

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

APRIL 30, 2014

ALABAMA INSURANCE UNDERWRITING ASSOCIATION  
STATUTORY FINANCIAL STATEMENTS

APRIL 30, 2014

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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, 2014, 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.



Foley, Alabama  
June 10, 2014

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS**  
**As of April 30, 2014**

**EXHIBIT 1**

	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Admitted Assets</u>
<b><u>ASSETS</u></b>			
Cash and short-term investments	\$ 43,413,257		\$ 43,413,257
Bonds	51,272,853		51,272,853
Accounts receivable	412	412	-
Interest accrued	183,681		183,681
Furniture and equipment - net of depreciation	86,014	86,014	-
Data processing equipment - net of depreciation	92,597		92,597
Programming - net of amortization	263,087	263,087	-
Prepaid reinsurance	1,743,750		1,743,750
Section 444 Deposit (I.R.S.)	982,774		982,774
Total Assets	<u>98,038,425</u>	<u>349,513</u>	<u>97,688,912</u>
<b><u>LIABILITIES AND SURPLUS</u></b>			
Reserves for:			
Unpaid losses (include IBNR)			3,154,249
Unpaid loss adjustment expenses			315,425
Unearned premiums			<u>20,694,217</u>
Total Reserves			<u>24,163,891</u>
Payables for:			
Premium taxes			397,575
Operating expenses and other accounts payable			421,164
Amounts withheld for accounts of others			71,103
Accrued Pension Obligation			48,804
Premiums received in advance			<u>3,134,716</u>
Total Payables			<u>4,073,362</u>
Total Liabilities			<u>28,237,253</u>
Members' Surplus			64,064,525
Retained Surplus			<u>5,387,134</u>
Total Surplus			<u>69,451,659</u>
Total Liabilities and Surplus			<u>\$ 97,688,912</u>

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF OPERATIONS AND SURPLUS**

Quarter Ended April 30, 2014

EXHIBIT 2

	<b>Quarter 02/1/2014 - 04/30/2014</b>	<b>Year-To-Date 11/1/2013 - 04/30/2014</b>
	<u>                    </u>	<u>                    </u>
<b>UNDERWRITING INCOME:</b>		
Premiums Earned	\$ 5,275,142	\$ 11,345,386
	<u>                    </u>	<u>                    </u>
<b>DEDUCTIONS:</b>		
Losses incurred	2,155,537	2,773,323
Loss expenses incurred	225,619	313,474
Operating expenses incurred	1,893,504	3,610,082
Total deductions	<u>4,274,660</u>	<u>6,696,879</u>
Net Underwriting Gain or (Loss)	<u>1,000,482</u>	<u>4,648,507</u>
<b>OTHER INCOME (EXPENSE):</b>		
Net investment income	85,998	172,601
Realized Gains (Losses)	-	-
Other Income	4	18
Service & Agency Fees	209,160	377,915
Total other income (expense)	<u>295,162</u>	<u>550,534</u>
Net Income or (Loss)	<u>\$ 1,295,644</u>	<u>\$ 5,199,041</u>
<b>SURPLUS:</b>		
Surplus (prior period)	68,149,658	64,289,910
Net income or (loss)	1,295,644	5,199,041
Change in assets not admitted	6,357	(37,292)
Net change in surplus	<u>1,302,001</u>	<u>5,161,749</u>
Surplus (current period)	<u>\$ 69,451,659</u>	<u>\$ 69,451,659</u>

*See Accountant's Compilation Report*

## SUPPLEMENTARY INFORMATION

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended April 30, 2014

EXHIBIT 3A - Quarterly

Quarterly 02/01/2014 - 04/30/2014

Description	Policy Year							Total	
	2014	2013	2012	2011	2010	2008	2007		2006
<b>INCOME RECEIVED:</b>									
Premiums Written	\$ 10,127,922	\$ (172,585)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,955,337
Reinsurance Premium Ceded	(5,231,250)	-	-	-	-	-	-	-	(5,231,250)
Net Premiums Written	4,896,672	(172,585)	-	-	-	-	-	-	4,724,087
Interest Received	(6,815)	-	-	-	-	-	-	-	(6,815)
Realized Gains (Losses)	-	-	-	-	-	-	-	-	-
Other Income	4	-	-	-	-	-	-	-	4
Service & Agency Fees	209,160	-	-	-	-	-	-	-	209,160
Total Income	5,099,021	(172,585)	-	-	-	-	-	-	4,926,436
<b>EXPENSES PAID:</b>									
Losses	226,395	521,965	4,656	-	-	-	-	-	753,016
Loss Adjustment Expenses	18,849	65,751	766	-	-	-	-	-	85,366
Commissions	777,373	(13,807)	-	-	-	-	-	-	763,566
Operating Expenses	856,714	-	-	-	-	-	-	-	856,714
Premium Taxes	-	-	-	-	-	-	-	-	-
Total Expenses Paid	1,879,331	573,909	5,422	-	-	-	-	-	2,458,662
Net Cash Change	3,219,690	(746,494)	(5,422)	-	-	-	-	-	2,467,774
<b>RESERVES:</b>									
<i>DEDUCT (CURRENT PERIOD)</i>									
Unpaid Losses (include IBNR)	1,150,085	2,004,164	-	-	-	-	-	-	3,154,249
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	115,009	200,416	-	-	-	-	-	-	315,425
Operating Expenses	492,267	-	-	-	-	-	-	-	492,267
Unearned Premiums	14,602,198	6,092,019	-	-	-	-	-	-	20,694,217
Premium Taxes	397,575	-	-	-	-	-	-	-	397,575
<i>ADD (PRIOR PERIOD)</i>									
Unpaid Losses (include IBNR)	329,250	1,421,478	1,000	-	-	-	-	-	1,751,728
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	32,925	142,147	100	-	-	-	-	-	175,172
Operating Expenses	576,766	-	-	-	-	-	-	-	576,766
Unearned Premiums	7,305,039	13,940,233	-	-	-	-	-	-	21,245,272
Premium Taxes	39,853	-	-	-	-	-	-	-	39,853
Net Reserve Change	(8,473,301)	7,207,259	1,100	-	-	-	-	-	(1,264,942)
<b>OTHER CHANGES:</b>									
<i>DEDUCT (PRIOR PERIOD)</i>									
Interest Accrued	90,869	-	-	-	-	-	-	-	90,869
Assets Not Admitted	(355,870)	-	-	-	-	-	-	-	(355,870)
<i>ADD (CURRENT PERIOD)</i>									
Minimum Pension Liability	-	-	-	-	-	-	-	-	-
Interest Accrued	183,681	-	-	-	-	-	-	-	183,681
Assets Not Admitted	(349,513)	-	-	-	-	-	-	-	(349,513)
Net Other Changes	99,169	-	-	-	-	-	-	-	99,169
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	79,141	-	-	-	-	-	-	-	79,141
Change in Members' Surplus Increase (Decrease)	\$ (5,233,583)	\$ 6,460,765	\$ (4,322)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,222,860

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended April 30, 2014

EXHIBIT 3A - Year-to-Date

Description	Year-to-Date 11/01/2013 - 04/30/2014								
	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>INCOME RECEIVED:</b>									
Premiums Written	\$ 18,532,302	\$ (518,257)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,014,045
Reinsurance Premium Ceded	(10,462,500)	-	-	-	-	-	-	-	(10,462,500)
Net Premiums Written	8,069,802	(518,257)	-	-	-	-	-	-	7,551,545
Interest Received	(11,081)	183,636	-	-	-	-	-	-	172,555
Realized Gains (Losses)	-	-	-	-	-	-	-	-	-
Other Income	18	-	-	-	-	-	-	-	18
Service & Agency Fees	377,915	-	-	-	-	-	-	-	377,915
Total Income	8,436,654	(334,621)	-	-	-	-	-	-	8,102,033
<b>EXPENSES PAID:</b>									
Losses	232,468	915,147	8,777	-	-	-	-	-	1,156,392
Loss Adjustment Expenses	23,155	125,681	2,944	-	-	-	-	-	151,780
Commissions	1,185,616	263,561	-	-	-	-	-	-	1,449,177
Operating Expenses	1,332,821	211,629	-	-	-	-	-	-	1,544,450
Premium Taxes	243,263	221,173	-	-	-	-	-	-	464,436
Total Expenses Paid	3,017,323	1,737,191	11,721	-	-	-	-	-	4,766,235
Net Cash Change	5,419,331	(2,071,812)	(11,721)	-	-	-	-	-	3,335,798
<b>RESERVES:</b>									
<i>DEDUCT (CURRENT PERIOD)</i>									
Unpaid Losses (include IBNR)	1,150,085	2,004,164	-	-	-	-	-	-	3,154,249
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	115,009	200,416	-	-	-	-	-	-	315,425
Operating Expenses	492,267	-	-	-	-	-	-	-	492,267
Unearned Premiums	14,602,198	6,092,019	-	-	-	-	-	-	20,694,217
Premium Taxes	397,575	-	-	-	-	-	-	-	397,575
<i>ADD (PRIOR PERIOD)</i>									
Unpaid Losses (include IBNR)	-	1,534,318	3,000	-	-	-	-	-	1,537,318
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	-	153,431	300	-	-	-	-	-	153,731
Operating Expenses	-	516,651	-	-	-	-	-	-	516,651
Unearned Premiums	-	24,488,058	-	-	-	-	-	-	24,488,058
Premium Taxes	-	221,173	-	-	-	-	-	-	221,173
Net Reserve Change	(16,757,134)	18,617,032	3,300	-	-	-	-	-	1,863,198
<b>OTHER CHANGES:</b>									
<i>DEDUCT (PRIOR PERIOD)</i>									
Interest Accrued	-	183,636	-	-	-	-	-	-	183,636
Assets Not Admitted	-	(312,221)	-	-	-	-	-	-	(312,221)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>									
Minimum Pension Liability	-	-	-	-	-	-	-	-	-
Interest Accrued	183,681	-	-	-	-	-	-	-	183,681
Assets Not Admitted	(349,513)	-	-	-	-	-	-	-	(349,513)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-
Net Other Changes	(165,832)	128,585	-	-	-	-	-	-	(37,247)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	158,902	-	-	-	-	-	-	-	158,902
Change in Members' Surplus Increase (Decrease)	\$ (11,662,537)	\$ 16,673,805	\$ (8,421)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,002,847

See Accountant's Compilation Report



**ALABAMA INSURANCE UNDERWRITING ASSOCIATION****MEMBERS' SURPLUS FOR UNSETTLED YEARS**

Inception to Quarter Ended April 30, 2014

Exhibit 3B

Description	Policy Year								
	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>INCOME RECEIVED:</b>									
Premiums Written	\$ 18,532,302	\$ 45,539,889	\$ 45,970,663	\$ 45,112,079	\$ 37,491,975	\$ 24,452,221	\$ 23,456,599	\$ 17,328,303	\$ 257,884,031
Reinsurance Premiums Ceded	(10,462,500)	(20,720,834)	(19,201,996)	(17,994,845)	(17,700,790)	(14,994,792)	(10,799,284)	(4,500,230)	(116,375,271)
Net Premiums Written	8,069,802	24,819,055	26,768,667	27,117,234	19,791,185	9,457,429	12,657,315	12,828,073	141,508,760
Interest Received	(11,081)	326,657	95,204	40,332	21,405	486,548	677,305	307,607	1,943,977
Realized Gains (Losses)	-	-	(34,522)	-	-	-	-	-	(34,522)
Other Income	18	-	8	1,070	153	3,391	3,670	40	8,350
Service & Agency Fees	377,915	778,125	674,460	608,415	497,585	269,337	187,836	175,703	3,569,376
Gain (loss) on sale of non admitted asset	-	-	-	-	-	100	623	(203)	520
Total Income	8,436,654	25,923,837	27,503,817	27,767,051	20,310,328	10,216,805	13,526,749	13,311,220	146,996,461
<b>EXPENSES PAID:</b>									
Losses	232,468	2,039,036	3,264,074	1,326,634	988,594	874,566	512,315	930,913	10,168,600
Loss Adjustment Expenses	23,155	264,501	396,034	230,109	118,628	22,717	14,945	17,029	1,087,118
Commissions	1,185,616	3,636,734	3,677,749	3,629,595	2,994,514	1,961,534	2,235,084	1,744,247	21,065,073
Operating Expenses	1,332,821	3,009,063	2,734,196	2,524,526	2,327,766	1,699,718	1,497,748	1,014,262	16,140,100
Premium Taxes	243,263	1,597,766	1,624,906	1,587,348	1,350,035	855,726	848,275	624,158	8,731,477
Total Expenses Paid	3,017,323	10,547,100	11,696,959	9,298,212	7,779,537	5,414,261	5,108,367	4,330,609	57,192,368
Net Cash Change	5,419,331	15,376,737	15,806,858	18,468,839	12,530,791	4,802,544	8,418,382	8,980,611	89,804,093
<b>RESERVES:</b>									
DEDUCT (CURRENT PERIOD)									
Unpaid Losses (include IBNR)	1,150,085	2,004,164	-	-	-	-	-	-	3,154,249
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-
Unpaid Loss Adjustment Expenses	115,009	200,416	-	-	-	-	-	-	315,425
Operating Expenses	492,267	-	-	-	-	-	-	-	492,267
Unearned Premiums	14,602,198	6,092,019	-	-	-	-	-	-	20,694,217
Premium Taxes	397,575	-	-	-	-	-	-	-	397,575
Total Reserves	16,757,134	8,296,599	-	-	-	-	-	-	25,053,733
<b>OTHER CHANGES:</b>									
ADD (DEDUCT)									
Minimum Pension Liability	-	115,466	(127,279)	(36,991)	27,748	(53,339)	46,800	(21,831)	(49,426)
Interest Accrued	183,681	-	-	-	-	-	-	-	183,681
Assets Not Admitted	(349,513)	-	-	-	-	-	-	-	(349,513)
Retained Surplus	(158,902)	(284,009)	(17,189)	(10,477)	-	-	-	-	(470,577)
Total Other Changes	(324,734)	(168,543)	(144,468)	(47,468)	27,748	(53,339)	46,800	(21,831)	(685,835)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (11,662,537)	\$ 6,911,595	\$ 15,662,390	\$ 18,421,371	\$ 12,558,539	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ 64,064,525

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**RETAINED SURPLUS**  
**Quarter Ended April 30, 2014**

**EXHIBIT 3C - Year-to-Date**

<b>Description</b>	<b>Policy Year</b>					<b>Total</b>
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2009</b>	
Retained Surplus Prior Period	\$ -	\$ 284,009	\$ 17,189	\$ 10,477	\$ 4,916,557	\$ 5,228,232
Change Increase (Decrease)	158,902	-	-	-	-	158,902
Retained Surplus Current Period	<u>\$ 158,902</u>	<u>\$ 284,009</u>	<u>\$ 17,189</u>	<u>\$ 10,477</u>	<u>\$ 4,916,557</u>	<u>\$ 5,387,134</u>

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF PREMIUMS**  
**Quarter Ended April 30, 2014**

**EXHIBIT 4A - Quarterly**

Description	Quarterly 02/01/2014 - 04/30/2014								
	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>PREMIUMS WRITTEN:</b>									
Fire	\$ 392,192	\$ (5,667)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 386,525
E.C. & VMM	9,735,730	(166,918)	-	-	-	-	-	-	9,568,812
Reinsurance Premium Ceded E.C.	(5,231,250)	-	-	-	-	-	-	-	(5,231,250)
<b>Total</b>	<b>4,896,672</b>	<b>(172,585)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,724,087</b>
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>									
Fire	307,087	516,015	-	-	-	-	-	-	823,102
E.C. & VMM	6,997,952	13,424,218	-	-	-	-	-	-	20,422,170
E.C.	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>7,305,039</b>	<b>13,940,233</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,245,272</b>
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>									
Fire	581,017	232,638	-	-	-	-	-	-	813,655
E.C. & VMM	14,021,181	5,859,381	-	-	-	-	-	-	19,880,562
E.C.	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14,602,198</b>	<b>6,092,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,694,217</b>
<b>EARNED PREMIUMS:</b>									
Fire	118,262	277,710	-	-	-	-	-	-	395,972
E.C. & VMM	2,712,501	7,397,919	-	-	-	-	-	-	10,110,420
Reinsurance Earned Ceded E.C.	(5,231,250)	-	-	-	-	-	-	-	(5,231,250)
<b>Total</b>	<b>\$ (2,400,487)</b>	<b>\$ 7,675,629</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,275,142</b>

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF PREMIUMS**  
**Quarter Ended April 30, 2014**

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

Description	Year-to-Date 11/01/2013 - 04/30/2014								
	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>PREMIUMS WRITTEN:</b>									
Fire	\$ 747,549	\$ (19,899)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 727,650
E.C. & VMM	17,784,753	(498,358)	-	-	-	-	-	-	17,286,395
Reinsurance Premium Ceded E.C.	(10,462,500)	-	-	-	-	-	-	-	(10,462,500)
<b>Total</b>	<b>8,069,802</b>	<b>(518,257)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,551,545</b>
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>									
Fire	-	896,514	-	-	-	-	-	-	896,514
E.C. & VMM	-	23,591,544	-	-	-	-	-	-	23,591,544
E.C.	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>24,488,058</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,488,058</b>
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>									
Fire	581,017	232,638	-	-	-	-	-	-	813,655
E.C. & VMM	14,021,181	5,859,381	-	-	-	-	-	-	19,880,562
E.C.	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>14,602,198</b>	<b>6,092,019</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,694,217</b>
<b>EARNED PREMIUMS:</b>									
Fire	166,532	643,977	-	-	-	-	-	-	810,509
E.C. & VMM	3,763,572	17,233,805	-	-	-	-	-	-	20,997,377
Reinsurance Earned Ceded E.C.	(10,462,500)	-	-	-	-	-	-	-	(10,462,500)
<b>Total</b>	<b>\$ (6,532,396)</b>	<b>\$ 17,877,782</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,345,386</b>

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION****STATISTICAL REPORT OF LOSSES**

Quarter Ended April 30, 2014

EXHIBIT 4B - Quarterly

Description	Quarterly 02/01/2014 - 04/30/2014								
	2014	2013	2012	2011	Policy Year 2010	2008	2007	2006	Total
<b>PAID LOSSES:</b>									
Fire	\$ 205,138	\$ 407,025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 612,163
E.C. & VMM	21,257	114,940	4,656	-	-	-	-	-	140,853
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-
Total	226,395	521,965	4,656	-	-	-	-	-	753,016
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>									
Fire	40,172	123,201	-	-	-	-	-	-	163,373
E.C. & VMM	1,109,913	1,880,963	-	-	-	-	-	-	2,990,876
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-
Total	1,150,085	2,004,164	-	-	-	-	-	-	3,154,249
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>									
Fire	75,027	204,473	-	-	-	-	-	-	279,500
E.C. & VMM	254,223	1,217,005	1,000	-	-	-	-	-	1,472,228
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-
Total	329,250	1,421,478	1,000	-	-	-	-	-	1,751,728
<b>INCURRED LOSSES:</b>									
Fire	170,283	325,753	-	-	-	-	-	-	496,036
E.C. & VMM	876,947	778,898	3,656	-	-	-	-	-	1,659,501
Total	1,047,230	1,104,651	3,656	-	-	-	-	-	2,155,537
<b>IBNR (CURRENT PERIOD)</b>									
Fire	22,892	28,801	-	-	-	-	-	-	51,693
E.C. & VMM	546,993	755,840	-	-	-	-	-	-	1,302,833
Total	569,885	784,641	-	-	-	-	-	-	1,354,526
<b>IBNR (PRIOR PERIOD)</b>									
Fire	10,627	40,393	-	-	-	-	-	-	51,020
E.C. & VMM	242,223	1,083,222	-	-	-	-	-	-	1,325,445
Total	\$ 252,850	\$ 1,123,615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,376,465

\*Includes IBNR

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**STATISTICAL REPORT OF LOSSES**

**Quarter Ended April 30, 2014**

**EXHIBIT 4B - Year-to-Date**

**Year-to-Date 11/01/2013 - 04/30/2014**

Description	Policy Year								Total
	2014	2013	2012	2011	2010	2008	2007	2006	
<b>PAID LOSSES:</b>									
Fire	\$ 205,138	\$ 743,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 948,283
E.C. & VMM	27,330	172,002	8,777	-	-	-	-	-	208,109
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-
Total	232,468	915,147	8,777	-	-	-	-	-	1,156,392
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>									
Fire	40,172	123,201	-	-	-	-	-	-	163,373
E.C. & VMM	1,109,913	1,880,963	-	-	-	-	-	-	2,990,876
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-
Total	1,150,085	2,004,164	-	-	-	-	-	-	3,154,249
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>									
Fire	-	186,193	-	-	-	-	-	-	186,193
E.C. & VMM	-	1,348,125	3,000	-	-	-	-	-	1,351,125
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-
Total	-	1,534,318	3,000	-	-	-	-	-	1,537,318
<b>INCURRED LOSSES:</b>									
Fire	245,310	680,153	-	-	-	-	-	-	925,463
E.C. & VMM	1,137,243	704,840	5,777	-	-	-	-	-	1,847,860
Total	1,382,553	1,384,993	5,777	-	-	-	-	-	2,773,323
<b>IBNR (CURRENT PERIOD)</b>									
Fire	22,892	28,801	-	-	-	-	-	-	51,693
E.C. & VMM	546,993	755,840	-	-	-	-	-	-	1,302,833
Total	569,885	784,641	-	-	-	-	-	-	1,354,526
<b>IBNR (PRIOR PERIOD)</b>									
Fire	-	49,813	-	-	-	-	-	-	49,813
E.C. & VMM	-	1,329,505	-	-	-	-	-	-	1,329,505
Total	\$ -	\$ 1,379,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,379,318

\*Includes IBNR

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended April 30, 2014**

**EXHIBIT 4C - Quarterly**

Description	Quarterly 02/01/2014 - 04/30/2014								Total	
	2014	2013	2012	2011	Policy Year		2007	2006		
					2010	2008				
<b>LOSS EXPENSES PAID:</b>										
Fire	\$ 9,184	\$ 19,813	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,997
E.C. & VMM	9,665	45,938	766	-	-	-	-	-	-	56,369
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>18,849</b>	<b>65,751</b>	<b>766</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,366</b>
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>										
Fire	4,017	12,320	-	-	-	-	-	-	-	16,337
E.C. & VMM	110,992	188,096	-	-	-	-	-	-	-	299,088
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>115,009</b>	<b>200,416</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,425</b>
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>										
Fire	7,503	20,447	-	-	-	-	-	-	-	27,950
E.C. & VMM	25,422	121,700	100	-	-	-	-	-	-	147,222
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>32,925</b>	<b>142,147</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175,172</b>
<b>INCURRED LOSS EXPENSES:</b>										
Fire	5,698	11,686	-	-	-	-	-	-	-	17,384
E.C. & VMM	95,235	112,334	666	-	-	-	-	-	-	208,235
<b>Total</b>	<b>\$ 100,933</b>	<b>\$ 124,020</b>	<b>\$ 666</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 225,619</b>

\*Includes IBNR

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended April 30, 2014**

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

Description	Year-to-Date 11/01/2013 - 04/30/2014								Total	
	2014	2013	2012	2011	Policy Year		2007	2006		
					2010	2008				
<b>LOSS EXPENSES PAID:</b>										
Fire	\$ 9,184	\$ 47,989	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,173
E.C. & VMM	13,971	77,692	2,944	-	-	-	-	-	-	94,607
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>23,155</b>	<b>125,681</b>	<b>2,944</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>151,780</b>
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>										
Fire	4,017	12,320	-	-	-	-	-	-	-	16,337
E.C. & VMM	110,992	188,096	-	-	-	-	-	-	-	299,088
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>115,009</b>	<b>200,416</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315,425</b>
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>										
Fire	-	18,619	-	-	-	-	-	-	-	18,619
E.C. & VMM	-	134,812	300	-	-	-	-	-	-	135,112
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>153,431</b>	<b>300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153,731</b>
<b>INCURRED LOSS EXPENSES:</b>										
Fire	13,201	41,690	-	-	-	-	-	-	-	54,891
E.C. & VMM	124,963	130,976	2,644	-	-	-	-	-	-	258,583
<b>Total</b>	<b>\$ 138,164</b>	<b>\$ 172,666</b>	<b>\$ 2,644</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 313,474</b>

\*Includes IBNR

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