

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JULY 31, 2012

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JULY 31, 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 July 31, 2012, and the related accompanying statutory statement of operations and changes in surplus for the nine 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
September 26, 2012

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS
As of July 31, 2012

EXHIBIT 1

Description	Ledger Assets	Assets Not Admitted	Admitted Assets
<u>ASSETS</u>			
US Treasury Bills	\$ 36,692,877		\$ 36,692,877
Investments Other	2,011,163		2,011,163
Cash and cash equivalents	36,890,651		36,890,651
Accounts receivable	590	590	-
Assessments receivable	71,762		71,762
Interest accrued	35		35
Furniture and equipment - net of depreciation	82,042	82,042	-
Data processing equipment - net of depreciation	57,354		57,354
Programming - net of amortization	130,662	130,662	-
Prepaid reinsurance	2,543,293		2,543,293
Section 444 Deposit (I.R.S.)	932,782		932,782
Intangible Pension Asset	11,162		11,162
Total Assets	<u>79,424,373</u>	<u>213,294</u>	<u>79,211,079</u>
<u>LIABILITIES AND SURPLUS</u>			
Reserves for:			
Unpaid losses (include IBNR)			1,747,879
Unpaid loss adjustment expenses			174,790
Unearned premiums			24,229,490
Premium taxes			659,635
Total Reserves			<u>26,811,794</u>
Payables for:			
Operating expenses and other accounts payable			400,164
Amounts withheld for accounts of others			76,748
Accrued Pension Obligation			36,991
Premiums received in advance			3,187,279
Total Payables			<u>3,701,182</u>
Surplus			<u>48,698,103</u>
Total Liabilities and Surplus			<u>\$ 79,211,079</u>

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATUTORY STATEMENT OF OPERATIONS AND SURPLUS
Quarter Ended July 31, 2012

EXHIBIT 2

DESCRIPTION	Quarter 05/01/2012 - 07/31/2012	Year-To-Date 11/1/2011 - 07/31/2012
UNDERWRITING INCOME:		
Premiums Earned	\$ 6,812,854	\$ 19,843,011
DEDUCTIONS:		
Losses incurred	822,560	1,870,188
Loss expenses incurred	114,660	219,024
Operating expenses incurred	2,509,418	5,868,681
Total deductions	<u>3,446,638</u>	<u>7,957,893</u>
Net Underwriting Gain or (Loss)	<u>3,366,216</u>	<u>11,885,118</u>
OTHER INCOME (EXPENSE):		
Net investment income	34,224	61,075
Realized Gains (Losses)	(56,847)	(56,847)
Other Income	2	8
Service fees	204,955	487,935
Total other income (expense)	<u>182,334</u>	<u>492,171</u>
Net Income or (Loss)	<u>\$ 3,548,550</u>	<u>\$ 12,377,289</u>
SURPLUS ACCOUNT:		
Surplus (prior period)	46,045,408	37,181,476
Net income or (loss)	3,548,550	12,377,289
Change in unrealized capital gains or (losses)	(32,657)	11,163
Change in assets not admitted	104	(8,523)
Assessments or (distributions)	(863,302)	(863,302)
Net change in surplus	<u>2,652,695</u>	<u>11,516,627</u>
Surplus (current period)	<u>\$ 48,698,103</u>	<u>\$ 48,698,103</u>

See Accountant's Compilation Report

SUPPLEMENTARY INFORMATION

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended July 31, 2012

EXHIBIT 3A - Quarterly

Quarterly 05/01/2012 - 07/31/2012

Description	Policy Year									Total
	2012	2011	2010	2009	2008	2007	2006	2005	2004	
INCOME RECEIVED:										
Premiums Written	\$ 15,214,834	\$ (69,195)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,145,639
Reinsurance Premium Ceded	(4,947,606)	-	-	-	-	-	-	-	-	(4,947,606)
Net Premiums Written	10,267,228	(69,195)	-	-	-	-	-	-	-	10,198,033
Interest Received	34,205	-	-	-	-	-	-	-	-	34,205
Realized Gains (Losses)	(56,847)	-	-	-	-	-	-	-	-	(56,847)
Other Income	2	-	-	-	-	-	-	-	-	2
Service Fees	204,955	-	-	-	-	-	-	-	-	204,955
Total Income	10,449,543	(69,195)	-	-	-	-	-	-	-	10,380,348
EXPENSES PAID:										
Losses	697,055	106,699	750	-	-	-	-	-	-	804,504
Loss Adjustment Expenses	57,050	55,802	-	-	-	-	-	-	-	112,852
Commissions	1,140,403	(5,536)	-	-	-	-	-	-	-	1,134,867
Operating Expenses	780,583	-	-	-	-	-	-	-	-	780,583
Premium Taxes	286,585	-	-	-	-	-	-	-	-	286,585
Total Expenses Paid	2,961,676	156,965	750	-	-	-	-	-	-	3,119,391
Net Cash Change	7,487,867	(226,160)	(750)	-	-	-	-	-	-	7,260,957
RESERVES:										
<i>DEDUCT (CURRENT PERIOD)</i>										
Unpaid Losses (include IBNR)	1,190,281	516,158	41,440	-	-	-	-	-	-	1,747,879
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	119,029	51,617	4,144	-	-	-	-	-	-	174,790
Operating Expenses	476,912	-	-	-	-	-	-	-	-	476,912
Unearned Premiums	22,942,548	1,286,942	-	-	-	-	-	-	-	24,229,490
Premium Taxes	659,635	-	-	-	-	-	-	-	-	659,635
<i>ADD (PRIOR 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
Net Reserve Change	(8,849,118)	5,182,277	(45,584)	-	-	-	-	-	-	(3,712,425)
OTHER CHANGES:										
<i>DEDUCT (PRIOR PERIOD)</i>										
Interest Accrued	17	-	-	-	-	-	-	-	-	17
Assets Not Admitted	(213,398)	-	-	-	-	-	-	-	-	(213,398)
Unrealized Capital Gains (Losses)	43,820	-	-	-	-	-	-	-	-	43,820
<i>ADD (CURRENT PERIOD)</i>										
Interest Accrued	35	-	-	-	-	-	-	-	-	35
Assets Not Admitted	(213,294)	-	-	-	-	-	-	-	-	(213,294)
Unrealized Capital Gains (Losses)	11,163	-	-	-	-	-	-	-	-	11,163
Net Other Changes	(32,535)	-	-	-	-	-	-	-	-	(32,535)
Assessments or (Distributions)	-	-	-	-	-	-	-	696,192	(1,559,494)	(863,302)
Change in Retained Surplus Increase (Decrease)	(62,620)	-	-	-	-	-	-	-	-	(62,620)
Change in Members' Surplus Increase (Decrease)	\$ (1,331,166)	\$ 4,956,117	\$ (46,334)	\$ -	\$ -	\$ -	\$ -	\$ 696,192	\$ (1,559,494)	\$ 2,715,315

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended July 31, 2012

EXHIBIT 3A - Year-to-Date

Year-to-Date 11/01/2011 - 07/31/2012

Description	Policy Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
INCOME RECEIVED:										
Premiums Written	\$ 33,957,716	\$ (518,374)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,439,342
Reinsurance Premium Ceded	(14,058,252)	-	-	-	-	-	-	-	-	(14,058,252)
Net Premiums Written	19,899,464	(518,374)	-	-	-	-	-	-	-	19,381,090
Interest Received	61,040	316	-	-	-	-	-	-	-	61,356
Realized Gains (Losses)	(56,847)	-	-	-	-	-	-	-	-	(56,847)
Other Income	8	-	-	-	-	-	-	-	-	8
Service Fees	487,935	-	-	-	-	-	-	-	-	487,935
Total Income	20,391,600	(518,058)	-	-	-	-	-	-	-	19,873,542
EXPENSES PAID:										
Losses	868,297	763,646	2,986	-	-	-	-	-	-	1,634,929
Loss Adjustment Expenses	70,073	123,804	1,619	-	-	-	-	-	-	195,496
Commissions	2,408,014	146,180	-	-	-	-	-	-	-	2,554,194
Operating Expenses	1,846,091	181,685	-	-	-	-	-	-	-	2,027,776
Premium Taxes	519,499	282,498	-	-	-	-	-	-	-	801,997
Total Expenses Paid	5,711,974	1,497,813	4,605	-	-	-	-	-	-	7,214,392
Net Cash Change	14,679,626	(2,015,871)	(4,605)	-	-	-	-	-	-	12,659,150
RESERVES:										
<i>DEDUCT (CURRENT PERIOD)</i>										
Unpaid Losses (include IBNR)	1,190,281	516,158	41,440	-	-	-	-	-	-	1,747,879
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adj. Expenses	119,029	51,617	4,144	-	-	-	-	-	-	174,790
Operating Expenses	476,912	-	-	-	-	-	-	-	-	476,912
Unearned Premiums	22,942,548	1,286,942	-	-	-	-	-	-	-	24,229,490
Premium Taxes	659,635	-	-	-	-	-	-	-	-	659,635
<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	(25,388,405)	25,152,409	(45,584)	-	-	-	-	-	-	(281,580)
OTHER CHANGES:										
<i>DEDUCT (PRIOR PERIOD)</i>										
Interest Accrued	316	-	-	-	-	-	-	-	-	316
Assets Not Admitted	(204,771)	-	-	-	-	-	-	-	-	(204,771)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>										
Interest Accrued	35	-	-	-	-	-	-	-	-	35
Assets Not Admitted	(213,294)	-	-	-	-	-	-	-	-	(213,294)
Unrealized Capital Gains (Losses)	11,163	-	-	-	-	-	-	-	-	11,163
Net Other Changes	2,359	-	-	-	-	-	-	-	-	2,359
Assessments or (Distributions)	-	-	-	-	-	-	-	696,192	(1,559,494)	(863,302)
Change in Retained Surplus Increase (Decrease)	(17,712)	-	-	-	-	-	-	-	-	(17,712)
Change in Members' Surplus Increase (Decrease)	\$(10,688,708)	\$ 23,136,538	\$ (50,189)	\$ -	\$ -	\$ -	\$ -	\$ 696,192	\$(1,559,494)	\$ 11,534,339

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
SURPLUS FOR UNSETTLED YEARS
Inception to Quarter Ended July 31, 2012

Exhibit 3B

Description	Policy Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
INCOME RECEIVED:										
Premiums Written	\$ 33,957,716	\$ 45,128,623	\$ 37,491,975	\$ 29,434,815	\$ 24,452,221	\$ 23,456,599	\$ 17,328,303	\$ 6,309,269	\$ 5,411,236	\$ 222,970,757
Reinsurance Premiums Ceded	(14,058,252)	(17,994,845)	(17,700,790)	(16,106,473)	(14,994,792)	(10,799,284)	(4,500,230)	(1,882,296)	(2,051,362)	(100,088,324)
Net Premiums Written	19,899,464	27,133,778	19,791,185	13,328,342	9,457,429	12,657,315	12,828,073	4,426,973	3,359,874	122,882,433
Interest Received	61,040	40,332	21,405	109,245	486,548	677,305	307,607	212,181	223,321	2,138,984
Realized Gains (Losses)	(56,847)	-	-	-	-	-	-	(86)	(31,218)	(88,151)
Other Income	8	1,070	153	982	3,391	3,670	40	4,403	78	13,795
Service Fees	487,935	608,415	497,585	392,596	269,337	187,836	175,703	29,034	13,920	2,662,361
Gain (loss) on sale of non admitted asset	-	-	-	-	100	623	(203)	-	-	520
Total Income	20,391,600	27,783,595	20,310,328	13,831,165	10,216,805	13,526,749	13,311,220	4,672,505	3,565,975	127,609,942
EXPENSES PAID:										
Losses	868,297	1,228,170	983,667	180,279	874,566	512,315	930,913	12,292,114	18,506,292	36,376,613
Loss Adjustment Expenses	70,073	198,659	117,227	62,988	22,717	14,945	17,029	1,270,423	1,641,018	3,415,079
Commissions	2,408,014	3,630,919	2,994,514	2,351,557	1,961,534	2,235,084	1,744,247	630,929	540,534	18,497,332
Operating Expenses	1,846,091	2,561,517	2,300,018	2,013,301	1,753,057	1,450,948	1,036,093	998,911	642,359	14,602,295
Premium Taxes	519,499	1,587,348	1,350,035	1,028,777	855,726	848,275	624,158	176,320	199,338	7,189,476
Total Expenses Paid	5,711,974	9,206,613	7,745,461	5,636,902	5,467,600	5,061,567	4,352,440	15,368,697	21,529,541	80,080,795
Net Cash Change	14,679,626	18,576,982	12,564,867	8,194,263	4,749,205	8,465,182	8,958,780	(10,696,192)	(17,963,566)	47,529,147
RESERVES:										
DEDUCT (CURRENT PERIOD)										
Unpaid Losses (include IBNR)	1,190,281	516,158	41,440	-	-	-	-	-	-	1,747,879
Reins. Recoverable-Unpaid Losses	-	-	-	-	-	-	-	-	-	-
Unpaid Loss Adjustment Expenses	119,029	51,617	4,144	-	-	-	-	-	-	174,790
Operating Expenses	476,912	-	-	-	-	-	-	-	-	476,912
Unearned Premiums	22,942,548	1,286,942	-	-	-	-	-	-	-	24,229,490
Premium Taxes	659,635	-	-	-	-	-	-	-	-	659,635
Total Reserves	25,388,405	1,854,717	45,584	-	-	-	-	-	-	27,288,706
OTHER CHANGES:										
ADD										
Interest Accrued	35	-	-	-	-	-	-	-	-	35
Assets Not Admitted	(213,294)	-	-	-	-	-	-	-	-	(213,294)
Change Unrealized Capital Gains (Losses)	11,163	-	-	-	-	-	-	-	-	11,163
Total Other Changes	(202,096)	-	-	-	-	-	-	-	-	(202,096)
Assessments or (Distributions)	-	-	-	-	-	-	-	10,696,192	17,963,566	28,659,758
Total Surplus	(10,910,875)	16,722,265	12,519,283	8,194,263	4,749,205	8,465,182	8,958,780	-	-	48,698,103
Retained Surplus (Deficit)	(17,712)	10,477	-	4,916,557	-	-	-	-	-	4,909,322
Members' Surplus (Deficit)	\$ (10,893,163)	\$ 16,711,788	\$ 12,519,283	\$ 3,277,706	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ -	\$ -	\$ 43,788,781

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF PREMIUMS
Quarter Ended July 31, 2012

EXHIBIT 4A - Quarterly

Description	Quarterly 05/01/2012 - 07/31/2012									
	Policy Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
PREMIUMS WRITTEN:										
Fire	\$ 444,022	\$ (3,483)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 440,539
E.C. & VMM	14,770,812	(65,712)	-	-	-	-	-	-	-	14,705,100
Reinsurance Premium Ceded E.C.	(4,947,606)	-	-	-	-	-	-	-	-	(4,947,606)
Total	10,267,228	(69,195)	-	-	-	-	-	-	-	10,198,033
UNEARNED PREMIUMS: (PRIOR PERIOD)										
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
UNEARNED PREMIUMS: (CURRENT PERIOD)										
Fire	686,778	39,864	-	-	-	-	-	-	-	726,642
E.C. & VMM	22,255,770	1,247,078	-	-	-	-	-	-	-	23,502,848
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-	-
Total	22,942,548	1,286,942	-	-	-	-	-	-	-	24,229,490
EARNED PREMIUMS:										
Fire	210,618	167,290	-	-	-	-	-	-	-	377,908
E.C. & VMM	6,900,405	4,482,147	-	-	-	-	-	-	-	11,382,552
Reinsurance Earned Ceded E.C.	(4,947,606)	-	-	-	-	-	-	-	-	(4,947,606)
Total	\$ 2,163,417	\$ 4,649,437	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,812,854

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF PREMIUMS
Quarter Ended July 31, 2012

EXHIBIT 4A - Year-to-Date

Description	Year-to-Date 11/01/2011 - 07/31/2012									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
PREMIUMS WRITTEN:										
Fire	\$ 1,022,529	\$ (18,300)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,004,229
E.C. & VMM	32,935,187	(500,074)	-	-	-	-	-	-	-	32,435,113
Reinsurance Premium Ceded E.C.	(14,058,252)	-	-	-	-	-	-	-	-	(14,058,252)
Total	19,899,464	(518,374)	-	-	-	-	-	-	-	19,381,090
UNEARNED PREMIUMS: (PRIOR PERIOD)										
Fire	-	979,432	-	-	-	-	-	-	-	979,432
E.C. & VMM	-	23,711,979	-	-	-	-	-	-	-	23,711,979
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-	-
Total	-	24,691,411	-	-	-	-	-	-	-	24,691,411
UNEARNED PREMIUMS: (CURRENT PERIOD)										
Fire	686,778	39,864	-	-	-	-	-	-	-	726,642
E.C. & VMM	22,255,770	1,247,078	-	-	-	-	-	-	-	23,502,848
Reinsurance Unearned Ceded E.C.	-	-	-	-	-	-	-	-	-	-
Total	22,942,548	1,286,942	-	-	-	-	-	-	-	24,229,490
EARNED PREMIUMS:										
Fire	335,751	921,268	-	-	-	-	-	-	-	1,257,019
E.C. & VMM	10,679,417	21,964,827	-	-	-	-	-	-	-	32,644,244
Reinsurance Earned Ceded E.C.	(14,058,252)	-	-	-	-	-	-	-	-	(14,058,252)
Total	\$ (3,043,084)	\$ 22,886,095	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,843,011

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF LOSSES

Quarter Ended July 31, 2012

EXHIBIT 4B - Quarterly

Quarterly 05/01/2012 - 07/31/2012

Description	Policy Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
PAID LOSSES:										
Fire	\$ 601,108	\$ 60,897	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 662,755
E.C. & VMM	95,947	45,802	-	-	-	-	-	-	-	141,749
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-
Total	697,055	106,699	750	-	-	-	-	-	-	804,504
OUTSTANDING LOSSES (CURRENT PERIOD)*										
Fire	98,110	33,496	-	-	-	-	-	-	-	131,606
E.C. & VMM	1,092,171	482,662	41,440	-	-	-	-	-	-	1,616,273
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	1,190,281	516,158	41,440	-	-	-	-	-	-	1,747,879
OUTSTANDING LOSSES (PRIOR PERIOD)*										
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
INCURRED LOSSES:										
Fire	481,375	(39,456)	750	-	-	-	-	-	-	442,669
E.C. & VMM	613,793	(275,342)	41,440	-	-	-	-	-	-	379,891
Total	1,095,168	(314,798)	42,190	-	-	-	-	-	-	822,560
IBNR (CURRENT PERIOD)										
Fire	30,810	10,416	-	-	-	-	-	-	-	41,226
E.C. & VMM	988,191	334,062	-	-	-	-	-	-	-	1,322,253
Total	1,019,001	344,478	-	-	-	-	-	-	-	1,363,479
IBNR (PRIOR PERIOD)										
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

*Includes IBNR

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF LOSSES

Quarter Ended July 31, 2012

EXHIBIT 4B - Year-to-Date

Year-to-Date 11/01/2011 - 07/31/2012

Description	Policy Year									
	2012	2011	2010	2009	2008	2007	2006	2005	2004	Total
PAID LOSSES:										
Fire	\$ 714,210	\$ 477,351	\$ 1,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,192,711
E.C. & VMM	154,087	286,295	1,836	-	-	-	-	-	-	442,218
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-
Total	868,297	763,646	2,986	-	-	-	-	-	-	1,634,929
OUTSTANDING LOSSES (CURRENT PERIOD)*										
Fire	98,110	33,496	-	-	-	-	-	-	-	131,606
E.C. & VMM	1,092,171	482,662	41,440	-	-	-	-	-	-	1,616,273
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	1,190,281	516,158	41,440	-	-	-	-	-	-	1,747,879
OUTSTANDING LOSSES (PRIOR PERIOD)*										
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
INCURRED LOSSES:										
Fire	812,320	317,858	1,150	-	-	-	-	-	-	1,131,328
E.C. & VMM	1,246,258	(550,674)	43,276	-	-	-	-	-	-	738,860
Total	2,058,578	(232,816)	44,426	-	-	-	-	-	-	1,870,188
IBNR (CURRENT PERIOD)										
Fire	30,810	10,416	-	-	-	-	-	-	-	41,226
E.C. & VMM	988,191	334,062	-	-	-	-	-	-	-	1,322,253
Total	1,019,001	344,478	-	-	-	-	-	-	-	1,363,479
IBNR (PRIOR PERIOD)										
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 July 31, 2012

EXHIBIT 4C - Quarterly

Description	Quarterly 05/01/2012 - 07/31/2012									
	2012	2011	2010	2009	Policy Year		2006	2005	2004	Total
LOSS EXPENSES PAID:										
Fire	\$ 25,527	\$ 9,016	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,543
E.C. & VMM	31,523	46,786	-	-	-	-	-	-	-	78,309
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-
Total	57,050	55,802	-	-	-	-	-	-	-	112,852
UNPAID LOSS EXPENSES (CURRENT PERIOD)*										
Fire	9,811	3,350	-	-	-	-	-	-	-	13,161
E.C. & VMM	109,218	48,267	4,144	-	-	-	-	-	-	161,629
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	119,029	51,617	4,144	-	-	-	-	-	-	174,790
UNPAID LOSS EXPENSES (PRIOR PERIOD)*										
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
INCURRED LOSS EXPENSES:										
Fire	13,554	(1,019)	-	-	-	-	-	-	-	12,535
E.C. & VMM	83,308	14,673	4,144	-	-	-	-	-	-	102,125
Total	\$ 96,862	\$ 13,654	\$ 4,144	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,660

*Includes IBNR

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ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES
Quarter Ended July 31, 2012

EXHIBIT 4C - Year-to-Date

Description	Year-to-Date 11/01/2011 - 07/31/2012									
	2012	2011	2010	2009	Policy Year		2006	2005	2004	Total
LOSS EXPENSES PAID:										
Fire	\$ 27,728	\$ 30,090	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,818
E.C. & VMM	42,345	93,714	1,619	-	-	-	-	-	-	137,678
Reinsurance Recovery E.C.	-	-	-	-	-	-	-	-	-	-
Total	70,073	123,804	1,619	-	-	-	-	-	-	195,496
UNPAID LOSS EXPENSES (CURRENT PERIOD)*										
Fire	9,811	3,350	-	-	-	-	-	-	-	13,161
E.C. & VMM	109,218	48,267	4,144	-	-	-	-	-	-	161,629
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	119,029	51,617	4,144	-	-	-	-	-	-	174,790
UNPAID LOSS EXPENSES (PRIOR PERIOD)*										
Fire	-	19,299	-	-	-	-	-	-	-	19,299
E.C. & VMM	-	131,963	-	-	-	-	-	-	-	131,963
Reinsurance Recoverable E.C.	-	-	-	-	-	-	-	-	-	-
Total	-	151,262	-	-	-	-	-	-	-	151,262
INCURRED LOSS EXPENSES:										
Fire	37,539	14,141	-	-	-	-	-	-	-	51,680
E.C. & VMM	151,563	10,018	5,763	-	-	-	-	-	-	167,344
Total	\$ 189,102	\$ 24,159	\$ 5,763	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,024

*Includes IBNR

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