

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JANUARY 31, 2017

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JANUARY 31, 2017

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## ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
Alabama Insurance Underwriting Association

Management is responsible for the accompanying financial statements of Alabama Insurance Underwriting Association, which comprise the statutory statement of admitted assets, liabilities and surplus as of January 31, 2017, and the related statutory statement of operations and changes in surplus for the three months then ended in accordance with statutory accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the Insurance Department of the State of Alabama. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

### Supplementary Information

The accompanying supplementary information referred to in the foregoing contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

### Other Matters

Management has elected to omit substantially all of the disclosures and the statement of cash flows ordinarily included in financial statements prepared in accordance with statutory accounting practices. If the omitted disclosures and statements of cash flows were included in the financial statements, they might influence the user's conclusions about the admitted assets, liabilities, surplus, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements do not include a provision or liability for federal income taxes because the members are taxed individually on their share of Association earnings.

We are not independent with respect to Alabama Insurance Underwriting Association because we performed certain accounting services that impaired our independence.



Foley, Alabama  
March 26, 2017

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS**  
**As of January 31, 2017**

**EXHIBIT 1**

	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Admitted Assets</u>
<b><u>ASSETS</u></b>			
Cash and short-term investments	\$ 76,046,874		\$ 76,046,874
Bonds	29,118,608		29,118,608
Accounts receivable	2,436	2,436	-
Interest accrued	89,784		89,784
Furniture and equipment - net of depreciation	199,210	199,210	-
Data processing equipment - net of depreciation	114,747		114,747
Programming - net of amortization	252,835	252,835	-
Leasehold improvements - net of depreciation	583,167	583,167	-
Reinsurance:			
Prepaid reinsurance	2,390,144		2,390,144
Amounts recoverable from reinsurers	29,481		29,481
Section 444 Deposit (I.R.S.)	605,435		605,435
Total Assets	<u>109,432,721</u>	<u>1,037,648</u>	<u>108,395,073</u>
<b><u>LIABILITIES AND SURPLUS</u></b>			
Reserves - net of ceded			
Unpaid losses (include IBNR)			2,226,638
Unpaid loss adjustment expenses			222,665
Unearned premiums			14,121,985
Total Reserves			<u>16,571,288</u>
Payables for:			
Premium taxes			33,078
Operating expenses and other accounts payable			419,325
Ceded reinsurance premiums payable - net of ceding commissions			131,369
Amounts withheld for accounts of others			160,315
Accrued pension obligation			535,594
Contributions and grants payable			2,800,000
Premiums received in advance			1,296,736
Total Payables			<u>5,376,417</u>
Total Liabilities			<u>21,947,705</u>
Members' Surplus			85,165,381
Retained Surplus			1,281,987
Total Surplus			<u>86,447,368</u>
Total Liabilities and Surplus			<u>\$ 108,395,073</u>

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF OPERATIONS AND CHANGES IN SURPLUS**  
**Quarter Ended January 31, 2017**

**EXHIBIT 2**

	<b>Quarter</b>	<b>Year-To-Date</b>
	<b>11/01/2016 -</b>	<b>11/01/2016 -</b>
	<b>01/31/2017</b>	<b>01/31/2017</b>
	<u>                    </u>	<u>                    </u>
<b>UNDERWRITING INCOME:</b>		
Premiums earned	\$ 3,788,125	\$ 3,788,125
<b>DEDUCTIONS:</b>		
Losses incurred	1,517,971	1,517,971
Loss expenses incurred	215,605	215,605
Operating expenses incurred	1,587,634	1,587,634
Total deductions	<u>3,321,210</u>	<u>3,321,210</u>
Net Underwriting Gain or (Loss)	<u>466,915</u>	<u>466,915</u>
<b>OTHER INCOME (EXPENSE):</b>		
Investment income	106,237	106,237
Realized gains (losses)	-	-
Other income	34	34
Service & agency Fees	144,010	144,010
Gain (loss) on sale of non admitted asset	-	-
Total other income	<u>250,281</u>	<u>250,281</u>
Net Income	<u>\$ 717,196</u>	<u>\$ 717,196</u>
<b>SURPLUS:</b>		
Surplus (prior period)	85,762,154	85,762,154
Net income	717,196	717,196
Change in assets not admitted	(31,982)	(31,982)
Minimum pension liability	-	-
Net change in surplus	<u>685,214</u>	<u>685,214</u>
Surplus (current period)	<u>\$ 86,447,368</u>	<u>\$ 86,447,368</u>

SUPPLEMENTARY INFORMATION

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended January 31, 2017

EXHIBIT 3A - Quarterly

Description	Quarterly 11/01/2016 - 01/31/2017											Total	
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007		2006
<b>INCOME RECEIVED:</b>													
Premiums Written	\$ 5,825,172	\$ (504,323)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,320,849
Reinsurance Premium Ceded	(4,221,556)	25,216	-	-	-	-	-	-	-	-	-	-	(4,196,340)
Net Premiums Written	1,603,616	(479,107)	-	-	-	-	-	-	-	-	-	-	1,124,509
Interest Received	16,453	9,407	-	-	-	-	-	-	-	-	-	-	25,860
Realized Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	34	-	-	-	-	-	-	-	-	-	-	-	34
Service & Agency Fees	144,010	-	-	-	-	-	-	-	-	-	-	-	144,010
Gain (loss) sale of non admitted asset	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	1,764,113	(469,700)	-	-	-	-	-	-	-	-	-	-	1,294,413
<b>EXPENSES PAID:</b>													
Losses	27,812	412,738	124,959	8,185	7,117	-	-	-	-	-	-	-	580,811
Loss Adjustment Expenses	8,007	91,007	30,674	26,575	1,195	-	-	-	-	-	-	-	157,458
Commissions	302,997	182,491	-	-	-	-	-	-	-	-	-	-	485,488
Operating Expenses	558,128	358,263	-	-	-	-	-	-	-	-	-	-	916,391
Contributions and Grants	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	148,084	225,991	-	-	-	-	-	-	-	-	-	-	374,075
Total Expenses Paid	1,045,028	1,270,490	155,633	34,760	8,312	-	-	-	-	-	-	-	2,514,223
Net Cash Change	719,085	(1,740,190)	(155,633)	(34,760)	(8,312)	-	-	-	-	-	-	-	(1,219,810)
<b>RESERVES:</b>													
<i>DEDUCT (CURRENT PERIOD)</i>													
Unpaid Losses (include IBNR)	168,470	1,505,741	532,427	20,000	-	-	-	-	-	-	-	-	2,226,638
Unpaid Loss Adj. Expenses	16,847	150,575	53,243	2,000	-	-	-	-	-	-	-	-	222,665
Operating Expenses	579,640	-	-	-	-	-	-	-	-	-	-	-	579,640
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	-	2,716,557	-	-	-	2,800,000
Unearned Premiums	4,735,255	9,386,730	-	-	-	-	-	-	-	-	-	-	14,121,985
Premium Taxes	33,078	-	-	-	-	-	-	-	-	-	-	-	33,078
<i>ADD (PRIOR PERIOD)</i>													
Unpaid Losses (include IBNR)	-	758,736	502,557	28,185	-	-	-	-	-	-	-	-	1,289,478
Unpaid Loss Adj. Expenses	-	86,735	56,919	20,864	-	-	-	-	-	-	-	-	164,518
Operating Expenses	-	575,047	-	-	-	-	-	-	-	-	-	-	575,047
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	-	2,716,557	-	-	-	2,800,000
Unearned Premiums	-	16,785,601	-	-	-	-	-	-	-	-	-	-	16,785,601
Premium Taxes	-	225,991	-	-	-	-	-	-	-	-	-	-	225,991
Net Reserve Change	(5,533,290)	7,389,064	(26,194)	27,049	-	-	-	-	-	-	-	-	1,856,629
<b>OTHER CHANGES:</b>													
<i>DEDUCT (PRIOR PERIOD)</i>													
Interest Accrued	-	9,407	-	-	-	-	-	-	-	-	-	-	9,407
Assets Not Admitted	-	(1,005,666)	-	-	-	-	-	-	-	-	-	-	(1,005,666)
<i>ADD (CURRENT PERIOD)</i>													
Minimum Pension Liability	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	89,784	-	-	-	-	-	-	-	-	-	-	-	89,784
Assets Not Admitted	(1,037,648)	-	-	-	-	-	-	-	-	-	-	-	(1,037,648)
Net Other Changes	(947,864)	996,259	-	-	-	-	-	-	-	-	-	-	48,395
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	100,072	-	-	-	-	-	-	-	-	-	-	-	100,072
Change in Members' Surplus Increase (Decrease)	\$ (5,862,141)	\$ 6,645,133	\$ (181,827)	\$ (7,711)	\$ (8,312)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 585,142

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended January 31, 2017

EXHIBIT 3A - Year-to-Date

Description	Year-to-Date 11/01/2016 - 01/31/2017												Total	
	2017	2016	2015	2014	2013	2012	Policy Year		2010	2009	2008	2007		2006
<b>INCOME RECEIVED:</b>														
Premiums Written	\$ 5,825,172	\$ (504,323)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,320,849
Reinsurance Premium Ceded	(4,221,556)	25,216	-	-	-	-	-	-	-	-	-	-	-	(4,196,340)
Net Premiums Written	1,603,616	(479,107)	-	-	-	-	-	-	-	-	-	-	-	1,124,509
Interest Received	16,453	9,407	-	-	-	-	-	-	-	-	-	-	-	25,860
Realized Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	34	-	-	-	-	-	-	-	-	-	-	-	-	34
Service & Agency Fees	144,010	-	-	-	-	-	-	-	-	-	-	-	-	144,010
Gain (loss) sale of non admitted asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>1,764,113</b>	<b>(469,700)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,294,413</b>
<b>EXPENSES PAID:</b>														
Losses	27,812	412,738	124,959	8,185	7,117	-	-	-	-	-	-	-	-	580,811
Loss Adjustment Expenses	8,007	91,007	30,674	26,575	1,195	-	-	-	-	-	-	-	-	157,458
Commissions	302,997	182,491	-	-	-	-	-	-	-	-	-	-	-	485,488
Operating Expenses	558,128	358,263	-	-	-	-	-	-	-	-	-	-	-	916,391
Contributions and Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	148,084	225,991	-	-	-	-	-	-	-	-	-	-	-	374,075
<b>Total Expenses Paid</b>	<b>1,045,028</b>	<b>1,270,490</b>	<b>155,633</b>	<b>34,760</b>	<b>8,312</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,514,223</b>
<b>Net Cash Change</b>	<b>719,085</b>	<b>(1,740,190)</b>	<b>(155,633)</b>	<b>(34,760)</b>	<b>(8,312)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,219,810)</b>
<b>RESERVES:</b>														
<i>DEDUCT (CURRENT PERIOD)</i>														
Unpaid Losses (include IBNR)	168,470	1,505,741	532,427	20,000	-	-	-	-	-	-	-	-	-	2,226,638
Unpaid Loss Adj. Expenses	16,847	150,575	53,243	2,000	-	-	-	-	-	-	-	-	-	222,665
Operating Expenses	579,640	-	-	-	-	-	-	-	-	-	-	-	-	579,640
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	-	2,716,557	-	-	-	-	2,800,000
Unearned Premiums	4,735,255	9,386,730	-	-	-	-	-	-	-	-	-	-	-	14,121,985
Premium Taxes	33,078	-	-	-	-	-	-	-	-	-	-	-	-	33,078
<i>ADD (PRIOR PERIOD)</i>														
Unpaid Losses (include IBNR)	-	758,736	502,557	28,185	-	-	-	-	-	-	-	-	-	1,289,478
Unpaid Loss Adj. Expenses	-	86,735	56,919	20,864	-	-	-	-	-	-	-	-	-	164,518
Operating Expenses	-	575,047	-	-	-	-	-	-	-	-	-	-	-	575,047
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	-	2,716,557	-	-	-	-	2,800,000
Unearned Premiums	-	16,785,601	-	-	-	-	-	-	-	-	-	-	-	16,785,601
Premium Taxes	-	225,991	-	-	-	-	-	-	-	-	-	-	-	225,991
<b>Net Reserve Change</b>	<b>(5,533,290)</b>	<b>7,389,064</b>	<b>(26,194)</b>	<b>27,049</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,856,629</b>
<b>OTHER CHANGES:</b>														
<i>DEDUCT (PRIOR PERIOD)</i>														
Interest Accrued	-	9,407	-	-	-	-	-	-	-	-	-	-	-	9,407
Assets Not Admitted	-	(1,005,666)	-	-	-	-	-	-	-	-	-	-	-	(1,005,666)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>														
Minimum Pension Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	89,784	-	-	-	-	-	-	-	-	-	-	-	-	89,784
Assets Not Admitted	(1,037,648)	-	-	-	-	-	-	-	-	-	-	-	-	(1,037,648)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Other Changes</b>	<b>(947,864)</b>	<b>996,259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>48,395</b>
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	100,072	-	-	-	-	-	-	-	-	-	-	-	-	100,072
<b>Change in Members' Surplus Increase (Decrease)</b>	<b>\$ (5,862,141)</b>	<b>\$ 6,645,133</b>	<b>\$ (181,827)</b>	<b>\$ (7,711)</b>	<b>\$ (8,312)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 585,142</b>

See Accountant's Compilation Report



**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**MEMBERS' SURPLUS FOR UNSETTLED YEARS**  
**Inception to Quarter Ended January 31, 2017**

Exhibit 3B

Description	Policy Year											Total
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
<b>INCOME RECEIVED:</b>												
Premiums Written	\$ 5,825,172	\$ 33,620,148	\$ 41,433,339	\$ 43,985,195	\$ 45,411,235	\$ 45,970,663	\$ 45,112,079	\$ 37,491,975	\$ 24,452,221	\$ 23,456,599	\$ 17,328,303	\$ 364,086,929
Reinsurance Premiums Ceded	(4,221,556)	(21,122,440)	(23,792,537)	(21,527,994)	(20,720,834)	(19,201,996)	(17,994,845)	(17,700,790)	(14,994,792)	(10,799,284)	(4,500,230)	(176,577,298)
Net Premiums Written	1,603,616	12,497,708	17,640,802	22,457,201	24,690,401	26,768,667	27,117,234	19,791,185	9,457,429	12,657,315	12,828,073	187,509,631
Interest Received	16,453	370,455	322,544	348,507	326,657	95,204	40,332	21,405	486,548	677,305	307,607	3,013,017
Realized Gains (Losses)	-	-	-	-	-	(34,522)	-	-	-	-	-	(34,522)
Other Income	34	43	12	43	-	8	1,070	153	3,391	3,670	40	8,464
Service & Agency Fees	144,010	774,325	899,270	906,565	778,125	674,460	608,415	497,585	269,337	187,836	175,703	5,915,631
Gain (loss) on sale of non admitted asset	-	(22,707)	-	-	-	-	-	-	100	623	(203)	(22,187)
Total Income	1,764,113	13,619,824	18,862,628	23,712,316	25,795,183	27,503,817	27,767,051	20,310,328	10,216,805	13,526,749	13,311,220	196,390,034
<b>EXPENSES PAID:</b>												
Losses	27,812	1,431,116	3,886,410	3,580,725	3,389,388	3,264,442	1,326,634	988,594	874,566	512,315	930,913	20,212,915
Loss Adjustment Expenses	8,007	262,155	547,974	611,468	575,219	400,549	230,657	118,628	22,717	14,945	17,029	2,809,348
Commissions	302,997	2,687,792	3,306,873	3,511,240	3,626,442	3,677,749	3,629,595	2,994,514	1,961,534	2,235,084	1,744,247	29,678,067
Operating Expenses	558,128	3,530,976	3,464,989	3,340,955	3,009,063	2,734,196	2,524,526	2,327,766	1,699,718	1,497,748	1,014,262	25,702,327
Premium Taxes	148,084	1,175,372	1,461,184	1,556,033	1,597,766	1,624,906	1,587,348	1,350,035	855,726	848,275	624,158	12,828,887
Total Expenses Paid	1,045,028	9,087,411	12,667,430	12,600,421	12,197,878	11,701,842	9,298,760	7,779,537	5,414,261	5,108,367	4,330,609	91,231,544
Net Cash Change	719,085	4,532,413	6,195,198	11,111,895	13,597,305	15,801,975	18,468,291	12,530,791	4,802,544	8,418,382	8,980,611	105,158,490
<b>RESERVES:</b>												
DEDUCT (CURRENT PERIOD)												
Unpaid Losses (include IBNR)	168,470	1,505,741	532,427	20,000	-	-	-	-	-	-	-	2,226,638
Unpaid Loss Adjustment Expenses	16,847	150,575	53,243	2,000	-	-	-	-	-	-	-	222,665
Operating Expenses	579,640	-	-	-	-	-	-	-	-	-	-	579,640
Unearned Premiums	4,735,255	9,386,730	-	-	-	-	-	-	-	-	-	14,121,985
Premium Taxes	33,078	-	-	-	-	-	-	-	-	-	-	33,078
Total Reserves	5,533,290	11,043,046	585,670	22,000	-	-	-	-	-	-	-	17,184,006
<b>OTHER CHANGES:</b>												
ADD (DEDUCT)												
Minimum Pension Liability	-	(161,212)	14,335	(299,507)	115,466	(127,279)	(36,991)	27,748	(53,339)	46,800	(21,831)	(495,810)
Interest Accrued	89,784	-	-	-	-	-	-	-	-	-	-	89,784
Assets Not Admitted	(1,037,648)	-	-	-	-	-	-	-	-	-	-	(1,037,648)
Retained Surplus	(100,072)	(345,818)	(288,215)	(319,649)	(284,009)	(17,189)	(10,477)	-	-	-	-	(1,365,429)
Total Other Changes	(1,047,936)	(507,030)	(273,880)	(619,156)	(168,543)	(144,468)	(47,468)	27,748	(53,339)	46,800	(21,831)	(2,809,103)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (5,862,141)	\$ (7,017,663)	\$ 5,335,648	\$ 10,470,739	\$ 13,428,762	\$ 15,657,507	\$ 18,420,823	\$ 12,558,539	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ 85,165,381

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**RETAINED SURPLUS**

**Inception to Quarter Ended January 31, 2017**

**Exhibit 3C**

Description	Policy Year								Total
	2017	2016	2015	2014	2013	2012	2011	2009	
<b>INCOME RECEIVED:</b>									
Interest Received	\$ 16,453	\$ 370,455	\$ 322,544	\$ 348,507	\$ 326,657	\$ 95,204	\$ 40,332	\$ -	\$ 1,520,152
Realized Gains (Losses)	-	-	-	-	-	(34,521)	-	-	(34,521)
Total Income	16,453	370,455	322,544	348,507	326,657	60,683	40,332	-	1,485,631
<b>EXPENSES PAID:</b>									
Operating Expenses	6,165	24,637	34,328	28,858	42,648	43,494	29,855	2,200,000	2,409,985
Total Expenses Paid	6,165	24,637	34,328	28,858	42,648	43,494	29,855	2,200,000	2,409,985
Net Cash Change	10,288	345,818	288,216	319,649	284,009	17,189	10,477	(2,200,000)	(924,354)
<b>RESERVES:</b>									
<b>DEDUCT (CURRENT PERIOD)</b>									
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	2,716,557	2,800,000
Total Reserves	-	-	-	-	55,777	17,189	10,477	2,716,557	2,800,000
<b>OTHER CHANGES:</b>									
<b>ADD (DEDUCT)</b>									
Interest Accrued	89,784	-	-	-	-	-	-	-	89,784
Total Other Changes	89,784	-	-	-	-	-	-	-	89,784
Net Income Retained	-	-	-	-	-	-	-	4,916,557	4,916,557
Retained Surplus	\$ 100,072	\$ 345,818	\$ 288,216	\$ 319,649	\$ 228,232	\$ -	\$ -	\$ -	\$ 1,281,987

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF PREMIUMS**  
**Quarter Ended January 31, 2017**

EXHIBIT 4A - Quarterly

Description	Quarterly 11/01/2016 - 01/31/2017										Total	
	2017	2016	2015	2014	2013	Policy Year		2010	2008	2007		2006
<b>PREMIUMS WRITTEN:</b>												
Fire	\$ 488,627	\$ (37,286)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451,341
E.C. & VMM	5,336,545	(467,037)	-	-	-	-	-	-	-	-	-	4,869,508
Reinsurance Premium Ceded	(4,221,556)	25,216	-	-	-	-	-	-	-	-	-	(4,196,340)
<b>Total</b>	<b>1,603,616</b>	<b>(479,107)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,124,509</b>
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>												
Fire	-	1,213,401	-	-	-	-	-	-	-	-	-	1,213,401
E.C. & VMM	-	16,455,653	-	-	-	-	-	-	-	-	-	16,455,653
Reinsurance Unearned Ceded	-	(883,453)	-	-	-	-	-	-	-	-	-	(883,453)
<b>Total</b>	<b>-</b>	<b>16,785,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,785,601</b>
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>												
Fire	416,161	694,647	-	-	-	-	-	-	-	-	-	1,110,808
E.C. & VMM	4,568,318	9,186,121	-	-	-	-	-	-	-	-	-	13,754,439
Reinsurance Unearned Ceded	(249,224)	(494,038)	-	-	-	-	-	-	-	-	-	(743,262)
<b>Total</b>	<b>4,735,255</b>	<b>9,386,730</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,121,985</b>
<b>EARNED PREMIUMS:</b>												
Fire	72,466	481,468	-	-	-	-	-	-	-	-	-	553,934
E.C. & VMM	768,227	6,802,495	-	-	-	-	-	-	-	-	-	7,570,722
Reinsurance Earned Ceded	(3,972,332)	(364,199)	-	-	-	-	-	-	-	-	-	(4,336,531)
<b>Total</b>	<b>\$(3,131,639)</b>	<b>\$ 6,919,764</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,788,125</b>

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF PREMIUMS**  
**Quarter Ended January 31, 2017**

EXHIBIT 4A - Year-to-Date

Description	Year-to-Date 11/01/2016 - 01/31/2017											Total
	2017	2016	2015	2014	2013	Policy Year		2010	2008	2007	2006	
<b>PREMIUMS WRITTEN:</b>												
Fire	\$ 488,627	\$ (37,286)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451,341
E.C. & VMM	5,336,545	(467,037)	-	-	-	-	-	-	-	-	-	4,869,508
Reinsurance Premium Ceded	(4,221,556)	25,216	-	-	-	-	-	-	-	-	-	(4,196,340)
<b>Total</b>	<b>1,603,616</b>	<b>(479,107)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,124,509</b>
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>												
Fire	-	1,213,401	-	-	-	-	-	-	-	-	-	1,213,401
E.C. & VMM	-	16,455,653	-	-	-	-	-	-	-	-	-	16,455,653
Reinsurance Unearned Ceded	-	(883,453)	-	-	-	-	-	-	-	-	-	(883,453)
<b>Total</b>	<b>-</b>	<b>16,785,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,785,601</b>
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>												
Fire	416,161	694,647	-	-	-	-	-	-	-	-	-	1,110,808
E.C. & VMM	4,568,318	9,186,121	-	-	-	-	-	-	-	-	-	13,754,439
Reinsurance Unearned Ceded	(249,224)	(494,038)	-	-	-	-	-	-	-	-	-	(743,262)
<b>Total</b>	<b>4,735,255</b>	<b>9,386,730</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,121,985</b>
<b>EARNED PREMIUMS:</b>												
Fire	72,466	481,468	-	-	-	-	-	-	-	-	-	553,934
E.C. & VMM	768,227	6,802,495	-	-	-	-	-	-	-	-	-	7,570,722
Reinsurance Earned Ceded	(3,972,332)	(364,199)	-	-	-	-	-	-	-	-	-	(4,336,531)
<b>Total</b>	<b>\$ (3,131,639)</b>	<b>\$ 6,919,764</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,788,125</b>

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSSES**  
**Quarter Ended January 31, 2017**

EXHIBIT 4B - Quarterly

Description	Quarterly 11/01/2016 - 01/31/2017											
	Policy Year											
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>PAID LOSSES:</b>												
Fire	\$ -	\$ 68,905	\$ 389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,294
E.C. & VMM	29,276	365,556	131,401	8,616	7,117	-	-	-	-	-	-	541,966
Reinsurance Losses Ceded	(1,464)	(21,723)	(6,831)	(431)	-	-	-	-	-	-	-	(30,449)
Total	27,812	412,738	124,959	8,185	7,117	-	-	-	-	-	-	580,811
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>												
Fire	9,594	917,790	545,800	20,000	-	-	-	-	-	-	-	1,493,184
E.C. & VMM	167,743	667,200	14,649	-	-	-	-	-	-	-	-	849,592
Reinsurance Losses Ceded	(8,867)	(79,249)	(28,022)	-	-	-	-	-	-	-	-	(116,138)
Total	168,470	1,505,741	532,427	20,000	-	-	-	-	-	-	-	2,226,638
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>												
Fire	-	50,289	501,389	20,000	-	-	-	-	-	-	-	571,678
E.C. & VMM	-	748,380	27,618	8,616	-	-	-	-	-	-	-	784,614
Reinsurance Losses Ceded	-	(39,933)	(26,450)	(431)	-	-	-	-	-	-	-	(66,814)
Total	-	758,736	502,557	28,185	-	-	-	-	-	-	-	1,289,478
<b>INCURRED LOSSES:</b>												
Fire	9,594	936,406	44,800	-	-	-	-	-	-	-	-	990,800
E.C. & VMM	197,019	284,376	118,432	-	7,117	-	-	-	-	-	-	606,944
Reinsurance Losses Ceded	(10,331)	(61,039)	(8,403)	-	-	-	-	-	-	-	-	(79,773)
Total	196,282	1,159,743	154,829	-	7,117	-	-	-	-	-	-	1,517,971
<b>IBNR (CURRENT PERIOD)</b>												
Fire	9,594	35,249	-	-	-	-	-	-	-	-	-	44,843
E.C. & VMM	105,114	498,453	-	-	-	-	-	-	-	-	-	603,567
Reinsurance Losses Ceded	(5,736)	(26,685)	-	-	-	-	-	-	-	-	-	(32,421)
Total	108,972	507,017	-	-	-	-	-	-	-	-	-	615,989
<b>IBNR (PRIOR PERIOD)</b>												
Fire	-	44,915	-	-	-	-	-	-	-	-	-	44,915
E.C. & VMM	-	632,913	-	-	-	-	-	-	-	-	-	632,913
Reinsurance Losses Ceded	-	(33,891)	-	-	-	-	-	-	-	-	-	(33,891)
Total	\$ -	\$ 643,937	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 643,937

\*Includes IBNR

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSSES**  
**Quarter Ended January 31, 2017**

EXHIBIT 4B - Year-to-Date

Description	Year-to-Date 11/01/2016 - 01/31/2017										Total	
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006
<b>PAID LOSSES:</b>												
Fire	\$ -	\$ 68,905	\$ 389	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,294
E.C. & VMM	29,276	365,556	131,401	8,616	7,117	-	-	-	-	-	-	541,966
Reinsurance Losses Ceded	(1,464)	(21,723)	(6,831)	(431)	-	-	-	-	-	-	-	(30,449)
<b>Total</b>	<b>27,812</b>	<b>412,738</b>	<b>124,959</b>	<b>8,185</b>	<b>7,117</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>580,811</b>
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>												
Fire	9,594	917,790	545,800	20,000	-	-	-	-	-	-	-	1,493,184
E.C. & VMM	167,743	667,200	14,649	-	-	-	-	-	-	-	-	849,592
Reinsurance Losses Ceded	(8,867)	(79,249)	(28,022)	-	-	-	-	-	-	-	-	(116,138)
<b>Total</b>	<b>168,470</b>	<b>1,505,741</b>	<b>532,427</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,226,638</b>
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>												
Fire	-	50,289	501,389	20,000	-	-	-	-	-	-	-	571,678
E.C. & VMM	-	748,380	27,618	8,616	-	-	-	-	-	-	-	784,614
Reinsurance Losses Ceded	-	(39,933)	(26,450)	(431)	-	-	-	-	-	-	-	(66,814)
<b>Total</b>	<b>-</b>	<b>758,736</b>	<b>502,557</b>	<b>28,185</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,289,478</b>
<b>INCURRED LOSSES:</b>												
Fire	9,594	936,406	44,800	-	-	-	-	-	-	-	-	990,800
E.C. & VMM	197,019	284,376	118,432	-	7,117	-	-	-	-	-	-	606,944
Reinsurance Losses Ceded	(10,331)	(61,039)	(8,403)	-	-	-	-	-	-	-	-	(79,773)
<b>Total</b>	<b>196,282</b>	<b>1,159,743</b>	<b>154,829</b>	<b>-</b>	<b>7,117</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,517,971</b>
<b>IBNR (CURRENT PERIOD)</b>												
Fire	9,594	35,249	-	-	-	-	-	-	-	-	-	44,843
E.C. & VMM	105,114	498,453	-	-	-	-	-	-	-	-	-	603,567
Reinsurance Losses Ceded	(5,736)	(26,685)	-	-	-	-	-	-	-	-	-	(32,421)
<b>Total</b>	<b>108,972</b>	<b>507,017</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>615,989</b>
<b>IBNR (PRIOR PERIOD)</b>												
Fire	-	44,915	-	-	-	-	-	-	-	-	-	44,915
E.C. & VMM	-	632,913	-	-	-	-	-	-	-	-	-	632,913
Reinsurance Losses Ceded	-	(33,891)	-	-	-	-	-	-	-	-	-	(33,891)
<b>Total</b>	<b>\$ -</b>	<b>\$ 643,937</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 643,937</b>

\*Includes IBNR

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended January 31, 2017**

EXHIBIT 4C - Quarterly

Description	Quarterly 11/01/2016 - 01/31/2017											Total
	Policy Year											
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
<b>LOSS EXPENSES PAID:</b>												
Fire	\$ -	\$ 22,838	\$ 157	\$ 25,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,417
E.C. & VMM	8,429	72,959	32,131	1,214	1,195	-	-	-	-	-	-	115,928
Reinsurance Loss Expenses Ceded	(422)	(4,790)	(1,614)	(61)	-	-	-	-	-	-	-	(6,887)
<b>Total</b>	<b>8,007</b>	<b>91,007</b>	<b>30,674</b>	<b>26,575</b>	<b>1,195</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>157,458</b>
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>												
Fire	959	91,779	54,580	2,000	-	-	-	-	-	-	-	149,318
E.C. & VMM	16,775	66,721	1,465	-	-	-	-	-	-	-	-	84,961
Reinsurance Loss Expenses Ceded	(887)	(7,925)	(2,802)	-	-	-	-	-	-	-	-	(11,614)
<b>Total</b>	<b>16,847</b>	<b>150,575</b>	<b>53,243</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222,665</b>
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>												
Fire	-	6,302	50,214	18,951	-	-	-	-	-	-	-	75,467
E.C. & VMM	-	84,997	9,701	2,014	-	-	-	-	-	-	-	96,712
Reinsurance Loss Expenses Ceded	-	(4,564)	(2,996)	(101)	-	-	-	-	-	-	-	(7,661)
<b>Total</b>	<b>-</b>	<b>86,735</b>	<b>56,919</b>	<b>20,864</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164,518</b>
<b>INCURRED LOSS EXPENSES:</b>												
Fire	959	108,315	4,523	8,471	-	-	-	-	-	-	-	122,268
E.C. & VMM	25,204	54,683	23,895	(800)	1,195	-	-	-	-	-	-	104,177
Reinsurance Loss Expenses Ceded	(1,309)	(8,151)	(1,420)	40	-	-	-	-	-	-	-	(10,840)
<b>Total</b>	<b>\$ 24,854</b>	<b>\$ 154,847</b>	<b>\$ 26,998</b>	<b>\$ 7,711</b>	<b>\$ 1,195</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 215,605</b>

\*Includes IBNR

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended January 31, 2017**

**EXHIBIT 4C - Year-to-Date**

Description	Year-to-Date 11/01/2016 - 01/31/2017											
	Policy Year											
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>LOSS EXPENSES PAID:</b>												
Fire	\$ -	\$ 22,838	\$ 157	\$ 25,422	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,417
E.C. & VMM	8,429	72,959	32,131	1,214	1,195	-	-	-	-	-	-	115,928
Reinsurance Loss Expenses Ceded	(422)	(4,790)	(1,614)	(61)	-	-	-	-	-	-	-	(6,887)
Total	8,007	91,007	30,674	26,575	1,195	-	-	-	-	-	-	157,458
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>												
Fire	959	91,779	54,580	2,000	-	-	-	-	-	-	-	149,318
E.C. & VMM	16,775	66,721	1,465	-	-	-	-	-	-	-	-	84,961
Reinsurance Loss Expenses Ceded	(887)	(7,925)	(2,802)	-	-	-	-	-	-	-	-	(11,614)
Total	16,847	150,575	53,243	2,000	-	-	-	-	-	-	-	222,665
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>												
Fire	-	6,302	50,214	18,951	-	-	-	-	-	-	-	75,467
E.C. & VMM	-	84,997	9,701	2,014	-	-	-	-	-	-	-	96,712
Reinsurance Loss Expenses Ceded	-	(4,564)	(2,996)	(101)	-	-	-	-	-	-	-	(7,661)
Total	-	86,735	56,919	20,864	-	-	-	-	-	-	-	164,518
<b>INCURRED LOSS EXPENSES:</b>												
Fire	959	108,315	4,523	8,471	-	-	-	-	-	-	-	122,268
E.C. & VMM	25,204	54,683	23,895	(800)	1,195	-	-	-	-	-	-	104,177
Reinsurance Loss Expenses Ceded	(1,309)	(8,151)	(1,420)	40	-	-	-	-	-	-	-	(10,840)
Total	\$ 24,854	\$ 154,847	\$ 26,998	\$ 7,711	\$ 1,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,605

\*Includes IBNR