

# ALASKA INSURANCE GUARANTY ASSOCIATION

## Combined Balance Sheets December 31, 2005 and 2004

Assets	2005	2004
Cash and cash equivalents	\$ 20,688,530	\$ 15,922,895
Due from Alaska Division of Insurance	0	375,354
Assessment receivable (notes 2 and 4)	6,920,032	14,532
Total assets	<u>\$ 27,608,562</u>	<u>\$ 16,312,781</u>

### Liabilities and Members' Deficit

Assessments received in advance	\$ 0	\$ 4,025,796
Loans from Liquidators (note 5)	0	504,235
Assessment refunds payable (notes 2 and 4)	884,863	0
Reserve for claims and claim adjustment expenses (note 2)	40,351,670	44,234,456
Members' deficit (note 3)	<u>(13,627,971)</u>	<u>(32,451,706)</u>
Total liabilities and members' deficit	<u>\$ 27,608,562</u>	<u>\$ 16,312,781</u>

See accompanying notes to combined financial statements.

### Combined Statements of Changes in Members' Deficit Years ending December 31, 2005 and 2004

	2005	2004
Assessments (note 4)	\$ 21,408,667	\$ 10,117,835
Distributions from liquidators (note 5)	4,443,088	10,284,984
Interest income	266,730	77,770
Total	<u>26,118,485</u>	<u>20,480,589</u>
Change in claims and claim adjustment expense reserves	(3,882,786)	(18,123,196)
Claims paid	7,207,535	9,423,409
Claim adjustment expenses paid	705,564	1,279,751
Assessment Refunds	2,461,911	370,975
Interest	59,388	200,920
Administrative costs (note 7)	743,138	1,043,554
Total	<u>7,294,750</u>	<u>(5,804,587)</u>
Change in members' deficit during the year	18,823,735	26,285,176
Members' deficit at beginning of year	<u>(32,451,706)</u>	<u>(58,736,882)</u>
Members' deficit at end of year	<u>\$ (13,627,971)</u>	<u>\$ (32,451,706)</u>

See accompanying notes to combined financial statements.

# ALASKA INSURANCE GUARANTY ASSOCIATION

## COMBINING BALANCE SHEET INFORMATION DECEMBER 31, 2005

ASSETS	Auto	Other	Workers Compensation	Administrative	Eliminations	Total
Cash and cash equivalence	724,023	3,525,868	16,438,639	0	0	20,688,530
Assessment receivable	0	0	6,920,032	0	0	6,920,032
Due from administrative account	12,223	602,433	0	0	(614,656)	0
Due from statutory accounts	0	0	0	179,690	(179,690)	0
<b>Total assets</b>	<b>736,246</b>	<b>4,128,301</b>	<b>23,358,671</b>	<b>179,690</b>	<b>(794,346)</b>	<b>27,608,562</b>
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LIABILITIES AND MEMBERS' EQUITY (DEFICIT)	Auto	Other	Workers Compensation	Administrative	Eliminations	Total
Reserve for claims and claim adjustment expenses	165,500	894,604	39,152,610	138,956	0	40,351,670
Assessments refunds payable	0	0	884,863	0	0	884,863
Due to administrative account	0	0	794,346	0	(794,346)	0
Members' equity (deficit)	570,746	3,233,697	(17,473,148)	40,734	0	(13,627,971)
<b>Total liabilities and members' equity (deficit)</b>	<b>736,246</b>	<b>4,128,301</b>	<b>23,358,671</b>	<b>179,690</b>	<b>(794,346)</b>	<b>27,608,562</b>

### Combining Schedule of Changes in Members' Equity (Deficit) Year ended December 31, 2005

	Auto	Other	Workers Compensation	Administrative	Total
Assessments	0	736,991	20,670,076	1,600	21,408,667
Distributions from liquidators	113,962	229,408	4,046,506	53,212	4,443,088
Interest Income	10,052	45,577	211,101	0	266,730
	124,014	1,011,976	24,927,683	54,812	26,118,485
Change in claims and claim adjustment expense reserves	165,500	705,384	(4,750,055)	(3,615)	(3,882,786)
Claims paid	0	367,648	6,839,887	0	7,207,535
Claim adjustment expenses paid	0	20,669	684,895	0	705,564
Assessment Refunds	0	220,362	2,241,549	0	2,461,911
Interest	0	0	59,388	0	59,388
Administrative costs	0	8,473	623,085	111,580	743,138
Allocation of administrative costs	(477)	2,333	54,913	(56,769)	0
	165,023	1,324,869	5,753,662	51,196	7,294,750
<b>Changes in members' equity (deficit) during the year</b>	<b>(41,009)</b>	<b>(312,893)</b>	<b>19,174,021</b>	<b>3,616</b>	<b>18,823,735</b>
Members' deficit at beginning of year	611,755	3,546,590	(36,647,169)	37,118	(32,451,706)
<b>Members' equity (deficit) at end of year</b>	<b>570,746</b>	<b>3,233,697</b>	<b>(17,473,148)</b>	<b>40,734</b>	<b>(13,627,971)</b>

See accompanying independent auditors' report.