

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

OCTOBER 31, 2019

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

OCTOBER 31, 2019

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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 October 31, 2019, and the related statutory statement of operations and changes in surplus for the year then ended in accordance with statutory accounting practices prescribed or permitted by the Alabama Department of Insurance. 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.

Basis of Accounting

The financial statements are prepared by Alabama Insurance Underwriting Association on the basis of the financial reporting provisions prescribed or permitted by the Alabama Department of Insurance, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

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
February 17, 2020

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS
As of October 31, 2019

EXHIBIT 1

	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Admitted Assets</u>
<u>ASSETS</u>			
Cash and short-term investments	\$ 67,645,578		\$ 67,645,577
Bonds	48,133,653		48,133,653
Accounts receivable	146	146	-
Interest accrued	293,838		293,838
Furniture and equipment - net of depreciation	78,430	78,430	-
Data processing equipment - net of depreciation	66,449		66,449
Programming - net of amortization	284,627	284,627	-
Leasehold improvements - net of depreciation	527,156	527,156	-
Reinsurance:			
Prepaid reinsurance	665,244		665,244
Amounts recoverable from reinsurers	15,521		15,521
Section 444 Deposit (I.R.S.)	339,894		339,894
Prepaid expense	32,000	32,000	-
Total Assets	<u>118,082,536</u>	<u>922,359</u>	<u>117,160,176</u>
<u>LIABILITIES AND SURPLUS</u>			
Reserves - net of ceded			
Unpaid losses (include IBNR)			1,003,591
Unpaid loss adjustment expenses			100,359
Unearned premiums			12,983,824
Total Reserves			<u>14,087,774</u>
Payables for:			
Premium taxes			101,898
Operating expenses and other accounts payable			351,599
Amounts withheld for accounts of others			146,810
Liability for pension benefits			278,351
Contributions and grants payable			200,000
Premiums received in advance			977,718
Total Payables			<u>2,056,376</u>
Total Liabilities			<u>16,144,150</u>
Members' Surplus			95,398,434
Retained Surplus			5,617,592
Total Surplus			<u>101,016,026</u>
Total Liabilities and Surplus			<u>\$ 117,160,176</u>

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATUTORY STATEMENT OF OPERATIONS AND CHANGES IN SURPLUS
Quarter Ended October 31, 2019

EXHIBIT 2

	Quarter 08/01/2019 - 10/31/2019	Year-To-Date 11/1/2018 - 10/31/2019
	<u> </u>	<u> </u>
UNDERWRITING INCOME:		
Premiums earned	\$ 3,125,523	\$ 14,726,654
DEDUCTIONS:		
Losses incurred	981,092	3,489,188
Loss expenses incurred	166,027	658,088
Operating expenses incurred	1,686,129	6,397,804
Total deductions	<u>2,833,248</u>	<u>10,545,080</u>
Net Underwriting Gain or (Loss)	<u>292,275</u>	<u>4,181,574</u>
OTHER INCOME (EXPENSE):		
Investment income	586,030	2,419,572
Realized gains (losses)	4,784	4,852
Other income	(25)	(74)
Service & agency Fees	136,310	519,124
Gain on sale of non admitted asset	(577)	19,632
Total other income	<u>726,522</u>	<u>2,963,106</u>
Net Income	<u>\$ 1,018,797</u>	<u>\$ 7,144,680</u>
SURPLUS:		
Surplus (prior period)	100,250,197	94,108,090
Net income	1,018,797	7,144,680
Change in assets not admitted	63,868	80,092
Minimum pension liability	(316,836)	(316,836)
Net change in surplus	<u>765,829</u>	<u>6,907,936</u>
Surplus (current period)	<u>\$ 101,016,026</u>	<u>\$ 101,016,026</u>

See Accountant's Compilation Report

SUPPLEMENTARY INFORMATION

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended October 31, 2019

EXHIBIT 3A - Quarterly

Quarterly 08/01/2019 - 10/31/2019

Description	Policy Year													Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007		2006
INCOME RECEIVED:															
Premiums Written	\$ 6,313,754	\$ (46,370)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,267,384
Reinsurance Premium Ceded	(3,034,756)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,034,756)
Net Premiums Written	3,278,998	(46,370)	-	-	-	-	-	-	-	-	-	-	-	-	3,232,628
Interest Received	628,751	-	-	-	-	-	-	-	-	-	-	-	-	-	628,751
Realized Gains (Losses)	4,784	-	-	-	-	-	-	-	-	-	-	-	-	-	4,784
Other Income	(25)	-	-	-	-	-	-	-	-	-	-	-	-	-	(25)
Service & Agency Fees	136,310	-	-	-	-	-	-	-	-	-	-	-	-	-	136,310
Gain on sale of non admitted asset	(577)	-	-	-	-	-	-	-	-	-	-	-	-	-	(577)
Total Income	4,048,241	(46,370)	-	-	-	-	-	-	-	-	-	-	-	-	4,001,871
EXPENSES PAID:															
Losses	498,301	326,049	53,196	259,406	-	-	6,718	-	-	-	-	-	-	-	1,143,670
Loss Adjustment Expenses	100,834	44,921	14,641	19,783	382	-	1,725	-	-	-	-	-	-	-	182,286
Commissions	518,959	(3,710)	-	-	-	-	-	-	-	-	-	-	-	-	515,249
Operating Expenses	953,311	-	-	-	-	-	-	-	-	-	-	-	-	-	953,311
Contributions and Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	449,146	-	-	-	-	-	-	-	-	-	-	-	-	-	449,146
Total Expenses Paid	2,520,551	367,260	67,837	279,189	382	-	8,443	-	-	-	-	-	-	-	3,243,662
Net Cash Change	1,527,690	(413,630)	(67,837)	(279,189)	(382)	-	(8,443)	-	-	-	-	-	-	-	758,209
RESERVES:															
<i>DEDUCT (CURRENT PERIOD)</i>															
Unpaid Losses (include IBNR)	752,789	63,848	18,145	168,809	-	-	-	-	-	-	-	-	-	-	1,003,591
Unpaid Loss Adj. Expenses	75,278	6,385	1,815	16,881	-	-	-	-	-	-	-	-	-	-	100,359
Operating Expenses	498,409	-	-	-	-	-	-	-	-	-	-	-	-	-	498,409
Contributions and Grants	-	-	-	-	-	-	55,777	17,189	10,477	-	116,557	-	-	-	200,000
Unearned Premiums	12,983,824	-	-	-	-	-	-	-	-	-	-	-	-	-	12,983,824
Premium Taxes	101,898	-	-	-	-	-	-	-	-	-	-	-	-	-	101,898
<i>ADD (PRIOR PERIOD)</i>															
Unpaid Losses (include IBNR)	481,996	274,658	7,590	401,925	-	-	-	-	-	-	-	-	-	-	1,166,169
Unpaid Loss Adj. Expenses	48,200	27,466	759	40,193	-	-	-	-	-	-	-	-	-	-	116,618
Operating Expenses	497,342	-	-	-	-	-	-	-	-	-	-	-	-	-	497,342
Contributions and Grants	-	-	-	-	-	-	55,777	17,189	10,477	-	116,557	-	-	-	200,000
Unearned Premiums	12,036,136	840,583	-	-	-	-	-	-	-	-	-	-	-	-	12,876,719
Premium Taxes	334,542	-	-	-	-	-	-	-	-	-	-	-	-	-	334,542
Net Reserve Change	(1,013,982)	1,072,474	(11,611)	256,428	-	-	-	-	-	-	-	-	-	-	303,309
OTHER CHANGES:															
<i>DEDUCT (PRIOR PERIOD)</i>															
Interest Accrued	336,559	-	-	-	-	-	-	-	-	-	-	-	-	-	336,559
Assets Not Admitted	(986,227)	-	-	-	-	-	-	-	-	-	-	-	-	-	(986,227)
<i>ADD (CURRENT PERIOD)</i>															
Minimum Pension Liability	(316,836)	-	-	-	-	-	-	-	-	-	-	-	-	-	(316,836)
Interest Accrued	293,838	-	-	-	-	-	-	-	-	-	-	-	-	-	293,838
Assets Not Admitted	(922,359)	-	-	-	-	-	-	-	-	-	-	-	-	-	(922,359)
Net Other Changes	(295,689)	-	-	-	-	-	-	-	-	-	-	-	-	-	(295,689)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	540,435	-	-	-	-	-	-	-	-	-	-	-	-	-	540,435
Change in Members' Surplus Increase (Decrease)	\$ (322,416)	\$ 658,844	\$ (79,448)	\$ (22,761)	\$ (382)	\$ -	\$ (8,443)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 225,394

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended October 31, 2019

EXHIBIT 3A - Year-to-Date

Year-to-Date 11/01/2018 - 10/31/2019

Description	Policy Year													Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007		2006
INCOME RECEIVED:															
Premiums Written	\$ 24,585,328	\$ (561,529)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,023,799
Reinsurance Premium Ceded	(10,776,423)	-	-	-	-	-	-	-	-	-	-	-	-	-	(10,776,423)
Net Premiums Written	13,808,905	(561,529)	-	-	-	-	-	-	-	-	-	-	-	-	13,247,376
Interest Received	2,125,735	222,587	-	-	-	-	-	-	-	-	-	-	-	-	2,348,322
Realized Gains (Losses)	4,852	-	-	-	-	-	-	-	-	-	-	-	-	-	4,852
Other Income	(74)	-	-	-	-	-	-	-	-	-	-	-	-	-	(74)
Service & Agency Fees	519,124	-	-	-	-	-	-	-	-	-	-	-	-	-	519,124
Gain on sale of non admitted asset	19,632	-	-	-	-	-	-	-	-	-	-	-	-	-	19,632
Total Income	16,478,174	(338,942)	-	-	-	-	-	-	-	-	-	-	-	-	16,139,232
EXPENSES PAID:															
Losses	1,094,282	1,801,867	401,717	337,154	7,197	-	6,718	-	-	-	-	-	-	-	3,648,935
Loss Adjustment Expenses	168,406	336,335	86,783	78,114	2,699	-	1,725	-	-	-	-	-	-	-	674,062
Commissions	1,817,677	105,464	-	-	-	-	-	-	-	-	-	-	-	-	1,923,141
Operating Expenses	3,272,883	489,342	-	-	-	-	-	-	-	-	-	-	-	-	3,762,225
Contributions and Grants	-	-	-	-	-	-	-	-	-	-	200,000	-	-	-	200,000
Premium Taxes	751,861	128,852	-	-	-	-	-	-	-	-	-	-	-	-	880,713
Total Expenses Paid	7,105,109	2,861,860	488,500	415,268	9,896	-	8,443	-	-	-	200,000	-	-	-	11,089,076
Net Cash Change	9,373,065	(3,200,802)	(488,500)	(415,268)	(9,896)	-	(8,443)	-	-	-	(200,000)	-	-	-	5,050,156
RESERVES:															
<i>DEDUCT (CURRENT PERIOD)</i>															
Unpaid Losses (include IBNR)	752,789	63,848	18,145	168,809	-	-	-	-	-	-	-	-	-	-	1,003,591
Unpaid Loss Adj. Expenses	75,278	6,385	1,815	16,881	-	-	-	-	-	-	-	-	-	-	100,359
Operating Expenses	498,409	-	-	-	-	-	-	-	-	-	-	-	-	-	498,409
Contributions and Grants	-	-	-	-	-	-	55,777	17,189	10,477	-	116,557	-	-	-	200,000
Unearned Premiums	12,983,824	-	-	-	-	-	-	-	-	-	-	-	-	-	12,983,824
Premium Taxes	101,898	-	-	-	-	-	-	-	-	-	-	-	-	-	101,898
<i>ADD (PRIOR PERIOD)</i>															
Unpaid Losses (include IBNR)	-	628,265	95,037	440,036	-	-	-	-	-	-	-	-	-	-	1,163,338
Unpaid Loss Adj. Expenses	-	62,825	9,504	44,004	-	-	-	-	-	-	-	-	-	-	116,333
Operating Expenses	-	639,729	-	-	-	-	-	-	-	-	-	-	-	-	639,729
Contributions and Grants	-	-	-	-	-	-	55,777	17,189	10,477	-	316,557	-	-	-	400,000
Unearned Premiums	-	14,463,102	-	-	-	-	-	-	-	-	-	-	-	-	14,463,102
Premium Taxes	-	128,852	-	-	-	-	-	-	-	-	-	-	-	-	128,852
Net Reserve Change	(14,412,198)	15,852,540	84,581	298,350	-	-	-	-	-	-	200,000	-	-	-	2,023,273
OTHER CHANGES:															
<i>DEDUCT (PRIOR PERIOD)</i>															
Interest Accrued	-	222,587	-	-	-	-	-	-	-	-	-	-	-	-	222,587
Assets Not Admitted	-	(1,002,451)	-	-	-	-	-	-	-	-	-	-	-	-	(1,002,451)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>															
Minimum Pension Liability	(316,836)	-	-	-	-	-	-	-	-	-	-	-	-	-	(316,836)
Interest Accrued	293,838	-	-	-	-	-	-	-	-	-	-	-	-	-	293,838
Assets Not Admitted	(922,359)	-	-	-	-	-	-	-	-	-	-	-	-	-	(922,359)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Changes	(945,357)	779,864	-	-	-	-	-	-	-	-	-	-	-	-	(165,493)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	2,226,865	-	-	-	-	-	-	-	-	-	-	-	-	-	2,226,865
Change in Members' Surplus Increase (Decrease)	\$ (8,211,355)	\$ 13,431,602	\$ (403,919)	\$ (116,918)	\$ (9,896)	\$ -	\$ (8,443)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,681,071

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
MEMBERS' SURPLUS FOR UNSETTLED YEARS
Inception to Quarter Ended October 31, 2019

Exhibit 3B

Description	Policy Year													Total
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
INCOME RECEIVED:														
Premiums Written	\$ 24,585,328	\$ 26,519,831	\$ 28,516,140	\$ 33,302,116	\$ 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	\$ 437,565,024
Reinsurance Premiums Ceded	(10,776,423)	(13,697,827)	(16,154,849)	(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)	(212,830,200)
Net Premiums Written	13,808,905	12,822,004	12,361,291	12,334,317	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	224,734,824
Interest Received	2,125,735	1,851,667	702,154	370,455	322,544	348,507	326,657	95,204	40,332	21,405	486,548	677,305	307,607	7,676,120
Realized Gains (Losses)	4,852	(22,930)	(57)	-	-	-	-	(34,522)	-	-	-	-	-	(52,657)
Other Income	(74)	87	188	43	12	43	-	8	1,070	153	3,391	3,670	40	8,631
Service & Agency Fees	519,124	597,930	677,515	774,325	899,270	906,565	778,125	674,460	608,415	497,585	269,337	187,836	175,703	7,566,190
Gain (loss) on sale of non admitted asset	19,632	-	(15,624)	(22,707)	-	-	-	-	-	-	100	623	(203)	(18,179)
Total Income	16,478,174	15,248,758	13,725,467	13,456,433	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	239,914,929
EXPENSES PAID:														
Losses	1,094,282	2,740,117	3,672,483	4,570,902	4,441,652	3,193,725	3,415,128	3,264,442	1,326,634	988,594	874,566	512,315	930,913	31,025,753
Loss Adjustment Expenses	168,406	517,050	693,487	743,676	586,864	584,234	578,527	400,549	230,657	118,628	22,717	14,945	17,029	4,676,769
Commissions	1,817,677	2,113,498	2,280,054	2,662,350	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	35,560,857
Operating Expenses	3,272,883	3,803,157	4,032,808	3,568,090	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	36,290,161
Premium Taxes	751,861	943,130	994,127	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	15,369,921
Total Expenses Paid	7,105,109	10,116,952	11,672,959	12,720,390	13,261,562	12,186,187	12,226,926	11,701,842	9,298,760	7,779,537	5,414,261	5,108,367	4,330,609	122,923,461
Net Cash Change	9,373,065	5,131,806	2,052,508	736,043	5,601,066	11,526,129	13,568,257	15,801,975	18,468,291	12,530,791	4,802,544	8,418,382	8,980,611	116,991,468
RESERVES:														
DEDUCT (CURRENT PERIOD)														
Unpaid Losses (include IBNR)	752,789	63,848	18,145	168,809	-	-	-	-	-	-	-	-	-	1,003,591
Unpaid Loss Adjustment Expenses	75,278	6,385	1,815	16,881	-	-	-	-	-	-	-	-	-	100,359
Operating Expenses	498,409	-	-	-	-	-	-	-	-	-	-	-	-	498,409
Unearned Premiums	12,983,824	-	-	-	-	-	-	-	-	-	-	-	-	12,983,824
Premium Taxes	101,898	-	-	-	-	-	-	-	-	-	-	-	-	101,898
Total Reserves	14,412,198	70,233	19,960	185,690	-	-	-	-	-	-	-	-	-	14,688,081
OTHER CHANGES:														
ADD (DEDUCT)														
Minimum Pension Liability	(316,836)	276,179	(38,931)	(161,212)	14,335	(299,507)	115,466	(127,279)	(36,991)	27,748	(53,339)	46,800	(21,831)	(575,398)
Interest Accrued	293,838	-	-	-	-	-	-	-	-	-	-	-	-	293,838
Assets Not Admitted	(922,359)	-	-	-	-	-	-	-	-	-	-	-	-	(922,359)
Retained Surplus	(2,226,865)	(1,642,342)	(566,470)	(345,818)	(288,215)	(319,649)	(284,009)	(17,189)	(10,477)	-	-	-	-	(5,701,034)
Total Other Changes	(3,172,222)	(1,366,163)	(605,401)	(507,030)	(273,880)	(619,156)	(168,543)	(144,468)	(47,468)	27,748	(53,339)	46,800	(21,831)	(6,904,953)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (8,211,355)	\$ 3,695,410	\$ 1,427,147	\$ 43,323	\$ 5,327,186	\$ 10,906,973	\$ 13,399,714	\$ 15,657,507	\$ 18,420,823	\$ 12,558,539	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ 95,398,434

Notes:

October 31, 2009 plan year: Closed

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

RETAINED SURPLUS

Inception to Quarter Ended October 31, 2019

Exhibit 3C

Description	Policy Year											Total
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2009		
INCOME RECEIVED:												
Interest Received	\$ 2,125,735	\$ 1,851,667	\$ 702,154	\$ 370,455	\$ 322,544	\$ 348,507	\$ 326,657	\$ 95,204	\$ 40,332	\$ -	\$ -	\$ 6,183,255
Realized Gains (Losses)	4,852	(22,930)	(57)	-	-	-	-	(34,521)	-	-	-	(52,656)
Total Income	2,130,587	1,828,737	702,097	370,455	322,544	348,507	326,657	60,683	40,332	-	-	6,130,599
EXPENSES PAID:												
Operating Expenses	197,560	186,395	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,800,000		5,523,402
Total Expenses Paid	197,560	186,395	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,800,000		5,523,402
Net Cash Change	1,933,027	1,642,342	566,470	345,818	288,216	319,649	284,009	17,189	10,477	(4,800,000)		607,197
RESERVES:												
DEDUCT (CURRENT PERIOD)												
Contributions and Grants	-	-	-	-	-	-	55,777	17,189	10,477	116,557		200,000
Total Reserves	-	-	-	-	-	-	55,777	17,189	10,477	116,557		200,000
OTHER CHANGES:												
ADD (DEDUCT)												
Interest Accrued	293,838	-	-	-	-	-	-	-	-	-	-	293,838
Total Other Changes	293,838	-	-	-	-	-	-	-	-	-	-	293,838
Net Income Retained	-	-	-	-	-	-	-	-	-	-	4,916,557	4,916,557
Retained Surplus	\$ 2,226,865	\$ 1,642,342	\$ 566,470	\$ 345,818	\$ 288,216	\$ 319,649	\$ 228,232	\$ -	\$ -	\$ -	\$ -	\$ 5,617,592

Notes:

October 31, 2009 plan year: The association board resolved to retain \$4,916,557 of net profit the remaining profits for the plan year were distributed and plan year closed.

October 31, 2010 plan year: No amounts were retained for this plan year.

October 31, 2011 to present: Beginning in 2011 the Plan of Operation and Articles of Agreement of Alabama Insurance Underwriting Association were revised to provide that any interest or investment income of the Association, regardless of source, less the management fees and expenses attendant thereto, shall be deposited to the credit of the Association in Retained Surplus.

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF PREMIUMS
Quarter Ended October 31, 2019

EXHIBIT 4A - Quarterly

Description	Quarterly 08/01/2019 - 10/31/2019												Total		
	2019	2018	2017	2016	2015	2014	Policy Year		2011	2010	2008	2007		2006	
PREMIUMS WRITTEN:															
Fire	\$ 390,435	\$ (2,936)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 387,499
E.C. & VMM	5,923,319	(43,434)	-	-	-	-	-	-	-	-	-	-	-	-	5,879,885
Reinsurance Premium Ceded	(3,034,756)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,034,756)
Total	3,278,998	(46,370)	-	3,232,628											
UNEARNED PREMIUMS: (PRIOR PERIOD)															
Fire	711,039	57,495	-	-	-	-	-	-	-	-	-	-	-	-	768,534
E.C. & VMM	11,325,097	783,088	-	-	-	-	-	-	-	-	-	-	-	-	12,108,185
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	12,036,136	840,583	-	12,876,719											
UNEARNED PREMIUMS: (CURRENT PERIOD)															
Fire	772,926	-	-	-	-	-	-	-	-	-	-	-	-	-	772,926
E.C. & VMM	12,210,898	-	-	-	-	-	-	-	-	-	-	-	-	-	12,210,898
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	12,983,824	-	-	-	-	-	-	-	-	-	-	-	-	-	12,983,824
EARNED PREMIUMS:															
Fire	328,548	54,559	-	-	-	-	-	-	-	-	-	-	-	-	383,107
E.C. & VMM	5,037,518	739,654	-	-	-	-	-	-	-	-	-	-	-	-	5,777,172
Reinsurance Earned Ceded	(3,034,756)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,034,756)
Total	\$ 2,331,310	\$ 794,213	\$ -	\$ 3,125,523											

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF PREMIUMS
Quarter Ended October 31, 2019

EXHIBIT 4A - Year-to-Date

Year-to-Date 11/01/2018 - 10/31/2019

Description	Policy Year												Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006
PREMIUMS WRITTEN:														
Fire	\$ 1,507,877	\$ (38,761)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,469,116
E.C. & VMM	23,077,451	(522,768)	-	-	-	-	-	-	-	-	-	-	-	22,554,683
Reinsurance Premium Ceded	(10,776,423)	-	-	-	-	-	-	-	-	-	-	-	-	(10,776,423)
Total	13,808,905	(561,529)	-	-	-	-	-	-	-	-	-	-	-	13,247,376
UNEARNED PREMIUMS: (PRIOR PERIOD)														
Fire	-	922,325	-	-	-	-	-	-	-	-	-	-	-	922,325
E.C. & VMM	-	13,540,777	-	-	-	-	-	-	-	-	-	-	-	13,540,777
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	14,463,102	-	-	-	-	-	-	-	-	-	-	-	14,463,102
UNEARNED PREMIUMS: (CURRENT PERIOD)														
Fire	772,926	-	-	-	-	-	-	-	-	-	-	-	-	772,926
E.C. & VMM	12,210,898	-	-	-	-	-	-	-	-	-	-	-	-	12,210,898
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	12,983,824	-	-	-	-	-	-	-	-	-	-	-	-	12,983,824
EARNED PREMIUMS:														
Fire	734,951	883,564	-	-	-	-	-	-	-	-	-	-	-	1,618,515
E.C. & VMM	10,866,553	13,018,009	-	-	-	-	-	-	-	-	-	-	-	23,884,562
Reinsurance Earned Ceded	(10,776,423)	-	-	-	-	-	-	-	-	-	-	-	-	(10,776,423)
Total	\$ 825,081	\$ 13,901,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,726,654

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF LOSSES

Quarter Ended October 31, 2019

EXHIBIT 4B - Quarterly

Description	Quarterly 08/01/2019 - 10/31/2019												Total	
	2019	2018	2017	2016	2015	2014	Policy Year		2011	2010	2008	2007		2006
PAID LOSSES:														
Fire	\$ 48,484	\$ 85,010	\$ -	\$ 257,937	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 391,431
E.C. & VMM	449,817	241,039	53,196	15,122	-	-	6,718	-	-	-	-	-	-	765,892
Reinsurance Losses Ceded	-	-	-	(13,653)	-	-	-	-	-	-	-	-	-	(13,653)
Total	498,301	326,049	53,196	259,406	-	-	6,718	-	-	-	-	-	-	1,143,670
OUTSTANDING LOSSES (CURRENT PERIOD)*														
Fire	71,053	-	7,248	170,194	-	-	-	-	-	-	-	-	-	248,495
E.C. & VMM	681,736	63,848	10,897	7,500	-	-	-	-	-	-	-	-	-	763,981
Reinsurance Losses Ceded	-	-	-	(8,885)	-	-	-	-	-	-	-	-	-	(8,885)
Total	752,789	63,848	18,145	168,809	-	-	-	-	-	-	-	-	-	1,003,591
OUTSTANDING LOSSES (PRIOR PERIOD)*														
Fire	89,316	31,141	7,590	415,579	-	-	-	-	-	-	-	-	-	543,626
E.C. & VMM	392,680	243,517	-	7,500	-	-	-	-	-	-	-	-	-	643,697
Reinsurance Losses Ceded	-	-	-	(21,154)	-	-	-	-	-	-	-	-	-	(21,154)
Total	481,996	274,658	7,590	401,925	-	-	-	-	-	-	-	-	-	1,166,169
INCURRED LOSSES:														
Fire	30,221	53,869	(342)	12,552	-	-	-	-	-	-	-	-	-	96,300
E.C. & VMM	738,873	61,370	64,093	15,122	-	-	6,718	-	-	-	-	-	-	886,176
Reinsurance Losses Ceded	-	-	-	(1,384)	-	-	-	-	-	-	-	-	-	(1,384)
Total	769,094	115,239	63,751	26,290	-	-	6,718	-	-	-	-	-	-	981,092
IBNR (CURRENT PERIOD)														
Fire	30,093	-	-	-	-	-	-	-	-	-	-	-	-	30,093
E.C. & VMM	460,139	-	-	-	-	-	-	-	-	-	-	-	-	460,139
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	490,232	-	-	-	-	-	-	-	-	-	-	-	-	490,232
IBNR (PRIOR PERIOD)														
Fire	22,314	9,641	-	-	-	-	-	-	-	-	-	-	-	31,955
E.C. & VMM	341,832	136,242	-	-	-	-	-	-	-	-	-	-	-	478,074
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 364,146	\$ 145,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 510,029

*Includes IBNR

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF LOSSES

Quarter Ended October 31, 2019

EXHIBIT 4B - Year-to-Date

Year-to-Date 11/01/2018 - 10/31/2019

Description	Policy Year												Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006
PAID LOSSES:														
Fire	\$ 340,692	\$ 373,109	\$ -	\$ 275,267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 989,068
E.C. & VMM	753,590	1,428,758	401,875	79,535	7,576	-	6,718	-	-	-	-	-	-	2,678,052
Reinsurance Losses Ceded	-	-	(158)	(17,648)	(379)	-	-	-	-	-	-	-	-	(18,185)
Total	1,094,282	1,801,867	401,717	337,154	7,197	-	6,718	-	-	-	-	-	-	3,648,935
OUTSTANDING LOSSES (CURRENT PERIOD)*														
Fire	71,053	-	7,248	170,194	-	-	-	-	-	-	-	-	-	248,495
E.C. & VMM	681,736	63,848	10,897	7,500	-	-	-	-	-	-	-	-	-	763,981
Reinsurance Losses Ceded	-	-	-	(8,885)	-	-	-	-	-	-	-	-	-	(8,885)
Total	752,789	63,848	18,145	168,809	-	-	-	-	-	-	-	-	-	1,003,591
OUTSTANDING LOSSES (PRIOR PERIOD)*														
Fire	-	77,273	81,754	455,696	-	-	-	-	-	-	-	-	-	614,723
E.C. & VMM	-	550,992	14,227	7,500	-	-	-	-	-	-	-	-	-	572,719
Reinsurance Losses Ceded	-	-	(944)	(23,160)	-	-	-	-	-	-	-	-	-	(24,104)
Total	-	628,265	95,037	440,036	-	-	-	-	-	-	-	-	-	1,163,338
INCURRED LOSSES:														
Fire	411,745	295,836	(74,506)	(10,235)	-	-	-	-	-	-	-	-	-	622,840
E.C. & VMM	1,435,326	941,614	398,545	79,535	7,576	-	6,718	-	-	-	-	-	-	2,869,314
Reinsurance Losses Ceded	-	-	786	(3,373)	(379)	-	-	-	-	-	-	-	-	(2,966)
Total	1,847,071	1,237,450	324,825	65,927	7,197	-	6,718	-	-	-	-	-	-	3,489,188
IBNR (CURRENT PERIOD)														
Fire	30,093	-	-	-	-	-	-	-	-	-	-	-	-	30,093
E.C. & VMM	460,139	-	-	-	-	-	-	-	-	-	-	-	-	460,139
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	490,232	-	-	-	-	-	-	-	-	-	-	-	-	490,232
IBNR (PRIOR PERIOD)														
Fire	-	35,272	-	-	-	-	-	-	-	-	-	-	-	35,272
E.C. & VMM	-	504,177	-	-	-	-	-	-	-	-	-	-	-	504,177
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ 539,449	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 539,449

*Includes IBNR

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES
Quarter Ended October 31, 2019

EXHIBIT 4C - Quarterly

Quarterly 08/01/2019 - 10/31/2019

Description	Policy Year													Total
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
LOSS EXPENSES PAID:														
Fire	\$ 12,469	\$ 4,332	\$ 2,500	\$ 18,125	\$ 402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,828
E.C. & VMM	88,365	40,589	12,276	2,699	-	-	1,725	-	-	-	-	-	-	145,654
Reinsurance Loss Expenses Ceded	-	-	(135)	(1,041)	(20)	-	-	-	-	-	-	-	-	(1,196)
Total	100,834	44,921	14,641	19,783	382	-	1,725	-	-	-	-	-	-	182,286
UNPAID LOSS EXPENSES (CURRENT PERIOD)*														
Fire	7,105	-	725	17,019	-	-	-	-	-	-	-	-	-	24,849
E.C. & VMM	68,173	6,385	1,090	750	-	-	-	-	-	-	-	-	-	76,398
Reinsurance Loss Expenses Ceded	-	-	-	(888)	-	-	-	-	-	-	-	-	-	(888)
Total	75,278	6,385	1,815	16,881	-	-	-	-	-	-	-	-	-	100,359
UNPAID LOSS EXPENSES (PRIOR PERIOD)*														
Fire	8,931	3,114	759	41,558	-	-	-	-	-	-	-	-	-	54,362
E.C. & VMM	39,269	24,352	-	750	-	-	-	-	-	-	-	-	-	64,371
Reinsurance Loss Expenses Ceded	-	-	-	(2,115)	-	-	-	-	-	-	-	-	-	(2,115)
Total	48,200	27,466	759	40,193	-	-	-	-	-	-	-	-	-	116,618
INCURRED LOSS EXPENSES:														
Fire	10,643	1,218	2,466	(6,414)	402	-	-	-	-	-	-	-	-	8,315
E.C. & VMM	117,269	22,622	13,366	2,699	-	-	1,725	-	-	-	-	-	-	157,681
Reinsurance Loss Expenses Ceded	-	-	(135)	186	(20)	-	-	-	-	-	-	-	-	31
Total	\$ 127,912	\$ 23,840	\$ 15,697	\$ (3,529)	\$ 382	\$ -	\$ 1,725	\$ -	\$ 166,027					

*Includes IBNR

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES
Quarter Ended October 31, 2019

EXHIBIT 4C - Year-to-Date

Year-to-Date 11/01/2018 - 10/31/2019

Description	Policy Year													Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006		
LOSS EXPENSES PAID:															
Fire	\$ 21,041	\$ 23,719	\$ 12,507	\$ 65,037	\$ 402	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,706
E.C. & VMM	147,365	312,616	74,623	17,198	2,432	-	1,725	-	-	-	-	-	-	-	555,959
Reinsurance Loss Expenses Ceded	-	-	(347)	(4,121)	(135)	-	-	-	-	-	-	-	-	-	(4,603)
Total	168,406	336,335	86,783	78,114	2,699	-	1,725	-	-	-	-	-	-	-	674,062
UNPAID LOSS EXPENSES (CURRENT PERIOD)*															
Fire	7,105	-	725	17,019	-	-	-	-	-	-	-	-	-	-	24,849
E.C. & VMM	68,173	6,385	1,090	750	-	-	-	-	-	-	-	-	-	-	76,398
Reinsurance Loss Expenses Ceded	-	-	-	(888)	-	-	-	-	-	-	-	-	-	-	(888)
Total	75,278	6,385	1,815	16,881	-	-	-	-	-	-	-	-	-	-	100,359
UNPAID LOSS EXPENSES (PRIOR PERIOD)*															
Fire	-	7,727	8,175	45,570	-	-	-	-	-	-	-	-	-	-	61,472
E.C. & VMM	-	55,098	1,423	750	-	-	-	-	-	-	-	-	-	-	57,271
Reinsurance Loss Expenses Ceded	-	-	(94)	(2,316)	-	-	-	-	-	-	-	-	-	-	(2,410)
Total	-	62,825	9,504	44,004	-	-	-	-	-	-	-	-	-	-	116,333
INCURRED LOSS EXPENSES:															
Fire	28,146	15,992	5,057	36,486	402	-	-	-	-	-	-	-	-	-	86,083
E.C. & VMM	215,538	263,903	74,290	17,198	2,432	-	1,725	-	-	-	-	-	-	-	575,086
Reinsurance Loss Expenses Ceded	-	-	(253)	(2,693)	(135)	-	-	-	-	-	-	-	-	-	(3,081)
Total	\$ 243,684	\$ 279,895	\$ 79,094	\$ 50,991	\$ 2,699	\$ -	\$ 1,725	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 658,088

*Includes IBNR

See Accountant's Compilation Report