

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

APRIL 30, 2012

ALABAMA INSURANCE UNDERWRITING ASSOCIATION  
STATUTORY FINANCIAL STATEMENTS

APRIL 30, 2012

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ACCOUNTANT'S COMPILATION REPORT

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

We have compiled the accompanying statutory statement of admitted assets, liabilities and surplus of Alabama Insurance Underwriting Association as of April 30, 2012, and the related accompanying statutory statement of operations and changes in surplus for the six months then ended, and the accompanying supplementary information, which is presented only for supplementary analysis purposes. The financial statements have been prepared in conformity with statutory accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the Insurance Department of the State of Alabama, which is a comprehensive basis of accounting other than generally accepted accounting principles. We have not audited or reviewed the accompanying financial statements and supplementary schedules and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary schedules are in accordance with statutory accounting practices prescribed or permitted by the National Association of Insurance Commissioners (NAIC) and the Insurance Department of the State of Alabama.

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

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

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

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

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

*Warren Averett, LLC*

Foley, Alabama  
July 23, 2012

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS**  
**As of April 30, 2012**

**EXHIBIT 1**

<b>Description</b>	<b>Ledger Assets</b>	<b>Assets Not Admitted</b>	<b>Admitted Assets</b>
<b><u>ASSETS</u></b>			
US Treasury Bills	\$ 37,979,894		\$ 37,979,894
Investments Other	3,043,820		3,043,820
Cash and cash equivalents	29,103,602		29,103,602
Accounts receivable	413	413	-
Interest accrued	17		17
Furniture and equipment - net of depreciation	68,140	68,140	-
Data processing equipment - net of depreciation	45,755		45,755
Programming - net of amortization	144,845	144,845	-
Prepaid reinsurance	2,347,149		2,347,149
Section 444 Deposit (I.R.S.)	478,750		478,750
Intangible Pension Asset	11,162		11,162
<b>Total Assets</b>	<b><u>73,223,547</u></b>	<b><u>213,398</u></b>	<b><u>73,010,149</u></b>
<b><u>LIABILITIES AND SURPLUS</u></b>			
<b>Reserves for:</b>			
Unpaid losses (include IBNR)			1,729,823
Unpaid loss adjustment expenses			172,982
Unearned premiums			20,844,311
Premium taxes			410,972
<b>Total Reserves</b>			<b><u>23,158,088</u></b>
<b>Payables for:</b>			
Operating expenses and other accounts payable			347,258
Amounts withheld for accounts of others			70,935
Accrued Pension Obligation			36,991
Premiums received in advance			3,351,469
<b>Total Payables</b>			<b><u>3,806,653</u></b>
 Surplus			 <b><u>46,045,408</u></b>
 <b>Total Liabilities and Surplus</b>			 <b><u>\$ 73,010,149</u></b>

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF OPERATIONS AND SURPLUS**  
**Quarter Ended April 30, 2012**

**EXHIBIT 2**

<b>DESCRIPTION</b>	<b>Quarter 02/01/2012 - 04/30/2012</b>	<b>Year-To-Date 11/1/2011 - 04/30/2012</b>
<b>UNDERWRITING INCOME:</b>		
Premiums Earned	\$ 6,121,116	\$ 13,030,157
<b>DEDUCTIONS:</b>		
Losses incurred	446,612	1,047,628
Loss expenses incurred	51,933	104,364
Operating expenses incurred	1,776,193	3,359,263
Total deductions	<u>2,274,738</u>	<u>4,511,255</u>
Net Underwriting Gain or (Loss)	<u>3,846,378</u>	<u>8,518,902</u>
<b>OTHER INCOME (EXPENSE):</b>		
Net investment income	18,118	26,851
Realized Gains (Losses)	-	-
Other Income	3	6
Service fees	155,935	282,980
Gain (loss) on sale of non admitted asset	-	-
Total other income (expense)	<u>174,056</u>	<u>309,837</u>
Net Income or (Loss)	<u>\$ 4,020,434</u>	<u>\$ 8,828,739</u>
<b>SURPLUS ACCOUNT:</b>		
Surplus (prior period)	41,971,781	37,181,476
Net income or (loss)	4,020,434	8,828,739
Change in unrealized capital gains or (losses)	43,820	43,820
Change in assets not admitted	9,373	(8,627)
Assessments or (distributions)	-	-
Net change in surplus	<u>4,073,627</u>	<u>8,863,932</u>
Surplus (current period)	<u>\$ 46,045,408</u>	<u>\$ 46,045,408</u>

*See Accountant's Compilation Report*

## SUPPLEMENTARY INFORMATION

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended April 30, 2012

EXHIBIT 3A - Quarterly

Quarterly 02/01/2012 - 04/30/2012

Description	Policy Year									Total
	2012	2011	2010	2009	2008	2007	2006	2005	2004	
<b>INCOME RECEIVED:</b>										
Premiums Written	\$ 10,457,192	\$ (170,412)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,286,780
Reinsurance Premium Ceded	(4,555,323)	-	-	-	-	-	-	-	-	(4,555,323)
Net Premiums Written	5,901,869	(170,412)	-	-	-	-	-	-	-	5,731,457
Interest Received	18,460	-	-	-	-	-	-	-	-	18,460
Realized Gains	-	-	-	-	-	-	-	-	-	-
Other Income	3	-	-	-	-	-	-	-	-	3
Service Fees	155,935	-	-	-	-	-	-	-	-	155,935
Gain (loss) on sale of non admitted asset	-	-	-	-	-	-	-	-	-	-
Total Income	6,076,267	(170,412)	-	-	-	-	-	-	-	5,905,855
<b>EXPENSES PAID:</b>										
Losses	163,389	205,226	-	-	-	-	-	-	-	368,615
Loss Adjustment Expenses	9,080	35,054	-	-	-	-	-	-	-	44,134
Commissions	869,368	(13,633)	-	-	-	-	-	-	-	855,735
Operating Expenses	591,384	-	-	-	-	-	-	-	-	591,384
Premium Taxes	-	-	-	-	-	-	-	-	-	-
Total Expenses Paid	1,633,221	226,647	-	-	-	-	-	-	-	1,859,868
Net Cash Change	4,443,046	(397,059)	-	-	-	-	-	-	-	4,045,987
<b>RESERVES:</b>										
<i>DEDUCT (CURRENT PERIOD)</i>										
Unpaid Losses (include IBNR)	792,168	937,655	-	-	-	-	-	-	-	1,729,823
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	79,217	93,765	-	-	-	-	-	-	-	172,982
Operating Expenses	418,193	-	-	-	-	-	-	-	-	418,193
Unearned Premiums	14,838,737	6,005,574	-	-	-	-	-	-	-	20,844,311
Premium Taxes	410,972	-	-	-	-	-	-	-	-	410,972
<i>ADD (PRIOR PERIOD)</i>										
Unpaid Losses (include IBNR)	251,359	1,400,467	-	-	-	-	-	-	-	1,651,826
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	25,136	140,047	-	-	-	-	-	-	-	165,183
Operating Expenses	452,557	-	-	-	-	-	-	-	-	452,557
Unearned Premiums	7,166,136	14,067,834	-	-	-	-	-	-	-	21,233,970
Premium Taxes	47,533	-	-	-	-	-	-	-	-	47,533
Net Reserve Change	(8,596,566)	8,571,354	-	-	-	-	-	-	-	(25,212)
<b>OTHER CHANGES:</b>										
<i>DEDUCT (PRIOR PERIOD)</i>										
Interest Accrued	358	-	-	-	-	-	-	-	-	358
Assets Not Admitted	(222,771)	-	-	-	-	-	-	-	-	(222,771)
Change in unrealized capital gains or (losses)	-	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>										
Interest Accrued	17	-	-	-	-	-	-	-	-	17
Assets Not Admitted	(213,398)	-	-	-	-	-	-	-	-	(213,398)
Change in unrealized capital gains or (losses)	43,820	-	-	-	-	-	-	-	-	43,820
Net Other Changes	52,852	-	-	-	-	-	-	-	-	52,852
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus	(44,908)	-	-	-	-	-	-	-	-	(44,908)
Change in Members' Surplus	\$ (4,145,576)	\$ 8,174,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,028,719

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended April 30, 2012

EXHIBIT 3A - Year-to-Date

Year-to-Date 11/01/2011 - 04/30/2012

Description	Policy Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
<b>INCOME RECEIVED:</b>										
Premiums Written	\$ 18,742,882	\$ (449,179)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,293,703
Reinsurance Premium Ceded	(9,110,646)	-	-	-	-	-	-	-	-	(9,110,646)
Net Premiums Written	9,632,236	(449,179)	-	-	-	-	-	-	-	9,183,057
Interest Received	26,835	316	-	-	-	-	-	-	-	27,151
Realized Gains	-	-	-	-	-	-	-	-	-	-
Other Income	6	-	-	-	-	-	-	-	-	6
Service Fees	282,980	-	-	-	-	-	-	-	-	282,980
Gain (loss) on sale of non admitted asset	-	-	-	-	-	-	-	-	-	-
Total Income	9,942,057	(448,863)	-	-	-	-	-	-	-	9,493,194
<b>EXPENSES PAID:</b>										
Losses	171,242	656,947	2,236	-	-	-	-	-	-	830,425
Loss Adjustment Expenses	13,023	68,002	1,619	-	-	-	-	-	-	82,644
Commissions	1,267,611	151,716	-	-	-	-	-	-	-	1,419,327
Operating Expenses	1,065,508	181,685	-	-	-	-	-	-	-	1,247,193
Premium Taxes	232,914	282,498	-	-	-	-	-	-	-	515,412
Total Expenses Paid	2,750,298	1,340,848	3,855	-	-	-	-	-	-	4,095,001
Net Cash Change	7,191,759	(1,789,711)	(3,855)	-	-	-	-	-	-	5,398,193
<b>RESERVES:</b>										
<i>DEDUCT (CURRENT PERIOD)</i>										
Unpaid Losses (include IBNR)	792,168	937,655	-	-	-	-	-	-	-	1,729,823
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	79,217	93,765	-	-	-	-	-	-	-	172,982
Operating Expenses	418,193	-	-	-	-	-	-	-	-	418,193
Unearned Premiums	14,838,737	6,005,574	-	-	-	-	-	-	-	20,844,311
Premium Taxes	410,972	-	-	-	-	-	-	-	-	410,972
<i>ADD (PRIOR PERIOD)</i>										
Unpaid Losses (include IBNR)	-	1,512,620	-	-	-	-	-	-	-	1,512,620
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	-	151,262	-	-	-	-	-	-	-	151,262
Operating Expenses	-	369,335	-	-	-	-	-	-	-	369,335
Unearned Premiums	-	24,691,411	-	-	-	-	-	-	-	24,691,411
Premium Taxes	-	282,498	-	-	-	-	-	-	-	282,498
Net Reserve Change	(16,539,287)	19,970,132	-	-	-	-	-	-	-	3,430,845
<b>OTHER CHANGES:</b>										
<i>DEDUCT (PRIOR PERIOD)</i>										
Interest Accrued	316	-	-	-	-	-	-	-	-	316
Assets Not Admitted	(204,771)	-	-	-	-	-	-	-	-	(204,771)
Change in unrealized capital gains or (losses)	-	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>										
Interest Accrued	17	-	-	-	-	-	-	-	-	17
Assets Not Admitted	(213,398)	-	-	-	-	-	-	-	-	(213,398)
Change in unrealized capital gains or (losses)	43,820	-	-	-	-	-	-	-	-	43,820
Net Other Changes	34,894	-	-	-	-	-	-	-	-	34,894
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus	(44,908)	-	-	-	-	-	-	-	-	(44,908)
Change in Members' Surplus	\$ (9,357,542)	\$ 18,180,421	\$ (3,855)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,819,024

See Accountant's Compilation Report



**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS FOR UNSETTLED YEARS  
Inception to Quarter Ended April 30, 2012**

Exhibit 3B

Description	Policy Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
<b>INCOME RECEIVED:</b>										
Premiums Written	\$ 18,742,882	\$ 45,197,818	\$ 37,491,975	\$ 29,434,815	\$ 24,452,221	\$ 23,456,599	\$ 17,328,303	\$ 6,309,269	\$ 5,411,236	\$ 207,825,118
Reinsurance Premiums Ceded	(9,110,646)	(17,994,845)	(17,700,790)	(16,106,473)	(14,994,792)	(10,799,284)	(4,500,230)	(1,882,296)	(2,051,362)	(95,140,718)
Net Premiums Written	9,632,236	27,202,973	19,791,185	13,328,342	9,457,429	12,657,315	12,828,073	4,426,973	3,359,874	112,684,400
Interest Received	26,835	40,332	21,405	109,245	486,548	677,305	307,607	212,181	223,321	2,104,779
Realized Gains	-	-	-	-	-	-	-	(86)	(31,218)	(31,304)
Other Income	6	1,070	153	982	3,391	3,670	40	4,403	78	13,793
Service Fees	282,980	608,415	497,585	392,596	269,337	187,836	175,703	29,034	13,920	2,457,406
Gain (loss) on sale of non admitted asset	-	-	-	-	100	623	(203)	-	-	520
Total Income	9,942,057	27,852,790	20,310,328	13,831,165	10,216,805	13,526,749	13,311,220	4,672,505	3,565,975	117,229,594
<b>EXPENSES PAID:</b>										
Losses	171,242	1,121,471	982,917	180,279	874,566	512,315	930,913	12,292,114	18,506,292	35,572,109
Loss Adjustment Expenses	13,023	142,857	117,227	62,988	22,717	14,945	17,029	1,270,423	1,641,018	3,302,227
Commissions	1,267,611	3,636,455	2,994,514	2,351,557	1,961,534	2,235,084	1,744,247	630,929	540,534	17,362,465
Operating Expenses	1,065,508	2,561,517	2,300,018	2,013,301	1,753,057	1,450,948	1,036,093	998,911	642,359	13,821,712
Premium Taxes	232,914	1,587,348	1,350,035	1,028,777	855,726	848,275	624,158	176,320	199,338	6,902,891
Total Expenses Paid	2,750,298	9,049,648	7,744,711	5,636,902	5,467,600	5,061,567	4,352,440	15,368,697	21,529,541	76,961,404
Net Cash Change	7,191,759	18,803,142	12,565,617	8,194,263	4,749,205	8,465,182	8,958,780	(10,696,192)	(17,963,566)	40,268,190
<b>RESERVES:</b>										
<b>DEDUCT (CURRENT PERIOD)</b>										
Unpaid Losses (include IBNR)	792,168	937,655	-	-	-	-	-	-	-	1,729,823
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adjustment Expenses	79,217	93,765	-	-	-	-	-	-	-	172,982
Operating Expenses	418,193	-	-	-	-	-	-	-	-	418,193
Unearned Premiums	14,838,737	6,005,574	-	-	-	-	-	-	-	20,844,311
Premium Taxes	410,972	-	-	-	-	-	-	-	-	410,972
Total Reserves	16,539,287	7,036,994	-	-	-	-	-	-	-	23,576,281
<b>OTHER CHANGES:</b>										
<b>ADD</b>										
Interest Accrued	17	-	-	-	-	-	-	-	-	17
Assets Not Admitted	(213,398)	-	-	-	-	-	-	-	-	(213,398)
Change in unrealized capital gains or (losses)	43,820	-	-	-	-	-	-	-	-	43,820
Total Other Changes	(169,561)	-	-	-	-	-	-	-	-	(169,561)
Assessments or (Distributions)	-	-	-	-	-	-	-	10,000,000	19,523,060	29,523,060
Total Surplus	(9,517,089)	11,766,148	12,565,617	8,194,263	4,749,205	8,465,182	8,958,780	(696,192)	1,559,494	46,045,408
Retained Surplus	(44,908)	(10,477)	-	(4,916,557)	-	-	-	-	-	(4,971,942)
Members' Surplus	\$ (9,561,997)	\$ 11,755,671	\$ 12,565,617	\$ 3,277,706	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ (696,192)	\$ 1,559,494	\$ 41,073,466

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**STATISTICAL REPORT OF PREMIUMS**

**Quarter Ended April 30, 2012**

**EXHIBIT 4A - Quarterly**

**Quarterly 02/01/2012 - 04/30/2012**

Description	Policy Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
<b>PREMIUMS WRITTEN:</b>										
Fire	\$ 311,548	\$ (7,189)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 304,359
E.C. & VMM	10,145,644	(163,223)	-	-	-	-	-	-	-	9,982,421
Reinsurance Premium Ceded E.C.	(4,555,323)	-	-	-	-	-	-	-	-	(4,555,323)
Total	5,901,869	(170,412)	-	-	-	-	-	-	-	5,731,457
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>										
Fire	229,838	536,844	-	-	-	-	-	-	-	766,682
E.C. & VMM	6,936,298	13,530,990	-	-	-	-	-	-	-	20,467,288
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-	-
Total	7,166,136	14,067,834	-	-	-	-	-	-	-	21,233,970
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>										
Fire	453,374	210,637	-	-	-	-	-	-	-	664,011
E.C. & VMM	14,385,363	5,794,937	-	-	-	-	-	-	-	20,180,300
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-	-
Total	14,838,737	6,005,574	-	-	-	-	-	-	-	20,844,311
<b>EARNED PREMIUMS:</b>										
Fire	88,012	319,018	-	-	-	-	-	-	-	407,030
E.C. & VMM	2,696,579	7,572,830	-	-	-	-	-	-	-	10,269,409
Reinsurance Earned Ceded E.C.	(4,555,323)	-	-	-	-	-	-	-	-	(4,555,323)
Total	\$ (1,770,732)	\$ 7,891,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,121,116

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF PREMIUMS**  
**Quarter Ended April 30, 2012**

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

Description	Year-to-Date 11/01/2011 - 04/30/2012									
	2012	2011	2010	2009	Policy Year		2006	2005	2004	Total
<b>PREMIUMS WRITTEN:</b>										
Fire	\$ 578,507	\$ (14,817)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 563,690
E.C. & VMM	18,164,375	(434,362)	-	-	-	-	-	-	-	17,730,013
Reinsurance Premium Ceded E.C.	(9,110,646)	-	-	-	-	-	-	-	-	(9,110,646)
<b>Total</b>	<b>9,632,236</b>	<b>(449,179)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,183,057</b>
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>										
Fire	-	979,432	-	-	-	-	-	-	-	979,432
E.C. & VMM	-	23,711,979	-	-	-	-	-	-	-	23,711,979
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>24,691,411</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,691,411</b>
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>										
Fire	453,374	210,637	-	-	-	-	-	-	-	664,011
E.C. & VMM	14,385,363	5,794,937	-	-	-	-	-	-	-	20,180,300
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14,838,737</b>	<b>6,005,574</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,844,311</b>
<b>EARNED PREMIUMS:</b>										
Fire	125,133	753,978	-	-	-	-	-	-	-	879,111
E.C. & VMM	3,779,012	17,482,680	-	-	-	-	-	-	-	21,261,692
Reinsurance Earned Ceded E.C.	(9,110,646)	-	-	-	-	-	-	-	-	(9,110,646)
<b>Total</b>	<b>\$ (5,206,501)</b>	<b>\$ 18,236,658</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,030,157</b>

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**STATISTICAL REPORT OF LOSSES**

Quarter Ended April 30, 2012

EXHIBIT 4B - Quarterly

Quarterly 02/01/2012 - 04/30/2012

Description	Policy Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
<b>PAID LOSSES:</b>										
Fire	\$ 113,102	\$ 128,769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 241,871
E.C. & VMM	50,287	76,457	-	-	-	-	-	-	-	126,744
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-
Total	163,389	205,226	-	-	-	-	-	-	-	368,615
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>										
Fire	217,843	133,849	-	-	-	-	-	-	-	351,692
E.C. & VMM	574,325	803,806	-	-	-	-	-	-	-	1,378,131
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	792,168	937,655	-	-	-	-	-	-	-	1,729,823
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>										
Fire	7,960	135,087	-	-	-	-	-	-	-	143,047
E.C. & VMM	243,399	1,265,380	-	-	-	-	-	-	-	1,508,779
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	251,359	1,400,467	-	-	-	-	-	-	-	1,651,826
<b>INCURRED LOSSES:</b>										
Fire	322,985	127,531	-	-	-	-	-	-	-	450,516
E.C. & VMM	381,213	(385,117)	-	-	-	-	-	-	-	(3,904)
Total	704,198	(257,586)	-	-	-	-	-	-	-	446,612
<b>IBNR (CURRENT PERIOD)</b>										
Fire	17,709	31,149	-	-	-	-	-	-	-	48,858
E.C. & VMM	557,525	766,136	-	-	-	-	-	-	-	1,323,661
Total	575,234	797,285	-	-	-	-	-	-	-	1,372,519
<b>IBNR (PRIOR PERIOD)</b>										
Fire	7,960	47,087	-	-	-	-	-	-	-	55,047
E.C. & VMM	240,399	1,089,560	-	-	-	-	-	-	-	1,329,959
Total	\$ 248,359	\$ 1,136,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,385,006

\*Includes IBNR

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**STATISTICAL REPORT OF LOSSES**

Quarter Ended April 30, 2012

EXHIBIT 4B - Year-to-Date

Year-to-Date 11/01/2011 - 04/30/2012

Description	Policy Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
<b>PAID LOSSES:</b>										
Fire	\$ 113,102	\$ 416,454	\$ 400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 529,956
E.C. & VMM	58,140	240,493	1,836	-	-	-	-	-	-	300,469
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-
Total	171,242	656,947	2,236	-	-	-	-	-	-	830,425
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>										
Fire	217,843	133,849	-	-	-	-	-	-	-	351,692
E.C. & VMM	574,325	803,806	-	-	-	-	-	-	-	1,378,131
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	792,168	937,655	-	-	-	-	-	-	-	1,729,823
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>										
Fire	-	192,989	-	-	-	-	-	-	-	192,989
E.C. & VMM	-	1,319,631	-	-	-	-	-	-	-	1,319,631
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	-	1,512,620	-	-	-	-	-	-	-	1,512,620
<b>INCURRED LOSSES:</b>										
Fire	330,945	357,314	400	-	-	-	-	-	-	688,659
E.C. & VMM	632,465	(275,332)	1,836	-	-	-	-	-	-	358,969
Total	963,410	81,982	2,236	-	-	-	-	-	-	1,047,628
<b>IBNR (CURRENT PERIOD)</b>										
Fire	17,709	31,149	-	-	-	-	-	-	-	48,858
E.C. & VMM	557,525	766,136	-	-	-	-	-	-	-	1,323,661
Total	575,234	797,285	-	-	-	-	-	-	-	1,372,519
<b>IBNR (PRIOR PERIOD)</b>										
Fire	-	38,989	-	-	-	-	-	-	-	38,989
E.C. & VMM	-	877,491	-	-	-	-	-	-	-	877,491
Total	\$ -	\$ 916,480	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 916,480

\*Includes IBNR

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended April 30, 2012**

EXHIBIT 4C - Quarterly

Quarterly 02/01/2012 - 04/30/2012

Description	Policy Year										
	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total	
<b>LOSS EXPENSES PAID:</b>											
Fire	\$ 2,201	\$ 9,505	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,706
E.C. & VMM	6,879	25,549	-	-	-	-	-	-	-	-	32,428
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-	-
Total	9,080	35,054	-	-	-	-	-	-	-	-	44,134
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>											
Fire	21,784	13,385	-	-	-	-	-	-	-	-	35,169
E.C. & VMM	57,433	80,380	-	-	-	-	-	-	-	-	137,813
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-	-
Total	79,217	93,765	-	-	-	-	-	-	-	-	172,982
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>											
Fire	796	13,509	-	-	-	-	-	-	-	-	14,305
E.C. & VMM	24,340	126,538	-	-	-	-	-	-	-	-	150,878
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-	-
Total	25,136	140,047	-	-	-	-	-	-	-	-	165,183
<b>INCURRED LOSS EXPENSES:</b>											
Fire	23,189	9,381	-	-	-	-	-	-	-	-	32,570
E.C. & VMM	39,972	(20,609)	-	-	-	-	-	-	-	-	19,363
Total	\$ 63,161	\$ (11,228)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,933

\*Includes IBNR

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended April 30, 2012**

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

**Year-to-Date 11/01/2011 - 04/30/2012**

Description	Policy Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
<b>LOSS EXPENSES PAID:</b>										
Fire	\$ 2,201	\$ 21,074	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,275
E.C. & VMM	10,822	46,928	1,619	-	-	-	-	-	-	59,369
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>13,023</b>	<b>68,002</b>	<b>1,619</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,644</b>
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>										
Fire	21,784	13,385	-	-	-	-	-	-	-	35,169
E.C. & VMM	57,433	80,380	-	-	-	-	-	-	-	137,813
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>79,217</b>	<b>93,765</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>172,982</b>
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>										
Fire	-	19,299	-	-	-	-	-	-	-	19,299
E.C. & VMM	-	131,963	-	-	-	-	-	-	-	131,963
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>151,262</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151,262</b>
<b>INCURRED LOSS EXPENSES:</b>										
Fire	23,985	15,160	-	-	-	-	-	-	-	39,145
E.C. & VMM	68,255	(4,655)	1,619	-	-	-	-	-	-	65,219
<b>Total</b>	<b>\$ 92,240</b>	<b>\$ 10,505</b>	<b>\$ 1,619</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 104,364</b>

\*Includes IBNR