

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

OCTOBER 31, 2015

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

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OCTOBER 31, 2015

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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 October 31, 2015, the related accompanying statutory statement of operations and changes in surplus for the year then ended, and the accompanying supplementary information referred to in the foregoing contents, which is presented only for supplementary analysis purposes. The financial statements and supplementary information 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 information and, accordingly, do not express an opinion or provide any assurance about whether the financial statements and supplementary information 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 information 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 information.

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 information without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements and supplementary information.

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  
February 26, 2016

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS**  
**As of October 31, 2015**

**EXHIBIT 1**

	<b>Assets</b>	<b>Assets Not Admitted</b>	<b>Admitted Assets</b>
<b><u>ASSETS</u></b>			
Cash and short-term investments	\$ 65,119,532		\$ 65,119,532
Bonds	42,184,812		42,184,812
Accounts receivable	556	556	-
Interest accrued	172,344		172,344
Furniture and equipment - net of depreciation	88,342	88,342	-
Data processing equipment - net of depreciation	115,539		115,539
Programming - net of amortization	239,783	239,783	-
Leasehold improvements - net of depreciation	241,962	241,962	-
Reinsurance:			
Prepaid reinsurance	1,841,562		1,841,562
Amounts recoverable from reinsurers	28,864		28,864
Section 444 Deposit (I.R.S.)	818,675		818,675
Total Assets	110,851,971	570,643	110,281,328
<b><u>LIABILITIES AND SURPLUS</u></b>			
Reserves - net of ceded			
Unpaid losses (include IBNR)			1,059,219
Unpaid loss adjustment expenses			105,920
Unearned premiums			21,041,077
Total Reserves			22,206,216
Payables for:			
Premium taxes			295,916
Operating expenses and other accounts payable			490,856
Ceded reinsurance premiums payable - net of ceding commissions			248,893
Amounts withheld for accounts of others			74,113
Accrued Pension Obligation			375,255
Premiums received in advance			1,550,032
Total Payables			3,035,065
Total Liabilities			25,241,281
Members' Surplus			79,203,951
Retained Surplus			5,836,096
Total Surplus			85,040,047
Total Liabilities and Surplus			\$ 110,281,328

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATUTORY STATEMENT OF OPERATIONS AND CHANGES IN SURPLUS**  
**Quarter Ended October 31, 2015**

**EXHIBIT 2**

	<b>Quarter 08/01/2015 - 10/31/2015</b>	<b>Year-To-Date 11/1/2014 - 10/31/2015</b>
	<u>                    </u>	<u>                    </u>
<b>UNDERWRITING INCOME:</b>		
Premiums Earned	\$ 4,606,140	\$ 20,433,781
	<u>                    </u>	<u>                    </u>
<b>DEDUCTIONS:</b>		
Losses incurred	1,204,912	4,036,342
Loss expenses incurred	113,436	462,186
Operating expenses incurred	2,142,390	8,246,966
Total deductions	<u>3,460,738</u>	<u>12,745,494</u>
Net Underwriting Gain or (Loss)	<u>1,145,402</u>	<u>7,688,287</u>
<b>OTHER INCOME (EXPENSE):</b>		
Net investment income	80,677	322,545
Realized Gains (Losses)	-	-
Other Income	2	12
Service & Agency Fees	235,795	899,270
Total other income (expense)	<u>316,474</u>	<u>1,221,827</u>
Net Income or (Loss)	<u>\$ 1,461,876</u>	<u>\$ 8,910,114</u>
<b>SURPLUS:</b>		
Surplus (prior period)	83,719,508	76,330,720
Net income or (loss)	1,461,876	8,910,114
Change in assets not admitted	(155,672)	(215,122)
Minimum pension liability	14,335	14,335
Net change in surplus	<u>1,320,539</u>	<u>8,709,327</u>
Surplus (current period)	<u>\$ 85,040,047</u>	<u>\$ 85,040,047</u>

*See Accountant's Compilation Report*

## SUPPLEMENTARY INFORMATION

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended October 31, 2015

EXHIBIT 3A - Quarterly

Quarterly 08/01/2015 - 10/31/2015

Description	Policy Year									
	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>INCOME RECEIVED:</b>										
Premiums Written	\$ 10,610,506	\$ (36,326)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,574,180
Reinsurance Premium Ceded	(6,055,213)	1,816	-	-	-	-	-	-	-	(6,053,397)
Net Premiums Written	4,555,293	(34,510)	-	-	-	-	-	-	-	4,520,783
Interest Received	(6,511)	-	-	-	-	-	-	-	-	(6,511)
Realized Gains (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	2	-	-	-	-	-	-	-	-	2
Service & Agency Fees	235,795	-	-	-	-	-	-	-	-	235,795
Total Income	4,784,579	(34,510)	-	-	-	-	-	-	-	4,750,069
<b>EXPENSES PAID:</b>										
Losses	1,173,146	142,691	30,480	-	-	-	-	-	-	1,346,317
Loss Adjustment Expenses	87,990	35,635	3,954	-	-	-	-	-	-	127,579
Commissions	1,113,163	(2,906)	-	-	-	-	-	-	-	1,110,257
Operating Expenses	819,237	-	-	-	-	-	-	-	-	819,237
Premium Taxes	659,443	-	-	-	-	-	-	-	-	659,443
Total Expenses Paid	3,852,979	175,420	34,434	-	-	-	-	-	-	4,062,833
Net Cash Change	931,600	(209,930)	(34,434)	-	-	-	-	-	-	687,236
<b>RESERVES:</b>										
<i>DEDUCT (CURRENT PERIOD)</i>										
Unpaid Losses (include IBNR)	1,008,086	51,133	-	-	-	-	-	-	-	1,059,219
Unpaid Loss Adj. Expenses	100,807	5,113	-	-	-	-	-	-	-	105,920
Operating Expenses	564,969	-	-	-	-	-	-	-	-	564,969
Unearned Premiums	21,041,077	-	-	-	-	-	-	-	-	21,041,077
Premium Taxes	295,916	-	-	-	-	-	-	-	-	295,916
<i>ADD (PRIOR PERIOD)</i>										
Unpaid Losses (include IBNR)	874,594	326,030	-	-	-	-	-	-	-	1,200,624
Unpaid Loss Adj. Expenses	87,460	32,603	-	-	-	-	-	-	-	120,063
Operating Expenses	724,541	-	-	-	-	-	-	-	-	724,541
Unearned Premiums	19,846,846	1,279,588	-	-	-	-	-	-	-	21,126,434
Premium Taxes	582,891	-	-	-	-	-	-	-	-	582,891
Net Reserve Change	(894,523)	1,581,975	-	-	-	-	-	-	-	687,452
<b>OTHER CHANGES:</b>										
<i>DEDUCT (PRIOR PERIOD)</i>										
Interest Accrued	85,156	-	-	-	-	-	-	-	-	85,156
Assets Not Admitted	(414,971)	-	-	-	-	-	-	-	-	(414,971)
<i>ADD (CURRENT PERIOD)</i>										
Minimum Pension Liability	14,335	-	-	-	-	-	-	-	-	14,335
Interest Accrued	172,344	-	-	-	-	-	-	-	-	172,344
Assets Not Admitted	(570,643)	-	-	-	-	-	-	-	-	(570,643)
Net Other Changes	(54,149)	-	-	-	-	-	-	-	-	(54,149)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	71,909	-	-	-	-	-	-	-	-	71,909
Change in Members' Surplus Increase (Decrease)	\$ (88,981)	\$ 1,372,045	\$ (34,434)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,248,630

See Accountant's Compilation Report

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**SURPLUS**

Quarter Ended October 31, 2015

EXHIBIT 3A - Year-to-Date

Year-to-Date 11/01/2014 - 10/31/2015

Description	Policy Year									
	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>INCOME RECEIVED:</b>										
Premiums Written	\$ 42,320,478	\$ (635,297)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,685,181
Reinsurance Premium Ceded	(23,836,894)	(196,744)	-	-	-	-	-	-	-	(24,033,638)
Net Premiums Written	18,483,584	(832,041)	-	-	-	-	-	-	-	17,651,543
Interest Received	150,200	183,785	-	-	-	-	-	-	-	333,985
Realized Gains (Losses)	-	-	-	-	-	-	-	-	-	-
Other Income	12	-	-	-	-	-	-	-	-	12
Service & Agency Fees	899,270	-	-	-	-	-	-	-	-	899,270
Total Income	19,533,066	(648,256)	-	-	-	-	-	-	-	18,884,810
<b>EXPENSES PAID:</b>										
Losses	2,039,902	2,229,881	379,270	(8,349)	-	-	-	-	-	4,640,704
Loss Adjustment Expenses	181,243	276,157	64,676	-	548	-	-	-	-	522,624
Commissions	3,130,349	226,370	-	-	-	-	-	-	-	3,356,719
Operating Expenses	3,141,287	251,172	-	-	-	-	-	-	-	3,392,459
Premium Taxes	1,165,268	242,201	-	-	-	-	-	-	-	1,407,469
Total Expenses Paid	9,658,049	3,225,781	443,946	(8,349)	548	-	-	-	-	13,319,975
Net Cash Change	9,875,017	(3,874,037)	(443,946)	8,349	(548)	-	-	-	-	5,564,835
<b>RESERVES:</b>										
<i>DEDUCT (CURRENT PERIOD)</i>										
Unpaid Losses (include IBNR)	1,008,086	51,133	-	-	-	-	-	-	-	1,059,219
Unpaid Loss Adj. Expenses	100,807	5,113	-	-	-	-	-	-	-	105,920
Operating Expenses	564,969	-	-	-	-	-	-	-	-	564,969
Unearned Premiums	21,041,077	-	-	-	-	-	-	-	-	21,041,077
Premium Taxes	295,916	-	-	-	-	-	-	-	-	295,916
<i>ADD (PRIOR PERIOD)</i>										
Unpaid Losses (include IBNR)	-	1,621,344	42,237	-	-	-	-	-	-	1,663,581
Unpaid Loss Adj. Expenses	-	162,134	4,224	-	-	-	-	-	-	166,358
Operating Expenses	-	528,366	-	-	-	-	-	-	-	528,366
Unearned Premiums	-	23,823,315	-	-	-	-	-	-	-	23,823,315
Premium Taxes	-	242,201	-	-	-	-	-	-	-	242,201
Net Reserve Change	(23,010,855)	26,321,114	46,461	-	-	-	-	-	-	3,356,720
<b>OTHER CHANGES:</b>										
<i>DEDUCT (PRIOR PERIOD)</i>										
Interest Accrued	-	183,785	-	-	-	-	-	-	-	183,785
Assets Not Admitted	-	(355,521)	-	-	-	-	-	-	-	(355,521)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>										
Minimum Pension Liability	14,335	-	-	-	-	-	-	-	-	14,335
Interest Accrued	172,344	-	-	-	-	-	-	-	-	172,344
Assets Not Admitted	(570,643)	-	-	-	-	-	-	-	-	(570,643)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-
Net Other Changes	(383,964)	171,736	-	-	-	-	-	-	-	(212,228)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	288,215	-	-	-	-	-	-	-	-	288,215
Change in Members' Surplus Increase (Decrease)	\$ (13,808,017)	\$ 22,618,813	\$ (397,485)	\$ 8,349	\$ (548)	\$ -	\$ -	\$ -	\$ -	\$ 8,421,112



**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**MEMBERS' SURPLUS FOR UNSETTLED YEARS**

Inception to Quarter Ended October 31, 2015

Exhibit 3B

Description	Policy Year									
	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>INCOME RECEIVED:</b>										
Premiums Written	\$ 42,320,478	\$ 43,985,195	\$ 45,411,235	\$ 45,970,663	\$ 45,112,079	\$ 37,491,975	\$ 24,452,221	\$ 23,456,599	\$ 17,328,303	\$ 325,528,748
Reinsurance Premiums Ceded	(23,836,894)	(21,527,994)	(20,720,834)	(19,201,996)	(17,994,845)	(17,700,790)	(14,994,792)	(10,799,284)	(4,500,230)	(151,277,659)
Net Premiums Written	18,483,584	22,457,201	24,690,401	26,768,667	27,117,234	19,791,185	9,457,429	12,657,315	12,828,073	174,251,089
Interest Received	150,200	348,507	326,657	95,204	40,332	21,405	486,548	677,305	307,607	2,453,765
Realized Gains (Losses)	-	-	-	(34,522)	-	-	-	-	-	(34,522)
Other Income	12	43	-	8	1,070	153	3,391	3,670	40	8,387
Service & Agency Fees	899,270	906,565	778,125	674,460	608,415	497,585	269,337	187,836	175,703	4,997,296
Gain (loss) on sale of non admitted asset	-	-	-	-	-	-	100	623	(203)	520
Total Income	19,533,066	23,712,316	25,795,183	27,503,817	27,767,051	20,310,328	10,216,805	13,526,749	13,311,220	181,676,535
<b>EXPENSES PAID:</b>										
Losses	2,039,902	3,380,156	3,348,492	3,264,442	1,326,634	988,594	874,566	512,315	930,913	16,666,014
Loss Adjustment Expenses	181,243	523,914	567,561	400,549	230,657	118,628	22,717	14,945	17,029	2,077,243
Commissions	3,130,349	3,511,240	3,626,442	3,677,749	3,629,595	2,994,514	1,961,534	2,235,084	1,744,247	26,510,754
Operating Expenses	3,141,287	3,340,955	3,009,063	2,734,196	2,524,526	2,327,766	1,699,718	1,497,748	1,014,262	21,289,521
Premium Taxes	1,165,268	1,556,033	1,597,766	1,624,906	1,587,348	1,350,035	855,726	848,275	624,158	11,209,515
Total Expenses Paid	9,658,049	12,312,298	12,149,324	11,701,842	9,298,760	7,779,537	5,414,261	5,108,367	4,330,609	77,753,047
Net Cash Change	9,875,017	11,400,018	13,645,859	15,801,975	18,468,291	12,530,791	4,802,544	8,418,382	8,980,611	103,923,488
<b>RESERVES:</b>										
DEDUCT (CURRENT PERIOD)										
Unpaid Losses (include IBNR)	1,008,086	51,133	-	-	-	-	-	-	-	1,059,219
Unpaid Loss Adjustment Expenses	100,807	5,113	-	-	-	-	-	-	-	105,920
Operating Expenses	564,969	-	-	-	-	-	-	-	-	564,969
Unearned Premiums	21,041,077	-	-	-	-	-	-	-	-	21,041,077
Premium Taxes	295,916	-	-	-	-	-	-	-	-	295,916
Total Reserves	23,010,855	56,246	-	-	-	-	-	-	-	23,067,101
<b>OTHER CHANGES:</b>										
ADD (DEDUCT)										
Minimum Pension Liability	14,335	(299,507)	115,466	(127,279)	(36,991)	27,748	(53,339)	46,800	(21,831)	(334,598)
Interest Accrued	172,344	-	-	-	-	-	-	-	-	172,344
Assets Not Admitted	(570,643)	-	-	-	-	-	-	-	-	(570,643)
Retained Surplus	(288,215)	(319,649)	(284,009)	(17,189)	(10,477)	-	-	-	-	(919,539)
Total Other Changes	(672,179)	(619,156)	(168,543)	(144,468)	(47,468)	27,748	(53,339)	46,800	(21,831)	(1,652,436)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (13,808,017)	\$ 10,724,616	\$ 13,477,316	\$ 15,657,507	\$ 18,420,823	\$ 12,558,539	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ 79,203,951

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**RETAINED SURPLUS**

**Quarter Ended October 31, 2015**

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

<b>Description</b>	<b>Policy Year</b>						<b>Total</b>
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2009</b>	
Retained Surplus Prior Period	\$ -	\$ 319,649	\$ 284,009	\$ 17,189	\$ 10,477	\$ 4,916,557	\$ 5,547,881
Change Increase (Decrease)	288,215	-	-	-	-	-	288,215
Retained Surplus Current Period	\$ 288,215	\$ 319,649	\$ 284,009	\$ 17,189	\$ 10,477	\$ 4,916,557	\$ 5,836,096

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**STATISTICAL REPORT OF PREMIUMS**

**Quarter Ended October 31, 2015**

**EXHIBIT 4A - Quarterly**

Description	Quarterly 08/01/2015 - 10/31/2015									
	2015	2014	2013	2012	2011	Policy Year 2010	2008	2007	2006	Total
<b>PREMIUMS WRITTEN:</b>										
Fire	\$ 663,619	\$ (1,774)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 661,845
E.C. & VMM	9,946,887	(34,552)	-	-	-	-	-	-	-	9,912,335
Reinsurance Premium Ceded	(6,055,213)	1,816	-	-	-	-	-	-	-	(6,053,397)
Total	4,555,293	(34,510)	-	-	-	-	-	-	-	4,520,783
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>										
Fire	1,207,585	82,908	-	-	-	-	-	-	-	1,290,493
E.C. & VMM	19,683,832	1,264,027	-	-	-	-	-	-	-	20,947,859
Reinsurance Unearned Ceded	(1,044,571)	(67,347)	-	-	-	-	-	-	-	(1,111,918)
Total	19,846,846	1,279,588	-	-	-	-	-	-	-	21,126,434
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>										
Fire	1,314,269	-	-	-	-	-	-	-	-	1,314,269
E.C. & VMM	20,834,233	-	-	-	-	-	-	-	-	20,834,233
Reinsurance Unearned Ceded	(1,107,425)	-	-	-	-	-	-	-	-	(1,107,425)
Total	21,041,077	-	-	-	-	-	-	-	-	21,041,077
<b>EARNED PREMIUMS:</b>										
Fire	556,935	81,134	-	-	-	-	-	-	-	638,069
E.C. & VMM	8,796,486	1,229,475	-	-	-	-	-	-	-	10,025,961
Reinsurance Earned Ceded	(5,992,359)	(65,531)	-	-	-	-	-	-	-	(6,057,890)
Total	\$ 3,361,062	\$ 1,245,078	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,606,140

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**STATISTICAL REPORT OF PREMIUMS**

**Quarter Ended October 31, 2015**

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

**Year-to-Date 11/01/2014 - 10/31/2015**

Description	Policy Year									
	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>PREMIUMS WRITTEN:</b>										
Fire	\$ 2,534,674	\$ (33,925)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500,749
E.C. & VMM	39,785,804	(601,372)	-	-	-	-	-	-	-	39,184,432
Reinsurance Premium Ceded	(23,836,894)	(196,744)	-	-	-	-	-	-	-	(24,033,638)
Total	18,483,584	(832,041)	-	-	-	-	-	-	-	17,651,543
<b>UNEARNED PREMIUMS: (PRIOR PERIOD)</b>										
Fire	-	1,126,741	-	-	-	-	-	-	-	1,126,741
E.C. & VMM	-	22,696,574	-	-	-	-	-	-	-	22,696,574
Reinsurance Unearned Ceded	-	-	-	-	-	-	-	-	-	-
Total	-	23,823,315	-	-	-	-	-	-	-	23,823,315
<b>UNEARNED PREMIUMS: (CURRENT PERIOD)</b>										
Fire	1,314,269	-	-	-	-	-	-	-	-	1,314,269
E.C. & VMM	20,834,233	-	-	-	-	-	-	-	-	20,834,233
Reinsurance Unearned Ceded	(1,107,425)	-	-	-	-	-	-	-	-	(1,107,425)
Total	21,041,077	-	-	-	-	-	-	-	-	21,041,077
<b>EARNED PREMIUMS:</b>										
Fire	1,220,405	1,092,816	-	-	-	-	-	-	-	2,313,221
E.C. & VMM	18,951,571	22,095,202	-	-	-	-	-	-	-	41,046,773
Reinsurance Earned Ceded	(22,729,469)	(196,744)	-	-	-	-	-	-	-	(22,926,213)
Total	\$ (2,557,493)	\$ 22,991,274	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,433,781

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**STATISTICAL REPORT OF LOSSES**

**Quarter Ended October 31, 2015**

**EXHIBIT 4B - Quarterly**

**Quarterly 08/01/2015 - 10/31/2015**

Description	Policy Year										
	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total	
<b>PAID LOSSES:</b>											
Fire	\$ 1,060,587	\$ 41,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,102,200
E.C. & VMM	173,132	106,706	30,480	-	-	-	-	-	-	-	310,318
Reinsurance Losses Ceded	(60,573)	(5,628)	-	-	-	-	-	-	-	-	(66,201)
<b>Total</b>	<b>1,173,146</b>	<b>142,691</b>	<b>30,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,346,317</b>
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>											
Fire	142,926	22,794	-	-	-	-	-	-	-	-	165,720
E.C. & VMM	894,693	29,402	-	-	-	-	-	-	-	-	924,095
Reinsurance Losses Ceded	(29,533)	(1,063)	-	-	-	-	-	-	-	-	(30,596)
<b>Total</b>	<b>1,008,086</b>	<b>51,133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,059,219</b>
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>											
Fire	276,598	65,940	-	-	-	-	-	-	-	-	342,538
E.C. & VMM	620,347	263,450	-	-	-	-	-	-	-	-	883,797
Reinsurance Losses Ceded	(22,351)	(3,360)	-	-	-	-	-	-	-	-	(25,711)
<b>Total</b>	<b>874,594</b>	<b>326,030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,200,624</b>
<b>INCURRED LOSSES:</b>											
Fire	926,915	(1,533)	-	-	-	-	-	-	-	-	925,382
E.C. & VMM	447,478	(127,342)	30,480	-	-	-	-	-	-	-	350,616
Reinsurance Losses Ceded	(67,755)	(3,331)	-	-	-	-	-	-	-	-	(71,086)
<b>Total</b>	<b>1,306,638</b>	<b>(132,206)</b>	<b>30,480</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,204,912</b>
<b>IBNR (CURRENT PERIOD)</b>											
Fire	50,342	-	-	-	-	-	-	-	-	-	50,342
E.C. & VMM	790,753	-	-	-	-	-	-	-	-	-	790,753
Reinsurance Losses Ceded	(19,790)	-	-	-	-	-	-	-	-	-	(19,790)
<b>Total</b>	<b>821,305</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>821,305</b>
<b>IBNR (PRIOR PERIOD)</b>											
Fire	37,200	13,836	-	-	-	-	-	-	-	-	51,036
E.C. & VMM	593,247	219,246	-	-	-	-	-	-	-	-	812,493
Reinsurance Losses Ceded	(9,026)	-	-	-	-	-	-	-	-	-	(9,026)
<b>Total</b>	<b>\$ 621,421</b>	<b>\$ 233,082</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 854,503</b>

\*Includes IBNR

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**

**STATISTICAL REPORT OF LOSSES**

**Quarter Ended October 31, 2015**

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

**Year-to-Date 11/01/2014 - 10/31/2015**

Description	Policy Year									
	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
<b>PAID LOSSES:</b>										
Fire	\$ 1,680,315	\$ 1,429,736	\$ 4,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,114,806
E.C. & VMM	430,184	810,113	374,515	(8,349)	-	-	-	-	-	1,606,463
Reinsurance Losses Ceded	(70,597)	(9,968)	-	-	-	-	-	-	-	(80,565)
<b>Total</b>	<b>2,039,902</b>	<b>2,229,881</b>	<b>379,270</b>	<b>(8,349)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,640,704</b>
<b>OUTSTANDING LOSSES (CURRENT PERIOD)*</b>										
Fire	142,926	22,794	-	-	-	-	-	-	-	165,720
E.C. & VMM	894,693	29,402	-	-	-	-	-	-	-	924,095
Reinsurance Losses Ceded	(29,533)	(1,063)	-	-	-	-	-	-	-	(30,596)
<b>Total</b>	<b>1,008,086</b>	<b>51,133</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,059,219</b>
<b>OUTSTANDING LOSSES (PRIOR PERIOD)*</b>										
Fire	-	323,450	1,025	-	-	-	-	-	-	324,475
E.C. & VMM	-	1,297,894	41,212	-	-	-	-	-	-	1,339,106
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,621,344</b>	<b>42,237</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,663,581</b>
<b>INCURRED LOSSES:</b>										
Fire	1,823,241	1,129,080	3,730	-	-	-	-	-	-	2,956,051
E.C. & VMM	1,324,877	(458,379)	333,303	(8,349)	-	-	-	-	-	1,191,452
Reinsurance Losses Ceded	(100,130)	(11,031)	-	-	-	-	-	-	-	(111,161)
<b>Total</b>	<b>3,047,988</b>	<b>659,670</b>	<b>337,033</b>	<b>(8,349)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,036,342</b>
<b>IBNR (CURRENT PERIOD)</b>										
Fire	50,342	-	-	-	-	-	-	-	-	50,342
E.C. & VMM	790,753	-	-	-	-	-	-	-	-	790,753
Reinsurance Losses Ceded	(19,790)	-	-	-	-	-	-	-	-	(19,790)
<b>Total</b>	<b>821,305</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>821,305</b>
<b>IBNR (PRIOR PERIOD)</b>										
Fire	-	59,263	-	-	-	-	-	-	-	59,263
E.C. & VMM	-	1,276,946	-	-	-	-	-	-	-	1,276,946
Reinsurance Losses Ceded	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 1,336,209</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,336,209</b>

\*Includes IBNR

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended October 31, 2015**

**EXHIBIT 4C - Quarterly**

Description	Quarterly 08/01/2015 - 10/31/2015										
	2015	2014	2013	2012	2011	Policy Year				Total	
	2010	2008	2007	2006							
<b>LOSS EXPENSES PAID:</b>											
Fire	\$ 39,836	\$ 9,516	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,352
E.C. & VMM	52,642	27,553	3,954	-	-	-	-	-	-	-	84,149
Reinsurance Loss Expenses Ceded	(4,488)	(1,434)	-	-	-	-	-	-	-	-	(5,922)
Total	87,990	35,635	3,954	-	-	-	-	-	-	-	127,579
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>											
Fire	14,292	2,279	-	-	-	-	-	-	-	-	16,571
E.C. & VMM	89,469	2,940	-	-	-	-	-	-	-	-	92,409
Reinsurance Loss Expenses Ceded	(2,954)	(106)	-	-	-	-	-	-	-	-	(3,060)
Total	100,807	5,113	-	-	-	-	-	-	-	-	105,920
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>											
Fire	27,660	6,595	-	-	-	-	-	-	-	-	34,255
E.C. & VMM	62,035	26,345	-	-	-	-	-	-	-	-	88,380
Reinsurance Loss Expenses Ceded	(2,235)	(337)	-	-	-	-	-	-	-	-	(2,572)
Total	87,460	32,603	-	-	-	-	-	-	-	-	120,063
<b>INCURRED LOSS EXPENSES:</b>											
Fire	26,468	5,200	-	-	-	-	-	-	-	-	31,668
E.C. & VMM	80,076	4,148	3,954	-	-	-	-	-	-	-	88,178
Reinsurance Loss Expenses Ceded	(5,207)	(1,203)	-	-	-	-	-	-	-	-	(6,410)
Total	\$ 101,337	\$ 8,145	\$ 3,954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,436

\*Includes IBNR

*See Accountant's Compilation Report*

**ALABAMA INSURANCE UNDERWRITING ASSOCIATION**  
**STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES**  
**Quarter Ended October 31, 2015**

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

Description	Year-to-Date 11/01/2014 - 10/31/2015									
	2015	2014	2013	2012	2011	Policy Year				Total
						2010	2008	2007	2006	
<b>LOSS EXPENSES PAID:</b>										
Fire	\$ 63,828	\$ 69,148	\$ 1,478	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,454
E.C. & VMM	123,259	209,250	63,198	-	548	-	-	-	-	396,255
Reinsurance Loss Expenses Ceded	(5,844)	(2,241)	-	-	-	-	-	-	-	(8,085)
Total	181,243	276,157	64,676	-	548	-	-	-	-	522,624
<b>UNPAID LOSS EXPENSES (CURRENT PERIOD)*</b>										
Fire	14,292	2,279	-	-	-	-	-	-	-	16,571
E.C. & VMM	89,469	2,940	-	-	-	-	-	-	-	92,409
Reinsurance Loss Expenses Ceded	(2,954)	(106)	-	-	-	-	-	-	-	(3,060)
Total	100,807	5,113	-	-	-	-	-	-	-	105,920
<b>UNPAID LOSS EXPENSES (PRIOR PERIOD)*</b>										
Fire	-	32,345	103	-	-	-	-	-	-	32,448
E.C. & VMM	-	129,789	4,121	-	-	-	-	-	-	133,910
Reinsurance Loss Expenses Ceded	-	-	-	-	-	-	-	-	-	-
Total	-	162,134	4,224	-	-	-	-	-	-	166,358
<b>INCURRED LOSS EXPENSES:</b>										
Fire	78,120	39,082	1,375	-	-	-	-	-	-	118,577
E.C. & VMM	212,728	82,401	59,077	-	548	-	-	-	-	354,754
Reinsurance Loss Expenses Ceded	(8,798)	(2,347)	-	-	-	-	-	-	-	(11,145)
Total	\$ 282,050	\$ 119,136	\$ 60,452	\$ -	\$ 548	\$ -	\$ -	\$ -	\$ -	\$ 462,186

\*Includes IBNR

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