

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JULY 31, 2017

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STATUTORY FINANCIAL STATEMENTS

JULY 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 July 31, 2017, and the related statutory statement of operations and changes in surplus for the nine 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  
September 15, 2017

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

**EXHIBIT 1**

	<b><u>Assets</u></b>	<b><u>Assets Not Admitted</u></b>	<b><u>Admitted Assets</u></b>
<b><u>ASSETS</u></b>			
Cash and short-term investments	\$ 77,896,215		\$ 77,896,215
Bonds	29,089,263		29,089,263
Accounts receivable	2,249	2,249	-
Interest accrued	78,396		78,396
Furniture and equipment - net of depreciation	171,431	171,431	-
Data processing equipment - net of depreciation	92,032		92,032
Programming - net of amortization	329,452	329,452	-
Leasehold improvements - net of depreciation	571,722	571,722	-
Reinsurance:			
Prepaid reinsurance	1,459,490		1,459,490
Amounts recoverable from reinsurers	33,365		33,365
Section 444 Deposit (I.R.S.)	280,179		280,179
Total Assets	<u>110,003,794</u>	<u>1,074,854</u>	<u>108,928,940</u>
<b><u>LIABILITIES AND SURPLUS</u></b>			
Reserves - net of ceded			
Unpaid losses (include IBNR)			1,285,510
Unpaid loss adjustment expenses			128,553
Unearned premiums			14,967,199
Total Reserves			<u>16,381,262</u>
Payables for:			
Premium taxes			335,784
Operating expenses and other accounts payable			408,151
Ceded reinsurance premiums payable - net of ceding commissions			(263,785)
Amounts withheld for accounts of others			171,462
Accrued pension obligation			536,080
Contributions and grants payable			1,600,000
Premiums received in advance			2,751,756
Total Payables			<u>5,539,448</u>
Total Liabilities			<u>21,920,710</u>
Members' Surplus			85,465,894
Retained Surplus			1,542,336
Total Surplus			<u>87,008,230</u>
Total Liabilities and Surplus			<u>\$ 108,928,940</u>

*See Accountant's Compilation Report*

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

**EXHIBIT 2**

	<b>Quarter 05/01/2017 - 07/31/2017</b>	<b>Year-To-Date 11/01/2016 - 07/31/2017</b>
	<u>                    </u>	<u>                    </u>
<b>UNDERWRITING INCOME:</b>		
Premiums earned	\$ 2,530,528	\$ 9,403,211
	<u>                    </u>	<u>                    </u>
<b>DEDUCTIONS:</b>		
Losses incurred	1,176,854	3,242,965
Loss expenses incurred	188,842	479,771
Operating expenses incurred	2,048,980	5,286,528
Total deductions	<u>3,414,676</u>	<u>9,009,264</u>
Net Underwriting Gain or (Loss)	<u>(884,148)</u>	<u>393,947</u>
<b>OTHER INCOME (EXPENSE):</b>		
Investment income	220,102	449,253
Realized gains (losses)	(17)	(57)
Other income	75	121
Service & agency Fees	174,300	472,000
Gain (loss) on sale of non admitted asset	-	-
Total other income	<u>394,460</u>	<u>921,317</u>
Net Income	<u>\$ (489,688)</u>	<u>\$ 1,315,264</u>
<b>SURPLUS:</b>		
Surplus (prior period)	87,500,183	85,762,154
Net income	(489,688)	1,315,264
Change in assets not admitted	(2,265)	(69,188)
Minimum pension liability	-	-
Net change in surplus	<u>(491,953)</u>	<u>1,246,076</u>
Surplus (current period)	<u>\$ 87,008,230</u>	<u>\$ 87,008,230</u>

SUPPLEMENTARY INFORMATION

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended July 31, 2017

EXHIBIT 3A - Quarterly

Description	Quarterly 05/01/2017 - 07/31/2017											Total	
	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007		2006
<b>INCOME RECEIVED:</b>													
Premiums Written	\$ 7,879,647	\$ (110,759)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,768,888
Reinsurance Premium Ceded	(3,475,602)	145,779	-	-	-	-	-	-	-	-	-	-	(3,329,823)
Net Premiums Written	4,404,045	35,020	-	-	-	-	-	-	-	-	-	-	4,439,065
Interest Received	309,494	-	-	-	-	-	-	-	-	-	-	-	309,494
Realized Gains (Losses)	(17)	-	-	-	-	-	-	-	-	-	-	-	(17)
Other Income	75	-	-	-	-	-	-	-	-	-	-	-	75
Service & Agency Fees	174,300	-	-	-	-	-	-	-	-	-	-	-	174,300
Gain (loss) sale of non admitted asset	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	4,887,897	35,020	-	-	-	-	-	-	-	-	-	-	4,922,917
<b>EXPENSES PAID:</b>													
Losses	348,806	684,073	1,418	-	-	-	-	-	-	-	-	-	1,034,297
Loss Adjustment Expenses	75,382	94,804	3,948	63	387	-	-	-	-	-	-	-	174,584
Commissions	601,238	(8,861)	-	-	-	-	-	-	-	-	-	-	592,377
Operating Expenses	1,109,067	623	-	-	-	-	-	-	-	-	-	-	1,109,690
Contributions and Grants	-	-	-	-	-	-	-	-	200,000	-	-	-	200,000
Premium Taxes	182,344	-	-	-	-	-	-	-	-	-	-	-	182,344
Total Expenses Paid	2,316,837	770,639	5,366	63	387	-	-	-	200,000	-	-	-	3,293,292
Net Cash Change	2,571,060	(735,619)	(5,366)	(63)	(387)	-	-	-	(200,000)	-	-	-	1,629,625
<b>RESERVES:</b>													
<i>DEDUCT (CURRENT PERIOD)</i>													
Unpaid Losses (include IBNR)	471,212	814,298	-	-	-	-	-	-	-	-	-	-	1,285,510
Unpaid Loss Adj. Expenses	47,122	81,431	-	-	-	-	-	-	-	-	-	-	128,553
Operating Expenses	579,613	-	-	-	-	-	-	-	-	-	-	-	579,613
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	-	1,516,557	-	-	-	1,600,000
Unearned Premiums	14,015,938	951,261	-	-	-	-	-	-	-	-	-	-	14,967,199
Premium Taxes	335,784	-	-	-	-	-	-	-	-	-	-	-	335,784
<i>ADD (PRIOR PERIOD)</i>													
Unpaid Losses (include IBNR)	238,302	851,641	43,510	9,500	-	-	-	-	-	-	-	-	1,142,953
Unpaid Loss Adj. Expenses	23,831	85,163	4,351	950	-	-	-	-	-	-	-	-	114,295
Operating Expenses	505,719	-	-	-	-	-	-	-	-	-	-	-	505,719
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	-	1,716,557	-	-	-	1,800,000
Unearned Premiums	9,008,918	4,049,744	-	-	-	-	-	-	-	-	-	-	13,058,662
Premium Taxes	245,109	-	-	-	-	-	-	-	-	-	-	-	245,109
Net Reserve Change	(5,427,790)	3,139,558	47,861	10,450	-	-	-	-	200,000	-	-	-	(2,029,921)
<b>OTHER CHANGES:</b>													
<i>DEDUCT (PRIOR PERIOD)</i>													
Interest Accrued	167,788	-	-	-	-	-	-	-	-	-	-	-	167,788
Assets Not Admitted	(1,072,589)	-	-	-	-	-	-	-	-	-	-	-	(1,072,589)
<i>ADD (CURRENT PERIOD)</i>													
Minimum Pension Liability	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	78,396	-	-	-	-	-	-	-	-	-	-	-	78,396
Assets Not Admitted	(1,074,854)	-	-	-	-	-	-	-	-	-	-	-	(1,074,854)
Net Other Changes	(91,657)	-	-	-	-	-	-	-	-	-	-	-	(91,657)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	164,776	-	-	-	-	-	-	-	-	-	-	-	164,776
Change in Members' Surplus Increase (Decrease)	\$ (3,113,163)	\$ 2,403,939	\$ 42,495	\$ 10,387	\$ (387)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (656,729)

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended July 31, 2017

EXHIBIT 3A - Year-to-Date

Description	Year-to-Date 11/01/2016 - 07/31/2017												Total	
	2017	2016	2015	2014	2013	2012	Policy Year		2010	2009	2008	2007		2006
<b>INCOME RECEIVED:</b>														
Premiums Written	\$ 20,146,820	\$ (792,312)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reinsurance Premium Ceded	(11,949,556)	179,857	-	-	-	-	-	-	-	-	-	-	-	-
Net Premiums Written	8,197,264	(612,455)	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received	370,858	9,407	-	-	-	-	-	-	-	-	-	-	-	-
Realized Gains (Losses)	(57)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	121	-	-	-	-	-	-	-	-	-	-	-	-	-
Service & Agency Fees	472,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain (loss) sale of non admitted asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>9,040,186</b>	<b>(603,048)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,437,138</b>
<b>EXPENSES PAID:</b>														
Losses	537,858	2,441,281	626,945	(378,815)	19,664	-	-	-	-	-	-	-	-	-
Loss Adjustment Expenses	112,452	349,288	52,281	(1,063)	2,778	-	-	-	-	-	-	-	-	-
Commissions	1,436,612	159,452	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	2,658,674	361,013	-	-	-	-	-	-	-	-	-	-	-	-
Contributions and Grants	-	-	-	-	-	-	-	-	1,200,000	-	-	-	-	-
Premium Taxes	330,428	225,991	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses Paid</b>	<b>5,076,024</b>	<b>3,537,025</b>	<b>679,226</b>	<b>(379,878)</b>	<b>22,442</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,134,839</b>
<b>Net Cash Change</b>	<b>3,964,162</b>	<b>(4,140,073)</b>	<b>(679,226)</b>	<b>379,878</b>	<b>(22,442)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,200,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,697,701)</b>
<b>RESERVES:</b>														
<i>DEDUCT (CURRENT PERIOD)</i>														
Unpaid Losses (include IBNR)	471,212	814,298	-	-	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	47,122	81,431	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	579,613	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	-	1,516,557	-	-	-	-	-
Unearned Premiums	14,015,938	951,261	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	335,784	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>ADD (PRIOR PERIOD)</i>														
Unpaid Losses (include IBNR)	-	758,736	502,557	28,185	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	-	86,735	56,919	20,864	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	575,047	-	-	-	-	-	-	-	-	-	-	-	-
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	-	2,716,557	-	-	-	-	-
Unearned Premiums	-	16,785,601	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	-	225,991	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Reserve Change</b>	<b>(15,449,669)</b>	<b>16,585,120</b>	<b>559,476</b>	<b>49,049</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,200,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,943,976</b>
<b>OTHER CHANGES:</b>														
<i>DEDUCT (PRIOR PERIOD)</i>														
Interest Accrued	-	9,407	-	-	-	-	-	-	-	-	-	-	-	-
Assets Not Admitted	-	(1,005,666)	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>														
Minimum Pension Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	78,396	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets Not Admitted	(1,074,854)	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Other Changes</b>	<b>(996,458)</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>(199)</b>
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	360,421	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Change in Members' Surplus Increase (Decrease)</b>	<b>\$ (12,842,386)</b>	<b>\$ 13,441,306</b>	<b>\$ (119,750)</b>	<b>\$ 428,927</b>	<b>\$ (22,442)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 885,655</b>

See Accountant's Compilation Report



**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**MEMBERS' SURPLUS FOR UNSETTLED YEARS**  
**Inception to Quarter Ended July 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	\$ 20,146,820	\$ 33,332,159	\$ 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	\$ 378,120,588
Reinsurance Premiums Ceded	(11,949,556)	(20,967,799)	(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)	(184,150,657)
Net Premiums Written	8,197,264	12,364,360	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	193,969,931
Interest Received	370,858	370,455	322,544	348,507	326,657	95,204	40,332	21,405	486,548	677,305	307,607	3,367,422
Realized Gains (Losses)	(57)	-	-	-	-	(34,522)	-	-	-	-	-	(34,579)
Other Income	121	43	12	43	-	8	1,070	153	3,391	3,670	40	8,551
Service & Agency Fees	472,000	774,325	899,270	906,565	778,125	674,460	608,415	497,585	269,337	187,836	175,703	6,243,621
Gain (loss) on sale of non admitted asset	-	(22,707)	-	-	-	-	-	-	100	623	(203)	(22,187)
Total Income	9,040,186	13,486,476	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	203,532,759
<b>EXPENSES PAID:</b>												
Losses	537,858	3,459,659	4,388,396	3,193,725	3,401,935	3,264,442	1,326,634	988,594	874,566	512,315	930,913	22,879,037
Loss Adjustment Expenses	112,452	520,436	569,581	583,830	576,802	400,549	230,657	118,628	22,717	14,945	17,029	3,167,626
Commissions	1,436,612	2,664,753	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	30,788,643
Operating Expenses	2,658,674	3,533,726	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	27,805,623
Premium Taxes	330,428	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	13,011,231
Total Expenses Paid	5,076,024	11,353,946	13,191,023	12,185,783	12,212,008	11,701,842	9,298,760	7,779,537	5,414,261	5,108,367	4,330,609	97,652,160
Net Cash Change	3,964,162	2,132,530	5,671,605	11,526,533	13,583,175	15,801,975	18,468,291	12,530,791	4,802,544	8,418,382	8,980,611	105,880,599
<b>RESERVES:</b>												
DEDUCT (CURRENT PERIOD)												
Unpaid Losses (include IBNR)	471,212	814,298	-	-	-	-	-	-	-	-	-	1,285,510
Unpaid Loss Adjustment Expenses	47,122	81,431	-	-	-	-	-	-	-	-	-	128,553
Operating Expenses	579,613	-	-	-	-	-	-	-	-	-	-	579,613
Unearned Premiums	14,015,938	951,261	-	-	-	-	-	-	-	-	-	14,967,199
Premium Taxes	335,784	-	-	-	-	-	-	-	-	-	-	335,784
Total Reserves	15,449,669	1,846,990	-	-	-	-	-	-	-	-	-	17,296,659
<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	78,396	-	-	-	-	-	-	-	-	-	-	78,396
Assets Not Admitted	(1,074,854)	-	-	-	-	-	-	-	-	-	-	(1,074,854)
Retained Surplus	(360,421)	(345,818)	(288,215)	(319,649)	(284,009)	(17,189)	(10,477)	-	-	-	-	(1,625,778)
Total Other Changes	(1,356,879)	(507,030)	(273,880)	(619,156)	(168,543)	(144,468)	(47,468)	27,748	(53,339)	46,800	(21,831)	(3,118,046)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (12,842,386)	\$ (221,490)	\$ 5,397,725	\$ 10,907,377	\$ 13,414,632	\$ 15,657,507	\$ 18,420,823	\$ 12,558,539	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ 85,465,894

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**RETAINED SURPLUS**

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

**Exhibit 3C**

Description	Policy Year								Total
	2017	2016	2015	2014	2013	2012	2011	2009	
<b>INCOME RECEIVED:</b>									
Interest Received	\$ 370,858	\$ 370,455	\$ 322,544	\$ 348,507	\$ 326,657	\$ 95,204	\$ 40,332	\$ -	\$ 1,874,557
Realized Gains (Losses)	(57)	-	-	-	-	(34,521)	-	-	(34,578)
Total Income	370,801	370,455	322,544	348,507	326,657	60,683	40,332	-	1,839,979
<b>EXPENSES PAID:</b>									
Operating Expenses	88,776	24,637	34,328	28,858	42,648	43,494	29,855	3,400,000	3,692,596
Total Expenses Paid	88,776	24,637	34,328	28,858	42,648	43,494	29,855	3,400,000	3,692,596
Net Cash Change	282,025	345,818	288,216	319,649	284,009	17,189	10,477	(3,400,000)	(1,852,617)
<b>RESERVES:</b>									
<b>DEDUCT (CURRENT PERIOD)</b>									
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	1,516,557	1,600,000
Total Reserves	-	-	-	-	55,777	17,189	10,477	1,516,557	1,600,000
<b>OTHER CHANGES:</b>									
<b>ADD (DEDUCT)</b>									
Interest Accrued	78,396	-	-	-	-	-	-	-	78,396
Total Other Changes	78,396	-	-	-	-	-	-	-	78,396
Net Income Retained	-	-	-	-	-	-	-	4,916,557	4,916,557
Retained Surplus	\$ 360,421	\$ 345,818	\$ 288,216	\$ 319,649	\$ 228,232	\$ -	\$ -	\$ -	\$ 1,542,336

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

EXHIBIT 4A - Quarterly

Description	Quarterly 05/01/2017 - 07/31/2017											Total	
	2017	2016	2015	2014	2013	Policy Year		2010	2008	2007	2006		
<b>PREMIUMS WRITTEN:</b>													
Fire	\$ 510,814	\$ (7,441)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 503,373
E.C. & VMM	7,368,833	(103,318)	-	-	-	-	-	-	-	-	-	-	7,265,515
Reinsurance Premium Ceded	(3,475,602)	145,779	-	-	-	-	-	-	-	-	-	-	(3,329,823)
<b>Total</b>	<b>4,404,045</b>	<b>35,020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,439,065</b>
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>													
Fire	717,425	316,386	-	-	-	-	-	-	-	-	-	-	1,033,811
E.C. & VMM	8,765,647	3,946,502	-	-	-	-	-	-	-	-	-	-	12,712,149
Reinsurance Unearned Ceded	(474,154)	(213,144)	-	-	-	-	-	-	-	-	-	-	(687,298)
<b>Total</b>	<b>9,008,918</b>	<b>4,049,744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,058,662</b>
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>													
Fire	965,937	74,894	-	-	-	-	-	-	-	-	-	-	1,040,831
E.C. & VMM	13,050,001	876,367	-	-	-	-	-	-	-	-	-	-	13,926,368
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14,015,938</b>	<b>951,261</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,967,199</b>
<b>EARNED PREMIUMS:</b>													
Fire	262,302	234,051	-	-	-	-	-	-	-	-	-	-	496,353
E.C. & VMM	3,084,479	2,966,817	-	-	-	-	-	-	-	-	-	-	6,051,296
Reinsurance Earned Ceded	(3,949,756)	(67,365)	-	-	-	-	-	-	-	-	-	-	(4,017,121)
<b>Total</b>	<b>\$ (602,975)</b>	<b>\$ 3,133,503</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,530,528</b>

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

EXHIBIT 4A - Year-to-Date

Description	Year-to-Date 11/01/2016 - 07/31/2017											Total
	2017	2016	2015	2014	2013	Policy Year		2010	2008	2007	2006	
<b>PREMIUMS WRITTEN:</b>												
Fire	\$ 1,446,895	\$ (57,228)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,389,667
E.C. & VMM	18,699,925	(735,084)	-	-	-	-	-	-	-	-	-	17,964,841
Reinsurance Premium Ceded	(11,949,556)	179,857	-	-	-	-	-	-	-	-	-	(11,769,699)
<b>Total</b>	<b>8,197,264</b>	<b>(612,455)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,584,809</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	965,937	74,894	-	-	-	-	-	-	-	-	-	1,040,831
E.C. & VMM	13,050,001	876,367	-	-	-	-	-	-	-	-	-	13,926,368
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14,015,938</b>	<b>951,261</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,967,199</b>
<b>EARNED PREMIUMS:</b>												
Fire	480,958	1,081,279	-	-	-	-	-	-	-	-	-	1,562,237
E.C. & VMM	5,649,924	14,844,202	-	-	-	-	-	-	-	-	-	20,494,126
Reinsurance Earned Ceded	(11,949,556)	(703,596)	-	-	-	-	-	-	-	-	-	(12,653,152)
<b>Total</b>	<b>\$ (5,818,674)</b>	<b>\$ 15,221,885</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,403,211</b>

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

EXHIBIT 4B - Quarterly

Description	Quarterly 05/01/2017 - 07/31/2017											
	Policy Year											
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>PAID LOSSES:</b>												
Fire	\$ 139,797	\$ 377,692				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 517,489
E.C. & VMM	218,064	340,794	1,239			-	-	-	-	-	-	560,097
Reinsurance Losses Ceded	(9,055)	(34,413)	179			-	-	-	-	-	-	(43,289)
Total	348,806	684,073	1,418	-	-	-	-	-	-	-	-	1,034,297
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>												
Fire	62,850	672,446	-	-	-	-	-	-	-	-	-	735,296
E.C. & VMM	423,879	174,312	-	-	-	-	-	-	-	-	-	598,191
Reinsurance Losses Ceded	(15,517)	(32,460)	-	-	-	-	-	-	-	-	-	(47,977)
Total	471,212	814,298	-	-	-	-	-	-	-	-	-	1,285,510
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>												
Fire	19,117	498,114	45,800	-	-	-	-	-	-	-	-	563,031
E.C. & VMM	231,728	398,350	-	10,000	-	-	-	-	-	-	-	640,078
Reinsurance Losses Ceded	(12,543)	(44,823)	(2,290)	(500)	-	-	-	-	-	-	-	(60,156)
Total	238,302	851,641	43,510	9,500	-	-	-	-	-	-	-	1,142,953
<b>INCURRED LOSSES:</b>												
Fire	183,530	552,024	(45,800)	-	-	-	-	-	-	-	-	689,754
E.C. & VMM	410,215	116,756	1,239	(10,000)	-	-	-	-	-	-	-	518,210
Reinsurance Losses Ceded	(12,029)	(22,050)	2,469	500	-	-	-	-	-	-	-	(31,110)
Total	581,716	646,730	(42,092)	(9,500)	-	-	-	-	-	-	-	1,176,854
<b>IBNR (CURRENT PERIOD)</b>												
Fire	30,295	12,946	-	-	-	-	-	-	-	-	-	43,241
E.C. & VMM	393,307	156,255	-	-	-	-	-	-	-	-	-	549,562
Reinsurance Losses Ceded	(15,017)	(8,460)	-	-	-	-	-	-	-	-	-	(23,477)
Total	408,585	160,741	-	-	-	-	-	-	-	-	-	569,326
<b>IBNR (PRIOR PERIOD)</b>												
Fire	19,117	25,614	-	-	-	-	-	-	-	-	-	44,731
E.C. & VMM	229,670	342,769	-	-	-	-	-	-	-	-	-	572,439
Reinsurance Losses Ceded	(12,440)	(18,419)	-	-	-	-	-	-	-	-	-	(30,859)
Total	\$ 236,347	\$ 349,964	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 586,311

\*Includes IBNR

See Accountant's Compilation Report

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

EXHIBIT 4B - Year-to-Date

Description	Year-to-Date 11/01/2016 - 07/31/2017											
	Policy Year											
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>PAID LOSSES:</b>												
Fire	\$ 149,533	\$ 1,137,603	\$ 501,550	\$ (387,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,401,686
E.C. & VMM	407,331	1,430,575	158,393	8,616	19,664	-	-	-	-	-	-	2,024,579
Reinsurance Losses Ceded	(19,006)	(126,897)	(32,998)	(431)	-	-	-	-	-	-	-	(179,332)
Total	537,858	2,441,281	626,945	(378,815)	19,664	-	-	-	-	-	-	3,246,933
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>												
Fire	62,850	672,446	-	-	-	-	-	-	-	-	-	735,296
E.C. & VMM	423,879	174,312	-	-	-	-	-	-	-	-	-	598,191
Reinsurance Losses Ceded	(15,517)	(32,460)	-	-	-	-	-	-	-	-	-	(47,977)
Total	471,212	814,298	-	-	-	-	-	-	-	-	-	1,285,510
<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	212,383	1,759,760	161	(407,000)	-	-	-	-	-	-	-	1,565,304
E.C. & VMM	831,210	856,507	130,775	-	19,664	-	-	-	-	-	-	1,838,156
Reinsurance Losses Ceded	(34,523)	(119,424)	(6,548)	-	-	-	-	-	-	-	-	(160,495)
Total	1,009,070	2,496,843	124,388	(407,000)	19,664	-	-	-	-	-	-	3,242,965
<b>IBNR (CURRENT PERIOD)</b>												
Fire	30,295	12,946	-	-	-	-	-	-	-	-	-	43,241
E.C. & VMM	393,307	156,255	-	-	-	-	-	-	-	-	-	549,562
Reinsurance Losses Ceded	(15,017)	(8,460)	-	-	-	-	-	-	-	-	-	(23,477)
Total	408,585	160,741	-	-	-	-	-	-	-	-	-	569,326
<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

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

EXHIBIT 4C - Quarterly

Description	Quarterly 05/01/2017 - 07/31/2017											Total
	Policy Year											
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
<b>LOSS EXPENSES PAID:</b>												
Fire	\$ 13,005	\$ 17,818	\$ 416	\$ 63	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,302
E.C. & VMM	64,295	81,087	3,724	-	387	-	-	-	-	-	-	149,493
Reinsurance Loss Expenses Ceded	(1,918)	(4,101)	(192)	-	-	-	-	-	-	-	-	(6,211)
<b>Total</b>	<b>75,382</b>	<b>94,804</b>	<b>3,948</b>	<b>63</b>	<b>387</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,584</b>
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>												
Fire	6,286	67,245	-	-	-	-	-	-	-	-	-	73,531
E.C. & VMM	42,388	17,432	-	-	-	-	-	-	-	-	-	59,820
Reinsurance Loss Expenses Ceded	(1,552)	(3,246)	-	-	-	-	-	-	-	-	-	(4,798)
<b>Total</b>	<b>47,122</b>	<b>81,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,553</b>
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>												
Fire	1,912	49,811	4,580	-	-	-	-	-	-	-	-	56,303
E.C. & VMM	23,173	39,835	-	1,000	-	-	-	-	-	-	-	64,008
Reinsurance Loss Expenses Ceded	(1,254)	(4,483)	(229)	(50)	-	-	-	-	-	-	-	(6,016)
<b>Total</b>	<b>23,831</b>	<b>85,163</b>	<b>4,351</b>	<b>950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,295</b>
<b>INCURRED LOSS EXPENSES:</b>												
Fire	17,379	35,252	(4,164)	63	-	-	-	-	-	-	-	48,530
E.C. & VMM	83,510	58,684	3,724	(1,000)	387	-	-	-	-	-	-	145,305
Reinsurance Loss Expenses Ceded	(2,216)	(2,864)	37	50	-	-	-	-	-	-	-	(4,993)
<b>Total</b>	<b>\$ 98,673</b>	<b>\$ 91,072</b>	<b>\$ (403)</b>	<b>\$ (887)</b>	<b>\$ 387</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 188,842</b>

\*Includes IBNR

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

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

Description	Year-to-Date 11/01/2016 - 07/31/2017											
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>LOSS EXPENSES PAID:</b>												
Fire	\$ 15,276	\$ 93,442	\$ 14,559	\$ (2,216)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,061
E.C. & VMM	101,046	273,341	40,457	1,214	2,778	-	-	-	-	-	-	418,836
Reinsurance Loss Expenses Ceded	(3,870)	(17,495)	(2,735)	(61)	-	-	-	-	-	-	-	(24,161)
<b>Total</b>	<b>112,452</b>	<b>349,288</b>	<b>52,281</b>	<b>(1,063)</b>	<b>2,778</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>515,736</b>
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>												
Fire	6,286	67,245	-	-	-	-	-	-	-	-	-	73,531
E.C. & VMM	42,388	17,432	-	-	-	-	-	-	-	-	-	59,820
Reinsurance Loss Expenses Ceded	(1,552)	(3,246)	-	-	-	-	-	-	-	-	-	(4,798)
<b>Total</b>	<b>47,122</b>	<b>81,431</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>128,553</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	21,562	154,385	(35,655)	(21,167)	-	-	-	-	-	-	-	119,125
E.C. & VMM	143,434	205,776	30,756	(800)	2,778	-	-	-	-	-	-	381,944
Reinsurance Loss Expenses Ceded	(5,422)	(16,177)	261	40	-	-	-	-	-	-	-	(21,298)
<b>Total</b>	<b>\$159,574</b>	<b>\$ 343,984</b>	<b>\$ (4,638)</b>	<b>\$ (21,927)</b>	<b>\$ 2,778</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 479,771</b>

\*Includes IBNR