

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

OCTOBER 31, 2013

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATUTORY FINANCIAL STATEMENTS

OCTOBER 31, 2013

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ACCOUNTANT'S COMPILATION REPORT

Alabama Insurance Underwriting Association
315 E. Laurel Ave., Ste. 216D
Foley, AL 36535

We have compiled the accompanying statutory statement of admitted assets, liabilities and surplus of Alabama Insurance Underwriting Association as of October 31, 2013, and the related accompanying statutory statement of operations and changes in surplus for the year then ended, and the accompanying supplementary information, which is presented only for supplementary analysis purposes. The financial statements have been prepared in conformity with statutory accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the Insurance Department of the State of Alabama, which is a comprehensive basis of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with statutory accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the Insurance Department of the State of Alabama.

Management is responsible for the preparation and fair presentation of the financial statements and supplementary schedules in accordance with statutory accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the Insurance Department of the State of Alabama, and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements and supplementary schedules.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements and supplementary schedules without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary schedules.

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 the statutory accounting practices. If the omitted disclosures and statement 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 19, 2014

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS
As of October 31, 2013

EXHIBIT 1

	Assets	Assets Not Admitted	Admitted Assets
<u>ASSETS</u>			
Cash and short-term investments	\$ 39,019,924		\$ 39,019,924
Bonds	51,302,615		51,302,615
Accounts receivable	276	276	-
Interest accrued	183,636		183,636
Furniture and equipment - net of depreciation	95,240	95,240	-
Data processing equipment - net of depreciation	80,181		80,181
Programming - net of amortization	216,706	216,706	-
Prepaid reinsurance	1,743,750		1,743,750
Section 444 Deposit (I.R.S.)	982,774		982,774
Total Assets	93,625,101	312,221	93,312,880
 <u>LIABILITIES AND SURPLUS</u>			
Reserves for:			
Unpaid losses (include IBNR)			1,537,318
Unpaid loss adjustment expenses			153,731
Unearned premiums			24,488,058
Total Reserves			26,179,107
 Payables for:			
Premium taxes			221,173
Operating expenses and other accounts payable			462,375
Amounts withheld for accounts of others			54,276
Accrued Pension Obligation			48,804
Premiums received in advance			2,057,235
Total Payables			2,843,863
Total Liabilities			29,022,970
 Members' Surplus			
Retained Surplus			59,061,678
Total Surplus			5,228,232
Total Liabilities and Surplus			\$ 93,312,880

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATUTORY STATEMENT OF OPERATIONS AND SURPLUS
Quarter Ended October 31, 2013

EXHIBIT 2

	Quarter 08/01/2013 - 10/31/2013	Year-To-Date 11/1/2012 - 10/31/2013
	<u> </u>	<u> </u>
UNDERWRITING INCOME:		
Premiums Earned	\$ 6,538,722	\$ 25,411,343
	<u> </u>	<u> </u>
DEDUCTIONS:		
Losses incurred	599,214	3,039,539
Loss expenses incurred	84,370	360,427
Operating expenses incurred	2,142,556	8,231,793
Total deductions	<u>2,826,140</u>	<u>11,631,759</u>
Net Underwriting Gain or (Loss)	<u>3,712,582</u>	<u>13,779,584</u>
OTHER INCOME (EXPENSE):		
Net investment income	85,873	326,656
Realized Gains (Losses)	-	-
Other Income	(2)	-
Service fees	238,595	778,125
Total other income (expense)	<u>324,466</u>	<u>1,104,781</u>
Net Income or (Loss)	<u>\$ 4,037,048</u>	<u>\$ 14,884,365</u>
SURPLUS:		
Surplus (prior period)	60,115,785	49,402,514
Net income or (loss)	4,037,048	14,884,365
Change in assets not admitted	21,611	(112,435)
Minimum Pension Liability	115,466	115,466
Net change in surplus	<u>4,174,125</u>	<u>14,887,396</u>
Surplus (current period)	<u>\$ 64,289,910</u>	<u>\$ 64,289,910</u>

See Accountant's Compilation Report

SUPPLEMENTARY INFORMATION

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended October 31, 2013

EXHIBIT 3A - Quarterly

Description	Quarterly 08/01/2013 - 10/31/2013								
	Policy Year								
	2013	2012	2011	2010	2009	2008	2007	2006	Total
INCOME RECEIVED:									
Premiums Written	\$ 12,116,970	\$ (29,429)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,087,541
Reinsurance Premium Ceded	(5,231,250)	-	-	-	-	-	-	-	(5,231,250)
Net Premiums Written	6,885,720	(29,429)	-	-	-	-	-	-	6,856,291
Interest Received	(6,939)	-	-	-	-	-	-	-	(6,939)
Realized Gains (Losses)	-	-	-	-	-	-	-	-	-
Other Income	(2)	-	-	-	-	-	-	-	(2)
Service Fees	238,595	-	-	-	-	-	-	-	238,595
Total Income	7,117,374	(29,429)	-	-	-	-	-	-	7,087,945
EXPENSES PAID:									
Losses	673,200	69,866	5,597	4,927	-	-	-	-	753,590
Loss Adjustment Expenses	75,676	21,242	1,864	1,027	-	-	-	-	99,809
Commissions	1,059,321	(2,354)	-	-	-	-	-	-	1,056,967
Operating Expenses	704,234	-	-	-	-	-	-	-	704,234
Premium Taxes	853,452	-	-	-	-	-	-	-	853,452
Total Expenses Paid	3,365,883	88,754	7,461	5,954	-	-	-	-	3,468,052
Net Cash Change	3,751,491	(118,183)	(7,461)	(5,954)	-	-	-	-	3,619,893
RESERVES:									
<i>DEDUCT (CURRENT PERIOD)</i>									
Unpaid Losses (include IBNR)	1,534,318	3,000	-	-	-	-	-	-	1,537,318
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	153,431	300	-	-	-	-	-	-	153,731
Operating Expenses	516,651	-	-	-	-	-	-	-	516,651
Unearned Premiums	24,488,058	-	-	-	-	-	-	-	24,488,058
Premium Taxes	221,173	-	-	-	-	-	-	-	221,173
<i>ADD (PRIOR PERIOD)</i>									
Unpaid Losses (include IBNR)	1,177,269	514,425	-	-	-	-	-	-	1,691,694
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	117,727	51,443	-	-	-	-	-	-	169,170
Operating Expenses	560,790	-	-	-	-	-	-	-	560,790
Unearned Premiums	22,769,356	1,401,133	-	-	-	-	-	-	24,170,489
Premium Taxes	649,130	-	-	-	-	-	-	-	649,130
Net Reserve Change	(1,639,359)	1,963,701	-	-	-	-	-	-	324,342
OTHER CHANGES:									
<i>DEDUCT (PRIOR PERIOD)</i>									
Interest Accrued	90,823	-	-	-	-	-	-	-	90,823
Assets Not Admitted	(333,832)	-	-	-	-	-	-	-	(333,832)
<i>ADD (CURRENT PERIOD)</i>									
Minimum Pension Liability	115,466	-	-	-	-	-	-	-	115,466
Interest Accrued	183,636	-	-	-	-	-	-	-	183,636
Assets Not Admitted	(312,221)	-	-	-	-	-	-	-	(312,221)
Net Other Changes	229,890	-	-	-	-	-	-	-	229,890
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	76,221	-	-	-	-	-	-	-	76,221
Change in Members' Surplus Increase (Decrease)	\$ 2,265,801	\$ 1,845,518	\$ (7,461)	\$ (5,954)	\$ -	\$ -	\$ -	\$ -	\$ 4,097,904

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended October 31, 2013

EXHIBIT 3A - Year-to-Date

Description	Year-to-Date 11/01/2012 - 10/31/2013								
	2013	2012	2011	2010	Policy Year		2007	2006	Total
					2009	2008			
INCOME RECEIVED:									
Premiums Written	\$ 46,058,146	\$ (665,406)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,392,740
Reinsurance Premium Ceded	(20,720,834)	-	-	-	-	-	-	-	(20,720,834)
Net Premiums Written	25,337,312	(665,406)	-	-	-	-	-	-	24,671,906
Interest Received	143,021	449	-	-	-	-	-	-	143,470
Realized Gains (Losses)	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-
Service Fees	778,125	-	-	-	-	-	-	-	778,125
Total Income	26,258,458	(664,957)	-	-	-	-	-	-	25,593,501
EXPENSES PAID:									
Losses	1,123,889	2,040,088	27,164	4,927	-	-	-	-	3,196,068
Loss Adjustment Expenses	138,820	233,055	3,179	1,027	-	-	-	-	376,081
Commissions	3,373,173	199,378	-	-	-	-	-	-	3,572,551
Operating Expenses	2,797,434	302,867	-	-	-	-	-	-	3,100,301
Premium Taxes	1,376,593	198,790	-	-	-	-	-	-	1,575,383
Total Expenses Paid	8,809,909	2,974,178	30,343	5,954	-	-	-	-	11,820,384
Net Cash Change	17,448,549	(3,639,135)	(30,343)	(5,954)	-	-	-	-	13,773,117
RESERVES:									
<i>DEDUCT (CURRENT PERIOD)</i>									
Unpaid Losses (include IBNR)	1,534,318	3,000	-	-	-	-	-	-	1,537,318
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	153,431	300	-	-	-	-	-	-	153,731
Operating Expenses	516,651	-	-	-	-	-	-	-	516,651
Unearned Premiums	24,488,058	-	-	-	-	-	-	-	24,488,058
Premium Taxes	221,173	-	-	-	-	-	-	-	221,173
<i>ADD (PRIOR PERIOD)</i>									
Unpaid Losses (include IBNR)	-	1,595,967	97,880	-	-	-	-	-	1,693,847
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	-	159,597	9,788	-	-	-	-	-	169,385
Operating Expenses	-	555,475	-	-	-	-	-	-	555,475
Unearned Premiums	-	25,227,495	-	-	-	-	-	-	25,227,495
Premium Taxes	-	198,790	-	-	-	-	-	-	198,790
Net Reserve Change	(26,913,631)	27,734,024	107,668	-	-	-	-	-	928,061
OTHER CHANGES:									
<i>DEDUCT (PRIOR PERIOD)</i>									
Interest Accrued	-	449	-	-	-	-	-	-	449
Assets Not Admitted	-	(199,786)	-	-	-	-	-	-	(199,786)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>									
Minimum Pension Liability	115,466	-	-	-	-	-	-	-	115,466
Interest Accrued	183,636	-	-	-	-	-	-	-	183,636
Assets Not Admitted	(312,221)	-	-	-	-	-	-	-	(312,221)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-
Net Other Changes	(13,119)	199,337	-	-	-	-	-	-	186,218
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	284,009	-	-	-	-	-	-	-	284,009
Change in Members' Surplus Increase (Decrease)	\$ (9,762,210)	\$ 24,294,226	\$ 77,325	\$ (5,954)	\$ -	\$ -	\$ -	\$ -	\$ 14,603,387

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
MEMBERS' SURPLUS FOR UNSETTLED YEARS
Inception to Quarter Ended October 31, 2013

Exhibit 3B

Description	Policy Year							Total
	2013	2012	2011	2010	2008	2007	2006	
INCOME RECEIVED:								
Premiums Written	\$ 46,058,146	\$ 45,970,663	\$ 45,112,079	\$ 37,491,975	\$ 24,452,221	\$ 23,456,599	\$ 17,328,303	\$ 239,869,986
Reinsurance Premiums Ceded	(20,720,834)	(19,201,996)	(17,994,845)	(17,700,790)	(14,994,792)	(10,799,284)	(4,500,230)	(105,912,771)
Net Premiums Written	25,337,312	26,768,667	27,117,234	19,791,185	9,457,429	12,657,315	12,828,073	133,957,215
Interest Received	143,021	95,204	40,332	21,405	486,548	677,305	307,607	1,771,422
Realized Gains (Losses)	-	(34,522)	-	-	-	-	-	(34,522)
Other Income	-	8	1,070	153	3,391	3,670	40	8,332
Service Fees	778,125	674,460	608,415	497,585	269,337	187,836	175,703	3,191,461
Gain (loss) on sale of non admitted asset	-	-	-	-	100	623	(203)	520
Total Income	26,258,458	27,503,817	27,767,051	20,310,328	10,216,805	13,526,749	13,311,220	138,894,428
EXPENSES PAID:								
Losses	1,123,889	3,255,297	1,326,634	988,594	874,566	512,315	930,913	9,012,208
Loss Adjustment Expenses	138,820	393,090	230,109	118,628	22,717	14,945	17,029	935,338
Commissions	3,373,173	3,677,749	3,629,595	2,994,514	1,961,534	2,235,084	1,744,247	19,615,896
Operating Expenses	2,797,434	2,734,196	2,524,526	2,327,766	1,699,718	1,497,748	1,014,262	14,595,650
Premium Taxes	1,376,593	1,624,906	1,587,348	1,350,035	855,726	848,275	624,158	8,267,041
Total Expenses Paid	8,809,909	11,685,238	9,298,212	7,779,537	5,414,261	5,108,367	4,330,609	52,426,133
Net Cash Change	17,448,549	15,818,579	18,468,839	12,530,791	4,802,544	8,418,382	8,980,611	86,468,295
RESERVES:								
DEDUCT (CURRENT PERIOD)								
Unpaid Losses (include IBNR)	1,534,318	3,000	-	-	-	-	-	1,537,318
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-
Unpaid Loss Adjustment Expenses	153,431	300	-	-	-	-	-	153,731
Operating Expenses	516,651	-	-	-	-	-	-	516,651
Unearned Premiums	24,488,058	-	-	-	-	-	-	24,488,058
Premium Taxes	221,173	-	-	-	-	-	-	221,173
Total Reserves	26,913,631	3,300	-	-	-	-	-	26,916,931
OTHER CHANGES:								
ADD (DEDUCT)								
Minimum Pension Liability	115,466	(127,279)	(36,991)	27,748	(53,339)	46,800	(21,831)	(49,426)
Interest Accrued	183,636	-	-	-	-	-	-	183,636
Assets Not Admitted	(312,221)	-	-	-	-	-	-	(312,221)
Retained Surplus	(284,009)	(17,189)	(10,477)	-	-	-	-	(311,675)
Total Other Changes	(297,128)	(144,468)	(47,468)	27,748	(53,339)	46,800	(21,831)	(489,686)
Assessments or (Distributions)	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (9,762,210)	\$ 15,670,811	\$ 18,421,371	\$ 12,558,539	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ 59,061,678

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

RETAINED SURPLUS

Quarter Ended October 31, 2013

EXHIBIT 3C - Year-to-Date

Description	Policy Year					Total
	2013	2012	2011	2009		
Retained Surplus Prior Period	\$ -	\$ 17,189	\$ 10,477	\$ 4,916,557	\$ 4,944,223	
Change Increase (Decrease)	284,009	-	-	-	284,009	
Retained Suplus Current Period	<u>\$ 284,009</u>	<u>\$ 17,189</u>	<u>\$ 10,477</u>	<u>\$ 4,916,557</u>	<u>\$ 5,228,232</u>	

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF PREMIUMS

Quarter Ended October 31, 2013

EXHIBIT 4A - Quarterly

Description	Quarterly 08/01/2013 - 10/31/2013								
	2013	2012	2011	2010	2009	2008	2007	2006	Total
PREMIUMS WRITTEN:									
Fire	\$ 473,771	\$ (640)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 473,131
E.C. & VMM	11,643,199	(28,789)	-	-	-	-	-	-	11,614,410
Reinsurance Premium Ceded E.C.	(5,231,250)	-	-	-	-	-	-	-	(5,231,250)
Total	6,885,720	(29,429)	-	-	-	-	-	-	6,856,291
UNEARNED PREMIUMS: (PRIOR PERIOD)									
Fire	792,267	48,125	-	-	-	-	-	-	840,392
E.C. & VMM	21,977,089	1,353,008	-	-	-	-	-	-	23,330,097
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-
Total	22,769,356	1,401,133	-	-	-	-	-	-	24,170,489
UNEARNED PREMIUMS: (CURRENT PERIOD)									
Fire	896,514	-	-	-	-	-	-	-	896,514
E.C. & VMM	23,591,544	-	-	-	-	-	-	-	23,591,544
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-
Total	24,488,058	-	-	-	-	-	-	-	24,488,058
EARNED PREMIUMS:									
Fire	369,524	47,485	-	-	-	-	-	-	417,009
E.C. & VMM	10,028,744	1,324,219	-	-	-	-	-	-	11,352,963
Reinsurance Earned Ceded E.C.	(5,231,250)	-	-	-	-	-	-	-	(5,231,250)
Total	\$ 5,167,018	\$ 1,371,704	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,538,722

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF PREMIUMS
Quarter Ended October 31, 2013

EXHIBIT 4A - Year-to-Date

Year-to-Date 11/01/2012 - 10/31/2013

Description	Policy Year							Total	
	2013	2012	2011	2010	2009	2008	2007		2006
PREMIUMS WRITTEN:									
Fire	\$ 1,662,205	\$ (19,618)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,642,587
E.C. & VMM	44,395,941	(645,788)	-	-	-	-	-	-	43,750,153
Reinsurance Premium Ceded E.C.	(20,720,834)	-	-	-	-	-	-	-	(20,720,834)
Total	25,337,312	(665,406)	-	-	-	-	-	-	24,671,906
UNEARNED PREMIUMS: (PRIOR PERIOD)									
Fire	-	795,067	-	-	-	-	-	-	795,067
E.C. & VMM	-	24,432,428	-	-	-	-	-	-	24,432,428
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-
Total	-	25,227,495	-	-	-	-	-	-	25,227,495
UNEARNED PREMIUMS: (CURRENT PERIOD)									
Fire	896,514	-	-	-	-	-	-	-	896,514
E.C. & VMM	23,591,544	-	-	-	-	-	-	-	23,591,544
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-
Total	24,488,058	-	-	-	-	-	-	-	24,488,058
EARNED PREMIUMS:									
Fire	765,691	775,449	-	-	-	-	-	-	1,541,140
E.C. & VMM	20,804,397	23,786,640	-	-	-	-	-	-	44,591,037
Reinsurance Earned Ceded E.C.	(20,720,834)	-	-	-	-	-	-	-	(20,720,834)
Total	\$ 849,254	\$ 24,562,089	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,411,343

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF LOSSES

Quarter Ended October 31, 2013

EXHIBIT 4B - Quarterly

Quarterly 08/01/2013 - 10/31/2013

Description	Policy Year								Total
	2013	2012	2011	2010	2009	2008	2007	2006	
PAID LOSSES:									
Fire	\$ 511,273	\$ 14,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 526,255
E.C. & VMM	161,927	54,884	5,597	4,927	-	-	-	-	227,335
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-
Total	673,200	69,866	5,597	4,927	-	-	-	-	753,590
OUTSTANDING LOSSES (CURRENT PERIOD)*									
Fire	186,193	-	-	-	-	-	-	-	186,193
E.C. & VMM	1,348,125	3,000	-	-	-	-	-	-	1,351,125
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-
Total	1,534,318	3,000	-	-	-	-	-	-	1,537,318
OUTSTANDING LOSSES (PRIOR PERIOD)*									
Fire	167,155	127,861	-	-	-	-	-	-	295,016
E.C. & VMM	1,010,114	386,564	-	-	-	-	-	-	1,396,678
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-
Total	1,177,269	514,425	-	-	-	-	-	-	1,691,694
INCURRED LOSSES:									
Fire	530,311	(112,879)	-	-	-	-	-	-	417,432
E.C. & VMM	499,938	(328,680)	5,597	4,927	-	-	-	-	181,782
Total	1,030,249	(441,559)	5,597	4,927	-	-	-	-	599,214
IBNR (CURRENT PERIOD)									
Fire	49,813	-	-	-	-	-	-	-	49,813
E.C. & VMM	1,329,505	-	-	-	-	-	-	-	1,329,505
Total	1,379,318	-	-	-	-	-	-	-	1,379,318
IBNR (PRIOR PERIOD)									
Fire	35,855	12,621	-	-	-	-	-	-	48,476
E.C. & VMM	987,354	360,544	-	-	-	-	-	-	1,347,898
Total	\$ 1,023,209	\$ 373,165	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,396,374

*Includes IBNR

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ALABAMA INSURANCE UNDERWRITING ASSOCIATION**STATISTICAL REPORT OF LOSSES**

Quarter Ended October 31, 2013

EXHIBIT 4B - Year-to-Date

Year-to-Date 11/01/2012 - 10/31/2013

Description	Policy Year								Total	
	2013	2012	2011	2010	2009	2008	2007	2006		
PAID LOSSES:										
Fire	\$ 724,468	\$ 240,692	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 965,160
E.C. & VMM	399,421	1,799,396	27,164	4,927	-	-	-	-	-	2,230,908
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-
Total	1,123,889	2,040,088	27,164	4,927	-	-	-	-	-	3,196,068
OUTSTANDING LOSSES (CURRENT PERIOD)*										
Fire	186,193	-	-	-	-	-	-	-	-	186,193
E.C. & VMM	1,348,125	3,000	-	-	-	-	-	-	-	1,351,125
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	1,534,318	3,000	-	-	-	-	-	-	-	1,537,318
OUTSTANDING LOSSES (PRIOR PERIOD)*										
Fire	-	88,432	-	-	-	-	-	-	-	88,432
E.C. & VMM	-	1,507,535	97,880	-	-	-	-	-	-	1,605,415
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	-	1,595,967	97,880	-	-	-	-	-	-	1,693,847
INCURRED LOSSES:										
Fire	910,661	152,260	-	-	-	-	-	-	-	1,062,921
E.C. & VMM	1,747,546	294,861	(70,716)	4,927	-	-	-	-	-	1,976,618
Total	2,658,207	447,121	(70,716)	4,927	-	-	-	-	-	3,039,539
IBNR (CURRENT PERIOD)										
Fire	49,813	-	-	-	-	-	-	-	-	49,813
E.C. & VMM	1,329,505	-	-	-	-	-	-	-	-	1,329,505
Total	1,379,318	-	-	-	-	-	-	-	-	1,379,318
IBNR (PRIOR PERIOD)										
Fire	-	43,472	-	-	-	-	-	-	-	43,472
E.C. & VMM	-	1,349,655	-	-	-	-	-	-	-	1,349,655
Total	\$ -	\$ 1,393,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,393,127

*Includes IBNR

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES
Quarter Ended October 31, 2013

EXHIBIT 4C - Quarterly

Description	Quarterly 08/01/2013 - 10/31/2013								Total	
	2013	2012	2011	2010	Policy Year		2007	2006		
					2009	2008				
LOSS EXPENSES PAID:										
Fire	\$ 29,585	\$ 6,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,897
E.C. & VMM	46,091	14,930	1,864	1,027	-	-	-	-	-	63,912
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-
Total	75,676	21,242	1,864	1,027	-	-	-	-	-	99,809
UNPAID LOSS EXPENSES (CURRENT PERIOD)*										
Fire	18,619	-	-	-	-	-	-	-	-	18,619
E.C. & VMM	134,812	300	-	-	-	-	-	-	-	135,112
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	153,431	300	-	-	-	-	-	-	-	153,731
UNPAID LOSS EXPENSES (PRIOR PERIOD)*										
Fire	16,716	12,786	-	-	-	-	-	-	-	29,502
E.C. & VMM	101,011	38,657	-	-	-	-	-	-	-	139,668
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	117,727	51,443	-	-	-	-	-	-	-	169,170
INCURRED LOSS EXPENSES:										
Fire	31,488	(6,474)	-	-	-	-	-	-	-	25,014
E.C. & VMM	79,892	(23,427)	1,864	1,027	-	-	-	-	-	59,356
Total	\$ 111,380	\$ (29,901)	\$ 1,864	\$ 1,027	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,370

*Includes IBNR

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ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES
Quarter Ended October 31, 2013

EXHIBIT 4C - Year-to-Date

Description	Year-to-Date 11/01/2012 - 10/31/2013								
	2013	2012	2011	2010	Policy Year		2007	2006	Total
					2009	2008			
LOSS EXPENSES PAID:									
Fire	\$ 43,342	\$ 22,003	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 65,345
E.C. & VMM	95,478	211,052	3,179	1,027	-	-	-	-	310,736
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-
Total	138,820	233,055	3,179	1,027	-	-	-	-	376,081
UNPAID LOSS EXPENSES (CURRENT PERIOD)*									
Fire	18,619	-	-	-	-	-	-	-	18,619
E.C. & VMM	134,812	300	-	-	-	-	-	-	135,112
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-
Total	153,431	300	-	-	-	-	-	-	153,731
UNPAID LOSS EXPENSES (PRIOR PERIOD)*									
Fire	-	8,843	-	-	-	-	-	-	8,843
E.C. & VMM	-	150,754	9,788	-	-	-	-	-	160,542
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-
Total	-	159,597	9,788	-	-	-	-	-	169,385
INCURRED LOSS EXPENSES:									
Fire	61,961	13,160	-	-	-	-	-	-	75,121
E.C. & VMM	230,290	60,598	(6,609)	1,027	-	-	-	-	285,306
Total	\$ 292,251	\$ 73,758	\$ (6,609)	\$ 1,027	\$ -	\$ -	\$ -	\$ -	\$ 360,427

*Includes IBNR

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