

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JANUARY 31, 2020

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JANUARY 31, 2020

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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, 2020, 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 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  
March 4, 2020

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS**  
**As of January 31, 2020**

**EXHIBIT 1**

	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Admitted Assets</u>
<b><u>ASSETS</u></b>			
Cash and short-term investments	\$ 61,864,011		\$ 61,864,011
Bonds	53,128,975		53,128,975
Accounts receivable	155	155	-
Interest accrued	328,198		328,198
Furniture and equipment - net of depreciation	71,353	71,353	-
Data processing equipment - net of depreciation	102,826		102,826
Programming - net of amortization	260,856	260,856	-
Leasehold improvements - net of depreciation	522,739	522,739	-
Reinsurance:			
Prepaid reinsurance	509,390		509,390
Amounts recoverable from reinsurers	12,423		12,423
Section 444 Deposit (I.R.S.)	339,894		339,894
Prepaid expense	29,000	29,000	-
Total Assets	<u>117,169,820</u>	<u>884,103</u>	<u>116,285,717</u>
<b><u>LIABILITIES AND SURPLUS</u></b>			
Reserves - net of ceded			
Unpaid losses (include IBNR)			786,333
Unpaid loss adjustment expenses			78,634
Unearned premiums			11,141,071
Total Reserves			<u>12,006,038</u>
Payables for:			
Premium taxes			9,033
Operating expenses and other accounts payable			254,869
Amounts withheld for accounts of others			152,205
Liability for pension benefits			277,097
Contributions and grants payable			200,000
Premiums received in advance			942,600
Total Payables			<u>1,835,804</u>
Total Liabilities			<u>13,841,842</u>
Members' Surplus			96,298,143
Retained Surplus			6,145,732
Total Surplus			<u>102,443,875</u>
Total Liabilities and Surplus			<u>\$ 116,285,717</u>

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF OPERATIONS AND CHANGES IN SURPLUS**  
**Quarter Ended January 31, 2020**

**EXHIBIT 2**

	<b>Quarter 11/01/2019 - 01/31/2020</b>	<b>Year-To-Date 11/1/2019 - 01/31/2020</b>
	<u>                    </u>	<u>                    </u>
<b>UNDERWRITING INCOME:</b>		
Premiums earned	\$ 3,036,877	\$ 3,036,877
	<u>                    </u>	<u>                    </u>
<b>DEDUCTIONS:</b>		
Losses incurred	887,903	887,903
Loss expenses incurred	145,622	145,622
Operating expenses incurred	1,303,391	1,303,391
Total deductions	<u>2,336,916</u>	<u>2,336,916</u>
Net Underwriting Gain or (Loss)	<u>699,961</u>	<u>699,961</u>
	<u>                    </u>	<u>                    </u>
<b>OTHER INCOME (EXPENSE):</b>		
Investment income	579,237	579,237
Realized gains (losses)	(9)	(9)
Other income	(21)	(21)
Service & agency Fees	110,425	110,425
Total other income	<u>689,632</u>	<u>689,632</u>
Net Income	<u>\$ 1,389,593</u>	<u>\$ 1,389,593</u>
	<u>                    </u>	<u>                    </u>
<b>SURPLUS:</b>		
Surplus (prior period)	101,016,026	101,016,026
Net income	1,389,593	1,389,593
Change in assets not admitted	38,256	38,256
Net change in surplus	<u>1,427,849</u>	<u>1,427,849</u>
Surplus (current period)	<u>\$ 102,443,875</u>	<u>\$ 102,443,875</u>

*See Accountant's Compilation Report*

**SUPPLEMENTARY INFORMATION**

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended January 31, 2020

EXHIBIT 3A - Quarterly

Quarterly 11/01/2019 - 01/31/2020

Description	Policy Year													Total		
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008		2007	2006
<b>INCOME RECEIVED:</b>																
Premiums Written	\$ 4,407,691	\$ (282,714)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,124,977
Reinsurance Premium Ceded	(2,930,853)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,930,853)
Net Premiums Written	1,476,838	(282,714)	-	-	-	-	-	-	-	-	-	-	-	-	-	1,194,124
Interest Received	251,039	293,838	-	-	-	-	-	-	-	-	-	-	-	-	-	544,877
Realized Gains (Losses)	(9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(9)
Other Income	(21)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(21)
Service & Agency Fees	110,425	-	-	-	-	-	-	-	-	-	-	-	-	-	-	110,425
Total Income	1,838,272	11,124	-	-	-	-	-	-	-	-	-	-	-	-	-	1,849,396
<b>EXPENSES PAID:</b>																
Losses	33,785	575,461	517,574	10,897	(33,250)	-	-	694	-	-	-	-	-	-	-	1,105,161
Loss Adjustment Expenses	6,199	121,415	12,871	22,524	2,989	-	-	1,349	-	-	-	-	-	-	-	167,347
Commissions	241,513	122,067	-	-	-	-	-	-	-	-	-	-	-	-	-	363,580
Operating Expenses	529,543	353,724	-	-	-	-	-	-	-	-	-	-	-	-	-	883,267
Contributions and Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	138,846	101,898	-	-	-	-	-	-	-	-	-	-	-	-	-	240,744
Total Expenses Paid	949,886	1,274,565	530,445	33,421	(30,261)	-	-	2,043	-	-	-	-	-	-	-	2,760,099
Net Cash Change	888,386	(1,263,441)	(530,445)	(33,421)	30,261	-	-	(2,043)	-	-	-	-	-	-	-	(910,703)
<b>RESERVES:</b>																
<i>DEDUCT (CURRENT PERIOD)</i>																
Unpaid Losses (include IBNR)	87,794	467,928	64,129	-	166,482	-	-	-	-	-	-	-	-	-	-	786,333
Unpaid Loss Adj. Expenses	8,780	46,793	6,413	-	16,648	-	-	-	-	-	-	-	-	-	-	78,634
Operating Expenses	407,074	-	-	-	-	-	-	-	-	-	-	-	-	-	-	407,074
Contributions and Grants	-	-	-	-	-	-	-	55,777	17,189	10,477	-	116,557	-	-	-	200,000
Unearned Premiums	3,817,095	7,323,976	-	-	-	-	-	-	-	-	-	-	-	-	-	11,141,071
Premium Taxes	9,033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,033
<i>ADD (PRIOR 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
Net Reserve Change	(4,329,776)	6,573,501	(309)	19,960	2,560	-	-	-	-	-	-	-	-	-	-	2,265,936
<b>OTHER CHANGES:</b>																
<i>DEDUCT (PRIOR PERIOD)</i>																
Interest Accrued	-	293,838	-	-	-	-	-	-	-	-	-	-	-	-	-	293,838
Assets Not Admitted	-	(922,359)	-	-	-	-	-	-	-	-	-	-	-	-	-	(922,359)
<i>ADD (CURRENT PERIOD)</i>																
Interest Accrued	328,198	-	-	-	-	-	-	-	-	-	-	-	-	-	-	328,198
Assets Not Admitted	(884,103)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(884,103)
Net Other Changes	(555,905)	628,521	-	-	-	-	-	-	-	-	-	-	-	-	-	72,616
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	528,140	-	-	-	-	-	-	-	-	-	-	-	-	-	-	528,140
Change in Members' Surplus Increase (Decrease)	\$ (4,525,435)	\$ 5,938,581	\$ (530,754)	\$ (13,461)	\$ 32,821	\$ -	\$ -	\$ (2,043)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 899,709

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended January 31, 2020

EXHIBIT 3A - Year-to-Date

Description	Year-to-Date 11/01/2019 - 01/31/2020															Total	
	2020	2019	2018	2017	2016	2015	2014	2013	2012	Policy Year		2010	2009	2008	2007		2006
<b>INCOME RECEIVED:</b>																	
Premiums Written	\$ 4,407,691	\$ (282,714)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Reinsurance Premium Ceded	(2,930,853)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Premiums Written	1,476,838	(282,714)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Received	251,039	293,838	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Realized Gains (Losses)	(9)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	(21)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service & Agency Fees	110,425	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>1,838,272</b>	<b>11,124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENSES PAID:</b>																	
Losses	33,785	575,461	517,574	10,897	(33,250)	-	-	694	-	-	-	-	-	-	-	-	-
Loss Adjustment Expenses	6,199	121,415	12,871	22,524	2,989	-	-	1,349	-	-	-	-	-	-	-	-	-
Commissions	241,513	122,067	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	529,543	353,724	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions and Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	138,846	101,898	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses Paid</b>	<b>949,886</b>	<b>1,274,565</b>	<b>530,445</b>	<b>33,421</b>	<b>(30,261)</b>	<b>-</b>	<b>-</b>	<b>2,043</b>	<b>-</b>								
<b>Net Cash Change</b>	<b>888,386</b>	<b>(1,263,441)</b>	<b>(530,445)</b>	<b>(33,421)</b>	<b>30,261</b>	<b>-</b>	<b>-</b>	<b>(2,043)</b>	<b>-</b>								
<b>RESERVES:</b>																	
<i>DEDUCT (CURRENT PERIOD)</i>																	
Unpaid Losses (include IBNR)	87,794	467,928	64,129	-	166,482	-	-	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	8,780	46,793	6,413	-	16,648	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	407,074	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions and Grants	-	-	-	-	-	-	-	55,777	17,189	10,477	-	116,557	-	-	-	-	-
Unearned Premiums	3,817,095	7,323,976	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	9,033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>ADD (PRIOR PERIOD)</i>																	
Unpaid Losses (include IBNR)	-	752,789	63,848	18,145	168,809	-	-	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	-	75,278	6,385	1,815	16,881	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	498,409	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributions and Grants	-	-	-	-	-	-	-	55,777	17,189	10,477	-	116,557	-	-	-	-	-
Unearned Premiums	-	12,983,824	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	-	101,898	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Reserve Change</b>	<b>(4,329,776)</b>	<b>6,573,501</b>	<b>(309)</b>	<b>19,960</b>	<b>2,560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER CHANGES:</b>																	
<i>DEDUCT (PRIOR PERIOD)</i>																	
Interest Accrued	-	293,838	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets Not Admitted	-	(922,359)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>																	
Interest Accrued	328,198	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets Not Admitted	(884,103)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Other Changes</b>	<b>(555,905)</b>	<b>628,521</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Change in Retained Surplus Increase (Decrease)</b>	<b>528,140</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Change in Members' Surplus Increase (Decrease)</b>	<b>\$ (4,525,435)</b>	<b>\$ 5,938,581</b>	<b>\$ (530,754)</b>	<b>\$ (13,461)</b>	<b>\$ 32,821</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (2,043)</b>	<b>\$ -</b>	<b>\$ 899,709</b>							

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**MEMBERS' SURPLUS FOR UNSETTLED YEARS**  
**Inception to Quarter Ended January 31, 2020**

Exhibit 3B

Description	Policy Year														Total
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
<b>INCOME RECEIVED:</b>															
Premiums Written	\$ 4,407,691	\$ 24,302,614	\$ 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	\$ 441,690,001
Reinsurance Premiums Ceded	(2,930,853)	(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)	(215,761,053)
Net Premiums Written	1,476,838	13,526,191	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	225,928,948
Interest Received	251,039	2,419,573	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	8,220,997
Realized Gains (Losses)	(9)	4,852	(22,930)	(57)	-	-	-	-	(34,522)	-	-	-	-	-	(52,666)
Other Income	(21)	(74)	87	188	43	12	43	-	8	1,070	153	3,391	3,670	40	8,610
Service & Agency Fees	110,425	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	7,676,615
Gain (loss) on sale of non admitted asset	-	19,632	-	(15,624)	(22,707)	-	-	-	-	-	-	100	623	(203)	(18,179)
Total Income	1,838,272	16,489,298	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	241,764,325
<b>EXPENSES PAID:</b>															
Losses	33,785	1,669,743	3,257,691	3,683,380	4,537,652	4,441,652	3,193,725	3,415,822	3,264,442	1,326,634	988,594	874,566	512,315	930,913	32,130,914
Loss Adjustment Expenses	6,199	289,821	529,921	716,011	746,665	586,864	584,234	579,876	400,549	230,657	118,628	22,717	14,945	17,029	4,844,116
Commissions	241,513	1,939,744	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	35,924,437
Operating Expenses	529,543	3,626,607	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	37,173,428
Premium Taxes	138,846	853,759	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	15,610,665
Total Expenses Paid	949,886	8,379,674	10,647,397	11,706,380	12,690,129	13,261,562	12,186,187	12,228,969	11,701,842	9,298,760	7,779,537	5,414,261	5,108,367	4,330,609	125,683,560
Net Cash Change	888,386	8,109,624	4,601,361	2,019,087	766,304	5,601,066	11,526,129	13,566,214	15,801,975	18,468,291	12,530,791	4,802,544	8,418,382	8,980,611	116,080,765
<b>RESERVES:</b>															
<b>DEDUCT (CURRENT PERIOD)</b>															
Unpaid Losses (include IBNR)	87,794	467,928	64,129	-	166,482	-	-	-	-	-	-	-	-	-	786,333
Unpaid Loss Adjustment Expenses	8,780	46,793	6,413	-	16,648	-	-	-	-	-	-	-	-	-	78,634
Operating Expenses	407,074	-	-	-	-	-	-	-	-	-	-	-	-	-	407,074
Unearned Premiums	3,817,095	7,323,976	-	-	-	-	-	-	-	-	-	-	-	-	11,141,071
Premium Taxes	9,033	-	-	-	-	-	-	-	-	-	-	-	-	-	9,033
Total Reserves	4,329,776	7,838,697	70,542	-	183,130	-	-	-	-	-	-	-	-	-	12,422,145
<b>OTHER CHANGES:</b>															
<b>ADD (DEDUCT)</b>															
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	328,198	-	-	-	-	-	-	-	-	-	-	-	-	-	328,198
Assets Not Admitted	(884,103)	-	-	-	-	-	-	-	-	-	-	-	-	-	(884,103)
Retained Surplus	(528,140)	(2,226,865)	(1,642,342)	(566,470)	(345,818)	(288,215)	(319,649)	(284,009)	(17,189)	(10,477)	-	-	-	-	(6,229,174)
Total Other Changes	(1,084,045)	(2,543,701)	(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)	(7,360,477)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (4,525,435)	\$ (2,272,774)	\$ 3,164,656	\$ 1,413,686	\$ 76,144	\$ 5,327,186	\$ 10,906,973	\$ 13,397,671	\$ 15,657,507	\$ 18,420,823	\$ 12,558,539	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ 96,298,143

**Notes:**  
October 31, 2009 plan year: Closed

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**RETAINED SURPLUS**

**Inception to Quarter Ended January 31, 2020**

**Exhibit 3C**

Description	Policy Year											Total
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2009	
<b>INCOME RECEIVED:</b>												
Interest Received	\$ 251,039	\$ 2,419,573	\$ 1,851,667	\$ 702,154	\$ 370,455	\$ 322,544	\$ 348,507	\$ 326,657	\$ 95,204	\$ 40,332	\$ -	\$ 6,728,132
Realized Gains (Losses)	(9)	4,852	(22,930)	(57)	-	-	-	-	(34,521)	-	-	(52,665)
Total Income	251,030	2,424,425	1,828,737	702,097	370,455	322,544	348,507	326,657	60,683	40,332	-	6,675,467
<b>EXPENSES PAID:</b>												
Operating Expenses	51,088	197,560	186,395	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,800,000	5,574,490
Total Expenses Paid	51,088	197,560	186,395	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,800,000	5,574,490
Net Cash Change	199,942	2,226,865	1,642,342	566,470	345,818	288,216	319,649	284,009	17,189	10,477	(4,800,000)	1,100,977
<b>RESERVES:</b>												
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
<b>OTHER CHANGES:</b>												
ADD (DEDUCT)												
Interest Accrued	328,198	-	-	-	-	-	-	-	-	-	-	328,198
Total Other Changes	328,198	-	-	-	-	-	-	-	-	-	-	328,198
Net Income Retained	-	-	-	-	-	-	-	-	-	-	4,916,557	4,916,557
Retained Surplus	\$ 528,140	\$ 2,226,865	\$ 1,642,342	\$ 566,470	\$ 345,818	\$ 288,216	\$ 319,649	\$ 228,232	\$ -	\$ -	\$ -	\$ 6,145,732

**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 January 31, 2020**

**EXHIBIT 4A - Quarterly**

Description	Quarterly 11/01/2019 - 01/31/2020													Total		
	2020	2019	2018	2017	2016	2015	2014	Policy Year		2011	2010	2008	2007		2006	
<b>PREMIUMS WRITTEN:</b>																
Fire	\$ 287,624	\$ (16,409)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,215
E.C. & VMM	4,120,067	(266,305)	-	-	-	-	-	-	-	-	-	-	-	-	-	3,853,762
Reinsurance Premium Ceded	(2,930,853)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,930,853)
<b>Total</b>	<b>1,476,838</b>	<b>(282,714)</b>	<b>-</b>	<b>1,194,124</b>												
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>																
Fire	-	772,926	-	-	-	-	-	-	-	-	-	-	-	-	-	772,926
E.C. & VMM	-	12,210,898	-	-	-	-	-	-	-	-	-	-	-	-	-	12,210,898
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>12,983,824</b>	<b>-</b>	<b>12,983,824</b>												
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>																
Fire	246,739	433,522	-	-	-	-	-	-	-	-	-	-	-	-	-	680,261
E.C. & VMM	3,570,356	6,890,454	-	-	-	-	-	-	-	-	-	-	-	-	-	10,460,810
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,817,095</b>	<b>7,323,976</b>	<b>-</b>	<b>11,141,071</b>												
<b>EARNED PREMIUMS:</b>																
Fire	40,885	322,995	-	-	-	-	-	-	-	-	-	-	-	-	-	363,880
E.C. & VMM	549,711	5,054,139	-	-	-	-	-	-	-	-	-	-	-	-	-	5,603,850
Reinsurance Earned Ceded	(2,930,853)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,930,853)
<b>Total</b>	<b>\$ (2,340,257)</b>	<b>\$ 5,377,134</b>	<b>\$ -</b>	<b>\$ 3,036,877</b>												

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF PREMIUMS**  
**Quarter Ended January 31, 2020**

**EXHIBIT 4A - Year-to-Date**

Description	Year-to-Date 11/01/2019 - 01/31/2020													Total		
	2020	2019	2018	2017	2016	2015	2014	Policy Year		2011	2010	2008	2007		2006	
<b>PREMIUMS WRITTEN:</b>																
Fire	\$ 287,624	\$ (16,409)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 271,215
E.C. & VMM	4,120,067	(266,305)	-	-	-	-	-	-	-	-	-	-	-	-	-	3,853,762
Reinsurance Premium Ceded	(2,930,853)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,930,853)
<b>Total</b>	<b>1,476,838</b>	<b>(282,714)</b>	<b>-</b>	<b>1,194,124</b>												
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>																
Fire	-	772,926	-	-	-	-	-	-	-	-	-	-	-	-	-	772,926
E.C. & VMM	-	12,210,898	-	-	-	-	-	-	-	-	-	-	-	-	-	12,210,898
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>12,983,824</b>	<b>-</b>	<b>12,983,824</b>												
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>																
Fire	246,739	433,522	-	-	-	-	-	-	-	-	-	-	-	-	-	680,261
E.C. & VMM	3,570,356	6,890,454	-	-	-	-	-	-	-	-	-	-	-	-	-	10,460,810
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,817,095</b>	<b>7,323,976</b>	<b>-</b>	<b>11,141,071</b>												
<b>EARNED PREMIUMS:</b>																
Fire	40,885	322,995	-	-	-	-	-	-	-	-	-	-	-	-	-	363,880
E.C. & VMM	549,711	5,054,139	-	-	-	-	-	-	-	-	-	-	-	-	-	5,603,850
Reinsurance Earned Ceded	(2,930,853)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,930,853)
<b>Total</b>	<b>\$ (2,340,257)</b>	<b>\$ 5,377,134</b>	<b>\$ -</b>	<b>\$ 3,036,877</b>												

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSSES**  
**Quarter Ended January 31, 2020**

EXHIBIT 4B - Quarterly

Quarterly 11/01/2019 - 01/31/2020

Description	Policy Year													Total	
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006
<b>PAID LOSSES:</b>															
Fire	\$ 13,180	\$ 11,100	\$ 462,533	\$ -	\$ (35,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451,813
E.C. & VMM	20,605	564,361	55,041	10,897	-	-	-	694	-	-	-	-	-	-	651,598
Reinsurance Losses Ceded	-	-	-	-	1,750	-	-	-	-	-	-	-	-	-	1,750
Total	33,785	575,461	517,574	10,897	(33,250)	-	-	694	-	-	-	-	-	-	1,105,161
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>															
Fire	5,700	85,545	-	-	167,744	-	-	-	-	-	-	-	-	-	258,989
E.C. & VMM	82,094	382,383	64,129	-	7,500	-	-	-	-	-	-	-	-	-	536,106
Reinsurance Losses Ceded	-	-	-	-	(8,762)	-	-	-	-	-	-	-	-	-	(8,762)
Total	87,794	467,928	64,129	-	166,482	-	-	-	-	-	-	-	-	-	786,333
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>															
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
<b>INCURRED LOSSES:</b>															
Fire	18,880	25,592	462,533	(7,248)	(37,450)	-	-	-	-	-	-	-	-	-	462,307
E.C. & VMM	102,699	265,008	55,322	-	-	-	-	694	-	-	-	-	-	-	423,723
Reinsurance Losses Ceded	-	-	-	-	1,873	-	-	-	-	-	-	-	-	-	1,873
Total	121,579	290,600	517,855	(7,248)	(35,577)	-	-	694	-	-	-	-	-	-	887,903
<b>IBNR (CURRENT PERIOD)</b>															
Fire	5,700	22,979	-	-	-	-	-	-	-	-	-	-	-	-	28,679
E.C. & VMM	82,094	367,931	-	-	-	-	-	-	-	-	-	-	-	-	450,025
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	87,794	390,910	-	-	-	-	-	-	-	-	-	-	-	-	478,704
<b>IBNR (PRIOR PERIOD)</b>															
Fire	-	30,093	-	-	-	-	-	-	-	-	-	-	-	-	30,093
E.C. & VMM	-	460,139	-	-	-	-	-	-	-	-	-	-	-	-	460,139
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ -	\$ 490,232	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 490,232

\*Includes IBNR

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSSES**  
**Quarter Ended January 31, 2020**

**EXHIBIT 4B - Year-to-Date**

Description	Year-to-Date 11/01/2019 - 01/31/2020													Total	
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006
<b>PAID LOSSES:</b>															
Fire	\$ 13,180	\$ 11,100	\$ 462,533	\$ -	\$ (35,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 451,813
E.C. & VMM	20,605	564,361	55,041	10,897	-	-	-	694	-	-	-	-	-	-	\$ 651,598
Reinsurance Losses Ceded	-	-	-	-	1,750	-	-	-	-	-	-	-	-	-	\$ 1,750
<b>Total</b>	<b>33,785</b>	<b>575,461</b>	<b>517,574</b>	<b>10,897</b>	<b>(33,250)</b>	<b>-</b>	<b>-</b>	<b>694</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,105,161</b>
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>															
Fire	5,700	85,545	-	-	167,744	-	-	-	-	-	-	-	-	-	258,989
E.C. & VMM	82,094	382,383	64,129	-	7,500	-	-	-	-	-	-	-	-	-	536,106
Reinsurance Losses Ceded	-	-	-	-	(8,762)	-	-	-	-	-	-	-	-	-	(8,762)
<b>Total</b>	<b>87,794</b>	<b>467,928</b>	<b>64,129</b>	<b>-</b>	<b>166,482</b>	<b>-</b>	<b>786,333</b>								
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>															
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)
<b>Total</b>	<b>-</b>	<b>752,789</b>	<b>63,848</b>	<b>18,145</b>	<b>168,809</b>	<b>-</b>	<b>1,003,591</b>								
<b>INCURRED LOSSES:</b>															
Fire	18,880	25,592	462,533	(7,248)	(37,450)	-	-	-	-	-	-	-	-	-	462,307
E.C. & VMM	102,699	265,008	55,322	-	-	-	-	694	-	-	-	-	-	-	423,723
Reinsurance Losses Ceded	-	-	-	-	1,873	-	-	-	-	-	-	-	-	-	1,873
<b>Total</b>	<b>121,579</b>	<b>290,600</b>	<b>517,855</b>	<b>(7,248)</b>	<b>(35,577)</b>	<b>-</b>	<b>-</b>	<b>694</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>887,903</b>
<b>IBNR (CURRENT PERIOD)</b>															
Fire	5,700	22,979	-	-	-	-	-	-	-	-	-	-	-	-	28,679
E.C. & VMM	82,094	367,931	-	-	-	-	-	-	-	-	-	-	-	-	450,025
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>87,794</b>	<b>390,910</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>478,704</b>
<b>IBNR (PRIOR PERIOD)</b>															
Fire	-	30,093	-	-	-	-	-	-	-	-	-	-	-	-	30,093
E.C. & VMM	-	460,139	-	-	-	-	-	-	-	-	-	-	-	-	460,139
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 490,232</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 490,232</b>

\*Includes IBNR

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended January 31, 2020**

**EXHIBIT 4C - Quarterly**

Quarterly 11/01/2019 - 01/31/2020

Description	Policy Year														Total
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
<b>LOSS EXPENSES PAID:</b>															
Fire	\$ 1,322	\$ 18,394	\$ -	\$ 20,536	\$ 3,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,397
E.C. & VMM	4,877	103,021	12,871	1,988	-	-	-	1,349	-	-	-	-	-	-	124,106
Reinsurance Loss Expenses Ceded	-	-	-	-	(156)	-	-	-	-	-	-	-	-	-	(156)
Total	6,199	121,415	12,871	22,524	2,989	-	-	1,349	-	-	-	-	-	-	167,347
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>															
Fire	570	8,555	-	-	16,774	-	-	-	-	-	-	-	-	-	25,899
E.C. & VMM	8,210	38,238	6,413	-	750	-	-	-	-	-	-	-	-	-	53,611
Reinsurance Loss Expenses Ceded	-	-	-	-	(876)	-	-	-	-	-	-	-	-	-	(876)
Total	8,780	46,793	6,413	-	16,648	-	-	-	-	-	-	-	-	-	78,634
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>															
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
<b>INCURRED LOSS EXPENSES:</b>															
Fire	1,892	19,844	-	19,811	2,900	-	-	-	-	-	-	-	-	-	44,447
E.C. & VMM	13,087	73,086	12,899	898	-	-	-	1,349	-	-	-	-	-	-	101,319
Reinsurance Loss Expenses Ceded	-	-	-	-	(144)	-	-	-	-	-	-	-	-	-	(144)
Total	\$ 14,979	\$ 92,930	\$ 12,899	\$ 20,709	\$ 2,756	\$ -	\$ -	\$ 1,349	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,622

\*Includes IBNR

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended January 31, 2020**

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

**Year-to-Date 11/01/2019 - 01/31/2020**

Description	Policy Year													Total	
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006
<b>LOSS EXPENSES PAID:</b>															
Fire	\$ 1,322	\$ 18,394	\$ -	\$ 20,536	\$ 3,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,397
E.C. & VMM	4,877	103,021	12,871	1,988	-	-	-	1,349	-	-	-	-	-	-	124,106
Reinsurance Loss Expenses Ceded	-	-	-	-	(156)	-	-	-	-	-	-	-	-	-	(156)
<b>Total</b>	<b>6,199</b>	<b>121,415</b>	<b>12,871</b>	<b>22,524</b>	<b>2,989</b>	<b>-</b>	<b>-</b>	<b>1,349</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>167,347</b>
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>															
Fire	570	8,555	-	-	16,774	-	-	-	-	-	-	-	-	-	25,899
E.C. & VMM	8,210	38,238	6,413	-	750	-	-	-	-	-	-	-	-	-	53,611
Reinsurance Loss Expenses Ceded	-	-	-	-	(876)	-	-	-	-	-	-	-	-	-	(876)
<b>Total</b>	<b>8,780</b>	<b>46,793</b>	<b>6,413</b>	<b>-</b>	<b>16,648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,634</b>
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>															
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)
<b>Total</b>	<b>-</b>	<b>75,278</b>	<b>6,385</b>	<b>1,815</b>	<b>16,881</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,359</b>
<b>INCURRED LOSS EXPENSES:</b>															
Fire	1,892	19,844	-	19,811	2,900	-	-	-	-	-	-	-	-	-	44,447
E.C. & VMM	13,087	73,086	12,899	898	-	-	-	1,349	-	-	-	-	-	-	101,319
Reinsurance Loss Expenses Ceded	-	-	-	-	(144)	-	-	-	-	-	-	-	-	-	(144)
<b>Total</b>	<b>\$ 14,979</b>	<b>\$ 92,930</b>	<b>\$ 12,899</b>	<b>\$ 20,709</b>	<b>\$ 2,756</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,349</b>	<b>\$ -</b>	<b>\$ 145,622</b>					

\*Includes IBNR