

# Alabama Insurance Underwriting Association

## STATUTORY FINANCIAL STATEMENTS

April 30, 2020



**CRI** CARR  
RIGGS &  
INGRAM

CPAs and Advisors

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**Alabama Insurance Underwriting Association**  
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## ACCOUNTANTS' COMPILATION REPORT

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

Management is responsible for the accompanying interim financial statements of the Alabama Insurance Underwriting Association (the Association), which comprise the statutory statement of admitted assets, liabilities, and surplus as of April 30, 2020, 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 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 the 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 table of 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.

We are not independent with respect to Alabama Insurance Underwriting Association.

*Carr, Riggs & Ingram, L.L.C.*

Montgomery, Alabama  
August 25, 2020

**Alabama Insurance Underwriting Association**  
**Statutory Statement of Admitted Assets, Liabilities and Surplus – Exhibit 1**  
**As of April 30, 2020**

	Assets	Assets non- admitted	Admitted assets
<b>Assets</b>			
Cash and short-term investments	\$ 55,961,545	\$ -	\$ 55,961,541
Bonds	60,197,680	-	60,197,680
Accounts receivable	327	327	-
Receivable for securities	504,639	-	504,639
Accrued interest	366,122	-	366,122
Furniture, fixtures & equipment	64,276	64,276	-
Data processing equipment	95,942	-	95,942
Software and programming	238,013	238,013	-
Leasehold improvements	518,322	518,322	-
Reinsurance:			
Prepaid lease	30,747	30,747	-
Prepaid reinsurance - catastrophe	895,833	-	895,833
Section 444 deposit	399,510	-	399,510
<b>Total assets</b>	<b>\$ 119,272,956</b>	<b>\$ 851,685</b>	<b>\$ 118,421,267</b>
<b>Liabilities and surplus</b>			
Reserves - net of ceded			
Unpaid losses (includes IBNR)			\$ 884,310
Unpaid loss adjustment expenses			88,431
Unearned premiums			10,655,316
<b>Total reserves</b>			<b>11,628,057</b>
Accrued expenses			
Premium taxes payable			181,196
Operating expenses and other accounts payable			186,019
Amounts withheld for accounts of others			162,623
Liability for pension benefits			275,843
Contributions and grants payable			200,000
Advance premiums			1,483,786
<b>Total accrued expenses</b>			<b>2,489,467</b>
<b>Total liabilities</b>			<b>14,117,524</b>
Members' surplus			97,647,545
Retained surplus			6,656,198
<b>Total surplus</b>			<b>104,303,743</b>
<b>Total liabilities and surplus</b>			<b>\$ 118,421,267</b>

*See Accountants' Compilation Report*

**Alabama Insurance Underwriting Association**  
**Statutory Statement of Operations and Changes in Surplus – Exhibit 2**  
**Quarter Ended April 30, 2020**

	Quarter 02/01/2020 - 04/30/2020	Year-to-Date 11/1/2019 - 04/30/2020
<b>Underwriting income</b>		
Premiums earned	\$ 3,225,097	\$ 6,261,974
<b>Deductions</b>		
Losses incurred	638,658	1,526,562
Loss expenses incurred	142,802	288,425
Operating expense incurred	1,261,077	2,564,465
Net underwriting gain	2,042,537	4,379,452
<b>Other income (expense)</b>		
Investment income	538,681	1,117,918
Realized gains	314	305
Other income (expenses)	(40)	(61)
Service fees	90,635	201,060
Agency fees	15,300	15,300
Total other income	644,890	1,334,522
<b>Net income</b>	<b>\$ 1,827,450</b>	<b>\$ 3,217,044</b>
<b>Surplus</b>		
Surplus (prior period)	\$ 102,443,875	\$ 101,016,026
Net income	1,827,450	3,217,044
Change in net assets not admitted	32,418	70,673
Net change in surplus	1,859,868	3,287,717
<b>Surplus (current period)</b>	<b>\$ 104,303,743</b>	<b>\$ 104,303,743</b>

*See Accountants' Compilation Report*

## **Supplementary Information**

**Alabama Insurance Underwriting Association**  
**Surplus – Exhibit 3A - Quarterly**  
**Quarter Ended April 30, 2020**

Description	Quarterly 02/01/2020 - 04/30/2020																Total
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006		
<b>Income received:</b>																	
Premiums written	\$ 5,262,968	\$ (135,068)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,127,900	
Reinsurance premium ceded	(2,388,557)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,388,557)	
Net premiums written	2,874,411	(135,068)	-	-	-	-	-	-	-	-	-	-	-	-	-	2,739,343	
Interest received	500,757	-	-	-	-	-	-	-	-	-	-	-	-	-	-	500,757	
Realized gains	314	-	-	-	-	-	-	-	-	-	-	-	-	-	-	314	
Other income	(40)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(40)	
Service & agency fees	105,935	-	-	-	-	-	-	-	-	-	-	-	-	-	-	105,935	
Total income	3,481,377	(135,068)	-	-	-	-	-	-	-	-	-	-	-	-	-	3,346,309	
<b>Expenses paid:</b>																	
Losses	85,660	455,022	-	-	-	-	-	-	-	-	-	-	-	-	-	540,682	
Loss adjustment expenses	20,132	99,339	7,686	4,500	1,348	-	-	-	-	-	-	-	-	-	-	133,005	
Commissions	257,156	-	-	-	-	-	-	-	-	-	-	-	-	-	-	257,156	
Operating expenses	890,191	-	-	-	-	-	-	-	-	-	-	-	-	-	-	890,191	
Contributions and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Premium taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total expenses paid	1,253,139	554,361	7,686	4,500	1,348	-	-	-	-	-	-	-	-	-	-	1,821,034	
Net cash change	2,228,238	(689,429)	(7,686)	(4,500)	(1,348)	-	-	-	-	-	-	-	-	-	-	1,525,275	
<b>Reserves:</b>																	
<b>Deduct (current period)</b>																	
Unpaid losses (include IBNR)	209,422	508,404	-	-	166,483	-	-	-	-	-	-	-	-	-	-	884,309	
Unpaid loss adj. expenses	20,942	50,840	-	-	16,648	-	-	-	-	-	-	-	-	-	-	88,431	
Operating expenses	348,642	-	-	-	-	-	-	-	-	-	-	-	-	-	-	348,642	
Contributions and grants	-	-	-	-	-	-	-	55,777	17,189	10,477	-	116,557	-	-	-	200,000	
Unearned premiums	7,413,827	3,241,489	-	-	-	-	-	-	-	-	-	-	-	-	-	10,655,316	
Premium taxes	181,196	-	-	-	-	-	-	-	-	-	-	-	-	-	-	181,196	
<b>Add (prior period)</b>																	
Unpaid losses (include IBNR)	87,794	467,928	64,129	-	166,482	-	-	-	-	-	-	-	-	-	-	786,333	
Unpaid loss adj. expenses	8,780	46,793	6,413	-	16,648	-	-	-	-	-	-	-	-	-	-	78,634	
Operating expenses	407,074	-	-	-	-	-	-	-	-	-	-	-	-	-	-	407,074	
Contributions and grants	-	-	-	-	-	-	-	55,777	17,189	10,477	-	116,557	-	-	-	200,000	
Unearned premiums	3,817,095	7,323,976	-	-	-	-	-	-	-	-	-	-	-	-	-	11,141,071	
Premium taxes	9,033	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,033	
Net reserve change	(3,844,253)	4,037,964	70,542	-	(1)	-	-	-	-	-	-	-	-	-	-	264,251	
<b>Other changes:</b>																	
<b>Deduct (prior period)</b>																	
Interest accrued	-	328,198	-	-	-	-	-	-	-	-	-	-	-	-	-	328,198	
Assets not admitted	-	(884,103)	-	-	-	-	-	-	-	-	-	-	-	-	-	(884,103)	
<b>Add (current period)</b>																	
Interest accrued	366,122	-	-	-	-	-	-	-	-	-	-	-	-	-	-	366,122	
Assets not admitted	(851,685)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(851,685)	
Net other changes	(485,563)	555,905	-	-	-	-	-	-	-	-	-	-	-	-	-	70,342	
Assessments or (distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in retained surplus increase (decrease)	510,466	-	-	-	-	-	-	-	-	-	-	-	-	-	-	510,466	
Change in members' surplus increase (decrease)	\$ (2,612,044)	\$ 3,904,440	\$ 62,856	\$ (4,500)	\$ (1,349)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,349,402	

See Accountants' Compilation Report

**Alabama Insurance Underwriting Association**  
**Surplus – Exhibit 3A – Year-to-Date**  
**Quarter Ended April 30, 2020**

Description	Year-to-Date 11/01/2019 - 04/30/2020															Total
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	
<b>Income received:</b>																
Premiums written	\$ 9,670,659	\$ (417,782)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,252,877
Reinsurance premium ceded	(5,319,411)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,319,411)
Net premiums written	4,351,248	(417,782)	-	-	-	-	-	-	-	-	-	-	-	-	-	3,933,466
Interest received	751,796	293,838	-	-	-	-	-	-	-	-	-	-	-	-	-	1,045,634
Realized gains	305	-	-	-	-	-	-	-	-	-	-	-	-	-	-	305
Other income	(61)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(61)
Service & agency fees	216,360	-	-	-	-	-	-	-	-	-	-	-	-	-	-	216,360
Total income	5,319,648	(123,944)	-	-	-	-	-	-	-	-	-	-	-	-	-	5,195,704
<b>Expenses paid:</b>																
Losses	119,446	1,030,483	517,574	10,897	(33,250)	-	-	694	-	-	-	-	-	-	-	1,645,844
Loss adjustment expenses	26,332	220,754	20,557	27,024	4,337	-	-	1,349	-	-	-	-	-	-	-	300,353
Commissions	498,669	122,067	-	-	-	-	-	-	-	-	-	-	-	-	-	620,736
Operating expenses	1,419,731	353,724	-	-	-	-	-	-	-	-	-	-	-	-	-	1,773,455
Contributions and grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium taxes	138,846	101,898	-	-	-	-	-	-	-	-	-	-	-	-	-	240,744
Total expenses paid	2,203,024	1,828,926	538,131	37,921	(28,913)	-	-	2,043	-	-	-	-	-	-	-	4,581,132
Net cash change	3,116,624	(1,952,870)	(538,131)	(37,921)	28,913	-	-	(2,043)	-	-	-	-	-	-	-	614,572
<b>Reserves:</b>																
<b>Deduct (current period)</b>																
Unpaid losses (include IBNR)	209,422	508,404	-	-	166,483	-	-	-	-	-	-	-	-	-	-	884,309
Unpaid loss adj. expenses	20,942	50,840	-	-	16,648	-	-	-	-	-	-	-	-	-	-	88,431
Operating expenses	348,642	-	-	-	-	-	-	-	-	-	-	-	-	-	-	348,642
Contributions and grants	-	-	-	-	-	-	-	55,777	17,189	10,477	-	116,557	-	-	-	200,000
Unearned premiums	7,413,827	3,241,489	-	-	-	-	-	-	-	-	-	-	-	-	-	10,655,316
Premium taxes	181,196	-	-	-	-	-	-	-	-	-	-	-	-	-	-	181,196
<b>Add (prior period)</b>																
Unpaid losses (include IBNR)	-	752,789	63,848	18,145	168,809	-	-	-	-	-	-	-	-	-	-	1,003,591
Unpaid loss adj. expenses	-	75,278	6,385	1,815	16,881	-	-	-	-	-	-	-	-	-	-	100,359
Operating expenses	-	498,409	-	-	-	-	-	-	-	-	-	-	-	-	-	498,409
Contributions and grants	-	-	-	-	-	-	-	55,777	17,189	10,477	-	116,557	-	-	-	200,000
Unearned premiums	-	12,983,824	-	-	-	-	-	-	-	-	-	-	-	-	-	12,983,824
Premium taxes	-	101,898	-	-	-	-	-	-	-	-	-	-	-	-	-	101,898
Net reserve change	(8,174,029)	10,611,465	70,233	19,960	2,559	-	-	-	-	-	-	-	-	-	-	2,530,187
<b>Other changes:</b>																
<b>Deduct (prior period)</b>																
Interest accrued	-	293,838	-	-	-	-	-	-	-	-	-	-	-	-	-	293,838
Assets not admitted	-	(922,359)	-	-	-	-	-	-	-	-	-	-	-	-	-	(922,359)
<b>Add (current period)</b>																
Interest accrued	366,122	-	-	-	-	-	-	-	-	-	-	-	-	-	-	366,122
Assets not admitted	(851,685)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(851,685)
Net other changes	(485,563)	628,521	-	-	-	-	-	-	-	-	-	-	-	-	-	142,958
Assessments or (distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in retained surplus increase (decrease)	1,038,606	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,038,606
Change in members' surplus increase (decrease)	\$ (6,581,574)	\$ 9,287,116	\$ (467,898)	\$ (17,961)	\$ 31,472	\$ -	\$ -	\$ (2,043)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,249,111

See Accountants' Compilation Report

**Alabama Insurance Underwriting Association**  
**Members' Surplus for Unsettled Years – Exhibit 3B**  
**Inception to Quarter Ended April 30, 2020**

Description	Policy Year														Total
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
<b>Income received:</b>															
Premiums written	\$ 9,670,659	\$ 24,167,546	\$ 26,519,831	\$ 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	\$ 446,817,901
Reinsurance premiums ceded	(5,319,410)	(10,776,423)	(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)	(218,149,610)
Net premiums written	4,351,249	13,391,123	12,822,004	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	228,668,291
Interest received	751,796	2,419,573	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	8,721,754
Realized gains (losses)	305	4,852	(22,930)	(57)	-	-	-	-	(34,522)	-	-	-	-	-	(52,352)
Other income	(61)	(74)	87	188	43	12	43	-	8	1,070	153	3,391	3,670	40	8,570
Service & agency fees	216,360	519,124	597,930	677,515	774,325	899,270	906,565	778,125	674,460	608,415	497,585	269,337	187,836	175,703	7,782,550
Gain (loss) on sale of non admitted asset	-	19,632	-	(15,624)	(22,707)	-	-	-	-	-	-	100	623	(203)	(18,179)
<b>Total income</b>	<b>5,319,649</b>	<b>16,354,230</b>	<b>15,248,758</b>	<b>13,725,467</b>	<b>13,456,433</b>	<b>18,862,628</b>	<b>23,712,316</b>	<b>25,795,183</b>	<b>27,503,817</b>	<b>27,767,051</b>	<b>20,310,328</b>	<b>10,216,805</b>	<b>13,526,749</b>	<b>13,311,220</b>	<b>245,110,634</b>
<b>Expenses paid:</b>															
Losses	119,446	2,124,765	3,257,691	3,683,380	4,537,652	4,441,652	3,193,725	3,415,822	3,264,442	1,326,634	988,594	874,566	512,315	930,913	32,671,597
Loss adjustment expenses	26,332	389,160	537,607	720,511	748,013	586,864	584,234	579,876	400,549	230,657	118,628	22,717	14,945	17,029	4,977,122
Commissions	498,669	1,939,744	2,113,498	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	36,181,593
Operating expenses	1,419,731	3,626,607	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	38,063,616
Premium taxes	138,846	853,759	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	15,610,665
<b>Total expenses paid</b>	<b>2,203,024</b>	<b>8,934,035</b>	<b>10,655,083</b>	<b>11,710,880</b>	<b>12,691,477</b>	<b>13,261,562</b>	<b>12,186,187</b>	<b>12,228,969</b>	<b>11,701,842</b>	<b>9,298,760</b>	<b>7,779,537</b>	<b>5,414,261</b>	<b>5,108,367</b>	<b>4,330,609</b>	<b>127,504,593</b>
<b>Net cash change</b>	<b>3,116,625</b>	<b>7,420,195</b>	<b>4,593,675</b>	<b>2,014,587</b>	<b>764,956</b>	<b>5,601,066</b>	<b>11,526,129</b>	<b>13,566,214</b>	<b>15,801,975</b>	<b>18,468,291</b>	<b>12,530,791</b>	<b>4,802,544</b>	<b>8,418,382</b>	<b>8,980,611</b>	<b>117,606,041</b>
<b>Reserves:</b>															
<b>Deduct (current period)</b>															
Unpaid losses (include IBNR)	209,422	508,404	-	-	166,483	-	-	-	-	-	-	-	-	-	884,309
Unpaid loss adjustment expenses	20,942	50,840	-	-	16,648	-	-	-	-	-	-	-	-	-	88,431
Operating expenses	348,642	-	-	-	-	-	-	-	-	-	-	-	-	-	348,642
Unearned premiums	7,413,827	3,241,489	-	-	-	-	-	-	-	-	-	-	-	-	10,655,316
Premium taxes	181,196	-	-	-	-	-	-	-	-	-	-	-	-	-	181,196
<b>Total reserves</b>	<b>8,174,029</b>	<b>3,800,733</b>	<b>-</b>	<b>-</b>	<b>183,131</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,157,894</b>
<b>Other changes:</b>															
<b>Add (deduct)</b>															
Minimum pension liability	-	(316,836)	276,179	(38,931)	(161,212)	14,335	(299,507)	115,466	(127,279)	(36,991)	27,748	(53,339)	46,800	(21,831)	(575,398)
Interest accrued	366,122	-	-	-	-	-	-	-	-	-	-	-	-	-	366,122
Assets not admitted	(851,685)	-	-	-	-	-	-	-	-	-	-	-	-	-	(851,685)
Retained surplus	(1,038,606)	(2,226,865)	(1,642,342)	(566,470)	(345,818)	(288,216)	(319,649)	(284,009)	(17,189)	(10,477)	-	-	-	-	(6,739,641)
<b>Total other changes</b>	<b>(1,524,169)</b>	<b>(2,543,701)</b>	<b>(1,366,163)</b>	<b>(605,401)</b>	<b>(507,030)</b>	<b>(273,881)</b>	<b>(619,156)</b>	<b>(168,543)</b>	<b>(144,468)</b>	<b>(47,468)</b>	<b>27,748</b>	<b>(53,339)</b>	<b>46,800</b>	<b>(21,831)</b>	<b>(7,800,602)</b>
Assessments or (distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Members' surplus (deficit)</b>	<b>\$ (6,581,573)</b>	<b>\$ 1,075,761</b>	<b>\$ 3,227,512</b>	<b>\$ 1,409,186</b>	<b>\$ 74,795</b>	<b>\$ 5,327,185</b>	<b>\$ 10,906,973</b>	<b>\$ 13,397,671</b>	<b>\$ 15,657,507</b>	<b>\$ 18,420,823</b>	<b>\$ 12,558,539</b>	<b>\$ 4,749,205</b>	<b>\$ 8,465,182</b>	<b>\$ 8,958,780</b>	<b>\$ 97,647,545</b>

**Notes:**  
October 31, 2009 plan year: Closed

**Alabama Insurance Underwriting Association**  
**Retained Surplus – Exhibit 3C**  
**Inception to Quarter Ended April 30, 2020**

Description	Policy Year											Total
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2009	
<b>Income received:</b>												
Interest received	\$ 751,796	\$ 2,419,573	\$ 1,851,667	\$ 702,154	\$ 370,455	\$ 322,544	\$ 348,507	\$ 326,657	\$ 95,204	\$ 40,332	\$ -	\$ 7,228,889
Realized gains (losses)	305	4,852	(22,930)	(57)	-	-	-	-	(34,521)	-	-	(52,351)
Total income	752,101	2,424,425	1,828,737	702,097	370,455	322,544	348,507	326,657	60,683	40,332	-	7,176,538
<b>Expenses paid:</b>												
Operating expenses	79,617	197,560	186,395	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,800,000	5,603,019
Total expenses paid	79,617	197,560	186,395	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,800,000	5,603,019
Net cash change	672,484	2,226,865	1,642,342	566,470	345,818	288,216	319,649	284,009	17,189	10,477	(4,800,000)	1,573,519
<b>Reserves:</b>												
<b>Deduct (current period)</b>												
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
<b>Other changes:</b>												
<b>Add (deduct)</b>												
Interest accrued	366,122	-	-	-	-	-	-	-	-	-	-	366,122
Total other changes	366,122	-	-	-	-	-	-	-	-	-	-	366,122
Net income retained	-	-	-	-	-	-	-	-	-	-	4,916,557	4,916,557
Retained surplus	\$ 1,038,606	\$ 2,226,865	\$ 1,642,342	\$ 566,470	\$ 345,818	\$ 288,216	\$ 319,649	\$ 228,232	\$ -	\$ -	\$ -	\$ 6,656,198

**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 – Exhibit 4A - Quarterly**  
**Quarter Ended April 30, 2020**

Quarterly 02/01/2020 - 04/30/2020

Description	Policy Year									Total	
	2020	2019	2018	2017	2016	2015	2014	2013	2006 to 2012		
<b>Premiums written:</b>											
Fire	\$ 282,308	\$ (8,576)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	273,732
E.C. & VMM	4,980,660	(126,492)	-	-	-	-	-	-	-	-	4,854,168
Reinsurance premium ceded	(2,388,557)	-	-	-	-	-	-	-	-	-	(2,388,557)
<b>Total</b>	<b>2,874,411</b>	<b>(135,068)</b>	<b>-</b>	<b>-</b>	<b>2,739,343</b>						
<b>Unearned premiums:</b>											
<b>(Prior period)</b>											
Fire	246,738	433,522	-	-	-	-	-	-	-	-	680,260
E.C. & VMM	3,570,356	6,890,454	-	-	-	-	-	-	-	-	10,460,810
Reinsurance unearned ceded	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,817,094</b>	<b>7,323,976</b>	<b>-</b>	<b>-</b>	<b>11,141,070</b>						
<b>Unearned premiums:</b>											
<b>(Current period)</b>											
Fire	429,010	194,574	-	-	-	-	-	-	-	-	623,584
E.C. & VMM	6,984,817	3,046,915	-	-	-	-	-	-	-	-	10,031,732
Reinsurance unearned ceded	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7,413,827</b>	<b>3,241,489</b>	<b>-</b>	<b>-</b>	<b>10,655,316</b>						
<b>Earned premiums:</b>											
Fire	100,036	230,372	-	-	-	-	-	-	-	-	330,408
E.C. & VMM	1,566,199	3,717,047	-	-	-	-	-	-	-	-	5,283,246
Reinsurance earned ceded	(2,388,557)	-	-	-	-	-	-	-	-	-	(2,388,557)
<b>Total</b>	<b>\$ (722,322)</b>	<b>\$ 3,947,419</b>	<b>\$ -</b>	<b>\$ -</b>	<b>3,225,097</b>						

See Accountants' Compilation Report

**Alabama Insurance Underwriting Association**  
**Statistical Report of Premiums – Exhibit 4A – Year-to-Date**  
**Quarter Ended April 30, 2020**

Year-to-Date 11/01/2019 - 04/30/2020

Description	Policy Year										Total
	2020	2019	2018	2017	2016	2015	2014	2013	2006 to 2012		
<b>Premiums written:</b>											
Fire	\$ 569,932	\$ (24,985)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	544,947
E.C. & VMM	9,100,727	(392,797)	-	-	-	-	-	-	-	-	8,707,930
Reinsurance premium ceded	(5,319,411)	-	-	-	-	-	-	-	-	-	(5,319,411)
<b>Total</b>	<b>4,351,248</b>	<b>(417,782)</b>	<b>-</b>	<b>-</b>	<b>3,933,466</b>						
<b>Unearned premiums:</b>											
<b>(Prior period)</b>											
Fire	-	772,926	-	-	-	-	-	-	-	-	772,926
E.C. & VMM	-	12,210,898	-	-	-	-	-	-	-	-	12,210,898
Reinsurance unearned ceded	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>12,983,824</b>	<b>-</b>	<b>-</b>	<b>12,983,824</b>						
<b>Unearned premiums:</b>											
<b>(Current period)</b>											
Fire	429,010	194,574	-	-	-	-	-	-	-	-	623,584
E.C. & VMM	6,984,817	3,046,915	-	-	-	-	-	-	-	-	10,031,732
Reinsurance unearned ceded	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7,413,827</b>	<b>3,241,489</b>	<b>-</b>	<b>-</b>	<b>10,655,316</b>						
<b>Earned premiums:</b>											
Fire	140,922	553,367	-	-	-	-	-	-	-	-	694,289
E.C. & VMM	2,115,910	8,771,186	-	-	-	-	-	-	-	-	10,887,096
Reinsurance earned ceded	(5,319,411)	-	-	-	-	-	-	-	-	-	(5,319,411)
<b>Total</b>	<b>\$ (3,062,579)</b>	<b>\$ 9,324,553</b>	<b>\$ -</b>	<b>\$ -</b>	<b>6,261,974</b>						

See Accountants' Compilation Report

**Alabama Insurance Underwriting Association**  
**Statistical Report of Losses – Exhibit 4B - Quarterly**  
**Quarter Ended April 30, 2020**

Quarterly 02/01/2020 - 04/30/2020

Description	Policy Year									Total
	2020	2019	2018	2017	2016	2015	2014	2013	2006 to 2012	
<b>Paid losses:</b>										
Fire	\$ 5,061	\$ (38,854)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (33,793)
E.C. & VMM	80,599	493,876	-	-	-	-	-	-	-	574,475
Reinsurance losses ceded	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>85,660</b>	<b>455,022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>540,682</b>
<b>Outstanding losses (Current period)*</b>										
Fire	14,301	114,704	-	-	167,745	-	-	-	-	296,750
E.C. & VMM	195,121	393,700	-	-	7,500	-	-	-	-	596,321
Reinsurance losses ceded	-	-	-	-	(8,762)	-	-	-	-	(8,762)
<b>Total</b>	<b>209,422</b>	<b>508,404</b>	<b>-</b>	<b>-</b>	<b>166,483</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>884,309</b>
<b>Outstanding losses (Prior period)*</b>										
Fire	5,700	85,545	-	-	167,744	-	-	-	-	258,989
E.C. & VMM	82,094	382,383	64,129	-	7,500	-	-	-	-	536,106
Reinsurance losses ceded	-	-	-	-	(8,762)	-	-	-	-	(8,762)
<b>Total</b>	<b>87,794</b>	<b>467,928</b>	<b>64,129</b>	<b>-</b>	<b>166,482</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>786,333</b>
<b>Incurred losses:</b>										
Fire	13,662	(9,695)	-	-	1	-	-	-	-	3,968
E.C. & VMM	193,626	505,193	(64,129)	-	-	-	-	-	-	634,690
Reinsurance losses ceded	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>207,288</b>	<b>495,498</b>	<b>(64,129)</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>638,658</b>
<b>IBNR (current period)</b>										
Fire	11,399	15,941	-	-	-	-	-	-	-	27,340
E.C. & VMM	182,015	258,008	-	-	-	-	-	-	-	440,023
Reinsurance losses ceded	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>193,414</b>	<b>273,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>467,363</b>
<b>IBNR (prior period)</b>										
Fire	5,700	22,979	-	-	-	-	-	-	-	28,679
E.C. & VMM	82,094	367,931	-	-	-	-	-	-	-	450,025
Reinsurance losses ceded	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ 87,794</b>	<b>\$ 390,910</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 478,704</b>

\*Includes IBNR

**Alabama Insurance Underwriting Association  
Statistical Report of Losses – Exhibit 4B – Year-to-Date  
Quarter Ended April 30, 2020**

Year-to-Date 11/01/2019 - 04/30/2020

Description	Policy Year									Total
	2020	2019	2018	2017	2016	2015	2014	2013	2006 to 2012	
<b>Paid losses:</b>										
Fire	\$ 18,242	\$ (27,754)	\$ 462,533	\$ -	\$ (35,000)	\$ -	\$ -	\$ -	\$ -	\$ 418,021
E.C. & VMM	101,204	1,058,237	55,041	10,897	-	-	-	694	-	1,226,073
Reinsurance losses ceded	-	-	-	-	1,750	-	-	-	-	1,750
<b>Total</b>	<b>119,446</b>	<b>1,030,483</b>	<b>517,574</b>	<b>10,897</b>	<b>(33,250)</b>	<b>-</b>	<b>-</b>	<b>694</b>	<b>-</b>	<b>1,645,844</b>
<b>Outstanding losses (Current period)*</b>										
Fire	14,301	114,704	-	-	167,745	-	-	-	-	296,750
E.C. & VMM	195,121	393,700	-	-	7,500	-	-	-	-	596,321
Reinsurance losses ceded	-	-	-	-	(8,762)	-	-	-	-	(8,762)
<b>Total</b>	<b>209,422</b>	<b>508,404</b>	<b>-</b>	<b>-</b>	<b>166,483</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>884,309</b>
<b>Outstanding losses (Prior period)*</b>										
Fire	-	71,053	-	7,248	170,194	-	-	-	-	248,495
E.C. & VMM	-	681,736	63,848	10,897	7,500	-	-	-	-	763,981
Reinsurance losses ceded	-	-	-	-	(8,885)	-	-	-	-	(8,885)
<b>Total</b>	<b>-</b>	<b>752,789</b>	<b>63,848</b>	<b>18,145</b>	<b>168,809</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,003,591</b>
<b>Incurred losses:</b>										
Fire	32,543	15,897	462,533	(7,248)	(37,449)	-	-	-	-	466,276
E.C. & VMM	296,325	770,201	(8,807)	-	-	-	-	694	-	1,058,413
Reinsurance losses ceded	-	-	-	-	1,873	-	-	-	-	1,873
<b>Total</b>	<b>328,868</b>	<b>786,098</b>	<b>453,726</b>	<b>(7,248)</b>	<b>(35,576)</b>	<b>-</b>	<b>-</b>	<b>694</b>	<b>-</b>	<b>1,526,562</b>
<b>IBNR (current period)</b>										
Fire	11,399	15,941	-	-	-	-	-	-	-	27,340
E.C. & VMM	182,015	258,008	-	-	-	-	-	-	-	440,023
Reinsurance losses ceded	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>193,414</b>	<b>273,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>467,363</b>
<b>IBNR (prior period)</b>										
Fire	-	30,093	-	-	-	-	-	-	-	30,093
E.C. & VMM	-	460,139	-	-	-	-	-	-	-	460,139
Reinsurance losses ceded	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 490,232</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 490,232</b>

\*Includes IBNR

**Alabama Insurance Underwriting Association**  
**Statistical Report of Loss Adjustment Expenses – Exhibit 4C - Quarterly**  
**Quarter Ended April 30, 2020**

Quarterly 02/01/2020 - 04/30/2020

Description	Policy Year									Total
	2020	2019	2018	2017	2016	2015	2014	2013	2006 to 2012	
<b>Loss expenses paid:</b>										
Fire	\$ 1,169	\$ 4,526	\$ -	\$ 2,142	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,837
E.C. & VMM	18,963	94,813	7,686	2,358	1,348	-	-	-	-	125,168
Reinsurance loss expenses ceded	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>20,132</b>	<b>99,339</b>	<b>7,686</b>	<b>4,500</b>	<b>1,348</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,005</b>
<b>Unpaid loss expenses (Current period)*</b>										
Fire	1,430	11,470	-	-	16,775	-	-	-	-	29,675
E.C. & VMM	19,512	39,370	-	-	750	-	-	-	-	59,632
Reinsurance loss expenses ceded	-	-	-	-	(876)	-	-	-	-	(876)
<b>Total</b>	<b>20,942</b>	<b>50,840</b>	<b>-</b>	<b>-</b>	<b>16,648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,431</b>
<b>Unpaid loss expenses (Prior period)*</b>										
Fire	570	8,555	-	-	16,774	-	-	-	-	25,899
E.C. & VMM	8,210	38,238	6,413	-	750	-	-	-	-	53,611
Reinsurance loss expenses ceded	-	-	-	-	(876)	-	-	-	-	(876)
<b>Total</b>	<b>8,780</b>	<b>46,793</b>	<b>6,413</b>	<b>-</b>	<b>16,648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>78,634</b>
<b>Incurred loss expenses:</b>										
Fire	2,029	7,441	-	2,142	1	-	-	-	-	11,613
E.C. & VMM	30,265	95,945	1,273	2,358	1,348	-	-	-	-	131,189
Reinsurance loss expenses ceded	-	-	-	-	(0)	-	-	-	-	(0)
<b>Total</b>	<b>\$ 32,294</b>	<b>\$ 103,386</b>	<b>\$ 1,273</b>	<b>\$ 4,500</b>	<b>\$ 1,348</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 142,802</b>

\*Includes IBNR

**Alabama Insurance Underwriting Association**  
**Statistical Report of Loss Adjustment Expenses – Exhibit 4C – Year-to-Date**  
**Quarter Ended April 30, 2020**

Year-to-Date 11/01/2019 - 04/30/2020										
Description	Policy Year									Total
	2020	2019	2018	2017	2016	2015	2014	2013	2006 to 2012	
<b>Loss expenses paid:</b>										
Fire	\$ 2,492	\$ 22,920	\$ -	\$ 22,678	\$ 3,145	\$ -	\$ -	\$ -	\$ -	\$ 51,235
E.C. & VMM	23,840	197,834	20,557	4,346	1,348	-	-	1,349	-	249,274
Reinsurance loss expenses ceded	-	-	-	-	(156)	-	-	-	-	(156)
<b>Total</b>	<b>26,332</b>	<b>220,754</b>	<b>20,557</b>	<b>27,024</b>	<b>4,337</b>	<b>-</b>	<b>-</b>	<b>1,349</b>	<b>-</b>	<b>300,353</b>
<b>Unpaid loss expenses</b>										
<b>(Current period)*</b>										
Fire	1,430	11,470	-	-	16,775	-	-	-	-	29,675
E.C. & VMM	19,512	39,370	-	-	750	-	-	-	-	59,632
Reinsurance loss expenses ceded	-	-	-	-	(876)	-	-	-	-	(876)
<b>Total</b>	<b>20,942</b>	<b>50,840</b>	<b>-</b>	<b>-</b>	<b>16,648</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,431</b>
<b>Unpaid loss expenses</b>										
<b>(Prior period)*</b>										
Fire	-	7,105	-	725	17,019	-	-	-	-	24,849
E.C. & VMM	-	68,173	6,385	1,090	750	-	-	-	-	76,398
Reinsurance loss expenses ceded	-	-	-	-	(888)	-	-	-	-	(888)
<b>Total</b>	<b>-</b>	<b>75,278</b>	<b>6,385</b>	<b>1,815</b>	<b>16,881</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100,359</b>
<b>Incurred loss expenses:</b>										
Fire	3,922	27,285	-	21,953	2,901	-	-	-	-	56,061
E.C. & VMM	43,352	169,031	14,172	3,256	1,348	-	-	1,349	-	232,508
Reinsurance loss expenses ceded	-	-	-	-	(144)	-	-	-	-	(144)
<b>Total</b>	<b>\$ 47,274</b>	<b>\$ 196,316</b>	<b>\$ 14,172</b>	<b>\$ 25,209</b>	<b>\$ 4,104</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,349</b>	<b>\$ -</b>	<b>\$ 288,425</b>

\*Includes IBNR