

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JULY 31, 2018

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

JULY 31, 2018

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## ACCOUNTANT'S COMPILATION REPORT

To the Board of Directors  
Alabama Insurance Underwriting Association

Management is responsible for the accompanying financial statements of Alabama Insurance Underwriting Association, which comprise the statutory statement of admitted assets, liabilities and surplus as of July 31, 2018, and the related statutory statement of operations and changes in surplus for the nine months then ended in accordance with statutory accounting practices prescribed or permitted by the National Association of Insurance Commissioners and the Insurance Department of the State of Alabama. 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.

### Supplementary Information

The accompanying supplementary information referred to in the foregoing 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.

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  
September 25, 2018

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS**  
**As of July 31, 2018**

**EXHIBIT 1**

	<u>Assets</u>	<u>Assets Not Admitted</u>	<u>Admitted Assets</u>
<b><u>ASSETS</u></b>			
Cash and short-term investments	\$ 57,639,968		\$ 57,639,968
Bonds	51,379,549		51,379,549
Accounts receivable	399	399	-
Interest accrued	242,075		242,075
Furniture and equipment - net of depreciation	111,152	111,152	-
Data processing equipment - net of depreciation	54,633		54,633
Programming - net of amortization	383,334	383,334	-
Leasehold improvements - net of depreciation	551,279	551,279	-
Reinsurance:			
Prepaid reinsurance	841,667		841,667
Amounts recoverable from reinsurers	16,038		16,038
Section 444 Deposit (I.R.S.)	224,932		224,932
Total Assets	<u>111,445,026</u>	<u>1,046,164</u>	<u>110,398,862</u>
<b><u>LIABILITIES AND SURPLUS</u></b>			
Reserves - net of ceded			
Unpaid losses (include IBNR)			1,538,555
Unpaid loss adjustment expenses			153,855
Unearned premiums			13,899,602
Total Reserves			<u>15,592,012</u>
Payables for:			
Premium taxes			367,206
Operating expenses and other accounts payable			454,749
Amounts withheld for accounts of others			195,592
Accrued pension obligation			596,197
Contributions and grants payable			400,000
Premiums received in advance			1,459,633
Total Payables			<u>3,473,377</u>
Total Liabilities			<u>19,065,389</u>
Members' Surplus			88,434,078
Retained Surplus			2,899,395
Total Surplus			<u>91,333,473</u>
Total Liabilities and Surplus			<u>\$ 110,398,862</u>

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF OPERATIONS AND CHANGES IN SURPLUS**  
**Quarter Ended July 31, 2018**

**EXHIBIT 2**

	<b>Quarter 05/01/2018 - 07/31/2018</b>	<b>Year-To-Date 11/01/2017 - 07/31/2018</b>
	<u>                    </u>	<u>                    </u>
<b>UNDERWRITING INCOME:</b>		
Premiums earned	\$ 3,825,981	\$ 9,613,334
<b>DEDUCTIONS:</b>		
Losses incurred	1,315,016	2,539,062
Loss expenses incurred	197,536	408,988
Operating expenses incurred	1,864,853	5,125,010
Total deductions	<u>3,377,405</u>	<u>8,073,060</u>
Net Underwriting Gain or (Loss)	<u>448,576</u>	<u>1,540,274</u>
<b>OTHER INCOME (EXPENSE):</b>		
Investment income	508,485	1,312,289
Realized gains (losses)	349	(22,930)
Other income	8	75
Service & agency Fees	170,370	438,105
Total other income	<u>679,212</u>	<u>1,727,539</u>
Net Income	<u>\$ 1,127,788</u>	<u>\$ 3,267,813</u>
<b>SURPLUS:</b>		
Surplus (prior period)	90,183,738	88,074,670
Net income	1,127,788	3,267,813
Change in assets not admitted	21,947	(9,010)
Net change in surplus	<u>1,149,735</u>	<u>3,258,803</u>
Surplus (current period)	<u>\$ 91,333,473</u>	<u>\$ 91,333,473</u>

SUPPLEMENTARY INFORMATION

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended July 31, 2018

EXHIBIT 3A - Quarterly

Description	Quarterly 05/01/2018 - 07/31/2018													Total	
	2018	2017	2016	2015	2014	2013	Policy Year			2009	2008	2007	2006		
							2012	2011	2010						
<b>INCOME RECEIVED:</b>															
Premiums Written	\$ 8,054,786	\$ (104,591)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,950,195
Reinsurance Premium Ceded	(3,038,975)	-	-	-	-	-	-	-	-	-	-	-	-	(3,038,975)	
Net Premiums Written	5,015,811	(104,591)	-	-	-	-	-	-	-	-	-	-	-	4,911,220	
Interest Received	439,036	-	-	-	-	-	-	-	-	-	-	-	-	439,036	
Realized Gains (Losses)	349	-	-	-	-	-	-	-	-	-	-	-	-	349	
Other Income	8	-	-	-	-	-	-	-	-	-	-	-	-	8	
Service & Agency Fees	170,370	-	-	-	-	-	-	-	-	-	-	-	-	170,370	
Total Income	5,625,574	(104,591)	-	-	-	-	-	-	-	-	-	-	-	5,520,983	
<b>EXPENSES PAID:</b>															
Losses	461,378	372,005	90,414	4,207	-	-	-	-	-	-	-	-	-	928,004	
Loss Adjustment Expenses	63,543	75,601	19,253	439	-	-	-	-	-	-	-	-	-	158,836	
Commissions	541,853	(8,367)	-	-	-	-	-	-	-	-	-	-	-	533,486	
Operating Expenses	1,125,566	-	-	-	-	-	-	-	-	-	-	-	-	1,125,566	
Contributions and Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Premium Taxes	174,981	-	-	-	-	-	-	-	-	-	-	-	-	174,981	
Total Expenses Paid	2,367,321	439,239	109,667	4,646	-	-	-	-	-	-	-	-	-	2,920,873	
Net Cash Change	3,258,253	(543,830)	(109,667)	(4,646)	-	-	-	-	-	-	-	-	-	2,600,110	
<b>RESERVES:</b>															
<i>DEDUCT (CURRENT PERIOD)</i>															
Unpaid Losses (include IBNR)	493,881	598,649	446,025	-	-	-	-	-	-	-	-	-	-	1,538,555	
Unpaid Loss Adj. Expenses	49,388	59,865	44,602	-	-	-	-	-	-	-	-	-	-	153,855	
Operating Expenses	650,341	-	-	-	-	-	-	-	-	-	-	-	-	650,341	
Contributions and Grants	-	-	-	-	-	55,777	17,189	10,477	-	316,557	-	-	-	400,000	
Unearned Premiums	13,009,216	890,386	-	-	-	-	-	-	-	-	-	-	-	13,899,602	
Premium Taxes	367,206	-	-	-	-	-	-	-	-	-	-	-	-	367,206	
<i>ADD (PRIOR PERIOD)</i>															
Unpaid Losses (include IBNR)	271,051	444,238	434,408	1,846	-	-	-	-	-	-	-	-	-	1,151,543	
Unpaid Loss Adj. Expenses	27,105	44,425	43,441	184	-	-	-	-	-	-	-	-	-	115,155	
Operating Expenses	729,714	-	-	-	-	-	-	-	-	-	-	-	-	729,714	
Contributions and Grants	-	-	-	-	-	55,777	17,189	10,477	-	316,557	-	-	-	400,000	
Unearned Premiums	8,886,221	3,928,142	-	-	-	-	-	-	-	-	-	-	-	12,814,363	
Premium Taxes	257,012	-	-	-	-	-	-	-	-	-	-	-	-	257,012	
Net Reserve Change	(4,398,929)	2,867,905	(12,778)	2,030	-	-	-	-	-	-	-	-	-	(1,541,772)	
<b>OTHER CHANGES:</b>															
<i>DEDUCT (PRIOR PERIOD)</i>															
Interest Accrued	172,625	-	-	-	-	-	-	-	-	-	-	-	-	172,625	
Assets Not Admitted	(1,068,111)	-	-	-	-	-	-	-	-	-	-	-	-	(1,068,111)	
<i>ADD (CURRENT PERIOD)</i>															
Minimum Pension Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest Accrued	242,075	-	-	-	-	-	-	-	-	-	-	-	-	242,075	
Assets Not Admitted	(1,046,164)	-	-	-	-	-	-	-	-	-	-	-	-	(1,046,164)	
Net Other Changes	91,397	-	-	-	-	-	-	-	-	-	-	-	-	91,397	
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in Retained Surplus Increase (Decrease)	461,040	-	-	-	-	-	-	-	-	-	-	-	-	461,040	
Change in Members' Surplus Increase (Decrease)	\$ (1,510,319)	\$ 2,324,075	\$ (122,445)	\$ (2,616)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 688,695	

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended July 31, 2018

EXHIBIT 3A - Year-to-Date

Description	Year-to-Date 11/01/2017 - 07/31/2018													Total	
	2018	2017	2016	2015	2014	2013	2012	Policy Year		2009	2008	2007	2006		
<b>INCOME RECEIVED:</b>															
Premiums Written	\$ 19,756,586	\$ (570,810)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,185,776
Reinsurance Premium Ceded	(11,172,827)	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,172,827)
Net Premiums Written	8,583,759	(570,810)	-	-	-	-	-	-	-	-	-	-	-	-	8,012,949
Interest Received	1,070,216	108,329	-	-	-	-	-	-	-	-	-	-	-	-	1,178,545
Realized Gains (Losses)	(22,930)	-	-	-	-	-	-	-	-	-	-	-	-	-	(22,930)
Other Income	75	-	-	-	-	-	-	-	-	-	-	-	-	-	75
Service & Agency Fees	438,105	-	-	-	-	-	-	-	-	-	-	-	-	-	438,105
Total Income	10,069,225	(462,481)	-	-	-	-	-	-	-	-	-	-	-	-	9,606,744
<b>EXPENSES PAID:</b>															
Losses	575,544	1,694,268	299,977	45,964	-	6,216	-	-	-	-	-	-	-	-	2,621,969
Loss Adjustment Expenses	87,574	256,781	69,093	3,169	404	259	-	-	-	-	-	-	-	-	417,280
Commissions	1,309,238	130,604	-	-	-	-	-	-	-	-	-	-	-	-	1,439,842
Operating Expenses	2,522,208	437,882	-	-	-	-	-	-	-	-	-	-	-	-	2,960,090
Contributions and Grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Taxes	321,683	184,550	-	-	-	-	-	-	-	-	-	-	-	-	506,233
Total Expenses Paid	4,816,247	2,704,085	369,070	49,133	404	6,475	-	-	-	-	-	-	-	-	7,945,414
Net Cash Change	5,252,978	(3,166,566)	(369,070)	(49,133)	(404)	(6,475)	-	-	-	-	-	-	-	-	1,661,330
<b>RESERVES:</b>															
<i>DEDUCT (CURRENT PERIOD)</i>															
Unpaid Losses (include IBNR)	493,881	598,649	446,025	-	-	-	-	-	-	-	-	-	-	-	1,538,555
Unpaid Loss Adj. Expenses	49,388	59,865	44,602	-	-	-	-	-	-	-	-	-	-	-	153,855
Operating Expenses	650,341	-	-	-	-	-	-	-	-	-	-	-	-	-	650,341
Contributions and Grants	-	-	-	-	-	55,777	17,189	10,477	-	316,557	-	-	-	-	400,000
Unearned Premiums	13,009,216	890,386	-	-	-	-	-	-	-	-	-	-	-	-	13,899,602
Premium Taxes	367,206	-	-	-	-	-	-	-	-	-	-	-	-	-	367,206
<i>ADD (PRIOR PERIOD)</i>															
Unpaid Losses (include IBNR)	-	1,106,572	472,837	35,837	-	6,216	-	-	-	-	-	-	-	-	1,621,462
Unpaid Loss Adj. Expenses	-	110,657	47,284	3,584	-	622	-	-	-	-	-	-	-	-	162,147
Operating Expenses	-	614,150	-	-	-	-	-	-	-	-	-	-	-	-	614,150
Contributions and Grants	-	-	-	-	-	55,777	17,189	10,477	-	316,557	-	-	-	-	400,000
Unearned Premiums	-	15,499,987	-	-	-	-	-	-	-	-	-	-	-	-	15,499,987
Premium Taxes	-	184,550	-	-	-	-	-	-	-	-	-	-	-	-	184,550
Net Reserve Change	(14,570,032)	15,967,016	29,494	39,421	-	6,838	-	-	-	-	-	-	-	-	1,472,737
<b>OTHER CHANGES:</b>															
<i>DEDUCT (PRIOR PERIOD)</i>															
Interest Accrued	-	108,329	-	-	-	-	-	-	-	-	-	-	-	-	108,329
Assets Not Admitted	-	(1,037,154)	-	-	-	-	-	-	-	-	-	-	-	-	(1,037,154)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>															
Minimum Pension Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Accrued	242,075	-	-	-	-	-	-	-	-	-	-	-	-	-	242,075
Assets Not Admitted	(1,046,164)	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,046,164)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Changes	(804,089)	928,825	-	-	-	-	-	-	-	-	-	-	-	-	124,736
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	1,151,010	-	-	-	-	-	-	-	-	-	-	-	-	-	1,151,010
Change in Members' Surplus Increase (Decrease)	\$ (11,272,153)	\$ 13,729,275	\$ (339,576)	\$ (9,712)	\$ (404)	\$ 363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,107,793



**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**MEMBERS' SURPLUS FOR UNSETTLED YEARS**  
**Inception to Quarter Ended July 31, 2018**

Exhibit 3B

Description	Policy Year												Total
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
<b>INCOME RECEIVED:</b>													
Premiums Written	\$ 19,756,586	\$ 28,555,744	\$ 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	\$ 406,256,055
Reinsurance Premiums Ceded	(11,172,827)	(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)	(199,528,777)
Net Premiums Written	8,583,759	12,400,895	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	206,727,278
Interest Received	1,070,216	702,154	370,455	322,544	348,507	326,657	95,204	40,332	21,405	486,548	677,305	307,607	4,768,934
Realized Gains (Losses)	(22,930)	(57)	-	-	-	-	(34,522)	-	-	-	-	-	(57,509)
Other Income	75	188	43	12	43	-	8	1,070	153	3,391	3,670	40	8,693
Service & Agency Fees	438,105	677,515	774,325	899,270	906,565	778,125	674,460	608,415	497,585	269,337	187,836	175,703	6,887,241
Gain (loss) on sale of non admitted asset	-	(15,624)	(22,707)	-	-	-	-	-	-	100	623	(203)	(37,811)
Total Income	10,069,225	13,765,071	13,456,433	18,862,628	23,712,316	25,795,183	27,503,817	27,767,051	20,310,328	10,216,805	13,526,749	13,311,220	218,296,826
<b>EXPENSES PAID:</b>													
Losses	575,544	2,708,743	4,219,759	4,434,455	3,193,725	3,408,410	3,264,442	1,326,634	988,594	874,566	512,315	930,913	26,438,100
Loss Adjustment Expenses	87,574	527,135	653,957	584,165	584,234	576,802	400,549	230,657	118,628	22,717	14,945	17,029	3,818,392
Commissions	1,309,238	2,283,222	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	32,942,088
Operating Expenses	2,522,208	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	31,736,329
Premium Taxes	321,683	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	13,996,613
Total Expenses Paid	4,816,247	10,546,035	12,279,528	13,251,666	12,186,187	12,218,483	11,701,842	9,298,760	7,779,537	5,414,261	5,108,367	4,330,609	108,931,522
Net Cash Change	5,252,978	3,219,036	1,176,905	5,610,962	11,526,129	13,576,700	15,801,975	18,468,291	12,530,791	4,802,544	8,418,382	8,980,611	109,365,304
<b>RESERVES:</b>													
<b>DEDUCT (CURRENT PERIOD)</b>													
Unpaid Losses (include IBNR)	493,881	598,649	446,025	-	-	-	-	-	-	-	-	-	1,538,555
Unpaid Loss Adjustment Expenses	49,388	59,865	44,602	-	-	-	-	-	-	-	-	-	153,855
Operating Expenses	650,341	-	-	-	-	-	-	-	-	-	-	-	650,341
Unearned Premiums	13,009,216	890,386	-	-	-	-	-	-	-	-	-	-	13,899,602
Premium Taxes	367,206	-	-	-	-	-	-	-	-	-	-	-	367,206
Total Reserves	14,570,032	1,548,900	490,627	-	-	-	-	-	-	-	-	-	16,609,559
<b>OTHER CHANGES:</b>													
<b>ADD (DEDUCT)</b>													
Minimum Pension Liability	-	(38,931)	(161,212)	14,335	(299,507)	115,466	(127,279)	(36,991)	27,748	(53,339)	46,800	(21,831)	(534,741)
Interest Accrued	242,075	-	-	-	-	-	-	-	-	-	-	-	242,075
Assets Not Admitted	(1,046,164)	-	-	-	-	-	-	-	-	-	-	-	(1,046,164)
Retained Surplus	(1,151,010)	(566,470)	(345,818)	(288,215)	(319,649)	(284,009)	(17,189)	(10,477)	-	-	-	-	(2,982,837)
Total Other Changes	(1,955,099)	(605,401)	(507,030)	(273,880)	(619,156)	(168,543)	(144,468)	(47,468)	27,748	(53,339)	46,800	(21,831)	(4,321,667)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (11,272,153)	\$ 1,064,735	\$ 179,248	\$ 5,337,082	\$ 10,906,973	\$ 13,408,157	\$ 15,657,507	\$ 18,420,823	\$ 12,558,539	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ 88,434,078

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**RETAINED SURPLUS**

**Inception to Quarter Ended July 31, 2018**

**Exhibit 3C**

Description	Policy Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2009	Total
<b>INCOME RECEIVED:</b>										
Interest Received	\$ 1,070,216	\$ 702,154	\$ 370,455	\$ 322,544	\$ 348,507	\$ 326,657	\$ 95,204	\$ 40,332	\$ -	\$ 3,276,069
Realized Gains (Losses)	(22,930)	(57)	-	-	-	-	(34,521)	-	-	(57,508)
Total Income	1,047,286	702,097	370,455	322,544	348,507	326,657	60,683	40,332	-	3,218,561
<b>EXPENSES PAID:</b>										
Operating Expenses	138,351	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,600,000	5,077,798
Total Expenses Paid	138,351	135,627	24,637	34,328	28,858	42,648	43,494	29,855	4,600,000	5,077,798
Net Cash Change	908,935	566,470	345,818	288,216	319,649	284,009	17,189	10,477	(4,600,000)	(1,859,237)
<b>RESERVES:</b>										
DEDUCT (CURRENT PERIOD)										
Contributions and Grants	-	-	-	-	-	55,777	17,189	10,477	316,557	400,000
Total Reserves	-	-	-	-	-	55,777	17,189	10,477	316,557	400,000
<b>OTHER CHANGES:</b>										
ADD (DEDUCT)										
Interest Accrued	242,075	-	-	-	-	-	-	-	-	242,075
Total Other Changes	242,075	-	-	-	-	-	-	-	-	242,075
Net Income Retained	-	-	-	-	-	-	-	-	4,916,557	4,916,557
Retained Surplus	\$ 1,151,010	\$ 566,470	\$ 345,818	\$ 288,216	\$ 319,649	\$ 228,232	\$ -	\$ -	\$ -	\$ 2,899,395

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF PREMIUMS**  
Quarter Ended July 31, 2018

EXHIBIT 4A - Quarterly

Description	Quarterly 05/01/2018 - 07/31/2018												Total		
	2018	2017	2016	2015	2014	2013	Policy Year		2011	2010	2008	2007		2006	
<b>PREMIUMS WRITTEN:</b>															
Fire	\$ 466,010	\$ (5,982)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 460,028
E.C. & VMM	7,588,776	(98,609)	-	-	-	-	-	-	-	-	-	-	-	-	7,490,167
Reinsurance Premium Ceded	(3,038,975)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,038,975)
<b>Total</b>	<b>5,015,811</b>	<b>(104,591)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,911,220</b>
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>															
Fire	608,000	271,777	-	-	-	-	-	-	-	-	-	-	-	-	879,777
E.C. & VMM	8,278,221	3,656,365	-	-	-	-	-	-	-	-	-	-	-	-	11,934,586
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>8,886,221</b>	<b>3,928,142</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,814,363</b>
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>															
Fire	813,455	65,798	-	-	-	-	-	-	-	-	-	-	-	-	879,253
E.C. & VMM	12,195,761	824,588	-	-	-	-	-	-	-	-	-	-	-	-	13,020,349
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>13,009,216</b>	<b>890,386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,899,602</b>
<b>EARNED PREMIUMS:</b>															
Fire	260,555	199,997	-	-	-	-	-	-	-	-	-	-	-	-	460,552
E.C. & VMM	3,671,236	2,733,168	-	-	-	-	-	-	-	-	-	-	-	-	6,404,404
Reinsurance Earned Ceded	(3,038,975)	-	-	-	-	-	-	-	-	-	-	-	-	-	(3,038,975)
<b>Total</b>	<b>\$ 892,816</b>	<b>\$ 2,933,165</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,825,981</b>

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF PREMIUMS**  
Quarter Ended July 31, 2018

EXHIBIT 4A - Year-to-Date

Description	Year-to-Date 11/01/2017 - 07/31/2018											Total	
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007		2006
<b>PREMIUMS WRITTEN:</b>													
Fire	\$ 1,778,349	\$ (36,984)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,741,365
E.C. & VMM	17,978,237	(533,826)	-	-	-	-	-	-	-	-	-	-	17,444,411
Reinsurance Premium Ceded	(11,172,827)	-	-	-	-	-	-	-	-	-	-	-	(11,172,827)
<b>Total</b>	<b>8,583,759</b>	<b>(570,810)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,012,949</b>
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>													
Fire	-	1,065,063	-	-	-	-	-	-	-	-	-	-	1,065,063
E.C. & VMM	-	14,434,924	-	-	-	-	-	-	-	-	-	-	14,434,924
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>15,499,987</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,499,987</b>
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>													
Fire	813,455	65,798	-	-	-	-	-	-	-	-	-	-	879,253
E.C. & VMM	12,195,761	824,588	-	-	-	-	-	-	-	-	-	-	13,020,349
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>13,009,216</b>	<b>890,386</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,899,602</b>
<b>EARNED PREMIUMS:</b>													
Fire	964,894	962,281	-	-	-	-	-	-	-	-	-	-	1,927,175
E.C. & VMM	5,782,476	13,076,510	-	-	-	-	-	-	-	-	-	-	18,858,986
Reinsurance Earned Ceded	(11,172,827)	-	-	-	-	-	-	-	-	-	-	-	(11,172,827)
<b>Total</b>	<b>\$ (4,425,457)</b>	<b>\$ 14,038,791</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,613,334</b>

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**STATISTICAL REPORT OF LOSSES**

Quarter Ended July 31, 2018

EXHIBIT 4B - Quarterly

Description	Quarterly 05/01/2018 - 07/31/2018												Total
	2018	2017	2016	2015	2014	2013	Policy Year		2010	2008	2007	2006	
<b>PAID LOSSES:</b>													
Fire	\$ 279,891	\$ 21,942	\$ 18,008	\$ 4,428	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 324,269
E.C. & VMM	181,487	350,512	76,212	-	-	-	-	-	-	-	-	-	608,211
Reinsurance Losses Ceded	-	(449)	(3,806)	(221)	-	-	-	-	-	-	-	-	(4,476)
<b>Total</b>	<b>461,378</b>	<b>372,005</b>	<b>90,414</b>	<b>4,207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>928,004</b>
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>													
Fire	52,285	410,258	462,000	-	-	-	-	-	-	-	-	-	924,543
E.C. & VMM	441,596	188,391	7,500	-	-	-	-	-	-	-	-	-	637,487
Reinsurance Losses Ceded	-	-	(23,475)	-	-	-	-	-	-	-	-	-	(23,475)
<b>Total</b>	<b>493,881</b>	<b>598,649</b>	<b>446,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,538,555</b>
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>													
Fire	16,178	32,031	434,239	1,943	-	-	-	-	-	-	-	-	484,391
E.C. & VMM	254,873	414,850	23,033	-	-	-	-	-	-	-	-	-	692,756
Reinsurance Losses Ceded	-	(2,643)	(22,864)	(97)	-	-	-	-	-	-	-	-	(25,604)
<b>Total</b>	<b>271,051</b>	<b>444,238</b>	<b>434,408</b>	<b>1,846</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,151,543</b>
<b>INCURRED LOSSES:</b>													
Fire	315,998	400,169	45,769	2,485	-	-	-	-	-	-	-	-	764,421
E.C. & VMM	368,210	124,053	60,679	-	-	-	-	-	-	-	-	-	552,942
Reinsurance Losses Ceded	-	2,194	(4,417)	(124)	-	-	-	-	-	-	-	-	(2,347)
<b>Total</b>	<b>684,208</b>	<b>526,416</b>	<b>102,031</b>	<b>2,361</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,315,016</b>
<b>IBNR (CURRENT PERIOD)</b>													
Fire	25,494	11,014	-	-	-	-	-	-	-	-	-	-	36,508
E.C. & VMM	367,644	144,798	-	-	-	-	-	-	-	-	-	-	512,442
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>393,138</b>	<b>155,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>548,950</b>
<b>IBNR (PRIOR PERIOD)</b>													
Fire	16,178	22,031	-	-	-	-	-	-	-	-	-	-	38,209
E.C. & VMM	216,225	307,055	-	-	-	-	-	-	-	-	-	-	523,280
Reinsurance Losses Ceded	-	(2,643)	-	-	-	-	-	-	-	-	-	-	(2,643)
<b>Total</b>	<b>\$ 232,403</b>	<b>\$ 326,443</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 558,846</b>

\*Includes IBNR

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**STATISTICAL REPORT OF LOSSES**

Quarter Ended July 31, 2018

EXHIBIT 4B - Year-to-Date

Year-to-Date 11/01/2017 - 07/31/2018

Description	Policy Year												Total
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
<b>PAID LOSSES:</b>													
Fire	\$ 299,288	\$ 722,866	\$ 36,720	\$ 4,428	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,063,302
E.C. & VMM	276,256	975,898	275,696	43,954	-	6,216	-	-	-	-	-	-	1,578,020
Reinsurance Losses Ceded	-	(4,496)	(12,439)	(2,418)	-	-	-	-	-	-	-	-	(19,353)
<b>Total</b>	<b>575,544</b>	<b>1,694,268</b>	<b>299,977</b>	<b>45,964</b>	<b>-</b>	<b>6,216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,621,969</b>
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>													
Fire	52,285	410,258	462,000	-	-	-	-	-	-	-	-	-	924,543
E.C. & VMM	441,596	188,391	7,500	-	-	-	-	-	-	-	-	-	637,487
Reinsurance Losses Ceded	-	-	(23,475)	-	-	-	-	-	-	-	-	-	(23,475)
<b>Total</b>	<b>493,881</b>	<b>598,649</b>	<b>446,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,538,555</b>
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>													
Fire	-	325,046	448,900	-	-	-	-	-	-	-	-	-	773,946
E.C. & VMM	-	797,139	48,300	35,837	-	6,216	-	-	-	-	-	-	887,492
Reinsurance Losses Ceded	-	(15,613)	(24,363)	-	-	-	-	-	-	-	-	-	(39,976)
<b>Total</b>	<b>-</b>	<b>1,106,572</b>	<b>472,837</b>	<b>35,837</b>	<b>-</b>	<b>6,216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,621,462</b>
<b>INCURRED LOSSES:</b>													
Fire	351,573	808,078	49,820	4,428	-	-	-	-	-	-	-	-	1,213,899
E.C. & VMM	717,852	367,150	234,896	8,117	-	-	-	-	-	-	-	-	1,328,015
Reinsurance Losses Ceded	-	11,117	(11,551)	(2,418)	-	-	-	-	-	-	-	-	(2,852)
<b>Total</b>	<b>1,069,425</b>	<b>1,186,345</b>	<b>273,165</b>	<b>10,127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,539,062</b>
<b>IBNR (CURRENT PERIOD)</b>													
Fire	25,494	11,014	-	-	-	-	-	-	-	-	-	-	36,508
E.C. & VMM	367,644	144,798	-	-	-	-	-	-	-	-	-	-	512,442
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>393,138</b>	<b>155,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>548,950</b>
<b>IBNR (PRIOR PERIOD)</b>													
Fire	-	41,231	-	-	-	-	-	-	-	-	-	-	41,231
E.C. & VMM	-	538,581	-	-	-	-	-	-	-	-	-	-	538,581
Reinsurance Losses Ceded	-	(14,892)	-	-	-	-	-	-	-	-	-	-	(14,892)
<b>Total</b>	<b>\$ -</b>	<b>\$ 564,920</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 564,920</b>

\*Includes IBNR

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended July 31, 2018**

EXHIBIT 4C - Quarterly

Description	Quarterly 05/01/2018 - 07/31/2018												Total	
	2018	2017	2016	2015	2014	2013	Policy Year		2010	2008	2007	2006		
<b>LOSS EXPENSES PAID:</b>														
Fire	\$ 21,362	\$ 13,191	\$ 882	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,435
E.C. & VMM	42,181	62,499	19,330	462	-	-	-	-	-	-	-	-	-	124,472
Reinsurance Loss Expenses Ceded	-	(89)	(959)	(23)	-	-	-	-	-	-	-	-	-	(1,071)
<b>Total</b>	<b>63,543</b>	<b>75,601</b>	<b>19,253</b>	<b>439</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>158,836</b>
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>														
Fire	5,228	41,026	46,200	-	-	-	-	-	-	-	-	-	-	92,454
E.C. & VMM	44,160	18,839	750	-	-	-	-	-	-	-	-	-	-	63,749
Reinsurance Loss Expenses Ceded	-	-	(2,348)	-	-	-	-	-	-	-	-	-	-	(2,348)
<b>Total</b>	<b>49,388</b>	<b>59,865</b>	<b>44,602</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153,855</b>
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>														
Fire	1,618	3,203	43,424	194	-	-	-	-	-	-	-	-	-	48,439
E.C. & VMM	25,487	41,486	2,303	-	-	-	-	-	-	-	-	-	-	69,276
Reinsurance Loss Expenses Ceded	-	(264)	(2,286)	(10)	-	-	-	-	-	-	-	-	-	(2,560)
<b>Total</b>	<b>27,105</b>	<b>44,425</b>	<b>43,441</b>	<b>184</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>115,155</b>
<b>INCURRED LOSS EXPENSES:</b>														
Fire	24,972	51,014	3,658	(194)	-	-	-	-	-	-	-	-	-	79,450
E.C. & VMM	60,854	39,852	17,777	462	-	-	-	-	-	-	-	-	-	118,945
Reinsurance Loss Expenses Ceded	-	175	(1,021)	(13)	-	-	-	-	-	-	-	-	-	(859)
<b>Total</b>	<b>\$ 85,826</b>	<b>\$ 91,041</b>	<b>\$ 20,414</b>	<b>\$ 255</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 197,536</b>

\*Includes IBNR

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended July 31, 2018**

EXHIBIT 4C - Year-to-Date

Description	Year-to-Date 11/01/2017 - 07/31/2018												Total	
	2018	2017	2016	2015	2014	2013	Policy Year		2010	2008	2007	2006		
<b>LOSS EXPENSES PAID:</b>														
Fire	\$ 25,734	\$ 52,168	\$ 17,345	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,247
E.C. & VMM	61,840	205,102	54,963	3,333	404	259	-	-	-	-	-	-	-	325,901
Reinsurance Loss Expenses Ceded	-	(489)	(3,215)	(164)	-	-	-	-	-	-	-	-	-	(3,868)
<b>Total</b>	<b>87,574</b>	<b>256,781</b>	<b>69,093</b>	<b>3,169</b>	<b>404</b>	<b>259</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>417,280</b>
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>														
Fire	5,228	41,026	46,200	-	-	-	-	-	-	-	-	-	-	92,454
E.C. & VMM	44,160	18,839	750	-	-	-	-	-	-	-	-	-	-	63,749
Reinsurance Loss Expenses Ceded	-	-	(2,348)	-	-	-	-	-	-	-	-	-	-	(2,348)
<b>Total</b>	<b>49,388</b>	<b>59,865</b>	<b>44,602</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>153,855</b>
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>														
Fire	-	32,504	44,890	-	-	-	-	-	-	-	-	-	-	77,394
E.C. & VMM	-	79,714	4,830	3,584	-	622	-	-	-	-	-	-	-	88,750
Reinsurance Loss Expenses Ceded	-	(1,561)	(2,436)	-	-	-	-	-	-	-	-	-	-	(3,997)
<b>Total</b>	<b>-</b>	<b>110,657</b>	<b>47,284</b>	<b>3,584</b>	<b>-</b>	<b>622</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162,147</b>
<b>INCURRED LOSS EXPENSES:</b>														
Fire	30,962	60,690	18,655	-	-	-	-	-	-	-	-	-	-	110,307
E.C. & VMM	106,000	144,227	50,883	(251)	404	(363)	-	-	-	-	-	-	-	300,900
Reinsurance Loss Expenses Ceded	-	1,072	(3,127)	(164)	-	-	-	-	-	-	-	-	-	(2,219)
<b>Total</b>	<b>\$ 136,962</b>	<b>\$ 205,989</b>	<b>\$ 66,411</b>	<b>\$ (415)</b>	<b>\$ 404</b>	<b>\$ (363)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 408,988</b>

\*Includes IBNR