

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

OCTOBER 31, 2018

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

OCTOBER 31, 2018

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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, 2018, 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 National Association of Insurance Commissioners and 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 National Association of Insurance Commissioners and 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 18, 2019

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS
As of October 31, 2018

EXHIBIT 1

	Assets	Assets Not Admitted	Admitted Assets
<u>ASSETS</u>			
Cash and short-term investments	\$ 54,888,431		\$ 54,888,431
Bonds	56,286,388		56,286,388
Accounts receivable	280	280	-
Interest accrued	222,587		222,587
Furniture and equipment - net of depreciation	100,898	100,898	-
Data processing equipment - net of depreciation	48,475		48,475
Programming - net of amortization	355,174	355,174	-
Leasehold improvements - net of depreciation	546,099	546,099	-
Reinsurance:			
Prepaid reinsurance	841,667		841,667
Amounts recoverable from reinsurers	4,242		4,242
Section 444 Deposit (I.R.S.)	224,932		224,932
Total Assets	113,519,173	1,002,451	112,516,722
<u>LIABILITIES AND SURPLUS</u>			
Reserves - net of ceded			
Unpaid losses (include IBNR)			1,163,338
Unpaid loss adjustment expenses			116,333
Unearned premiums			14,463,102
Total Reserves			15,742,773
Payables for:			
Premium taxes			128,852
Operating expenses and other accounts payable			445,745
Amounts withheld for accounts of others			193,984
Accrued pension obligation			326,951
Contributions and grants payable			400,000
Premiums received in advance			1,170,327
Total Payables			2,665,859
Total Liabilities			18,408,632
Members' Surplus			90,717,363
Retained Surplus			3,390,727
Total Surplus			94,108,090
Total Liabilities and Surplus			\$ 112,516,722

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATUTORY STATEMENT OF OPERATIONS AND CHANGES IN SURPLUS
Quarter Ended October 31, 2018

EXHIBIT 2

	Quarter 08/01/2018 - 10/31/2018	Year-To-Date 11/01/2017 - 10/31/2018
	<u> </u>	<u> </u>
UNDERWRITING INCOME:		
Premiums earned	\$ 4,196,670	\$ 13,810,004
	<u> </u>	<u> </u>
DEDUCTIONS:		
Losses incurred	563,501	3,102,563
Loss expenses incurred	146,793	555,781
Operating expenses incurred	1,730,864	6,855,874
Total deductions	<u>2,441,158</u>	<u>10,514,218</u>
Net Underwriting Gain or (Loss)	<u>1,755,512</u>	<u>3,295,786</u>
OTHER INCOME (EXPENSE):		
Investment income	539,376	1,851,665
Realized gains (losses)	-	(22,930)
Other income	12	87
Service & agency Fees	159,825	597,930
Total other income	<u>699,213</u>	<u>2,426,752</u>
Net Income	<u>\$ 2,454,725</u>	<u>\$ 5,722,538</u>
SURPLUS:		
Surplus (prior period)	91,333,473	88,074,670
Net income	2,454,725	5,722,538
Change in assets not admitted	43,713	34,703
Minimum pension liability	276,179	276,179
Net change in surplus	<u>2,774,617</u>	<u>6,033,420</u>
Surplus (current period)	<u>\$ 94,108,090</u>	<u>\$ 94,108,090</u>

See Accountant's Compilation Report

SUPPLEMENTARY INFORMATION

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended October 31, 2018

EXHIBIT 3A - Quarterly

Description	Quarterly 08/01/2018 - 10/31/2018													Total	
	2018	2017	2016	2015	2014	2013	Policy Year			2009	2008	2007	2006		
							2012	2011	2010						
INCOME RECEIVED:															
Premiums Written	\$ 7,324,774	\$ (39,604)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,285,170
Reinsurance Premium Ceded	(2,525,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,525,000)
Net Premiums Written	4,799,774	(39,604)	-	-	-	-	-	-	-	-	-	-	-	-	4,760,170
Interest Received	558,864	-	-	-	-	-	-	-	-	-	-	-	-	-	558,864
Realized Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	12	-	-	-	-	-	-	-	-	-	-	-	-	-	12
Service & Agency Fees	159,825	-	-	-	-	-	-	-	-	-	-	-	-	-	159,825
Total Income	5,518,475	(39,604)	-	-	-	-	-	-	-	-	-	-	-	-	5,478,871
EXPENSES PAID:															
Losses	362,706	562,023	13,989	-	-	-	-	-	-	-	-	-	-	-	938,718
Loss Adjustment Expenses	93,141	79,569	11,605	-	-	-	-	-	-	-	-	-	-	-	184,315
Commissions	698,796	(3,168)	-	-	-	-	-	-	-	-	-	-	-	-	695,628
Operating Expenses	791,607	-	-	-	-	-	-	-	-	-	-	-	-	-	791,607
Contributions and Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	492,595	-	-	-	-	-	-	-	-	-	-	-	-	-	492,595
Total Expenses Paid	2,438,845	638,424	25,594	-	-	-	-	-	-	-	-	-	-	-	3,102,863
Net Cash Change	3,079,630	(678,028)	(25,594)	-	-	-	-	-	-	-	-	-	-	-	2,376,008
RESERVES:															
<i>DEDUCT (CURRENT 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
<i>ADD (PRIOR PERIOD)</i>															
Unpaid Losses (include IBNR)	493,881	598,649	446,025	-	-	-	-	-	-	-	-	-	-	-	1,538,555
Unpaid Loss Adj. Expenses	49,388	59,865	44,602	-	-	-	-	-	-	-	-	-	-	-	153,855
Operating Expenses	650,341	-	-	-	-	-	-	-	-	-	-	-	-	-	650,341
Contributions and Grants	-	-	-	-	-	55,777	17,189	10,477	-	316,557	-	-	-	-	400,000
Unearned Premiums	13,009,216	890,386	-	-	-	-	-	-	-	-	-	-	-	-	13,899,602
Premium Taxes	367,206	-	-	-	-	-	-	-	-	-	-	-	-	-	367,206
Net Reserve Change	(1,352,741)	1,444,359	6,587	-	-	-	-	-	-	-	-	-	-	-	98,205
OTHER CHANGES:															
<i>DEDUCT (PRIOR PERIOD)</i>															
Interest Accrued	242,075	-	-	-	-	-	-	-	-	-	-	-	-	-	242,075
Assets Not Admitted	(1,046,164)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,046,164)
<i>ADD (CURRENT PERIOD)</i>															
Minimum Pension Liability	276,179	-	-	-	-	-	-	-	-	-	-	-	-	-	276,179
Interest Accrued	222,587	-	-	-	-	-	-	-	-	-	-	-	-	-	222,587
Assets Not Admitted	(1,002,451)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,002,451)
Net Other Changes	300,404	-	-	-	-	-	-	-	-	-	-	-	-	-	300,404
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	491,332	-	-	-	-	-	-	-	-	-	-	-	-	-	491,332
Change in Members' Surplus Increase (Decrease)	\$ 1,535,961	\$ 766,331	\$ (19,007)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,283,285

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended October 31, 2018

EXHIBIT 3A - Year-to-Date

Description	Year-to-Date 11/01/2017 - 10/31/2018													Total	
	2018	2017	2016	2015	2014	2013	2012	Policy Year		2009	2008	2007	2006		
INCOME RECEIVED:															
Premiums Written	\$ 27,081,360	\$ (610,414)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,470,946
Reinsurance Premium Ceded	(13,697,827)	-	-	-	-	-	-	-	-	-	-	-	-	-	(13,697,827)
Net Premiums Written	13,383,533	(610,414)	-	-	-	-	-	-	-	-	-	-	-	-	12,773,119
Interest Received	1,629,080	108,329	-	-	-	-	-	-	-	-	-	-	-	-	1,737,409
Realized Gains (Losses)	(22,930)	-	-	-	-	-	-	-	-	-	-	-	-	-	(22,930)
Other Income	87	-	-	-	-	-	-	-	-	-	-	-	-	-	87
Service & Agency Fees	597,930	-	-	-	-	-	-	-	-	-	-	-	-	-	597,930
Total Income	15,587,700	(502,085)	-	-	-	-	-	-	-	-	-	-	-	-	15,085,615
EXPENSES PAID:															
Losses	938,250	2,256,291	313,966	45,964	-	6,216	-	-	-	-	-	-	-	-	3,560,687
Loss Adjustment Expenses	180,715	336,350	80,698	3,169	404	259	-	-	-	-	-	-	-	-	601,595
Commissions	2,008,034	127,436	-	-	-	-	-	-	-	-	-	-	-	-	2,135,470
Operating Expenses	3,313,815	437,882	-	-	-	-	-	-	-	-	-	-	-	-	3,751,697
Contributions and Grants	-	-	-	-	-	-	-	-	-	200,000	-	-	-	-	200,000
Premium Taxes	814,278	184,550	-	-	-	-	-	-	-	-	-	-	-	-	998,828
Total Expenses Paid	7,255,092	3,342,509	394,664	49,133	404	6,475	-	-	-	200,000	-	-	-	-	11,248,277
Net Cash Change	8,332,608	(3,844,594)	(394,664)	(49,133)	(404)	(6,475)	-	-	-	(200,000)	-	-	-	-	3,837,338
RESERVES:															
<i>DEDUCT (CURRENT 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
<i>ADD (PRIOR PERIOD)</i>															
Unpaid Losses (include IBNR)	-	1,106,572	472,837	35,837	-	6,216	-	-	-	-	-	-	-	-	1,621,462
Unpaid Loss Adj. Expenses	-	110,657	47,284	3,584	-	622	-	-	-	-	-	-	-	-	162,147
Operating Expenses	-	614,150	-	-	-	-	-	-	-	-	-	-	-	-	614,150
Contributions and Grants	-	-	-	-	-	55,777	17,189	10,477	-	516,557	-	-	-	-	600,000
Unearned Premiums	-	15,499,987	-	-	-	-	-	-	-	-	-	-	-	-	15,499,987
Premium Taxes	-	184,550	-	-	-	-	-	-	-	-	-	-	-	-	184,550
Net Reserve Change	(15,922,773)	17,411,375	36,081	39,421	-	6,838	-	-	-	200,000	-	-	-	-	1,770,942
OTHER CHANGES:															
<i>DEDUCT (PRIOR PERIOD)</i>															
Interest Accrued	-	108,329	-	-	-	-	-	-	-	-	-	-	-	-	108,329
Assets Not Admitted	-	(1,037,154)	-	-	-	-	-	-	-	-	-	-	-	-	(1,037,154)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>															
Minimum Pension Liability	276,179	-	-	-	-	-	-	-	-	-	-	-	-	-	276,179
Interest Accrued	222,587	-	-	-	-	-	-	-	-	-	-	-	-	-	222,587
Assets Not Admitted	(1,002,451)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,002,451)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Changes	(503,685)	928,825	-	-	-	-	-	-	-	-	-	-	-	-	425,140
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	1,642,342	-	-	-	-	-	-	-	-	-	-	-	-	-	1,642,342
Change in Members' Surplus Increase (Decrease)	\$ (9,736,192)	\$ 14,495,606	\$ (358,583)	\$ (9,712)	\$ (404)	\$ 363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,391,078

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
MEMBERS' SURPLUS FOR UNSETTLED YEARS
Inception to Quarter Ended October 31, 2018

Exhibit 3B

Description	Policy Year												Total
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
INCOME RECEIVED:													
Premiums Written	\$ 27,081,360	\$ 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	\$ 413,541,225
Reinsurance Premiums Ceded	(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)	(202,053,777)
Net Premiums Written	13,383,533	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	211,487,448
Interest Received	1,629,080	702,154	370,455	322,544	348,507	326,657	95,204	40,332	21,405	486,548	677,305	307,607	5,327,798
Realized Gains (Losses)	(22,930)	(57)	-	-	-	-	(34,522)	-	-	-	-	-	(57,509)
Other Income	87	188	43	12	43	-	8	1,070	153	3,391	3,670	40	8,705
Service & Agency Fees	597,930	677,515	774,325	899,270	906,565	778,125	674,460	608,415	497,585	269,337	187,836	175,703	7,047,066
Gain (loss) on sale of non admitted asset	-	(15,624)	(22,707)	-	-	-	-	-	-	100	623	(203)	(37,811)
Total Income	15,587,700	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	223,775,697
EXPENSES PAID:													
Losses	938,250	3,270,766	4,233,748	4,434,455	3,193,725	3,408,410	3,264,442	1,326,634	988,594	874,566	512,315	930,913	27,376,818
Loss Adjustment Expenses	180,715	606,704	665,562	584,165	584,234	576,802	400,549	230,657	118,628	22,717	14,945	17,029	4,002,707
Commissions	2,008,034	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	33,637,716
Operating Expenses	3,313,815	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	32,527,936
Premium Taxes	814,278	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	14,489,208
Total Expenses Paid	7,255,092	11,184,459	12,305,122	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	112,034,385
Net Cash Change	8,332,608	2,541,008	1,151,311	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	111,741,312
RESERVES:													
DEDUCT (CURRENT PERIOD)													
Unpaid Losses (include IBNR)	628,265	95,037	440,036	-	-	-	-	-	-	-	-	-	1,163,338
Unpaid Loss Adjustment Expenses	62,825	9,504	44,004	-	-	-	-	-	-	-	-	-	116,333
Operating Expenses	639,729	-	-	-	-	-	-	-	-	-	-	-	639,729
Unearned Premiums	14,463,102	-	-	-	-	-	-	-	-	-	-	-	14,463,102
Premium Taxes	128,852	-	-	-	-	-	-	-	-	-	-	-	128,852
Total Reserves	15,922,773	104,541	484,040	-	-	-	-	-	-	-	-	-	16,511,354
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	222,587	-	-	-	-	-	-	-	-	-	-	-	222,587
Assets Not Admitted	(1,002,451)	-	-	-	-	-	-	-	-	-	-	-	(1,002,451)
Retained Surplus	(1,642,342)	(566,470)	(345,818)	(288,215)	(319,649)	(284,009)	(17,189)	(10,477)	-	-	-	-	(3,474,169)
Total Other Changes	(2,146,027)	(605,401)	(507,030)	(273,880)	(619,156)	(168,543)	(144,468)	(47,468)	27,748	(53,339)	46,800	(21,831)	(4,512,595)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (9,736,192)	\$ 1,831,066	\$ 160,241	\$ 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	\$ 90,717,363

Notes:
October 31, 2009 plan year: Closed

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
RETAINED SURPLUS
Inception to Quarter Ended October 31, 2018

Exhibit 3C

Description	Policy Year									Total
	2018	2017	2016	2015	2014	2013	2012	2011	2009	
INCOME RECEIVED:										
Interest Received	\$ 1,629,080	\$ 702,154	\$ 370,455	\$ 322,544	\$ 348,507	\$ 326,657	\$ 95,204	\$ 40,332	\$ -	\$ 3,834,933
Realized Gains (Losses)	(22,930)	(57)	-	-	-	-	(34,521)	-	-	(57,508)
Total Income	1,606,150	702,097	370,455	322,544	348,507	326,657	60,683	40,332	-	3,777,425
EXPENSES PAID:										
Operating Expenses	186,395	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,600,000	5,125,842
Total Expenses Paid	186,395	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,600,000	5,125,842
Net Cash Change	1,419,755	566,470	345,818	288,216	319,649	284,009	17,189	10,477	(4,600,000)	(1,348,417)
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	222,587	-	-	-	-	-	-	-	-	222,587
Total Other Changes	222,587	-	-	-	-	-	-	-	-	222,587
Net Income Retained	-	-	-	-	-	-	-	-	4,916,557	4,916,557
Retained Surplus	\$ 1,642,342	\$ 566,470	\$ 345,818	\$ 288,216	\$ 319,649	\$ 228,232	\$ -	\$ -	\$ -	\$ 3,390,727

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, 2018

EXHIBIT 4A - Quarterly

Description	Quarterly 08/01/2018 - 10/31/2018												Total		
	2018	2017	2016	2015	2014	2013	Policy Year		2011	2010	2008	2007		2006	
PREMIUMS WRITTEN:															
Fire	\$ 490,364	\$ (3,090)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 487,274
E.C. & VMM	6,834,410	(36,514)	-	-	-	-	-	-	-	-	-	-	-	6,797,896	
Reinsurance Premium Ceded	(2,525,000)	-	-	-	-	-	-	-	-	-	-	-	-	(2,525,000)	
Total	4,799,774	(39,604)	-	4,760,170											
UNEARNED PREMIUMS: (PRIOR PERIOD)															
Fire	813,455	65,798	-	-	-	-	-	-	-	-	-	-	-	879,253	
E.C. & VMM	12,195,761	824,588	-	-	-	-	-	-	-	-	-	-	-	13,020,349	
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	13,009,216	890,386	-	13,899,602											
UNEARNED PREMIUMS: (CURRENT 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	
EARNED PREMIUMS:															
Fire	381,494	62,708	-	-	-	-	-	-	-	-	-	-	-	444,202	
E.C. & VMM	5,489,394	788,074	-	-	-	-	-	-	-	-	-	-	-	6,277,468	
Reinsurance Earned Ceded	(2,525,000)	-	-	-	-	-	-	-	-	-	-	-	-	(2,525,000)	
Total	\$ 3,345,888	\$ 850,782	\$ -	\$ 4,196,670											

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF PREMIUMS
Quarter Ended October 31, 2018

EXHIBIT 4A - Year-to-Date

Description	Year-to-Date 11/01/2017 - 10/31/2018														
	2018	2017	2016	2015	2014	2013	Policy Year		2011	2010	2008	2007	2006	Total	
PREMIUMS WRITTEN:															
Fire	\$ 2,268,713	\$ (40,074)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,228,639
E.C. & VMM	24,812,647	(570,340)	-	-	-	-	-	-	-	-	-	-	-	24,242,307	
Reinsurance Premium Ceded	(13,697,827)	-	-	-	-	-	-	-	-	-	-	-	-	(13,697,827)	
Total	13,383,533	(610,414)	-	12,773,119											
UNEARNED PREMIUMS: (PRIOR PERIOD)															
Fire	-	1,065,063	-	-	-	-	-	-	-	-	-	-	-	1,065,063	
E.C. & VMM	-	14,434,924	-	-	-	-	-	-	-	-	-	-	-	14,434,924	
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	-	15,499,987	-	15,499,987											
UNEARNED PREMIUMS: (CURRENT 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	
EARNED PREMIUMS:															
Fire	1,346,388	1,024,989	-	-	-	-	-	-	-	-	-	-	-	2,371,377	
E.C. & VMM	11,271,870	13,864,584	-	-	-	-	-	-	-	-	-	-	-	25,136,454	
Reinsurance Earned Ceded	(13,697,827)	-	-	-	-	-	-	-	-	-	-	-	-	(13,697,827)	
Total	\$ (1,079,569)	\$ 14,889,573	\$ -	\$ 13,810,004											

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF LOSSES

Quarter Ended October 31, 2018

EXHIBIT 4B - Quarterly

Description	Quarterly 08/01/2018 - 10/31/2018												Total
	2018	2017	2016	2015	2014	2013	Policy Year		2010	2008	2007	2006	
PAID LOSSES:													
Fire	\$ 8,991	\$ 307,931	\$ 1,863	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 318,785
E.C. & VMM	353,715	255,670	12,728	-	-	-	-	-	-	-	-	-	622,113
Reinsurance Losses Ceded	-	(1,578)	(602)	-	-	-	-	-	-	-	-	-	(2,180)
Total	362,706	562,023	13,989	-	938,718								
OUTSTANDING LOSSES (CURRENT 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								
OUTSTANDING LOSSES (PRIOR PERIOD)*													
Fire	52,285	410,258	462,000	-	-	-	-	-	-	-	-	-	924,543
E.C. & VMM	441,596	188,391	7,500	-	-	-	-	-	-	-	-	-	637,487
Reinsurance Losses Ceded	-	-	(23,475)	-	-	-	-	-	-	-	-	-	(23,475)
Total	493,881	598,649	446,025	-	1,538,555								
INCURRED LOSSES:													
Fire	33,979	(20,573)	(4,441)	-	-	-	-	-	-	-	-	-	8,965
E.C. & VMM	463,111	81,506	12,728	-	-	-	-	-	-	-	-	-	557,345
Reinsurance Losses Ceded	-	(2,522)	(287)	-	-	-	-	-	-	-	-	-	(2,809)
Total	497,090	58,411	8,000	-	563,501								
IBNR (CURRENT PERIOD)													
Fire	35,272	-	-	-	-	-	-	-	-	-	-	-	35,272
E.C. & VMM	504,177	-	-	-	-	-	-	-	-	-	-	-	504,177
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	539,449	-	-	-	-	-	-	-	-	-	-	-	539,449
IBNR (PRIOR PERIOD)													
Fire	25,494	11,014	-	-	-	-	-	-	-	-	-	-	36,508
E.C. & VMM	367,644	144,798	-	-	-	-	-	-	-	-	-	-	512,442
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	\$ 393,138	\$ 155,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 548,950

*Includes IBNR

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF LOSSES

Quarter Ended October 31, 2018

EXHIBIT 4B - Year-to-Date

Description	Year-to-Date 11/01/2017 - 10/31/2018												Total
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
PAID LOSSES:													
Fire	\$ 308,279	\$ 1,030,797	\$ 38,583	\$ 4,428	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,382,087
E.C. & VMM	629,971	1,231,568	288,424	43,954	-	6,216	-	-	-	-	-	-	2,200,133
Reinsurance Losses Ceded	-	(6,074)	(13,041)	(2,418)	-	-	-	-	-	-	-	-	(21,533)
Total	938,250	2,256,291	313,966	45,964	-	6,216	-	-	-	-	-	-	3,560,687
OUTSTANDING LOSSES (CURRENT 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
OUTSTANDING LOSSES (PRIOR PERIOD)*													
Fire	-	325,046	448,900	-	-	-	-	-	-	-	-	-	773,946
E.C. & VMM	-	797,139	48,300	35,837	-	6,216	-	-	-	-	-	-	887,492
Reinsurance Losses Ceded	-	(15,613)	(24,363)	-	-	-	-	-	-	-	-	-	(39,976)
Total	-	1,106,572	472,837	35,837	-	6,216	-	-	-	-	-	-	1,621,462
INCURRED LOSSES:													
Fire	385,552	787,505	45,379	4,428	-	-	-	-	-	-	-	-	1,222,864
E.C. & VMM	1,180,963	448,656	247,624	8,117	-	-	-	-	-	-	-	-	1,885,360
Reinsurance Losses Ceded	-	8,595	(11,838)	(2,418)	-	-	-	-	-	-	-	-	(5,661)
Total	1,566,515	1,244,756	281,165	10,127	-	-	-	-	-	-	-	-	3,102,563
IBNR (CURRENT PERIOD)													
Fire	35,272	-	-	-	-	-	-	-	-	-	-	-	35,272
E.C. & VMM	504,177	-	-	-	-	-	-	-	-	-	-	-	504,177
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	539,449	-	-	-	-	-	-	-	-	-	-	-	539,449
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

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES
Quarter Ended October 31, 2018

EXHIBIT 4C - Quarterly

Description	Quarterly 08/01/2018 - 10/31/2018												Total	
	2018	2017	2016	2015	2014	2013	Policy Year		2010	2008	2007	2006		
LOSS EXPENSES PAID:														
Fire	\$ 2,581	\$ 32,729	\$ 5,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,081
E.C. & VMM	90,560	46,840	6,386	-	-	-	-	-	-	-	-	-	-	143,786
Reinsurance Loss Expenses Ceded	-	-	(552)	-	-	-	-	-	-	-	-	-	-	(552)
Total	93,141	79,569	11,605	-	184,315									
UNPAID LOSS EXPENSES (CURRENT 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									
UNPAID LOSS EXPENSES (PRIOR PERIOD)*														
Fire	5,228	41,026	46,200	-	-	-	-	-	-	-	-	-	-	92,454
E.C. & VMM	44,160	18,839	750	-	-	-	-	-	-	-	-	-	-	63,749
Reinsurance Loss Expenses Ceded	-	-	(2,348)	-	-	-	-	-	-	-	-	-	-	(2,348)
Total	49,388	59,865	44,602	-	153,855									
INCURRED LOSS EXPENSES:														
Fire	5,080	(122)	5,141	-	-	-	-	-	-	-	-	-	-	10,099
E.C. & VMM	101,498	29,424	6,386	-	-	-	-	-	-	-	-	-	-	137,308
Reinsurance Loss Expenses Ceded	-	(94)	(520)	-	-	-	-	-	-	-	-	-	-	(614)
Total	\$ 106,578	\$ 29,208	\$ 11,007	\$ -	\$ 146,793									

*Includes IBNR

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES
Quarter Ended October 31, 2018

EXHIBIT 4C - Year-to-Date

Description	Year-to-Date 11/01/2017 - 10/31/2018												Total	
	2018	2017	2016	2015	2014	2013	Policy Year		2010	2008	2007	2006		
LOSS EXPENSES PAID:														
Fire	\$ 28,315	\$ 84,897	\$ 23,116	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 136,328
E.C. & VMM	152,400	251,942	61,349	3,333	404	259	-	-	-	-	-	-	-	469,687
Reinsurance Loss Expenses Ceded	-	(489)	(3,767)	(164)	-	-	-	-	-	-	-	-	-	(4,420)
Total	180,715	336,350	80,698	3,169	404	259	-	601,595						
UNPAID LOSS EXPENSES (CURRENT 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
UNPAID LOSS EXPENSES (PRIOR PERIOD)*														
Fire	-	32,504	44,890	-	-	-	-	-	-	-	-	-	-	77,394
E.C. & VMM	-	79,714	4,830	3,584	-	622	-	-	-	-	-	-	-	88,750
Reinsurance Loss Expenses Ceded	-	(1,561)	(2,436)	-	-	-	-	-	-	-	-	-	-	(3,997)
Total	-	110,657	47,284	3,584	-	622	-	162,147						
INCURRED LOSS EXPENSES:														
Fire	36,042	60,568	23,796	-	-	-	-	-	-	-	-	-	-	120,406
E.C. & VMM	207,498	173,651	57,269	(251)	404	(363)	-	-	-	-	-	-	-	438,208
Reinsurance Loss Expenses Ceded	-	978	(3,647)	(164)	-	-	-	-	-	-	-	-	-	(2,833)
Total	\$ 243,540	\$ 235,197	\$ 77,418	\$ (415)	\$ 404	\$ (363)	\$ -	\$ 555,781						

*Includes IBNR