

ALASKA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION

Balance Sheets December 31, 2006 and 2005

ASSETS	2006	2005
Cash and cash equivalents	\$ 837,943	\$ 656,796
Assessments receivable, net of allowance for doubtful accounts of \$19,988 at December 31, 2006 and 2005	193,334	318,355
Other Assets	119	256
	\$ 1,031,396	\$ 975,407
LIABILITIES AND MEMBERS' DEFICIT		
Estimated insurance contractual obligations payable	\$ 1,580,000	\$ 1,670,000
Deferred revenue from members	23,014	21,226
Accounts payable and accrued liabilities	22,279	6,521
	1,625,293	1,697,747
Members' deficit	(593,897)	(722,340)
Commitments and contingencies	-	-
	\$ 1,031,396	\$ 975,407

See accompanying notes to financial statements.

ALASKA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION

Statements of Activities Years Ended December 31, 2006 and 2005

	2006			2005		
	Administrative Fund	Insolvency Funds	Total	Administrative Fund	Insolvency Funds	Total
REVENUES:						
Member assessments	\$ 178,000	\$ -	\$ 178,000	\$ 110,000	\$ 191,759	\$ 301,759
Funds received from liquidators	-	134,492	134,492	-	8,226	8,226
Net investment income	(297)	35,965	35,668	4,437	20,895	25,332
Total revenues	177,703	170,457	348,160	114,437	220,880	335,317
EXPENSES:						
Claims and claims handling:						
Assumption reinsurance payments	-	129,719	129,719	-	141,759	141,759
Policyholder benefit claims	-	-	-	-	102,644	102,644
Change in estimated insurance contractual obligations payable	-	(90,000)	(90,000)	-	(167,000)	(167,000)
Total claims and claims handling	-	39,719	39,719	-	77,403	77,403
Accounting and auditing fees	57,676	-	57,676	53,301	-	53,301
Executive director fee	41,780	2,112	43,892	30,104	3,502	33,606
NOLHGA dues and assessments	29,077	24,684	53,761	33,382	11,749	45,131
Uncollectible member assessments	2,250	139	2,389	34,950	(6,519)	28,431
Travel	16,187	-	16,187	6,990	-	6,990
General and administrative	6,093	-	6,093	5,873	-	5,873
Total expenses	153,063	66,654	219,717	164,600	86,135	250,735
Increase (decrease) in members' deficit	24,640	103,803	128,443	(50,163)	134,745	84,582
Members' equity (deficit), beginning of year	32,835	(755,175)	(722,340)	82,998	(889,920)	(806,922)
Members' equity (deficit), end of year	\$ 57,475	\$ (651,372)	\$ (593,897)	\$ 32,835	\$ (755,175)	\$ (722,340)

See accompanying notes to financial statements.

ALASKA LIFE AND HEALTH INSURANCE GUARANTY ASSOCIATION

Statements of Cash Flows Years Ended December 31, 2006 and 2005

	2006	2005
Cash flows from operating activities:		
Cash received from member company assessments and estate distributions, net	\$ 437,667	\$ 9,038
Cash paid for policyholder obligations	(129,719)	(244,403)
Cash paid to consultants and suppliers	(161,715)	(153,609)
Interest received	34,914	22,386
Net cash provided by (used in) operating activities	181,147	(366,588)
Cash and cash equivalents, beginning of year	656,796	1,023,384
Cash and cash equivalents, end of year	837,943	656,796
Cash flows from operating activities:		
Decrease in members' deficit	\$ 128,443	\$ 84,582
Adjustments to reconcile decrease in members' deficit to net cash provided by (use in) operating activities:		
Depreciation expense	137	170
Decrease (increase) in:		
Assessments receivable	125,021	(263,301)
Increase (decrease) in:		
Estimated insurance contractual obligations payable	(90,000)	(167,000)
Deferred revenue from members	1,788	(12,161)
Accounts payable and accrued liabilities	15,758	(8,878)
Net cash provided by (used in) operating activities	\$ 181,147	\$ (366,588)

See accompanying notes to financial statements.