

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

APRIL 30, 2017

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STATUTORY FINANCIAL STATEMENTS

APRIL 30, 2017

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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 April 30, 2017, and the related statutory statement of operations and changes in surplus for the six months then ended in accordance with statutory accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the Insurance Department of the State of Alabama. 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.

### 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  
August 8, 2017

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS**  
**As of April 30, 2017**

**EXHIBIT 1**

	<b>Assets</b>	<b>Assets Not Admitted</b>	<b>Admitted Assets</b>
<b><u>ASSETS</u></b>			
Cash and short-term investments	\$ 74,227,518		\$ 74,227,518
Bonds	29,102,665		29,102,665
Accounts receivable	800	800	-
Interest accrued	167,788		167,788
Furniture and equipment - net of depreciation	185,321	185,321	-
Data processing equipment - net of depreciation	105,042		105,042
Programming - net of amortization	309,024	309,024	-
Leasehold improvements - net of depreciation	577,444	577,444	-
Reinsurance:			
Prepaid reinsurance	2,750,159		2,750,159
Amounts recoverable from reinsurers	69,667		69,667
Section 444 Deposit (I.R.S.)	605,435		605,435
Total Assets	108,100,863	1,072,589	107,028,274
<b><u>LIABILITIES AND SURPLUS</u></b>			
Reserves - net of ceded			
Unpaid losses (include IBNR)			1,142,953
Unpaid loss adjustment expenses			114,295
Unearned premiums			13,058,662
Total Reserves			14,315,910
Payables for:			
Premium taxes			245,109
Operating expenses and other accounts payable			356,432
Ceded reinsurance premiums payable - net of ceding commissions			170,756
Amounts withheld for accounts of others			149,287
Accrued pension obligation			535,886
Contributions and grants payable			1,800,000
Premiums received in advance			1,954,711
Total Payables			5,212,181
Total Liabilities			19,528,091
Members' Surplus			86,122,623
Retained Surplus			1,377,560
Total Surplus			87,500,183
Total Liabilities and Surplus			\$ 107,028,274

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF OPERATIONS AND CHANGES IN SURPLUS**  
**Quarter Ended April 30, 2017**

**EXHIBIT 2**

	<b>Quarter 02/01/2017 - 04/30/2017</b>	<b>Year-To-Date 11/01/2016 - 04/30/2017</b>
	<u>                    </u>	<u>                    </u>
<b>UNDERWRITING INCOME:</b>		
Premiums earned	\$ 3,084,558	\$ 6,872,683
<b>DEDUCTIONS:</b>		
Losses incurred	548,140	2,066,111
Loss expenses incurred	75,324	290,929
Operating expenses incurred	1,649,914	3,237,548
Total deductions	<u>2,273,378</u>	<u>5,594,588</u>
Net Underwriting Gain or (Loss)	<u>811,180</u>	<u>1,278,095</u>
<b>OTHER INCOME (EXPENSE):</b>		
Investment income	122,914	229,151
Realized gains (losses)	(40)	(40)
Other income	12	46
Service & agency Fees	153,690	297,700
Gain (loss) on sale of non admitted asset	-	-
Total other income	<u>276,576</u>	<u>526,857</u>
Net Income	<u>\$ 1,087,756</u>	<u>\$ 1,804,952</u>
<b>SURPLUS:</b>		
Surplus (prior period)	86,447,368	85,762,154
Net income	1,087,756	1,804,952
Change in assets not admitted	(34,941)	(66,923)
Minimum pension liability	-	-
Net change in surplus	<u>1,052,815</u>	<u>1,738,029</u>
Surplus (current period)	<u>\$ 87,500,183</u>	<u>\$ 87,500,183</u>

*See Accountant's Compilation Report*

SUPPLEMENTARY INFORMATION

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended April 30, 2017

EXHIBIT 3A - Quarterly

Description	Quarterly 02/01/2017 - 04/30/2017												
	2017	2016	2015	2014	2013	Policy Year		2010	2009	2008	2007	2006	Total
<b>INCOME RECEIVED:</b>													
Premiums Written	\$ 6,442,001	\$ (177,230)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,264,771
Reinsurance Premium Ceded	(4,252,398)	8,862	-	-	-	-	-	-	-	-	-	-	(4,243,536)
Net Premiums Written	2,189,603	(168,368)	-	-	-	-	-	-	-	-	-	-	2,021,235
Interest Received	44,911	-	-	-	-	-	-	-	-	-	-	-	44,911
Realized Gains (Losses)	(40)	-	-	-	-	-	-	-	-	-	-	-	(40)
Other Income	12	-	-	-	-	-	-	-	-	-	-	-	12
Service & Agency Fees	153,690	-	-	-	-	-	-	-	-	-	-	-	153,690
Gain (loss) sale of non admitted asset	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Income	2,388,176	(168,368)	-	-	-	-	-	-	-	-	-	-	2,219,808
<b>EXPENSES PAID:</b>													
Losses	161,240	1,344,470	500,568	(387,000)	12,547	-	-	-	-	-	-	-	1,631,825
Loss Adjustment Expenses	29,063	163,477	17,659	(27,701)	1,196	-	-	-	-	-	-	-	183,694
Commissions	532,377	(14,178)	-	-	-	-	-	-	-	-	-	-	518,199
Operating Expenses	991,479	2,127	-	-	-	-	-	-	-	-	-	-	993,606
Contributions and Grants	-	-	-	-	-	-	-	-	1,000,000	-	-	-	1,000,000
Premium Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenses Paid	1,714,159	1,495,896	518,227	(414,701)	13,743	-	-	-	1,000,000	-	-	-	4,327,324
Net Cash Change	674,017	(1,664,264)	(518,227)	414,701	(13,743)	-	-	-	(1,000,000)	-	-	-	(2,107,516)
<b>RESERVES:</b>													
<i>DEDUCT (CURRENT PERIOD)</i>													
Unpaid Losses (include IBNR)	238,302	851,641	43,510	9,500	-	-	-	-	-	-	-	-	1,142,953
Unpaid Loss Adj. Expenses	23,831	85,163	4,351	950	-	-	-	-	-	-	-	-	114,295
Operating Expenses	505,719	-	-	-	-	-	-	-	-	-	-	-	505,719
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	-	1,716,557	-	-	-	1,800,000
Unearned Premiums	9,008,918	4,049,744	-	-	-	-	-	-	-	-	-	-	13,058,662
Premium Taxes	245,109	-	-	-	-	-	-	-	-	-	-	-	245,109
<i>ADD (PRIOR PERIOD)</i>													
Unpaid Losses (include IBNR)	168,470	1,505,741	532,427	20,000	-	-	-	-	-	-	-	-	2,226,638
Unpaid Loss Adj. Expenses	16,847	150,575	53,243	2,000	-	-	-	-	-	-	-	-	222,665
Operating Expenses	579,640	-	-	-	-	-	-	-	-	-	-	-	579,640
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	-	2,716,557	-	-	-	2,800,000
Unearned Premiums	4,735,255	9,386,730	-	-	-	-	-	-	-	-	-	-	14,121,985
Premium Taxes	33,078	-	-	-	-	-	-	-	-	-	-	-	33,078
Net Reserve Change	(4,488,589)	6,056,498	537,809	11,550	-	-	-	-	1,000,000	-	-	-	3,117,268
<b>OTHER CHANGES:</b>													
<i>DEDUCT (PRIOR PERIOD)</i>													
Interest Accrued	89,784	-	-	-	-	-	-	-	-	-	-	-	89,784
Assets Not Admitted	(1,037,648)	-	-	-	-	-	-	-	-	-	-	-	(1,037,648)
<i>ADD (CURRENT PERIOD)</i>													
Minimum Pension Liability	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	167,788	-	-	-	-	-	-	-	-	-	-	-	167,788
Assets Not Admitted	(1,072,589)	-	-	-	-	-	-	-	-	-	-	-	(1,072,589)
Net Other Changes	43,063	-	-	-	-	-	-	-	-	-	-	-	43,063
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	95,573	-	-	-	-	-	-	-	-	-	-	-	95,573
Change in Members' Surplus Increase (Decrease)	\$ (3,867,082)	\$ 4,392,234	\$ 19,582	\$ 426,251	\$ (13,743)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 957,242

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended April 30, 2017

EXHIBIT 3A - Year-to-Date

Description	Year-to-Date 11/01/2016 - 04/30/2017												Total	
	2017	2016	2015	2014	2013	2012	Policy Year		2010	2009	2008	2007		2006
<b>INCOME RECEIVED:</b>														
Premiums Written	\$ 12,267,173	\$ (681,553)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,585,620
Reinsurance Premium Ceded	(8,473,954)	34,078	-	-	-	-	-	-	-	-	-	-	-	(8,439,876)
Net Premiums Written	3,793,219	(647,475)	-	-	-	-	-	-	-	-	-	-	-	3,145,744
Interest Received	61,364	9,407	-	-	-	-	-	-	-	-	-	-	-	70,771
Realized Gains (Losses)	(40)	-	-	-	-	-	-	-	-	-	-	-	-	(40)
Other Income	46	-	-	-	-	-	-	-	-	-	-	-	-	46
Service & Agency Fees	297,700	-	-	-	-	-	-	-	-	-	-	-	-	297,700
Gain (loss) sale of non admitted asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Income</b>	<b>4,152,289</b>	<b>(638,068)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,514,221</b>
<b>EXPENSES PAID:</b>														
Losses	189,052	1,757,208	625,527	(378,815)	19,664	-	-	-	-	-	-	-	-	2,212,636
Loss Adjustment Expenses	37,070	254,484	48,333	(1,126)	2,391	-	-	-	-	-	-	-	-	341,152
Commissions	835,374	168,313	-	-	-	-	-	-	-	-	-	-	-	1,003,687
Operating Expenses	1,549,607	360,390	-	-	-	-	-	-	-	-	-	-	-	1,909,997
Contributions and Grants	-	-	-	-	-	-	-	-	1,000,000	-	-	-	-	1,000,000
Premium Taxes	148,084	225,991	-	-	-	-	-	-	-	-	-	-	-	374,075
<b>Total Expenses Paid</b>	<b>2,759,187</b>	<b>2,766,386</b>	<b>673,860</b>	<b>(379,941)</b>	<b>22,055</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,841,547</b>
<b>Net Cash Change</b>	<b>1,393,102</b>	<b>(3,404,454)</b>	<b>(673,860)</b>	<b>379,941</b>	<b>(22,055)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,000,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,327,326)</b>
<b>RESERVES:</b>														
<i>DEDUCT (CURRENT PERIOD)</i>														
Unpaid Losses (include IBNR)	238,302	851,641	43,510	9,500	-	-	-	-	-	-	-	-	-	1,142,953
Unpaid Loss Adj. Expenses	23,831	85,163	4,351	950	-	-	-	-	-	-	-	-	-	114,295
Operating Expenses	505,719	-	-	-	-	-	-	-	-	-	-	-	-	505,719
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	-	1,716,557	-	-	-	-	1,800,000
Unearned Premiums	9,008,918	4,049,744	-	-	-	-	-	-	-	-	-	-	-	13,058,662
Premium Taxes	245,109	-	-	-	-	-	-	-	-	-	-	-	-	245,109
<i>ADD (PRIOR PERIOD)</i>														
Unpaid Losses (include IBNR)	-	758,736	502,557	28,185	-	-	-	-	-	-	-	-	-	1,289,478
Unpaid Loss Adj. Expenses	-	86,735	56,919	20,864	-	-	-	-	-	-	-	-	-	164,518
Operating Expenses	-	575,047	-	-	-	-	-	-	-	-	-	-	-	575,047
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	-	2,716,557	-	-	-	-	2,800,000
Unearned Premiums	-	16,785,601	-	-	-	-	-	-	-	-	-	-	-	16,785,601
Premium Taxes	-	225,991	-	-	-	-	-	-	-	-	-	-	-	225,991
<b>Net Reserve Change</b>	<b>(10,021,879)</b>	<b>13,445,562</b>	<b>511,615</b>	<b>38,599</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,973,897</b>
<b>OTHER CHANGES:</b>														
<i>DEDUCT (PRIOR PERIOD)</i>														
Interest Accrued	-	9,407	-	-	-	-	-	-	-	-	-	-	-	9,407
Assets Not Admitted	-	(1,005,666)	-	-	-	-	-	-	-	-	-	-	-	(1,005,666)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>														
Minimum Pension Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	167,788	-	-	-	-	-	-	-	-	-	-	-	-	167,788
Assets Not Admitted	(1,072,589)	-	-	-	-	-	-	-	-	-	-	-	-	(1,072,589)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Other Changes</b>	<b>(904,801)</b>	<b>996,259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91,458</b>
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	195,645	-	-	-	-	-	-	-	-	-	-	-	-	195,645
<b>Change in Members' Surplus Increase (Decrease)</b>	<b>\$ (9,729,223)</b>	<b>\$ 11,037,367</b>	<b>\$ (162,245)</b>	<b>\$ 418,540</b>	<b>\$ (22,055)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,542,384</b>

See Accountant's Compilation Report



**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**MEMBERS' SURPLUS FOR UNSETTLED YEARS**  
**Inception to Quarter Ended April 30, 2017**

Exhibit 3B

Description	Policy Year											Total
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
<b>INCOME RECEIVED:</b>												
Premiums Written	\$ 12,267,173	\$ 33,442,918	\$ 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	\$ 370,351,700
Reinsurance Premiums Ceded	(8,473,954)	(21,113,578)	(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)	(180,820,834)
Net Premiums Written	3,793,219	12,329,340	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	189,530,866
Interest Received	61,364	370,455	322,544	348,507	326,657	95,204	40,332	21,405	486,548	677,305	307,607	3,057,928
Realized Gains (Losses)	(40)	-	-	-	-	(34,522)	-	-	-	-	-	(34,562)
Other Income	46	43	12	43	-	8	1,070	153	3,391	3,670	40	8,476
Service & Agency Fees	297,700	774,325	899,270	906,565	778,125	674,460	608,415	497,585	269,337	187,836	175,703	6,069,321
Gain (loss) on sale of non admitted asset	-	(22,707)	-	-	-	-	-	-	100	623	(203)	(22,187)
Total Income	4,152,289	13,451,456	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	198,609,842
<b>EXPENSES PAID:</b>												
Losses	189,052	2,775,586	4,386,978	3,193,725	3,401,935	3,264,442	1,326,634	988,594	874,566	512,315	930,913	21,844,740
Loss Adjustment Expenses	37,070	425,632	565,633	583,767	576,415	400,549	230,657	118,628	22,717	14,945	17,029	2,993,042
Commissions	835,374	2,673,614	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	30,196,266
Operating Expenses	1,549,607	3,533,103	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	26,695,933
Premium Taxes	148,084	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	12,828,887
Total Expenses Paid	2,759,187	10,583,307	13,185,657	12,185,720	12,211,621	11,701,842	9,298,760	7,779,537	5,414,261	5,108,367	4,330,609	94,558,868
Net Cash Change	1,393,102	2,868,149	5,676,971	11,526,596	13,583,562	15,801,975	18,468,291	12,530,791	4,802,544	8,418,382	8,980,611	104,050,974
<b>RESERVES:</b>												
DEDUCT (CURRENT PERIOD)												
Unpaid Losses (include IBNR)	238,302	851,641	43,510	9,500	-	-	-	-	-	-	-	1,142,953
Unpaid Loss Adjustment Expenses	23,831	85,163	4,351	950	-	-	-	-	-	-	-	114,295
Operating Expenses	505,719	-	-	-	-	-	-	-	-	-	-	505,719
Unearned Premiums	9,008,918	4,049,744	-	-	-	-	-	-	-	-	-	13,058,662
Premium Taxes	245,109	-	-	-	-	-	-	-	-	-	-	245,109
Total Reserves	10,021,879	4,986,548	47,861	10,450	-	-	-	-	-	-	-	15,066,738
<b>OTHER CHANGES:</b>												
ADD (DEDUCT)												
Minimum Pension Liability	-	(161,212)	14,335	(299,507)	115,466	(127,279)	(36,991)	27,748	(53,339)	46,800	(21,831)	(495,810)
Interest Accrued	167,788	-	-	-	-	-	-	-	-	-	-	167,788
Assets Not Admitted	(1,072,589)	-	-	-	-	-	-	-	-	-	-	(1,072,589)
Retained Surplus	(195,645)	(345,818)	(288,215)	(319,649)	(284,009)	(17,189)	(10,477)	-	-	-	-	(1,461,002)
Total Other Changes	(1,100,446)	(507,030)	(273,880)	(619,156)	(168,543)	(144,468)	(47,468)	27,748	(53,339)	46,800	(21,831)	(2,861,613)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (9,729,223)	\$ (2,625,429)	\$ 5,355,230	\$ 10,896,990	\$ 13,415,019	\$ 15,657,507	\$ 18,420,823	\$ 12,558,539	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ 86,122,623

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**RETAINED SURPLUS**

**Inception to Quarter Ended April 30, 2017**

**Exhibit 3C**

Description	Policy Year								Total
	2017	2016	2015	2014	2013	2012	2011	2009	
<b>INCOME RECEIVED:</b>									
Interest Received	\$ 61,364	\$ 370,455	\$ 322,544	\$ 348,507	\$ 326,657	\$ 95,204	\$ 40,332	\$ -	\$ 1,565,063
Realized Gains (Losses)	(40)	-	-	-	-	(34,521)	-	-	(34,561)
Total Income	61,324	370,455	322,544	348,507	326,657	60,683	40,332	-	1,530,502
<b>EXPENSES PAID:</b>									
Operating Expenses	33,467	24,637	34,328	28,858	42,648	43,494	29,855	3,200,000	3,437,287
Total Expenses Paid	33,467	24,637	34,328	28,858	42,648	43,494	29,855	3,200,000	3,437,287
Net Cash Change	27,857	345,818	288,216	319,649	284,009	17,189	10,477	(3,200,000)	(1,906,785)
<b>RESERVES:</b>									
DEDUCT (CURRENT PERIOD)									
Contributions and Grants	-	-	-	-	55,777	17,189	10,477	1,716,557	1,800,000
Total Reserves	-	-	-	-	55,777	17,189	10,477	1,716,557	1,800,000
<b>OTHER CHANGES:</b>									
ADD (DEDUCT)									
Interest Accrued	167,788	-	-	-	-	-	-	-	167,788
Total Other Changes	167,788	-	-	-	-	-	-	-	167,788
Net Income Retained	-	-	-	-	-	-	-	4,916,557	4,916,557
Retained Surplus	\$ 195,645	\$ 345,818	\$ 288,216	\$ 319,649	\$ 228,232	\$ -	\$ -	\$ -	\$ 1,377,560

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF PREMIUMS**  
**Quarter Ended April 30, 2017**

EXHIBIT 4A - Quarterly

Description	Quarterly 02/01/2017 - 04/30/2017										Total	
	2017	2016	2015	2014	2013	Policy Year		2010	2008	2007		2006
<b>PREMIUMS WRITTEN:</b>												
Fire	\$ 447,454	\$ (12,501)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 434,953
E.C. & VMM	5,994,547	(164,729)	-	-	-	-	-	-	-	-	-	5,829,818
Reinsurance Premium Ceded	(4,252,398)	8,862	-	-	-	-	-	-	-	-	-	(4,243,536)
<b>Total</b>	<b>2,189,603</b>	<b>(168,368)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,021,235</b>
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>												
Fire	416,161	694,647	-	-	-	-	-	-	-	-	-	1,110,808
E.C. & VMM	4,568,318	9,186,121	-	-	-	-	-	-	-	-	-	13,754,439
Reinsurance Unearned Ceded	(249,224)	(494,038)	-	-	-	-	-	-	-	-	-	(743,262)
<b>Total</b>	<b>4,735,255</b>	<b>9,386,730</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,121,985</b>
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>												
Fire	717,425	316,386	-	-	-	-	-	-	-	-	-	1,033,811
E.C. & VMM	8,765,647	3,946,502	-	-	-	-	-	-	-	-	-	12,712,149
Reinsurance Unearned Ceded	(474,154)	(213,144)	-	-	-	-	-	-	-	-	-	(687,298)
<b>Total</b>	<b>9,008,918</b>	<b>4,049,744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,058,662</b>
<b>EARNED PREMIUMS:</b>												
Fire	146,190	365,760	-	-	-	-	-	-	-	-	-	511,950
E.C. & VMM	1,797,218	5,074,890	-	-	-	-	-	-	-	-	-	6,872,108
Reinsurance Earned Ceded	(4,027,468)	(272,032)	-	-	-	-	-	-	-	-	-	(4,299,500)
<b>Total</b>	<b>\$(2,084,060)</b>	<b>\$ 5,168,618</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,084,558</b>

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF PREMIUMS**  
**Quarter Ended April 30, 2017**

EXHIBIT 4A - Year-to-Date

Description	Year-to-Date 11/01/2016 - 04/30/2017											Total
	2017	2016	2015	2014	2013	Policy Year		2010	2008	2007	2006	
<b>PREMIUMS WRITTEN:</b>												
Fire	\$ 936,081	\$ (49,787)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 886,294
E.C. & VMM	11,331,092	(631,766)	-	-	-	-	-	-	-	-	-	10,699,326
Reinsurance Premium Ceded	(8,473,954)	34,078	-	-	-	-	-	-	-	-	-	(8,439,876)
<b>Total</b>	<b>3,793,219</b>	<b>(647,475)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,145,744</b>
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>												
Fire	-	1,213,401	-	-	-	-	-	-	-	-	-	1,213,401
E.C. & VMM	-	16,455,653	-	-	-	-	-	-	-	-	-	16,455,653
Reinsurance Unearned Ceded	-	(883,453)	-	-	-	-	-	-	-	-	-	(883,453)
<b>Total</b>	<b>-</b>	<b>16,785,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,785,601</b>
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>												
Fire	717,425	316,386	-	-	-	-	-	-	-	-	-	1,033,811
E.C. & VMM	8,765,647	3,946,502	-	-	-	-	-	-	-	-	-	12,712,149
Reinsurance Unearned Ceded	(474,154)	(213,144)	-	-	-	-	-	-	-	-	-	(687,298)
<b>Total</b>	<b>9,008,918</b>	<b>4,049,744</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,058,662</b>
<b>EARNED PREMIUMS:</b>												
Fire	218,656	847,228	-	-	-	-	-	-	-	-	-	1,065,884
E.C. & VMM	2,565,445	11,877,385	-	-	-	-	-	-	-	-	-	14,442,830
Reinsurance Earned Ceded	(7,999,800)	(636,231)	-	-	-	-	-	-	-	-	-	(8,636,031)
<b>Total</b>	<b>\$ (5,215,699)</b>	<b>\$ 12,088,382</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,872,683</b>

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSSES**  
**Quarter Ended April 30, 2017**

EXHIBIT 4B - Quarterly

Description	Quarterly 02/01/2017 - 04/30/2017											
	Policy Year											
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>PAID LOSSES:</b>												
Fire	\$ 9,736	\$ 691,006	\$ 501,161	\$ (387,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 814,903
E.C. & VMM	159,991	724,225	25,753	-	12,547	-	-	-	-	-	-	922,516
Reinsurance Losses Ceded	(8,487)	(70,761)	(26,346)	-	-	-	-	-	-	-	-	(105,594)
Total	161,240	1,344,470	500,568	(387,000)	12,547	-	-	-	-	-	-	1,631,825
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>												
Fire	19,117	498,114	45,800	-	-	-	-	-	-	-	-	563,031
E.C. & VMM	231,728	398,350	-	10,000	-	-	-	-	-	-	-	640,078
Reinsurance Losses Ceded	(12,543)	(44,823)	(2,290)	(500)	-	-	-	-	-	-	-	(60,156)
Total	238,302	851,641	43,510	9,500	-	-	-	-	-	-	-	1,142,953
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>												
Fire	9,594	917,790	545,800	20,000	-	-	-	-	-	-	-	1,493,184
E.C. & VMM	167,743	667,200	14,649	-	-	-	-	-	-	-	-	849,592
Reinsurance Losses Ceded	(8,867)	(79,249)	(28,022)	-	-	-	-	-	-	-	-	(116,138)
Total	168,470	1,505,741	532,427	20,000	-	-	-	-	-	-	-	2,226,638
<b>INCURRED LOSSES:</b>												
Fire	19,259	271,330	1,161	(407,000)	-	-	-	-	-	-	-	(115,250)
E.C. & VMM	223,976	455,375	11,104	10,000	12,547	-	-	-	-	-	-	713,002
Reinsurance Losses Ceded	(12,163)	(36,335)	(614)	(500)	-	-	-	-	-	-	-	(49,612)
Total	231,072	690,370	11,651	(397,500)	12,547	-	-	-	-	-	-	548,140
<b>IBNR (CURRENT PERIOD)</b>												
Fire	19,117	25,614	-	-	-	-	-	-	-	-	-	44,731
E.C. & VMM	229,670	342,769	-	-	-	-	-	-	-	-	-	572,439
Reinsurance Losses Ceded	(12,440)	(18,419)	-	-	-	-	-	-	-	-	-	(30,859)
Total	236,347	349,964	-	-	-	-	-	-	-	-	-	586,311
<b>IBNR (PRIOR PERIOD)</b>												
Fire	9,594	35,249	-	-	-	-	-	-	-	-	-	44,843
E.C. & VMM	105,114	498,453	-	-	-	-	-	-	-	-	-	603,567
Reinsurance Losses Ceded	(5,736)	(26,685)	-	-	-	-	-	-	-	-	-	(32,421)
Total	\$ 108,972	\$ 507,017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 615,989

\*Includes IBNR

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSSES**  
**Quarter Ended April 30, 2017**

EXHIBIT 4B - Year-to-Date

Description	Year-to-Date 11/01/2016 - 04/30/2017											
	Policy Year											
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>PAID LOSSES:</b>												
Fire	\$ 9,736	\$ 759,911	\$ 501,550	\$ (387,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 884,197
E.C. & VMM	189,267	1,089,781	157,154	8,616	19,664	-	-	-	-	-	-	1,464,482
Reinsurance Losses Ceded	(9,951)	(92,484)	(33,177)	(431)	-	-	-	-	-	-	-	(136,043)
Total	189,052	1,757,208	625,527	(378,815)	19,664	-	-	-	-	-	-	2,212,636
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>												
Fire	19,117	498,114	45,800	-	-	-	-	-	-	-	-	563,031
E.C. & VMM	231,728	398,350	-	10,000	-	-	-	-	-	-	-	640,078
Reinsurance Losses Ceded	(12,543)	(44,823)	(2,290)	(500)	-	-	-	-	-	-	-	(60,156)
Total	238,302	851,641	43,510	9,500	-	-	-	-	-	-	-	1,142,953
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>												
Fire	-	50,289	501,389	20,000	-	-	-	-	-	-	-	571,678
E.C. & VMM	-	748,380	27,618	8,616	-	-	-	-	-	-	-	784,614
Reinsurance Losses Ceded	-	(39,933)	(26,450)	(431)	-	-	-	-	-	-	-	(66,814)
Total	-	758,736	502,557	28,185	-	-	-	-	-	-	-	1,289,478
<b>INCURRED LOSSES:</b>												
Fire	28,853	1,207,736	45,961	(407,000)	-	-	-	-	-	-	-	875,550
E.C. & VMM	420,995	739,751	129,536	10,000	19,664	-	-	-	-	-	-	1,319,946
Reinsurance Losses Ceded	(22,494)	(97,374)	(9,017)	(500)	-	-	-	-	-	-	-	(129,385)
Total	427,354	1,850,113	166,480	(397,500)	19,664	-	-	-	-	-	-	2,066,111
<b>IBNR (CURRENT PERIOD)</b>												
Fire	19,117	25,614	-	-	-	-	-	-	-	-	-	44,731
E.C. & VMM	229,670	342,769	-	-	-	-	-	-	-	-	-	572,439
Reinsurance Losses Ceded	(12,440)	(18,419)	-	-	-	-	-	-	-	-	-	(30,859)
Total	236,347	349,964	-	-	-	-	-	-	-	-	-	586,311
<b>IBNR (PRIOR PERIOD)</b>												
Fire	-	44,915	-	-	-	-	-	-	-	-	-	44,915
E.C. & VMM	-	632,913	-	-	-	-	-	-	-	-	-	632,913
Reinsurance Losses Ceded	-	(33,891)	-	-	-	-	-	-	-	-	-	(33,891)
Total	\$ -	\$ 643,937	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 643,937

\*Includes IBNR

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended April 30, 2017**

EXHIBIT 4C - Quarterly

Description	Quarterly 02/01/2017 - 04/30/2017											Total
	Policy Year											
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
<b>LOSS EXPENSES PAID:</b>												
Fire	\$ 2,271	\$ 52,786	\$ 13,986	\$ (27,701)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,342
E.C. & VMM	28,322	119,295	4,602	-	1,196	-	-	-	-	-	-	153,415
Reinsurance Loss Expenses Ceded	(1,530)	(8,604)	(929)	-	-	-	-	-	-	-	-	(11,063)
<b>Total</b>	<b>29,063</b>	<b>163,477</b>	<b>17,659</b>	<b>(27,701)</b>	<b>1,196</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>183,694</b>
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>												
Fire	1,912	49,811	4,580	-	-	-	-	-	-	-	-	56,303
E.C. & VMM	23,173	39,835	-	1,000	-	-	-	-	-	-	-	64,008
Reinsurance Loss Expenses Ceded	(1,254)	(4,483)	(229)	(50)	-	-	-	-	-	-	-	(6,016)
<b>Total</b>	<b>23,831</b>	<b>85,163</b>	<b>4,351</b>	<b>950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,295</b>
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>												
Fire	959	91,779	54,580	2,000	-	-	-	-	-	-	-	149,318
E.C. & VMM	16,775	66,721	1,465	-	-	-	-	-	-	-	-	84,961
Reinsurance Loss Expenses Ceded	(887)	(7,925)	(2,802)	-	-	-	-	-	-	-	-	(11,614)
<b>Total</b>	<b>16,847</b>	<b>150,575</b>	<b>53,243</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222,665</b>
<b>INCURRED LOSS EXPENSES:</b>												
Fire	3,224	10,818	(36,014)	(29,701)	-	-	-	-	-	-	-	(51,673)
E.C. & VMM	34,720	92,409	3,137	1,000	1,196	-	-	-	-	-	-	132,462
Reinsurance Loss Expenses Ceded	(1,897)	(5,162)	1,644	(50)	-	-	-	-	-	-	-	(5,465)
<b>Total</b>	<b>\$ 36,047</b>	<b>\$ 98,065</b>	<b>\$ (31,233)</b>	<b>\$ (28,751)</b>	<b>\$ 1,196</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 75,324</b>

\*Includes IBNR

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended April 30, 2017**

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

Description	Year-to-Date 11/01/2016 - 04/30/2017											Total
	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
<b>LOSS EXPENSES PAID:</b>												
Fire	\$ 2,271	\$ 75,624	\$ 14,143	\$ (2,279)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 89,759
E.C. & VMM	36,751	192,254	36,733	1,214	2,391	-	-	-	-	-	-	269,343
Reinsurance Loss Expenses Ceded	(1,952)	(13,394)	(2,543)	(61)	-	-	-	-	-	-	-	(17,950)
<b>Total</b>	<b>37,070</b>	<b>254,484</b>	<b>48,333</b>	<b>(1,126)</b>	<b>2,391</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>341,152</b>
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>												
Fire	1,912	49,811	4,580	-	-	-	-	-	-	-	-	56,303
E.C. & VMM	23,173	39,835	-	1,000	-	-	-	-	-	-	-	64,008
Reinsurance Loss Expenses Ceded	(1,254)	(4,483)	(229)	(50)	-	-	-	-	-	-	-	(6,016)
<b>Total</b>	<b>23,831</b>	<b>85,163</b>	<b>4,351</b>	<b>950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114,295</b>
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>												
Fire	-	6,302	50,214	18,951	-	-	-	-	-	-	-	75,467
E.C. & VMM	-	84,997	9,701	2,014	-	-	-	-	-	-	-	96,712
Reinsurance Loss Expenses Ceded	-	(4,564)	(2,996)	(101)	-	-	-	-	-	-	-	(7,661)
<b>Total</b>	<b>-</b>	<b>86,735</b>	<b>56,919</b>	<b>20,864</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164,518</b>
<b>INCURRED LOSS EXPENSES:</b>												
Fire	4,183	119,133	(31,491)	(21,230)	-	-	-	-	-	-	-	70,595
E.C. & VMM	59,924	147,092	27,032	200	2,391	-	-	-	-	-	-	236,639
Reinsurance Loss Expenses Ceded	(3,206)	(13,313)	224	(10)	-	-	-	-	-	-	-	(16,305)
<b>Total</b>	<b>\$ 60,901</b>	<b>\$ 252,912</b>	<b>\$ (4,235)</b>	<b>\$ (21,040)</b>	<b>\$ 2,391</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 290,929</b>

\*Includes IBNR