH FLOW	TOTAL EXPENSES	9 Misc Disbursements 10 Assessment Disbursements	5 LAE Paid 6 Operational Expenses 7 Servicing Carrier Fees 8 Timing Difference on Cash Analysis Transfers	Policyholders Refunds Producer Commissions Losses Paid Fortune/Run Off Company Claims	EXPENSES:	TOTAL RECEIPTS	6 Interest Collected 7 Gain/Loss on Investments and Amortization 8 Misc. Receipts	A Salvage and Subrogation 5 Timing Difference on Cash Applicate Temporary 5 Timing Difference on Cash Applicate Temporary	1 Premium Collections 2 Commissions Returned 3 Accessment and Manchastin Food	RECEIPTS:	
	9,134,933			9,134,933		9,134,933												Actual Jun-08
76,527	9,155,050			9,155,050		9,155,050	20,117	390,782	2,100	34,430 81,996 78,500	28,587 6,142 159,027		410,899	25,943	677	105,121 1,658		Projected Jul-08
77,538	9,155,050 10,327,725			10,327,725	261,123	10,066,602	911,552	398,316	2,100	34,430 89,071 78,500	28,965 6,223 159,027		1,309,868	26,002	677	106,510 1,679		Projected Aug-08
76,344	10,154,810			10,154,810		9,893,687	(172,915)	412,101	2,100	34,430 103,398 78,500	28,519 6,127 159,027		239,186	29,485	677	104,870 1,654	ванируницина (адмунята придадальных админатрация)	Projected Sep-08
76,889	9,906,413			9,906,413		9,645,290	(248,397)	385,215	2,100	28,016 109,724 78,500	28,723 6,171 131,981		136,818	28,972	562	105,619 1,665	Security and the security of t	Projected Oct-08
76,819	9,657,212			9,657,212		9,396,089	(249,201)	385,183	2,100	28,016 109,724 78,500	28,697 6,165 131,981		135,982	28,234	562	105,522 1,664	Replante distribute and plantists and control of the control of th	Projected Nov-08
76,817	9,407,270			9,407,270		9,146,147	(249,942)	385,182	2,100	28,016 109,724 78,500	28,696 6,165 131,981		135,240	27,494	562	105,520 1,664	Enimentana and an angular mananana na ali	Projected Dec-08
76,785	9,160,121			9,160,121		8,898,998	(247,149)	381,590	2,100	27,231 109,724 78,500	28,684 6,163 129,188		134,441	26,752	550	105,476 1,663	Assemblished de de la	Projected Jan-09
76,812	5,227,010	(3,685,254)		8,912,264		8,651,141	(247,857)	381,602	2,100	27,231 109,724 78,500	28,694 6,165 129,188		133,745	26,018	550	105,513 1,664		Projected Feb-09
76,600	4,967,271			8,652,525		8,391,402	(259,739)	381,506	2,100	27,231 109,724 78,500	28,615 6,148 129,188		121,767	14,336	550	105,222 1,659		Projected Mar-09
72,862	4,748,953			8,434,207		8,173,084	(218,318)	333,936	2,100	19,512 109,724 78,500	27,218 5,848 91,034		115,618	13,565	388	100,087 1,578		Projected Apr-09
72,861	4,333,355			8,018,609		7,757,486	(415,598)	530,566	198,730	19,512 109,724 78,500	27,218 5,848 91,034		114,968	12,916	388	100,086 1,578		Projected May-09
72,862	4,113,154			7,798,408		7,537,285	(220,201)	333,936	2,100	19,512 109,724 78,500	27,218 5,848 91,034		113,735	11,682	388	100,087 1,578		Projected Jun-09
72,862	5,463,107			9,148,361		8,887,238	1,349,953	318,075	2,100	16,058 109,724 78,500	27,218 5,848 78,627		1,668,028	11,028	1,555,000 335	100,087 1,578	Campion of the Campio	Projected Jul-09
72,862	5,262,069			8,947,323		8,686,200	(201,038)	318,075	2,100	16,058 109,724 78,500	27,218 5,848 78,627		117,037	15,037	335	100,087 1,578		Projected Aug-09
72,862	5,060,434			8,745,688		8,484,565	(201,635)	318,075	2,100	16,058 109,724 78,500	27,218 5,848 78,627		116,440	14,440	335	100,087 1,578		Projected Sep-09
							(650,368)	5,654,140	228,130 0	375,741 1,591,153 1,177,500	421,488 90,557 1,769,571		5,003,772	311,904 0 0	3,110,000 7,536	1,549,894 24,438	The state of the s	Projected Totals

Comparison of Actual Results to the Projection For Quarter Ended June 2008

NET PROJECTED CASH FLOW	TOTAL EXPENSES	Policyholders Refunds Producer Commissions Losses Paid Fortune/Run Off Company Claims LAE Paid Operational Expenses Servicing Carrier Fees Timing Difference on Cash Analysis Transfers Misc Disbursements Assessment Disbursements	TOTAL RECEIPTS	Premium Collections Commissions Returned Assessment and Membership Fees Salvage and Subrogation Timing Difference on Cash Analysis Transfers Interest Collected Gain/Loss on Investments and Amortization Misc. Receipts
(364,165)	629,602	33,712 2,569 391,864 46,921 76,354 78,500 (358)	265,437	Apr 08 170,227 438 66,242 0 7,750 17,788 2,992
(774,769)	913,080	45,489 11,659 50,992 15,645 155,241 78,500 274,989 280,565 0	138,311	Actual Results May 08 121,949 330 1,412 (41) 10,271 3,581
(126,442)	389,262	34,381 4,738 83,745 0 84,304 81,823 78,500 20,627 1,144 0	262,820	Jun 08 229,646 2,839 0 1,998 3,143 24,370 824
(1,265,376)	1,931,944	113,582 18,966 526,601 0 146,870 313,418 235,500 295,258 281,749 0	666,568	Total Actual Apr - Jun 521,822 4,086 66,572 3,410 10,852 52,429 0 7,397
(244,154) (599,489)	447,035 735,660	46,238 46,294 6,313 6,321 189,077 189,077 0 0 42,349 42,349 84,558 92,014 78,500 78,500 0 281,105 0 0	202,881 136,171	Projected Apr 08 May 08 94,534 94,649 1,896 1,898 66,242 330 1,208 1,208 0 0 39,001 38,086
(599,489) (305,563) (1,149,206)	438,932 1,621,627	46,426 138,958 6,339 18,973 189,077 567,231 0 0 42,349 127,047 76,241 252,813 78,500 235,500 0 281,105 0 0	133,369 472,421	Total Projected Apr - Jun Jun 08 94,919 284,102 1,903 5,897 0 66,572 1,208 3,624 0 0 35,339 112,426 0 0
(120,011) (175,280) 179,121	182,567 177,420	(12,526) (805) (3,744) 5,338 202,787 (138,085) 0 0 4,572 (26,704) (8,204) 63,227 0 0 (358) 274,989 40 (540) 0 0	2,140	Difference Apr 08 May 08 Jur 75,693 27,300 (1,458) (1,089) 0 (1,208) 204 7,750 (41) (21,213) (27,815) 0 0 2,992 3,581
179,121 (116,170)	(49,670) 310,317	(12,045) (25,376) (1,601) (7) (105,332) (40,630) 0 0 41,955 19,823 5,582 60,605 0 0 20,627 295,258 1,144 644 0 0	129,451 194,147	Jun 08 134,727 237,720 936 (1,611) 0 790 (214) 3,143 10,852) (10,969) (59,997) 0 824 7,397 (1)

⁽¹⁾ The difference in misc. receipts relates to late fee collection from the assessments.

Projection from the March 2008 Cash Flow Projection

Apr 08 May 08 Jun 08 Apr - Jun Apr 08 Apr 08 Apr 08 Apr 08 86 1,896 1,898 1,903 5,697 72 66,242 330 66,572 0 73 66,242 330 66,572 0 74 1,208 1,208 1,208 3,624 0 7,750		Þ	Actual Results	-	Total Actual	ס־	Projected		Total Projected		Difference	7	otal Difference
April 08 May 09 Jun 08 April 08 May 08 Jun 08 Jun 08 Zaga 27,200 Lin 08 Jun 08					Apr - Jun				Apr - Jun				Apr - Jun
### 170.227 121.949 229.646 521.822 94.534 94.549 94.919 294.102 ### 438 40.96 2.83 2.83 2.84 2.84 94.919 294.102 ### 566.242 330 0.0 66.572 ### 66.242 330 0.0 66.572 ### 66.242 330 0.0 66.572 ### 66.242 330 0.0 66.572 ### 66.242 330 0.0 66.572 ### 66.242 330 0.0 66.572 ### 66.242 330 0.0 66.572 ### 7.760 (141) 3.143 10.882 0.0 1.208 1.208 3.624 ### 7.760 (141) 3.143 10.882 0.0 0.0 0.0 ### 7.760 1.0271 24.370 52.429 39.001 38.086 35.339 112.426 ### 7.850 2.561 3.581 3.582 46.238 46.294 46.426 38.958 ### 7.850 3.584 50.922 83.745 526.601 ### 7.850 7.8500		Apr 08				Apr 08	May 08	m 08		Apr 08	May 08	lun 08	
438 809 2.839 4.066 1.896 1.898 1.903 5.667 66.242 330 2.839 4.066 66.572 66.242 330 0 66.572 7.750 1.412 1.998 3.410 1.208 1.208 1.208 3.664 7.750 (41) 3.143 10.852 0 0 0 0 2.992 3.581 24.370 52.429 39.001 38.086 35.339 112.426 2.992 3.581 824 7.397 7.397 7.397 7.397 0 0 2.992 3.581 824 7.397 7.397 7.397 7.397 0 0 0 2.992 3.581 824 7.397 7.397 45.489 34.381 113.582 46.238 46.234 45.284 472.421 33.712 45.489 34.381 113.582 46.238 46.234 46.294 46.324 138.958 18.973 18.973<		170,227			521,822	94,534	94,649	94,919	284,102	75,693	27,300	134,727	237.720
es 66.242 330 0 66.572 662.42 330 0 66.572 1330 0 66.572 1410 3.443 10.852 3.400 1.208 3.624 17.789 10.271 24.370 52.429 39.001 38.086 35.339 112.426 17.788 10.271 24.370 52.429 39.001 38.086 35.339 112.426 17.788 10.271 24.370 52.429 39.001 38.086 35.339 112.426 17.788 10.271 24.370 52.429 39.001 38.086 35.339 112.426 17.788 10.271 24.370 52.429 265.437 138.311 262.820 666.568 202.881 136.171 133.369 472.421 265.437 138.311 262.820 666.568 202.881 136.171 133.369 472.421 33.712 45.489 34.381 113.582 2.569 116.59 4.738 18.966 33.745 526.601 0		438			4,086	1,896	1,898	1,903	5,697	(1,458)	(1,089)	936	(1,611)
Sis Transfers 7,750 (41) 1,998 3,410 1,208 1,208 1,208 3,624 (41) 3,143 10,852 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	es	66,242			66,572	66,242	330	0	66,572	0	, O (0	, O (
sis Transfers 7,750 (41) 3,143 10,852 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		0			3,410	1,208	1,208	1,208	3,624	(1,208)	204	790	(214)
mortization 17,788 10,271 24,370 52,429 39,001 38,086 35,339 112,426 2,992 3,581 824 7,397 202,881 136,171 133,369 472,421 265,437 138,311 262,820 666,568 202,881 136,171 133,369 472,421 33,712 45,489 34,381 113,582 46,238 46,294 46,426 138,958 2,569 11,659 4,738 18,966 6,313 6,313 6,321 6,339 18,973 391,864 50,992 83,745 526,601 189,077 189,077 189,077 189,077 567,231 6,321 15,645 84,304 146,870 42,349 42,349 42,349 127,047 76,334 155,241 81,823 33,418 84,588 92,014 76,241 252,813 78,500 78,500 78,500 78,500 78,500 78,500 78,500 78,500 78,500 78,500 281,1	sis Transfers	7,750			10,852	0	0	0	0	7,750	(41)	3.143	10.852
mortization 2,992 3,581 824 7,397 265,437 138,311 262,820 666,568 202,881 136,171 133,369 472,421 33,712 45,489 34,381 113,582 2,569 11,659 4,738 18,966 2,569 11,659 4,738 18,966 6,313 391,864 50,992 83,745 526,601 16,645 84,304 146,870 42,349	•	17,788			52,429	39,001	38,086	35,339	112,426	(21,213)	(27,815)	(10,969)	(59,997)
2.992 3.581 824 7.397 265.437 138.311 262.820 666.568 265.437 138.311 262.820 666.568 226.5437 138.311 262.820 666.568 233.712 45.489 34.381 113.582 46.238 46.294 46.426 138.958 2.569 11.659 44.738 18.966 6.321 6.321 18.967 18.9077 18	mortization)			0				0	0	0	0	O (
265,437 138,311 262,820 666,568 202,881 136,171 133,369 472,421 33,712 45,489 34,381 113,582 46,238 46,294 46,426 138,958 2,569 11,659 4,738 18,966 6,313 6,321 6,339 18,973 391,864 50,992 83,745 526,601 189,077 189,077 189,077 567,231 6,369 155,241 81,823 313,418 42,349 42,349 42,349 127,047 76,354 155,241 81,823 313,418 84,558 92,014 76,241 252,813 78,500 78,500 78,500 78,500 78,500 78,500 78,500 78,500 78,500 78,500 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	ı	2,992	3,581	824	7,397				0	2,992	3,581	824	7,397 (1)
33,712 45,489 34,381 113,582 46,238 46,294 46,426 138,958 2,569 11,659 4,738 18,966 6,313 66,321 6,339 18,973 391,864 50,992 83,745 52,6601 18,977 189,077 189		265,437	138,311	262,820	666,568	202,881	136,171		472,421	62,556	2,140	129,451	194,147
33.712 45.489 34.381 113.582 46.238 46.294 46.426 138,958 (12.526) (805) (12.045) 2.569 11.659 4.738 18.966 6.313 6.321 6.339 18.973 18.973 (3.744) 5.338 (1.601) 391.864 50.992 83.745 526.601 19.07 199.077 199.077 567.231 202.787 (138.085) (105.32) 46.921 15.645 84.304 146.870 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0													
2,569 11,659 4,738 18,966 6,313 6,321 6,339 18,973 (3,744) 5,338 (1,601) 391,864 50,992 83,745 526,601 189,077 189,077 189,077 567,231 202,787 (138,085) (1601) 46,921 15,645 84,304 146,870 0 <td></td> <td>33,712</td> <td>45,489</td> <td>34,381</td> <td>113,582</td> <td>46,238</td> <td>46,294</td> <td>46,426</td> <td>138.958</td> <td>(12.526)</td> <td>(805)</td> <td>(12 045)</td> <td>(25.376)</td>		33,712	45,489	34,381	113,582	46,238	46,294	46,426	138.958	(12.526)	(805)	(12 045)	(25.376)
391,864 50,992 83,745 526,601 189,077 189,077 189,077 567,231 202,787 (138,885) (105,332) 46,921 15,645 84,304 146,870 42,349 42,349 42,349 127,047 4,572 (26,704) 41,955 78,500 78,500 78,500 235,500 78,500		2,569	11,659	4,738	18,966	6,313	6,321	6,339	18,973	(3,744)	5.338	(1.601)	(7)
$\begin{array}{cccccccccccccccccccccccccccccccccccc$		391,864	50,992	83,745	526,601	189,077	189,077	189,077	567,231	202,787	(138,085)	(105,332)	(40,630)
46,921 15,645 84,304 146,870 42,349 42,349 42,349 127,047 4,572 (26,704) 41,955 76,354 155,241 81,823 313,418 84,558 92,014 76,241 252,813 (8,204) 63,227 5,582 78,500 78,500 78,500 78,500 78,500 78,500 0	•			0	0	0	0	0	0	0	0	0	0
76,354 155,241 81,823 313,418 84,558 92,014 76,241 252,813 (8,204) 63,227 5,882 78,500 78,500 78,500 235,500 78,500 78,500 78,500 78,500 235,500 0 <td< td=""><td></td><td>46,921</td><td>15,645</td><td>84,304</td><td>146,870</td><td>42,349</td><td>42,349</td><td>42,349</td><td>127,047</td><td>4,572</td><td>(26,704)</td><td>41,955</td><td>19.823</td></td<>		46,921	15,645	84,304	146,870	42,349	42,349	42,349	127,047	4,572	(26,704)	41,955	19.823
78,500 0 0		76,354	155,241	81,823	313,418	84,558	92,014	76,241	252,813	(8.204)	63.227	5.582	60.605
(358) 274,989 20,627 295,258 0 0 0 0 0 274,989 20,627 295,258 0 0 0 0 0 0 274,989 20,627 295,258 0 0 0 0 0 0 0 1,144 281,749 0 274,989 20,627 1,144 0 281,105 0 281,105 0 281,105 0 281,105 0 281,105 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 <th< td=""><td></td><td>78,500</td><td>78,500</td><td>78,500</td><td>235,500</td><td>78,500</td><td>78,500</td><td>78,500</td><td>235,500</td><td>0</td><td>0</td><td>0</td><td>0</td></th<>		78,500	78,500	78,500	235,500	78,500	78,500	78,500	235,500	0	0	0	0
280,565 1,144 281,749 0 281,105 0 281,105 40 (540) 1,144 0 <td>is Transfers</td> <td>(358)</td> <td>274,989</td> <td>20,627</td> <td>295,258</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>(358)</td> <td>274.989</td> <td>20.627</td> <td>295.258</td>	is Transfers	(358)	274,989	20,627	295,258	0	0	0	0	(358)	274.989	20.627	295.258
0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		40	280,565	1,144	281,749	0	281,105	0	281,105	40	(540)	1.144	644
913,080 389,262 1,931,944 447,035 735,660 438,932 1,621,627 182,567 1,77,420 (49,670) (774,769) (126,442) (1,265,376) (244,154) (599,489) (305,563) (1,149,206) (120,011) (175,280) 179,121			0	0	0	0	0	0	0	0	0 (0	0
(774,769) (126,442) (1,265,376) (244,154) (599,489) (305,563) (1,149,206) (120,011) (175,280) 179,121		629,602	913,080	389,262	1,931,944	447,035	735,660		1,621,627	182,567	177,420	(49,670)	310,317
(774,769) (126,442) (1,265,376) (244,154) (599,489) (305,563) (1,149,206) (120,011) (175,280) 179,121			¢		-		å .				46.		
		(364,165)	(774,769)	(126,442)	(1,265,376)	(244,154)	(599,489)	(305,563)	(1,149,206)	(120,011)	(175,280)	179,121	(116,170)

Exhibit 1 Sheet 1 of 1

тем подности в население подности подн	

			PRIVAT	PRIVATE PASSENGER AUTO	R AUTO		······································	CON	COMMERCIAL AUTO	ло				COMBINED					COMBINED
		Marten	n D	D D	0	L&ALAE	Mark Control	n	0	D 2.	L&ALAE							L&ALAE	L&ALAE
	Qtr Year	Premium	Premium	Losses	ALAE	Ratios	Premium	Premium	Losses	ALAE	Ratios	Premium	1	Premium	Premium Losses	Losses ALAE	Losses	Losses ALAE Ratios WP	Losses ALAE Ratios
Actual		16,294		55,330	11,518	4,10	392,772		337,779	56,934	1.00	409,066			393,109	393,109	393,109 68,452	393,109 68,452	393,109 68,452
Actual	Feb 2007	20,048		23,564	8,084	1.58	169,907		933,550	46,617	5.77	189,955				957,114	957,114 54,701	957,114 54,701	957,114 54,701
Actual	Mar 2007	2,277	more of the latest terms o	64,370	25,330	39.39	85,942		342,068	72,892	4.83	88.21	i en	9.00	and discount of the county of	and discount of the county of	406,438	406.438 98,222	406.438 98.222 5.72
Actual	~	34 640		110 822	17 157	3 69	347 143		673 333	46.650	207	2 (4 2 (4	793	783	783 784,141	78/ 155	784 155 63 807	784 155 63 807	784 155 63 807
Actual		9,431		89,968	12,157	10,83	48,650		520,344	114,830	13.06		58,081	58,081		610.312	610.312 126.987	610.312 126.987	610.312 126.987 12.69
Actual	Jul 2007	19.164		24,382	17,677	2.19	91,417		123,247	63,578	2,04	97(0)77	110,581	110,581	at to like a district a bound of the foreign of the light of	147,629	147,629 81,255	147,629 81,255 2.07	147,629 81,255 2,07
Actual		6,060		204,984	38,875	40.24	202,533		235,073	84,769	1.58		208,593	208,593		440,057	440,057 123,644	440,057 123,644	440,057 123,644
Actual	Sep 2007	(2.951)		69,999	16,908	(29.45)	133,412		301,378	52,840	2.66		130,461	130,461		371,377	371,377 69,748	371,377 69,748	371,377 69,748 3.38
Actual		3,353		10,341	14,837	7.51	(39,296)		549,923	94,569	(16.40)		(35,943)	(35,943)	(35,943) 560,264	560,264	560,264	560,264 109,406 (18.63)	560,264 109,406 (18,63)
Actual		(139)		55,577	18,591	(533.58)	206,877		55,357	132,894	0.91		206,738	206,738		110,934	110,934 151,485	110,934 151,485	110,934 151,485
Actual	,	(2,910)	di larri di calcantale de la calcantale	80,810	13,904	(32.55)	122,686		194,447	29,864	1.83	-	119,776	119,776		275,257	275,257 43,768	275,257 43,768	275,257 43,768 2.66
Actual		4,074		95,197	32,959	31.46	22,535		80,550	65,864	6.50		26,609	26,609	2000	175,747	175,747 98,823	175,747 98,823 10.32	175,747 98,823 10,32
Actual		2,803		41,040	15,999	20.35	123,581		203,040	30,923	1.89		126,384	126,384		244,080	244,080 46,922	244,080 46,922	244,080 46,922
Actual	Mar 2008	(125)	on de la	20,044	2,702	(181.97)	30,545	********************************	219,275	12,943	7,60	-	30,420	30,420	(1) 13 13 13 13 14 14 13 13 13 13 13 13 13 13 13 13 14 14 14 14 14 14 14 14 14 14 14 14 14	239,319	239,319	239,319 15,645	239,319 15,645 8,38
Actual		1,102		(1,095)	23,908	20.70	191,828		373,650	60,396	2.26		192,930	192,930		372,555	372,555 84,304	372,555 84,304 2.37	372,555 84,304 2.37
Actual	May 2008	1,593		11,739	27.278	24.49	54,534		18,777	28,702	0.87		56,127	56,127		30,516	30,516	30,516 55,980 1.54	30,516 55,980 1.54
Projected	1	1.938	2.227	26,251	7.875	17.61	74.589	114.825	132 776	26 555	2.14	T	76 527	1	117 053	117.053 159.027	117 053 159 027 34 430	117 053 159 027 34 430	117 053 159 027 34 430 2.53
Projected		2,029	1,343	26,251	7.875	16.82	75,509	108,828	132,776	26,555	2,11		77,538	77,538 110,171	110,171	110,171 159,027	110,171 159,027 34,430	110,171 159,027 34,430	110,171 159,027 34,430
Projected		2.077	1,385	26,251	7.875	16,43	74.267	101,078	132,776	26,555	2.15		76,344		102 463	102,463 159,027	102,463 159,027 34,430	102,463 159,027 34,430	102,463 159,027 34,430 2.53
rojected		2,055	1,540	16,201	4,860	10.25	74,835	103,377	115,780	23,156	1.86		76,889		104,916	104,916 131,981	104,916 131,981 28,016	104,916 131,981 28,016 2.08	104,916 131,981 28,016 2.08
Projected	Dec 2008	2,052	1,875	16,201	4,860	10.26	74,765	95,122	115,780	23,156	1.86		76,817	76,817 96,997		96,997 131,981	96,997 131,981	96,997 131,981 28,016	96,997 131,981 28,016 2,08
Projected		2,053	1,997	13,938	4,181	8.83	74,732	95,305	115,251	23,050	1.85		76,785		97,302	97,302 129,188	97,302 129,188 27,231	97,302 129,188 27,231 2,04	97,302 129,188 27,231 2,04
Projected		2,051	1,881	13,938	4,181	8.83	74,760	95,441	115,251	23,050	1.85		76,812		97,322	97,322 129,188	97,322 129,188 27,231	97,322 129,188 27,231	97,322 129,188 27,231
Projected	a) and a	1,846	1,932	13,938	4,181	9.81	74,754	95,253	115,251	23,050	1.85	-	76,600		97,186	97,186 129,188	97,186 129,188	97,186 129,188 27,231	97,186 129,188 27,231 2.04
Projected		1,847	2,045	13,051	3,915	9.19	71,015	92,055	77,982	15,596	1.32		72,862		94,100	94,100 91,034	94,100 91,034 19,512	94,100 91,034 19,512 1.52	94,100 91,034 19,512 1.52
Projected		1.846	2,087	13,051	3,915	9.19	71,015	87,716	77,982	15,596	1.32		72,861		89,803	89,803	89,803 91,034 19,512	89,803 91,034 19,512 1.52	89,803 91,034 19,512 1.52
Projected	-	1 846	1 060	13,051	3,915	3.79	71,016	81 092 73 650	77,982	15,596	1.32		72,862	Lancour Lancou	83.127	83.127 91,034	83,127 91,034 19,512	83,127 91,034 19,512	83,127 91,034 19,512 1,52
Projected	Aug 2009	1,846	1,958	3,322	997	2.34	71,015	73,314	75,305	15,061	1.27		72,862		75,272	75,272 78,627	75,272 78,627 16,058	75,272 78,627 16,058	75,272 78,627 16,058
rojected		1.846	1,940	3,322	997	2.34	71,016	72,992	75,305	15,061	1.27	7:	2,862		74,932	74,932 78,627	74,932 78,627 16,058	74,932 78,627 16,058	74,932 78,627 16,058 1.30
Projected	Oct 2009	1,846	1,922	1,904	571	1.34	71,016	72,697	63,750	12,750	1.08	7	2,862			74,619	74,619 65,654	74,619 65,654 13,321 1.08	74,619 65,654 13,321 1.08
rojected		1,846	1,905	1,904	571	1 3 4 4	71,016	72,382	63,750	12,750	1.08	1 7	2,862		74,287	74,287 65,654	74,287 65,654 13,321	74,287 65,654 13,321 1.08	74,287 65,654 13,321 1.08
Projected	Dec 2009	1,846	1,888	1,904	571	1.34	71,016	72,069	63,750	12,750	1.08		72,862	72,862 73,957		73,957 65,654	73,957 65,654 13,321	73,957 65,654 13,321 1.08	73,957 65,654 13,321

Florida JUA assumptions Cash Flow Projection June 2008

The cash flow projection contains historical information for April 2007 through June 2008. This information comes directly from the cash analysis reports, bank statements and postings from the general ledger. This information is then used to project activity for the projected months. The specifics on how the information is used and the assumptions utilized follows.

It should be noted that due to the JUA's small volume, actual results can vary significantly from the projection due to significant changes in the book of business or irregular events such as large losses, insolvencies and weather-related losses.

Receipts Section

- 1) Premium collections are actual receipts for 15 months from April 2007 June 2008 coming directly from the cash analysis reports for those months. The July 2008 September 2009 projection was developed utilizing a ratio of actual premium collection for 6 months (January 2008 June 2008) to actual premium written for that same time frame. This ratio was then multiplied by the actuarial projections of premium written to determine projected premium collected results. We adjusted the % to smooth out the unusual trends that occurred in the current quarter.
- 2) Premium written projections determined by our actuarial department are detailed below the ending balance line of the exhibit for your reference.
- 3) As with assumption 1, returned commissions were handled in the same fashion. Using actual results for returned commissions for 6 months, we developed a ratio of returned commissions to premium written, and calculated future projected results.
- 4) Salvage and subrogation was handled in a similar fashion as premium collections. Using actual results for salvage and subrogation for 6 months, we developed a ratio of salvage and subrogation to losses paid. This ratio was then multiplied by the actuarial projections of paid losses to determine the projected salvage results.
- 5) We did not project the timing difference between the cash analysis and the actual transfers for either the receipt or the disbursement sections. This timing difference is hard to predict and nets to roughly \$301,579 over the 15 months.

- 6) Miscellaneous receipts are also not projected into the future, as these amounts are small and difficult to predict. Based on the current investment portfolio, gains/losses on investments do not apply.
- 7) Assessment income for the receipt section is projected based on the actual assessment and late fees received for the membership fees and assessments. Any outstanding balance from the membership fee assessment was projected to be received in the month of September 2008. In addition, we assumed that the 2008 membership fee assessment will be issued in July 2009.
- 8) Interest was based on a factor created by taking the actual interest collected for the invested funds for July 2008 and dividing it by the average investment balance for the month of June in the state treasury account as most of the FAJUA funds are in SPIA. This factor was annualized at 3.567%. Our model assumed this interest rate would remain constant. We took the ending balance from the previous month and reduced it by the estimated funds held in Wachovia which are used to partially offset bank charges. We then multiplied this adjusted ending balance by the factor to determine the next month's interest collected amount. Due to changes in the economy this rate may not be an accurate prediction of actual rates that the FJUA could expect.

Disbursement Section

- 9) Policyholder refunds, producer commissions and servicing carrier fees projected were calculated comparable to premium collection (assumption 1). Using actual data for these classifications from the cash analysis report, we developed a ratio to premium written. Finally we applied the ratio to the projected premium written developed by our actuarial department. We adjusted the % to smooth out the unusual trends that occurred in the current quarter.
- 10)Servicing carrier fees incurred are expected to be paid within 2 months of month end and have been recorded in this fashion in the projection.

The servicing carrier fees projected for July and August come from the actual statistical summaries paid for the months ended May and June 2008. The servicing carrier fees were adjusted to meet the minimums for both periods.

The projected amounts for July 2008 – September 2009 were based on the servicing providers contracted fee structure. Based on this contract the operating fee is 6% of written premium with a minimum fee of \$33,500

per month, and for claims it is 14% of earned premium with a minimum fee of \$45,000 per month.

The AIPSO actuarial department calculated the projected premium written and premium earned amounts. All calculated operating fees had to be raised to the minimum for this time period.

- 11)ALAE are now a directly reimbursable expense. Our actuarial department calculated this amount.
- 12)Our actuarial department has projected losses paid. We assumed that there would be no timing difference between what was recorded on the statistical summary and what physically cleared the bank.
- 13)Operating expenses of the plan mirror the annual budget amounts for July 2008 September 2008. The values come from the annual budget for 2007-2008 allocated by month. The values for October 2008 September 2009 were derived by taking the 2007 -2008 annual budget and dividing it by 12, which would approximate the expenses for these months, as we did not have a budget amount allocated by month for this time frame.
- 14)Assessment distribution was equal to the amounts listed on the MP-3. The MP used was the March 2008 report because the June 2008 was not available.
- 15)Fortune losses and miscellaneous disbursements were not projected into the future, as these are also immaterial disbursements.
- 16) Miscellaneous disbursements reflect the required escheat estimated filing for May 2009 totaling \$196,630.34 as per information received from Apex. This is an estimate as due diligence letters must be sent just prior to the filing deadline. In addition, we included a new misc. disbursement for estimated monthly bank charges of \$2,100.00.
- 17) Finally, our actuarial department projected written premiums, losses paid, and ALAE paid utilizing historical data. The projections took into consideration updated IBNR estimates, the impact of trends due to inflation, and the impact of future rate changes.