

SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
BALANCE SHEET
QUARTER ENDED JULY 31, 2011

EXHIBIT 1

DESCRIPTION	LEDGER ASSETS	NON- LEDGER ASSETS	ASSETS NOT ADMITTED	ADMITTED ASSETS
ASSETS:				
Investments:				
U.S. Treasury Bills - at cost	0			0
Cash	31,311,136			31,311,136
Funds held in escrow	0			0
Accounts receivable (reinsurance premium adj.)	0			0
Assessments receivable	0		0	0
Reinsurance recoverable on loss payments	0			0
Interest accrued		0		0
Data processing equipment (less accumulated depreciation)	82,411			82,411
Furniture, fixtures & equipment (less accumulated depreciation)	46,551		46,551	0
Programming (net of amortization)	17,748		17,748	0
Section 444 Deposit (I.R.S.)	0			0
Prepaid operating expense	7,248,737		10,195	7,238,542
TOTAL ASSETS	38,706,583	0	74,494	38,632,089
LIABILITIES AND EQUITY:				
Reserves for:				
Unpaid losses				173,000
Reinsurance recoverable-unpaid losses				0
Unpaid loss adjustment expense				33,000
Reinsurance recoverable-unpaid loss exp.				0
Operating expenses				92,660
Unearned premiums: net				53,373,105
Premium taxes				1,956,552
TOTAL RESERVES				55,628,317
Payables for:				
Accounts payable				0
Amounts withheld for account of others				19,961
Post Retirement Benefit Payable				927,644
Reinsurance Premium Payable				197,996
TOTAL PAYABLES				1,145,601
MEMBERS' EQUITY				(18,141,829)
Total Liabilities and Equity				38,632,089

**SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
INCOME STATEMENT AND EQUITY ACCOUNT
QUARTER ENDED JULY 31, 2011**

EXHIBIT 2

DESCRIPTION	QUARTER: 05-01-2011 07-31-2011	YEAR-TO-DATE 11-01-2010 07-31-2011
<u>UNDERWRITING INCOME:</u>		
Net Premiums Earned	2,918,933	9,823,518
<u>DEDUCTIONS:</u>		
Losses incurred	194,496	263,011
Loss expenses incurred	48,041	113,009
Operating expenses incurred	4,425,706	10,779,857
TOTAL DEDUCTIONS	4,668,243	11,155,877
 Net Underwriting Gain or (Loss)	 (1,749,310)	 (1,332,359)
<u>OTHER INCOME OR (OUTGO)</u>		
Net Investment Income	5,089	18,212
Miscellaneous income	0	0
Other interest income	0	0
TOTAL OTHER INCOME OR (OUTGO)	5,089	18,212
 <u>Net Income or (Loss)</u>	 <u>(1,744,221)</u>	 <u>(1,314,147)</u>
 <u>EQUITY ACCOUNT:</u>		
Members' Equity (Prior Period)	(16,394,459)	(16,827,391)
Net income or (loss)	(1,744,221)	(1,314,147)
Change in assets not admitted	(3,149)	(291)
Assessments or (distributions)	0	0
Net change in equity	(1,747,370)	(1,314,438)
 Members' Equity (Current Period)	 <u>(18,141,829)</u>	 <u>(18,141,829)</u>

SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
MEMBERS' ACCOUNT
QUARTER ENDED JULY 31, 2011

EXHIBIT 3A

Combined Zones

DESCRIPTION	Quarter 05-01-2011 to 07-31-2011					Year-To-Date at 07-31-2011				
	2011	2010	2009	2008	Total	2011	2010	2009	2008	Total
INCOME RECEIVED:										
Premiums Written	30,435,236	0	0	0	30,435,236	70,407,269	0	0	0	70,407,269
Reinsurance Premiums Ceded	(21,828,066)	0	0	0	(21,828,066)	(62,886,798)	0	0	0	(62,886,798)
Net Premiums Written	<u>8,607,170</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,607,170</u>	<u>7,520,471</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,520,471</u>
Portfolio Transfer of										
Unearned Premiums:										
From Prior Assoc. Year	0	0	0	0	0	49,205,735	0	0	0	49,205,735
To Succeeding Assoc. Yr.	0	0	0	0	0	0	(49,205,735)	0	0	(49,205,735)
Acquisition Allowance on										
Portfolio Transfer										
From Prior Assoc. Year	0	0	0	0	0	(6,630,285)	0	0	0	(6,630,285)
To Succeeding Assoc. Yr.	0	0	0	0	0	0	6,630,285	0	0	6,630,285
Investment Income Received	5,214	0	0	0	5,214	18,212	3,111	0	0	21,323
Miscellaneous Income	0	0	0	0	0	0	0	0	0	0
Other Interest Income	0	0	0	0	0	0	0	0	0	0
Total Income	<u>8,612,384</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,612,384</u>	<u>50,114,133</u>	<u>(42,572,339)</u>	<u>0</u>	<u>0</u>	<u>7,541,794</u>
EXPENSES PAID:										
Losses	141,551	13,079	0	9,816	164,446	153,660	40,244	0	22,307	216,211
Reins. Recovered-Losses Paid	0	0	0	0	0	0	0	0	0	0
Loss Adjustment Expenses	34,359	3,322	8,105	2,505	48,291	45,347	24,894	15,342	3,676	89,259
Reins. Recovered-Loss Exp. Paid	0	0	0	0	0	0	0	0	0	0
Commissions	3,043,523	0	0	0	3,043,523	7,040,726	0	0	0	7,040,726
Commissions Ceded	(271,197)	0	0	0	(271,197)	(432,130)	(17,069)	0	0	(449,199)
Operating Expenses	731,473	0	0	0	731,473	1,964,581	35,005	0	0	1,999,586
Premium Taxes	0	1,876,471	303,521	0	2,179,992	0	2,493,964	303,521	0	2,797,485
Total Expenses Paid	<u>3,679,709</u>	<u>1,892,872</u>	<u>311,626</u>	<u>12,321</u>	<u>5,896,528</u>	<u>8,772,184</u>	<u>2,577,038</u>	<u>318,863</u>	<u>25,983</u>	<u>11,694,068</u>
Net Cash Change	<u>4,932,675</u>	<u>(1,892,872)</u>	<u>(311,626)</u>	<u>(12,321)</u>	<u>2,715,856</u>	<u>41,341,949</u>	<u>(45,149,377)</u>	<u>(318,863)</u>	<u>(25,983)</u>	<u>(4,152,274)</u>
REINSURANCE RECOVERABLE:										
DEDUCT (PRIOR PERIOD)										
Reins Recoverable-Losses Paid	0	0	0	0	0	0	0	0	0	0
Reins Recoverable-Loss Exp. Paid	0	0	0	0	0	0	0	0	0	0
ADD (CURRENT PERIOD)										
Reins Recoverable-Losses Paid	0	0	0	0	0	0	0	0	0	0
Reins Recoverable-Loss Exp. Paid	0	0	0	0	0	0	0	0	0	0
Net Change	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
RESERVES:										
DEDUCT (CURRENT PERIOD)										
Unpaid Losses	105,200	50,000	17,500	300	173,000	105,200	50,000	17,500	300	173,000
Reins. Recoverable-Unpaid Losses	0	0	0	0	0	0	0	0	0	0
Unpaid Loss Adjustment Expense	4,750	0	28,000	250	33,000	4,750	0	28,000	250	33,000
Reins. Recoverable-Unpd. Loss Exp.	0	0	0	0	0	0	0	0	0	0
Operating Expenses	92,660	0	0	0	92,660	92,660	0	0	0	92,660
Unearned Premiums	54,490,586	0	0	0	54,490,586	54,490,586	0	0	0	54,490,586
Unearned Premiums Ceded	(1,117,481)	0	0	0	(1,117,481)	(1,117,481)	0	0	0	(1,117,481)
Premium Taxes	1,956,552	0	0	0	1,956,552	1,956,552	0	0	0	1,956,552
ADD (PRIOR PERIOD)										
Unpaid Losses	61,900	63,250	17,500	300	142,950	0	58,700	67,500	0	126,200
Reins. Recoverable-Unpaid Losses	0	0	0	0	0	0	0	0	0	0
Unpaid Loss Adjustment Expense	3,750	1,000	28,000	500	33,250	0	6,750	2,500	0	9,250
Reins. Recoverable-Unpd. Loss Exp.	0	0	0	0	0	0	0	0	0	0
Operating Expenses	120,515	0	0	0	120,515	0	143,117	0	0	143,117
Unearned Premiums	48,522,098	0	0	0	48,522,098	0	56,653,117	0	0	56,653,117
Unearned Premiums Ceded	(837,230)	0	0	0	(837,230)	0	(976,965)	0	0	(976,965)
Premium Taxes	1,283,102	1,903,680	0	0	3,186,782	0	2,514,836	0	0	2,514,836
Net Reserve Change	<u>(6,378,132)</u>	<u>1,917,930</u>	<u>0</u>	<u>250</u>	<u>(4,459,952)</u>	<u>(55,532,267)</u>	<u>58,349,555</u>	<u>24,500</u>	<u>(550)</u>	<u>2,841,238</u>
OTHER CHANGES:										
DEDUCT (PRIOR PERIOD)										
Interest Accrued	125	0	0	0	125	0	3,111	0	0	3,111
Assets Not Admitted	(71,345)	0	0	0	(71,345)	0	(74,203)	0	0	(74,203)
ADD (CURRENT PERIOD)										
Interest Accrued	0	0	0	0	0	0	0	0	0	0
Assets Not Admitted	(74,494)	0	0	0	(74,494)	(74,494)	0	0	0	(74,494)
Net Other Changes	<u>(3,274)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(3,274)</u>	<u>(74,494)</u>	<u>71,092</u>	<u>0</u>	<u>0</u>	<u>(3,402)</u>
Assessments or (Distributions)	0	0	0	0	0	0	0	0	0	0
Change In Members' Equity	<u>(1,448,731)</u>	<u>25,058</u>	<u>(311,626)</u>	<u>(12,071)</u>	<u>(1,747,370)</u>	<u>(14,264,812)</u>	<u>13,271,270</u>	<u>(294,363)</u>	<u>(26,533)</u>	<u>(1,314,438)</u>

**SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
MEMBERS' ACCOUNT**

Quarter 05-01-2011 to 07-31-2011

EXHIBIT 3A 1

Zone 1

DESCRIPTION	Quarter 05-01-2011 to 07-31-2011					Year-To-Date at 07-31-2011				
	2011	2010	2009	2008	Total	2011	2010	2009	2008	Total
INCOME RECEIVED:										
Premiums Written	25,280,854	0	0	0	25,280,854	58,966,222	0	0	0	58,966,222
Reinsurance Premiums Ceded	(17,690,812)	0	0	0	(17,690,812)	(51,931,003)	0	0	0	(51,931,003)
Net Premiums Written	7,590,042	0	0	0	7,590,042	7,035,219	0	0	0	7,035,219
Portfolio Transfer of										
Unearned Premiums:										
From Prior Assoc. Year	0	0	0	0	0	41,413,228	0	0	0	41,413,228
To Secceeding Assoc. Yr.	0	0	0	0	0	0	(41,413,228)	0	0	(41,413,228)
Acquisition Allowance on										
Portfolio Transfer										
From Prior Assoc. Year	0	0	0	0	0	(5,580,274)	0	0	0	(5,580,274)
To Secceeding Assoc. Yr.	0	0	0	0	0	0	5,580,274	0	0	5,580,274
Investment Income Received	4,299	0	0	0	4,299	15,253	2,633	0	0	17,886
Miscellaneous Income	0	0	0	0	0	0	0	0	0	0
Other Interest Income	0	0	0	0	0	0	0	0	0	0
Total Income	7,594,341	0	0	0	7,594,341	42,883,426	(35,830,321)	0	0	7,053,105
EXPENSES PAID:										
Losses	141,551	13,079	0	0	154,630	153,660	26,047	0	0	179,707
Reins. Recovered-Losses Paid	0	0	0	0	0	0	0	0	0	0
Loss Adjustment Expenses	25,925	2,022	8,105	0	36,052	36,913	19,991	15,342	0	72,246
Reins. Recovered-Loss Exp. Paid	0	0	0	0	0	0	0	0	0	0
Commissions	2,528,084	0	0	0	2,528,084	5,896,621	0	0	0	5,896,621
Commissions Ceded	(123,464)	0	0	0	(123,464)	(193,331)	(9,532)	0	0	(202,863)
Operating Expenses	606,171	0	0	0	606,171	1,645,340	29,627	0	0	1,674,967
Premium Taxes	0	1,588,158	262,278	0	1,850,436	0	2,110,775	262,278	0	2,373,053
Total Expenses Paid	3,178,267	1,603,259	270,383	0	5,051,909	7,539,203	2,176,908	277,620	0	9,993,731
Net Cash Change	4,416,074	(1,603,259)	(270,383)	0	2,542,432	35,344,223	(38,007,229)	(277,620)	0	(2,940,626)
REINSURANCE RECOVERABLE:										
DEDUCT (PRIOR PERIOD)										
Reins Recoverable-Losses Paid	0	0	0	0	0	0	0	0	0	0
Reins Recoverable-Loss Exp. Paid	0	0	0	0	0	0	0	0	0	0
ADD (CURRENT PERIOD)										
Reins Recoverable-Losses Paid	0	0	0	0	0	0	0	0	0	0
Reins Recoverable-Loss Exp. Paid	0	0	0	0	0	0	0	0	0	0
Net Change	0	0	0	0	0	0	0	0	0	0
RESERVES:										
DEDUCT (CURRENT PERIOD)										
Unpaid Losses	75,600	40,000	17,500	0	133,100	75,600	40,000	17,500	0	133,100
Reins. Recoverable-Unpaid Losses	0	0	0	0	0	0	0	0	0	0
Unpaid Loss Adjustment Expense	3,250	0	28,000	0	31,250	3,250	0	28,000	0	31,250
Reins. Recoverable-Unpd. Loss Exp.	0	0	0	0	0	0	0	0	0	0
Operating Expenses	77,603	0	0	0	77,603	77,603	0	0	0	77,603
Unearned Premiums	45,600,367	0	0	0	45,600,367	45,600,367	0	0	0	45,600,367
Unearned Premiums Ceded	(530,847)	0	0	0	(530,847)	(530,847)	0	0	0	(530,847)
Premium Taxes	1,638,616	0	0	0	1,638,616	1,638,616	0	0	0	1,638,616
ADD (PRIOR PERIOD)										
Unpaid Losses	42,100	40,750	17,500	0	100,350	0	58,700	67,500	0	126,200
Reins. Recoverable-Unpaid Losses	0	0	0	0	0	0	0	0	0	0
Unpaid Loss Adjustment Expense	2,000	500	28,000	0	30,500	0	6,750	2,500	0	9,250
Reins. Recoverable-Unpd. Loss Exp.	0	0	0	0	0	0	0	0	0	0
Operating Expenses	101,561	0	0	0	101,561	0	121,128	0	0	121,128
Unearned Premiums	40,418,787	0	0	0	40,418,787	0	47,855,920	0	0	47,855,920
Unearned Premiums Ceded	(409,534)	0	0	0	(409,534)	0	(527,197)	0	0	(527,197)
Premium Taxes	1,081,300	1,611,186	0	0	2,692,486	0	2,128,440	0	0	2,128,440
Net Reserve Change	(5,628,375)	1,612,436	0	0	(4,015,939)	(46,864,589)	49,603,741	24,500	0	2,763,652
OTHER CHANGES:										
DEDUCT (PRIOR PERIOD)										
Interest Accrued	105	0	0	0	105	0	2,633	0	0	2,633
Assets Not Admitted	(60,124)	0	0	0	(60,124)	0	(62,802)	0	0	(62,802)
ADD (CURRENT PERIOD)										
Interest Accrued	0	0	0	0	0	0	0	0	0	0
Assets Not Admitted	(62,389)	0	0	0	(62,389)	(62,389)	0	0	0	(62,389)
Net Other Changes	(2,370)	0	0	0	(2,370)	(62,389)	60,169	0	0	(2,220)
Assessments or (Distributions)	0	0	0	0	0	0	0	0	0	0
Change In Members' Equity	(1,214,671)	9,177	(270,383)	0	(1,475,877)	(11,582,755)	11,656,681	(253,120)	0	(179,194)

**SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
MEMBERS' ACCOUNT**

Quarter 05-01-2011 to 07-31-2011

EXHIBIT 3A 2

Zone 2

DESCRIPTION	Quarter 05-01-2011 to 07-31-2011					Year-To-Date at 07-31-2011				
	2011	2010	2009	2008	Total	2011	2010	2009	2008	Total
INCOME RECEIVED:										
Premiums Written	5,154,382	0	0	0	5,154,382	11,441,047	0	0	0	11,441,047
Reinsurance Premiums Ceded	(4,137,254)	0	0	0	(4,137,254)	(10,955,795)	0	0	0	(10,955,795)
Net Premiums Written	1,017,128	0	0	0	1,017,128	485,252	0	0	0	485,252
Portfolio Transfer of										
Unearned Premiums:										
From Prior Assoc. Year	0	0	0	0	0	7,792,507	0	0	0	7,792,507
To Succeeding Assoc. Yr.	0	0	0	0	0	0	(7,792,507)	0	0	(7,792,507)
Acquisition Allowance on										
Portfolio Transfer										
From Prior Assoc. Year	0	0	0	0	0	(1,050,011)	0	0	0	(1,050,011)
To Succeeding Assoc. Yr.	0	0	0	0	0	0	1,050,011	0	0	1,050,011
Investment Income Received	915	0	0	0	915	2,959	478	0	0	3,437
Miscellaneous Income	0	0	0	0	0	0	0	0	0	0
Other Interest Income	0	0	0	0	0	0	0	0	0	0
Total Income	1,018,043	0	0	0	1,018,043	7,230,707	(6,742,018)	0	0	488,689
EXPENSES PAID:										
Losses	0	0	0	0	0	0	14,197	0	0	14,197
Reins. Recovered-Losses Paid	0	0	0	0	0	0	0	0	0	0
Loss Adjustment Expenses	8,434	1,300	0	0	9,734	8,434	4,903	0	0	13,337
Reins. Recovered-Loss Exp. Paid	0	0	0	0	0	0	0	0	0	0
Commissions	515,439	0	0	0	515,439	1,144,105	0	0	0	1,144,105
Commissions Ceded	(147,733)	0	0	0	(147,733)	(238,799)	(7,537)	0	0	(246,336)
Operating Expenses	125,302	0	0	0	125,302	319,241	5,378	0	0	324,619
Premium Taxes	0	288,313	41,243	0	329,556	0	383,189	41,243	0	424,432
Total Expenses Paid	501,442	289,613	41,243	0	832,298	1,232,981	400,130	41,243	0	1,674,354
Net Cash Change	516,601	(289,613)	(41,243)	0	185,745	5,997,726	(7,142,148)	(41,243)	0	(1,185,665)
REINSURANCE RECOVERABLE:										
DEDUCT (PRIOR PERIOD)										
Reins Recoverable-Losses Paid	0	0	0	0	0	0	0	0	0	0
Reins Recoverable-Loss Exp. Paid	0	0	0	0	0	0	0	0	0	0
ADD (CURRENT PERIOD)										
Reins Recoverable-Losses Paid	0	0	0	0	0	0	0	0	0	0
Reins Recoverable-Loss Exp. Paid	0	0	0	0	0	0	0	0	0	0
Net Change	0	0	0	0	0	0	0	0	0	0
RESERVES:										
DEDUCT (CURRENT PERIOD)										
Unpaid Losses	29,600	10,000	0	0	39,600	29,600	10,000	0	0	39,600
Reins. Recoverable-Unpaid Losses	0	0	0	0	0	0	0	0	0	0
Unpaid Loss Adjustment Expense	1,500	0	0	0	1,500	1,500	0	0	0	1,500
Reins. Recoverable-Unpd. Loss Exp.	0	0	0	0	0	0	0	0	0	0
Operating Expenses	15,057	0	0	0	15,057	15,057	0	0	0	15,057
Unearned Premiums	8,890,219	0	0	0	8,890,219	8,890,219	0	0	0	8,890,219
Unearned Premiums Ceded	(586,634)	0	0	0	(586,634)	(586,634)	0	0	0	(586,634)
Premium Taxes	317,936	0	0	0	317,936	317,936	0	0	0	317,936
ADD (PRIOR PERIOD)										
Unpaid Losses	19,800	22,500	0	0	42,300	0	0	0	0	0
Reins. Recoverable-Unpaid Losses	0	0	0	0	0	0	0	0	0	0
Unpaid Loss Adjustment Expense	1,750	500	0	0	2,250	0	0	0	0	0
Reins. Recoverable-Unpd. Loss Exp.	0	0	0	0	0	0	0	0	0	0
Operating Expenses	18,954	0	0	0	18,954	0	21,989	0	0	21,989
Unearned Premiums	8,103,311	0	0	0	8,103,311	0	8,797,197	0	0	8,797,197
Unearned Premiums Ceded	(427,696)	0	0	0	(427,696)	0	(449,768)	0	0	(449,768)
Premium Taxes	201,802	292,494	0	0	494,296	0	386,396	0	0	386,396
Net Reserve Change	(749,757)	305,494	0	0	(444,263)	(8,667,678)	8,745,814	0	0	78,136
OTHER CHANGES:										
DEDUCT (PRIOR PERIOD)										
Interest Accrued	20	0	0	0	20	0	478	0	0	478
Assets Not Admitted	(11,221)	0	0	0	(11,221)	0	(11,401)	0	0	(11,401)
ADD (CURRENT PERIOD)										
Interest Accrued	0	0	0	0	0	0	0	0	0	0
Assets Not Admitted	(12,105)	0	0	0	(12,105)	(12,105)	0	0	0	(12,105)
Net Other Changes	(904)	0	0	0	(904)	(12,105)	10,923	0	0	(1,182)
Assessments or (Distributions)	0	0	0	0	0	0	0	0	0	0
Change In Members' Equity	(234,060)	15,881	(41,243)	0	(259,422)	(2,682,057)	1,614,589	(41,243)	0	(1,108,711)

SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
MEMBERS' ACCOUNT FOR UNSETTLED YEARS
INCEPTION TO ASSOCIATION QUARTER ENDED JULY 31, 2011

Combined Zones

EXHIBIT 3B

DESCRIPTION	2011	2010	2009	2008	Total
INCOME RECEIVED:					
Premiums Written	70,407,269	97,126,555	96,468,252	96,671,087	360,673,163
Reinsurance Premiums Ceded	(62,886,798)	(84,873,172)	(85,765,386)	(75,944,952)	(309,470,308)
Net Premiums Written	<u>7,520,471</u>	<u>12,253,383</u>	<u>10,702,866</u>	<u>20,726,135</u>	<u>51,202,855</u>
Portfolio Transfer of Unearned Premiums:					
From Prior Assoc. Year	49,205,735	49,508,128	49,129,063	45,782,978	193,625,904
To Succeeding Assoc. Yr.	0	(49,205,735)	(49,508,128)	(49,129,063)	(147,842,926)
Acquisition Allowance on Portfolio Transfer					
From Prior Assoc. Year	(6,630,285)	(6,403,102)	(6,771,748)	(6,206,416)	(26,011,551)
To Secceeding Assoc. Yr.	0	6,630,285	6,403,102	6,771,748	19,805,135
Investment Income Received	18,212	41,335	139,547	1,178,494	1,377,588
Miscellaneous Income	0	0	0	0	0
Other Interest Income	0	0	0	0	0
Total Income	<u>50,114,133</u>	<u>12,824,294</u>	<u>10,094,702</u>	<u>19,123,876</u>	<u>92,157,005</u>
EXPENSES PAID:					
Losses	153,660	139,234	22,544	945,777	1,261,215
Reins. Recovered-Losses Paid	0	(2,500)	0	0	(2,500)
Loss Adjustment Expenses	45,347	73,199	49,721	219,056	387,323
Reins. Recovered-Loss Exp. Paid	0	(1,560)	0	(785)	(2,345)
Commissions	7,040,726	9,712,655	9,646,825	9,667,109	36,067,315
Commissions Ceded	(432,130)	(533,192)	(718,089)	(1,352,010)	(3,035,421)
Operating Expenses	1,964,581	3,231,258	2,791,395	2,338,878	10,326,112
Premium Taxes	0	3,097,157	3,403,199	3,093,968	9,594,324
Total Expenses Paid	<u>8,772,184</u>	<u>15,716,251</u>	<u>15,195,595</u>	<u>14,911,993</u>	<u>54,596,023</u>
Net Cash Change	<u>41,341,949</u>	<u>(2,891,957)</u>	<u>(5,100,893)</u>	<u>4,211,883</u>	<u>37,560,982</u>
REINSURANCE RECOVERABLE:					
ADD (CURRENT PERIOD)					
Reins Recoverable-Losses Paid	0	0	0	0	0
Reins Recoverable-Loss Exp. Paid	0	0	0	0	0
Net Change	<u>41,341,949</u>	<u>(2,891,957)</u>	<u>(5,100,893)</u>	<u>4,211,883</u>	<u>37,560,982</u>
RESERVES:					
DEDUCT (CURRENT PERIOD)					
Unpaid Losses	105,200	50,000	17,500	300	173,000
Reins. Recoverable-Unpaid Losses	0	0	0	0	0
Unpaid Loss Adjustment Expense	4,750	0	28,000	250	33,000
Reins. Recoverable-Unpd. Loss Exp.	0	0	0	0	0
Operating Expenses	92,660	0	0	0	92,660
Unearned Premiums	54,490,586	0	0	0	54,490,586
Unearned Premiums Ceded	(1,117,481)	0	0	0	(1,117,481)
Premium Taxes	1,956,552	0	0	0	1,956,552
Total Reserves	<u>55,532,267</u>	<u>50,000</u>	<u>45,500</u>	<u>550</u>	<u>55,628,317</u>
OTHER CHANGES:					
Interest Accrued	0	0	0	0	0
Assets Not Admitted	(74,494)	0	0	0	(74,494)
Total Other Changes	<u>(74,494)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(74,494)</u>
Assessments or (Distributions)	0	0	0	0	0
Net Members' Equity	<u>(14,264,812)</u>	<u>(2,941,957)</u>	<u>(5,146,393)</u>	<u>4,211,333</u>	<u>(18,141,829)</u>

**MEMBERS' ACCOUNT FOR UNSETTLED YEARS
INCEPTION TO ASSOCIATION QUARTER ENDED JULY 31, 2011**

Zone 1

EXHIBIT 3B1

DESCRIPTION	2011	2010	2009	2008	Total
INCOME RECEIVED:					
Premiums Written	58,966,222	82,203,395	83,360,097	0	224,529,714
Reinsurance Premiums Ceded	(51,931,003)	(71,832,702)	(74,111,542)	0	(197,875,247)
Net Premiums Written	<u>7,035,219</u>	<u>10,370,693</u>	<u>9,248,555</u>	<u>0</u>	<u>26,654,467</u>
Portfolio Transfer of Unearned Premiums:					
From Prior Assoc. Year	41,413,228	42,666,090	42,744,728	0	126,824,046
To Succeeding Assoc. Yr.	0	(41,413,228)	(42,666,090)	0	(84,079,318)
Acquisition Allowance on Portfolio Transfer					
From Prior Assoc. Year	(5,580,274)	(5,433,048)	(5,891,758)	0	(16,905,080)
To Secceeding Assoc. Yr.	0	5,580,274	5,433,048	0	11,013,322
Investment Income Received	15,253	34,984	120,585	0	170,822
Miscellaneous Income	0	0	0	0	0
Other Interest Income	0	0	0	0	0
Total Income	<u>42,883,426</u>	<u>11,805,765</u>	<u>8,989,068</u>	<u>0</u>	<u>63,678,259</u>
EXPENSES PAID:					
Losses	153,660	108,865	20,411	0	282,936
Reins. Recovered-Losses Paid	0	(2,500)	0	0	(2,500)
Loss Adjustment Expenses	36,913	65,336	45,277	0	147,526
Reins. Recovered-Loss Exp. Paid	0	(1,198)	0	0	(1,198)
Commissions	5,896,621	8,220,339	8,336,010	0	22,452,970
Commissions Ceded	(193,331)	(277,477)	(363,036)	0	(833,844)
Operating Expenses	1,645,340	2,734,787	2,412,099	0	6,792,226
Premium Taxes	0	2,621,289	2,940,770	0	5,562,059
Total Expenses Paid	<u>7,539,203</u>	<u>13,469,441</u>	<u>13,391,531</u>	<u>0</u>	<u>34,400,175</u>
Net Cash Change	<u>35,344,223</u>	<u>(1,663,676)</u>	<u>(4,402,463)</u>	<u>0</u>	<u>29,278,084</u>
REINSURANCE RECOVERABLE:					
ADD (CURRENT PERIOD)					
Reins Recoverable-Losses Paid	0	0	0	0	0
Reins Recoverable-Loss Exp. Paid	0	0	0	0	0
Net Change	<u>35,344,223</u>	<u>(1,663,676)</u>	<u>(4,402,463)</u>	<u>0</u>	<u>29,278,084</u>
RESERVES:					
DEDUCT (CURRENT PERIOD)					
Unpaid Losses	75,600	40,000	17,500	300	133,400
Reins. Recoverable-Unpaid Losses	0	0	0	0	0
Unpaid Loss Adjustment Expense	3,250	0	28,000	0	31,250
Reins. Recoverable-Unpd. Loss Exp.	0	0	0	0	0
Operating Expenses	77,603	0	0	0	77,603
Unearned Premiums	45,600,367	0	0	0	45,600,367
Unearned Premiums Ceded	(530,847)	0	0	0	(530,847)
Premium Taxes	1,638,616	0	0	0	1,638,616
Total Reserves	<u>46,864,589</u>	<u>40,000</u>	<u>45,500</u>	<u>0</u>	<u>46,950,089</u>
OTHER CHANGES:					
Interest Accrued	0	0	0	0	0
Assets Not Admitted	(62,389)	0	0	0	(62,389)
Total Other Changes	<u>(62,389)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(62,389)</u>
Assessments or (Distributions)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Members' Equity	<u>(11,582,755)</u>	<u>(1,703,676)</u>	<u>(4,447,963)</u>	<u>0</u>	<u>(17,734,394)</u>

INCEPTION TO ASSOCIATION QUARTER ENDED JULY 31, 2011

Zone 2

EXHIBIT 3B2

DESCRIPTION	2011	2010	2009	2008	Total
INCOME RECEIVED:					
Premiums Written	11,441,047	14,923,160	13,108,155	0	39,472,362
Reinsurance Premiums Ceded	(10,955,795)	(13,040,470)	(11,653,844)	0	(35,650,109)
Net Premiums Written	485,252	1,882,690	1,454,311	0	3,822,253
Portfolio Transfer of Unearned Premiums:					
From Prior Assoc. Year	7,792,507	6,842,038	6,384,335	0	21,018,880
To Succeeding Assoc. Yr.	0	(7,792,507)	(6,842,038)	0	(14,634,545)
Acquisition Allowance on Portfolio Transfer					
From Prior Assoc. Year	(1,050,011)	(970,054)	(879,990)	0	(2,900,055)
To Succeeding Assoc. Yr.	0	1,050,011	970,054	0	2,020,065
Investment Income Received	2,959	6,351	18,962	0	28,272
Miscellaneous Income	0	0	0	0	0
Other Interest Income	0	0	0	0	0
Total Income	7,230,707	1,018,529	1,105,634	0	9,354,870
EXPENSES PAID:					
Losses	0	30,369	2,133	0	32,502
Reins. Recovered-Losses Paid	0	0	0	0	0
Loss Adjustment Expenses	8,434	7,863	4,444	0	20,741
Reins. Recovered-Loss Exp. Paid	0	(362)	0	0	(362)
Commissions	1,144,105	1,492,316	1,310,815	0	3,947,236
Commissions Ceded	(238,799)	(255,715)	(355,053)	0	(849,567)
Operating Expenses	319,241	496,471	379,296	0	1,195,008
Premium Taxes	0	475,868	462,429	0	938,297
Total Expenses Paid	1,232,981	2,246,810	1,804,064	0	5,283,855
Net Cash Change	5,997,726	(1,228,281)	(698,430)	0	4,071,015
REINSURANCE RECOVERABLE:					
ADD (CURRENT PERIOD)					
Reins Recoverable-Losses Paid	0	0	0	0	0
Reins Recoverable-Loss Exp. Paid	0	0	0	0	0
Net Change	5,997,726	(1,228,281)	(698,430)	0	4,071,015
RESERVES:					
DEDUCT (CURRENT PERIOD)					
Unpaid Losses	29,600	10,000	0	0	39,600
Reins. Recoverable-Unpaid Losses	0	0	0	0	0
Unpaid Loss Adjustment Expense	1,500	0	0	0	1,500
Reins. Recoverable-Unpd. Loss Exp.	0	0	0	0	0
Operating Expenses	15,057	0	0	0	15,057
Unearned Premiums	8,890,219	0	0	0	8,890,219
Unearned Premiums Ceded	(586,634)	0	0	0	(586,634)
Premium Taxes	317,936	0	0	0	317,936
Total Reserves	8,667,678	10,000	0	0	8,677,678
OTHER CHANGES:					
Interest Accrued	0	0	0	0	0
Assets Not Admitted	(12,105)	0	0	0	(12,105)
Total Other Changes	(12,105)	0	0	0	(12,105)
Assessments or (Distributions)	0	0	0	0	0
Net Members' Equity	(2,682,057)	(1,238,281)	(698,430)	0	(4,618,768)

**SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF PREMIUMS
QUARTER ENDED JULY 31, 2011**

EXHIBIT 4A

DESCRIPTION	QUARTER 05-01-2011 07-31-2011	YEAR-TO-DATE 11-01-2010 07-31-2011
<u>PREMIUMS WRITTEN:</u>		
Allied Lines (Windstorm & Hail)	30,435,236	70,407,269
Reinsurance Premium Ceded	(21,828,066)	(62,886,798)
Net Premiums Written	8,607,170	7,520,471
<u>UNEARNED PREMIUMS (PRIOR PERIOD):</u>		
Allied Lines (Windstorm & Hail)	44,814,695	54,155,924
Advance Premiums (On Policies Not Yet In Force)	3,707,403	2,497,193
Reinsurance Premium Ceded	(837,230)	(976,965)
Net Prior Unearned	47,684,868	55,676,152
<u>UNEARNED PREMIUMS (CURRENT PERIOD):</u>		
Allied Lines (Windstorm & Hail)	50,607,292	50,607,292
Advance Premiums (On Policies Not Yet In Force)	3,883,294	3,883,294
Reinsurance Premium Ceded	(1,117,481)	(1,117,481)
Net Current Unearned	53,373,105	53,373,105
<u>EARNED PREMIUMS</u>		
Allied Lines (Windstorm & Hail)	2,918,933	9,823,518

**SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
STATISTICAL REPORT OF LOSSES
QUARTER ENDED JULY 31, 2011**

EXHIBIT 4B

	Quarter 05-01-2011 to 07-31-2011					Year-To-Date 11-01-2010 to 07-31-2011				
	Association Year					Association Year				
	2011	2010	2009	2008	Total	2011	2010	2009	2008	Total
PAID LOSSES										
Allied Lines (Windstorm & Hail)	141,551	13,079	0	9,816	164,446	153,660	40,244	0	22,307	216,211
REINSURANCE RECOVERED										
Reins. Recovered-Paid Losses	0	0	0	0	0	0	0	0	0	0
REINSURANCE RECOVERABLE: (CURRENT PERIOD)										
Reins. Recoverable-Paid Losses	0	0	0	0	0	0	0	0	0	0
REINSURANCE RECOVERABLE: (PRIOR PERIOD)										
Reins. Recoverable-Paid Losses	0	0	0	0	0	0	0	0	0	0
Total Paid Loss Net of Reinsurance	141,551	13,079	0	9,816	164,446	153,660	40,244	0	22,307	216,211
OUTSTANDING LOSSES (CURRENT PERIOD)										
Allied Lines (Windstorm & Hail)	105,200	50,000	17,500	300	173,000	105,200	50,000	17,500	300	173,000
REINSURANCE RECOVERABLE:										
Reins. Recoverable-Unpaid Losses	0	0	0	0	0	0	0	0	0	0
Outstanding Losses Net of Reins.	105,200	50,000	17,500	300	173,000	105,200	50,000	17,500	300	173,000
OUTSTANDING LOSSES (PRIOR PERIOD)										
Allied Lines (Windstorm & Hail)	61,900	63,250	17,500	300	142,950	0	58,700	67,500	0	126,200
REINSURANCE RECOVERABLE:										
Reins. Recoverable-Unpaid Losses	0	0	0	0	0	0	0	0	0	0
Outstanding Losses Net of Reins.	61,900	63,250	17,500	300	142,950	0	58,700	67,500	0	126,200
INCURRED LOSSES:										
Allied Lines (Windstorm & Hail)	184,851	-171	0	9,816	194,496	308,860	31,544	-100,000	22,607	263,011
IBNR (CURRENT PERIOD)										
Allied Lines (Windstorm & Hail)	50,000	50,000	0	0	100,000	50,000	50,000	0	0	100,000
IBNR (PRIOR PERIOD)										
Allied Lines (Windstorm & Hail)	50,000	50,000	0	0	100,000	0	50,000	50,000	0	100,000

**SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
 STATISTICAL REPORT OF LOSS ADJUSTMENT EXPENSES
 QUARTER ENDED JULY 31, 2011**

EXHIBIT 4C

	Quarter 05-01-2011 to 07-31-2011					Year-To-Date 11-01-2010 to 07-31-2011				
	Association Year					Association Year				
	2011	2010	2009	2008	Total	2011	2010	2009	2008	Total
LOSS EXPENSES PAID										
Allied Lines (Windstorm & Hail)	34,359	3,322	8,105	2,505	48,291	45,347	24,894	15,342	3,676	89,259
REINSURANCE RECOVERED										
Reins. Recovered-Paid Loss Expense	0	0	0	0	0	0	0	0	0	0
REINSURANCE RECOVERABLE: (CURRENT PERIOD)										
Reins. Recoverable-Paid Loss Expense	0	0	0	0	0	0	0	0	0	0
REINSURANCE RECOVERABLE: (PRIOR PERIOD)										
Reins. Recoverable-Paid Loss Expense	0	0	0	0	0	0	0	0	0	0
Total Paid Loss Net of Reinsurance	34,359	3,322	8,105	2,505	48,291	45,347	24,894	15,342	3,676	89,259
UNPAID LOSS ADJUSTMENT EXP (CURRENT PERIOD)										
Allied Lines (Windstorm & Hail)	4,750	0	28,000	250	33,000	4,750	0	28,000	250	33,000
REINSURANCE RECOVERABLE:										
Reins. Recoverable-Unpaid Loss Exp.	0	0	0	0	0	0	0	0	0	0
Outstanding Loss Expense Net of Reins.	4,750	0	28,000	250	33,000	4,750	0	28,000	250	33,000
UNPAID LOSS ADJUSTMENT EXP (PRIOR PERIOD)										
Allied Lines (Windstorm & Hail)	3,750	1,000	28,000	500	33,250	0	6,750	2,500	0	9,250
REINSURANCE RECOVERABLE:										
Reins. Recoverable-Unpaid Loss Exp.	0	0	0	0	0	0	0	0	0	0
Outstanding Loss Expense Net of Reins.	3,750	1,000	28,000	500	33,250	0	6,750	2,500	0	9,250
INCURRED LOSSES EXPENSES:										
Allied Lines (Windstorm & Hail)	35,359	2,322	8,105	2,255	48,041	50,097	18,144	40,842	3,926	113,009

**SOUTH CAROLINA WIND & HAIL UNDERWRITING ASSOCIATION
 CUMULATIVE REPORT OF CATASTROPHE LOSSES
 PERIOD FROM NOVEMBER 1, 2003 TO JULY 31, 2011**

EXHIBIT 5

CAT NUMBER	FISCAL ACCIDENT YEAR	DATE OF LOSS	NAME OF STORM	LOSSES		CLAIM EXPENSES			
				Case O/S	PAID	ALLOCATED		UNALLOCATED	
				Case O/S	PAID	Case O/S	PAID	Case O/S	PAID
N/A	2004	Aug 12-13 '04	BONNIE	0	111,622	0	1,892	0	9,699
26	2004	Aug 14-15 '04	CHARLEY	0	2,656,258	0	15,860	0	256,956
27	2004	Aug 29-30 '04	GASTON	0	468,916	0	2,946	0	74,773
28	2004	Sep 06-07 '04	FRANCES	0	27,457	0	3,086	0	5,652
30	2004	Sep 16-17 '04	IVAN	0	3,708	0	0	0	2,749
29	2004	Sep 27-28 '04	JEANNE	0	6,689	0	0	0	2,943
TOTAL				0	3,274,650	0	23,784	0	352,772

**SOUTH CAROLINA WIND AND HAIL UNDERWRITING ASSOCIATION
STATUS REPORT - IN FORCE LIABILITY**

AS OF: JULY 31, 2011

CITY (County)	Class	Zone 1 Policies In-force	Zone 1 Limits (000 omitted)	Zone 2 Policies In-force	Zone 2 Limits (000 omitted)
FRIPP ISLAND (Beaufort County)	Dwelling	1,015	516,157	0	0
	Mobile Home	0	0	0	0
	Commercial	3	231	0	0
HARBOR ISLAND (Beaufort County)	Dwelling	183	80,863	0	0
	Mobile Home	0	0	0	0
	Commercial	0	0	0	0
HILTON HEAD ISLAND (Beaufort County)	Dwelling	7,588	4,350,890	0	0
	Mobile Home	27	1,448	0	0
	Commercial	187	40,393	0	0
LADY'S ISLAND (Beaufort County)	Dwelling	0	0	1,166	416,972
	Mobile Home	0	0	4	340
	Commercial	0	0	16	2,019
ST HELENA ISLAND (Beaufort County)	Dwelling	470	163,838	12	4,171
	Mobile Home	44	2,761	1	90
	Commercial	0	0	0	0
REMAINDER OF COUNTY (Beaufort County)	Dwelling	253	174,487	70	42,681
	Mobile Home	4	158	0	0
	Commercial	8	842	0	0
TOTAL BEAUFORT COUNTY	Dwelling	9,509	5,286,234	1,248	463,823
	Mobile Home	75	4,366	5	430
	Commercial	198	41,466	16	2,019
	TOTALS	9,782	5,332,066	1,269	466,272
FOLLY BEACH (Charleston County)	Dwelling	865	325,026	38	9,298
	Mobile Home	0	0	0	0
	Commercial	22	10,211	0	0
ISLE OF PALMS (Charleston County)	Dwelling	1,919	1,096,182	9	4,335
	Mobile Home	0	0	0	0
	Commercial	24	5,728	0	0
JAMES ISLAND (Charleston County)	Dwelling	0	0	2,253	672,948
	Mobile Home	0	0	8	462
	Commercial	0	0	10	2,981
KIAWAH ISLAND (Charleston County)	Dwelling	792	547,454	0	0
	Mobile Home	0	0	0	0
	Commercial	12	2,881	0	0
MOUNT PLEASANT (Charleston County)	Dwelling	0	0	1,995	637,384
	Mobile Home	0	0	4	214
	Commercial	0	0	18	5,486
SEABROOK ISLAND (Charleston County)	Dwelling	780	453,374	0	0
	Mobile Home	0	0	0	0
	Commercial	1	65	0	0
SULLIVANS ISLAND (Charleston County)	Dwelling	571	374,355	0	0
	Mobile Home	0	0	0	0
	Commercial	11	4,876	0	0
REMAINDER OF COUNTY (Charleston County)	Dwelling	194	97,842	448	186,168
	Mobile Home	2	196	15	715
	Commercial	6	1,269	13	6,271
TOTAL CHARLESTON COUNTY	Dwelling	5,121	2,894,233	4,743	1,510,132
	Mobile Home	2	196	27	1,390
	Commercial	76	25,029	41	14,738
	TOTALS	5,199	2,919,459	4,811	1,526,261
EDISTO BEACH (Colleton County)	Dwelling	1,129	430,807	1	796
	Mobile Home	0	0	0	0
	Commercial	8	4,199	0	0
TOTAL COLLETON COUNTY	Dwelling	1,129	430,807	1	796
	Mobile Home	0	0	0	0
	Commercial	8	4,199	0	0

**SOUTH CAROLINA WIND AND HAIL UNDERWRITING ASSOCIATION
STATUS REPORT - IN FORCE LIABILITY**

AS OF: JULY 31, 2011

CITY (County)	Class	Zone 1 Policies In-force	Zone 1 Limits (000 omitted)	Zone 2 Policies In-force	Zone 2 Limits (000 omitted)
TOTALS		1,137	435,006	1	796
DEBORDIEU BEACH (Georgetown County)	Dwelling	235	186,323	0	0
	Mobile Home	0	0	0	0
	Commercial	1	200	0	0
GARDEN CITY (Georgetown County)	Dwelling	402	165,390	0	0
	Mobile Home	9	600	0	0
	Commercial	3	1,415	0	0
GEORGETOWN (Georgetown County)	Dwelling	40	30,434	116	30,536
	Mobile Home	0	0	0	0
	Commercial	0	0	4	438
LITCHFIELD BEACH (Georgetown County)	Dwelling	113	39,241	8	2,765
	Mobile Home	0	0	0	0
	Commercial	1	113	1	10
MURRELLS INLET (Georgetown County)	Dwelling	383	137,879	177	50,059
	Mobile Home	16	653	51	3,460
	Commercial	4	2,117	4	336
PAWLEYS ISLAND (Georgetown County)	Dwelling	1,213	479,997	485	161,519
	Mobile Home	15	548	7	513
	Commercial	33	10,138	13	6,240
REMAINDER OF COUNTY (Georgetown County)	Dwelling	233	98,848	32	10,104
	Mobile Home	0	0	0	0
	Commercial	1	2,575	0	0
TOTAL	Dwelling	2,619	1,138,110	818	254,983
GEORGETOWN	Mobile Home	40	1,801	58	3,973
COUNTY	Commercial	43	16,557	22	7,024
TOTALS		2,702	1,156,468	898	265,979
GARDEN CITY (Horry County)	Dwelling	738	181,786	2	383
	Mobile Home	521	33,557	0	0
	Commercial	21	13,482	0	0
LITTLE RIVER (Horry County)	Dwelling	0	0	1,205	287,535
	Mobile Home	0	0	54	4,178
	Commercial	0	0	25	8,901
MURRELLS INLET (Horry County)	Dwelling	655	194,187	530	125,693
	Mobile Home	79	5,371	19	1,473
	Commercial	6	1,446	3	219
MYRTLE BEACH (Horry County)	Dwelling	4,652	1,196,920	1,344	293,225
	Mobile Home	1,324	74,242	75	5,106
	Commercial	365	296,357	27	18,972
N MYRTLE BEACH (Horry County)	Dwelling	5,496	1,408,954	292	60,765
	Mobile Home	208	11,250	25	1,670
	Commercial	162	112,210	20	2,374
SURFSIDE BEACH (Horry County)	Dwelling	2,946	765,676	0	0
	Mobile Home	603	64,861	0	0
	Commercial	38	12,789	0	0
REMAINDER OF COUNTY (Horry County)	Dwelling	20	3,409	0	0
	Mobile Home	0	0	1	81
	Commercial	2	113	0	0
TOTAL	Dwelling	14,507	3,750,931	3,373	767,601
HORRY	Mobile Home	2,735	189,280	174	12,508
COUNTY	Commercial	594	436,397	75	30,466
TOTALS		17,836	4,376,608	3,622	810,576
ZONES	Dwelling	32,885	13,500,316	10,183	2,997,335
	Mobile Home	2,852	195,642	264	18,301
TOTAL	Commercial	919	523,649	154	54,247
TOTALS		36,656	14,219,607	10,601	3,069,883