

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JULY 31, 2019

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 July 31, 2019, and the related statutory statement of operations and changes in surplus for the nine 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
September 16, 2019

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JULY 31, 2019

CONTENTS

Exhibit

Accountant's compilation report on statutory financial statements	
Statutory statement of admitted assets, liabilities and surplus	1
Statutory statement of operations and changes in surplus	2
Supplementary information:	
Surplus – quarter and year-to-date	3A
Members' Surplus for unsettled years – inception to date	3B
Retained Surplus	3C
Statistical report of premiums	4A
Statistical report of losses	4B
Statistical report of loss adjustment expenses	4C

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

EXHIBIT 1

	Assets	Assets Not Admitted	Admitted Assets
<u>ASSETS</u>			
Cash and short-term investments	\$ 50,441,231		\$ 50,441,230
Bonds	64,578,694		64,578,694
Accounts receivable	601	601	-
Interest accrued	336,559		336,559
Furniture and equipment - net of depreciation	86,038	86,038	-
Data processing equipment - net of depreciation	69,372		69,372
Programming - net of amortization	303,820	303,820	-
Leasehold improvements - net of depreciation	531,892	531,892	-
Reinsurance:			
Prepaid reinsurance	925,000		925,000
Amounts recoverable from reinsurers	2,175		2,175
Section 444 Deposit (I.R.S.)	339,894		339,894
Prepaid expense	35,000	35,000	-
Prepaid pension obligation	28,876	28,876	-
Total Assets	117,679,152	986,227	116,692,924
<u>LIABILITIES AND SURPLUS</u>			
Reserves - net of ceded			
Unpaid losses (include IBNR)			1,166,169
Unpaid loss adjustment expenses			116,618
Unearned premiums			12,876,719
Total Reserves			14,159,506
Payables for:			
Premium taxes			334,542
Operating expenses and other accounts payable			319,542
Amounts withheld for accounts of others			177,800
Contributions and grants payable			200,000
Premiums received in advance			1,251,337
Total Payables			2,283,221
Total Liabilities			16,442,727
Members' Surplus			95,173,040
Retained Surplus			5,077,157
Total Surplus			100,250,197
Total Liabilities and Surplus			\$ 116,692,924

See Accountant's Compilation Report

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

EXHIBIT 2

	Quarter 05/01/2019 - 07/31/2019	Year-To-Date 11/1/2018 - 07/31/2019
	<u> </u>	<u> </u>
UNDERWRITING INCOME:		
Premiums earned	\$ 3,709,598	\$ 11,601,131
	<u> </u>	<u> </u>
DEDUCTIONS:		
Losses incurred	895,303	2,508,096
Loss expenses incurred	161,415	492,061
Operating expenses incurred	1,751,100	4,711,675
Total deductions	<u>2,807,818</u>	<u>7,711,832</u>
Net Underwriting Gain or (Loss)	<u>901,780</u>	<u>3,889,299</u>
OTHER INCOME (EXPENSE):		
Investment income	610,549	1,833,542
Realized gains (losses)	53	68
Other income	(36)	(49)
Service & agency Fees	148,060	382,814
Gain on sale of non admitted asset	4,590	20,209
Total other income	<u>763,216</u>	<u>2,236,584</u>
Net Income	<u>\$ 1,664,996</u>	<u>\$ 6,125,883</u>
SURPLUS:		
Surplus (prior period)	98,565,359	94,108,090
Net income	1,664,996	6,125,883
Change in assets not admitted	19,842	16,224
Net change in surplus	<u>1,684,838</u>	<u>6,142,107</u>
Surplus (current period)	<u>\$ 100,250,197</u>	<u>\$ 100,250,197</u>

SUPPLEMENTARY INFORMATION

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended July 31, 2019

EXHIBIT 3A - Quarterly

Quarterly 05/01/2019 - 07/31/2019

Description	Policy Year													Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007		2006
INCOME RECEIVED:															
Premiums Written	\$ 7,457,765	\$ (93,140)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,364,625
Reinsurance Premium Ceded	(2,691,667)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,691,667)
Net Premiums Written	4,766,098	(93,140)	-	-	-	-	-	-	-	-	-	-	-	-	4,672,958
Interest Received	546,018	-	-	-	-	-	-	-	-	-	-	-	-	-	546,018
Realized Gains (Losses)	53	-	-	-	-	-	-	-	-	-	-	-	-	-	53
Other Income	(36)	-	-	-	-	-	-	-	-	-	-	-	-	-	(36)
Service & Agency Fees	148,060	-	-	-	-	-	-	-	-	-	-	-	-	-	148,060
Gain on sale of non admitted asset	4,590	-	-	-	-	-	-	-	-	-	-	-	-	-	4,590
Total Income	5,464,783	(93,140)	-	-	-	-	-	-	-	-	-	-	-	-	5,371,643
EXPENSES PAID:															
Losses	285,966	460,363	126,609	26,953	7,197	-	-	-	-	-	-	-	-	-	907,088
Loss Adjustment Expenses	42,053	77,366	22,380	18,476	2,317	-	-	-	-	-	-	-	-	-	162,592
Commissions	596,364	(7,451)	-	-	-	-	-	-	-	-	-	-	-	-	588,913
Operating Expenses	879,608	-	-	-	-	-	-	-	-	-	-	-	-	-	879,608
Contributions and Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	153,567	-	-	-	-	-	-	-	-	-	-	-	-	-	153,567
Total Expenses Paid	1,957,558	530,278	148,989	45,429	9,514	-	-	-	-	-	-	-	-	-	2,691,768
Net Cash Change	3,507,225	(623,418)	(148,989)	(45,429)	(9,514)	-	-	-	-	-	-	-	-	-	2,679,875
RESERVES:															
<i>DEDUCT (CURRENT PERIOD)</i>															
Unpaid Losses (include IBNR)	481,996	274,658	7,590	401,925	-	-	-	-	-	-	-	-	-	-	1,166,169
Unpaid Loss Adj. Expenses	48,200	27,466	759	40,193	-	-	-	-	-	-	-	-	-	-	116,618
Operating Expenses	497,342	-	-	-	-	-	-	-	-	-	-	-	-	-	497,342
Contributions and Grants	-	-	-	-	-	-	55,777	17,189	10,477	-	116,557	-	-	-	200,000
Unearned Premiums	12,036,136	840,583	-	-	-	-	-	-	-	-	-	-	-	-	12,876,719
Premium Taxes	334,542	-	-	-	-	-	-	-	-	-	-	-	-	-	334,542
<i>ADD (PRIOR PERIOD)</i>															
Unpaid Losses (include IBNR)	299,080	458,837	9,414	410,623	-	-	-	-	-	-	-	-	-	-	1,177,954
Unpaid Loss Adj. Expenses	29,908	45,882	942	41,063	-	-	-	-	-	-	-	-	-	-	117,795
Operating Expenses	479,147	-	-	-	-	-	-	-	-	-	-	-	-	-	479,147
Contributions and Grants	-	-	-	-	-	-	55,777	17,189	10,477	-	116,557	-	-	-	200,000
Unearned Premiums	8,228,283	3,685,076	-	-	-	-	-	-	-	-	-	-	-	-	11,913,359
Premium Taxes	223,724	-	-	-	-	-	-	-	-	-	-	-	-	-	223,724
Net Reserve Change	(4,138,074)	3,047,088	2,007	9,568	-	-	-	-	-	-	-	-	-	-	(1,079,411)
OTHER CHANGES:															
<i>DEDUCT (PRIOR PERIOD)</i>															
Interest Accrued	272,027	-	-	-	-	-	-	-	-	-	-	-	-	-	272,027
Assets Not Admitted	(1,006,069)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,006,069)
<i>ADD (CURRENT PERIOD)</i>															
Minimum Pension Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	336,559	-	-	-	-	-	-	-	-	-	-	-	-	-	336,559
Assets Not Admitted	(986,227)	-	-	-	-	-	-	-	-	-	-	-	-	-	(986,227)
Net Other Changes	84,374	-	-	-	-	-	-	-	-	-	-	-	-	-	84,374
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	560,440	-	-	-	-	-	-	-	-	-	-	-	-	-	560,440
Change in Members' Surplus Increase (Decrease)	\$ (1,106,915)	\$ 2,423,670	\$ (146,982)	\$ (35,861)	\$ (9,514)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,124,398

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended July 31, 2019

EXHIBIT 3A - Year-to-Date

Year-to-Date 11/01/2018 - 07/31/2019

Description	Policy Year													Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007		2006
INCOME RECEIVED:															
Premiums Written	\$ 18,271,574	\$ (515,159)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,756,415
Reinsurance Premium Ceded	(7,741,667)	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,741,667)
Net Premiums Written	10,529,907	(515,159)	-	-	-	-	-	-	-	-	-	-	-	-	10,014,748
Interest Received	1,496,984	222,587	-	-	-	-	-	-	-	-	-	-	-	-	1,719,571
Realized Gains (Losses)	68	-	-	-	-	-	-	-	-	-	-	-	-	-	68
Other Income	(49)	-	-	-	-	-	-	-	-	-	-	-	-	-	(49)
Service & Agency Fees	382,814	-	-	-	-	-	-	-	-	-	-	-	-	-	382,814
Gain on sale of non admitted asset	20,209	-	-	-	-	-	-	-	-	-	-	-	-	-	20,209
Total Income	12,429,933	(292,572)	-	-	-	-	-	-	-	-	-	-	-	-	12,137,361
EXPENSES PAID:															
Losses	595,981	1,475,818	348,521	77,748	7,197	-	-	-	-	-	-	-	-	-	2,505,265
Loss Adjustment Expenses	67,572	291,414	72,142	58,331	2,317	-	-	-	-	-	-	-	-	-	491,776
Commissions	1,298,718	109,174	-	-	-	-	-	-	-	-	-	-	-	-	1,407,892
Operating Expenses	2,319,572	489,342	-	-	-	-	-	-	-	-	-	-	-	-	2,808,914
Contributions and Grants	-	-	-	-	-	-	-	-	-	-	200,000	-	-	-	200,000
Premium Taxes	302,715	128,852	-	-	-	-	-	-	-	-	-	-	-	-	431,567
Total Expenses Paid	4,584,558	2,494,600	420,663	136,079	9,514	-	-	-	-	-	200,000	-	-	-	7,845,414
Net Cash Change	7,845,375	(2,787,172)	(420,663)	(136,079)	(9,514)	-	-	-	-	-	(200,000)	-	-	-	4,291,947
RESERVES:															
<i>DEDUCT (CURRENT PERIOD)</i>															
Unpaid Losses (include IBNR)	481,996	274,658	7,590	401,925	-	-	-	-	-	-	-	-	-	-	1,166,169
Unpaid Loss Adj. Expenses	48,200	27,466	759	40,193	-	-	-	-	-	-	-	-	-	-	116,618
Operating Expenses	497,342	-	-	-	-	-	-	-	-	-	-	-	-	-	497,342
Contributions and Grants	-	-	-	-	-	-	55,777	17,189	10,477	-	116,557	-	-	-	200,000
Unearned Premiums	12,036,136	840,583	-	-	-	-	-	-	-	-	-	-	-	-	12,876,719
Premium Taxes	334,542	-	-	-	-	-	-	-	-	-	-	-	-	-	334,542
<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	(13,398,216)	14,780,066	96,192	41,922	-	-	-	-	-	-	200,000	-	-	-	1,719,964
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	336,559	-	-	-	-	-	-	-	-	-	-	-	-	-	336,559
Assets Not Admitted	(986,227)	-	-	-	-	-	-	-	-	-	-	-	-	-	(986,227)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Changes	(649,668)	779,864	-	-	-	-	-	-	-	-	-	-	-	-	130,196
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	1,686,430	-	-	-	-	-	-	-	-	-	-	-	-	-	1,686,430
Change in Members' Surplus Increase (Decrease)	\$ (7,888,939)	\$ 12,772,758	\$ (324,471)	\$ (94,157)	\$ (9,514)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,455,677

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
MEMBERS' SURPLUS FOR UNSETTLED YEARS
Inception to Quarter Ended July 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	\$ 18,271,574	\$ 26,566,201	\$ 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	\$ 431,297,640
Reinsurance Premiums Ceded	(7,741,667)	(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)	(209,795,444)
Net Premiums Written	10,529,907	12,868,374	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	221,502,196
Interest Received	1,496,984	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	7,047,369
Realized Gains (Losses)	68	(22,930)	(57)	-	-	-	-	(34,522)	-	-	-	-	-	(57,441)
Other Income	(49)	87	188	43	12	43	-	8	1,070	153	3,391	3,670	40	8,656
Service & Agency Fees	382,814	597,930	677,515	774,325	899,270	906,565	778,125	674,460	608,415	497,585	269,337	187,836	175,703	7,429,880
Gain (loss) on sale of non admitted asset	20,209	-	(15,624)	(22,707)	-	-	-	-	-	-	100	623	(203)	(17,602)
Total Income	12,429,933	15,295,128	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	235,913,058
EXPENSES PAID:														
Losses	595,981	2,414,068	3,619,287	4,311,496	4,441,652	3,193,725	3,408,410	3,264,442	1,326,634	988,594	874,566	512,315	930,913	29,882,083
Loss Adjustment Expenses	67,572	472,129	678,846	723,893	586,482	584,234	576,802	400,549	230,657	118,628	22,717	14,945	17,029	4,494,483
Commissions	1,298,718	2,117,208	2,280,054	2,662,350	3,306,873	3,511,240	3,626,442	3,677,749	3,629,595	2,994,514	1,961,534	2,235,084	1,744,247	35,045,608
Operating Expenses	2,319,572	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	35,336,850
Premium Taxes	302,715	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	14,920,775
Total Expenses Paid	4,584,558	9,749,692	11,605,122	12,441,201	13,261,180	12,186,187	12,218,483	11,701,842	9,298,760	7,779,537	5,414,261	5,108,367	4,330,609	119,679,799
Net Cash Change	7,845,375	5,545,436	2,120,345	1,015,232	5,601,448	11,526,129	13,576,700	15,801,975	18,468,291	12,530,791	4,802,544	8,418,382	8,980,611	116,233,259
RESERVES:														
DEDUCT (CURRENT PERIOD)														
Unpaid Losses (include IBNR)	481,996	274,658	7,590	401,925	-	-	-	-	-	-	-	-	-	1,166,169
Unpaid Loss Adjustment Expenses	48,200	27,466	759	40,193	-	-	-	-	-	-	-	-	-	116,618
Operating Expenses	497,342	-	-	-	-	-	-	-	-	-	-	-	-	497,342
Unearned Premiums	12,036,136	840,583	-	-	-	-	-	-	-	-	-	-	-	12,876,719
Premium Taxes	334,542	-	-	-	-	-	-	-	-	-	-	-	-	334,542
Total Reserves	13,398,216	1,142,707	8,349	442,118	-	-	-	-	-	-	-	-	-	14,991,390
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	336,559	-	-	-	-	-	-	-	-	-	-	-	-	336,559
Assets Not Admitted	(986,227)	-	-	-	-	-	-	-	-	-	-	-	-	(986,227)
Retained Surplus	(1,686,430)	(1,642,342)	(566,470)	(345,818)	(288,215)	(319,649)	(284,009)	(17,189)	(10,477)	-	-	-	-	(5,160,599)
Total Other Changes	(2,336,098)	(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)	(6,068,829)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (7,888,939)	\$ 3,036,566	\$ 1,506,595	\$ 66,084	\$ 5,327,568	\$ 10,906,973	\$ 13,408,157	\$ 15,657,507	\$ 18,420,823	\$ 12,558,539	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ 95,173,040

Notes:

October 31, 2009 plan year: Closed

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

RETAINED SURPLUS

Inception to Quarter Ended July 31, 2019

Exhibit 3C

Description	Policy Year										Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2009		
INCOME RECEIVED:												
Interest Received	\$ 1,496,984	\$ 1,851,667	\$ 702,154	\$ 370,455	\$ 322,544	\$ 348,507	\$ 326,657	\$ 95,204	\$ 40,332	\$ -	\$ -	\$ 5,554,504
Realized Gains (Losses)	68	(22,930)	(57)	-	-	-	-	(34,521)	-	-	-	(57,440)
Total Income	1,497,052	1,828,737	702,097	370,455	322,544	348,507	326,657	60,683	40,332	-	-	5,497,064
EXPENSES PAID:												
Operating Expenses	147,181	186,395	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,800,000	-	5,473,023
Total Expenses Paid	147,181	186,395	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,800,000	-	5,473,023
Net Cash Change	1,349,871	1,642,342	566,470	345,818	288,216	319,649	284,009	17,189	10,477	(4,800,000)	-	24,041
RESERVES:												
DEDUCT (CURRENT PERIOD)												
Contributions and Grants	-	-	-	-	-	-	55,777	17,189	10,477	116,557	-	200,000
Total Reserves	-	-	-	-	-	-	55,777	17,189	10,477	116,557	-	200,000
OTHER CHANGES:												
ADD (DEDUCT)												
Interest Accrued	336,559	-	-	-	-	-	-	-	-	-	-	336,559
Total Other Changes	336,559	-	-	-	-	-	-	-	-	-	-	336,559
Net Income Retained	-	-	-	-	-	-	-	-	-	4,916,557	-	4,916,557
Retained Surplus	\$ 1,686,430	\$ 1,642,342	\$ 566,470	\$ 345,818	\$ 288,216	\$ 319,649	\$ 228,232	\$ -	\$ -	\$ -	\$ -	\$ 5,077,157

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 July 31, 2019

EXHIBIT 4A - Quarterly

Description	Quarterly 05/01/2019 - 07/31/2019												Total		
	2019	2018	2017	2016	2015	2014	Policy Year		2011	2010	2008	2007		2006	
PREMIUMS WRITTEN:															
Fire	\$ 409,765	\$ (7,114)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 402,651
E.C. & VMM	7,048,000	(86,026)	-	-	-	-	-	-	-	-	-	-	-	-	6,961,974
Reinsurance Premium Ceded	(2,691,667)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,691,667)
Total	4,766,098	(93,140)	-	-	-	-	-	-	-	-	-	-	-	-	4,672,958
UNEARNED PREMIUMS: (PRIOR PERIOD)															
Fire	530,782	238,665	-	-	-	-	-	-	-	-	-	-	-	-	769,447
E.C. & VMM	7,697,501	3,446,411	-	-	-	-	-	-	-	-	-	-	-	-	11,143,912
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	8,228,283	3,685,076	-	-	-	-	-	-	-	-	-	-	-	-	11,913,359
UNEARNED PREMIUMS: (CURRENT PERIOD)															
Fire	711,039	57,495	-	-	-	-	-	-	-	-	-	-	-	-	768,534
E.C. & VMM	11,325,097	783,088	-	-	-	-	-	-	-	-	-	-	-	-	12,108,185
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	12,036,136	840,583	-	-	-	-	-	-	-	-	-	-	-	-	12,876,719
EARNED PREMIUMS:															
Fire	229,508	174,056	-	-	-	-	-	-	-	-	-	-	-	-	403,564
E.C. & VMM	3,420,404	2,577,297	-	-	-	-	-	-	-	-	-	-	-	-	5,997,701
Reinsurance Earned Ceded	(2,691,667)	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,691,667)
Total	\$ 958,245	\$ 2,751,353	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,709,598

See Accountant's Compilation Report

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

EXHIBIT 4A - Year-to-Date

Year-to-Date 11/01/2018 - 07/31/2019

Description	Policy Year												Total		
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006	
PREMIUMS WRITTEN:															
Fire	\$ 1,117,442	\$ (35,825)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,081,617
E.C. & VMM	17,154,132	(479,334)	-	-	-	-	-	-	-	-	-	-	-	-	16,674,798
Reinsurance Premium Ceded	(7,741,667)	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,741,667)
Total	10,529,907	(515,159)	-	-	-	-	-	-	-	-	-	-	-	-	10,014,748
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	711,039	57,495	-	-	-	-	-	-	-	-	-	-	-	-	768,534
E.C. & VMM	11,325,097	783,088	-	-	-	-	-	-	-	-	-	-	-	-	12,108,185
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	12,036,136	840,583	-	-	-	-	-	-	-	-	-	-	-	-	12,876,719
EARNED PREMIUMS:															
Fire	406,403	829,005	-	-	-	-	-	-	-	-	-	-	-	-	1,235,408
E.C. & VMM	5,829,035	12,278,355	-	-	-	-	-	-	-	-	-	-	-	-	18,107,390
Reinsurance Earned Ceded	(7,741,667)	-	-	-	-	-	-	-	-	-	-	-	-	-	(7,741,667)
Total	\$ (1,506,229)	\$ 13,107,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,601,131

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF LOSSES

Quarter Ended July 31, 2019

EXHIBIT 4B - Quarterly

Description	Quarterly 05/01/2019 - 07/31/2019													Total	
	2019	2018	2017	2016	2015	2014	Policy Year		2011	2010	2008	2007	2006		
PAID LOSSES:															
Fire	\$ 41,694	\$ 101,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 143,012
E.C. & VMM	244,272	359,045	126,609	28,372	7,576	-	-	-	-	-	-	-	-	765,874	
Reinsurance Losses Ceded			-	(1,419)	(379)	-	-	-	-	-	-	-	-	(1,798)	
Total	285,966	460,363	126,609	26,953	7,197	-	-	-	-	-	-	-	-	907,088	
OUTSTANDING LOSSES (CURRENT PERIOD)*															
Fire	89,316	31,141	7,590	415,579	-	-	-	-	-	-	-	-	-	543,626	
E.C. & VMM	392,680	243,517	-	7,500	-	-	-	-	-	-	-	-	-	643,697	
Reinsurance Losses Ceded	-	-	-	(21,154)	-	-	-	-	-	-	-	-	-	(21,154)	
Total	481,996	274,658	7,590	401,925	-	-	-	-	-	-	-	-	-	1,166,169	
OUTSTANDING LOSSES (PRIOR PERIOD)*															
Fire	92,005	129,232	9,414	424,735	-	-	-	-	-	-	-	-	-	655,386	
E.C. & VMM	207,075	329,605	-	7,500	-	-	-	-	-	-	-	-	-	544,180	
Reinsurance Losses Ceded	-	-	-	(21,612)	-	-	-	-	-	-	-	-	-	(21,612)	
Total	299,080	458,837	9,414	410,623	-	-	-	-	-	-	-	-	-	1,177,954	
INCURRED LOSSES:															
Fire	39,005	3,227	(1,824)	(9,156)	-	-	-	-	-	-	-	-	-	31,252	
E.C. & VMM	429,877	272,957	126,609	28,372	7,576	-	-	-	-	-	-	-	-	865,391	
Reinsurance Losses Ceded	-	-	-	(961)	(379)	-	-	-	-	-	-	-	-	(1,340)	
Total	468,882	276,184	124,785	18,255	7,197	-	-	-	-	-	-	-	-	895,303	
IBNR (CURRENT PERIOD)															
Fire	22,314	9,641	-	-	-	-	-	-	-	-	-	-	-	31,955	
E.C. & VMM	341,832	136,242	-	-	-	-	-	-	-	-	-	-	-	478,074	
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	364,146	145,883	-	-	-	-	-	-	-	-	-	-	-	510,029	
IBNR (PRIOR PERIOD)															
Fire	14,143	19,051	-	-	-	-	-	-	-	-	-	-	-	33,194	
E.C. & VMM	201,344	287,732	-	-	-	-	-	-	-	-	-	-	-	489,076	
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total	\$ 215,487	\$ 306,783	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 522,270	

*Includes IBNR

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF LOSSES

Quarter Ended July 31, 2019

EXHIBIT 4B - Year-to-Date

Year-to-Date 11/01/2018 - 07/31/2019

Description	Policy Year												Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006
PAID LOSSES:														
Fire	\$ 292,208	\$ 288,099	\$ -	\$ 17,330	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 597,637
E.C. & VMM	303,773	1,187,719	348,679	64,413	7,576	-	-	-	-	-	-	-	-	1,912,160
Reinsurance Losses Ceded	-	-	(158)	(3,995)	(379)	-	-	-	-	-	-	-	-	(4,532)
Total	595,981	1,475,818	348,521	77,748	7,197	-	-	-	-	-	-	-	-	2,505,265
OUTSTANDING LOSSES (CURRENT PERIOD)*														
Fire	89,316	31,141	7,590	415,579	-	-	-	-	-	-	-	-	-	543,626
E.C. & VMM	392,680	243,517	-	7,500	-	-	-	-	-	-	-	-	-	643,697
Reinsurance Losses Ceded	-	-	-	(21,154)	-	-	-	-	-	-	-	-	-	(21,154)
Total	481,996	274,658	7,590	401,925	-	-	-	-	-	-	-	-	-	1,166,169
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	381,524	241,967	(74,164)	(22,787)	-	-	-	-	-	-	-	-	-	526,540
E.C. & VMM	696,453	880,244	334,452	64,413	7,576	-	-	-	-	-	-	-	-	1,983,138
Reinsurance Losses Ceded	-	-	786	(1,989)	(379)	-	-	-	-	-	-	-	-	(1,582)
Total	1,077,977	1,122,211	261,074	39,637	7,197	-	-	-	-	-	-	-	-	2,508,096
IBNR (CURRENT PERIOD)														
Fire	22,314	9,641	-	-	-	-	-	-	-	-	-	-	-	31,955
E.C. & VMM	341,832	136,242	-	-	-	-	-	-	-	-	-	-	-	478,074
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	364,146	145,883	-	-	-	-	-	-	-	-	-	-	-	510,029
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 LOSS ADJUSTMENT EXPENSES
Quarter Ended July 31, 2019

EXHIBIT 4C - Quarterly

Quarterly 05/01/2019 - 07/31/2019

Description	Policy Year													Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006		
LOSS EXPENSES PAID:															
Fire	\$ 3,975	\$ 3,767	\$ 2,041	\$ 15,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,755
E.C. & VMM	38,078	73,599	20,339	3,450	2,432	-	-	-	-	-	-	-	-	-	137,898
Reinsurance Loss Expenses Ceded	-	-	-	(946)	(115)	-	-	-	-	-	-	-	-	-	(1,061)
Total	42,053	77,366	22,380	18,476	2,317	-	-	-	-	-	-	-	-	-	162,592
UNPAID LOSS EXPENSES (CURRENT PERIOD)*															
Fire	8,931	3,114	759	41,558	-	-	-	-	-	-	-	-	-	-	54,362
E.C. & VMM	39,269	24,352	-	750	-	-	-	-	-	-	-	-	-	-	64,371
Reinsurance Loss Expenses Ceded	-	-	-	(2,115)	-	-	-	-	-	-	-	-	-	-	(2,115)
Total	48,200	27,466	759	40,193	-	-	-	-	-	-	-	-	-	-	116,618
UNPAID LOSS EXPENSES (PRIOR PERIOD)*															
Fire	9,200	12,923	942	42,474	-	-	-	-	-	-	-	-	-	-	65,539
E.C. & VMM	20,708	32,959	-	750	-	-	-	-	-	-	-	-	-	-	54,417
Reinsurance Loss Expenses Ceded	-	-	-	(2,161)	-	-	-	-	-	-	-	-	-	-	(2,161)
Total	29,908	45,882	942	41,063	-	-	-	-	-	-	-	-	-	-	117,795
INCURRED LOSS EXPENSES:															
Fire	3,706	(6,042)	1,858	15,056	-	-	-	-	-	-	-	-	-	-	14,578
E.C. & VMM	56,639	64,992	20,339	3,450	2,432	-	-	-	-	-	-	-	-	-	147,852
Reinsurance Loss Expenses Ceded	-	-	-	(900)	(115)	-	-	-	-	-	-	-	-	-	(1,015)
Total	\$ 60,345	\$ 58,950	\$ 22,197	\$ 17,606	\$ 2,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 161,415

*Includes IBNR

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

EXHIBIT 4C - Year-to-Date

Year-to-Date 11/01/2018 - 07/31/2019

Description	Policy Year													Total	
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006		
LOSS EXPENSES PAID:															
Fire	\$ 8,572	\$ 19,387	\$ 10,007	\$ 46,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84,878
E.C. & VMM	59,000	272,027	62,347	14,499	2,432	-	-	-	-	-	-	-	-	-	410,305
Reinsurance Loss Expenses Ceded	-	-	(212)	(3,080)	(115)	-	-	-	-	-	-	-	-	-	(3,407)
Total	67,572	291,414	72,142	58,331	2,317	-	-	-	-	-	-	-	-	-	491,776
UNPAID LOSS EXPENSES (CURRENT PERIOD)*															
Fire	8,931	3,114	759	41,558	-	-	-	-	-	-	-	-	-	-	54,362
E.C. & VMM	39,269	24,352	-	750	-	-	-	-	-	-	-	-	-	-	64,371
Reinsurance Loss Expenses Ceded	-	-	-	(2,115)	-	-	-	-	-	-	-	-	-	-	(2,115)
Total	48,200	27,466	759	40,193	-	-	-	-	-	-	-	-	-	-	116,618
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	17,503	14,774	2,591	42,900	-	-	-	-	-	-	-	-	-	-	77,768
E.C. & VMM	98,269	241,281	60,924	14,499	2,432	-	-	-	-	-	-	-	-	-	417,405
Reinsurance Loss Expenses Ceded	-	-	(118)	(2,879)	(115)	-	-	-	-	-	-	-	-	-	(3,112)
Total	\$ 115,772	\$ 256,055	\$ 63,397	\$ 54,520	\$ 2,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 492,061

*Includes IBNR

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