

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

OCTOBER 31, 2016

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATUTORY FINANCIAL STATEMENTS

OCTOBER 31, 2016

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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 October 31, 2016, and the related statutory statement of operations and changes in surplus for the year 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
March 6, 2017

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATUTORY STATEMENT OF ADMITTED ASSETS, LIABILITIES AND SURPLUS
As of October 31, 2016

EXHIBIT 1

	Assets	Assets Not Admitted	Admitted Assets
<u>ASSETS</u>			
Cash and short-term investments	\$ 77,666,071		\$ 77,666,071
Bonds	29,131,838		29,131,838
Accounts receivable	2,463	2,463	-
Interest accrued	9,407		9,407
Furniture and equipment - net of depreciation	182,900	182,900	-
Data processing equipment - net of depreciation	104,371		104,371
Programming - net of amortization	231,413	231,413	-
Leasehold improvements - net of depreciation	588,890	588,890	-
Reinsurance:			
Prepaid reinsurance	2,030,130		2,030,130
Amounts recoverable from reinsurers	25,994		25,994
Section 444 Deposit (I.R.S.)	605,435		605,435
Total Assets	110,578,912	1,005,666	109,573,246
<u>LIABILITIES AND SURPLUS</u>			
Reserves - net of ceded			
Unpaid losses (include IBNR)			1,289,478
Unpaid loss adjustment expenses			164,518
Unearned premiums			16,785,601
Total Reserves			18,239,597
Payables for:			
Premium taxes			225,991
Operating expenses and other accounts payable			440,181
Ceded reinsurance premiums payable - net of ceding commissions			223,053
Amounts withheld for accounts of others			134,866
Accrued pension obligation			536,467
Contributions and grants payable			2,800,000
Premiums received in advance			1,210,937
Total Payables			5,571,495
Total Liabilities			23,811,092
Members' Surplus			84,580,239
Retained Surplus			1,181,915
Total Surplus			85,762,154
Total Liabilities and Surplus			\$ 109,573,246

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATUTORY STATEMENT OF OPERATIONS AND CHANGES IN SURPLUS
Quarter Ended October 31, 2016

EXHIBIT 2

	Quarter 08/01/2016 - 10/31/2016	Year-To-Date 11/1/2015 - 10/31/2016
	<u> </u>	<u> </u>
UNDERWRITING INCOME:		
Premiums earned	\$ 5,900,591	\$ 16,389,509
	<u> </u>	<u> </u>
DEDUCTIONS:		
Losses incurred	562,985	3,196,349
Loss expenses incurred	205,136	633,245
Operating expenses incurred	5,327,471	12,363,689
Total deductions	<u>6,095,592</u>	<u>16,193,283</u>
Net Underwriting Gain or (Loss)	<u>(195,001)</u>	<u>196,226</u>
OTHER INCOME (EXPENSE):		
Investment income	97,882	370,455
Realized gains (losses)	-	-
Other income	5	43
Service & agency Fees	237,815	774,325
Gain (loss) on sale of non admitted asset	<u>(22,707)</u>	<u>(22,707)</u>
Total other income	<u>312,995</u>	<u>1,122,116</u>
Net Income	<u>\$ 117,994</u>	<u>\$ 1,318,342</u>
SURPLUS:		
Surplus (prior period)	85,772,878	85,040,047
Net income	117,994	1,318,342
Change in assets not admitted	32,494	(435,023)
Minimum pension liability	<u>(161,212)</u>	<u>(161,212)</u>
Net change in surplus	<u>(10,724)</u>	<u>722,107</u>
Surplus (current period)	<u>\$ 85,762,154</u>	<u>\$ 85,762,154</u>

See Accountant's Compilation Report

SUPPLEMENTARY INFORMATION

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended October 31, 2016

EXHIBIT 3A - Quarterly

Description	Quarterly 08/01/2016 - 10/31/2016											Total	
	2016	2015	2014	2013	2012	Policy Year		2009	2008	2007	2006		
						2011	2010						
INCOME RECEIVED:													
Premiums Written	\$ 9,954,157	\$ (49,955)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,904,202
Reinsurance Premium Ceded	(4,187,995)	2,498	-	-	-	-	-	-	-	-	-	-	(4,185,497)
Net Premiums Written	5,766,162	(47,457)	-	-	-	-	-	-	-	-	-	-	5,718,705
Interest Received	172,354	-	-	-	-	-	-	-	-	-	-	-	172,354
Realized Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	5	-	-	-	-	-	-	-	-	-	-	-	5
Service & Agency Fees	237,815	-	-	-	-	-	-	-	-	-	-	-	237,815
Gain (loss) sale of non admitted asset	(22,707)	-	-	-	-	-	-	-	-	-	-	-	(22,707)
Total Income	6,153,629	(47,457)	-	-	-	-	-	-	-	-	-	-	6,106,172
EXPENSES PAID:													
Losses	281,242	178,837	72,999	(150)	-	-	-	-	-	-	-	-	532,928
Loss Adjustment Expenses	87,058	46,318	32,246	939	-	-	-	-	-	-	-	-	166,561
Commissions	822,502	(3,996)	-	-	-	-	-	-	-	-	-	-	818,506
Operating Expenses	837,590	599	-	-	-	-	-	-	-	-	-	-	838,189
Contributions and Grants	-	-	-	-	-	-	-	500,000	-	-	-	-	500,000
Premium Taxes	533,254	-	-	-	-	-	-	-	-	-	-	-	533,254
Total Expenses Paid	2,561,646	221,758	105,245	789	-	-	-	500,000	-	-	-	-	3,389,438
Net Cash Change	3,591,983	(269,215)	(105,245)	(789)	-	-	-	(500,000)	-	-	-	-	2,716,734
RESERVES:													
<i>DEDUCT (CURRENT PERIOD)</i>													
Unpaid Losses (include IBNR)	758,736	502,557	28,185	-	-	-	-	-	-	-	-	-	1,289,478
Unpaid Loss Adj. Expenses	86,735	56,919	20,864	-	-	-	-	-	-	-	-	-	164,518
Operating Expenses	575,047	-	-	-	-	-	-	-	-	-	-	-	575,047
Contributions and Grants	-	-	-	55,777	17,189	10,477	-	2,716,557	-	-	-	-	2,800,000
Unearned Premiums	16,785,601	-	-	-	-	-	-	-	-	-	-	-	16,785,601
Premium Taxes	225,991	-	-	-	-	-	-	-	-	-	-	-	225,991
<i>ADD (PRIOR PERIOD)</i>													
Unpaid Losses (include IBNR)	541,535	682,468	20,000	15,418	-	-	-	-	-	-	-	-	1,259,421
Unpaid Loss Adj. Expenses	54,154	68,247	2,000	1,542	-	-	-	-	-	-	-	-	125,943
Operating Expenses	555,677	-	-	-	-	-	-	-	-	-	-	-	555,677
Unearned Premiums	15,832,336	1,135,151	-	-	-	-	-	-	-	-	-	-	16,967,487
Premium Taxes	407,838	-	-	-	-	-	-	-	-	-	-	-	407,838
Net Reserve Change	(1,040,570)	1,326,390	(27,049)	(38,817)	(17,189)	(10,477)	-	(2,716,557)	-	-	-	-	(2,524,269)
OTHER CHANGES:													
<i>DEDUCT (PRIOR PERIOD)</i>													
Interest Accrued	83,879	-	-	-	-	-	-	-	-	-	-	-	83,879
Assets Not Admitted	(1,038,160)	-	-	-	-	-	-	-	-	-	-	-	(1,038,160)
<i>ADD (CURRENT PERIOD)</i>													
Minimum Pension Liability	(161,212)	-	-	-	-	-	-	-	-	-	-	-	(161,212)
Interest Accrued	9,407	-	-	-	-	-	-	-	-	-	-	-	9,407
Assets Not Admitted	(1,005,666)	-	-	-	-	-	-	-	-	-	-	-	(1,005,666)
Net Other Changes	(203,190)	-	-	-	-	-	-	-	-	-	-	-	(203,190)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	91,534	-	-	(55,777)	(17,189)	(10,477)	-	(3,216,557)	-	-	-	-	(3,208,466)
Change in Members' Surplus Increase (Decrease)	\$ 2,256,689	\$ 1,057,175	\$ (132,294)	\$ 16,171	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,197,742

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

SURPLUS

Quarter Ended October 31, 2016

EXHIBIT 3A - Year-to-Date

Year-to-Date 11/01/2015 - 10/31/2016

Policy Year

Description	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	Total
INCOME RECEIVED:												
Premiums Written	\$ 34,124,471	\$ (887,139)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,237,332
Reinsurance Premium Ceded	(21,147,656)	44,357	-	-	-	-	-	-	-	-	-	(21,103,299)
Net Premiums Written	12,976,815	(842,782)	-	-	-	-	-	-	-	-	-	12,134,033
Interest Received	361,048	172,344	-	-	-	-	-	-	-	-	-	533,392
Realized Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	43	-	-	-	-	-	-	-	-	-	-	43
Service & Agency Fees	774,325	-	-	-	-	-	-	-	-	-	-	774,325
Gain (loss) sale of non admitted asset	(22,707)	-	-	-	-	-	-	-	-	-	-	(22,707)
Total Income	14,089,524	(670,438)	-	-	-	-	-	-	-	-	-	13,419,086
EXPENSES PAID:												
Losses	1,018,378	1,721,549	192,384	33,779	-	-	-	-	-	-	-	2,966,090
Loss Adjustment Expenses	171,148	336,057	60,979	6,463	-	-	-	-	-	-	-	574,647
Commissions	2,505,301	176,524	-	-	-	-	-	-	-	-	-	2,681,825
Operating Expenses	3,172,713	323,702	-	-	-	-	-	-	-	-	-	3,496,415
Contributions and Grants	-	-	-	-	-	-	-	2,200,000	-	-	-	2,200,000
Premium Taxes	949,381	295,916	-	-	-	-	-	-	-	-	-	1,245,297
Total Expenses Paid	7,816,921	2,853,748	253,363	40,242	-	-	-	2,200,000	-	-	-	13,164,274
Net Cash Change	6,272,603	(3,524,186)	(253,363)	(40,242)	-	-	-	(2,200,000)	-	-	-	254,812
RESERVES:												
<i>DEDUCT (CURRENT PERIOD)</i>												
Unpaid Losses (include IBNR)	758,736	502,557	28,185	-	-	-	-	-	-	-	-	1,289,478
Unpaid Loss Adj. Expenses	86,735	56,919	20,864	-	-	-	-	-	-	-	-	164,518
Operating Expenses	575,047	-	-	-	-	-	-	-	-	-	-	575,047
Contributions and Grants	-	-	-	55,777	17,189	10,477	-	2,716,557	-	-	-	2,800,000
Unearned Premiums	16,785,601	-	-	-	-	-	-	-	-	-	-	16,785,601
Premium Taxes	225,991	-	-	-	-	-	-	-	-	-	-	225,991
<i>ADD (PRIOR 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	-	564,970	-	-	-	-	-	-	-	-	-	564,970
Unearned Premiums	-	21,041,077	-	-	-	-	-	-	-	-	-	21,041,077
Premium Taxes	-	295,916	-	-	-	-	-	-	-	-	-	295,916
Net Reserve Change	(18,432,110)	22,451,380	7,197	(55,777)	(17,189)	(10,477)	-	(2,716,557)	-	-	-	1,226,467
OTHER CHANGES:												
<i>DEDUCT (PRIOR PERIOD)</i>												
Interest Accrued	-	172,344	-	-	-	-	-	-	-	-	-	172,344
Assets Not Admitted	-	(570,643)	-	-	-	-	-	-	-	-	-	(570,643)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-
<i>ADD (CURRENT PERIOD)</i>												
Minimum Pension Liability	(161,212)	-	-	-	-	-	-	-	-	-	-	(161,212)
Interest Accrued	9,407	-	-	-	-	-	-	-	-	-	-	9,407
Assets Not Admitted	(1,005,666)	-	-	-	-	-	-	-	-	-	-	(1,005,666)
Unrealized Capital Gains (Losses)	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Changes	(1,157,471)	398,299	-	-	-	-	-	-	-	-	-	(759,172)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-	-
Change in Retained Surplus Increase (Decrease)	345,818	-	-	(55,777)	(17,189)	(10,477)	-	(4,916,557)	-	-	-	(4,654,182)
Change in Members' Surplus Increase (Decrease)	\$ (13,662,796)	\$ 19,325,493	\$ (246,166)	\$ (40,242)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,376,289

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
MEMBERS' SURPLUS FOR UNSETTLED YEARS
Inception to Quarter Ended October 31, 2016

Exhibit 3B

Description	Policy Year										Total
	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	
INCOME RECEIVED:											
Premiums Written	\$ 34,124,471	\$ 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	\$ 358,766,080
Reinsurance Premiums Ceded	(21,147,656)	(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)	(172,380,958)
Net Premiums Written	12,976,815	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	186,385,122
Interest Received	361,048	322,544	348,507	326,657	95,204	40,332	21,405	486,548	677,305	307,607	2,987,157
Realized Gains (Losses)		-	-	-	(34,522)	-	-	-	-	-	(34,522)
Other Income	43	12	43	-	8	1,070	153	3,391	3,670	40	8,430
Service & Agency Fees	774,325	899,270	906,565	778,125	674,460	608,415	497,585	269,337	187,836	175,703	5,771,621
Gain (loss) on sale of non admitted asset	(22,707)	-	-	-	-	-	-	100	623	(203)	(22,187)
Total Income	14,089,524	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	195,095,621
EXPENSES PAID:											
Losses	1,018,378	3,761,451	3,572,540	3,382,271	3,264,442	1,326,634	988,594	874,566	512,315	930,913	19,632,104
Loss Adjustment Expenses	171,148	517,300	584,893	574,024	400,549	230,657	118,628	22,717	14,945	17,029	2,651,890
Commissions	2,505,301	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	29,192,579
Operating Expenses	3,172,713	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	24,785,936
Premium Taxes	949,381	1,461,184	1,556,033	1,597,766	1,624,906	1,587,348	1,350,035	855,726	848,275	624,158	12,454,812
Total Expenses Paid	7,816,921	12,511,797	12,565,661	12,189,566	11,701,842	9,298,760	7,779,537	5,414,261	5,108,367	4,330,609	88,717,321
Net Cash Change	6,272,603	6,350,831	11,146,655	13,605,617	15,801,975	18,468,291	12,530,791	4,802,544	8,418,382	8,980,611	106,378,300
RESERVES:											
DEDUCT (CURRENT PERIOD)											
Unpaid Losses (include IBNR)	758,736	502,557	28,185	-	-	-	-	-	-	-	1,289,478
Unpaid Loss Adjustment Expenses	86,735	56,919	20,864	-	-	-	-	-	-	-	164,518
Operating Expenses	575,047	-	-	-	-	-	-	-	-	-	575,047
Unearned Premiums	16,785,601	-	-	-	-	-	-	-	-	-	16,785,601
Premium Taxes	225,991	-	-	-	-	-	-	-	-	-	225,991
Total Reserves	18,432,110	559,476	49,049	-	-	-	-	-	-	-	19,040,635
OTHER CHANGES:											
ADD (DEDUCT)											
Minimum Pension Liability	(161,212)	14,335	(299,507)	115,466	(127,279)	(36,991)	27,748	(53,339)	46,800	(21,831)	(495,810)
Interest Accrued	9,407	-	-	-	-	-	-	-	-	-	9,407
Assets Not Admitted	(1,005,666)	-	-	-	-	-	-	-	-	-	(1,005,666)
Retained Surplus	(345,818)	(288,215)	(319,649)	(284,009)	(17,189)	(10,477)	-	-	-	-	(1,265,357)
Total Other Changes	(1,503,289)	(273,880)	(619,156)	(168,543)	(144,468)	(47,468)	27,748	(53,339)	46,800	(21,831)	(2,757,426)
Assessments or (Distributions)	-	-	-	-	-	-	-	-	-	-	-
Members' Surplus (Deficit)	\$ (13,662,796)	\$ 5,517,475	\$ 10,478,450	\$ 13,437,074	\$ 15,657,507	\$ 18,420,823	\$ 12,558,539	\$ 4,749,205	\$ 8,465,182	\$ 8,958,780	\$ 84,580,239

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

RETAINED SURPLUS

Inception to Quarter Ended October 31, 2016

Exhibit 3C

Description	Policy Year							Total
	2016	2015	2014	2013	2012	2011	2009	
INCOME RECEIVED:								
Interest Received	\$ 361,048	\$ 322,544	\$ 348,507	\$ 326,657	\$ 95,204	\$ 40,332	\$ -	\$ 1,494,292
Realized Gains (Losses)	-	-	-	-	(34,521)	-	-	(34,521)
Total Income	361,048	322,544	348,507	326,657	60,683	40,332	-	1,459,771
EXPENSES PAID:								
Operating Expenses	24,637	34,328	28,858	42,648	43,494	29,855	2,200,000	2,403,820
Total Expenses Paid	24,637	34,328	28,858	42,648	43,494	29,855	2,200,000	2,403,820
Net Cash Change	336,411	288,216	319,649	284,009	17,189	10,477	(2,200,000)	(944,049)
RESERVES:								
DEDUCT (CURRENT PERIOD)								
Contributions and Grants	-	-	-	55,777	17,189	10,477	2,716,557	2,800,000
Total Reserves	-	-	-	55,777	17,189	10,477	2,716,557	2,800,000
OTHER CHANGES:								
ADD (DEDUCT)								
Interest Accrued	9,407	-	-	-	-	-	-	9,407
Total Other Changes	9,407	-	-	-	-	-	-	9,407
Net Income Retained	-	-	-	-	-	-	4,916,557	4,916,557
Retained Surplus	\$ 345,818	\$ 288,216	\$ 319,649	\$ 228,232	\$ -	\$ -	\$ -	\$ 1,181,915

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF PREMIUMS

Quarter Ended October 31, 2016

EXHIBIT 4A - Quarterly

Description	Quarterly 08/01/2016 - 10/31/2016										
	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
PREMIUMS WRITTEN:											
Fire	\$ 762,132	\$ (2,081)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 760,051
E.C. & VMM	9,192,025	(47,874)	-	-	-	-	-	-	-	-	9,144,151
Reinsurance Premium Ceded	(4,187,995)	2,498	-	-	-	-	-	-	-	-	(4,185,497)
Total	5,766,162	(47,457)	-	-	-	-	-	-	-	-	5,718,705
UNEARNED PREMIUMS: (PRIOR PERIOD)											
Fire	1,040,160	76,187	-	-	-	-	-	-	-	-	1,116,347
E.C. & VMM	15,625,457	1,118,709	-	-	-	-	-	-	-	-	16,744,166
Reinsurance Unearned Ceded	(833,281)	(59,745)	-	-	-	-	-	-	-	-	(893,026)
Total	15,832,336	1,135,151	-	-	-	-	-	-	-	-	16,967,487
UNEARNED PREMIUMS: (CURRENT PERIOD)											
Fire	1,213,401	-	-	-	-	-	-	-	-	-	1,213,401
E.C. & VMM	16,455,653	-	-	-	-	-	-	-	-	-	16,455,653
Reinsurance Unearned Ceded	(883,453)	-	-	-	-	-	-	-	-	-	(883,453)
Total	16,785,601	-	-	-	-	-	-	-	-	-	16,785,601
EARNED PREMIUMS:											
Fire	588,891	74,106	-	-	-	-	-	-	-	-	662,997
E.C. & VMM	8,361,829	1,070,835	-	-	-	-	-	-	-	-	9,432,664
Reinsurance Earned Ceded	(4,137,823)	(57,247)	-	-	-	-	-	-	-	-	(4,195,070)
Total	\$ 4,812,897	\$ 1,087,694	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,900,591

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF PREMIUMS
Quarter Ended October 31, 2016

EXHIBIT 4A - Year-to-Date

Description	Year-to-Date 11/01/2015 - 10/31/2016											
	2016	2015	2014	2013	2012	Policy Year 2011	2010	2008	2007	2006	Total	
PREMIUMS WRITTEN:												
Fire	\$ 2,260,009	\$ (49,195)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,210,814
E.C. & VMM	31,864,462	(837,944)	-	-	-	-	-	-	-	-	-	31,026,518
Reinsurance Premium Ceded	(21,147,656)	44,357	-	-	-	-	-	-	-	-	-	(21,103,299)
Total	12,976,815	(842,782)	-	-	-	-	-	-	-	-	-	12,134,033
UNEARNED PREMIUMS: (PRIOR PERIOD)												
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
UNEARNED PREMIUMS: (CURRENT PERIOD)												
Fire	1,213,401	-	-	-	-	-	-	-	-	-	-	1,213,401
E.C. & VMM	16,455,653	-	-	-	-	-	-	-	-	-	-	16,455,653
Reinsurance Unearned Ceded	(883,453)	-	-	-	-	-	-	-	-	-	-	(883,453)
Total	16,785,601	-	-	-	-	-	-	-	-	-	-	16,785,601
EARNED PREMIUMS:												
Fire	1,046,608	1,265,074	-	-	-	-	-	-	-	-	-	2,311,682
E.C. & VMM	15,408,809	19,996,289	-	-	-	-	-	-	-	-	-	35,405,098
Reinsurance Earned Ceded	(20,264,203)	(1,063,068)	-	-	-	-	-	-	-	-	-	(21,327,271)
Total	\$ (3,808,786)	\$ 20,198,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,389,509

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF LOSSES

Quarter Ended October 31, 2016

EXHIBIT 4B - Quarterly

Description	Quarterly 08/01/2016 - 10/31/2016										Total	
	2016	2015	2014	2013	2012	Policy Year		2008	2007	2006		
						2011	2010					
PAID LOSSES:												
Fire	\$ 149,540	\$ 160,268	\$ (2,257)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 307,551
E.C. & VMM	146,504	29,425	78,045	(150)	-	-	-	-	-	-	-	253,824
Reinsurance Losses Ceded	(14,802)	(10,856)	(2,789)	-	-	-	-	-	-	-	-	(28,447)
Total	281,242	178,837	72,999	(150)	-	-	-	-	-	-	-	532,928
OUTSTANDING LOSSES (CURRENT PERIOD)*												
Fire	50,289	501,389	20,000	-	-	-	-	-	-	-	-	571,678
E.C. & VMM	748,380	27,618	8,616	-	-	-	-	-	-	-	-	784,614
Reinsurance Losses Ceded	(39,933)	(26,450)	(431)	-	-	-	-	-	-	-	-	(66,814)
Total	758,736	502,557	28,185	-	-	-	-	-	-	-	-	1,289,478
OUTSTANDING LOSSES (PRIOR PERIOD)*												
Fire	66,212	513,107	20,000	15,418	-	-	-	-	-	-	-	614,737
E.C. & VMM	503,825	205,281	-	-	-	-	-	-	-	-	-	709,106
Reinsurance Losses Ceded	(28,502)	(35,920)	-	-	-	-	-	-	-	-	-	(64,422)
Total	541,535	682,468	20,000	15,418	-	-	-	-	-	-	-	1,259,421
INCURRED LOSSES:												
Fire	133,617	148,550	(2,257)	(15,418)	-	-	-	-	-	-	-	264,492
E.C. & VMM	391,059	(148,238)	86,661	(150)	-	-	-	-	-	-	-	329,332
Reinsurance Losses Ceded	(26,233)	(1,386)	(3,220)	-	-	-	-	-	-	-	-	(30,839)
Total	498,443	(1,074)	81,184	(15,568)	-	-	-	-	-	-	-	562,985
IBNR (CURRENT PERIOD)												
Fire	44,915	-	-	-	-	-	-	-	-	-	-	44,915
E.C. & VMM	632,913	-	-	-	-	-	-	-	-	-	-	632,913
Reinsurance Losses Ceded	(33,891)	-	-	-	-	-	-	-	-	-	-	(33,891)
Total	643,937	-	-	-	-	-	-	-	-	-	-	643,937
IBNR (PRIOR PERIOD)												
Fire	31,847	13,107	-	-	-	-	-	-	-	-	-	44,954
E.C. & VMM	477,311	198,569	-	-	-	-	-	-	-	-	-	675,880
Reinsurance Losses Ceded	(25,458)	(10,584)	-	-	-	-	-	-	-	-	-	(36,042)
Total	\$ 483,700	\$ 201,092	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 684,792

*Includes IBNR

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION

STATISTICAL REPORT OF LOSSES

Quarter Ended October 31, 2016

EXHIBIT 4B - Year-to-Date

Description	Year-to-Date 11/01/2015 - 10/31/2016										Total	
	2016	2015	2014	2013	2012	Policy Year		2008	2007	2006		
						2011	2010					
PAID LOSSES:												
Fire	\$ 709,266	\$ 610,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,319,945
E.C. & VMM	362,710	1,199,858	196,808	33,779	-	-	-	-	-	-	-	1,793,155
Reinsurance Losses Ceded	(53,598)	(88,988)	(4,424)	-	-	-	-	-	-	-	-	(147,010)
Total	1,018,378	1,721,549	192,384	33,779	-	-	-	-	-	-	-	2,966,090
OUTSTANDING LOSSES (CURRENT PERIOD)*												
Fire	50,289	501,389	20,000	-	-	-	-	-	-	-	-	571,678
E.C. & VMM	748,380	27,618	8,616	-	-	-	-	-	-	-	-	784,614
Reinsurance Losses Ceded	(39,933)	(26,450)	(431)	-	-	-	-	-	-	-	-	(66,814)
Total	758,736	502,557	28,185	-	-	-	-	-	-	-	-	1,289,478
OUTSTANDING LOSSES (PRIOR PERIOD)*												
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)
Total	-	1,008,086	51,133	-	-	-	-	-	-	-	-	1,059,219
INCURRED LOSSES:												
Fire	759,555	969,142	(2,794)	-	-	-	-	-	-	-	-	1,725,903
E.C. & VMM	1,111,090	332,783	176,022	33,779	-	-	-	-	-	-	-	1,653,674
Reinsurance Losses Ceded	(93,531)	(85,905)	(3,792)	-	-	-	-	-	-	-	-	(183,228)
Total	1,777,114	1,216,020	169,436	33,779	-	-	-	-	-	-	-	3,196,349
IBNR (CURRENT PERIOD)												
Fire	44,915	-	-	-	-	-	-	-	-	-	-	44,915
E.C. & VMM	632,913	-	-	-	-	-	-	-	-	-	-	632,913
Reinsurance Losses Ceded	(33,891)	-	-	-	-	-	-	-	-	-	-	(33,891)
Total	643,937	-	-	-	-	-	-	-	-	-	-	643,937
IBNR (PRIOR PERIOD)												
Fire	-	50,342	-	-	-	-	-	-	-	-	-	50,342
E.C. & VMM	-	790,753	-	-	-	-	-	-	-	-	-	790,753
Reinsurance Losses Ceded	-	(19,790)	-	-	-	-	-	-	-	-	-	(19,790)
Total	\$ -	\$ 821,305	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 821,305

*Includes IBNR

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES
Quarter Ended October 31, 2016

EXHIBIT 4C - Quarterly

Quarterly 08/01/2016 - 10/31/2016

Description	Policy Year										
	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
LOSS EXPENSES PAID:											
Fire	\$ 26,702	\$ 13,637	\$ 21,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 61,594
E.C. & VMM	64,938	35,031	11,310	939	-	-	-	-	-	-	112,218
Reinsurance Loss Expenses Ceded	(4,582)	(2,350)	(319)	-	-	-	-	-	-	-	(7,251)
Total	87,058	46,318	32,246	939	-	-	-	-	-	-	166,561
UNPAID LOSS EXPENSES (CURRENT PERIOD)*											
Fire	6,302	50,214	18,951	-	-	-	-	-	-	-	75,467
E.C. & VMM	84,997	9,701	2,014	-	-	-	-	-	-	-	96,712
Reinsurance Loss Expenses Ceded	(4,564)	(2,996)	(101)	-	-	-	-	-	-	-	(7,661)
Total	86,735	56,919	20,864	-	-	-	-	-	-	-	164,518
UNPAID LOSS EXPENSES (PRIOR PERIOD)*											
Fire	6,622	51,311	2,000	1,542	-	-	-	-	-	-	61,475
E.C. & VMM	50,382	20,528	-	-	-	-	-	-	-	-	70,910
Reinsurance Loss Expenses Ceded	(2,850)	(3,592)	-	-	-	-	-	-	-	-	(6,442)
Total	54,154	68,247	2,000	1,542	-	-	-	-	-	-	125,943
INCURRED LOSS EXPENSES:											
Fire	26,382	12,540	38,206	(1,542)	-	-	-	-	-	-	75,586
E.C. & VMM	99,553	24,204	13,324	939	-	-	-	-	-	-	138,020
Reinsurance Loss Expenses Ceded	(6,296)	(1,754)	(420)	-	-	-	-	-	-	-	(8,470)
Total	\$ 119,639	\$ 34,990	\$ 51,110	\$ (603)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,136

*Includes IBNR

See Accountant's Compilation Report

ALABAMA INSURANCE UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES
Quarter Ended October 31, 2016

EXHIBIT 4C - Year-to-Date

Year-to-Date 11/01/2015 - 10/31/2016

Description	Policy Year										
	2016	2015	2014	2013	2012	2011	2010	2008	2007	2006	Total
LOSS EXPENSES PAID:											
Fire	\$ 49,812	\$ 55,599	\$ 21,807	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 127,218
E.C. & VMM	130,343	297,866	39,862	6,463	-	-	-	-	-	-	474,534
Reinsurance Loss Expenses Ceded	(9,007)	(17,408)	(690)	-	-	-	-	-	-	-	(27,105)
Total	171,148	336,057	60,979	6,463	-	-	-	-	-	-	574,647
UNPAID LOSS EXPENSES (CURRENT PERIOD)*											
Fire	6,302	50,214	18,951	-	-	-	-	-	-	-	75,467
E.C. & VMM	84,997	9,701	2,014	-	-	-	-	-	-	-	96,712
Reinsurance Loss Expenses Ceded	(4,564)	(2,996)	(101)	-	-	-	-	-	-	-	(7,661)
Total	86,735	56,919	20,864	-	-	-	-	-	-	-	164,518
UNPAID LOSS EXPENSES (PRIOR PERIOD)*											
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
INCURRED LOSS EXPENSES:											
Fire	56,114	91,521	38,479	-	-	-	-	-	-	-	186,114
E.C. & VMM	215,340	218,098	38,936	6,463	-	-	-	-	-	-	478,837
Reinsurance Loss Expenses Ceded	(13,571)	(17,450)	(685)	-	-	-	-	-	-	-	(31,706)
Total	\$ 257,883	\$ 292,169	\$ 76,730	\$ 6,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 633,245

*Includes IBNR

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