

# Alabama Insurance Underwriting Association Property Catastrophe Excess of Loss 2007 Reinsurance Overview

June 1, 2007

*Proprietary & Confidential*



# Alabama Insurance Underwriting Association 2007 Property Catastrophe Excess of Loss Program

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# Property Catastrophe Excess of Loss 2007 Reinsurance Structure

## **Layer 4: \$200M xs \$360M**

*(Optional Purchase for Member Companies)*

Deposit Premium: \$7,500,000

ROL: 3.75%

## **Layer 3: \$210M xs \$150M**

Deposit Premium: \$10,500,000

ROL: 5%

## **Layer 2: \$50M xs \$100M**

Deposit Premium: \$4,500,000

ROL: 9%

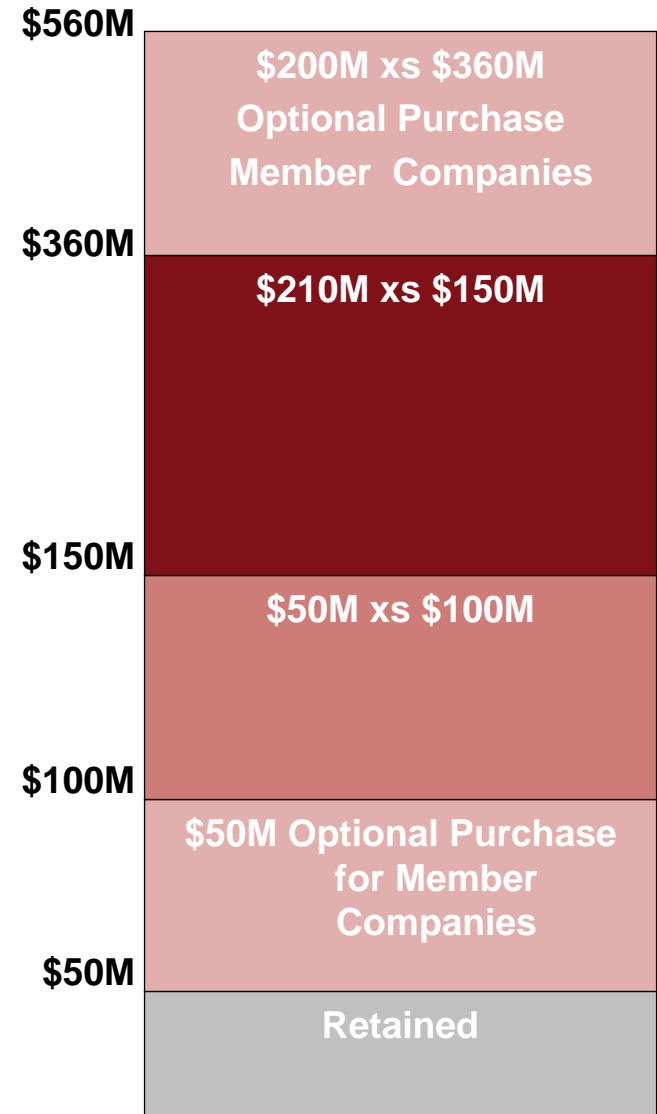
## **Layer 1: \$50M xs \$50M**

*(Optional Purchase for Member Companies)*

Deposit Premium: \$6,000,000

ROL: 12%

Based on Projected 9/1/2007 TIV: \$1,500,000,000



# Alabama Insurance Underwriting Association 2007 Property Catastrophe Excess of Loss Program

## Terms and Conditions

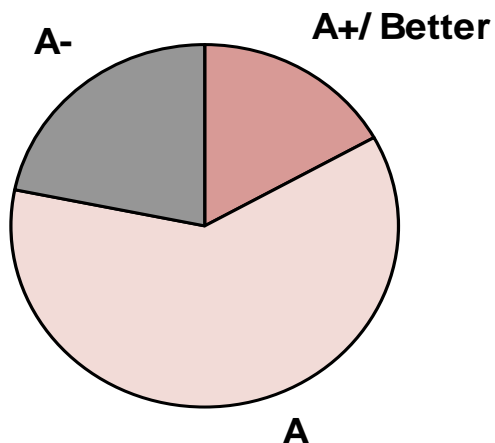
- ▶ Term: June 1, 2007- June 1, 2008
- ▶ Retention: \$100M attachment with optional purchase of \$50M xs \$50M available for individual member companies
- ▶ Limit: Protection up to \$360M with optional purchase of \$200M xs \$360M available for individual member companies
- ▶ Premium: Adjustable only if TIV exceeds \$1,650,000,000 or is less than \$1,350,000,000
- ▶ Reinstatement: One at 100% as to time, pro-rata as to amount
- ▶ Extra Contractual Obligations & Excess Policy Limits: Included at 80%

# A.M. Best Market Security Comparison

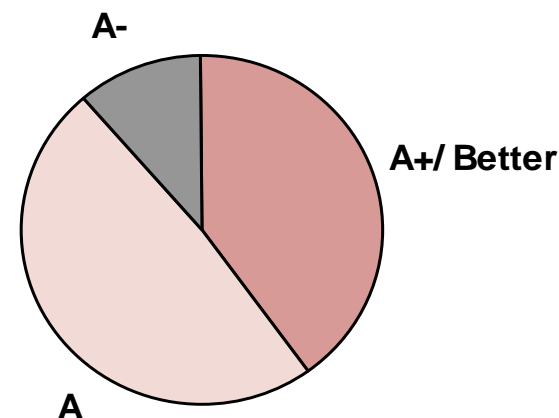
Property Catastrophe Program - Year to Year Comparisons

Ratings are as of Inception Date

**2006**



**2007**



	<b><u>2006</u></b>	<b><u>%</u></b>
<b>A+ / Better</b>	\$11,900,000	17.00%
<b>A</b>	\$42,959,000	61.37%
<b>A-</b>	<u>\$15,141,000</u>	<u>21.63%</u>
	<b>\$70,000,000</b>	<b>100.00%</b>

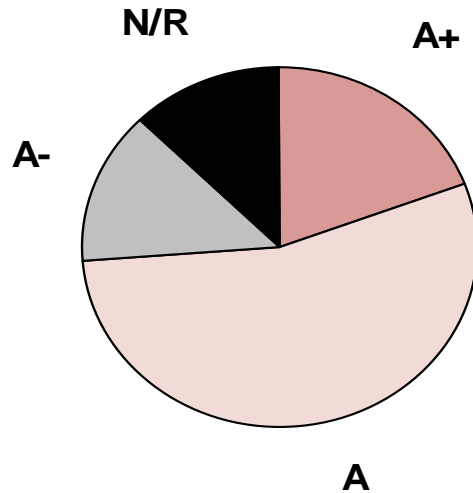
	<b><u>2007</u></b>	<b><u>%</u></b>
<b>A+ / Better</b>	\$104,050,000	40.02%
<b>A</b>	\$126,226,500	48.55%
<b>A-</b>	<u>\$29,723,500</u>	<u>11.43%</u>
	<b>\$260,000,000</b>	<b>100.00%</b>

# S&P Market Security Comparison

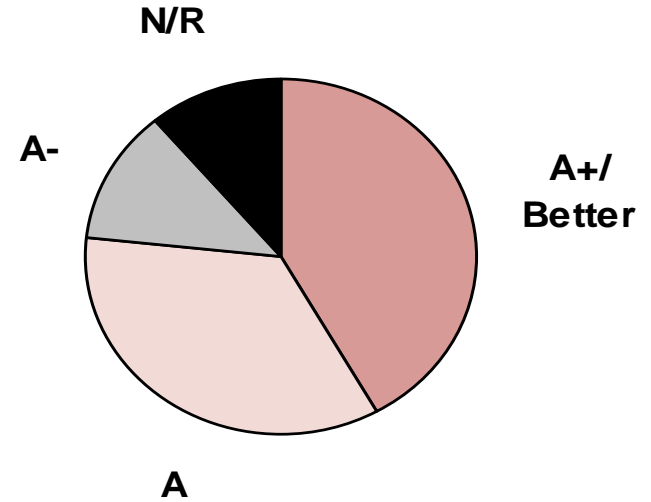
Property Catastrophe Program - Year to Year Comparisons

Ratings are as of Inception Date

**2006**



**2007**



	<b><u>2006</u></b>	<b><u>%</u></b>
<b>A+/ Better</b>	\$13,650,000	19.50%
<b>A</b>	\$37,800,000	54.00%
<b>A-</b>	\$9,800,000	14.00%
<b>N/R</b>	<u>\$8,750,000</u>	<u>12.50%</u>
	<b>\$70,000,000</b>	<b>100.00%</b>

	<b><u>2007</u></b>	<b><u>%</u></b>
<b>A+/ Better</b>	\$109,250,000	42.02%
<b>A</b>	\$90,250,000	34.71%
<b>A-</b>	\$31,950,000	12.29%
<b>N/R</b>	<u>\$28,550,000</u>	<u>10.98%</u>
	<b>\$260,000,000</b>	<b>100.00%</b>