

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JANUARY 31, 2019

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JANUARY 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 January 31, 2019, 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
April 1, 2019

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

EXHIBIT 1

	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Admitted Assets</u>
<u>ASSETS</u>			
Cash and short-term investments	\$ 49,750,823		\$ 49,750,822
Bonds	61,854,319		61,854,319
Accounts receivable	26	26	-
Interest accrued	315,381		315,381
Furniture and equipment - net of depreciation	122,017	122,017	-
Data processing equipment - net of depreciation	41,566		41,566
Programming - net of amortization	324,467	324,467	-
Leasehold improvements - net of depreciation	541,363	541,363	-
Reinsurance:			
Prepaid reinsurance	841,667		841,667
Amounts recoverable from reinsurers	4,692		4,692
Section 444 Deposit (I.R.S.)	224,932		224,932
Total Assets	<u>114,021,253</u>	<u>987,873</u>	<u>113,033,379</u>
<u>LIABILITIES AND SURPLUS</u>			
Reserves - net of ceded			
Unpaid losses (include IBNR)			1,057,058
Unpaid loss adjustment expenses			105,708
Unearned premiums			12,528,359
Total Reserves			<u>13,691,125</u>
Payables for:			
Premium taxes			19,947
Operating expenses and other accounts payable			296,131
Amounts withheld for accounts of others			185,651
Accrued pension obligation			317,342
Contributions and grants payable			400,000
Premiums received in advance			1,212,741
Total Payables			<u>2,431,812</u>
Total Liabilities			<u>16,122,937</u>
Members' Surplus			92,964,928
Retained Surplus			3,945,514
Total Surplus			<u>96,910,442</u>
Total Liabilities and Surplus			<u>\$ 113,033,379</u>

See Accountant's Compilation Report

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

EXHIBIT 2

	Quarter 11/01/2018 - 01/31/2019	Year-To-Date 11/1/2018 - 01/31/2019
	<u> </u>	<u> </u>
UNDERWRITING INCOME:		
Premiums earned	\$ 4,129,103	\$ 4,129,103
	<u> </u>	<u> </u>
DEDUCTIONS:		
Losses incurred	510,897	510,897
Loss expenses incurred	158,428	158,428
Operating expenses incurred	1,405,409	1,405,409
Total deductions	<u>2,074,734</u>	<u>2,074,734</u>
Net Underwriting Gain or (Loss)	<u>2,054,369</u>	<u>2,054,369</u>
OTHER INCOME (EXPENSE):		
Investment income	603,041	603,041
Realized gains (losses)	15	15
Other income	(5)	(5)
Service & agency Fees	114,735	114,735
Gain on sale of non admitted asset	15,619	15,619
Total other income	<u>733,405</u>	<u>733,405</u>
Net Income	<u>\$ 2,787,774</u>	<u>\$ 2,787,774</u>
SURPLUS:		
Surplus (prior period)	94,108,090	94,108,090
Net income	2,787,774	2,787,774
Change in assets not admitted	14,578	14,578
Net change in surplus	<u>2,802,352</u>	<u>2,802,352</u>
Surplus (current period)	<u>\$ 96,910,442</u>	<u>\$ 96,910,442</u>

See Accountant's Compilation Report

SUPPLEMENTARY INFORMATION

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended January 31, 2019

EXHIBIT 3A - Quarterly

Quarterly 11/01/2018 - 01/31/2019

Description	Policy Year													Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007		2006
INCOME RECEIVED:															
Premiums Written	\$ 4,974,611	\$ (255,251)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,719,360
Reinsurance Premium Ceded	(2,525,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,525,000)
Net Premiums Written	2,449,611	(255,251)	-	-	-	-	-	-	-	-	-	-	-	-	2,194,360
Interest Received	287,660	222,587	-	-	-	-	-	-	-	-	-	-	-	-	510,247
Realized Gains (Losses)	15	-	-	-	-	-	-	-	-	-	-	-	-	-	15
Other Income	(5)	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)
Service & Agency Fees	114,735	-	-	-	-	-	-	-	-	-	-	-	-	-	114,735
Gain on sale of non admitted asset	15,619	-	-	-	-	-	-	-	-	-	-	-	-	-	15,619
Total Income	2,867,635	(32,664)	-	-	-	-	-	-	-	-	-	-	-	-	2,834,971
EXPENSES PAID:															
Losses	10,216	481,615	112,172	13,174	-	-	-	-	-	-	-	-	-	-	617,177
Loss Adjustment Expenses	2,206	115,080	25,976	25,791	-	-	-	-	-	-	-	-	-	-	169,053
Commissions	244,316	129,966	-	-	-	-	-	-	-	-	-	-	-	-	374,282
Operating Expenses	530,637	489,342	-	-	-	-	-	-	-	-	-	-	-	-	1,019,979
Contributions and Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	149,148	128,852	-	-	-	-	-	-	-	-	-	-	-	-	278,000
Total Expenses Paid	936,523	1,344,855	138,148	38,965	-	-	-	-	-	-	-	-	-	-	2,458,491
Net Cash Change	1,931,112	(1,377,519)	(138,148)	(38,965)	-	-	-	-	-	-	-	-	-	-	376,480
RESERVES:															
<i>DEDUCT (CURRENT PERIOD)</i>															
Unpaid Losses (include IBNR)	109,752	509,017	22,004	416,285	-	-	-	-	-	-	-	-	-	-	1,057,058
Unpaid Loss Adj. Expenses	10,976	50,902	2,201	41,629	-	-	-	-	-	-	-	-	-	-	105,708
Operating Expenses	481,782	-	-	-	-	-	-	-	-	-	-	-	-	-	481,782
Contributions and Grants	-	-	-	-	-	-	55,777	17,189	10,477	-	316,557	-	-	-	400,000
Unearned Premiums	4,271,936	8,256,423	-	-	-	-	-	-	-	-	-	-	-	-	12,528,359
Premium Taxes	19,947	-	-	-	-	-	-	-	-	-	-	-	-	-	19,947
<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	(4,894,393)	7,106,431	80,336	26,126	-	-	-	-	-	-	-	-	-	-	2,318,500
OTHER CHANGES:															
<i>DEDUCT (PRIOR PERIOD)</i>															
Interest Accrued	-	222,587	-	-	-	-	-	-	-	-	-	-	-	-	222,587
Assets Not Admitted	-	(1,002,451)	-	-	-	-	-	-	-	-	-	-	-	-	(1,002,451)
<i>ADD (CURRENT PERIOD)</i>															
Minimum Pension Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	315,381	-	-	-	-	-	-	-	-	-	-	-	-	-	315,381
Assets Not Admitted	(987,873)	-	-	-	-	-	-	-	-	-	-	-	-	-	(987,873)
Net Other Changes	(672,492)	779,864	-	-	-	-	-	-	-	-	-	-	-	-	107,372
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	554,787	-	-	-	-	-	-	-	-	-	-	-	-	-	554,787
Change in Members' Surplus Increase (Decrease)	\$ (4,190,560)	\$ 6,508,776	\$ (57,812)	\$ (12,839)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,247,565

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended January 31, 2019

EXHIBIT 3A - Year-to-Date

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

Description	Policy Year														Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006		
INCOME RECEIVED:																
Premiums Written	\$ 4,974,611	\$ (255,251)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,719,360
Reinsurance Premium Ceded	(2,525,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,525,000)
Net Premiums Written	2,449,611	(255,251)	-	-	-	-	-	-	-	-	-	-	-	-	-	2,194,360
Interest Received	287,660	222,587	-	-	-	-	-	-	-	-	-	-	-	-	-	510,247
Realized Gains (Losses)	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15
Other Income	(5)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)
Service & Agency Fees	114,735	-	-	-	-	-	-	-	-	-	-	-	-	-	-	114,735
Gain on sale of non admitted asset	15,619	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,619
Total Income	2,867,635	(32,664)	-	-	-	-	-	-	-	-	-	-	-	-	-	2,834,971
EXPENSES PAID:																
Losses	10,216	481,615	112,172	13,174	-	-	-	-	-	-	-	-	-	-	-	617,177
Loss Adjustment Expenses	2,206	115,080	25,976	25,791	-	-	-	-	-	-	-	-	-	-	-	169,053
Commissions	244,316	129,966	-	-	-	-	-	-	-	-	-	-	-	-	-	374,282
Operating Expenses	530,637	489,342	-	-	-	-	-	-	-	-	-	-	-	-	-	1,019,979
Contributions and Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	149,148	128,852	-	-	-	-	-	-	-	-	-	-	-	-	-	278,000
Total Expenses Paid	936,523	1,344,855	138,148	38,965	-	-	-	-	-	-	-	-	-	-	-	2,458,491
Net Cash Change	1,931,112	(1,377,519)	(138,148)	(38,965)	-	-	-	-	-	-	-	-	-	-	-	376,480
RESERVES:																
<i>DEDUCT (CURRENT PERIOD)</i>																
Unpaid Losses (include IBNR)	109,752	509,017	22,004	416,285	-	-	-	-	-	-	-	-	-	-	-	1,057,058
Unpaid Loss Adj. Expenses	10,976	50,902	2,201	41,629	-	-	-	-	-	-	-	-	-	-	-	105,708
Operating Expenses	481,782	-	-	-	-	-	-	-	-	-	-	-	-	-	-	481,782
Contributions and Grants	-	-	-	-	-	-	55,777	17,189	10,477	-	316,557	-	-	-	-	400,000
Unearned Premiums	4,271,936	8,256,423	-	-	-	-	-	-	-	-	-	-	-	-	-	12,528,359
Premium Taxes	19,947	-	-	-	-	-	-	-	-	-	-	-	-	-	-	19,947
<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	(4,894,393)	7,106,431	80,336	26,126	-	-	-	-	-	-	-	-	-	-	-	2,318,500
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	315,381	-	-	-	-	-	-	-	-	-	-	-	-	-	-	315,381
Assets Not Admitted	(987,873)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(987,873)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Changes	(672,492)	779,864	-	-	-	-	-	-	-	-	-	-	-	-	-	107,372
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	554,787	-	-	-	-	-	-	-	-	-	-	-	-	-	-	554,787
Change in Members' Surplus Increase (Decrease)	\$ (4,190,560)	\$ 6,508,776	\$ (57,812)	\$ (12,839)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,247,565

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
MEMBERS' SURPLUS FOR UNSETTLED YEARS
Inception to Quarter Ended January 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	\$ 4,974,611	\$ 26,826,109	\$ 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	\$ 418,260,585
Reinsurance Premiums Ceded	(2,525,000)	(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)	(204,578,777)
Net Premiums Written	2,449,611	13,128,282	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	213,681,808
Interest Received	287,660	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	5,838,045
Realized Gains (Losses)	15	(22,930)	(57)	-	-	-	-	(34,522)	-	-	-	-	-	(57,494)
Other Income	(5)	87	188	43	12	43	-	8	1,070	153	3,391	3,670	40	8,700
Service & Agency Fees	114,735	597,930	677,515	774,325	899,270	906,565	778,125	674,460	608,415	497,585	269,337	187,836	175,703	7,161,801
Gain (loss) on sale of non admitted asset	15,619	-	(15,624)	(22,707)	-	-	-	-	-	-	100	623	(203)	(22,192)
Total Income	2,867,635	15,555,036	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	226,610,668
EXPENSES PAID:														
Losses	10,216	1,419,865	3,382,938	4,246,922	4,434,455	3,193,725	3,408,410	3,264,442	1,326,634	988,594	874,566	512,315	930,913	27,993,995
Loss Adjustment Expenses	2,206	295,795	632,680	691,353	584,165	584,234	576,802	400,549	230,657	118,628	22,717	14,945	17,029	4,171,760
Commissions	244,316	2,138,000	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	34,011,998
Operating Expenses	530,637	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	33,547,915
Premium Taxes	149,148	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	14,767,208
Total Expenses Paid	936,523	8,599,947	11,322,607	12,344,087	13,251,666	12,186,187	12,218,483	11,701,842	9,298,760	7,779,537	5,414,261	5,108,367	4,330,609	114,492,876
Net Cash Change	1,931,112	6,955,089	2,402,860	1,112,346	5,610,962	11,526,129	13,576,700	15,801,975	18,468,291	12,530,791	4,802,544	8,418,382	8,980,611	112,117,792
RESERVES:														
DEDUCT (CURRENT PERIOD)														
Unpaid Losses (include IBNR)	109,752	509,017	22,004	416,285	-	-	-	-	-	-	-	-	-	1,057,058
Unpaid Loss Adjustment Expenses	10,976	50,902	2,201	41,629	-	-	-	-	-	-	-	-	-	105,708
Operating Expenses	481,782	-	-	-	-	-	-	-	-	-	-	-	-	481,782
Unearned Premiums	4,271,936	8,256,423	-	-	-	-	-	-	-	-	-	-	-	12,528,359
Premium Taxes	19,947	-	-	-	-	-	-	-	-	-	-	-	-	19,947
Total Reserves	4,894,393	8,816,342	24,205	457,914	-	-	-	-	-	-	-	-	-	14,192,854
OTHER CHANGES:														
ADD (DEDUCT)														
Minimum Pension Liability	-	276,179	(38,931)	(161,212)	14,335	(299,507)	115,466	(127,279)	(36,991)	27,748	(53,339)	46,800	(21,831)	(258,562)
Interest Accrued	315,381	-	-	-	-	-	-	-	-	-	-	-	-	315,381
Assets Not Admitted	(987,873)	-	-	-	-	-	-	-	-	-	-	-	-	(987,873)
Retained Surplus	(554,787)	(1,642,342)	(566,470)	(345,818)	(288,215)	(319,649)	(284,009)	(17,189)	(10,477)	-	-	-	-	(4,028,956)
Total Other Changes	(1,227,279)	(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)	(4,960,010)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (4,190,560)	\$ (3,227,416)	\$ 1,773,254	\$ 147,402	\$ 5,337,082	\$ 10,906,973	\$ 13,408,157	\$ 15,657,507	\$ 18,420,823	\$ 12,558,539	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ 92,964,928

Notes:

October 31, 2009 plan year: Closed

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

RETAINED SURPLUS

Inception to Quarter Ended January 31, 2019

Exhibit 3C

Description	Policy Year										
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2009	Total
INCOME RECEIVED:											
Interest Received	\$ 287,660	\$ 1,851,667	\$ 702,154	\$ 370,455	\$ 322,544	\$ 348,507	\$ 326,657	\$ 95,204	\$ 40,332	\$ -	\$ 4,345,180
Realized Gains (Losses)	15	(22,930)	(57)	-	-	-	-	(34,521)	-	-	(57,493)
Total Income	287,675	1,828,737	702,097	370,455	322,544	348,507	326,657	60,683	40,332	-	4,287,687
EXPENSES PAID:											
Operating Expenses	48,269	186,395	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,600,000	5,174,111
Total Expenses Paid	48,269	186,395	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,600,000	5,174,111
Net Cash Change	239,406	1,642,342	566,470	345,818	288,216	319,649	284,009	17,189	10,477	(4,600,000)	(886,424)
RESERVES:											
DEDUCT (CURRENT PERIOD)											
Contributions and Grants	-	-	-	-	-	-	55,777	17,189	10,477	316,557	400,000
Total Reserves	-	-	-	-	-	-	55,777	17,189	10,477	316,557	400,000
OTHER CHANGES:											
ADD (DEDUCT)											
Interest Accrued	315,381	-	-	-	-	-	-	-	-	-	315,381
Total Other Changes	315,381	-	-	-	-	-	-	-	-	-	315,381
Net Income Retained	-	-	-	-	-	-	-	-	-	4,916,557	4,916,557
Retained Surplus	\$ 554,787	\$ 1,642,342	\$ 566,470	\$ 345,818	\$ 288,216	\$ 319,649	\$ 228,232	\$ -	\$ -	\$ -	\$ 3,945,514

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, 2019

EXHIBIT 4A - Quarterly

Description	Quarterly 11/01/2018 - 01/31/2019												Total		
	2019	2018	2017	2016	2015	2014	Policy Year		2011	2010	2008	2007		2006	
PREMIUMS WRITTEN:															
Fire	\$ 355,939	\$ (18,567)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337,372
E.C. & VMM	4,618,672	(236,684)	-	-	-	-	-	-	-	-	-	-	-	-	4,381,988
Reinsurance Premium Ceded	(2,525,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,525,000)
Total	2,449,611	(255,251)	-	2,194,360											
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	307,511	523,223	-	-	-	-	-	-	-	-	-	-	-	-	830,734
E.C. & VMM	3,964,425	7,733,200	-	-	-	-	-	-	-	-	-	-	-	-	11,697,625
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	4,271,936	8,256,423	-	12,528,359											
EARNED PREMIUMS:															
Fire	48,428	380,535	-	-	-	-	-	-	-	-	-	-	-	-	428,963
E.C. & VMM	654,247	5,570,893	-	-	-	-	-	-	-	-	-	-	-	-	6,225,140
Reinsurance Earned Ceded	(2,525,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,525,000)
Total	\$ (1,822,325)	\$ 5,951,428	\$ -	\$ 4,129,103											

See Accountant's Compilation Report

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

EXHIBIT 4A - Year-to-Date

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

Description	Policy Year												Total		
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006	
PREMIUMS WRITTEN:															
Fire	\$ 355,939	\$ (18,567)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337,372
E.C. & VMM	4,618,672	(236,684)	-	-	-	-	-	-	-	-	-	-	-	-	4,381,988
Reinsurance Premium Ceded	(2,525,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,525,000)
Total	2,449,611	(255,251)	-	-	-	-	-	-	-	-	-	-	-	-	2,194,360
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	307,511	523,223	-	-	-	-	-	-	-	-	-	-	-	-	830,734
E.C. & VMM	3,964,425	7,733,200	-	-	-	-	-	-	-	-	-	-	-	-	11,697,625
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	4,271,936	8,256,423	-	-	-	-	-	-	-	-	-	-	-	-	12,528,359
EARNED PREMIUMS:															
Fire	48,428	380,535	-	-	-	-	-	-	-	-	-	-	-	-	428,963
E.C. & VMM	654,247	5,570,893	-	-	-	-	-	-	-	-	-	-	-	-	6,225,140
Reinsurance Earned Ceded	(2,525,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,525,000)
Total	\$ (1,822,325)	\$ 5,951,428	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,129,103

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF LOSSES

Quarter Ended January 31, 2019

EXHIBIT 4B - Quarterly

Description	Quarterly 11/01/2018 - 01/31/2019												Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006
PAID LOSSES:														
Fire	\$ -	\$ 48,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,096
E.C. & VMM	10,216	433,519	112,330	13,770	-	-	-	-	-	-	-	-	-	569,835
Reinsurance Losses Ceded	-	-	(158)	(596)	-	-	-	-	-	-	-	-	-	(754)
Total	10,216	481,615	112,172	13,174	-	617,177								
OUTSTANDING LOSSES (CURRENT PERIOD)*														
Fire	18,371	36,999	12,619	422,228	-	-	-	-	-	-	-	-	-	490,217
E.C. & VMM	91,381	472,018	9,385	15,967	-	-	-	-	-	-	-	-	-	588,751
Reinsurance Losses Ceded	-	-	-	(21,910)	-	-	-	-	-	-	-	-	-	(21,910)
Total	109,752	509,017	22,004	416,285	-	1,057,058								
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	18,371	7,822	(69,135)	(33,468)	-	-	-	-	-	-	-	-	-	(76,410)
E.C. & VMM	101,597	354,545	107,488	22,237	-	-	-	-	-	-	-	-	-	585,867
Reinsurance Losses Ceded	-	-	786	654	-	-	-	-	-	-	-	-	-	1,440
Total	119,968	362,367	39,139	(10,577)	-	510,897								
IBNR (CURRENT PERIOD)														
Fire	7,107	27,126	-	-	-	-	-	-	-	-	-	-	-	34,233
E.C. & VMM	91,381	406,569	-	-	-	-	-	-	-	-	-	-	-	497,950
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	98,488	433,695	-	-	-	-	-	-	-	-	-	-	-	532,183
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 LOSSES

Quarter Ended January 31, 2019

EXHIBIT 4B - Year-to-Date

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

Description	Policy Year												Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006
PAID LOSSES:														
Fire	\$ -	\$ 48,096	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,096
E.C. & VMM	10,216	433,519	112,330	13,770	-	-	-	-	-	-	-	-	-	569,835
Reinsurance Losses Ceded	-	-	(158)	(596)	-	-	-	-	-	-	-	-	-	(754)
Total	10,216	481,615	112,172	13,174	-	617,177								
OUTSTANDING LOSSES (CURRENT PERIOD)*														
Fire	18,371	36,999	12,619	422,228	-	-	-	-	-	-	-	-	-	490,217
E.C. & VMM	91,381	472,018	9,385	15,967	-	-	-	-	-	-	-	-	-	588,751
Reinsurance Losses Ceded	-	-	-	(21,910)	-	-	-	-	-	-	-	-	-	(21,910)
Total	109,752	509,017	22,004	416,285	-	1,057,058								
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	18,371	7,822	(69,135)	(33,468)	-	-	-	-	-	-	-	-	-	(76,410)
E.C. & VMM	101,597	354,545	107,488	22,237	-	-	-	-	-	-	-	-	-	585,867
Reinsurance Losses Ceded	-	-	786	654	-	-	-	-	-	-	-	-	-	1,440
Total	119,968	362,367	39,139	(10,577)	-	510,897								
IBNR (CURRENT PERIOD)														
Fire	7,107	27,126	-	-	-	-	-	-	-	-	-	-	-	34,233
E.C. & VMM	91,381	406,569	-	-	-	-	-	-	-	-	-	-	-	497,950
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	98,488	433,695	-	-	-	-	-	-	-	-	-	-	-	532,183
IBNR (PRIOR PERIOD)														
Fire	-	-	41,231	-	-	-	-	-	-	-	-	-	-	41,231
E.C. & VMM	-	-	538,581	-	-	-	-	-	-	-	-	-	-	538,581
Reinsurance Losses Ceded	-	-	(14,892)	-	-	-	-	-	-	-	-	-	-	(14,892)
Total	\$ -	\$ -	\$ 564,920	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 564,920

*Includes IBNR

See Accountant's Compilation Report

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

EXHIBIT 4C - Quarterly

Quarterly 11/01/2018 - 01/31/2019

Description	Policy Year												Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006
LOSS EXPENSES PAID:														
Fire	\$ -	\$ 6,963	\$ 5,686	\$ 20,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,176
E.C. & VMM	2,206	108,117	20,352	6,621	-	-	-	-	-	-	-	-	-	137,296
Reinsurance Loss Expenses Ceded	-	-	(62)	(1,357)	-	-	-	-	-	-	-	-	-	(1,419)
Total	2,206	115,080	25,976	25,791	-	-	-	-	-	-	-	-	-	169,053
UNPAID LOSS EXPENSES (CURRENT PERIOD)*														
Fire	1,837	3,700	1,262	42,223	-	-	-	-	-	-	-	-	-	49,022
E.C. & VMM	9,139	47,202	939	1,597	-	-	-	-	-	-	-	-	-	58,877
Reinsurance Loss Expenses Ceded	-	-	-	(2,191)	-	-	-	-	-	-	-	-	-	(2,191)
Total	10,976	50,902	2,201	41,629	-	-	-	-	-	-	-	-	-	105,708
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	1,837	2,936	(1,227)	17,180	-	-	-	-	-	-	-	-	-	20,726
E.C. & VMM	11,345	100,221	19,868	7,468	-	-	-	-	-	-	-	-	-	138,902
Reinsurance Loss Expenses Ceded	-	-	32	(1,232)	-	-	-	-	-	-	-	-	-	(1,200)
Total	\$ 13,182	\$ 103,157	\$ 18,673	\$ 23,416	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,428

*Includes IBNR

See Accountant's Compilation Report

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

EXHIBIT 4C - Year-to-Date

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

Description	Policy Year												Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006
LOSS EXPENSES PAID:														
Fire	\$ -	\$ 6,963	\$ 5,686	\$ 20,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,176
E.C. & VMM	2,206	108,117	20,352	6,621	-	-	-	-	-	-	-	-	-	137,296
Reinsurance Loss Expenses Ceded	-	-	(62)	(1,357)	-	-	-	-	-	-	-	-	-	(1,419)
Total	2,206	115,080	25,976	25,791	-	-	-	-	-	-	-	-	-	169,053
UNPAID LOSS EXPENSES (CURRENT PERIOD)*														
Fire	1,837	3,700	1,262	42,223	-	-	-	-	-	-	-	-	-	49,022
E.C. & VMM	9,139	47,202	939	1,597	-	-	-	-	-	-	-	-	-	58,877
Reinsurance Loss Expenses Ceded	-	-	-	(2,191)	-	-	-	-	-	-	-	-	-	(2,191)
Total	10,976	50,902	2,201	41,629	-	-	-	-	-	-	-	-	-	105,708
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	1,837	2,936	(1,227)	17,180	-	-	-	-	-	-	-	-	-	20,726
E.C. & VMM	11,345	100,221	19,868	7,468	-	-	-	-	-	-	-	-	-	138,902
Reinsurance Loss Expenses Ceded	-	-	32	(1,232)	-	-	-	-	-	-	-	-	-	(1,200)
Total	\$ 13,182	\$ 103,157	\$ 18,673	\$ 23,416	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 158,428

*Includes IBNR

See Accountant's Compilation Report