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MUNICIPAL INSURANCE TRUST OF NORTH CAROLINA

BALANCE SHEETS

June 30

	2010	2009
Assets:		
Cash and investments:		
Bonds, at fair value	\$ 16,418,200	\$ 16,565,827
Preferred stocks, at fair value	12,070	43,550
Common stocks, at fair value	2,052,215	2,785,188
Cash and cash equivalents	2,175,449	515,175
Total cash and investments	<u>20,657,934</u>	<u>19,909,740</u>
Premium stabilization credit receivable	0	49,094
Premiums receivable	307,577	239,360
Accrued interest income	183,703	280,066
Excess claims recoverable	12,120	6,451
Prepaid expenses	2,500	2,500
Other assets	259,027	359,697
Total assets	<u>\$ 21,422,861</u>	<u>\$ 20,846,908</u>
Liabilities:		
Reserve for losses	\$ 3,902,341	\$ 3,917,775
Accounts payable	959,919	1,030,160
Escheats fund reserve	220,401	211,823
	<u>5,082,661</u>	<u>5,159,758</u>
Net assets:		
Unrestricted	16,340,200	15,687,150
Total liabilities and net assets	<u>\$ 21,422,861</u>	<u>\$ 20,846,908</u>

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Operating revenues:

Premiums:		
Accident and health premiums	\$ 54,451,893	\$ 49,343,961
Life insurance premiums	787,009	835,256
Excess insurance premiums	193,009	478,357
Total premiums earned	<u>55,431,911</u>	<u>50,657,574</u>
ASO service fees	0	16,036
Service agreement revenue	1,645	1,060
Total operating revenue	<u>55,433,556</u>	<u>50,674,670</u>

Operating expenses:

Losses and loss adjustment expenses	48,826,597	44,678,187
Decrease in premium deficiency reserve	0	(600,000)
Life insurance premiums	808,036	737,069
Excess insurance expense	193,009	478,357
Service contractors' fees	4,045,899	3,873,929
NCLM-sponsorship and operating expenses	2,380,947	1,985,259
Professional fees	206,866	389,635
Other expenses	349,999	300,566
Total expenses	<u>56,811,353</u>	<u>51,843,002</u>
Operating loss	(1,377,797)	(1,168,332)

Non-operating revenues (losses):

Other income	11,925	6,575
Net investment income (loss)	2,018,922	(870,564)
Total non-operating revenues (loss)	<u>2,030,847</u>	<u>(863,989)</u>
Change in net assets	\$ 653,050	\$ (2,032,321)
Net assets at beginning of year	\$ 15,687,150	\$ 17,719,471
Net assets at end of year	<u>\$ 16,340,200</u>	<u>\$ 15,687,150</u>