

MICHIGAN PROPERTY AND CASUALTY GUARANTY ASSOCIATION

COMBINING SCHEDULE OF ASSETS, LIABILITIES, AND MEMBERS' SURPLUS - MODIFIED CASH BASIS

December 31, 2008

	Association General Account	Automobile	Workers' Compensation	Title	Other 1	Other 2	Total
	(in thousands)						
ASSETS							
Cash and cash equivalents	\$ 51.4	\$ 8,022.8	\$ 31,265.7	\$ 68.8	\$ 1,216.6	\$ 4,996.1	\$ 45,621.4
Investments available for sale		23,176.6	58,756.8		1,734.8	13,533.7	97,201.9
Michigan Catastrophic Claims Association recoverables (no allowance considered necessary)		965.3					965.3
Accrued interest receivable		145.4	448.7		9.7	132.4	736.2
Prepaid expenses	5.1	4.1	7.9	0.1		1.1	18.3
Property and equipment (net of accumulated depreciation of \$228.3 thousand)	105.6						105.6
Total Assets	\$ 162.1	\$ 32,314.2	\$ 90,479.1	\$ 68.9	\$ 2,961.1	\$ 18,663.3	\$ 144,648.7
LIABILITIES AND MEMBERS' SURPLUS (DEFICIT)							
Liabilities:							
Loss reserves (net of discounts and Michigan Catastrophic Claims Association reserves)	\$ -0-	\$ 22,126.3	\$ 68,618.4	\$ 102.0	\$ 25.0	\$ 3,753.9	\$ 94,625.6
Loss adjustment expense reserves		438.7	1,704.2	43.7	1.5	694.2	2,882.3
Other accrued expenses		38.2	73.2	(21.4)	0.9	119.2	210.1
Total Liabilities	-0-	22,603.2	70,395.8	124.3	27.4	4,567.3	97,718.0
Members' Surplus (Deficit):							
Surplus (deficit)	162.1	12,237.1	18,321.5	(55.4)	2,909.9	13,790.3	47,365.5
Accumulated other comprehensive income (loss): Net unrealized gains (losses) on investments		(2,526.1)	1,761.8		23.8	305.7	(434.8)
Total Members' Surplus (Deficit)	162.1	9,711.0	20,083.3	(55.4)	2,933.7	14,096.0	46,930.7
Total Liabilities and Members' Surplus (Deficit)	\$ 162.1	\$ 32,314.2	\$ 90,479.1	\$ 68.9	\$ 2,961.1	\$ 18,663.3	\$ 144,648.7

MICHIGAN PROPERTY AND CASUALTY GUARANTY ASSOCIATION

**COMBINING SCHEDULE OF REVENUE, LOSSES, EXPENSES, AND CHANGES IN MEMBERS' SURPLUS
AND COMPREHENSIVE INCOME - MODIFIED CASH BASIS**

For the Year Ended December 31, 2008

	Association General Account	Automobile	Workers' Compensation	Title	Other 1	Other 2	Total
	(in thousands)						
Revenue:							
Member assessments	\$ 71.7	\$ (17.4)	\$ (17.5)	\$ 99.1	\$ (19.3)	\$ (17.5)	\$ 99.1
Liquidation recoveries, net		3,353.0	3,980.8		40.1	2,062.5	9,436.4
Total Revenue	71.7	3,335.6	3,963.3	99.1	20.8	2,045.0	9,535.5
Losses and Expenses:							
Member refunds, net		8,999.9				9,999.9	18,999.8
Losses (loss recoveries), net of subrogation and recoverables		1,426.0	(14,688.2)	102.0		258.3	(12,901.9)
Loss adjustment expenses, net of subrogation and recoverables		87.9	667.7	43.8	(27.3)	203.4	975.5
Legal expenses		76.3	163.6	2.5	0.1	18.2	260.7
Other administrative expenses		576.9	976.6	6.3	2.9	101.5	1,664.2
Unearned premium refunds, net		1.8	3.8		1.1	22.2	28.9
Depreciation	42.9						42.9
Total Losses and Expenses	42.9	11,168.8	(12,876.5)	154.6	(23.2)	10,603.5	9,070.1
Excess (Deficiency) of Revenue over Losses and Expenses	28.8	(7,833.2)	16,839.8	(55.5)	44.0	(8,558.5)	465.4
Investment Income:							
Interest income		1,599.8	3,160.3	0.1	92.4	1,712.0	6,564.6
Net realized gains on investments		282.8	127.5		23.1	45.6	479.0
Net Investment Income	-0-	1,882.6	3,287.8	0.1	115.5	1,757.6	7,043.6
Excess (Deficiency) of Revenue and Gains over Losses and Expenses	28.8	(5,950.6)	20,127.6	(55.4)	159.5	(6,800.9)	7,509.0
Accumulated Other Comprehensive Income (Loss):							
Net unrealized gains (losses) on investments		(2,782.7)	1,145.4		8.9	216.7	(1,411.7)
Total Comprehensive Income (Loss)	28.8	(8,733.3)	21,273.0	(55.4)	168.4	(6,584.2)	6,097.3
Members' Surplus (Deficit), Beginning of Year	133.3	18,444.3	(1,189.7)	-0-	2,765.3	20,680.2	40,833.4
Members' Surplus (Deficit), End of Year	\$ 162.1	\$ 9,711.0	\$ 20,083.3	\$ (55.4)	\$ 2,933.7	\$ 14,096.0	\$ 46,930.7