

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JANUARY 31, 2015

ALABAMA INSURANCE UNDERWRITING ASSOCIATION  
STATUTORY FINANCIAL STATEMENTS

JANUARY 31, 2015

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## ACCOUNTANT'S COMPILATION REPORT

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

We have compiled the accompanying statutory statement of admitted assets, liabilities and surplus of Alabama Insurance Underwriting Association as of January 31, 2015, and the related accompanying statutory statement of operations and changes in surplus for the three months then ended, and the accompanying supplementary information, which is presented only for supplementary analysis purposes. The financial statements have been prepared in conformity with statutory accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the Insurance Department of the State of Alabama, which is a comprehensive basis of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with statutory accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the Insurance Department of the State of Alabama.

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

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

Management has elected to omit substantially all of the disclosures and the statement of cash flows ordinarily included in financial statements prepared in accordance with the statutory accounting practices. If the omitted disclosures and statement of cash flows were included in the financial statements, they might influence the user's conclusions about the admitted assets, liabilities, surplus, results of operations, and cash flows. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements do not include a provision or liability for federal income taxes because the members are taxed individually on their share of Association earnings.

We are not independent with respect to Alabama Insurance Underwriting Association because we performed certain accounting services that impaired our independence.



Foley, Alabama  
March 1, 2015

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS**  
**As of January 31, 2015**

**EXHIBIT 1**

	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Admitted Assets</u>
<b><u>ASSETS</u></b>			
Cash and short-term investments	\$ 58,934,169		\$ 58,934,169
Bonds	42,230,181		42,230,181
Accounts receivable	1,055	1,055	-
Interest accrued	85,399		85,399
Furniture and equipment - net of depreciation	93,861	93,861	-
Data processing equipment - net of depreciation	121,650		121,650
Programming - net of amortization	313,001	313,001	-
Leasehold improvements - net of depreciation	10,710	10,710	-
Prepaid reinsurance	1,825,000		1,825,000
Section 444 Deposit (I.R.S.)	1,015,686		1,015,686
Total Assets	<u>104,630,712</u>	<u>418,627</u>	<u>104,212,085</u>
<b><u>LIABILITIES AND SURPLUS</u></b>			
Reserves for:			
Unpaid losses (include IBNR)			1,302,496
Unpaid loss adjustment expenses			130,250
Unearned premiums			20,854,119
Total Reserves			<u>22,286,865</u>
Payables for:			
Premium taxes			29,219
Operating expenses and other accounts payable			450,114
Amounts withheld for accounts of others			78,339
Accrued Pension Obligation			348,311
Premiums received in advance			2,247,581
Total Payables			<u>3,153,564</u>
Total Liabilities			<u>25,440,429</u>
Members' Surplus			73,151,599
Retained Surplus			5,620,057
Total Surplus			<u>78,771,656</u>
Total Liabilities and Surplus			<u>\$ 104,212,085</u>

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF OPERATIONS AND SURPLUS**  
**Quarter Ended January 31, 2015**

**EXHIBIT 2**

	<b>Quarter 11/1/2014 - 01/31/2015</b>	<b>Year-To-Date 11/1/2014 - 01/31/2015</b>
	<u>                    </u>	<u>                    </u>
<b>UNDERWRITING INCOME:</b>		
Premiums Earned	\$ 4,983,979	\$ 4,983,979
<b>DEDUCTIONS:</b>		
Losses incurred	902,553	902,553
Loss expenses incurred	79,227	79,227
Operating expenses incurred	1,744,438	1,744,438
Total deductions	<u>2,726,218</u>	<u>2,726,218</u>
Net Underwriting Gain or (Loss)	<u>2,257,761</u>	<u>2,257,761</u>
<b>OTHER INCOME (EXPENSE):</b>		
Net investment income	80,411	80,411
Realized Gains (Losses)	-	-
Other Income	5	5
Service & Agency Fees	165,865	165,865
Total other income (expense)	<u>246,281</u>	<u>246,281</u>
Net Income or (Loss)	<u>\$ 2,504,042</u>	<u>\$ 2,504,042</u>
<b>SURPLUS:</b>		
Surplus (prior period)	76,330,720	76,330,720
Net income or (loss)	2,504,042	2,504,042
Change in assets not admitted	(63,106)	(63,106)
Net change in surplus	<u>2,440,936</u>	<u>2,440,936</u>
Surplus (current period)	<u>\$ 78,771,656</u>	<u>\$ 78,771,656</u>

*See Accountant's Compilation Report*

## SUPPLEMENTARY INFORMATION

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended January 31, 2015

EXHIBIT 3A - Quarterly

Quarterly 11/01/2014 - 01/31/2015

Description	Policy Year									
	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>INCOME RECEIVED:</b>										
Premiums Written	\$ 7,805,847	\$ (316,064)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,489,783
Reinsurance Premium Ceded	(5,475,000)	-	-	-	-	-	-	-	-	(5,475,000)
Net Premiums Written	2,330,847	(316,064)	-	-	-	-	-	-	-	2,014,783
Interest Received	(4,988)	183,785	-	-	-	-	-	-	-	178,797
Realized Gains (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	5	-	-	-	-	-	-	-	-	5
Service & Agency Fees	165,865	-	-	-	-	-	-	-	-	165,865
Total Income	2,491,729	(132,279)	-	-	-	-	-	-	-	2,359,450
<b>EXPENSES PAID:</b>										
Losses	13,549	1,082,944	175,494	(8,349)	-	-	-	-	-	1,263,638
Loss Adjustment Expenses	3,883	81,239	29,665	-	548	-	-	-	-	115,335
Commissions	379,905	251,909	-	-	-	-	-	-	-	631,814
Operating Expenses	605,800	251,172	-	-	-	-	-	-	-	856,972
Premium Taxes	226,346	242,201	-	-	-	-	-	-	-	468,547
Total Expenses Paid	1,229,483	1,909,465	205,159	(8,349)	548	-	-	-	-	3,336,306
Net Cash Change	1,262,246	(2,041,744)	(205,159)	8,349	(548)	-	-	-	-	(976,856)
<b>RESERVES:</b>										
<i>DEDUCT (CURRENT PERIOD)</i>										
Unpaid Losses (include IBNR)	403,383	895,962	3,151	-	-	-	-	-	-	1,302,496
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	40,338	89,597	315	-	-	-	-	-	-	130,250
Operating Expenses	528,453	-	-	-	-	-	-	-	-	528,453
Unearned Premiums	7,264,666	13,589,453	-	-	-	-	-	-	-	20,854,119
Premium Taxes	29,219	-	-	-	-	-	-	-	-	29,219
<i>ADD (PRIOR PERIOD)</i>										
Unpaid Losses (include IBNR)	-	1,621,344	42,237	-	-	-	-	-	-	1,663,581
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	-	162,134	4,224	-	-	-	-	-	-	166,358
Operating Expenses	-	528,366	-	-	-	-	-	-	-	528,366
Unearned Premiums	-	23,823,315	-	-	-	-	-	-	-	23,823,315
Premium Taxes	-	242,201	-	-	-	-	-	-	-	242,201
Net Reserve Change	(8,266,059)	11,802,348	42,995	-	-	-	-	-	-	3,579,284
<b>OTHER CHANGES:</b>										
<i>DEDUCT (PRIOR PERIOD)</i>										
Interest Accrued	-	183,785	-	-	-	-	-	-	-	183,785
Assets Not Admitted	-	(355,521)	-	-	-	-	-	-	-	(355,521)
<i>ADD (CURRENT PERIOD)</i>										
Minimum Pension Liability	-	-	-	-	-	-	-	-	-	-
Interest Accrued	85,399	-	-	-	-	-	-	-	-	85,399
Assets Not Admitted	(418,627)	-	-	-	-	-	-	-	-	(418,627)
Net Other Changes	(333,228)	171,736	-	-	-	-	-	-	-	(161,492)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	72,176	-	-	-	-	-	-	-	-	72,176
Change in Members' Surplus Increase (Decrease)	\$ (7,409,217)	\$ 9,932,340	\$ (162,164)	\$ 8,349	\$ (548)	\$ -	\$ -	\$ -	\$ -	\$ 2,368,760

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended January 31, 2015

EXHIBIT 3A - Year-to-Date

Description	Year-to-Date 11/01/2014 - 01/31/2015									
	2015	2014	2013	2012	2011	Policy Year 2010	2008	2007	2006	Total
<b>INCOME RECEIVED:</b>										
Premiums Written	\$ 7,805,847	\$ (316,064)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,489,783
Reinsurance Premium Ceded	(5,475,000)	-	-	-	-	-	-	-	-	(5,475,000)
Net Premiums Written	2,330,847	(316,064)	-	-	-	-	-	-	-	2,014,783
Interest Received	(4,988)	183,785	-	-	-	-	-	-	-	178,797
Realized Gains (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	5	-	-	-	-	-	-	-	-	5
Service & Agency Fees	165,865	-	-	-	-	-	-	-	-	165,865
Total Income	2,491,729	(132,279)	-	-	-	-	-	-	-	2,359,450
<b>EXPENSES PAID:</b>										
Losses	13,549	1,082,944	175,494	(8,349)	-	-	-	-	-	1,263,638
Loss Adjustment Expenses	3,883	81,239	29,665	-	548	-	-	-	-	115,335
Commissions	379,905	251,909	-	-	-	-	-	-	-	631,814
Operating Expenses	605,800	251,172	-	-	-	-	-	-	-	856,972
Premium Taxes	226,346	242,201	-	-	-	-	-	-	-	468,547
Total Expenses Paid	1,229,483	1,909,465	205,159	(8,349)	548	-	-	-	-	3,336,306
Net Cash Change	1,262,246	(2,041,744)	(205,159)	8,349	(548)	-	-	-	-	(976,856)
<b>RESERVES:</b>										
<i>DEDUCT (CURRENT PERIOD)</i>										
Unpaid Losses (include IBNR)	403,383	895,962	3,151	-	-	-	-	-	-	1,302,496
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	40,338	89,597	315	-	-	-	-	-	-	130,250
Operating Expenses	528,453	-	-	-	-	-	-	-	-	528,453
Unearned Premiums	7,264,666	13,589,453	-	-	-	-	-	-	-	20,854,119
Premium Taxes	29,219	-	-	-	-	-	-	-	-	29,219
<i>ADD (PRIOR PERIOD)</i>										
Unpaid Losses (include IBNR)	-	1,621,344	42,237	-	-	-	-	-	-	1,663,581
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	-	162,134	4,224	-	-	-	-	-	-	166,358
Operating Expenses	-	528,366	-	-	-	-	-	-	-	528,366
Unearned Premiums	-	23,823,315	-	-	-	-	-	-	-	23,823,315
Premium Taxes	-	242,201	-	-	-	-	-	-	-	242,201
Net Reserve Change	(8,266,059)	11,802,348	42,995	-	-	-	-	-	-	3,579,284
<b>OTHER CHANGES:</b>										
<i>DEDUCT (PRIOR PERIOD)</i>										
Interest Accrued	-	183,785	-	-	-	-	-	-	-	183,785
Assets Not Admitted	-	(355,521)	-	-	-	-	-	-	-	(355,521)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>										
Minimum Pension Liability	-	-	-	-	-	-	-	-	-	-
Interest Accrued	85,399	-	-	-	-	-	-	-	-	85,399
Assets Not Admitted	(418,627)	-	-	-	-	-	-	-	-	(418,627)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-
Net Other Changes	(333,228)	171,736	-	-	-	-	-	-	-	(161,492)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	72,176	-	-	-	-	-	-	-	-	72,176
Change in Members' Surplus Increase (Decrease)	\$ (7,409,217)	\$ 9,932,340	\$ (162,164)	\$ 8,349	\$ (548)	\$ -	\$ -	\$ -	\$ -	\$ 2,368,760

See Accountant's Compilation Report



**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**MEMBERS' SURPLUS FOR UNSETTLED YEARS**

Inception to Quarter Ended January 31, 2015

Exhibit 3B

Description	Policy Year									
	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>INCOME RECEIVED:</b>										
Premiums Written	\$ 7,805,847	\$ 44,304,428	\$ 45,411,235	\$ 45,970,663	\$ 45,112,079	\$ 37,491,975	\$ 24,452,221	\$ 23,456,599	\$ 17,328,303	\$ 291,333,350
Reinsurance Premiums Ceded	(5,475,000)	(21,331,250)	(20,720,834)	(19,201,996)	(17,994,845)	(17,700,790)	(14,994,792)	(10,799,284)	(4,500,230)	(132,719,021)
Net Premiums Written	2,330,847	22,973,178	24,690,401	26,768,667	27,117,234	19,791,185	9,457,429	12,657,315	12,828,073	158,614,329
Interest Received	(4,988)	348,507	326,657	95,204	40,332	21,405	486,548	677,305	307,607	2,298,577
Realized Gains (Losses)	-	-	-	(34,522)	-	-	-	-	-	(34,522)
Other Income	5	43	-	8	1,070	153	3,391	3,670	40	8,380
Service & Agency Fees	165,865	906,565	778,125	674,460	608,415	497,585	269,337	187,836	175,703	4,263,891
Gain (loss) on sale of non admitted asset	-	-	-	-	-	-	100	623	(203)	520
Total Income	2,491,729	24,228,293	25,795,183	27,503,817	27,767,051	20,310,328	10,216,805	13,526,749	13,311,220	165,151,175
<b>EXPENSES PAID:</b>										
Losses	13,549	2,233,219	3,144,716	3,264,442	1,326,634	988,594	874,566	512,315	930,913	13,288,948
Loss Adjustment Expenses	3,883	328,996	532,550	400,549	230,657	118,628	22,717	14,945	17,029	1,669,954
Commissions	379,905	3,536,779	3,626,442	3,677,749	3,629,595	2,994,514	1,961,534	2,235,084	1,744,247	23,785,849
Operating Expenses	605,800	3,340,955	3,009,063	2,734,196	2,524,526	2,327,766	1,699,718	1,497,748	1,014,262	18,754,034
Premium Taxes	226,346	1,556,033	1,597,766	1,624,906	1,587,348	1,350,035	855,726	848,275	624,158	10,270,593
Total Expenses Paid	1,229,483	10,995,982	11,910,537	11,701,842	9,298,760	7,779,537	5,414,261	5,108,367	4,330,609	67,769,378
Net Cash Change	1,262,246	13,232,311	13,884,646	15,801,975	18,468,291	12,530,791	4,802,544	8,418,382	8,980,611	97,381,797
<b>RESERVES:</b>										
DEDUCT (CURRENT PERIOD)										
Unpaid Losses (include IBNR)	403,383	895,962	3,151	-	-	-	-	-	-	1,302,496
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adjustment Expenses	40,338	89,597	315	-	-	-	-	-	-	130,250
Operating Expenses	528,453	-	-	-	-	-	-	-	-	528,453
Unearned Premiums	7,264,666	13,589,453	-	-	-	-	-	-	-	20,854,119
Premium Taxes	29,219	-	-	-	-	-	-	-	-	29,219
Total Reserves	8,266,059	14,575,012	3,466	-	-	-	-	-	-	22,844,537
<b>OTHER CHANGES:</b>										
ADD (DEDUCT)										
Minimum Pension Liability	-	(299,507)	115,466	(127,279)	(36,991)	27,748	(53,339)	46,800	(21,831)	(348,933)
Interest Accrued	85,399	-	-	-	-	-	-	-	-	85,399
Assets Not Admitted	(418,627)	-	-	-	-	-	-	-	-	(418,627)
Retained Surplus	(72,176)	(319,649)	(284,009)	(17,189)	(10,477)	-	-	-	-	(703,500)
Total Other Changes	(405,404)	(619,156)	(168,543)	(144,468)	(47,468)	27,748	(53,339)	46,800	(21,831)	(1,385,661)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (7,409,217)	\$ (1,961,857)	\$ 13,712,637	\$ 15,657,507	\$ 18,420,823	\$ 12,558,539	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ 73,151,599

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**RETAINED SURPLUS**

**Quarter Ended January 31, 2015**

**EXHIBIT 3C - Year-to-Date**

<b>Description</b>	<b>Policy Year</b>						<b>Total</b>
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2009</b>	
Retained Surplus Prior Period	\$ -	\$ 319,649	\$ 284,009	\$ 17,189	\$ 10,477	\$ 4,916,557	\$ 5,547,881
Change Increase (Decrease)	72,176	-	-	-	-	-	72,176
Retained Surplus Current Period	\$ 72,176	\$ 319,649	\$ 284,009	\$ 17,189	\$ 10,477	\$ 4,916,557	\$ 5,620,057

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**STATISTICAL REPORT OF PREMIUMS**

**Quarter Ended January 31, 2015**

**EXHIBIT 4A - Quarterly**

Description	Quarterly 11/01/2014 - 01/31/2015										
	2015	2014	2013	2012	2011	Policy Year 2010	2008	2007	2006	Total	
<b>PREMIUMS WRITTEN:</b>											
Fire	\$ 493,735	\$ (18,643)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 475,092
E.C. & VMM	7,312,112	(297,421)	-	-	-	-	-	-	-	-	7,014,691
Reinsurance Premium Ceded E.C.	(5,475,000)	-	-	-	-	-	-	-	-	-	(5,475,000)
<b>Total</b>	<b>2,330,847</b>	<b>(316,064)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,014,783</b>
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>											
Fire	-	1,126,741	-	-	-	-	-	-	-	-	1,126,741
E.C. & VMM	-	22,696,574	-	-	-	-	-	-	-	-	22,696,574
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>23,823,315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,823,315</b>
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>											
Fire	464,656	668,344	-	-	-	-	-	-	-	-	1,133,000
E.C. & VMM	6,800,010	12,921,109	-	-	-	-	-	-	-	-	19,721,119
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7,264,666</b>	<b>13,589,453</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,854,119</b>
<b>EARNED PREMIUMS:</b>											
Fire	29,079	439,754	-	-	-	-	-	-	-	-	468,833
E.C. & VMM	512,102	9,478,044	-	-	-	-	-	-	-	-	9,990,146
Reinsurance Earned Ceded E.C.	(5,475,000)	-	-	-	-	-	-	-	-	-	(5,475,000)
<b>Total</b>	<b>\$ (4,933,819)</b>	<b>\$ 9,917,798</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,983,979</b>

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**STATISTICAL REPORT OF PREMIUMS**

**Quarter Ended January 31, 2015**

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

**Year-to-Date 11/01/2014 - 01/31/2015**

Description	Policy Year									
	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>PREMIUMS WRITTEN:</b>										
Fire	\$ 493,735	\$ (18,643)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 475,092
E.C. & VMM	7,312,112	(297,421)	-	-	-	-	-	-	-	7,014,691
Reinsurance Premium Ceded E.C.	(5,475,000)	-	-	-	-	-	-	-	-	(5,475,000)
Total	2,330,847	(316,064)	-	-	-	-	-	-	-	2,014,783
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>										
Fire	-	1,126,741	-	-	-	-	-	-	-	1,126,741
E.C. & VMM	-	22,696,574	-	-	-	-	-	-	-	22,696,574
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-	-
Total	-	23,823,315	-	-	-	-	-	-	-	23,823,315
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>										
Fire	464,656	668,344	-	-	-	-	-	-	-	1,133,000
E.C. & VMM	6,800,010	12,921,109	-	-	-	-	-	-	-	19,721,119
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-	-
Total	7,264,666	13,589,453	-	-	-	-	-	-	-	20,854,119
<b>EARNED PREMIUMS:</b>										
Fire	29,079	439,754	-	-	-	-	-	-	-	468,833
E.C. & VMM	512,102	9,478,044	-	-	-	-	-	-	-	9,990,146
Reinsurance Earned Ceded E.C.	(5,475,000)	-	-	-	-	-	-	-	-	(5,475,000)
Total	\$ (4,933,819)	\$ 9,917,798	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,983,979

*See Accountant's Compilation Report*

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

Quarter Ended January 31, 2015

EXHIBIT 4B - Quarterly

Description	Quarterly 11/01/2014 - 01/31/2015									
	2015	2014	2013	2012	2011	Policy Year 2010	2008	2007	2006	Total
<b>PAID LOSSES:</b>										
Fire	\$ 6,116	\$ 948,127	\$ 4,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 958,998
E.C. & VMM	7,433	134,817	170,739	(8,349)	-	-	-	-	-	304,640
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-
Total	13,549	1,082,944	175,494	(8,349)	-	-	-	-	-	1,263,638
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>										
Fire	246,700	143,925	-	-	-	-	-	-	-	390,625
E.C. & VMM	156,683	752,037	3,151	-	-	-	-	-	-	911,871
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	403,383	895,962	3,151	-	-	-	-	-	-	1,302,496
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>										
Fire	-	323,450	1,025	-	-	-	-	-	-	324,475
E.C. & VMM	-	1,297,894	41,212	-	-	-	-	-	-	1,339,106
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	-	1,621,344	42,237	-	-	-	-	-	-	1,663,581
<b>INCURRED LOSSES:</b>										
Fire	252,816	768,602	3,730	-	-	-	-	-	-	1,025,148
E.C. & VMM	164,116	(411,040)	132,678	(8,349)	-	-	-	-	-	(122,595)
Total	416,932	357,562	136,408	(8,349)	-	-	-	-	-	902,553
<b>IBNR (CURRENT PERIOD)</b>										
Fire	10,700	32,319	-	-	-	-	-	-	-	43,019
E.C. & VMM	156,683	687,575	-	-	-	-	-	-	-	844,258
Total	167,383	719,894	-	-	-	-	-	-	-	887,277
<b>IBNR (PRIOR PERIOD)</b>										
Fire	-	59,263	-	-	-	-	-	-	-	59,263
E.C. & VMM	-	1,276,946	-	-	-	-	-	-	-	1,276,946
Total	\$ -	\$ 1,336,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,336,209

\*Includes IBNR

See Accountant's Compilation Report

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

Quarter Ended January 31, 2015

EXHIBIT 4B - Year-to-Date

Year-to-Date 11/01/2014 - 01/31/2015

Description	Policy Year									Total
	2015	2014	2013	2012	2011	2010	2008	2007	2006	
<b>PAID LOSSES:</b>										
Fire	\$ 6,116	\$ 948,127	\$ 4,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 958,998
E.C. & VMM	7,433	134,817	170,739	(8,349)	-	-	-	-	-	304,640
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-
Total	13,549	1,082,944	175,494	(8,349)	-	-	-	-	-	1,263,638
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>										
Fire	246,700	143,925	-	-	-	-	-	-	-	390,625
E.C. & VMM	156,683	752,037	3,151	-	-	-	-	-	-	911,871
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	403,383	895,962	3,151	-	-	-	-	-	-	1,302,496
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>										
Fire	-	323,450	1,025	-	-	-	-	-	-	324,475
E.C. & VMM	-	1,297,894	41,212	-	-	-	-	-	-	1,339,106
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	-	1,621,344	42,237	-	-	-	-	-	-	1,663,581
<b>INCURRED LOSSES:</b>										
Fire	252,816	768,602	3,730	-	-	-	-	-	-	1,025,148
E.C. & VMM	164,116	(411,040)	132,678	(8,349)	-	-	-	-	-	(122,595)
Total	416,932	357,562	136,408	(8,349)	-	-	-	-	-	902,553
<b>IBNR (CURRENT PERIOD)</b>										
Fire	10,700	32,319	-	-	-	-	-	-	-	43,019
E.C. & VMM	156,683	687,575	-	-	-	-	-	-	-	844,258
Total	167,383	719,894	-	-	-	-	-	-	-	887,277
<b>IBNR (PRIOR PERIOD)</b>										
Fire	-	59,263	-	-	-	-	-	-	-	59,263
E.C. & VMM	-	1,276,946	-	-	-	-	-	-	-	1,276,946
Total	\$ -	\$ 1,336,209	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,336,209

\*Includes IBNR

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended January 31, 2015**

**EXHIBIT 4C - Quarterly**

Description	Quarterly 11/01/2014 - 01/31/2015										
	2015	2014	2013	2012	2011	Policy Year 2010		2008	2007	2006	Total
<b>LOSS EXPENSES PAID:</b>											
Fire	\$ 743	\$ 34,614	\$ 1,478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,835
E.C. & VMM	3,140	46,625	28,187	-	548	-	-	-	-	-	78,500
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,883</b>	<b>81,239</b>	<b>29,665</b>	<b>-</b>	<b>548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,335</b>
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>											
Fire	24,670	14,393	-	-	-	-	-	-	-	-	39,063
E.C. & VMM	15,668	75,204	315	-	-	-	-	-	-	-	91,187
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>40,338</b>	<b>89,597</b>	<b>315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130,250</b>
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>											
Fire	-	32,345	103	-	-	-	-	-	-	-	32,448
E.C. & VMM	-	129,789	4,121	-	-	-	-	-	-	-	133,910
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>162,134</b>	<b>4,224</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166,358</b>
<b>INCURRED LOSS EXPENSES:</b>											
Fire	25,413	16,662	1,375	-	-	-	-	-	-	-	43,450
E.C. & VMM	18,808	(7,960)	24,381	-	548	-	-	-	-	-	35,777
<b>Total</b>	<b>\$ 44,221</b>	<b>\$ 8,702</b>	<b>\$ 25,756</b>	<b>\$ -</b>	<b>\$ 548</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 79,227</b>

\*Includes IBNR

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended January 31, 2015**

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

Description	Year-to-Date 11/01/2014 - 01/31/2015										
	2015	2014	2013	2012	2011	Policy Year		2008	2007	2006	Total
<b>LOSS EXPENSES PAID:</b>											
Fire	\$ 743	\$ 34,614	\$ 1,478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,835
E.C. & VMM	3,140	46,625	28,187	-	548	-	-	-	-	-	78,500
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,883</b>	<b>81,239</b>	<b>29,665</b>	<b>-</b>	<b>548</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,335</b>
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>											
Fire	24,670	14,393	-	-	-	-	-	-	-	-	39,063
E.C. & VMM	15,668	75,204	315	-	-	-	-	-	-	-	91,187
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>40,338</b>	<b>89,597</b>	<b>315</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130,250</b>
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>											
Fire	-	32,345	103	-	-	-	-	-	-	-	32,448
E.C. & VMM	-	129,789	4,121	-	-	-	-	-	-	-	133,910
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>162,134</b>	<b>4,224</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166,358</b>
<b>INCURRED LOSS EXPENSES:</b>											
Fire	25,413	16,662	1,375	-	-	-	-	-	-	-	43,450
E.C. & VMM	18,808	(7,960)	24,381	-	548	-	-	-	-	-	35,777
<b>Total</b>	<b>\$ 44,221</b>	<b>\$ 8,702</b>	<b>\$ 25,756</b>	<b>\$ -</b>	<b>\$ 548</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 79,227</b>

\*Includes IBNR

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