



ALABAMA INSURANCE UNDERWRITING ASSOCIATION

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Robert W. Groves
Secretary/Manager

March 10, 2008

TO: All Member Companies of the Alabama Insurance Underwriting Association (Beachpool)

FROM: Robert Groves, Secretary/Manager

As a licensed property insurance carrier in Alabama, we are notifying you of the requirement to report your 2007 premiums written to our office. Premiums are defined in the Plan of Operation as follows:

Section II – Definition of Terms; Sub-section 10: “Net Direct Premiums” mean gross direct premiums (excluding reinsurance assumed and ceded) received for Fire, Extended Coverage and Vandalism/Malicious Mischief insurance (including those components of Homeowners and Commercial Multiple Peril Package Policies), as computed by the Commissioner, excluding return premiums upon canceled contracts, dividends paid or credited to policyholders on the unused or unabsorbed portion of premium deposits and premiums on ineligible properties” (Ineligible properties: motor vehicles and farm property)

The AIUA Board of Directors, in cooperation with the Alabama Insurance Department, has computed the fire and extended coverage of homeowners’ premium to be 75% and commercial multi-peril premium to be 50% of the combined rate. (See line 7 of the enclosed form.)

If your company issues a package homeowner/automobile or commercial multi-peril/automobile policy and the automobile portion of the premium is reported on the attached form on line 1 under the columns headed “Homeowners” or “Commercial”, such premiums applicable to the automobile portion of the total premium must be deducted on line 4-E along with the other categories under Section 4.

Enclosed is the required format that must be used in reporting 2006 premiums. Please complete and return **two** copies to the Association. Please report all premiums to the nearest **whole dollar**. **IMPORTANT:** Page 20, lines 5.1 & 5.2 of the Annual Statement for commercial multi-peril premium figures should be combined. Please furnish a copy of your page 20 from the annual statement filed with the Alabama Insurance Department. If no premiums were written in the above referenced classes of business, please indicate “NONE” and return with the copy of the annual statement page.

A response should be **filed by May 31, 2008** from each company or group of companies based on how you decide future assessments and distributions of member equity should be made. You may go to our website at www.alabamabeachpool.org for duplicate copies of instructions for completing the form as well as the form itself.